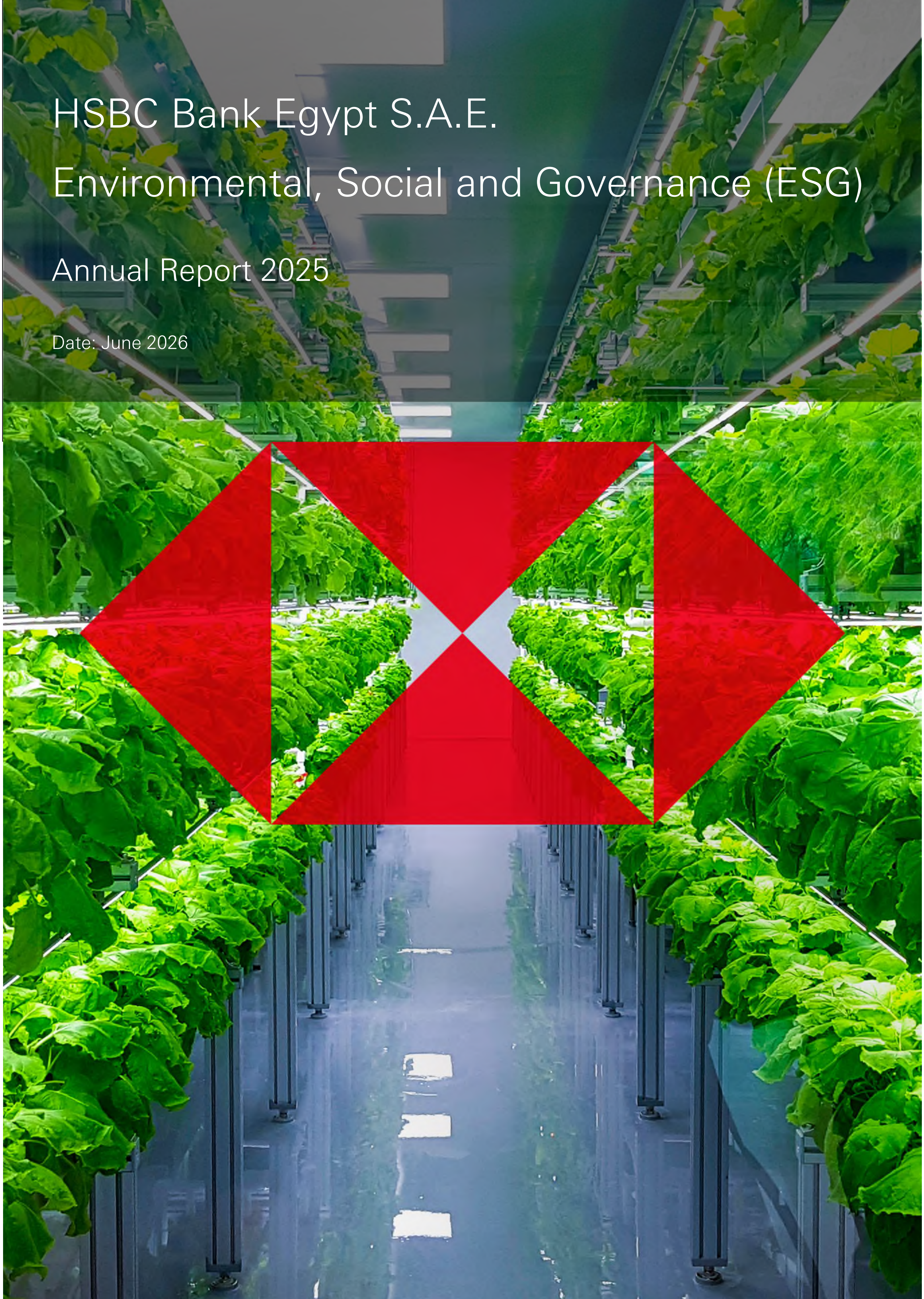
HSBC Bank Egypt S.A.E.

Environmental, Social and Governance (ESG)

Annual Report 2025

Date: June 2026



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Introduction

About this report

HSBC Bank Egypt S.A.E ('HBEG') is publishing the third Environmental, Social, and Governance ('ESG') report for the year ended 31December 2025. This report sets out HBEG approach to environment, customers, employees and governance. It explains how HBEG aim to support the transition to net zero and a sustainable future in partnership with its customers and other stakeholders.

Reporting period and scope

This report presents HSBC Bank Egypt S.A.E, ESG performance covering the reporting period from 1 January to 31 December 2025 unless stated otherwise.

This ESG annual report 2025, along with ESG- related information presented in the HSBC Group Annual Report and Accounts 2025 , is intended to provide key ESG data and insights relevant to HBEG's operations for the year ending 31 December 2025.

Measurement techniques and calculations are explained next to data tables where necessary.

HBEG will continue to develop and refine reporting and disclosures on ESG matters in line with feedback received from stakeholders, and in view of HBEG obligations as part of HSBC Group and the local regulatory standards.

This ESG Report has been prepared in accordance with Global Reporting Initiative (GRI) Standards.

Please refer to HSBC Bank Egypt S.A.E Annual Report and Accounts 2025 for further information on 2025 Financial performance.

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Who we are

HSBC Bank Egypt S.A.E is a 94.54% subsidiary of HSBC Holdings plc and part of the HSBC Group. Headquarters in London, HSBC is one of the largest banking and financial services organisations in the world. HSBC Group is listed on the London, Hong Kong, New York and Bermuda stock exchanges.

HBEG is one of the largest multinational banks in Egypt, providing a comprehensive range of banking and financial services. HBEG serves its personal and corporate banking customers through a full range of services including Corporate and Institutional Banking, and International Wealth and Premier Banking. Effective from 1 January 2025, HSBC Group has implemented a new organisational business structure that aims to unleash HSBC Group's full potential by building on strong progress in recent years and driving success into the future. For further details please refer to HSBC Group Annual Report and Accounts 2025.

HSBC Group's strategy supports its ambition to be the world's most trusted bank, putting customers at the heart of everything the Group does. HSBC Group helps customers meet their financial needs and to achieve their goals through its products and services, while navigating the complexities of the global market through its deep international network, supported with the stability and strength of its balance sheet.

HSBC Egypt CEO letter

HBEG's approach to ESG is focused on creating long-term value for customers and wider stakeholders. Following HSBC Group approach, HBEG focuses its efforts on three areas: the transition to net zero, building inclusion and resilience, and acting responsibly.

I am pleased to present the HSBC Bank Egypt 2025 ESG Annual Report, which sets out the steps taken to embed environmental, social and governance (ESG) principles throughout our organization as HBEG supports the success of its customers, people, and the communities we serve.

2025 was a year of decisive action across the HSBC Group. HSBC Group aligned its structure around four focused businesses, becoming a simpler, more agile institution — and HBEG has embraced this momentum with purpose and conviction.

Supporting our customers is core to our strategy and financing their transition is both critical to them and aligned to our net zero ambition. In November 2025, HSBC Group published its updated Net Zero Transition Plan, reaffirming its ambition to become a net zero bank by 2050. In 2025, the Group provided and facilitated $102bn in sustainable finance and investment, bringing the cumulative total to $495.6bn since January 2020 — keeping the Group on track to meet its target of between $750bn and $1tn by 2030. In line with this ambition, HBEG remains committed to supporting our customers' transition, introducing new financing structures, and leading on key sustainable deals in the Egyptian market.

