

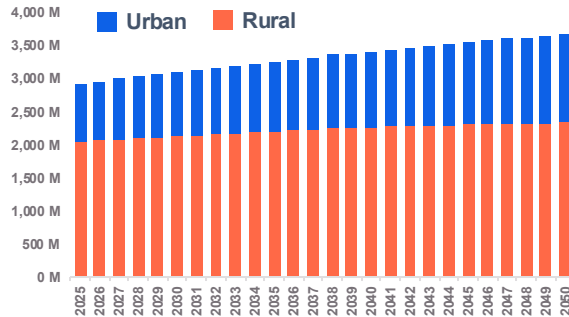
Future Industries Partnership

De-Risking and Financing Industrial Decarbonization in Southeast Asia and India

Rapid urban, economic, and industrial growth across India and Southeast Asia over the next 5 years



Projected total and urban population in India and Southeast Asia (2025–2050)



+14%

Total population change
2025–2050

+53%

Urban population change
2025–2050

25%

Population share of the world
2025

20%

Population growth share of world total
2025–2050

2X

Growth in floor area in India
by 2040

1

Rapid urbanization in India and Southeast Asia will create significant demand for infrastructure and energy.

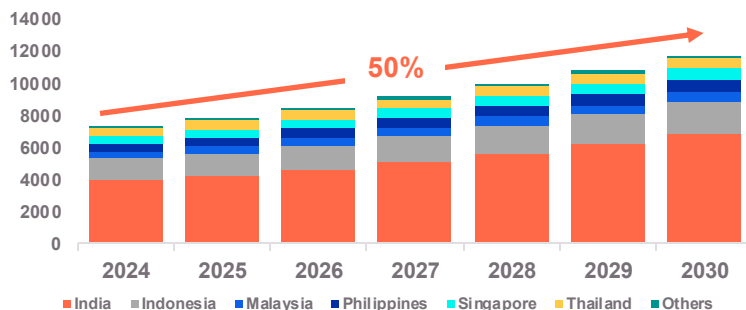
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Strong economic growth in the region will open major opportunities for climate tech solutions

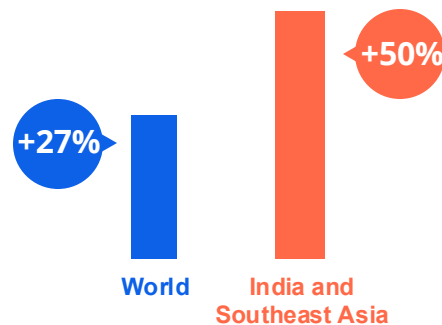
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The large and growing population makes the region critical for scaling climate technologies.

Annual GDP of Key Geographies and World (2024–2030)



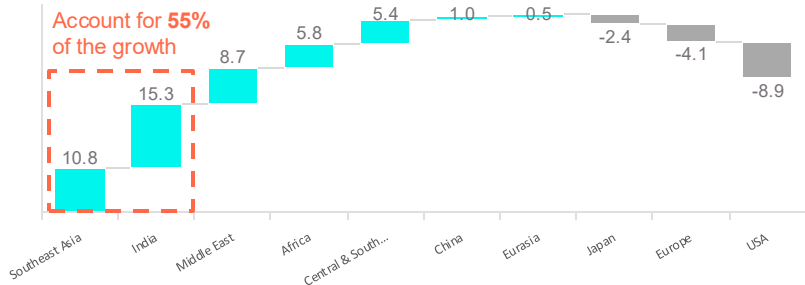
Estimated GDP Growth Rate, 2024–2030



Decarbonizing industry in Southeast Asia and India is essential to curb rising emissions and manage the world's fastest-growing energy demand.

