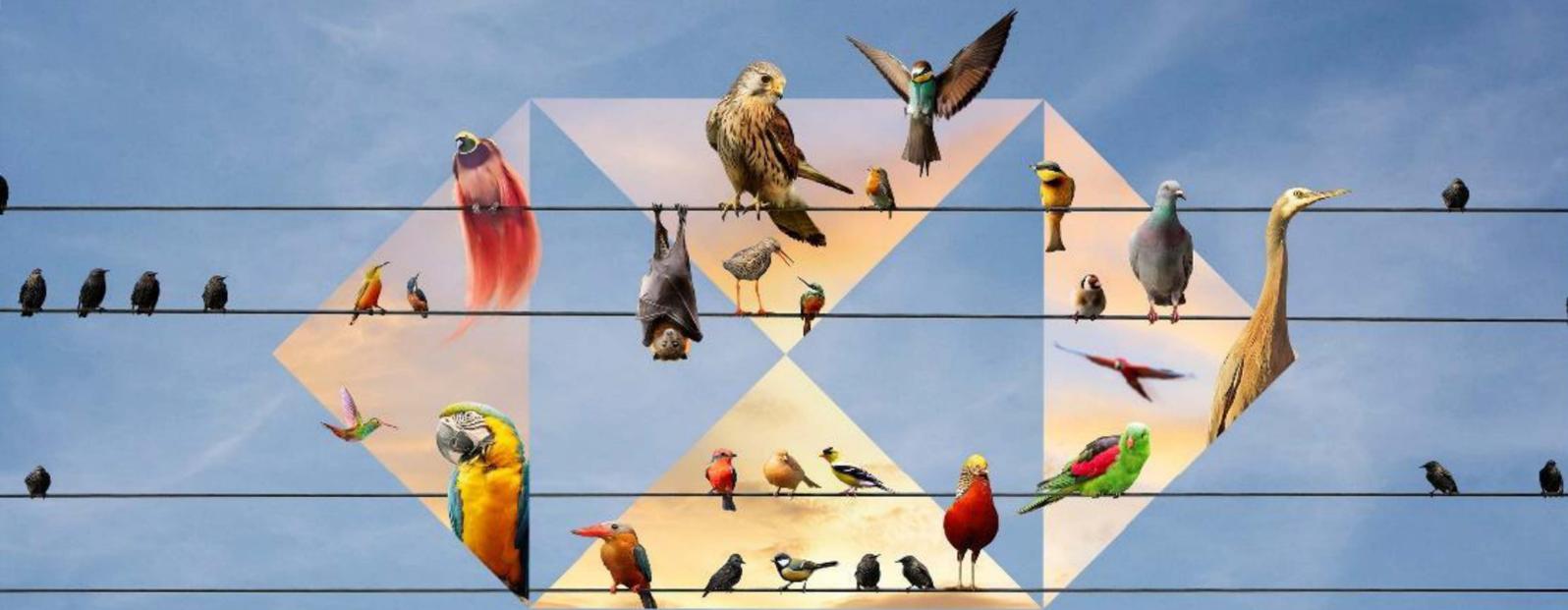


HSBC Holdings plc

# Statement of Business Principles and Code of Conduct

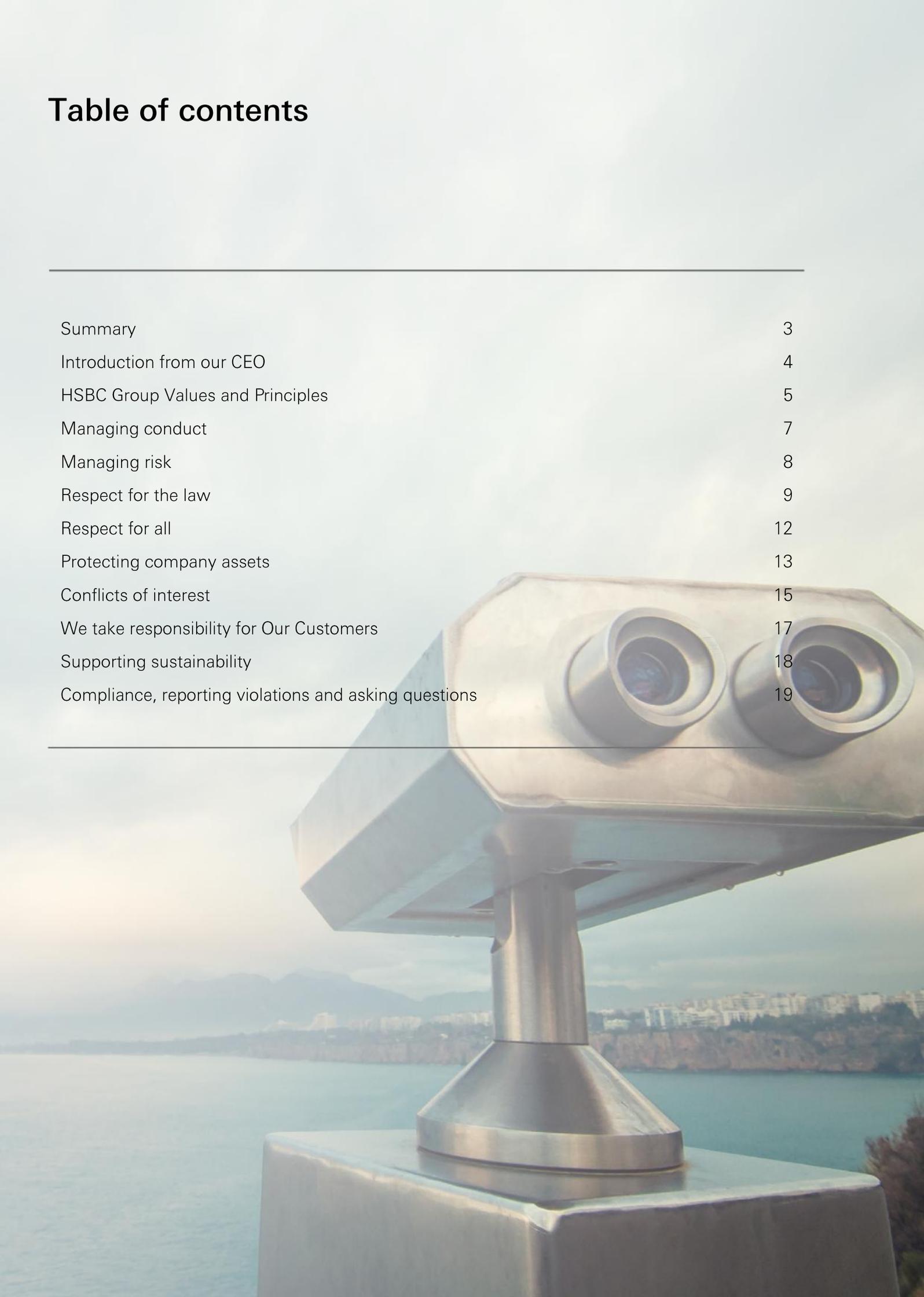


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# Summary

Our Statement of Business Principles and Code of Conduct (referred to as “the Group Code”) applies to the directors of HSBC Holdings plc (“Directors”), its officers and employees of the HSBC Group.

For the purposes of the Group Code:

- ◆ “HSBC Group” or the “Group” means HSBC Holdings plc and its wholly owned subsidiaries; and
- ◆ HSBC Holdings plc executive directors and officers are also employees of the HSBC Group.

Regional and country requirements may also apply and members of the HSBC Group are required to establish Codes of Conduct that apply to their executive directors and employees. Such Codes must be aligned to the Group Code to the extent permitted by local law and regulation.



# Introduction from our CEO



Our purpose – Opening up a world of opportunity – explains why we exist: to open up new kinds of opportunity for our customers, our people, our investors and our communities.

This purpose underpins all that we do. For nearly 160 years, we have seen the world go through many transitions and changes – and in each case, we have successfully helped our customers find opportunities and growth. Our purpose continues to guide us as we seek to adapt to changing customer expectations in an evolving economic, political and digital world.

To achieve our purpose, we seek to build strong relationships with all our stakeholders, including customers, colleagues, suppliers and the communities we operate in. This helps enable us to deliver our strategy in line with our values and operate the business in a sustainable way.

Our success as a leading international bank serving customers and society is guided by a set of principles.

Our Global Values and Principles set an overarching standard for all our policies and procedures, and are fundamental to the HSBC Group's risk management structure. They inform and connect our purpose and our strategy, as well as our change and risk management principles, guiding us to treat our customers and our colleagues fairly at all times.

Our Conduct Approach also guides us to do the right thing and to focus on the impact we have for our customers and the financial markets in which we operate. It complements our purpose and values and, together with more formal policies and tools provides a clear path to achieving our purpose and delivering our strategy.

As an HSBC colleague, stakeholder or partner, thank you for taking the time to read this document. It's an important statement of our commitment to values-led conduct and decision making as we engage with our customers, our regulators and the wider community, wherever we operate.

