

HSBC Modern Slavery and Human Trafficking Statement 2024



HSBC

Opening up a world of opportunity

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Section 1: About HSBC

HSBC is one of the largest banking and financial services organisations in the world.

Guided by our purpose of opening up a world of opportunity, our ambition is to be the preferred international financial partner for our clients.

For further information on our Group structure see www.hsbc.com/who-we-are.

What we do

In 2024, we served around 41 million customers worldwide through a network covering 58 countries and territories. Our customers range from individual savers and investors to some of the world's biggest companies, governments and international organisations.

We serve our customers through four businesses: Hong Kong, UK, Corporate and Institutional Banking, and International Wealth and Premier Banking.

We help millions of our retail and wealth customers look after their day-to-day finances and manage, protect and grow their wealth.

Our global reach and expertise help domestic and international businesses around the world unlock their potential and we provide a comprehensive range of financial services and products to corporates, governments and institutions.

Section 2: Our policies

How we do business is as important as what we do. This is consistent with the HSBC values.

In our [Human Rights Statement](#) we set out how we seek to meet our responsibility to respect human rights. Our approach is guided by the UN Guiding Principles on Business and Human Rights (UNGPs) and the Organisation for Economic Cooperation and Development (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 personal customers, as a buyer of goods and services, as an investor and as an employer.

This Statement builds on the Human Rights Statement, with more specific information on our approach to tackling modern slavery and human trafficking. Modern slavery includes, but is not limited to, child labour, forced labour and debt bondage.

Employees

HSBC's commitment to respect human rights in the workplace, including the right to decent work and freedom from discrimination, aligns with our values and is set out in our global policy. Our approach is set out in detail on the HSBC Group website – see [Our commitments and actions](#).

Business customers

Our sustainability risk policies form part of our broader risk management framework and are important mechanisms for managing risks. These policies focus on mitigating reputational, credit, legal and other risks related to our customers' environmental and social impacts. For further details, see our sustainability risk policies at [Sustainability risk | Managing risk | HSBC Holdings plc](#).

In 2003, HSBC adopted the Equator Principles, which provide a framework to assess and manage environmental and social risks when financing large projects. Where relevant, this includes consideration of whether projects will meet International Finance Corporation (IFC) Performance Standards, including those covering child labour, forced labour and restrictions on collective bargaining.

A just and inclusive transition means working to avoid people and communities being left behind. We are starting to address just transition-associated risks in relation to our business customers through our policies and risk management processes.

Our financial crime policies also apply to business customers, as set out below.

Suppliers

Our Supplier Code of Conduct (the Code) was refreshed in 2024. The Code sets out our ambitions and areas of focus with respect to the environment, diversity and human rights, and outlines the minimum standards we expect of our suppliers on these areas. We continue to formalise adherence to the Code in our supplier contracts, which includes the right to audit and to act if a breach is discovered. At the end of 2024, 96.7% of approximately 10,400 contracted suppliers had either confirmed adherence to the Code or provided their own alternative that was accepted by our Global Procurement function. Under the Code, HSBC reserves the right to review suppliers' policies, procedures or any other documents related to compliance with the Code. In some cases, HSBC may require an on-line or on-site audit of a supplier.

For further details of the number of suppliers in each geographical region, see the ESG Data Pack at www.hsbc.com/esg.



Investment

HSBC Asset Management recognises the impact which Environmental, Social and Governance (ESG) factors can have on the sustainability of companies, investment returns and risk. Human rights issues are amongst those considered in its due diligence, engagement and voting.

Personal customers

The provision of services to our personal customers may be linked to modern slavery through association with the financial activities of perpetrators of these crimes and their victims. Our 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, either from activity on customer accounts or interactions with branch staff, alerting relevant authorities if suspicions arise.

Financial crime

HSBC is committed to preventing our products and services from being exploited for criminal activity. One of the ways in which HSBC meets this objective is through our Global Financial Crime Policy (FC Policy), which establishes our minimum risk management and control requirements to enable HSBC and its staff to detect, analyse, investigate, report and mitigate the risk of HSBC facilitating or being used to facilitate financial crime. The FC Policy is designed to comply with the applicable money laundering, terrorist financing, proliferation financing, sanctions, export controls, bribery and corruption, tax evasion and fraud laws and regulations in the markets in which we operate. Perpetrators of modern slavery may generate profits that would be considered proceeds of crime; their actions may constitute money-laundering predicate offences 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.



Section 3: Our approach to due diligence and risk management

Risk overview

An analysis of our salient human rights issues indicated that HSBC 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.

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

Business customers

Due diligence

HSBC's relationship managers are the primary point of contact for many of our business customers and are responsible for managing customers' adherence to applicable policies and procedures, including our sustainability risk policies.

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 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. Business customer relationships may also be subject to further review by relevant Risk Committees.

