

HSBC Holdings plc

Statement of Business Principles and Code of Conduct

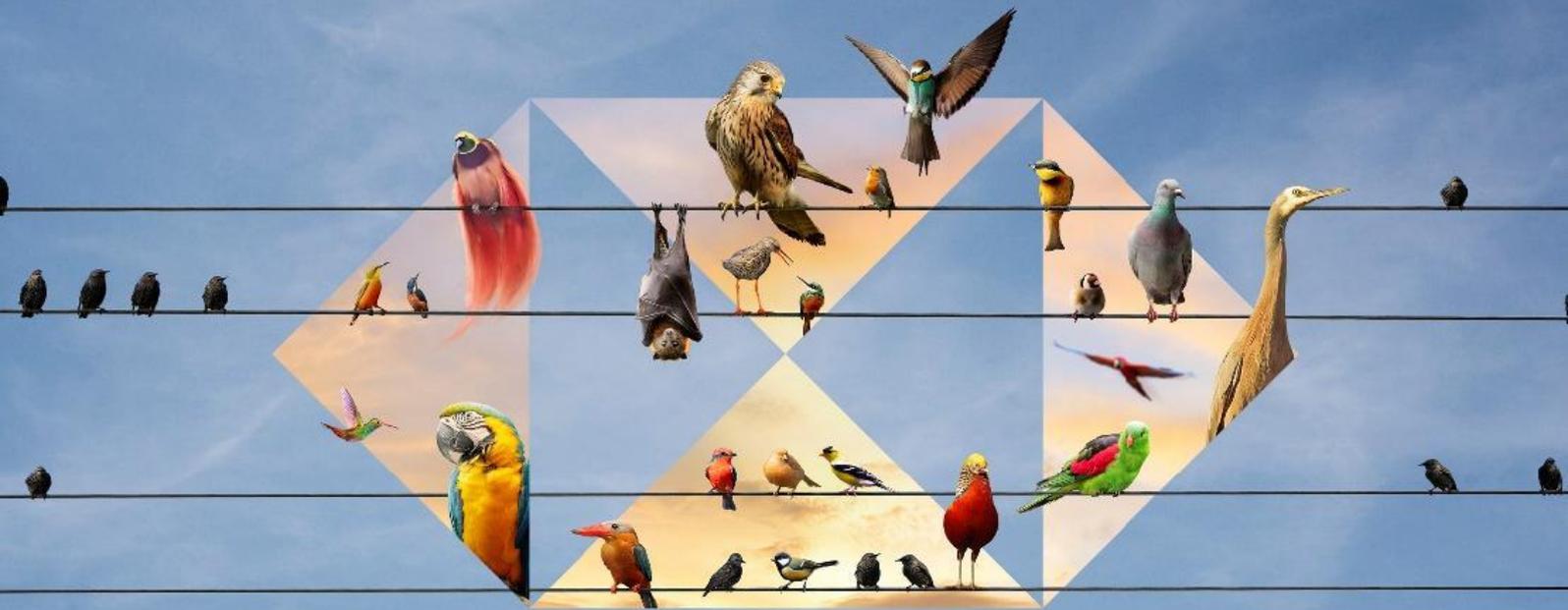
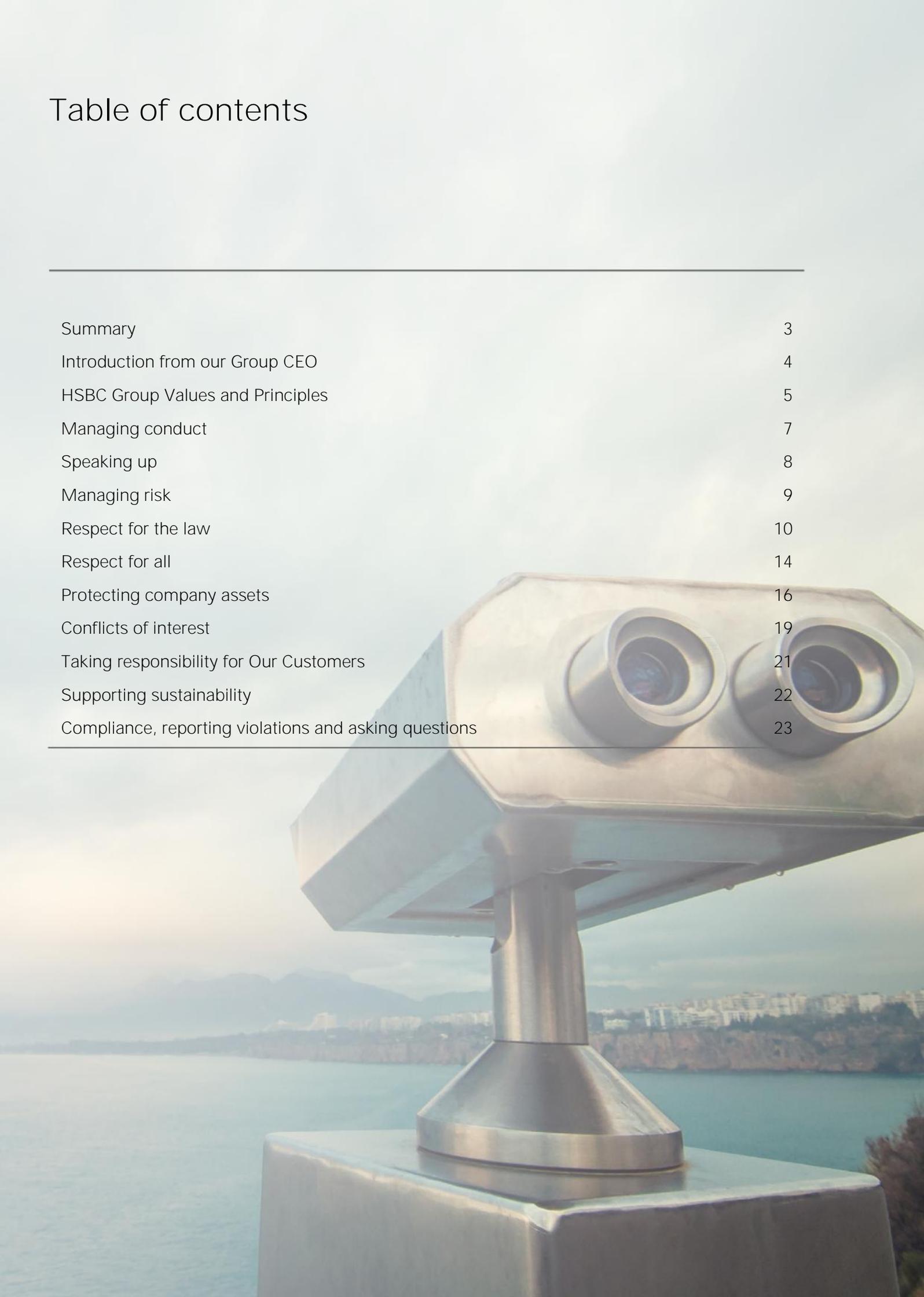


