

Pre-contractual disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852.

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance

The EU Taxonomy is a classification system laid down in Regulation (EU) 2020/852, establishing a list of environmentally sustainable economic activities. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

Yes

No

It will make a minimum of sustainable investments with an environmental objective: 90%

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under EU the Taxonomy

It will make a minimum of sustainable investments with a social objective:_%

It promotes Environmental/Social (E/S) characteristics

and while it does not have as its objective a sustainable investment, it will have a minimum proportion of_% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promotes E/S characteristics, but will not make any sustainable investments



What is the sustainable investment objective of this financial product?

1. Investment into a concentrated portfolio of companies that actively contribute to United Nations Sustainable Development Goals, including, but not limited to, Climate Action, Affordable and Clean Energy, Clean Water and Sanitation, Good Health and Well Being and Reduced Inequalities.
2. Responsible business practices in accordance with UN Global Compact and OECD Principles for businesses.
3. Minimum environmental standards through exclusion of business activities that are deemed harmful to the environment.
4. Identification and analysis of a company's environmental characteristics including, but not limited to, physical risks of climate change and human capital management.
5. Active consideration of environmental issues through engagement and proxy voting.
6. Analysis of the share of investment involved in controversial weapons.

- **What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?**

Sustainability indicators are a key consideration in our investment decision making process.

The primary sustainability indicator is the use of HSBC Asset Management's Proprietary ESG ratings system, which covers ESG and Lower Carbon Criteria, this is used to measure the attainment of the environmental characteristics promoted by the sub-fund which includes:

- Carbon Intensity Score, relative to the benchmark or its sector

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

- E, S and G Pillar Scores, relative to the benchmark or its sector
- ESG Score, relative to the benchmark or its sector

The sub-fund will consider Principle Adverse Impacts and also United National Sustainable Development Goals as its Sustainability Indicators. We use third party screening providers to identify companies and governments with a poor track record in managing ESG risks and, where potential material risks are identified, we also carry out our own due diligence. Sustainability impacts identified by screening are a key consideration in our investment decision making process.

The sub-fund also considers the Principal Adverse Impacts that are listed below:

- Greenhouse gas intensity of investee companies
- Violation of UNGC and OECD principles
- Share of investment involved in controversial weapons

In addition, the sub-fund will not invest in equities and equity equivalent securities of companies with specified involvement in specific excluded activities, that are detailed below.

- **How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?**

Do no significant harm analysis is completed as part of HSBC Asset Management's (HSBC) standard investment process for sustainable assets, which will include the consideration of Principal Adverse Impacts.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti- corruption and anti- bribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

The Investment Adviser will review all SFDR mandatory Principal Adverse Impacts to assess the relevance to the sub-fund. HSBC's Responsible Investment Policy sets out the approach taken to identify and respond to principal adverse sustainability impacts and how HSBC considers ESG sustainability risks as these can adversely impact the securities the sub-funds invest in. HSBC uses third party screening providers to identify companies and governments with a poor track record in managing ESG risks and, where potential material risks are identified, HSBC also carry out further due diligence. Sustainability impacts, including the relevant Principal Adverse Impacts, identified by screening are a key consideration in the investment decision making process and, in turn, this also supports the advice given to clients.

The approach taken, as set out above, means that among other things the following points are scrutinised:

- companies' commitment to lower carbon transition, adoption of sound human rights principles and employees' fair treatment, implementation of rigorous supply chain management practices aiming, among other things, at alleviating child and forced labour. HSBC also pay a great attention to the robustness of corporate governance and political structures which include the level of board independence, respect of shareholders' rights, existence and implementation of rigorous anti-corruption and bribery policies as well as audit trails; and
- governments' commitment to availability and management of resources (including population trends, human capital, education and health), emerging technologies, government regulations and policies (including climate change, anti-corruption and bribery), political stability and governance.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

HSBC is committed to the application and promotion of global standards. Key areas of focus for HSBC's Responsible Investment Policy are the ten principles of the United

Nations Global Compact (UNGC). These principles include non-financial risks such as human rights, labour, environment and anti-corruption. HSBC is also a signatory of the UN Principles of Responsible Investment. This provides the framework used in HSBC's approach to investment by identifying and managing sustainability risks. Companies in which the sub-fund invests will be expected to comply with the UNGC and related standards. Companies having clearly violated one, or with at least two presumed violations, of the ten principles of the UNGC are systematically excluded. The sub-fund conducts enhanced due diligence on companies that are considered to be non-compliant with the UN Global Compact Principles, or are considered to be high risk as determined by the HSBC's proprietary ESG ratings. Companies are also evaluated in accordance with international standards like the OECD Guidelines.



Does this financial product consider principal adverse impacts on sustainability factors?

- Yes, the approach taken to consider Principle Adverse Impacts means that, among other things, HSBC will scrutinise companies' commitment to lower-carbon transition, adoption of sound human rights principles and employees' fair treatment, and implementation of rigorous supply chain management practices such as those aiming to alleviate child and forced labour. HSBC also pays attention to the robustness of corporate governance and political structures which include the level of board independence, respect of shareholders' rights, existence and implementation of rigorous anti-corruption and bribery policies, as well as audit trails. Governments' commitment to availability and management of resources (including population trends, human capital, education and health), emerging technologies, government regulations and policies (including climate change, anti-corruption and bribery), political stability and governance will also be taken into account.

