

Product Name: HSBC Global Funds ICAV - Sustainable Development Bank Bonds UCITS ETF

Legal Entity Identifier: 2138000AQYHCRHQY3Y87

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 practices.

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.

Sustainable investment objective

Did this financial product have a sustainable investment objective?	
<input checked="" type="radio"/> <input checked="" type="radio"/> <input checked="" type="checkbox"/> Yes	<input type="radio"/> <input type="radio"/> <input type="checkbox"/> No
<input type="checkbox"/> It made sustainable investments with an environmental objective: _%	<input type="checkbox"/> It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of 99.79% of sustainable investments
<input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
<input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
<input checked="" type="checkbox"/> It made sustainable investments with a social objective: 99.79%	<input type="checkbox"/> with a social objective
	<input type="checkbox"/> It promoted E/S characteristics, but did not make any sustainable investments



To what extent was the sustainable investment objective of this financial product met?

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

The investment objective of the Fund was to achieve regular income and capital growth while seeking to invest in bonds issued by select multilateral development banks the proceeds of which financially support sustainable economic development in developing countries.

The Fund sought to achieve its sustainable investment objective by tracking the FTSE World Broad Investment-Grade USD Multilateral Development Bank Bond Capped Index (the "Index") which measures the performance of US Dollar denominated debt issued by select multilateral development banks that are supranational institutions with mission statements that state the intention to promote sustainable economic development in developing countries by:

- financially supporting their sustainable development goals; or
- providing non-financial support for infrastructure development, such as policy advice or technical assistance.

The Index applied controversial conduct exclusions based on United Nations Global Compact (UNGC) Principles to the issuers. In addition, each issuer in the Index needs to publicly disclose that they have safeguarding policies in place to mitigate and reduce environmental and social risks in the public domain arising from the projects they finance. Issuers that are non-compliant for UNGC violations or do not have safeguard policies are removed from the Index at the next monthly rebalance.

The Index was used as a reference benchmark for the purpose of attaining the sustainable investment objective.

The Sub-Fund did not use derivatives to attain the sustainable investment objective.

The performance of the sustainability indicators used to measure the attainment of the sustainable investment objective of the Fund can be seen in the table below. The sustainability indicators were calculated by the Investment Manager and utilises data from third party data vendors.

The data can be based on company/issuer disclosures, or estimated by the data vendors in the absence of company/ issuer reports. Please note that it was not always possible to guarantee the accuracy, timeliness or completeness of data provided by third party vendors.

How did the sustainability indicators perform?

Indicator	Sub-Fund	Reference Benchmark
The exposure of the Fund to bonds issued by multilateral development banks with a mission statement to promote sustainable economic development in developing countries by financially supporting their sustainable development goals or by providing non-financial support for infrastructure development such as policy advice or technical assistance, as determined by the Index Provider, which is expected to be at least 90%	99.79%	100%
11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	0.00%	0.00%
The exposure of the Fund to issuers who disclose the safeguard policies they have in place to mitigate and reduce environmental and social risks in the public domain, as determined by the Index Provider, which is expected to be 90%	99.79%	100%

The data is based on the four-quarter average holdings of the financial year ending on 31 December 2024.

Reference Benchmark - FTSE Fixed Income FTSE World Broad Investment-Grade USD Multilateral Development Bank Bond Capped Index

● ***...and compared to previous periods?***

This Sub-Fund launched in the reference period, and as such there are no previous periods to compare against.

● ***How did the sustainable investments not cause significant harm to any sustainable investment objective?***

The Index applied controversial conduct exclusions based on UNGC to the multilateral development banks. In addition, each multilateral development bank needed to disclose they had safeguard policies in place to mitigate and reduce environmental and social risks in the public domain arising from the projects they finance. This disclosure on the public websites is reviewed on an annual basis in July of each year. Multilateral development banks that do not have safeguard policies are removed from the Index at the next monthly rebalance.

In addition, the sustainable investments were deemed by the Investment Manager to not have caused significant harm against any environmental or social sustainable investment objective following assessment against the below considerations:

- Banned & controversial weapons involvement;
- Tobacco production revenues above 0%;
- Thermal coal extraction revenues above 10%;
- Thermal coal power generation revenues above 10%;

- Compliance with United Nations Global Compact principles; and
- Involvement in controversies of the highest levels.

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 were the indicators for adverse impacts on sustainability factors taken into account?

Principal adverse impacts, namely PAI 16 (Investee companies subject to social violations), was taken into account in the Index construction process under which the each issuer needed to disclose they have safeguarding policies in place to mitigate and reduce environmental and social risks in the public domain arising from the projects they finance. This disclosure on the public websites was reviewed on an annual basis in July of each year and taken into account at every rebalance.

