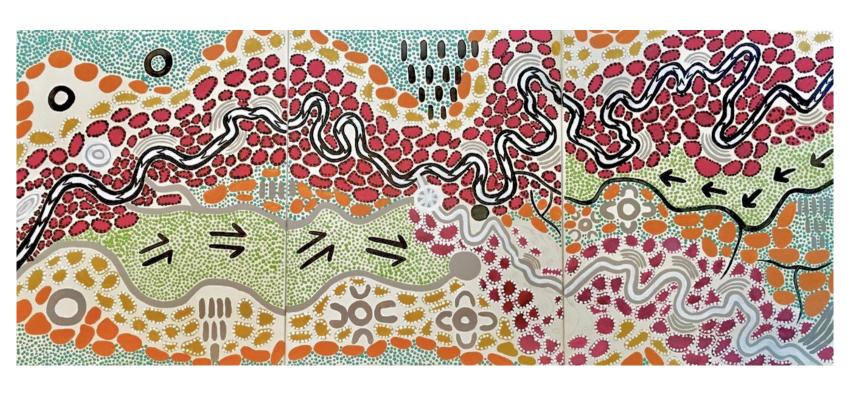
HSBC Bank Australia

Innovate Reconciliation Action Plan



April 2020-March 2022





Our vision for reconciliation

HSBC's vision is for a reconciled Australia where Aboriginal and Torres Strait Islander peoples have equal access to opportunities across various sectors including education, employment, health care, and in business.

Our business

The HSBC Group is one of the largest international banking and financial services organisations, serving more than 47 million customers in 71 countries and territories through four global businesses: Retail Banking and Wealth Management, Commercial Banking, Global Banking and Markets and Global Private Banking. With around 4,400 offices worldwide, we aim to be where the growth is, connecting customers to opportunities, enabling businesses to thrive and economies to prosper, and ultimately helping people to fulfil their hopes and realise their ambitions.

In Australia, HSBC employs around 1,800 people and offers an extensive range of financial services through a network of 44 branches and offices. HSBC commenced operations in Australia in 1965 and was awarded a commercial banking licence in 1986. HSBC has a presence in all states and territories except the Northern Territory and Tasmania. HSBC does not currently report on employee cultural background so there is no current number on how many of our employees identify as Aboriginal and/or Torres Strait Islander peoples, however we continue to consider appropriate means to identify Aboriginal and Torres Strait Islander employees in order to create a more culturally safe workplace. In 2017, HSBC employed a graduate who had previously participated in an internship program at the Bank while he was completing university, through an education partner that supports education outcomes for Aboriginal and Torres Strait Islander students. In 2018 HSBC introduced a traineeship program aimed at hiring more people into entry-level roles, demonstrating an ongoing commitment to creating valuable employment opportunities for Aboriginal and Torres Strait Islander Australians within the Bank.

Diversity and inclusion are integral to the HSBC Group globally, and in Australia HSBC is committed to maintaining a workplace where all employees are respected and have access to equal opportunities regardless of gender, age, faith, ethnicity, sexuality, personal responsibility, and physical ability. And, as part of the Bank's global corporate sustainability strategy, HSBC has a commitment to the communities in which we operate with a particular focus on 'Future Skills', which are education programs that deliver employability and financial capability outcomes. This clearly aligns with our RAP ambitions. Additionally, HSBC has successfully partnered with the Fred Hollows Foundation since 2015 (and remains committed until the end of 2020) to tackle the elimination of avoidable blindness from trachoma in remote and regional communities whilst building capacity in culturally-informed healthcare.

Our RAP

HSBC introduced a Reflect RAP 2017, which was a strong demonstration of the organisation's commitment to Aboriginal and Torres Strait Islander peoples, and their desire to play a role in delivering a reconciled Australia all people have equal access to opportunities across various sectors including education, employment, health care, and in business. It is also a commitment to deliver a culturally informed workforce where employees have an understanding of Aboriginal and Torres Strait Islander culture and history.

HSBC's initial RAP was underpinned by strong partnerships with not-for-profit and non-government organisations, addressing a number of issues as outlined in the Closing the Gap Reports and this RAP further demonstrates HSBC's ongoing and sustained commitment to the community.

