

31 January 2022

HSBC BECOMES PARTNER IN BREAKTHROUGH ENERGY CATALYST

- **HSBC to invest USD100m to accelerate green technologies earmarked by Breakthrough Energy Catalyst**
- **Catalyst supports decarbonisation of high-carbon sectors via four climate critical technologies – direct air capture, clean hydrogen, long-duration energy storage, and sustainable aviation fuel.**

(London) HSBC Holdings plc (“HSBC”) is today announcing it is investing USD100m as an anchor partner in Breakthrough Energy Catalyst, (“Catalyst”), a groundbreaking programme that leverages private-public capital to accelerate the development of clean technologies that will help achieve net-zero emissions by 2050.

Catalyst is an initiative within the larger Breakthrough Energy network founded by Bill Gates, which is designed to support decarbonisation of high-carbon sectors via investments in four climate critical technologies – direct air capture, clean hydrogen, long-duration energy storage, and sustainable aviation fuel. These technologies will be crucial to the future of areas such as power generation, transport and heavy industry – all of which must be addressed to progress towards net zero.

With estimates that half the technologies that are needed to achieve climate goals either do not exist yet or are too expensive for much of the world to afford¹, Catalyst brings together businesses, governments, philanthropists, and individuals to invest in the clean technologies that are needed to eliminate emissions. Catalyst funds actual projects, not companies, focusing on what it will take to drive down costs and rapidly grow the adoption of climate-smart technologies.

Catalyst also focuses on bringing down the cost of production for products, such as clean hydrogen and sustainable aviation fuel, thereby reducing the ‘Green Premium’² on these products and making them more accessible. HSBC’s USD100m investment will accelerate the global net zero pathway and supports HSBC’s goal of achieving net-zero climate impact by 2050.

In addition to its USD100m investment, HSBC will join the leadership council for Breakthrough Energy Catalyst, providing an expert view on the transition opportunities in some of its biggest markets, notably in Asia and the Middle East.

“To reach net zero, we need to reduce the cost of clean technologies so they can be deployed at scale and become more affordable and accessible for all,” said Bill Gates, Founder, Breakthrough Energy. “The only way to achieve this is through deep collaboration across public and private sectors – no country, company, or individual can halt the progress of climate change alone.”

¹ Source: Bill Gates, Founder, Breakthrough Energy <https://www.breakthroughenergy.org/articles/catalyst-anchor-partners-announced>

² The Green Premium is the difference in cost between a clean technology and its greenhouse gas emitting counterpart. Catalyst will lower the Green Premium for the technologies we’ll need to fully eliminate the world’s emissions, allowing them to scale faster than they naturally would have. <https://www.gatesnotes.com/Energy/Introducing-the-Green-Premiums>

Noel Quinn, HSBC's Group Chief Executive, commented: "A small number of green technologies will reshape the industrial landscape of the world over the next 5 to 10 years. I am grateful for the opportunity for HSBC to be part of Breakthrough Energy Catalyst to accelerate their development and make them scalable. I genuinely believe this groundbreaking partnership can help bring these much-needed clean solutions to market and build a more sustainable world."

Jonah Goldman, Managing Director, Breakthrough Energy Catalyst, said: "By joining Catalyst, HSBC and our other partners are demonstrating they are taking real action and willing to make meaningful investments in climate critical technologies. These organisations are truly leading the way and the investments they are making will have a positive impact on global emissions for decades to come."

Group Chief Sustainability Officer, HSBC, Dr Celine Herweijer, added: "Brilliant green tech innovations that could transform heavy carbon emitting industries and transform the power sector already exist. They just need investment like this to become reality. That is why we're backing Breakthrough Energy Catalyst. Our unique international footprint makes us well placed to advise on the global challenges and opportunities presented by the net zero transition, especially in Asia and the Middle East. We look forward to making a major contribution to the net zero journey as part of the Catalyst family."

ends/more

Media enquiries to:

Gita Bartlett
Alison Menon

Tel. + 44 (0) 7796 704281
Tel. + 1 (202) 468 0839

gita.bartlett@hsbc.com
alison@breakthroughenergy.org

Notes to editors:

About Breakthrough Energy Catalyst

Breakthrough Energy Catalyst is a first-of-its-kind model to finance, produce, and buy the new solutions that will underpin a zero-carbon economy. Catalyst seeks to bring together the public and private sectors to fund commercial-stage demonstration projects for critical decarbonisation technologies. Catalyst will address the early deployment funding gap for these technologies and provide a structure to accelerate their commercialization. Catalyst will start by funding projects across four technologies: direct air capture, clean hydrogen, long-duration energy storage, and sustainable aviation fuel. In the future, Catalyst intends to expand the same framework to other necessary innovations, like low-carbon steel and cement.

About HSBC Holdings plc

HSBC Holdings plc, the parent company of the HSBC Group, is headquartered in London. HSBC serves customers worldwide from offices in 64 countries and territories in our geographical regions: Europe, Asia, North America, Latin America, the Middle East and North Africa. With assets of US\$2,969 billion at 30 September 2021, HSBC is one of the world's largest banking and financial services organisations.

ends/all