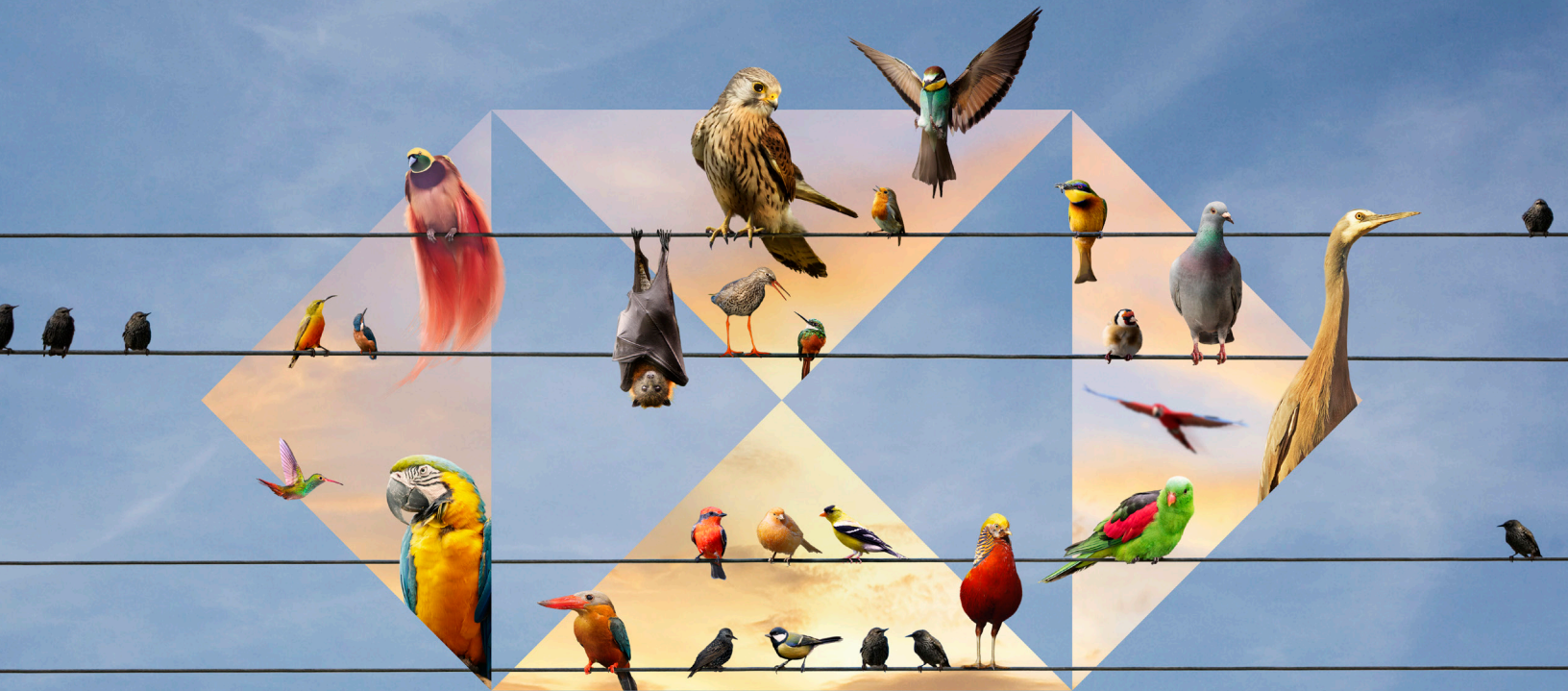


US Representation Data



Introduction

The year 2020 will be remembered for many things. Undoubtedly, among the most significant is what it has meant for equality and inclusion. The killing of George Floyd and countless other acts of discrimination have renewed a sense of urgency for our society to do better, to be better. We have been encouraged to see many work together to denounce systemic racism and outline approaches to implement real change. However, we have a long journey ahead. As a global organization, we are committed to supporting equality and inclusion in the US and around the world.

Group CEO Noel Quinn announced specific ambitions to improve the diversity of our senior leadership and increase opportunities for our Black and ethnic minority colleagues around the world. We are proud to say that in the US, we will support and contribute to those actions in a way that fits the unique situation in our market.

Earlier this summer, we also outlined a framework of six areas of focus that will help make us become a more equal and inclusive company in the United States. These include 1) Accountability, 2) Representation, 3) Recruitment and Retention, 4) Advancing the Conversation, 5) Strategic Giving and Community Engagement, and 6) Vendor Diversity. As a first commitment and a critical step under the Accountability pillar, we are pleased to have recently announced Ralph Jardine as our US Head of Inclusion and Culture. In this senior role, Ralph will build upon the foundation of our efforts in Diversity and Inclusion to help us make more rapid progress in advancing inclusion.

Our next action sits within the Representation pillar. We committed to sharing our gender and racial/ethnic diversity data including where we are today and how we plan to improve. Our teams, at all levels, must reflect the communities and customers we serve. We recognize that our current state is not where we want to be but by sharing and tracking this information, we believe that this level of transparency will help keep us accountable for improving.

In the coming months, we will continue to provide updates within each of the areas of focus. We are confident that this path is a step in the right direction. We invite you to read along to learn more.

Sincerely,



Michael Roberts
President and CEO
HSBC Bank USA



Ralph Jardine
US Head of Inclusion and Culture
HSBC Bank USA



Representation

HSBC USA Representation Data (as of June 30, 2020)

Our Commitment
We will aim to improve representation across diversity groups, particularly at our senior management levels. We will track and share our progress each year.

