



# Statement of Business Principles and Code of Ethics

HSBC North America Holdings Inc.

For US Employees

August 2022



**HSBC**

| Opening up a world of opportunity



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Dear Colleagues,

Throughout its history, HSBC has strived to connect our clients to the rest of the world, and provide the best possible financial products, services and advice. We enable businesses to thrive and economies to prosper, helping our clients to realize their financial ambitions with a global connectivity that is unique in our industry. We aim to work in an ethical and responsible way, acting in our clients best interests, and recognize the impact we have on our communities and our obligation to pursue sustainable economic growth. We also understand our fundamental obligation to do what is right, and to conduct ourselves with honesty and integrity at all times. Our values and conduct are critical to both our clients'—and the Group's— success.

Every one of us has a critical role to play in this journey and every day I see daily examples of employees valuing difference, succeeding together, taking responsibility and getting it done—our four values. Adhering to these values will help us achieve our purpose: Opening up a world of opportunity for our clients. At its most literal, this is a statement about the power of our international network to connect people, ideas and capital across borders. And it reminds us that our unique blend of services and expertise can help us create opportunities for our customers that they can't find anywhere else.

But again, how we do business is as important as the business we do. To help guide employees in their work, we have collected here important statements regarding these values, and how we put them into practice. The principles set forth in our Charter and this Code of Ethics reinforce our purpose and our values as a company, and the behavior that we encourage in all employees through initiatives like 'At Our Best.' These principles help define how we act as individuals and collectively as an organization, and provide the standards by which we want our clients, our external constituents, and our communities to perceive us.

HSBC maintains this Code of Ethics, supplemented by a compendium of internal policies, to inform and guide us in our roles. We recognize, however, that a formal Code or policy cannot cover every situation. In a complex industry and fast-paced business environment, it is impossible to predict the various different and unique circumstances that we will encounter. As such, the principles outlined in this Code should be viewed as the baseline of expected behavior at HSBC.

Taking ownership for doing the right thing means asking the right questions and speaking up if you have concerns or are unsure of what to do. This document provides both guidance for when you should speak up and contacts to help you do so. I am personally committed to ensuring that you have a safe and supportive environment to report any possible violations of policy.

Thank you for taking the time to review this document carefully and for your ongoing commitment to making HSBC the world's leading international bank, and a place where we are all very proud to work.

Michael M Roberts

CEO, US and Americas

# HSBC Group Values and Business Principles

HSBC's values describe how we interact with each other and with customers, regulators and the wider community. Our principles form our character and define who we are as an organization and what makes us distinctive. They describe the enduring nature of how we do business. We bring these values and principles to life through our day-to-day actions and every employee must make a commitment to put our values and principles at the heart of how we behave. Clear purpose and values will help guide how we can all better support one another, our customers, shareholders and communities.

**Our purpose:** Opening up a world of opportunity

## Our values:

### ◆ We Value Difference

We were born speaking different languages. We were founded on the strength of different experiences, attributes and voices; they are integral to who we are and how we work. The greater our empathy and diversity, the better we reflect the worlds of our customers and communities – and the better we can serve them. We champion inclusivity. We listen. We remove barriers and we seek out views different from our own.

### ◆ We Succeed Together

We offer our customers a unique breadth of opportunity. We can only deliver the full promise of this by being truly connected – across boundaries with our customers and partners. Together as colleagues and as an organization, we collaborate across boundaries. We break down silos. We trust and support each other. When necessary, we get out of each other's way. Together, we make possible what we cannot do alone.

### ◆ We Take Responsibility

What we do has a real impact on people's lives, communities and the planet. We take this responsibility seriously. We set ourselves high standards and are each accountable for our actions. We always use good judgment. If something doesn't feel right, we speak up and act. We build for tomorrow, today. We succeed only by taking the long view, by focusing on the sustainable interests of our customers, investors, and the planet we all share.

### ◆ We Get It Done

We create value for our customers and investors by always moving forward and making things happen. We're entrepreneurial: we try new things, we learn and improve, and we take smart risks. We're dynamic: we reject mediocrity. We move at pace. We're decisive: we make clear choices and take bold actions. And we keep our word: we always do what we promise.

## Employee Charter

Our Charter explains the characteristics which have guided HSBC since our founding nearly 160 years ago. They are the values that guide us in what is important both in the work place as well as outside work related events and activities. They describe how we support our customers but also how we should interact with one another both in the workplace as well as outside work related events and activities. Our goal is to connect with customers across borders, so we also have to collaborate internally. A global network opens us up to many different cultures and perspectives, and valuing and respecting one another's differences and experiences is vital to our success.

Our industry has a growing list of rules and regulations. Our aim is to meet both the spirit and the letter of the law – to do what is right, not only what is legal. Our own policies often go further than the minimum required by law. Some are very specific, telling us what we must do and when. Others focus on the outcomes we should deliver. These policies outline principles to be applied, not just processes to be followed. They require us to use our judgment.

## Business Principles

HSBC's business principles direct how our business strategy is executed. They set the standard for how we make commercial decisions. They underpin the business conduct of all HSBC employees and, together with our values, play a critical role in protecting and enhancing the Group's reputation and improving business performance.

