

16 March 2022

## HSBC ANNOUNCES NET ZERO STEPS

HSBC Holdings plc ('HSBC') today announces plans to continue our leadership on climate change and outlines three steps we will take to turn our net zero ambition for our portfolio of clients into business transformation across the bank.

The bank's plans will only be achieved in partnership with our clients, by financing the change to their business models and technologies in order to lower their greenhouse gas emissions. In so doing, we will then lower the financed emissions of our portfolio to help meet our Net Zero by 2050 goal. Given our global presence and relationships with clients across industries and client groups, we recognise the role we can play in helping to catalyse change. Partnering with our clients, unlocking finance for clean technology, infrastructure and skills, and being clear on our science-based expectations for the transition, will enable our clients to play their part in helping the world reach a net zero future. Today's three steps are:

- **We will publish a bank-wide Climate Transition Plan in 2023.** The Plan will explain for the first time, in one place, how HSBC will implement its net zero ambition and the changes underway across the bank. This plan will bring together HSBC's climate strategy, and 2030 and 2050 science-based targets, with how we plan to embed this into the bank's strategy, processes, policies and governance. We will report annually on progress against the Plan in our Annual Report and Accounts.
- **Science-aligned phase down of fossil fuel finance.**
  - We commit to phase down our financing of fossil fuels to what is required to limit the global temperature rise to 1.5°C. This commitment builds upon recent announcements, including our new thermal coal financing phase-out policy which is now being implemented, and the publication last month of science-based targets for on-balance sheet financed emissions from the Oil and Gas, and Power and Utilities sectors.
  - We will continue to support clients in the energy sector who take an active role in the energy transition and who apply good industry practices around environmental, social, and governance issues.
  - Financing the transition is our primary objective. Doing so will require client-specific plans, and we will engage with our clients to understand and review their transition plans. If no transition plans are produced, or if after continued engagement a client transition plan is not compatible with HSBC's net zero 2050 target, we will formally assess whether we continue to provide financing for that client.
  - We expect to publish financed emissions targets to capture capital markets activities for the Oil and Gas and Power and Utilities sectors in the fourth quarter of 2022, once the Partnership for Carbon Accounting Financials (PCAF) accounting standard for capital markets is published.
- **In 2022 we will undertake a review of and update our wider financing and investment policies critical to achieving net zero by 2050.** In consultation with leading independent scientific, international and other bodies, we will assess how our policies can be updated to best reflect emerging science, international guidance, and good industry practice. This will include a wider energy policy encompassing conventional and unconventional oil and gas, methane emissions, and environmentally critical areas such as the Arctic, Amazon, and UNESCO World Heritage sites.

HSBC's announcement of these commitments has been supported by constructive engagement with its investors and ShareAction who, along with HSBC, are focused on the scale and urgency of change needed to reach a net zero global economy by 2050, or sooner.

Group Chief Sustainability Officer, Dr Celine Herweijer, said: “HSBC understands that the sudden energy crisis that the world finds itself in will necessitate actions in the short-term around energy security. Our clients, like us, are operating in this new reality, but the longer-term imperative over the coming decades to transform business models for a net zero future remains unchanged. If anything, the current crisis should galvanise the need to supercharge investment into the clean energy transition.”

Celine continued: “We believe we can have the biggest impact on climate action by actively engaging our clients on their transition, focusing on the need for robust and credible transition plans, and by providing the financing and advisory solutions that help unlock the investments needed. We know we need to transform the bank to achieve this, and we want to demonstrate the actions we are taking to make this happen.”

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**Notes to editors:**

Read the HSBC Climate Transition Plan Statement [here](#)

**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\$2,958 billion at 31 December 2021, HSBC is one of the world’s largest banking and financial services organisations.

**Cautionary statement:**

This document contains both historical and forward-looking statements. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. Forward-looking statements may be identified by the use of terms such as ‘may,’ ‘intends,’ ‘aims,’ ‘ambition,’ ‘plan,’ ‘target,’ ‘will,’ ‘should,’ ‘potential,’ ‘reasonably possible’ or ‘anticipates’ or the negative thereof or similar expressions, or by discussions of strategy. These forward-looking statements include statements relating to becoming a net zero bank and targets and methodologies for measuring financed emissions.

Achieving these aims is inherently uncertain and is subject to a number of risks and uncertainties, including the efficacy of government, customer, and HSBC’s actions in managing and mitigating climate change; societal shifts in customer financing and investment needs; delays to the pace of change; development and use of new technology; ability to exploit growth or investment opportunities; changes in public expectations and other changes to business conditions; adverse changes in regulatory capital and tax regimes; data quality and the availability and development of methodologies for measuring financed emissions; and the other risks, uncertainties and assumptions about HSBC, as described under ‘Cautionary statement regarding forward-looking statements’ and ‘Risk factors’ contained in the HSBC Holdings plc Annual Report on Form 20-F for the year ended 31 December 2021, filed with the Securities and Exchange Commission on 23 February 2022 (the ‘2021 Form 20-F’) available at [www.hsbc.com](http://www.hsbc.com). HSBC Holdings plc undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed herein might not occur. Investors are cautioned not to place undue reliance on any forward-looking statements, which speak only as of their dates. Additional information, including information on factors which may affect the HSBC Group’s business, is contained in the 2021 Form 20-F.

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