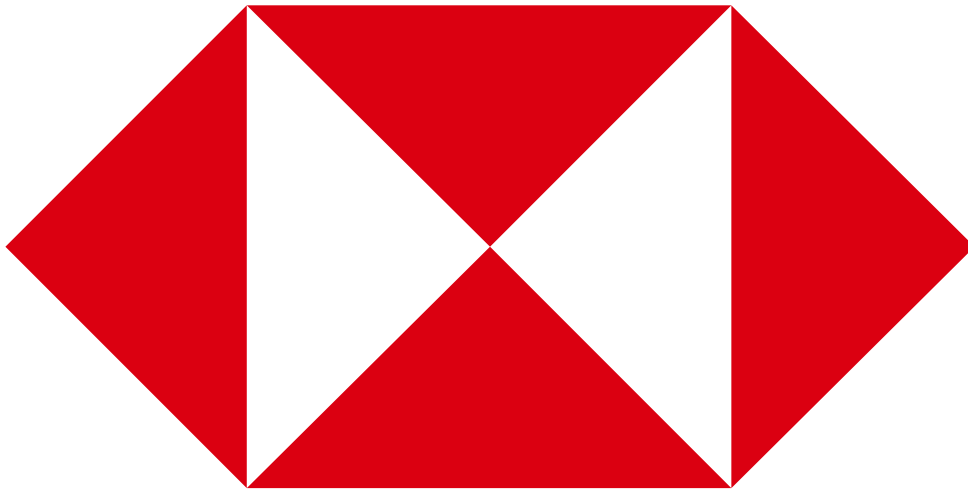


# HSBC Australia Modern Slavery Statement 2021

Publication date: 27 June 2022



## 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 three HSBC entities in Australia which are 'reporting entities' within the meaning of the Australian *Modern Slavery Act 2018 (Cth)*:

- HSBC Bank Australia Limited (**HSBC Australia subsidiary**) – a locally incorporated and regulated authorised deposit-taking institution wholly owned by (and indirectly controlled subsidiary of) The Hongkong and Shanghai Banking Corporation Limited (ABN 48 006 434 162 AFSL/Australian credit licence 232595) with its registered address 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, and does not have its own employees, suppliers or customers. 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), with its registered address 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, locally incorporated (ABN 22 006 513 873), and also a subsidiary of HSBC Holdings plc, with its registered address 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 of individuals able to represent these entities 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.

HSBC Group employs about 220,000 full-time equivalent staff from offices in 64 countries and territories across geographical regions in Europe, Asia, North America, Latin America, Middle East and North Africa.

HSBC Group has three global businesses – Wealth and Personal Banking, Commercial Banking and Global Banking & Markets. These business lines are supported by specialist global functions and service approximately 40 million customers worldwide. All three global businesses operate in Australia.

HSBC Australia subsidiary was established in 1965 and offers an extensive range of financial services through a network of 45 branches and offices across five Australian states and one territory. Its Wealth and Personal Banking business offers a wide range of retail banking and wealth management products and services designed to help internationally-minded customers. HSBC Australia, through its Commercial Banking business, offers a full range of financial services to mid-market companies, multinationals and international subsidiaries. HSBC Australia's Global Banking & Markets business, provides financial services and products to corporates, financial institutions and public sector clients.

As at 31 December 2021, HSBC Australia has about 1,900 full-time equivalent staff based in Australia and procures goods and services from more than 580 third party suppliers. These suppliers are mostly large and well-established. They are based mainly in Australia, but some have overseas operations from which we procure goods and services. These overseas operations include but are not limited to Asia, Europe and the United States. Additionally, HSBC Australia also receives internal services from other entities within the HSBC Group, whom are all governed by and adhere to the same HSBC Group principles, policies and requirements.

Further details on the structure and performance of HSBC Group can be found in the Strategic Report section of its Annual Report and Accounts 2021, 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 the second Statement under the Australian *Modern Slavery Act 2018 (Cth)* (referred to as the **Act**). 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 [sixth statement](#) issued by HSBC Holdings plc with respect to modern slavery and human trafficking.