HSBC's significant philanthropic partnerships with the Fred Hollows Foundation, Barnardos, KARI and Australian Indigenous Education Foundation (AIEF) were a strong starting point for our reconciliation actions. Since the endorsement of HSBC's first RAP, collectively these partnerships have grown, both in terms of the funding being

provided and in terms of measurable outcomes, including new employment opportunities for young Aboriginal and Torres Strait Islander students. HSBC believers these partnerships are fundamental to our corporate and social responsibility, and our commitment to invest in the communities in which we operate.

In 2015 HSBC introduced the AIEF-HSBC Work Placement program, which provides summer internships to AIEF Alumni; a program that continues to this day. At the end of 2015, HSBC hosted three AIEF alumni as summer interns – these same three students were brought back for the 2016/2017 summer holidays. And in 2017 HSBC employed one of the original interns into our graduate program, with the hope that the work placement will continue to build our recruitment pipeline and help us create a more culturally diverse and inclusive workforce.

Internally, the RAP will be championed by the RAP Working Group, and supported by the HSBC Diversity and Inclusion Committee and the Executive Management team. The RAP Working Group were consulted prior to sharing the plan with Reconciliation Australia for endorsement, and were invited to provide feedback during the draft process. HSBC has also consulted with the CEO of KARI, Casey Ralph on the development of activities, cultural tone at events, and to engage with senior management on some of the social and political concerns that face Aboriginal and Torres Strait Islander peoples in Australia. Casey continues to provide guidance to HSBC on RAP related initiatives and KARI were present at the launch of HSBC's first RAP. In 2018 HSBC launched a traineeship program designed to give Aboriginal and Torres Strait Islander school leavers access to accredited entry-level positions with our retail banking operations. This was in direct response to a comment from KARI Ambassador, Beau Champion who had talked about the need for opportunities for the young people in their care. An area of focus for our Innovate RAP will be to reach more potential applicants, especially through the traineeship program, establishing HSBC as a safe, culturally competent employer.

HSBC has committed to funding the elimination of trachoma in remote and regional communities until the end of 2020, in partnership with the Fred Hollows Foundation. The World Health Organisation has targeted 2020 as the year to eliminate trachoma globally, and whilst the identification and treatment of trachoma is invaluable, the Foundation is also training community members to work as health workers which will deliver ongoing impact in the fight against non-communicable diseases, and builds capacity in the health sector within regional and remote areas.

Our partnerships and current activities

Community partnerships

- Australian Indigenous Education Foundation HSBC first partnered with AIEF in 2011, committing to AUD100K per annum for 5 years to support the delivery of their scholarships program. The program gives Aboriginal and Torres Strait Islander students the opportunity to attend some of the best schools in Australia. The AIEF partnership was renewed in 2016, with HSBC's financial support doubling to AUD200K per annum for 5 years; equivalent to AUD1.5m from 2011 2021. And in 2018, HSBC committed an additional AUD100K per annum to support the delivery of internship scholarships, building upon the AIEF-HSBC Work Placement Program, and continuing to support AIEF Alumni to complete internships within the Bank. Additionally, as part of the HSBC Group's 150th anniversary celebrations in 2015, HSBC committed an additional USD450K per annum for three years towards the AIEF Tertiary Academy, to support Aboriginal and Torres Strait Islander students to complete tertiary education. The scholarships are underpinned by the AIEF Pathways Program, which gives student access to mentors and regular contact from AIEF employees to support them through their studies, especially as many of them are the first young people to leave their homes to attend boarding school. Additionally, HSBC has funded the delivery of the AIEF Compendium of Best Practice for Indigenous Education. AIEF is currently outperforming the government three to one on outcomes in terms of student retention and completion of studies.
- HSBC is a major supporter of the Fred Hollows Foundation and committed USD795,000 to their Indigenous Australia Program over three years (2015-2017), specifically their trachoma elimination program which impacted 8 Aboriginal communities, over 4,000 people were screened for trachoma, and provided training to 12 community-based health workers. HSBC has committed to fund the trachoma elimination program till the end of 2020, by when the World Health Organisation has targeted to eliminate trachoma globally. As part of the partnership with the Fred Hollows Foundation, each year HSBC employees have the opportunity to apply to go on a See Australia

expedition, visiting an Aboriginal community, witnessing first-hand the invaluable work of the Foundation, and hearing from the community about the realities of life in a regional or remote area. The applications are assessed by HSBC's Sustainability Management Committee, with the two successful applicants deemed those who have most closely considered the importance of reconciliation action and what they hope to learn from the trip.