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Summary

This Statement of Business Principles and Code of Conduct (referred to as “the Group Code”) applies to directors, officers and colleagues of HSBC Holdings plc and each of its wholly-owned subsidiaries (the “HSBC Group” or the “Group”).

For the purposes of the Group Code, “colleagues” refers to employees (including executive directors and officers), contractors, consultants, service providers, and interns, as applicable.

The application of the Group Code is subject to local laws and regulations and local HSBC policies and procedures, in each case, to the extent applicable to the directors, officers, and colleagues of the relevant member of the HSBC Group.



Introduction from our Group CEO



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

This purpose underpins all that we do. For 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, investors, regulators, 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 values and principles. These set an overarching standard for all our policies and procedures and are fundamental to our 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 other global and local policies and procedures, helps provides a clear path to achieving our purpose and delivering our strategy.

As an HSBC Group stakeholder, 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 stakeholders, wherever we operate.

Georges Elhedery
Group CEO
HSBC Holdings plc

HSBC Group Values and Principles

Our values should guide us in all our actions – from strategic decisions to day-to-day interactions with customers and each other. They underpin our culture. They are rooted in our history, heritage and character, and help us deliver on our purpose.



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 communities we serve.

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

Our conduct approach guides us to do the right thing and to focus on the impact we have for our customers and the financial markets we operate in. It recognises cultural and behavioural drivers of good conduct outcomes and applies across all risk disciplines, operational processes and technologies.

Our Purpose-led Conduct Approach

Our conduct approach sets out five outcomes to be achieved for our customers and the financial markets we operate in, and complements our principles, purpose and values and our decision-making framework.

We will assess our success against the five outcomes, as follows:

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 Group 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 the financial markets we operate in,
 - ◆ ...across digital, physical and operational arrangements to support customer needs and wider financial system stability.

More detail is available to colleagues in the guide titled 'Our Purpose-led Conduct Approach'.

Using technology responsibly

While artificial intelligence and other emerging technologies offer significant potential benefits for our customers, they also pose potential ethical risks for the financial services industry and society as a whole. We have a set of principles – being HSBC's Principles for the Ethical Use of Data and Artificial Intelligence – to help ensure we consider and address the ethical issues that could arise.

More information

For more information on our approach to conduct, including on our use of technology, please visit:

[Our conduct | Purpose, values and strategy | HSBC Holdings plc](#)

For more information on our approach to artificial intelligence, please visit:

[HSBC and AI | HSBC and Digital | HSBC Holdings plc](#)

HSBC's Principles for the Ethical Use of Data and Artificial Intelligence can be accessed from either of the links above.

Speaking up

We want all of our stakeholders - colleagues, customers, suppliers and the communities that we serve - to have confidence in the HSBC Group.

Speaking up when something doesn't seem right is central to this and is an excellent example of living our values. We actively encourage open and honest communication, and we provide support and protection for anyone raising concerns in good faith. We do not tolerate acts of retaliation and treat retaliation in these circumstances as a potential disciplinary matter.

We want everyone to feel safe to speak up about behaviours that go against our values, break the law, or breach regulations or policies. Just as important, we want everyone to feel confident that their concerns will be taken seriously.

We provide several ways to speak up and we actively manage concerns raised by investigating objectively and independently. We apply a global framework to help ensure consistency of outcomes and monitor and report cases on a regular basis to senior management. The outcome will be communicated to the person raising the concerns, unless they were raised anonymously, where this is permissible by law.

Concerns can be raised:

1. With a line manager, an appropriate Human Resources (HR) colleague or a Compliance Team.
2. Through a number of subject-specific channels accessible from the [Speak Up](#) page of HSBC's Workplace SharePoint site.
3. If none of the above options are suitable, HSBC Confidential can be used to raise concerns completely confidentially, and if preferred, anonymously (subject to local laws).

Colleague concerns are treated confidentially. When raising concerns through HSBC Confidential, line managers will not be informed of the identity of the colleague raising the concern and the colleague's details will not be included in management information. The colleague's identity is only accessible by the relevant HSBC Confidential team and those who are involved in investigating the concerns.

A colleague's identity would only be disclosed where we are required to make the disclosure for legal or regulatory reasons or where it's not possible to progress an investigation without revealing the colleague's identity or identifiable information. If this is the case, it would be discussed with the colleague first to gain their agreement or to consider the available alternatives.

Colleagues and other stakeholders are also free to report violations of law or regulations to any government, regulatory or self-regulatory agency in accordance with law. They may provide truthful information and make other disclosures that are protected under any applicable law or regulation and participate in any investigation the external party conducts. Prior authorisation is not required, and the Group does not need to be notified.

For more information visit
[Speaking up | HSBC Holdings plc](#)

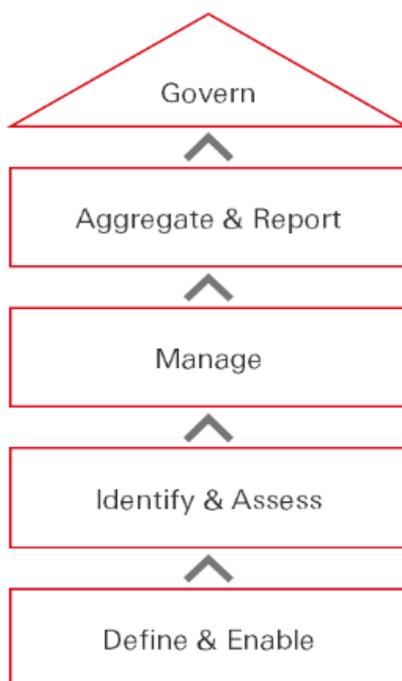
Managing risk

As a business we face many risks. Some we accept as part of doing business, but there are others we must avoid, or limit our exposure to, so we can protect all our stakeholders.