## **Georges Elhedery**

Group Chief Executive

HSBC Holdings plc

# HSBC Group Values and Principles

Our values guide us in all our actions – from strategic decisions to day-to-day interactions with customers and each other. They are rooted in HSBC’s history, heritage and character, and help us deliver on our purpose. They underpin our culture and set out the behaviours we expect.



## **We value difference**

### **Seeking out different perspectives**

We were born speaking different languages. We were founded on the strength of different experiences, attributes and voices; they are integral to who we are and how we work.

The greater our empathy and diversity, the better we reflect the worlds of our customers and communities – and the better we can serve them.

So we champion inclusivity. We listen. We remove barriers. And we seek out views different from our own.

## **We succeed together**

### **Collaborating across boundaries**

We offer our customers a unique breadth of opportunity.

And we can only deliver the full promise of this by being truly connected – across boundaries. With our customers and partners. Together as colleagues and as an organisation.

So, we collaborate across boundaries. We break down silos. We trust and support each other. And, when necessary, get out of each other's way.

Together, we make possible what we cannot do alone.

## **We take responsibility**

### **Holding ourselves accountable and taking the long view**

What we do has a real impact on people's lives, communities and the planet. We take this responsibility seriously.

We set ourselves high standards and are each accountable for our actions. We always use good judgement. And if something doesn't feel right, as colleagues we speak up and act.

We build for tomorrow, today. We succeed only by taking the long view, by focusing on the sustainable interests of our customers, investors, and the planet we all share.

## **We get it done**

### **Moving at pace and making things happen**

We create value for our customers and investors by always moving forward and making things happen.

We're entrepreneurial: we try new things, we learn and improve, and we take smart risks.

We're dynamic: we reject mediocrity. We move at pace.

We're decisive: we make clear choices and take bold actions.

And we keep our word: we always do what we promise.

### **All our values help us deliver on our purpose:**

By valuing difference, we actively take a broader perspective, and so are alert to more opportunities for our customers across our network.

By succeeding together, we make the connections that allow us to realise the full potential of those opportunities.

By taking responsibility, we ensure we leverage those opportunities with integrity.

By getting it done, we commit to tenaciously following through on the actions that make those opportunities a reality.

# Managing conduct

Good conduct is about collectively **taking responsibility** and individually **each being accountable for our actions** – recognising the real impact our actions have for our customers and the financial markets in which we operate.

The Conduct Approach provides five outcomes to guide us in all our actions:

- 
- |                                       |   |
|---------------------------------------|---|
| 1. We understand our customers' needs | ◆ ...and design, market and sell products and services that recognise the long term interests of customers. |
|---------------------------------------|---|
- 
- |   |   |
|---|---|
| 2. We provide products and services that offer a fair exchange of value | ◆ ...which balance customer and HSBC interests and do not undermine market competition. |
|---|---|
- 
- |  |   |
|--|---|
| 3. We service customers' ongoing needs, and will put it right if we make a mistake | ◆ ...ensuring products and standards of service continue to have a positive impact. |
|--|---|
- 
- |   |  |
|---|--|
| 4. We act with integrity in the financial markets we operate in | ◆ ...acting in our customers' interests and not in ways which manipulate or undermine markets. |
|---|--|
- 
- |   |  |
|---|--|
| 5. We operate resiliently and securely to avoid harm to customers and markets | ◆ ...across digital, physical and operational arrangements to support customer needs and wider financial system stability. |
|---|--|
- 

For more information on our approach to Conduct, visit

<https://www.hsbc.com/who-we-are/esg-and-responsible-business/our-conduct>



## Speaking up

HSBC continues to create a speak-up culture and promotes open and honest communication, providing support and protection for people raising concerns. HSBC does not condone or tolerate any acts of retaliation against those who speak up.

HSBC encourages individuals to raise concerns through usual escalation channels, including via Line Managers, HR or Compliance. However, we understand there are times individuals may not feel comfortable speaking up through these channels. HSBC's global whistleblowing channel, HSBC Confidential, allows colleagues and other stakeholders to raise concerns confidentially, and if preferred, anonymously (subject to local laws). Concerns are investigated proportionately and independently, with action taken where appropriate.

[Speaking up | HSBC Holdings plc](#)

# Managing risk

The Group faces many risks. Some we accept as part of doing business, but there are others we must avoid so we can protect our customers, people, business, and all our shareholders.

HSBC's Risk Management Framework, which is underpinned by our values, outlines our overall approach to managing risk. It is used throughout the Group, including by all our subsidiaries, countries, global businesses and functions.

