

Question 1

Do you agree with our proposal to introduce a code provision ("CP") requiring an issuer's board to set culture in alignment with issuer's purpose, value and strategy?

Yes

Please give reasons for your views.

This change is supported by HSBC

Question 2a

Do you agree with our proposal to introduce a CP requiring establishment of an anti-corruption policy?

Yes

Please give reasons for your views.

While we are supportive of the need for this policy and already have one, we suggest that the policy is able to be established within each company's own corporate governance frameworks, with companies having flexibility to apportion responsibilities and ownership of the policy to individuals and/or forums in line with their own governance structures. This should be borne in mind when formulating any guidance on the elements to be taken into account when formulating the policy.

Question 2b

Do you agree with our proposal to upgrade a Recommended Best Practice ("RBP") to CP requiring establishment of a whistleblowing policy?

Yes

Please give reasons for your views.

While we are supportive of the need for this policy and already have one, we suggest that the policy is able to be established within each company's own corporate governance frameworks, with companies having flexibility to apportion responsibilities and ownership of the policy to individuals and/or forums in line with their own governance structures. This should be borne in mind when formulating any guidance on the elements to be taken into account when formulating the policy.

Question 3

Do you agree with our proposal to introduce a CP requiring disclosure of a policy to ensure

independent views and input are available to the board, and an annual review of the implementation and effectiveness of such policy?

Yes

Please give reasons for your views.

We would like clarification on what is meant by 'independent views and input'. How will this be treated differently from the existing provision (A.1.6) requiring a procedure that enables directors to seek independent professional advice, at the issuer's expense, to assist them performing their duties? To what extent is it considered that paragraph A.1.6 when combined with specific listing rules setting out when directors are required to obtain independent advice (for example in relation to certain connected transactions) is not sufficient to provide independent directors with support in relation to decisions?

Question 4a

Do you agree with our proposal regarding re-election of an independent non-executive director serving more than nine years ("Long Serving INEDs") to revise an existing CP to require (i) independent shareholders' approval; and (ii) additional disclosure on the factors considered, the process and the board or nomination committee's discussion in arriving at the determination in the explanation on why such Long Serving INED is still independent and should be re-elected?

Yes

Please give reasons for your views.

This change is supported by HSBC.

Question 4b

Do you agree with our proposal to introduce a CP requiring an issuer to appoint a new independent non-executive director ("INED") at the forthcoming annual general meeting where all the INEDs on the board are Long Serving INEDs, and disclosing the length of tenure of the Long Serving INEDs on the board on a named basis in the shareholders' circular?

Yes

Please give reasons for your views.

This change is supported by HSBC.

Question 5

Do you agree with our proposal to introduce a new RBP that an issuer generally should not grant equity-based remuneration (e.g. share options or grants) with performance-related elements to INEDs as this may lead to bias in their decision-making and compromise their objectivity and independence?

Yes

Please give reasons for your views.

This change is supported by HSBC.

Question 6a

Do you agree with our proposal to highlight that diversity is not considered to be achieved by a single gender board in the note of the Rule?

Yes

Please give reasons for your views.

This change is supported by HSBC.

Question 6b

Do you agree with our proposal to introduce a Mandatory Disclosure Requirement ("MDR") requiring all listed issuers to set and disclose numerical targets and timelines for achieving gender diversity at both: (a) board level; and (b) across the workforce (including senior management)?

Yes

Please give reasons for your views.

We would like clarification on what is meant by 'across the workforce (including senior management)'. HSBC has set measurable objectives for gender and ethnicity for its Board for many years. These are set out in the HSBC Holdings Plc Board Diversity and Inclusion Policy. HSBC has also publically disclosed a 'women in senior leadership' aspirational target since 2012. Currently, we are aiming to achieve 35% by 2025. We have also set an aspirational target to diversify the ethnicity within our senior leadership - we are aiming to at least double the number of Black senior leaders over the five years ending December 2025.

HSBC does not currently have a total workforce aspirational gender target (women make up 52% of our global headcount and we disclose this metric annually in our Annual Report) and nor do we think this should be mandated.

Question 6c

Do you agree with our proposal to introduce a CP requiring the board to review the implementation and effectiveness of its board diversity policy annually?

Yes

Please give reasons for your views.

This change is supported by HSBC. HSBC Holdings Plc Board delegates this task to its Nomination and Corporate Governance Committee.

Question 6d

Do you agree with our proposal to amend the relevant forms to include directors' gender information?

Yes

Please give reasons for your views.

This change is supported by HSBC. We would suggest that the HKEx considers providing an option to opt-out of disclosing gender. Outside of age and gender, has the HKEX considered amending the relevant forms to enable directors to share other diversity information such as ethnicity and disability status (within the parameters of data privacy legislation/regulation) should they wish to declare this information?

Question 7

Do you agree with our proposal to upgrade a CP to Rule requiring issuers to establish a nomination committee chaired by an INED and comprising a majority of INEDs?

Yes

Please give reasons for your views.

This change is supported by HSBC.

Question 8

Do you agree with our proposal to upgrade a CP to a MDR to require disclosure of the issuer's shareholders communication policy (which includes channels for shareholders to communicate their views on various matters affecting issuers, as well as steps taken to solicit and understand the views of shareholders and stakeholders) and annual review of such policy to ensure its effectiveness?

Yes

Please give reasons for your views.

This change is supported by HSBC.

Question 9

Do you agree with our proposal to introduce a Rule requiring disclosure of directors' attendance in the poll results announcements?

Yes

Please give reasons for your views.

This change is supported by HSBC.

Question 10

Do you agree with our proposal to delete the CP that requires issuers to appoint non-executive directors for a specific term?

Yes

Please give reasons for your views.

This change is supported by HSBC.

Question 11

Do you agree with our proposal to elaborate the linkage in the Code by (a) setting out the relationship between corporate governance and environmental, social and governance ("ESG") in the introductory section; and (b) including ESG risks in the context of risk management under the Code?

Yes

Please give reasons for your views.

This change is supported by HSBC.

Question 12

Do you agree with our proposal to amend the Rules and the ESG Guide to require publication of ESG

reports at the same time as publication of annual reports?

Yes

Please give reasons for your views.

This change is supported by HSBC.

Question 13

Do you have any comments on how the re-arranged Code is drafted in the form set out in Appendices III and IV to the Consultation Paper and whether it will give rise to any ambiguities or unintended consequences?

No

Please give reasons for your views.

Question 14

In addition to the topics mentioned in the Consultation Paper, do you have any comments regarding what to be included in the new guidance letter on corporate governance (i.e. CG GL) which may be helpful to issuers for achieving the Principles set out in the Code?

No

Please give reasons for your views.

Question 15a

Do you agree with our proposed implementation dates for all proposals (except the proposals on Long Serving INED): the financial year commencing on or after 1 January 2022?

Yes

Please give reasons for your views.

Question 15b

Do you agree with our proposed implementation dates for proposals on Long Serving INED: the financial year commencing on or after 1 January 2023?

Yes

Please give reasons for your views.