

HSBC Holdings plc

**World Economic Forum - Stakeholder
Capitalism metrics 2021**

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S.N	Pillar	Theme	Sub-themes, Core Metrics and Disclosures	Index
1	Principles of Governance	Governing Purpose	Setting purpose: The company's stated purpose, as the expression of the means by which a business proposes solutions to economic, environmental and social issues. Corporate purpose should create value for all stakeholders, including shareholders.	HSBC Holdings plc Annual Report and Accounts 2021 ----> ESG review----> Our approach to ESG; P. 43 Holdings plc Annual Report and Accounts 2021 ----> Strategic report ----> How we do business ----> Engaging with our stakeholders and our material ESG topics; P.16
2	Principles of Governance	Quality of Governing Body	Governance body composition: Composition of the highest governance body and its committees by: competencies relating to economic, environmental and social topics; executive or non-executive; independence; tenure on the governance body; number of each individual's other significant positions and commitments, and the nature of the commitments; gender; membership of under-represented social groups; stakeholder representation.	HSBC Holdings plc Annual Report and Accounts 2021 ----> Report of the Directors ----> Corporate governance report; P.220 HSBC Holdings plc Annual Report and Accounts 2021 ----> ESG Review ----> Governance ----> How ESG is governed; P.80
3	Principles of Governance	Stakeholder Engagement	Material issues impacting stakeholders: A list of the topics that are material to key stakeholders and the company, how the topics were identified and how the stakeholders were engaged.	HSBC Holdings plc Annual Report and Accounts 2021 ----> How we do business ----> Engaging with our stakeholders and our material ESG topics; P.16 Holdings plc Annual Report and Accounts 2021 ----> ESG review----> Our approach to ESG ----> How we decide what to measure; P.44
4	Principles of Governance	Ethical Behaviour	Anti-corruption 1. Total percentage of governance body members, employees and business partners who have received training on the organization's anti-corruption policies and procedures, broken down by region. a.Total number and nature of incidents of corruption confirmed during the current year but related to previous years b. Total number and nature of incidents of corruption confirmed during the current year, related to this year 2. Discussion of initiatives and stakeholder engagement to improve the broader operating environment and culture, in order to combat corruption.	1. HSBC Holdings plc. Annual Report and Accounts 2021 ----> ESG review ----> Governance ----> Safeguarding the financial system; P.87 HSBC Holdings plc Annual Report and Accounts 2021 ----> Report of the Directors ----> Corporate governance report ----> Directors' Induction and ongoing development in 2021; P.230 ESG Datapack 2021 ----> Employee profile a&b. HSBC Holdings plc. Annual Report and Accounts 2021 ----> ESG review ----> Governance ----> Safeguarding the financial system; P.87 2. HSBC Holdings plc Annual Report and Accounts 2021 ----> How we do business ----> Responsible business culture ----> Anti corruption and anti-bribery; P.20 HSBC Holdings plc Annual Report and Accounts 2021 ----> ESG review----> Governance ----> Safeguarding the financial system ; P.87
5	Principles of Governance	Ethical Behaviour	Protected ethics advice and reporting mechanisms: A description of internal and external mechanisms for - 1. Seeking advice about ethical and lawful behaviour, and organizational integrity; and 2. <u>Reporting concerns about unethical or unlawful behaviour, and organizational integrity</u>	HSBC Holdings plc Annual Report and Accounts 2021 ----> ESG review ----> Governance----> Whistleblowing; P.87
