

**Product Name:** HSBC Global Funds ICAV - Global ESG Government Bond UCITS ETF

**Legal Entity Identifier:** 213800VD7NNXQHMT9M96

**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.

## Environmental and/or social characteristics

### Did this financial product have a sustainable investment objective?

<p><input checked="" type="radio"/> <input checked="" type="radio"/> <input type="checkbox"/> <b>Yes</b></p> <p><input type="checkbox"/> It made <b>sustainable investments with an environmental objective:</b> _%</p> <p><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> It made <b>sustainable investments with a social objective:</b> _%</p>	<p><input checked="" type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> <b>No</b></p> <p><input checked="" type="checkbox"/> It <b>promoted Environmental/Social (E/S) characteristics</b> and while it did not have as its objective a sustainable investment, it had a proportion of 67.27% of sustainable investments</p> <p><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</p> <p><input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> with a social objective</p> <p><input type="checkbox"/> It promoted E/S characteristics, but <b>did not make any sustainable investments</b></p>
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### To what extent were the environmental and/or social characteristics promoted by this financial product met?

In tracking the performance of the Bloomberg MSCI Global Treasury ESG Weighted Bond (USD unhedged) Index (the "Index"), the Sub-Fund met the environmental and/or social characteristics through the following measures:

- Management of long term environmental, social and governance related issues that could impact the long-term sustainability of economies as measured by MSCI Government ESG scores. MSCI Government ESG scores provided an opinion of sovereign and sub-sovereign entities' exposure to and management of ESG risks. The ESG risk factors considered by MSCI ESG Government scores ranged across environmental, social and governance pillars and are determined by MSCI. The ESG risks considered related to natural resources, climate change and natural hazards, human capital, economic environment, financial governance and political governance. The Sub-Fund targeted this by improving the MSCI Government ESG score against that of the Bloomberg Global Aggregate Treasury Index (the "Parent Index").

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

The Sub-Fund sought to achieve the promotion of the characteristics by tracking the performance of the Index which used MSCI ESG sovereign scores to tilt country allocations above or below their market value weights in the Parent Index in order to reduce exposure to countries with high exposure to and/or low management of ESG risks and to improve the exposure to countries with favorable ESG ratings.

The Index has been designated as a reference benchmark for the purpose of attaining the environmental and/or social characteristics promoted by the Sub-Fund.

The Sub-Fund did not use derivatives to attain the environmental and/or social characteristics of the Sub-Fund.

The performance of the sustainability indicators used to measure the attainment of the environmental and/or social characteristics promoted by the Sub-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?***

<b>Sustainability Indicator</b>	<b>Sub-Fund</b>	<b>Broad Market Index</b>
ESG score (third-party score)	6.57	5.80

The data in this SFDR Periodic Report is based on the four-quarter average holdings of the financial year ending on 31 December 2025.

Broad Market Index - Bloomberg Global Aggregate Treasury Index

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

<b>Sustainability Indicator</b>	<b>Period Ending</b>	<b>Sub-Fund</b>	<b>Broad Market Index</b>
ESG score (third-party score)	31 December 2025	6.57	5.80
	31 December 2024	6.65	5.83
	31 December 2023	6.64	5.74

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Broad Market Index - Bloomberg Global Aggregate Treasury Index

● ***What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?***

The sustainable investments made by the Sub-Fund contributed to one or more of the following environmental and/or social objectives:

- Supporting progress towards the United Nations Sustainable Development Goals (“UN SDGs”); and/or
- Positive contribution to climate change mitigation.

Investments were considered sustainable if they made a positive contribution to an environment or social objective in accordance with the Investment Manager’s sustainable investment policy. A sovereign issuer’s positive contribution was determined by meeting one of the following criteria:

- SDG performance: countries assessed as best-in-class based on their performance against the UN SDGs (using the SDG Index and an income-adjusted best-in-class approach); or
- Climate change mitigation: countries assessed as best-in-class based on their positive contribution to climate change mitigation (using Carbon4 Finance methodology and indicators).

