2018 Employment Equity Narrative Report

HSBC Bank Canada
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About this report

This report is compiled and submitted in accordance with HSBC Bank Canada’s commitment as a federally regulated employer under the Legislated Employment Equity Program. The program ensures organizations meet and, where possible, exceed their obligations under the 1995 Employment Equity Act.

Purpose of the Act

The purpose of this Act is to achieve equality in the workplace so that no person shall be denied employment opportunities or benefits for reasons unrelated to ability and, in the fulfilment of that goal, to correct the conditions of disadvantage in employment experienced by women, Aboriginal peoples, persons with disabilities and members of visible minorities by giving effect to the principle that employment equity means more than treating persons in the same way but also requires special measures and the accommodation of differences.

Employment equity encourages the establishment of working conditions that are free of barriers, corrects the conditions of disadvantage in employment, and promotes the principle that employment equity requires special measures and the accommodation of differences for four designated groups in Canada.

The Employment Equity Act identifies and defines these four designated groups as:

- Women
- Aboriginal peoples – people who are Indian, Inuit or Métis
- Persons with disabilities
- Visible minorities

This document is submitted as part of HSBC’s annual requirement to provide quantitative and qualitative evidence demonstrating our commitment to employment equity and creating a workplace that is inclusive, mindful and reflects the communities in which we serve, live and operate.

1 People with a long-term or recurring physical, mental, sensory, psychiatric or learning impairment who consider themselves to be disadvantaged in employment by reason of that impairment or who believe that an employer or potential employer is likely to consider them to be disadvantaged in employment by reason of that impairment, as well as individuals with functional limitations due to their impairment that have been accommodated in their current job or workplace.

2 People, other than Aboriginal peoples, who are non-Caucasian in race or non-white in colour.
“Diversity and inclusion enable us to thrive”

It’s simple. As the leading international bank in Canada, diversity of thought and diversity of perspective are essential to providing good outcomes for our customers. Experience has shown us that we are stronger and more successful when we embrace different ideas, backgrounds, styles and perspectives.”

Sandra Stuart
President and CEO
HSBC Bank Canada
Throughout our history, HSBC has been where the growth is, connecting customers to opportunities, enabling businesses to thrive and economies to prosper, and helping people fulfil their hopes and dreams and realize their ambitions.

HSBC Bank Canada, a subsidiary of HSBC Holdings plc, is the leading international bank in the country. We help companies and individuals across Canada do business and manage their finances internationally through three global business lines: Commercial Banking, Global Banking and Markets, and Retail Banking and Wealth Management.

Canada is a priority market for the HSBC Group – one of the world’s largest banking and financial services groups with assets of US$2,558 billion at December 31, 2018.

Linked by advanced technology, HSBC Group serves customers worldwide across 66 countries and territories in Europe, Asia, North and Latin America, and the Middle East and North Africa.

As of December 31, 2018, we employed 5,819 people and had national representation through our 130 branches.
Diversity of thought helps us to understand our customers, innovate, manage risk and grow the business in a sustainable way.”

Birgit Neu
Group Head of Diversity & Inclusion
HSBC
We strive to make HSBC a great place to work where diversity thrives in a culture that is inclusive, positive and performance-oriented. Having a diverse and inclusive workforce allows us to benefit from a variety of perspectives, which in turn strengthens our local and global competitiveness. Experience has demonstrated that when diversity and business meet, good things happen.

Highlights of some of our accomplishments in creating and sustaining a diverse and inclusive workplace include:

- Since 2013, our board of directors has included an equal number of men and women.
- We appointed our first female President and CEO, Sandra Stuart, in 2015.
- HSBC was recognized for the third year in a row by the Government of Canada with an Outstanding Commitment to Employment Equity Award for creating a diverse and inclusive workplace.
- We received high honours in the 2018 Corporate Knights Best 50 Corporate Citizens in Canada ranking.

Our Diversity & Inclusion Strategy

Our Diversity & Inclusion Strategy is built on three pillars:

1. **Workforce composition**
   We will improve our workforce representation to better align with labour market availability for:
   - Aboriginal/Indigenous peoples and
   - Person with disabilities
   - We will also focus on enhancing the representation of women in senior (VP and above) positions.

2. **Cultural competence**
   We will create an environment and mindset to attract, retain and develop teams through an inclusive lens.

3. **Marketplace presence**
   We will leverage, promote and sustain brand trust and familiarity in our target communities.

Our Diversity & Inclusion Office is responsible for ensuring that all activities, investments and focus from our leaders, senior stakeholders and employees are aligned with these three pillars of our strategy.

**HSBC and its employees are guided by HSBC’s values of being:**

- **Dependable** and doing the right thing
- **Open** to different ideas and cultures
- **Connected** with our customers, communities, regulators and each other

**Self-identification**

HSBC has a process in place to ensure all employees have the opportunity (and are provided with a rationale) to voluntarily self-identify as a member of one of the four designated groups in the Legislated Employment Equity Program (LEEP). Ninety per cent of our employees have completed a process to self-identify in one of these groups.

As part of our commitment to LEEP, we have made hiring more accessible by enabling candidates with disabilities to self-identify, prompting recruiters to offer accommodations assistance. All new employees are asked to complete a self-identification form as part of their onboarding process as well. We also recognize that an employee’s personal circumstances may change, and to capture these updates, we ran a self-identification campaign in 2018. We intend to re-survey employees regularly so that they can voluntarily self-identify and update their status throughout their career.

We are in the process of making further updates to our self-identification reporting to make the process even more timely. In addition to reporting this data as required, we also use this information to ensure our benefits, policies and programs reflect the needs of our employee workforce.

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1 Labour market availability refers to the share of designated group members in the workforce from which the employer could hire; this data is obtained from Statistics Canada.
Our diversity recruitment strategy is intentional, holistic and collaboratively implemented by our Head of Diversity & Inclusion, Diversity Recruitment Sourcing Specialist and Recruitment Operations Manager of Diversity & Inclusion.