6	Principles of Governance	Risk and opportunity oversight	Integrating risk and opportunity into business process: Company risk factor and opportunity disclosures that clearly identify the principal material risks and opportunities facing the company specifically (as opposed to generic sector risks), the company appetite in respect of these risks, how these risks and opportunities have moved over time and the response to those changes. These opportunities and risks should integrate material economic, environmental and social issues, including climate change and data stewardship.	HSBC Holdings plc Annual Report and Accounts 2021 ----> Risk Review ----> Environmental, social and governance risk; P.125 HSBC Holdings plc Annual Report and Accounts 2021 ----> ESG review ----> Environmental ----> Our climate ambition; P.46 HSBC Holdings plc Annual Report and Accounts 2021 ----> ESG review ----> Environmental ----> Our approach to climate risk; P.56 HSBC Holdings plc Annual Report and Accounts 2021 ----> ESG review ----> Environmental ----> Task Force on Climate-related Financial Disclosures ('TCFD'); P.63 HSBC Holdings plc Annual Report and Accounts 2021 ----> Risk Review ----> Areas of special interest----> Climate-related risks; P.131 HSBC Holdings plc Annual Report and Accounts 2021 ----> ESG review ----> Governance ----> Cybersecurity; P.85 HSBC Holdings plc Annual Report and Accounts 2021 ----> ESG review ----> Governance ----> Data Privacy; P.86
7	Planet	Climate Change	Greenhouse Gas (GHG) emissions For all relevant greenhouse gases (e.g. carbon dioxide, methane, nitrous oxide, F-gases etc.), report in metric tonnes of carbon dioxide equivalent (tCO2e) GHG Protocol Scope 1 and Scope 2 emissions. Estimate and report material upstream and downstream (GHG Protocol Scope 3) emissions where appropriate.	GHG emissions data: ESG Datapack 2021 ----> Environmental Key facts; Scope 1&2 Dual Reporting Scope 1-3 definitions: ESG Review > Environmental > Our climate ambition; P.46 HSBC Holdings plc Annual Report and Accounts 2021 ----> Strategic report ----> How we do business ----> How we measure our net zero progress; P.18 HSBC Holdings plc Annual Report and Accounts 2021 ----> ESG review ----> Environmental ----> Our approach to our own operations; P.52
8	Planet	Climate Change	TCFD implementation Fully implement the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). If necessary, disclose a timeline of at most three years for full implementation. Disclose whether you have set, or have committed to set, GHG emissions targets that are in line with the goals of the Paris Agreement – to limit global warming to well below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C – and to achieve net-zero emissions before 2050.	HSBC Holdings plc Annual Report and Accounts 2021 ----> Strategic Report ----> How we do business ----> Task Force on Climate-related Financial Disclosures ('TCFD'); P.19 HSBC Holdings plc Annual Report and Accounts 2021 ----> ESG review ----> Environmental ----> Task Force on Climate-related Financial Disclosures ('TCFD'); P.63 HSBC Holdings plc Annual Report and Accounts 2021 ----> Additional Information ----> Approach to ESG reporting; P. 402 ESG Datapack ----> Sustainable fin. ambition; Climate risk metrics_WCR; Climate risk metrics_RCR; Environmental key facts; Scope 1&2 Dual Reporting
9	Planet	Nature Loss	Land use and ecological sensitivity Report the number and area (in hectares) of sites owned, leased or managed in or adjacent to protected areas and/or key biodiversity areas (KBA).	ESG Datapack 2021 ----> Biodiversity & Water HSBC Holdings plc Annual Report and Accounts 2021 ----> ESG review ----> Environmental ----> Our approach to our own operations; P.51 HSBC Holdings plc Annual Report and Accounts 2021 ----> ESG review ----> Environmental ----> Biodiversity and natural capital strategy; P.55
10	Planet	Freshwater availability	Water consumption and withdrawal in water-stressed areas Report for operations where material: megalitres of water withdrawn, megalitres of water consumed and the percentage of each in regions with high or extremely high baseline water stress, according to WRI Aqueduct water risk atlas tool. Estimate and report the same information for the full value chain (upstream and downstream) where appropriate.	ESG Datapack 2021 ----> Biodiversity & Water HSBC Holdings plc Annual Report and Accounts 2021 ----> ESG review ----> Environmental ----> Our approach to our own operations; P.51 Our disclosure covers our own operations currently. Full value chain data is not available at this stage.

