

HSBC Climate Confidence Index 2007



Sustainable fishing on the Purus River, near Sena Madureira in Brazil, supported by HSBC and its environmental partner, WWF.

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	HSBC Climate Partnership



HSBC financed a deal to provide 1,800 low-emission buses to serve 4.5 million passengers a day in Santiago, Chile.

Cover

Working with WWF and supported by HSBC, local communities use eco-fishing practices, which increase their income and reduce pollution on the Yangtze River in China.

Foreword

The HSBC Climate Confidence Index 2007 is our first survey of public attitudes to climate change in nine of the world's major markets.

Financial institutions like HSBC have an important part to play in the transition to a low-carbon economy. HSBC's carbon finance strategy aims to support businesses that are developing cleaner, commercially viable technologies such as wind, solar, biofuels and landfill gas capture. As a result, low-carbon and renewables projects are an increasingly important part of our portfolio.

Like most major international companies, we measure and report publicly on a range of indicators, enabling us to manage the environmental impact of our operations. Like many businesses, we have also

set targets to reduce the amount of energy and water HSBC uses, and the waste and carbon dioxide we produce. Under our Global Environmental Efficiency Programme, we are investing US\$90 million over the next five years to help us achieve these targets. In addition, HSBC became carbon neutral from October 2005. We were the world's first major bank and the first FTSE 100 company to do so.

Such indicators – especially carbon dioxide – are the hard measures of performance in the world's fight against climate change. But as we start to address underlying causes and develop solutions, it is clear that we need a new, 'softer' set of measures that chart our progress in engaging the most crucial element of all: people. Across the world, we need to ensure

that everyone feels he or she can make a difference in tackling this most critical of issues.

Engaging people – governments and businesses, as well as individuals – in combating the causes and effects of climate change is the aim of a new, US\$100 million environmental partnership launched in May 2007. The HSBC Climate Partnership unites us with four of the world's most respected environmental organisations – The Climate Group, Earthwatch Institute, the Smithsonian Tropical Research Institute and WWF. Over the next five years, we will work together in some of the world's great cities to influence policy and practice, and to engage HSBC's employees, customers and the wider community.

Research that can guide us

and others adopting such programmes is what the HSBC Climate Confidence Index seeks to provide. The findings present a few surprises and much food for thought. The levels of commitment and optimism, particularly in developing economies, provide great encouragement.

For HSBC and for society at large, the challenge of climate change is one we are only just beginning to address. We need to find ways of reducing our impact on the environment and of involving people at every level. Instruments that allow us to chart our progress and take the necessary steps will be vital.

We do not pretend that this survey provides all the answers, but we hope it makes a useful contribution to promoting action on climate change.



A handwritten signature in black ink that reads "S Green".

Stephen Green
Group Chairman
HSBC Holdings plc
July 2007

Executive Summary

The HSBC Climate Confidence Index 2007 shows a world of polarised attitudes to climate change and to our response to the issue. Climate change may be a global issue, but the reactions to it vary strongly.

Most striking is the contrast between developed and developing economies. The conventional picture, of committed developed economies and reluctant developing ones, is a myth. If that picture holds at government level, the opposite is true for the people. Across the nine economies we surveyed, it is in the developing economies that people show the greatest concern, commitment and optimism, and in the developed economies that people show the greatest indifference, reluctance and fatalism.

‘Green rejection’ – a rejection of the problem, of solutions to it, and of the institutions proposing them – is a growing issue in the developed economies. This may represent a natural and temporary stage of disillusionment while people are asked to work hard at something with no visible result. However, there are signs that the rejection is deeper than that. At the core are a strong-minded, generally younger, group of people, who are

confident with their personal interpretation of climate science, comfortable with uncertainty about the future, and suspicious of the motives of both governments and companies. While a minority, this is a growing constituency that any climate-related initiative needs to recognise.

Feeding this rejection is a lack of popular consensus about what accepting the problem means. Across the nine economies we surveyed, only a third of people say that ‘if we all act now we can help stop climate change for very little cost or disruption.’ In almost all economies, slightly more people say that ‘we should make a big change to all of our lifestyles today to reduce climate change.’

Most people do declare themselves prepared to make these changes: 58% say they are prepared to make changes to their lifestyle, 45% are prepared to spend extra time, and 28% are prepared to spend extra money to help reduce climate change. The ranking of these commitments – lifestyle

first, time second and money last – is consistent in every one of the nine economies surveyed.

People have a high assessment of the commitments they are already making, and not just in the developing economies. Across all nine economies, few people say they are doing nothing; about four in 10 acknowledge that they could do more; but already a further four in 10 people say they are doing as much as they can. Other research suggests that the judgement of ‘as much as they can’ may be driven both by a sense of having no spare capacity, and by lack of awareness of what else they could do.

By comparison, neither governments nor companies are seen to be doing what is needed today. It is to governments that people would like to push the responsibility: 68% of people think that governments should play the leading role in responding to climate change, compared with 16% for individuals, 10% for companies

and 6% for non-governmental organisations (NGOs). Only 33% think that governments currently play that role.

Will all these actions be enough? Again, the contrast is striking between developing and developed economies. The proportion of people agreeing that ‘we will stop climate change’ varies from 45% in India and 39% in China, to only 6% in the UK and 5% in France.

This pessimistic view gives an opportunity, and even a mandate, to both governments and companies. Governments are clearly being asked to take a leadership role though, in developed economies, they need to overcome considerable suspicion in order to do so. Companies are held less accountable, but have a clear opportunity to contribute, and to benefit by being seen to do so – if they can respond effectively to the green rejecters and consumer priorities.

Attitudes to climate change are complex and cannot be summed up simply in one sentence. Our index measures attitudes on four core scales to provide a profile of people's thinking on climate change.

Concern *about the issue.*

Climate change is the number one concern in the developing economies surveyed. It is the number three concern in Europe and the joint fourth with another issue in the US. India (60%), Mexico (59%) and Brazil (58%) have the highest levels of concern about climate change, with the lowest being the UK (22%) and Germany (26%).

Confidence *in what is being done about it today.*

Overall confidence is low. China (46%) and Hong Kong SAR (38%) have the highest confidence, with the UK (5%), Germany (6%) and France (7%) the lowest. In Germany, the UK and China, more than a third of people think we should not be individually trying to fix the problem.

Commitment *personally to contribute today.*

People's assessment of their commitment is moderately high across the nine economies surveyed, with relatively little variation around the world despite different circumstances. Brazil and India (both 47%) show the highest commitment, with the UK (19%) and US (23%) the lowest. More people say they are prepared to make changes to their lifestyle to help reduce climate change (58%), than are prepared to spend extra time (45%) or extra money (28%).

Optimism *that we will solve the problem.*

Despite the high commitment, belief that we will stop climate change is low in most of the world, but with strong regional variations. Optimism is highest in India (45%) and China (39%), and lowest in France (5%) and the UK (6%). Mexico and Brazil, with similar scores to India on the first three index measures, are much less optimistic on this outcome measure (24% and 26% respectively).