- We set annual aspirational goals for the four designated groups to increase their overall representation in relation to labour market availability. We also promote an incentivised employee referral program, encouraging current employees to refer candidates from these communities for both open and future roles at HSBC Bank Canada.

- Our Diversity Recruitment Sourcing Specialist partners with recruitment peers across all business lines to identify and present candidates already screened and assessed. We also help ensure that hiring leaders are mindful of our commitment to increase overall representation of the four designated groups, for any and all of our career opportunities. Candidates who self-identify as a member of one of these groups are matched to suitable open or future opportunities that align with their skillset, interests and qualifications.

- In 2018, we further streamlined our process so that qualified candidates from designated groups are forwarded directly to hiring managers for consideration. This resulted in an increase in both the number of candidates that were granted business interviews as well as the total number of offers extended based on these interviews. This commitment to continually improve our recruitment process translated to more candidates applying to us directly this year who self-identify as Aboriginal/Indigenous and/or a person with a disability.

- This year, we worked with more than 30 key community and university partners to seek their help in identifying qualified candidates for actual job openings, specifically targeting persons with disabilities and Aboriginal/Indigenous candidates. They include:
  - Agence Ometz
  - Canadian Council on Rehabilitation and Work
  - Canadian Hearing Society
  - Canadian Mental Health Association
  - Canadian National Institute for the Blind
  - Community Outreach Canada
  - Concordia University
  - Delta Community Living Society
  - Epilepsy Toronto
  - Eslha7an Learning Centre and Employment Services
  - Goodwill Industries of Alberta
  - GT Hiring Solutions
  - Humber College
  - Indspire
  - Jewish Vocational Services Toronto
  - JobStart
  - Miziwe Biik Aboriginal Employment and Training
  - Neighbourhood Link Support Services
  - Neil Squire Society
  - Open Door Group
  - Spinal Cord Injury Ontario
  - Squamish Nation Employment & Education Centre
  - WoodGreen Community Services

As a whole, improvements to our self-identification reporting capabilities also helped us to better capture the representation of both Indigenous employees and persons with disabilities. Representation of Indigenous and persons with disabilities was at 1.19 per cent and 3.81 per cent respectively by year’s end. These are slight year-over-year increases to the representation of both of these groups, closer to our 2016 complement, and prior to our transformation efforts which realigned some roles.

HSBC is currently making significant investments in Canada – expanding our teams to support the growth of each of our business lines. As new positions open across the organization, we will continue to advocate for diversity representation. Before the start of the New Year, we also approved the addition of a Diversity Talent Assessor to join the recruitment team. This will help double our efforts in sourcing more diverse talent while meeting, and hopefully surpassing, the labour market availability of these groups.
Leadership and consultation

Diversity & Inclusion Council

**Executive Sponsorship & Ownership**

“Executive and senior leader ownership of initiatives and communication is critical to creating an inclusive culture in the organization. For much of our history, we took it as a given that our desire to reflect the communities we served and our naturally international nature was enough. Today, we work to make sure our actions match our intentions.”

Chris Hatton, Chief Operating Officer, Head of Regulatory Compliance and Chair of the Diversity & Inclusion Council

Our Diversity & Inclusion Council oversees our diversity and inclusion strategy and employment equity requirements. The Council also ensures our workforce is representative of changing demographics and that we maintain an inclusive work environment.

The Diversity and Inclusion Council met four times in 2018 to review progress on our strategy and raise awareness of opportunities relating to diversity in the workforce, culture and marketplace.

The Head of Diversity & Inclusion continues to work in partnership with executives, business leaders, key stakeholders and designated employee group members to further embed inclusion into our organization.

Our Employee Resource Groups (ERGs) are a significant factor contributing to the success of our diversity and inclusion initiatives. HSBC Bank Canada has eight ERGs that propose and implement inclusion strategies in support of their members. These groups also provide feedback to the organization as a whole on employment barriers and their members’ specific career needs.

All ERGs are encouraged to bring forward candidates from their network for hiring consideration. They are also empowered to highlight opportunities to remove workplace barriers and build new community partnerships. The HSBC Ability ERG, for example, is dedicated to leveraging the diverse skills and abilities of employees with disabilities as well as those who are caregivers of individuals with disabilities. This group has been instrumental in identifying enhancements that can be made to our physical environment.
Since 2014, we have focused our attention on inclusive leadership – building a culture where leaders are aware of their own biases and preferences while actively seeking and considering different perspectives to inform better decision-making.

As a first step, we introduced an “open mindedness and unconscious bias” leadership training program to support the creation and maintenance of a workplace culture where all employees can succeed. The training developed out of the recognition that our ability to retain and advance employees from all groups and communities hinged strongly on the ability of our leaders to lead teams with an inclusive lens and to see diverse talent as a source of competitive advantage. By 2017, more than 1,300 managers had completed the program, with 95% rating the program as excellent.

In 2018, we further embedded and sustained the original workshop’s learnings by making additional training, reading and materials available to employees and managers online, including 25 learning videos that discuss various elements of the program. These resources can now be accessed by employees both in Canada and across the globe through our HSBC University portal.

In the fall of 2018, we also explored how to transform performance by changing the way people think. Three interactive in-person pilot sessions on breaking bias, understanding micro-messages and exploring how we react to difference are now scheduled to roll out as a pilot program in early 2019 across one of our business lines.
Leadership Essentials was launched through our global HSBC University. This curriculum compliments our efforts to build inclusive behaviours, and supports performance at all levels of the organization. The overall curriculum includes programs and online resources that help leaders – over time – to deepen and extend their leadership capability. Training, videos and materials are available to employees and managers on key points connected to their role in the employee life cycle, including recruitment, promotion and performance improvement. Whether they are starting out as a people manager or preparing for an executive committee role, these solutions support new-to-role, experienced and transitioning leaders. During 2018, over 10,000 managers and leaders globally participated in the HSBC Leadership Essentials programs.