Our Risk Management Framework ensures we:

- ◆ Manage risk in a consistent manner across the Group
- ◆ Have a strong risk culture: managing risk is simply part of how we work
- ◆ Be aware of risks, identify our most material risks then make better decisions and take appropriate risks as a result
- ◆ Have sufficient controls in place to ensure we only take the right type and amount of risk to grow our business safely and within our appetite
- ◆ Deliver fair outcomes for customers and help maintain the orderly and transparent operation of financial markets

## HSBC's Risk Management approach

Our risk management approach follows five simple steps; define & enable, identify & assess, manage, aggregate and report and govern.



# Respect for the law



Directors and employees are expected to respect laws, rules and regulations applicable to them. A large number of laws and regulations around the world govern various aspects of HSBC's business. Failure to comply with them can have serious consequences, for HSBC and our people personally. Everyone has a responsibility to understand the laws and regulations that apply to their activities and responsibilities.

Employees are expected to be familiar with the laws and regulations that apply to their activities and responsibilities.

## Anti-Money Laundering

HSBC is committed to acting with integrity and conducting our global business activities in accordance with all applicable laws and regulations relating to Money Laundering, Terrorist Financing and Proliferation Financing risk (collectively referred to as Money Laundering). Directors and employees must act to deter, detect, and protect against Money Laundering and report all forms of financial crime where they know or suspect, or have a reasonable concern, that an offence has been committed. Compliance with Anti-Money Laundering laws and regulations, as well as our internal policies and procedures allows HSBC to fulfil its obligations to all our stakeholders.

## Sanctions

HSBC is committed to complying with the sanctions resolutions, laws, regulations and regulatory guidance in the jurisdictions in which we operate.

## Anti-Bribery & Corruption

HSBC has a zero tolerance approach toward bribery and corruption and seeks to comply with anti-bribery and corruption laws everywhere it operates. This means Directors and employees must not:

- ◆ Offer or provide a payment (including facilitation payments) or additional benefit, or
- ◆ Solicit or accept a payment or additional benefit to or from any third party (whether a customer, public official, private individual, etc.) in order to obtain improper business or an advantage in business.

"Additional benefits" refers to:

- ◆ Gifts and entertainment (this includes hospitality, travel and accommodation);
- ◆ Charitable donations and giving;
- ◆ Sponsorship and brand partnerships;
- ◆ training;
- ◆ speaker fees; and hiring.

Third parties engaged by HSBC to act for or on HSBC's behalf must comply with these requirements.

## Market Abuse

HSBC works to protect market integrity by aiming to prevent, proactively identify, and appropriately respond to actions and behaviours that could constitute market abuse.

HSBC does not allow improper or personal use or sharing of non-public information about HSBC or its affiliates, customers or suppliers. Access to such information must be guarded carefully, following HSBC's procedures for handling confidential information.

Laws, regulations and HSBC policies also apply to and restrict each individual's outside activities and personal investments. HSBC also seeks to identify and prevent other types of market misconduct.

HSBC has specific controls, including information barriers where information is either considered to be inside information or material non-public information, in different jurisdictions.

Under the Purpose Led Conduct approach, HSBC takes responsibility recognising the real impact we have for our customers, and the financial markets in which we operate.

## Anti- Tax Evasion Facilitation

HSBC is committed to complying with the letter and spirit of all applicable tax laws. Tax evasion is a predicate offence for money laundering.

The Global Anti-Tax Evasion Facilitation Policy sets out the key principle and minimum control requirements to apply a consistent and standardised approach to both managing the risk of customer tax evasion and facilitating or failing to prevent the facilitation of tax evasion. HSBC must have reasonable procedures in place designed to prevent tax evasion facilitation by any third party acting on behalf of HSBC.

## Individual Permissions and Regulatory Approval

Every regulated HSBC Group company must ensure all of its directors and employees hold all required regulatory approvals, licences or permissions. Each HSBC Group company must also be able to demonstrate that those individuals meet the required regulatory standards, such as those necessary to undertake regulated activities or roles, or oversight of regulated activity.

## Investigations

Subject to certain regulatory exceptions, all Directors, employees and contingent workers are required to co-operate with any legitimate and lawful government, regulatory or internal investigation. They must tell the full, complete truth in such inquiries and are expected to provide the maximum level of cooperation by, among other things, being available to those conducting the investigation and by providing any materials requested by those conducting the investigation in a timely manner. A lack of co-operation with an investigation may lead to sanctions, including termination of employment.

