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Independent Limited Assurance Report over HSBC Holdings plc's reported allocation of Bonds' proceeds as at 30 June 2022

The Board of Directors of HSBC Holdings plc ("HSBC") engaged us to obtain limited assurance on the reported allocation of Bond proceeds as described below and in HSBC's Green Bond Report as at 30 June 2022 (the "Report").

Our assurance conclusion does not extend to information in respect of earlier periods or to any other information included in, or linked from, the Report.

Our limited assurance conclusion

Based on the procedures we have performed, as described under the 'Summary of work performed as the basis for our assurance conclusion' and the evidence we have obtained, nothing has come to our attention that causes us to believe that the reported allocation of Bond proceeds as at 30 June 2022 as marked with the symbol (A) on pages 7 to 10 of the Report has not been prepared, in all material respects, in accordance with the assessment criteria set out in the HSBC Green Bond Framework dated 6 November 2015 available at <https://www.hsbc.com/investors/fixed-income-investors/green-and-sustainability-bonds>ⁱ

Scope of work and Reporting Criteria

The scope of our work was limited to assurance over the reported allocation of Bond proceeds as at 30 June 2022 in the Green Bonds Report and as set out in the table in Appendix A (Subject Matter Information). The Reporting Criteria against which the reported allocation of Bond proceeds was assessed are set out in HSBC's Green Bond Framework dated 6 November 2015.

Inherent limitations

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, evaluation and measurement techniques that can affect comparability between entities and over time.

The basis for reported allocation of Bond proceeds may differ between different reporting frameworks, including whether proceeds may be allocated to existing projects or only to new projects, and the basis on which eligibility of projects is determined. Therefore, HSBC's reported allocation of Bond proceeds and our assurance thereon must be read and understood in conjunction with the Reporting Criteria.

HSBC's responsibilities

As explained in the statement on page 3 of the Report, HSBC's management are responsible for:

- selecting or establishing suitable criteria for measuring or evaluating the reported allocation of Bond proceeds;
- ensuring that those criteria are relevant and appropriate to HSBC and the intended users of the Report;
- the appropriate allocation of bond proceeds in accordance with the Reporting Criteria including designing, implementing and maintaining systems, processes and internal controls over information relevant to the preparation of the reported allocation of bond proceeds, which is free from material misstatement, whether due to fraud or error, against the Reporting Criteria; and
- producing the Report, including underlying information and a statement of Directors' responsibility, which provides accurate, balanced reflection of HSBC's reported allocation of Bond proceeds and discloses, with supporting rationale, matters relevant to the intended users of the Report.

Our responsibilities

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the reported allocation of Bond proceeds 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.

Professional standards applied

We performed a limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) 'Assurance Engagements other than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board.

Our Independence and quality Control

We have complied with the Institute of Chartered Accountants in England and Wales 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, that are at least as demanding as the applicable provisions of the

ⁱ The 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 Subject Matter Information or Reporting Criteria when presented on HSBC's website.

International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards).

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.

Summary of work performed as the basis for our assurance conclusion

In carrying out our limited assurance engagement, we:

- considered the suitability in the circumstances of HSBC's use of the Reporting Criteria, as the basis for the reported allocation of Bond proceeds;
- through enquiries of HSBC's management, including those with responsibility for Bond governance, management and reporting, obtained an understanding of HSBC's control environment, processes and systems relevant to the reporting of the allocation of Bond proceeds;
- obtained the internal listing of assets to which Bond proceeds are allocated and checked whether this was consistent with the Reporting Criteria;
- performed limited substantive testing on a selective basis of the reported allocation of Bond proceeds to check that the identified assets were in line with the Reporting Criteria and had been appropriately measured, recorded, collated and reported, including:
 - inspecting a sample of loan agreements to check that the reported allocation of Bond proceeds was consistent with one of the categories identified in the Reporting Criteria;
 - inspecting records maintained in HSBC's financial reporting systems to check the existence of the asset, and that it was recorded in the Bond listing accurately;
 - vouching the exchange rates used to independent external sources; and
 - inspecting minutes of the HSBC Global Treasury Selection Committee to check that the assets to which Bonds proceeds are allocated have been considered and approved;
- considered the disclosure and presentation of the reported allocation of Bond proceeds in the Report.

Our procedures did not include evaluating the suitability of design or operating effectiveness of control activities, or the completeness, accuracy and quality of the supporting third party information of the assets.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Other information

The other information comprises all of the information in the Report other than the reported allocation of Bond proceeds and our assurance report. The directors are responsible for the other information. As explained above, our assurance conclusion does not extend to the other information and, accordingly, we do not express any form of assurance thereon. In connection with our assurance of the reported allocation of Bond proceeds, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the reported allocation of Bond proceeds or our knowledge obtained during the assurance engagement, or otherwise appears to contain a material misstatement of fact.

In connection with our assurance of the Subject Matter Information in Appendix A, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Subject Matter Information or our knowledge obtained during the assurance engagement, or otherwise appears to contain a material misstatement of fact.

If we identify an apparent material inconsistency or material misstatement of fact, we are required to perform procedures to conclude whether there is a material misstatement of the reported allocation of Bond proceeds or a material misstatement of the other information, and to take appropriate actions in the circumstances.

Use and distribution of our report

This report, including our conclusion, has been prepared solely for the Board of Directors of HSBC in accordance with the agreement between us dated 18 October 2022 (the "agreement"). Our report must not be made available to any other party save as set out in the agreement. To the fullest extent permitted by law, we do not accept or assume responsibility or liability 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

9 December 2022

Appendix A – the reported allocation of Bond proceeds (the “Subject Matter Information”)

HSBC reference	Currency	Reported allocation of Bond proceeds (m)
HSBC-GRB-002	EUR	38
HSBC-GRB-003	EUR	40
HSBC-GRB-004	EUR	50
HSBC-GRB-005	EUR	100
HSBC-GRB-006	EUR	1,250
HSBC-GRB-007	USD	0.08
HSBC-GRB-008	USD	1
HSBC-GRB-009	USD	1.3
HSBC-GRB-010	USD	1
HSBC-GRB-015	TWD	3,000
HSBC-GRB-016	EUR	20
HSBC-GRB-017	EUR	29
HSBC-GRB-018	USD	2
HSBC-GRB-019	EUR	5
HSBC-GRB-020	EUR	3
HSBC-GRB-022	EUR	4
HSBC-GRB-023	EUR	2
HSBC-GRB-024	EUR	7
HSBC-GSD-001	CNY	2
HSBC-GSD-002	CNY	7
HSBC-GSD-003	CNY	8
HSBC-GSD-004	CNY	8
HSBC-GSD-005	CNY	2
HSBC-GSD-006	CNY	4
HSBC-GSD-007	CNY	4
HSBC-GSD-008	CNY	10
HSBC-GSD-009	CNY	1
HSBC-GCD-013	USD	164