

HSBC Global Asset Management (UK) Limited UK Stewardship Code

Policy and Context Disclosure 2025

Effective reporting period from: 1 January 2025

Information presented in this report refers to HSBC Global Asset Management (UK) Limited. This report should be read in conjunction with our UK Stewardship Code: Activities and Outcomes Report.

Effective reporting period from 1 January 2025. In line with the UK Stewardship Code 2026 requirements, this report is submitted to the Financial Reporting Council every four years, or when there have been changes in our organisation such that this report no longer aligns with our Activities and Outcomes Report, whichever is sooner.



HSBC Asset Management

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A. Organisation, investment beliefs and stewardship approach



HSBC Asset Management – Who we are

1. Our purpose

At HSBC Asset Management, we support clients to meet their investment objectives by leveraging our international presence and capabilities across both developed and emerging markets.

As part of the HSBC Group – founded over 160 years ago – we have been delivering investment management services since 1973. Our platform brings together more than 700 investment professionals, operating in 18 countries and territories across Europe, Asia, the Americas, and the Middle East.¹ This global network provides insights and investment strategies, combining international reach with local market knowledge to support clients' objectives.

We offer a range of investment solutions across fixed income, equities, multi-asset, liquidity, and alternative investments for institutional and wholesale clients. For a more detailed breakdown of our assets under management and client base, please refer to the introductory statement in our annual Activities and Outcomes Report.

2. Our investment beliefs

We believe that a well-executed investment process supports long-term value for clients. This approach helps the portfolios we manage remain aligned with their investment constraints and objectives. Our approach is guided by the following investment beliefs and principles:

Structure as an enabler

- ◆ We apply a structured implementation approach to help ensure delivery is consistent and properly governed
- ◆ Our operating model supports standardised processes and knowledge-sharing across asset classes and regions

People and culture

- ◆ We support teams to make informed decisions and constructively challenge perspectives to improve outcomes
- ◆ We invest in performance management to support consistent delivery for clients
- ◆ We apply inclusive practices across recruitment, career progression, and investment decision-making, and extend these principles through our engagement with investee companies, where relevant

Result-oriented

- ◆ Our performance culture aims to deliver outcomes in line with clients' investment objectives
- ◆ Efficiency and quality standards are defined and monitored through ongoing review
- ◆ We aim to learn from challenges, applying insights from both issues and solutions to improve how we deliver

Research-driven

- ◆ We support decision-making through our research capability and technology
- ◆ We use proprietary tools and quantitative techniques, where appropriate, to support our analysis

¹ Source: HSBC Asset Management as at 31 December 2025.

Responsible investing

- ◆ We recognise that sustainability issues may have a material effect on the risk profile and financial performance of companies and countries over various investment time horizons. We therefore integrate relevant sustainability considerations into investment analysis and decision-making, where applicable, alongside other factors that may impact the value of our clients' investments.
- ◆ We also recognise investment opportunities created by the transition to a more sustainable economy. We continue to develop investment capabilities that aim to deliver investment performance while also supporting the potential for more sustainable outcomes.

3. Our approach to responsible investing and stewardship

Our commitment to responsible investing dates back to the launch of our first Socially Responsible Fund in 2001. To meet the needs of our clients with sustainability objectives, we have continually enhanced our ESG and Sustainable Investing Framework, providing a broad range of investment solutions that consider sustainability issues alongside investment performance objectives, across both traditional and alternative asset classes.²

Stewardship is a core component of our ESG integration process

Our ESG integration process involves the identification and assessment of significant environmental, social and governance (ESG) issues that we consider to be most relevant to a particular investment, asset class or strategy. Our approach therefore depends on the investment strategy employed and investment time horizons, alongside the fund prospectus and/or client agreement. The extent by which we apply our ESG integration standards is subject to the asset class and specific markets as the significance of sustainability risks may vary, and we seek to adapt our standards to the industry and regulatory requirements of each market.

Our approach to ESG integration includes investment research and stewardship activities to drive investment decisions focused on delivering value to our clients.