A brief overview of our Leadership Curriculum

Key  • Primarily delivered in HSBC University  • Primarily delivered locally  2017  2018
Overall, the representation of women in our workforce continues to far surpass labour market availability (LMA), and this also holds true for middle and senior management categories. However, within the “professional” category, and even with year-over-year increases in the representation of women, we still fall short of the LMA target. We are steadfast in our commitment to accelerate progress for women as a whole to meet our aspirational gender targets in all categories.

- We will focus closer attention on the experience of women in professional and middle management positions, as we are also trending downwards in this category despite representation above the LMA.
- Since 2013, HSBC Bank Canada’s board of directors and executive committee has been gender balanced. We remain committed to ensuring diverse and inclusive perspectives are present at the most senior levels of accountability in our organization.
- The HSBC Group overall also continues to make progress in advancing women into senior positions. We attribute this to our Group CEO’s goal to attain 30 per cent female representation in our most senior roles by 2020. We believe the inclusion of regionally assigned goals in each of the local CEO’s performance scorecard continues to make a positive impact on the gender representation in senior leadership at the Group level.
- Our CEO, Sandra Stuart, leads HSBC Bank Canada’s executive leadership team, of which women represent more than 60 per cent of members. Women continue to lead key lines of business and functions, including Commercial Banking, Communications, Legal, Company Secretary, Financial Crime Compliance, Internal Audit, and Human Resources.

Some lines of business and supporting functions were transformed throughout 2017 and 2018 in response to business priorities. Throughout the process, the executive committee and our People Committee reviewed monthly dashboards to identify if it would affect gender representation on our Canadian workforce and took steps to try and minimize any potential impact on the gender equity we have achieved.

- We remain committed to building a succession pipeline with a gender-inclusive lens that will improve our overall representation of women at senior levels in the organization.

In 2018, we launched two development programs globally to accelerate female leaders and to make their transition into bigger and broader roles at HSBC Bank Canada successful. These programs are now open to all women in Commercial Banking and Global Banking and Markets who meet the program criteria. This year, 19 women from HSBC Bank Canada participated in:

- **Accelerating Female Leaders:** Four high-potential women in middle-management were selected to participate in this one-year program that provides access to sponsorship and networking opportunities to accelerate their senior leadership progress.

- **Accelerating into Leadership:** Fifteen women in middle-management were selected to participate in this program that supports high-potential women to make the transition into leadership while building the mindset and skill set required to operate successfully.

Overall labour market availability as per Employment and Social Development Canada, based on Statistics Canada’s 2011 National Household Survey and 2012 Canadian Survey on Disability.
We celebrate strong female role models and recognize the role that women have played in paving HSBC’s path to becoming a progressive financial institution.

A trio of HSBC Canada’s senior leaders were named to Women’s Executive Network 2018 Canada’s Most Powerful Women: Top 100:
- Kim Hallwood, Head of Corporate Sustainability is a winner in the Mercedes-Benz Emerging Leaders category;
- Georgia Stavridis, Senior Vice President and Head of Financial Crime Compliance is a winner in the KPMG Professionals category; and
- Sophia Tsui, Senior Vice President and Chief Auditor is a winner in the HSBC Corporate Executives category.

Congratulations to the following women at HSBC Bank Canada for their achievements:
- Laura McElwain, Director, Affiliates Relationship Management, Global Banking and Markets was a recipient of the 2018 Women in Capital Markets Emerging Leaders Award.
- Supreet Warna, Chief Administrative Officer, Retail Banking and Wealth Management received The Times of Canada’s Women in Focus award.
- Madalina Dragomirescu, Assistant Vice President and Team Lead, Commercial Banking – South Shore and Eastern Townships region was named Professional of the Year by the Quebec Romanian Chamber of Commerce.
Visible minorities at HSBC

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<tr>
<th>Representation</th>
<th>HSBC 2016</th>
<th>HSBC 2017</th>
<th>HSBC 2018</th>
<th>Labour market availability*</th>
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<tbody>
<tr>
<td>Overall</td>
<td>48.80%</td>
<td>42.30%</td>
<td>44.36%</td>
<td>17.85%</td>
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<tr>
<td>Professional</td>
<td>26.70%</td>
<td>23.46%</td>
<td>25.32%</td>
<td>19.93%</td>
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HSBC is committed to building and sustaining an employee population that reflects the communities we serve and to build upon the diverse cultural perspectives that allow us to enhance our product offerings and service efficiencies.

- We continue to do exceptionally well in visible minority representation and remain well above the labour market availability proportion. The percentage of employees who are visible minorities increased from 42.30 per cent in 2017 to 44.36 per cent in 2018, and remains significantly above the labour market availability of 17.85 per cent.
- Visible minorities accounted for 48 per cent of all promotions and 26 per cent of all permanent new hires in 2018 – the latter is an 11 per cent increase, up from 15 per cent in 2017. As part of our self-identification campaign in 2018, we made efforts to improve the self-identification rate of visible minorities among employees in senior and middle management positions.

- Of our eight active Employee Resource Groups (ERGs), three focus on members of visible minorities:
  - Asia Pacific Islanders Committee (APIC)
  - Caribbean African Network for Diversity & Inclusion (CANDI)
  - South Asian Network for Diversity & Inclusion (SANDI)

* Overall Labour Market Availability as per Employment and Social Development Canada based on Statistics Canada’s 2011 National Household Survey and 2012 Canadian Survey on Disability.
Aboriginal/Indigenous peoples at HSBC

While the total numbers of Aboriginal/Indigenous peoples at HSBC Bank Canada is small, we are focused on providing development opportunities to ensure increased engagement and retention along with chances for them to realize their full potential in the workplace.

