

HSBC Holdings plc

**Sustainability Accounting Standards Board
(SASB) metrics 2021**

Sustainability Accounting Standards Board (SASB) metrics

HSBC continues to review and expand on metrics for reporting environmental, social and governance (ESG) performance and takes the views of our stakeholders into account while doing so. We have identified the SASB disclosure framework as being an important reporting tool that helps address the needs of our investors. In order to make the standards relevant for HSBC, certain indicators have been adapted. The following disclosures are taken from individual SASB standards and disclosed at a Group level to reflect the business-wide approach. We currently disclose on the most relevant metrics included in the standards for the selected five industries* and in some instances, we have made partial disclosures. We acknowledge that SASB recently merged with the Value Reporting Foundation and will soon be consolidated within the IFRS Foundation. We are focused on providing investors with useful, relevant and meaningful sustainability information and we will look to evolve our disclosures over time.

TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	Index
Data security	Description of approach to identifying and addressing data security risks	Discussion & Analysis	n/a	FN-CB-230a.2, FN-CF-230a.3	HSBC Holdings plc Annual Report and Accounts 2021 → ESG review → Governance → Data Privacy; P. 86
Incorporation of Environmental, Social, and Governance Factors in Credit Analysis	Commercial and industrial credit exposure, by industry	Quantitative	Reporting currency	FN-CB-410a.1	HSBC Holdings plc Annual Report and Accounts 2021 → Risk review → Top and emerging risks → Wholesale lending → Total wholesale lending for loans and advances to banks and customers by stage distribution; P.163 HSBC Holdings plc Annual Report and Accounts 2021 → Risk review → Credit risk → Wholesale credit risk; P. 133
	Description of approach to incorporation of environmental, social, and governance (ESG) factors in credit analysis	Discussion & Analysis	n/a	FN-CB-410a.2, FN-IB-410a.3, FN-AC-410a.2, FN-MF-450a.3	HSBC Holdings plc Annual Report and Accounts 2021 → Risk Review → Top and emerging risks → Climate-related risks; P.131
Business Ethics	(1) Number and (2) total value of investments and loans incorporating integration of environmental, social, and governance (ESG) factors, by industry	Quantitative	Number, Reporting currency	FN-IB-410a.2	HSBC Holdings plc Annual Report and Accounts 2021 → ESG Review → Environmental → Supporting customers through transition; P.53 ESG Datapack 2021 → Sustainable finance ambition
	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	Quantitative	Reporting currency	FN-CB-510a.1, FN-IB-510a.1, FN-IB-510b.3, FN-CF-220a.2, FN-CF-270a.5, FN-AC-270a.2, FN-AC-510a.1, FN-MF-270a.3, FN-MF-270b.2	HSBC Holdings plc Annual Report and Accounts 2021 → Notes on the financial statements → Note 27 and Note 34 ; P. 369,382 HSBC Holdings plc Annual Report & Accounts 2021 → ESG Review → Governance → Acting with integrity; P.88
Professional integrity	Description of whistleblower policies and procedures	Discussion & Analysis	n/a	FN-CB-510a.2, FN-AC-510a.2	HSBC Holdings plc Annual Report and Accounts 2021 → ESG Review → Governance → Whistleblowing; P. 87
	Description of approach to ensuring professional integrity, including duty of care	Discussion & Analysis	n/a	FN-IB-510b.4	HSBC Holdings plc Annual Report and Accounts 2021 → ESG Review → Governance → Conduct: our product responsibilities; P. 83 HSBC Holdings plc Annual Report and Accounts 2021 → ESG Review → Governance → Safeguarding the financial system, Whistleblowing; P.87
Systemic Risk Management	Global Systemically Important Bank (G-SIB) score, by category	Quantitative	Basis points (bps)	FN-CB-550a.1, FN-IB-550a.1	HSBC Holdings plc G-SIB Indicators Disclosure 2020; https://www.hsbc.com/investors/results-and-announcements/all-reporting/group?page=1&take=20
	Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities	Discussion & Analysis	n/a	FN-CB-550a.2, FN-IB-550a.2	HSBC Holdings plc Annual Report and Accounts 2021 → Strategic report → Risk overview → P.37 HSBC Holdings plc Annual Report and Accounts 2021 → Environmental → Insights from scenario analysis → P.57
Employee Diversity & Inclusion	Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees	Quantitative	Percentage (%)	FN-IB-330a.1, FN-AC-330a.1	HSBC Holdings plc Annual Report and Accounts 2021 → ESG Review → Social → Employees → Inclusion; P.72 ESG Datapack 2021 → Employee profile
Employee Incentives & Risk Taking	Percentage of total remuneration that is variable for Material Risk Takers (MRTs)	Quantitative	Percentage (%)	FN-IB-550b.1	HSBC Holdings plc Annual Report and Accounts 2021 → Report of the Directors → Corporate governance report → Additional remuneration disclosures; P.284
	Discussion of policies around supervision, control, and validation of traders' pricing of Level 3 assets and liabilities	Discussion & Analysis	n/a	FN-IB-550b.3	HSBC Holdings plc Annual Report and Accounts 2021 → Notes on the financial statements → Note 12 Fair values of financial instruments carried at fair value; P. 344
Selling Practices	(1) Number of complaints filed with the Consumer Financial Protection Bureau (CFPB)**; (2) percentage with monetary or nonmonetary relief; (3) percentage disputed by consumer; (4) percentage that resulted in investigation by the CFPB	Quantitative	Number	FN-CF-270a.4	HSBC Holdings plc Annual Report and Accounts 2021 → ESG Review → Social → Customers → How we listen; P.68-69 ESG Datapack 2021 → Complaints
Transparent Information & Fair Advice for Customers	Description of approach to informing customers about products and services	Discussion and Analysis	n/a	FN-AC-270a.3	HSBC Holdings plc Annual Report and Accounts 2021 → ESG Review → Governance → Conduct: Our product responsibilities; P.83
Financial Inclusion & Capacity Building	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	Quantitative	Number	FN-CB-240a.3	HSBC Holdings plc Annual Report and Accounts 2021 → ESG Review → Social → Communities → Financial inclusion; P.78
	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	Quantitative	Number	FN-CB-240a.4	HSBC Holdings plc Annual Report and Accounts 2021 → ESG Review → Social → Communities → Financial inclusion; P.78

