

## Human rights

### Our respect for human rights

As set out in our Human Rights Statement, we recognise the role of business in respecting human rights. Our approach is guided by the UN Guiding Principles on Business and Human Rights ('UNGPs') and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct.

#### Our salient human rights issues

We continue to raise awareness and develop our understanding of our salient human rights issues. These are the human rights at risk of the most severe negative impact through our business activities and relationships.

An extensive review of our salient human rights issues conducted in 2022 identified five human rights risks inherent to HSBC's business globally, and five types of activity through which such risks might arise. These are represented in the adjacent table.

In 2023, building on this assessment, we provided practical guidance and training, where relevant, to our colleagues across the Group on how to identify and manage human rights risk.

We are now focusing on translating this into risk management enhancements in two key areas of activity. These are the services we provide to business customers and the goods and services we buy from third parties.

#### Managing risks to human rights

In 2023, we continued the process of adapting our risk management procedures to reflect what we learned from our work on salient human rights issues and related guidance.

We continued to embed and build on the Sustainable Procurement Mandatory Procedure, which sets out the minimum sustainability requirements for procurement activity. This included enhanced procedures for human rights risk identification through the introduction of a human rights residual risk questionnaire for suppliers as part of our global onboarding assessment process, and human rights supplier audit pilots in our Asia-Pacific and Latin America regions to assess the potential need for further supplier audits in the future.

New approaches to identifying and managing human rights risk in respect of our business customers have also been piloted. These included screening for indicators of potential negative impacts on people, including media monitoring and other relevant third-party data.

#### Our salient human rights issues

Illustration of HSBC Group's inherent human rights risks mapped to business activities.

Inherent human rights risks		HSBC activities				
		Employer	Buyer	Provider of products and services		Investor <sup>1</sup>
				Personal customers	Business customers	
Right to decent work	Freedom from forced labour		◆		◆	◆
	Just and favourable conditions of work	◆	◆		◆	◆
	Right to health and safety at work	◆	◆	◆	◆	◆
Right to equality and freedom from discrimination		◆	◆	◆	◆	◆
Right to privacy		◆		◆		◆
Cultural and land rights			◆		◆	◆
Right to dignity and justice		◆	◆	◆	◆	◆

<sup>1</sup> Investor includes our activities in HSBC Asset Management.

We continued to develop our in-house capability on human rights with the launch of further online resources for all staff and bespoke human rights training for colleagues in key roles, including those managing relationships with suppliers, and those with responsibility for overseeing risk management processes.

The actions we are taking to address these salient human rights issues are consistent with our values and will help us to meet our commitments on diversity and inclusion, and those we have made under the UN Global Compact and WEF metrics on risk for incidents of child, forced or compulsory labour.

▶ For further details of the actions taken to respect the right to decent work, see our 2023 Annual Statement under the UK Modern Slavery Act at [www.hsbc.com/modernslaveryact](http://www.hsbc.com/modernslaveryact).

▶ For further details of the actions taken to respect the right to equality and freedom from discrimination, see 'Our approach to diversity and inclusion' on page 76.

#### Sustainability risk policies

Some of our business customers operate in sectors where the risk of adverse human rights impact is high. Our sustainability risk policies for agricultural commodities, energy, forestry, mining and metals consider human rights issues such as forced labour, harmful or exploitative child labour and land rights. They also consider the rights of indigenous peoples such as 'free prior and informed consent', workers' rights, and the health and safety of communities.

Through our membership of international certification schemes such as the Forestry Stewardship Council, the Roundtable on Sustainable Palm Oil and the Equator Principles, we support standards aimed at respecting human rights.

Our sustainability risk policies are reviewed periodically to ensure they reflect our priorities.

▶ For further details, see our sustainability risk policies at [www.hsbc.com/who-we-are/esg-and-responsible-business/managing-risk/sustainability-risk](http://www.hsbc.com/who-we-are/esg-and-responsible-business/managing-risk/sustainability-risk).

#### Financial crime controls

The risk of us causing, contributing or being linked to adverse human rights impacts is also mitigated by our financial crime risk framework, which includes our global policies and associated controls.

▶ For further details of how we fight financial crime, see [www.hsbc.com/who-we-are/esg-and-responsible-business/fighting-financial-crime](http://www.hsbc.com/who-we-are/esg-and-responsible-business/fighting-financial-crime).