



Press Release

Standard Chartered and Leo enter into its first sustainability-linked trade finance credit facility and hedging transactions

12 April 2022, Hong Kong – Standard Chartered Bank today announced that it has entered into a sustainability-linked USD trade finance credit facility and a sustainability-linked hedging transaction with **Leo Paper Group** (“Leo”), demonstrating the bank’s strong commitment in meeting clients’ rising sustainability aspirations with innovative sustainable finance solutions.

This is the first time Leo obtains a sustainability-linked trade finance credit facility for its usage across Hong Kong, Mainland China and Vietnam, and the first time it uses a sustainability-linked hedging transaction to manage foreign exchange risks. Under this sustainability-linked framework, Leo commits to reduce its hazardous waste and total waste intensity to pre-determined levels over a designated period of time. Standard Chartered Bank will provide financial incentives to Leo if the targets are met, whereas a penalty will be imposed on unfulfilled commitment.

Ms Helen Hui, Managing Director, Head, Client Coverage, Corporate, Commercial and Institutional Banking, Hong Kong, Standard Chartered, said: “Standard Chartered plans to mobilise USD300 billion globally in green and transition finance by 2030. Through our expertise, we are pleased to support Leo’s aspiration to become a ‘Zero-Waste Factory’, together creating a better future for the next generation. The market volume of sustainable debt issuance, including both loans and bonds, in Hong Kong grew remarkably from USD770 million in 2017 to USD20.56 billion in 2021¹. As a leading bank in Hong Kong, Standard Chartered is dedicated to contributing to the development of Hong Kong as a regional hub for sustainable finance.”

Mr John Thang, Head of Financial Markets, Hong Kong and Greater Bay Area, Standard Chartered, added: “This is the first time we executed a sustainability-linked FX option for a client in Hong Kong. We expect more similar deals to come as clients are increasingly looking for innovative sustainable finance products, not only for financing but also for hedging. According to the Standard Chartered Sustainable Finance Impact Report, in mid-2021, the green assets in the

¹ Source: Bloomberg

bank's Hong Kong portfolio amounted to USD552 million, up from USD34 million a year ago, representing a 16-fold growth. We are confident in maintaining the strong business momentum and are well positioned to meet the clients' evolving needs."

Mr Samuel Leung, Group Chairman at Leo, said: "As a leading global printing communications company, Leo is delighted to partner with Standard Chartered in our journey to build a green business chain from raw materials to consumers and from design to disposal under our unique 'Green Harmony' framework. The sustainability-linked structure with incentive or penalty elements in these transactions demonstrates our strong commitment to achieving substantial environmental performance targets."

Mr King Lai, Group CFO at Leo, also said: "Leo has been upholding ethical business practice and environmentally responsible operation for over 10 years, sharing the same vision with Standard Chartered which is actively promoting sustainability. It's just the beginning. We look forward to making use of more sustainable finance products down the road to green not only our products but also our finances, becoming the role model for the industry."

To learn more about Standard Chartered's commitments to sustainable finance, please visit:

<https://www.sc.com/en/about/hereforgood/through-different-eyes/>

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Standard Chartered

We are a leading international banking group, with a presence in 59 of the world's most dynamic markets and serving clients in a further 83. Our purpose is to drive commerce and prosperity through our unique diversity, and our heritage and values are expressed in our brand promise, here for good.

Standard Chartered PLC is listed on the London and Hong Kong Stock Exchanges.

The history of Standard Chartered in Hong Kong dates back to 1859. It is currently one of the Hong Kong SAR's three note-issuing banks. Standard Chartered incorporated its Hong Kong business on 1 July 2004, and now operates as a licensed bank in Hong Kong under the name of Standard Chartered Bank (Hong Kong) Limited, a wholly owned subsidiary of Standard Chartered PLC.

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