

HSBC Australia Modern Slavery Statement 2023



HSBC

Opening up a world of opportunity

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About HSBC

HSBC Holdings plc, the parent company of the HSBC group of entities (referred to in this Statement as either **HSBC Group** or **HSBC**), is headquartered in the United Kingdom. The Hongkong and Shanghai Banking Corporation Limited is a wholly owned subsidiary of HSBC Holdings plc and is the principal Asia Pacific banking entity of HSBC Group based in Hong Kong.

There are four HSBC entities in Australia of which three are 'reporting entities' within the meaning of the Australian Modern Slavery Act 2018 (Cth) (referred to as the Act):

- ◆ HSBC Bank Australia Limited (**HSBC Australia subsidiary**) – a locally incorporated and regulated, authorised deposit-taking institution that is wholly owned (and indirectly controlled) by The Hongkong and Shanghai Banking Corporation Limited (ABN 48 006 434 162; AFSL/Australian credit licence 232595). The HSBC Australia subsidiary's registered address is at Level 36, Tower 1, International Towers Sydney, 100 Barangaroo Avenue, Sydney NSW 2000.
- ◆ HSBC Australia subsidiary has one wholly owned nominee company, HSBC Custody Nominees (Australia) Limited (**HSBC Custody Nominees**). This entity is a nominee entity only, which exists for the purpose of holding client assets on behalf, and at the direction, of HSBC Australia subsidiary. It does not have its own employees, suppliers or customers and is not a reporting entity within the meaning of the Act. It is included in this Statement as an entity that is owned and controlled by HSBC Australia subsidiary.
- ◆ The Hongkong and Shanghai Banking Corporation Limited, Sydney Branch (**HSBC Australia branch**)

– a branch of The Hongkong and Shanghai Banking Corporation Limited, which is a non-Australian, foreign-registered authorised deposit-taking institution (ABN 65 117 925 970 and AFSL 301737). The HSBC Australia branch's registered address is at Level 36, Tower 1, International Towers Sydney, 100 Barangaroo Avenue, Sydney NSW 2000.

- ◆ HSBC Australia Holdings Pty Limited (**HSBC Australia Holdings**) – a non-trading holding company of HSBC Australia subsidiary. It is locally incorporated (ABN 22 006 513 873) and a subsidiary of The Hongkong and Shanghai Banking Corporation Limited. HSBC Australia Holding's registered address is at Level 36, Tower 1, International Towers Sydney, 100 Barangaroo Avenue, Sydney NSW 2000.

HSBC Australia subsidiary, HSBC Australia branch and HSBC Australia Holdings are collectively referred to in this Statement as **HSBC Australia**, unless where otherwise noted.

References in this Statement to 'we' or 'our' are references to the above three 'reporting entities', being HSBC Australia, together with HSBC Custody Nominees. As part of the development of this Statement, HSBC Australia formed a modern slavery working group comprising individuals who represent these three reporting entities and who were able to inform and contribute to the development of this Statement. The modern slavery working group consulted with each entity listed above, as well as other relevant HSBC entities, all of whom comply with the same policies with respect to modern slavery.



Who We Are

HSBC Group is one of the world's leading international banks. Our principal holding company, HSBC Holdings plc, is incorporated in England and headquartered in London. HSBC is listed on the London, Hong Kong, New York, and Bermuda stock exchanges. As at 31 December 2023, HSBC Group had a total workforce equivalent to 221,000 full-time employees from offices in 62 countries and territories across geographical regions in Europe, Asia, North America, Latin America, Middle East, and North Africa.

HSBC Australia subsidiary was established in 1965 and offers an extensive range of financial services through a network of 34 branches and offices across five Australian states and one territory. We serve our customers through three global businesses: Wealth & Personal Banking (WPB), Commercial Banking (CMB), and Global Banking & Markets (GBM):

In WPB, we offer a wide range of retail banking and wealth management products and services to help our customers look after their day-to-day finances and manage, protect and grow their wealth.