- Overall representation of Aboriginal/Indigenous peoples in permanent full-time and part-time positions increased from 0.99 per cent in 2017 to 1.19 per cent by the close of 2018, bringing us closer to our representation levels prior to transformation in some key business lines. This speaks to the resolve of our Human Resources Relationship Managers to mitigate impact to this population by identifying other possible roles within the organization for affected employees.

- In 2018, the number of new-to-bank hires from Aboriginal/Indigenous communities almost doubled compared to previous years. This can be attributed to focused efforts from our Diversity Recruitment Sourcing Specialist, as well as improvements in our talent acquisition and self-identification reporting processes. These investments to identify and build our pipeline of qualified candidates for current and future openings at HSBC Bank Canada have been nurtured over time: coaching candidates both before and after interviews has enabled us to build stronger partnerships with both candidates and hiring managers of both HSBC Bank Canada and the Aboriginal/Indigenous community.

- We continue to explore and understand reasons if and why Aboriginal/Indigenous employees leave the organization, a focus that will continue into 2019. As in previous years, some leave to pursue opportunities directly related to their First Nations communities. Although this can impact our overall representation of Aboriginal/Indigenous people, we appreciate the value that our former employees can contribute to their communities and nations. We also support ways they can give back to their communities while working at HSBC.

- Our Indigenous Canadian Employee Resource Group (ICErg) began an internal exploration of what truth and reconciliation would mean to HSBC Bank Canada. The group of Indigenous employees reviewed the Truth and Reconciliation Commission of Canada: Calls to Action relevant to the corporate sector, and conducted research and external benchmarking. Most importantly, ICErg initiated a broader dialogue on where HSBC Bank Canada can take action, which involved consultation, opportunity generation for prospective Indigenous employees and culturally focused education on the history of Indigenous peoples in Canada.

- To further the discussion on reconciliation and to celebrate National Indigenous Peoples Day, ICErg invited acclaimed speaker Eddy Robinson to host a series of discussions on the topic of reconciliation in the corporate sector tailored to various HSBC Bank Canada audiences, including senior management, Indigenous employees and the broader employee base.

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<th>HSBC 2018</th>
<th>Labour market availability*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall</td>
<td>1.13%</td>
<td>0.99%</td>
<td>1.19%</td>
<td>3.47%</td>
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</table>

* Overall Labour Market Availability as per Employment and Social Development Canada based on Statistics Canada’s 2011 National Household Survey and 2012 Canadian Survey on Disability.
A blanket exercise was hosted in Vancouver at the Bill Reid Gallery of Northwest Coast Art that highlighted the “truth” and history of Indigenous peoples in Canada. This cultural engagement provided a themed approach in exploring the timeline of the colonization of First Peoples, the impacts of colonization and a review of the Indian Act. The discussion provided employees and our business leaders with a generalized overview of this history as a basis for further and more complex discussions on inclusion.

ICErg hosted an “Evening with Elders” in Vancouver, a dinner and dialogue that explored the theme of reconciliation, the shared history between Indigenous and non-Indigenous Canadians as well as insight into the intergenerational effects of colonization. The event featured an opening prayer, songs, drumming and a discussion led by three First Nations elders who shared candid, personal stories from the residential school era. They also emphasized the ways non-Indigenous Canadians can provide support today and how we at HSBC can continue self-directed learning on Indigenous peoples and reconciliation.

ICErg continues to explore partnerships with the local Indigenous communities that it serves. The group is seeking to engage local Indigenous artists, caterers and service providers in all events undertaken, and will continuously advocate for these relationships in all aspects of business.
Persons with disabilities at HSBC

HSBC Bank Canada remains committed to identifying, hiring, advancing and retaining people from the disabled community.

- Chris Hatton, our Chief Operating Officer, represents HSBC Bank Canada on the Presidents Group, a network of change-driven British Columbia business leaders who are champions for more accessible, inclusive workplaces. In 2018, the Presidents Group launched the Community of Accessible Employers to invite employers and business owners around the province to join the inclusive employment movement.

- Our workforce representation of persons with disabilities in permanent full-time and part-time positions increased from 3.44 per cent to 3.81 per cent in 2018, bringing us closer to levels prior to transformation in some key business lines. This speaks to the success of our efforts to mitigate the impact to this population by identifying other possible roles within the organization for affected employees.

- We started updating the accessibility training that we deliver to all employees to ensure that it is fully accessible, builds on our regulatory requirements and meets the standards of our new technology platform. The module intends to make persons with disabilities feel welcome at HSBC, whether clients or colleagues. This work was completed in consultation with employees with disabilities from our Ability Employee Resource Group, and will be re-launched in 2019.

- We have a policy and employee guide on workplace accommodations that is supported by a central budget for onsite workplace assessments and accommodations improvements. We also continued our relationship with the Canadian Council on Rehabilitation & Work and the Job Accommodation Service1.

- An ongoing priority is ensuring that our employees from the deaf/hearing impaired community continue to be accommodated in their day-to-day business needs. We have American Sign Language interpreters at our locations to support employees when needed, including at all quarterly CEO Town Hall meetings. Reserved seating is also provided to employees with hearing impairments or low vision.

- We are currently testing a new application called Ariana that is designed to help blind and low-vision people navigate their way inside a building; the app uses cell phone camera technology to guide the user through vibrations.

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</thead>
<tbody>
<tr>
<td>Overall</td>
<td>4.13%</td>
<td>3.44%</td>
<td>3.81%</td>
<td>4.93%</td>
</tr>
<tr>
<td>Professional</td>
<td>2.06%</td>
<td>1.76%</td>
<td>1.96%</td>
<td>3.79%</td>
</tr>
</tbody>
</table>

* Overall Labour Market Availability as per Employment and Social Development Canada based on Statistics Canada’s 2011 National Household Survey and 2012 Canadian Survey on Disability.

