



Take 5:

Q&A with Stuart Milne,
Chief Executive Officer, HSBC Bank
Malaysia Berhad



Climate innovation, nature-based solutions and sustainable infrastructure are key to cutting carbon emissions and tackling climate change. So, too, is the finance needed to invest in these areas. HSBC is leading the transition to a global net zero economy by transforming our operations and supply chain – and by supporting our customers in their own transitions. We’re mobilising finance and accelerating innovation to make this happen, working in partnership with our customers to realise the opportunity to build a more sustainable, resilient, and prosperous future. In this Green issue of the BMCC e-newsletter, we have a chat with **Stuart Milne, Chief Executive Officer, HSBC Malaysia**, to better understand the importance of sustainability to HSBC.

How important is environmental sustainability and the green agenda to HSBC?

Since our foundation in 1865, HSBC Group has opened up opportunities for our customers, communities, and wider society. We want to build a future that prioritises resilience, social mobility and the environment alongside economic growth. In all our financing decisions, we apply a climate lens to help us support the long-term future of the businesses we support, as well as the planet.

Additionally, we recognise the potential impact of climate change and have set out an ambition to align our financing portfolio to the Paris Agreement goals, with the aim of accelerating the transition to a thriving low-carbon global economy through finance. Finance is key to building a sustainable future!



What are some of HSBC's main initiatives in the green space?

HSBC has been at the forefront of developing the sustainable finance market. We've been responsible for a number of "firsts" in this field, from helping companies, governments and institutions issue green, social and sustainable bonds, to attaching ambitious environmental targets to business loans.

In Malaysia specifically, we have rolled out numerous market-leading sustainable solutions and most recently, HSBC acted as the joint lead manager and joint bookrunner on the Government of Malaysia's US\$800 million 10-year Sustainability Sukuk and US\$500 million 30-year Sukuk. HSBC Amanah also acted as the joint sustainable development goals (SDG) structuring agent on the 10-year tranche which represents the world's first sovereign US Dollar Sustainability Sukuk.

HSBC Amanah is also working on Project Cocoon, which aims to transition HSBC Amanah into the HSBC Group's first sustainable entity by 2022 and more broadly support Malaysia's climate ambition.

Who are you working with to achieve the initiatives/goals set?

We are working externally with a range of stakeholders including charities, community groups, our employees, financial institutions, governments, non-governmental institutions and policymakers. Internally, all HSBC employees have a role to play, even more so in Malaysia as we transition HSBC Amanah to become the Group's first sustainable banking entity. Capacity building is key for employees to ensure they are equipped with a strong foundation in sustainability, so that they will be able to communicate more effectively with customers to help them develop credible sustainable transition plans. To that effect, we have trained more than 175 employees, including the senior leadership team, Board members and Relationship Managers (RM) through various initiatives including RM trainings, a sustainability training course with London Business School and a sustainability product and proposition development boot camp.



What are the key aims and targets for HSBC's green initiatives and what are your timelines to achieve them?

In October last year, [HSBC announced its ambitious plan](#) to prioritise financing and investment that supports the climate transition to a net zero global economy, citing a landmark opportunity to build a thriving, resilient future for society and businesses. We plan to align our financed emissions – the carbon emissions of our portfolio of customers – to the Paris Agreement goal to achieve net zero by 2050 or sooner. We are also prioritising financing and investments that support our customers to lower carbon emissions. Our ambition is to provide between US\$750 billion and US\$1 trillion of financing and investment for this purpose over the next 10 years. Additionally, we aim to achieve net zero in our own operations and supply chain by 2030 or sooner.

Why, in your opinion, is the Race to Zero Campaign instrumental for businesses?

The Race to Zero Campaign is key for businesses as sustainability credentials are increasingly becoming an opportunity to win new business rather than simply meeting industry and regulatory requirements. This is important because consumers today favour sustainable products and companies that share similar values. Sustainability is able to unlock new opportunities for businesses who find ways to engage a new generation of consumers wanting products and services that are ethical and seeking brands they can trust.

Additionally, we believe that emerging supply chain and investment requirements will mean companies small or large will ultimately have to comply with sustainability requirements. Increasingly, SMEs who want to supply to multinationals will have to compete from a sustainability perspective, and even financiers and investors will increasingly require information on sustainability performance.