- Yurungai Learning Centre is an after-school care centre run by Barnardos in Waterloo NSW. The children who attend the centre are primary school-aged, and predominantly Aboriginal and Torres Strait Islander children, from various levels of socio-economic disadvantage and are referred to the centre either by their school (Alexandria Park or Our Lady of Mount Carmel) or by the Department of Child Services (DOCS). The centre focuses on increasing the numeracy and literacy skills of the children and provides a hands-on link to learning for parents and carers. Additionally, there is a strong focus on Aboriginal and Torres Strait Islander cultural awareness at the centre. HSBC employees attend the centre on a weekly basis, assisting with homework and other projects.
- Initially established as Australia's largest Aboriginal and Torres Strait Islander foster care provider, KARI now deliver significant education and early intervention programs, with a particular focus on communities within South West Sydney. HSBC first partnered with KARI in 2016 to fund the delivery of a Multidisciplinary Clinic which placed physicians into early childcare classes to identify any developmental or physical delays, and put treatment plans in place, given the length of time it can take for them to be addressed in the mainstream health system. Now that this program is now self-sufficient, support has shifted to the Leadership Experience and Development (LEAD) program which provides students with the skills they need to finish school successfully, and transition into either employment or further study.
- A newer partner, **Nura Gili Centre for Indigenous Programs, University of New South Wales**, provides pathways to learning opportunities that embrace First Nations' knowledge, culture and histories. HSBC is supporting the delivery of Pre-Programs that provide an access pathway into undergraduate UNSW degree programs in Business; Education; Law; Medicine; Social Work; and Science and Engineering. Each Pre-Program is a stepping stone to a students' dream career path, introducing university life within an environment that provides culturally appropriate support. Pre-Programs deliver initial components of 1st-year subjects, and students are assessed not simply on the knowledge they should have gained at school, but rather on commitment, attitude towards their studies and ability to participate academically in their selected discipline. Students meet inspirational support staff, academics and current Indigenous students. Pre-Programs help to set Indigenous students up for success, with the skills necessary for their chosen degree studies, whilst, also providing an access pathway into these degree programs with assessment throughout and an exit interview. Approximately 30% of UNSW's 400+ Aboriginal and Torres Strait Islander students gained access into their degree through Pre-Programs.
- HSBC has asked for our other education partners to report on the percentage of Aboriginal and Torres Strait Islander
 children and young people benefitting from the programs funded, and where applicable has asked them to target schools
 /communities with a larger Aboriginal and Torres Strait Islander population, provided the need for services exists.

HSBC commenced the national rollout of face-to-face cultural awareness training sessions at the end of 2017, starting with the RAP Working Group and the Executive Management team. With the introduction of the Innovate RAP the aim is to find a balance between online and face-to-face training to give employees the opportunity to choose the medium that makes more sense to them. HSBC has hosted events to mark NAIDOC and National Reconciliation Week and has ensured that communications provide context around why these dates are so important. With the launch of the first RAP, all line managers across the bank were issued a briefing pack to share with their teams so employees not only understood why HSBC was issuing a RAP, but also how we can make an impact through our individual actions. Over the last 18 months HSBC has incorporated Acknowledgement of Country and Welcome to Country into all key client-facing and internal events, which is an important reflection of the respect HSBC has for the Traditional Custodians of the land on which we operate.

HSBC has explored opportunities to increase procurement from Aboriginal and Torres Strait Islander owned businesses, and to provide employment opportunities through some of the services that are overseen by our global facilities management partner such as reception, catering and back-of-house employees. While many of these conversations are ongoing, HSBC has showcased native ingredients, sourced through Aboriginal and Torres Strait Islander owned businesses, at RAP related events such as for NAIDOC Week celebrations. In addition, HSBC is now sourcing the coffee and bottled water used for in-house events from Waddi, which is owned by an Aboriginal entrepreneur, and which uses a portion of their profits to support other Aboriginal and Torres Strait Islander organisations.

RAP Working group

HSBC's RAP Working Group is made up of employees from across the Bank, with senior management from our community partners providing input, guidance and Aboriginal and Torres Strait Islander representation.

