

2010 Employment Equity Narrative Report

HSBC Bank Canada



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I. GENERAL OVERVIEW

HSBC Bank Canada, a subsidiary of HSBC Holdings plc, has more than 260 offices, including over 140 bank branches, and is the leading international bank in Canada. Since our founding in 1981, HSBC Bank Canada has grown rapidly - both organically and through strategic acquisitions. In the past 30 years, we have grown from one office in Vancouver to an integrated financial services organization, with global connections provided as a member of the HSBC Group, one of the world's largest banking and financial services organizations. While HSBC Bank Canada offers worldwide global expertise, being part of the “world’s local bank” means our roots are very much in the communities where we live and work. Today, HSBC Bank Canada has over 8,000 employees in Canada, including 5,667 federally regulated permanent employees.

2010 was a challenging year marked by an uncertain economic recovery and unabated pace of change. Our organization responded to these changes quickly and successfully, continuing to streamline business processes around the needs of customers. During the year, we completed the reorganization of our front office into distinct Personal Financial Services and Commercial Banking lines, and took further action to segment portfolios to provide more specialized customer support AND improve customer service and career paths.

HSBC Bank Canada is committed to Diversity and Employment Equity. We believe that the diversity of people with different ideas, cultures and abilities is an essential ingredient for the long-term success of our business. This is demonstrated through senior management commitment and in ongoing implementation of supportive policies and initiatives to create diverse, flexible and inclusive work environments.

II. QUANTITATIVE INFORMATION

Our permanent federally regulated workforce decreased by approximately 4% in 2010. We had 55 employees working outside Canada, up from 45 the year before. In addition, 23 employees moved to provincially regulated subsidiaries or other affiliates, and 3 employees completed their secondments. Conversely, 19 employees commenced secondments, and 34 employees moved from affiliates or provincially regulated subsidiaries. We have provided Human Resources and Skills Development Canada with the standard variance report in a separate document comparing other year-to-year variances between occupational groups, movement between full time/part time employment status, NOC coding changes, and self-identification survey changes completed by our employees through the online survey process.

Women

Women’s representation is strong in the pipeline, with the overall representation of women at 58.4% which is above our relevant external labour pool of 53%. Overall, women made up 58.7% of all those promoted and 48% of those hired in 2010. Positions in our senior management group are defined as Senior Vice-President and above. At year end 2010, the number of women in this occupational group

increased to 7 from 5 in 2009, representing 21.9% of the base. The roles of Chief Operating Officer and Executive Vice President, Retail Banking and Wealth Management are held by women. The representation of women in Professionals is 45.5%, exceeding external availability of 39.1%. Activity was also strong at Middle and Other with 41.7% women hired, and 35.3% women promoted. An active Women's Network promotes women's leadership within the pipeline, and provides feedback on emerging needs.

Visible Minorities

HSBC Bank Canada continues to be very successful in building a workforce that reflects the communities we serve. Visible minority groups are well represented in all occupational groups, well above external availability with the exception of a gap at the Senior Managers group, which we continue to monitor. We are reviewing impact of non completion of self-identification surveys on quantitative results as outlined in *Constraints*. The overall representation of visible minorities in permanent positions continues to be strong at 46.4% in 2010, and significantly above our relevant external labour pool availability of 25.4%. Over 50% of promotions have been attained by members of visible minorities in 2010.

Aboriginal Peoples

As of year ending 2010, our representation of Aboriginal peoples in permanent positions increased slightly to 1.2%, below our external labour availability of 1.5%. The share of promotions (5.9 %) and hires (4.2 %) continued to trend favourably in the Administrative & Sr. Clerical group, leading to representation of 1.9%, above the availability of 1.1%. This designated group continues to be a key focus area for increasing the share of hires.

Persons with Disabilities

Our overall workforce representation of Persons with Disabilities is 2.8%, below external market availability which has increased to 4.5%. We are pleased with the share of hires in the Middle & Other group at 8.3%. Hires were also strong in the Admin & Sr. Clerical level at 4.2% in comparison to availability of 2.6% resulting in representation in this group exceeding availability. Actions continue to enhance inclusion and accessibility, and this designated group also remains a key focus area.

