

Project Speak Up

Think you've had a bad year?

Core finding: When it comes to privilege and opportunity, at HSBC things are very much **black** and **white**
 Yet things look best when viewed in colour

- ◆ An elective report into the current diversity & inclusion situation across the HSBC Group, and how we might improve it
- ◆ Authored: Ian Clarke (genetically impartial), June 2021
- ◆ Version: Final Report (v5, July 2021) – declassification to 'Public' (this report is now freely available in the public domain from multiple sources)

CARE: **PRIVILEGED** INFORMATION CLASSIFICATION 'PUBLIC'

"At HSBC, we want our people to feel safe to raise concerns and to feel certain that we will take them seriously. We encourage our people to speak up and help us do what's right."

- HSBC Group Inclusion 'Speak Up' Policy (March 2021)

Terms Glossary:

Black & indigenous peoples of colour (BIPOC): An emerging term reflecting a growing consensus that some POC subgroups experience broader disadvantage than others.

People of Colour (POC, NAM) | Black and other minority ethnicities (BAME, RoW): A curious nomenclature, primarily describing a person not considered to be exclusively white.

BIPOC Alliance Network: An informal network of members (all races) from across the HSBC Group, working in solidarity with black, indigenous & other minority peoples to further ABI.

Advancing Black Inclusion (ABI): The process governing a future targeted state of improved proportional representation of BIPOC at HSBC. An HBUS committee of identical purpose.

Employee Resourcing Group's (ERG): African Heritage (**AHERG**) | Caribbean (**CERG**) | Ethnicity & Race (**EMBRACE**) | LGBT+ (**PRIDE**) | Women (**BALANCE**).

Institutional Discrimination: The unjust mistreatment of an individual or group by a corporation as a whole, through unequal (intended or otherwise) opportunity, bias or selection.

HSBC's three global **Lines of Business (LOB):** Wealth & Personal Banking (**WPB**), Commercial Banking (**CMB**), Global Banking and Markets (**GBM**).

Global Career Bands (GCB0-8): 0 (Board of Directors), 1 (Executive Managing Director | Senior Executive Vice President), 2 MD | EVP), 3 (Director | SVP), 4 (Director, VP), 5 (Manager, AVP), 6 (Associate | JVP), 7 (Analyst | Advisor), 8 (Administrator | Executive). HSBC considers **GCB0-3** employees to be 'senior leaders'.



My hope for HSBC's future

I hope Wayfoong starts listening, stops denying whole peoples of progress.

How can things be better left unsaid, when nobody at HSBC is blameless?

I hope the bank starts seeing forever, instead of what it can gain in a day.

When will we colleagues see each other or don't we all bleed the same way?

I hope Stephen still has a heartbeat, or was Stitt always made of stone?

I'm taking a chance by loving, please don't make me take it alone.

I hope we still have a dream, that hoping for change isn't hopeless.

Call me a dreamer but without my dreams, in this future I see only darkness.

I'm hoping to start it with me, by screaming at the top of my lungs.

I hope someone here can hear me, for my conviction is stronger than their guns.

My only hope is I'm not the only one.

by Ian Clarke

Author (Project Speak Up)

Arrangement sampled off the track 'Hope' by Emeli Sandé & Alicia Keys on the 2012 album 'Our Version of Events'.



Mister President, I am speaking...

Foreword

Project Speak Up : Think you've had a bad year?

My **objective** is to inform, educate, advise and improve, not to harm HSBC. Change never comes easily.

My approach to Project Speak Up was with an open mind and without any foregone conclusions. I wanted to provide senior management assistance by listening to people and assessing the issues they see. I imagined I was an external documentary-maker and tried to take a methodic approach to gathering and analyzing the available evidence to reach meaningful conclusions. I invited around 100 D&I conversations over 15 months including with staff:

- ◆ Past and present
- ◆ Both male and female
- ◆ In the USA and UK, from all 4 key racial groups
- ◆ From a range of grades (GCB0-6) & ages (22-65 years)
- ◆ From a range of sexualities (heterosexual and LGBT+)
- ◆ Both disabled and able colleagues

My findings (p4) troubled me greatly, and changed the way I viewed myself and my employer of 15-years.

The 3 goals of Project Speak Up are:

- 1) **Raise awareness** of the contributions & hardships endured by minority— particularly BIPOC – colleagues
- 2) **Explain the self-dealt harm** this status quo deals us
- 3) Propose real workable **ideas and solutions** for tackling the issue.

This report is best read by minds open to new perspectives on the world in which we live.

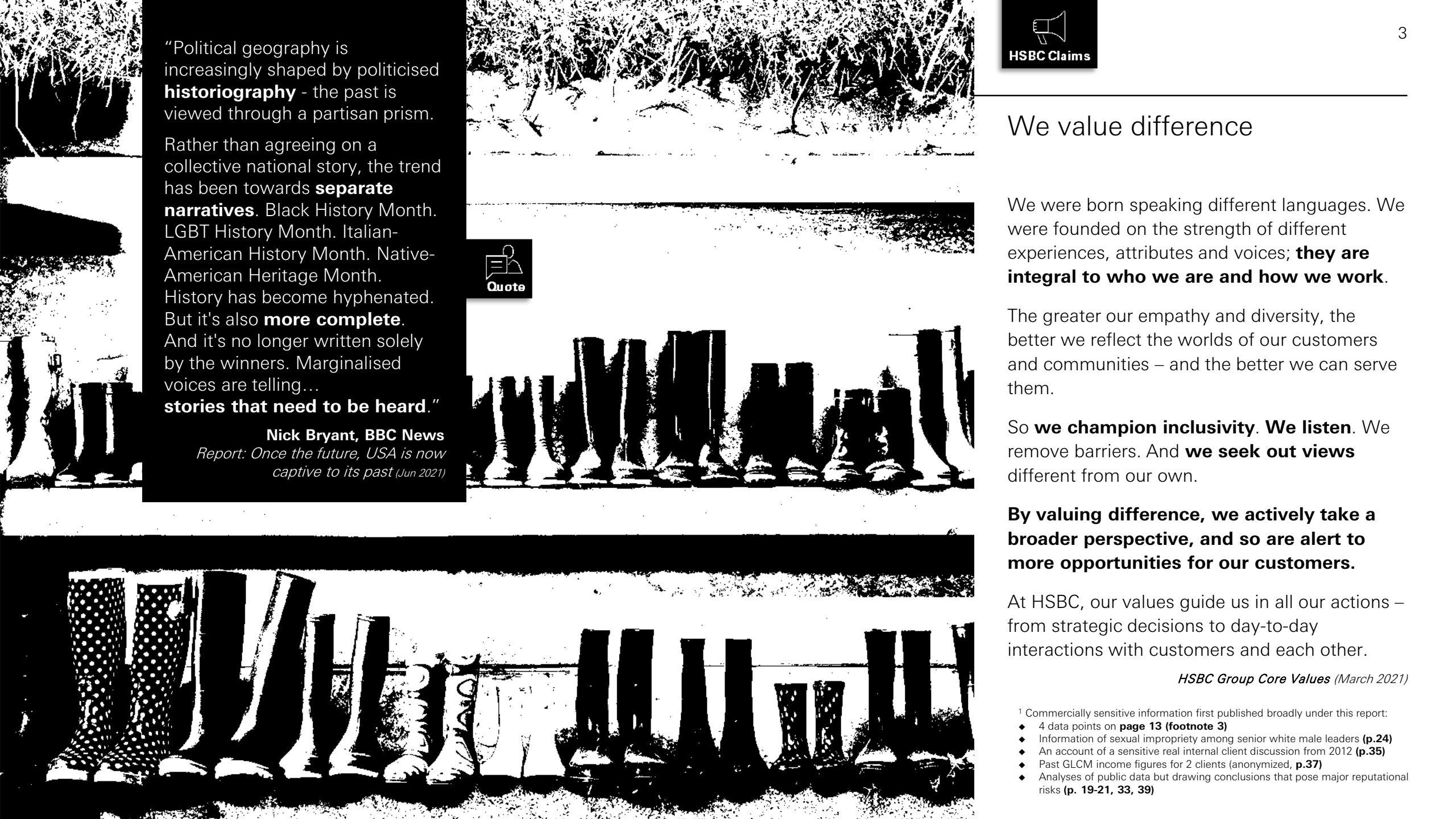
Ian Clarke (he/him/his)

Author, Project Speak Up

Identity: **British, 50:50 white/black mix, LGBT, 36** |
Grade: **GCB4** | Location: **USA** | LoB: **GB&M**

Information classification: PUBLIC. All content is freely available from multiple sources within the public domain. Three incidences of commercially sensitive information¹ have been anonymized (see **footnote 1, page 3** for full details).

This report has been compiled entirely independently. It was neither commissioned nor invited by the HSBC Group. **The views it contains do not reflect the views of the HSBC Group. All rights reserved © Ian Clarke 2021.**



"Political geography is increasingly shaped by politicised **historiography** - the past is viewed through a partisan prism.

Rather than agreeing on a collective national story, the trend has been towards **separate narratives**. Black History Month. LGBT History Month. Italian-American History Month. Native-American Heritage Month. History has become hyphenated. But it's also **more complete**.

And it's no longer written solely by the winners. Marginalised voices are telling... **stories that need to be heard.**"

Nick Bryant, BBC News

Report: Once the future, USA is now captive to its past (Jun 2021)



Quote

We value difference

We were born speaking different languages. We were founded on the strength of different experiences, attributes and voices; **they are integral to who we are and how we work.**

The greater our empathy and diversity, the better we reflect the worlds of our customers and communities – and the better we can serve them.

So **we champion inclusivity. We listen.** We remove barriers. And **we seek out views** different from our own.

By valuing difference, we actively take a broader perspective, and so are alert to more opportunities for our customers.

At HSBC, our values guide us in all our actions – from strategic decisions to day-to-day interactions with customers and each other.

HSBC Group Core Values (March 2021)

¹ Commercially sensitive information first published broadly under this report:

- ◆ 4 data points on **page 13 (footnote 3)**
- ◆ Information of sexual impropriety among senior white male leaders (**p.24**)
- ◆ An account of a sensitive real internal client discussion from 2012 (**p.35**)
- ◆ Past GLCM income figures for 2 clients (anonymized, **p.37**)
- ◆ Analyses of public data but drawing conclusions that pose major reputational risks (**p. 19-21, 33, 39**)

Project Conclusion

HSBC's values and purpose, while noble, **only apply in full to homogenously 'experienced' (old), heteronormative-presenting white cis-males**. Many of them appear to be being judged, rewarded and supported **regardless of their performance or nobility**.

All other groups experience varying degrees of disadvantage that inhibit their ability to perform at their best or receive equal opportunity for appointment, advancement, reward, recognition and fair treatment, **regardless of their performance or nobility**.

Rising **'egos' (bias)** from increasingly unequal opportunities plus a **'nationalistic' geopolitical climate** as power shifts from west to east are combining to fuel historic levels of largely unchecked discrimination.

This effect is particularly amplified at HSBC, given the unique combination of our **colonial history, non-US headquarters, and increasingly conservative influences from our pivot to Asia**. Today our ranks swell with a disproportionate number of discriminators who are systematically **removing our anti-discriminatory controls** thus rendering our **speak up culture ineffective**.

Sadly there is **no longer a future for BIPOC at HSBC**. Furthermore, until the current strategy is reset, the future success & survivability of HSBC as **a respected global financial institution remains in doubt**



Jump to **Page 41, Section 5** for my **suggestions and ideas** on how we might improve the situation.

Principle Finding

When it comes to privilege and opportunity, at HSBC things are very much **black & white**. But things look better when viewed in colour. When you allocate opportunity based on privilege & discrimination - not performance & nobility - everyone loses. This report is a wake up call for everyone at HSBC – without our minorities, **we cannot thrive**.

Summary Findings

Due to deliberately imposed access restrictions, I am unable to capture the complete D&I picture at HSBC. Yet through my research I found zero statistical, anecdotal, testimonial or analogical evidence to support any conclusion other than:

11 Core Findings

	Pages
A. Largely unaware of the unique influence its history, structure and pivot to Asia plays on D&I, HSBC exhibits abnormal levels of systemic discrimination towards minorities, and this poses an acute and exceptional legal & regulatory risk to the bank.	7, 10-15, 18-21 , 23, 27-28, 33 , 36 , 39, 43
B. This lack of diversity imposes severe & enduring reputational and commercial disadvantages upon HSBC relative to its peers. HSBC increasingly fails to market its brands, products and self as a place of opportunity to BIPOC and their growing number of allies.	15, 18, 21, 26, 29 , 31-35 , 37
C. Minority attrition is now so acute that 'Adequate Challenge' upon the decisions of our executives is demonstrably & fundamentally compromised due to the ubiquity not just of appearance but also of mindset across our decision making bodies. This lender of last resort to many world governments and top-3 systemically important bank (G-SIB) is now an impending risk to the global economy.	6, 8-9, 18-21, 27 , 32-36
D. Current & proposed initiatives are demonstrably & broadly ineffective at tackling the D&I issues present – performative allyship only	12 , 13 , 16 , 22 , 24, 27-29 , 33, 39/40
E. ERG's like Embrace & AHERG have made numerous recommendations for years of initiatives that would be effective however these have not been adopted. Instead, their budgets and senior engagement have fallen despite the clear immediacy the problem.	17, 24, 27, 29 -30
F. Despite good intentions, the individuals and committees ¹ charged to resolve the issue lack the appropriate seniority, qualifications, expertise nor experience to do so.	22 , 27 , 29
G. The situation is intentionally opaque for example (1) hiding the faces of the USA's directors, (2) withholding the conclusions of the US Pay Gap Report, (3) failing to provide peer comparisons or disclosing sufficient data to draw meaningful conclusions in the UK Pay Gap Report, (4) failing to engage with Project Speak Up above GCB3 (note this finding excludes GLCM leadership), (5) failing to commit to milestone reporting between 2020 and 2025 etc. This is a strategy of disinformation rather than of progress.	10, 14, 16 , 19-20 , 24, 38
H. Senior Management appears aware of the issue. By not taking meaningful steps to address it, leadership now approaches a level of involvement that can only be described as 'complicity'. Tellingly this conclusion was reached independently by several D&I leaders.	8-16 , 19-20 , 24, 39-40
I. This places HSBC in breach of its regulatory obligations, yet the regulator appears to be largely unaware of the full extent of the issue at HSBC due to the afore-mentioned opacity. HSBC performs worse than our peers in both the US, the UK and thus by inference globally.	18 , 21 , 31-37 , 39
J. Despite clear risks to and intentions of the author, HR has provided no data in support this investigation - only general / high level statements. Any reassurances that BAU procedures can tackle the issues present are rendered moot in the absence of shared outcomes. No acknowledgement those reassurances have been provided to minorities for decades without progress, with personal experiences downplayed, challenged and ultimately silenced.	14-15 , 17, 19-20, 22 , 31 , 36
K. HSBC's bold public commitment – we value difference – is inconsistent with the institutional actions and inactions instructed from the highest levels of management. Despite its noble Speak Up policy, staff at all levels fear retaliation and minorities often experience retaliation. Such actions speak louder than words. We can no longer play devils advocate with black lives.	8, 12-15, 19-20, 26-27, 31, 34-36 , 39-40

¹ People Committee, ABI, GLCM DIA, Ethnicity SteerCo etc.

Project Speak Up: Think you’ve had a bad year?

Faith is taking the first step even when you don’t see the whole staircase

Navigating Project Speak Up

Foreword	Project summary report (1-page)	Section 1: Acknowledge what’s happening	Section 2: Ask, why?
2	4	6	16
Foreword My poem for HSBC’s future Project statements We value difference	Project summary statements, conclusions and principle finding	Dear white people... Introduction: Black people are leaving Who are we? We are HSBC Identity and confirmation bias Ubiquitous white faces... Annual Discrimination Report 2021 Matt’s last email The world’s racist bank?	Why are minorities leaving? Maryam’s story We are different Ubiquitous white boards The D&I stock exchange I
Section 3: Explain the psychology?	Section 4: Understand the impact on our business	Section 5: Assess what we are and can do to help	Appendix: My story
22	30	38	42
What brought us here? HR and D&I Breaking Points: Igo & Vincent’s story Experience versus nobility White privilege and HSBC Systems sustaining discrimination Mechanisms sustaining unequal opportunity Likely and unlikely alliances	The costs of falling D&I You cannot double zero Every little (mis)step The D&I stock exchange II Groupthink / Adequate challenge Speak up is broken Poor business & customer outcomes	Ideas and actions Pay Gap Review D&I strategy review Project Speak Up recommendations	My own experiences Trauma My story and goal A typical BIPOC resume... Epilogue – White people are awesome Final Thought / Note to HSBC Legal

Traffic Lights

Facts 	Proven or verified	Reported or Found	Inferred or observed
HSBC claims 	Agreed	Debated	No visible evidence for claim
Authors views 	Not in dispute	Reached through Project Speak Up	May change with more data
Quotes 	Victim Quotes	External Quotes	Racist or alarming quotes
BIPOC Stories 	A full account for Project Speak Up		

Project Speak Up seeks to be fair, representative, inclusive and transparent.

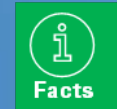
The traffic light system indicates my confidence in and/or agreement with the reports content.

Project Speak Up: Think you've had a bad year?

**In the end, we remember not the words of our enemies
but the silence of our friends**

"The share of BIPOC employees in senior US finance roles has actually fallen in the decade leading up to 2018, indicating the industry is going backwards, not forwards."

- First reported in the Financial Times, March 31st 2021.



Section 1: **Acknowledge** what's happening

Despite skepticism largely down politically partisan lines, many recent studies have demonstrated **significant evidence** for a **causal link** to be drawn between the racist, sexist and xenophobic **rhetoric of nationalist leaders** like Prime Minister Johnson and President Trump intended politically to attract white working-class voters and the unintended consequence – an **increasing amount of racially-motivated physical and verbal abuse** reflective of the broadening popularity and mainstreaming of racist views.

Despite rising inequity between white and black communities (in favor of white communities), **racism towards black people is increasing**, not decreasing. These are extraordinary and rapidly changing times.

Sources: How Clinton lost the working class, CNN (2016). Metro Economics, US Conference of Mayors et al (2014). Recession impact report, the National Employment Law Project (2014). Explaining the Trump effect, Cambridge University (2019). Anti-Immigration sentiment report, Wiley Online Library (2020). How white supremacy return to mainstream politics, Center for American Progress (2020)



Dear white people... Think you've had a bad year?



If you said 'yes', CONGRATULATIONS you just experienced white privilege

Things white people didn't like about the past year:

Depression and anxiety given the effect and disruption COVID-19 has had on work-life balance, Zoom fatigue, a nostalgia for work drinks and less time with mostly comfortable, healthy & wealthy loved ones.

Things BIPOC people didn't like about the past year:

Trauma and helplessness that so often accompanies an absence of employment opportunities, inherited wealth, self-worth and hope for the future plus a fear of death, incarceration, injustice, poverty, repression and under-representation, naming just a few

- ◆ The lives lived by minorities around the world – and particularly BIPOC - are so different to our own that it has reached the point of abstraction. Yet we remind them every day of this trauma - in the news, in 'chats' with friends & family, in wrongful arrests, by rejected job offers and in verbal & physical assaults from strangers.
- ◆ Every day, **across HSBC BIPOC must try doubly hard** in all things, as they are constantly asked to be grateful just for having the right to work without any opportunity to thrive purely **because of the colour of their skin**.
- ◆ **Feeling uncomfortable yet?** That's only natural, but please keep reading and **make your decision at the end**.