1 http://www.ccrw.org/programs-and-services/jas-job-accommodation-service
Persons with disabilities at HSBC

We attended eight career events hosted by various organizations that specifically targeted persons with disabilities, including:

- Canadian Council on Rehabilitation and Work’s People in Motion Fair – Toronto
- Centre for Addiction & Mental Health’s Career Fair – Toronto
- Concordia University’s Persons with Disabilities Career Fair – Montreal
- ConneCtra Society’s Abilities Expo & Job Fair - Vancouver
- Humber College’s Persons with Disabilities Career Fair – Toronto
- Ontario Job Opportunity Info Network’s Future of Work Job Fair – Toronto
- Scarborough Centre for Employment Accessibility’s Mini Career Fair – Toronto
- YWCA’s Job Fair – Vancouver

At the HSBC Group level, HSBC endorsed an update to our diversity and inclusion strategy this year that furthers our commitment to improve disability inclusion across the bank globally while increasing awareness of the challenges faced by people with disabilities and the opportunities to address these challenges:

- HSBC Group confirmed sponsorship of 21 global disability smart guides that will be developed in partnership with the Business Disability Forum. These guides, to be launched next year, contain helpful advice on how employees can support colleagues with a range of different disabilities.

“As a person with a disability, my supervisors were very generous in providing professional advice as well as helping to change my environment to better suit my sensory needs. I have also been privileged enough to become one of the leaders of the Canadian Ability Resource Group. This has afforded me the position to positively affect the bank in becoming more inclusive for colleagues and clients with diverse needs.”

Adrian Cheng, Operations Risk and Administration Associate
Pride at HSBC

Our Pride Employee Resource Group (ERG) focuses on educating and building awareness of the LGBTQ+ community while maintaining a safe and inclusive environment. Internal events and programs, outreach and volunteerism initiatives allow our Pride ERG to provide insights and awareness around the community. Globally, HSBC's Pride Network actively cultivates the concept of a full and rich LGBTQ+ and allied culture in all that we do. We are actively working to connect employees and communities, and to partner with colleagues and offices locally and around the world to mentor and develop LGBTQ+ networks located in less open environments.

- June marks the beginning of Pride celebrations held worldwide to support and celebrate LGBTQ+ communities. The Pride Parade in Toronto took place on June 24, kicking off a summer of festivities across Canada. At HSBC, celebrations took place throughout the country, including networking events with over 300 employees in attendance. The theme for Vancouver’s Pride celebration focused on recognizing what Pride means to HSBC employees across our Pride ERG networks around the world!

- Diversity and inclusion are in our roots and we have been celebrating Pride Month by rainbow wrapping our largest branches across the country. Specific HSBC branches proudly displayed rainbow colours, demonstrating HSBC Bank Canada's support of the LGBTQ+ community.

- As part of PRIDE’s commitment to educating employees on the nuances of serving clients from the LGBTQ+ community, employees delivered “Client Appreciation” events in local branches during PRIDE month.

- HSBC Pride Network Ontario hosted a Lunch & Learn conference in partnership with the Movember Foundation and a men’s health-care provider specializing in sports medicine. Together, participants shared insights on how to lead healthier lives.

“We strive to embed diversity and inclusion into our culture, values and practices. I continue to be inspired by the work our Pride members are doing to cultivate the concept of a full and rich LGBTQ+ culture in all that we do.”

– Cesar Suriel, FCC Manager and co-chair of the HSBC Pride Network, Quebec & Atlantic
Employee Resource Groups at HSBC

All ERGs organized events in 2018 as part of their mandate to support their members’ personal and professional aspirations. Here are a few examples of how these ERGs made an impact on inclusion in our workplace:

Balance at HSBC
Through our Balance networks across Canada, we aim to recruit, develop and engage women and to foster a gender-balanced mindset in our workplaces. These networks are part of HSBC’s global network of Balance employee groups located in all corners of the world.

- The Balance Network recognizes that hidden gender-based biases may stifle one’s confidence in sharing ideas. Even after being offered for nearly a decade, personal development workshops hosted by Balance continue to reach maximum capacity within days. Nine workshops took place in 2018, focusing first on self-awareness, then developing skills for clear and persuasive communications despite gender tendencies. Participants bond through peer-to-peer coaching on real-life scenarios, and they develop more confidence in their day-to-day work environment.

- Balance hosted 12 speaking series events throughout the year that connected members with local and international HSBC executives and inclusion role models on topics of gender equality. More than 600 attendees welcomed the mentorship and networking advice from our speakers who shared their career journeys, the barriers they overcame, and strategies for balancing work and home.

- In recognition of International Women’s Day (IWD), HSBC Group celebrated the social, economic, cultural and political achievements of women and encouraged all employees to #PressforProgress wherever one is in the world. In Canada, as in other offices of HSBC globally, the IWD focus was on sharing experiences to inspire change. This year, Balance invited role model and two-time Olympic gold-medallist Cheryl Pounder to share her professional hockey experiences and courage to overcome adversity, as well as her perspectives on leadership and teamwork.

Y-Knot at HSBC
Y-Knot is an employee resource group designed to bridge the generational gap between professionals across the organization and to celebrate the achievements of young professionals in the workplace, both within HSBC Bank Canada and in the Canadian job market.

This year, our Y-Knot chapters across Canada hosted a number of popular initiatives that supported HSBC’s commitment to building the healthiest human system. Employees who have participated in Y-Knot’s offerings have noted the personal benefits of the classes and how they have contributed to improved energy levels, feeling less stressed and being more productive. Y-Knot’s events are open to all employees, and include:

- Weekly running and yoga classes, as well as pop-up Pilates and Zumba classes, to promote physical and mental well-being.

- Panel discussions where staff and guest speakers share their experiences and struggles with mental health. Attendees and speakers of the mental health panel discussion were provided a safe and inclusive environment where attendees felt comfortable to share their own struggles and experiences in front of their colleagues.