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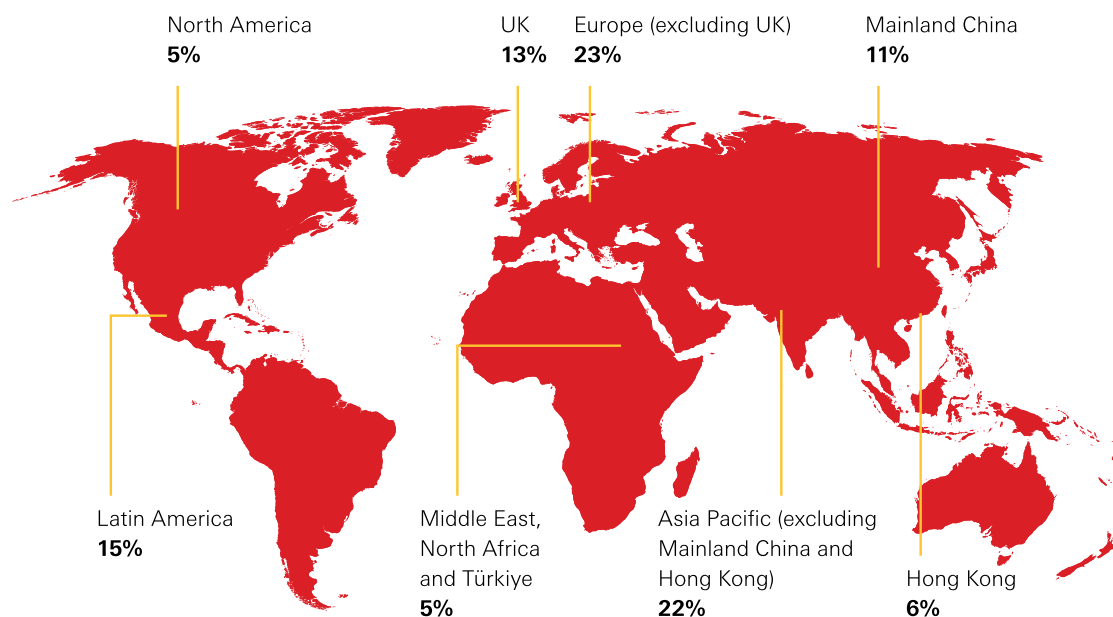
We obtain independent negative news data from a specialist vendor to help give us a clearer picture as to whether customers are acting responsibly on sustainability issues, including modern slavery.

Suppliers

Due diligence

We have developed a human rights due diligence operating procedure for Procurement globally. The procedure describes the due diligence process to be undertaken to identify suppliers where the risk of adverse human rights impact is considered higher and the process to be followed to review and mitigate the risk.

HSBC Group is supported by over 19,000 suppliers, across the regions shown in the map below. These suppliers, and the companies that supply them, constitute our global supply chain. HSBC's major categories of spending include consultancy/professional services, IT services, corporate real estate and services that support our banking operations.



Engagement

Our Code (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.

Investment

Due diligence

HSBC Asset Management uses a third-party research provider which monitors for controversies that could represent breaches of UN Global Compact (UNGC) principles, including those linked to human rights. This third-party monitoring may prompt due diligence on issuers of listed securities held in actively managed fundamental equity and fixed-income sustainable portfolios in HSBC Asset Management's main international investment offices. The findings of the due diligence are reviewed within its investment governance structures.

Engagement & voting

HSBC Asset Management's Stewardship Plan includes a set of engagement guidelines and expectations on human rights, which acts as a reference for its engagements with companies where human rights have been identified as a material investment issue. Its Global Voting Guidelines provide an overview of its approach to exercising its shareholder rights in respect of ESG issues, including human rights and workforce risk management. HSBC Asset Management participates in collaborative initiatives on human rights, such as PRI Advance and the Investor Initiative on Human Rights Data.

Personal customers

We continued to expand our Survivor Bank programme, which supports survivors of vulnerable situations including modern slavery and human trafficking in the UK.

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 seek to identify risks by screening them against specified lists, indicators and known typologies, and by monitoring our customers' transactions.

Where we believe we have identified signs of financial crime risk, including in association with 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 in 2024 we monitored approximately 900 million transactions for signs of financial crime. We performed daily screening of approximately 121 million customer records for sanctions exposure. In 2024, we filed over 113,000 suspicious activity reports to law enforcement and regulatory authorities where we identified potential financial crime.



Section 4: Measuring effectiveness

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.

Key Performance Indicator	2024	2023	Context
Survivor Bank Accounts (cumulative)	3,631	3,020	The 'Survivor Bank' programme supports survivors of vulnerable situations including modern slavery and human trafficking.
Percentage of contracted suppliers who have either confirmed adherence to the code of conduct or provided their own alternative that was accepted by our Global Procurement function	96.7%	95%	As described in Sections 2 and 3 above, our Code is a key element of our policy, risk management and due diligence processes in respect of our suppliers. By tracking suppliers that do not sign our Code, and through formalising adherence to the Code in supplier contracts, we can seek to increase supplier acceptance.



