

# Case study

HSBC

## ESG

**Objective:** To understand the current strategy to deal with financial crime and HSBC's commitment to sustainable finance.

**Action:** Separate meetings with the CEO, head of sustainable finance and head of compliance.

**Desired outcome:** Ongoing engagement, better understanding of how the company is tackling financial crime, individual country head managers remuneration linked to success in avoiding incidences of financial crime.

**Background:** We engaged with banking group HSBC on several ESG issues through 2018. These included how HSBC integrates ESG factors into its products and services, its sustainable finance strategy and its US\$100 billion commitment to sustainable financing investments. We also met with the bank to discuss how it was tackling serious issues relating to money laundering and financial crime. In particular, we discussed investment to fight financial crime and the challenges of dealing with such crime when running a global organisation, as well as its information sharing regimes. One interesting observation was that country head CEOs' remuneration is now directly linked to the successful mitigation of financial crime in their respective regions.