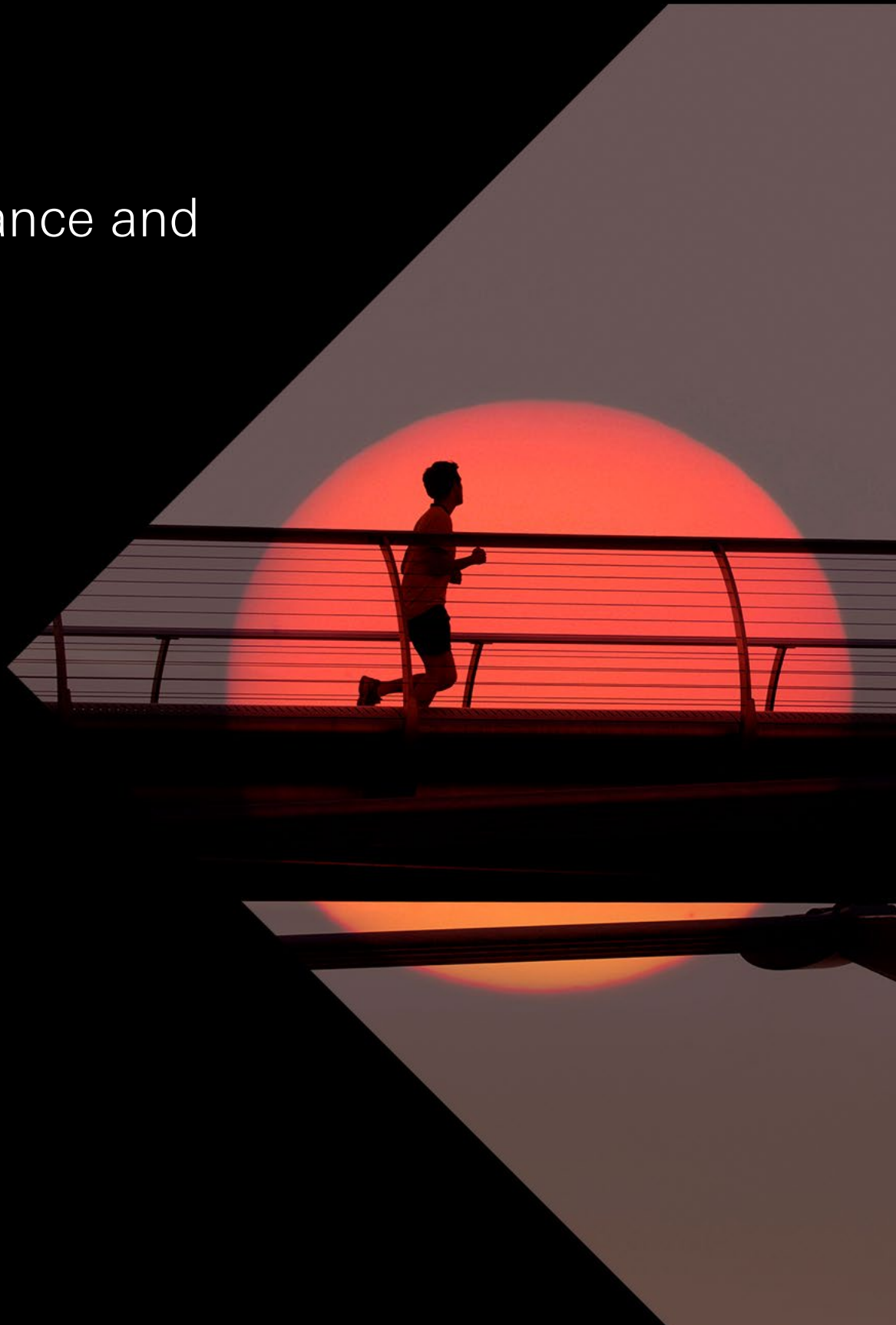
- ◆ **Investment Research:** We seek to consider sustainability issues within our investment research, where appropriate. We undertake analysis of issuers including material considerations, such as financial, operational, sectoral and sustainability issues. This includes information from in-house ESG research, third-party ESG research and data, insights from our sector teams, as well as information gathered from issuer engagements.
- ◆ **Stewardship:** Our stewardship activities play an important role in our investment processes, seeking to mitigate risk and enhance the value of companies we invest in. Engagement, whether through direct discussion with companies or in collaboration with other stakeholders, is integral to providing valuable insights for more informed investment decision-making and promoting value for our clients.
- ◆ **Exercising voting rights** at company meetings and engaging around shareholder meetings are a core part of our stewardship activities. We typically vote in line with our publicly available Global Voting Guidelines, which include considerations for material sustainability and governance topics, and publicly disclose how we have voted for companies held in our global fund ranges.³

For further details on implementation and examples, please refer to Principle 1 of our Activities and Outcomes Report.

