

HSBC Holdings Plc.

Type of Engagement: Annual Review

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Engagement Team:

Tomya Sardana, tomya.sardana@morningstar.com

Introduction

HSBC holdings Plc. ("HSBC" or the "Bank") issued a Sustainable Development Goal (SDG) bond in January 2021 (the "2021 SDG Bond") and six Green Certificate Deposits between September 2019 and February 2020 (the "Green Deposits")¹ (collectively, the "Sustainable Finance Instruments"), raising a total of USD 4.95 million to finance and refinance projects that advance UN SDGs, specifically SDG 9. In October 2025, HSBC engaged Sustainalytics to review the projects financed with proceeds from the Sustainable Finance Instruments (the "Nominated Expenditures") and provide an assessment as to whether they meet the use of proceeds criteria and whether HSBC complied with the reporting commitments in the HSBC Sustainable Development Goal Bond Framework (the "Framework").² Sustainalytics provided a Second Party Opinion on the Framework in November 2017.³ This is Sustainalytics' fourth annual review of the allocation and reporting of the instruments issued under the Framework, following previous reviews in November 2022, November 2023 and December 2024.^{4,5,6}

Evaluation Criteria

Sustainalytics evaluated the Nominated Expenditures and HSBC's reporting based on whether they:

1. Meet the use of proceeds and eligibility criteria defined in the Framework; and
2. Reported on at least one key performance indicator (KPI) for each use of proceeds category defined in the Framework.

Table 1: Use of Proceeds Categories, Eligibility Criteria and Associated KPIs

Sustainable Development Goal	Use of Proceeds Category	Eligibility Criteria	Key Performance Indicators
SDG 9: Industry, Innovation and Infrastructure	Affordable basic infrastructure Clean transportation	Develop quality, reliable, sustainable infrastructure, (including regional and transborder), to support affordable and equitable access for all that will also benefit economic development and human well-being. Upgrade and retrofit infrastructure to make it sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes.	<ul style="list-style-type: none"> • Length of low carbon tracks built • Number of electric/hybrid/ low-emission vehicles provided • Number of Smart Meters provided (cities / industry)

¹ Sustainalytics notes that the Green Certificate Deposits were not specified as financial instruments to be issued under the 2017 Framework.

² HSBC, "HSBC Sustainable Development Goal (SDG) Bond Framework", (2017), at: <https://www.hsbc.com/-/files/hsbc/investors/fixed-income-investors/green-and-sustainability-bonds/pdfs/171115-hsbc-sdg-bond-framework.pdf>

³ Sustainalytics, "Second-Party Opinion, HSBC Sustainable Development Goals (SDG) Bond", (2017), at: https://mstar-sustops-cdn-mainwebsite-s3.s3.amazonaws.com/docs/default-source/spos/hsbc-sdg-bond-framework_second-opinion_final13nov.pdf

⁴ Sustainalytics, "Annual Review, HSBC Holdings plc.", (2022), at: <https://www.hsbc.com/investors/fixed-income-investors/green-financing-framework>

⁵ Sustainalytics, "Annual Review, HSBC Holdings plc.", (2023), at: <https://www.hsbc.com/investors/fixed-income-investors/green-financing-framework>

⁶ Sustainalytics, "Annual Review, HSBC Holdings plc.", (2024), at: <https://www.hsbc.com/investors/fixed-income-investors/green-financing-framework>

Issuer's Responsibility

HSBC is responsible for providing accurate information and documentation relating to the details of the projects, including descriptions, amounts allocated and impact.

Independence and Quality Control

Sustainalytics, a leading provider of ESG research and ratings, conducted the verification of the use of proceeds from HSBC's Sustainable Finance Instruments. The work undertaken as part of this engagement included the collection of documentation from HSBC and review of said documentation to assess conformance with the Framework.

Sustainalytics relied on the information and the facts presented by HSBC. Sustainalytics is not responsible, nor shall it be held liable, for any inaccuracies in the opinions, findings or conclusions herein due to incorrect or incomplete data provided by HSBC.

Sustainalytics made all efforts to ensure the highest quality and rigor during its assessment process and enlisted its Sustainability Bonds Review Committee to provide oversight of the review.

Conclusion

Based on the limited assurance procedures conducted,⁷ nothing has come to Sustainalytics' attention that causes us to believe that, in all material respects, the Nominated Expenditures do not conform with the use of proceeds criteria and reporting commitments in the Framework. HSBC has disclosed to Sustainalytics that the proceeds from the Sustainable Finance Instruments were fully allocated as of June 2025.

Detailed Findings

Table 2: Detailed Findings

Framework Requirements	Procedure Performed	Factual Findings	Error or Exceptions Identified
Use of Proceeds Criteria	Verification of Nominated Expenditures to determine alignment with the use of proceeds criteria outlined in the Framework.	The Nominated Expenditures comply with the use of proceeds criteria.	None
Reporting Criteria	Verification of Nominated Expenditures or assets to determine if impact was reported in line with the KPIs outlined in the Framework.	HSBC reported on at least one KPI per use of proceeds category.	None

⁷ Sustainalytics' limited assurance process includes reviewing documentation relating to details of projects, as provided by the issuing entity, which is responsible for providing accurate information. These may include descriptions of projects, estimated and realized costs, and reported impact. Sustainalytics has not conducted on-site visits to projects.

Appendices

Appendix 1: Allocation of Proceeds

Table 3: Allocation of Proceeds from 2021 SDG Bond

Sustainable Development Goal	Use of Proceeds Category	Bond Reference	Project Description	Location	Amount Allocated (USD million)
SDG9 - Industry, innovation and infrastructure	Affordable basic infrastructure	HSBC-SDG-025	Loans for commercial property built to LEED Gold certification standards.	US	0.48
Total Amount Allocated					0.48
Total Proceeds Unallocated					0.00
Total Net Proceeds Raised					0.48

Table 4: Allocation of Proceeds from Green Deposits

Sustainable Development Goal	Use of Proceeds Category	Bond Reference	Project Description	Location	Amount Allocated (USD million)
SDG9 - Industry, innovation and infrastructure	Affordable basic infrastructure	HSBC-GCD-003	Loans for commercial property built to LEED Gold certification standards.	US	1.15
		HSBC-GCD-004			0.78
		HSBC-GCD-005			0.74
		HSBC-GCD-006			0.02
		HSBC-GCD-007			0.69
		HSBC-GCD-008			1.04
Total Amount Allocated					4.42
Total Proceeds Unallocated					0.00
Total Net Proceeds Raised					4.42

Appendix 2: Reported Impact

Table 5: Reported Impact from the 2021 SDG Bond

Sustainable Development Goal	Use of Proceeds Category	Bond Reference	KPIs
SDG9 - Industry, innovation and infrastructure	Affordable basic infrastructure	HSBC-SDG-025	LEED Gold certification with CO ₂ emissions approximately 34% lower than an average equivalent building

Table 6: Reported Impact from Green Deposits

Sustainable Development Goal	Use of Proceeds Category	Bond Reference	KPIs
SDG9 - Industry, innovation and infrastructure	Affordable basic infrastructure	HSBC-GCD-003	LEED Gold certification with CO ₂ emissions approximately 34% lower than an average equivalent building
		HSBC-GCD-004	
		HSBC-GCD-005	
		HSBC-GCD-006	
		HSBC-GCD-007	
		HSBC-GCD-008	

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