Creating a Consumer Index

The HSBC Climate Confidence Index is designed to understand and measure consumers' attitudes and response to climate change across the world and over time. This first report is based on research conducted with 9,000 consumers across nine economies in April 2007.

Economies researched

Brazil
China
France
Germany
Hong Kong SAR*
India
Mexico
UK
USA

*Subsequently referred to as Hong Kong.

Consumer responses to climate change are governed as much by their different perceptions of the problems as their commitment to particular solutions. For this reason, there is no single number that can usefully measure 'climate confidence'. Our index measures consumer attitudes on four core scales which, in combination, analyse thinking on climate change. Each scale is represented by a statement, with the index being measured in terms of strength of agreement with that statement. The four scales and statements are:

Concern

'Climate change and how we respond to it are among the biggest issues I worry about today.'

Confidence

'The people and organisations who should be doing something about climate change are doing what is needed.'

Commitment

'I am personally making a significant effort to help reduce climate change through how I live my life today.'

Optimism

'I believe we will stop climate change.'

Through these four statements, we can find out:

- how people see the problem of climate change; and
- what confidence they have in the means used to tackle the problem.

Both of these perspectives vary between people and economies. Our report, therefore, focuses not only on the levels of each score, but on the different profiles that people have across the four scores.

The characteristics of this research are:

- Its **global scale**, based on a sample of 9,000 people across nine economies in four continents.
- Its potential as a **tracking survey**, monitoring trends in these economies over time, for which this report is the baseline.
- The **scope** of its subject, from perception of the issue to confidence and involvement in the response, with sufficient depth to guide future action as well as monitor progress.
- The creation of a **multi-dimensional index** to communicate and interpret the findings.

The research and index have been designed in collaboration with Lippincott – a brand consulting firm with a specialism in analysing consumer attitudes to sustainability – building on previous research and analysis for The Climate Group, the Carbon Trust and the World Business Council for Sustainable Development. The fieldwork was completed by Lightspeed in April 2007.

Research methodology

This section explains the research methodology that may be helpful in interpreting the findings.

For the purposes of this research, we defined climate change for our respondents as ‘a change in the earth’s climate through human activity affecting the composition of the atmosphere, not just natural variations that may happen to the climate.’

Our index scores measure the strength of agreement with each of the index statements on a seven-point scale, from 1 (strongly disagree) to 7 (strongly agree). In this report, scores are expressed as percentages, which represent the proportion of people who scored 6 or 7 on this scale.

We also asked an open question: ‘Do you have anything to add with regards to this topic?’ The unprompted comments quoted throughout this report are taken from

responses to this question.

Since the field methodology used is internet-based, we will have achieved a more representative sample of the population in developed economies than in developing economies where our sample is biased towards more affluent individuals. Across the different economies, the sample for this survey is as follows:

- UK, USA: nationally representative
- France, Germany, Mexico, Brazil: higher socio-economic groups
- India, China and Hong Kong: urban ‘mass affluent’

A potential concern from this could be that the views from the developed economies might not be comparable to those from developing economies because the income segments in the two categories are very different. To test this effect, we have looked at how responses vary by income level within

the sample for each economy. Variations by income are small, with no systemic pattern. In the two countries where we have a nationally representative sample, we find responses climbing slightly with income in the US and dipping slightly with income in the UK. Within the mass affluent sample, we find responses climbing slightly with income in China and dipping slightly with income in India. Most importantly, however, these differences are small compared with the differences between economies.

Within the scope of the populations sampled, we are therefore confident that the results presented here are valid and can usefully be compared between economies. However, since the lower-income groups in the developing economies have not been surveyed, we cannot make any statements about them, nor can our findings make any assumptions about them.

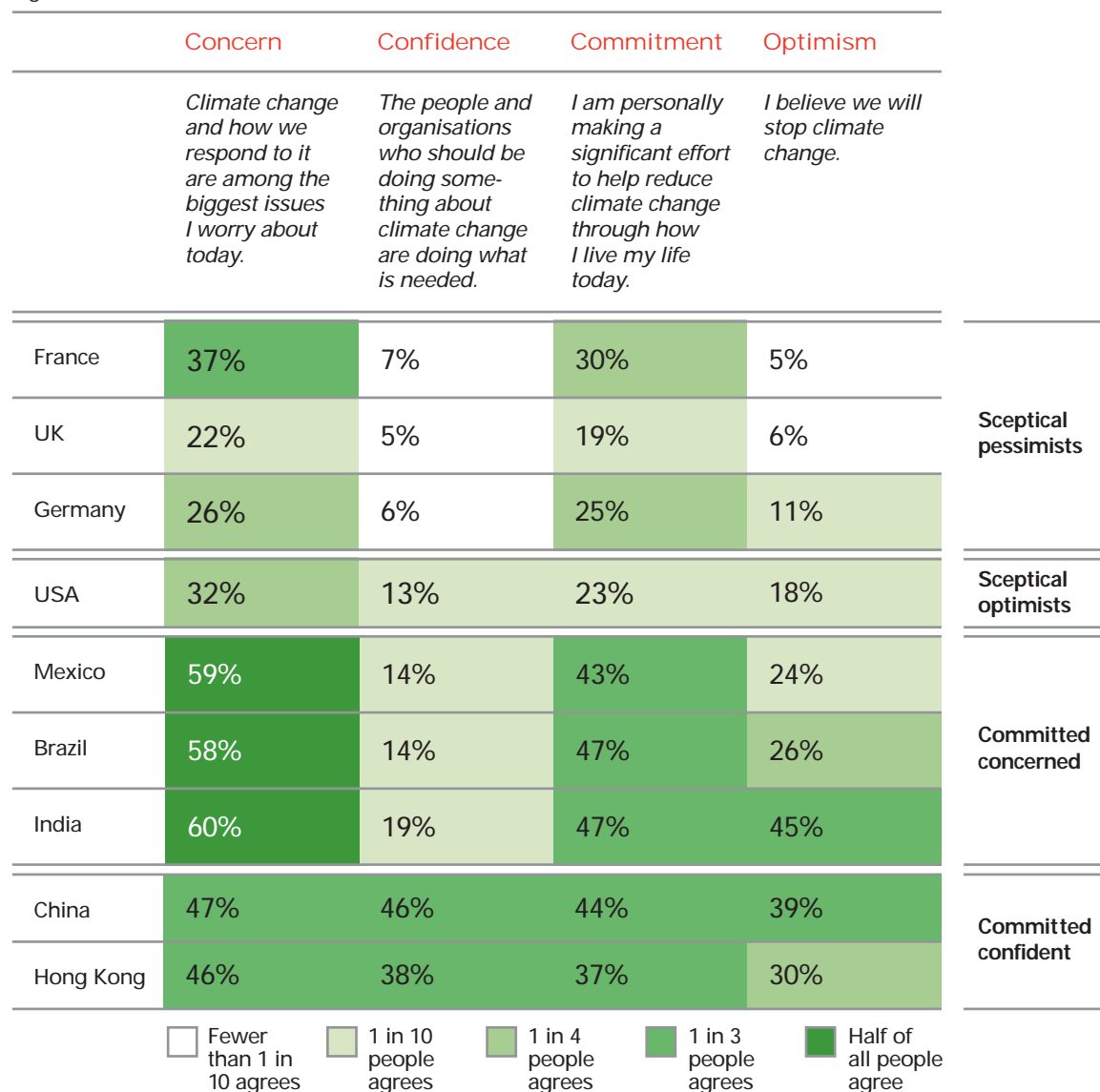
HSBC Climate Confidence Index 2007

Key findings

- Concern about climate change is high, especially in developing economies, and so is people's individual commitment to address it.
- Confidence in what is being done today, however, is generally low, with China and Hong Kong being exceptions. Low optimism reflects this lack of confidence: most people do not 'believe we will stop climate change'.
- Attitudes differ far more between economies than they do between different ages, incomes or gender within each.

