

Capture the benefits of sustainable financing with HSBC and EcoVadis



Many businesses need to become more sustainable to meet customer expectations and regulatory demands. However, the cost, time and expertise required to develop a sustainability strategy can be a barrier to meaningful change, particularly for small and medium-sized firms.

HSBC is committed to supporting businesses as they take on this challenge. We have partnered with EcoVadis, one of the world's largest provider of business sustainability ratings. They have provided sustainability ratings to over 100,000 companies globally#.

EcoVadis can help you to understand how sustainable your business really is, identify areas of strengths and highlight where changes are needed to improve your rating. You may even be able to link the price of finance to your sustainability performance using an EcoVadis rating with our HSBC Sustainability Improvement Loan.

Benefits of an ESG assessment

By completing an EcoVadis ESG assessment of your business you will get a rating, which may be used to take out a HSBC Sustainability Improvement Loan. This means that the cost of borrowing can be linked to your sustainability performance, and the interest rate on your lending may be reduced* if your EcoVadis score improves.

Further benefits of an ESG assessment include:

- Benchmark your performance against your sustainability goals
- Get key insights to help you shape a more sustainable business model, making your business more cost effective and resilient
- Use your ESG rating in bids and tenders to show that you meet sustainability criteria

Eligibility

If you have an EcoVadis ESG rating, you may be eligible for our HSBC Sustainability Improvement Loan.

The HSBC Sustainability Improvement Loan will be available for eligible HSBC customers looking for a new facility or those who are looking to refinance or convert an existing facility and will be available for a range of business loan and trade products.

Please check with your HSBC Representative to understand if your business meets eligibility requirements.

Source: ecovadis.com/solutions/ratings/

* The interest rate on your lending may be increased if your EcoVadis score declines.

How it works

HSBC Sustainability Improvement Loan

Once you have a HSBC Sustainability Improvement Loan you must undertake an EcoVadis ESG assessment in order to get a new rating for each annual reporting period, for the lifetime of the facility.

Your EcoVadis rating is used to track your ESG performance over time, and you can qualify for better interest rates if your score improves in line with agreed targets. Similarly, your interest rate may increase if your EcoVadis rating declines.

To talk this through in more detail, please speak to your Relationship Manager.

EcoVadis ESG Assessment

1



Create a company profile and a custom assessment will be made for you to complete

2



Complete the custom assessment and upload any supporting documents

3



EcoVadis analysts will then assess and validate a personal scorecard for your business, giving you:

- Scores of 1-100 across four areas; Environment, Labour & Human Rights, Ethics and Sustainable Procurement
- Detailed insights into areas of strength and weakness, with recommendations on areas to prioritise
- A benchmark of performance that rates you against your peers by industry or country
- Ongoing reporting so you can track your progress

Cost

Costs vary depending on business size and complexity of assessment. You can see the latest EcoVadis price structures at ecovadis.com/plans-pricing/

Next Steps

If you are interested in finding out more about the HSBC Sustainability Improvement Loan, please contact your Relationship Manager or email amh.cmb.sustainable.finance@hsbc.com.hk



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

Today HSBC finances a number of industries that significantly contribute to greenhouse gas emissions. We have a strategy to help our customers to reduce their emissions and to reduce our own. For more information visit hsbc.com/sustainability.

By supplying these materials to you HSBC is not providing confirmation that your business is eligible for such third party's services nor should it be considered as a recommendation or endorsement to use those services. Information provided is general in nature and is not advice to take any particular actions. HSBC does not represent or warrant that any information provided by the third party will achieve any sustainability goals you may have or establish or that such information will be suitable for your business.

It is your responsibility to make an independent assessment of the third party's service (including any of their terms and conditions to be entered into with you) and you should seek independent advice as required. HSBC shall not be responsible or liable to you or to any person or entity for any damages or loss that may be alleged or incurred as a result of using any service or product provided by the third party.

If you choose to use the service or product provided by the third party, you may be asked by your HSBC representative to share the Scorecard from your EcoVadis ESG assessment with HSBC. You do not have an obligation to share your Scorecard with HSBC.

The provision of these materials to you does not constitute an offer or commitment by HSBC to provide you with any financing.