III. QUALITATIVE MEASURES AND RESULTS

A. Communications

Communication of new programs, ongoing initiatives as well as our commitment to diversity in general is profiled through a variety of actions internally and externally.

Many of the initiatives detailed in this report are maintained and promoted on our company intranet, executive presentations, town hall meetings and employee events. Our Narrative Report is published on our intranet and externally to provide HSBC profile for designated groups. A variety of communication activities took place in 2010:

- In addition to the EXISTING Women's Network Blog, "BlogHer", a new blog, "Y-Knot" was launched by the Young Professionals Association for Gen Y employees including both genders and employees from diverse backgrounds across the country. **Employees are blogging feedback.**
- The **Employee Resource Group site was redesigned and relaunched in April.**

- The Canadian Centre for Diversity provides innovative programs that teach Canada's youth how to overcome fear and prejudice through information, education and involvement. HSBC Bank Canada was a sponsor of their 2010 Awards Gala and invited employees from various Employee Resource Groups and different areas of the organization to attend.
- **Employee Resource Groups created Team Sites** to log their actions and support effective team communication. For example, the Canada HLDC Hispanic Latin Diversity chapter created an HLDC newsletter and held several events in 2010, including an event titled, “Unlocking the Diversity of our Culture” attended by Latin Consuls and business representatives.
- Our Intranet contains a Canada News feature on **actions underway to increase accessibility** for employees and customers with leadership of our Senior Vice President, Operations and Executive Sponsor for the People with DisAbilities Employee Resource Group. The learning from challenges experienced by an employee participating in the Muscular Dystrophy Chair Aware event was incorporated. References provided for examples of disabilities, common misconceptions, frequently asked questions with a link to the self-identification survey.
- **A group of employees in the Greater Toronto area presented “Diversity in Action”** with the Junior Achievement of Central Ontario in November. This seminar uses trained volunteer business professionals to allow students to explore the value of diversity. The 2011 delivery reached more than 325 Grade 5-7 students in 11 different schools.
- HSBC Bank Canada continues to have **active employee and leader participation** in external marketplace diversity events such as HSBC Mela – a dinner celebration of Diwali, Eid and other South Asian festivals. In March 2010, a group of employees attended an event hosted by Rick Hansen to honour Canadian Olympic and Paralympic athletes. In 2010, employee committees continued to organize highly popular “Staff Dinners” held annually in celebration of Chinese New Year, with approximately 800 employees attending employee events in both Vancouver and Toronto events. Similar events are organized for customers.

B. Equity Environment

Continue work to foster a corporate environment that values and promotes equity and inclusion.

In 2010 HSBC Bank Canada was selected as one of MediaCorp's Canada's Best Diversity Employers for the fourth consecutive year, and as one of MediaCorp's Top 10 Employers for Young People, and regional winner (Western Canada) of Canada's 10 Most Admired Corporate Cultures by Waterstone Human Capital.

Continuously review and evolve our comprehensive policies supporting diversity and an equitable environment to ensure emerging employee or business issues are addressed.

In 2010 we continued to support and develop policies including:

- **Emergency back-up childcare** for parents when their regular child care provider is not available **was further** expanded in 2010 with supplier adding locations.
- **WorkLife Solutions roster of policies** to support employees in the diverse ways they wish to work with flexible arrangements and retirement options. Over a third of our workforce continues to have the capability to work remotely with secured technology access. In 2010, approval was

attained to **commence work to broaden the formal ‘remote work at home’ policy**, launched in one line of business in 2009, for national application in 2011.