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

Our Risk Management Framework helps ensure 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 help ensure we only take the right type and amount of risk to grow our business safely and within our appetite; and
- ◆ deliver fair outcomes for customers and help maintain the orderly and transparent operation of financial markets.



5 **Govern** the risks through analysis, challenge, remediation and appropriate timely escalation

4 **Aggregate** and analyse data
Report to enable decision-making

3 **Manage** and control our risks within appetite

2 **Identify** and record risks to our business
Assess the potential impact

1 **Define** risk appetite and controls
Enable risk culture and accountability

Respect for the law



Financial Crime

The HSBC Group is committed to preventing our products and services from being exploited for criminal activity.

We employ a risk-based approach to managing our exposure to financial crime risk, by focusing our resources in a manner that is proportionate to the level of risk inherent in our business strategy and operating model.

We will not tolerate knowingly conducting business with individuals or entities believed to be engaged in criminal activity. We require everyone in the Group to play their role in maintaining effective systems and controls to prevent and detect financial crime. Where we believe we have identified suspected criminal activity or vulnerabilities in our control framework, we will take appropriate mitigating action.

We are committed to complying with the financial crime laws and regulations in the markets in which we operate and applying a consistently high financial crime standard globally, in line with the expectations of our regulators and our own risk appetite.

One of the ways in which the Group seeks to ensure it meets these commitments is through our Global Financial Crime Policy, which establishes our minimum risk management and control requirements to help enable colleagues to detect, analyse, investigate, report and mitigate the risk of the Group facilitating or being used to facilitate financial crime. The Global Financial Crime Policy is designed to comply with the applicable money laundering, terrorist financing, proliferation financing, sanctions, export controls, bribery and corruption, tax evasion, tax evasion facilitation and fraud laws and regulations in the markets in which we operate.

Every colleague has a responsibility to learn and understand the laws and regulations applicable to meet their regulatory expectations, the activities of their department and their particular responsibilities within it. All colleagues are required to comply with both the letter and spirit of all relevant laws, codes, rules, regulations and standards of good market practice in each jurisdiction in which we operate.

Global Mandatory Training covers some of the key laws and regulations and colleagues are required to complete the various e-learning modules assigned to them every year.

Our Global Financial Crime Policy and related Policy Standards detail the financial crime risk appetite for the Group and must be adhered to by all colleagues, including in respect of the key principles and mitigating controls referred to therein.

Fraud

Every colleague has a responsibility to report acts of fraud or suspected fraud.

The Group manages fraud risk by maintaining and communicating appropriate policies and procedures, training colleagues in their application, and establishing appropriate monitoring activity to ensure they are followed and are effective. Proactive risk management is applied, and control frameworks are in place which are continuously improved as fraud techniques develop. These measures are also designed to complement our ability to fight financial crime, detecting suspicious activity and possible criminal networks.

Market Abuse

We work proactively to protect market integrity by aiming to prevent, identify and respond to actions and behaviours that could constitute market abuse (such as insider dealing, misuse of information or manipulating transactions) and other types of market misconduct.

The Global Market Abuse Policy details our minimum requirements and guidelines and is mandatory for all colleagues.

Non-public Information

The Group does not allow the improper use or sharing of non-public information about the Group or its affiliates, customers or suppliers.

Such information must only be accessed, used or shared in accordance with the Group's policies and procedures for handling the relevant category of non-public information (whether material non-public information, or confidential information). Group policies and procedures also apply to control the risks associated with individuals having outside activities and personal investments.

The Group has specific controls in place to protect material non-public information, including requiring the use of effective and appropriate information barriers, and that information is only accessed, used or shared in accordance with the Group's 'Need to Know' principle.