## Fraud

It is everyone's responsibility to report acts of fraud or suspected fraud.

HSBC manages fraud risk by maintaining and communicating appropriate policies and procedures, training employees in them and establishing appropriate monitoring activity to ensure they are observed. Proactive risk management is applied and control frameworks are in place which are adjusted dynamically as the external fraud environment develops. These measures are also designed to complement our ability to fight financial crime, detecting suspicious activity and possible criminal networks.

## Sales Practices

All employees must act in the interests of prospective and actual customers. HSBC wants to protect, support, and promote the principles of consumer choice, competition and innovation, consistent with relevant laws and regulations and our obligations to HSBC shareholders. No one should knowingly participate in actions, agreements, or policies or practices that may be detrimental to customers, competitors or the community. HSBC strives to ensure that our products and services offer fair value and service to our customers at reasonable cost.

## Data Privacy

Business must be conducted in compliance with the HSBC Data Privacy Principles. These reflect applicable data protection, privacy, banking secrecy, electronic communications and confidentiality laws and regulations to ensure a consistent, accountable, global approach to data privacy compliance. They articulate HSBC's high-level commitments to handling and using the data it collects, generates, holds and/or processes in accordance with the following principles:

- ◆ Transparency
- ◆ Fair and lawful usage
- ◆ Limited purposes
- ◆ Minimal and Adequate data
- ◆ Data Accuracy
- ◆ Privacy by design
- ◆ Record Keeping
- ◆ Rights of Individuals
- ◆ Data Security and Retention
- ◆ Usage by third parties
- ◆ Data transfers.

Our Directors and employees must observe strict confidentiality about information the HSBC Group holds. This includes information about any and all transactions (including on customer accounts and matters relating to their business or personal affairs) of the HSBC Group and of each HSBC Group company with their respective customers, suppliers or associates. This also extends to dealings, procedures, policies, decisions, systems and other confidential matters of and concerning the HSBC Group except when the employee is required or authorised to disclose such information by the HSBC Group or by law or regulation.

Any breaches, including unauthorised 'browsing' of accounts, are likely to lead to disciplinary action and may result in dismissal for gross misconduct.

## Sarbanes-Oxley Act Compliance

In addition to the Group Code, the Group Chief Executive, Group Chief Financial Officer and Group Chief Accounting Officer or persons performing similar functions (the 'Senior Financial Officers') are subject to and must comply with the following principles:

- ◆ Each Senior Financial Officer shall engage in honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships.
- ◆ Each Senior Financial Officer shall avoid conflicts of interest and shall disclose to the Chairman of the Group Audit Committee any material transaction or relationship of which they are aware that reasonably could be expected to give rise to such conflict.
- ◆ Each Senior Financial Officer shall take such measures as appropriate to ensure that HSBC complies with all applicable governmental laws, rules and regulations and provides full, fair, accurate, timely and understandable disclosure in reports and documents that it files with, or submits to, any securities regulatory authority including the Financial Conduct Authority and the Securities and Exchange Commission and in other public communications it makes.
- ◆ Each Senior Financial Officer shall report promptly to the Chairman of the Group Audit Committee any violations of this statement of Sarbanes-Oxley Act principles of which they are aware.
- ◆ Each Senior Financial Officer shall be accountable for adherence to this statement of Sarbanes-Oxley Act principles.



## Respect for all

At HSBC we value difference and champion inclusivity. HSBC is committed to diversity and equal opportunity. HSBC requires our Directors and employees to treat one another with dignity and respect, creating an inclusive environment.

HSBC does not tolerate discrimination, bullying, harassment (including sexual harassment) or victimisation on any grounds, and treat any of these as a disciplinary matter.

At HSBC, we take responsibility. We set clear standards and we require our employees, as part of their conditions of employment, to act with the utmost integrity and honesty in all their personal and business dealings.

These standards apply in the course of our work and in all professional interactions with colleagues, customers, regulators and vendors in the work environment, at social or corporate events, or when using electronic communications, technology or social media platforms.

HSBC operates HR services such as recruitment, performance and reward in a way that is fair and free from unlawful discrimination.

HSBC asks our employees to speak to HR about breaches of any code of conduct where it is lawful to do so. HSBC also requires employees to report matters such as criminal convictions and investigations by a former employer or regulator, where this is not precluded by local law.

HSBC has zero tolerance for acts of retaliation against anyone who raises a concern in good faith. HSBC treats retaliation in those circumstances as matter.