- At HSBC Bank Canada’s annual basketball tournament, Y-Knot encouraged employees to build and join teams to compete for a $500 donation towards a registered charity of their choice. This year, the Toronto Warriors was the victorious employee team, with their winnings donated to The Culture Regeneration Research Society.
Engagement
Employee Resource Groups at HSBC

APIC at HSBC
APIC hosted an event that welcomed youth from S.U.C.C.E.S.S.’s Vancouver Development Program for Young Immigrants. Fifteen young first-generation immigrants participated in an HSBC branch visit and head office tour. HSBC Bank Canada volunteers from different business lines hosted one-on-one candid exchanges with the attendees, providing guidance and advice on post-secondary education, technical training, professional designation and other career topics of importance to the success of first-generation immigrants.

SANDI at HSBC
One of SANDI’s signature events is a series entitled Chat and Chai which provides members an opportunity to engage in meaningful mentoring sessions with HSBC Bank Canada leaders. From talking about career advancement to exploring the importance of calculated risk, agility, resilience and self-awareness, SANDI members benefit from openly discussing topics of both personal and professional concern in an informal setting.

SANDI continues to host its popular cricket matches that attract a large number of members, friends and family to cheer on participating teams in both Vancouver and Toronto.

SANDI ended the year by holding a unique event that encouraged attendees to share personal life experiences, including challenges they have overcome and gratitude for where they find themselves today. The “Count Your Blessings” event brought together HSBC Bank Canada colleagues and executives in Toronto and Vancouver for an evening of inspiration and life-changing stories.
Learning and development

As HSBC looks to the future and increasing globalization, we require a new kind of workforce that can continue to thrive in diverse and inclusive teams:

- A human system of highly competent employees who can deliver the best outcomes for our customers and stakeholders; and
- People committed to the long-term success of HSBC and the communities we serve, and of colleagues that are confident in the value of their work, and the opportunities to grow and develop throughout their careers.

Now, next and future skills

What – Provide opportunities and tools for our people to develop the knowledge and skills required of their current role, but also role of the future, at HSBC and beyond.

Why – HSBC needs a highly competent workforce delivering for the now. It also needs to help people prepare for their next role, but critically, to think much further out, developing emerging skills sets in advance of them being needed.

Personal skills to learn, adapt and evolve

What – Ensure that employees thrive by developing their personal ability to learn, reflect, adapt and evolve, and to take ownership for their own development through careers that span several different types of job and organisations.

Why – As HSBC constantly evolves, we want to provide employees with opportunities to contribute thrive in a constantly changing environment and prepare for the future with confidence. As a progressive employer we believe any of these skills are applicable not just to their role – but to their lives.

Leaders that create the environment for success

What – Create an environment where our people can unlock their potential by developing managers and leaders who commit to the long term careers of their people, foster a culture of curiosity, innovation and collaboration, and grow and share talent.

Why – Our people make HSBC unique. We believe that it is the very best environment for our people to thrive, and by doing so deliver a compelling proposition for our customers and stakeholders.

Following our focus on financial crime training, it is right to reinvest in the development of management and leadership skills at HSBC.

Within HSBC University, employees have access to thousands of online resources and courses designed by and for HSBC for its core development priorities:

- Leadership: Develops and raises the performance of leaders and managers – from supervisors to senior executives;
- Risk management: Builds awareness and understanding of the risk management challenges facing the HSBC Group;
- Strategy and performance: Develops understanding of HSBC’s current and future strategic themes as well as being the source of learning for the HSBC Group’s on-boarding programs; and
- Business & role specific: Targeted learning based on business and functional priorities, as well as planned programs of learning to support progression from new role holders through to role experts.

The first major skills program was launched this year to all HSBC employees. Additionally, Leading Myself was launched for individual participants, consisting of a series of online resources and modules on personal skills, and supported by job coaches. It includes the module “Resilient Me” focused on developing resilience, which was identified by the Institute of the Future as the most significant future-focused skill required to support the successful development of all other skills against a context of constant change.

HSBC employees around the world also have access to LinkedIn Learning content. In 2019, we plan to highlight and promote individual LinkedIn Learning solutions to further support overall employee development.
Positive policies and practices

FlexLeave absence programs
We recognize that employees may require time off for personal, exceptional or unusual circumstances. They may choose from several leave types, both paid, partially paid or unpaid, to accommodate their need for time off.

- Religious
  Accommodate special rites or customs
- Bereavement
  Upon death of a family member
- Jury and Witness Duty
  Fulfils civic duty
- Emergency
  Personal or family emergency
- Study Days
  Pursuing academic programs
- Compassionate Care
  Care of a seriously ill family member
- Maternity/Parental Leave
  Maternity and parental support
- Personal
  Personal reasons
- Sabbatical
  Personal reasons
- Educational
  Pursue educational program
- Crime-Related Child Death or Disappearance
  Support an employee whose child has been a victim of a crime, which resulted in their disappearance or death
- Parents of Critically Ill Child
  Support an employee whose child is critically ill or injured
- Short-Term Disability
  Support an employee during an illness
- Long-Term Disability
  Supports an employee during an illness that extends beyond short-term disability

Wellness
HSBC Bank Canada offers many programs and services to support our employees’ wellness and health:

- Personal Wellness Account
  Offers employees an annual $500 credit in a personal spending account that is to be used to purchase select health and fitness goods or services.
- Employee Assistance Program
  Offers a range of professional counselling and support services to employees and their families.
- FlexReturn Program
  Supports employees returning to work from maternity/parental leave with a reduced work schedule and full benefit coverage.
- Psychologist Benefit
  Provides up to 12 paid sessions per year with a psychologist of the employee’s choosing, for themselves and their eligible dependants.
- Mental Health Rehabilitation Treatment Plan
  Assists employees on short- or long-term disability absences with specialized counselling and support to facilitate a healthy recovery and return to work.
- Disability Gradual Return to Work
  Helps employees on disability leaves of absence return to work healthy and productive by returning to work gradually and with the assistance of a health management consultant.
- Reflection/Quiet Room
  Offers employees at major corporate centre offices a quiet place for personal wellness needs – mental, physical or spiritual.
Consistent with our values of being dependable, open and connected, HSBC understands the importance of fostering a workplace culture that embraces and promotes diversity, equity and inclusion and is free from any form of discrimination or harassment.