The Sub-Fund did not commit to making sustainable investments. However, because it seeks to replicate the performance of the Index, it gained exposure to investments that qualify as sustainable investments and that contributed to the sustainable objectives described above.

Further information can be found in HSBC’s Responsible Investing Methodologies document. This is available on: [www.assetmanagement.hsbc.com/about-us/responsible-investing](http://www.assetmanagement.hsbc.com/about-us/responsible-investing), by selecting your location and then choosing Policies and Disclosures.

● ***How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?***

The sustainable investments in the Sub-Fund were assessed against the principle of do no significant harm (“DNSH”) to ensure they did not significantly harm any environmental or social objective. This included taking into account principal adverse impacts (“PAIs”) as further described below.

In addition, companies earning 50% or more of their revenue from adult entertainment, gambling, alcohol, and those identified as involved in severe controversies by a third- party research provider, did not pass the DNSH principle. The DNSH principle applied only to the investments in the Sub-Fund deemed sustainable.

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

**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.

The mandatory PAIs as defined in Table 1 of Annex 1 of the regulatory technical standards for Regulation 2019/2088 were used to assess whether the sustainable investments of the Sub-Fund were significantly harming the environmental or social objective.

To support the DNSH assessment, quantitative criteria was established across the PAIs.

In instances where data was either non-existent or not sufficient, either a qualitative review and/or a relevant proxy may have been used as an alternative. Where a company was determined to cause or contribute to significant harm, it may still have been held within the Sub-Fund but did not count toward the portion of 'sustainable investments' within the Sub-Fund.

Further information on the mandatory principal adverse impact indicators, as well as the data sources and limitations, can be found in HSBC's User Guide on Principal Adverse

Indicators. This is available on: [www.assetmanagement.hsbc.com/about-us/responsible-investing](http://www.assetmanagement.hsbc.com/about-us/responsible-investing), by selecting your location and then choosing Policies and Disclosures.

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

The Investment Manager used a combination of third party research and its own ESG due diligence to monitor sustainable investments for involvement in controversies which included potential breaches of UNGC principles. As part of this monitoring, there was assessment against international standards including the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct and UN Guiding Principles on Business and Human Rights.

HSBC Asset Management is also a signatory of the UN Principles of Responsible Investment.

The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the Union criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the Union criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



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

The Bloomberg (BBG) index was constructed using a combination of BBG and MSCI data. The MSCI proprietary data on each country provided MSCI ESG Government Rating scores and rated countries on a seven-point scale from 'AAA' (best) to 'CCC' (worst). Ratings were derived from 0-10 scores on underlying factors in three pillars: Environmental, Social, and Governance. The model contained scores on all these sub-factors to provide granular insight on a country's performance on the issues.

The risk factors included in the assessment of a country's MSCI ESG government rating score were:

1) Environmental risks; Natural resources & Environmental externalities and vulnerability. These risk factors cover how countries effectively managed water use, land use and mineral resources (PAI 5) and impact on environmental externalities (PAI 7,8), it also includes energy resource management and conservation (PAI 1,2)

2) Social Risk; Human Capital and Economic environment.

3) Governance Risk; Financial governance & political governance. The risk factors included politic rights and civil liberties, corruption control and stability and peace (PAI 10) Included are a set of screening factors for each country which shows the profile of a country's status with respect to various values-and mission-based issues and controversies, such as child or forced labour and armed conflicts, and whether the country is a party to international conventions related to endangered species, biological diversity, chemical and biological weapons (PAI 7, 14). The methodology used the ESG Government rating score (as calculated by MSCI) to apply tilt factors to increase weight to those countries with more robust ESG characteristics.

