

Our respect for human rights continued

Driving change

We continued to participate in industry forums, including the Thun Group of Banks, which is an informal group that seeks to promote understanding of the UNGPs within the sector, and the UN Global Compact Human Rights Working Group.

HSBC has been a member of the Mekong Club since 2016. We are a participant of its monthly financial services working group, and we use its informative typological toolkits, infographics, and other multimedia resources covering current and emerging issues. Our Compliance teams regularly collaborate and engage with the Mekong Club in designing Group-wide knowledge sharing and training sessions.

Investments

Since 2022, HSBC Asset Management has published an annual *Global Stewardship Plan* outlining its approach to engagement, prioritisation of investee companies, objective-setting and escalation procedures. The plan also highlights its thematic priorities including human rights.

HSBC Asset Management recognises collaborative engagement as a tool to promote change. It participates in investor-led joint engagement initiatives where it believes these can have a positive influence. It is a signatory to the Principles for Responsible Investment Advance initiative to promote active stewardship on human rights and social issues. It has also actively contributed to other sector-specific initiatives, including engaging with technology firms on digital rights and responsible AI, and working with ESG data providers to promote higher quality human rights data set.

HSBC Asset Management has also incorporated human rights and modern slavery considerations into its Global Voting Guidelines. This helps to identify non-compliance with UN Global Compact principles, as well as a company's competency in human rights management and disclosures. Where a company falls below expectations, HSBC Asset Management may vote against the re-election of the board chair or relevant board director.

As a signatory to the Net Zero Asset Management Initiative, HSBC Asset Management is taking steps to reduce the carbon exposure of its portfolios and engage with issuers on their climate strategies. It also recognises the impact that the climate transition can have on workers, communities, consumers and other stakeholders, and has published its perspectives on a just transition.

▶ For the *Global Stewardship Plan*, see www.assetmanagement.hsbc.co.uk/-/media/files/attachments/uk/policies/stewardship-plan-uk.pdf.

▶ For further details of the *Net Zero Asset Management Initiative*, see www.assetmanagement.hsbc.co.uk/en/institutional-investor/about-us/road-to-net-zero/a-transition-for-everyone.

Supporting those impacted and those potentially at risk

We continued to expand our Survivor Bank programme, which has now supported over 3,000 survivors of modern slavery and human trafficking in the UK, and is a model for making financial services more accessible to vulnerable communities worldwide.

We built on this experience in developing access to banking services for customers with no fixed abode in the UK and in Hong Kong, providing over 5,700 accounts under these programmes.

▶ For further details of our work to support vulnerable communities, see page 86.

Effectiveness

The table below includes some indicative metrics we use to measure year-on-year continual improvement to our human rights processes.

▶ For further diversity and inclusion metrics, see page 76 in this ESG review, as well as Section 4 of the 2023 Annual Statement under the UK Modern Slavery Act, which is available at www.hsbc.com/who-we-are/esg-and-responsible-business/modern-slavery-act.

Monitoring effectiveness

Metric	2023	2022
Contracted suppliers who either confirmed adherence to the code of conduct or provided their own alternative that was accepted by our Global Procurement function	95%	93%
Employees who have received training on human rights	8,176	520
Votes by HSBC Asset Management against management for reasons including human rights ¹	213	87

¹ The figure represents the number of resolutions at investee company shareholder meetings (including AGMs) where votes were cast against management for reasons related to human rights.



Working for a just transition

Just Energy Transition Partnerships are becoming increasingly popular bringing key stakeholders together to enable a clean, fair energy transition in emerging economies that rely heavily on coal. Essentially, they are multilateral financial agreements aimed at accelerating the phase-out of fossil fuels, in a way that addresses the social consequences of doing so.

▶ For further details on HSBC's role in Just Energy Transition Partnerships with Indonesia and Vietnam, see www.hsbc.com/news-and-views/views/hsbc-views/jetps-powering-a-faster-energy-transition.

▶ Read more on Just Energy Transition Partnerships on page 68 of this ESG Review.