

IFC and HSBC Asset Management expand partnership to support sustainability in emerging markets

October 02, 2024—IFC, a member of the World Bank Group, and HSBC Asset Management (HSBC AM) today announced an agreement to establish a specialized fund vehicle targeting corporate bond issuers in emerging markets (EM), aiming to increase access to finance and support sustainable growth.

The fund will support the existing HSBC Global Emerging Market Corporate Sustainable Bond Strategy and invest in publicly listed bonds issued by corporate and financial institutions in emerging markets. It will be classified as Article 9 under the Sustainable Finance Disclosure Regulation (SFDR)—its highest level of classification in terms of sustainability.

“By aligning with SFDR Article 9, which places a strong emphasis on issuer-level sustainability and transparency beyond just an issuance’s use-of-proceeds, the HSBC corporate bond strategy will support the growth of sustainable businesses and accelerate their green transition,” said Mohamed Gouled, Vice President of Industries, IFC. “IFC’s investment is expected to mobilize additional institutional investors and increase the pool of capital dedicated to sustainability-related transactions in emerging markets.”

The collaboration between IFC and HSBC AM aims to further drive sustainable growth and impact in emerging markets by investing in key areas such as sustainable technologies and social impact. While emerging market countries comprise more than 80% of the world’s population¹, they capture a much smaller share of global financing. Significant investment is needed to advance and accelerate their transition to a sustainable future.

The HSBC Global Emerging Markets Corporate Sustainable Bond strategy seeks to make positive environmental, social and governance (ESG) change and measurable impact by investing in EM corporate bonds and related securities that contribute to the UN SDGs, as well as help bridge the financing gap for EM corporate issuers. IFC will support the strategy with a proposed \$100 million anchor investment in the fund.

Nicolas Moreau, CEO of HSBC Asset Management, said: *“We are pleased to expand our partnership with IFC, which dates back to 2019 following the launch of HSBC Real Economy Green Investment Opportunity GEM Bond Fund (REGIO)², as we reinforce our contribution to improved sustainability in emerging markets and help support our clients’ sustainable investment objectives. We hope this collaboration demonstrates the financial market opportunity in funding sustainability to help bridge the financing gap for EM corporate issuers whose activities are aligned with and positively contribute to the UN’s Sustainable Development Goals.”*

IFC’s support aims to help mobilize institutional investors given its extensive experience in EM investments, its leadership in the ESG and sustainability space, and its track record in establishing new asset classes. In order to meet their Sustainable Development Goals (SDGs) and Paris Agreement commitments, emerging market countries require increased private finance. This initiative aims to boost the effect of third-party capital in supporting SDG objectives in emerging market corporate bond investments.

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Notes to editors:

[1] <https://www.worldometers.info/>

[2] [IFC, HSBC Create First Green Bond Fund Focused on “Real Economy” Issuers in Emerging Markets](#)

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Detailed information for article 8 and 9 sustainable investment products, as categorised under the Sustainable Finance Disclosure Regulation (SFDR), including; description of the environmental or social characteristics or the sustainable investment objective; methodologies used to assess, measure and monitor the environmental or social characteristics and the impact of the selected sustainable investments and; objectives and benchmark information, can be found at: <https://www.assetmanagement.hsbc.co.uk/en/intermediary/capabilities/esg-and-ri-strategies/sustainability-related-disclosures>

HSBC Asset Management

HSBC Asset Management should be referred to either in full or as HSBC AM to avoid confusion with any other financial services firms.

HSBC Asset Management, the investment management business of the HSBC Group, invests on behalf of HSBC's worldwide customer base of retail and private clients, intermediaries, corporates and institutions through both segregated accounts and pooled funds. HSBC Asset Management connects HSBC's clients with investment opportunities around the world through an international network of offices in 22 countries and territories, delivering global capabilities with local market insight. As at 30 June 2024, HSBC Asset Management managed assets totalling US\$713bn on behalf of its clients.

For more information see <http://www.global.assetmanagement.hsbc.com/>

HSBC Asset Management is the brand name for the asset management businesses of HSBC Holdings plc.

The HSBC Group**HSBC Holdings plc**

HSBC Holdings plc, the parent company of HSBC, is headquartered in London. HSBC serves customers worldwide from offices in 60 countries and territories. With assets of US\$2,975bn at 30 June 2024, HSBC is one of the world's largest banking and financial services organisations.

About IFC

IFC — a member of the World Bank Group — is the largest global development institution focused on the private sector in emerging markets. We work in more than 100 countries, using our capital, expertise, and influence to create markets and opportunities in developing countries. In fiscal year 2024, IFC committed a record \$56 billion to private companies and financial institutions in developing countries, leveraging private sector solutions and mobilizing private capital to create a world free of poverty on a livable planet. For more information, visit www.ifc.org.

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