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

☑ **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:_%**

☐ No

☐ **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?

The sub-fund aims to make a positive environmental, social and governance (ESG) impact, by investing in fixed income (e.g. bonds) and other similar securities issued by companies that contribute to United Nations Sustainable Development Goals (“Contributing Companies” and “SDGs”), while also aiming to provide long term total return.
The SDGs that the Contributing Companies contribute to 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 qualifies under Article 9 of SFDR.

The Investment Adviser will:
1. Investment into a portfolio of fixed income securities issued by companies that actively contribute to the United Nations Sustainable Development Goals (UNSDGs). Particularly those in relation 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 United Nations Global Compact (UNGC) 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.

The reference benchmark for sub-fund market comparison purposes is JP Morgan ESG EMBI Broad Diversified (the “Reference Benchmark”), however, this is not designated for the purpose of attaining the environmental or social characteristics promoted by the sub-fund.

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

- **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 Investment Adviser considers the UNSDGs that the Contributing Companies contribute to include, but are not limited to, Climate Action, Affordable and Clean Energy, Clean Water and Sanitation, Good Health and Well Being and Reduced Inequalities as sustainability indicators for the sub-fund. In addition the sub-fund considers some ESG labelled fixed income securities (“Labelled Securities”) that are aligned with the International Capital Market Association principles (“ICMA Principles”), which will not necessarily be issued by Contributing Companies. Labelled Securities include, but are not limited to, Green, Social, Sustainable, and Sustainability-Linked bonds.

The sub-fund also considers the Principal Adverse Impacts that are listed below:
- Violation of UNGC and OECD principles
- Exposure to companies active in fossil fuel sector
- Greenhouse gas intensity for sovereign issues
- Energy consumption intensity per high impact climate sector : Water supply; sewerage, waste management and remediation activities
- Water Emissions
- Lack of processes and compliance mechanisms to monitor compliance with the UNGC principles and OECD guidelines
- Share of investment involved in controversial weapons

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

The sustainable investments made by this sub-fund are aligned to its environmental characteristics.

The sub-fund aims to invest in a portfolio of securities that actively contribute to supporting the UNSDG's.

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.

The specific Principal Adverse Impacts for this sub-fund are as set out above.

HSBC's Responsible Investment Policy is available on the website at: www.assetmanagement/hsbc/about-us/responsible-investing/policies

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 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 Principal 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 Principal Adverse Impacts considered by the sub-fund are:

- Violation of UNGC and OECD principles
- Exposure to companies active in fossil fuel sector
- Greenhouse gas intensity for sovereign issues
- Energy consumption intensity per high impact climate sector : Water supply; sewerage, waste management and remediation activities
- Water Emissions
- Lack of processes and compliance mechanisms to monitor compliance with the UNGC principles and OECD guidelines
- Share of investment involved in controversial weapons

How Principal 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 sub-fund invests in Investment Grade, Non-Investment Grade and unrated fixed income securities of Contributing Companies. Contributing Companies are those that the Investment Adviser deems to be contributing to the support of the UNSDGs including but not limited to, Climate Action, Affordable and Clean Energy, Clean Water and Sanitation, Good Health and Well Being and Reduced Inequalities. The sub-fund will also invest in ESG labelled fixed income securities that are aligned with the ICMA principles, which will not necessarily be issued by Contributing Companies. Labelled Securities include, but are not limited to, Green, Social, Sustainable, and Sustainability-Linked bonds.

The sub-fund invests in normal market conditions, a minimum of 90% of its net assets in Investment Grade, Non-Investment Grade rated and unrated fixed income and other similar securities issued by Contributing Companies which are domiciled in, based in, carry out business activities in, or are listed on a Regulated Market in Emerging Markets. Securities will be primarily denominated in US Dollar.

The sub-fund will also invest in ESG labelled fixed income securities ("Labelled Securities") that are aligned with the International Capital Market Association principles ("ICMA Principles"), which will not necessarily be issued by Contributing Companies. Labelled Securities include, but are not limited to, Green, Social, Sustainable, and Sustainability-Linked bonds.

The Investment Adviser analyses the sub-fund's ESG impact as the fundamental consideration when determining the sub-fund's investment universe. The sub-fund's investment principles ("Investment Principles"), which are used together with ESG impact analysis and fundamental qualitative issuer 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 issuers regarding their ESG credentials at various stages of their ESG transition.
- Issuers following good ESG practices include, but are not limited to, issuers with efficient electricity and water usage and issuers with sound business ethics and transparency.
- Issuers following good ESG practices resulting in low and/or decreasing carbon intensity.

Labelled Securities aligned with ICMA Principles. Labelled Securities are not subject to the Excluded Activities detailed below.

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?**

Binding elements are:

• The sub-fund invests in normal market conditions, a minimum of 90% of its net assets in Investment Grade, Non-Investment Grade rated and unrated fixed income and other similar securities issued by Contributing Companies (as described above) which are domiciled in, based in, carry out business activities in, or are listed on a Regulated Market in Emerging Markets.

