

Supporting Guan Chong Berhad's commitment for a more responsible supply chain

About Guan Chong Berhad (GCB)

GCB, based in Johor, Malaysia, is Asia's largest cocoa grinder and the fourth largest globally.

Through its four pillar sustainability programme, [Good Cocoa & Beyond](#), GCB aims to achieve 100% traceable and sustainable cocoa from its sourcing network by 2030 to:

- improve farmer incomes
- protect the environment
- benefit farmers and their communities
- provide responsible cocoa

The Challenge

To progress towards 100% sustainable cocoa sourcing, GCB needed to create incentives for suppliers and reinforce trusted relationships with their network.



The Solution



Alongside other initiatives under their sustainability programme, GCB worked with HSBC Amanah Malaysia (HSBC Amanah) to launch the first green trade financing facility for sustainable cocoa sourcing in Malaysia.



The green trade finance structure innovatively blends various post-shipment solutions that can be clearly assessed, quantified, measured and reported.



To be eligible, suppliers must be independently verified as meeting the environmental, social and/or economic standards of leading certification bodies.



With the programme, the invoices of participating suppliers are paid quickly by HSBC. GCB is provided with bridging coverage between supplier payments, before HSBC is reimbursed.



This provides a financial incentive for suppliers to operate in an environmentally friendly way.



Outcomes



Provides both suppliers and GCB with enhanced cashflow opportunities



Supports GCB with their wider sustainability ambitions and builds their ESG reputation



Encourages the cocoa sourcing supply chain to move to more sustainable and traceable ways of operating



It is our vision to move towards sustainable and traceable practices that benefit both our customers and our business, and we are pleased that HSBC Malaysia, as one of our financing partners, is helping us to achieve this."

Elsa Tay, Commercial Director, GCB



HSBC is honoured to have collaborated and supported GCB on their sustainability journey to achieve 100% traceable and sustainable cocoa by 2030, ultimately creating a more responsible supply chain. This landmark transaction marks the first green trade financing for sustainable cocoa sourcing in Malaysia as well as for HSBC Group."

Karel Doshi, Country Head of Corporate, HSBC Malaysia

Get in touch with your HSBC Relationship Manager for more information on HSBC's green trade finance solutions