- A cross-functional work team supported creation of a **new policy enabling our parents to gradually return to work following maternity or parental leaves of absence** with 3 options. This action emerged from needs articulated by the Gender Steering Committee about challenges experienced by women trying to adjust to a return to work with a new baby at home. **The FlexReturn policy was developed in 2010** with supporting communication launched in January 2011.
- **A formal Quiet Room policy was published to accommodate employees’ needs** for a private, personal retreat facility for activities including multi-faith prayer, and quiet meditation/spirituality.
- **We updated our Dress Code policy** from three separate codes supporting different businesses to one for all in Canada, **and added a statement supporting accommodations.**
- We commenced work with our North America region on a global project to review policies and practices under an Occupational Health umbrella.

600 employees participated in a four hour learning session on understanding conscious and unconscious bias conducted in two locations, live with webcast. .

Diversity and Inclusion Champions day was attended by 200 employees in Toronto and Vancouver. Several external speakers shared information relating to various diversity dimensions including sexual orientation, disability, age, culture and gender. The group then had opportunity to dialogue and review change opportunities in the work culture. Informal learning was provided to the Y-Knot young professionals group who volunteered to work at the event. **Over 50% of attendees provided feedback in post event surveys. This feedback was shared with the Senior Management Committee.**

A half day session on diversity was added to the annual leadership conference to focus on the importance of diversity for the business success, and the messaging continued in the Annual President’s Roadshow for all employees across Canada.

Structure

HSBC Bank Canada’s National Diversity Council was very active in 2010 under the leadership of our Deputy CEO which transitioned to the new Chief Operating Officer. All new actions continue to be reviewed by the organization’s Senior Executive Committee.

The National Diversity Council met every 4 to 6 weeks to discuss strategy, set action plans and helps ensure HSBC is making progress in meeting its diversity goals. Sub-committees continued to address gender and age diversity, with an additional work stream established for visible minorities and disability through support of Employee Resource Groups.

- Key outcomes from the gender strategy led by an active Women’s Network included focus on skills development and mentoring to proactively support development of the internal pipeline and build inclusion.

- In September 2010, our Gender Steering Committee was provided with detailed analysis of gender including **Gender Scorecard** by Line of Business, Observations of summary activity for representation, hires, terminations and promotions, terminations reasons at specific compensation band level, historical analysis for Canada overall and by lines of business including hires, promotions, headcount, raw terminations and turnover from 2008 to 2010.
- The Age Diversity working team continued to focus on actions to support Gen Y in 2010, with leadership from the Young Professionals Association, “**Y-Knot.**”
- Employee Resource Groups comprised of **employee-led, voluntary, company-endorsed groups became actively involved to support the organization in breaking down barriers.**

Recognition of our Employees’ dedication to diversity happens through a variety of formal and informal means.

- **The annual “CEO Award”** is a prestigious appointment granted to employees who have contributed in a significant way to HSBC Canada’s success. As part of HSBC’s brand and culture, “**Valuing Diversity**” is one of the criteria used to assess nominees during the final selection process.
- The **Diversity Ambassador Award is open to all employees at every level** in North America. Selection criteria for this peer recognition program include actions taken to go above and beyond to support diversity with colleagues or with customers. **In 2010, ten HSBC Canada employees were acknowledged as was a team comprised of 6 employees from the Y-Knot National Committee.** Recognition was given at **Diversity Awareness Month events throughout August. 380 employees attended the Vancouver event which was opened by our President and CEO, and included a keynote speech from the Executive Vice President, Retail Banking and Wealth Management who shared her personal experiences building a career.**

C. Employment Systems

HSBC conducts an annual review of compensation relative to industry peers in the respective locations in which we operate, and completes job assessments in relation to our global career framework.

Our Personal Financial Services business underwent a significant transformation in 2010. We analyzed and monitored impacts from an Employment Equity perspective for the designated groups.