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

The Index excluded issuers in violation of the UN Guiding Principles on Business and Human Rights and OECD Guidelines for Multinational Enterprises.



How did this financial product consider principal adverse impacts on sustainability factors?

PAI 16 (Investee companies subject to social violations) was taken into account in the Index construction process under which the each issuer needs to disclose they have safeguarding policies in place to mitigate and reduce environmental and social risks in the public domain arising from the projects they finance.

This disclosure on the public websites was reviewed on an annual basis in July of each year and taken into account at every rebalance. Moreover, the Index must only have contained multilateral development banks that were supranational institutions with mission statements that state the intent to promote sustainable economic development in developing countries, by financially supporting their sustainable development goals, or by providing non-financial support for infrastructure development, such as policy advice or technical assistance.



What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: Based on the four-quarter average holdings of the reference period as at 31/12/2024

Largest Investments	Sector	% Assets	Country
Inter-american Development Bank 4.5% 15-may-2026	Government	3.50%	SUPRANATIONAL
Inter-american Development Bank 4.125% 15-feb-2029	Government	2.98%	SUPRANATIONAL
International Bank For Reconstruction & Development 3.125% 15-jun-2027	Government	2.61%	SUPRANATIONAL
Inter-american Development Bank (brazil) 4.375% 01-feb-2027	Government	2.40%	SUPRANATIONAL
International Bank For Reconstruction & Development 4.0% 10-jan-2031	Government	2.40%	SUPRANATIONAL
International Bank For Reconstruction & Development 4.625% 01-aug-2028	Government	2.21%	SUPRANATIONAL
Asian Development Bank 4.875% 21-may-2026	Government	2.20%	SUPRANATIONAL
Asian Development Bank 4.375% 06-mar-2029	Government	2.09%	SUPRANATIONAL
International Bank For Reconstruction & Development 4.75% 10-apr-2026	Government	2.04%	SUPRANATIONAL
International Development Association 4.375% 11-jun-2029	Government	2.02%	SUPRANATIONAL
Asian Development Bank 1.5% 20- jan-2027	Government	1.91%	SUPRANATIONAL
Inter-american Development Bank 1.125% 13-jan-2031	Government	1.91%	SUPRANATIONAL
Inter-american Development Bank 3.5% 14-sep-2029	Government	1.85%	SUPRANATIONAL
Asian Development Bank 4.125% 12-jan-2027	Government	1.83%	SUPRANATIONAL
International Bank For Reconstruction & Development 3.875% 14-feb-2030	Government	1.78%	SUPRANATIONAL

Cash and derivatives were excluded

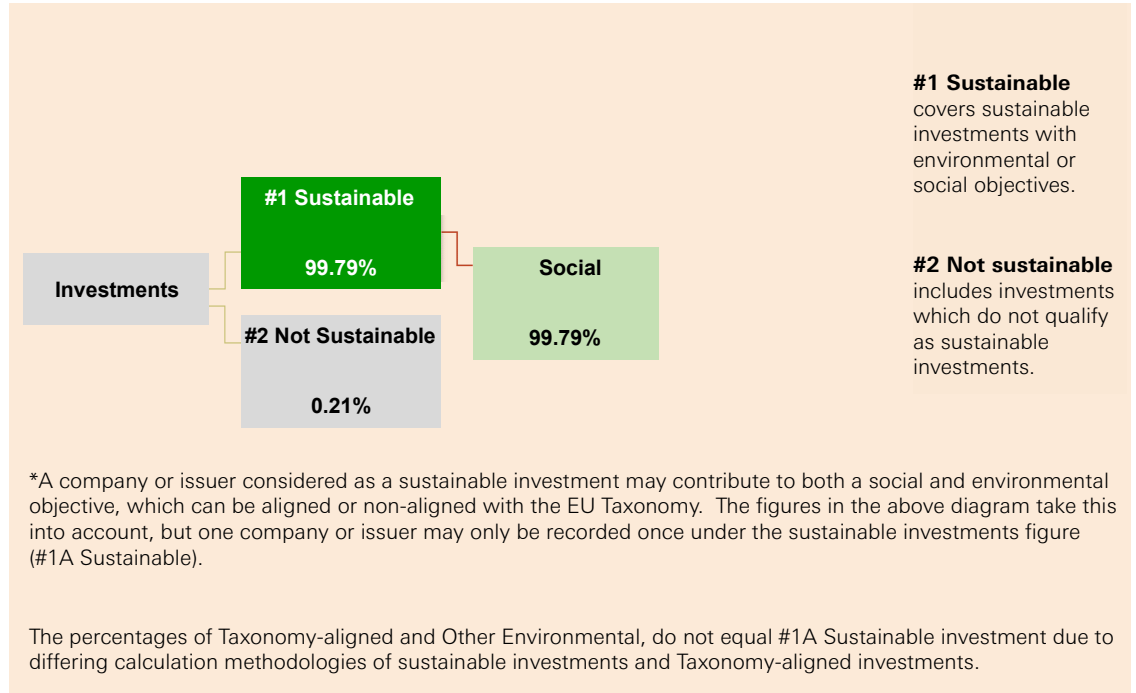


What was the proportion of sustainability-related investments?