The Statement of Business Principles and Code of Ethics policy (“the Code”) provides employees with conduct expectations in accordance with the values, ethics, standards and principles of our organization. All employees must attest their understanding and compliance with the Code on an annual basis.

The Code also provides employees with information on how to report concerns. We encourage employees to take ownership for doing the right thing, which means speaking up if there are concerns without the fear of retaliation. Employees can bring forward any issues or report violations confidentially and anonymously via HSBC Confidential, which is available 24/7.

In order to create an inclusive environment, we believe in acting with courageous integrity to do what’s right. Employees can use “Our Charter” to help guide decisions, as we understand that by making the right decisions, we can shape a better future for our customers and colleagues.

Initiatives focused on inclusion are regularly communicated to HSBC Bank Canada employees through our internal employee website and through executive and management presentations, town hall meetings and employee events. This Employment Equity Report is published internally on our employee website as well as externally on HSBC Bank Canada’s public website.

**NO RETALIATION**

“Reports of violations made under this Statement of Business Principles and Codes of Ethics will be kept in confidence except as may otherwise be required to protect HSBC’s interests. HSBC recognizes the importance of providing a safe environment for individuals to report incidents of unlawful activity or violations of policy and it is improper to take any adverse job action against an individual for reporting in good faith such activity or violation to HSBC or to a government agency.”

– Extract from the global Field Instruction Manual: Whistleblowing and “HSBC Confidential”

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1 https://www.hsbc.ca/1/2/personal/banking/codes-of-conduct
HSBC Bank Canada
in the community

2018 highlights

HSBC Bank Canada’s community investment activities are part of the HSBC Group’s comprehensive global commitment to sustainable growth. We contribute to registered Canadian charities, and our donations support community programs that have a measurable impact in the areas of sustainable finance, sustainable supply chains and entrepreneurship and future skills. A portion of our donation is set aside for causes that our employees are most passionate about and that benefit local communities. Investing in our communities extends beyond financial donations. We encourage employees to volunteer their time, and in 2018 they reported spending more than 5,000 paid work hours volunteering. The programs we support reflect the diversity of our workforce and the communities where we operate, including:

- **Indspire, HSBC Indigenous Business Award:** Since 2014, we have provided support to 222 Indigenous business students across Canada with a scholarship to pursue post-secondary education, increasing their ability to focus on their studies and achieve their ambitions.
- **Pathways to Education Canada, Pathways to Education Program™ and Indigenous program development:** Since 2013, we have supported more than 800 youth in low-income communities with the resources they need to graduate from high school, including communities in Winnipeg and Vancouver, where there are high portions of urban Indigenous youth. We also support Pathways Indigenous program development activities.
- **Enactus Canada, HSBC Women’s Entrepreneurial Leadership Program:** This renewed program recognized six female post-secondary student leaders with a financial award and project grant to support projects focused on the advancement of women in the 2018-19 school year. Students are paired with a volunteer HSBC mentor to support their personal and professional aspirations.
- **Donald Berman Yaldei Developmental Center, After-School Program:** Supported more than 50 students and their families with access to essential after-school care, which helps to build life skills for children with developmental needs.
- **HSBC Bank Canada Volunteer Fund:** Contributed more than $100,000 to charitable causes that our employees care about and actively volunteer with. In 2018, $35,000 of these contributions supported initiatives that directly support our diversity and inclusion areas of focus.
HSBC Indigenous Youth rugby experience

Entering into its third year, the Indigenous Canadian Employee Resource Group (ICRg) continued its partnership with the HSBC World Rugby Sevens Series organizers in hosting a two-day event for over 40 Indigenous high school students. The youth athletes – along with parents, chaperones and teachers – kicked off the day’s activities with a morning opening by a local Elder and an ice-breaker exercise hosted by eight HSBC Bank Canada executives as well as Indigenous employees and volunteers. This was followed by an afternoon of coaching and exercise at the rugby skills clinic, which allowed the youth to showcase their skills and passion for rugby in front of international rugby athletes and Rugby Sevens coaches. Coaching on leadership, teamwork and resilience carried over into an evening panel discussion and dinner where professional Indigenous athletes and Rugby 7s players shared their stories of triumph and inspiration.

This full rugby experience was topped off with the youth attending the Rugby Sevens tournament and being hosted in the HSBC Hot Seat by HSBC Bank Canada’s President and CEO, Sandra Stuart.

HSBC Indigenous Advancement

Project Accelerator award – Enactus

The Chair of the ICRg, Jeneka Gong (far left), presented the Enactus Award to the youth award winners of the HSBC Indigenous Advancement Project Accelerator for best project. Launched in 2016, the project accelerator is designed to empower Enactus teams with the resources needed to identify, create and deliver projects focused on Indigenous communities in Canada.

HSBC Community Contributor of the Year – Canadian Centre for Diversity and Inclusion

HSBC Bank Canada is a founding partner of the Canadian Centre for Diversity and Inclusion (CCDI), an organization that provides learning events online and in person across Canada to enhance our employee development offerings.

HSBC Bank Canada has also partnered with CCDI for three consecutive years to present the “HSBC Community Contributor of the Year” award during the Centre’s BLOOM!