While there are striking differences between the economies, it is not just a case of one being further ahead or behind on some linear scale of engagement with the issue. The four elements of the HSBC Climate Confidence Index reveal different ways that people, or countries, are engaged. Across the nine economies surveyed, we see four distinct profiles on the index.

Figure 1



1 **Sceptical pessimists**

Sceptical pessimists are moderately concerned about climate change, but have no confidence that the people and organisations who should be doing something about it today are doing what is needed. As a result, even though they may be somewhat committed personally, they do not believe we will stop climate change. The economies showing this overall profile are those in Western Europe: France, the UK and Germany.

A typical sceptical pessimist's comment is: 'I feel governments and large companies are not doing enough as they are only concerned with themselves and their profits.' Some comments are also sceptical about climate change itself.

2 **Sceptical optimists**

Sceptical optimists show similar moderate levels of concern and individual commitment. What sets them apart is their relatively greater (but still limited) confidence that what should be being done today is being done, and associated greater (but still limited) optimism that we will stop climate change. This is the profile shown by the US (New York, Miami and San Francisco show this profile, with Chicago closer to the sceptical pessimists.) Comments from respondents suggest that the greater confidence and optimism shown by this group come not from a greater belief in what people are doing, but from a lesser belief in the problem itself – and therefore a lower expectation of what needs to be done.

Typical sceptical optimists' comments are: 'Personally, I think this issue has been overdone' and 'I think the earth will readjust itself.'

3 **Committed concerned**

The committed concerned are the most engaged showing, by far, the highest levels of concern. They have only limited confidence in what is being done today, but among the highest individual commitment. The degree of optimism resulting from this contrasting mix of limited confidence and high commitment varies. The economies showing this profile are Mexico, Brazil and India, with the latter having the greatest optimism.

A typical comment from the committed concerned is: 'I strongly believe that helping to change the environment is first and foremost in the hands of each individual.'

4 **Committed confident**

The committed confident are high scorers across the index. They are concerned and committed, but what sets them apart is their confidence that people and organisations are already doing what is needed. This confidence translates into relatively high optimism that we will stop climate change. The economies showing this profile are China and Hong Kong.

Typical comments from the committed confident are: 'I think if we try it together all over the world, we can do it' and 'All people will join in to improve the global environment.'

Concern

Key findings

- Climate change is the number one concern in the developing economies surveyed. It is the number three concern in Europe and the joint fourth with another issue in the US.
- India (60%), Mexico (59%) and Brazil (58%) have the highest levels of concern about climate change, with the UK (22%) and Germany (26%) the lowest.
- People see climate change as a concern for the future, not an immediate risk. Yet it is generally the young – who would be most affected – who are least concerned.

Our index statement for concern is: ‘Climate change and how we respond to it are among the biggest issues I worry about today.’

We saw a large range of agreement, from India where 60% of respondents strongly agreed (scored 6 or 7 on a 1-7 scale of agreement), to the UK where only 22% of respondents strongly agreed. The striking finding is the difference between high concern in developing economies and much lower concern in developed economies.

Could this concern be driven by a survey bias? Are respondents in some economies simply more generous in their scoring? Partly to check for this effect, we also asked people to rank their concern about a list of world issues. The ranking adjusts any difference in scoring, since everybody names a top issue.

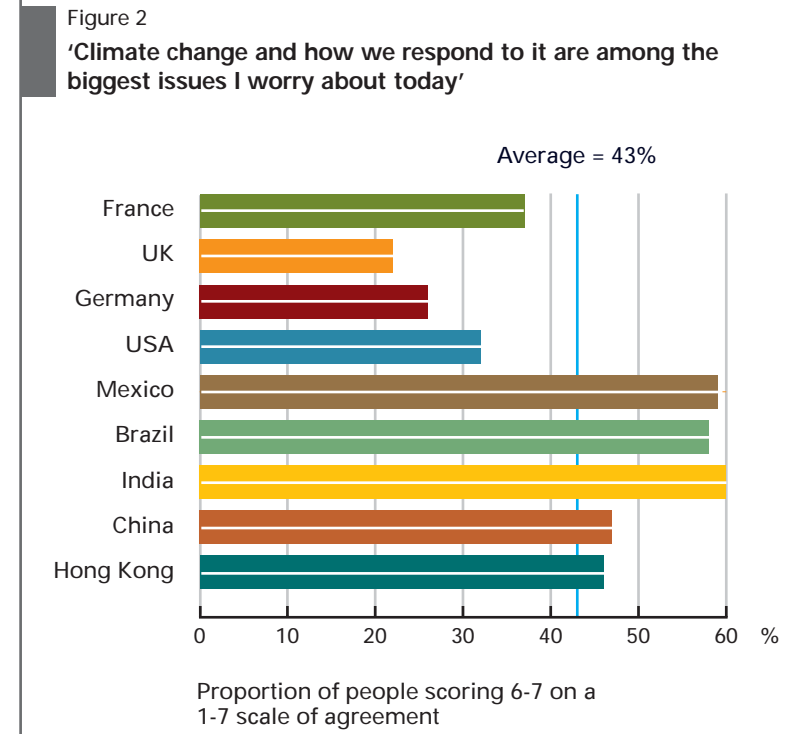
In the ranking, climate change emerged as the number one issue – i.e. it was ranked first by more people than any other issue – in all developing economies but one, and in no developed economies. Compared with

terrorism, children’s future, global poverty, planning for later retirement, healthcare, pandemic disease and natural disasters, climate change was clearly the dominant issue in Brazil, Mexico and Hong Kong. In China, it was also number one, though closely followed by children’s future. In India, it took second place to terrorism.

In the developed economies, climate change is the number three concern, behind terrorism and children’s future, in the three European economies tested. Only in the US did climate change rank lower – behind terrorism, healthcare, planning for later retirement, and equal to children’s future.

The post-green generation?

The concern that people have is not immediate. Overall, 72% of people agree that ‘climate change will affect our children, if not ourselves’, while fewer than 60% agree that ‘climate change is likely to affect me and others where I live.’ In terms of who will be most affected, it would be logical for younger age



groups to be most concerned.

