

Whistleblowing Policy

Policy

In line with our Global Principles, it is important that our people are aware that they should speak up when something is wrong. This enables issues to be dealt with effectively in the interests of HSBC, our customers, employees, shareholders and other stakeholders.

The policy sets out the minimum requirements for Risk Owners to mitigate the risk of failing to operate adequate whistleblowing arrangements. Reference must also be made to the [Mandatory Whistleblowing Procedure](#).

Risk Type

Primary: Regulatory Compliance

Secondary:

Purpose

Regulatory Compliance Risk > Regulatory Licensing, Permissions and Rules > Failure to Operate Effective Whistleblowing Arrangements

The risk of failing to operate effective whistleblowing arrangements.

Application

Who This Applies To

Global.

For the purposes of this policy, whistleblowing is considered within HSBC to be a disclosure by a Person of a whistleblowing concern relating to HSBC Group or entities.

Individuals should note HSBC's Speak-Up arrangements actively encourage them to raise concerns through usual routes of escalation, such as with line management, through exchanges or to Compliance.

HSBC Confidential is HSBC's whistleblowing channel and is centrally managed by Global Regulatory Conduct and is promoted on the intranet in each country. HSBC Confidential enables a Person to raise concerns confidentially where they feel other routes are inappropriate or are unavailable, or where a Person has concerns about the effectiveness or efficiency of another channel they have used.

Further detail can be found in the [Whistleblowing Procedure](#) and additional operational information and guidance can be located via the [Whistleblowing team - sharepoint](#).

Exclusions

HSBC Confidential is not always the most appropriate channel to deal with every concern raised, and concerns may be re-directed to an alternative channel, where it is deemed more appropriate. This:

Includes personal grievances, which can be raised with HR and customer complaints, which have dedicated processes and procedures for handling.

May also include re-directing concerns raised where the issue represents an immediate risk to a Person or an emergency security risk issue.

Supplementary country policies

Algeria

- HSBC Bank Middle East Limited ALGERIA
Australia

Bahrain

HSBC Bank Middle East Limited BAHRAIN BR
India

Kuwait

- HSBC Bank Middle East Limited KUWAIT BR
Maldives

Malta

Mauritius

Qatar

- HSBC Bank Middle East Limited QATAR BR
United Arab Emirates

HSBC Bank Middle East Limited

- HSBC MIDDLE EAST LEASING PARTNERSHIP

Key Policy Outcomes

We have no appetite for failing to implement mechanisms through which individuals feel safe to raise confidential concerns. Where failures are identified, these will be addressed promptly and efficiently.

HSBC promotes an open and honest culture where a Person is supported and protected in raising concerns about wrongdoing or unethical behaviour. This is known internally as Speak Up. There are a number of escalation channels under our Speak Up arrangements, including, via this policy, our globally mandated whistleblowing channel, HSBC Confidential.

The Whistleblowing Policy supports the implementation of procedures and processes to:

Ensure that HSBC Confidential is promoted as a safe, simple and confidential way to raise whistleblowing concerns.

Ensure that Individuals are aware of procedures to be followed if they want to raise, or if they receive, a whistleblowing concern.

Set the standards to ensure the protection of Persons raising whistleblowing concerns, including in relation to independence of investigations, confidentiality and protection from retaliation.

Provide a globally consistent approach to the capture, assessment, allocation, investigation and reporting of whistleblowing concerns.

Ensure governance and management oversight of whistleblowing arrangements.

- Ensure the follow-up of actions arising from whistleblowing investigations.

In achieving the above the Whistleblowing Policy also requires that:

The identity of a Person raising a whistleblowing concern, must be kept confidential unless disclosure is required for legal or regulatory reasons, or unless otherwise permissible. Further detail on confidentiality and the requirements for disclosure can be found in the [Whistleblowing Procedure](#).

All Individuals (including Executive and Non-Executive Directors) approached with concerns reported directly to them must ensure that those concerns are routed to the appropriate channel. This includes where concerns are raised by a Person who is external to HSBC. Where an Individual receives a whistleblowing concern directly, they must report this through HSBC Confidential and must not discuss the concern with anyone outside of this channel.