Transition to Net Zero

We want to be our customers' most trusted international financial partner through the transition, creating long-term value for them and our shareholders. Since 1 January 2020, HBEG has provided and facilitated a cumulative 1,157M of sustainable finance , as defined in the HSBC Group's Sustainable Finance and Investment Data Dictionary 2025. Despite a challenging macroeconomic environment, HBEG continues to achieve new milestones — both by introducing innovative financing structures and leading on landmark deals in the market.

Build Inclusion and Resilience

To help create long-term value for all stakeholders, HBEG focuses on fostering inclusion and building resilience for employees, customers and the community.

For employees, focus is on creating an inclusive, healthy, and rewarding environment while supporting their resilience through extensive well-being and learning resources, reflecting the Group's commitment to a high-performance culture built on trust, accountability, and shared purpose.

HBEG strives to provide an inclusive and accessible banking experience for our customers. We do this by providing resources that help them manage their finances, and services that help them protect what they value.

Act Responsibly

HBEG focuses on operating a strong and sustainable business that puts the customer first, values good governance, and gives HBEG's stakeholders confidence in how we do what we do. HSBC Group's ambition — to become the most trusted bank globally, putting customers at the heart of everything we do — is a commitment we live every day across our operations in Egypt.

HBEG's conduct approach provides guidance to do the right thing and to focus on the impact HBEG has on its customers and the financial markets in which we operate. Customer experience is at the heart of how HBEG operates. HBEG aims to act responsibly and with integrity across the value chain.

This report highlights the progress HBEG is making towards its ESG ambitions and how these goals are being translated into actions on the ground in Egypt. I would like to take this opportunity to thank all my colleagues for their many valuable contributions. It is a privilege to work with such talented people. Their dedication, commitment and passion to deliver for our customers truly differentiates HSBC and is key to delivering sustainable long-term growth.

Engaging with stakeholders and material ESG topics

HBEG believes that engaging with its stakeholders is core to being a responsible business. To determine material topics that its stakeholders are interested in, HBEG conducts a number of activities throughout the year including engagements outlined in the table below.

HBEG stakeholders' engagements

<table>
<tr><td>Customers</td><td>HBEG customers' voices are heard through interactions with them, surveys and by listening to their complaints</td><td rowspan="5">Material topics highlighted through engagements[1]
- Geopolitical and macroeconomic risks Cybersecurity
- Technology and cybersecurity risk
- Environmental,social and governance
- Financial Crime risk
- Digitalisation and technological advances risk
- Evolving regulatory environment risk
- Sustainability risk policies,
- Net Zero transition plan
- Financial inclusion and community investment
- Climate risk
- Anti-bribery and corruption
- Conduct and product responsibility.
- Supply chain management.
- Human Rights</td></tr>
<tr><td>Employees</td><td>HBEG employees' voices are heard through annual Snapshot survey, exchange sessions, townhall meetings, leadership summits, and HSBC Group 'speak-up' channels, including global whistleblowing platform, HSBC Confidential.</td></tr>
<tr><td>Investors</td><td>HBEG seeks to understand investor needs and sentiment through ongoing dialogue</td></tr>
<tr><td>Communities</td><td>HBEG regularly engages with non-governmental organisations ('NGOs'), charities and other civil society groups through communities' investment partnerships, forums, and round tables supporting ESG causes.</td></tr>
<tr><td>Regulators and Government</td><td>HBEG proactively engage with regulators and government to build strong relationships through virtual and in-person meetings.</td></tr>
</table>

Suppliers	HSBC Group Code of Conduct sets out the expectations and the minimum standards expected from suppliers on the environment, diversity, and human rights. HSBC Group have begun direct engagement with the highest-emitting suppliers to understand their carbon reduction targets and disclosure plans.	

[1] These form part of HBEG's ESG disclosures suite together with other requirements and are not exhaustive or exclusive to one stakeholder group.

ESG performance highlights

HSBC Group established ambitions and targets, that guide how to do business, including how they operate and how to serve customers. These include targets designed to help track HSBC Group's progress against its environmental and social sustainability goals. They also help us to improve employee advocacy and the representation of senior leadership, as well as strengthen the group's market conduct. Group targets for these measures are linked to the pillars of HSBC Group ESG strategy: transition to Net Zero, building inclusion and resilience, and acting responsibly. HBEG continues to support HSBC Group ambitions, metrics and targets as follows:

Environmental: Transition to Net Zero

Sustainable finance and investment

US$ 1,157M

Cumulative total provided and facilitated since 1January 2020.

(2024: US$902m)

Group ambition: Provide and facilitate US$750bn to US$1tn of sustainable finance and investment by 2030

Social: Build inclusion and resilience

Gender representation

44%

Senior leadership roles held by women.

(2024: 38%).

Inclusion Index

67%

Inclusion index score.

(2024: 70%).

Governance: Acting responsibly

Conduct training

100%

Employees who completed conduct training in 2025.

(2024: 100%).

Group Target at least 98% of employees complete conduct and financial crime training each year.

Environmental

Transition to Net Zero

HSBC Group aims to support the transition to Net Zero and a sustainable future in partnership with customers and other stakeholders

HSBC Group’s approach to the transition

Our Priorities

Be simple and agile | Drive customer-centricity | Deliver focused sustainable growth

Our Values

We value difference | We succeed together | We take responsibility | We get it done

Our Net Zero Ambition

Ambition to become a net zero bank by 2050 supported by our Sustainability Strategy

Our Three Net Zero Pillars

Supporting our customers	Embedding net zero into the way we operate	Partnering for an enabling environment
We are seeking to align our capital and capabilities with our customers’ transition goals, by tailoring our products and services to the specific needs of different customers around the world.	We are working to incorporate net zero considerations into our broader decision-making activities, our climate risk management framework, our metrics, and in our own operations and supply chains.	Our ability to finance our customers’ transition is influenced by external market and policy conditions, therefore we seek to partner with stakeholders and advocate for progress across the financial system.

HSBC Group’s ambition is to become a net zero bank by 2050. Supporting HSBC Group’s customers is core to its strategy and financing its customers' transition is both critical to them and aligned to HSBC Group’s net zero ambition.

HSBC Group updated Net Zero Transition Plan

When HSBC Group published its first Net Zero Transition Plan, it committed to evolving it’s approach to keep pace with the dynamic world in which HSBC Group and its customers operate. Since early 2024, the global landscape has shifted markedly, making the pace of transition more uneven. Against this broader landscape, HSBC Group updated its Net Zero Transition Plan in November 2025, intensifying its efforts to be customer focused, commercial and agile. It sets out the actions HSBC group is continuing to take to achieve its net zero ambition and to align its financing with the Paris Agreement goals of holding the increase in global average temperature to well below 2°C above pre-industrial levels, and pursuing efforts to limit the temperature increase to 1.5°C.

HSBC Group Net Zero Transition Plan remains structured around its three core implementation pillars: supporting its customers, embedding net zero into the way HSBC Group operates, and partnering for an enabling environment.

