HSBC Global Asset Management Limited and Pollination Group Holdings Limited, the specialist climate change advisory and investment firm, announced that they have entered into a joint venture agreement to establish HSBC Pollination Climate Asset Management – subject to regulatory approval. The partnership will aim to create the world’s largest natural capital manager and is the first large-scale venture to mainstream natural capital as an asset class. Industry veteran, Christof Kutscher, will be named Executive Chairman of the joint venture.

HSBC Global Asset Management and Pollination will both provide resources to the planned joint venture and it will operate independently. Through the creation of private investment opportunities HSBC Pollination Climate Asset Management aims to offer investors a wide exposure to global natural capital themes in both emerging and developed markets. The partnership will also provide stewardship and evaluation of the investments, enabling investors to quantitatively measure impact.

The proposed group of strategies will aim to attract capital from institutional investors, including sovereign wealth funds, pension funds and insurers into natural capital investments. The first strategy, which aims to launch mid next year, will look to raise up to USD1 billion followed by a carbon credit strategy at up to USD2 billion. HSBC intends to become a cornerstone investor in the first strategy. The strategies will invest in a diverse range of projects that will preserve, protect and enhance nature over the long-term.

Sustainable investment in natural capital provides exposure to projects focused on nature including sustainable forestry, regenerative and sustainable agriculture, water supply, blue carbon (carbon captured by oceans and coastal ecosystems), nature based bio-fuels, or nature based projects that generate returns from reducing greenhouse emissions.

Martijn Wilder AM, Co-founding Partner, Pollination said: “To reach the goals set in the Paris Agreement we need to originate and fund new approaches that protect nature, at scale. In a global economy that is on a path to rapid decarbonisation, we regularly hear from investors and organisations looking for investment opportunities that will mitigate long-term climate risk. In natural capital, we’re accelerating investment in an asset class that can help combat climate change and build biodiversity, whilst also generating long-term returns for institutional investors. Investing in the resilience of nature is investing in the resilience of the economy. Nature is the most fertile investment we have.”

Nicolas Moreau, Global CEO, HSBC Global Asset Management, said: “Clients are increasingly focused on environmental matters and this initiative is designed to help them achieve a financial return, while at the same time creating a positive impact on the world’s biodiversity which will be felt for generations to come. Through solutions such as this, we’re helping clients achieve their long-term investment objectives, while meeting their increasing demand to actively contribute to a more sustainable world.”

Sustainable investing represents a growing need and has demonstrated continued growth in recent years, with capital invested in sustainable infrastructure projects increasing by about 3 times (from 2010 to 2018) to ca. USD31tn globally.¹ This announcement follows soon after HSBC Global Asset Management announcing its private investor close for its emerging market HSBC Real Economy Green Investment Opportunity GEM Bond Fund in partnership with the IFC, part of the World Bank.

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Media enquiries to:

HSBC Global Asset Management
Rob Sherman +1 646 939 6998 robert.a.sherman@us.hsbc.com
Mat Barling +44(0) 207992 5568 matthew.barling@hsbc.com
Charles Clarke +44(0) 207991 8805 charleswclarke@hsbc.com

Pollination
Simon Maule +44(0) 7748658171 simonmaule@luther.co.uk
Keith Brookbank +44(0) 779863675 keithbrookbank@luther.co.uk

Notes to editors:

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HSBC Global Asset Management

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HSBC Global Asset Management is the marketing name for the asset management businesses of HSBC Holdings plc.

The HSBC Group

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About Pollination Group
Pollination is a specialist climate change advisory and investment firm, accelerating the transition to a net zero, climate resilient future. The firm brings together global experts in climate investment, finance, strategy, policy, law and technology - connecting dots and linking opportunity where others can’t. Pollination develops holistic, integrated solutions required to address the complex climate agenda. It has a presence in Europe, the United States, Australia and Asia. For more information, see www.pollinationgroup.com.

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