# Protecting company assets

Directors and employees are expected to make proper use of company assets. Company assets should be protected, used efficiently and for legitimate business purposes.

## Gifts and Entertainment

Directors and employees must not accept or offer any personal benefits (including all types of gifts and entertainment) likely to conflict with their duties to or from any customer, supplier, services provider, or any member of the HSBC Group. Entertainment also includes any meals, events and travel accommodation related to an event. Employees must actively but sensitively discourage customers, suppliers or service providers from offering personal benefits in any circumstances.

Company policy allows some personal benefits, subject to limitations and approvals, and requires such gifts or entertainment to be recorded. Giving or receiving cash or cash equivalents (including but not limited to gift cards and gift certificates) is prohibited.

## Loans and Borrowing

Employees must never consider or approve any extension of credit, any waiver of fees or any other transaction between HSBC and themselves or anyone in their immediate family, other people, corporations, partnerships, trusts or organisations in which they or any member of their immediate family have a significant financial interest.

Employees are not permitted to borrow from any HSBC supplier or customer, except for receiving credit on customary terms in purchasing goods and services from a commercial organisation that is also a supplier to or customer of HSBC. We also allow loans to be made to employees by other financial institutions, including bank correspondents of HSBC, in the ordinary course of their business.

## Personal Gain

Our Directors and employees must not use confidential information about HSBC, its employees, customers or suppliers entrusted to them, or that they otherwise

become aware of in the course of their appointment or employment, for personal gain or the personal gain of their family, friends or others. All intellectual property created or otherwise developed by employees of HSBC in the scope of HSBC employment is the exclusive property of HSBC and any such property must not be used for personal gain or the personal gain of family, friends or others.

Equipment and systems must only be used for authorised business purposes. This applies to all types of systems and applications, including data and voice telecommunication equipment, servers, PCs and other workstations.

## HSBC Information

An employee or director may, due to their position at HSBC, obtain information about HSBC not available to the public. They cannot disclose confidential financial or other proprietary information concerning any of these entities, its businesses or functions to outsiders until it has been published in reports to shareholders or otherwise made generally available to the public.

Group Investor Relations manages the HSBC Group's relationships with its equity and debt investors and their principal advisers, such as sell-side research analysts and credit rating agencies. Guidelines apply to the oral or written disclosure of information about the HSBC Group's financial position, performance, strategy or outlook, or the terms of any security to be issued by any HSBC Group entity to investors, whether that disclosure takes place face-to-face, conference presentation, or the publication of a presentation or webcast. For the avoidance of doubt, all presentations by HSBC executives at conferences where investors are present, and all meetings between HSBC executives and one or more portfolio or fund managers, or buy-side, sell-side or credit rating agency analysts, would be considered an investor meeting.

## HSBC's Computer Systems

Employees are granted access to HSBC's various computer systems to perform their duties. Everyone is expected to protect the access granted to him or her and to keep any associated passwords confidential at all times. Usage is monitored.

Employees are expected to use the internet responsibly and productively. Internet access is limited to job-related activities; reasonable personal use is permitted. All internet data that is composed, transmitted and/or received by HSBC's computer systems is considered to belong to HSBC and is recognised as part of its official data. It is therefore subject to disclosure for legal reasons or to other appropriate third parties. The equipment, services and technology used to access the internet are the property of HSBC and HSBC reserves the right to monitor internet traffic, emails and data composed, sent or received through its online connections.

Information sent or created via HSBC's systems, including emails, instant messages or documents, should not contain content deemed to be offensive. This includes, though is not restricted to, the use of vulgar or harassing language or images. All sites and downloads may be monitored and/or blocked by HSBC if they are deemed to be harmful and/or not productive to business. If someone is unsure about what constitutes acceptable internet or email usage, they should ask their line manager for further guidance and clarification.

## HSBC Records

HSBC's books and records and other essential data must be complete and reliable, and accurately reflect all transactions and activities in compliance with applicable laws, accounting principles and management's general authorisation. When preparing such records, employees are not to make false or misleading entries nor permit the existence of any asset or liability that is not fully and properly recorded on HSBC's books. No transactions, agreements, programs, plans, obligations or payments shall be entered into, made or recorded with the understanding that their use is not for other than the stated purpose. Employees shall not make any false or misleading statements about such records or conceal information from management or HSBC's auditors. We cooperate fully with our internal and independent auditors, legal and other advisers.

