

INVESTOR INITIATIVES ON CLIMATE RISK & OPPORTUNITIES

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HSBC Holdings plc

1st February 2005, Paris

Our View on Climate Change.....



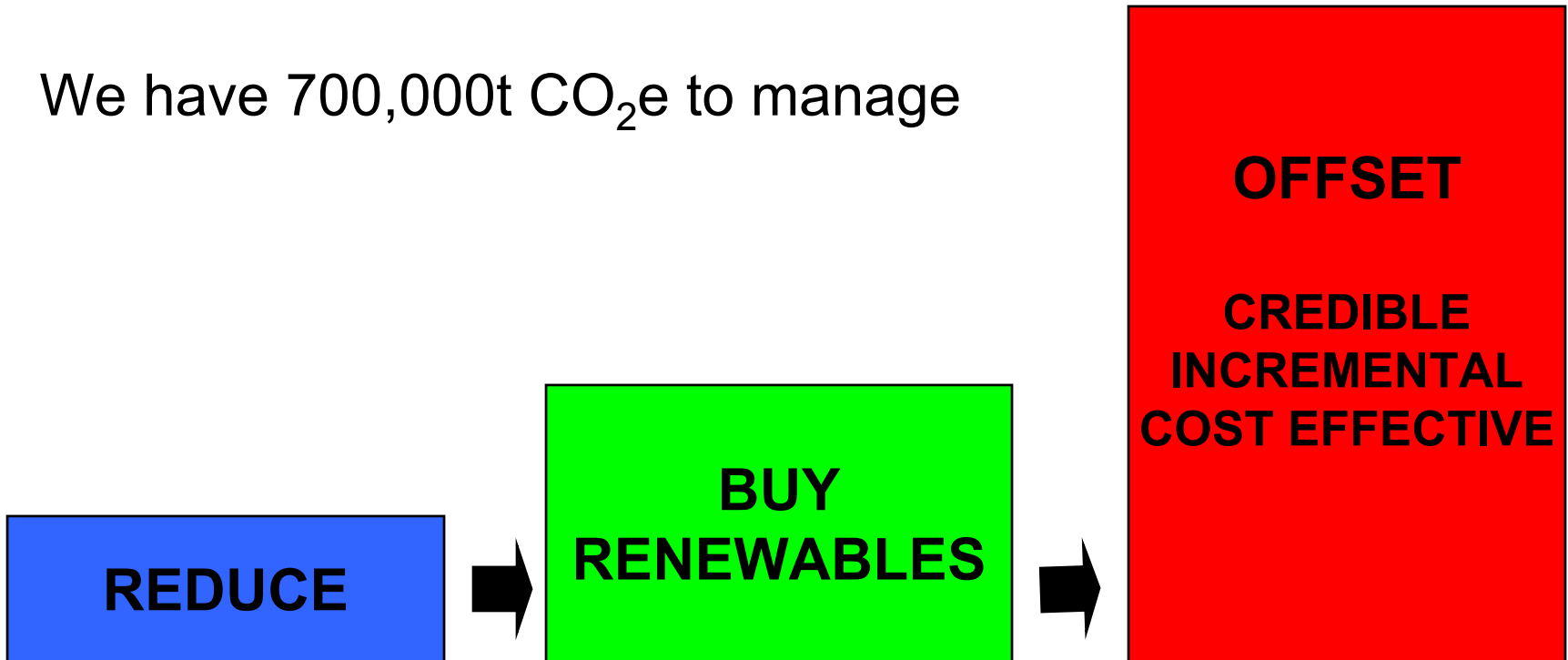
“It is our judgement that climate change represents the largest single environmental challenge this century”

(Sir John Bond, Group Chairman, HSBC Holdings plc April 2004)