Awards of Success galas in Toronto and Calgary. BLOOM! provides a platform to celebrate and recognize the commitment and accomplishments of Canada’s diversity and inclusion professionals. In line with our values of being dependable, open and connected, this award is given to a person who goes above and beyond to affect change in Canadian society as it relates to diversity and inclusion, or human rights and equity.
Mentor Lunch & Learn in partnership with Women in Capital Markets
In partnership with Women in Capital Markets (WCM), we hosted a sold-out Mentor Lunch & Learn featuring HSBC Bank Canada’s Valerie Lemieux, Director of Global Banking & Markets, who shared her top takeaways on building a successful career. WCM Mentor Lunch & Learns are an opportunity for a small number of professionals to meet informally with a female leader in the industry over a round-table lunch. The mentor shares experiences, insights and advice with professionals from the early stages of their financial industry or capital markets careers.

HSBC partnership with A Loving Spoonful
HSBC Pride was thrilled to partner with A Loving Spoonful, a Vancouver-based volunteer-driven, non-partisan society that provides free nutritious meals to people living with HIV/AIDS in Greater Vancouver. A donation was given to A Loving Spoonful on behalf of the HSBC Volunteer Fund and HSBC Pride that provided approximately 1,400 meals to individuals and families.

We launched this collaboration with our first volunteer evening in December attended by HSBC Bank Canada employees, their families and a friendly Pacific Assistance Dog!

“We believe in the work A Loving Spoonful is doing in the community. Keeping our community healthy is important, and A Loving Spoonful does it with care and compassion.”
– Sergio Zedda, Senior Manager Wealth Marketing, HSBC Bank Canada

Volunteering with Junior Achievement
HSBC Group supports Junior Achievement’s “More than Money” program around the world. In Canada, we contribute more than $200,000 annually to Junior Achievement (JA) in support of programs in five cities. JA is a non-profit organization that creates and delivers programs for students between the ages of eight and 18 with a focus on financial literacy, entrepreneurship and work readiness. Each year, HSBC’s Y-Knot ERG also organizes the bank’s participation in the program. After attending a program orientation on classroom management techniques, HSBC Bank Canada employees volunteer to give back to the community by delivering half-day classroom sessions on the topics of business and finance to groups of students from predominantly lower-income families.

Stuffing for a good cause – Boys and Girls Club of Vancouver
Leading up to the holiday season, HSBC Bank Canada employees in British Columbia raised money in support of the Boys and Girls Club of Vancouver (South Coast BC), which provides substance-abuse services and support to vulnerable youth in the local community. Collected donations from more than 100 HSBC Bank Canada employees were used to purchase items to fill 20 stockings, each containing gloves, socks, toques, hygiene products, snacks and gift cards for food. The completed stockings were delivered to the Boys and Girls Club to distribute to youth in need, specifically from at-risk and vulnerable communities.
Constraints

We ended 2018 with a rosier diversity outlook compared to last year as our diversity representation was affected when transformation efforts realigned some roles. HSBC is currently making significant investments in Canada – expanding our teams to support the growth of each of our lines of business.

While the increase this year in both the representation of Indigenous/Aboriginal employees and persons with disabilities is slight, we are now closer to our levels before the transformation process and are moving again in the direction of our aspirational goals. This uplift speaks to the commitment of our business and human resources leaders to mitigate impact on affected employees.

Improvements to our recruitment process also translated to more candidates this year who self-identify under one of the four designated groups. Our efforts to re-survey our workforce population to ask if they self-identify as one of the four designated groups reinforced the importance of regularly capturing these updates – this is especially true as an employee’s personal circumstances may change throughout their career.

Even with such significant progress, there is a lot we can continue to improve on. While the number of women and visible minorities at HSBC Bank Canada continues to outpace the corresponding labour market proportion as a whole, we also need to stay focused on the representation of women in middle management. Furthermore, the number of outgoing employees in each of the four designated groups continues to outpace new-to-bank hires for these groups. Such trends reflect the need for us to grasp the drivers behind our attrition rates.

In 2019, we will spend equal focus on better understanding the employee experience to identify workplace barriers and create more tailored inclusive solutions. In partnership with global efforts by HSBC Group, we will also target increased actions that contribute to a more welcoming workplace for our colleagues with disabilities.

While we have worked hard to effectively recruit and onboard new joiners, opportunity exists for us to ensure that all employees feel they are able to thrive at HSBC in the long-term.
Committed to inclusion

2018 marked our third year of being recognized by the federal Minister of Employment, Workforce Development and Labour for our outstanding commitment to employment equity, a significant external validation of our approach and strategy.

While we are very proud of where we are, we know that there is always more work to do. As HSBC Group commits globally to building a healthy, human system of highly competent employees, the opportunity also exists here in Canada to evolve our diversity and inclusion efforts so that they contribute to unleashing the best and healthiest outcomes for our people, customers and stakeholders.

Currently, we are working in partnership with our business leaders to further expand diversity and inclusion efforts, thereby integrating it into everything we do and the ways we do business. We will continue ongoing consultations with our employee resource groups and partner closely with our Corporate Sustainability team to drive opportunities for positive change.

In 2019, in addition to building diversity representation, we will focus on creating an inclusive workplace where everyone feels they belong, contribute and thrive. This will require a deeper dive into our workforce demographic research, data gathering and analysis to reach the best possible understanding of our people and how we can help them thrive. Our goal is to ensure that diverse viewpoints and life experiences are valued and celebrated, and that we have a robust and diverse pipeline of future leaders to support our continued growth.

We remain steadfast in enhancing diversity and inclusion under the leadership of our CEO, her senior leadership team, the Diversity & Inclusion Council and the Head of Diversity & Inclusion to drive our commitment to making HSBC Bank Canada truly inclusive and reflective of the communities where we work and live.
Requesting a Charitable Contribution

HSBC Bank Canada supports community programs that provide a measurable impact in the areas of sustainable finance, sustainable supply chains and entrepreneurship, and future skills. If you are a registered Canadian charity active in one of these areas email us at corporate_sustainability@hsbc.ca.

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