² HSBC's ESG and Sustainable Investing strategies include impact funds with an ESG or Sustainable objective, thematic funds that seek to invest in ESG or sustainable trends, and strategies that seek to mitigate ESG risks by investing assets with higher ESG performance and/or exclusions of those that are lower ESG performing. Considerations across strategies can include but are not limited to climate/net-zero and/or UN Sustainable Development Goals. For the avoidance of doubt, these assets invested pursuant to the ESG and Sustainable Investing strategies do not necessarily qualify as "sustainable investments" as defined by SFDR or other relevant regulations. The HSBC ESG and Sustainable Investing Framework is an HSBC internal classification framework used to establish ESG and sustainable investing standards and promote consistency across asset classes and business lines where relevant, and should not be relied on to assess the sustainability characteristics of any given product.

³ Our public voting records can be accessed via our Proxy Voting Dashboard: <https://vds.issgovernance.com/vds/#/MjltwNw==>

B. Governance and resources



1. Governance and oversight of stewardship activities

Oversight of stewardship activity is embedded within our governance framework, including:

- ◆ **Asset Management Global Operating Committee:** Chaired by HSBC AM’s Chief Executive Officer, this committee oversees the implementation of sustainability strategy across all Asset Management locations as part of its remit, ensuring alignment with HSBC Group’s sustainability strategy.
- ◆ **Responsible Investment Committee (RIC):** Chaired by HSBC AM’s Global Chief Investment Officer, this committee determines proposals for Responsible Investment (RI) strategy, positioning and policies. It seeks to develop and strengthen internal processes to implement RI policies and investment objectives, across investment teams, functions and regions. The RIC is a sub-committee of the Asset Management Global Operating Committee.
- ◆ **Alternatives Sustainability Oversight Committee (ASOC):** Chaired by HSBC AM’s Head of Responsible Investment and Strategy Execution for Alternatives, this committee oversees alignment and implementation of RI policies across alternative asset classes. It is responsible for establishing best practice and ensuring investment processes are equipped to deliver on RI priorities. The ASOC is a sub-committee of the Asset Management Global Operating Committee.
- ◆ **Stewardship Committee:** Chaired by HSBC AM’s Head of Stewardship, this committee oversees the implementation and delivery of the Stewardship Plan, Global Voting Guidelines, and stewardship aspects of policies (e.g., coal policy) across the investment function. It also provides guidance to internal stakeholders on stewardship matters and thematic priorities, sharing market and industry best practices where relevant. The Stewardship Committee is a sub-committee of the Responsible Investment Committee.

Investment sub-committees and forums

Stewardship activities are also integrated into other investment sub-committees and forums, maintaining alignment with our overarching governance framework.

Investment sub-committees	Responsibilities
Climate Investment Committee (CIC)	<ul style="list-style-type: none"> ◆ The CIC is a sub-committee of the RIC ◆ It oversees the development and implementation of HSBC AM’s climate change investment strategy ◆ The CIC acts as the central point for monitoring progress against our net zero roadmap, with dedicated workstreams across climate research and data, product and solutions, and engagement supporting delivery of the plan
Asset Class ESG Committees	<ul style="list-style-type: none"> ◆ Asset Class ESG Committees oversee the ESG integration across asset classes, including active equity, fixed income, liquidity, quantitative equity, passives and multi-asset
Virtual Sector Teams (VSTs)	<ul style="list-style-type: none"> ◆ VSTs have been set up to capture sector specific knowledge across certain asset classes and geographies ◆ These teams bring together responsible investment analysts, stewardship specialists, and credit and equity analysts across different regions ◆ VSTs are responsible for conducting sector research, overseeing ESG checklists, and aligning our engagement activities with high-risk issues, making them an integral part of our ESG integration framework

Maintaining effectiveness of our stewardship processes

Our stewardship processes are regularly reviewed to ensure ongoing effectiveness, with oversight embedded in our governance framework as outlined above. Effective stewardship relies on open communication between stewardship and investment teams, as well as with senior management, to ensure all stewardship activities are subject to appropriate governance. Portfolio managers and analysts remain responsible for the stewardship of their assets, while the Stewardship team leads the firm-wide strategy, integration, and scaling of stewardship activities, and monitors progress and key milestones.