In 2010, the Recruitment EE working group implemented a new job posting process to ensure regular posting of available opportunities on the online diversity job boards. Sources used to attract applicants are detailed in Recruitment and the Initiatives for Designated Groups. We continue to monitor the interviews and hires for the Fast Forward bank entry-level professional training program. **In 2010, an equitable number of women and men were hired, and 44% of new hires who started the program in 2010 had self-identified as members of visible minorities.**

HSBC Bank Canada continues to invest in developing employment opportunities for People with Disabilities and Aboriginal People through a diversity complement pool of surplus positions described in People with Disabilities, to allow candidates to get the experience they need to

facilitate entry into permanent positions as opportunities became available. **We continue to evidence progressively increased activities and supporting processes in Recruitment. For example, the recruiters are logging more interviews, and have attended more events held by community based associations to provide information about opportunities at HSBC.**

Recruitment

Implemented in 2008, the Employment Equity Recruitment Working Group provided a summary report outlining their objectives, initiatives undertaken and recruitment activity for 2010:

- Attended Career Edge/Ability Edge Achievement Awards ceremony held in February to see the achievements of persons hired through these programs and network with recruiters from other organizations. Two Ability Edge candidates were extended offers of employment in 2010.
- Two Recruiters hosted a seminar at Workplace Essential Skills Partnership (WESP) in March 2010, to share information about HSBC Bank Canada, the positions typically available, and hiring procedures. WESP is an employment program providing persons with disabilities skills and tools to enter the workforce that we have supported for the past three years.
- Attended the Job Opportunity Information Network (JOIN) Breakfast seminar in April and November conference.
- Two Recruiters attended the one day Aboriginal Human Resource Council's Inclusion Works Career Fair. The Recruitment working group received a portfolio of potential candidates, and implemented a contact schedule to review potential applicants. Three geographic areas were identified, and 33 potential applicants were targeted. No hires resulted.
- Attended Aboriginal Recruitment and Awareness seminar hosted by the Toronto District School Board. Seminar focused on current challenges and provided recruitment tips.
- Two recruiters hosted an information session at LinkUp Employment Services to review positions being recruited for at HSBC and recruitment processes.
- Attended the Canadian Council on Rehabilitation and Work (CCRW) 2010 National Conference in October. The recruiter summarized learnings for other colleagues in Resourcing.
- Attended the Greater Vancouver Business Leadership Network (GVBLN) Conference.

Online job boards used include: Aboriginals Canada, NOWS and NEADS. Regular pdf versions of job postings were sent to JOIN and LinkUp. Resumes have also been forwarded from the Neil Squire Society to one recruitment contact. A process has been implemented for the recruiter to review, and then engage colleagues to complete the first interview and then present the candidate to a line hiring manager.

This working group summarized a detailed listing of self-identified candidates interviewed in 2010. They have outlined their challenges, and prioritized initiatives identifying roles and responsibilities to leverage their resources. They have added a Team Lead for the specialist segment to the working team. Regular updates will be provided to the Heads of Resourcing and Diversity and Inclusion.

Diversity Job Websites specifically focused on associations and communities representing Person with Disabilities and Aboriginal peoples are available online for hiring managers. A “Contact Us” feature is published on our external website to allow for applicants to self-identify for referral to Recruitment.

Training and Development

Continue to update training and development to meet ongoing business and employee needs.

Employees have access to information on a wide variety of courses, learning paths, accreditations in Canada and other useful references on our internal Learning system. Links are readily available to Development Planning, Mandatory Training, Onboarding program, Talent Management, and Performance Management. Other initiatives included **job shadowing for Customer Service Representatives** – “A Day with PFS, ” **a Career Development Seminar and a Career Day for Gen Y employees.**

Everyday Diversity - web-based learning continued with additional online learning available for WorkLife Solutions and *Lifespeak on Demand*, the video streaming series with downloadable job aids supported on our internal learning system. **In 2010, 578 employees completed these courses.**

Diversity training is reviewed on an ongoing basis. **New Diversity and Inclusion training continued to be developed in 2010. The new training will consist of mandatory web based training for managers and all employees as well as supplementary modules.** We are targeting release of this new training in the third quarter of 2011.

The Personal Harassment policy, Employee Acknowledgement Form, and workbooks were updated in 2010 for use by all lines of business in Canada. Employees completed the mandatory Preventing Workplace Violence web-based training course, and our Management employees were required to complete an annual online Ethics course. A link has been integrated to the Harassment policy for continued reinforcement.