Only in the US is concern strongest in the younger age groups. In the developing economies, it rises slightly with age and, in Europe, it rises strongly. The lowest concern in Europe – the scores that bring down the European average compared with the developing world – is in the youngest age

groups. Concern among the 50+ age group is stronger in Europe than in the US; among the 18-24 age group, it is only half as strong in Europe as in the US.

Within the younger groups in Europe are a growing number of people who are confident about their personal interpretation of climate science, comfortable with uncertainty about the future, and

Figure 3

Ranking of concern about the following list of world issues

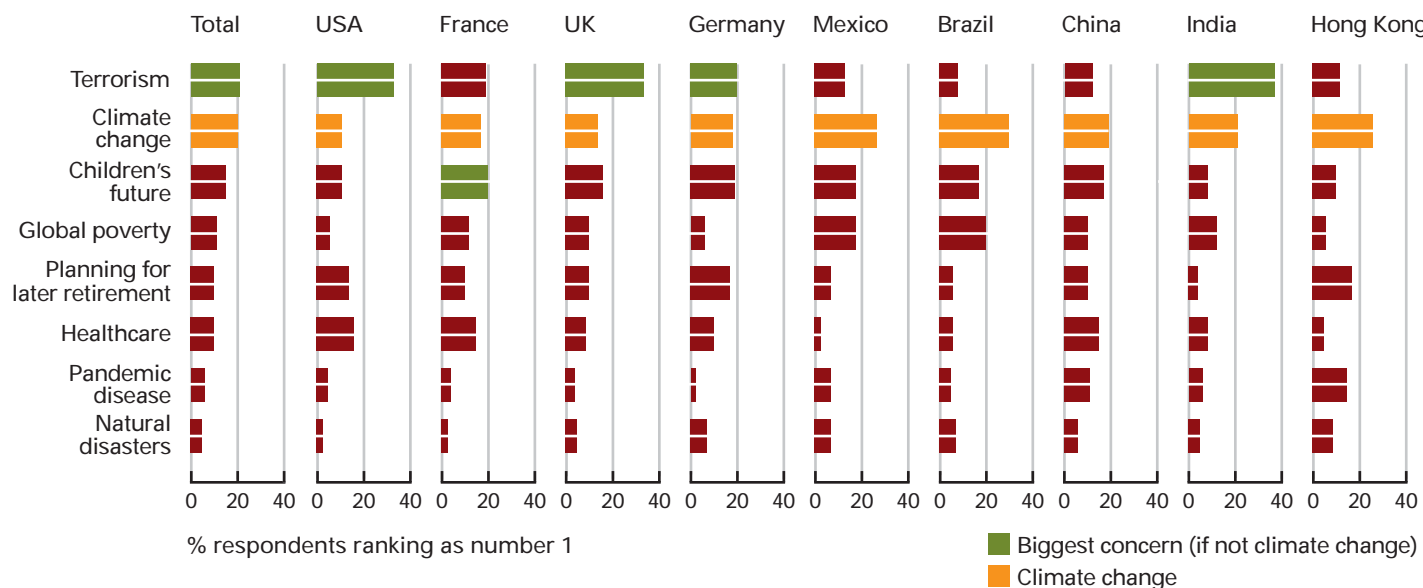
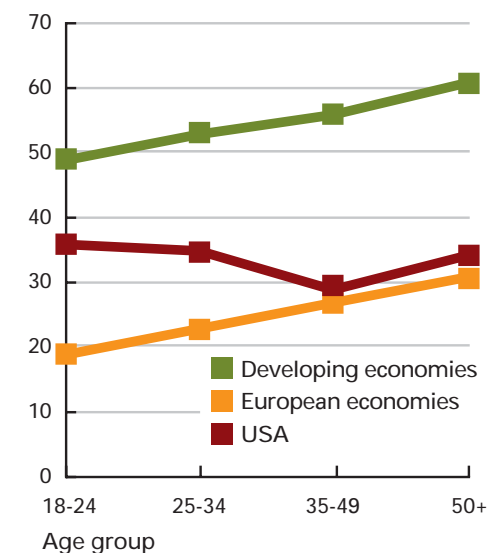


Figure 4

Concern about climate change by age group

% respondents scoring 6-7 on a 1-7 scale of agreement



suspicious of the motives of both governments and companies. Typical unprompted comments from the 18-24 age group in the UK are:

- 'It has been proven that [climate change] is natural and is a change the Earth must go through. We should stop interfering with the natural course of things.'

- 'The science underlying climate change is manipulated for political purposes and, as a science student, I believe many of the claims made about the causes of climate change are unfounded.'
- 'Carbon makes up only a fraction of the world's atmosphere. It seems to me that the government is playing

on the climate thing to instil fear in the population, thus using it to charge more taxes.'

The 'green rejection' that is increasingly visible is more than 'green fatigue'. Green fatigue describes people's reaction to an excess of choice created by the increasing clutter of green communications and offers. What

we are describing here is a more fundamental rejection, by a vocal minority, of the premise on which those communications and offers are based.

In Germany, where 'green' has been in the consumer mainstream for longest, the rejection is not coming from the older generation 'fatigued' by decades of green messages they no longer buy; it

is coming from the younger generation who has never bought those messages.

Confidence

Key findings

- Confidence in what is being done today is the lowest of our four index scores in most of the economies surveyed.
- China (46%) and Hong Kong (38%) have the highest confidence, with the UK (5%), Germany (6%) and France (7%) the lowest.
- The picture is complicated by huge differences of view about what *should* be done. In Germany, the UK and China, more than a third of people think we individually should not try to fix the problem.
- Responsibility is placed squarely with governments: 68% of people say governments should play the leading role in responding to climate change; only 33% think that they are actually doing so.

Our index statement for confidence is: 'The people and organisations who should be doing something about climate change are doing what is needed.'

Again, we saw a large range of scores, from China where 46% of respondents strongly agreed (scored 6 or 7 on a 1-7 scale of agreement), to the UK where only 5% of

respondents strongly agreed.

Across the economies surveyed, there are divergent views about what is needed. When asked 'which best describes your view on how we should respond to climate change?', most economies were fairly evenly split between 'We should make a big change to all of our lifestyles today to reduce

climate change' (41% on average) and 'If we all act now we can help stop climate change for very little cost or disruption' (35% on average). The former led in the developed economies and the two were fairly balanced in the developing economies.

More striking is the proportion of people who chose other statements to the effect

that we should not try to fix the problem. In Germany, the UK and China, more than one third of people chose one of these statements as best describing their view on climate change.

Who are the people and organisations who should be doing something? Across the world, people place responsibility squarely with

Figure 5

'The people and organisations who should be doing something about climate change are doing what is needed.'