Kaber Mclean: CEO

Paul Murphy: Head of Human Resources (HR)

Alpa Bhattacharjee: Head of Corporate Sustainability

James Courtney: Communications Manager

Michael Rose: Head of Procurement

Robert Agati: Company Secretary and Head of Corporate Governance

Kathy Rajkovic: Regional Manager, WA, Retail Banking and Wealth Management

Jeremy White: Head of Corporate, Commercial Banking (CMB), QLD

Kylie McGavin: Head of Talent, HR

Jenny McRae: Director, Global Banking

Matthew Brook: Chief Operating Officer, Global Markets

• (Chris O'Donnell: AIEF Alumni and former HSBC Graduate was part of the RWG during the drafting phase)



Relationships

HSBC's purpose is 'to be where the growth is, connecting customers to opportunities, enabling businesses to thrive and economies to prosper, and ultimately helping people to fulfil their hopes and realise their ambitions.' This is a purpose built on trust, and a collaborative approach. HSBC understands that to make an impact through our RAP we need to form strong relationships with Aboriginal and Torres Strait Islander leaders, organisations, businesses and communities. For the RAP to align with HSBC's core values, we need to learn from these groups so that we can best understand our role in delivering long-term impact, and a reconciled Australia where every person has the right, the means, and the opportunity to prosper.

| Action | Deliverable | Timeline | Responsibility |
|---|--|---|-------------------------------------|
| RAP Working Group (RWG) actively monitors | RWG oversees the development, endorsement and launch of the RAP. | April 2020 | Head of Corporate Sustainability |
| RAP development and implementation of actions, tracking | Ensure Aboriginal and Torres Strait Islander peoples are represented on the RWG | April 2020 | |
| progress and reporting | RWG will meet at least twice a year to monitor and report on the RAP implementation | April and September 2020 and 2021 | |
| | Establish Terms of Reference for the RWG. | April 2020 | |
| | Engage relevant community partners to create an informal advisory group to provide cultural advice and guidance. | April 2020 | |

| 2. | Celebrate and participate in National Reconciliation Week (NRW) by providing opportunities to build and maintain relationships between Aboriginal and Torres Strait Islander peoples and other Australians | Organise at least one internal event for NRW each year. Register internal NRW event via Reconciliation Australia's NRW website. Support an external NRW event. Share factsheets on National Reconciliation Week Promote NRW via communications on the intranet, through line manager cascades, and the use of internal LCD screens Promote external NRW events Ensure our RAP Working Group participates in an external event to recognise and celebrate NRW. Invite Aboriginal and Torres Strait Islander peoples to share their stories Share Reconciliation Australia calendar of external events and NRW resources with all employees, including branches | 27 May- 3 June 2020, 2021 | Head of Corporate Sustainability, with support from relevant Employee Resource Groups and Comms |
|----|--|---|-------------------------------------|--|
| 3. | Develop and maintain mutually beneficial relationships with Aboriginal and Torres Strait Islander peoples, communities and organisations to support positive outcomes | Develop and implement an engagement plan to work with our Aboriginal and Torres Strait Islander stakeholders. Meet with local Aboriginal and Torres Strait Islander organisations to develop guiding principles for future engagement. | June 2020 June 2020 | Head of Corporate Sustainability, with support from Head of HR when it aligns with employment opportunities |
| 4. | external awareness of our RAP to promote reconciliation across | Develop and implement a strategy to communicate our RAP to all internal and external stakeholders, including through the use of HSBC social media channels Communicate HSBC's RAP to clients – provide briefing packs to line managers that they can use to inform their teams, and clients in turn about HSBC's aspirations. Implement strategies to engage our staff in reconciliation. | April 2020 May 2020 June 2020 | Head of Corporate Sustainability and Communications Manager |
| | | Explore opportunities to positively influence our external stakeholders to drive reconciliation outcomes. Collaborate with RAP and other likeminded organisations to develop ways to | July 2020 July 2020 | |

advance reconciliation.

| 5. | Engage with leadership |
|----|--------------------------|
| | of partner organisations |
| | and senior Aboriginal |
| | Stakeholders to |
| | increase internal |
| | understanding of the |
| | Uluru Statement from |
| | the Heart |
| | |

- Create a paper outlining what supporting April 2020 the Uluru Statement from the Heart would entail for HSBC to be socialised with the RWG for discussion
- Following initial briefings consider how HSBC can publically support the Statement from the Heart

Head of Corporate Sustainability and Head of HR

June 2020

- 6. Promote positive race relations through anti-discrimination strategies.
- Engage with Aboriginal and Torres Strait Islander employees and stakeholders to consult on our existing antidiscrimination policy.
- Educate all employees on the effect of racism and communicate our anti-discrimination policy to deliver awareness on how discrimination impacts individuals and communities