Promotion

Promotion rates and development opportunities continue to be monitored.

Research findings supported creation of a Leadership Development Experience (LDE) program which was announced to the Diversity Council in November 2010. The objectives of this program are **to develop diverse talent in the pipeline. Senior leaders of diverse backgrounds are involved in mentoring participants. The program was launched with a 2 day event in December 2010.**

Our Performance Management framework is outlined in a global policy. Global talent management practices continue to be fully integrated into the organization with individual development plans established. All employees play an active role for managing their own process, with the development of objectives, and assessment at mid and year end through an online system. Employees are also supported with online career planning tools. **We continue to have a diversity field for visible diversity dimensions on our Management Selection Process for senior positions,** to ensure diversity is maintained top of mind for selection and promotional considerations. **Our businesses also**

use a more formal approach for reviewing talent for promotion and development through talent review panels at senior levels of the organization.

- **Career planning workshops were conducted in Toronto and Vancouver for 50 employees,** utilizing all the tools and processes that currently exist at HSBC Bank Canada. This workshop was led by the age diversity sub-committee of the Diversity Council. They are reviewing further options to roll this out more widely as employees cited they felt more empowered to manage their careers. **A Manager's Webinar was completed in December to support the manager's role in career planning.**
- The mentoring pairs selected to participate in a 2009 pilot have transitioned to a new program with better tools, in development for broader launch in 2011. Informal mentoring tools and information sources continue to be available in the Talent section of the HR website.

Once these programs are fully launched, ways to support where our workforce is below availability for designated groups will continue to be examined.

Retention and Termination

We measure our results through a Global People Survey, which includes Diversity and Work/Life balance. In 2010, these areas continued to have strong results.

We continued to operate an Employee Integrity TipLine, which enables employees to escalate concerns or feedback, anonymously if they wish related to workplace policies or company ethics. Incidents can be reported through this line available 24 hours every day and in many languages.

An automated online exit process continues to be used on an ongoing basis, comprised of a link to an online survey.

Reasonable Accommodation

A centralized budget continues to support on site workplace assessments and accommodations.

Real estate facilities were refreshed; however, no major structural enhancements took place. One of our employees in Corporate Real Estate **reviewed upcoming accessibility modifications with a new 2010 hire who is a wheelchair user to attain feedback on their day-to-day experiences within the building.**

In 2010, we continued to work with the Job Accommodation Service to support workplace site assessments to meet emerging accommodation requests with comprehensive recommendations.

The key focus for accommodations in 2010 at the employee level included ergonomic supports such as providing properly fitted chairs, adjustable keyboard trays, monitor arms, foot rests, work desk reconfigurations, magnifier and language translation. We continue to work with our Technology contacts throughout 2010 to provide technical solutions which included larger PC monitors for visual disabilities, ergonomic keyboards and mice.

Managers and employees can accommodate individual and business needs for flexibility with our WorkLife Solutions roster of alternate work options to vary hours or schedules, work remotely or take a leave. This supports diverse work life needs, including needs for employees with disabilities or employees experiencing health issues. In addition, our external Employee Assistance Program (EAP) provider supports employees with information and confidential counselling on a variety of issues.

D. Initiatives for Designated Groups

Aboriginal Peoples

Long-term partnerships are supported with post secondary education facilities and associations to support our objective to recruit more Aboriginal students.

HSBC Bank Canada **supports endowed bursaries and scholarships for Aboriginal students** in financial need at Capilano University, Douglas College, Vancouver Community College, NorQuest College and the University of Victoria. We continue to rotate attendance at various events such as award presentations to heighten employees' awareness of the potential of the students. In July 2010, we received a letter from a scholarship winner advising the award enabled the student to be more confident and have greater incentive to continue their studies. Two additional scholarship winners from Vancouver Community College were featured in *HSBC Bank Canada in the Community 2010*.

Senior leaders in Edmonton attended the donations announcement for the new bursary established with NorQuest College, and subsequently supported the annual fundraiser breakfast on November 17.