Individual Permissions and Regulatory Approval

Every regulated HSBC Group company must ensure all of its directors and colleagues hold all required regulatory approvals, licenses 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.

Some colleagues require special permission, approval or are subject to specific standards of training and ongoing competence and supervision to perform their role. All colleagues in such roles are expected to hold all relevant permissions or approvals and meet all relevant standards on an ongoing basis, and any issues that may impact the continued undertaking of that role or specific activities relevant to that role need to be reported promptly to the colleague's line manager and/or supervisor.

Investigations

Sometimes colleagues will be required to cooperate in legitimate and lawful government or regulatory investigations, and/or internal investigations. When doing so, they must (unless restricted by law or regulation) tell the full, complete truth and are expected to provide the maximum level of cooperation, including 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.

This may include allowing the Group to view Business Communications and/or Business Materials on any device or platform. For this purpose:

"Business Communications" means communications sent and / or received, relating to an individual's work for, or employment at, HSBC Group.

"Business Materials" means any materials, other than communications, relating to an individual's work for, or employment at, HSBC Group.

Processing of data

Our customers and colleagues trust that the Group will protect their information and only use it for the purposes we say, so colleagues must observe strict confidentiality about information we hold. This includes information about transactions (including on customer accounts and matters relating to their business or personal affairs) of the HSBC Group and 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 disclosure of such information is permitted by the HSBC Group or by law or regulation.

Colleagues are required to adhere to the Group's Data Risk Policy and all related policies and procedures. These reflect applicable data protection, privacy, banking secrecy, electronic communications and confidentiality laws and regulations.

In relation to personal data or corporate data – that is, information from which a specific individual or legal entity, respectively, is or can be identified - colleagues are required to comply with the Group's Data Privacy Principles, which articulate our high-level commitments to handling and using the data we collect, generate, hold and/or process in accordance with applicable data privacy laws. Our Data Privacy Principles can be summarised as follows:

- ◆ Transparency: We will be clear and transparent about how we process personal or corporate data;
- ◆ Fair and lawful usage: We will only process personal or corporate data lawfully and where we have a legitimate reason to do so, and in a way that is fair;
- ◆ Processing purpose limitation: We will only process personal or corporate data for a specific purpose;
- ◆ Minimal and adequate data: We will make sure we only process personal or corporate data in a proportionate way;
- ◆ Data accuracy: We will maintain appropriate standards of personal or corporate data quality and integrity;
- ◆ Data Protection by default and by design: We will take steps to make sure that any new products and services, or changes to existing products or services, are designed to respect data privacy laws;

- ◆ Record keeping (Accountability): We will keep appropriate records to show that we have complied with data privacy laws;
- ◆ Rights of individuals: We will respect individuals' rights relating to their personal data;
- ◆ Storage Limitation and Retention: We will store and retain personal or corporate data in line with applicable data privacy laws and the Group's retention standards;
- ◆ Data Security: We will maintain appropriate security standards for personal or corporate data that we process;
- ◆ Data Transfers: If we voluntarily transfer personal or corporate data to another Group entity, a third party or another jurisdiction, we will make sure that the transfer is allowed under applicable data privacy laws;
- ◆ Third parties: Where we appoint a vendor or agent, we will review their privacy and security protections to make sure that they are adequate and not inconsistent with our Data Privacy Principles;
- ◆ Awareness and Data Excellence: We will raise data and privacy awareness to help ensure that colleagues understand how to properly process and safeguard process personal and corporate data; and
- ◆ Data Ethics: In dealing with data privacy issues or processing personal or corporate data, we will consider whether data ethics or conduct issues are relevant.

Sarbanes-Oxley Act Compliance

The Senior Financial Officers (as defined below) of each of HSBC Holdings plc and HSBC Bank plc are required by the US Sarbanes-Oxley Act to comply with the following principles (which, for the avoidance of doubt, apply in addition to, rather than in substitution for, their other obligations under this Group Code):

- ◆ 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 Chair 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 the HSBC Group 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 UK Financial Conduct Authority and the US Securities and Exchange Commission and in other public communications it makes;
- ◆ Each Senior Financial Officer shall report promptly to the Chair of the Group Audit Committee any

violations of this statement of Sarbanes-Oxley Act principles of which they are aware; and

- ◆ Each Senior Financial Officer shall be accountable for adherence to this statement of Sarbanes-Oxley Act principles.