<b>Principal Adverse Impact</b>	<b>Period Ending</b>	<b>Sub-Fund</b>	<b>Broad Market Index</b>
1. GHG Emissions - Metric tons CO2 equivalent	31 December 2025	0.00	0.00
2. Carbon Footprint - Metric tons of CO2 per million of Euros (EVIC)	31 December 2025	0.0	0.00
5a. Share of non-renewable energy consumption	31 December 2025	0.00%	0.00%
5b. Share of non-renewable energy production	31 December 2025	0.00%	0.00%
7. Activities negatively affecting biodiversity sensitive areas	31 December 2025	0.00%	0.00%
8. Emissions to water - Thousands of Metric tons per million of Euros invested	31 December 2025	0.00	0.00
10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	31 December 2025	0.00%	0.00%
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	31 December 2025	0.00%	0.00%

The data in this SFDR Periodic Report is based on the four-quarter average holdings of the financial year ending on 31 December 2025. Only PAI 15 and PAI 16 are applicable to sovereign issuers; the other reported PAIs relate solely to corporate issuers. As a result, several PAIs are shown as zero for the Sub-Fund because these indicators are not applicable to sovereign bond holdings. The continued inclusion of these PAIs in the Sub-Fund's reporting will be reviewed ahead of next year's reporting cycle.

Broad Market Index - Bloomberg Global Aggregate Treasury Index



## 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 31/12/2025

<b>Largest Investments</b>	<b>Sector</b>	<b>% Assets</b>	<b>Country</b>
Government Of Germany 0.25% 15-feb-2027	Government	0.61%	Germany
Government Of United Kingdom 4.125% 29-jan-2027	Government	0.55%	United Kingdom of Great Britain and Northern Ireland
Government Of Germany 2.6% 15-aug-2033	Government	0.53%	Germany
Government Of United Kingdom 4.5% 07-jun-2028	Government	0.52%	United Kingdom of Great Britain and Northern Ireland
Government Of Germany 0.5% 15-aug-2027	Government	0.49%	Germany
Government Of The United States Of America 3.75% 15-aug-2027	Government	0.49%	United States of America
Government Of The United States Of America 3.25% 30-jun-2027	Government	0.48%	United States of America
Government Of Germany 2.4% 15-nov-2030	Government	0.47%	Germany
Government Of The United States Of America 0.5% 30-apr-2027	Government	0.46%	United States of America
Government Of The United States Of America 3.875% 30-nov-2029	Government	0.46%	United States of America
Government Of The United States Of America 3.875% 30-sep-2029	Government	0.46%	United States of America
Government Of The United States Of America 4.125% 31-oct-2027	Government	0.45%	United States of America
Government Of Germany 0.0% 15-feb-2031	Government	0.44%	Germany
Government Of The United States Of America 2.875% 15-may-2032	Government	0.44%	United States of America
Government Of Germany 2.1% 15-nov-2029	Government	0.43%	Germany

Cash and derivatives were excluded

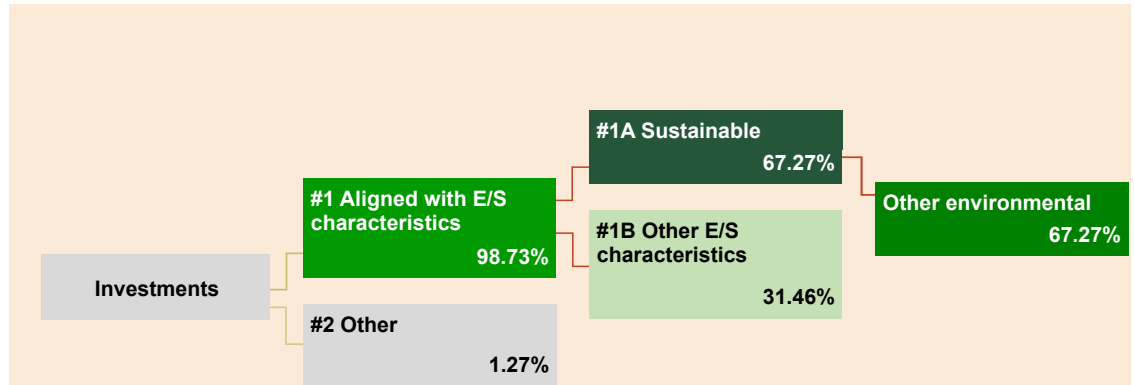


## What was the proportion of sustainability-related investments?

67.27% of the portfolio was invested in sustainable investments.