The HSBC Group is committed to the following business principles:

- ◆ **Financial strength:** maintain capital strength and liquidity
- ◆ **Risk management:** be enterprising and commercial, understand and be accountable for the impact of our actions, make prudent decisions
- ◆ **Speed:** be fast and responsive, make principles-led decisions
- ◆ **Performance-focus:** drive leading, competitive levels of performance, act with urgency and intensity, prioritize, simplify
- ◆ **Efficiency:** focus on cost discipline and process efficiency
- ◆ **Quality:** pursue excellence
- ◆ **Customer-focus:** provide outstanding customer experience
- ◆ **Integrated:** align the Group and break down silos
- ◆ **Social Responsibility:** prioritize sustainable finance and investment that supports the global transition to a net zero carbon economy. Support diversity and strengthen the bank's responsibility and action for equality.

# Compliance Values Statement

It is the policy of HSBC North America Holdings, its affiliates and subsidiaries (collectively, “HSBC (HNAH) and each of its subsidiaries”) to comply with the spirit and letter of all applicable laws, codes, rules, regulations and standards of good market practice and to adhere to the values of HSBC Group. We believe that a strong culture of compliance is essential to our reputation, sustainability and success. Our standards of conduct apply not only in the workplace, but also to all interactions with colleagues, clients, regulators, vendors, contractors and customers whether in the work environment; at social or corporate events; or using electronic communications, technology or social media platforms. As such, a compliance culture must be the cornerstone of our business and drive everything that we do. We believe that all who represent HSBC have a duty to act in a professional and respectful manner, demonstrate the highest standards of business and personal conduct, to act with honesty and integrity towards our customers, suppliers, regulators, the public and each other; protect the Group and act in its best interest, by adhering to our Statement of Business Principles and Code of Ethics. Every employee must demonstrate their commitment to our culture of compliance by adhering to the letter and spirit of the law, and applicable policies and procedures. If any irregularities do arise, they will be escalated and resolved promptly, and should be reported as appropriate.

Management at all levels has a special duty to act with integrity, to understand the rules

and regulations applying to the activities for which they have responsibility, to promote adherence to our compliance culture and take appropriate action if laws or policies are breached. Like all employees, management is expected to speak up and express concerns if they become aware of a possible violation of this Code or any HSBC policy.

Management at all levels must ensure they, and their executives with delegated managerial responsibilities, are fully acquainted with the rules and regulations applying to the operations for which they have responsibility. Ensuring compliance with legal/regulatory requirements are an integral part of the operational procedures of the business. Where managers become aware of breaches of laws or regulations, they must advise their Compliance Officer.

# Code of Ethics

This Code of Ethics contains a set of principles that govern our behavior – about who we are and what we believe as an organization. This baseline of understanding helps us make good decisions and know how to choose right from wrong. As our Charter explains, most of the decisions we make each day are straightforward, but some are not. This Code of Ethics does not address all circumstances that could arise. It is an additional guidance to assist you, rather than a complete set of rules and regulations for all situations. Should there be any question as to the interpretation of a particular principle or how best to handle a situation, you should refer your question to your supervisor or department head, Human Resources, Compliance, or the Ethics Office.

The principles described in this Code are intended to supplement and complement our Charter and HSBC North America Compliance Values Statement.

These standards of conduct apply not only in the workplace, but also to all interactions with colleagues, clients, regulators, vendors and customers whether in the work environment; at social or corporate events; or using electronic communications, technology or social media platforms.

Employees of HSBC North America Holdings, Inc. or one of its subsidiaries are required to read, understand and comply with the Code of Ethics and all HSBC policies. Violations of this Code or other company policies, or failure to report known concerns, including violations discovered through the exercise of reasonable due diligence, can

subject the employee to disciplinary procedures, which may include termination of employment.

Employees who report such violations are protected from retaliation. Processes for asking questions or for reporting violations, as well as key contacts, are provided at the end of this Code of Ethics.

This document does not create any contractual rights of any kind between HSBC and its employees. This document does not constitute or create a contract of employment. Unless you have a written employment contract providing otherwise, employment with HSBC is at-will, meaning either the employee or HSBC may end the employment relationship at any time.



## Respect for the Law

Numerous laws and regulations, both domestic and foreign, govern various aspects of HSBC's business including, but not limited to: The US Foreign Corrupt Practices Act, the Securities Exchange Act of 1934, the Financial Institutions Regulatory and Interest Rate Control Act, the Community Reinvestment Act, the Truth-in-Lending Act, the Fair Credit Reporting Act, the Bank Secrecy Act, the Gramm-Leach-Bliley Act, the Commodity Exchange Act, federal, state, and local employees laws, and various federal and state usury laws, to name just a few. In addition to business specific laws and regulations, all employees are subject to other laws and regulations such as laws governing inside information, securities, employment practices, wage and hour and antitrust laws. Failure to comply with these laws and regulations can have serious consequences, including legal liability for

damages and other penalties. Every employee has a responsibility to learn and understand the laws and regulations applicable to their behaviors, the activities of their department and their particular responsibilities within it.