Supporting HSBC Group customers

As a global financial institution, HSBC Group exists to serve its customers. HSBC Group believes supporting its customers’ transition is one of the most significant roles they can play in the global transition to Net zero. This will help to deliver long-term value for customers and shareholders. HSBC Group has refined its approach to continue to be responsive to the diverse realities faced by its different customers across the world, from individuals through to multinational corporates and institutions.

Embedding net zero into the way it operates

HSBC Group’s net zero ambition is an important part of its corporate strategy. HSBC Group’s global businesses are developing strategic plans that integrate climate and sustainability considerations into their operations. This approach reflects the diverse transition maturities and local regulatory expectations across our global footprint. It focuses on the transition to net zero is well established within its governance, culture, and key performance indicators.

A number of measures supporting its progress towards its net zero ambition are included in executive performance scorecards and management reporting, helping align accountability across the organisation.

Partnering for an enabling environment

Recognising that HSBC Group's customers' transition, and its ability to finance it, relies in part on external market and policy conditions, it also seeks to support enabling environments that can help accelerate the flow of capital towards business innovation and transformation.

HSBC Group approach seeks to build support across a range of stakeholder groups and reflect the varying pace and shape of the transition across sectors and geographies, as well as the size and scope of its presence in local markets.

For further details on financed emissions, see page 34 in HSBC Group Annual Report and Accounts 2025.

Understanding HSBC Group ESG reporting

Engaging with HSBS Group's stakeholders and its material ESG topics

HSBC Group knows that engaging with its stakeholders is core to being a responsible business. To determine material topics that its stakeholders are interested in, HSBC Group conducts a number of activities throughout the year.

Continuing to evolve HSBC Group's climate disclosures

HSBC Group engages with standard setters to support the development of transparent and consistent climate-related industry standards in areas such as implementation of new International Sustainability Standards across jurisdictions, sustainable finance taxonomy and emissions accounting. It has aligned its definitions of risk and opportunities with its strategic planning cycle. For climate reporting, HSBC group defines short-term as time periods up to 2 years, medium-term is between 3-5 years, and long-term is between 6-15 years.

HSBC Group has reviewed its interim financed emissions targets, metrics and associated policies, seeking to remain science-aligned and compatible with its own net zero ambition, while remaining realistic and credible given global developments. HSBC Group expects to periodically review and, if required, update its targets. HSBC Group seeks to monitor the latest developments in climate science and associated scenarios to help inform its approach to target setting and its portfolio alignment to support the transition of the real economy to net zero. In 2026, HSBC Group will continue to review and enhance its approach to disclosures.

Internal and external data challenges

Effective measurement, governance and reporting of progress against HSBC Group climate ambitions is reliant on the availability of high-quality, accessible, comparable and reliable internal and external data. HSBC Group is also reliant on its own ability to collect and process such relevant data as required in a timely manner. Reported client emission data may have up to a two-year lag, making alignment to financial reporting dates challenging and leading to further reliance on proxies.

Lack of consistency across sustainable finance taxonomies

Sustainable finance metrics, taxonomies and practices currently lack global consistency. As standards develop and regulatory guidance evolves across jurisdictions, HSBC Group targets, methodologies and disclosures may also need to adapt. Recognising these challenges, HSBC Group annually refresh and disclose its Sustainable Finance and Investment Data Dictionary to accompany reporting against its sustainable finance and investment ambition.

HSBC Group pre-baseline and restatement policy defines the circumstances for a restatement of previously reported data. HSBC Group continues to engage with standard setters in different regions to support the development of transparent and consistent taxonomies to encourage science-based decarbonisation, particularly in high transition risk sectors.

Supporting our customers

Sustainable finance and investment

As part of HSBC's ambition to support clients in their transition towards more sustainable business models, HSBC Group introduced an updated sustainable finance strategy in 2025. The strategy is built around three priorities to reinforce HSBC's leading position in sustainable finance: (i) being the leading bank for critical transition industries; (ii) serving as a strategic transition partner for all clients; and (iii) being the bank of choice to help catalyse emerging climate technologies.

Despite global headwinds for ESG, HBEG delivered good year-on-year momentum in sustainable finance, facilitating c. USD 254.9m in 2025 compared with c. USD 96.1m in 2024 (+165% YoY), as defined in the HSBC Group Sustainable Finance and Investment Data Dictionary. HBEG also executed its first sustainability improvement loan in 2025. In addition, HBEG supported customers with wider international financing needs across the clean power ecosystem, including the development of renewable energy projects and initiatives to accelerate the electrification of transport.

HBEG strengthened its focus on fast-growing transition and climate technology ecosystems. HBEG also reinforced community impact through initiatives such as WISALA (Widows' Savings and Loans Association)and mangrove restoration.

1: Sustainable finance and investment data dictionary: HSBC Group defines sustainable finance and investment as any form of financial service that integrates ESG criteria into business or investment decisions. This includes financing, investing and related activities that support the achievement of the UN SDGs, including but not limited to the aims of the Paris Agreement on climate change. For further details please refer to HSBC Group Annual Report and Accounts 2025 P.34

Reduce, replace and remove

HSBC Group continues to address the emissions from its own operations and supply chain by focusing on reducing its consumption and replacing consumption with low-carbon alternatives. Based on its current pathway to net zero, in the interim HSBC Group expects to achieve a reduction of around 40% in emissions across our operations, business travel and supply chain by 2030, compared with its 2019 baseline year.

HSBC Group will only use high-integrity carbon credits to remove any residual emissions from its own operations that cannot otherwise be reasonably reduced. HSBC Group continues to monitor external guidance, including from the Science Based Targets initiative, to seek to ensure its approach remains credible.

Business travel

HSBC Group has analyzed its travel patterns to identify areas where it can continue to reduce emissions. For example, HSBC Group has introduced internal regional reduction targets and emission information at the point of booking to encourage ownership and flexibility in decision making.

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HBEG Energy and travel greenhouse gas emissions in tonnes CO_2e [1,2]

	2025	2024
Scope 1 (tn)	6	6
Scope 2 (Market Based) (tn)	303	4683
Scope 3 emissions (Category 6: Business Travel) (tn)	207	576

	2025	2024
Total Energy Consumption (Kwh)	13.25M	13.9M
Total Business Travel (Km)	1.3 M	2.8M
Total Energy Emissions (Tonnes)	0.3K	4.7K

1.The reporting period aligns with the financial year January – December. Due to a three-month time, lag in data availability, HBEG uses the data from Q4 of the previous year, as an estimate for the current year's Q4 data.

2.The 2024 comparatives for GHG Emissions (gross location-based Scope 2 and gross market-based Scope 2) have been restated due to further methodology enhancements at the HSBC Group level.

Managing climate risk

Climate risk relates to the financial and non-financial impacts that may arise as a result of climate change and a transition to a Net Zero economy. HSBC Group manages climate risk across the Enterprise by incorporating climate considerations through its existing taxonomy risk types in line with its risk management framework. HSBC Group manages climate risk in its banking portfolios through its risk appetite, policies, and controls in place for principal risk types where appropriate. This enables HSBC Group to identify risks and opportunities to support its customers.