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 2021 (also referred to as the reporting period).

We 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 our operations and supply chain. Furthermore, this Statement examines some of the 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.

## Approach

How we do business is as important as what we do: we want trusting and lasting relationships with our stakeholders, with the aim of generating value in society and delivering long-term shareholder returns. In HSBC Group's refreshed [Human Rights Statement](#), we reiterate our commitment to the International Bill of Human Rights, the United Nations (UN) Declaration of Human Rights and the principles on fundamental rights set out in the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work, the UN Global Compact, the Organisation for Economic Co-operation and Development's Guidelines for Multinational Enterprises, the Global Sullivan Principles, the UN Principles for Responsible Investment and the UN Principles for Sustainable Insurance. HSBC Group continues to develop its approach to human rights, and its policies and procedures are under constant review.

The sections below set out how we approach the issues of modern slavery and also our commitments to protect the integrity of the financial system in which we operate.

## Managing and assessing modern slavery risks

HSBC Australia believes that we are exposed to the risk of modern slavery within our operations – albeit this risk is relatively low as our operations mainly involve the provision of financial products and services (including lending and project financing) to customers. The skills and location of our staff also mitigate against these risks.

In our supply chain, including when outsourcing and in the procurement of goods and services, there are certain industries, commodities and geographies that are considered higher risk for modern slavery. As set out further in this section of the Statement under Supply Chain, over the last reporting period and into 2022, HSBC Australia worked with an external third party to undertake an assessment of the supplier base for modern slavery risk. This assessment considered three lenses: supplier headquarter location (geographical risk), adverse supplier media coverage (if any), and category risk of the supplier (that is, the risk of the service provided) (see further detail below). Following this assessment, HSBC Australia identified that:

- Most of HSBC Australia's suppliers sit in geographical locations which are considered lower risk for modern slavery. However, we are acutely aware that slavery-like practices can and do occur in lower risk jurisdictions in certain higher risk categories
- There were five suppliers who had some form of adverse media coverage as it relates to modern slavery. These were subject to additional due diligence that confirmed that human rights and/or modern slavery risks were not pertinent to the supplier or the services they provide to HSBC Australia

- 3.8% of suppliers are deemed to be providing a service that is considered to be high risk. This relates to suppliers providing passenger air transport, securities custodial services, uniforms, human resources, financial services, card services, advertising agency services, information technology services, and sales and business promotion activities.

HSBC Australia will continue enhancing its supplier due diligence program with a focus on those suppliers identified within the high risk supplier categories relating to modern slavery.

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

HSBC Australia sets out further below how we have assessed and managed these risks to date, across our people, our customers and in our supply chain (including our outsourcing and procurement practices).

## **People**

### *Preventing discrimination and harassment*

HSBC's commitment to respect human rights in the workplace is embedded in the [HSBC Values](#) and set out in HSBC Group's global policy. HSBC requires all employees across the HSBC Group to treat colleagues with dignity and respect, creating an inclusive environment. Employees receive training on a variety of human rights related issues, including diversity and inclusion, bullying, harassment and racism.

HSBC Australia has a grievance procedure through which employees can raise work-related complaints. But we understand there are circumstances where people may feel the need to raise concerns more discreetly. HSBC Confidential, our global whistleblowing platform, allows our people, 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.

### *Employee voice*

We listen to feedback from our employees provided through surveys and two-way forums. We encourage all managers to hold regular staff meetings so they listen to employees and record their views. Our executives engage directly with employees to ensure that workforce engagement and employee voices are considered at board level.

### *Freedom of association*

HSBC Australia respects its employees' right to freedom of association. We work professionally with recognised employee representative bodies. We observe recognised agreements and local legal frameworks. Where we undergo organisational change, we will engage in appropriate consultation with our people and seek to redeploy persons where appropriate.

### *Pay*

HSBC Australia's reward strategy acknowledges that remuneration is one part of a comprehensive employee value proposition which is complemented by other factors such as organisational values, career development, meritocracy and attractive benefits. HSBC's performance and reward philosophy helps to attract, retain and motivate the very best people, regardless of gender, ethnicity, age, disability or any other factor unrelated to performance or experience. This strategy recognises people who are committed to the sustainable long-term performance of HSBC in the interests of our shareholders and other stakeholders.