In 2010, two Recruiters attended the Inclusion Works '10 conference organized by the national Aboriginal Human Resource Council. They participated in the Career Event as outlined in *Recruitment* and their learnings will be factored into actions moving forward. We continued to post job postings on the Aboriginal *Inclusion Network* job board.

A ten-position complement pool focused on hiring persons with disabilities and aboriginal people continues to be centrally maintained to facilitate integration into permanent positions, and encourage hiring of candidates from sources identified through our diversity hiring resources.

Persons with Disabilities

We are committed to making connections with organizations supporting persons with disabilities to increase referrals of qualified candidates:

- HSBC Resourcing continued membership with the **Job Opportunity Information Network (JOIN.)** In 2010, employees from our Employee Resource Group for disabilities joined Recruitment in attending the JOIN Business Leadership Network event in September. In addition to sharing strategies on inclusion of people with disabilities, this session included ***Not Just Ramps***, a theatrical documentary about physical, emotional, and societal access issues for a diverse group of people with disabilities.
- Advertisements continued to be placed bi-annually in **jobpostings** magazine including the Winter

2010 issue **for Students with Disabilities** distributed to school campuses nationally and we retained an **online ad** on their website for ongoing encouragement of applications from students with disabilities. An updated job advertisement was created for jobpostings.ca.

- We have continued to use the services of the Western Institute for the Deaf and Hard of Hearing (WIDHH) to support interpreting services.

Our intranet houses a policy and Employee Guide on Workplace Accommodations. A central budget continues to support onsite workplace assessments and accommodations. HR works closely with our Real Estate, Purchasing and Technology groups on accommodations issues and we involve Managers and Employees in dialogues when implementing formal requests reviewed with the Job Accommodation Service. Further details are listed under Reasonable Accommodation.

We continue our relationship with the Canadian Council on Rehabilitation & Work (CCRW) and the Job Accommodation Services (JAS). **In 2010, JAS supported our formal accommodation requests, for neurological and motor related disability needs in BC, Alberta, Ontario and Quebec.**

We continued to support Dining for Dreams 2010 supporting the work of the BC Centre for Ability to support children, youth and adults with disabilities. **Eleven leaders and employees attended the event.** An employee group further supported Ability Edge's Community Clothing Drive in September.

In 2010, three of our employees from British Columbia, Alberta and Ontario participated in Chair Aware 2010, a Muscular Dystrophy fundraiser. All the employees shared their insightful experiences spending a day working and doing all their regular routines as wheelchair users.

Under our Employees Give Back Program, the following initiatives were taken. The employee resource group for disabilities became involved with the Make-A-Wish Foundation to support a child with a disability. Another employee group supported Denim & Diamonds which raises funds for support programs for young cancer patients, under the care of Hope & Cope, a non-profit organization.

Best Buddies Canada matches student volunteers with individuals with intellectual disabilities. In 2010, HSBC sponsored an annual fundraising walk.

Return to Work Policy and Procedures

HSBC has a *Returning to Work & Rehabilitation* policy and an employee in HR who consults to promote an employer/worker collaboration for the successful return to work by injured employees or employees with disabilities who have been absent. Successful outcomes with re-entry in the workforce involve modified work hours, alternative work schedules, training for new responsibilities, modifying job duties over a period of time to support healing, and completing part of the job from home. Employees returning from long-term leaves are also encouraged to review internal job postings and supported in reviewing their areas of interest.

We continue to make "Ergonet" available on our internal learning system as one proactive measure to

prevent injuries. This web based course supports employees in understanding how to improve their interaction with their work environment and reduce the risk of common work-related musculoskeletal disorders, also known as MSDs. The employee learns the risk factors involved in MSDs, what signs and symptoms to watch for, and how to correct problems by utilizing sound ergonomic practices. An assessment at the end of the training requires a minimum score of 80% correct. 37 employees took the course in 2010. The course is also being highlighted in work underway to launch a formal remote work at home policy in 2011 to ensure safe working is practiced when working remotely.