Definition:

White fragility (noun)

Discomfort and defensiveness on the part of a white person when confronted by information about racial inequality and injustice.

PUBLIC



Say their names

- | | | |
|---------------------|----------------------|-----------------------------|
| ◆ Rayshard Brooks | ◆ Lamontez Jones | ◆ Marco Loud |
| ◆ George Floyd | ◆ Paterson Brown | ◆ Peter Gaines |
| ◆ Breonna Taylor | ◆ Dominic Hutchinson | ◆ Torrey Robinson |
| ◆ Ahmaud Arbery | ◆ Anthony Ashford | ◆ Darius Robinson |
| ◆ Malice Green | ◆ Alonzo Smith | ◆ Kevin Hicks |
| ◆ Eric Garner | ◆ Tyree Crawford | ◆ Mary Truxillo |
| ◆ John Crawford | ◆ India Kager | ◆ Demarcus Semer |
| ◆ Michael Brown | ◆ La'Vante Biggs | ◆ Willie Tillman |
| ◆ Ezell Ford | ◆ Michael Lee | ◆ Terrill Thomas |
| ◆ Dante Parker | ◆ Marshall | ◆ Sylvi Lle Smith |
| ◆ Michelle Cusseaux | ◆ Jamar Clark | ◆ Al Ton Sterling |
| ◆ Laquan McDonald | ◆ Richard Perkins | ◆ Phi Lando Castile |
| ◆ Tanisha Anderson | ◆ Nathaniel Harri | ◆ Terence Crutcher |
| ◆ Akai Gurley | ◆ Spickett | ◆ Paul O'Neal |
| ◆ Junior Prosper | ◆ Benni Lee Tignor | I stopped keeping a list... |

Fig 1. This is what just one week in lifetime of bad news looks like for BIPOC

The Death of George Floyd Reignited a Movement. What Happens Now?
Calls for racial justice touched nearly every aspect of American life on a scale that

George Floyd murder: Minneapolis police to face US federal probe

Derek Chauvin Found Guilty Of Murdering George Floyd, Demonstrations Planned In NYC

The lawyer who pointed his gun at Black Lives Matter protesters in St. Louis is considering running for Senate

Louisville cop seen on video repeatedly punching protester in head at site of demonstrations over Breonna Taylor death

HFPA member Philip Berk ousted after calling BLM a 'hate movement' in an email

It's long overdue we acknowledged, Black & other ethnic minorities are leaving HSBC faster than at any point in our recorded 166-year history.

BIPOC representation across HSBC is now far worse than it was before the bank's new D&I strategy was announced in October 2020.



Facts



"We closely measure the overall diversity of our organisation to ensure we see more diverse representation over time. We have more to do, but we are making progress."

Noel Quinn, UK Pay Gap Report (2020)



Project Speak Up – 1. Acknowledge



8

Introduction: Black people are leaving HSBC in record numbers

...And yet nobody is talking about it.

I look around and gradually see the empty seats where my black friends used to sit being taken by fresh white faces – faces that sometimes lack the capability that came before them. After all it's tough being a minority – being an underdog tests you and equips you with specific skills. Those skills are now in short supply at HSBC.

I've been waiting for someone to **speak up**, but as both white and black voices fall silent, I realized that someone I've been waiting for was me. My report seeks to:

1. **Acknowledge** what's happening to minority – especially BIPOC – staff at HSBC
2. **Ask Why**, when HSBC has made such public commitments, do so many minority colleagues feel now more than ever that they have no future at the bank
3. **Explain the Psychology** of the systems and roles that brought us here
4. Understand the **impacts** – good or bad - upon our business and wider stakeholders that this changing structural demographic represents
5. **Assess** the effectiveness of HSBC's current D&I strategy and offer additional **Help** in the form of ideas and constructive observations

Thank you for reading my report.



"The biggest challenge is that people are **scared to speak up** about their experiences in fear of retaliation. I have my own problems but I'm scared to speak up because of what the outcome could be. I would **rather just leave** and go to another bank who would **support my aspirations**. Many other people feel this way. Thank you for serving as an advocate for us."

Grade: **GCB4** | Identity: **BIPOC female, 30's**
Location: **USA** | LoB: **CMB** | Status: **Actively seeking alternative employment**

Project Speak Up – 1. Acknowledge

The time is always right to do what is right



Who are we?

“Our purpose – Opening up a world of opportunity – explains why we exist. We’re here to use our unique expertise, capabilities, breadth and perspectives to open up new kinds of opportunity for our customers.

We’re bringing together the people, ideas and capital that nurture progress and growth, helping to create a better world – for our customers, our people, our investors, our communities and the planet we all share.”

- *Noel Quinn, March 2021*

Grade: **GCB0** | Identity: **White Male, 50's**
Location: **UK** | Area: **GMB** | Role: **Group CEO**



- ◆ This investigation found that HSBC today – with its 226,000 employees across around 65 countries globally - employs an **immaterial (<5) number of BIPOC employees in leadership roles (GCB0-3) in any country globally other than the UK and USA¹**. This despite 5 of those countries being where white people are the minority².



- ◆ Therefore this reports primary focus is on just 2 countries (UK & USA) within what is currently the world's 6th largest bank.
- ◆ **Sadly, we have lost the battle in the other 63 countries where tellingly there is no viable trodden path to leadership for BIPOC elsewhere within our group.**



¹In so far as I'm aware, plus corroborated by 2 other colleagues, incl. 1 with access to restricted ethnicity data.
²Algeria, Bermuda, Egypt, South Africa, and several British Overseas Territories including parts of the Channel Islands. Sourced: infoplease.com, 14th June 2021.
<https://www.infoplease.com/world/social-statistics/ethnicity-and-race-countries>

We are HSBC

Opening up a world of opportunity

We're helping to create a better world

Open, Dependable, Connected

Together we thrive

Our ideas nurture progress and growth

We help people fulfil their hopes and realize their ambitions

We bring people together

One of the world's largest banking and financial services organizations

Only Figure 2 shows published and audited facts

Everything else on this page are HSBC claims



Diversity provides HSBC with a **competitive advantage** and the promise of a more sustainable future.

We believe that **diversity makes us stronger**, and we are dedicated to building a **diverse and connected** workforce. We increased our focus on ethnicity and **supporting our Black colleagues**.

Listening to what our colleagues have told us in **response** to the Black Lives Matter movement has been so important in informing our actions.

Our **progress to date** includes race commitments to at least **double the number** of Black employees in senior leadership roles globally by 2025.

This text is repeated verbatim 4-times over in HSBC's 2020 annual report, more so than any other statement.

Sources: HSBC Group 2020 Annual Report, HSBC USA official corporate website (D&I page, retrieved May 2021).

40m

Customers worldwide across Retail, Commercial and Corporate Banking

169

Years of history & presence across major markets

AA/A+

Rated bank across major ratings agencies

90%

International trade flows covered by our unrivalled global network

30%

Global Corporate Banking proportion of group revenues

98%

Market-leading client straight-through processing rates

5 in 8

Top-3 ranked Corporate Banking markets and/or w. improving client satisfaction

0

Global commitment to supporting a net zero carbon economy

\$3trn

Assets under management globally

Fig 2. Audited Information

"GLCM is a USD7Bn market-leading business with a **globally connected team** of over 4,000 performing activities spanning over 60 countries, and is a **significant contributor of group profits**.

-- HSBC Global Careers site, May 15th 2021

Project Speak Up – 1. Acknowledge

HSBC's identity defines it's place in the world



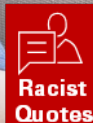
"Some have asked what the role of a bank like HSBC is in today's challenging and complex world.

Clear purpose and values will help guide how we can all better support one another, our customers, shareholders and communities.

Giving life to our purpose will be critical to building the dynamic, entrepreneurial and inclusive culture that we want to create."

- Noel Quinn, March 2021

: GCB0 | Identity: **White Male, 50's**
UK | Area: **GMB** | Role: **Group CEO**



From identifiable people
many of whom still work
unchallenged within HSBC's
business today

Before this report, I believed 'HSBC Values everyone' equally – I hear us say it all the time. But then I heard these stories...

"Jesus Christ! Are you usually this dark? You been on holiday or something?"

"People like you don't belong in leadership"

"Just be grateful you've even got a job"

"It's never been harder than right now, being a white man in banking"

"You've done nothing wrong, but for some reason, we experience more problems with you than anyone else"

"I just don't like you, I'm not allowed to tell you why"

"You've got all the right qualifications and you've done a great job, you're just not the right fit for our team – it's just a vibe"

Confirmation Bias: How can we dare to claim...

"We value difference, we champion inclusivity, we listen to views different from our own."

- HSBC Core values, March 2021

...when HSBC's minorities, esp. BIPOC, experience such broad abuse? ...when nobody above GCB3 outside my division (GLCM) would even speak with me about my report?

How can all lives matter, if
black lives don't matter?

Definition:

Confirmation Bias

con·fir·ma·tion·bi·as (noun)

The tendency to interpret new evidence as confirmation of one's existing beliefs or theories, by giving more weight to evidence that confirms their beliefs and undervaluing evidence that could disprove it.

Project Speak Up - Acknowledge

Ubiquitous white faces, occasionally Asian faces

HSBC operates in ~65 countries globally, including 5 majority black countries (p.6), yet outside the US & UK, we employ no BIPOC leaders (GCB0-3).

Decision making bodies up and down the bank¹ are filled with near ubiquitous white, mostly old, heteronormative, male (excl. Transsexual) faces.

Most people look for problems they can see, not one's they don't. Try it for yourself – the next meeting you attend, the next email thread you are copied on – count the BIPOC you now interact with in the world's leading international bank.

"Words mean so little when our actions paint such a clear picture to the world.

- Ian Clarke, October 2020
Email to CMB People Excellence Committee



Fig 3. Examples selected from internal and external HSBC Group & related communications w/c 21st April 2021.

The Civil Rights Act (USA, 1954) and the Race Relations Act (UK, 1976) respectively enshrined for the first time legal protections for people of all races from discrimination on the grounds of ethnicity. We tend to think of those years as marking the end of racism and its grip on our society. But interracial marriage remained illegal in many US states for several years after the CRA was passed.

Inquisitive minds may ask...



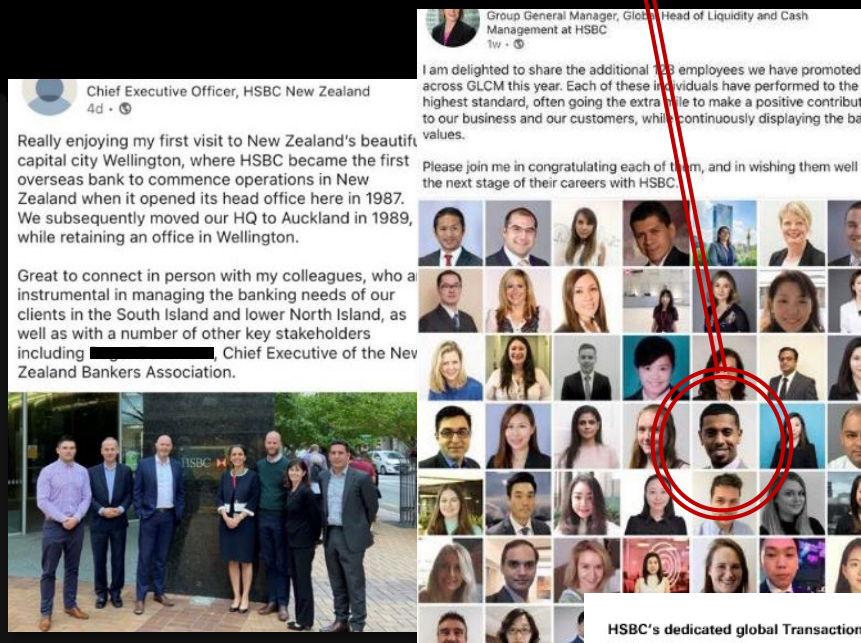
Is it possible there are other discriminatory artefacts still left within the systems in which we operate that go against these laws?

Could it be that such artefacts may go unchallenged because we have become so used to accepting them that we can no longer imagine a world any different?

1. For example, GEC, RAC, GAC, CBNBAC, GDEC, GRC, EHC, GCC, CEC, DPC, HALCO, RDAC, RPAC, GPAN, GPAC, RRCSC, CAC, plus Pay, Promotion, Performance Calibration Panels, People Committees, HR Investigative, Product Exco's, Line of Business Exco's, & all the Boards of Directors everywhere. *In so far as I'm aware.



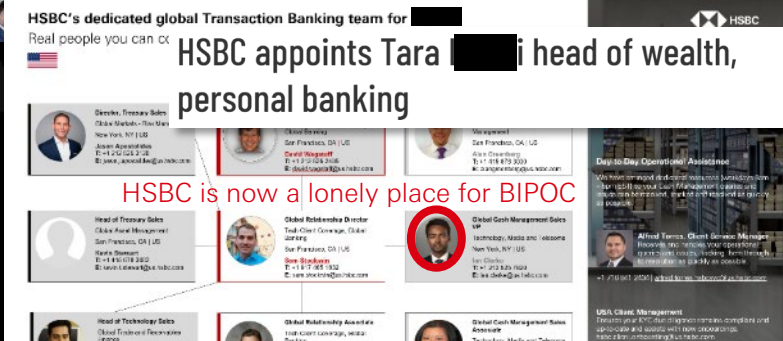
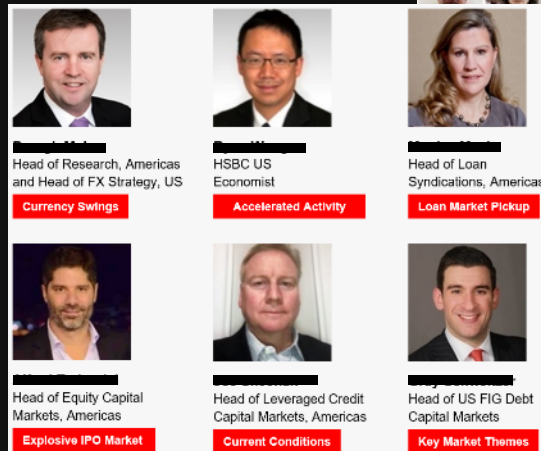
Facts



We did it. We promoted one of them, see!

A proven talent and now BIPOC hero & role model (if not officially), Ibrahim was promoted from GCB5 to 4 in the 2020 / 2021 cycle. He's GLCM's only BIPOC globally to achieve progression in this, the year of George Floyd - **the year black lives mattered.**

With space for just 49 of 123 management promotions in this post, Ibrahim had a 40% chance of making the cut. Yet there he is front & center, **Performative Allyship** (via external marketing only).



HSBC is now a lonely place for BIPOC

Definition:

Performative Allyship (noun)

Activism done to increase one's social capital rather than because of one's devotion to a cause.

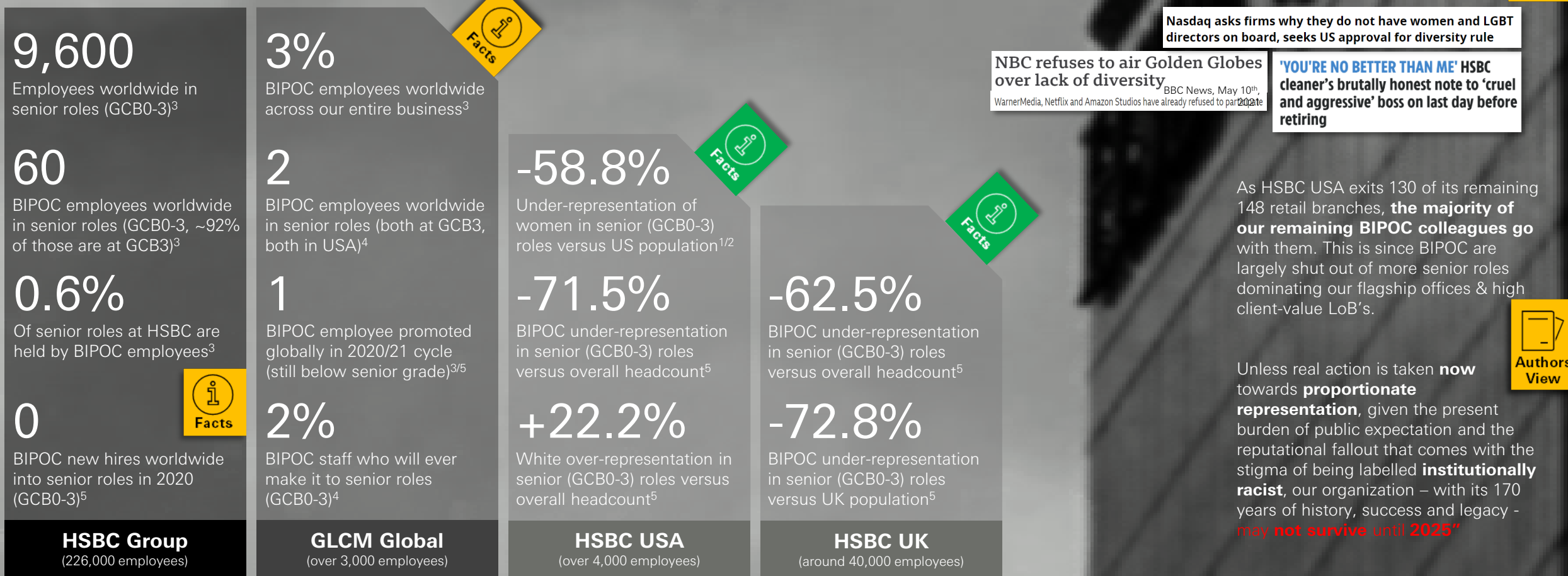
HSBC Holdings plc

First Annual Discrimination Report 2021

Sources: ¹US 2019 census data ²Group Annual Report 2020 ³Restricted non-public internal data from HSBC's US & UK D&I websites from senior management briefings* ⁴Department observational data* ⁵Externally published data, taken from HSBC's US & UK D&I websites from senior management briefings* **to the best of my knowledge qualification*

When it comes to privilege and opportunity, at HSBC it's as clear as black & white

Fig 4. HSBC's first annual discrimination report (2021)



Project Speak Up - Acknowledge

Silenced: "A few thoughts on my last day..."

The resignation wake up call on black inclusion at HSBC

"I was desperate to prove myself and "earn" my place in their eyes when frankly I just wanted to be treated like everyone else. Yet all I would ever hear was...

"There's just something missing, Matt... I'll know what it is when I see it"

The anxiety [at HSBC] surrounding my performance, feeling like there was something inexplicable that I needed to do to finally prove that I belonged and of course the uncomfortable conversations.

They involved me feeling like a token; being the only BIPOC intern of 2018 and feeling uncomfortably silent while notetaking when ExCo members boasted about the Bank's commitment to diversity in rooms where I sat as the only BIPOC person and the only BIPOC CMB graduate selected from ~15,000 applicants.

