

# Green Deposits

HSBC's Green Deposit program presents your corporate treasury with an opportunity to fulfil its sustainability goals by investing your surplus cash balances into environmentally friendly projects and initiatives financed by HSBC.



## Key Features

- ◆ Savings account with a “Green” feature, where HSBC uses the deposits to fund eligible environmentally beneficial projects and businesses in Canada.
- ◆ Green Deposits are offered via two products; 31 Day Notice Account and Commercial Investment Account, available in Canadian or US Dollars at competitive interest rates.<sup>1</sup>
- ◆ Green Deposit limits apply in line with the availability of eligible projects and businesses seeking financing in Canada.

## Key Benefits

- 1 Simple:** HSBC uses our lending expertise to source and manage eligible green loans.
- 2 Brand:** Contribute to your sustainability agenda and demonstrate your ESG commitment to investors.

## Who is it for?

- ◆ Corporate or public sector companies looking for inclusion of sustainability agenda into their financial activities.
- ◆ Companies with limited opportunities for direct investment in environmentally beneficial projects.
- ◆ Companies who have surplus cash available for investment in deposits.

## How do we ensure that funds go to environmentally beneficial projects?

HSBC allocates Green Deposits to fund loans made under its Green Loan Program (subject to the availability of advances).

HSBC's Green Loan Program<sup>2</sup>, which establishes eligibility for green loans, is aligned to the Green Loan Principles published by the Loan Markets Association and other internationally-recognized organizations.

Adherence to green loan eligibility requirements is supported by a mature internal governance structure made up of sustainability experts, senior directors and managers with responsibility for oversight of the use of funds in line with relevant market practices and internal policies.

## How are Green Deposit limits applied?

Funds deposited through Green Deposits are used to finance environmentally beneficial projects through customer lending. Availability of such lending determines the limits available for Green Deposits. Customers will be notified of their Green Deposit limit during the application process. Any amount placed above the limit won't qualify as a Green Deposit and will not earn credit interest. Customers will also receive reports outlining the application of Green Deposits to Green Loans. Green Deposit Limits may change from time to time.

## Green Project Themes<sup>3</sup>

- ◆ Biodiversity conservation
- ◆ Clean transportation
- ◆ Climate change adaptation
- ◆ Energy efficiency
- ◆ Green buildings
- ◆ Pollution prevention and control
- ◆ Renewable energy
- ◆ Sustainable resource management

## How do customers get information on the use of deposited funds?

HSBC will provide customers a quarterly report containing portfolio-level information regarding the use of deposited funds.

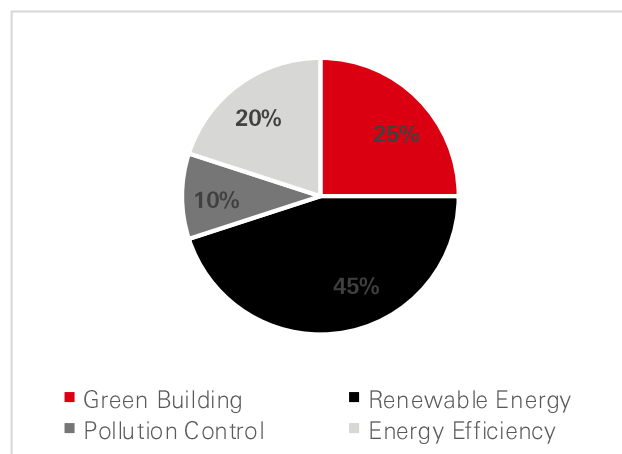
Due to timing gaps between funds being deposited and eligible projects financed, a portion of Green Deposits may be unallocated. HSBC will aim to maximize the allocation of funds through close monitoring of funding and lending pipelines. Deposited funds awaiting allocation will be clearly identified in the quarterly report.

Below is an example of the quarterly report – the data and charts are for illustration purposes only.

### Deposited funds

	CAD (or CAD equivalent) (\$MM)
Total Green Deposits allocated:	100
Lending to eligible projects	<b>90</b>
Awaiting allocation	10

### Disbursed funds



## HSBC sustainability policies

HSBC is fully committed to becoming a net zero bank and helping our customers reach their sustainability goals by providing sustainable financing and sustainable products.

For more information on HSBC sustainability activities and policies, please see the HSBC Group Sustainability page at <https://www.hsbc.com/who-we-are/our-climate-strategy>

HSBC has developed specific Sustainability Risk Policies for sectors in which it has considerable business and where there is potentially high adverse impacts on people and the environment. More information can be found on the public website at <https://www.business.hsbc.ca/en-ca/sustainable-finance>

## How to find out more

Please reach out to your Relationship Manager for more details on our green deposits.

Find out more about the opportunities for the Green Deposit Program to support your business needs by visiting [www.business.hsbc.ca/sustainability](http://www.business.hsbc.ca/sustainability).

<sup>1</sup>Please reach out to your Relationship Manager for more details on our competitive interest rates. All features and functionalities of these products continue to apply. Please refer to the 31 Day Notice Account Factsheet if you are considering obtaining a Green Deposit through our 31 Day Notice Account.

<sup>2</sup>HSBC's Green Loan Program is operated by HSBC in accordance with standards set by HSBC and which may include the Green Loan Principles published by the Loan Market Association, Loan Syndications and Trading Association and the Asia Pacific Loan Market Association.

<sup>3</sup>Examples of green project themes and excluded sectors shown above are non-exhaustive and for illustration purposes only.

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