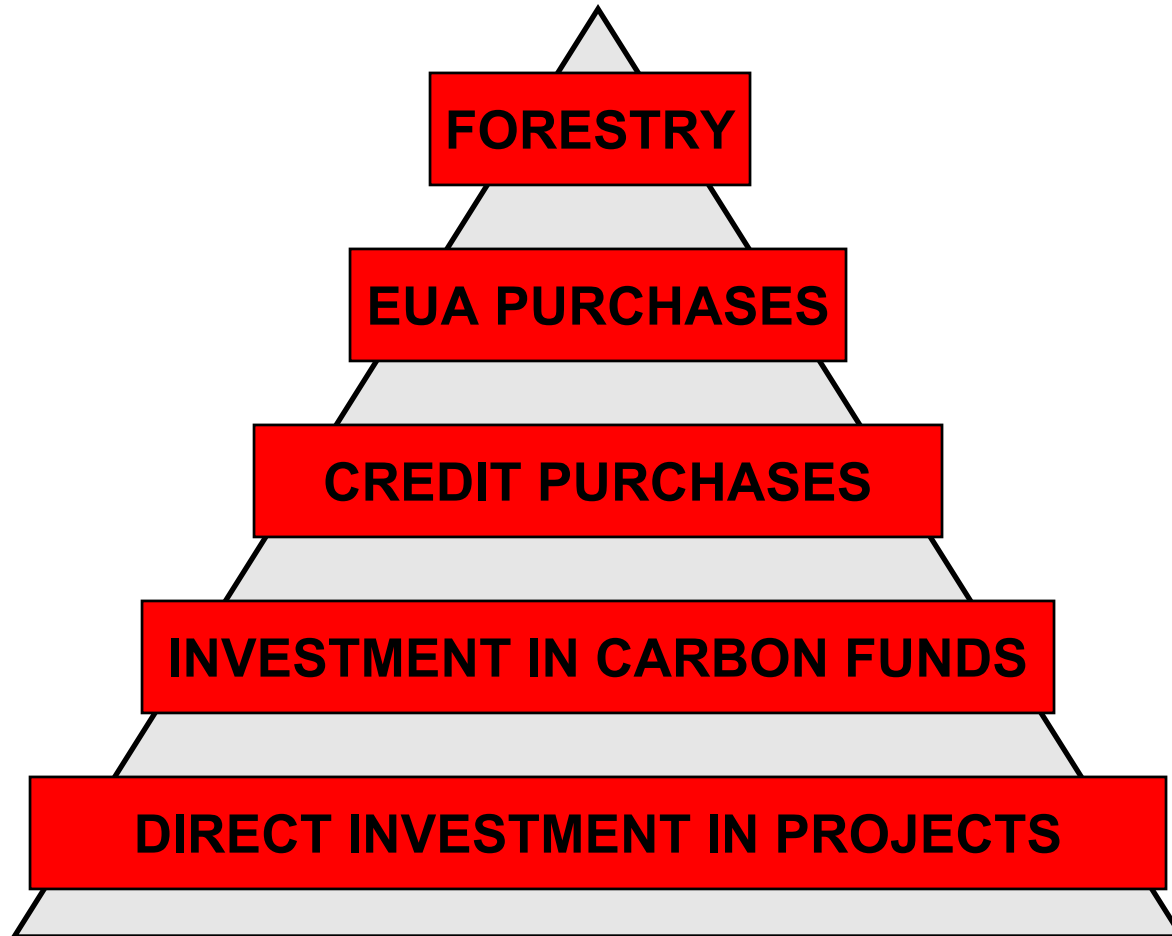
Our Contribution.....

HSBC will be the world's first major bank to go carbon neutral

We have 700,000t CO₂e to manage



Our Principles and Priorities.....



Our Process and Capacity.....

- Carbon Management Task Force established under the sponsorship of the Group Chief Executive
- Business Partnerships - founding members of The Climate Group's Bank Working Group
- University Partnerships - "Understanding Change to Change Understanding"
- Education - Carbon Neutral Schools sponsorship

Our Perception of Opportunity.....

- “Clean” projects in the developing world - we are uniquely positioned
- Emissions trading - markets and bilaterally
- Consumer products and services
- Carbon funds
- Climate Risk identification and management
- Taking a leadership position in understanding the needs of and opportunities for our clients

.....and of possible barriers.....

- Post 2012 risks
- CO₂ L/T Price Curve
- Additionality
- Time
- Cost
- Complexity
- Capacity

Project finance timelines are often 10-20 years. Critical success issues are additionality and creating a post 2012 framework primarily, and addressing time, cost and complexity secondarily.

Any Questions?