In CMB, we offer a full range of financial services products to domestic and international businesses. Our global reach and expertise help these businesses around the world unlock their potential.

In GBM, we provide a comprehensive range of financial services and products to corporates, governments and institutions.

As at 31 December 2023, HSBC Australia has approximately 1,800 full-time equivalent staff based in Australia.

Further details on the structure and performance of HSBC Group can be found in the Strategic Report section of its Annual Report and Accounts 2023, which is available on the [HSBC Group website](#). In addition, further detail on the structure and performance of our Australian operations is available on the [HSBC Australia website](#).

Context

This Modern Slavery Statement (referred to as the **Statement**) is HSBC Australia's fourth Statement under the Australian Modern Slavery Act 2018 (Cth). It has been prepared as a joint statement to meet the mandatory reporting criteria set out under the Act, with reference to the guidelines issued by the Australian Department of Home Affairs. As a joint statement, this Statement covers each of HSBC Australia subsidiary, HSBC Australia branch and HSBC Australia Holdings as entities subject to the provisions of the Act, and has been prepared with reference to the [eighth statement](#) issued by HSBC Holdings plc with respect to modern slavery and human trafficking under the UK Modern Slavery Act 2015.

This Statement outlines the actions undertaken by HSBC Australia to identify and mitigate the risk of modern slavery occurring in its business operations and supply chain for the year ended 31 December 2023 (also referred to as the reporting period).

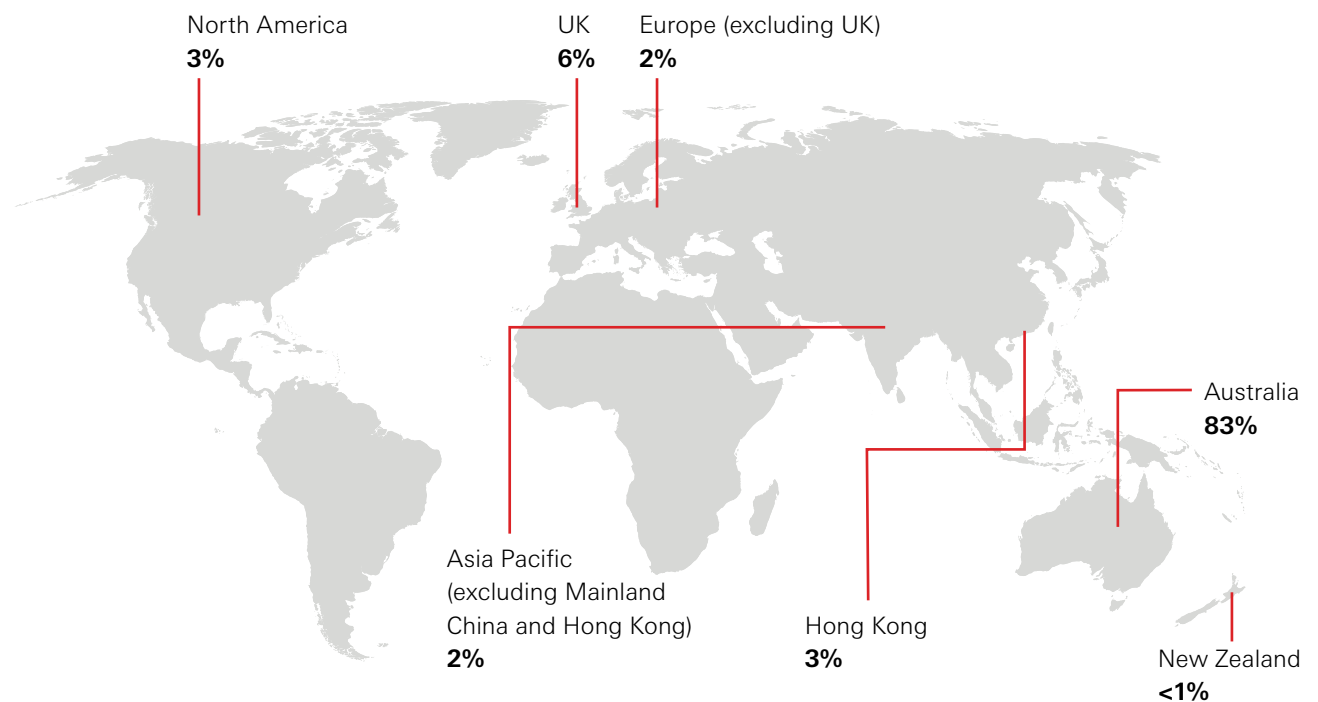
We also report on steps that HSBC Group and HSBC Australia are taking to improve their approach to identifying, assessing and managing modern slavery-related risks in their operations and supply chain. Furthermore, this Statement examines ways in which HSBC works with the wider financial community, law enforcement agencies, governments and civil society to act against modern slavery and human trafficking, both in Australia and at HSBC Group level.