2. Resourcing of stewardship activities

Our Responsible Investment team

Our global Responsible Investment (RI) team oversees HSBC AM's responsible investing strategy and policies across traditional asset classes. The team's primary responsibilities include the development of ESG and Sustainable investing strategies, management of stewardship activities, and the provision of ESG research and analytics.⁴ Operating as a dedicated responsible investment function within the investment organisation, the RI team works together with investment teams to develop and deliver an integrated sustainability research capability, representative of multiple asset classes, regions and sectors.

The RI team is comprised of around 35 professionals with an average of 10-15 years of experience in the industry. The team operates across Europe (London, Birmingham, Paris) and Asia (Hong Kong and India).

The RI team brings diverse experience and backgrounds, spanning third-party ESG research, credit and equity analysis, product analysis, corporate sustainability consulting, and other related fields. Academically, the team's expertise covers a broad range of disciplines, including business, economics, international development, and computer science.

The team benefits from a variety of internal resources and upskilling initiatives to enhance their expertise in sustainability and responsible investment. We also actively encourage and support the attainment of external professional certifications. Team members hold qualifications including the CFA Certificate in Sustainable Investing, Investment Management Certificate from the CFA Society of the UK, ESG certifications from the European Federation of Financial Analysts, and credentials from the Institute of Chartered Accountants. Additionally, members of the Stewardship team have completed courses in Governance, Stewardship, and Sustainability through the International Corporate Governance Network (ICGN).

Separate from the RI team, the Responsible Investment Alternatives (RI Alts) team is led by the Head of Responsible Investment and Strategy Execution for Alternatives. The RI Alts team consists of RI Specialists embedded within the relevant alternative asset classes, with accountability for ESG integration across a range of alternative asset classes and strategies. RI Alts is comprised of over five professionals based across the UK and Asia, bringing an average of 10–15 years' professional experience.

Dedicated stewardship function

The stewardship function is part of the RI team and is made up of around 10 specialists, including the Head of Stewardship, Stewardship Directors, Stewardship Managers and Stewardship Analysts. It leads our voting and engagement activity and is responsible for integrating stewardship into our investment research process.

As stewardship is integrated into the investment process, stewardship resourcing extends beyond the dedicated stewardship team to include input from the wider investment platform. Stewardship activities are also undertaken by analysts and portfolio managers across the investment function, enabling us to scale our stewardship efforts across a

⁴ HSBC ESG and Sustainable Investing Framework is an HSBC internal classification framework used to establish sustainable investment standards and promote consistency across asset classes and business lines where relevant. HSBC AM strategies within the HSBC Group ESG and Sustainable Investment Framework may not necessarily be marketed as sustainable externally, depending on the relevant regulatory regime for sustainable investment disclosure where there may be differences in requirements.

broad range of companies and markets. The stewardship function supports this integrated approach by providing training, tools and ongoing guidance to investment teams involved in stewardship activities. Our stewardship activities are also supported by operational, client services and technology teams.

Refer to further details on the integration of stewardship activities into the investment process in Principle 1 of our Activities and Outcomes Report.

3. Use of external service providers

Third-party proxy service provider

We utilise a third-party proxy service provider to deliver custom voting recommendations aligned with our Global Voting Guidelines. This enables us to focus our resources on significant governance matters and non-routine resolutions. Our guidelines are reviewed annually to ensure they reflect evolving governance codes, good practice, and our own engagement priorities.

The provider's extensive resources and expertise ensure their research offers a thorough overview of voting issues for each meeting. Their reporting capabilities allow us to generate client-specific reports and analyse voting trends across different markets and issues.

Please refer to Principle 4 of our Activities and Outcomes report for our voting statistics and examples where we override the custom voting recommendations, and to Principle 6 for further details on our monitoring of our proxy service provider.

Third-party research and data providers

Our stewardship specialists contribute to the assessment of relevant sustainability issues for each company on our engagement priority list, identifying risks and opportunities, and their investment implications.⁵ Leveraging the insights from issuer engagements, our investment teams consider how sustainability issues affect our fundamental views on company risks and value, and may identify further engagement opportunities as a result.

To support this, we ensure our analysts have the appropriate resources to incorporate relevant sustainability issues into their research recommendations, where data is available. Much of the sustainability information used by analysts comes from our own stewardship activities, company monitoring, and internal research.

Insights gathered through our stewardship activities are both complemented and informed by external research and data providers. We use information from these external service providers to support our sustainability due diligence process, including data on climate, biodiversity, banned weapons and social issues. Where appropriate, relevant data are integrated into our investment decision-making tools.

