Actions and Status

1. Common KPIs

The Hongkong and Shanghai Banking Corporation, Tokyo Branch (hereinafter "Tokyo Branch") does not conduct any products within the scope of common KPIs.

2. Our Action Plan and Status (As of 1 November 2025)

Principle 2: Pursuit of Customers' Best Interests

Actions	Status
Tokyo Branch 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.
Tokyo Branch 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 Tokyo Branch, HSBC Securities (Japan) Co., Ltd., 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
Tokyo Branch 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 Group 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 Group has established global polices 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 Group has established global polices 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.

Principle 7: Appropriate Framework etc. to Incentivize Employees

Actions	Status
HSBC Group 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.
Tokyo Branch 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 will be included in our Tokyo Branch's 2026 annual compliance training.

Principles 2-7 above correspond to the JFSA's Principles of Customer Orientated Business Conduct (as of September 2024), principles 2-7.

Supplementary Principle 1: Basic Philosophy

Actions	Status
HSBC Group's global conduct approach sets out our basic philosophy in both the manufacturing and sale of financial products and services. Further, in line with our basic philosophy, we have an established framework and policy in place to ensure effective product governance over the lifecycle of our financial products and services.	Framework in place.

Supplementary Principle 2: Structure Development

Actions	Status
HSBC Group has established a policy which sets out the standards required when designing, approving, launching and managing products, including periodic reviews of existing products using a risk-based approach.	Policy and procedures in place.

Supplementary Principle 3: Handling of Financial Products at the Time of Manufacturing

Actions	Status
HSBC Group has established a policy which sets out the standards required when designing, approving and launching products.	Policy and procedures in place.

Supplementary Principle 4: Post-Origination of Financial Products

Actions	Status
HSBC Group has established a policy which sets out the standards required for managing products throughout the product lifecycle, including periodic reviews of existing products using a risk-based approach.	Policy and procedures established.

Supplementary Principle 5: Provision of Easy-to-Understand Information to Customers

Actions	Status
Tokyo Branch aims to provide easy-to-understand and appropriate information to customers in relation to products and services that we manufacture. Where requested to do so by a customer, Tokyo Branch will endeavor to provide information in relation to its product governance framework.	Policy and procedures in place.