**Some important areas of the law for employees to be familiar with are:**

### Anti-Money Laundering

Engaging in financial transactions with knowledge that the proceeds are from illegal activity is a crime. In addition, money laundering leads to the erosion of public confidence in the banking system. HSBC personnel must comply with all provisions of the Bank Secrecy Act -- particularly the reporting of suspicious transactions; this includes "tipping-off" of subjects. Suspicious activity reporting is one of our most important obligations and we are required to inform the authorities of transactions that may be related to illegal activity. HSBC is actively combating terrorist

financing, corruption, and any other form of money laundering. Compliance allows us to fulfill our obligations to our fellow workers, our governing authorities, our communities and the HSBC Group.

### Sanctions

HSBC is fully committed to complying with both US and other countries' laws regarding sanctions and other embargoes. We are fully supportive of the US Department of the Treasury's Office of Foreign Asset Control and its efforts to combat illicit financial transactions. We are all responsible for being aware of relevant sanctions and embargoes imposed by any country or the international community which may impact your work at HSBC.

### Anti-Boycott

Under US law, HSBC and its employees cannot take action that furthers a boycott of a country that is not sanctioned by the United States. HSBC is required to report any requests it or its employees receive to take actions that comply with, further, or support unsanctioned foreign boycotts. The law on this issue is complex and the penalties for violations are extensive, so employees must report any activity related to potential violations of anti-boycott laws to a supervisor immediately.

### Anti-Bribery

HSBC has a zero tolerance approach toward bribery and corruption and requires compliance with anti-bribery and corruption laws in all markets and jurisdictions in which it operates. These laws include the US Foreign Corrupt Practices Act, the Bank Bribery Act, and the

UK Bribery Act as well as other similar laws and regulations. This means that employees cannot improperly (1) offer or provide a payment or other advantage; or (2) solicit or accept a payment or other advantages to or from any third party (whether a public official, private individual, etc.) in order to obtain or retain business. "Other advantages" can be anything of value -- e.g., a charitable giving, tickets to a show, an offer of an internship, paid or unpaid, for a client's family member, etc. In addition, employees must ensure that any third parties engaged by HSBC to act on HSBC's behalf comply with these principles. HSBC also prohibits the making of facilitation payments.

### Insider Trading

The improper or personal use of nonpublic information concerning HSBC or its affiliates, customers or suppliers is a violation of HSBC's policies, and may subject both the employee and HSBC to penalties under various securities laws and regulations. Federal securities laws prohibit HSBC employees from taking advantage of nonpublic "material information" about HSBC or its affiliates, customers or suppliers, or communicating such information to others. Laws, regulations and HSBC policies also apply to and restrict employees' personal investments and any investment over which they have influence or provide advice. Employees are prohibited from using, sharing or trading on nonpublic information concerning HSBC or its affiliates, customers or suppliers. Employees with access to this information must guard it carefully, following HSBC's guidelines for handling sensitive information. If an employee violates these laws, they may be subject to penalties, including fines and imprisonment. Information where there is a "substantial likelihood" that a "reasonable investor" would consider the information

## Ask the Right Questions

To help meet our commitment to the Charter, all employees are challenged to "ask the right questions." For every decision, employees must ask themselves:

Am I operating within the rules? Do I know what the rules are? Is it legal and compliant? Am I acting within the letter and spirit of the law or policy?

Does this decision sit well with my sense of right and wrong? What would my friends, family or colleagues say? How would I feel if it was reported in the media? How does it support the communities we serve?

Does this make commercial sense for our customer and for HSBC? Who is this decision good for? Do I think it will stand the test of time? Do I really know enough about our customer?

Do I understand the impact of this decision on others? Am I treating people with respect? How would I feel in their shoes?

Do I have the courage to do the right thing? What is stopping me?

important in making an investment decision; the disclosure of information would be “viewed by the reasonable investor as having significantly altered the ‘total mix’ of information made available”; or, the disclosure of the information is “reasonably certain to have a substantial effect on the market price of the security” is considered material information.

## Lotteries, Raffles, Solicitation and Fundraising

HSBC employees must make every effort to ensure that they maintain awareness of and are in compliance with the federal law that prohibits national banks from participating in lotteries and related activities, such as raffles. As part of that effort, you must provide an attestation that you are aware of your responsibility to ensure that HSBC remains compliant with this law and understand where risks can potentially occur.

Under this law, a lottery is defined as three or more persons, advancing money or credit for a chance to win a prize. The law prohibits national banks from dealing in lottery tickets or participating in a lottery/ raffle, which includes announcing, advertising or promoting a lottery/ raffle using any of our facilities or systems. As a result, all U.S facilities may not allow lottery/raffle tickets to be sold on premises or permit promotion of the same, including lobbies, community rooms, parking lots, and ATM vestibules. Mall branches may not allow any space they control to be used, such as common space abutting the branch entrance. Solicitation for donations for either personal or work related causes and fundraising in all forms is restricted in the US, and prohibited including on or with HSBC properties and systems (posted fliers, laptops, team meetings, etc.), instant messaging, or any other device or application. No individual should share fundraising appeals via email or other sources. These fundraising restrictions also apply to

third parties, vendors, contractors, or any other individual. Even a well intentioned fundraising appeal from a nonprofit is restricted, so it’s a ‘best practice’ to simply delete any appeal which you may receive. See the US Fundraising, Solicitation and Distribution Policy found on the US Corporate Sustainability page for more details.

