

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.

Product Name: HSBC MSCI EMERGING MARKETS VALUE SCREENED UCITS ETF

Legal Entity Identifier: 213800K3JLJ32C6MT947

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"/> Yes</p> <p><input type="checkbox"/> It made sustainable investments with an environmental objective: <u> </u>%</p> <p style="margin-left: 20px;"><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</p> <p style="margin-left: 20px;"><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> It made sustainable investments with a social objective: <u> </u>%</p>	<p><input checked="" type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> No</p> <p><input checked="" 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 31.80% of sustainable investments</p> <p style="margin-left: 20px;"><input checked="" type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</p> <p style="margin-left: 20px;"><input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</p> <p style="margin-left: 20px;"><input type="checkbox"/> with a social objective</p> <p><input type="checkbox"/> It promoted E/S characteristics, but did not make any sustainable investments</p>
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To what extent were the environmental and/or social characteristics promoted by this financial product met?

In replicating the performance of the MSCI Emerging Markets Value Select Screens Advanced Index (the "Index"), the Fund met the environmental and/or social characteristics through the following measures:

- Better management of a broad range of environmental and social risks, and where applicable, positioning to meet demand for provision of goods and services that had a positive environmental or social contribution, collectively measured by MSCI ESG ratings. MSCI ESG ratings provided an opinion of companies' management of financially relevant ESG risks and opportunities. Each company was assessed on relevant environmental, social and governance themes, and where applicable, positioning to meet market demand for the

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

provision of products and services that had a positive environmental or social contribution. The themes determined by MSCI were climate change, natural capital, pollution and waste, environmental opportunities, human capital, product liability, stakeholder opposition, social opportunities, corporate governance and corporate behaviour. The Fund targeted this through an improvement of the MSCI ESG rating against that of the MSCI Emerging Markets Index (the "Parent Index").

The Fund sought to achieve the promotion of the characteristics by replicating the performance of the Index which removed companies based on sustainability exclusionary criteria and United Nations Global Compact exclusionary criteria and improved the exposure to companies with favourable MSCI ESG ratings.

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

The performance of the sustainability indicators the Fund used to measure the attainment of the environmental or social characteristics that it promoted can be seen in the table below. The sustainability indicators were calculated by the Investment Manager and utilise 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?***

Sustainability Indicator	Fund	Broad Market Index
ESG score (third-party score)	7.29	6.21

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 - MSCI Emerging Markets Index

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

Sustainability Indicator	Period Ending	Fund	Broad Market Index
ESG score (third-party score)	31 December 2025	7.29	6.21
	31 December 2024	7.01	5.80
	31 December 2023	6.72	5.44

Broad Market Index - MSCI Emerging Markets 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 Fund contributed to one or more of the following environmental and/or social objectives:

- Transition to a lower carbon economy;
- Supporting research and financing of technology, resources and supply chain improvements relating to climate change mitigation and/or adaptation;
- Supporting the enhancement of the United Nations Sustainable Development Goals (“UN SDGs”); and
- Adopting the highest level of environmental and social practices, ranging from the approach to climate change mitigation to board gender diversity.

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 sustainable investment’s contribution to these objectives was determined by meeting one or more of the following criteria:

- Classification as net zero aligned, or better, by the Investment Manager’s net zero investment framework;
- Best in class environmental and / or social scores in the investment’s respective universe, as determined by the Investment Manager;
- Generation of sustainable revenues, which are those generated from activities that the Investment Manager regarded as supporting the enhancement of the UN SDGs, EU

Taxonomy objectives or other climate related activities.

Further information can be found in HSBC’s Responsible Investing Methodologies document. This is available on: 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 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 Fund deemed sustainable.

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

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 Fund were significantly harming the environmental or social objective.

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

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.

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 Fund but did not count toward the portion of 'sustainable investments' within the 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, 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 sustainability related investment data inputs into the Index methodology (e.g. ESG scores, carbon data) implicitly captured mandatory PAI metrics used in the construction of the Index.

Principal Adverse Impact	Period Ending	Fund	Broad Market Index
1. GHG Emissions - Metric tons CO2 equivalent	31 December 2025	5,993.68	404,411,518.86
2. Carbon Footprint - Metric tons of CO2 per million of Euros (EVIC)	31 December 2025	107.67	261.10

3. GHG Intensity of investee companies - Tons of CO2 equivalents per million of Euros of revenue	31 December 2025	192.98	335.46
10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	31 December 2025	6.13%	5.99%
11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	31 December 2025	10.64%	12.74%
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	31 December 2025	0.00%	0.00%

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Broad Market Index - MSCI Emerging Markets 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