The sub-fund also considers the Principal Adverse Impacts that are listed below:

- Greenhouse gas intensity of investee companies
- Violation of UNGC and OECD principles
- Share of investment involved in controversial weapons

How Principle Adverse Impacts were considered will be included in the sub-fund's year-end report and accounts.

- No



What investment strategy does this financial product follow?

The Investment Adviser analyses its ESG impact as the fundamental consideration when determining the sub-fund's investments. The sub-fund's investment principles ("Investment Principles"), which are used together with ESG impact analysis and fundamental qualitative company analysis to determine the sub-fund's investments, may include but are not limited to:

- continuous engagement with Contributing Companies regarding their ESG credentials.
- continuous engagement with companies regarding their ESG credentials at various stages of their ESG transition.
- companies following good ESG practices. Good ESG practices include, but are not limited to, companies with efficient electricity and water usage and companies with sound business ethics and transparency.
- including companies following good ESG practices resulting in low and/or decreasing carbon intensity.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

● **What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?**

The binding elements are:

- The sub-fund invests in normal market conditions a minimum of 90% of its net assets in equities and equity equivalent securities of Sustainable Companies that actively contribute to United Nations Sustainable Development Goals (Climate Action, Affordable and Clean Energy, Clean Water and Sanitation, Good Health and Well Being and Reduced Inequalities)
- The sub-fund will not invest in equities and equity equivalent securities of companies considered non-compliant with the United Nations Global Compact Principles.
- The sub-fund will restrict investment in companies with limited exposure to certain restricted activities (“Restricted Activities”). Restricted Activities may include, but are not limited to revenue exposure of more than 5% to thermal coal, unconventional oil and gas extraction and nuclear energy, as well as, conventional oil and gas extraction companies that derive less than 40% of revenues from activities related to natural gas extraction or renewable energy sources and electricity utility companies that are not setting and meeting specific milestones for transitioning towards the goals of the Paris Climate Agreement.
- Consideration will also be made on the products sustainability indicators a continuous basis.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance

● **What is the policy to assess good governance practices of the investee companies?**

Governance is assessed against criteria specified in the investment process which includes, among other things, business ethics, culture and values, corporate governance and bribery and corruption. Controversies and reputational risks are assessed through enhanced due diligence as well as screening which are used to identify companies that are considered to have low governance scores. Those companies will then be subjected to further review, action and/or engagement.

Good corporate governance has long been incorporated in HSBC's proprietary fundamental company research. HSBC's Stewardship team meets with companies regularly to improve our understanding of their business and strategy, signal support or concerns we have with management actions and promote best practice. HSBC believes that good corporate governance ensures that companies are managed in line with the long-term interests of their investors.



Asset allocation describes the share of investments in specific assets.

What is the asset allocation and the minimum share of sustainable investments?

The sub-fund invests in normal market conditions a minimum of 90% of its net assets in equities and equity equivalent securities of Sustainable Companies that actively contribute to United Nations Sustainable Development Goals. These goals include, but are not limited to, Climate Action, Affordable and Clean Energy, Clean Water and Sanitation, Good Health and Well Being and Reduced Inequalities.

The sub-fund may invest up to 10% of its net assets in units or shares of UCITS and/or other Eligible UCIs (including other sub-funds of HSBC Global Investment Funds).

The sub-fund will make a minimum of sustainable investments with an environmental

objective of 90%.

Taxonomy-aligned activities are expressed as a share of:

- turnover

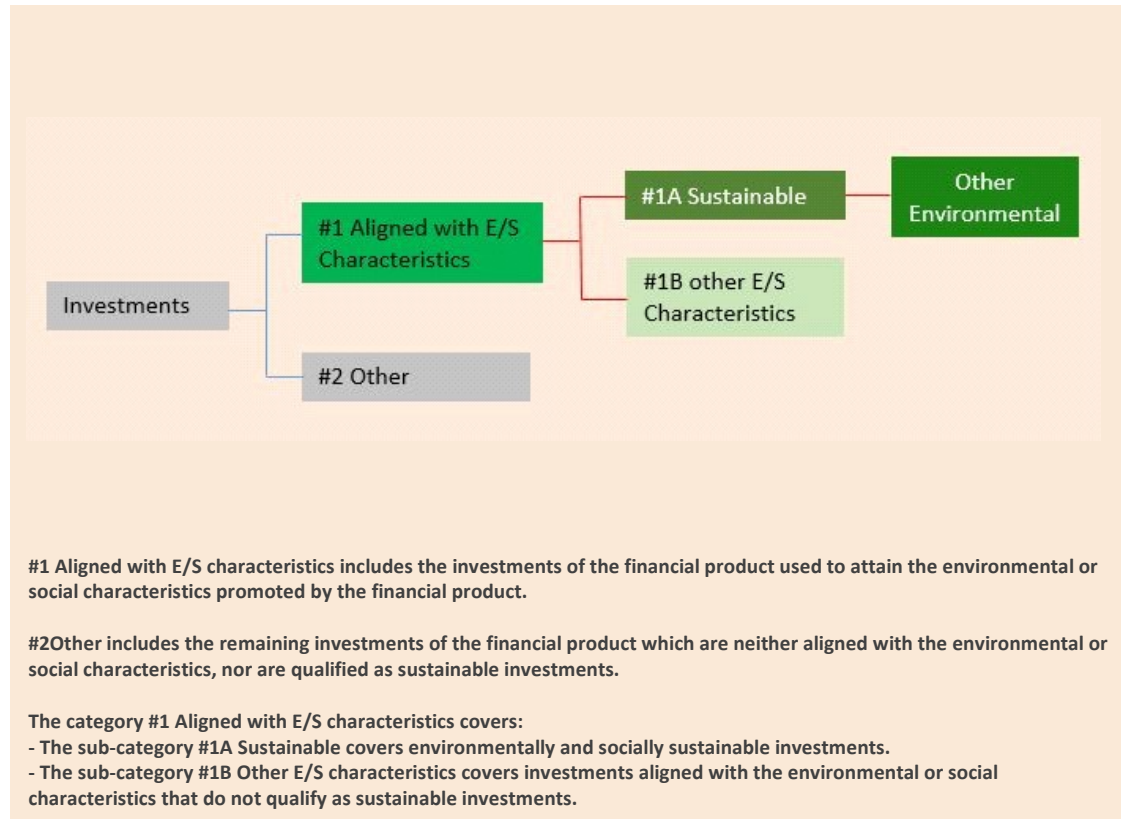
reflecting the share of revenue from green activities of investee companies

- capital expenditure

(CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy

- operational expenditure

(OpEx) reflecting green operational activities of investee companies.



● **How does the use of derivatives attain the sustainable investment objective?**

The sub-fund will not use derivatives to attain the environmental or social characteristics of the sub-fund.

Enabling activities

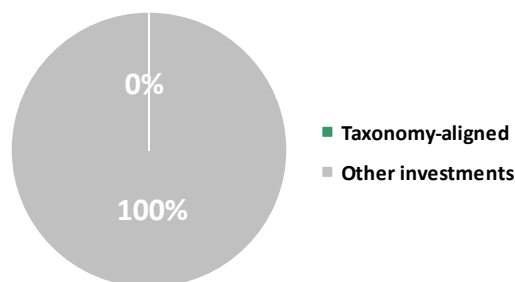
directly enable other activities to make a substantial contribution to an environmental objective.



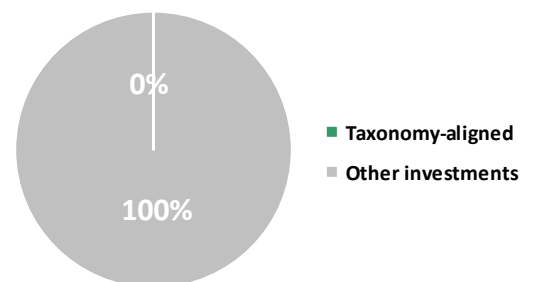
To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The sustainable investments within the sub-fund are not intending to be aligned with the EU Taxonomy, this is therefore assessed to be 0%. However, from time to time, the sub-fund may hold taxonomy aligned investments.

1. Taxonomy -alignment of investments including sovereign bonds



2. Taxonomy -alignment of investments excluding sovereign bonds



Transitional activities are

activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

● **What is the minimum share of investments in transitional and enabling activities?**

This is not applicable as the sub-fund does not have a specific minimum share of transitioning and enabling activities.



are sustainable investments with an environmental objective that do not take into account the criteria for environmentally sustainable economic



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The sub-fund promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 90% of sustainable investments. While the sub-fund does commit a minimum proportion of Sustainable Investments, it makes no commitment to EU Taxonomy alignment, however, this does not mean that the investments held by the sub-fund are harmful to the environment or unsustainable.



What is the minimum share of sustainable investments with a social objective?

The sub-fund does not commit to having a minimum share of socially sustainable investments, however, the Investment Adviser does look at the social characteristics, human and workforce rights, management behaviour and corporate social responsibility when assessing an issuer.



What investments are included under “#2 Not sustainable”, what is their purpose and are there any minimum environmental or social safeguards?

The sub-fund may hold cash and cash equivalents, financial derivative instruments may also be used for efficient portfolio management. This may also include investments that are not aligned for other reasons such as corporate actions and non-availability of data.



Is a specific index designated as a reference benchmark to meet the sustainable investment objective?

No

Reference benchmarks

are indexes to measure whether the financial product attains the environmental or social characteristics that they promote

- **How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?**

N/A

- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

N/A

- **How does the designated index differ from a relevant broad market index?**

N/A

- **Where can the methodology used for the calculation of the designated index be found?**

N/A



Where can I find more product specific information online?

More product-specific information can be found on the website:

www.assetmanagement.hsbc.com