**Asset allocation** describes the share of investments in specific assets.

### What was the asset allocation?



**#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.

**#2 Other** 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.

\*A company or issuer considered as a sustainable investment may contribute to both a social and environmental objective, which can be aligned or non-aligned with the EU Taxonomy. The figures in the above diagram take this into account, but one Company or Issuer may only be recorded once under the sustainable investments figure (#1A Sustainable).

Due to the difference in the calculation methods, the percentages of Taxonomy-aligned and Other environmental, do not equal #1A Sustainable.

### In which economic sectors were the investments made?

Sector / Sub-Sector	% Assets
Government	99.63%
Cash & Derivatives	0.37%
Total	100.00%



## 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 Taxonomy<sup>1</sup>?

Yes:

In fossil gas       In nuclear energy

No

<sup>1</sup> 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.

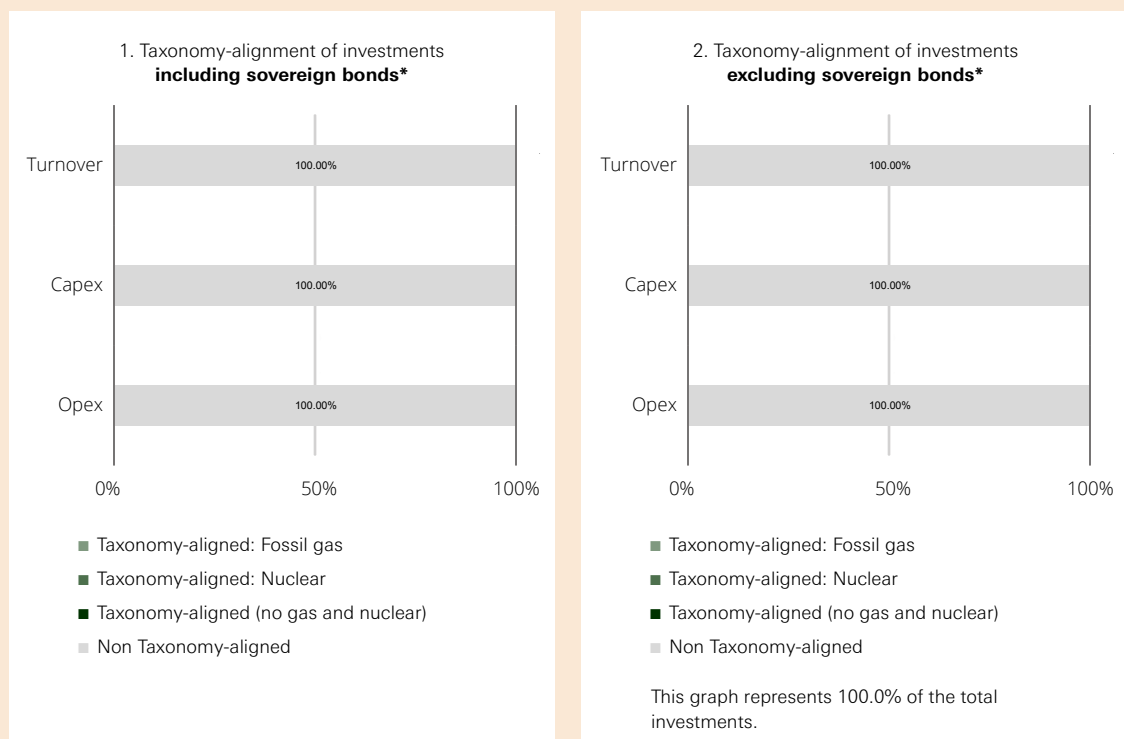
To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflects the "greenness" of investee companies today.
- **capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure** (OpEx) reflects the 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.

