

## **Actions and Status Report Regarding Customer-Orientated Business Conduct**

### 1. Common KPIs

Our firm does not conduct any products within the scope of common KPIs.

### 2. Our Action Plan and Status (As of 17 November 2024)

#### Principle 2: Pursuit of Customers' Best Interests

Actions	Status
Our firm has published our policy in response to the FSA's Principles of Customer-Oriented Business Conduct.	Policy in place. Reviewed by management on an annual basis.
HSBC ensures that feedback from customers (including complaints) is properly taken into consideration and that action is taken to address deficiencies where required.	Framework in place. Ongoing monitoring is performed to ensure complaints are addressed properly and in a timely manner. During the previous 12-months, all complaints received have been resolved within the timeframe set by internal guidelines in our Global Policy.
In order to meet the diverse needs of our customers, we provide proposals that make use of the combined capabilities of the HSBC Group, including our firm, The Hongkong & Shanghai Banking Corporation Limited, and HSBC Asset Management (Japan) Limited.	With the consent of customers as necessary, we work closely with relevant HSBC Group companies to provide support to our customers.

#### Principle 3: Appropriate Management of Conflicts of Interest

Actions	Status
HSBC has established a framework for the handling of conflicts of interest.	Framework in place. Reviews conducted for each

	case raised. Periodic reviews of business aligned conflicts registers conducted.
Framework and controls in place governing employee activities in the areas of personal account dealing, outside business activities, gifts and entertainment.	Framework and controls in place.

#### Principle 4: Disclosure of Commissions, Fees, and Other Costs

Actions	Status
HSBC has established global policies in relation to dealing, managing and executing trades appropriately. This includes reviews of sales margins against defined thresholds. Commissions, fees and other costs are disclosed where necessary.	Framework and controls in place.

#### Principle 5: Provide Important Information in a Clear Way

Actions	Status
HSBC has established global policies to ensure that it provides customers with product information that is clear, fair, and not misleading. All marketing materials are subject to review before use to ensure they are of the requisite standard.	Framework and controls in place.

#### Principle 6: Provide Suitable Financial Products/Services to Customers

Actions	Status
HSBC has established global policies and local internal rules governing client suitability and ongoing 'know your customer' processes to understand the needs and status of our customers.	Framework and controls in place.
Where HSBC is structuring products to be sold to end investors through third party distributors: <ul style="list-style-type: none"> <li>We conduct periodic due diligence on all distributors in line with our global policies.</li> </ul>	Framework in place. Periodic due diligence is performed on a one-year or two-year cycle. During the previous 12-

<ul style="list-style-type: none"> <li>▪ We identify a target market for each product and provide information on the product and target market to our distributors.</li> </ul>	months, all required due diligence reviews were conducted on time.
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#### Principle 7: Appropriate Framework etc. to Incentivize Employees

Actions	Status
HSBC has established a framework for employee performance assessments which encompasses a broad range of indicators including behavioral standards in line with our Global Conduct Framework.	Framework in place for all employees. Performance evaluations against expected standards of delivery and behavior are discussed with employees throughout the performance year.
HSBC conducts training to raise employees' awareness on our Global Conduct Framework, the FSA's Principles of Customer-Oriented Business Conduct and the Policy and Action items we have established/published.	Mandatory training is conducted for all employees on an annual basis which includes our Global Conduct Framework. The FSA's Principles of Customer-Oriented Business Conduct and the Policy and Action items we have established/published were included in our firm's 2024 annual compliance training.

Principles 2-7 above correspond to the JFSA's Principles of Customer Orientated Business Conduct (as of January 2021), principles 2-7.