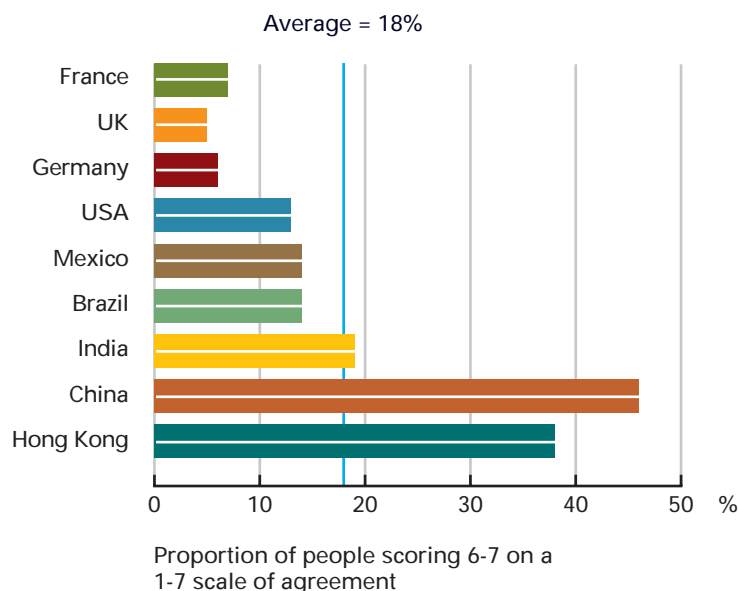
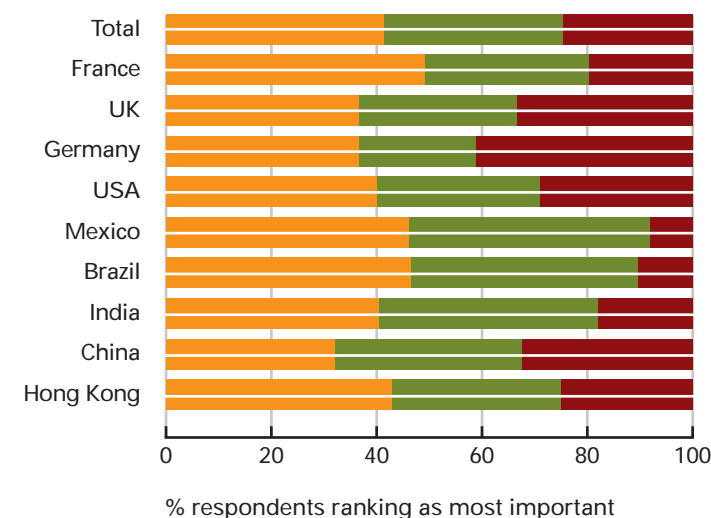


Figure 6

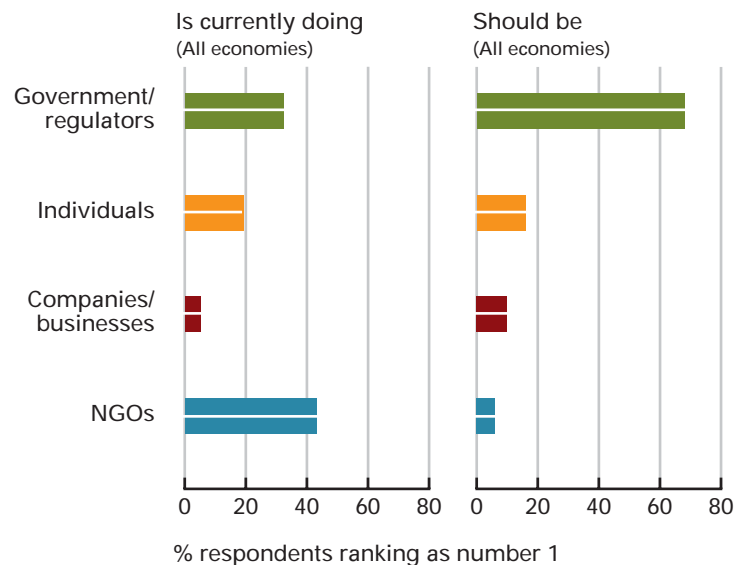
'Which best describes your view on how we should respond to climate change?'



governments: 68% of people say governments should play the leading role in responding to climate change. Only 33% think that they are doing so, with leadership currently taken by NGOs.

- Make a big change:**
We should make a big change to all of our lifestyles today to reduce climate change
- Impact with a small change:**
If we all act now, we can help stop climate change for very little cost or disruption
- Don't try:**
It is not our role to try to interfere with the earth's climate
The earth's ability to self-regulate will solve climate change
We should adapt to a changing climate, not try to stop it from changing
Scientists will find a technological solution to climate change
The problem of climate change is impossible for us to try to fix in our lifetime
If climate change becomes a problem for me, I will just move somewhere else

Figure 7
'Who do you think is currently, and should be, playing the leading role?'



With HSBC's support, the Smithsonian Tropical Research Institute is conducting a field experiment on the quality and quantity of water flow in the Panama Canal, one of the world's most important waterways for commerce.

Paul's Hill wind farm in Scotland was financed by HSBC and is an example of the projects the Group is supporting under its carbon finance strategy.



Fighting fatalism

Germany, the UK and China all show a fatalistic response to climate change, with over a third of people choosing a statement about not trying to fix the problem. But the specific responses, and the attitudes that appear to be behind them, are different in the three.

Germany shows the most pessimistic form of fatalism, with most of the 'don't try' respondents saying that 'the problem of climate change is

impossible for us to try to stop'. This is mostly because of a disbelief about humans' role in causing climate change, and therefore our role in preventing it. Typical unprompted comments from Germany are:

- 'These are natural phenomena, which are now being used to part us from our money. Man won't be able to stop it.'
- 'There has always been climate change (e.g. ice age); we will probably not be able to stop this.'

This attitude also reflects doubt about the reality of the worldwide effort that is needed:

- 'Stopping climate change is nonsense. We can't persuade the developing countries to reduce the emission of hazardous substances now, when we ourselves haven't done anything about it for decades. So we should prepare ourselves for the consequences.'

In the UK, these attitudes also exist (9% of people), but so

does another form of fatalism: the view that the earth should be left to adapt. In the UK, 18% of people said that the statement best describing their view was either 'We should adapt to a changing climate, not try to stop it happening' (11%), or 'The earth's ability to self-regulate will solve climate change' (7%). These attitudes are summed up in the unprompted comment: 'I believe what will be will be.'

In China, responses were more evenly spread, but the largest percentage (9%) was that 'scientists will find a technological solution'. This reflects a range of unprompted comments in China that express non-specific but optimistic hope.

What role for business?

Who should take the leading role in responding to climate change?