Specific Standards:

Commercial Banks

Activity metrics	(1) Number and (2) value of loans by segment: (a) personal, (b) small business, and (c) corporate	Quantitative	Number, reporting currency	FN-CB-000.B	HSBC Holdings plc Annual Report and Accounts 2021 → Global businesses and geographical regions → Reconciliation of reported and adjusted items – Global businesses; P.98
------------------	---	--------------	----------------------------	-------------	--

Sustainability Accounting Standards Board (SASB) metrics

HSBC continues to review and expand on metrics for reporting environmental, social and governance (ESG) performance and takes the views of our stakeholders into account while doing so. We have identified the SASB disclosure framework as being an important reporting tool that helps address the needs of our investors. In order to make the standards relevant for HSBC, certain indicators have been adapted. The following disclosures are taken from individual SASB standards and disclosed at a Group level to reflect the business-wide approach. We currently disclose on the most relevant metrics included in the standards for the selected five industries* and in some instances, we have made partial disclosures. We acknowledge that SASB recently merged with the Value Reporting Foundation and will soon be consolidated within the IFRS Foundation. We are focused on providing investors with useful, relevant and meaningful sustainability information and we will look to evolve our disclosures over time.

TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	Index
Investment Banking & Brokerage					
Activity metrics	(1) Number and (2) value of proprietary investments and loans by sector	Quantitative	Number, reporting currency	FN-IB-000.A	HSBC Holdings plc Annual Report and Accounts 2021 ---> Credit Risk ---> Wholesale lending; P.163
Mortgage finance					
Lending Practices	(1) Number and (2) value of residential mortgages of the following types: (a) Hybrid or Option Adjustable-rate Mortgages (ARM), (b) Prepayment Penalty, (c) Higher Rate, (d) Total, by FICO scores above or below 660	Quantitative	Number, Reporting currency	FN-MF-270a.1	HSBC Holdings plc Annual Report and Accounts 2021 ---> Credit Risk ---> Personal lending; P.177
	(1) Number and (2) value of (a) residential mortgage modifications, (b) foreclosures, and (c) short sales or deeds in lieu of foreclosure, by FICO scores above and below 660	Quantitative	Number, Reporting currency	FN-MF-270a.2	HSBC Holdings plc Annual Report and Accounts 2021 ---> Credit Risk ---> Credit quality; P.159
Activity metrics	(1) Number and (2) value of mortgages originated by category: (a) residential and (b) commercial	Quantitative	Number, reporting currency	FN-MF-000.A	HSBC Holdings plc Annual Report and Accounts 2021 ---> Credit Risk ---> Personal lending; P.177
Asset Management & Custody					
Activity metrics	(1) Total registered and (2) total unregistered assets under management (AUM)	Quantitative	Reporting currency	FN-AC-000.A	HSBC Holdings plc Annual Report and Accounts 2021 ---> Global businesses and geographical regions ---> Asset Management: funds under management; P. 104
	Total assets under custody and supervision	Quantitative	Reporting currency	FN-AC-000.B	HSBC Holdings plc Annual Report and Accounts 2021 ---> Global businesses and geographical regions ---> Assets held in custody; P.105

* Commercial Banks, Investment Banking and Brokerage, Mortgage Finance, Consumer Finance, Asset Management and Custody.

** Adapted for non-US markets as per definitions outlined on P.68-69 of Annual Report and Account 2021.

Forward-Looking Statements

This communication contains both historical and forward-looking statements. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. Forward-looking statements may be identified by the use of terms such as 'expects,' 'targets,' 'believes,' 'seeks,' 'estimates,' 'may,' 'intends,' 'plan,' 'will,' 'should,' 'potential,' 'reasonably possible' or 'anticipates,' variation of these words, the negative thereof or similar expressions. HSBC has based the forward-looking statements on current plans, information, data, estimates, expectations and projections about future events, and therefore undue reliance should not be placed on them. These forward-looking statements are subject to risks, uncertainties and assumptions about us, as described under 'Cautionary statement regarding forward-looking statements' contained in the HSBC Holdings plc Annual Report on Form 20-F for the year ended 31 December 2020, filed with the Securities and Exchange Commission ('SEC') on 24 February 2021 (the '2020 Form 20-F'), in other reports on Form 6-K furnished to or filed with the SEC subsequent to the 2020 Form 20-F ('Subsequent Form 6-Ks') and in our Annual Report and Accounts for the fiscal year ended 31 December 2021 available at www.hsbc.com and which we expect to file with the SEC on Form 20-F on 23 February 2022 (the '2021 Form 20-F'). HSBC undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed herein might not occur. Investors are cautioned not to place undue reliance on any forward-looking statements, which speak only as of their dates. Additional information, including information on factors which may affect the HSBC Group's business, is contained in the 2020 Form 20-F, Subsequent Form 6-Ks and the 2021 Form 20-F.

HSBC Holdings plc

8 Canada Square

London E14 5HQ

United Kingdom

Telephone: 44 020 7991 8888

www.hsbc.com

Incorporated in England with limited liability

Registered number 617987