Visible Minorities

Our financial support to a broad range of community initiatives, including employee volunteer activities are outlined in the booklet *HSBC Bank Canada in the Community 2010*. The report can be downloaded from the hsbc.ca website at <http://www.hsbc.ca/1/2/en/about-us/in-the-community/public-accountability-statement>.

The global nature of our organization and our efforts to mirror the diversity of our customers has helped us to build many different dimensions of diversity in our workforce, including ethnicity, race and broad world experiences. This in turn enables us to understand and respond to the differing needs of our customers and provide superior customer service. Some examples of community activities sponsored that in turn, support our ability to identify and recruit talented diverse individuals are highlighted below.

- HSBC Bank Canada made a donation to the Black Business and Professional Association's (BBPA) National Scholarship Fund for an HSBC Bank Canada Scholarship in 2010. The BBPA, which pursues and promotes excellence in the black community, has been providing promising young African-Canadians with the financial means to pursue a post-secondary education since 1986. We rotate attendance at the annual scholarship ceremony which was attended by a member of the Diversity Council in 2010.
- S.U.C.C.E.S.S. is one of the largest social service agencies assisting immigrants in the country. Walk with the Dragon one of their fundraising events and HSBC Bank Canada has been a supporter for 18 years. HSBC Bank Canada is the exclusive sponsor of the S.U.C.C.E.S.S. Internet Portal providing settlement information for new immigrants.
- The Education Foundation of Chinese Professionals Association of Canada provides scholarships, bursaries and awards to secondary and post-secondary students who have demonstrated exceptional community leadership as well as outstanding academic achievements. HSBC Bank Canada made a donation to provide one student scholarship in 2010.
- The Vancouver Korean-Canadian Scholarship Foundation provides university scholarships to Korean immigrants living in Canada. Selection is based on academic achievement, financial need, and volunteer activities. The scholarship is a one-time grant to each student. HSBC Bank Canada funds the scholarships.
- The First Mandarin School Program is part of Langara College's Continuing Education program. In 2010, HSBC Bank Canada donated to the First Mandarin School Program, which

teaches students Mandarin reading, writing and conversation skills.

Women

The National Women's Network, aims to enhance our ability to attract, develop and retain the very best talent by supporting women's professional growth through networking, mentoring, skill development and community outreach opportunities. Events are coordinated regionally and all Women's Network events, development and community initiatives reported. Current membership is 750 women.

In 2010, the Women's Network rolled out the *Taking the Stage*TM program focused on developing women leaders by expressing ideas clearly in a variety of informal and formal situations including presentations, meetings, etc. **Nineteen women were trained to be *Taking the Stage*TM facilitators and the module delivered to 265 mid-career women nationally, over 6 months.**

In 2010, **two women were selected to participate in a year-long advanced leadership development program, *Women Leading the Way*, managed by the Minerva Foundation to learn values driven leadership skills and apply them to a community or business enhancement project. Five women were selected to participate in the Minerva Foundation Learning to Lead Leadership Development program.**

- BC Women's Hospital & Health Centre is the only facility in British Columbia devoted primarily to the health of women, newborns, and families. HSBC Bank Canada sponsored both the Ismaili Walk fundraiser for the Foundation and the Foundation's annual Illuminations Luncheon.
- The Doreen McKenzie Sanders Women in Management Club at the Richard Ivey School of Business at the University of Western Ontario is open to all Ivey students interested in topics related to roles and opportunities for women in today's business environment. HSBC Bank Canada made a donation towards to permanent endowment fund created to support the Club.
- The HSBC Women's Network in the Ontario region attended the Annual Breakfast in October in support of the Canadian Women's Foundation.
- HSBC Bank Canada expanded its support the Forum for Women Entrepreneurs in British Columbia (FWE) as the title sponsor of the FWE HSBC Mentor Program. The FWE HSBC Mentor Program facilitates mentorship between active women entrepreneurs of established businesses, who are seeking improvement and growth for their companies, and senior level men and women executives and professionals. Now in its eighth year, the mentor program has over 100 active participants.
- HSBC continues to be a member of Catalyst Canada Inc. In addition to utilizing their research and advisory services, employees attend Catalyst networking events.

