

8 December 2021

HSBC STRUCTURES BANGLADESH'S FIRST GENDER EQUALITY INDEXED LOAN

"An innovative financial solution to support female leadership and reduce greenhouse gas emission."

Dhaka: The Hongkong and Shanghai Banking Corporation (HSBC) in Bangladesh has structured the country's first ever Sustainability Linked Loan targeting Sustainable Development Goal (SDG) 5: Gender Equality, for DBL Group, one of the largest knit garment manufacturers and exporters of Bangladesh. Sustainability linked loans aim to improve the borrower's sustainability profile by aligning loan terms to the borrower's performance against pre-determined Sustainability Performance Target (SPT) benchmarks. Under this unique incentivised sustainable loan agreement, interest rates are tied to two areas of performance – the increased percentage of female supervisors employed and greenhouse gas emissions reductions.

Commenting on the landmark signing, **M A Jabbar**, Managing Director, DBL Group said, "Encouraging female leadership is not only the right thing to do but also has a clear business case. We have observed marked improvement of quality control with female supervisors and now are encouraged to see global financial institutions like HSBC offering economic incentives to do more. We look forward to partner with HSBC in building an equal and sustainable future."

Commenting on this, **Md. Mahub ur Rahman**, Chief Executive Officer, HSBC Bangladesh said, "We are focused on helping our clients achieve their sustainability goals; be they environmental, social or governance-related. As our customers transition into the new sustainable economy, we stand firm beside them with best practices from around the world and global expertise. We thank DBL Group for being pioneers in two important areas – promoting workplace gender equality and reducing greenhouse gas emissions."

Kevin Green, Head of Wholesale Banking, HSBC Bangladesh said, "We understand the critical role financial institutions can play in driving forward sustainable business models. And we are glad to have clients like DBL who are pioneers in this space in Bangladesh. I must extend my thanks to the DBL sustainability team who have worked tirelessly with us in structuring this transaction."

HSBC has set out its 'plan for the planet' to support customers to transition to a low carbon future and more sustainable ways of doing business. The bank has an ambition to provide between USD750 billion and USD1 trillion of sustainable finance and investments by 2030 to help them achieve this, to accelerate new climate solutions and inspire our customer to invest to support positive change.

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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 \$2,969bn at 30 September 2021, HSBC is one of the world's largest banking and financial services organisations.

This information is provided by
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A company incorporated in Hong Kong and
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