Our Suppliers

HSBC Australia is supported by 418 third party suppliers providing services from the geographical regions outlined below, including ad-hoc one-time suppliers and low risk suppliers that are engaged through purchase orders only.

HSBC Australia's major categories of spending include consultancy / professional services, IT services, corporate real estate and services that support our banking operations. 191 are contracted suppliers and are largely based in Australia.



Additionally, HSBC Australia receives internal services from other entities within the HSBC Group who are all governed by and adhere to the same HSBC Group principles, policies and requirements (further detailed below). Collectively, these parties and, where applicable, the companies that supply them, constitute our supply chain.

Geographical distribution of HSBC Australia's external third party supplier footprint (418).

Our Policies

How we do business is as important as what we do. HSBC's responsibilities to its customers, employees, suppliers, and shareholders, as well as to the countries, territories and communities in which it operates, goes beyond being profitable. This is consistent with HSBC's [values](#), which include HSBC's approach to [environmental, social and governance](#) (ESG) issues.

HSBC's [Human Rights Statement](#) sets out the HSBC Group's responsibility to respect human rights. HSBC's approach is guided by the UN Guiding Principles on Business and Human Rights (UNGPs) and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct.

Human rights considerations are reflected in several Group-wide policies. Taken together, these policies govern our behaviour as a provider of financial services to business and to personal customers, as a buyer of goods and services, as an investor and as an employer.

Business Customers

HSBC's approach is to work closely with its business customers to help them understand and manage their environmental and social impact. Where HSBC identifies activities that could cause material negative impacts, HSBC expects customers to demonstrate that they are identifying and mitigating risks responsibly, and HSBC will look to take required actions as outlined in our policies, which may include applying financing restrictions or enhanced due diligence.

HSBC has specific policies covering certain sectors where environmental and social risks are higher. Some of these have direct relevance to modern slavery, for example:

HSBC's [Agricultural Commodities Policy](#) is designed to prohibit business with customers involved, directly or through their supply chain, in the exploitation of people and communities, including through harmful or exploitative child labour or forced labour. For palm oil producers, the policy also requires certification under the Roundtable on Sustainable Palm Oil (RSPO) or equivalent. This includes protection for workers' rights and safe and decent working conditions.

HSBC's [Forestry Policy](#) is designed to prohibit business with customers involved directly, or via their supply chain, in wood logged in violation of traditional and civil rights. In high-risk countries, relevant customers must have Forestry Stewardship Council or equivalent

certification, which includes provisions on community relations and workers' rights.

Through the [Mining and Metals Policy](#), HSBC seeks to prevent or mitigate severe adverse impacts on human rights.

As a signatory to the [Equator Principles](#) (EP), HSBC expects customers to include an assessment of the modern slavery risks common to infrastructure projects, including child labour, forced labour and restrictions on collective bargaining and freedom of association in their project assessment documentation. This may affect our decision to provide finance.

A just and inclusive transition means working to avoid people and communities being left behind. HSBC is starting to address just transition-associated risks through its policies and risk management processes.

HSBC's financial crime policies also apply to business customers.