For our most material wholesale customers, HSBC Group uses a transition engagement questionnaire to understand clients' climate strategies and risks. HSBC Group has formal policies to guide the management of climate risk and is working to develop metrics to help manage exposures globally for the wholesale portfolio.

Sustainability Risk Policies

HBEG follows HSBC Group's sustainable risk policies, these form part of HSBC s risk management framework and define minimum standards for the management of climate risks. These policies focus on mitigating reputational, credit, legal and other risks related to customers' environmental and social impacts. For further details please refer to [HSBC Group Annual Report and Accounts 2025]

Our sustainability policies including Energy and Thermal Coal Phase-Out policy form part of our broader risk management framework and aim to provide clarity to our customers on our risk appetite for certain activities. We take a risk-based approach when identifying transactions and clients to which our policies apply and adopting approaches proportionate to risk and materiality. We continue to review policy implementation as we apply the policies in practice, and our operationalization of such policies continues to be enhanced.

Client Transition Journey procedure outlines the end-to-end approach to assessing client transition plans, including the operating model for relationship managers to engage with clients. This is supported by a counterparty ESG climate score, and a formal transition plan assessment, to enable embedding within business and risk decision making.

Social

Building inclusion and resilience

HSBC Group plays an active role in opening up a world of opportunity for customers, colleagues and communities by connecting across Group's international networks to help build a more inclusive and resilient society.

HSBC Group commitment to inclusion

Approach to inclusion

For 160 years, HSBC Group's core strategy has been connecting people and businesses across geographies and cultures. By embracing diversity and fostering inclusive thinking, HSBC Group better meets its customers' needs and delivers improved outcomes. HSBC Group is committed to continuing to build an inclusive organization by focusing on four key areas as detailed below.

Fostering a diverse environment

Work force

On 31 December 2025, HBEG had a total workforce equivalent to 1,536 full-time employees compared to 1,610 at the end of 2024. Of total workforce HBEG has 40% representation of women and 60% representation of men. HBEG also has 111 contractors/service providers.

Women in senior leadership

Increasing women representation in senior leadership roles is one of HSBC Group's longest standing strategic priorities. HBEG has met its female representation goal, with 44% of senior leadership roles held by women at the end of 2025.

Moreover, HBEG aims to strengthen its talent pipeline to improve the representation of women in senior leadership roles. Flagship programmes, coaching and networking in leadership team offsites conducted for individuals identified as talent.

HBEG hiring practices are merit-based, and HBEG seeks to ensure that every candidate, regardless of their identity and background, has an equal opportunity to demonstrate their skill and potential.

Fostering an inclusive culture

Looking to the future and beyond publicly stated commitments, the Global inclusion strategy was refreshed to refocus ambitions with strategic priorities and to set out the approach to inclusion over the next three to five years. HSBC Group has established key principles that enable it to pivot towards building a more inclusive culture for all our employees.

HBEG employee resource groups

Bringing together the shared identities, values and interests of HBEG employees allow us to build an inclusive culture across the organization and the volunteer-led employee resource groups ('ERGs') enable this.

In 2025, HBEG ERGs led numerous initiatives and events including hosting several panels to celebrate key occasions such as International Women's Day and International Men's Day or key topics such as parenting our children in the dynamic work environment we have. In addition to delivering "Generational Diversity" workshops, tackling important topics as Diversity, Inclusion, Equity, Generational Stereotypes, Microaggressions, Psychological Safety across all age groups, and strategies to create generational harmony.

HBEG focus on disability

HSBC Group is dedicated to creating an inclusive culture where all employees can thrive. HBEG sponsors students with disabilities and supports their development to enable them to work in the Banking industry after graduation.

Building a healthy workplace

Listening to employees

HSBC Group values difference, this is done by seeking out different perspectives and listening. HSBC Group employees succeed together by being connected across the organization, and they take responsibility by speaking up. These activities are core to HSBC Group's values, and globally regular feedback is captured from employees to help improve the organisation and its employee experience.

Employee conduct and harassment

Globally it is expected that all employees treat each other with respect and dignity, with no tolerance or condone discrimination, harassment or bullying in any form, as outlined in HSBC's Global Anti-Bullying and Harassment Code.

This is supported by HSBC's Global Code of Conduct, which helps to maintain high standards across HSBC Group and in 2025 HBEG aligned it with the Central Bank of Egypt newly released "Rules of the Banking Ethics Charter".

HSBC Group encourages employees to speak up about poor behaviour or things that do not seem right. At times, it can be difficult to raise concerns, so regular communication and tracking is important.

HSBC employees continue to receive training on bullying, harassment, discrimination and retaliation at least every other year in the Global Mandatory Training curriculum and as part of other learning resources, including in People Manager training.

HSBC Group has mandatory procedures for handling and investigating employee concerns, which include those for bullying and harassment. Cases are continually monitored from Global speak-up channels, and data is reported to management committees to ensure there is visibility at leadership level.

Where the concerns were substantiated following an investigation, appropriate consequence management was taken. HBEG remains committed to addressing this type of behaviours and will continue to take action where we find that an employee has breached HSBC Group values and high standards of conduct.

Being a great place to work

To align with HSBC Group's purpose and strategy. Focusing on opportunities for employees, making them a part of something bigger and being clear on what they can expect when they deliver on the bank's strategy, is fundamental to delivering for customers. HBEG workforce proposition strengthens its ability to attract, retain and energize its employees and is driven by three key reward principles of rewarding employees responsibly, recognizing employees' success and supporting employees to grow.

Well-being

To help employees grow personally and professionally, HBEG is committed to supporting their mental, physical and financial well-being, offering flexibility and helping employees develop new skills.

Flexible working

Flexible working remains one of the top reasons employees say they would recommend HSBC to someone else.

HBEG continuously works on enhancing and improving employees workplace experience and with the newly renovated Head Office, hybrid working has been applied more effectively.

To further support flexibility and work-life balance HBEG have improved family leave policies. Maternity and Paternity time off duration were increased. Compassionate Leave was enhanced to allow more support to our employees and annual leaves balance unification was implemented.

Building customer inclusion and resilience

Approach to customer inclusion and resilience

HSBC Group believes that financial services, when accessible and fair, can reduce inequality and help more people access opportunities. HSBC Group is playing an active role in opening up a world of opportunity for individuals by supporting their financial well-being and removing barriers in accessing financial services.

Access to products and services

HBEG provides solutions to help improve customer access to products and services and enable them to manage their day-to-day finances. Also, re-vamped cashback credit card to provide customers with up to 6% cashback on their daily spend.

Accessibility and Disability Inclusion

IWPB delivered a comprehensive accessibility and disability inclusion initiative across all branches and customer-facing staff.

Together, these efforts have strengthened colleagues' awareness, enhanced empathy, and contributed to a more inclusive customer experience.

Engaging with our communities

Helping people and communities

HSBC Group seeks to support the communities in which it operates and works with charity partners to initiate a range of programmes that help people and communities respond to opportunities and challenges.

Philanthropy can also play an important role in addressing the barriers to action, helping to build capacity, and testing and scaling the innovation required to achieve a resilient and sustainable net zero future.