## Taxes

HSBC is fully committed to complying with the letter and spirit of all applicable tax laws. We do not assist clients in any activities intended to breach tax obligations and require employees to comply with all applicable tax laws.

## Investigations

Subject to certain regulatory exceptions, employees are required to cooperate with any legitimate and lawful government or internal investigation. They must tell the full, complete truth in such inquiries and are expected to provide the maximum level of cooperation by, among other things, being available to those conducting the investigation and by providing any materials requested by those conducting the investigation in a timely manner. A lack of cooperation with an investigation, or dishonesty during an investigation, may lead to severe sanctions, including termination of employment. To the extent possible and consistent with an objective and thorough investigation, the Company will attempt to protect the privacy of both the Complainant and the Subject of the investigation.

HSBC prohibits retaliation against employees who raise complaints or participate in

investigations. If employees have any questions regarding whether an inquiry is legitimate or lawful, they should contact their Legal or Compliance teams.

## Anti-Retaliation

HSBC relies on the cooperation and support of individuals who have witnessed or experienced possible incidents of alleged wrongdoing or violation of Company policy to report these instances. Such complaints may include, but are not limited to, claims regarding financial reporting and disclosure requirements, sales and trading irregularities, unauthorized sales practices, possible violations of banking and regulatory requirements, suspected misconduct, inaccurate preparation of financial statements, faulty accounting practices, financial audit matters, fraud, inappropriate use of HSBC resources, discrimination, sexual harassment, conflict of interest, or violations of law or HSBC policies. All information regarding any specific incident will be kept confidential to the extent possible, within the necessary boundaries of the fact-finding process. Individuals who wish to make an internal anonymous complaint should use HSBC Confidential as the reporting channel (toll free number or web-based). HSBC recognizes the importance of providing a safe environment for individuals to report incidents of possible unlawful activity or violations of policy. HSBC strictly prohibits all forms of retaliation against an individual who in good faith reports any such incident to HSBC or to a government agency or who assists in any investigation or judicial or administrative action of a government agency. If an employee believes that they have been improperly retaliated against, the employee is encouraged to report the actual or suspected wrongdoing through the channels listed on the last page.

## Fraud

It is everyone’s responsibility to report acts of fraud or suspected fraud. Customers and shareholders expect HSBC to protect its assets, customer information, and delivery channels. Fraud is any intentional act, by one or more individuals, to obtain an unjust or illegal advantage. It is a deception deliberately carried out in order to obtain unlawful or unfair gain. Fraud can be through third-party victim fraud (e.g., identity theft or impersonation) or via first-party ‘bad actor’ fraud and may occur internally or externally. Fraud can arise in many ways, including misappropriation of HSBC cash or other assets (including information); forgery or alteration of records; billing schemes; distortion of financial results; dishonest arrangements with suppliers/customers; theft; and corruption and falsification of expense claims, time reporting records or similar documents or within HSBC systems of record.

Fraud can potentially occur in any department of HSBC and the losses may not be limited to money or goods.

## Sales Practices

HSBC employees should act in the interests of prospects and customers. We vow to protect, support, and promote the principles of consumer choice, competition, and innovation enterprise, consistent with relevant legislative and regulatory public policy standards and our obligations to HSBC shareholders. HSBC employees should not knowingly participate in actions, agreements, or policies or practices which may be detrimental to customers, competitors, or the community. We will strive to ensure that our products and services offer fair value and service to our customers at reasonable cost.

## Respect for Each Other

HSBC is committed to diversity, inclusion and equal opportunity. We celebrate an inclusive organizational culture where individuals are valued, respected and supported, and where the richness of ideas, backgrounds, styles and perspectives benefit our employees, our business and our communities. In dealing with employees, customers and suppliers, HSBC makes decisions without regard to race, sex, ancestry, color, religion, national origin, marital status, parental status (including pregnancy), veteran's status, gender, gender identity or expression, sexual orientation, age, disability or any other status protected by the laws or regulations in the locations where we operate. All employees are responsible for ensuring that the working environment is free of any form of harassment (including but not limited to sexual harassment), bullying, discrimination, violence, intimidation, or inappropriate behavior.

Included in respect for each other is to respect pronouns of individuals who have stated a specific preference. Don't be afraid to ask if someone has a preferred pronoun (she/her, he/him, they/them, or they/he).

### Pronoun Best Practices:

- ◆ Don't make assumptions about someone's pronouns.
- ◆ Use inclusive language (Say "Welcome esteemed guests", not "Hello ladies and gentlemen")
- ◆ Allow for people to self-identify their pronouns
- ◆ Pronoun mistakes happen. If you get it wrong, thoughtfully apologize and do better next time.
- ◆ These standards of conduct apply not only in the workplace, but also to interactions with colleagues, clients, regulators, vendors and potential customers whether in the work environment, at social or corporate events; or using electronic

communications, technology or social media platforms. These standard also apply to inappropriate behavior while under the influence of drugs or alcohol whether at work, social, or corporate events.