For this purpose, 'Senior Financial Officers' means: (i) in respect of HSBC Holdings plc, the Group CEO, the Group Chief Financial Officer, the Group Financial Controller, and any persons performing similar functions; and (ii) in respect of HSBC Bank plc, the Chief Executive Officer, the Chief Financial Officer, the Chief Accounting Officer and Controller, and any persons performing similar functions.



Respect for all

Inclusion

We aim to inspire a dynamic and open culture where the best people want to work. For 160 years, HSBC's core strategy has been to serve and connect people and businesses across different geographies and cultures.

We have delivered better outcomes for our customers by having a culture anchored in diverse thinking and inclusion, a culture which aims to support all colleagues, where different views are valued, and colleagues want to stay and develop their careers.

A diversity of perspectives and experiences is a business strength, so we ensure our people processes are fair, so we can hire and promote the best talent from all backgrounds. 'We value difference' and 'we succeed together' are two of our values and they are central to shaping our culture and our behaviours.

To continue building a working environment in which all colleagues can thrive, we're focused on four key areas:

- Building an inclusive culture
- Fair and inclusive recruiting;
- Fair progression of talent; and
- Supporting an inclusive society.

We are committed to ensuring all HSBC Group colleagues - whether part of a majority or minority group - have fair and equal access to opportunities regardless of their diversity characteristics. All colleagues are expected to treat others with dignity and respect at all times.

Anti-bullying & harassment

The Group does not tolerate discrimination, bullying, harassment (including sexual harassment) or victimisation on any grounds, and all allegations are fully investigated and treated as a potential disciplinary matter, as outlined in the Global Anti-Bullying & Harassment Code.

The Group asks its colleagues to speak to HR about any potential breaches of this code. The Group does not tolerate acts of retaliation against anyone who raises a concern in good faith and treats retaliation in those circumstances as a potential disciplinary matter. Further guidance can be found in the Global Anti-Bullying and Harassment Code.

Everyone's responsibilities

Colleagues are required to act in a way that:

- Demonstrates high personal integrity and honesty in all their personal and business dealings,
- Maintains the reputation of the HSBC Group, and
- Upholds the trust and confidence that the Group holds in its colleagues.

Protecting company assets

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

Gifts and Entertainment

The use, or attempted use, of Gifts and Entertainment to improperly obtain a business advantage or influence a decision that may bring a business advantage to the HSBC Group is strictly prohibited.

When offering or receiving Gifts and Entertainment, we must comply with our Anti-Bribery & Corruption Key Principles, which require that the relevant offer or receipt of Gifts and Entertainment:

- be conducted without intent to bribe or corrupt;
- be reasonable and transparent;
- not be considered lavish or disproportionate;
- be appropriately documented and supported by a clear business rationale; and
- be authorised at an appropriate level of seniority.

Giving or receiving cash or cash equivalents (including but not limited to gift cards and gift certificates) is also prohibited.

All colleagues must adhere to the requirements outlined in the Group's Global Financial Crime Policy.

Loans and Borrowing

Colleagues may not consider or approve any borrowing, extension of credit, waiver of fees or any other transaction between the Group and themselves, anyone in their immediate family, or other people, corporations, partnerships, trusts or organisations in which they or any member of their immediate family have a significant financial interest.

Colleagues are also not permitted to borrow from any Group supplier or customer, except by way of:

- Receiving credit on customary terms in purchasing goods and services from a commercial organisation that is also a supplier to or customer of the Group; or

- Loans made to colleagues by other financial institutions, including bank correspondents of the Group, in the ordinary course of their business.

Personal gain

Colleagues are not permitted to use confidential information about the Group, its colleagues, customers or suppliers for personal gain or the personal gain of their family, friends or others.

All intellectual property created or developed by colleagues of the Group in the scope of Group employment is the exclusive property of the Group and any such property must not be used for personal gain or the personal gain of family, friends or others.