More uncomfortable still was seeing 170+ of HSBC Central Europe's most senior bankers pointing to two white country heads from Russia and South Africa - where white people represent 7.8% of the population - as an example of the Bank's commitment to D&I.

Then deflated when despite my many contributions:

- ◆ **ExCo on Graduate Sustainability Committee, raising money for charity in the Bank's name across multiple events.**
- ◆ **Asked to serve as a role model to colleagues attending the Career Acceleration Program.**
- ◆ **Producer of a winning podcast for Project Catalyst.**
- ◆ **Co-Chair of BIPOC Early Careers Working Group**
- ◆ **Head of Governance for our BIPOC ERG**
- ◆ **Participant on a national forum on race and BLM.**
- ◆ **Webinar facilitator with prospective interns and graduates.**

...I had not yet done enough to be considered a role model come review season.

I implore you to prevent experiences like mine from happening again. There is a lot of work to be done for advancing Black inclusion at HSBC."



"You have all the qualifications we're looking for, you're just not a good fit."

"It's difficult to really pinpoint what it is, it's just a vibe I have".

"We have encountered more problems with you than with any other member of the team."

- A selection of constantly recurring BIPOC Interview and performance feedback



Matt was UK CMB's only BIPOC Graduate Analyst appointed in 2018, later resigning April 2021.

His full resignation letter detailing experiences of racism submitted to 5 UK executives including a GCB0 now lies buried within Group HR. No acknowledgement, no action* - a legacy silenced, until now.

Confirmation bias:

"We value difference, we champion inclusivity, we listen to views different from our own."

- Core values, March 2021



But how can all lives matter, if black lives don't matter?

Matt

Grade: **GCB6** | Identity: **BIPOC male 20's**
Location: **London, UK** | LoB: **CMB (resigned)**

Matt was contacted about **Project Speak Up** and his email is featured here with consent. *In so far as I'm aware.

HSBC

The world's racist bank?



HSBC

This interview was the first to shock me



Inquisitive minds may ask:

If, as we are led to believe, all banks have an equivalent D&I issue, then **why are so many BIPOC colleagues leaving HSBC to go to other banks, yet none joining?**

Could having a **Group Headquarters overseas make it harder for HSBC** to understand and therefore address the D&I issue, when compared with other leading global banks?

If it exists, **how else might such a D&I disadvantage present itself** across HSBC's businesses?

"I have a dream that my four little children will one day live in a nation where they will not be judged by the color of their skin, but by the content of their character."

- Martin Luther King Jr.



Project Speak Up – 1. Acknowledge

Who are we really?

"I was the guy that people liked around, but nobody was prepared to **speak up** for. I was tired of being that guy.

It could've been a nice story for me at HSBC. But then again I should have **never expected** that from an organization that **doesn't have roots in the USA.**

Former US GB&M Associate

Grade: **GCB5** | Identity: **BIPOC male, 30's.** **Promised promotion was placed 'on hold', then resigned** 2019-21. Immediately appointed (with Promotion to Manager) by Morgan Stanley

"All the issues [my manager] raised concerned performance of the whole [sector] team, yet I was the only member of that team **targeted** with a PIP.

When I asked if the whole team would receive **equal** treatment I was assured that would be the case. All I wanted was to be **treated fairly** like everyone else."

Former US GB&M Associate

Grade: **GCB5** | Identity: **BIPOC male, 20's.** **Placed on a PIP then resigned** 2019-21. Immediately appointed (with Promotion to Vice President) by JP Morgan Chase

Confirmation bias: We are "the world's leading international bank"

"As a global organization, we are committed to supporting equality and inclusion in the US and around the world."

HSBC USA Corporate Website, Diversity and Inclusion Section, (Oct 2020)

HSBC has an identity crisis.

The exit interviews shown here were conducted April 2021 by the author specifically for **Project Speak Up** and with consent.



HSBC Claims

Free at last, Free at last. Thank god
almighty we are free at last!

"It is a **mistake** to think that slave labor was mostly unskilled work. Shipmakers, wheelwrights, carpenters, blacksmiths... required **careful, painstaking effort**. Typical slaves also worked ten or more hours a day, six days a week. Slave masters extracted labor from virtually the entire slave community, young, old, healthy, and physically impaired. To encourage slaves to **work harder**, slave-owners combined harsh **penalties** with positive **incentives** such as small plots, gifts, money, prizes, holidays, and year-end bonuses."



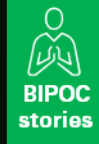
- *Slave Labor, Digital History (2021).*

In 2020, HSBC commissioned a US & UK **Ethnicity Pay Gap Reviews** for the first time. The conclusions of the US report have never been made public, while UK data – still showing massive pay inequality – was released without transparency on grade, department, entity or calculation methodology.

Instead, HSBC USA and Americas **removed the photos** of its **ubiquitously white board of directors** from public view – the only major bank to do so.

Increasing numbers of colleagues are growing suspicious that HSBC's commitment to D&I, including its new 2021 purpose and values is an attempt to **deflect regulatory scrutiny** rather than address the core issue of imbalance in opportunity and privilege.





Meet your colleague...

Maryam Remaerd

Grade: **GCB6** | Identity: **BIPOC female, 20's**
Current role: **Analyst, WPB** | Location: **HSBC UK**

I fell in love with the culture at HSBC. I've learnt so much about myself. It's this culture that keeps me at HSBC, that HSBC has real aspirations to achieve accessibility and inclusion for everyone."

Maryam has an invisible disability – she suffers from severe chronic asthma. Unbeknown to many of her colleagues, she's also a carer for her two dependent siblings with sickle cell anemia.

When Coronavirus first hit the UK, she asked to work from home (wfh) to protect herself and her siblings. She was declined permission:

"We haven't got a business steer as to what we are doing with our vulnerable people as of yet".

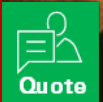
"I remember being scared, hurt and confused. I thought about how [my manager] rather I catch the virus and died, instead of working successfully from home."

Weeks later the general wfh order was given.

"Those of us that remain do so because we have been conditioned to believe that we should be grateful for even having the opportunity to start with and therefore are in no position to speak up about our experiences."

"Nothing that's within our hearts is revealed by the colour of our skin."

- Ian Clarke, HSBC Pride Inside interview, July 2020



There are many unseen layers to a human being.

Who is Maryam?

	Organizational	External	Internal	Personality
Visible	<ul style="list-style-type: none">♦ WPB♦ Junior♦ Graduate	<ul style="list-style-type: none">♦ Muslim♦ British	<ul style="list-style-type: none">♦ Young♦ Black♦ Woman	
Invisible	<ul style="list-style-type: none">♦ Co-founder & Co-Lead BAME Early Careers♦ Committee Member, D&I Influencer Programme♦ Committee Member, People with Disabilities♦ Volunteer, Stretch45 Career Development Programme	<ul style="list-style-type: none">♦ A Brumie (Solihull)♦ A Nigerian♦ A daughter♦ A carer (x2)♦ A sister♦ A millennial	<ul style="list-style-type: none">♦ Disabled♦ Non-drinker♦ COVID 'vulnerable person'	<ul style="list-style-type: none">♦ An explorer♦ An academic♦ An altruist♦ An introvert♦ A thinker♦ A dreamer♦ Brave♦ Determined♦ Ambitious

Why is Maryam special?

Her Values	Her Vision	Her Ideas	Her Determination
<ul style="list-style-type: none">♦ The BLM movement♦ I love to collaborate♦ I genuinely care about others♦ I see the value of differences in overcoming challenges	<ul style="list-style-type: none">♦ I want to help my family Tomorrow is a world without racism where BIPOC are included & can succeed♦ A level playing field♦ More visible BIPOC role models	<ul style="list-style-type: none">♦ Better data = better advice♦ More outreach, internally and externally♦ We must cherish and nurture the global BIPOC community♦ Bring seniors & juniors together	<ul style="list-style-type: none">♦ I will communicate and consult globally♦ I use my spare time to help bring D&I to HSBC♦ I will network and collaborate to get this done♦ I will help HSBC's BIPOC

Definition:

Stockholm Syndrome (noun)

Stockholm syndrome is a psychological connection, where victims bond and come to sympathize with their abusers over their course of captivity. They may begin to feel they share common goals or develop negative feelings towards anyone trying to help them escape their situation. Medical professionals mainly consider Stockholm Syndrome a coping mechanism, as a way for victims to handle the trauma of a terrifying situation.

How can we claim this...
 “We’re bringing together the people, ideas and capital that nurture progress and growth, helping to create a better world.” – *Core values, Mar 2021*

If we can’t claim this...
We’re bringing together the black people, black ideas and black capital that nurture progress and growth, helping to create a better world for BIPOC.



How can all lives matter, if
 black lives don’t matter?



We succeed together

We collaborate across boundaries. We break down silos. We trust and support each other. And, when necessary, get out of each other’s way. Together, we make possible what we cannot do alone.

– *HSBC Core Values, March 2021*

Project Speak Up – 2. Why?

We are different

But not in the way you think we’re different

We hear much about HSBC’s investment in Asia, the Middle East and UK. But what of Africa or the Caribbean?¹ I benchmarked HSBC against our key competitors:

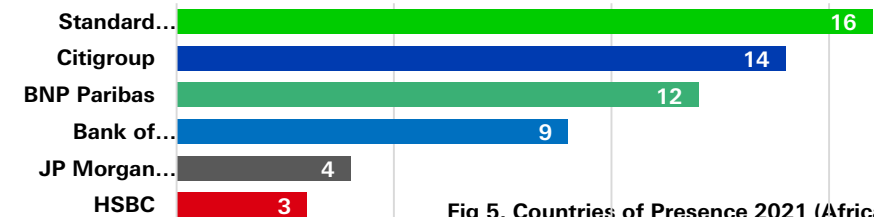


Fig 5. Countries of Presence 2021 (African & Caribbean)

Today, Africa sits alone from the global economy, suffering from a broad lack of banking integration and limited corporate investment – both a cause and an effect for the instability that has blighted too many African lives and countries for so long.



Inquisitive minds may ask:

- ◆ For a bank focused on investment corridors, does our absence from much of **the world’s fastest growing continent** (Forbes, 2021) make strategic sense?
- ◆ Could **institutional racism be a product** of HSBC’s unique global footprint?
- ◆ Could HSBC’s unique **global footprint be a product** of institutional racism?
- ◆ If HSBC’s global footprint is both a cause and an effect of institutional racism, have we here a cyclic system that will continue to amplify in perpetuity (a ‘**causality loop**’) unless either input is addressed?
- ◆ Could the uniqueness of our global footprint be exacerbating the asymmetry between white and black interests at HSBC beyond levels seen at other institutions (a material **competitive disadvantage**)?
- ◆ What **other opportunities** might we be missing due to our lack of understanding of BIPOC-majority markets, industries, cultures and behaviors?

1. To the best of my knowledge, HSBC’s only material investment in recent history was its abandoned acquisition of Nedbank in 2010. Its intention appeared to be to increase HSBC’s wholly-owned presence from 3 to 8 countries, and open our network up to invaluable African-overseas investment corridors.
 Fig 5 information sourced from bank websites & press releases. *JPM includes new markets set to open in 2021. ^BAML’s African presence is debatable, as it is achieved through alliance bank partnerships.



Facts

+66.9%

Overrepresentation of white directors on HSBC America's board versus overall US population

40.1%

Of the US population are not represented within the corridors of power at HSBC USA

**Fig 6. Making it to the top. HSBC Americas and US Board of Directors****Project Speak Up – 2. Why?****Ubiquitous white faces running our business... in the Americas**

This simple analysis from public data shows that, contrary to popular opinion & fair expectation, **HSBC's sole D&I strategy for GCB0 recruitment in recent years has been exclusively focusing on gender representation.**

We are the only major bank led in the Americas by **one supreme race** of human beings – **the white race.**

This report takes no view of nor makes any accusation against individual members of HSBC's Board.

Conclusions

- HSBC USA is **the only major financial institution** solving its D&I problem by **ceasing to publish photos of its directors online.** This demonstrates clear awareness and ability to act despite the broad lack of historic & accurate data.
- A **lack of diversity**, manifesting at HSBC in **low representation** (esp. in the USA) from the pursuit of power & control via discrimination leading to an **absence of 'adequate challenge'** (our FCA regulators own words) could be contributing to **the undoing of our firm.**



Facts



Quote

"Coming to HSBC and looking around the boardroom, I was stunned. I've never seen a boardroom like it."

Grade: **GCB0** | Identity: **White Male, 50's**
Location: **USA** | Area: **GMB** | Role: **Not disclosed**
D&I discussion for **Project Speak Up** (Jun 2020)

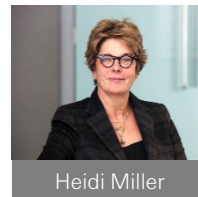


Facts

19

HSBC Americas

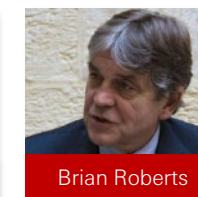
HSBC USA Board of Directors



Heidi Miller



Michael Roberts



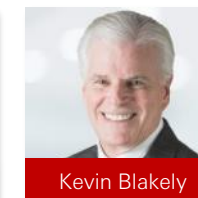
Brian Roberts



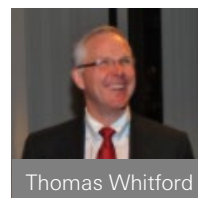
James Forese



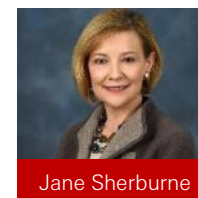
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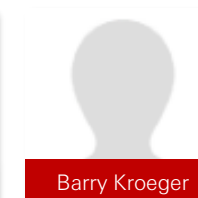
Kevin Blakely



Thomas Whitford



Jane Sherburne



Barry Kroege

Dear shareholders, about your investment...
This is the board that leads our LATAM strategy.

IT'S A WHITEWASH

This is what institutional racism looks like

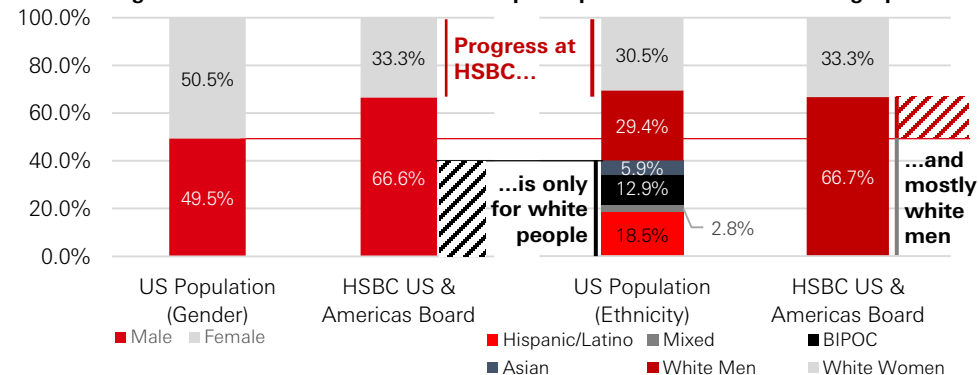
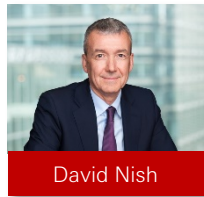
Fig 7. HSBC US & Americas leadership compared to overall US demographics

Fig 6. Director names retrieved from HBUS public website on 25th May 2021. Photos from Google. US populations and racial subgroup differentiations throughout this report as per US Census 2019.



HSBC Group Board of Directors

Project Speak Up – 2. Why?



Ubiquitous white faces running our business... in the UK & Globally

The UK presents an interesting comparative analysis, with its far less diverse non-white population given a) it's earlier abolishment of slavery, b) lack of land border, c) historically more stringent immigration stance and d) geographic distance from migration routes.

No surprise that men here too are more privileged than women. But curiously, white directors gave up more seats than required for representation to foster a perception of diversity aligned to the short term strategy of the business (i.e. the pivot to Asia).



Inquisitive minds may ask:

If despite my potential there is no route to the top for me at HSBC, then at what point in my career does effort become senseless?

"Asian employees are more represented in senior leadership roles than [all] other ethnic minority groups"

- HSBC UK Ethnicity Pay Gap Report (2020).



Corrected

+66.9%

Overrepresentation of male directors on HSBC Group's board versus overall UK population

+2,385%

Overrepresentation of Chinese directors on HSBC Group's board versus overall UK population



Fig 8. Making it to the top. HSBC Group Board of Directors



Fig 8. HSBC Group leadership compared to overall UK demographics

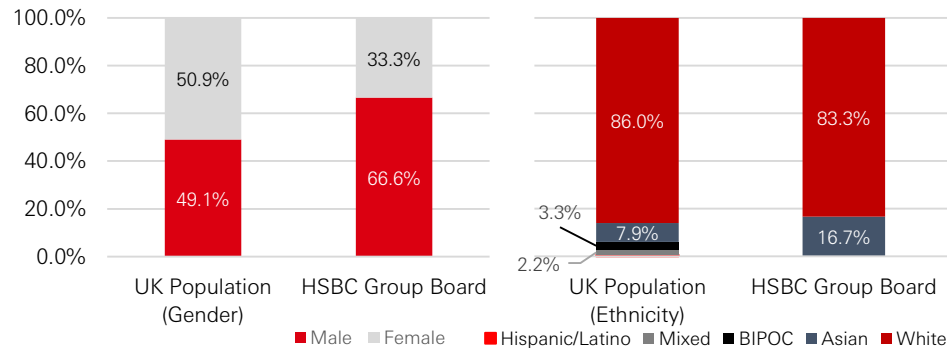


Fig 5. Director names retrieved from HBUS public website on 17th June 2021. Racial subgroups remain per US Census 2019. UK population data sourced from ONS (ethnicity facts & figures, 2011 census data - England and Wales only). Proportion of UK population identifying as Chinese = 0.7% (393,141, as of 2011 data).

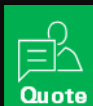
PUBLIC

Conclusions

The equal proportions of women on both Group, US & America's boards indicates A) this is a **deliberate and targeted** level of **under-representation** for HSBC 'business-as-usual', and B) the **incompetence** of our recruitment strategy is both **Group-wide & sanctioned** if not controlled by London.

At HSBC today, **men are more privileged than women**, but **Asian people are more privileged than white people** – understand relative privilege to understand relative disadvantage

Lack of data does not excuse lack of awareness. **Those responsible for overseeing this recruitment regime are either incompetent, sociopathic, complicit or racist** (p.50) – a grim prospect, given they are now charged with fixing it.



Quote

Confirmation bias:

“When it comes to D&I, HSBC’s no worse than any other bank. You’re better off staying here.”

