

Shareholder Rights Directive 2

Voting from Q2 2019 – Q1 2020

Our voting aims to support and encourage companies to follow local governance codes and international principles of good governance, social practice and environmental sustainability. We aim to vote on all equities for which clients have given us voting authority.

As global investors we recognise that corporate governance codes, standards and practices vary across different markets. We expect companies to apply governance good practice for their market of listing and for larger companies, to meet globally-recognised good practice standards. We look to directors of companies to provide effective stewardship and ensure that the companies act in the long-term interests of all shareholders. Our voting guidelines help us to hold them accountable. These guidelines are available at <https://www.assetmanagement.hsbc.co.uk/-/media/files/attachments/common/resource-documents/global-voting-guidelines-en.pdf>

We use proxy advisors to assist our voting at company meetings. We receive custom vote recommendations from them based on our own voting guidelines. For active & the most significant holdings, these recommendations are reviewed by fund managers and / or the stewardship team before implementation. We also use the proxy advisor's platform for vote instruction.

In the year to the end of March 2020, we voted on more than 68,000 resolutions at over 6,500 company meetings across 66 markets.

We supported management on 91% of resolutions, abstaining or voting against on 9%. The issue we most frequently opposed was director re-election (34% of votes against management) predominantly for reasons of lack of independence, followed by compensation (27%), followed by capitalisation issues. We regard votes against management as significant; the rationale for these votes is available in our voting disclosure.

[Shareholder Rights Directive 2 - Voting Q2 2019](#)

[Shareholder Rights Directive 2 - Voting Q3 2019](#)

[Shareholder Rights Directive 2 - Voting Q4 2019](#)

[Shareholder Rights Directive 2 - Voting Q1 2020](#)