In geographical terms, the global consensus is that the leading role lies with the developed, rather than developing, economies. The developed economies should

Figure 8

**'Which best describes your view on how we should respond to climate change?'
(Only 'Don't try' options shown here)**

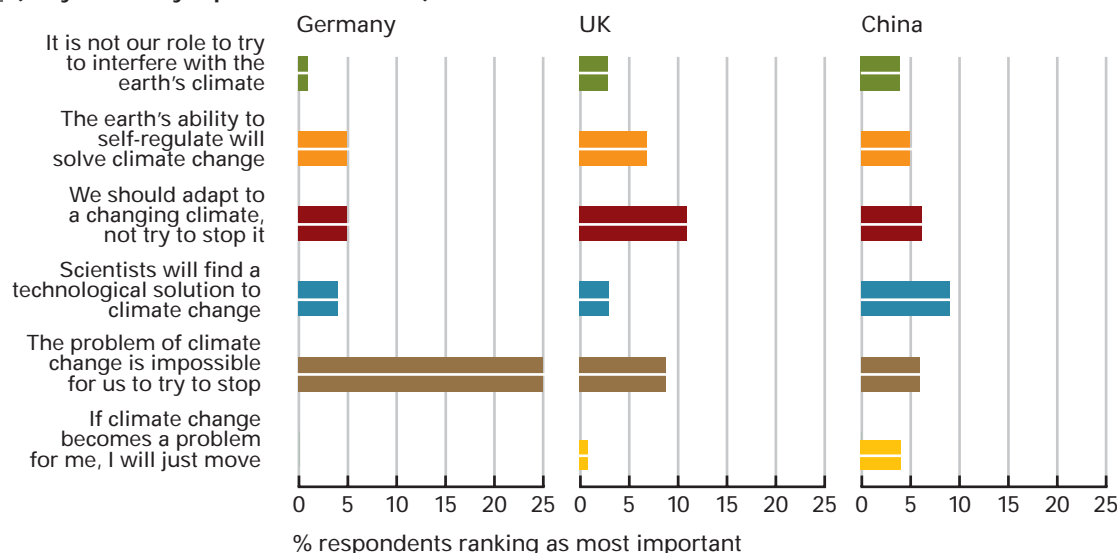
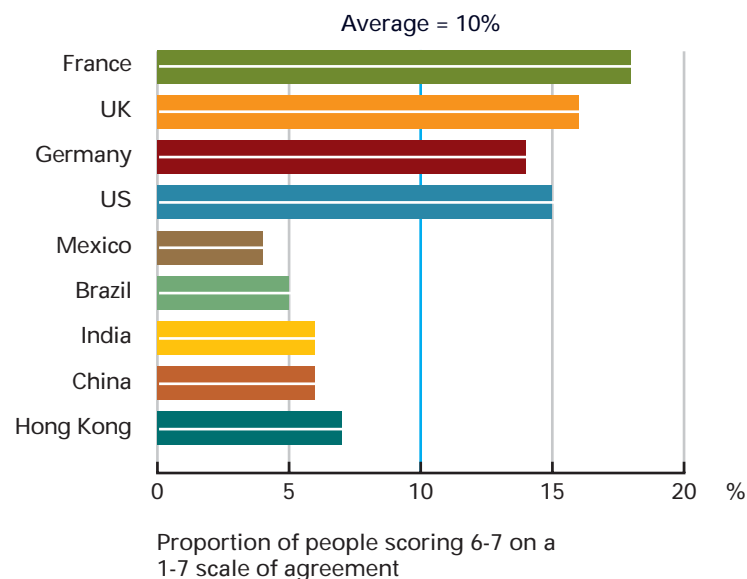


Figure 9

'Businesses should play the leading role in responding to climate change (compared with governments, individuals and NGOs)'



play the lead (85% agree) and, indeed, do so today (78% agree).

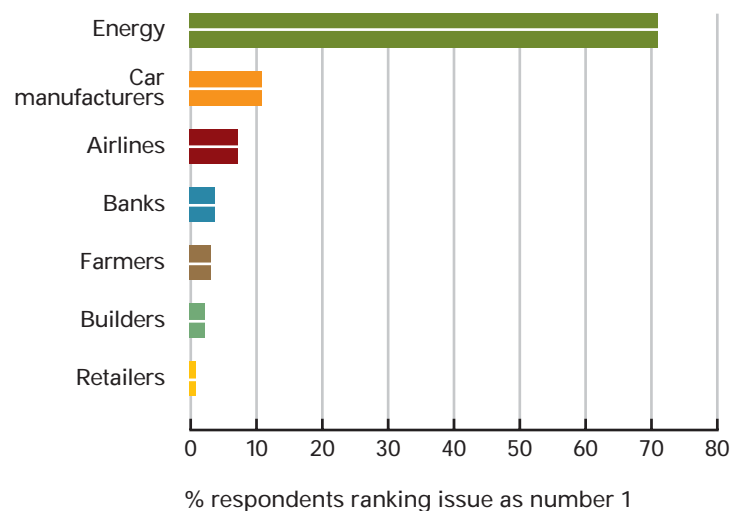
In organisational terms, people give most responsibility to governments, with only 10% saying that businesses should play the leading role. While this role for business is secondary to governments everywhere, it differs substantially between developed economies, where 15% say that businesses should

play the leading role, and developing economies, where only 5% say so.

Within business, people overwhelmingly associate responsibility with energy companies (71%). Other major high-carbon sectors come a distant second and third: car manufacturers (11% overall, led by the US, Brazil and China) and airlines (7% overall, led by

Figure 10

'Who do you think should be playing the leading role?' (all economies)



Europe, particularly the UK). Farmers are seen almost everywhere to be playing a leading role today, but should not be doing so.

As significant are the business sectors that are not seen to have a leading role to play. Retailers can have a huge influence on the choices that people make in their consumption which relate to climate change, but only 1%

of people give them the leading role. Builders can have an even greater influence on our energy demand through building construction and design – since buildings represent up to 30% of world energy use – but only 2% of people give them the leading role.

Commitment



HSBC employees test sea water samples in Brazil's Cananéia Estuary during an Earthwatch research project.

Key findings

- People's assessment of their commitment is moderately high across the nine economies surveyed. Of the four index statements, it is the one most closely related to people's individual circumstances, yet it shows the least variation across the world.
- Brazil and India (both 47%) show the highest commitment, with the UK (19%) and the US (23%) the lowest.
- More people say they are prepared to make changes to their lifestyle to help reduce climate change (58%), than are prepared to spend extra time (45%) or extra money (28%). This result holds true in every one of the economies surveyed.

Our index statement for commitment is: 'I am personally making a significant effort to help reduce climate change through how I live my life today.'

Despite the very different circumstances in which people live their lives, this is the index score in which we saw least regional variation. However, a gap exists between developing and developed economies, with the developing economies between 37% and 47% in agreement (percentage of respondents scoring 6 or 7 on a 1-7 scale of agreement), and the developed economies between 19% and 30% in agreement.

