

# HSBC Human Rights Statement

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## Introduction

HSBC is one of the world's largest banking and financial services organisations. Our global businesses serve more than 40 million customers worldwide through a network that covers 64 countries and territories. That global footprint enables us to promote the sustainable interests of our customers, our investors and the planet we all share. This is reflected in our Purpose – "Opening up a World of Opportunity".

As we fulfil our Purpose, we are mindful of local contexts, including in respect of human rights. We draw on relevant international standards to determine an appropriate framework for operating. While the risk of negative impacts on human rights arising from business activity may be higher in certain sectors or places, we can often help reduce those impacts by staying engaged.

This statement describes the ways in which we meet our responsibility to advance respect for human rights in our own business activities and in those of our partners, in keeping with the United Nations Guiding Principles (UNGPs) on Business and Human Rights. We are guided by the International Bill of Human Rights, including the UN Declaration of Human Rights, and by the principles on fundamental rights set out in the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work. We are signatory to, or have expressed support for, the UN Global Compact, the OECD Guidelines for Multinational Enterprises, the Global Sullivan Principles, the UN Principles for Responsible Investment and the UN Principles for Sustainable Insurance.

## Approach

We recognise the role of business in respecting human rights and human ambition. We implement our relevant policies via the relationships we have with customers, suppliers, employees and the companies we invest in, whilst also complying with the laws of the countries in which we operate. We seek to raise awareness of human rights by promoting good practice through our business conduct.

Our approach covers all aspects of internationally recognised human rights, but, in line with the UNGPs, we focus on the areas of human rights most relevant to our operations and supply chains, where we believe we can have the most positive impact. For an up-to-date assessment of these areas, and their relevance to our business activities, see the human rights section of our latest ESG Review. [ESG reporting centre | HSBC Holdings plc](#)

## Our Stakeholders

HSBC recognises its potential impact as a financial services organisation on the human rights of a range of stakeholders, including as an employer, a provider of financial services, a buyer of goods and services and an investor.

### Employees

HSBC requires its employees to treat colleagues with dignity and respect, creating an inclusive environment. We do not tolerate bullying, harassment or unlawful discrimination on any grounds, including age, race, ethnic or national origin, religion or belief, caste, colour, mental or physical health conditions, disability, pregnancy, gender, gender expression, gender identity, sexual orientation, marital status or other domestic circumstances, employment status, and working hours or other flexible working arrangements.

HSBC employees are made aware of their employment rights through a variety of channels, including written employment contracts and policies, and procedures in employee handbooks and on employee websites. Employees are trained on a range of human rights related topics, including but not limited to: diversity and inclusion; bullying and harassment; racism; and data privacy. In addition, employees receive regular training as part of HSBC's broader financial crime control framework, covering anti-money laundering, anti-bribery and corruption and financial sanctions and export controls. Each of these intersects with human rights risk.

## **Customers**

HSBC has, since 2002, developed sustainability risk policies incorporating specific standards. The policies apply to the main financing products HSBC offers, such as loans, trade finance, and debt and equity capital market services. We engage with customers, where appropriate, and support them in adopting more sustainable practices. Our sustainability risk policies on forestry, agricultural commodities, metals and mining, and energy specifically refer to human rights considerations. They include issues such as: land rights; harmful or exploitative child labour or forced labour; the rights of indigenous and local communities, including the principle of free, prior and informed consent where their interests are affected by business activities; community relations and workers' rights; and the health and safety of communities. For example, under our defence equipment sector policy, we do not provide finance to customers who solely or primarily manufacture or sell weapons. The policies can be found at [Sustainability risk | HSBC Holdings plc](#)

We seek to apply the Equator Principles to assess and manage the environmental and social risks of projects we finance. The Equator Principles are underpinned by the International Finance Corporation's Performance Standards on human rights, labour rights and the rights and freedoms of Indigenous Peoples and communities.

As well as these policies, and those described below in relation to financial crime, anti-bribery and corruption and data, we continue to enhance our capability both to identify problems and, where appropriate, to support customers in addressing them. We may end banking relationships with customers when they are unwilling or unable to comply with our standards.

## **Suppliers**

We have an Ethical and Environmental Code of Conduct for Suppliers, that requires suppliers to respect the human rights of their employees and the communities in which they operate as well as to comply with all relevant legislation, regulations and directives in the countries and communities in which they operate. Our Code requires suppliers to prohibit the use of forced labour and child labour and to respect labour rights including those relating to discrimination and collective bargaining. They must give workers, whether local or migrant, the right and the ability to leave employment when they choose. Our contracts contain clauses that support our right to audit and take action if a breach of the Code is discovered. We will continually enhance our procedures for monitoring supplier performance against these expectations, and may end our relationship with suppliers who do not respect human rights. Details at: [Working with suppliers | HSBC Holdings plc](#)

## **Investments**

HSBC Asset Management's ESG integration processes include enhanced due diligence when there is evidence that companies held in active investment portfolios may be in breach of the UN Global Compact's Ten Principles, covering Human Rights, Labour, Environment and Anti-Corruption. In addition, our active, systematic and index portfolios do not have direct exposure to any listed or unlisted equities or bonds issued by corporations considered to have proven involvement with weapons banned by international conventions, including cluster munitions and anti-personnel mines. Details at: [responsible-investment-policy.pdf | HSBC Asset Management](#)

## Related policies

### Financial Crime

At HSBC, we recognise that financial crime can distort the effective functioning of markets, severely undermine the rule of law, and contribute to human rights abuse. HSBC has a responsibility to help protect the integrity of the financial system. We have an established financial crime framework, with global policies to mitigate money laundering, sanctions, and bribery and corruption risk, including in areas where respecting human rights and preventing financial crime converge. We are committed to implementing high global standards for ethical business conduct wherever we operate. HSBC's public commitment to preventing financial crime is available at [Financial crime risk policies | HSBC Holdings plc](#)

### Anti-bribery and corruption

HSBC applies the principles of transparency, propriety, integrity, accountability, non-discrimination and meaningful participation through its policies and processes. This reflects our recognition that bribery and corruption can distort the effective functioning of markets, exacerbate poverty, undermine the rule of law, and contribute to human rights abuse.

