

25 November 2022

HSBC LEADS FIRST MULTINATIONAL GREEN PANDA BOND ISSUANCE

HSBC acted as Joint Lead Underwriter for Mercedes-Benz International Finance B.V. on its issuance of a RMB500 million 2-year Green Panda Bond. Priced on 24 November 2022 at 2.9%, Mercedes is the first foreign multinational corporation to issue a Green Bond into China's onshore bond market bringing strong demand from both domestic and international investors, and follows the publication of China's Green Bond Principles in July 2022.

Proceeds from the issuance will be fully dedicated to new onshore projects to finance Mercedes' fleet of Zero Emission Electric Vehicles as part of its strategy to achieve climate-neutrality by 2039.¹

Drawing on the International Capital Market Association (ICMA) Green Bond Principles², China's new Green Bond Principles provide standardized rules for issuers relating to the use of funds, project selection and evaluation, proceeds management, and information disclosure.³

Eddie Ching, Deputy Chief Executive Officer of HSBC China, said: "The successful issuance of the Green Panda Bond by Mercedes-Benz reflects the continued internationalization of China's bond market. China's new Green Bond Principles have brought enhanced standardization, transparency and alignment with the international market, making it more attractive for multinational companies seeking funding to finance their low-carbon transitions. We expect to see more international issuers tap into the world's second largest bond market in sustainable bonds or other innovative formats, which will provide more options for investors and drive greater support to China's low-carbon development."

China has grown to become the second largest green bond market globally⁴, with annual issuance of US\$200 billion for 2021. The outstanding value of China's green bonds stood at RMB1.2 trillion at the end of June, according to China's central bank.

Simone Wegscheider, Head of Corporate Debt Capital Markets, HSBC Germany, said: "Mercedes-Benz's Green Panda bond represents another milestone in the development and internationalisation of China's onshore bond market. With this transaction Mercedes-Benz has become the first multinational company to place green bonds in this strategically important bond market, where sustainability will become an increasingly important principle. We are honored and delighted that we were able to support Mercedes in this groundbreaking transaction through our international network."

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¹ [Ambition 2039: | Mercedes-Benz Group > Sustainability > Climate](#)

² <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/green-bond-principles-gbp/>

³ [Chinese green bonds required to use 100% of funds for green purposes \(chinadialogue.net\)](#)

⁴ [cbi_china_sotm_2021_0.pdf \(climatebonds.net\)](#)



News Release

Note to editors:

HSBC Bank (China) Company Limited

HSBC was one of the first foreign banks to locally incorporate its operations in mainland China, establishing HSBC Bank (China) Company Limited in April 2007. HSBC China's network currently comprises about 150 outlets across more than 50 major cities. HSBC China's head office is based in Pudong, Shanghai.

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