Third Parties

HSBC's [Supplier Code of Conduct](#) was refreshed in 2022. It includes provisions prohibiting the use of all types of slavery and human trafficking within our suppliers' operations and their own supply chains.

Under the Supplier Code of Conduct, HSBC reserves the right to review suppliers' policies, procedures or any other documents related to compliance with the Supplier Code of Conduct. In some cases, HSBC may require an on-line or on-site audit of a supplier. Our financial crime policies also apply to our suppliers as set out below.

All Internal Third Parties (ITP) services are provisioned by registered HSBC entities that operate under all applicable HSBC Group, Regional and Local policies and in compliance with relevant legal, regulatory and statutory obligations in the jurisdictions of operations.

Investment

HSBC Asset Management has worked to integrate relevant ESG factors into its active fundamental investment decisions since signing the Principles for Responsible Investment (PRI) shortly after their launch in 2006. It was one of the earliest asset managers to do so. Its first responsible investment fund was launched in 2001.

HSBC Asset Management's consideration of the UN Global Compact principles in the areas of human rights, labour, environment and anti-corruption have helped shape its approach to sustainable business.

Under these principles, investee companies are expected to:

- ♦ promote the fair treatment, equal opportunity and health and safety of employees;
- ♦ eliminate harmful or exploitative child labour and forced labour;
- ♦ protect the rights of local communities and indigenous peoples; and
- ♦ identify, assess and respond to human rights risks in their supply chains.

Personal Customers

HSBC recognises that some of the personal customer accounts that it provides to customers may be associated with modern slavery. HSBC's financial crime policies, set out below, help us to identify these associations and take appropriate action. Some of our customers may themselves be vulnerable to modern slavery. We look for indicators that this might be the case, from activity on customer accounts or interactions with branch staff, alerting relevant authorities if suspicions arise.

Employees

HSBC's commitment to respect human rights in the workplace, including the right to decent work and freedom from discrimination, aligns with HSBC's values and is set out in global policy — see HSBC's commitments and actions on the HSBC Group website.

Our industrial relations principles seek to provide for constructive relationships with the employee representative body, demonstrating our respect for freedom of association for employees. It is our approach to maintain well-developed communications and consultation programmes with the employee representative body.

HSBC's remuneration policies are designed to pay employees responsibly and to attract, retain and motivate the best people, regardless of gender, ethnicity, age, disability, or any other factor unrelated to performance or experience. As part of HSBC's commitment to rewarding colleagues responsibly, HSBC is accredited as a global living wage employer by the Fair Wage Network.

HSBC requires that all its employees treat colleagues with dignity and respect, creating an inclusive environment. We do not tolerate discrimination, bullying, sexual harassment or harassment on any grounds as is



set out in HSBC's statement of business principles and Global code of conduct.

HSBC is committed to supporting the wellbeing of its people. HSBC wants all its employees to be at their best at work, so it invests significantly in their wellbeing and will continue to seek new ways to provide support. HSBC's global wellbeing programme covers four pillars: mental, physical, financial, and social wellbeing.

HSBC encourages feedback and has effective confidential channels for employee complaints including HSBC Confidential, its global whistleblowing channel. HSBC acts where it sees standards that fall below HSBC's expectations. Locally we have a grievance procedure through which employees can raise work-related complaints.

Financial Crime

HSBC's [financial crime policies](#) apply to all customers, employees and third parties. These policies, covering fraud, bribery and corruption, tax evasion, sanctions and export control violations, money laundering, terrorist financing and proliferation financing, are designed to mitigate the risk that we initiate or continue relationships with individuals or entities believed to be involved in criminal activity. Perpetrators of modern slavery may generate income that would be considered the proceeds of crime; their actions may constitute money laundering and could also be a source of terrorist financing. Public authorities may impose sanctions for human rights abuses including modern slavery, and we recognise that bribery and corruption can also contribute to such abuses.



Our Approach to Due Diligence and Risk Management

Risk Overview

In 2022, the results of HSBC Group's review of salient human rights issues indicated that HSBC, including HSBC Australia, is most likely to be exposed to modern slavery through its relationships with business customers, suppliers and investee companies especially (though not exclusively) those operating, or with supply chains, in sectors dependent on low-skilled or migrant workers with a high turnover of potentially vulnerable workers or in places where these practices are prevalent.