Please refer to Principle 3 of our Activities and Outcomes report for further details on our sustainability due diligence process.

Selection criteria for external research and data providers

When selecting third-party research and data providers, we prioritise criteria such as data quality, coverage and transparency.

We focus on achieving comprehensive coverage across sustainability issues, industries, and geographies, seeking complementarity and specialisation among providers while minimising redundancies. Providers are evaluated on their data collection methodologies, sources, and processes to ensure accuracy, completeness, and reliability, with adherence to recognised data standards and robust quality assurance procedures required. We also consider whether

⁵ Refer to our approach to firmwide stewardship under Principle 3 of our Activities and Outcomes Report.

providers clearly disclose their data collection and reporting practices – including methodologies, assumptions, and limitations – and whether the data is subject to independent verification or audit.

We expect comprehensive documentation, data dictionaries, and industry-standard codes from third parties to support effective ESG data integration. Key performance indicators are established to support consistent data capture, and service level agreements define expected services and performance measures, providing a clear escalation path to senior management if deficiencies arise.

Monitoring external research and data providers

Monitoring external research and data providers is essential to ensure that the ESG data on which we rely is accurate, timely, and fit for purpose. We have an oversight forum led by our global Data Management function to oversee and direct the acquisition, utilisation, governance, and distribution of ESG data, ensuring alignment with investment objectives, reporting standards, and regulatory requirements.

External service providers are reviewed at least annually to evaluate performance, with improvements identified and implemented as needed. We maintain a breach log for Service Level Agreements (SLAs), and best practice includes regular review meetings throughout the year to address service issues and discuss future requirements. Ad-hoc meetings are convened promptly following any breach to agree on remedial actions. Our review process assesses each provider's coverage universe to help ensure we have consistent access to comparable ESG data across different investment strategies. We also assess how service providers support our screening of issuers in line with our policies and product guidelines.

External data providers typically draw on company disclosures, news flow, controversy monitoring and geographic information to assess a company's sustainability footprint. However, third-party assessments may differ from our own view of a company's trajectory and performance on specific sustainability issues. Where differences arise, the Responsible Investment team may engage directly with the data provider and/or the investee company and apply a governance process to ensure our internal assessment is appropriately prioritised and reflected in investment recommendations.

We proactively address limitations of ESG data providers by participating in provider assessment surveys and offering feedback on errors and data gaps. This feedback is shared during regular dialogue and meetings with external providers.