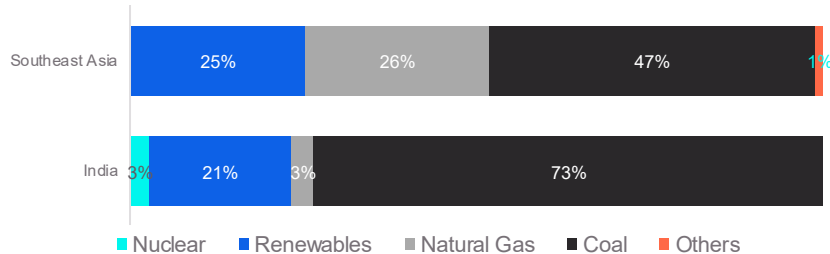


Change in energy demand by region in the stated policies scenario, 2023-2035



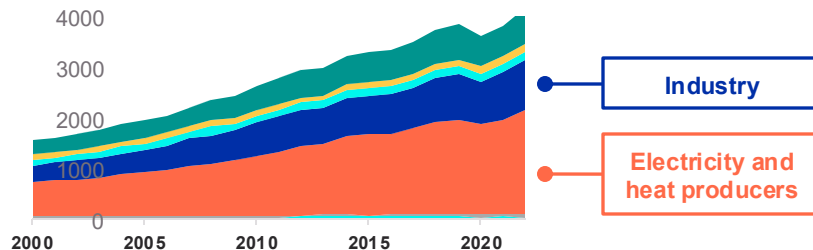
Southeast Asia and India are not just growing; they are becoming the epicenter of future global energy demand.

Electricity generation mix for Southeast Asia and India, 2024 (IEA)



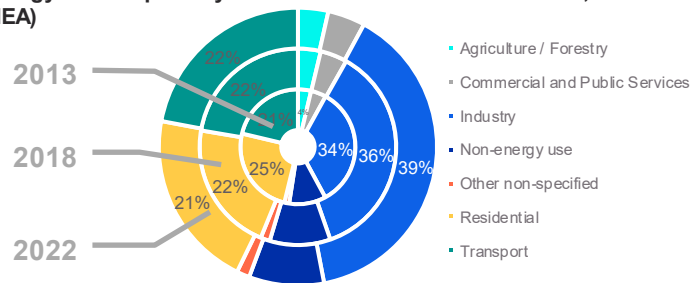
The energy driving this growth is still overwhelmingly fossil-fuel based.

GHG in Southeast Asia and India, 2000-2022



The majority of emissions comes from electricity and heat producers and the industry sector.

Total final energy consumption by sector in Southeast Asia and India, 2013-2022 (IEA)



Industry is the largest energy consumer and the fastest-growing energy use.

Despite high emissions, industrial decarbonization struggles to attract financing at the scale needed; less than 1% of climate finance went to the industry sector

LANDSCAPE OF CLIMATE FINANCE IN 2021/2022

Global climate finance flows along their life cycle in 2021 and 2022. Values are averages of two years' data to smooth out fluctuations, in USD billions.

SOURCES AND INTERMEDIARIES

Which type of organizations are sources or intermediaries of capital for climate finance?

INSTRUMENTS

What mix of financial instruments is used?

1.27 TRILLION USD ANNUAL AVERAGE

USES

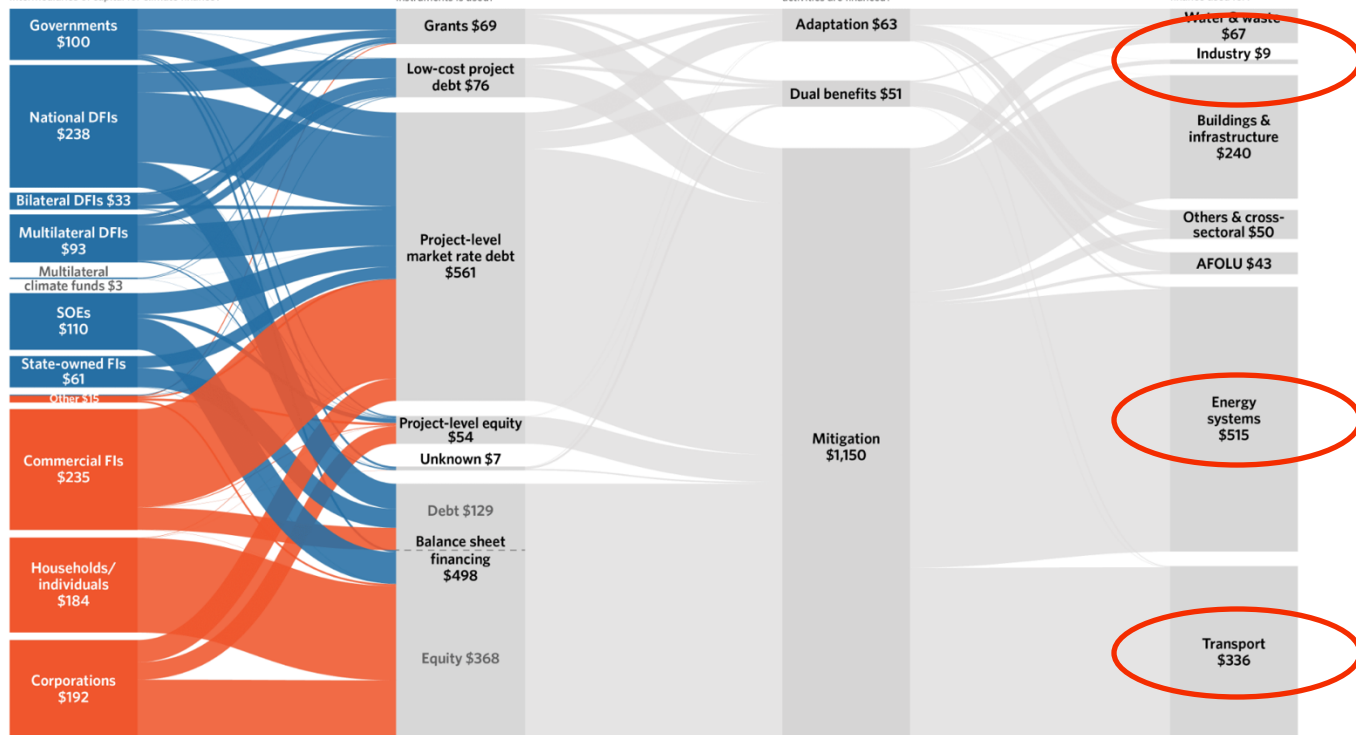
What types of activities are financed?