Most of HSBC Australia's suppliers are based in geographical locations considered inherently low risk for modern slavery. However, we are aware that slavery like practices can occur even in low risk jurisdictions for certain high risk service categories so apply risk management processes to those identified sectors of our supply chain described below.

Modern slavery issues were assessed as far less likely to arise in respect of our employees; the financial services sector is not among those considered high risk in this regard. Nevertheless, we take a range of steps to ensure our employees' right to decent work is respected under the policies described in the Employees section, above.

With respect to HSBC Australia Holdings, given it is a nontrading entity, we have assessed the risks of modern slavery occurring in this entity's business operations and supply chain to be low.

Business Customers

Due Diligence

Our relationship managers are the primary point of contact for many of our business customers and are responsible for managing customers' adherence to the policies described in Section 2 above.

They are supported by Sustainability Risk Managers across the Group, who have responsibility for advising on, and overseeing, the management of environmental and social risks. Sustainability Risk Managers are supported by Group Reputational and Sustainability Risk, a central team responsible for developing policies, guidance and training, and overseeing the overall policy compliance.

HSBC aims to investigate potential adverse human rights impacts, including those related to modern slavery, where credible allegations are reported, or where potential issues are identified and escalated. Where required, business customer relationships are subject to further review by relevant Risk Committees. We may exit these relationships when business customers are unwilling or unable to comply with our standards.

We screen customers for sustainability issues alongside our Customer Due Diligence governance processes, and we obtain independent negative news data from

a specialist vendor to give us a clearer picture as to whether such customers are acting responsibly on sustainability issues, including modern slavery.

In 2021, we carried out a review of our wholesale customer base for modern slavery risk focused on geographical risk. This year, we extended the scope of risk identification to cover geographical risk; product & services risks; and sector & industry risks. A thematic risk assessment of wholesale customers where risks are likely to be higher will be considered in the next review.

Suppliers

Due Diligence

HSBC screens suppliers in 14 service categories identified as heightened risk, such as cleaning, construction, and food and beverage. The screening covers 28 ESG issues including forced labour, child labour, freedom of association and collective bargaining, occupational health and safety issues, and poor employment conditions.



HSBC also continued to embed and build on the Sustainable Procurement Mandatory Procedure, which sets out the minimum sustainability requirements for procurement activity. This included enhanced procedures for human rights risk identification through the introduction of a human rights residual risk questionnaire for suppliers as part of HSBC's global supplier onboarding assessment process.

In 2023, we undertook onsite supplier audits of 60% (9) of the 15 Australian contracted suppliers identified as heightened ESG risk, which includes human rights and modern slavery. The audits were conducted by reputable independent external human rights specialists. We aim to incorporate the results of these audits into the 2024 continuous improvement plan, including an assessment of the potential need for further supplier audits.

Engagement

Our Supplier Code of Conduct (see Section 2, above) gives us the right to conduct audits and to request evidence of due diligence processes in respect of any of the issues covered, including modern slavery.

Internal HSBC suppliers

HSBC Australia, during normal business operations, receives services from other HSBC entities which have been considered in the preparation of this Statement as ITPs to our supply chain. ITP arrangements include third- and fourth-party relationships between HSBC Australia and relevant other HSBC entities.

In 2023, HSBC Australia received 392 unique internal services from 39 other HSBC entities managed under 17 service contracts.

The personnel providing ITP services are HSBC employed personnel and protected under all relevant and applicable laws, regulations and policies or third-party suppliers that are subject to the same due diligence and engagement as suppliers directly engaged by HSBC Australia. Protections include but are not limited to anti-harassment, anti-bullying, freedom of association, agreed remuneration and leave, workplace flexibility, occupational health & safety and confidential employee support services including whistleblowing.