In 2019, in Australia, the Banking, Finance and Insurance Award 2010 (**Award**) was amended to introduce the concept of 'no disadvantage' for employees who are paid an annualised salary. That is, employees paid on an annualised basis cannot be disadvantaged compared with their hourly rate, including overtime rates. HSBC Australia is compliant with the Award, including an annual reconciliation of hours worked to ensure that we are paying at or above Award rates.

### **Supply chain**

HSBC Australia has procured goods and services from over 580 external third party suppliers including circa 220 ongoing suppliers since 31 December 2021. These suppliers are mostly large and established organisations and are based mainly in Australia, although some have overseas operations from which we procure, including but not limited to Asia, Europe and the US. In terms of spend, the most material suppliers provide corporate real estate services, marketing and communications and professional services.

As noted previously, HSBC Australia worked with an external third party to undertake an assessment of the supplier base for modern slavery risk. This assessment considered three lenses: supplier headquarters location (geographical risk), adverse supplier media coverage (if any), and category risk of the supplier (that is, the risk of the service provided). A summary of this risk assessment is provided in the sections below.

*Supplier geographical risk*

Supplier contracting entity location was reviewed to assess modern slavery risk which showed that based on the registered address, there are no suppliers based in a high risk country and less than 1 per cent of total spend is with suppliers based in medium risk countries (i.e. Singapore and Israel). The remaining spend is with suppliers who are headquartered in Australia (95 per cent) and other low risk countries (4 per cent).



Top 10 - Location and suppliers in order of spend

Australia	95%
United States	2%
United Kingdom	1.3%
Switzerland	<1%
Singapore	<1%
Belgium	<1%
Hong Kong	<1%
Saudi Arabia	<1%
New Zealand	<1%
Israel	<1%



*Supplier adverse media risk*

The assessment conducted also looked at adverse supplier media coverage as a second lens. This identified that circa five of our 580 suppliers have had some form of adverse media coverage as it relates to modern slavery however these were subject to additional due diligence that confirmed that human rights and/or modern slavery risks were not pertinent to the supplier or the services they provide to HSBC Australia. Since 2020, HSBC Group has used a third party to scan for negative news related to human rights and modern slavery (refer to the section below on policy). All negative news identified in our scanning ecosystem is reviewed and enhanced due diligence is undertaken if required.

*Supplier category risk*

As noted earlier, suppliers fall into different categories including but not limited to information technology services, resource management services and banking operations support. In terms of spend, the most material suppliers provide corporate real estate services, marketing and communications and professional services. The category

risk rating also takes into consideration the location of services provided using the global slavery index and social hotspot data.

The assessment conducted also looked at supplier category and commodity risk as the last lens. The assessment has been performed at the Tier 1 third party level (that is, a Tier 1 supplier is a direct supplier of HSBC Australia, and Tier 2 are considered fourth parties).

The assessment found that the majority of our suppliers (81.8 per cent) fall into low risk categories; 14.4 per cent fall into medium risk categories and 3.8 per cent high risk. The top 10 high risk categories are suppliers providing passenger air transport, securities custodial services, uniforms, human resources, financial services, card services, advertising agency services, information technology services, and sales and business promotion activities.

### *Policy*

HSBC Australia's contracting process with ongoing suppliers includes requirements on our suppliers to meet our [Ethical and Environmental Code of Conduct for Suppliers of Goods and Services \(supplier code\)](#). This has been updated to take account of revised legislation on disability rights, modern slavery and human rights. HSBC expects suppliers to respect the human rights of their employees and the communities in which they operate, and to comply with all relevant legislation, regulations and directives in their respective countries. Our supplier code prohibits the use of forced labour and child labour, and respects labour rights including non-discrimination and the right of freedom of association. Workers, whether they be local or migrant, must also have the right and ability to leave employment when they choose, to the extent possible under local law.