HSBC Information

Colleagues may have access to information about the Group that is not available to the public and are expected to take great care not to disclose confidential financial or other proprietary information concerning any of our businesses or functions to outsiders, until it has been published in reports to shareholders or has been made available to the public.

Guidelines apply to the oral or written disclosure of information about the Group's financial position, performance, strategy or outlook, or the terms of any security to be issued by any Group entity to investors, whether that disclosure takes place face-to-face, during a conference or presentation, or by the publication of a presentation or webcast. All presentations by Group executives at conferences where investors are present, and all meetings between Group executives and one or more portfolio or fund managers, or buy-side, sell-side, or credit rating agency analysts, would be considered to be a disclosure to investors for this purpose.

HSBC Group Computer Systems

To protect the data of our customers and colleagues, we must all protect access to HSBC Group systems and keep passwords confidential at all times.

Colleagues are expected to use the internet responsibly and productively - reasonable personal use is allowed. Only Group approved platforms can be used to conduct or discuss our business activity. For example, WhatsApp is not an approved platform for conducting HSBC Group business and must not be used for conducting HSBC Group business under any circumstances.

All internet data that is composed, transmitted and/or received by the Group's computer systems is considered to belong to the Group and is recognised as part of its official data. It is subject to potential disclosure for legal reasons or to other appropriate third parties. Internet traffic, emails and data composed, sent or received through Group systems is monitored.

Information sent or created via Group systems, including emails, instant messages or documents, should not contain language or images deemed to be offensive, vulgar or harassing. Sites deemed to be harmful and/or not productive to business may be blocked. Colleagues who are unsure about acceptable systems usage should ask their line manager for further guidance and clarification.

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.

The Information, Technology, and Cyber Security Policy contains further guidance on minimum standards for systems usage and is mandatory for all colleagues.

HSBC Group Records

The Group'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 it comes to the Group's electronic communications with other Group colleagues, customers, or other third parties in relation to HSBC Group business, colleagues must only use approved platforms and must not send or receive communications using SMS/text functionality on a Group-provided device unless they are certain that such messages are automatically captured by the Group.

Colleagues:

- Are required to ensure that all records are not false or misleading and only permit the existence of any asset or liability that is fully and properly recorded on the Group's books; and
- Must not make any false or misleading statements about such records or conceal information from management or the Group's auditors.

We cooperate fully with our internal and independent auditors, legal and other advisers.

Data will only be retained for a period applicable to that data type, according to local retention periods, as defined in local policy.

Security and Privacy of Customer and Colleague Data

Protecting our customers' and colleagues' data in accordance with laws, regulations, guidance, and best practices is everyone's responsibility. We must ensure that our customers and colleagues know we will honour their choices and properly safeguard their information. Effectively managing and protecting personal data instils trust with our customers, colleagues, regulators and investors.

Colleagues are expected to treat information entrusted to the Group as confidential. This includes information relating to deposit and loan balances, information concerning the management, financial condition and future plans of our customers' businesses, colleagues' salary information and information obtained in the course of fiduciary relationships.

Colleagues are not permitted to disclose confidential information to anyone either inside or outside the Group except in compliance with the Group's information protection policies. Our colleagues' individual obligations to maintain the confidentiality of the information continues even after they leave the Group, as set out in contracts of employment.

Further information can be found in our Information Security Policy and Information Security Application Procedure.

Our Regulatory Duties to Customers and Protection of Customer Assets

HSBC Group 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 Group seeks to ensure that when receiving, transmitting or executing customer instructions our processes deliver fair outcomes for customers. This includes providing optimal execution. HSBC

Group 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 by lines of business with the necessary skills, expertise and controls in place to provide the service. Where non-specialist HSBC Group businesses undertake fiduciary activity, they must consult with the relevant fiduciary SME business within the Group and Risk Stewards to ensure that related risks are properly assessed and managed.

Conflicts of interest



The Group maintains policies and procedures designed to ensure that all potential and actual conflicts of interest, which could arise in the context of activities applicable to Group business and associated activities, are identified and controlled.

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

When an employee encounters a personal, business related or other type of conflict of interest in conducting their role in the Group, 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 may be 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; and/or
- ◆ Preventing the conflict from arising, e.g. resigning from an outside activity.