Largest Investments	Sector	% Assets	Country
Taiwan Semiconductor Manufacturing Co., Ltd.	Information Technology	11.67%	Taiwan
Tencent Holdings Ltd	Communication Services	3.60%	China
SK hynix Inc.	Information Technology	3.36%	Korea
China Construction Bank Corporation Class H	Financials	3.00%	China
Baidu, Inc. Class A	Communication Services	2.58%	China
Samsung Electronics Co Ltd Pfd Non-Voting	Information Technology	2.48%	Korea
Samsung Electronics Co., Ltd.	Information Technology	2.42%	Korea
Hana Financial Group Inc.	Financials	2.08%	Korea
United Microelectronics Corp.	Information Technology	1.94%	Taiwan
Saudi Telecom Co.	Communication Services	1.93%	Saudi Arabia
Infosys Limited	Information Technology	1.64%	India
Bank of China Limited Class H	Financials	1.55%	China
Gold Fields Limited	Materials	1.52%	South Africa
Alibaba Group Holding Limited	Consumer Discretionary	1.51%	China
Industrial and Commercial Bank of China Limited Class H	Financials	1.47%	China

Cash and derivatives were excluded

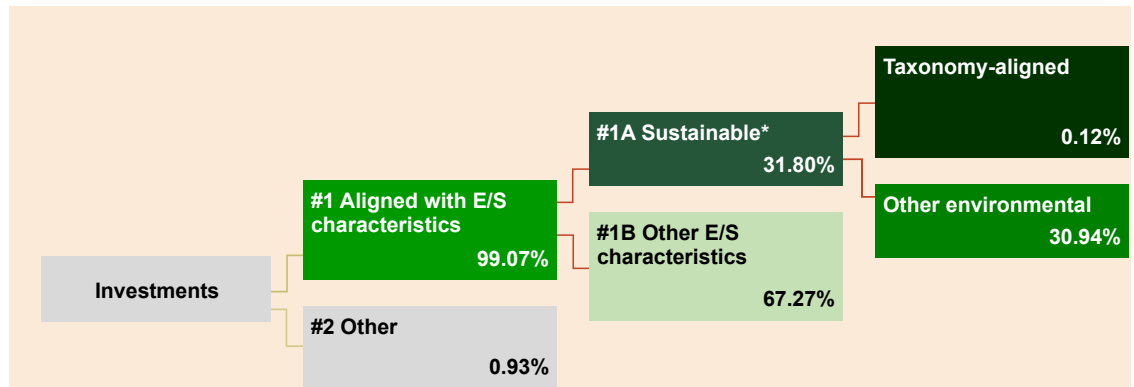


What was the proportion of sustainability-related investments?

31.80% 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
Information Technology	29.54%
Financials	21.43%
Consumer Discretionary	12.80%
Communication Services	12.74%
Health Care	6.26%
Materials	5.02%
Industrials	4.14%
Consumer Staples	3.80%
Real Estate	2.72%
Cash & Derivatives	0.93%
Utilities	0.62%
<i>Electric Utilities</i>	<i>0.41%</i>
<i>Gas</i>	<i>0.21%</i>
Total	100.00%



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

0.12% of the Fund's investments were deemed sustainable investments with an environmental objective 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.

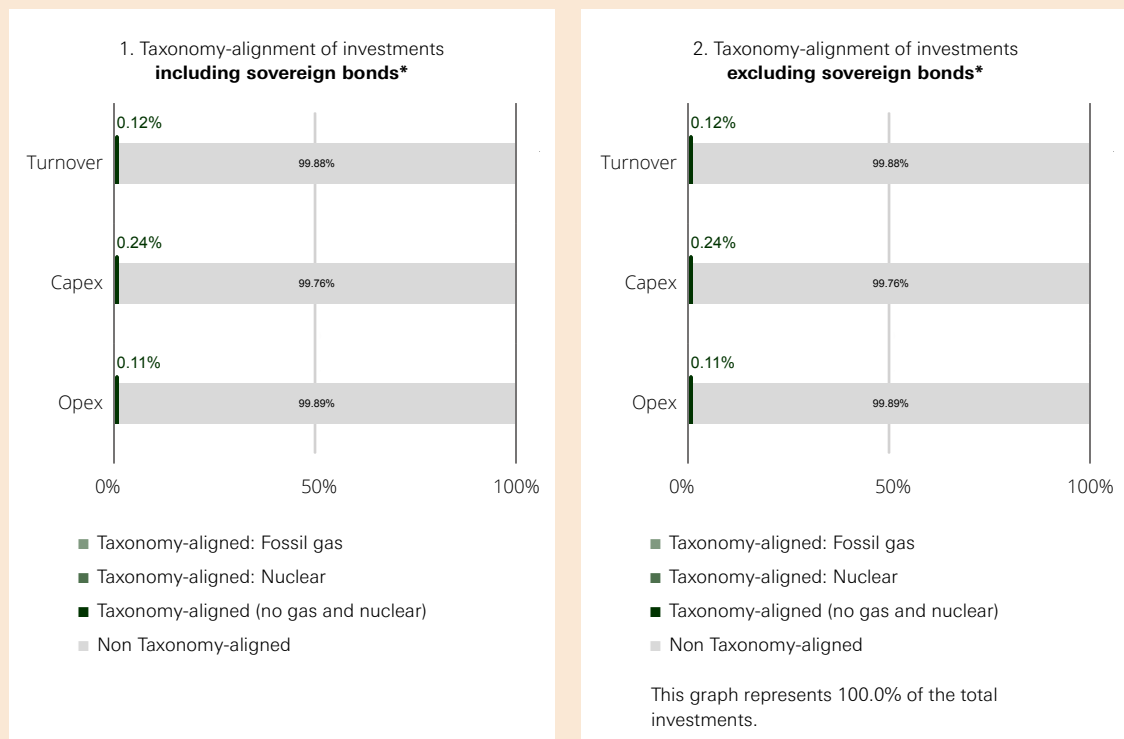
To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

