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HSBC brings first-of-its-kind sustainable finance product suite to Canadian businesses

HSBC Bank Canada announced today the launch of five new sustainable finance tools for commercial and global banking clients. Available to Canadian businesses of all sizes, Green Deposits, Green Trade Finance, Green Revolving Credit Facilities, Sustainability-Linked Loans, and Green Equipment Financing are joining HSBC's successful Green Loans launched in 2019. With the new suite of sustainable finance offerings HSBC has become the first bank in Canada to apply sustainable finance market principles to both trade and deposit products.

"HSBC is the first bank in Canada to make such a comprehensive suite of options available for Canadian companies to take action on sustainability," said Alan Turner, Head of Commercial Banking for HSBC Bank Canada. "Much of the focus to date has been on the large corporate and institutional markets. With these new tools, support for companies to achieve their sustainability goals is no longer the preserve of big businesses. Tools are now available for small and medium-sized businesses too."

Green deposits

Businesses can now include sustainability in their treasury activities with overnight saving and term investment options in both Canadian and US dollars. Deposits will be eligible to finance loans for customers' green initiatives such as renewable energy, energy efficiency and biodiversity conservation, providing a simple way for companies to support environmentally-beneficial projects. Clients will receive a quarterly, portfolio-level view of how their funds have been deployed to support green projects, and they will be able to manage their green account as simply as a regular deposit account. The introduction of Green Deposits is a market first in Canada.

Sustainable Trade Finance

Combining HSBC's expertise and market leadership in both sustainable and trade finance, Sustainable Trade Finance has a broad range of applications that can be particularly helpful for Canadian businesses trading internationally. It supports environmentally and socially sustainable trade activities throughout the trade cycle, from the tender process and issuance of a payment order, through to shipment and sales fulfilment, all aligned to green-loan principles. The introduction of Sustainable Trade Finance is a market first in Canada.

Green Revolving Credit Facilities (RCFs)

HSBC first offered Green Loans in 2019 and has built on the in-demand product to offer Green Revolving Credit Facilities. RCFs enable companies to access funds when required according to their cash flow needs, with a minimum loan value of \$500,000.

Sustainability-Linked Loans

Canadian businesses can now tie their borrowing costs to their progress on achieving sustainability goals with Sustainability-Linked Loans. With this type of loan, the interest rate is tied to a company's achievement of key sustainability performance targets, which may include greenhouse gas emissions reduction, increased use of renewable energy, greater diversion of waste from landfills and reduced water use, as well as social and governance metrics like increased workforce diversity. This product has been available to select clients since March 2019, and is now rolled out more broadly across all HSBC commercial banking clients.

Green Equipment Financing

Green equipment finance, or green leasing, supports companies to finance the acquisition of equipment with tangible environmental benefits, in alignment with the market standard Green Loan Principles.

Dedicated guidance for Canadian businesses

HSBC Bank Canada recently created a dedicated Sustainable Finance advisory unit. This capability allows HSBC to share practical and global knowledge on how companies can obtain support to bring their sustainability objectives to life.

“Virtually every customer today wants to talk about ESG. We know from experience small and medium-sized businesses have a difficult time justifying sustainability spending,” said Angie Hall, Head of Sustainable Finance. “These products will make it easier for main street and mid-market businesses to start on their sustainability journey.”

Globally, HSBC has helped establish the industry principles that govern how ‘green’ money is raised and spent and is committed to aligning the financed emissions to net zero by 2050 or sooner, in line with the Paris Agreement goals. To help get there, HSBC is targeting to provide between USD750 billion and USD1 trillion of finance and investment towards the transition globally by 2030. HSBC is a founding member of the industry-led, UN-convened Net Zero Banking Alliance (NZBA) to bring collaboration and consistency to collective financial sector efforts to reach the Paris Agreement goals. The NZBA was co-launched by the Financial Services Taskforce (FSTF) of the Prince of Wales’ Sustainable Markets Initiative, chaired by HSBC Chief Executive Noel Quinn.

In Canada, HSBC was first in market with its Green Loan offering in 2019. A leader in Canadian green bonds, HSBC was selected earlier this year as one of two structuring advisors for the Government of Canada’s inaugural Green Bond. HSBC Bank Canada also recently launched Energy Efficiency and Electric Vehicle Loans for personal banking clients to help them finance an electric or plug-in hybrid electric vehicle, solar panels for their home, energy efficient appliances, windows, and more.

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All products subject to credit availability

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Note to editors:

HSBC Commercial Banking

For over 150 years we have been where the growth is, connecting customers to opportunities. Today, HSBC Commercial Banking serves around 1.4 million customers across 53 markets, ranging from small enterprises focused primarily on their home markets through to corporates operating across borders. Whether it is working capital, term loans, trade finance or payments and cash management solutions, we provide the tools and expertise that businesses need to thrive. As the cornerstone of the HSBC Group, we give businesses access to a geographic network covering more than 90% of global trade and capital flows. For more information visit: <http://www.hsbc.com/about-hsbc/structure-and-network/commercial-banking>

HSBC Bank Canada

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