• Excluded Activities and specified involvement are proprietary to HSBC and include, but are not limited to:
- Issuers involved in the production of controversial weapons or their key components. Controversial weapons include but are not limited to anti-personnel mines, depleted uranium weapons and white phosphorous when used for military purposes. This exclusion is in addition to HSBC's banned weapons policy.
- Issuers involved in the production of tobacco.
- Issuers with more than 2.5% revenue generated from thermal coal extraction and do

not have a clearly defined, credible plan to reduce exposure to below 2.5%
- Issuers with more than 2.5% revenue generated from coal-fired power generation and do not have a clearly defined, creditable plan to reduce exposure to below 2.5%.
- Issuers considered to be breaching the United Nations Global Compact Principles.

• 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.

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

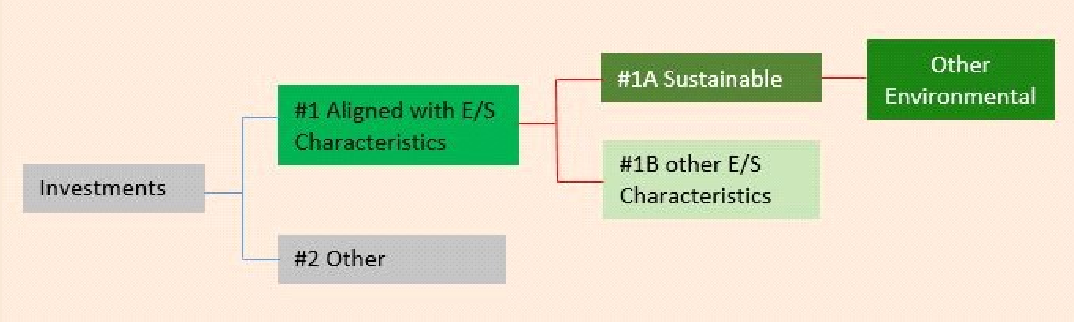
Asset allocation describes the share of investments in specific assets.

The sub-fund invests in normal market conditions, a minimum of 90% of its net assets in:
• Investment Grade, Non-Investment Grade rated and unrated fixed income and other similar securities issued by Contributing Companies which are domiciled in, based in, carry out business activities in, or are listed on a Regulated Market in Emerging Markets. Securities will be primarily denominated in US Dollar.
• The sub-fund may invest up to 10% of its net assets in convertible bonds (excluding contingent convertible securities).
• The sub-fund may invest up to 10% of its net assets in contingent convertible securities, however this is not expected to exceed 5%.
• 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 UCITS and/or UCIs, that may be selected by the Investment Adviser, will qualify under Article 9 of SFDR but may use different sustainability indicators and/or different sustainable investment approaches from those of the sub-fund.

Notwithstanding the above, the sub-fund may hold other investments including cash for the purposes of liquidity management and financial derivative instruments. The sub-fund may achieve its investment objective by investing in financial derivative instruments. However, the sub-fund does not intend to invest in financial derivative instruments extensively and their primary use will be for hedging purposes and cash flow management. The sub-fund may use financial derivative instruments for hedging purposes and cash flow management (for example, Equitisation). The financial derivative instruments the sub-fund is permitted to use include, but are not limited to, futures, options, swaps (such as credit default swaps and Total Return Swaps) and foreign exchange forwards (including non-deliverable forwards). Financial derivative instruments may also be embedded in other instruments in which the sub-fund may invest. Financial derivative instruments may also be used for efficient portfolio management purposes.

The sub-fund will have a minimum proportion of 90% of sustainable investments

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.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category #1 Aligned with E/S characteristics covers:
- The sub-category #1A Sustainable covers environmentally and socially sustainable investments.
- The sub-category #1B Other E/S characteristics covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

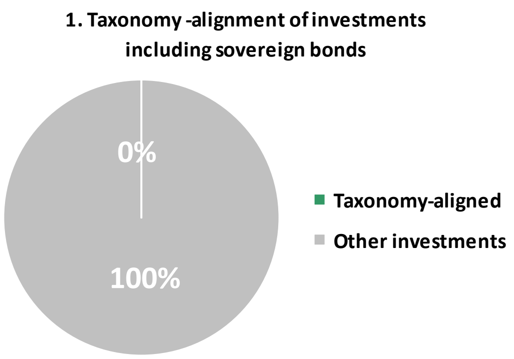
- ***How does the use of derivatives attain the sustainable investment objective?***

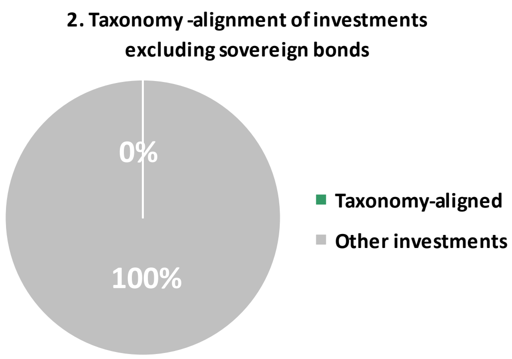
The sub-fund will not use derivatives to attain the environmental or social characteristics of the sub-fund.

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%. This does not mean that the investments held by the sub-fund are harmful to the environment or unsustainable. However, from time to time, the sub-fund may hold taxonomy aligned investments.





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