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Sustainability is key to resilience for Malaysian businesses: HSBC survey

Amidst the COVID-19 pandemic, Malaysian businesses say that sustainability is a key component of their future business strategy, especially when re-assessing their operations to embed firmer environmental foundations.

This was one of the findings from [HSBC Navigator “Resilience: Building Back Better”](#), a survey that measures the pulse of businesses as they adapt to current challenges, and highlights the steps they have taken to be resilient in the future. The report surveyed 2,604 companies across 14 markets globally, including 200 firms from Malaysia.

Sustainability is taking centre stage

Based on the first half of 2020, the emphasis on sustainability has either remained consistent or increased for nearly two-thirds of businesses in Malaysia (65%). 30% of Malaysian businesses feel that sustainability is as important as before compared to all other markets (23%), and more than one out of three businesses (35%) feel it is more important than ever before.

“Malaysian businesses increasingly view sustainability as integral to their operations. There is also a near-unanimous commitment among business decision makers to build back better; more than 9 out of 10 Malaysian businesses (94% vs 91% across all markets) agree that the need to re-assess or review their operations would enable them to rebuild their business on firmer environmental foundations. This illustrates the significance of sustainability as a key component for future-proofing operations, which will continue to be top-of-mind for businesses in Malaysia,” **Stuart Milne, Chief Executive Officer, HSBC Malaysia.**

Our new climate ambition

HSBC recently announced an 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. The plan was constructed around a pledge to reduce financed emissions from our portfolio to net zero by 2050 or sooner, in line with the goals of the Paris Agreement.

To do this, we’re ramping up our support to enable our customers to develop more sustainable ways of doing business. We believe we have the scale and global reach to play a leading role in advising them on their journey towards net zero through our climate ambition of providing between USD750 billion and USD1 trillion of finance and investment by 2030.

“HSBC’s new climate ambition further demonstrates our commitment to support and partner with Malaysian businesses that value and prioritise sustainability. We will accelerate our efforts to support customers on their journey to progressively decarbonise, while ensuring their ongoing resilience and prosperity,” shared Stuart.

“In line with this, we aim to be a leading partner in the transition to a low-carbon world. This will allow us to accelerate our efforts to deliver the Group’s first sustainable banking entity with our Islamic banking subsidiary HSBC Amanah and more broadly support Malaysia’s climate ambition. We will continue to bring this to life with our customers by offering industry-leading sustainable product offerings, while embedding sustainability in everything that we do.”

The pressure and potential of sustainability

When it comes to anticipated sources of pressure to become more sustainable in the next 1-2 years, the survey reveals that more than three out of five (61%) businesses feel that regulatory measures, comprising government (42%) and industry regulations (32%), will be among the top 3 sources of pressure to become a more sustainable business along with pressures from customers (52%).

The greatest pressure comes from regulatory measures, suggesting that businesses would need to take the necessary time and steps to understand regulation around sustainability and to take action and adapt accordingly.

Another key pressure is customers, suggesting that sustainability credentials are an opportunity to win new business rather than simply meet regulatory requirements. This is important because consumers – and particularly millennials – favour sustainable products and companies that share their values.

“Sustainability helps Malaysian businesses build resilience and positions them well for growth. As such, the financial services sector has a critical role to play in supporting sustainable business activities. HSBC is able to help businesses alleviate pressures on their quest to become more sustainable, lead strategic dialogues, and provide timely financing solutions that cater to customers’ specific green needs,” concluded Stuart.

Recently, The Banker named us Investment Bank of the Year for Sustainability and earlier this month, HSBC was named Best Bank for Sustainable Finance for the Asia, Middle East and Western Europe regions by Euromoney. In Malaysia, HSBC Amanah won the Islamic ESG Bank of the Year award as part of The Asset Triple A Islamic Finance Awards 2020.

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Note to editors:

HSBC Navigator

The Navigator survey is conducted on behalf of HSBC by Kantar. It is compiled from responses by decision-makers at 2,604 businesses, ranging from small and mid-market firms to large corporations, across a broad range of sectors. The respondents hold influence over their company’s strategic direction and represent a broad range of roles: including c-suite, finance,

procurement, supply chain, sales and marketing. A total of 14 markets were surveyed between 28 April and 12 May 2020.

- Americas: Canada, Mexico, USA
- Asia Pacific: Australia, Hong Kong, India, Indonesia, Mainland China, Malaysia, Singapore
- Europe: France, Germany, UK
- MENA: UAE

Results have been weighted to be representative of each market's international trade volume (World Trade Organisation data for 2017-2018).

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 Malaysia Berhad

HSBC's presence in Malaysia dates back to 1884 when the Hongkong and Shanghai Banking Corporation Limited established its first office in the country on the island of Penang, with the permission to issue currency notes. HSBC Bank Malaysia Berhad was locally incorporated in 1984 and is a wholly-owned subsidiary of The Hongkong and Shanghai Banking Corporation Limited, founding member of the HSBC Group. In 2007, HSBC Bank Malaysia was the first foreign bank to be awarded an Islamic banking subsidiary licence in Malaysia, namely HSBC Amanah Malaysia Berhad. Today, HSBC Bank Malaysia has a network of 67 branches nationwide, of which 26 are HSBC Amanah Malaysia Berhad branches. HSBC Bank Malaysia offers a comprehensive range of banking and financial services including Islamic financial solutions. HSBC Bank Malaysia has also led innovation in Malaysia by introducing Malaysia's first ATM and Electronic Touch Banking in the early 1980s. Today, HSBC Bank Malaysia has launched innovative solutions such as HSBCnet for secure banking for businesses, Trade Transaction Tracker and Facial Recognition on supported mobile phones.

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 64 countries and territories in its geographical regions: Europe, Asia, North America, Latin America, and Middle East and North Africa. With assets of US\$2,923bn at 30 June 2020, HSBC is one of the world's largest banking and financial services organisations.

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