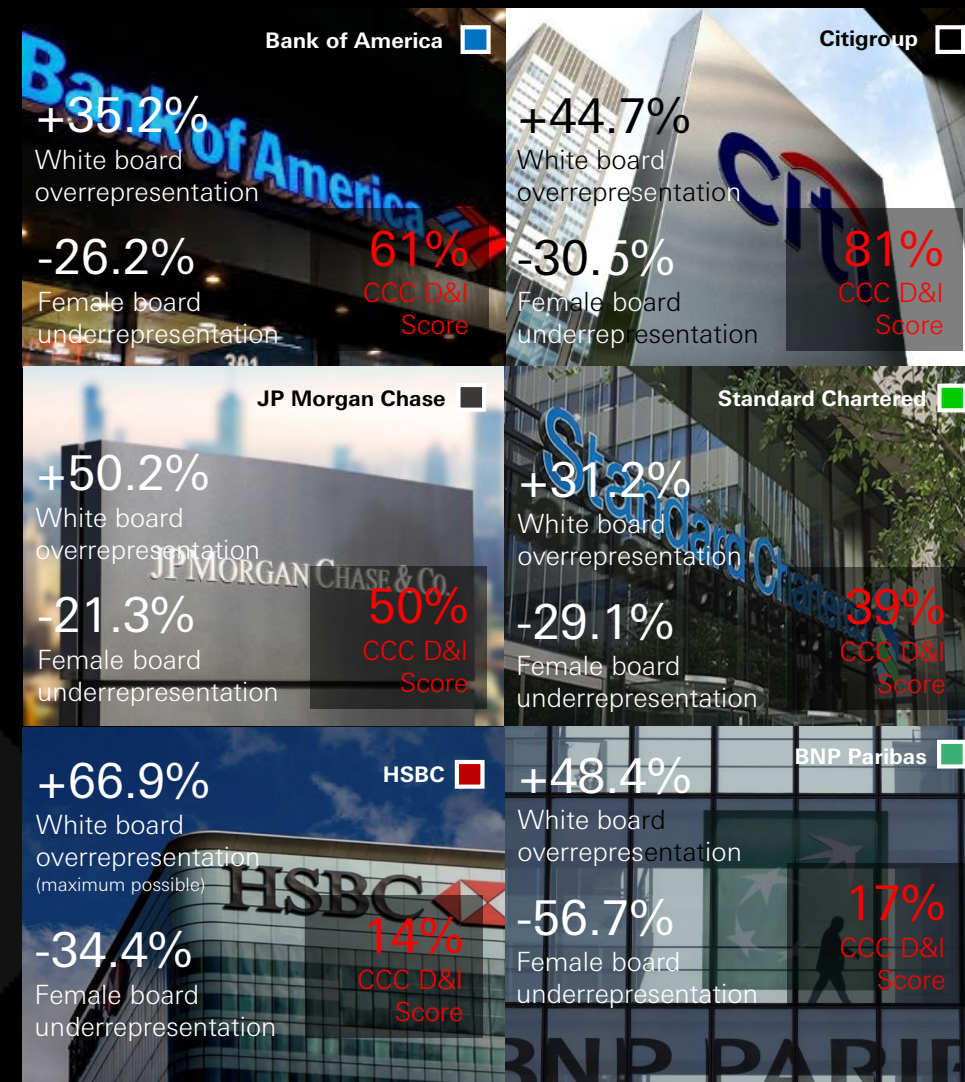
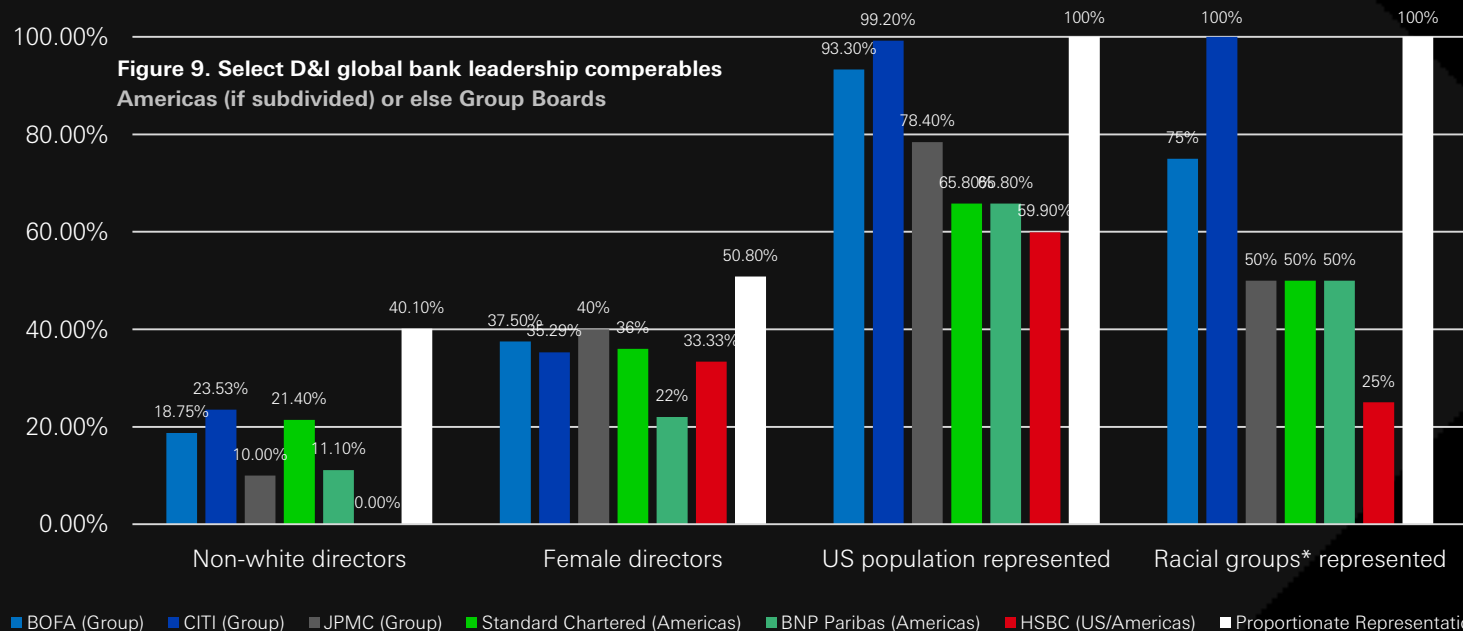
- US HR, Project Speak Up interview on BIPOC prospects outside HSBC

Fact Check

Banks based outside the US score a **significantly worse D&I CCC** than US-headquartered institutions. On **every quantifiable metric**, HSBC US & Americas’ leadership (GCB0’s) is the **least inclusive & least representative** banking decision making body of every major institution regionally.

Only BNP Paribas scores weaker than HSBC and only on one single measure (number of female directors). Not without clear D&I issues of its own, scrutiny of France’s banking system is not in scope of this report. Despite being a broadly less global institution than HSBC, BNP Paribas still out-classes us on race diversity.

Project Speak Up found **no prescient route for any race or gender other than white men** to rise to the top of HSBC. The bank has institutionally failed to develop & promote minority talent for its entire history. Any non-white males on our boards of directors have been recruited externally from **more inclusive institutions**¹.



¹CCC = **Corporate Clarke Composite**, a D&I peer benchmarking index created for Project Speak Up to substitute the lack of availability or disclosure of HSBC’s own (highly restricted) benchmarking formula. See p48 for calculation methodology.

Fig 9 Data sources: Official bank websites (May 15th, 2021). *4 racial group basis: White, Latino or Hispanic, BIPOC, Asian. Per US 2019 Census categorizations. ^To the best of my knowledge

¹ UK Ethnicity SteerCo Report April 2021. US report not yet released.



Facts

Project Speak Up – 3. Explain the psychology

Darkness cannot drive out
darkness, only light can do that
Hate cannot drive out hate, only
love can do that

Section 3: Explain the psychology



Early on, **Project Speak Up** was assigned an Employee Relations (ER) Specialist to assist with formal responses to the questions and challenges being raised – a valuable, helpful, appreciated and resourceful response from HSBC.

Yet by HR's own admission, there are **no BIPOC employees** within HSBC ER liaison team PLUS all HR Business Partners are of white ethnicity.

So often many of the concepts, systems and issues I was presenting were being heard and understood **for the first time**. It very much seemed to be **a grounds-up process** of discovery for US HR on the issues prescient.



Inquisitive minds may ask:

How can ER rule on complex, challenging cases involving the many layers of diversity that exist across our people, given such ubiquitous white faces amongst its ranks everywhere?

NOTE: HBUS ER has recently appointed a female BIPOC D&I Consultant to assist in reviewing and improving HR processes and policies in a D&I lense. The consultant is involved in reviewing the issues and recommendations presented by **Project Speak Up** for US HR purposes.

Breaking Points

Everyone has a breaking point.

It's the point at which we break the spirit of an employee such that they **no longer wish to contribute** to nor have confidence in HSBC. They recognize that no matter how hard they try, they will not be rewarded fairly or treated well.

They are now but **ghosts of their potential**.



"Unless there is a track record of reported bad behavior, there is **very little we can do**. We need **more people** to come forward & **speak up** about their stories."

US HR, Project Speak Up interview on how to disrupt the roles of discrimination.



HSBC
Claims

Igo and Vincent's true identities have been concealed for their protection, but their stories are real. Their accounts that we have failed them were passed to **Project Speak Up** with consent.

Igo Deracsmi

Grade: **GCB6** | Identity: **BIPOC male, 20's**
Role: **Call Center Analyst, WPB** | Location: **HSBC UK**

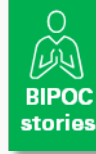
"I noticed it the day she joined our team, that confidence, that energy. I admired her, and wanted to be just like her."

"I pushed and pushed and after some time, I was allowed to meet with her and discuss potentially joining the graduate scheme too. But my colleagues were not supportive and it backfired horribly. "

"People like you don't belong in leadership. You should be grateful you've even got a job with HSBC."

- White male colleague, GCB6 / UK Customer Services (since promoted to GCB5)

"I've always been too scared of the repercussions to speak up about what happened. I'm still here answering phone calls today, while my white colleagues who told me I would never be good enough have all moved on to bigger and better things."



Vincent Raifnu

Grade: **GCB6** | Identity: **BIPOC male, 20's**
Role: **Risk Analyst, WPB** | Location: London, **HSBC UK**

"I joined HSBC because it's an institution that – externally – prides itself on its values of Diversity and Inclusion. That lasted one week."

"Jesus Christ mate, not tryna (sic) be rude or anything but are you usually this dark? Have you just come back from holiday or something?"

- White male, contractor / Official security pass photographer, HSBC Group HQ, London UK

"I froze and just awkwardly laughed. This was my first week in the bank and I didn't know what I could or couldn't say. It's left me feeling disturbed and shocked, coming from the banks own ID photographer."

"Even today I keep replaying in my mind how that situation could have gone so badly at a company like HSBC."





A generational shift to top gear

Experience versus Nobility

To HSBC's credit, the offending men cited in this example no longer work for the bank.



"We ensure fair pay to all employees regardless of gender, ethnicity, age, disability or any other factor unrelated to performance or experience.."

- Noel Quinn, (March 2021)

Grade: **GCB0** | Identity: **White Male, 50's**
Location: **UK** | Area: **GMB** | Role: **Group CEO**



...Or is it?

At a recent HSBC event, I and many others witnessed a significant minority (~40%) of the 'experienced' GCB2 white men present committing physical or verbal sexual assaults on four white female colleagues – three of whom were under 40 (let's call them 'young', arbitrarily).

Age is just a number

According to HSBC UK's Gender Pay Gap Report 2020, the bank "ensures **fair pay to all** employees **regardless of age**, gender, ethnicity, disability or any other factor".

These claims are examined further on Page 39. **Section 5. Respond.**

It then goes on to confirm that the only two factors related to the setting of pay are **Performance** and **Experience**. Consider for a moment the implications of this approach.



This demonstrates several other important dynamics:

1. Minorities show elevated comfort, altruism, empathy & **Allyship** (p29) towards other minorities, particularly in distressed situations.
2. **White women relate more to minorities** than they do to white men
3. At HSBC parties, **it's often the grandparents** not the kids **who misbehave**.

The prevailing assumption that experience and thus **age is universally positive** is actually a **confirmation bias**.



"Millennials are so lazy"

This comment by an 'experienced' white colleague, in front of a Fortune 500 corporate client no less, astonished me – not least since this Millennial made his slides.

Joining since the Great Recession, Millennials now dominate junior management. They're generally well educated, informed & influential due to high social & geographic connectedness, yet less affluent than their parents in the same point in life due to higher student debt, housing costs and recessionary effects. You need only look at our ERG

Exco's to recognize how engaged and capable this generation has become.

They're more secular and thus tolerant (higher altruism/Allyship) toward their outgroups yet courageously intolerant (towards intolerance and injustice).



Ubiquitous young white faces at BLM rallies

"Now show some respect"

Baby boomers who joined pre-recession and make up much of middle management possess values, motives, methods, opportunities, experiences and expectations that are at times visibly at odds with Millennials.

Some are vocally nostalgic for times past of strip-clubs, day drinking & the sexualisation of women (chauvinist). Others are defensive of their established

wealth & status, and appear more inclined to suppress & exclude threats to their privilege by practicing Cronyism (p29), intolerance and resistance to change.

You're just not old enough...

Of course age is just a number, so these traits are in no way universal or even representative of either generation - the majority of which bring huge value to our franchise with their different perspectives. But given:

- a) some very experienced, older senior leaders exhibit poor behaviors and low productivity, yet
- b) some very inexperienced younger staff demonstrate drive, ideas and nobility that could transform our business if suitably empowered

Could HSBC's official line that it seeks to reward 'experience' rather than nobility – stunningly, not currently a KPI - actually just be a byword for institutionally sponsored age discrimination?



Inquisitive minds may ask:

If experience is truly a positive factor, then shouldn't this enhance performance anyway, and might we in fact be double counting the same attribute?

If we are, could this constitute **a multiplier formula that effectively shuts out everyone but the elderly from being viewed as competent?**

Who would install such a system and to what ends?

Definition:

White Privilege (noun)

Inherent advantages possessed by a white person on the basis of their race in a society characterized by racial inequality and injustice.

A **proven¹ psychological phenomenon**, **White privilege** means we often **amplify the positives** and **downplay the negatives** in the phraseology we use to describe the actions of white colleagues, and particularly white men within this organization, while **doing the opposite** for others:



Confirmation bias:

How can HSBC claim this...
“We value difference, we champion inclusivity, we listen to views different from our own ”

If the bank is blind to the merits of people of colour, yet amplifies and decontextualizes their external challenges as personal weaknesses?

How can all lives matter, if black lives don’t matter?

	White / Men ¹	Minorities
Positive	Bold, strong, courageous, true leader, says it how it is	“[muted positive attribute here]... but there’s just something about them I don’t like”
Negative	An ego, a character, grumpy, hard to get hold of	Aggressive, trouble maker, speaks out of turn, steps out of place, neglecting day job

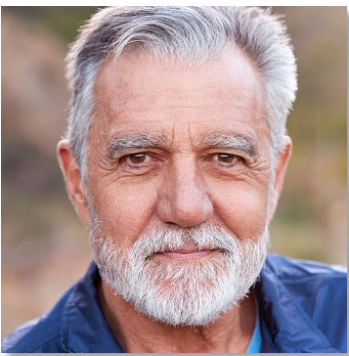
Fig 10. The languages for the privileged and the disadvantaged are different

IMAGINE for a moment these hypothetical scenarios...



“I’m heading into an important client meeting and I don’t have time to discuss this right now.”
- **SAM Team Lead (GCB4, white female, 40’s)**

Would you consider this *inappropriate*?



“Given the long term established relationship I have as Global Relationship Director for this client, I would’ve very much liked to have been a part of the client handover meeting.”
- **MD Head of Coverage (GCB2, white male, 50’s)**

Would you consider this *disrespectful*?

1 Sources : Understanding white privilege, Kendall (2002); The sugar coated language of white fragility, Kegler (2017)

White privilege is pushing HSBC's BIPOC to breaking point

"I don't have time to discuss this right now. I'm heading into an important client pitch."

"That was inappropriate!"

- Grade: **GCB4** | Identity: **White female, 40's**
Location: **USA** | LoB: **GB&M**

Grade: **GCB4** | Identity: **BIPOC male, 30's**
Location: **USA** | LoB: **GB&M, 2019**



BIPOC consequence management

- Removed from covering the corporate client under discussion
- Infraction noted strongly in year end performance feedback
- Stern verbal warning not to misspeak to [white] colleagues from both Line Manager (GCB3, white male, 60's) and Unit Head (GCB2, white male, 60's).



"Given the long term established relationship I have with [client] as their 7yr Global Sales Lead at HSBC, I would've very much liked to have been invited to the Sales handover meeting."

"That was disrespectful!"

- Grade: **GCB2** | Identity: **White male, 50's**
Location: **USA** | LoB: **GB&M**

Grade: **GCB4** | Identity: **BIPOC male, 30's**
Location: **USA** | LoB: **GB&M, 2021**



BIPOC consequence management

- Instructed to never communicate again with his global client of 7 years
- No goodbyes, no thank you for your partnership, just shame.
- Verbal warning received from a Senior Global GLCM Leader (GCB2, white male, 60's) in future not to show such 'disrespect' to [white] colleagues.



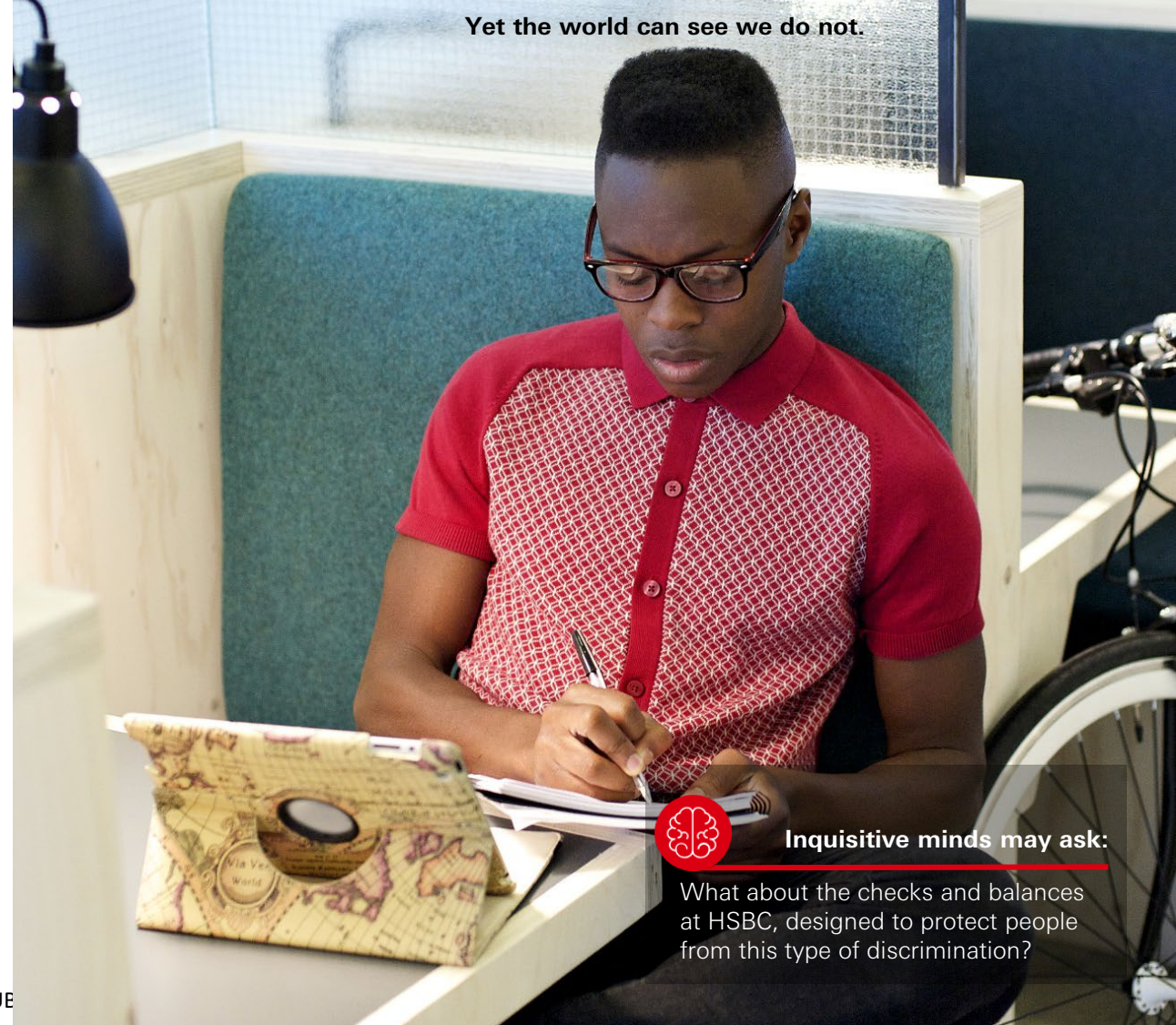
NOTE: Project Speak Up makes neither comment nor accusation against the individuals cited in these real examples, which are provided for illustrative purposes only.