Governance
Act Responsibly

HSBC Group remains committed to high standards of governance. HSBC Group works alongside regulators and recognise its contribution to building healthy and sustainable societies.

Setting high standards of governance

HBEG governance structure and ESG governance

Corporate Governance at HSBC is of paramount importance to ensure sound practices, promoting transparency and efficiency, in consistency with the law. The HBEG Board ('The Board') and the management are committed to the long-term success of the Bank and generating stable and sustainable returns for the shareholders. Standards of Corporate Governance, in particular those defined by Central Bank of Egypt ('CBE') and other regulatory bodies, are fundamental in supporting HBEG to facilitate better execution of activities and creating sustainable shareholder value, without overlooking the interests of other stakeholders in the Bank and the business community at large.

The Board Committees

The purpose of HBEG's corporate structure, headed by the Board of Directors and led by the Chairman, is to deliver sustainable value to its shareholders. The Board approves the strategy for the Bank and sets the risk appetite and capital, and operating plans presented by management to achieve the strategic objectives it has set. Implementation of the strategy set by the Board is delegated to the Executive Committee, led by the Chief Executive Officer. To achieve its strategic objectives, the Board has also appointed a number of Directors and Executive Management to serve on Board Committees. The responsibilities of these committees and its membership are as follows:

- Audit Committee
- Risk Committee
- Governance and Nomination Committee
- Salaries and Remuneration Committee

For more on Board committees and Board of directors, shareholding info please refer to HSBC Bank Egypt S.A.E Annual Report and Accounts 2025.

Nomination and selection of the highest governance body

HBEG follows its Corporate Governance Framework and ensure alignment with local regulation in terms of nominating its Board of Directors and related Committees with consideration to diversity and independence. Diversity and inclusion are embedded within the culture of HBEG. The Board remains committed to having an inclusive culture that recognises the importance of diversity in gender, capabilities, skills, experience, knowledge and age group and the benefits gained from different perspectives.

Board Responsibilities

The Board, led by the Chairman, is responsible among other matters for:

- promoting HBEG's long-term success and delivering sustainable value to shareholders.
- establishing and approving HBEG's strategy and objectives, and monitoring the alignment of purpose, strategy and values with the desired culture and standards.
- approving and monitoring capital and financial resource plans for achieving strategic objectives.
- considering and approving HBEG's technology and environmental, social and governance strategies.
- ensuring effective engagement with, and encouraging participation from, shareholders and other key stakeholders.
- approving the appointment and remuneration of Directors, including Board roles.
- approving the selection and appointment of the senior executives and supervising their performance.
- reviewing HBEG's overall corporate governance arrangements.

The Board delegates day-to-day management of the business and implementation of strategy to the HBEG CEO. To assist the CEO in his day-to-day management of HBEG, he is supported by recommendations and advice from the Executive Committee, an executive forum comprising of senior HBEG management which he chairs.

Management Committees

- Operating Committee (OPCO)
- Risk Management Committee (RMM)
- Assets and Liabilities Committee (ALCO)
- Country Impairment Forum (CIF)

Conflicts of interest

There is an established policy and set of procedures to ensure that the Board's management of Directors' conflicts of interest is effective.

The responsibility for the ongoing review of the conflicts register is conducted by the Board. Upon appointment, new Directors are advised of the policy and procedures for managing conflicts. Directors are required to notify the Board of any actual or potential conflicts of interest and to update the Board with any changes to the facts and circumstances surrounding such conflicts. Directors are requested to review and confirm their own and their respective closely associated persons outside interests and appointments on quarterly basis. All non-executive Directors are re-vetted every three years following appointment and as part of such process all conflicts checks are refreshed.

Collective knowledge of the highest governance body

The Company Secretary works with the Chairman to ensure that all Board members receive appropriate training, both individually and collectively, throughout their time on the Board. On appointment, new Directors are provided with tailored and comprehensive induction programmes to fit with their individual experiences and needs, including the process for managing conflicts.

The Company Secretary also helps to arrange and deliver the induction programme through formal briefings and introductory sessions with other Board members, senior management, legal counsel, auditors, tax advisers and regulators, as appropriate. Topics covered in the induction programme include but are not limited to purpose and values; culture and leadership; governance and stakeholder management; Directors' legal and regulatory duties; anti-money laundering and anti-bribery; technical and business briefings; and strategy.

The structure of the induction supports good information flows within the Board and its committees, as well as between senior management and non-executive Directors, providing a clear understanding of HSBC culture and way of operating. Directors were also issued routine training modules that all staff must complete annually. During 2025, this training covered topics including risk management, cybersecurity, sustainability, health, safety and well-being, financial crime, Conduct. Non-executive Directors also discussed individual development areas with the Chairman as part of their ongoing performance discussions with regard to their contributions on the Board. The Company Secretary makes appropriate arrangements for any additional training needs identified including arranging topic-specific deep dives.

Evaluation of the performance of the highest governance body

The Board and its committees are committed to annual evaluation of their effectiveness through a review that covers the Board's performance and the extent of the board member's compliance with the duties of his / her position and the necessary requirements to enhance his/her efficiency.

How ESG is Governed

The Board aims to promote HSBC's long-term success, deliver sustainable value to shareholders and promote a culture of openness and debate. There are also several committees consisting of certain Directors and co-opted non-director members - for full details on HSBC's Global ESG governance structure please refer to HSBC Holding plc's Annual Report and Accounts 2025 -

The Board takes overall responsibility for ESG strategy, overseeing executive management in developing the approach, execution and associated reporting. Progress against ESG ambitions is reviewed through Board discussion and review of key topics such as updates on customer experience and employee sentiment. The Board is regularly provided with specific updates on ESG matters. As per Central Bank of Egypt regulations The Board is responsible for reviewing and approving the ESG reported information, including the organization's material topics.

As per Central Bank of Egypt mandate, a Sustainability Unit is in place to ensure that ESG is embedded within the bank's credit aspects and operations whilst aligning with HSBC Global approach

Human Rights

HSBC Group's respect for human rights

HSBC Group salient human rights issues
HSBC Group continues to develop its understanding of its salient human rights issues.

Managing risks to Human Rights
In 2025, HSBC Group continued the process of adapting its risk management procedures to reflect what it had learned from its work on salient human rights issues and related guidance issued in 2024 for those who manage their relationships with suppliers and with business customers.
HSBC Group Global Procurement function continued to implement its human rights due diligence operating procedure. This procedure sets out how HSBC aims to identify suppliers where the risk of human rights impact is considered to be higher, and the process to be followed to review and mitigate the associated risks. HSBC Group continued the human rights audits of suppliers and closed out findings from the 2024 audits. HSBC group use independent negative news data to help identify controversies related to our corporate customers, including on human rights, which may lead to further review and escalation.

Sustainability risk policies
Some of the business customers operate in sectors in which the risk of adverse human rights impact is considered greater. HSBC Group Sustainability Risk Policies consider human rights issues such as forced labour, harmful or exploitative child labour, workers' rights, health and safety of communities and land rights.

Financial crime controls
HSBC Group's financial crime risk framework also seeks to mitigate the risk of being associated with adverse human rights impacts, by helping to identify and assess the financial crime risk associated with its customers, employees and third parties.

