

HSBC in the UK to Purchase Power from 100% Renewable Sources by 2023

Driven by new Sorbie Wind Farm Project south-west of Glasgow

23 September 2021 – HSBC is expanding its efforts to generate its own renewable, zero-carbon electricity in the UK through an innovative Power Purchase Agreement (PPA) with Capital Dynamics, an independent global private asset management firm and one of the world's leading renewable energy investment managers, to develop the Sorbie Wind Farm Project in Ayrshire, south-west of Glasgow.

This PPA will be HSBC's fourth project in the UK supporting wind or solar projects, and will result in c.90% of the bank's UK electricity being sourced from renewable projects.¹ An additional 10% will be topped up with green tariffs, making 100% of the electricity purchased by HSBC in the UK to be from renewable sources by 2023.²

Emma Bunnell, Chief Operating Officer at HSBC UK said: "We are excited to help create new renewable energy sources in the UK, with benefits for us as well as our customers and the wider communities we serve.

A key part of HSBC's net zero operation's strategy is to replace brown energy with green, and entering into this PPA allows us to achieve this in the UK. Our strategy is to follow the 3Rs: Reduce consumption, replace to lower carbon alternatives, and lastly, remove remaining emissions when the first two are not possible. I'm delighted that we're on track to source power solely from renewable sources in the UK by 2023, well in advance of our 2030 target."

The Sorbie Wind Farm Project will include three turbines with a total capacity of 12.6MW. Due to begin generation in early 2023, HSBC has committed to purchasing energy from the wind farm for 15 years.

Barney Coles, Managing Director, Co-head of Clean Energy Infrastructure at Capital Dynamics said: "We are delighted that HSBC has joined Capital Dynamics as a key partner in developing the Sorbie Wind Farm - adding a critical source of clean, low-cost energy to the UK's power generation fleet. Strong commitments to renewable energy from companies like HSBC are essential to helping Europe lead the global energy transition and meet its emission targets. We look forward to working with HSBC and other multi-national corporations in Europe to develop affordable, subsidy-free projects that will accelerate private sector participation in the energy transition."

The new agreement follows HSBC's global ambition to become a net zero bank, including reaching net zero in its operations and supply chain by 2030 or sooner.³

Capital Dynamics has partnered with Energiekontor who, in addition to developing Sorbie, will provide construction management and ongoing operational support services to the wind farm.

Advisory services for the project have also been provided to HSBC by Ernst & Young LLP and Norton Rose Fulbright.

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Notes to Editors:

1. HSBC entered its first PPA agreement in the UK in 2014. Current PPAs include Jack's Lane Wind Farm in north west Norfolk, Wryde Croft Wind Farm in Cambridgeshire, and Swindon Solar Farm in Wiltshire. The current PPAs make up 70% of HSBC's UK electricity consumption, and combined they have so far avoided c.250,000 tonnes of carbon emissions from entering the atmosphere.
2. Where HSBC has direct control of the electricity supply. In some circumstances (c.3% of HSBC's UK electricity consumption), electricity is included in the service charges that HSBC pays to landlords, which may or may not be from renewable sources. Work is under way to engage with landlords and encourage them to switch to renewable energy.
3. More information on HSBC's ambitious climate strategy: www.hsbc.com/who-we-are/our-climate-strategy
4. **HSBC UK:**
HSBC UK serves around 15 million customers across the UK, supported by 26,000 colleagues. HSBC UK offers a complete range of retail banking and wealth management to personal and private banking customers, as well as commercial banking for small to medium businesses and large corporates.

HSBC Holdings plc

HSBC Holdings plc, the parent company of HSBC, is headquartered in London. HSBC serves customers worldwide from offices in 64 countries and territories in its geographical regions: Europe, Asia, North America, Latin America, and Middle East and North Africa. With assets of US\$2,976bn at 30 June 2021, HSBC is one of the world's largest banking and financial services organisations.

5. Capital Dynamics

Capital Dynamics is an independent global asset management firm focusing on private assets, including private equity (primaries, secondaries co-investments), private credit, and clean energy infrastructure. Created in 1988, the Firm has extensive knowledge and experience developing solutions tailored to meet the exacting needs of a diverse and global client base of institutional and private wealth investors. As of Q2 2021, Capital Dynamics oversees more than USD 15 billion in assets under management and advisement¹, and employs approximately 160 professionals globally across 13 offices in Europe, the Middle East, North America, and Asia.

With over three decades of experience, Capital Dynamics has developed long-term relationships with over 350 private equity fund managers globally, enabling powerful and proprietary deal flow across primaries, secondaries, co-investments, and private credit opportunities. The Firm's clean energy infrastructure platform makes direct equity investments in carbon-reducing renewable energy power generation from late-stage development to commercial operations.

Capital Dynamics is a recognized industry leader in responsible investing, receiving the highest marks from the UNPRI for its Strategy & Corporate Governance, and investment strategies. The Firm combines robust returns with market-leading ESG practices, including designing, implementing and trademarking the Capital Dynamics R-Eye™ Rating System – a unique, best-in-class approach to diligence and rating of each investment based on UNPRI principles and UN Sustainable Development Goals. For more information, please visit: www.capdyn.com

¹ As of June 30, 2021. Assets Under Management are calculated based on the total commitments as of the final closing date for all funds currently managed by Capital Dynamics, including amounts that have been distributed. Assets Under Advisement includes assets for which Capital Dynamics provides services such as reporting, monitoring and risk management.