Confirmation bias:

We think... "we value difference"...

Global Markets USA used to maintain a presence in leading US black colleges like Howard University in order to attract more diverse talent. This was closed out in 2021 after not a single BIPOC student chose to apply for work at HSBC.

Yet the world can see we do not.



Inquisitive minds may ask:

What about the checks and balances at HSBC, designed to protect people from this type of discrimination?

Project Speak Up - Explain

The systems sustaining discrimination at HSBC

In both examples on the previous page, all four identifiable discriminator roles at HSBC worked together to achieve the outcomes described.

Discriminators understand how to apply their privilege, and often weald it collectively to avert suspicion & maximize harm to targeted minorities.

Racists built and thus understand this system in which we operate. They won't ever tell us they're racist, but their behavior is visible to those with open eyes.

With all HSBC's counterweights to racism – all the checks and balances – currently broken, the situation is grim. Until we can mitigate these active, conscious, methodic and synchronized networks of active discrimination, there is no chance for success on D&I or Financially at HSBC.

Not speaking up for fear of retaliation. Enforcer's, supported through cronyism, are not aligned to core values



- ◆ Maintains grip on power through cronyism (page 40) and managing out anybody who cannot be assimilated.
- ◆ Drunk on power but also fearful of their own inadequacy, they will rarely leave HSBC voluntarily.
- ◆ Circumvents controls via off-record conversations.
- ◆ Triggers minorities breaking points by sustaining an environment of helplessness, risk and conflict.

Checks and balances



**Discriminator role 4
The Enforcer**



Nonfunctional due to white ubiquity of HR, lack of transparency & accountability. Absence of independent / ABI trained alternative escalations points.

Checks and balances

- ◆ 'Come and go' Senior and middle managers that turn a blind-eye to known acts of minority sabotage in order to protect the guilty and sustain privilege;
- ◆ Keen to retire quietly, or they just don't care.



**Discriminator role 1
The Enabler**

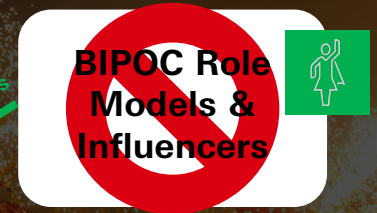
**A toxic environment
brimming with ever
growing risks,
helplessness and
fear**



**Discriminator role 3
The Judge**

- ◆ Often known discriminators holding senior positions of authority and privilege that therefore go unchallenged (untouchable). Instead of saying e.g. racists, sexists, homophobes, we say 'grumpy', 'a character', 'someone to steer clear of';
- ◆ But we all know who they are.

Not available due to HR sanctioned, 'Enforcer' imposed cronyism and GCB3/4 BIPOC glass ceilings ('there's just something wrong with you – so we can't promote you')



Checks and balances

- ◆ Consciously biased junior and middle management - will not participate in D&I initiatives.
- ◆ Actively spreads falsehoods about minorities & establishes 'set up to fail' traps to inhibit their success.
- ◆ Immune from suspicion and given great credibility solely through white privilege.
- ◆ Every time we hear "there's just something I don't like about you", chances are that a Saboteur has been at work.



**Discriminator role 2
The Saboteur**



Not effective due to lack of KPI alignment and fear. ERG's sustained by victims, without power, budget or senior sponsorship

Checks and balances



Authors View

Fact
Check

"That's not racism,
that's just big ego's"

US HR, Project Speak
Up interview discussing
cases of racism at HSBC

HSBC
Claims

The institutional mechanisms that fuel discrimination at HSBC

BIPOC don't want revenge, nor privilege, not even equality. They just want a **fair and equal opportunity** to succeed in life if they're good enough, and some respect even if they aren't good enough. It should come as no surprise, these are among the **most basic human needs** – something we all want for our families. **Black families are humans too.**

The Latin word Ego literally means 'me' or 'I', as in "I am better than you" or "you are worse than me". Therefore, someone with an ego is a biased person. Applying that ego is in practice prejudice.

'YOU'RE NO BETTER THAN ME' HSBC cleaner's brutally honest note to 'cruel and aggressive' boss on last day before retiring

Start anywhere you like:

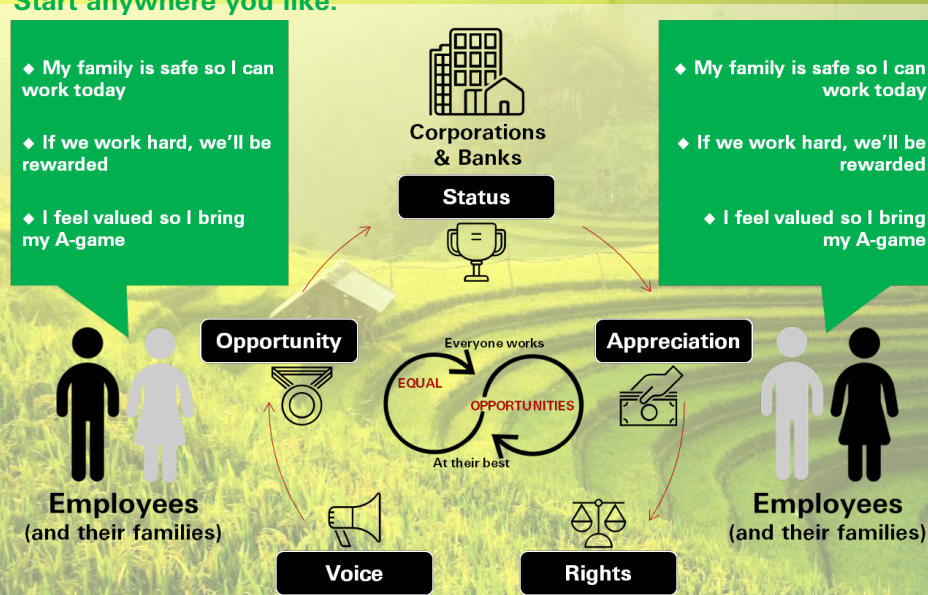


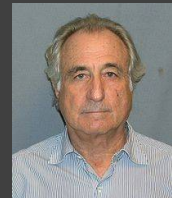
Figure 11 : The Sustainable Capitalism Cycle - Definition:

Equal Opportunities (noun)

The state of being fair, in which individuals are treated similarly, unhampered by artificial barriers that cannot be justified explicitly.



Facts



Just because a man is white and old, that doesn't make the man right and good.

When someone believes they are better than or should be treated differently to someone else because of age, race or gender, **that isn't ego.**

Discrimination violates HSBC's core values.

Discrimination is illegal in corporate environments under both US and UK laws.

Start here ►

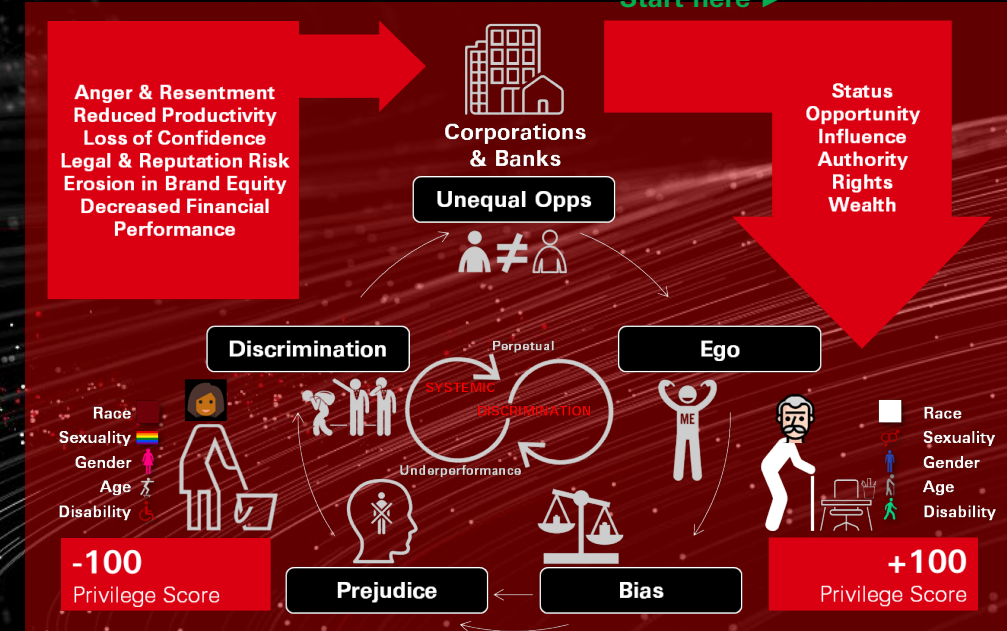


Figure 12 : Ego-to-Discrimination Competition Cycle. Definition:

Institutional Discrimination (noun)

The unjust and discriminatory mistreatment of an individual or group of individuals by a corporation as a whole, through unequal (intended or otherwise) bias or selection.

Project Speak Up – 3. Explain?

Likely and unlikely alliances
Resistance is only futile if you want to be assimilated

The importance of Allyship



“The ultimate measure of a man is not where he stands in moments of comfort & convenience, but where he stands at times of challenge and controversy.”

- Martin Luther King Jr.

Solidarity between minority groups is growing, as people **unite** with a growing sense they have a **common cause**. This means that perceived mistreatment of e.g. BIPOC by HSBC will spill over into the **psyche and job satisfaction** of other D&I groups – more so than historically.

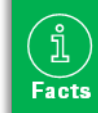
“At this stage, I’m convinced that the cesspit is so deep that the only thing anyone decent can do is to try and climb out alive. **This bank will never be a place of good.**”

Grade: **GCB4** | Identity: **White male, 30’s, LGBT** | LoB: **GB&M**
Location: **London, UK** | Status: **Seeking alternative employment**



Definition:
Allyship
/al·ly·ship/ (noun)

Allyship is an active, consistent, and arduous practice of unlearning and re-evaluating, in which a person holding systemic power seeks to end oppressions in solidarity with a group of people who are systemically disempowered.

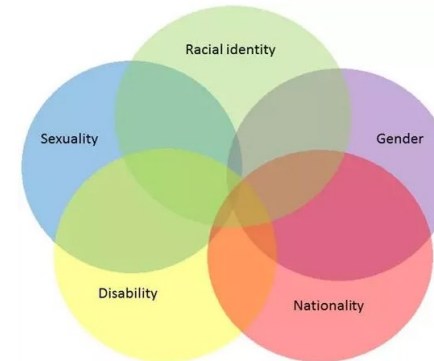


This report in no way criticizes Ralph Jardine or his noble efforts to further the ABI agenda at HSBC



Intersectionality

Lessons for HR: All oppression is linked. Intersectionality is the acknowledgement that everyone has their own unique experiences of discrimination and oppression – whether from race, class, gender, sexuality, ability or religion - and we must consider everything and anything that can marginalise people.



“Courts seem to think that race discrimination was what happened to Black people, and sex discrimination was what happened to women. If that’s your framework then of course what happens to **black women** and other women of color is going to be difficult for you to see.”

- Kimberle Crenshaw,
Demarginalizing the Intersection of Race and Sex, (1989).



“I have over 20-years experience campaigning actively for black rights both in- and outside HSBC, so I applied [for the US D&I role]. But that meant nothing, they already knew who they wanted. HR informed me they were ‘looking for someone with close connections to the US Board of Directors’.”

Grade: **GCB4** | Identity: **BIPOC Female, 50’s** | Location: **USA**
LoB: **WPB** | Status: **D&I Leader (Fatigued)**

Cronyism

The appointment of friends and associates to positions of authority, without proper regard to their qualifications, abilities or nobility does nobody any favors.

With bold new policies here being developed and tested by Ralph and his colleagues, I descoped this from Project Speak Up.

Understand that the needs of the few outweigh the needs of the many

- ◆ Check your privilege.
- ◆ Look beyond the visible to see someone’s invisible layers – you’ll learn far more about them (for better or worse).
- ◆ Listen and learn through meaningful engagement and collaboration, as I have tried to on Project Speak Up.
- ◆ Recognize and trust accounts of the lived experiences of others, no matter how abstract they seem to your own life.



BIPOC women at HSBC need our help and they need it now.

Project Speak Up – 4. Understand the impact

We may all have come here on different boats but we're in the same ship now

We take responsibility

What we do has a real impact on people's lives, communities and the planet. We take this responsibility seriously.

We set ourselves high standards and are each accountable for our actions. We always use good judgement. And if something doesn't feel right, as colleagues we speak up and act.

We build for tomorrow, today. We succeed only by taking the long view, by focusing on the sustainable interests of our customers, investors, and the planet we all share.

- HSBC Group Core Values (March 2021)



Section 4:
Understand the
impact?

northern
rock



"On paper, HSBC never should have become the leading global powerhouse it is today. We've never had the best systems. We've never had the best products. We've never had the best prices. It was our people who made us special, and the culture they shared. "But sadly as our black colleagues walk out the door, and as our white colleagues sit by and do nothing, everyone can see that whatever made us special before has now been lost.

This is an organization in terminal decline."

Grade: **GCB3** | Identity: **POC Male, 40's** | Location: **USA** | LoB: **WPB** | Status: **Actively seeking alternative employment**



Quote

You cannot double zero...

I tried to quantify the costs to our business of the current BIPOC exodus, by sampling a single department. 63%² of GLCM's global GB BIPOC Sales Managers (SM's) left HSBC between 2019-21.

The consequences of continued inaction are severe and mounting:

- ◆ **Loss of revenue**
- ◆ **Loss of confidence**
- ◆ **Loss of knowledge**
- ◆ **Reputational Risk**
- ◆ **Loss of morale & motivation**
- ◆ **Competitor gains intel**

I found commonalities amongst these 5 real BIPOC failed by HSBC:

Progression	100% of BIPOC SM leavers since 2018 went on to secure elevated positions at their new employers in recognition of their talent and ability
Connectivity	3 departing SM's had been recruited to HSBC by 2 other BIPOC SM's. Strong BIPOC community values are a critical yet little understood blow for HSBC's prospects of now achieving its D&I goals through external recruitment
Knowledge	The competitive advantages the talent exodus has delivered other banks – and JPMC in particular - led to the attributable loss of several RfP bids worth >\$0.33m per/year per/SM in GLCM revenues attrition ¹ .

Time is running out to prevent a total loss of BIPOC talent

1. JPMC RfP losses attributable to competitor counter-intel 2018-2020 (sampled: IC's GB GLCM CBRH USA portfolio).
2. Source: Departmental observational data (the author is one of 3 remaining GB BIPOC SM's globally, statistic as of May 25th 2021)



→ Denotes talent acquired through BIPOC referrals



What do **the faces we failed** have in common?

Figure 13. Profiles of departing BIPOC GLCM GBM SM's 2019-21

**1**

GLCM GB&M Corporates Sales Manager
Grade: **GCB4** | Identity: **BIPOC male, 30's**
PIP then resigned 2018
Promoted to Director at competitor MUFG

**2**

GLCM GB&M Corporates Sales SVP
Grade: **GCB3** | Identity: **BIPOC male, 40's**
Resigned 2018
Promoted to ED at competitor JPMC

**3**

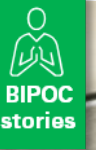
GLCM GB&M Corporates Sales Associate
Grade: **GCB5** | Identity: **BIPOC male, 20's**
PIP then resigned 2019
Promoted to VP at competitor JPMC

**4**

GLCM GB&M Corporates Sales Associate
Grade: **GCB5** | Identity: **BIPOC male, 30's**
Promotion withdrawn, resigned 2021
Promoted Sales Mgr at Morgan Stanley

**5**

GLCM GB&M Corporates Sales Associate
Grade: **GCB5** | Identity: **POC female, 20's**
Dismissed 2019
Promoted to VP at competitor JPMC



"Dad, why do the kids at school make monkey noises at me?"

- Every black child living in the UK and USA



"They may not see it this way, but it's because you're special son.

But you must do everything you can to hide how special you are and act like one of them. Only if you do that will they ever accept you."

- Every black father living in the UK and USA

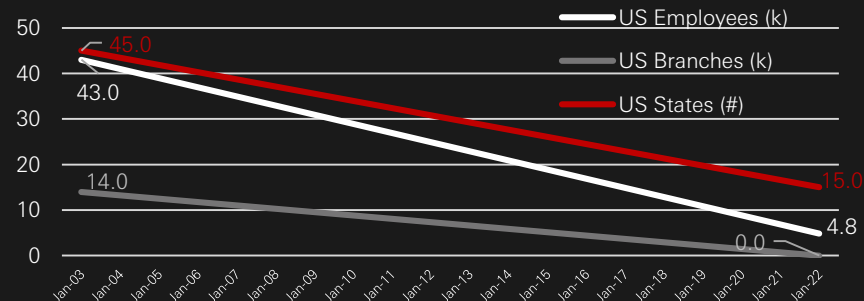


Project Speak Up – 4. Impact

Every little (mis)step I take

Ever since the turn of the century...

Fig 14: We have fundamentally misunderstood the US market



-3.4%

ACH volumes y-o-y

#42

ACH originator

1/181th

Wells Fargo volumes

Managements current strategy to boosting financial performance at HSBC appears **primarily** to be about reducing headcount & asking remaining staff to **work harder**, alongside other initiatives such as automation and outsourcing.

HSBC: Dirty Money and White Collars

HSBC to pay \$1.575 billion, ending Household International class action

Gangster Bankers: Too Big to Jail

How HSBC hooked up with drug traffickers and terrorists. And got away with it
Does HSBC need its US business? Bank says yes, some investors call for a break-up

HSBC abandons bid for South Africa's Nedbank

Fig 15. Select strategic missteps 2007-2021



"We are behind plan, so I must ask you all to **work that little bit harder** in order to deliver [better] results."