We support anyone who has a genuine concern to raise it without fear of consequences, even if they turn out to be mistaken.

We do not tolerate retaliation against any Person raising a whistleblowing concern, or against any party connected to that Person. This includes colleagues or relatives, as well as any legal entities that the Person raising the concern owns, works for or is otherwise connected with.

We do not condone any attempts to prevent or hinder reporting. Retaliation in any form, or attempts to prevent or hinder reporting, will be considered as a disciplinary matter, up to and including dismissal. Persons who raise a whistleblowing concern may also be afforded specific protection under local laws and regulations.

Finally, the Whistleblowing Policy aims to ensure:

Whistleblowing concerns may be reported directly to a regulator or relevant agency instead of, or alongside, being reported through HSBC Confidential.

Nothing in any contract, agreement or policy must restrict or purport to restrict a Person from raising a whistleblowing concern, either internally or to a regulator or relevant agency.

In the event that the Group enters into a settlement agreement with a Person in relation to any matter, it must be explicit that this does not prohibit the making of a disclosure to the regulator/relevant agency.

There is no appetite for any dispensation from this policy.

Minimum Control Requirements

Certain key controls set out in this Policy form part of the [Operational Risk Control Library](#) for each Level 3 risk in the risk taxonomy. These controls must be assessed in accordance with the HSBC Risk Management Framework as set out in the [NFR Framework: Managing Non-Financial Risks and Controls](#).

For the avoidance of doubt, nothing in this Policy is intended to attribute any roles or responsibilities that go beyond those as set out in the [HSBC Risk Management Framework](#). The responsibility for the actual operation of some controls may sit with a Control Owner separate from the Global Business or Function (including DBS) (“GB/GF”) accountable for the risk (known as the Risk Owner).

Impacted GB/GFs must establish procedures and processes that operationalise at least the minimum requirements set out in this Policy. These must set out who is responsible for the operation of such controls. In certain circumstances, as an alternative to all impacted GB/GFs developing their own procedures, the [Global Whistleblowing Procedure](#) can be used. This would include requirements for impacted GB/GFs to implement in order to operationalise the relevant minimum requirements of this Policy.

In this context Chief Executive Officers are the Risk Owners. *Risk Owners* must ensure that:

Operating arrangements (including appropriate Global and/or local Business and Functions procedures) achieve the Policy Outcomes on an ongoing basis; and

Controls are operated and monitored effectively as described in the following Minimum Control Requirements (and further specified in associated Library Controls) The specific minimum control requirements to achieve the above are specified below:

Controls are managed and operated by Whistleblowing Oversight Teams within Compliance and by the Investigation Functions.

Further detail on the procedural requirements underpinning the controls and the delineation of roles and responsibilities is set out in the control library and the [Whistleblowing Procedure](#).

1. Promotion and Education of HSBC Confidential

(L1C- 00000874)

HSBC Confidential must be promoted as part of the Group’s Speak Up arrangements as a route by which a Person can raise concerns confidentially and anonymously.

Control Owners must ensure that:

Individuals are informed on how to use HSBC Confidential as a means to escalate concerns, including its intended use, limitations, and protections offered.

Those responsible for operating whistleblowing arrangements are provided with requisite learning and guidance. In particular, Investigators in Investigation Functions must have successfully completed minimum training requirements to perform role responsibilities.

2. Processing and Investigation of Whistleblowing Cases

(L1C – 00000875)

The end-to-end processing and investigation of whistleblowing cases must be completed in accordance with policy expectations, particularly with regard to mitigating potential breaches of confidentiality or retaliation.

Control Owners in the Global Whistleblowing Oversight Team must ensure that:

Whistleblowing concerns are appropriately logged, assessed and routed to appropriate Investigator/s for investigation.

- Case closure documentation standards are met by Investigation Functions.

Control Owners in Investigation Functions must ensure that:

Investigations undertaken by Investigation Functions are reviewed against quality standards that are aligned to policy requirements. This includes the following requirements:

Case closure reports must be approved by a second reviewer.

High and very high risk (and all Regulatory Compliance) cases must also be signed off by the Executive Risk Steward (or delegate).

