

Conduct is a critical component of all of HSBC's business activities. It is embedded within the Group's strategy, business models and planning, our culture and behaviours, interaction with customers, products and services, financial markets operations, and governance and oversight processes.

We have established a Global Conduct Framework with five pillars and 15 outcomes describing the behaviours to which we aspire. It increases our understanding of how the decisions we make affect customers and other stakeholders, helping us to strengthen our business. Our conduct framework governs everything we do and aligns to the JFSA's Client Centric Fiduciary Principles for which our businesses in Japan fully support.

Each global business and global function must ensure that its policies are designed to deliver the outcomes set out in the Global Conduct Framework.

The Pillars	Global Conduct Outcomes
<b>Pillar 1: Strategy and Business Models</b>	- Our strategy, business models, and the decisions we make deliver fair treatment of customers and do not disrupt market integrity
<b>Pillar 2: Culture and Behaviours</b>	- Our culture supports our people and empowers them to consistently do the right thing for our customers and markets in which we operate  - Our people are competent and committed to the fair treatment of customers and not disrupting the integrity of markets

	<ul style="list-style-type: none"> <li>- We are open to challenge, we acknowledge when things go wrong, we fix things and we learn from our mistakes</li> <li>- We reward and incentivise performance, behaviours and attitudes which deliver the fair treatment of customers and uphold market integrity</li> </ul>
<p><b>Pillar 3: Customer</b></p>	<ul style="list-style-type: none"> <li>- We know our customers and understand their needs - we actively listen to them and ask the right questions</li> <li>- Our products are designed to meet the different needs of our customers, to be competitive and to be understandable</li> <li>- Our products and services provide a balanced exchange of value between HSBC and our customers</li> <li>- Throughout our sales and servicing we are efficient, transparent and customer-focused</li> <li>- We manage our products and services so that our customers' experience is in line with the expectations we set</li> </ul>
<p><b>Pillar 4: Markets</b></p>	<ul style="list-style-type: none"> <li>- We seek to prevent and will proactively identify actions and behaviours that constitute market misconduct, and respond appropriately</li> </ul>

	<ul style="list-style-type: none"><li>- Trades are executed in a timely, clear and controlled manner ensuring that optimal execution is achieved for our customers and that HSBC trades are not manipulative</li><li>- We manage conflicts of interest and appropriately handle information to reduce the opportunity for misuse</li></ul>
<b>Pillar 5: Governance and Oversight</b>	<ul style="list-style-type: none"><li>- Our governance framework provides effective oversight of how we fairly treat customers and uphold market integrity</li><li>- We engage with regulatory bodies in a timely, open and transparent manner</li></ul>