We work collaboratively with our supply chain partners on sustainability issues, including modern slavery. If a supplier is found no longer to be in compliance with our supplier code, we propose to work collaboratively with them on an improvement plan or, if deemed necessary, suspend or terminate the relationship.

In 2019, we strengthened our policy and, risk position, by introducing standard contractual clauses that formalise the commitment to our supplier code. The clauses support our existing right to audit our suppliers in various circumstances. Internal guidance was published to ensure a consistent approach to articulation and, where appropriate, negotiation of these clauses with our suppliers.

In 2020, we increased the use of these standard contractual clauses in our supplier population as contracts were re-tendered or renewed.

In August 2020, the Supplier Qualification Review process was introduced for new suppliers with a contract value greater than USD500,000, with negative news screening across 23 environmental, social and governance (ESG) risks (see below). In 2022, this review criterion was amended from contract value to a category based criteria to ensure correct scope of ESG review is applied.

In 2020, ESG negative news screening was introduced for new (ongoing) suppliers. Screening is conducted across 23 ESG risks including but not limited to:

- Human rights abuses and corporate complicity
- Forced labour
- Child labour
- Discrimination in employment
- Occupation, health and safety issues
- Poor employment issues
- Corruption
- Bribery
- Extortion
- Money laundering

Any issues identified are investigated to determine if they would prevent HSBC Australia from proceeding with a supplier because the identified risks do not align with our supplier code. In addition, a mandatory financial crime risk review of activity is conducted. This review seeks to identify any activity that may be associated with, or a predicate offence to, money laundering or the financing of terrorism, including but not limited to bribery, corruption, financial crime, trafficking, organised crime, money laundering, the financing of terror and tax evasion.

Each ongoing supplier is allocated a third party engagement manager (**TPEM**) who is a HSBC employee from the relevant global business or function responsible for the management of the service received. TPEMs are trained on third party risk management topics including human rights and modern slavery.

**At 31 December 2021, for the 220 ongoing suppliers:**

- 100% of suppliers have been assessed against the financial crime process
- 18% of suppliers have been screened for ESG risks. HSBC has recently moved away from a USD500,000 mandatory value for ESG screening to a category approach which will see more suppliers screened for ESG risk
- 94% of suppliers have accepted our supplier code. Where a supplier does not, they may have their own code of conduct, or we may choose to accept the risk of not having a code of conduct. However, we do not choose to accept the risk in respect of any supplier who may be categorised as 'high risk' by HSBC Australia.

### **Customers**

HSBC Group has specific [sustainability risk policies](#) covering agricultural commodities, chemicals, defence, energy, forestry, mining and metals, thermal coal and UNESCO World Heritage Sites and Ramsar-designated wetlands. We also apply the [Equator Principles](#) when financing projects.

Our [policies on anti-money laundering, sanctions, and anti-bribery and corruption](#) aim to ensure that financial crime risks identified by HSBC Group are appropriately mitigated.

HSBC Australia's relationship managers are the primary point of contact for our customers, and are responsible for checking whether our customers meet applicable policies. They are supported by a local sustainability risk manager who has local responsibilities for advising on, and overseeing the management of, environmental and social risks. Sustainability risk managers are supported by HSBC Group Sustainability and Reputational Risk, a central team responsible for developing policies, guidance, training and overall policy compliance.

In addition, in 2020, HSBC Group started to screen certain wholesale customers for ESG risks in line with our reputational risk and client selection governance processes, including in Australia. In certain cases, we access independent ESG news data from a specialist vendor to help us build a clearer picture on whether such customers are acting responsibly on ESG issues, including with respect to modern slavery and human trafficking.

In this reporting period, we completed a review of our wholesale customer base for geographical modern slavery risk. That is, we reviewed the country of incorporation and/or residence and country of major trading of all wholesale customers against the 10 countries with the highest prevalence of modern slavery from [The Global Slavery Index 2018 \(Walk Free Foundation\)](#). This resulted in three customers being identified for review for modern slavery as part of existing enhanced due diligence processes. Additional work will also be undertaken in the next reporting period to assess the wholesale customer base with a focus on sector/category modern slavery risk.