99.79% of the portfolio was invested in sustainable investments.

What was the asset allocation?

Asset allocation
describes the share of investments in specific assets.



In which economic sectors were the investments made?

Sector / Sub-Sector	% Assets
Government	99.79%
Other	0.12%
Cash & Derivatives	0.09%
Financials	0.01%
Total	100.00%

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.



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

The Sub-Fund did not make sustainable investments aligned with the EU Taxonomy.

Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy¹?

Yes: In fossil gas In nuclear energy

No

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do no significant harm to any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies

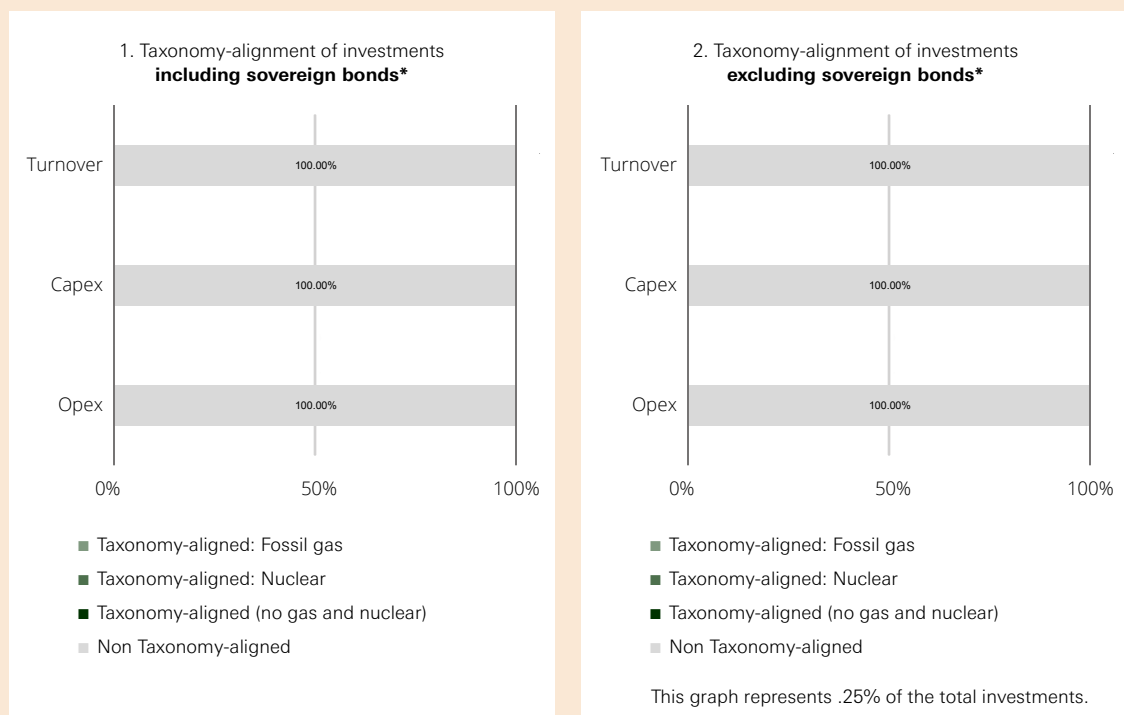
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.

- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

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.

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

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*




* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

● **What was the share of investments made in transitional and enabling activities?**

For the reference period Sub-Fund's share of investment in transitional activities was 0.00% and the share of investment in enabling activities was 0.00%.

● **How did the percentage of investments aligned with the EU Taxonomy compare with previous reference periods?**

Indicator	2023-24
Revenue - Taxonomy-aligned: Fossil gas	0.00%
Revenue - Taxonomy-aligned: Nuclear	0.00%
Revenue - Taxonomy-aligned (no gas and nuclear)	0.00%
Revenue - Non Taxonomy-aligned	100.00%
CAPEX - Taxonomy-aligned: Fossil gas	0.00%
CAPEX - Taxonomy-aligned: Nuclear	0.00%
CAPEX - Non Taxonomy-aligned	100.00%
CAPEX - Taxonomy-aligned (no gas and nuclear)	0.00%
OPEX - Taxonomy-aligned: Fossil gas	0.00%
OPEX - Taxonomy-aligned: Nuclear	0.00%
OPEX - Taxonomy-aligned (no gas and nuclear)	0.00%
OPEX - Non Taxonomy-aligned	100.00%

 are sustainable investments with an environmental objective that **do not take into account the criteria for environmentally sustainable economic activities** under Regulation (EU) 2020/852.