*Gerry Keefe, Head of Banking, GB&M Americas
Strategy Townhall (June 2021).*



Inquisitive minds may ask:

Is it possible that HSBC's lack of representation of such a large swathe of the communities it services could be a more **obvious cause for it's many historic strategic missteps and more recent financial underperformance?**

If HSBC were truly less diverse than its competitors, given all these claims about the value of D&I, wouldn't this impact and be **visible within HSBC's financial performance?**



Project Speak Up discovered **two distinct, systematic, active and statistically evident** effects that HSBC's current & deteriorating D&I position is having on **Group Financial Performance**:

1. HSBC increasingly **fails to market** its brands, products and services to (broadly well connected) **BIPOC + allied communities (reputational)**
2. **Lack of adequate challenge** due to **Groupthink** is leading to a visible **lack of critical thinking** in our Group Strategy (**psychological**)

Project Speak Up – 2. Why?

Supposition:

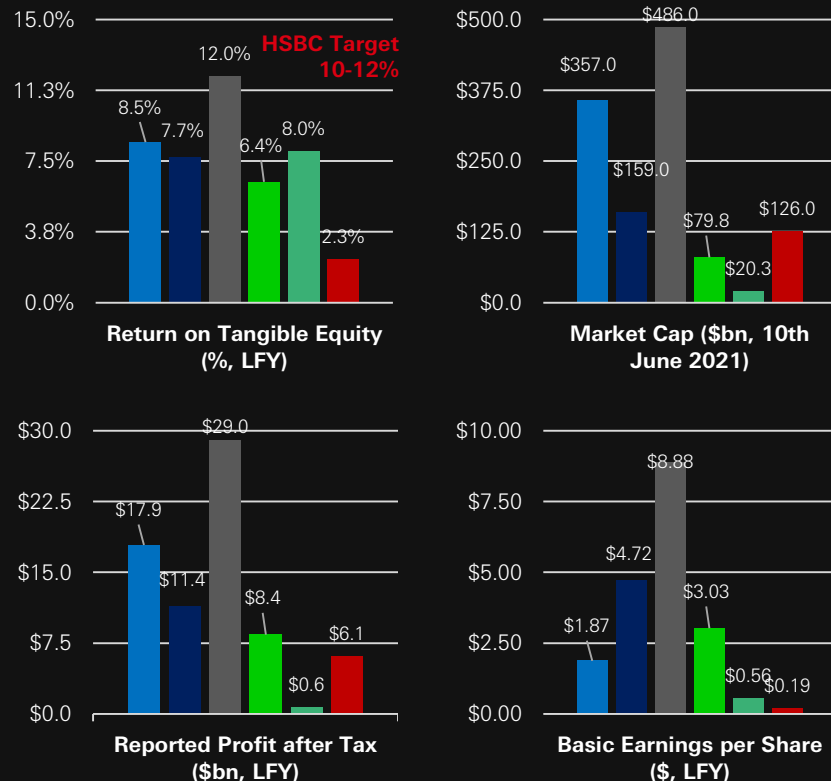
If HSBC were truly less diverse than its competitors, given all these claims about the value of D&I, this would surely impact and be visible in its financial performance

Fact Check



Banks performing best on D&I ($\geq 50\%$ CCC) generate by several orders of magnitude **improved performance** across **all key financial KPI measures** – a **statistically significant, systematic effect**. Leading American Banks – with their genuine and further advanced commitment to D&I – are currently topping analyst expectations with broadly ‘BUY’ rated guidance. The more **D&I challenged UK & EU banks** (especially worst performing HSBC) are experiencing **off-market financial depression**.

Figure 16. Select financial global bank comps



What does this tell us?*

By HSBC’s own KPI’s for **financial success** (Annual Report 2020, p1/2), the bank’s CCC performs **worst overall versus all key competitors**. Today we attribute our poor Wayfoong to bad Feng Shui, broadly unaware of the **direct correlation** with our worst overall D&I CCC. It appears HSBC’s levels of D&I are below the **critical mass** necessary for ‘Adequate Challenge’ to function. We exhibit all the hallmarks of Groupthink, placing us **at material - possibly fatal - strategic disadvantage** versus our competitors.

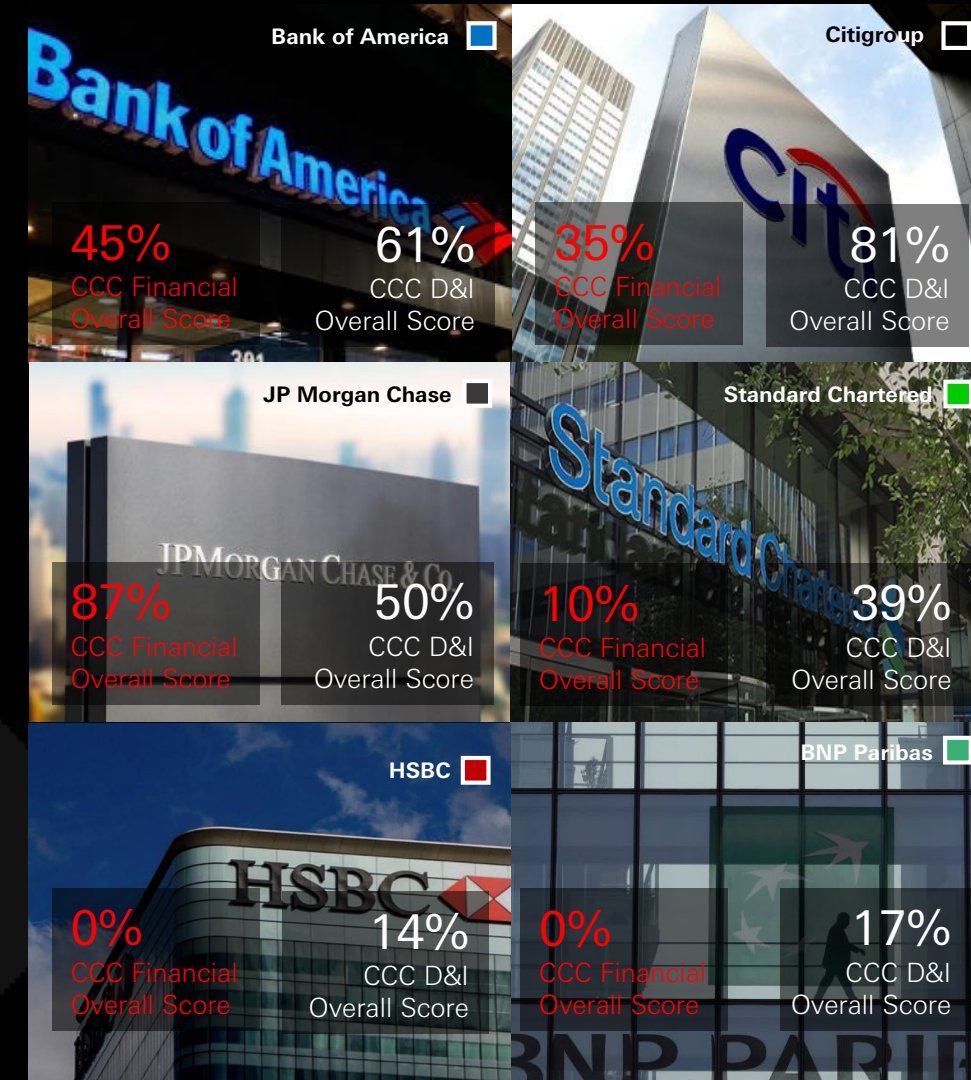


Definition:

Groupthink

/ˈɡroʊpˌθɪŋk/ (noun)

A proven psychological phenomenon where well-intentioned people make irrational or **non-optimal decisions** due to an urge to conform or a belief that dissent is impossible. The problematic or premature consensus that follows may be **fueled by a particular agenda**—or it may be due to group members **valuing harmony & coherence over critical thought**.



*CCC = **Corporate Clarke Composite**, a Financial peer benchmarking index for D&I purposes created for Project Speak Up to substitute the lack of availability or disclosure of HSBC’s own benchmarking formula (highly restricted). See p48 for calculation methodology.

Fig 16 Data sources: Official bank websites (May 15th, 2021).

*4 racial group basis: White, Latino or Hispanic, BIPOC, Asian. Per US 2019 Census categorizations. ^To the best of my knowledge

¹ UK Ethnicity SteerCo Report April 2021. US report not yet released.





Groupthink in action...



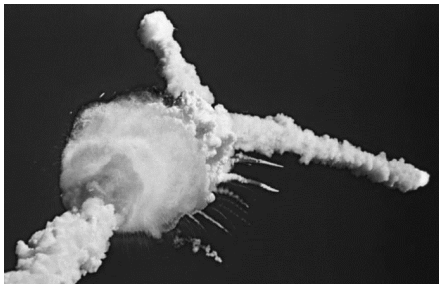
At NASA

40% of NASA missions between 1959 and 2019 were **failures**. But none were more tragic than the disintegration of Space Shuttle Challenger along with its 7 crew members, broadcast live across the world.

At pre-launch assessment in Nuremberg, all 10 NASA engineers **unanimously** agreed cold weather present at the time of lift off could cause catastrophic failure of the O-rings securing Challenger's boosters.

In the end, like so many corporate decisions, it came down to a **boardroom vote** in among them – **go or no go?**

The ranking engineer calling the vote was SVP Jerry Mason, a 59-year-old white American male. By most accounts, he unwittingly applied **expediency** and occupational **pressure** to **influence** the outcome of that crucial vote, such that nobody present felt able to challenge him.



The 10 engineers (all white male seniors) voted not to mention the issue in their pre-launch report to Mission Control.

As Mason's in-group and seemingly by intention, all engineers found his pressure to conform irresistible (Groupthink)



"As part of our work on wholesale banking culture, we introduced a sixth question to help focus minds of senior managers on conduct risk: **Is your management team diverse enough to provide adequate challenge and do you create the right environment in which people of all backgrounds can speak up?**"

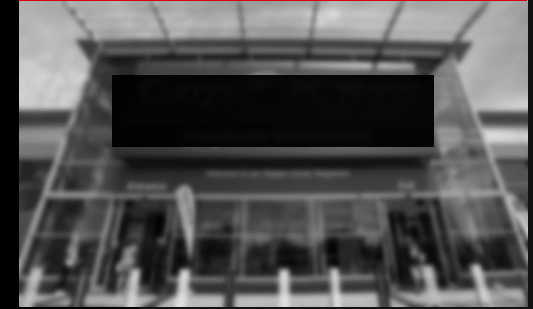
- Nikhil Rath, March 2021

Identity: **British-Asian Male, 40's** | Location: **London, UK**
Area: **Financial Conduct Authority** | Role: **CEO**
Source: Financial Times.



"Groupthink is alive and well in boardrooms around the world, and that makes this D&I issue everyone's problem."

- Ian Clarke, Treasury Today (Oct 20)



At HSBC

Today, Europe's leading omnichannel electrical retailer employs >35,000 staff across almost 1,000 stores. Thanks in part to their longstanding finance and banking partners at HSBC today they help all peoples appreciate great tech.

But it almost never was. The great recession coinciding with the rise of Amazon hit electrical retail hard, triggering high profile failures like Comet & Jessops, and leaving our client among the 'last men standing'. So in 2012, senior GB&M bankers met to discuss the company's future and call a simple **go or no go** vote:

1. **Maintain financial support** (and risk losing most of our capital in the event of a default)
2. **Withdraw financial support** (to protect most of our capital but trigger an immediate default likely to result in a total business failure).

The Managing Director (ED) present began by laying out his staunch opposition to financing distressed industries, in so doing introducing an irresistible pressure to conform upon a room of **ubiquitously white men**.

All but one – I was the GCB6 Associate invited to take notes, and by good fortune (thanks to my diversity – I majored in psychology) I recognized classic Diffusion of Responsibility and Groupthink. So I decided to **speak up** for the future of the company (my client) and its employees with a **different** view - that it could survive and thrive. Then, one-by-one, I watched theory become reality as the quorum also **found their voice**.

SUSTAINED

No vocal out-group presence

GROUPTHINK

Mitigated

by a vocal out-group presence



Adequate challenge at HSBC – an experiment

It is critical for the future of HSBC that the behavior and decisions of our senior executives are understood, critiqued and probed for weaknesses. I tried to test this out by joining one of the banks regular ‘Ask Me Anything’ exchange sessions*, on this occasion and by pure coincidence hosted by two of my division’s (GLCM) most senior leaders (both GCB2’s).

I wanted to ask questions about a longstanding HSBC strategy – something senior leaders have had years to understand and challenge. With the **questions on page 18** fresh in my mind, I anonymously submitted **3 queries on Africa**. HSBC’s strategy there hasn’t changed since the bank abandoned its attempted acquisition of NedBank in 2010. 11-years for someone, anyone, to ask ‘why?’, ‘are we sure?’ and then receive satisfactory answers for onwards dissemination down the ranks and objection handling – seems fair.

My Questions

1. **For a bank focused on investment corridors, does our absence from much of the world’s fastest growing continent (Forbes, 2021) make strategic sense? Could our unique global footprint be a cause and/or effect of any perceived inequity within HSBC’s businesses?**
2. **We began today’s call outlining promotions, but only in the context of Asian and White colleagues. When do we think we might see any of our black colleagues promoted above GCB3 within GLCM’s global business and how might an individual achieve that?**
3. **If answers are not known, can you follow up with us on these points?**

Answers

- ◆ I don’t know
 - ◆ There’s a lot of crime in Africa, it’s likely too risky for us
 - ◆ My favorite place to holiday is Africa
 - ◆ We already support Africa a lot through ‘evolving supply chains’
-
- ◆ We’re talking a lot about getting black people into senior roles.
 - ◆ Right now we’re seeing what’s available outside to recruit in.
 - ◆ Diversity is really important to us.
-
- ◆ [Question was asked but not clearly answered]

With our 2 Global Heads of Sales visibly thinking on their feet, their muddled answers demonstrated **no prior knowledge** to draw upon from senior management briefings about why HSBC is absent from Africa, and also that it had **never occurred to them to challenge** this point given Africa’s relative recent economic resurgence.



*held 15th June 2021

Our lives begin to end the day we become silent about things that matter 35

Why I speak up:

Speaking up isn’t as common as you might expect in an organization the size of HSBC – it takes a lot to ask people above ‘are you sure?’ Within GLCM Sales (my team) – a team of dozens - only 3 voices regularly ask questions on every team call and 2 of those belong to minorities.

This test call for adequate challenge was made all the worse by the moderators apparent embarrassment on the panelists behalf and clear frustration over **how ‘challenging’ my questions were**. At one point he commented “I’ll allow them, but only because the session is called ‘ask me anything’”. The panel also seemed reluctant to take away the question and retroactively put the challenge to their superiors, indicating **this reluctance to challenge extends from bottom to top of our organization**. By insulating our executives from scrutiny and failing to speak up in challenge of their decisions, we are no more useful than robots.

When HSBC’s senior-most officers fail to understand basic elements of group strategy over many years, financial underperformance is inevitable.

True leaders must choose to challenge, no matter the discomfort or consequence.

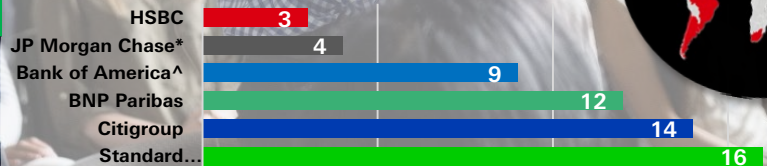


I hear this a lot, so let me be clear:

There is no magic external pool of senior BIPOC bankers waiting to be recruited. And even if there were, they would not come to work for HSBC in its current form. The BIPOC talent HSBC needs is here, right under our noses. You only need to look.



REMINDER: Fig 4. Countries of Presence 2021 (African & Caribbean)

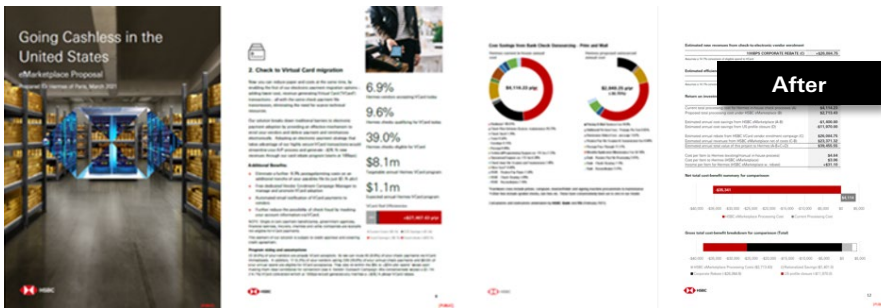




Speak Up at HSBC is fundamentally broken

It's our critical duty to **Speak Up** if we see unaddressed risks to our business.

Fig 17. **START HERE** ▶ Protecting HSBC from risk is a full time job for our front line...



"The worst thing about [the] banking [industry] was the number of **incompetent Managing Directors**. Everyone can see they're psychopaths but nobody says anything. That's why I left the industry. It's why most likely I'll never come back."

- Jar Yrgna

Grade: **GCB4** | Identity: **POC male, 30's** | LoB: **GB&M**
Location: **UK** | Status: **Resigned**

And when we do nothing about it...



Today at HSBC, this Enforcer is responsible for \$100m's revenue & 100's livelihoods & careers, for 2 reasons and despite 2 issues:

- ☒ White male
- ☒ 'Experienced'
- ☐ A D&I advocate
- ☐ Core values aligned

Dear millennials:

We will be better than what came before us – we must do better.



What happened to this ▼ HSBC? ▼

This is what active inclusion looks like

"We're dynamic, and succeed only by taking the long view. . We listen. We remove barriers. And we seek out views different from our own. We set ourselves high standards and we reject mediocrity. We trust and support each other."



GLCM USA Sales documents were found to be :

- ◆ **Non-brand compliant** (reputational risk)
- ◆ **Contains unauthorized 3rd party IP** (legal risk)
- ◆ **No customers needs-matching** (regulatory risk / reputational risk)
- ◆ **Several years since last review** (contravenes RPAN policy: yearly reviews are mandatory)

"No problem! I fixed it for you"

- Speaking Up! GCB4 BIPOC Male, 30's (USA)

Aligned to core values, this person went above and beyond to mitigate the risk, improve our proposition and help out colleagues. But the different perspective and contribution was not welcomed.

The Enforcer
Global GLCM Leader

"We're too busy to look at this right now. If you have time to do this, you don't have enough work. You have talent, we need to find another place for it. You set high standards for yourself and your colleagues. I need you to lower those standards."

This is what active discrimination looks like



The risky document was still not corrected months later. The impression given by this senior management response – one of incompetence – is precisely why we should challenge mediocrity & reject homogeny:

- ☐ Speaking up is important to HSBC
- ☐ As a minority, I am reassured that my views carry at least equal value to others
- ☐ When I reasonably and respectfully challenge, I will be listened to, understood and appreciated
- ☐ Regardless of the ruling on that outcome, I will not be punished or reprimanded for speaking up



Grade: **GCB2** | Identity: **White male, 50's** | Location: **USA**

Project Speak Up – 4. Impact

BIPOC experience HSBC very differently to white colleagues...