### **Protecting the financial system**

HSBC Group is committed to helping protect the financial system on which millions of people depend.

Our Compliance function uses leads, investigations, analytics and technology, including via public and private partnerships, with the aim of identifying, mitigating and deterring financial crime and in providing valuable information to government partners. This enables HSBC Group to proactively identify gaps, trends and emerging risk issues and to protect our services from exploitation. Our regional teams analyse the inherent modern slavery and human trafficking risks in their markets, allowing for a more precise assessment of a variety of modern slavery and human trafficking risks across our markets and businesses. For example, our teams in Hong Kong are assessing key types of modern slavery in Asia — including the exploitation of adults, children and migrant workers through forced labour — by applying specific risk indicators across retail and commercial clients and all business product lines.

#### *Identifying and disrupting illegal activity*

Our Compliance function's analytical and investigative work helps enhance our ability to identify, monitor and disrupt the methods used by criminals for criminal activity, and the resultant laundering of proceeds through the

financial system. This includes using both traditional rules-based systems as well as HSBC's intelligence-led approach which deploys bespoke analytics capabilities to highlight unusual or suspicious activity, which could indicate instances of modern slavery and human trafficking for further investigation.

These assessments help us enhance our control framework and help build up our central repository of financial crime typologies and risk indicators addressing modern slavery and human trafficking risks. We identify potential indicators of modern slavery and human trafficking through our own investigative and analytical activity, regularly monitoring open source reporting engaging with industry and law enforcement partners, as well as our own investigations. By way of example, a compliance team in our Asia Pacific region identified an active retail banking account in the name of a suspected member of a cross-border human trafficking syndicate, based on a negative news article. According to news reports, the individual was part of a syndicate that trafficked approximately 90 sex workers every month during the COVID-19 pandemic. The syndicate allegedly arranged accommodation for the sex workers, who would then advertise their services on social media platforms and adult entertainment websites which had servers hosted overseas. Upon a review of the subject's transactional data, the team identified overlaps between the subject's transactional activity and details described in the article, e.g. frequent cash deposits and withdrawals, which likely represented earnings from the sex workers, and credit card and mobile wallet transactions towards food delivery, hotels, transportation, beauty products and other everyday transactions, which included payments to various unrelated individuals.

## Working in partnership

HSBC is a strong proponent of public-private partnerships and information sharing initiatives. We play an active or founding member role in public-private partnerships in numerous jurisdictions around the world and, where the law allows, work cooperatively with other participants in the global financial system to share both strategic and tactical level information to combat financial crime, including that related to modern slavery and human trafficking.

In the UK, for example, HSBC continues to be a leading member of the Joint Money Laundering Intelligence Taskforce. One of its key operational priorities is "*understanding and disrupting the funding flows linked to organised immigration crime and human trafficking*". Further information and reporting on its work is available on the [UK National Crime Agency website](#).

HSBC is a founding member of the UK Home Office's Business Against Slavery Forum, which brings together senior business leaders in the UK, committed to pioneering industry action to eradicate modern slavery from supply chains.

In November 2021, HSBC joined the US Department of the Treasury's 3rd Annual Partnership to Combat Human Rights Abuse and Corruption and delivered a presentation on forced labour risks in supply chains. HSBC will continue to engage the US Treasury and US law enforcement partners under the US National Action Plan to Combat Human Trafficking, announced in December 2021, which calls for enhanced cooperation between public and private sectors.

In Hong Kong, HSBC leverages informative toolkits and reports by non-profit organisation partners, including the Mekong Club. HSBC is an active member of the Mekong Club's financial services working group. These alliances are collaborative efforts that focus on highlighting specific criminal typologies as they affect certain regions, as well as the unique sourcing, movement or exploitation of individuals within that region.

In March 2021, representatives from HSBC's Compliance team in Hong Kong took part in the UN Office on Drugs and Crime's Regional Expert Group Meeting on 'Fostering Cooperation between the Public and Private Sector to Counter Trafficking in Persons in Asia-Pacific', along with representatives from technology, supply chain and financial services industries around the world. HSBC's team contributed ideas on the benefits and challenges in forming public-private partnerships.