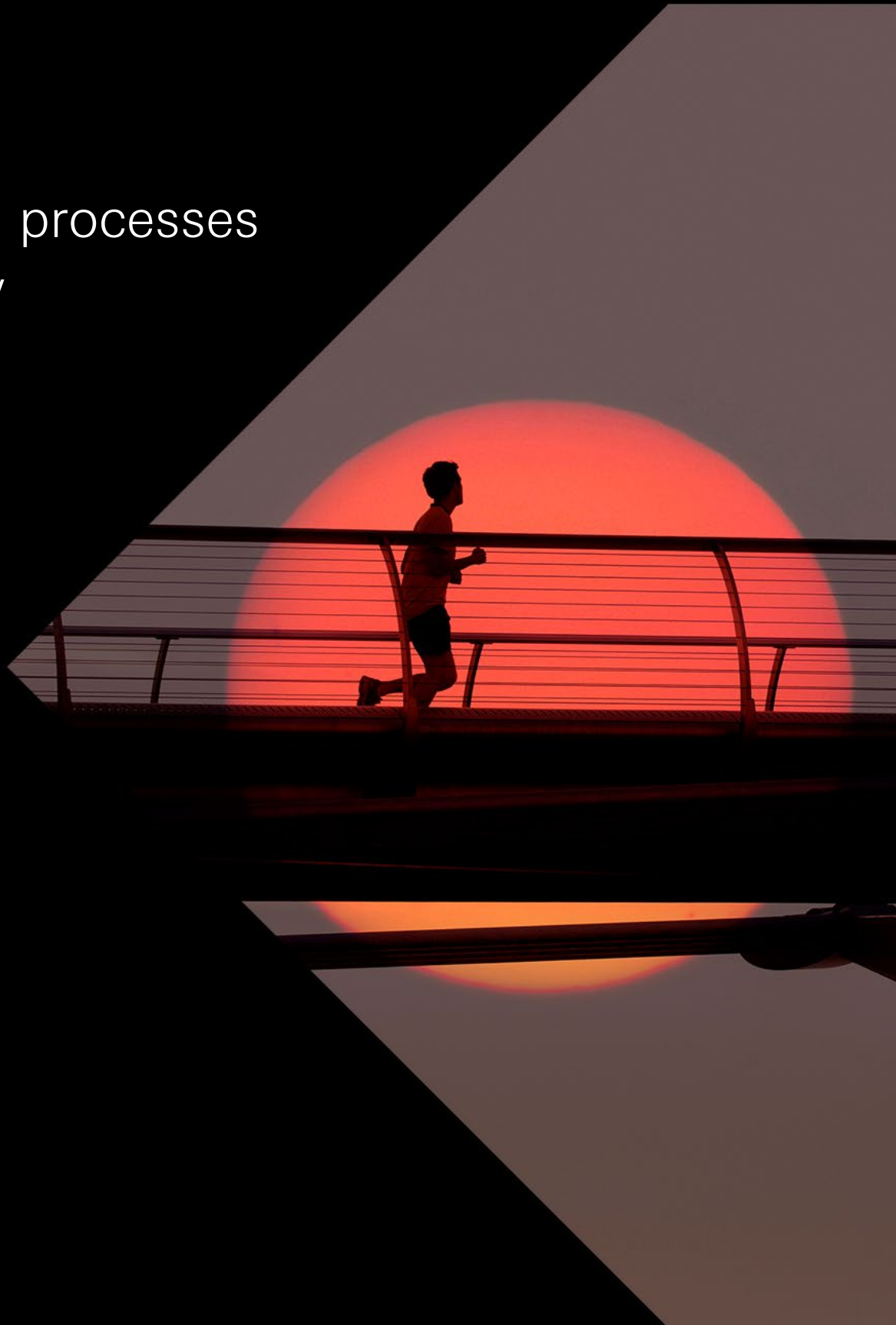
We may engage with external data providers from time to time on specific company assessments or thematic issues. Please refer to Principle 2 of our Activities and Outcomes Report for our approach to system stewardship.

4. Internal tools

We have developed several in-house tools to support our research and stewardship activities. Examples of key tools include:

- ◆ **Engagement recording tool:** used by stewardship and investment teams to capture, maintain, and evidence engagement activities. The tool supports compliance with applicable regulatory and client reporting obligations by enabling recording of engagement details and by providing extraction capabilities for reporting.
- ◆ **Ongoing monitoring:** application that enables investment teams to access relevant ESG data and monitor sustainability performance across selected portfolios. Relevant ESG metrics are monitored and displayed at both portfolio and company level within a dynamic dashboard. Investment teams can identify the ESG characteristics of their portfolios in real time and conduct ongoing monitoring.
- ◆ **Workflow tool:** used to streamline the sustainability due diligence process by automating the capture and retention of due diligence inputs, assessments, and outcomes. The tool supports consistent recordkeeping and oversight by maintaining an auditable workflow.
- ◆ **AI assistant tool:** developed internally to help complete activities more efficiently and enhance productivity

C. Policies, processes and review



1. Responsible investing policies

Our global responsible investing policies have been developed to guide our investment and engagement activities. These policies are reviewed and updated over time to reflect evolving global norms, regulatory developments, and client preferences. Oversight of their application and review is provided through the governance committees described in Section B, including the HSBC AM Global Operating Committee, the Responsible Investment Committee, and the Stewardship Committee.

Below is a summary of our current policies. For further details on the application of specific policies, please refer to the [policy section of our website](#). Additionally, please refer to Principles 1 and 3 of our Activities and Outcomes Report for examples of how our policies guide our investment and stewardship activities.

Responsible Investment Policy

Our Responsible Investment Policy sets out our approach to responsible investment and details how we implement some of our responsible investment policies to support our clients' investment objectives. The policy details our key sustainability considerations, including UN Global Compact principles, banned weapons, biodiversity and nature, climate change, and human rights.

For alternative asset classes – such as hedge funds and private equity – our integration approach is detailed in the HSBC Alternatives Responsible Investment Policy, which is designed to reflect the different characteristics and investment processes associated with these strategies.