Managers and decision makers are reminded to hire, assess and reward employees strictly on the merit of qualifications and job performance.

Recruitment for any staff, temporary or permanent, must not be used to obtain or retain business or obtain other benefits as any such conduct could be considered bribery, or an attempt to obtain confidential, non-public supervisory information from connected persons. All candidates will be required to disclose whether they are connected persons.

Because HSBC respects each employee's private life, social conscience and personal beliefs, managers may not require employees to perform personal tasks nor attempt to coerce employees into supporting any particular public issue, social cause or political candidate.

## Protecting Company Assets

### Protection of Customer Relationships and Business Interests

Protecting HSBC's and our clients' confidential information, as well as our customer relationships and other business interests is of foremost importance to HSBC. With these goals in mind, employees who are in Group Executive, General Manager, Managing Director and GCB 3 roles and GBM employees at all Global Career Band levels are subject to certain notice periods and non-

solicitation requirements, where allowed by law. By continuing employment with HSBC, employees subject to such provisions agree and acknowledge that they understand to act in the terms and conditions and agree (and agree to comply) with those terms and conditions. If an employee is unsure about whether they are subject to any notice periods or non-solicitation requirements, they should review HSBC's Non-solicitation and Notice Requirement policies or discuss with their manager.

### Conflicts of Interest

Part of each employee's responsibilities is to act in a way that contributes to the financial success of HSBC, enhances its reputation and fosters our customer relationships. This requires every employee to look after their own private financial interests in such a way that they are not in conflict with, and do not derive any improper profit or advantage from, their position with HSBC.

A "conflict of interest" arises when an employee's personal interest in a transaction, or an obligation owed to someone else, advances an employee's own personal gain or advantage whether or not they obtained this gain or advantage at HSBC's expense or at the expense of any entity of HSBC or its customers. This would also apply to a family member or friend of an employee.

In addition, personal transactions in HSBC accounts can impact its business interests, reputation and compliance with regulatory obligations. Therefore, every employee must be sure to comply with all applicable laws even when transacting personal business within their personal accounts. Employees may not transact personal business on HSBC systems that they may have access to in the course of their jobs. Rather, employees should utilize a Wealth Center or personal mobile device to conduct personal business transactions. When an actual or potential conflict of interest confronts an employee they must disclose its existence promptly to their immediate supervisor or Compliance officer.

## Employment of Relatives

HSBC expects a high level of integrity, objectivity and professionalism from all its employees. In keeping with these standards, HSBC may permit the employment or promotion of relatives if the following conditions are met:

- ◆ The new or existing employee will not be involved in the decision-making process of recruitment, salary, promotion or retention of the related person
- ◆ The new or existing employee will not be involved in the transacting, processing or auditing of or for the related person
- ◆ Reporting lines are structured to ensure that the related employees do not have the same immediate manager or the same manager at the next highest level of management
- ◆ The related employees will not have a formal or informal reporting/supervisory relationship (e.g., manager/subordinate, audit/oversight responsibilities of the related person)
- ◆ Disclosure and approval is granted as outlined below

A relative (whether by blood, adoption, or by marriage/domestic partnership) is defined as, but not limited to: Child, Domestic partner, Grandchild, Grandparent, Parent, Sibling or Spouse.

It is important to follow the guidelines outlined to ensure that there are no conflicts of interest or appearance of favoritism in the hiring, management or promotion of relatives.

An employee who may have a conflict is obligated to notify and seek approval in writing from their direct manager if working with, or if being assigned to work with, a relative or anyone else that may create a conflict for the employee. The manager is expected to apply the principles and exceptions set forth above, and should seek guidance from senior management and a representative from Human Resources who will consult with the Ethics Office as needed.

Some state and local laws prohibit discrimination against applicants and employees based on familial relationships except in limited circumstances. To the extent that these principles conflict with applicable law, applicable law shall prevail. Employees with questions should contact Human Resources.

### **Romantic Relationships Between Workers**

Romantic relationships between supervisors and subordinates are prohibited. Supervisors, managers, executives or anyone else in a “position of authority” (however temporary or informal) must disclose to their direct supervisor and a Human Resources professional the existence of any relationship with a co-worker, contract worker, consultant, or service provider, that has progressed beyond a platonic friendship. This disclosure will enable HSBC to determine whether a conflict of interest exists and endeavor to find a solution to eliminate the conflict. Depending on a number of factors, such as the reporting relationships involved, one of the employees may be involuntarily transferred to another department.

For additional information regarding the Company’s policies concerning dating between employees, employees should consult the Global: US Anti-Bullying & Harassment Code.

### **Marriage**

If an employee marries someone in their department, depending on a number of factors, such as the reporting relationships involved, one of the employees may be involuntarily transferred to another department.

### **Human Resource Positions**

Relatives of employees in a Human Resources position responsible for hiring or termination decisions may only be hired with the Head of Human Resources approval.

### **Actions**

If a conflict of interest exists or is likely to arise due to the relationship between employees, the Company will take appropriate action to resolve the conflict, which may include the involuntary transfer of one of the employees involved.