For further details see HSBC Group Annual Report and Accounts 2025.

Customer Experience

Dedication to exceptional customer experience remained HBEG's top priority in 2025. Customers pain points were proactively addressed by implementing a strategic plan that delivered tangible service quality enhancements, fostered a customer-centric culture, and strengthened the complaints resolution capabilities.

Customer satisfaction

Listening to drive improvement

HSBC Group continues to embed feedback system to better listen, learn and act on customer feedback. HSBC Group uses the net promoter score ('NPS') and customer satisfaction to provide a consistent measure of HSBC Group performance. NPS is measured by subtracting the percentage of 'detractors' from the percentage of 'promoters'.

HBEG continues to align and drive Customer Protection Unit agenda, thus complying with the Central Bank of Egypt regulations.

HBEG continues to focus on Customer Protection key areas of focus, which include:

- Treating customers fairly.
- Disclosure and transparency regarding pricing of all products and services offered by HSBC.
- Efficient complaints handling process.
- Enhancing the banking culture.
- Protecting customers' data and information security.

HBEG maintains consistent oversight and governance over customer experience and customer rights protection in all aspects of managing the business, HBEG regularly runs multiple governance forums including a dedicated Customer Experience Forum, Risk Management Forums, Audit Committee and Senior management meetings in order to ensure prioritizing customer journey improvement and ensure HBEG journey remapping strategy is underpinned by clear trackers and ultimately to track HBEG complaints handling and resolution performance metrics.

How we listen

To improve how HBEG serves their customers, they must be open to feedback and acknowledge when things go wrong. HBEG continue to adapt at pace to provide support for customers facing new challenges, new ways of working and those that require enhanced care needs.

Aligning with HSBC Group's approach, HBEG aims to be open and consistent in how they track, record and manage complaints, although as they serve a wide range of customers – from personal banking and wealth customers to large corporates, institutions and governments – HBEG tailors the approach in each of its businesses. HBEG has a consistent set of principles that enable us to remain customer-focused throughout the complaints process.

How HBEG handles complaints

HBEG Principles	HBEG Actions
Making it easy for customers to complain	Customers can complain through the channel that best suits them. HBEG provides a point of contact along with clear information on next steps and timescales.
Acknowledging complaints	All employees’ welcome complaints as opportunities and exercise empathy to acknowledge customers’ issues. Complaints are escalated if they cannot be resolved at first point of contact.
Keeping the customer up to date	HBEG sets clear expectations and keep customers informed throughout the complaint resolution process through their preferred channel.
Ensuring fair resolution	HBEG thoroughly investigate all complaints to address concerns and ensure the right outcome for HBEG customers.
Providing available rights	HBEG provides customers with information on their rights and the appeal process if they are not satisfied with the outcome of the complaint.
Undertaking root cause analysis	Complaint causes are analysed on a regular basis to identify and address any systemic issues and to inform process improvements.

Acting on feedback

In 2025, HBEG have continued to focus on developing products and services, and enhancing HBEG's digital capabilities to improve customer experience.

Corporate and Institutional Banking

HBEG continues to focus on improving digital penetration and is constantly encouraging customers to process their transactions through the various HSBC channels. Till date HBEG witnessed an increase in the digital channels usage and considerable decrease in branch visits. A new global client segmentation change took place starting 2025 and its mainly to create a globally consistent service model for HSBC Group's clients. The new model will align and standardize how the bank operates and manages customers, driving a consistent service experience and clearly defined quality standards, the approach for this new initiative is to deliver for 3 key areas –Clients, People, Process & Technology.

International Wealth and Premier Banking

HBEG remained committed to delivering products and services in a fair and transparent manner, responding to customer feedback In a dynamic environment, HBEG further embedded its customer-centric culture through full frontline coverage of Customer experience capability building and staff recognition ceremonies celebrating over 100 employees for demonstrating our CARE values of being Connected, Accountable, Responsive, and Empathetic, alongside targeted improvements across key customer journeys including credit card, account opening, and contact center services.

Integrity, conduct and fairness

Safeguarding the financial system

HSBC Group has continued its efforts to combat financial crime and reduce its impact on the organization, customers and the communities that they serve. HBEG follows HSBC Group's approach which has a financial crime risk management framework that is applicable across all global businesses and functions including includes fraud, bribery and corruption, tax evasion and the facilitation of tax evasion, sanctions and export control violations and evasion, money laundering, terrorist financing and proliferation financing.

Whistleblowing

HSBC Group wants employees and stakeholders to have confidence in speaking up when they observe unlawful or unethical behavior. HBEG leverage on HSBC Group's policies which offer a range of speak-up channels to listen to the concerns of individuals and have a zero-tolerance policy for acts of retaliation. For further details please refer to HSBC Group Annual Report and Accounts 2025.

A responsible approach to tax

HSBC Group seeks to pay its fair share of tax in all jurisdictions in which it operates, applying both the letter and spirit of the law, and to minimise the risk of customers using its products and services to evade or inappropriately avoid tax. HSBC Group approach to tax and governance processes is designed to achieve these goals. HBEG follows HSBC Group's responsible approach to tax.

For further details please refer to HSBC Group Annual Report and Accounts 2025.

HSBC Group approach to customers and market conduct

HSBC Group conduct approach guides to do the right thing and to focus on the impact it has for its customers and the financial markets in which it operates. HBEG applies HSBC Group policies and procedures. For further details please refer to HSBC Group Annual Report and Accounts 2025.

HSBC Group approach with suppliers

HSBC Group maintains global policies and procedures for the onboarding and use of third-party suppliers. It expects its suppliers to meet their third-party risk compliance requirements and assess them to identify any financial stability concerns. HBEG follows HSBC Group's approach with suppliers.

For further details please refer to HSBC Group Annual Report and Accounts 2025

Safeguarding data

Data privacy

HSBC Group is committed to protecting the data it processes, in accordance with the laws and regulations in the markets in which they operate. HSBC Group's strategy rests on having the right talent, technology, and processes to manage privacy risks effectively. HSBC Group-wide data risk policy and principles provide a consistent global approach to managing data privacy risk and must be applied by all global businesses and functions. For further details please refer to HSBC Group Annual Report and Accounts 2025.

Cybersecurity

The threat of a significant cyber incident remains a concern for the Group and the broader financial sector. As cyber threats continue to evolve, failure to protect our operations may result in disruption to our business services and negative impacts on our customers, such as a financial loss, loss of sensitive data or damage to our reputation, among other risks. For further details please refer to HSBC Group Annual Report and Accounts 2025.

GRI Content Index

Statement of Use: HSBC Bank Egypt S.A.E. has reported the information in accordance with the GRI Standards for the period from January 1st, 2025, to December 31st 2025.

