

Supporting a low-carbon economy

Speakers: Zoë Knight, Group Head, Centre of Sustainable Finance, HSBC, and Wai-Shin Chan, Global Head, Climate Change Centre of Excellence, HSBC

[Zoë Knight] Sustainable finance is so interesting to work on because what we're doing is really thinking about how the economy is going to look in the future.

[Wai-Shin Chan] Finance and financial services are key enablers to everything that happens in the world – development, technological advancement, improvements in livelihood and it's important that this happens in a sustainable manner.

[Zoë Knight] At HSBC we define sustainable finance as any form of financial service that captures environmental, social or governance issues into business and investment decision-making.

[Wai-Shin Chan] Clients should take climate change seriously because the evidence is crystal clear. There have been many extreme events around the world in recent years, the hurricanes, typhoons, floods, droughts and wildfires, not only caused physical destruction and economic disruption but had profound implications for society, for livelihoods and biodiversity.

[Zoë Knight] Solving climate change isn't straightforward and there are a lot of difficult questions to address.

[Wai-Shin Chan] So it is important for our colleagues to be aware of the latest findings surrounding the science, the impacts, the policies, the implications and the opportunities and how that can affect the success of our clients. The Climate Change Centre of Excellence, together with the Centre of Sustainable Finance, provide the dedicated research and the resources to cater to our client needs as they journey towards a more sustainable future.

[Zoë Knight] The Centre of Sustainable Finance is all about answering the questions that will help us deliver solutions for our clients in the transition to a low-carbon economy. What we do in the centre is work with different types of partners, like academics, think-tanks, other corporates and industry associations so that we can really work with the best people to figure out the challenges related to low-carbon transition and energy transition. The centre is really useful for colleagues because it provides a resource for them to be able to engage with their own clients. So, for example, in Global Banking and Markets a relationship manager might be able to talk to a company that's operating in, for instance, utilities and really help them with what their decarbonisation roadmap might look like. That's really important for us to be able to provide quality insights and build stronger relationships across the board with our client base.

[Wai-Shin Chan] HSBC's Climate Change Centre of Excellence aims to provide the best analysis on the implications of climate change across economies, industries and sectors. Our main clients are institutional investors such as pension funds, asset managers and sovereign wealth funds as they look to manage money for the future. Clients may reconsider their exposure to higher-carbon activities such as fossil fuels and internal combustion engine vehicles in favour of lower-carbon activities, for example renewable energy and electric vehicles, as well as how prepared their business is and their supply chains are to the impacts of climate change.

[Zoë Knight] There are so many opportunities in this space for HSBC. What that means is through our global network we can create the connectivity of experience and best practice in one region and translate it into another and that's our real strength.

[Wai-Shin Chan] We've seen an acceleration in the area of sustainable finance. As public awareness grows, companies, governments and regulators are trying to respond accordingly.

[Zoë Knight] Banks have the responsibility of helping finance the transition to a low-carbon economy and for HSBC that means supporting our customers in their aims on that journey.

[Wai-Shin Chan] As the severity and the magnitude of climate impacts becomes increasingly clear I am hopeful that the response will be in the right direction. The question is, how quickly are we going to get there?