

Sustainable Supply Chain Term Lending

What does this refer to?

Addresses the Sustainability-related **Capital Expenditure** needs of Buyer's **Suppliers**.

Many large Buyers are now setting publicly disclosed Sustainability targets for their supply chain. By working with these Buyers, HSBC can provide term financing for Suppliers who need to invest in environmental improvements to meet the Sustainability criteria that Buyers have set.

This would be through a programme of lending with preferential terms that is open to new and existing suppliers subject to normal credit adjudication.

Purpose of Funding

To improve the Supplier's environmental impact in line with Buyer's objectives and science-based-targets (or equivalent), validated and measured by the Buyer's internal metrics or the Buyer's chosen third party.

Examples of purpose include re-tooling a factory, installing water treatment units, thermal heat pumps, waste recycling units or solar panels where the improved environmental impact can be measured.

Needs & Benefits....

Buyer

- ♦ Reduce carbon footprint in supply chain, without reduced service levels, creating competitive advantage and driving cost efficiency
- ♦ Accelerate achievement of supply chain Sustainability targets
- ♦ Respond to consumer/investor expectations and reputational risks
- ♦ Deepen relationship with Suppliers by enabling access to funding
- ♦ Ensure resilience of their supply chain by future-proofing Suppliers

Supplier

- ♦ Improve Sustainability standards, and ability to meet Buyer's requirements
- ♦ Retain business and enhance overall relationship with Buyer
- ♦ Future-proof business, thereby increasing their attractiveness
- ♦ Cost efficiency via sustainable operational improvements & savings

How we can help...

Why HSBC?

Tailored offering: We leverage what we do best – providing banking products and services around the globe – targeted at Suppliers to support Buyer's supply chain objectives

Overlap with Buyer's supply chain: Buyers know their supply chain better than anyone and HSBC can offer our network: an extensive breadth & depth of client base across markets

Partners: Through working with some of the world's leading NGOs, export credit agencies and other expert third parties, we can help to bring additional services to Suppliers, focusing on understanding, measuring, managing, disclosing, and ultimately reducing their environmental impact

If you think this offers value to you, we would be happy to explore developing a programme that is tailored to you and your Suppliers