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## **Sustainability sits high on the agenda for Malaysian firms: HSBC Survey**

Sustainability sits high on the agenda for Malaysian businesses, reveals HSBC's global survey '*Navigator: Now, next and how for business*'. This latest report surveys more than 9100 companies across 35 global markets in the world – including 202 firms from Malaysia.

The three main outcomes of implementing sustainability initiatives for Malaysian businesses will be improvement of operational efficiency, transparency and traceability as well as growth in sales. Notably, Malaysia as a market, shows a higher preference than any other market for transparency and traceability as motivators for implementing sustainability initiatives.

Malaysian businesses are feeling the pressure from competitors, government and investors to become more sustainable. Of these, the pressure from government and competitors is considerably stronger in Malaysia (competitors 42%, government 42%) than it is globally (competitors 36%, governments 32%) and there is more pressure from customers globally (34%) than there is in Malaysia (29%).

Commitment to the United Nations' Sustainable Development Goals (SDGs) emerges as a key theme from the survey. Almost three-quarters (74%) of businesses in Malaysia think they have a role to play in delivering the United Nations' SDGs. This is considerably above the global (63%) and APAC average (67%). Industry, innovation and infrastructure, good health and well-being and quality education are seen as the most relevant goals to their businesses by Malaysian businesses who feel they have a role to play in delivering UN's SDGs.

HSBC Amanah Malaysia Berhad (HSBC Amanah) had launched the world's first United Nations (UN) Sustainable Development Goals (SDG) Sukuk. This is reflected in HSBC Amanah's commitment to financing projects that benefit communities and the environment in line with HSBC Group's responsibility to help finance global sustainable development.

HSBC Amanah had also taken the lead in sustainable investment by launching the first-ever Environmental, Social and Governance ("ESG") Islamic Structured Product in the Malaysian market. This is also in line with Bank Negara Malaysia's Value-based Intermediation ("VBI") initiative which seeks to ensure that the development of Malaysia financial market is consistent with the current focus on global sustainability agenda.

Commenting on the findings of the survey, Andrew Sill, Head-Commercial Banking, HSBC Malaysia said, "Businesses are realising the value of implementing initiatives to enhance sustainability. Transitioning to become more sustainable is not only beneficial for the environment and for society, but for the bottom line too. Sustainable Finance is a strategically important proposition for us at HSBC where we commit to lead and assist our clients in the transition to a low carbon and sustainable economy."

Arsalaan Ahmed (Oz), CEO, HSBC Amanah Malaysia, adds, "ESG and sustainability are certainly becoming increasingly important in Malaysia. The macro factors that drive this trend are partly social, a consciousness among the Malaysian businesses around the importance of impact to the communities we serve and the environment we live in. The findings from the survey support this trend. We believe that awareness and a preference towards adopting sustainability initiatives amongst Malaysian businesses will increase going forward."

Nearly half (47%) of businesses expect to invest more in technology, innovation and infrastructure to improve sustainable production over the next five years, while 41% plan to spend more on technology to boost supply chain traceability. The main challenges that businesses face when prioritising sustainability are sourcing extra funding, reported by almost half (45%) of companies, and overcoming restrictions and inflexibility (35%).

HSBC will drive the Sustainability agenda with a focus on having a positive impact on the society. The agenda will be guided by 7 UN Sustainability Goals, aligned with HSBC Group's Sustainability vision.

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**Note to editors:**

**HSBC Navigator: Now, next and how for business**

HSBC's Navigator report comprises a global survey gauging business sentiment and expectations on trade activity and business growth from 9,131 decision-makers in 35 markets. Research was conducted by Kantar for HSBC between August and September 2019. HSBC's Navigator helps businesses capitalise on new opportunities and make informed decisions for the future by understanding the outlook for international trade.

The full report can be accessed here: [www.business.hsbc.com/trade-navigator](http://www.business.hsbc.com/trade-navigator)

Interviews for the *Navigator: Now, next and how* survey were conducted in Argentina, Australia, Bangladesh, Belgium, Brazil, Canada, Egypt, France, Germany, Greece, Hong Kong, India, Indonesia, Ireland, Italy, Japan, mainland China, Malaysia, Mexico, the Netherlands, Poland, Russia, Saudi Arabia, Singapore, South Africa, South Korea, Spain, Sweden, Switzerland, Thailand, Turkey, the UAE, the UK, the USA and Vietnam.

Over 5,000 of the companies interviewed were SMEs making annual sales of between US\$5m and US\$50m, with the remainder being larger enterprises.

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For more information visit: <http://www.hsbc.com/about-hsbc/structure-and-network/commercial-banking>

**HSBC Holdings plc**

HSBC Holdings plc, the parent company of HSBC, is headquartered in London. HSBC serves customers worldwide from offices in 65 countries and territories in our geographical regions: Europe, Asia, North America, Latin America, and Middle East and North Africa. With assets of \$2,728bn at 30 September 2019, HSBC is one of the world's largest banking and financial services organisations.

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