Investment

Due Dilligence

In implementing the responsible investment policies set out above, HSBC Asset Management uses a proprietary ESG research platform that combines multiple ESG data points and assessments from independent third parties. Its ESG scores are based on its view of the materiality of ESG issues by sector, drawing upon qualitative and quantitative assessments undertaken by our equity and fixed income team. It takes into account frameworks such as the Sustainability Accounting Standards Board (SASB) and reviews new ESG data sources on an ongoing basis.

HSBC Asset Management conducts enhanced due diligence when it has evidence that companies held in actively managed equity and fixed income portfolios may be non-compliant with the UN Global Compact's Ten Principles, which include the elimination of all forms of forced and compulsory labour, and the effective abolition of child labour. The findings of the enhanced due diligence are reviewed and approved by our internal ESG governance committees, with the ESG Investment Committee at the highest level. Pending this approval, new investments may be restricted.

Engagement

HSBC Asset Management recognises its responsibility to be active, long-term stewards of the businesses in which it invests on behalf of customers, meeting companies regularly to improve its understanding of their business and strategy, to communicate expectations and to signal any concerns. Its approach to engagement, prioritisation of investee companies, objective-setting, escalation procedures, and thematic priorities including human rights are set out in our [Global Stewardship Plan](#).

It also recognises collaborative engagement as a tool to promote change, where individual investor action may be less effective. It participates in investor-led joint engagement initiatives where it believes these can have a positive influence in improving the companies in which it invests. HSBC Asset Management is a signatory to the PRI Advance initiative to promote active stewardship on human rights and social issues. It has also actively contributed to other sector-specific initiatives, for example engaging with technology firms on digital rights and responsible artificial intelligence (AI) and working with ESG data providers to promote higher quality human rights dataset.

Where material risks are identified that cannot be addressed through engagement, it may apply selective exclusions which are regularly reviewed. Further details, including on HSBC Asset Management's position on escalation, are outlined in its [Engagement Policy](#).

Voting

HSBC Asset Management aims to vote all equities for which clients have given voting authority, except where this is not practical for reasons such as share blocking or overly burdensome power of attorney requirements. Human rights and modern slavery considerations have been incorporated into the [Global Voting Guidelines](#). This helps HSBC to identify non-compliance with UNGC principles, as well as to assess a company's performance in relation to human rights risk management and disclosures, focusing on indicators such as commitments and policies, due diligence processes, provision of



remedy, and disclosures. Where a company falls below our expectations, HSBC Asset Management may vote against the re-election of the board chair or relevant board director. In some cases, it may co-file shareholder resolutions on sustainability issues, including modern slavery.

Personal Customers

The provision of services to our personal customers is most likely to be linked to modern slavery through association with the financial activities of **perpetrators** of these crimes and their **victims**. Our financial crime controls, set out below, assist us in detecting potential instances of associations including among our customers who may be vulnerable to modern slavery.

Financial Crime Risk Management

Our financial crime controls help us to identify and assess the risks posed by customers, employees and third parties, and determine whether we wish to establish a relationship with them. If we do establish a relationship, we continue to identify risks by screening them against specified lists, indicators and known typologies, and by monitoring our transactions. Where we believe we have identified signs of financial crime, including those linked to potential human rights abuses, we seek to investigate and take appropriate mitigating action, including reviewing the relationship and reporting to relevant government authorities.

Each month on average, we monitor over 10 million transactions for signs of financial crime. In 2023, we filed over 2,000 suspicious matter reports to regulator where we identified potential financial crime. In addition, we perform daily screening of approximately 600 thousand customer records for sanctions exposure.

Measuring Effectiveness

During the reporting period, we gained a better understanding of the modern slavery risks in HSBC Australia's supply chain through our enhanced supplier due diligence processes. HSBC Australia's third-party governance forum tracks key metrics including:

- ◆ Percentage of contracted suppliers screened for ESG risks, including media monitoring and other relevant third-party data.
 - No HSBC Australia suppliers screened for ESG risk have been rated as high risk.
- ◆ Percentage of contracted suppliers that have accepted the HSBC supplier code of conduct.
 - HSBC Australia aims to work with the 4 (2.1%) suppliers who have not accepted our HSBC supplier code of conduct to comply or improve their position.
- ◆ Percentage of contracted suppliers assessed under the financial crime process.
 - No HSBC Australia suppliers screened for sanctions were escalated for further review or action.