## Security and Privacy of Customer and Employee Data

Whilst performing their duties for HSBC, all employees must treat information entrusted to HSBC by our customers and other employees as confidential. This includes information relating to deposit and loan balances, information concerning the management, financial condition and future plans of our customers' businesses, employees' salary information and information obtained in the course of fiduciary relationships. Employees must not disclose confidential information to anyone either inside or outside HSBC except in compliance with HSBC's information protection policies. Our employees' individual obligations to maintain the confidentiality of the information continues even after they leave HSBC. Protecting our customer and employee-related data in accordance with laws, regulations, guidance, and best practices is everyone's responsibility at HSBC. We must ensure that our customers and employees know we will honour their choices and properly safeguard their information. Effectively managing and protecting personal data instils trust with our customers, employees, regulators and shareholders.

## Protection and Proper Use of Company Assets

HSBC complies with regulatory duties to our customers when providing, servicing and withdrawing products, exiting relationships, supporting vulnerable customers, managing customer investments, administering custody assets/client monies and handling complaints.

HSBC seeks to ensure that when receiving, transmitting or executing customer instructions our processes deliver fair outcomes for customers. This includes providing optimal execution. HSBC processes must also support the orderly and transparent operation of financial markets at all times.

All business activities in which fiduciary risk is inherent should only be undertaken within the designated fiduciary lines of business. For any activities that fall outside of this way of working, formal dispensation is obtained and will only be granted where the Fiduciary Risk procedures of the designated fiduciary business lines are being complied with.

# Conflicts of interest



Directors and employees are responsible for managing their personal interests in such a way that they do not profit improperly from their position at HSBC nor do they allow these to give rise to conflicts of interest that negatively impact upon HSBC, HSBC clients or the financial markets in which HSBC operates.

When an employee encounters a personal, business related or other types of conflict of interest in conducting their role at HSBC, they must disclose it promptly to their immediate line manager who will consult with relevant risk stewards, including Compliance, to appropriately manage it.

Personal conflicts of interest are managed by the implementation of a variety of measures; including:

- ◆ Pre-approval of Outside Activities/Personal Account Dealing and disclosure of close personal relationships conflicts
- ◆ Information control measures e.g. information barriers
- ◆ Declining to act e.g. recusing an individual from decision-making on the relevant subject and

ensuring this is recorded in any minutes of the meeting

- ◆ Segregation of duties e.g. conflicted individuals not supporting a particular customer sector or deal team
- ◆ Preventing the conflict from arising e.g. resigning from an outside activity

The Global Conflicts of Interest policy binds everyone to disclose and manage conflicts of interest, or face a personal conduct case with the potential to be dismissed from their employment at HSBC.

Directors are specifically bound by a Conflicts of Interest Policy applicable to the Board.

## Outside Activities

Engaging in outside activities could give rise to potential conflicts of interest. This may include:

- ◆ Holding any outside employment position or conducting personal business that may give rise to potential conflicts of interest

- ◆ Holding a direct or indirect financial interest in a competitor company or in any firm or entity with which HSBC does business (except normal investments in publicly-owned companies provided they do not give rise to potential conflicts of interest)
- ◆ Holding a significant direct or indirect financial interest in any firm or entity that is a supplier of or vendor for HSBC (except normal investments in publicly owned companies provided they do not give rise to potential conflicts of interest)
- ◆ Holding or acquiring an interest in any property or business in which HSBC has or proposes to acquire an interest
- ◆ Running for political office
- ◆ Serving as a director or officer of any firm that is a competitor, customer or supplier of HSBC

Employees must complete the outside activities review process before commencing any outside activity.

This allows HSBC to analyse, decide whether to allow, then record and manage the potential conflict risks associated with the outside activity (if any) before they arise.

## Connected Party, Friends and Family Conflicts

Connected party, friends and family conflicts arise if an individual's decisions appear to affect someone close to them – For example; the relationship influences or could influence their judgement, decision making, their independence of mind - impacting how they conduct their duties as part of their employment at HSBC. As a result, this may negatively impact on HSBC; HSBC workers; HSBC Clients; HSBC Third Parties; or the financial Markets in which HSBC operates.

Any such relationships should be disclosed to the employee's line manager and relevant action taken to ensure that related risks are appropriately managed.

## Employing Relatives

HSBC expects a high level of integrity, objectivity and professionalism from all employees. In keeping with these standards, HSBC may permit the employment of relatives where internal policy requirements are met. Key aspects of internal policy include independent decision-making and disclosing any actual or potential connections.

Relatives are not allowed to be recruited into a position that presents a conflict of interest to the employee. Any employee who may have a conflict must notify HR and Compliance to get advice.