Overall Headcount

Identified as

Female	Asian	Black	Hispanic	White
48%	23%	7%	10%	54%

Senior Management

Female	Asian	Black	Hispanic	White
26%	15%	2%	6%	66%

Intern/Grad Program Employees²

Identified as

Intern program

Female	Asian	Black	Hispanic	White
47%	28%	4%	12%	49%

Graduate program

Female	Asian	Black	Hispanic	White
45%	35%	2%	8%	50%

Note:
1. Underlying number of hires into senior management was 10 individuals
2. Data as of August 30, 2020

First Steps

As we have outlined in our framework to improve inclusion, we identified a series of first steps within each of our areas of focus that are immediately actionable. We are also in the process of looking at promotions in 2020. Early analysis shows that promotions across the general employee base are roughly in proportion with overall representation. Over time, we will share updates as our approach evolves and develops. For Representation, we will target some initial efforts to the areas where we have the largest representation gaps as outlined by the data. Here are some of the initial areas of focus:

- ♦ Continue to conduct a thorough review of data within areas like recruitment, promotions and retention
 - Identify where we have the greatest opportunities for improvement
 - Establish specific goals to measure against helping to ensure that our workforce reflects the US population and customers and communities we serve
- ♦ Maximize talent development opportunities for diverse groups including current partnerships and new initiatives
 - Launch HSBC US Executive Committee sponsorship program
 - Establish Accelerating Into Leadership (AIL) development program cohort for diverse groups
 - Focus on diverse talent within HSBC’s new Future Skills initiative
 - Current programs and partnerships include:
 - Accelerated Female Leadership
 - Executive Leadership Council for Black/African American employees
 - Ascend for Pan-Asian employees
 - Association of Latino Professionals For America (ALPFA) for Hispanic and Latinx employees
- ♦ Improve the promotion process
 - Institute accountability goals for all managers and executives and require that all final round candidates who were not selected for a role/promotion are told why they were not selected, and what they can do to improve their chances in the future
 - Enhance process to identify talent from diverse groups who should be considered for succession plans and leadership roles
 - Help ensure objectivity is maintained through communicating robust criteria for promotions and intensifying awareness and training on the promotion process

Further steps to be outlined at the appropriate time.

Framework for Advancing Inclusion at HSBC USA

Although we have made progress across certain areas within Diversity and Inclusion, other measurements are simply not acceptable. Earlier this year, we outlined six areas of focus that will help us improve inclusion at a quicker pace. We believe that these areas of focus are a strong initial step where we feel we can make an immediate impact.



Accountability



Representation



Recruitment and Retention



Advancing the Conversation



Strategic Giving and Community Engagement



Vendor Diversity



Notes

- ◆ Employee ethnicity data is as of 30 June 2020 and reflects HSBC employees based in the US, unless otherwise stated.
- ◆ Employee ethnicity data for Graduates and Interns represents data as of 30 August 2020.
- ◆ Employee ethnicity and gender data is self-identified.

Forward-Looking statements

This document may contain projections, estimates, forecasts, targets, opinions, prospects, results, returns and forward-looking statements which can be identified by the use of forward-looking terminology such as “may”, “will”, “should”, “expect”, “anticipate”, “project”, “estimate”, “seek”, “intend”, “target” or “believe” or the negatives thereof or other variations thereon or comparable terminology (together, “forward-looking statements”), including any financial or investment targets or frameworks described herein. Any such forward-looking statements are not a reliable indicator of future performance, as they may involve significant stated or implied assumptions and subjective judgements which may or may not prove to be correct. There can be no assurance that any of the matters set out in forward-looking statements are attainable, will actually occur or will be realized or are complete or accurate. The assumptions and judgments may prove to be incorrect and involve known and unknown risks, uncertainties, contingencies and other important factors, many of which are outside the control of HSBC Holdings plc (the “Group”) and HSBC USA Inc. (“HUSI”). Actual achievements, results, performance or other future events or conditions may differ materially from those stated, implied and/or reflected in any forward-looking statements due to a variety of risks, uncertainties and other factors (including, without limitation, those which relate to general market conditions or regulatory changes and due to the impact of COVID-19). Any such forward-looking statements are based on the beliefs, expectations and opinions of the Group and HUSI at the date the statements are made, and neither the Group or HUSI assumes, and hereby disclaims, any obligation or duty to update, revise or supplement them if circumstances or management’s beliefs, expectations or opinions should change. For these reasons, recipients should not place reliance on, and are cautioned about relying on, any forward-looking statements. No representations or warranties, expressed or implied, are given by or on behalf of the Group or HUSI as to the achievement or reasonableness of any projections, estimates, forecasts, targets, prospects or returns contained herein.

Additional detailed information concerning important factors that could cause actual results to differ materially from this document is available in Group’s Annual Report and Accounts for the fiscal year ended 31 December 2019 filed with the Securities and Exchange Commission (the “SEC”) on Form 20-F on 19 February 2020 (the “2019 Form 20-F”), and in other reports on Form 6-K furnished to or filed with the SEC subsequent to the 2019 Form 20-F and in HUSI’s Annual Report for the fiscal year ended December 31, 2019 filed with the SEC on Form 10-K on February 18, 2020 (the “2019 Form 10-K”), quarterly reports on Form 10-Q and current reports on Form 8-K furnished to or filed with the SEC subsequent to the 2019 Form 10-K. Information in this document was prepared as at October 28, 2020, unless otherwise stated.