CLIMATE
POLICY
INITIATIVE

SECTORS

What is the finance used for?



Public Private

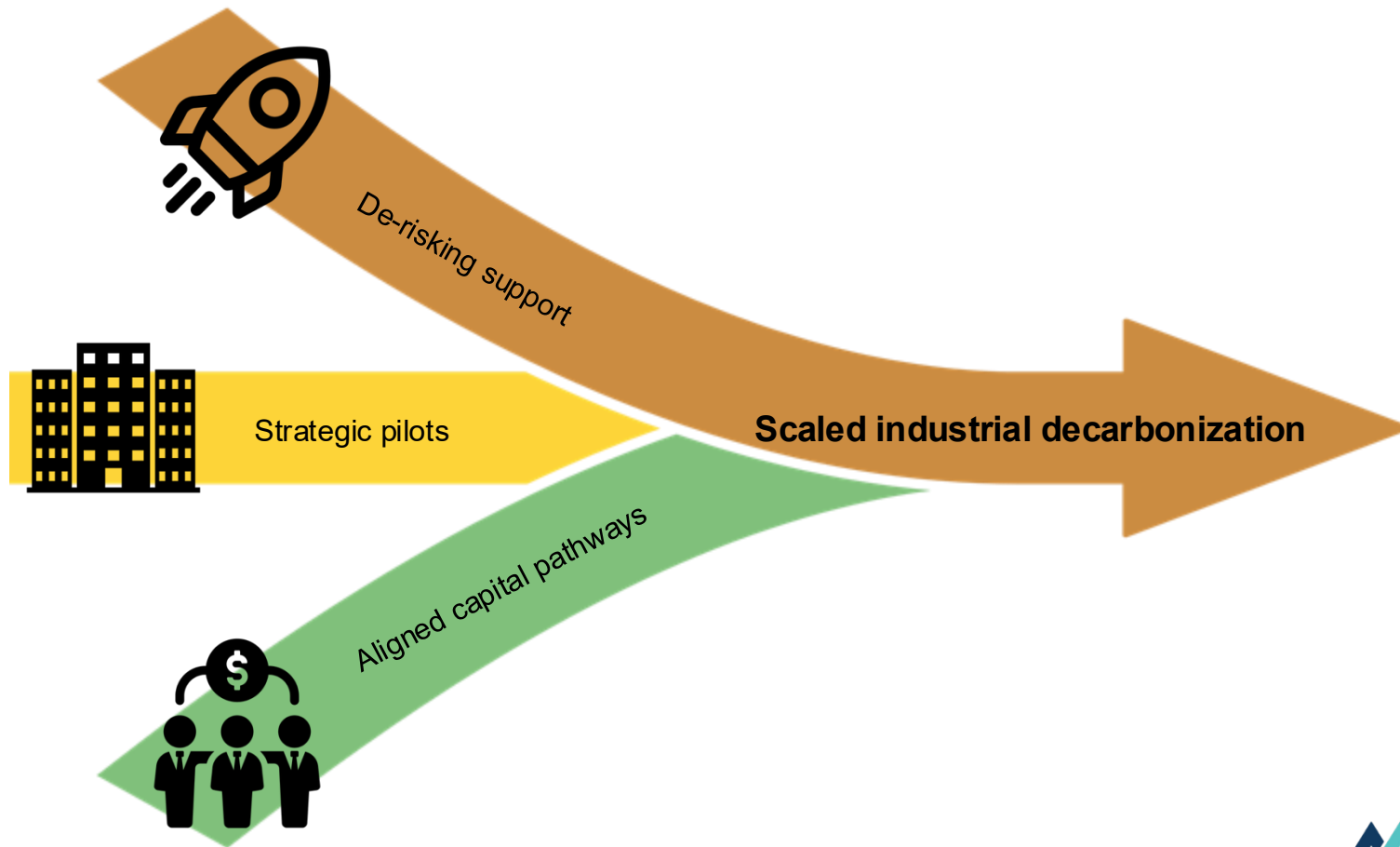
"Other" public sources include export credit agencies and unknown public funds