HSBC Australia's modern slavery working group remains in operation and meets on a regular basis with the aim of maintaining continuous improvement on our approach to modern slavery risks across the bank, as well as to support the delivery of an annual statement.

We recognise the need to monitor the development of our approach to tackling modern slavery, and other human rights issues. Some of the metrics we use are included in the table below, along with some context on the way we use the data to help ensure continual improvement.

Since the last reporting period, for HSBC Australia's 191 contracted suppliers:

- 100% of suppliers have been assessed against the financial crime process.
- 100% of suppliers under the category-based screening methodology introduced in 2022 have completed screening for ESG risks including modern slavery.
- 98% of contracted suppliers have accepted our Supplier Code of Conduct or can demonstrate they have equivalent policies and procedures in place which align. The four (4) suppliers who did not accept our Supplier Code of Conduct at time of onboarding were subjected to our ESG screening procedures, and no issues identified.



Training

Enhancing Our Understanding of Modern Slavery

We believe in continuous education and in ensuring that our front-line employees are equipped with the right tools and training to be effective in their roles. To support continuous learning, we produce briefings based on global news and trends, and encourage our employees to pursue certifications from relevant organisations. In the Asia-Pacific region, HSBC continues to assess developments in human trafficking risks across the region, often leveraging information toolkits and reports by non-profit organisation partners and from regulators via established public-private partnerships and industry working groups.

In 2023, we provided practical guidance and training, where relevant, to our colleagues across the Group on how to identify and manage human rights risk. HSBC also provided a detailed course on modern slavery to over 270 employees in HSBC's Risk team, highlighting the importance of identification and escalation. HSBC Australia delivered modern slavery training to over 1,700 employees based in Australia in 2023.

HSBC's Procurement team has provided sustainability introduction training for over 600 employees as part of a three-year sustainability training programme. This training provided a baseline understanding of key sustainability issues relevant to HSBC procurement including modern slavery.

HSBC's Asset Management business has run three workshops on our approach to investment stewardship, with elements covering human rights including modern slavery. Investment teams attend a fortnightly ESG Research and Engagement Forum, which has featured engagement on human rights and sessions with external speakers on supply chain labour practices.

Working in Partnership

HSBC is a strong proponent of public-private partnerships and information sharing initiatives. HSBC plays an active or founding member role in public-private partnerships in numerous jurisdictions around the world and, where the law allows, works cooperatively with other participants in the global financial system to share both strategic and tactical information to help combat financial crime, including that related to modern slavery. HSBC works with a range of markets and standard-setting bodies, including the Financial Action Task Force (FATF), to share our initiatives and findings.

Locally, HSBC Australia is a member of the Fintel Alliance, a private-public partnership of government and private sector domestic and international members, which was launched by the Australian Transaction Reports and Analysis Centre in 2017. This brings together a range of organisations that work together to increase the resilience of the financial sector to prevent it being exploited by criminals, and to support law enforcement investigations into serious crime and national security matters.

Globally, HSBC works collaboratively with non-governmental organisations (NGOs), think-tanks and research institutes and, in Europe, focuses on Pan-European committees concerned with identifying and policing modern slavery risks. Throughout 2023, HSBC has participated in joint law enforcement and civil society conferences, including the UN Global Compact's UK Modern Slavery Working Group. We engage with NGOs and civil society groups when they raise concerns related to HSBC customers. HSBC is a member of the Thun Group of banks, the main purpose of which is to deepen understanding of the UNGPs within the context of banks, and to consider how these principles may be applied across the range of different banking activities.

