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HSBC Amanah publishes first TCFD report for Malaysia's financial industry

HSBC Amanah Malaysia Berhad (HSBC Amanah) has today announced the publishing of its [Task Force on Climate-related Financial Disclosures \(TCFD\) report](#) - the first of its kind amongst banks in Malaysia.

Published in April 2021, the report is key to HSBC Amanah's ambition to become HSBC Group's first sustainable banking entity by end-2022. It also supports Bank Negara Malaysia's efforts to strengthen the financial industry's capacity in managing climate-related risks.

Developed by the Financial Stability Board (FSB) in response to the Paris Agreement, TCFD is an internationally recognised disclosure framework established to enhance climate-related financial reporting by encouraging consistent, reliable and transparent measurement and reporting of climate-related financial risks.

TCFDs are important for a company's sustainability strategy and resiliency and will further build trust between investors and customers. In addition, implementing TCFDs could provide companies with better access to capital by increasing investors' and lenders' confidence that the company's climate-related risks are appropriately assessed and managed.

Today's announcement follows HSBC Amanah's first Value-Based Intermediation (VBI)¹ Disclosure across banks in Malaysia. The disclosure was a testament to HSBC Amanah's commitment towards sustainability and VBI undertakings, and was a clear way for us to identify areas of improvement.

Stuart Milne, Chief Executive Officer, HSBC Malaysia said: "Many companies are touting sustainable practices, but going to the effort of voluntarily developing and publishing a TCFD report sends a message to our stakeholders that HSBC Amanah is serious about building trust through transparency. The disclosure reinforces HSBC Amanah's ability to future proof its business by holistically assessing the risk and opportunities that climate change will present."

Raja Amir, Chief Executive Officer, HSBC Amanah said: "Through consistent and reliable disclosures, we will be able to effectively assess our progress in becoming the Group's first sustainable bank. In addition, the TCFD report is also aligned with BNM's expectation for all financial institutions in Malaysia to publish their own disclosures."

HSBC Amanah's announcement reflects HSBC's wider commitment to transitioning to Net Zero. In October 2020, the HSBC Group committed to aligning the financed emissions from our portfolio of customers to net zero by 2050 or sooner, in line with the Paris Agreement

¹ [Value-based Intermediation \(VBI\)](#) is defined as an intermediation function that aims to deliver the intended outcomes of Shariah through practices, conduct and offerings that generate positive and sustainable impact to the economy, community and environment, consistent with the shareholders' sustainable returns and long-term interest

goals. To help get there, our target by 2030 is to provide between USD750 billion and USD1 trillion of finance and investment towards the transition. Additionally, the bank also aims to be net zero in its operations and supply chain by 2030.

HSBC in Malaysia continues to be at the forefront in the area of sustainable product offerings and has achieved a number of 'firsts' with the issuance of the world's first United Nations (UN) Sustainable Development Goals (SDG) Sukuk (2018), the first ESG Islamic Structured product in Malaysia (2019) and the industry's first VBI related product, Takaful Future Secure (2017).

In 2020, HSBC was named Best Bank for Sustainable Finance for the Asia, Middle East and Western Europe regions by Euromoney. HSBC Amanah also won the Islamic ESG Bank of the Year award as part of The Asset Triple A Islamic Finance Awards 2020. Additionally, HSBC Malaysia was recently awarded the 'Digital Bank of the Year' by the Asset Triple A Digital Awards 2021 and the 'Best International Bank' in Malaysia by FinanceAsia for the second consecutive year.

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About HSBC Amanah

When it comes to Islamic Finance, HSBC Malaysia has led the way by becoming the first internationally-owned bank to launch an Islamic banking service in 1994. In 2008, HSBC Amanah Malaysia Berhad was the first internationally-owned bank to be incorporated as an Islamic banking subsidiary in Malaysia.

Since then, HSBC Amanah has led in developing the Islamic finance industry across product, proposition and future market development and is a recognised leader in Sukuk issuance, green and sustainable financing and international transactions. HSBC Amanah complements HSBC Bank Malaysia's comprehensive banking and financing solutions, available to all its customers, by providing a full suite of innovative Islamic products and services to both retail and corporate customers.

In 2017, HSBC Amanah became a founding member of the Value-Based Intermediation (VBI) Community of Practitioners championed by Bank Negara. The Bank has had numerous achievements and has won many notable accolades the most recent being the Islamic ESG Bank of the Year award as part of The Asset Triple A Islamic Finance Awards 2020. For more information about HSBC Amanah, do visit: <https://www.hsbcamanah.com.my/>

About 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 \$2,959bn at 31 March 2021, HSBC is one of the world's largest banking and financial services organisations.

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