GRI Standard	Disclosure	Direct response / section in this report / reference
GRI 1: Foundation 2021		
GRI 2: General disclosures 2021		
1) The organisation and its reporting practices	2-1 Organizational details	Introduction p. 2&3
	2-2 Entities included in the organization's sustainability reporting	Introduction – Reporting period and scope p.2
	2-3 Reporting period, frequency and contact point	Introduction – Reporting period and scope p.2&3
	2-4 Restatements of information	Introduction – Reporting period and scope p.2
	2-5 External assurance	Approach to ESG - Assurance Related to ESG Data p.6
2) Activities and workers	2-6 Activities, value chain and other business relationships	Introduction – who we are p.3
	2-7 Employees	Social – Work Force p. 14
	2-8 Workers who are not employees	Social – Work Force p. 14
3) Governance	2-9 Governance structure and composition	Governance – Corporate Governance p. 16
	2-10 Nomination and selection of the highest governance body	Governance - Setting high standard of governance P.16
	2-11 Chair of the highest governance body	Governance - Setting high standard of governance P.16
	2-12 Role of the highest governance body in overseeing the management of impacts	Governance – Board responsibilities p. 17
	2-13 Delegation of responsibility for managing impacts	Governance – Board responsibilities p.17
	2-14 Role of the highest governance body in sustainability reporting	Governance – Board responsibilities p.17
	2-15 Conflicts of interest	Governance – Conflict of interests p.17
	2-16 Communication of critical concerns	Governance – Board responsibilities p.17
	2-17 Collective knowledge of the highest governance body	Governance – Collective knowledge of the board p.17
	2-18 Evaluation of the performance of the highest governance body	Governance – Evaluation of the performance of board p.17
	2-19 Remuneration policies	Social – Remuneration p.16
	2-20 Process to determine remuneration	Social – Remuneration p.16
	2-21 Annual total compensation ratio	See ref.1

4) Strategy, Policies and Practices	2-22 Statement on sustainable development strategy	Introduction – CEO statement p.4
	2-23 Policy commitments	See ref.2
	2-24 Embedding policy commitments	See ref.2
	2-25 Processes to remediate negative impacts	See ref.2
	2-26 Mechanisms for seeking advice and raising concerns	Social – Employees – Listening to our employees p.14 Governance – whistleblowing p.21
	2-27 Compliance with laws and regulations	Governance – see ref 1
	2-28 Membership associations	Environmental - Partnering for systemic change P. 13
5) Stakeholder engagement	2-29 Approach to stakeholder engagement	Our Approach to ESG – Engaging with our stakeholders p.5
	2-30 Collective bargaining agreements	See ref. 3

GRI Standard	Disclosure	Direct response / section in this report / reference
GRI 3: Material Topics 2021		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Our approach to ESG -Engaging with our stakeholders and our material ESG topics p.5
	3-2 List of material topics	Our approach to ESG -Engaging with our stakeholders and our material ESG topics p.5
	3-3 Management of material topics	Our approach to ESG -Engaging with our stakeholders and our material ESG topics p.5

GRI Standard	Disclosure	Direct response / section in this report / reference
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Governance – Safeguarding the financial system p.38
	205-2 Communication and training about anti-corruption policies and procedures	Governance – Safeguarding the financial system p.38
	205-3 Confirmed incidents of corruption and actions taken	See ref.1
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Environmental – Net Zero operations p.7
	302-2 Energy consumption outside of the organization	See ref. 1
	302-3 Energy intensity	Environmental – Net Zero operations p.10
	302-4 Reduction of energy consumption	Environmental – Net Zero operations p. 10
	302-5 Reductions in energy requirements of products and services	See ref. 1

GRI Standard	Disclosure	Direct response / section in this report / reference
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Environmental – Net Zero operations P.10
	305-2 Energy indirect (Scope 2) GHG emissions	Environmental – Net Zero operations P.10
	305-3 Other indirect (Scope 3) GHG emissions	Environmental – Net Zero operations p.10
	305-4 GHG emissions intensity	Environmental – Net Zero operations p.10
	305-5 Reduction of GHG emissions	Environmental – Net Zero operations p.10
	305-6 Emissions of ozone-depleting substances (ODS)	See ref. 4
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	See ref. 4

GRI Standard	Disclosure	Direct response / section in this report / reference
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Social – Employees - Developing skills, careers and opportunities p.6
	404-2 Programmes for upgrading employee skills and transition assistance programmes	Social – Employees - Developing skills, careers and opportunities p.6
	404-3 Percentage of employees receiving regular performance and career development reviews	Social – Employees – being a great place to work p.6
GRI Standard	Disclosure	Direct response / section in this report / reference
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Social – Workforce p.13
	405-2 Ratio of basic salary and remuneration of women to men	See ref. 1
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	See ref. 1

References

1. Disclosures are either made at HSBC Group level or not currently disclosed externally or deemed confidential.
2. Our policy commitments, embedment and remediation of negative impacts are stated under each material Topic section disclosed in this document
3. We do not hold collective bargaining agreements at HBEG
4. Not Applicable

Cautionary statement regarding forward-looking statements

This ESG Annual Report 2025 contains certain forward-looking statements with respect to the financial condition; results of operations and business of the group, including the strategic priorities; financial, investment and capital targets; and the HBEG's ability to contribute to the Group's environmental, social and governance ('ESG') ambitions, targets and commitments described herein.

Statements that are not historical facts, including statements about the group's beliefs and expectations, are forward-looking statements. Words such as 'may', 'will', 'should', 'expects', 'targets', 'anticipates', 'intends', 'plans', 'believes', 'seeks', 'estimates', 'potential' and 'reasonably possible', or the negative thereof, other variations thereon or similar expressions are intended to identify forward-looking statements. These statements are based on current plans, information, data, estimates and projections, and therefore undue reliance should not be placed on them. Forward-looking statements speak only as of the date they are made. HBEG makes no commitment to revise or update any forward-looking statements to reflect events or circumstances occurring or existing after the date of any forward-looking statements.

Any such forward-looking statements are not a reliable indicator of future performance, as they may involve significant stated or implied assumptions and subjective judgements which may or may not prove to be correct.

Forward-looking statements can be made in writing but may also be made verbally by directors, officers and employees of the group or HBEG including during management presentations in connection with this document.

Forward-looking statements involve inherent risks and uncertainties. Readers are cautioned that a number of factors, including ESG-related factors, could cause actual results, performance or other future events to differ, in some instances materially, from those anticipated or implied in any forward-looking statement. This may be due to a variety of risks, uncertainties and other factors including, without limitation, those which relate to general market or economic conditions, regulatory and government policy changes, continued volatility in trade and tariff policies, increased volatility in interest rates and inflation levels and other macroeconomic risks, geopolitical tensions such as the Russia-Ukraine war or the conflict in the Middle East, the US military operation in Venezuela and potential further US action in the Western Hemisphere and, elsewhere, or the efficacy of the group's and the Group's actions in managing and mitigating ESG related risks, and in progressing towards the Group's ESG ambitions, targets and commitments.

For these reasons, recipients should not place reliance on, and are cautioned about relying on, any forward-looking statements.

This ESG Annual Report 2025 contains a number of graphics, text boxes and credentials which aim to give a high-level overview of certain elements of the group's disclosures and to improve accessibility for readers. These graphics, text boxes and credentials are designed to be read within the context of the ESG Annual Report 2025 as a whole.

The information, statements and opinions set out in this ESG Annual Report 2025 do not constitute a public offer for the purposes of any applicable law or an offer to sell or solicitation of any offer to purchase any securities or other financial instruments or any advice or recommendation in respect of such securities or other financial instruments.

