

HSBC Responsible Investment Funds Europe Equity Green Solutions

All mandatory PAIs as defined in Table 1 of annex 1 of the Regulatory Technical Standards for Regulation 2019/2088 are used to assess that the subfund's sustainable investments do not cause significant harm to environmental or social objectives.

The principle of 'do no significant harm' to environmental or social objectives applies to the subfund's underlying sustainable investments.

Compliance with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights

Issuers reported for potential breaches of the UN Global Compact principles are excluded, unless they have been subject to enhanced ESG analysis (ESG Due Diligence) establishing that they are not in breach of these principles. These principles are aligned with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

Sustainable investment objective of the subfund

- Selection of issuers according to a thematic approach.
- Exclusion of securities from issuers based on ESG criteria defined by the Greenfin label framework, HSBC Asset Management's responsible investment policies and the exclusions applicable to the "Paris agreement" benchmark indices in accordance with ESMA guidelines on funds' name. The excluded activities are set out in the pre-contractual documentation in the section on the binding elements of the investment strategy.

Investment strategy

The investment strategy of this subfund uses the following approaches:

- Thematic approach;
- Best-in-class approach;
- Exclusion of shares issued by companies involved in "excluded" activities.
- Engagement and voting activities.

Proportion of investments

The various stages of the investment process allow the subfund to commit to a minimum of 90% of assets in sustainable investments with an environmental objective. The balance consists of cash and cash equivalents.

Monitoring of the sustainable investment objective

Funds are monitored to ensure that the portfolios meet the non-financial criteria and, where applicable, internally established thresholds. First-level controls are performed by teams independent of management (investment restrictions team and risk team).

HSBC's sustainable investment methodology is available on the management company's website: www.assetmanagement.hsbc.fr/fr/retail-investors/about-us/responsible-investors/policies.

Methods and Data sources and processing

HSBC relies on a proprietary ESG analysis model with data supplied by non-financial rating agencies and the management company's internal research.

Our investment team relies on the information available in the Global Research ESG intranet tool, which uses data from the following providers: MSCI ESG Research, ISS ESG, S&P Trucost, Sustainalytics, RepRisk, FTSE Green Revenues, Carbon4, Iceberg Datalab (IDL), GAIA Research, Equileap and Denominator. HSBC Asset Management verifies the data used. For the portfolio's ESG rating, the data are weighted by coefficients reflecting our analysis of the various business sectors and their respective ESG impacts.

Limitations to methods and data

The management company relies on non-financial data providers. As a result, the company is subject to certain operational and data quality risks associated with reliance on third-party service providers and data sources. Furthermore, data coverage may be limited depending on the type of issuer (small caps, certain high-yield issuers) and by the geographical area of the issuer (particularly for emerging countries). When non-financial data are not available in our suppliers' databases, we initiate a qualitative analysis and possibly exchanges with the company to supplement our assessment. HSBC Asset Management is not aware of any methodological limitations likely to prevent the attainment of the sustainable investment objective.

Due Diligence

Our monitoring of companies and all other issuers held in actively managed portfolios, by analysts, management teams, investment restrictions, and the risk department, is quantitative and qualitative and includes the sustainability score, strategy, financial and non-financial performance constraints, risks, capital structure, social and environmental impact, and corporate governance. For the purposes of this monitoring, we use our in-house research and the ESG research of independent providers and brokers.

Lastly, our teams in charge of voting and shareholder engagement activities can support the investment teams in the ESG assessment of issuers.

Engagement policies

Our approach to shareholder engagement incorporates several levers for action, including 1) direct dialogue with companies, 2) exercising voting rights, and 3) a gradual escalation procedure with companies when the ESG risks or controversies to which they are exposed are not managed.

We prioritise dialogue and interaction with companies in which we have significant positions, but also depending on the importance of the environmental or social issues identified. Furthermore, every year, we define engagement themes that we consider to be key.

Important information

This regulatory document is published pursuant to Article 10 of the SFDR.

All information contained in this document may change without notice. The user shall be held liable and may face legal action for any reproduction or use of this document without permission.

This document is not contractual and by no means constitutes a solicitation to buy or sell or a recommendation to buy or sell securities in any jurisdiction in which such an offer is not permitted by law.

Any subscription in the UCI presented in this document must be based on the current prospectus and KID. In addition to the current Key Information Document (KID), potential investors should refer to the prospectus for detailed information on the risks associated with the UCI presented. If you have any doubts as to the suitability of the presented product in relation to your investment objectives and risk profile, please contact your advisor.

V5

Date updated: 21/05/2025