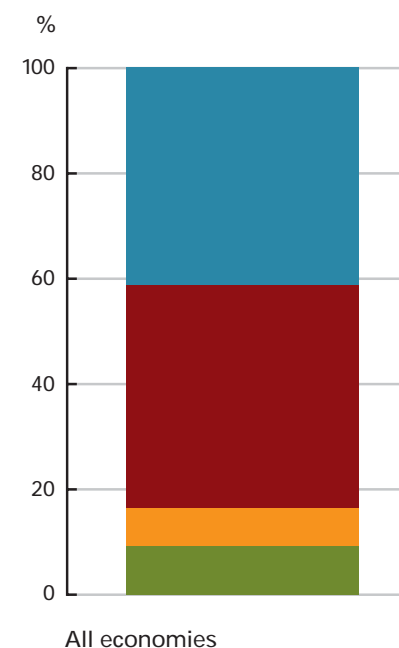
Across all the economies surveyed, few people say they do nothing, or do not know what to do, to help reduce climate change. Four in 10 people acknowledge that they could do more, while a further four in 10 say they are already doing as much as they can.

The consistency of these numbers across the world is remarkable. The percentage of people saying they are already

doing as much as they can varies only between 33% (the US and Brazil) and 50% (India and Hong Kong) – a narrow band given the variety of lifestyles as well as attitudes, and a high percentage given the degree of scepticism that exists about the issue. People appear to define 'as much as they can' according to their circumstances, which raises the question of what will motivate them to reassess. It is difficult to accept that this 33%-50% of people are already doing 'as much as they can'; the challenge is to help them to discover how they can do more, either through new choices without significant cost, or through new choices with immediate benefits they value.

What people say they are least prepared to do is to spend money on the problem. In each of the nine economies we surveyed, more people say they are prepared to make changes to their lifestyle to help reduce climate change (58%), than are prepared to spend extra time (45%) or extra money (28%).

Figure 11
'Which of the following statements best reduce climate change?'



describe what you personally do to help

Figure 12

'I am personally making a significant effort to help reduce climate change through how I live my life today'

- **41%**
'I do as much as I can'
- **42%**
'I do some things but could do more'
- **7%**
'I know what I can do, but don't do anything at the moment'
- **9%**
'I don't know what I can do to help reduce climate change'

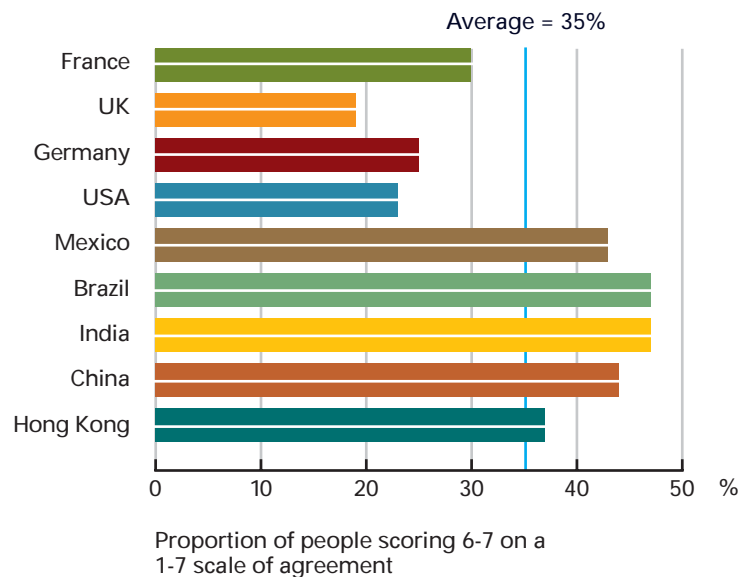
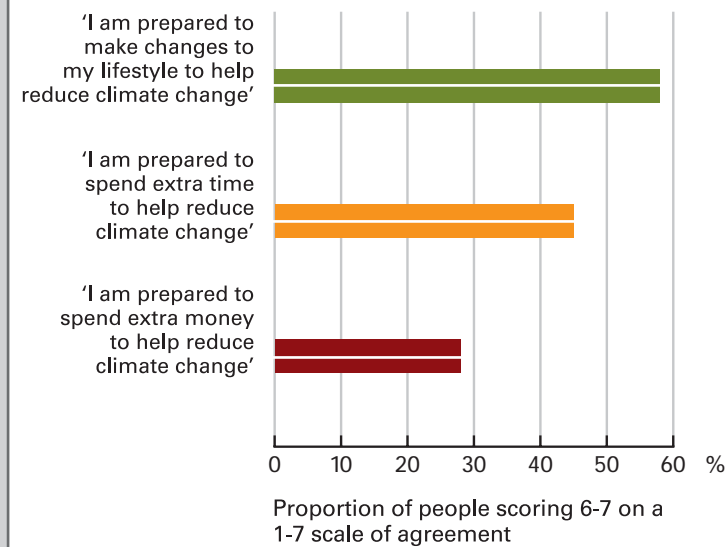


Figure 13

'I am prepared to...'



Optimism

Key findings

- Belief that 'we will stop climate change' is low in most of the world, but with strong regional variations.
- This belief is highest in India (45%) and China (39%), and lowest in France (5%) and the UK (6%).
- Mexico and Brazil, whose scores are similar to India's on the first three index measures, are much less optimistic on this outcome measure (24% and 26% respectively).

Our index statement for optimism is: 'I believe we will stop climate change.'

After analysing concern, confidence and commitment, will we succeed? The short answer is 'no'. Across the nine economies surveyed, fewer than one in four people strongly believe that we will stop climate change.

India (45%) and China (39%) are the most optimistic, but for different reasons. India's optimism derives from the world's highest concern and the world's highest commitment, compensating for a fairly critical view of what is being done today. Typical unprompted comments from India reaffirm individual responsibility and commitment, and the cumulative impact of individuals acting together:

- 'It's not the responsibility of government, business or environmental organisations only...every individual has to act.'
- 'In Indian households, every individual can contribute towards reducing climate change.'

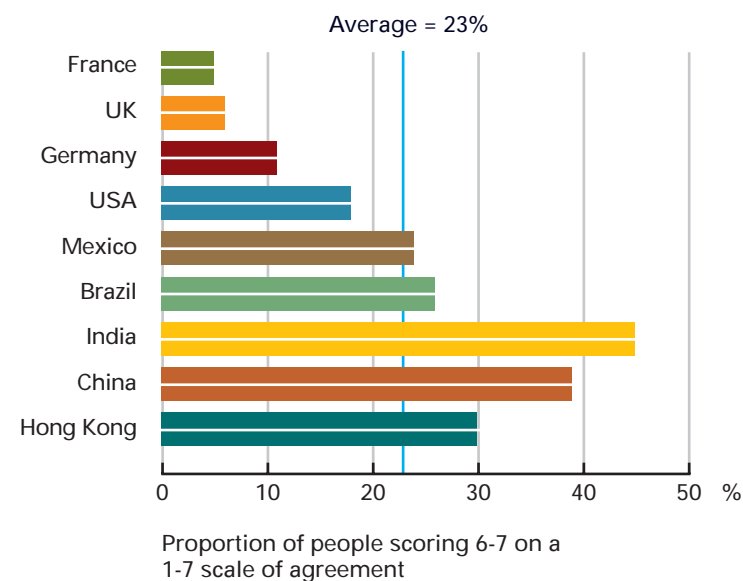
- 'Stopping climate change starts from our homes first, then from our society, followed by our companies and others.'
- 'If every person at home starts to create a pollution-free atmosphere, that street will be clean and good. If every street is good, the city will be clean. If every city is clean, the nation will be clean without any pollution and, finally, if every nation is free from pollution, the world will be free from pollution. So it starts from a single person contributing to this pollution-free atmosphere.'