### **Gifts and Entertainment**

Employees must not accept or offer any benefits (including all types of gifts and entertainment) that are likely to actually, or appear to, conflict with their duties to or from any customer, supplier, services provider, or any member of the HSBC Group. Entertainment includes any meals, events and travel accommodations related to an event. Employees must actively but sensitively, discourage customers, suppliers or service providers from offering personal benefits outside of company policy. Company policy allows some benefits, subject to limitations and approvals, and requires recording of such benefits. However, the giving or receiving of cash or cash equivalents, e.g., gift cards, is prohibited.

### **Personal Gain**

Employees must not use confidential information about HSBC, its employees, customers, or suppliers entrusted to them, or that they otherwise become aware of in the course of their employment, for personal gain or the personal gain of their family, friends, or others.

All intellectual property created or otherwise developed by employees of HSBC while employed by HSBC is the exclusive property of HSBC and employees may not utilize any such property for personal gain or the personal gain of family, friends or others.

### **Loans and Borrowing**

Employees may never participate in the consideration or approval of any extension of credit, any waiver of fees or of any other transaction between HSBC and themselves or anyone in their immediate family, or with other people, corporations, partnerships, trusts or other organizations in which they or any member of their immediate family have a financial interest.

Employees are not permitted to borrow from any of HSBC’s suppliers or customers, except they may receive credit on customary terms in connection with the purchase of goods and services from a commercial establishment within the foregoing prohibition. We allow loans made to staff members by other financial institutions, including bank correspondents of HSBC, in the ordinary course of their business.

### **Outside Employment and Business Activities**

Additional employment or business activities are also potential sources of conflict of interest including:

- ◆ Holding any outside employment position or conducting personal business that may interfere with the employee devoting full attention and loyalty to HSBC during working hours;
- ◆ Holding a direct or indirect financial interest in a competitor company or in any firm or entity with which HSBC does business (except normal investments in publicly owned companies);
- ◆ Holding a direct or indirect financial interest in any firm or entity that is a

supplier of or vendor for HSBC (except normal investments in publicly owned companies);

- ◆ Holding or acquiring an interest in any property or business in which HSBC has or proposes to acquire an interest;
- ◆ Running for political office;
- ◆ Serving as a director or officer of any firm that is a competitor, customer or supplier or HSBC; or conducting business on behalf of HSBC with an individual related by blood, marriage or adoption.

Certain types of outside employment, such as with other financial institutions or securities dealers, are prohibited by law. Any outside employment or directorships must be managed promptly via Compliance and the employee’s line manager who will ensure the proper documentation and approvals are obtained. This allows HSBC and the business to log, analyze and manage the risks associated with the conflict before they rise. For questions related to Outside Employment and Business Activities, please contact Compliance at [employee\\_compliance\\_coe@hsbc.com](mailto:employee_compliance_coe@hsbc.com)

### **Information about HSBC**

Because of a person’s position with HSBC, they may obtain information about their business unit or HSBC not otherwise available to the public. They cannot disclose confidential financial or other proprietary information concerning any of these entities, its businesses or functions to outsiders until it has been published in reports to security holders or otherwise made generally available to the public.

### **Security and Privacy of Customer and Employee Data**

During performance of their duties for HSBC, all employees must treat information

entrusted to HSBC by our customers and employees as confidential. Information obtained as part of job duties must remain confidential, including information relating to deposit and loan balances, information concerning the management, financial condition and future plans of our customers' businesses, employee information (including but not limited to, salary or benefit information) and information obtained in the course of fiduciary relationships. Employees must not disclose confidential information to anyone either inside or outside HSBC except in compliance with HSBC's information protection policies. Each employee's obligation to maintain the confidentiality of the information continues even after they leave HSBC. Protecting our customer and employee data in accordance with regulations, guidance, and best practices is everyone's responsibility at HSBC. We must ensure that our customers and employees know we will honor their choices and properly safeguard their information. Effectively managing and protecting personal data instills trust with our customers, employees, regulators and shareholders.

### **HSBC's Communication Platforms and Systems**

Employees are granted access to HSBC's various communication platforms to perform their job duties and must use only HSBC approved systems and applications to perform their job duties. Use of unapproved systems, communication methods, or messaging platforms is strictly prohibited. All data that is composed, transmitted and/or received by HSBC's computer systems and communication platforms belongs to HSBC and is recognized as part of its official books and records. It is therefore subject to

archiving, monitoring, and disclosure for legal and regulatory reasons or to other appropriate third parties. The equipment, services and technology used to access the Internet are the property of HSBC and the company reserves the right to monitor Internet traffic and emails and monitor and access data that is composed, sent or received through its online connections. Information sent or created via HSBC's platforms and systems, including emails, instant messages or documents, should not contain content that is deemed to be offensive or a violation of HSBC policies. This includes, though is not limited to, the use of vulgar or harassing language or images. All sites and downloads may be monitored and/or blocked by HSBC if they are deemed to be harmful and/or not productive to business. If an employee is unsure about what constitutes acceptable Internet or email usage, they should ask their line manager for further guidance and clarification.