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

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

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

Indicator	2024-25	2023-24	2022-23
Revenue - Taxonomy-aligned: Fossil gas	0.00%	0.00%	0.00%
Revenue - Taxonomy-aligned: Nuclear	0.00%	0.00%	0.00%
Revenue - Taxonomy-aligned (no gas and nuclear)	0.00%	0.00%	0.00%
Revenue - Non Taxonomy-aligned	100.00%	100.00%	100.00%
CAPEX - Taxonomy-aligned: Fossil gas	0.00%	0.00%	0.00%
CAPEX - Taxonomy-aligned: Nuclear	0.00%	0.00%	0.00%
CAPEX - Taxonomy-aligned (no gas and nuclear)	0.00%	0.00%	0.00%
CAPEX - Non Taxonomy-aligned	100.00%	100.00%	100.00%
OPEX - Taxonomy-aligned: Fossil gas	0.00%	0.00%	0.00%
OPEX - Taxonomy-aligned: Nuclear	0.00%	0.00%	0.00%
OPEX - Taxonomy-aligned (no gas and nuclear)	0.00%	0.00%	0.00%
OPEX - Non Taxonomy-aligned	100.00%	100.00%	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 not aligned with the EU Taxonomy?**

The sustainable investments with an environmental objective not aligned with the EU Taxonomy were 67.27%. The Sub-Fund did not commit to making any EU Taxonomy aligned investments.

 **What was the share of socially sustainable investments?**

The Sub-Fund did not invest in socially sustainable investments.

 **What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?**

Cash and other instruments such as Eligible Collective Investment Schemes and/or financial derivative instruments such as currency forwards may have been used for hedging and efficient portfolio management in respect of which there were no minimum environmental and/or social safeguards.



**What actions have been taken to meet the environmental and/or social characteristics during the reference period?**

The Sub-Fund was passively managed and aimed to track the performance of the Index while minimising as far as possible the tracking error between the Sub-Fund's performance and that of the Index and promoting ESG characteristics within the meaning of Article 8 of SFDR. The Sub-Fund used optimisation techniques which take account of tracking error and trading costs when constructing a portfolio. The Index measured the performance of investment grade, fixed-rate, taxable securities issued by government and government-related issuers using ESG sovereign scores to tilt country allocations above or below their market value weights in the Bloomberg Global Aggregate Treasury Index. The Index achieved this in the following way: On a monthly basis, the Index used fixed multipliers to adjust the weight of each eligible security in the Index above or below their market value weights in the Parent Index. Security weights were then normalized using these adjusted market values.



## How did this financial product perform compared to the reference 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 environmental or social characteristics that they promote.

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

The Index measures the performance of investment grade, fixed-rate, taxable securities issued by government and government-related issuers using MSCI Government ESG scores to tilt country allocations above or below their market value weights in the Bloomberg Global Aggregate Treasury Index. On a monthly basis, the Index used fixed multipliers to adjust the weight of each eligible security in the Index above or below their market value weights in the Parent Index. Security weights were then normalized using these adjusted market values.

### ● **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?**

In seeking to achieve its investment objective, the Sub-Fund invests 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?**

Sustainability Indicator	Sub-Fund	Reference Benchmark
<b>Identification and analysis of a company's environmental and social factors</b>		
ESG score (third-party score)	6.57	6.57

The data in this SFDR Periodic Report is based on the four-quarter average holdings of the financial year ending on 31 December 2025.

Reference Benchmark - Bloomberg MSCI Global Treasury ESG Weighted Bond (USD unhedged) Index

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

Sustainability Indicator	Sub-Fund	Broad Market Index
<b>Identification and analysis of a company's environmental and social factors</b>		
ESG score (third-party score)	6.57	5.80

The data in this SFDR Periodic Report is based on the four-quarter average holdings of the financial year ending on 31 December 2025.

Broad Market Index - Bloomberg Global Aggregate Treasury Index