HSBC also 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 and human trafficking risks. Throughout 2021, HSBC participated in joint law enforcement and civil society conferences, including the UN Global Compact's UK Modern Slavery Working Group. HSBC meets and/or exchanges correspondence with NGOs and civil society groups when they raise concerns related to customers of HSBC Group.

HSBC is a member of the Thun Group of banks, the main purpose of which is to deepen understanding of the UN Guiding Principles on Business and Human Rights within the context of banks, and to consider how those principles may be applied across the range of different banking activities.



Locally, HSBC Australia is a member of the Fintel Alliance, a private-public partnership of 29 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.

## **Education and awareness**

HSBC Group is committed to raising awareness of the issues of modern slavery and human trafficking with all employees. We believe in continuous education and in ensuring that our frontline staff in particular are equipped with the right tools and training to be effective in their roles.

HSBC Group employees are made aware of their employment rights through a variety of channels, including written employment contracts and policies, and procedures found in employee handbooks and staff websites. Employees receive training on a variety of human rights related issues, including but not limited to: diversity and inclusion; bullying, harassment and racism; anti-money laundering; data privacy and bribery and corruption. This includes training on identifying vulnerable customers.

With respect to preventing discrimination in the workplace, training on harassment and racism is included in the mandatory training that all our employees are required to complete.

In 2022, HSBC Australia conducted an awareness session on modern slavery for all supply chain management staff. In 2022/23 we also propose to deliver on-line training/awareness training on modern slavery to all staff in Australia.

## **Governance and monitoring effectiveness**

HSBC Australia created a modern slavery working group in 2021, drawing upon resources from a number of functions within HSBC Australia, as well as 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 2021 statement (HSBC Australia Modern Slavery Statement 2020 of 18 June 2021) and HSBC Group's statement of 22 February 2022. It was reviewed by various stakeholders with whom HSBC Australia and HSBC Custody Nominees consulted in order to develop this Statement. This included the modern slavery working group and HSBC Australia's executive 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.

During the reporting period, we gained better understanding of our modern slavery risks in our supply chain and HSBC Australia will continue reviewing its supplier due diligence program with a focus on those suppliers identified within the high risk supplier categories relating to modern slavery. This activity will be managed via an existing HSBC Australia third party forum and will include new key metrics, to be tracked quarterly, including:

- Percentage of (ongoing) suppliers screened for ESG risks since 31 December 2021
- Percentage of (ongoing) suppliers that have accepted the supplier code
- Oversight/governance over the review of the high risk category suppliers and adverse media coverage suppliers will also be governed through this forum.

The modern slavery working group also remains in operation and meets on a regular basis to maintain continuous improvement on our approach to modern slavery risks across HSBC Australia's broader operations, as well as to support the delivery of an annual statement.

## Improving our approach over time

HSBC Australia will continue to develop its modern slavery risk capability by:

- **Supply chain:** Reviewing the risk assessment results of high risk category suppliers and enhancing our supplier due diligence program accordingly
- **Customer:** Continuing to assess the modern slavery risks in our wholesale customer relationships, with a focus on sector/category modern slavery risk
- **Education:** Following on the awareness session conducted for third party engagement managers, we propose to deliver on-line training/awareness training on modern slavery to all staff in Australia
- **Financial crime:** Reviewing and analysing the Typologies and Indicators Working Paper published by the Australian Banking Association in March 2022, with a view to determining if any additions or amendments should be made to typologies currently used by HSBC Australia.

**This Statement was approved by the Boards of HSBC Australia subsidiary, HSBC Australia Holdings and HSBC Custody Nominees on 24 June 2022, 21 June 2022 and 21 June 2022 respectively in their capacity as the principal governing body of these entities and by the Senior Officer Outside Australia (Surendra Rosha) in his role as principal governing body of HSBC Australia branch on 21 June 2022.**



**Kaber Mclean,**

**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