### **HSBC Records and Regulatory Reports**

HSBC's books and records, regulatory reports and other essential data must be complete and reliable, and accurately reflect all transactions and activities in compliance with applicable laws, accounting principles and management's general authorization. When preparing such records, employees are not to make false or misleading entries nor permit the existence of any asset or liability which is not fully and properly recorded on HSBC's books. No transactions, agreements, programs, plans, obligations or payments shall be entered into, made or recorded with the understanding that their use is for other than the stated purpose.

Employees shall not make any false or misleading statements about such records or conceal information from management or HSBC's auditors. We expect all employees to fully cooperate with our internal and independent auditors and counsel or any HSBC investigative unit such as Human Resources, Financial Crimes or Compliance.

## **Doing the Right Thing for Our Customers**

HSBC is dedicated to delivering fair outcomes for our customers and not disrupting the orderly and transparent operation of financial markets. HSBC will offer products and services on a competitive basis and will not tolerate the use or attempted use of improper incentives to obtain business. With regard to suppliers, the selection of products and services by employees with purchasing duties for HSBC is based solely on quality, price and service.

Employees should never take advantage of anyone through manipulation, concealment, abuse of confidential information, misrepresentation of material facts, or any other unfair-dealing practice. Similarly, laws prohibiting unfair, deceptive, or abusive acts or practices ("UDAAP/UDAP") set forth customer-focused principles designed to ensure customers are not financially harmed, misled, taken advantage of, or materially interfered with when making product or service decisions. Therefore, HSBC must always consider the customer's perspective in everything that we do.

HSBC is committed to compliance with The Equal Credit Opportunity Act and the Fair Housing Act, referred to as "fair lending" laws, which require consistent, objective and unbiased treatment to all customers during all phases of the credit life cycle without regard to any basis prohibited by law: age (provided the

applicant has the legal capacity to enter into a binding contract), color, disability, familial status, marital status (regardless of whether spouses are of the same sex or of opposite sexes), national origin, race, receipt of public assistance income, religion, sex, or the fact that a customer exercised their rights under the Consumer Credit Protection Act (or under any state law upon which exemption to this act has been granted by the CFPB, as implemented through Regulation B). Other laws and regulations, at the federal, state, and local level contain additional prohibited bases.

## **Fair Competition**

HSBC believes in the free enterprise system and is dedicated to the maintenance of fair competition in an open market. Employees are to avoid any circumstances that will, or would appear to, violate antitrust or competition laws.

Employees shall refrain from discussing or entering into any arrangements or understandings with competitors concerning prices, wages or other employment terms, production limits, allocation of customers, products or territories, boycotting certain customers or suppliers, or in any way engaging in other anti-competitive practices. Normal business activities occasionally require contacts with competitors, but on such occasions discussion of any of the above-mentioned subjects must be avoided.

In this same spirit, employees should refrain from making disparaging comments about the products or services of HSBC's competitors.

## **Support for Our Community**

### **Corporate Sustainability**

## Question: I have been working with a customer for over a decade, and he has asked if I would be willing to serve as the trustee for his children in the event of his death. Can I?

Answer:

Not without written approval of the Chief Ethics Officer. You cannot accept an appointment as personal fiduciary (e.g., executor or trustee) or power of attorney for anyone who is a customer or vendor of HSBC, whether alone or with any other person or institution, except in close family relationships or unless you have received approval from your supervisor or department head and have obtained prior written approval of the Chief Ethics Officer. And you can never accept such an appointment where an actual or potential conflict with your obligations to HSBC would arise. Also, keep in mind that you cannot solicit any legacy or other favor granted by an individual or organization where your relationship to the individual or organization arose primarily during the course of your employment.

Sustainability means building our business for the long term by balancing social, environmental and economic considerations in the decisions we make. This enables us to foster growth which is both sustainable and commercially viable.

Since its foundation in 1865, HSBC has adapted to and helped serve the needs of a changing world. It has financed economic growth, fostered international trade and overcome events such as economic crises. We recognize that governments, corporations, the financial system and civil society are all stakeholders of climate change and sustainability challenges. Now more than ever, there is a need to develop the skills, business innovation and low-carbon solutions needed to secure long-term prosperity for all. For HSBC, these are the key elements of sustainable growth which we can influence.

HSBC empowers our people to share their time and expertise with our strategic and local nonprofit partners, via volunteerism and board service. HSBC also helps to serve as a catalyst for progress by giving eligible HSBC employees the opportunity to increase their personal contributions to qualified nonprofit organizations through the Matching Gift Program. In the United States, HSBC matches, dollar for dollar, certain personal donations made to eligible nonprofit organizations of their choice.

### Enabling a Sustainable Future

We recognize that our planet urgently needs drastic and lasting action to protect our communities, businesses and natural environment from the damaging effects of climate change. Leading the transition to a more sustainable world is a pillar of our ambitions and of our strategy as a business. Our plan is to prioritize financing and investment that supports the transition to a net zero global economy to help build a thriving, resilient future for society and businesses. Our social sustainability strategy focuses on creating a positive impact through skills building. Our partnerships with governments, businesses and non-profit organizations are helping to build employability and financial capability skills and work towards a fairer society. Colleagues are playing a key role by volunteering their time and skills.