These principles are reflected not only in our policies but also in our internal and external communications. We give our employees anti-bribery and corruption training and guidance. We expect customers, business partners, suppliers, vendors and other third parties with whom we work to adhere to the same standards of conduct to which we hold ourselves. We are actively engaged in global policy discussion on confronting bribery and corruption, through our membership of various organisations including the B20 Coalition, the Madison Group, the Wolfsberg Group and others. Our aim is not only to contribute, but also to be an industry leader in this area.

HSBC has developed and maintains policies and procedures designed to prevent and detect potential bribery and corruption. We have global policies covering our employees and relevant third parties developed from the legal foundations of the UK Bribery Act, the US Foreign Corrupt Practices Act and the Hong Kong Prevention of Bribery Ordinance.

HSBC's policies and procedures give practical effect to initiatives such as the Organisation for Economic Cooperation and Development (OECD) Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, the International Chamber of Commerce Rules of Conduct to Combat Extortion and Bribery, the anti-bribery provisions of the revised OECD Guidelines for Multinational Enterprises, and Principle 10 of the UN Global Compact. HSBC uses research from public international bodies such as Transparency International to inform decisions about the places and sectors in which it operates. HSBC also applies policies and processes to address bribery and corruption issues relating to specific industries, including Conflict Resources.

Our Compliance and Legal functions give expert support to our global businesses in applying high global standards for responsible business conduct wherever HSBC operates. HSBC is committed to applying consistently both the letter and spirit of anti-bribery and corruption laws. HSBC's focus in this area goes beyond simple adherence to legislation, and includes building and maintaining a strong culture of compliance and ethical behaviour across the Group.

Detail on our actions to support these policies and principles is in our Communication on Progress to the UN Global Compact. HSBC's public commitment to anti-bribery and corruption measures is available online at [Financial crime risk policies | HSBC Holdings plc](#)

### Data

Artificial Intelligence (AI) and other transformative technologies enable us to process and analyse an unprecedented depth and breadth of data. But these new capabilities come with a growing expectation in political, regulatory, and

public domains that business should have robust ethical frameworks and controls to ensure respect for human rights, including the right to privacy and freedom from discrimination. HSBC's Principles for the Ethical Use of Big Data and Artificial Intelligence describe how we seek to ensure that our use of data and AI respects privacy and protects personal data. The Principles also describe how we are alert to the inherent risk of training AI on biased datasets, which can lead to biased outcomes and unfair decision-making. Further details on our Purpose-led Conduct Approach are available at: [Our conduct | HSBC Holdings plc](#)

## Stakeholder Engagement

We engage human rights experts, customers and peers to help us meet our commitments in respect of human rights, in line with the UNGPs. Details of our engagement are in our most recent ESG Review. [ESG reporting centre | HSBC Holdings plc](#)

We are also a member of the Thun Group, which brings together peer banks with the purpose of understanding how human rights can best be respected and promoted across the range of banking activities.

We investigate credible allegations of human rights violations as they are reported to us via engagement with stakeholders including non-governmental organisations and civil society groups. If serious issues are identified, they are covered as part of our normal governance and escalation processes. Further information on our risk management approach is available at: [Managing Risk | HSBC Holdings plc](#)

## Remedy

The UNGPs acknowledge that grievance mechanisms must be known, trusted and accessible to those who need them. HSBC is committed to addressing human rights grievances and to providing suitable means for affected individuals or communities to come forward.

HSBC Confidential, our global whistleblowing platform, allows our employees, past and present, to raise concerns in confidence and, where preferred, anonymously. HSBC Confidential can be accessed in various ways, including telephone hotlines, online portals and email. We do not tolerate retaliation against anyone who raises concerns. Appropriate disciplinary action, which may include termination, is taken against those who engage in conduct inconsistent with our Values. Details at: [Speaking up | HSBC Holdings plc](#)

HSBC is committed to continually improving our mechanisms and remediation processes through stakeholder engagement and dialogue.

## Governance

HSBC first published a Human Rights Statement in 2015. We report on progress in fulfilling these commitments in the relevant sections of our annual Environmental, Social and Governance (ESG) disclosures. We also report on specific human rights issues as required by law, including through our Annual Statements under the UK Modern Slavery Act (2015) and, more recently, the Australian Modern Slavery Act (2018). We provide an annual Communication on Progress to several UN organisations including the UN Global Compact, UN Principles for Responsible Investment and UN Principles for Sustainable Insurance.

Since 2018, a Human Rights Steering Committee, comprising senior representatives of relevant business areas and functions, has overseen the development of HSBC's commitments, policies and procedures. Executive responsibility rests with the Group Executive Committee, which has primary accountability for human rights issues.

The HSBC Group's Statement on Human Rights is approved by the HSBC Holdings Board, which reviews the Group's approach to Human Rights at least once a year, to ensure that the Statement and associated activities are informed by our [Values](#), align with our [Purpose](#), and contribute to our [Strategy](#).

