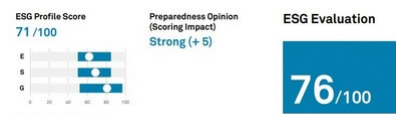


# HSBC Holdings plc Assigned ESG Evaluation Of 76; Preparedness Strong

SINGAPORE, Jan. 24, 2022 /PRNewswire/ -- S&P Global Ratings today assigned [HSBC Holdings PLC](#) (HSBC) an ESG Evaluation of 76. The company's ESG Evaluation is the result of an ESG profile of 71 combined with Strong (+5) preparedness. Higher numbers indicate stronger sustainability in our evaluations. The ESG evaluation is available [here](#).

Our ESG Evaluation score of 76 reflects HSBC's increasing level of development and integration of ESG considerations into its operations. There are different levels of progress across business divisions. We view asset management operations as more advanced at integrating sustainability considerations, followed by wholesale banking. Integration into retail banking is nascent and behind more advanced banks. Supporting our score is the group's excellent customer engagement, strong governance and disclosures, and ability to successfully navigate emerging business risks and opportunities. In our view, governance has improved over the past 10 years to remedy conduct and other issues that resulted in significant regulatory and legal action.



"HSBC has the commitment, strategy, and determination to finance environmental and social change across the world. Its US\$750 billion-US\$1 trillion sustainable financing and investments target is a key driver to support customers' transition to better environmental, social, and governance practices," said Michael Puli, the primary contact for the evaluation.

HSBC's board and management demonstrate a strong preparedness to navigate geopolitical, economic, environmental, and societal complexities associated with the group's large footprint in Europe and Asia. Clear steps are being taken to transition the wholesale loan portfolio, which the group views as the most pressing issue to address. HSBC's decision-making capabilities demonstrate flexibility to adapt to short-term circumstances and will likely support its strategic pivot back to Asia and digital transformation.

HSBC is one of the largest banking and financial groups in the world. It has a balance sheet close to US\$3 trillion and serves over 40 million customers in 64 countries and territories. The scale and importance of HSBC's banking, asset management, and insurance operations make it a global systemically important financial institution. This results in higher requirements in prudential, taxation, securities and other regulations, and high general public interest.

## What Is An ESG Evaluation?

S&P Global Ratings' ESG evaluation is a cross-sector, relative analysis of an entity's capacity to continue to operate successfully. It is grounded in how ESG factors could affect stakeholders, potentially leading to a material direct or indirect financial impact on the entity.

Our definition of stakeholders for a particular entity goes beyond shareholders to include employees, the local community, government, regulators, customers, lenders, borrowers, policyholders, voters, members, and suppliers. A high ESG evaluation indicates an entity is relatively less prone to experiencing material ESG-related events, and is relatively better positioned to capitalize on ESG-related growth opportunities than entities with lower ESG evaluations.

First, we establish an ESG profile for a given entity, which assesses the exposure of the entity's operations to observable ESG risks and opportunities, and how the entity is mitigating these risks and capitalizing on these opportunities.

Second, we assess the entity's long-term preparedness, namely its capacity to anticipate and adapt to a variety of long-term plausible disruptions.

S&P Global Ratings evaluates more than 100 entities across the globe, with an average score of 67. Since the first ESG evaluation, published in June 2019, we have finalized ESG evaluations across 22 sectors globally. By region, the highest average score is 72, for companies headquartered in Europe, the Middle East, and Africa.

Visit [spglobal.com/ratings](https://spglobal.com/ratings) for our latest [sustainable finance research](#) and all of our [publicly available ESG Evaluations](#).

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