In addition, Regulatory Compliance sign-off is required as a secondary Executive Risk Steward approver for all retaliation cases that have arisen as a result of raising an HSBC Confidential case previously.

Material actions arising from whistleblowing investigations are tracked through to completion.

3. Standards, Governance and Reporting

(L1C – 00000876)

Governance arrangements must be in place to provide oversight of whistleblowing arrangements. This includes the provision of management information to the appropriate regional governance forum/s. Management information must also be provided as appropriate to the Group Risk Management Meeting of the Group Executive Committee and the Group Audit Committee.

Control Owners must ensure that:

An appropriate governance framework is in place for oversight of whistleblowing arrangements.

Accurate and complete management information provided to governance committees is subject to a second review to confirm accuracy and completeness.

Key Performance Indicators (KPIs) that measure the operational effectiveness of whistleblowing arrangements are assessed to confirm that they remain fit for purpose. KPIs must be approved within governance committees on an annual basis.

Definitions

Individual:

Is anyone who works for HSBC as set out in the HR Functional Instruction Manual (FIM) "Recording the details of and classifying individuals working at HSBC". This includes employees, contractors, consultants, service provider workers and non-executive directors.

Investigation Function:

Is the relevant Risk Steward or specialised area with delegated responsibility to investigate whistleblowing concerns by the Risk Steward.

Investigator:

Is the subject matter expert within the relevant Investigation Function who has responsibility for a whistleblowing investigation as delegated by the relevant Risk Steward.

Person:

Is any natural person, including but not limited to an Individual, a former employee or worker or a person external to HSBC.

↳ **Retaliation:**

Is defined as an unfavourable act or other adverse treatment, which causes a Person raising a whistleblowing concern, or those connected to that Person, detriment or places them at a disadvantage, which has been prompted, wholly or in part, by that Person's decision to speak out. This includes threats and attempts of retaliation in the form of, amongst other things, dismissal, disciplinary action, withholding of promotion or training, discrimination, victimisation and other unfavourable treatment connected with raising a whistleblowing concern.

Whistleblowing Concern:

Is defined as a potential or actual breach of law, regulation or policies and procedures; and/or behaviour that harms or is likely to harm the reputation and/or financial state of the organisation. This definition may be broader than any definition of whistleblowing under local law or regulation. Examples of typical whistleblowing concerns, include, but are not limited to: Accounting impropriety; Breaches of Competition Law; Breaches of Human Rights; Bribery or corruption; Concealment of wrongdoing; Fraud or theft; Inappropriate customer treatment; Market Abuse; Misconduct, unethical culture or behaviour; Unsafe working environment.

Policy Owner and Management

Risk Steward: Lucy K WILLIAMS on behalf of M Pam KAUR

Policy Writer: Gary BURN

Effective Date

15 March 2023

Minimum Review Period

Annual

Appendices

Reference Number	Title	Description
D1.2.1	Whistleblowing Policy Australia	This is a Country Policy which has been developed in addition to the Global Policy B.1 Whistleblowing Policy addressing specific country regulatory requirements.
D.1.2.2	Whistleblowing Policy Maldives	This is a Country Policy which has been developed in addition to the Global Policy B.1 Whistleblowing Policy addressing specific country regulatory requirements.
D.1.2.3	Whistleblowing Policy Malta	This is a Country Policy which has been developed in addition to the Global Policy B.1 Whistleblowing Policy addressing specific country regulatory requirements.
D.1.2.4	Whistleblowing Policy Mauritius	This is a Country Policy which has been developed in addition to the Global Policy B.1 Whistleblowing Policy addressing specific country regulatory requirements.
D.1.2.5	Whistleblowing Policy India	This is a Country Policy which has been developed in addition to the Global Policy B.1

		Whistleblowing Policy addressing specific country regulatory requirements.
D.1.2.6	Whistleblowing Policy MENA (Algeria, Bahrain, Kuwait, Qatar, UAE and HMLP)	This is a Regional Policy which has been developed in addition to the Global Policy B.1 Whistleblowing Policy addressing specific regional regulatory requirements.