For additional information on HSBC's key areas to Corporate Sustainability, visit: <https://www.hsbc.com/our-approach/sustainability>

We publish updated information on our HYPERLINK "<https://www.hsbc.com/who-we-are/esg-and-responsible-business>" Environmental Social and Governance (ESG) performance in our Annual Report and Accounts.

For more information, visit: <https://www.hsbc.com/who-we-are/our-climate-strategy>



## Political Activities and Contributions

HSBC advocates the democratic system and is committed to upholding the political, legal and governmental processes of the local, state and federal systems of the United States and other countries where HSBC operates.

Further, HSBC recognizes that participation by citizens in civic and political activities is necessary for this system to function properly. HSBC encourages employees to exercise their right to vote, to participate actively in the political process, to be informed on public issues and on the positions and qualifications of public officials and candidates for public office and to support issues, candidates and parties of their choice, as individual citizens.

Employees should not use HSBC's name, either directly or indirectly, to endorse any public issue, political candidate, political party or business interest, product or service, unless otherwise authorized by Media Relations. In addition, and in accordance with HSBC policies on conduct and solicitation, Employees should not engage in solicitation of support, monetarily or otherwise, for any political candidate or cause while at work in the course of HSBC business or events.

Federal and state laws and regulations restrict, and in some cases prohibit, HSBC from making payments or using its property to support candidates for political office or political parties or committees. As a matter of policy, HSBC does not use corporate funds to make contributions to federal, state or local candidates or committees. We prohibit the use of HSBC's employees or property, including office supplies, printing facilities, postage and equipment, to promote political candidates or parties. We prohibit employees from making any expenditure for such purposes through travel and expense accounts and we do not allow recovery of any such expenditure.

Both state and federal laws, however, permit voluntary personal contributions to segregated funds established for political purposes, such as HSBC PAC, the political action committee for employees of HSBC. HSBC may legally pay for HSBC PAC's administrative expenses, but the employees voluntarily provide the funds the HSBC PAC uses to financially support candidate campaigns. The solicitation of HSBC's employees for political contributions on HSBC's premises is limited to HSBC PAC.

## Asking Questions or Reporting Violations

### Asking Questions

This Statement of Business Principles and Code of Ethics is a general guideline, rather than a complete set of rules and regulations for all situations. Should any question arise as to the interpretation of a particular principle or situation, employees should refer their question to their supervisor or department head, Human Resources, Compliance, or the Ethics Office.

### Reporting Violations

Employees should report actual or suspected wrongdoing. If an employee is asked or ordered to participate in, or otherwise become aware of, any violation of this Statement of Business Principles and Code of Ethics, HSBC's policies, or applicable laws and government regulations, there are a number of available reporting channels listed on the last page, including an option to report concerns anonymously.

Depending on the allegation, Human Resources, Compliance, Legal, Audit, Ethics,

or another objective party will investigate complaints of unlawful activity or violation of HSBC policy promptly and thoroughly. To the extent possible and consistent with an objective and thorough investigation, HSBC will attempt to protect the privacy of the complainant. Based on that investigation, a determination will be made as to whether or not wrongdoing occurred and appropriate action will be taken, including appropriate disciplinary action and potentially reporting any unlawful activity to external authorities.

All information regarding any specific incident will be kept confidential to the extent possible, within the necessary boundaries of the fact-finding process. Employees who wish to make an internal anonymous complaint should use HSBC Confidential as the reporting channel (toll free number or web-based). The caller may be assigned a personal identification number and asked to follow up in the event further information is needed to complete the subject investigation.

When making a report, employees are encouraged to provide as much information as possible surrounding the allegation to support a thorough and complete investigation, and to check back using the assigned identification numbers to fulfill any requests for additional information from the investigative team.

In addition to the internal reporting options

listed on the last page, you are also free to: (a) report violations of United States or other law or regulations to, or (b) participate in an investigation conducted by, or (c) provide truthful information to any government, regulatory, or self-regulatory agency in accordance with the law, including but not limited to the Department of Justice, the Securities and Exchange Commission ("SEC"), the Commodity Futures Trading Commission ("CFTC"), the US Equal Employment Opportunity Commission ("EEOC"), the Congress, and any agency Inspector General, or from making other disclosures that are protected under any applicable United States or other law or regulation. You do not need the prior authorization of HSBC to make any such reports or disclosures and you are not required to notify HSBC that you have made such reports or disclosures.

### Under Investigation by a Former Employer, Regulator, or Law Enforcement

All employees are obliged to tell HSBC if they find out they are under investigation by a former employer, law enforcement or regulator, unless precluded by local legislation. Employees are also obligated to tell HSBC if they have been convicted of a crime or have entered into a deferred prosecution agreement. They must inform HR and Compliance in the first instance.

## Contact Information

Human Resources:	Open a case via HR Direct or call 877-747-4722
Ethics Office:	via email to <a href="mailto:HSBC.Confidential@us.hsbc.com">HSBC.Confidential@us.hsbc.com</a>
HSBC Confidential:	1-833-243-5456



Revised October 2022

Designed and produced by HSBC Global Publishing Services. WRT#6178