The Global Conflicts of Interest Policy requires everyone to disclose and manage conflicts of interest or face a personal conduct case with the potential to be dismissed from their employment with the Group.

Directors are also required to comply with the relevant Board Conflicts of Interest Policy applicable to the Board(s) on which they serve.

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 the Group 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 the Group (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 the Group has or proposes to acquire an interest;
- ◆ Running for political office; or
- ◆ Serving as a director or officer of any firm that is a competitor, customer or supplier of the Group.

Colleagues are required to complete the 'outside activities review process' before commencing any outside activity, which allows the Group to analyse,

decide whether to allow, then record and manage the potential conflict risks associated with the outside activity (if any).

Connected Party, Friends and Family Conflicts

Connected party, friends and family conflicts arise if an individual's decisions appear to be affected by someone close to them – for example, the relationship influences or could influence their judgement, decision making, or their independence of mind - impacting how they conduct their duties as part of their employment with the Group. As a result, this may negatively impact the Group; colleagues; clients; third parties; or the financial markets in which the HSBC Group 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

Employment of relatives may be possible where local policy requirements are met. Key aspects of internal policy include independent decision-making and disclosing any actual or potential connections.

Taking responsibility for Our Customers

The HSBC Group, its directors and colleagues are, through our Values and Conduct Approach, dedicated to recognising the impact the HSBC Group has on our customers and the financial markets in which we operate.

The Group should protect, support, and promote the principles of consumer choice, competition and innovation, consistent with relevant laws and regulations and our obligations to our shareholders.

The Group will offer our customers products and services on a competitive basis and offer fair value - improper incentives should never be used to obtain business.

When selecting suppliers of products and services, colleagues with purchasing duties should do so based solely on quality, price and service, following all relevant global and local policies.

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





Supporting sustainability

Our approach to sustainability is shaped by our purpose and values and a desire to create sustainable long-term value for our stakeholders. As an international bank with significant breadth and scale, we understand that our economies, societies, supply chains and people's lives are interconnected. We recognise we can play an important role in helping to tackle ESG challenges.

Helping to support a sustainable future

In 2020, we set an ambition to become a net zero bank by 2050. In January 2024, we published our first net zero transition plan. It sets out our approach to net zero and the actions we are taking to help fulfil our ambition, recognising that our approach will continue to evolve.

We are seeking to provide financing and investment that helps our customers transition to net zero and a sustainable future.

Our social approach is centered around fostering inclusion and building resilience for our colleagues, our customers, and in the communities we serve. We are building a workforce that is representative of the communities that we serve, and we have targets and programmes in place to ensure fair and inclusive recruitment and to support the equitable progression of under-represented groups.

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

For more information, visit: [ESG reporting centre | HSBC Holdings plc](#)

Compliance, reporting violations and asking questions

Reporting Violations

Colleagues 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, the Group's global principles, policies, procedures, or applicable laws or regulations, there are a number of ways to report concerns including with Compliance, HR, Legal and Audit. In addition, HSBC Confidential, which is the Group's whistleblowing channel, can be used to report concerns completely confidentially, and if preferred, anonymously (subject to local laws).

Depending on the allegation, an objective party with the relevant expertise will investigate complaints of unlawful activity or violation promptly. Issues that may result in fines or reputational damage must also be escalated to Compliance for assessment and recording and be considered by Legal teams. The Group will attempt to protect the privacy of the complainant to the maximum extent possible and be consistently objective in any investigation.

Based on that investigation, a decision will be made as to whether 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, subject to any legal and regulatory requirements.

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

The Group 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, colleagues 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 from the Group is required to make any such reports or disclosures, and people are not required to notify the Group that they have made such reports or disclosures.

Under Investigation by a Former Employer or Regulator

Directors and colleagues are obliged to tell the Group (by reporting to their line manager) 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, or if they are arrested by law enforcement for any reason.

All disclosures will be treated with confidentiality but may need to be disclosed to other internal functions, such as Compliance and HR. This is so any risks can be identified, and an assessment can be made as to whether the Group can accept any risks that cannot be fully mitigated, and in some circumstances, whether the Group needs to act.

Asking Questions

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