IV. CONSTRAINTS

Employment Equity online survey: We continue to use the online self-id survey form launched in October 2007. To address challenges with new hires not completing the online survey, **an email follow-up process** continues to be used. In 2010, we communicated **with new hires in January,**

September and December. In September 2010, we directed communication to all People Managers to heighten awareness. Follow-up notices for non-completes resulted in communication to 2,027 employees. As of YE2010, 85.1% of our permanent full-time employees had completed the online survey. While we have continued to monitor, we will review communication strategy in 2011.

Our diversity activities have expanded over recent years, and we have addressed a resource constraint with the appointment of a new Head, Diversity and Inclusion in October 2010.

V. CONSULTATIONS WITH EMPLOYEE REPRESENTATIVES

Our Diversity Council, chaired by the Chief Operating Officer oversees our Diversity and Employment Equity plans to ensure our workforce is representative of changing demographics, and that we build inclusive work environments. Members discuss strategy and create prioritized action plans focused on critical issues, and help ensure HSBC makes progress on our goals. The National Chair for the Women's Network is an active member of the Diversity Council, and other members lead actions for other sub-committees.

In 2010, our Employee Resource Groups implemented communication programs with their peers and provide ongoing feedback to the organization. They work closely with the Head, Diversity and Inclusion and with the Diversity Council. In addition to the Women's Network, ERG's in place include People with DisAbilities, HSBC Pride Network, African Heritage Committee, HSBC Indian Network for Diversity, Asian Pacific Islanders Committee, HLDC – Hispanic Latin Diversity Committee.

There are a variety of mechanisms, both formal and informal within the organization for seeking feedback from all employees, as they are key to the ongoing progress of our objectives.

- In 2010, with feedback from a group of employees, we established a second Quiet Room with support from our Corporate Real Estate group.
- As part of a North America research project, employees from Canada also participated in eleven 90 minute focus groups representing men, women, both genders, visible minorities, ERG leaders and employees who used maternity or parental leaves.
- In April, employees were solicited to provide feedback for generational groups, including Baby Boomers and Gen X.
- About one third of members of the Women's Network responded to a survey to provide their feedback on gender progress, which was used in assessing future actions.
- Employee representatives are engaged with accessibility plan reviews, and will work to provide feedback on issues pertaining to people with disabilities in 2011.

We continue to monitor and utilize input from these channels, and broaden mechanisms for additional consulting.

We experienced a strong participation rate on our 2010 annual employment engagement survey that

measures engagement scores. 83% of Canadian employees participated in this Global People Survey and employee feedback was evaluated overall, and also from the perspective of specific demographic groups. **For the first time, a diversity and inclusion index was included as part of the survey.** Canada's score for the diversity and inclusion index was 79% which is the same as the North America external best in class measure. **We are pleased 85% of our employees responded they work in an environment where people from diverse backgrounds can succeed.**

VI. FUTURE STRATEGIES

We continue to build on our solid diversity foundation, while reviewing employee, market, organizational and governance needs. We continue to strive to have a workforce that is truly representative of our relevant external market availability and diverse customers we serve around the world. The diverse and unique knowledge, expertise and creativity of our employees support our ability to help our customers unlock their potential.

Moving forward key areas of focus include:

- Continued actions to enhance accessibility, diversity and inclusion under the leadership of the Diversity Council.
- Support ongoing consultations and feedback from Employee Resource Groups.
- Provide talent development and expand mentoring through new Talent initiatives, programs and tools.
- Review learnings from 2010 outcomes and address gaps identified through the workforce analysis with targeted employment systems reviews to update barriers.
- Work to improve the recruitment and representation of persons with disabilities and Aboriginal peoples. Attain feedback from employee representatives on progress of these two groups and input on actions.
- Deliver updated diversity learning for all employees.
- Review self-identification online survey integration in new onboarding process.