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11	People	Dignity and Equality	Diversity and inclusion (%) Percentage of employees per employee category, by age group, gender and other indicators of diversity (e.g. ethnicity)	HSBC Holdings plc Annual Report and Accounts 2021 ---> ESG review ---> Employees ---> Inclusion; P.72 ESG Datapack 2021 ---> Employee profile
12	People	Dignity and Equality	Pay equality (%) Ratio of the basic salary and remuneration for each employee category by significant locations of operation for priority areas of equality: women to men, minor to major ethnic groups, and other relevant equality areas.	HSBC Holdings plc Annual Report and Accounts 2021 ---> ESG review ---> Employees ---> Inclusion; P.72 ESG Datapack 2021 ---> Employee profile Website: www.hsbc.com/diversitycommitments
13	People	Dignity and Equality	Wage level (%) 1. Ratios of standard entry level wage by gender compared to local minimum wage.	HSBC Holdings plc Annual Report and Accounts 2021 ---> Report of the Directors ---> Corporate governance report ---> Our approach to workforce remuneration ; P.278
14	People	Dignity and Equality	Wage level (%) 2. Ratio of the annual total compensation of the CEO to the median of the annual total compensation of all its employees, except the CEO.	HSBC Holdings plc Annual Report and Accounts 2021 ---> Report of the Directors ---> Corporate governance report ---> Directors' remuneration report ---> Pay ratio; P.282 We currently disclose the ratio between the total pay of the CEO and the lower quartile, median and upper quartile pay of our UK employees in accordance with the methodology prescribed under the UK regulations. We believe this metric is the most material for our stakeholders.
15	People	Dignity and Equality	Risk for incidents of child, forced or compulsory labour An explanation of the operations and suppliers considered to have significant risk for incidents of child labour, forced or compulsory labour. Such risks could emerge in relation to: a) type of operation (such as manufacturing plant) and type of supplier; and b) countries or geographic areas with operations and suppliers considered at risk.	HSBC Holdings plc Annual Report and Accounts 2021 ---> ESG review ---> Governance ---> Our respect for human rights; P.81 Modern Slavery and Human Trafficking Statement 2021: www.hsbc.com/modernslaveryact
16	People	Health and Well-being	Health and safety (%) 1. The number and rate of fatalities as a result of work-related injury; high-consequence work-related injuries (excluding fatalities); recordable work-related injuries; main types of work-related injury; and the number of hours worked.	HSBC Holdings plc Annual Report and Accounts 2021 ---> Report of the Directors---> Corporate governance report --> ---> Employees --> Health and safety- P.294 Our disclosure focuses on the most material items to our business. We do not currently report on the numbers of hours worked.
17	People	Health and Well-being	Health and safety (%) 2. An explanation of how the organization facilitates workers' access to non-occupational medical and healthcare services, and the scope of access provided for employees and workers.	HSBC Holdings plc Annual Report and Accounts 2021 --->ESG Review ---> Social ---> Employees ---> Well-being; P.76 Holdings plc Annual Report and Accounts 2021 ---> Report of the directors ---> Corporate governance report ---> Health and safety; P.294
18	People	Skills for the future	Training provided (#,\$) 1.Average hours of training per person that the organization's employees have undertaken during the reporting period, by gender and employee category (total number of hours of trainings provided to employees divided by the number of employees) 2.Average training and development expenditure per full time employee (total cost of training provided to employees divided by the number of employees).	HSBC Holdings plc Annual Report and Accounts 2021 --->ESG Review ---> Social ---> Employees ---> Learning and skill development; P.73 Datapack 2021 ---> Employee profile
19	Prosperity	Employment and wealth generation	Absolute number and rate of employment 1.Total number and rate of new employee hires during the reporting period, by age group, gender, other indicators of diversity and region. 2.Total number and rate of employee turnover during the reporting period, by age group, gender, other indicators of diversity and region.	ESG Datapack 2021 ---> Employee profile