"Other" private sources include institutional investors, funds, and unknown

"AFOLU" stands for agriculture, forestry, other land use, and fisheries. "Others & cross-sectoral" includes \$6bn unknown

Source: Climate Policy Initiative

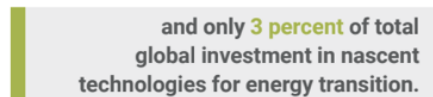
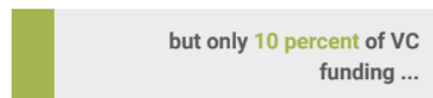
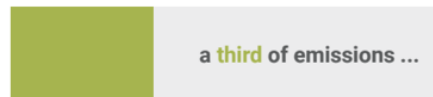
Industrial decarbonization will not scale without deliberate interventions to reduce risk and connect innovators to markets



RMI and D3, with HSBC and Founders Factory as part of the Futures Industries Partnership, de-risk climate innovation through ecosystem building and collaboration

The opportunity of industrial decarbonization

The industrial sector accounts for ...



\$24T

The cumulative market opportunity by 2050

Tech need



80%
of the technology to decarbonize heavy industry has yet to reach market adoption

Critical geographies



Asia and the Middle East are critical regions because these regions will be majority of demand growth and dominate many of the supply chains.

Our solution

- A series of 18-month accelerator programs, supporting 30+ startups, over 3 years
- Deliver robust technical and commercialization support
- Connect participating startups with an engaged corporate and investor ecosystems
- Leverage HSBC networks and expertise to support startups

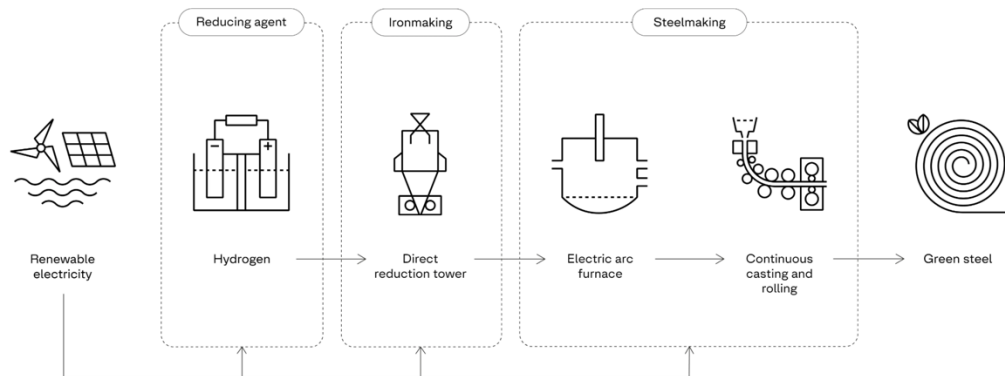
Moving from startup to scale-up: The power of collaboration between corporates and startups



Case study: Steel decarbonization

H2green steel

Stegra



Feb 2021	Launch, series A announcement
May 2021	Series A close, USD 105 million equity
Oct 2022	Series B raised USD 273 million (USD 400 million total equity raised)
Oct 2022	USD 3.67 billion in conditional debt commitments
Apr 2023	USD 1.62 billion raised in private equity round

De-risking and financing the industrial decarbonization in Asia

Strategies to de-risk investments

Technical Validation: Providing robust assessments of emerging technologies to instill confidence among investors.

Strategic Partnerships: Fostering collaborations between startups and established industry players to facilitate pilot projects and early adoption.

Innovative Financing Models: Utilizing mechanisms like blended finance to align financial incentives with decarbonization goals.



Thank you