How white privilege can lead to poor customer and business outcomes

A top-5 global computer technology company

\$11.8m global FY2019

▼ \$7.6m (-35.6%) FY2020

EXAMPLE: White privilege costs

Currently GLCM has no client plan for this client, due to the currently untenable situation (in the clients eyes) on people.

◆ \$11.8m GLCM global relationship (2019)

"We refuse to grant HSBC any new business unless there is a change in our GRB"

-- APAC Regional Treasurer (Asian male, 60's)

.... And yet as of May 2021, there has been **no change in the GRB** (GCB2 white male, 60's)

It may appear that...

White colleagues ego's are preserved even at the expense of our largest global client interests

Leading global healthcare IT and research company

\$1.6m global FY2017

▲ \$2.5m (+50.4%) May2019.

▼ \$1.2m (-53.7%) FY2020

The BIPOC SM grew this relationship +50.4% through organic, needs-matched selling and service excellence.

Those gains were more than wiped out upon his removal in May 2019 and replacement with seemingly a less capable SM. A bad customer and commercial outcome due to systemic discrimination at HSBC

◆ \$2.5m GLCM global relationship (2019)

"We love having [BIPOC name] as our GLCM sales manager, he's very hands-on and really understands our business"

- Group Treasurer (White female, 50's)

... And yet the GCB4 BIPOC male (30's) SM, who had grown the value of the relationship +50.4% through sales and service excellence since taking it on, was **summarily removed** from the account in May 2019 at the request of the Service Team Leader (GCB4 white female, 40's) without an opportunity for investigation or appeal. He was replaced by a GCB4 white male (50's) colleague who proceeded to oversee a -53.7% reduction in the value of the relationship.

"It seems strange we are removing [BIPOC name] from an account where I understand the client is quite content with his performance"

- Global Sector Head (GCB2 white male, 60's)

It may appear that...

BIPOC colleagues are thrown aside after even the most tenuous of claims from white colleagues



Project Speak Up – 5. Assess the effectiveness of HSBC's current response and propose new measures to help improve the response

Lightning makes no sound until it strikes

We get it done

"We create value for our customers and investors by always moving forward and making things happen.

We're entrepreneurial: we try new things, we learn and improve, and we take smart risks.

We're dynamic: we reject mediocrity. We move at pace.

We're decisive: we make clear choices and take bold actions.

And we keep our word: we always do what we promise."

- HSBC Group Core Values
(March 2021)



Section 5:
What are / can we do
to **help**?

Tomorrow is a world where BIPOC ERG's don't exist, where BIPOC have every opportunity to advance within HSBC. Tomorrow our community will be visible and present across a fair and level playing field where everyone is treated equally."

Maryam, Interview on for Project Speak Up (May 2021).

Grade: **GCB6** | Identity: **BIPOC female, 20's**
Current role: **Analyst, WPB** | Location: **HSBC UK**





1 30.2% of senior leadership positions at HSBC are women, of which 29.4% (GCB0-3) or 33.3% (GCB0 only) are white women. Therefore we can conclude that HR Recruitment has filled those senior leadership posts targeted under the groups D&I strategy these past 9-years entirely (97.4% GCB0-3 or 100% GCB0) with white women. Source: HSBC 2020 ESG Review
2 Source: UK Pay Gap Report 2020

Exam Results: HSBC Gender and Ethnicity Pay Gap Report 2020

HSBC's public global target for gender equality in senior leadership has been and remains 30% since 2012. The bank proudly announced success in 2020 upon the coinciding first release of its UK D&I Pay Gap Report demonstrating growth in this area from 18.4% women to 29.4% women in 2020. Over 70% of UK employees have now declared their ethnicity, enough data to draw statistically significant and representative conclusions (32,370 data points). Newfound transparency accompany progress – or is it?

◆ **Gender Pay Gap for Women:** The banks own **astonishing results** indicate that, for doing the same jobs and at identical performance:

- a) Our UK **women's salaries** are on average (mean) **-48.3% lower** and by mid-point (median) -48.0% lower than UK men's
- b) Our UK **women's bonuses** are on average (mean) **-67.1% lower** and by mid-point (median) -57.9% lower than UK men's



Your Feedback Report Card:

Hypothetically, if HSBC were not committed to D&I but in fact seeking to mute the problem (i.e. **Performative Allyship**), a viable strategy would be to **placate enough of the majority so that support for the minority would evaporate**. In this regard, 30% is a curious choice for female representation in senior leadership roles since:

1. a) it reflects precisely the proportion of white women in the overall US population and
b) Over 9-years, HR Recruitment has filled those roles at HSBC entirely with white women (97.4% GCB0-3, or 100% GCB0)¹.
With white women partially placated, **BIPOC women are actually net losers** from this arrangement. Indeed HR has inadvertently established a new Ego-to-Discrimination Competition Cycle (p. 28) that will now **perpetually reduce BIPOC women's opportunities forever** more until remedied.
2. HSBC made no attempt to breakdown its gender gap numbers by ethnicity, therefore outlier detection is not possible and **intersectionality effects remain opaque**.
The answer is sadly 'yes'. The mid-point (median) position being higher (i.e. less severe) than the average (mean) in both measures (especially bonuses) constitutes a textbook uneven distribution curve for gender pay at HSBC. Despite the intentional opacity of the report, this confirms the presence of one or more structurally abandoned minority sub-group(s) within 'women'. Project Speak Up suspects this group to be **BIPOC women**. Given their low numbers compared to overall headcount, the ability of such a sub-group to skew the curve in this fashion implies **a pay gap of monumental proportions**.
4. If most or all of the >20% employees failing to disclose fall into a single overarching sub-group (i.e. rather than evenly distributed across ethnicities) then the data is meaningless. If for example, enough white colleagues decided - silently but collectively – that cooperating with this data gathering exercise was not in their best interest, then the proportions of representation presented here may be up to +35% (overall) or +42.5% (senior leadership) worse than the data implies. Indeed, with the official data showing that only **~60% of those around us should be white**, we can draw our own conclusions. What if it transpires that **20% of our white colleagues are racist?**
5. **Quantitative peer benchmarking** is not provided, despite its existence, on the basis it would not be a fair comparison since HSBC's data includes figures from our investment banking (GB&M) business with its 'predominance of men in senior, higher paid roles'. But HSBC also **excludes GB&M data** from its statutory disclosures required under UK and US law and keeps its **calculation methodology** confidential too. **Cause or effect?** This opacity sends red flags given broader findings (p.19/20, 22). Public data shows **HSBC UK to be a significant market laggard in gender pay equality** and yet there has been no acknowledgement nor action from that.
6. Noting the effort to bifurcate by entity, the **absence of divisional or GCB level UK pay gap data** (despite clearly having assessed it) is unhelpful. As too is **removing GB&M's data**. The numbers presented are effectively messaged to the point where it **does not present a meaningful depiction** of our organization.
7. **Almost a year later, HBUS is yet to release the findings** of its own report or **commit to annual milestone tracking**. Project Speak Up welcomes the UK's commitment to publishing externally pay gap information for gender and ethnicity representation annually going forward and invites HSBC USA to match this openness.



Your Exam Questions Were...

1. How did HSBC come to select a global target of 30% female representation when women make up 50% of the population?
2. Might some groups of women be paid less than others and if so, which ones and by how much?
3. Could we be in a kind of modern slavery system where white women are paid a little less than men (20-30%) but BIPOC women for example are paid far less (>75%)?
4. What if white males represent the majority of those >20% employees not responding or disclosing their ethnicity?
5. Can we compare how HSBC is doing against other banks?
6. What analytics can we draw from this data about HSBC?
7. Where's the US data?

Life's most persistent and urgent question is 'what are you doing for others?'

Words not backed by meaningful action make little difference to the outcome.

HSBC has no credible nor workable plan to address the complex internal mechanics of discrimination outlined throughout this report. And without this fantasy influx of qualified BIPOC senior bankers to save the day, rather than look internally for remaining BIPOC high performers, it has largely tasked remediation to the ubiquitous white faces that created the problem.

By exposing the problem without taking meaningful action, we have actually made things worse for HSBC's BIPOC.

Here are the 6 pillars announced by Noel Quinn in October 2020 forming HSBC's commitment to tackling the D&I agenda:

Accountability

- ✖ US, UK and Global Heads of D&I appointed but without powers to effect change (GCB3/4)
- ✖ No alignment of senior (GCB0-3) objectives to attracting, promoting or retaining BIPOC talent
- ✖ No commitment to annual reporting of milestone achievements between 2020 and 2025 (USA).
- ✖ Our mostly-white Senior Managers are broadly not providing the data we need to fully evaluate the issue.

Result: **Ineffective** at overcoming identified internal barriers to advancing black inclusion

Representation

- ✖ Committees across the bank remain ubiquitously white
- ✖ Lack of BIPOC talent within senior levels (GCB0-3) to select committee positions
- ✖ Departmental reviews and actions have either not been instructed or else not been made public.
- ✖ Suggestion to include 'their allies' is welcome but tacit acceptance of failure and difficult to execute.

Result: **Ineffective** at overcoming identified internal barriers to advancing black inclusion

Recruitment and Retention

- ✖ Rapidly deteriorating confidence that HSBC's D&I commitments are genuine and addressable
- ✖ Significant further reductions in our BIPOC population due to our restructure
- ✖ Record attrition among remaining BIPOC staff, endangering succession planning and recruitment efforts

Result: **Ineffective** at overcoming identified internal barriers to advancing black inclusion

Advancing the conversation

- ✖ Conversations focus on what minority individuals can do to improve their prospects.
- ✖ No management nor policy stance against those who elect not to engage in the D&I conversation.
- ✖ No credible commitment on how we propose to address the issue

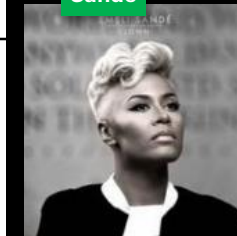
Result: **Ineffective** at overcoming identified internal barriers to advancing black inclusion

Strategic Giving and Community Engagement

Not relevant to overcoming identified barriers to ABI discussed within this report

Vendor Diversity

Not relevant to overcoming identified barriers to ABI discussed within this report



- Listen, understand
- BIPOC are also human, so they also matter
- Care for BIPOC like you care for each other
- Act now, together, decisively for everyone

I guess it's funnier from where
you're standing
'Cause from over here I missed
the joke
Clear the way for my crash
landing
I've done it again
**Another number for your
notes**

I'd be smiling if I wasn't so
desperate
I'd be patient if I had the time
I could stop and answer all of
your questions
As soon as I find out **how I can
move from the back of the
line**

I'll be your clown
Behind the glass
Go ahead and laugh
'Cause it's funny
I would too
If I saw me

I'll be your clown
On your favorite channel
My life's a circus, circus
Round in circles
I'm selling out tonight

I'd be less **angry** if it was my
decision
And the money was just rolling
in
**If I had more than my
ambition**
I'll have time for, "Please"
I'll have time for, "Thank you's"
As soon as I win

From a distance my choice is
simple
From a distance I can entertain

So you can see me
I put make-up on my face
But **there's no way you can
feel it from so far away**

I'll be your clown
Behind the glass
Go ahead and laugh
'Cause it's funny
I would too
If I saw me

I'll be your clown
On your favorite channel
My life's a circus, circus
Round in circles
I'm selling out tonight

-- Lyrics from *Clown* by
Emeli Sandé, 2012.

"The song is about
how I felt when I was
trying to [start out], I
was going for all these
[interviews] and people
were looking at me like
'What do we do with
you'? It's about not
allowing yourself to be
judged by others or to
be taken for an idiot. I
feel the video reflects
that."

-- Interview by **Emeli Sandé**
in *WIZ magazine*. Dec 2012



Change does not roll in on the wheels of inevitability, but comes through continuous struggle

Project Speak Up 2021

New initiatives recommended for implementation

	Agreed	Mostly Agreed	Not Agreed	
1. Create, facilitate and track for effectiveness dedicated support programs offered to all key minorities* bank-wide (incl. talent programs) to mitigate rampant institutional bias	<input checked="" type="checkbox"/>			
2. Admit we got it wrong (externally) with the current double-nothing target, commit to proportionate representation at all levels for key minorities* – no ifs, no buts. Review the 2025 target and agree to full external annual milestone tracking for both US and UK			<input checked="" type="checkbox"/>	Long term, proportionate representation remains HSBC's objective.
3. Consult with all key minorities* globally to assess their pay, performance reviews, work role and grade against their performance & nobility, in a fully transparent process. Promote some, so they can act as role models.			<input checked="" type="checkbox"/>	The bank already benchmarks pay to rebase outliers. Nobility will not replace experience as a primary measure of ability.
4. Create an 'International Rescue Committee' staffed by GCB2-4 minorities, empowered to intervene and arbitrate Employee Relations disputes wrt. key minorities* globally	<input checked="" type="checkbox"/>			ERG D&I leaders will be invited to support minorities w/in ER disputes
5. All decision making bodies bank-wide must include key minority* representation ($\geq 35\%$ women ² ≥ 3 races ³ UK/US only \Rightarrow 2 sexualities) or be stripped of powers		<input checked="" type="checkbox"/>		One minority per decisioning body, selected rotationally from talent programs
6. Introduce 'meaningful ERG support and participation' objective for all GCB0-3 leaders, tracked so that all ERG's receive equitable advocacy in line with need. It is time to demonstrate real leadership	<input checked="" type="checkbox"/>			
7. Internally identify ego's role in sustaining discrimination at HSBC and denounce it as a valid defense for bias.		<input checked="" type="checkbox"/>		Agreed in principle, but some reservations
8. Consider elevating US/UK Head of D&I roles to GCB2 and have them report directly to country CEO's. Appointees to be suitably qualified and professionally certified – no cronyism (existing leads can re-apply).		<input checked="" type="checkbox"/>		Mostly in place, current roles report directly to the Board/enjoy full sponsorship
9. Deliver gender and ethnicity benchmarking transparency in both the US and UK. Undertake detailed sub-set analytics to assess and publish findings for key minorities in Pay Gap Reports*	<input checked="" type="checkbox"/>			
10. Mandate the official creation of the 'HSBC Global People of Colour Alliance Network' ERG to unify the banks race-focused ERG bodies and empower them with policy influence and expansive senior sponsorship. Work with the NAACP to elevate HSBC to an industry leader in advocating black rights.		<input checked="" type="checkbox"/>		Under sincere consideration
11. Release the findings of the US ethnicity pay gap report 2020	<input checked="" type="checkbox"/>			
12. Expand US CMB People Excellence Committee to US People Excellence Committee and give it authority to consider changes for all Lines of Business including / especially GB&M.		<input checked="" type="checkbox"/>		Agreed in principle, subject to further Line of Business deliberations

¹ Ralph kindly reached out to partner with Project Speak Up & ensure no duplication here versus his own D&I recommendations / work in progress

² 'Women' incl. transsexual colleagues currently identifying as women, and/or gender non-binary colleagues

³ As per US 2019 census categories (White, Asian, BIPOC, Latino/Hispanic)

Give life to our purpose, keep our promise. Protect our people. Help us build a more inclusive HSBC. Take responsibility.

It's time we stopped playing devil's advocate with black lives. It's time we gave BIPOC the opportunity to succeed at HSBC. It's time HSBC has the opportunity to thrive.

Can we be heroes, just for one day?

Action owner ☒

Action supporter / impact ☐

*Note 'key minority(ies)' includes age (<35), gender (F), race² and sexuality (LGBT), starting with BIPOC and US/UK as the priority, and especially BIPOC intersecting with other minority layers (LGBT + Women¹)

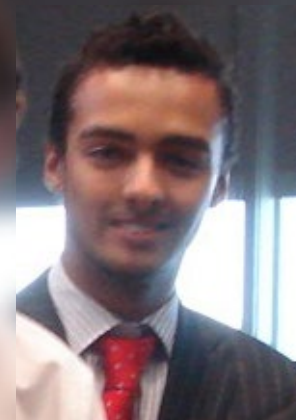
"Ian has shown tremendous leadership with the D&I Advisory team. I was extremely impressed with his ability and willingness to be direct, honest and empathetic for such a great cause.

If only everyone at HSBC could emulate Ian in that regard, we be a stronger more cohesive organization! I can see it took an exceptional amount of work and effort by Ian and the team to assemble the D&I strategy and again he has shown strength in his passion for such an important project."

LoB: **GB&M** | Identity: **White female, 50's**
Grade: **GCB2** | Location: **USA (resigned)**



Quote



Facts

Hi, I'm Ian

I was **the only UK graduate with BIPOC ethnicity** selected from a pool of 40,000 applicants nationwide to join HSBC's **Executive Management Training program in 2007**.

I was also **the only graduate of BIPOC ethnicity globally** selected to attend HSBC's Graduate Academy in Brickett Wood that same year, from a pool of hundreds of candidates worldwide.

I'm embarrassed to admit that, before the events of 2020, **I never even asked myself, why?**

With Chairman Stephen Green
HSBC Headquarters, October 2007

*To the best of my knowledge.



“We must learn to love our differences, because without uniqueness we’re nothing special”

- Ian Clarke, International Men’s Day Panel Discussion (Nov 2019)



A wonderful memory - winning the Outstanding Graduate Contributor of the Year 2008 Award, after co-founding the Graduate Charity & Communities Committee (now ‘GCC’), being the first to complete the Stairway to Hell challenge, and having raised thousands for charity in the banks name. But I was excited to drop the ‘graduate’ title and finally get my permanent contract as a bank manager.

But during the final performance review of my graduate scheme, just ahead of my first managerial appointment in June 2009...

“You’ve done everything we asked of you Ian, every objective complete. But despite all that, I just don’t like you. I don’t know why, there’s just something about you... I don’t know what, I just don’t trust you. And until you prove me wrong, I’m going to keep you here right under my nose where I can keep an eye on you. You are not ready for your first management appointment, not yet. I’m going to contact Graduate Recruitment and ask that you do not automatically advance to GCB6 with the other graduates until I’m satisfied that you are ready.”

Grade: **GCB2** | Identity: **White male, 60’s** | Location: **Central London, UK** | LoB: **WPB** | Role: **Regional Head**

2-years into my HSBC career, Mark’s clearly racist assessment drove 24 year old me to despair, yet I had the strength to challenge him. Mark offered no explanation for his negative evaluation of my character, nor was there any protection from the consequences he was alluding to within HSBC’s systems and processes. 12-years later and I still remember word-for-word that conversation along with all the other symptoms that come with trauma.



Definition:

***Trau·ma**

/ˈtroumə,ˈtrômə/ (noun)

A deeply distressing or disturbing experience.

Before this report, I have never spoken to anyone about the conversation Mark and I had. After all, who would believe me? David didn’t defeat Goliath by going to HR in his first year without evidence.

I contacted my former CMB Line Manager and following formal interview and competitive assessment I was appointed and went on to be CMB UK’s highest performing International Commercial Associate of 2010 and 2011. I never returned to WPB.

