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 described below and disclosed online at http://www.hsbc.com/our-approach/measuring-our-impact in respect of the 2016 reporting year.

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.
• 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 at corporate head office and in relation to 8 sites to check that data had been appropriately measured, recorded, collated and reported; and
• considered the disclosure and presentation of the Selected Information.

Selected Information

The scope of our work was limited to assurance over the information disclosed online at http://www.hsbc.com/our-approach/measuring-our-impact (the “Selected Information”) for the 12 months to 30 September 2016. The Selected Information is summarised in the table below:

| CO2 emissions from energy (Scope 1 & 2) (tonnes) | 529,000 tonnes |
| CO2 emissions from energy (Scope 1 & 2) (tonnes) - Location based | 669,000 tonnes |
| CO2 emissions from travel (tonnes) | 88,000 tonnes |

Our assurance does not extend to information in respect of earlier periods or to any other information disclosed by HSBC in respect of the 2016 reporting year.

Professional standards applied and level of assurance

We performed a limited assurance engagement in accordance with International Standard on Assurance Engagements 3410 'Assurance engagements on greenhouse gas statements', 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 & Ireland) 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 ('HSBC CO2 Emissions Reporting Guidance 2016', available on-line), 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 30 September 2016.

1 The maintenance and integrity of HSBC’s website is the responsibility of the Directors, the work carried out by use does not involve consideration of those 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.