Additional cautionary statement regarding ESG and climate-related data, metrics and forward-looking statements.

The ESG Annual Report 2025 contains a number of forward-looking statements (as defined above) with respect to HSBC's ESG-related ambitions, targets and commitments, climate-related pathways, processes and plans, and the methodologies and scenarios the Group (including the group) uses, or intends to use, to assess the Group's (including the group's) progress in relation to these ('ESG-related forward-looking statements').

In preparing the ESG-related information contained in the ESG Annual Report 2025, the Group (including the group) has made a number of key judgements, estimations and assumptions, and the processes and issues involved are complex. The Group (the group) has used ESG (including climate) data, models and methodologies that it considers, as of the date on which they were used, to be appropriate and suitable to understand and assess climate change risk and its impact, to analyse financed emissions and operational and supply chain emissions, to set ESG-related ambitions, targets and commitments and to evaluate the classification of sustainable finance and investments. However, these data, models and methodologies are often new, are rapidly evolving and are not of the same standard as those available in the context of other financial information, nor are they subject to the same or equivalent disclosure standards, historical reference points, benchmarks or globally accepted accounting principles. In particular, it is not possible to rely on historical data as a strong indicator of future trajectories in the case of climate change and its evolution. Outputs of models, processed data and methodologies are also likely to be affected by underlying data quality, which can be hard to assess and the Group (including the group) expect industry guidance, market practice, and regulations in this field to continue to change. The Group (including the group) also faces challenges in relation to its ability to access data on a timely basis, lack of consistency and comparability between data that is available and its ability to collect and process relevant data. Consequently, the ESG-related forward-looking statements and ESG metrics disclosed in the ESG Annual Report 2025 carry an additional degree of inherent risk and uncertainty.

Due to the unpredictable evolution of climate change and its future impact and the uncertainty of future policy and market response to ESG-related issues and the effectiveness of any such response, the Group (including the group) may have to re-evaluate its progress towards its ESG-related ambitions, targets and commitments in the future, update the methodologies it uses or alter its approach to ESG (including climate) analysis and may be required to amend, update and recalculate its ESG-related disclosures and assessments in the future, as market practice and data quality and availability develop.

No assurance can be given by or on behalf of the group as to the likelihood of the achievement or reasonableness of any projections, estimates, forecasts, ambitions, targets, commitments, prospects or returns contained herein. Readers are cautioned that a number of factors, both external and those specific to the Group (including the group), could cause actual achievements, results, performance or other future events or conditions to differ, in some cases materially, from those stated, implied and/or reflected in any ESG-related forward-looking statement or metric due to a variety of risks, uncertainties and other factors (including without limitation those referred to below):

- Climate change projection risk: this includes, for example, the evolution of climate change and its impacts, changes in the scientific assessment of climate change impacts, transition pathways and future risk exposure and limitations of climate scenario forecasts;
- ESG projection risk: ESG-related metrics are complex and are still subject to development. In addition, the scenarios employed in relation to them, and the models that analyse them have limitations that are sensitive to key assumptions and parameters, which are themselves subject to some uncertainty, and cannot fully capture all of the potential effects of climate, policy and technology-driven outcomes;
- Changes in the ESG regulatory landscape: this involves changes in government approach and regulatory treatment in relation to ESG disclosures and reporting requirements, and the current lack of a single standardised regulatory approach to ESG across all sectors and markets;
- Variation in reporting standards: ESG reporting standards are still developing and are not standardised or comparable across all sectors and markets, and new reporting standards in relation to different ESG metrics are still emerging;

- Data availability, accuracy, verifiability and data gaps: the Group's (including the group's) disclosures are limited by the availability of high quality data in some areas and the Group's (including the group's) own ability to timely collect and process such data as required. Where data is not available for all sectors or consistently year on year, there may be an impact to the Group's (including the group's) data quality scores. The Group (including the group) may not be able to fully mitigate financial reporting risks related to its climate and ESG disclosures due to the limited quantity and consistency of available data. The accuracy and reliability of data is also impacted by the diverse range of internal and external data sources and data structures needed for climate-related reporting. While the Group (including the group) expects its data quality scores to improve over time, as companies continue to expand their disclosures to meet growing regulatory and stakeholder expectations, there may be unexpected fluctuations within sectors year on year, and/or differences between the data quality scores between sectors. Any such changes in the availability and quality of data over time, or the Group's (including the group's) ability to collect and process such data, could result in revisions to reported data going forward, including on financed emissions, meaning that such data may not be reconcilable or comparable year-on year; Developing methodologies and scenarios: the methodologies and scenarios the Group (including the group) uses to assess financed emissions and set ESG-related ambitions, targets and commitments may develop over time in line with market practice, industry standards, regulation and/or developments in science, where applicable. Such developments could result in revisions to reported data, including on financed emissions or the classification of sustainable finance and investments, meaning that data outputs may not be reconcilable or comparable year-on year. Consequently, the Group (including the group) might need to reassess its progress towards ESG-related ambitions, targets and commitments in the future; and Risk management capabilities: global actions, including the Group's (and the group's) own actions, may not be effective in transitioning to net zero and in managing relevant ESG risks, including in particular climate, nature-related and human rights risks, each of which can impact the Group (including the group) both directly and indirectly through its customers, and which may result in potential financial and non-financial impacts to the Group (including the group). In particular:
  - the Group (including the group) may not be able to achieve its ESG-related ambitions, targets and commitments (including with respect to the positions set forth in the Group's thermal coal phase-out policy and its energy policy, and its targets to reduce its on-balance sheet financed emissions and, where applicable, facilitated emissions in its portfolio of selected high-emitting sectors), which may result in the Group's (including the group's) failure to achieve some or all of the expected outcomes of its strategic priorities and raise reputational concerns; and
  - the Group (including the group) may not be able to develop sustainable finance and ESG-related products consistent with the evolving expectations of its regulators, and its capacity to measure the environmental and social impacts from its financing activity may diminish (including as a result of data and model limitations and changes in methodologies), which may affect its ability to achieve its ESG-related ambitions, targets and commitments, including its net zero ambition, its targets to reduce its on-balance sheet financed emissions and, where applicable, facilitated emissions in its portfolio of selected high-emitting sectors and the positions set forth in its thermal coal phase-out policy and energy policy, and increase the risk of greenwashing. The Group (including the group) may face additional risks if it knowingly or unknowingly makes inaccurate, unclear, misleading, or unsubstantiated claims regarding sustainability to its stakeholders.

Any forward-looking statements made by or on behalf of the Group (including the group) speak only as of the date they are made. The Group (including the group) expressly disclaims any obligation to revise or update these ESG forward-looking statements, other than as expressly required by applicable law.

Written and/or oral ESG-related forward-looking statements may also be made in the Group's (including the group's) periodic reports to the US Securities and Exchange Commission, summary financial statements to shareholders, proxy statements, offering circulars and prospectuses, press releases and other written materials, and in oral statements made by the Group's (including the group's) Directors, officers or employees to third parties, including financial analysts.

The Group's data dictionaries and methodologies for preparing the above ESG-related metrics and third-party limited assurance reports can be found on: www.hsbc.com/who-we-are/esg-and-responsible-business/esg-reporting-centre.

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