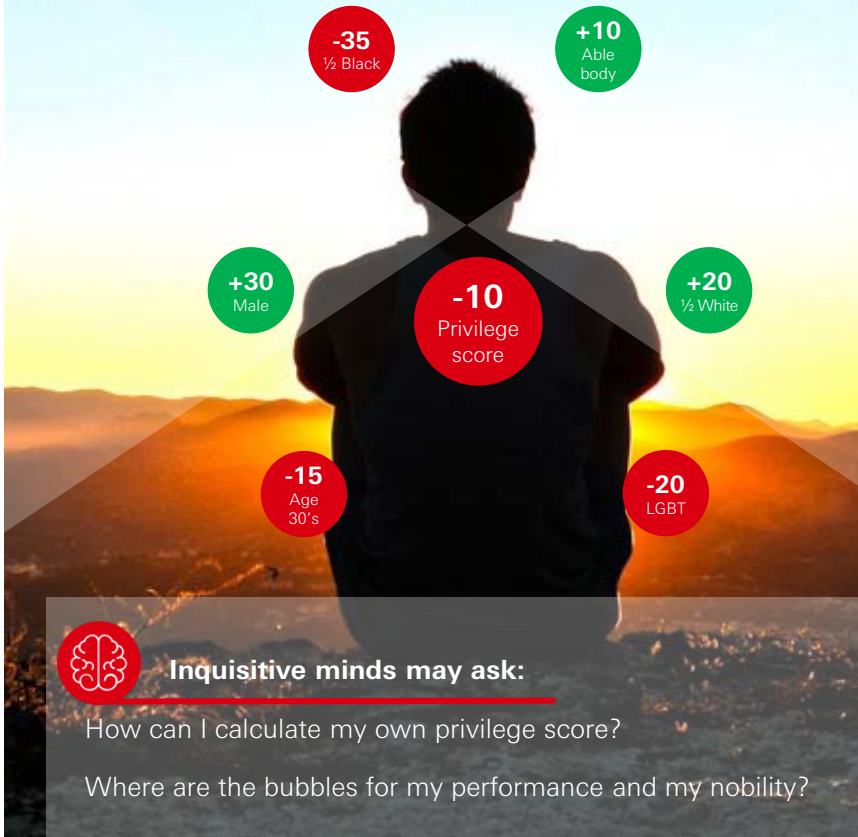
Mark left HSBC in 2010 and became an independent business consultant to the UK’s leading retailers.

Calculating my privilege score

I’ve grown comfortable bringing myself to work as I’ve grown more ‘experienced’, and more confident on how to defend myself against those who seek to use my layers against me. Trauma does that.

So here are my layers - in print - and roughly where I think I land on privilege.

I am very fortunate to be so privileged.



Project Speak Up – My story

Though I didn't want to make this...
 About me : Sometimes
 context helps



UK Executive Management
Graduates, Class of 2007

Phone Home

Half Jamaican and half white British, I was raised by my single English mum in a small council-funded flat less than a kilometer from Buckingham Palace, London.

My mum worked two jobs to provide for me and nurture my potential. But despite clear ability & intelligence, we were poor with only hope for the future. I saw the hardship of our lives and grew determined to achieve in order to provide a better future for her and others like us.



Completing banking exams with fellow Executive Trainees, UK 2009

Be good!

Perseverance (and some privilege) garnered me social and occupational mobility. The first in my family to attend higher education, I graduated from Lancaster University 1st class in Psychology, then upper 2nd class in Financial Services Management from Manchester University, plus 3 industry accreditations¹.

After a string of declines from Fortune 500 companies seemingly because of my 'useless' Psychology Degree I'd already accepted a job as a graduate insurer at AXA when I got the call from HSBC. **"We value your difference"** was the message, and I heard it loud and clear. They even called us ET's!



Taking my clients to Fulham Football club
as CMB RM, Class of 2010

I realized I'm special at HSBC

Since then I've risen through HSBC for over 14-years as home grown talent, working across 2 continents and all global lines of business. I'm a universal banker in the truest sense, only ever been rated either Strong or Top Performer and have broken sales records every year since joining HSBC Transaction Banking (**GLCM**) in 2014. Nobody needs to say it, my abilities are exceptional.

Given the uniqueness and breadth of my career, at HSBC nobody globally has my combination of legal, regulatory compliance, CRM, sales & marketing expertise. My understanding of the end-

to-end journey helps me connect my clients to cheaper, faster & better solutions that solve real world challenges. I listen, I see, I understand, I learn, I care, I create, I deliver, I sell, I fix.

I'm hands-on, knowledgeable, methodical, inquisitive & energetic, plus I'm super creative - just give me a blank page and a goal! My generalist experience, specialist knowledge, people-centric outcomes-focused approach helps me deliver HSBC at its best every day for our clients and our business globally. As a top salesman and experienced global Relationship manager, I deliver great results the right way.



My last CMB Christmas Party before
becoming a GBM Associate, Dec 2011



My first year in GLCM, leading HSBC's RfP
delegation to a new client prospect, 2015

What did I do here?

I reluctantly moved to New York City in 2017 at GLCM Senior Management's request – spread the brand – but it's become my second home and I love it here.

On HSBC's Technology, Media & Telecoms Sector Sales team, I'm the senior Global Transaction Banking lead on 20 of our largest US-Headquartered corporate (CIB) clients. I also design Strategic Client Content and Packaged Product Propositions for TMT, and coordinate our Banking as a Service leads - all the sector's strategic big-picture stuff. But my title's still just VP Sales Manager.

GLCM gave me my first GCB 4 7-

years ago, but it hasn't nurtured or stretched my potential - the glass ceiling is very real in HBUS.

Why Project Speak Up?

As a trained, accredited Person-Centered Counsellor, I understand people. I joined banking to bring wealth and prosperity not to myself but to others born with disadvantage - a rare but genuine and enduring determination to use my social mobility and influence to help others follow in my footsteps. I'm a D&I champion in all areas, having setup 3 ERG's² and run 4 ERG's³ across the bank globally. In New York, I currently serve as Head of Governance for Pride ERG USA in NYC plus I officiate weddings!

Page 36 recounts the day back in April 2021 when I reached my **breaking point** with HSBC. I lasted 14-years, I'm proud of that.



With new USA colleagues after
moving my life for HSBC, Oct 2017

This is what a typical BIPOC resume looks like...



Ian Clarke, GCB4

GLCM GB Corporates Sales VP
Head of Governance, PRIDE ERG USA
Advancing Black Inclusion ExCo
14-years at HSBC, half spent stagnant at GCB4

Founding member – 3x ERG's

Alumni Recruitment UK - Lancaster Chapter 2008
HSBC Graduate Communities Committee UK 2009¹
GLCM Diversity & Inclusion Advisory ExCo USA 2020

Award winner – 5x

Outstanding Contribution Award 2008 (SHINE)
Millennium Volunteers Award for Excellence 2009²
Shark Tank 2018 (US Winning Team)
2 NAM Recognition Monthly Awards since 2020 launch

Champion of equal opportunity

Co-Head of World Pride Comms 2019
International Men's Day Panel Speaker 2019
Unconscious Bias Training facilitator 2020

Externally recognized world-class talent by Treasury Today 2020
Events Co-Lead, US PRIDE Month 2021

Team Player

Global sector propositions, content & collaboration lead 2016-21
GLCM/HGAM collaboration champion 2018/19
4 successful NAM Product pilots 2018-21
10 RfP reference client contributions 2018-21
Intern Super Day induction champion 2020/21
SCOPE test group 2020/21 | Goldmine test group 2021
Co-Presenter Liquidity Portal US Client Workshops 2020/21
8 discrete At Our Best recognitions since launch (2017-21)
16 voluntary best-practice team contributions since 2017³
Active contributor and presenter, TMT Tech Forum 2021
Registered mentor of 8-years, Mentor Me 2010-2017, 2021
Member, The Wayfoong Club

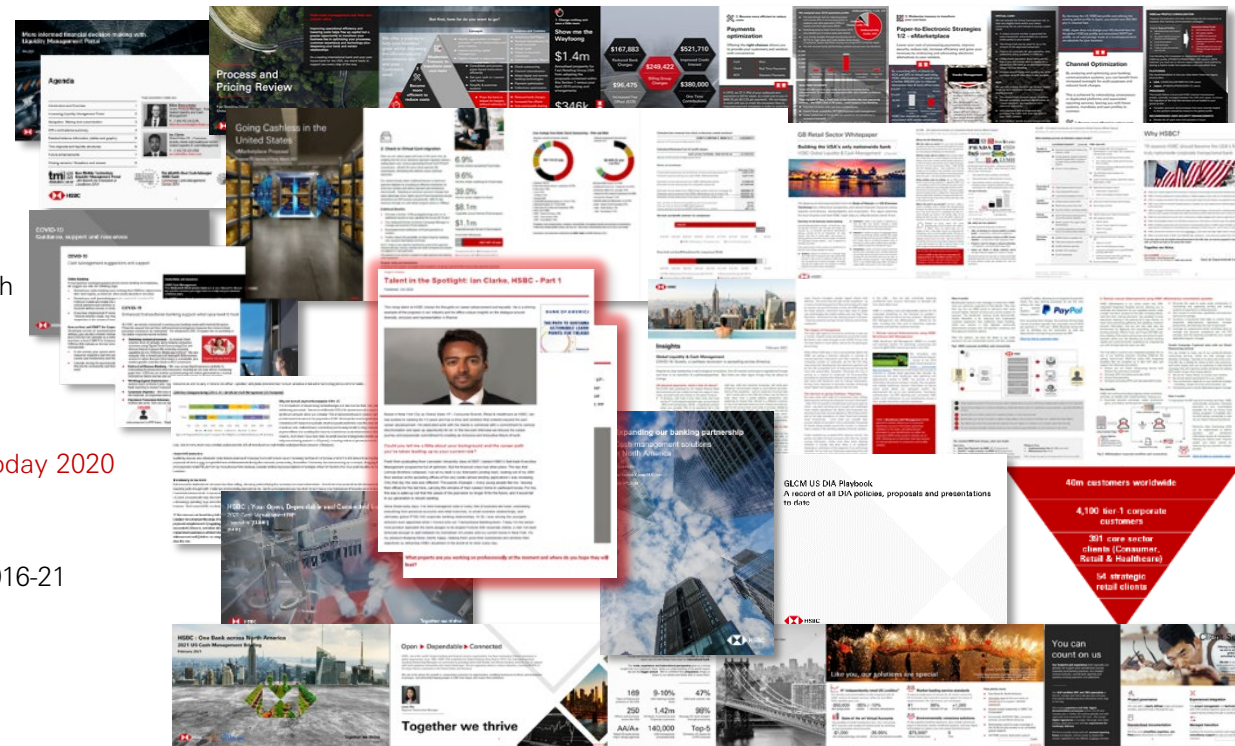
"Everyone knows
Ian Clarke."
-- ABI ExCo US
Colleague (GCB4)

"You're a better
salesman than
me."
-- Sales Leader
(GCB3)

"Your work is so impressive. Do you
have help? I'd love to know as the
quality is so much better and the
standard I want to see us produce."
-- GB RM Team Lead (GCB3)

"If you were white,
you'd have been a
GCB3 long ago."
-- Former Line Manager
(GCB3)

"You are the best salesman we
have. You're too good for this
place, you need to get out."
-- Former Global Sector Head
(GCB2)



No Role model behaviors?
No Culture Hero nominee?
No Promotion opportunities?

Fig 19. All real examples of HSBC
Intellectual Property I created from
scratch in the past 3-years.

"What must BIPOC like I do
at HSBC to receive the same
opportunities as white
colleagues lacking my
credentials? Do I matter?"

- Ian Clarke, a discussion for
Project Speak Up

"I've never considered you
for leadership Ian. You're
just not ready for that yet.
Some things I've seen from
you are incredible, some
things are just ok. There's
just something missing."

Grade: **GCB2** | Identity: **White male, 50's**
Current role: **GLCM** | Location: **HSBC
USA**

“We must learn to live together as brothers or perish together as fools”

- Martin Luther King Jr.

Epilogue – What I learnt through Project Speak Up

Most white people are awesome. That’s because most people are awesome. The numerous spontaneous, heart-felt and deeply touching compliments minorities like me receive regularly from white and/or male colleagues validate that. The majority of people at HSBC possess and extend numerous noble attributes willingly regardless of age, race, gender or sexuality. They do so because they seek to reward and recognize performance and nobility where due, to improve HSBC and because they care about people. Not just *their people*, but all people – exactly as it should be. Biology tells us conclusively that nothing that’s within our hearts is revealed by the colour of our skin – nor the amount of experience we possess for that matter. Behavior, performance and nobility cannot be predicted by any D&I layer in isolation – period.

This makes the existence and prevalence of the Saboteurs, Enablers, Judges and Enforcers more difficult to comprehend. Is their bias truly unconscious? How could they be so blind to the socio-moral implications of their actions? Why are so many successful in securing senior positions at HSBC? What are our chances of success while they remain the individuals also tasked with fixing HSBC? The answer is that they built this system – one which helps no-one but themselves – with fail safes.

Aware of the impact of their actions?	What’s their reaction?	Conclusion	Fit to lead?	What we say as we do nothing
No	“I had no idea I was part of the problem”	Incompetent	No	He never knew, we don’t have the data
Yes	“Everything’s fine	Sociopath	No	He has a lot of other things on his plate
Yes	“I’m behaving just like everyone else”	Complicit	No	It’s not his responsibility really
Yes	“Because they deserve it”	Racist Psychopath	No	He’s a character, you know that

Their system – HSBC’s system - has zero-tolerance towards racists. But it only works when they tell us they are racist. So it’s within their own self-interest to lie when challenged. They’ll blame their behavior on anything but racism, and because of white privilege we’ll believe them and shall allow them to continue inflicting harm upon our people and our business.

Dear white colleagues: HSBC may no longer be special – I’m not certain - but our people are special and we must protect them - all of them – and our business from harm. We must rectify the wrongs we have facilitated against minorities and effect immediate, meaningful organizational change through bold and concrete actions. With good being the majority, we will succeed – but only if we act, together and decisively. We are HSBC. We get it done.

Dear BIPOC colleagues: To those of you wondering ‘when will someone finally see me for who I truly am? Why doesn’t my black life also matter?’, have faith for you are seen by many. We stand with and appreciate you. We are trying to help and will continue to help you until we - or those that replace us - succeed.



Thank you for reading my report

Ian Clarke (he/him/his)
Author, Project Speak Up

The views contained within this report are mine alone, and do not reflect the views of the HSBC Group. This report has been compiled entirely independently and is my own work. It has not been commissioned by the HSBC Group. **Project Speak Up** seeks to inform, educate, advise and improve, not to harm HSBC. The 3 **goals of Project Speak Up** are 1) **Raise awareness** of the contributions & hardships endured by minority – particularly BIPOC – colleagues, 2) **Explain the self-dealt harm** this status quo deals HSBC and 3) Propose real workable **ideas and solutions** for tackling the issues. **Information classification: PUBLIC.** Contains information freely available within the public domain. All commercially sensitive information has been anonymized, see footnote 1 (p.3) for details.

Final thought:

In the future, white people will be the minority

As a result of the demographic shifts towards more diverse communities that comes with globalization, the exclusively white share of the world's population is falling.

The effect is particularly pronounced in the USA and the UK which is expected to have an overall white minority by 2060.

So in the future – to both their advantage and disadvantage - being white will become even more special.

The systems we install today to enshrine rights and opportunity for minorities will benefit all people including white people for ever more.

Sources: Demos (2013), Pew Research (2015). Coleman (2010). Describes the phenomenon known as **White Demographic Decline**, and the process known as minority majority.

How to compare companies on D&I?

There's no established Index for comparing peers on D&I & Financial metrics, so I created one for Project Speak Up.

The Corporate Clarke Composite (CCC) allows you to compare any number of participants (X) and financial/D&I metrics (Y) to output a fair % score for comparison purposes.

Here's how it works:

The CCC Overall Score benchmarks the sample group against both each other (qualitative, relative) and the realms of what is possible (quantitative, absolute). My calculation is the sum of two simple scoring systems applied for each data point (Y), divided by the total possible score:

- 1. Ranked (relative):** 0pts (Worst) up to Xpts (Best) with ties reducing the total pot; and,
- 2. Quartiles (absolute):** 1st (-X*0.4pts), 2nd (0pts), 3rd (X*0.4pts) or 4th (Xpts) where borderlines are rounded down.

This is an unequal distribution that smooths average performances but amplifies outliers (0-10: break down; 10-25: weak; 25-50 average; 50-75: strong; 75-100 outstanding).



Dear Noel, dear Michael,

Back in March, you reassured us we could feel safe raising our concerns and encouraged us to speak up to help the bank do what's right. Mr President's, I am speaking...

Project Speak Up : Think you've had a bad year?

Wherever I look, I see the empty seats where my black friends once sat slowly filling with new white faces – sometimes less capable than what came before them. I've been waiting for someone to speak up and acknowledge what's happening, why and what HSBC intends to do about it. I never realized until very recently that someone I was waiting for was me.

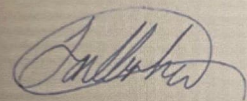
This is a time for inflection: last weekend was Juneteenth here in the USA and next week marks my 14th year at HSBC. More and more I'm wondering, do I matter to my employer? After all, I tick every minority box we now track. But perhaps few realise I also tick the white box. As someone who carries equally white and black ethnicity, I am genetically impartial. The discomfort I carry means that I can no longer stay silent while the two communities I hold dearest grow yet further apart. Today with the singular exception of Alan, our black and indigenous colleagues lack any active voice or role models above GCB2 anywhere within our organization. So in that absence, I – an ally, if not a full member of the black community – have reached a decision: I can no longer continue working for an institution that is so clearly discriminatory unless I actively advocate on their behalf, and on behalf of all the minorities across our firm.

I am just one of the 226,000 people working for you across this bank. Clearly I'm different, but what if any is the true value of that difference? Can one person help steer a ship, or am I and others but a number in the bank's calculations? Worse still am I the ice berg, a risk to be avoided and removed quickly? What you do and don't do next will answer these questions for us all. Today I bring you a different and unique perspective from just one lone voice. But I speak in the interests not just of our black colleagues, but every employee in our organization – those here now and those to come – plus every client, every shareholder, every community and - if I may be so bold, given our size and influence - the world.

► Project Report Attached (Executive 1-Page Summary on page 4)

I hope you will listen and act decisively in a comprehensive, outcomes-focused manner from the accounts presented. HSBC's future as a respected global institution and the livelihoods of those connected to it may depend on it. My hands outstretched, my door open, my heart beating, my future - and so many others - now in your hands.

We have to learn to love our differences, because without uniqueness we are nothing special
Thank you for reading my Project Report



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Author, Project Speak Up (2021)

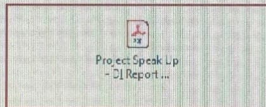
Vice President, Global Banking Sales | Global Liquidity and Cash Management

Exco - Head of Governance, PRIDE ERG (NYC Chapter, USA)

Exco - Advancing Black Inclusion Committee (USA)

Member - ABILITY, AHERG, BALANCE, CERG, HIND, HLDC, PRIDE and VALOR ERG's (USA)

Member - Wayfoong Club



30th June 2021

Date

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