Organisations such as the Mekong Club and the International Centre for Missing & Exploited Children (ICMEC) facilitate cross-industry information-sharing on criminal typologies specific to each geographical region, including evolving risks related to the trafficking and exploitation of adults and children. In 2023, HSBC's Compliance team worked with the Mekong Club to moderate and deliver a series of knowledge sharing sessions on human trafficking risks across Southeast and South Asia, bringing together over 270 colleagues as well as representatives from peer banks.

Governance

This Statement covers the period from 1 January to 31 December 2023.

HSBC Australia:

HSBC Australia created a modern slavery working group in 2021, drawing upon resources from several functions within HSBC Australia and HSBC Group subject matter experts to determine, review, assess and execute HSBC Australia's approach to modern slavery risk.

This Statement was supported and guided by our previous statement (HSBC Australia Modern Slavery Statement 2022) and HSBC Group's statement. It was reviewed by various stakeholders with whom HSBC Australia and HSBC Custody Nominees consulted to develop this Statement. This included the modern slavery working group, HSBC Australia's executive committee and The Hongkong and Shanghai Banking Corporation Limited Disclosure and Controls Committee before final consideration and approval by HSBC Australia subsidiary's Board of Directors, HSBC Australia Holdings' Board of Directors, HSBC Custody Nominees' Board of Directors, and the Senior Officers of HSBC Australia branch.

HSBC governs its approach to suppliers through its Third Party Management Forum which manages all risks domains, incidents, issues, and corrective actions of all suppliers with all lines of Business and Functions represented. Oversight and governance of the Forum is provided by the Third Party Governance Committee chaired by the Chief Operating Officer which meets a minimum of six times per year.

HSBC Group:

In 2021, HSBC enhanced governance on human rights by appointing key members of the Group Executive Committee to HSBC's Human Rights Steering Committee, with the Group Chief Risk and Compliance Officer as Chair. In 2023, this Committee met on four occasions. The Human Rights Steering Committee is overseen by the Group Executive Committee and, by virtue of the status of the Steering Committee Chair and the leading role of the Risk function in enhancing the Group approach to human rights, by the Group Risk Committee of the HSBC Holdings plc Board.

Responsibility for the development and review of the policies listed in Section 2 is listed in the table below.

Policy	Department	Function
Sector risk policies for business customers	Sustainability Risk	Group Risk and Compliance
Financial Crime policies	Financial Crime	Group Risk and Compliance
Third Party Risk Policy	Enterprise Risk Management	Group Risk and Compliance
Employee policies	Talent Management, Performance Reward and Employee Relations	Group Human Resources

HSBC's approach to reporting under the UK Modern Slavery Act was developed by a Group-wide Human Rights Disclosures Network coordinated by Group Public Affairs, drawing on resources from all relevant functions, businesses, and geographies.

Improving our statement over time

HSBC Australia will continue to develop its modern slavery risk management capability by taking the following steps:

- ♦ **Supply chain:**
 - Review outcomes of 2023 onsite supplier audits to determine if corrective action plans are required with audited suppliers.
 - Review HSBC Group modern slavery audit strategy following 2023 Audit.
 - Extend ESG screening to the total contracted supplier footprint of HSBC Australia.
- ♦ **Customer:** A thematic risk assessment on wholesale customers where risks are likely to be higher in geographic; product and services; and sector will be considered.
- ♦ **Training:** Consider continuous training to businesses or functions that face elevated risk.

This Statement was approved by the Boards of HSBC Australia subsidiary, HSBC Australia Holdings and HSBC Custody Nominees on **20 June 2024, 18 June 2024 and 18 June 2024** respectively in their capacity as the principal governing body of these entities and by the Senior Officer Outside Australia (Philip Fellowes) in his role as principal governing body of HSBC Australia branch on **17 June 2024**.



Antony Shaw
Chief Executive Officer / Executive Director
as authorised signatory on behalf of each of:

- ♦ HSBC Bank Australia Limited
- ♦ The Hongkong and Shanghai Banking Corporation Limited, Sydney Branch
- ♦ HSBC Australia Holdings Pty Limited
- ♦ HSBC Custody Nominees (Australia) Limited



