Department for International Trade · City of London · Saudi British Joint Business Council · Federation of Saudi Chambers

UK/SAUDI SUSTAINABLE INVESTMENT FORUM, 13 JULY 2021: INFORMAL SUMMARY

1. Baroness Symons welcomed HRH Prince Khaled, UK and Saudi Ministers, the Lord Mayor and all delegates to SBJBC's first in-person event since March 2020.

2. The Lord Mayor said that the Forum built on the success of SBJBC's previous roundtable in October 2020, and the Green Horizons Summit hosted by the City of London Corporation. He welcomed the Saudi Green Initiative and highlighted the City of London's commitment to net-zero, particularly in the run up to COP26. He urged delegates to agree concrete proposals to mobilise more private finance for sustainable investments.

3. HRH Prince Khaled said the event was a testament to the hard work by the organisers. He was delighted that it was going ahead, and that Minister AlQasabi could attend. The UK and Saudi were historic friends and allies and he looked forward to implementable proposals.

4. Lubna Olayan (SABB) said that Saudi British Bank was proud to be the lead sponsor of the Forum, adding that sustainability was at the core of SABB's newly announced 5 year strategy under which SABB will work tirelessly to be a pioneer of ESG in the Kingdom and wider region.

5. Dr Majed AlQasabi (Minister of Commerce) noted the unique mix of opportunities for UK/Saudi cooperation and joint ventures. Recent high-level government-to-government exchanges provided the opportunity to leverage greater UK private sector involvement in Vision 2030 implementation.

6. Lord Grimstone (Minister for Investment) noted the high pace of change in Saudi which he had witnessed during his three recent visits. The UK was an open investment destination and Saudi Arabia was a strategic investment partner. The UK's 10 point plan for a green industrial revolution included investable projects in offshore wind, hydrogen production, energy efficiency, carbon capture and zero emission public transport. He looked forward to Saudi participation in the Green Investment Summit which the UK would be hosting in October 2021.

7. Dr Eman Al-Mutairi (Vice Minister of Commerce) made a presentation on the progress of Saudi Vision 2030 implementation including greater women's participation in the workforce, business environment reform, sustainability and reducing carbon emissions.

<u>Panel 1: How can the financial sector best support the transition to a green economy, net-zero carbon emissions and more sustainable and inclusive growth?</u>

8. Fahad Al Saif (Public Investment Fund) highlighted PIF's medium and long term investment strategy in partnership with others to make a global sustainable impact, while developing and diversifying Saudi Arabia's sources of revenue.

9. Faizal Bhana (Jersey Finance) noted increasing convergence between Shariah compliant funds and ESG investing, and how international financial centres such as Jersey were integrating ESG considerations into their operations.

10. Catherine McGuiness (City of London Corporation) highlighted London's role as a global centre for green finance and what the financial services sector can do the ensure the success of COP26 in Glasgow.

11. Julia Hoggett (London Stock Exchange Group) referred to LSEG's close cooperation with the Saudi Tadawul Group and the progress being made in ESG disclosure requirements for listed companies

12. Christian Guckel (SEDCO Capital) noted that SEDCO was the first Saudi signatory to the UK principles of responsible investing. ESG considerations were increasingly being taken into account by Saudi investors and were good for business too.

Panel 2: Investment opportunities in UK and Saudi clean energy innovation and green infrastructure development, including the support available to investors

13. Louis Taylor (UK Export Finance) noted the £70bn worth of UKEF cover available for UK/Saudi trade and the 20% UK content requirement to benefit from this in major projects. Trade finance support was also available for SMEs.

14. Beverley Gower-Jones (UK Clean Growth Fund) spoke about the role of the Clean Growth Fund in funding innovative technologies which support the transition to net-zero and the opportunities for UK/Saudi collaboration in different clean technology sectors.

15. Jay Rosen (Red Sea Development Company) highlighted the sustainability credentials of the Red Sea Development project, including the commitment to 100% use of renewable energy. SR14bil in green financing for the project had just been raised though a consortium of banks.

16. Sami Neffati (Aberdeen Standard Investcorp) said that rooftop solar, energy efficiency and smart buildings were priorities for the $800mil sustainable infrastructure fund which Aberdeen Standard Investcorp Infrastructure Partners has just launched for GCC and Saudi projects.

17. Faisal Qadri (HSBC Saudi Arabia) said that HSBC's ambition was for all HSBC Saudi Arabia project financing to be in compliance with net-zero ambitions. Green bonds could also help with promoting new building standards and energy efficiency.

Panel 3: UK/Saudi knowledge exchange in green finance & ESG Investing: Reporting and compliance challenges in the absence of internationally agreed ESG standards

18. Mohammed Al-Rumaih (Saudi Exchange) said that ESG considerations were increasingly integrated into the Exchange's activity. The Exchange was working with listed Saudi companies to raise standards of ESG disclosure and transparency.

19. David Harris (London Stock Exchange Group) noted the need to avoid fragmentation of international regulatory frameworks. He was optimistic that a single global standard for ESG disclosure could be agreed before COP26.

20. Oliver Crowley (Pinsent Masons) and Ayman Sejiny (Islamic Corporation for the Development of the Private Sector) agreed that ESG considerations were being mainstreamed and increasingly integrated into investor strategy.

21. Alison Gowman (Green Finance Institute) said that work continued internationally to agree a common framework or taxonomy to assess compliance with ESG standards and this represented a good area for UK/Saudi collaboration.

Concluding Remarks

22. The Lord Mayor and Baroness Symons thanked all speakers, event partners and the over 300 in-person and virtual delegates for their participation. They looked forward to increased UK/Saudi collaboration to support the transition to greener economies, and to a substantial UK business presence at the 5th anniversary Future Investment Initiative in Riyadh on 26-28 October.