China's optimism also reflects high concern and commitment but, in particular, reflects the world's highest confidence in what is being done today. Typical unprompted comments from China speak much less about individual responsibility and more about hope for what the government will achieve:

- 'Governments shall lead people to stop climate change.'

Figure 14

'I believe we will stop climate change.'



- 'Governments should play the main role in finding a solution as they can pass relevant laws, which will be much more effective than improving public awareness.'
- 'The strength of the individual is always limited. I hope that the government and relevant departments can

mobilise everyone to take up the cause.'

- 'To fight climate change, the government should be the leader, and the big companies and organisations will be pioneers. People all over the world should be the followers.'

For the Chinese, governments are not only the answer, but are already active. While people in all economies say it is governments that should be playing the leading role, it is only in China (65%), together with Hong Kong (62%), that people see governments already doing this. This is not a specific view of their own government; even more Chinese agree that 'governments around the world are doing what is needed' than that 'the government of my country is doing what is needed.'

At the least optimistic end of the scale, for France (5%) and the UK (6%) the critical issue driving the lack of optimism is the low confidence score.

Typical unprompted comments from France reflect a lack of confidence in the necessary political will, and scepticism about motivation in government and big business:

- 'At the global level, there is no political will for change; all the principal players in political life don't give a damn about it.'
- 'The government and the fuel lobby are in large measure responsible for the bad habits of everyone.'
- 'Political decisions and the pressure from large industry make me think that we are being manipulated... Everything revolves around money.'

In the UK, there are similar sentiments about government and big business, but also a greater level of denial that human-induced climate change is happening in the first place. The attitude is that if we did not start it, we are less likely to be able to stop it. Typical unprompted comments from the UK are:

- 'Governments and large companies are not doing enough as they are only concerned with themselves and their profits.'
- 'Most people cannot afford to pay their everyday living expenses so I feel it is up to the institutions who make billions from selling their products to help reduce packaging and waste, and provide fuel-efficient vehicles and services.'
- 'Climate change has been happening since creation. It is vastly over-hyped and a natural phenomenon.'
- 'The evidence I have seen and read does not support the greenhouse effect.'

The scores of Mexico and Brazil are similar to India's on the first three index measures (though with somewhat lower confidence), but are much less optimistic on this outcome measure (24% and 26% respectively). So why do they have a less positive interpretation?

For Mexico, the strongest theme in unprompted comments is about the need for more information, which features much more prominently than in other economies:

- 'I would like more information on the topic in schools.'
- 'There needs to be more information...and ideas on how lower income people can help in other ways.'
- 'There should be more campaigns to inform the population.'

For Brazil, the strongest theme in unprompted comments is about how progress depends not on Brazil but on the big carbon dioxide emitters, specifically the US and China, and their multinationals, and the belief that they are unlikely to act sufficiently:

- 'The industrialised countries, which should invest heavily, will not do so to the detriment of their financial profit...check out the US and nowadays also China.'
- 'Countries like the US and China should be subjected to sanctions until they align themselves with the requested standards.'
- 'Climate change will not be deterred because the leading countries will not make the necessary changes at the rate they should be made.'

Implications

The implications of the consumer attitudes presented here are challenging for both governments and companies. Governments and corporations are blamed for not doing enough. However, when they do act, they are blamed – at least in the developed economies – for cynically exaggerating the issue for financial gain, in levying more taxes by government and making more profits by companies. So what can governments and companies learn from this survey?

Implications for governments

Consumers are giving governments a clear mandate for leadership in every one of the economies surveyed. If governments are waiting for consumer action first to ensure their regulatory interventions have popular legitimacy, then consumers are waiting for government action first to ensure their individual interventions have sufficient scale to be effective. Even in India, where belief in the collective power of individual actions is strongest and where there is least tendency to delegate to the government, 59% of people think that the government should be playing the leading role, compared with only 27% for individuals.

The challenge for governments in the developed economies is to take up this mandate in a way that engenders trust. While people in developing economies are asking for information from their governments, people in developed economies are not

accepting it from theirs.

Governments will need to explain better that their real motive is not to levy more or higher taxes. They should aim for revenue-neutral tax initiatives, which shift tax explicitly to another area without increasing it overall.

Governments in all economies should be aware of the strength of feeling voiced by people in the developing economies. Governments in developed economies are the direct target of criticism. Governments in developing economies are not so criticised as those in developed economies, but are none the less under pressure from their people to take the local lead.

Implications for companies

Based on this research, companies may seem to be less under the spotlight. The number of people saying that companies should take the leading role is relatively small. It is highest in France, but even that is only 18% compared with 63% saying that the government should take more of a leading role. However, the research indicates a desire for companies to do more. In every economy except the US and the UK, people say that companies should take more of a leading role than they do today.

The research makes two points for companies. The primary message for companies is one of opportunity. They can help people to take action, given their high level of commitment. The challenge is that people are least ready to spend money on helping to reduce climate change, compared with other actions. In terms of climate-friendly choices that companies offer to customers, the imperative is therefore either solutions with no additional cost

to the customer, e.g. sustainable practices and materials built into business-as-usual, or solutions with a direct value beyond the benefit to the planet. The continuing growth of premium-priced organic food is an example of what can be achieved when there is a direct and immediate benefit to the consumer, as well as a longer-term sustainability benefit.

The second message for companies is the need to communicate the constructive steps they are taking in sustainability without feeding the 'green rejection' group, especially in developed economies. In practice, this means understanding customers' attitudes and priorities in a segmented way, and targeting different propositions and messages at different people. This is, of course, normal marketing practice, but it differs from a conventional corporate responsibility perspective. Given the polarisation of attitudes demonstrated by this survey, a multinational business trying to engage its customers and other

stakeholders in initiatives on climate change needs to target its actions and messages carefully.

Low carbon transport such as the bicycle needs to form a key part of the climate change solution, said HSBC at the launch of the HSBC Climate Partnership in May 2007.





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HSBC Climate Partnership

Most of the photos in this report show projects under the HSBC Climate Partnership, a five-year, US\$100 million programme to tackle the urgent threat of climate change worldwide involving The Climate Group, Earthwatch Institute, Smithsonian Tropical Research Institute and WWF. The partnership will work in some of the world's major cities to influence climate change policy and practice, and to engage HSBC's global workforce, customers and the wider community.

Learn more at: www.hsbc.com/committtochange

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Smithsonian researchers measure
a tree on Barro Colorado Island in
Panama as part of a field experiment
on climate change, supported by the
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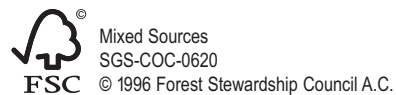
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