

HSBC Global Asset Management (France)

Summary of the Consolidated Statement on Principal Adverse Impacts (PAIs) on Sustainability Factors

HSBC Global Asset Management (France), LEI - W85O53OGKSNJNYNJES25 considers principal adverse impacts of its investment decisions on sustainability factors. The present statement is the consolidated statement on principal adverse impacts on sustainability factors of HSBC Global Asset Management (France).

This statement on principal adverse impacts on sustainability factors covers the reference period from 1 January 2023 to 31 December 2023.

The information presented may refer to the global policies and global initiatives of HSBC Asset Management, the investment management business of HSBC Group. Even though HSBC Global Asset Management (France) may be involved in the implementation and application of global policies, the commitments listed are not necessarily a direct reflection of HSBC Global Asset Management (France), unless specified.

We (HSBC Global Asset Management (France)) recognize that sustainability risks can lead to outcomes that have adverse impacts on the value of the financial products and on society.

The integration of environmental, social and governance factors as set out in HSBC Asset Management's Responsible Investment Policy addresses material principal adverse impacts in our fundamental research and contributes to investment decisions in our investment process. We consider these impacts in our voting and engagement, and in further policies which express our sustainability objectives and set out the actions we take to reach them. This approach helps us to manage these adverse impacts and sustainability risks in our investments. The relevant principal adverse impacts include the full range of mandatory climate, environmental, social, employee and human rights impacts for which mandatory indicators have been identified, as well as impacts related to carbon emissions and human rights for which optional indicators have been identified and for which we explain our actions taken, actions planned, and targets set.

It should be noted that at the end of December 2023, the SFDR scope of assets under management managed by HSBC Global Asset Management (France) amounted to €42.13 million. It does not include the investment management delegations (delegations received) nor the investment advice.

As a large asset manager, managing a range of actively managed products, relevant principal adverse impact indicators may be included in our investment process through integration, engagement and / or exclusion.

For our investment products, principal adverse impact indicators may be reflected in portfolio construction through screening, tilting and other techniques.

For our products which commits to sustainable investments as defined under the Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial services sector (or "SFDR Regulation"), relevant principal adverse impacts are also considered amongst the Do No

Significant Harm criteria, which contribute to assess investments and determine if they are deemed to be qualified as sustainable investments.

We explain our approach to voting at company meetings in our Voting Guidelines; companies which do not adequately manage principal adverse impacts may face voting sanctions.

Our Engagement Policy sets out our approach to engagement, including escalation of engagement where companies do not respond adequately to concerns raised regarding adverse impacts.

We give further details on our expectations for companies in their management of adverse impacts in HSBC Asset Management's Stewardship Plan.

Further details of our approach for screening, investment process and engagement are set out in specific policies, including Banned Weapons, Thermal Coal, Climate Change and Biodiversity.

On climate change issues in particular, the net zero ambition and interim emissions reduction target of our lead entity HSBC Global Asset Management Ltd are the most important expression of our ambition. The contribution of HSBC Global Asset Management (France) to this global objective has not yet been defined.

The quantitative indicators/ data are calculated on the basis of a methodology applied at the end of December 2023; this methodology has evolved since 2022 and is likely to evolve in 2024. It could lead to discrepancies in results.

Our full declaration under Article 4 of the Disclosure Regulation of 30 June 2024, as well as all the above policies and further information on HSBC Asset Management's net-zero target are available on request from our customer service at hsbc.client.services-am@hsbc.fr