What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?

The sustainable investments with an environmental objective not aligned with the EU Taxonomy were 99.79%. Due to lack of coverage and data, the Sub-Fund did not commit to making any EU Taxonomy aligned investments.



What was the share of socially sustainable investments?

99.79%



What investments were included under “not sustainable”, what was their purpose and were there any minimum environmental or social safeguards?

Other instruments such as cash, Eligible Collective Investment Schemes and/or financial derivative instruments may have been used for hedging and liquidity management in respect of which there were no minimum environmental and/or social safeguards.



What actions have been taken to attain the sustainable investment objective during the reference period?

The investment objective of the Sub-Fund was to achieve regular income and capital growth while seeking to invest in bonds issued by select multilateral development banks the proceeds of which financially support sustainable economic development in developing countries. The Sub-Fund had a sustainable investment objective to invest in bonds the proceeds of which financially supported sustainable economic development in developing countries. The Sub-Fund achieved its sustainable investment objective by tracking the Index which had a methodology aligned with that sustainable objective and so the Index was designated as the Sub-Fund’s reference benchmark for the purpose of attaining that sustainable objective.

The Sub-Fund used Optimisation techniques which took into account tracking error, trading costs and availability of Index constituents when constructing the portfolio.

The bonds in the Index were issued by multilateral development banks that are supranational institutions with mission statements that state the intent to promote sustainable economic development in developing countries, by financially supporting their sustainable development goals, or by providing non-financial support for infrastructure development, such as policy advice or technical assistance. To be eligible for inclusion in the Index, a multilateral development bank must have all of the G7 countries as members.

The Index applied controversial conduct exclusions based on UNGC to the multilateral development banks. In addition, each multilateral development bank needed to disclose that they have safeguard policies in place to mitigate and reduce environmental and social risks in the public domain arising from the projects they finance. This disclosure on the public websites was reviewed on an annual basis in July. If applicable, multilateral development banks that do not have safeguard policies were removed from the Index at the next monthly rebalance.



How did this financial product perform compared to the reference sustainable benchmark?

See below for details on how the Sub-Fund performed compared to the reference benchmark.

Reference benchmarks are indexes to measure whether the financial product attains the sustainable objective.

● **How did the reference benchmark differ from a broad market index?**

The Index measured the performance of US dollar-denominated debt issued by select multilateral development banks in the FTSE World Broad Investment-Grade Bond Index and included issuers with a minimum credit quality of BBB- by S&P or Baa3 by Moody's. The market weight of the issuers was capped at 25%

The Index must only contain multilateral development banks that were supranational institutions with mission statements to promote sustainable economic development in developing countries, by financially supporting their sustainable development goals, or by providing non-financial support for infrastructure development, such as policy advice or technical assistance. To be eligible for inclusion, a multilateral development bank must have all of the G7 countries as members.

Issuers that were non-compliant for UNGC violations or who did not disclose the safeguard policies that they have in place in the public domain were removed from the Index.

● **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the sustainable investment objective?**

In seeking to achieve its investment objective, the Sub-Fund invested in the constituents of the Index in generally the same proportions in which they were included in the Index.

In doing so, the performance of the sustainability indicators of the Sub-Fund was similar to the performance of the sustainability indicators of the Index, as shown below.

● **How did this financial product perform compared with the reference benchmark?**

Indicator	Sub-Fund	Reference Benchmark
The exposure of the Fund to bonds issued by multilateral development banks with a mission statement to promote sustainable economic development in developing countries by financially supporting their sustainable development goals or by providing non-financial support for infrastructure development such as policy advice or technical assistance, as determined by the Index Provider, which is expected to be at least 90%	99.79%	100%
11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	0.00%	0.00%
The exposure of the Fund to issuers who disclose the safeguard policies they have in place to mitigate and reduce environmental and social risks in the public domain, as determined by the Index Provider, which is expected to be 90%	99.79%	100%

The data is based on the four-quarter average holdings of the financial year ending on 31 December 2024.

Reference Benchmark - FTSE Fixed Income FTSE World Broad Investment-Grade USD Multilateral Development Bank Bond Capped Index

● **How did this financial product perform compared with the broad market index?**

With the exception of issuers violating UNGC principles, the sustainability indicators selected for this Sub-Fund are specific to the multilateral development bank bonds universe, which only makes up a small proportion of the broader investment universe, as such no comparison to a Broad Market Index has been provided.