August 2020

Head of Corporate Sustainability and Head of HR

December 2020

Head of Corporate Sustainability and Head of HR



Respect

HSBC prides itself on a diverse, inclusive culture and workplace. Our values are Open, Dependable, and Connected. For HSBC to deliver on these values and to deliver a workplace where all employees feel seen and respected for the person that they are, we need to learn more about the worlds, the histories and cultures that makes each individual. All of this is based on respect. What we know is that a respected, diverse workforce is more productive, inclusivity breeds success, and joins us all together as we hold the same values close.

| Action | Deliverable | Timeline | Responsibility |
|--|---|---------------|---|
| 7. Engage employees in continuous cultural learning opportunities to increase understanding | Invite students from AIEF to submit artworks to be considered for the cover of the RAP, and make an announcement of the selected artwork at an internal launch event | December 2019 | Head of Talent and Head of Corporate Sustainability |
| and appreciation of Aboriginal and Torres Strait Islander cultures, histories and achievements | Develop and implement an Aboriginal and Torres Strait Islander cultural awareness training strategy for our staff which defines cultural learning needs of employees in all areas of our business and considers various ways cultural learning can be provided (online, face to face workshops or cultural immersion). | April 2020 | |
| | Investigate opportunities to work with local Traditional Owners and/or Aboriginal and Torres Strait Islander consultants to develop cultural awareness training. | April 2020 | |
| | Provide opportunities for RWG members, RAP champions, HR managers and other key leadership staff to participate in cultural training. | December 2020 | |

| | | Identify cultural learning requirements specific to our staff's training need whether that is online or face-to-face Promote Reconciliation Australia's Share | April 2020 December 2020 | |
|--|---|---|--|---|
| | | Our Pride online tool to all staff. Investigate local cultural experiences and immersion opportunities including walking tours of the areas in which our offices are located, Tribal Warrior, or celebrations such as the Yabun Festival | May 2020 | |
| 8. | Engage employees in understanding the significance of | Re-communicate cultural protocol document for Welcome to Country and Acknowledgement of Country. | April 2020 | Head of Corporate Sustainability |
| | Aboriginal and Torres Strait Islander cultural protocols, such as | Develop a list of key contacts for organising a Welcome to Country and maintaining respectful partnerships. | April 2020 | |
| Welcome to Country and Acknowledgement of Country, to ensure there is a shared meaning | Invite a Traditional Owner to provide a Welcome to Country at significant events, including annual Chinese New Year events which host over 1,500 clients and internal employee events | February 2021 and February 2022 | | |
| | | Include an Acknowledgement of Country at the commencement of all important internal and external meetings. | As scheduled | |
| | | Encourage staff to include an Acknowledgement of Country at the commencement of all meetings. | To be monitored in June 2020 and June 2021 | |
| | | Invite Traditional Owners into our office to explain the significance of Welcome to Country and Acknowledgement of Country. | July 2020 | |
| 9. | Provide opportunities for Aboriginal and Torres Strait Islander staff to engage with their culture and communities by celebrating NAIDOC Week | Review HR policies and procedures to ensure there are no barriers to staff participating in NAIDOC Week. | April 2020 | Head of Talent and Head of Corporate Sustainability |
| | | Provide opportunities for all Aboriginal and Torres Strait Islander staff to participate with their cultures and communities during NAIDOC Week. | First week in July – 2020 and 2021 | |
| | | Share NAIDOC Week activity calendar with employees to encourage their participation and attendance in events near them. | July 2020, 2021 | |



Opportunities

HSBC recognises the role it has to play in delivering sustainable communities in which it operates and the importance of investing in the skills required by young people to deliver employability and financial capability outcomes. HSBC also recognises how important it is to foster entrepreneurial spirit, innovation, and continuous professional development both internally and externally, all of which are equally important if not more so as we strive to deliver equal outcomes and opportunity for all Australians.