Section 5: 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 this, we produce briefings based on global news and trends, and encourage our employees to pursue certifications from relevant organisations.

In 2024, we provided practical guidance and training, where relevant, to our colleagues across the Group on how to identify and manage human rights risk. We also provided a detailed course on modern slavery to over 200 employees in the Risk team, highlighting the importance of identification and escalation. We delivered modern slavery and human rights training to 11,884 employees across our regions.

Our compliance team delivers insights on human trafficking risks and their impact on the financial services sector through internal reports and training sessions.

In Asia-Pacific, HSBC continues to assess developments in human trafficking risks across the region, leveraging information toolkits and reports by non-profit organisation partners and from regulators via established public-private partnerships and industry working groups. 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 2024, we strengthened staff awareness of human trafficking risks in the region and their impact on the financial services sector. For example, HSBC's Compliance team and the Mekong Club delivered staff training on industrial scale "scam centres", which have emerged across several jurisdictions, and which exploit human trafficking victims to engage in fraud and money laundering. The training reached over 1,000 colleagues in the region, providing information on demographic and transactional risk indicators as well as insights on how human trafficking intersects with other financial crime themes. HSBC also maintains specific modules on human trafficking risks within our suite of online training, which is available to staff across the Bank.

In 2024, our Supply Chain Sustainability team provided training to regional Procurement teams, to provide a baseline understanding of key sustainability issues relevant to Procurement, including human rights.

Our Wholesale banking business has developed training to support relationship managers in dealing with potential adverse human rights impacts related to our business customers.

Our Wealth and Personal Banking team delivered training to raise awareness of modern slavery, helping employees to identify signs of abuse and escalate concerns through established channels. Our customer-facing employees globally are trained to identify and support vulnerable customers as part of their induction training.

In our Asset Management business, internal training on human rights has also been carried out during the year.

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 these 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 information to help combat financial crime, including that related to modern slavery. We work with a range of markets and standard-setting bodies, including the Financial Action Task Force (FATF), to share our initiatives and findings.

In the UK, for example, HSBC continues to be a leading member of the [Joint Money Laundering Intelligence Taskforce](#) (JMLIT). One of JMLIT's key operational priorities is "understanding and disrupting the funding flows linked to organised immigration crime and human trafficking". HSBC has participated in joint law enforcement and civil society conferences, including the UNGC's UK Modern Slavery Working Group. We aim to 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.

Section 6: Governance

This Statement covers the period from 1 January to 31 December 2024.

In 2021, we enhanced our governance on human rights by appointing key members of our Group Executive Committee (forerunner of the Group Operating Committee) to our Human Rights Steering Committee. In 2024, this Committee met on 3 occasions.

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
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. The Statement was considered and approved by:

HSBC Holdings plc ESG Committee
HSBC Holdings plc Disclosure and Controls Committee
Boards of other HSBC Group entities required to report under the UK Modern Slavery Act listed in the adjacent table.
HSBC Holdings plc Board

The Statement is signed by the Group Chairman on behalf of the Board of Directors of HSBC Holdings plc and of the entities listed in the adjacent table. The Boards of Directors of the entities listed in the adjacent table approved the Statement on the dates shown, and delegated authority to the Group Chairman to sign on their behalf.

Sir Mark Tucker Group Chairman

13 February 2025

The HSBC Group entities required to report under the Act are:

Entity	Date of Approval
HSBC Holdings plc	13 February 2025
HSBC Alternative Investments Limited	11 February 2025
HSBC Asia Pacific Holdings (UK) Limited	10 February 2025
HSBC Bank plc	12 February 2025
HSBC Equipment Finance (UK) Limited	7 February 2025
HSBC Finance (Netherlands)	10 February 2025
HSBC Global Asset Management (UK) Limited	11 February 2025
HSBC Global Asset Management Limited	12 February 2025
HSBC Global Services (UK) Limited	12 February 2025
HSBC Global Services Limited	11 February 2025
HSBC Group Management Services Limited	11 February 2025
HSBC Holdings B.V.	10 February 2025
HSBC Innovation Bank Limited	12 February 2025
HSBC Investment Bank Holdings Limited	27 January 2025
HSBC Invoice Finance (UK) Limited	6 February 2025
HSBC Latin America Holdings (UK) Limited	29 January 2025
HSBC Life (UK) Limited	11 February 2025
HSBC Overseas Holdings UK Limited	10 February 2025
HSBC UK Bank plc	11 February 2025
Marks and Spencer Financial Services plc	12 February 2025

