



Independent Limited Assurance Report to the Directors of HSBC Holdings plc

The Board of Directors of HSBC Holdings plc (“HSBC”) engaged us to provide limited assurance on the information the information as at 31 December 2019 described below and set out in HSBC’s Annual Report and Accounts 2019; ESG Update 2019; and the website (www.hsbc.com/our-approach/esg-information/esg-reporting-and-policies)ⁱ (the “Report”).

Our conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information as at 31 December 2019 has not been prepared, in all material respects, in accordance with the Reporting Criteria.

This conclusion is to be read in the context of what we say in the remainder of our report.

Selected Information

The scope of our work was limited to assurance over the external reporting of HSBC’s progress as at 31 December 2019 towards the \$100bn Sustainable Finance commitment, as set out in the table below (the “Selected Information”).

Selected Information	Value (US\$ bn)
Facilitation	38.0
Financing	12.0
Investments	2.4

HSBC’s internal reporting guidelines for measuring, recording and reporting the Selected Information (the “Reporting Criteria”) are set out in HSBC’s Data Dictionary document (December 2019 version), available at (www.hsbc.com/our-approach/esg-information/esg-reporting-and-policies)ⁱ.

Professional standards applied and level of assurance

We performed a limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) ‘Assurance Engagements other than Audits and Reviews of Historical Financial Information’, issued by the International Auditing and Assurance Standards Board. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

Our Independence and Quality Control

We applied the Institute of Chartered Accountants in England and Wales (ICAEW) Code of Ethics, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We apply International Standard on Quality Control (UK) 1 and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our work was carried out by an independent team with experience in sustainability reporting and assurance.

Understanding reporting and measurement methodologies

The Selected Information needs to be read and understood together with the Reporting Criteria, which HSBC is solely responsible for selecting and applying. The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measurement techniques and can affect comparability between

entities and over time. The Reporting Criteria used for the reporting of the Selected Information are as at 31 December 2019.

Work done

We are required to plan and perform our work in order to consider the risk of material misstatement of the Selected Information. In doing so, we:

- made enquiries of HSBC’s management, including the Sustainable Finance team and sector specialist teams responsible for collating relevant data;
- evaluated the design of the key structures, systems, processes and controls for managing, recording and reporting the Selected Information;
- performed limited substantive testing on a selective basis of the Selected Information to check that data had been appropriately measured, recorded, collated and reported; and
- considered the disclosure and presentation of the Selected Information.

HSBC’s responsibilities

The Directors of HSBC are responsible for:

- designing, implementing and maintaining internal controls over information relevant to the preparation of the Selected Information that is free from material misstatement, whether due to fraud or error;
- establishing objective Reporting Criteria for preparing the Selected Information;
- measuring and reporting the Selected Information based on the Reporting Criteria; and
- the content of the Report.

Our responsibilities

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the Selected Information is free from material misstatement, whether due to fraud or error;
- forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- reporting our conclusion to the Directors of HSBC.

This report, including our conclusions, has been prepared solely for the Board of Directors of HSBC in accordance with the agreement between us, to assist the Directors in reporting HSBC’s progress as at 31 December 2019 towards the \$100bn Sustainable Finance commitment. We permit this report to be disclosed on HSBC’s websiteⁱ and cross-referenced within HSBC’s Annual Report and Accounts 2019 and ESG Update 2019, to assist the Directors in responding to their governance responsibilities by obtaining an independent assurance report in connection with the Selected Information. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board of Directors and HSBC for our work or this report except where terms are expressly agreed between us in writing.

PricewaterhouseCoopers LLP
Chartered Accountants
London
18 February 2020

ⁱThe maintenance and integrity of HSBC’s website is the responsibility of the Directors; the work carried out by us does not involve consideration of these matters and, accordingly, we accept no responsibility for any changes that may

have occurred to the reported Selected Information or Reporting Criteria when presented on HSBC’s website.