| Action | Deliverable | Timeline | Responsibility |
|--|--|----------------------|---|
| 10. Investigate opportunities to improve and increase Aboriginal and Torres Strait Islander employment outcomes within our workplace | Collect information on our current Aboriginal and Torres Strait Islander staff to inform future employment opportunities. | June 2020 | Head of HR, Head of Talent, Head of Corporate Sustainability |
| | Develop and implement an Aboriginal and Torres Strait Islander Employment and Retention strategy. | August 2020 | |
| | Engage with existing Aboriginal and Torres Strait Islander staff to consult on employment strategies, including professional development. | June 2020 | |
| | Advertise all vacancies in Aboriginal and Torres Strait Islander media. | Ongoing | |
| | Review HR and recruitment procedures and policies to ensure there are no barriers to Aboriginal and Torres Strait Islander employees and future applicants participating in our workplace. | May 2020 | |
| | Review existing traineeships program for effectiveness and work on increasing reach and outcome. | April 2020 | |
| | Continue to offer internships through AIEF. | November 2020 | |
| | Share calendar of Aboriginal and Torres Strait Islander dates of significance so that | and November 2021 | |
| | employees can continue to learn more about the Aboriginal and Torres Strait Islander histories and cultures | August 2020 | |
| 11. Investigate opportunities to incorporate Aboriginal and Torres Strait Islander supplier diversity within our organisation | Review and update procurement policies and procedures to ensure there are no barriers for procuring goods and services from Aboriginal and Torres Strait Islander businesses. | August 2020 | Head of Procurement |
| | Develop and communicate to staff a list of Aboriginal and Torres Strait Islander businesses that can be used to procure goods and services. | April 2020 | Head of Procurement |
| | Develop at least one commercial relationship with an Aboriginal and/or Torres Strait Islander owned business. | December 2020 | Head of Procurement |

| | Investigate Supply Nation membership. Understand from other corporates and community partners how HSBC can provide mentoring to Aboriginal and Torres Strait Islander leaders and business owners and create a structured offering where feasible | August 2020 September 2020 | Head of Procurement and Head of Corporate Sustainability |
|--|--|-------------------------------|---|
| | Investigate opportunities for professional mentoring of Aboriginal and Torres Strait Islander leadership and business owners | August 2020 | |
| 12. Create capacity building opportunities that align with HSBC capabilities and expertise | Develop a cultural mentoring network for existing staff and managers – this can be linked to the internships to ensure that interns and line managers feel supported. | December 2020 | Head of Corporate Sustainability; Head of Talent |
| | Investigate opportunities to increase pro bono activities. | July 2020 | Head of Corporate Sustainability* |
| | Investigate opportunities to provide the KARI Leadership Development program to HSBC Executives to provide professional mentoring. | September 2020 | Head of Corporate Sustainability |
| | ◆ HSBC will take guidance from the professional networks of which they are members to understand what opportunities there may be to strengthen culturally appropriate delivery of products and services to First Nations clients. | May 2021 | Head of Retail Banking and Wealth Management and Head of Corporate Sustainability |

*with assistance from Legal



Governance, tracking progress and reporting

| Action | Deliverable | Timeline | Responsibility |
|---|---|---|--|
| 13. Report RAP achievements, challenges and | Complete and submit the RAP Impact Measurement Questionnaire to Reconciliation Australia annually. | 30 September 2020, 2021 | Head of Corporate Sustainability |
| learnings to Reconciliation Australia | Investigate participating in the RAP Barometer. | May 2020 | |
| 14. Report RAP achievements, challenges and learnings internally and externally | Report RAP achievements, challenges and learnings to Board, ExCo and Aboriginal leaders and community partners, and discuss ways to improve | Quarterly reporting commencing January 2020 December 2020 | Head of Communications and Head of Corporate Sustainability |
| | Publically report our RAP achievements, challenges and learnings. | and 2021 | |
| 15. Review, refresh and update RAP | Liaise with Reconciliation Australia to develop a new RAP based on learnings, challenges and achievements. | May 2021 | Head of Corporate Sustainability |
| | Send draft RAP to Reconciliation Australia for review and feedback. | June 2021 | |
| | Submit draft RAP to Reconciliation Australia for formal endorsement. | October 2021 | |
| | Engage NGO and not-for-profit partners when updating the RAP, inviting their feedback and insight | May 2021 | |



Contact details

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About the cover art

The painting on the front cover was created by Jessica Tedim from Walgett, NSW. Jessica completed Year 12 at St Vincent's College, Potts Point in 2017 on an AIEF Scholarship. She is currently studying for a Bachelor of Arts and Bachelor of Business at Griffith University and completing an internship.

Description of the artwork

The artwork was painted by Jessica with her mother, and represents her hometown of Walgett as an aerial view.