20	Prosperity	Employment and wealth generation	Economic contribution 1.Direct economic value generated and distributed (EVG&D) – on an accruals basis, covering the basic components for the organization's global operations, ideally split out by: revenues, operating costs, employee wages and benefits, payments to providers of capital, payments to government, community investment.	Please refer to following pages of Annual report and accounts 2021: a. Revenue - HSBC Holdings plc Annual Report and Accounts 2021 ---> Strategic report ---> Financial overview ---> Reported results; P.27 b. Operating Costs - HSBC Holdings plc Annual Report and Accounts 2021 Strategic report ---> Financial overview ---> Reported results; P.27 c. Employee wages and benefits - HSBC Holdings plc Annual Report and Accounts 2021 ---> Notes on the financial statements ---> Note 5. Employee compensation and benefits; P.331 d. Payments to providers of capital - HSBC Holdings plc Annual Report and Accounts 2021 ---> Notes on the financial statements ---> Note 8. Dividends; P.340 e. Payments to government - HSBC Holdings plc Annual Report and Accounts 2021 ---> Financial Summary ---> Consolidated income statement; P.91 f. Community Investment - HSBC Holdings plc Annual Report and Accounts 2021 ---> ESG Review --> Social --> Communities --> Supporting communities P.77
21	Prosperity	Employment and wealth generation	Economic contribution 2. Financial assistance received from the government: total monetary value of financial assistance received by the organization from any government during the reporting period.	To the best of our knowledge and belief, neither the HSBC Group nor any of its principal subsidiaries has received material financial assistance from any government during the reporting period.
22	Prosperity	Employment and wealth generation	Financial investment contribution Total capital expenditures (CapEx) minus depreciation, supported by narrative to describe the company's investment strategy.	Total capital expenditure: In 2021, we have \$874m in assets capital investments net of depreciation primarily related to technology and real estate functions supporting our businesses. This is mainly driven by software assets. Software \$1.03bn - our technology investment continues to improve the experiences of our customers and colleagues, and boost efficiency while reducing our cost base. To improve our operational proficiency, we are increasingly using the Public and Private Cloud through partnerships with technology firms such as Google and Amazon. This helps to support our customer journeys, increase resilience and reduce maintenance costs. HSBC Corporate Services capital investments in 2021 were \$700.74m cash / \$73.56m P&L, driven by capital spend on our real estate portfolio including offices, retail branches and data centres. Our investments support the Bank's strategic initiatives including investing in our buildings to be more sustainable and supporting our carbon net zero commitments. We also continued to invest in the future of workplace, and further enhance the client and colleague experience while providing a productive, healthy and safe environment. Finally, we also invest in optimising our footprint and continuously aim to reduce wasted surplus capacity.
23	Prosperity	Employment and wealth generation	Financial investment contribution Share buybacks plus dividend payments, supported by narrative to describe the company's strategy for returns of capital to shareholders.	HSBC Holdings plc Annual Report and Accounts 2021 ---> Report of the Directors ---> Corporate governance report ---> Share capital and other related disclosures; P.287 Holdings plc Annual Report and Accounts 2021 ---> Notes on the financial statements --> Note 8.Dividends; P.340

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24	Prosperity	Innovation of better products and services	Total R&D expenses (\$) Total costs related to research and development.	We do not consider this metric to be material to our business.
25	Prosperity	Community and social vitality	Total tax paid The total global tax borne by the company, including corporate income taxes, property taxes, non-creditable VAT and other sales taxes, employer-paid payroll taxes, and other taxes that constitute costs to the company, by category of taxes.	HSBC Holdings plc Annual Report and Accounts 2021 --->ESG Review ---> Governance ---> A responsible approach to tax; P.88 ESG Datapack 2021--->Tax by country

Forward Looking statement

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.

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Incorporated in England with limited liability

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