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HSBC LAUNCHES SUSTAINABILITY IMPROVEMENT LOAN FOR MID-MARKET AND SMALLER BUSINESSES IN HONG KONG

** HSBC completes its first Sustainability Improvement Loan in Asia Pacific
with Opal Cosmetics **

HSBC Hong Kong is stepping up its sustainable finance capabilities with the launch of Sustainability Improvement Loan, a new solution designed for mid-market and smaller businesses to link the cost of financing to their sustainability performance. This move will broaden the sustainable finance options available in Hong Kong, supporting the city's development into an international hub for sustainable finance.

The interest margin for Sustainability Improvement Loan is linked to changes in borrowers' sustainability assessments and ratings from EcoVadis, one of the world's largest providers of business sustainability intelligence and ratings. EcoVadis evaluates companies' performance across four areas: Environment, Labour and Human Rights, Ethics and Sustainable Procurement.

Borrowers of Sustainability Improvement Loans are required to complete an annual sustainability assessment throughout the duration of the facility. Those whose scores improve may benefit from a reduced interest rate. Similarly, the interest rates may increase if the borrowers' scores decline.

HSBC has recently closed its inaugural Sustainability Improvement Loan transaction in Asia Pacific with Opal Cosmetics, a global supply chain partner of personal care and beauty products headquartered in Hong Kong. The proceeds from the facility will support the company's general working capital needs and ongoing research and development activities.

Alice Suen, Managing Director, Head of Sustainable Finance and Investments, Hong Kong, HSBC, said: "Businesses in the early stages of their sustainability journeys often find conventional Sustainability-Linked Loans beyond their reach, primarily due to limited resources for measuring and reporting their ESG performance. We are pleased to introduce Sustainability Improvement Loan in Hong Kong, a new solution that improves businesses' access to sustainable finance. At HSBC, we will continue to explore new and impactful ways to incentivise and support customers of all sizes as they take meaningful steps in their sustainability journeys."

Richard Bourne, Senior Vice President, Asia-Pacific Japan, EcoVadis, said: “We are excited to collaborate with HSBC on this innovative Sustainability Improvement Loan, which underscores the importance of sustainability in business resilience and growth. Our assessments empower companies to benchmark their sustainability performance, identify areas for improvement and drive meaningful impact. We aim to provide businesses with greater access to financing linked to sustainability outcomes, encouraging a broader shift towards more sustainable practices in the region and delivering impact.”

Sustainability Improvement Loan is available to eligible HSBC customers seeking a new facility or looking to refinance or convert an existing facility. It encompasses a variety of business loans, including revolving credit facilities, term loans and selected trade finance products.

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Photo Caption



HSBC Hong Kong is stepping up its sustainable finance capabilities with the launch of Sustainability Improvement Loan. The Bank has recently closed its inaugural Sustainability Improvement Loan transaction in Asia Pacific with Opal Cosmetics. Pictured here are (from left to right): Cindy Kwok, Director, Network Growth, Asia Pacific Japan, EcoVadis; Alice Suen, Managing Director, Head of Sustainable Finance and Investments, Hong Kong, HSBC; Ryan Cheung, CFO and Executive Director, Opal Cosmetics; Karsten Ng, Vice Chairman, Opal Cosmetics; Anita Ou, Managing Director, Head of Enterprise Banking, Commercial Banking,

Hong Kong, HSBC; and Wendy Yu, Assistant Director, Customer Success, Asia Pacific Japan, EcoVadis.

To borrow or not to borrow? Borrow only if you can repay!

Note to editors:

The Hongkong and Shanghai Banking Corporation Limited

The Hongkong and Shanghai Banking Corporation Limited is the founding member of the HSBC Group. HSBC serves customers worldwide from offices in 60 countries and territories. With assets of US\$2,975bn at 30 June 2024, HSBC is one of the world's largest banking and financial services organisations.

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