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FIRST ESG-THEMED INDEX FOR THE GREATER BAY AREA SET TO LAUNCH

Jointly developed by HSBC and CECEP Environmental Consulting Group

Aims to be state-of-the-art ESG indexing system for the GBA

HSBC has partnered with CECEP Environmental Consulting Group (CECEPEC) to develop a new index that evaluates the overall Environment, Social and Governance (ESG) performance of the Guangdong-Hong Kong-Macao Greater Bay Area (GBA). The “HSBC GBA ESG Index” (the Index) aims to offer an integrated view of the region’s ESG development, and thereby raise public awareness towards best practices. The first set of results will be unveiled in December 2022.

Published quarterly, the Index will provide insights into overall market trends and policy direction, as well as analysis broken down by city, industry and company. This first-of-its-kind ESG indexing system can serve as a practical guide to inspire institutions, companies and individuals to improve their ESG approaches.

Sustainable development is a strategic pillar of the GBA, where each of the 11 cities is building up its ESG capabilities in recent years. Hong Kong’s position as a gateway to global capital markets has made it the largest pool of green and sustainability bonds in the Asia-Pacific region. The Pearl River Delta is at the forefront of China’s hi-tech innovation and advanced manufacturing and services. New energy companies and sustainable supply chains in the region stand to benefit from this green shift and industrial transformation in China.

Daniel Chan, Head of Greater Bay Area, HSBC, said, “As a national leader in green finance, intelligent manufacturing, and new energy vehicle industry, the GBA is well placed to accelerate its net-zero transition, which is vital to its future growth. The transition requires large-scale changes in the way industries are run, the corporate governance standards they demand and the societal support they require. It is the defining issue of our time and we need to work together to tackle it. With this Index, we hope to make available useful references to GBA companies and industries so that they can tailor their ESG strategy and action plan.”

Kevin Yang, General Manager of CECEP (Hong Kong) Investment Company Limited and CECEP Environmental Consulting Group Limited,

said, “The GBA is one of the most important economic growth engines in China and the Asia-Pacific region. In the context of China’s 30-60 dual carbon goals, the GBA should formulate a clear roadmap and timeline for sustainable transformation under the guidance of the national strategy. It should finetune its positioning and explore economic opportunities that support sustainable growth. The cooperation between HSBC and CECEPEC to develop an ESG-themed index happens at an opportune time, when this topic is moving from the margins to the mainstream.”

The Index will use a combination of macro and micro methodologies to systematically measure the ESG performance of the GBA through different lens, ranging from environmental risk, socioeconomic development, corporate governance to sustainable finance and investment. On top of the main GBA ESG Regional Index, sub-indices, including City Sub-indices, Industry Sub-indices and Company Sub-indices, will also be compiled.

HSBC is embedding sustainability into the products and services it offers to customers, including access to capital markets, lending, transaction banking, advisory services and investments, as well as tailored solutions for companies, large and small, across all industries. For instance, a GBA Sustainability Fund of USD5 billion was launched in May 2022 to support sustainable activities and net zero transition initiatives of companies in the GBA*.

CECEPEC is a leading ESG and sustainability consulting firm in the Asia-Pacific region. It partners with corporates in different industries as well as financial institutions in their journeys towards carbon neutrality and sustainability, helping them explore and create sustainable value.

* Reminder: To borrow or not to borrow? Borrow only if you can repay!

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Note to editors:

The Hongkong and Shanghai Banking Corporation Limited

The Hongkong and Shanghai Banking Corporation Limited is the founding member of the HSBC Group. HSBC serves customers worldwide from offices in 63 countries and territories in its geographical regions: Europe, Asia, North America, Latin America, and Middle East and North Africa. With assets of USD2,985bn at 30 June 2022, HSBC is one of the largest banking and financial services organisations in the world.

CECEP Environmental Consulting Group Limited

CECEP Environmental Consulting Group Limited is a professional sustainability consulting company established by CECEP. We are headquartered in Hong Kong with branch offices in Beijing, Shenzhen and Shanghai. Our partners and clients are found throughout Greater China, Europe, and America, covering national governments, industry associations, mainstream financial institutions and nearly 200 well-known enterprises in and out of China. We are committed to providing bespoke solutions to satisfy the specific sustainability needs for various industries, which include sustainability management consulting, green and sustainable finance consulting, climate change and carbon neutrality consulting with implementation solutions, and others.

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