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 Fund's share of investment in transitional activities was 0.00% and the share of investment in enabling activities was 0.01%.

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

 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.

● **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)	0.12%	0.06%	0.00%
Revenue - Non Taxonomy-aligned	99.88%	99.94%	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)	0.24%	0.23%	0.00%
CAPEX - Non Taxonomy-aligned	99.76%	99.77%	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)	0.11%	0.07%	0.00%
OPEX - Non Taxonomy-aligned	99.89%	99.93%	100.00%



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 30.94%. The Fund did not commit to making any EU Taxonomy aligned investments.



What was the share of socially sustainable investments?

The 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 American Depositary Receipts, European Depositary Receipts and Global Depositary Receipts, Eligible Collective Investment Schemes and/or financial derivative instruments may have been used for liquidity, 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 Fund was passively managed and aimed to replicate the net total return performance of the Index.

The Index sought to achieve an improvement of the MSCI ESG rating against that of the Parent Index.

The Index achieved this in the following ways:

1. Excluding securities of companies with exposure (as defined by the Index provider in the Index methodology) to any of the following characteristics (each characteristic will apply thresholds, as defined by the Index provider and set out in the Index methodology and which may be amended from time to time); and

2. The Index applied the MSCI ESG Target methodology (which is available on the Index provider's website) to achieve its ESG objective by maximizing the exposure to the target factor(s) less a penalty for the common factor and stock-specific risk characteristics of each potential constituent, as well as placing an upper bound on the predicted tracking error of the Index, in order to maximize the exposure to the target Factor along with 20% ESG score improvement of the Factor index relative to its parent market-cap weighted index.

HSBC Asset Management is a signatory of the UN Principles of Responsible Investment and UK Stewardship Code. The HSBC Asset Management's stewardship team met with companies regularly to improve the understanding of their business and strategy, signal support or concerns it had with management actions and promote best practice.

Further information on shareholder engagement and voting policy can be found on our website: <https://www.assetmanagement.hsbc.co.uk/en/individual-investor/about-us/responsible-investing/policies>.



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

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

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

The Index is an equity index based on the MSCI Emerging Markets Index (the "Parent Index"), which represented emerging markets equity markets worldwide, as determined by the Index provider.

The Index first excluded securities of companies with exposure (as defined by the Index provider in the Index methodology) to any of the following characteristics (each characteristic will apply thresholds, as defined by the Index provider and set out in the Index methodology and which may be amended from time to time):

Furthermore, the Index aimed to maximise the exposure to the Value Factor along with a 20% ESG score improvement of the Index relative to the Parent Index. In order to maximise exposure to the Value Factor once the exclusionary criteria referred to above were applied, the Index provider used an optimisation technique to determine the remaining securities in the Index using a proprietary factor model which sought to maximise the performance of each security in terms of the Value Factor in relation to the overall market, while minimising the ex-ante tracking error relating to the Parent Index.

The proprietary factor model measured the exposure of each remaining security to the Value Factor using three value-specific variables (price-to-book value, price-to-forward earnings and enterprise value-to-cash flow from operations) and ranked the securities in such a way that Index comprised those securities providing maximum exposure to the Value Factor.

● ***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 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 Fund was similar to the performance of the sustainability indicators of the Index, as shown below.

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

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

Sustainability Indicator	Fund	Reference Benchmark
ESG score (third-party score)	7.29	7.26

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Reference Benchmark - MSCI Emerging Markets Value Select Screens Advanced Index

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

Sustainability Indicator	Fund	Broad Market Index
ESG score (third-party score)	7.29	6.21

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Broad Market Index - MSCI Emerging Markets Index

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