# We take responsibility for Our Customers

HSBC and its Directors and employees through our Values and Conduct Approach are dedicated to recognising the impact for our customer and the financial markets in which we operate.

HSBC will offer products and services on a competitive basis and will not tolerate the use or attempted use of improper incentives to obtain business.

With regard to suppliers, the selection of products and services by employees with purchasing duties for HSBC is based solely on quality, price and service.

HSBC should never take unfair advantage of anyone through manipulation, concealment, abuse of confidential information, misrepresentation of material facts, or any other unfair-dealing practice.

Practices are considered unfair, deceptive or abusive if they:

- ◆ Cause or are likely to cause substantial injury to consumers
- ◆ The injury is not reasonably avoidable by consumers
- ◆ The injury is not outweighed by countervailing benefits to consumers or to the competition
- ◆ Represent, omit or practice something that misleads or is likely to mislead the consumer and/ or the misleading act or practice is material or materially interferes with the ability of a consumer to understand a term or condition
- ◆ Takes unreasonable advantage of a consumer's lack of understanding of the material risks, costs, or conditions of the product or service; a consumer's inability to protect his or her interests in selecting or using a consumer financial product or service; a consumer's reasonable reliance on a covered person to act in his or her interests.





# Supporting sustainability

HSBC's scale and global reach means that our actions can have a significant impact on the people who work for HSBC, bank with HSBC, own HSBC, regulate HSBC, and live in the societies HSBC serves and the planet we all inhabit. We want to build a future that prioritises resilience, social mobility and the environment alongside economic growth.

## Enabling a Sustainable Future

We recognise that our planet urgently needs drastic and lasting action to protect our communities, businesses and natural environment from the damaging effects of climate change. Leading the transition to a more sustainable world is a pillar of our ambitions and of our strategy as a business.

Our plan is to prioritise financing and investment that supports the transition to a net zero global economy to help build a thriving, resilient future for society and businesses.

Our social sustainability strategy focusses on creating a positive impact through skills building. Our partnerships with governments, businesses and non-profit organisations are helping to build employability and financial capability skills and work towards a fairer society. Colleagues are playing a key role by volunteering their time and skills.

We publish updated information on our [Environmental Social and Governance \(ESG\)](#) performance in our Annual Report and Accounts.

For more information, visit

<https://www.hsbc.com/who-we-are/our-climate-strategy>

# Compliance, reporting violations and asking questions

## Reporting Violations

Employees are encouraged to report actual or suspected wrongdoing. If a colleague is asked or ordered to participate in, or otherwise becomes aware of, any violation of this Group Code, HSBC's principles, policies, or applicable laws and regulations, there are several reporting channels, including an option to report concerns anonymously.

Depending on the allegation, HR, Compliance, Legal, Audit, or another objective party will investigate complaints of unlawful activity or violation promptly and thoroughly. Issues that may result in fines or reputational damage must be escalated to Compliance for assessment and recording, and considered by Legal teams. HSBC will attempt to protect the privacy of the complainant to the maximum extent possible and be consistently objective and thorough in any investigation.

Based on that investigation, a decision will be made as to whether or not wrongdoing occurred, and appropriate action taken including, if necessary, disciplinary action and potentially reporting any unlawful activity to external authorities.

All information regarding any specific incident will be kept confidential to the extent possible, within the necessary boundaries of the fact-finding process. Individuals who wish to make an internal anonymous complaint should use HSBC Confidential.

When making a report, individuals are encouraged to provide as much information as possible surrounding the allegation to support a thorough and complete investigation, and to check back using the assigned identification numbers to fulfil any requests for additional information from the investigation team.

HSBC actively manages reported breaches by taking any necessary action, up to and including dismissal. We apply a global framework to ensure consistency of outcomes and monitor and report cases on a regular basis to senior management.

In addition to the internal reporting options, employees are free to report violations of law or regulations to any government, regulatory or self-regulatory agency in accordance with law; provide them with truthful information and make other disclosures that are protected under any applicable law or regulation; and participate in any investigation they conduct.

No prior authorisation of HSBC is required to make any such reports or disclosures, and people are not required to notify HSBC that they have made such reports or disclosures.

## Under Investigation by a Former Employer or Regulator

Directors and employees are obliged to tell HSBC if they find out they are under investigation, including a criminal investigation, by a third party, including a former employer, authorised firm or regulator, unless precluded by local legislation.

## Asking Questions

This Group Code provides general guidelines rather than a complete set of rules and regulations for all situations. Employees should refer any question about interpreting a particular principle or situation to their line manager or department head, HR, Legal or Compliance.

