

Friday 5 November 2021

HSBC UK LAUNCHES £500M GREEN SME FUND*****First loan for SMEs offering 1% cashback
for green activities in the UK*****

HSBC UK has announced the launch of a £500m Green SME Fund as part of its commitment to support businesses of all sizes to transition and thrive in a low carbon economy.

This follows HSBC's global commitment to provide between USD750 billion and USD1 trillion of financing and investment to support its customers over the next 10 years.

While the sustainable finance market has predominately focused on larger corporations, small and medium-sized enterprises are increasingly being described as the 'new front' in the battle against climate change¹.

The new £500m fund is available for businesses with a turnover of less than £25m and will offer 1% cashback on loans, starting from £1,000² to help SMEs invest in green activities. This is the first green offering for small businesses with a cashback proposal in the UK.

To qualify for the cashback, evidence must be provided that the use of the loan proceeds meet [HSBC's Eligible Criteria for Green Activities](#), which have been independently reviewed by Sustainalytics.

HSBC UK is also launching a [Sustainability Assessment Tool](#) that provides actionable insights and resources to help businesses transition to net zero.

Speaking from COP26 today, Ian Stuart, CEO HSBC UK said:

"I am delighted to announce to the launch of HSBC UK's £500m Green SME Fund.

"Companies of all sizes and sectors have a role to play in the journey to net zero, however the sustainable finance market has been predominately focused on larger corporations. It's critical that access to funds isn't a barrier for small and medium sized businesses working to achieve lower carbon emissions.

"We want to help businesses seize the opportunities and growth potential that environmental sustainability offers and the fund, along with our new and expanding suite of tools and resources, will make it easier for small businesses to take practical steps to cut their emissions and help their customers to cut theirs too."

Expanding tools, resources and expertise

Businesses of all sizes need to act now, as they face increasing governmental pressure to reduce emissions, as well as increased pressure from consumers.

New research from HSBC UK³ has found that despite half of businesses feeling pressure from customers, government and the media, just 23% are measuring

environmental metrics. While a quarter of small businesses want to play their part, believing that a focus on environmental sustainability will grow their business in the next 12 months, they told us that cost is a key barrier.

HSBC UK wants to help remove the barriers small businesses face in the drive to transition to a lower carbon economy.

The Green SME fund and the Sustainability Assessment Tool are the latest additions to HSBC UK's sector expertise and green product range for British businesses:

- Dedicated Sustainable Finance team
- 500 sustainability ambassadors around the UK
- Green SME Fund
- Green Term Loans
- Sustainability Linked Loans
- Green Revolving Credit Facilities
- Green Asset Finance
- Green Deposits
- Green and Sustainable Trade Finance
- Green and Sustainability Linked Bonds
- [Sustainability Hub](#)

Case study

Showing our commitment to supporting our customers to transition to net zero, we have already provided funding to David Luke Schoolwear.

The Manchester-based school uniform provider has installed over 1,000 solar panels with support from HSBC UK to reduce carbon emissions and cut costs. Utilising a six-figure funding package to install 1,700 sq mtrs of ERS solar panels at its headquarters in central Manchester.

As a result of the installation, the business will have the capacity to generate a peak solar array of 295kw-h onsite, enabling a 25-tonne reduction in carbon emissions every year. Over a 25 year solar-lifespan, David Luke Schoolwear is expecting to save up to 3,600 tonnes in carbon emissions.

The funding provided by HSBC UK comes as part of a Green Loan, dedicated funding to support sustainability projects and help SMEs and mid-market companies achieve their green ambitions.

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For the latest news and updates, visit the HSBC UK newsroom:

<https://www.about.hsbc.co.uk/news-and-media>

- 1 Boston Consulting Group and HSBC, Delivering Net Zero Supply Chains. The Multi-Trillion Dollar Key to Beat Climate Change.
- 2 The Green SME Fund will launch in January 2022, at which point the full eligibility criteria and T&Cs for both the Fund and the cashback offer will be made available.
- 3 All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 1103 adults. Fieldwork was undertaken between 31st August - 8th September 2021.

The survey was carried out online. The figures have been weighted and are representative of British business size.

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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 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.