

# Reputational Risk Management

HSBC Group Compliance

# Reputational Risk Management

---

- ▶ Head office review – ownership of risk types
- ▶ RR allocated to Group Compliance
- ▶ Ownership/co-ordination, **NOT** accountability
- ▶ Group Reputational Risk Committee (GRRC)
- ▶ Devise policies and principles
- ▶ Clearing house and advice
- ▶ Feed into training programmes

# RR Management Structure

---

- ▶ Main Board – Group Chairman
- ▶ Group Management Board – Group CEO
- ▶ Risk Management Meeting – Group Finance Director
- ▶ Group Reputational Risk Committee – Head of Group Compliance
- ▶ Regional Reputational Risk Committees (5)
- ▶ Transactional Reputational Risk Committees (business specific)

# GRRC Responsibilities

---

## Charged with examining:

- ▶ Effectiveness of existing Group policies
- ▶ Changes to Group position/statements
- ▶ Adoption of new business policies, principles, codes, guidelines etc
- ▶ Measuring/assessing/validating Group performance
- ▶ RR/ethical training

# GRRC Membership

---

**Head of Group Compliance** *Chairman*

**Group General Manager, Legal & Compliance**

**Group Chief Risk Officer**

**Group Finance Director**

**Group General Manager, Human Resources**

**Group MD, Personal Financial Services and Marketing**

**Head of Group Corporate Sustainability**

**Group General Manager, Communications**

**Head of Group Operational Risk**

**Group Company Secretary**

# Reputational Risk Support

---

- ▶ Reputational risk competence 'centres' (clearing house) – 'go-to' people who are charged with assisting, advising, assessing and escalating centres
- ▶ Reside in Group head office and five regional head offices
- ▶ Primarily to advise – no real power of veto but authorised to escalate to highest level if warranted

# Reputational Risk

---

All Group members and employees must safeguard the reputation of the Group by maintaining the highest standards of conduct at all times...

*...and by being aware of issues, activities and associations that might pose a threat to the company's good name.*

# Reputational Risk

---

**When rules are absent  
judgement is everything.**