Thermal Coal Policy

We have a policy to phase-out from thermal coal-fired power and thermal coal mining (collectively 'thermal coal') by the end of 2030 in EU / OECD markets and by the end of 2040 in all markets within our actively managed portfolios. Under the policy, we engage with companies with more than 10 per cent revenue exposure to thermal and/or metallurgical coal, prioritising those in which we have the highest exposure.

Energy Policy

Under the HSBC AM Energy Policy, we will engage with and assess transition plans of listed issuers responsible for around 70 per cent of relevant emissions. We have commenced engagement with oil and gas, and power and utilities companies in this group, and will continue to have conversations with these companies as they transition.

Banned Weapons Policy

Under our banned weapons policy, and subject to compliance with applicable laws and regulations, we exclude securities and other assets from our own manufactured active, systematic and index portfolios that have been issued by corporations with verified involvement or with strong indication of involvement in the development, production, use, maintenance, offering for sale, distribution, import or export, storage or transportation of weapons banned by certain international conventions.

2. Stewardship policies

Global Voting Guidelines

Our Global Voting Guidelines are a statement of our approach to voting on a range of issues, including the engagement themes outlined in our Stewardship Plan. Our annual review of the Guidelines starts with an analysis of votes during the year. This includes reviewing instances where we have overridden the guidelines for specific meeting proposals to understand whether this was due to company specific factors, or broader factors (e.g. regulations, market expectations) that should be reflected in an amendment to the guidelines. We review whether our

expectations are set at the right levels or need adjusting, considering changes to local governance codes and policies in key markets and industry trends.

We also analyse areas where our vote has differed from our proxy service provider's recommendations to understand whether they are capturing an issue which our guidelines have not included. This helps us identify potential blind spots in our own voting guidelines.

Stewardship Plan and Policy

Our Stewardship Plan provides an overview of our stewardship philosophy, governance, and overall approach. In the plan, we set out relevant engagement themes and our general expectations of companies under each theme. We review our engagement themes annually to reflect evolving standards and expectations from clients, regulators, and stakeholders. In addition to the Stewardship Plan, we also publish a Stewardship Policy which outlines our approach to engagement and voting.

The Stewardship Plan complements our Stewardship Policy and Global Voting Guidelines, which are published separately.

3. Policy and process review

Assurance of stewardship activities

Assurance of our stewardship and wider responsible investment activities are a key part of our internal governance and oversight processes. Our sustainability governance structures serve to ensure an appropriate level of oversight and assurance is exercised.

Three Lines of Defence Model

To ensure clear accountability and effective risk management, we have adopted the Three Lines of Defence Model:

- ◆ The **First Line of Defence** owns risks of the business. It identifies, records, reports and manages risks and ensures that the right controls and assessments are in place to mitigate them.
- ◆ The **Second Line of Defence** provides risk oversight, challenge, advice and insights to the business. This includes the Risk Stewards.
- ◆ The **Third Line of Defence** provides independent assurance. The Third Line of Defence is Internal Audit, who independently ensure that HSBC Asset Management is managing risk effectively.

Continuous review and improvement

Our sustainability activities are regularly reviewed internally by Risk Stewards and the Audit function. The outcomes of these reviews contribute to the ongoing enhancement of our assurance program.

D. Conflicts of interest



1. Conflicts of Interest Policy

As an asset manager and a fiduciary, we recognise our responsibility to all our clients. Conflicts may arise as we exercise those responsibilities. A summary of the HSBC Asset Management Conflicts of Interest policy is available at: <https://www.global.assetmanagement.hsbc.com/conflicts-of-interest>. This summary identifies the main potential conflicts of interest:

- ◆ One client versus another
- ◆ HSBC Asset Management versus a client
- ◆ An employee versus a client
- ◆ An employee versus HSBC Asset Management
- ◆ One part of HSBC Group versus HSBC Asset Management

These could arise with establishing new products, cross-referral, revenue sharing, joint ventures, business / operations transfers, the prospect of financial gain or loss at the expense of a client, interest in the outcome of a service or transaction. It sets out how we deal with such conflicts, maintaining registers of these potential conflicts, preventing, or managing them, disclosing as appropriate and maintaining evidence of occurrences that cannot be managed. Steps taken include employees not being permitted to advise on matters where they have a personal interest and could include declining to act for one or more clients.

2. Examples of stewardship-related conflicts of interest

We recognise that conflicts of interest may arise as part of our stewardship activities. However, in all these activities we are committed to delivering fair outcomes for our clients and applying a consistent and transparent approach to conflicts.

Stewardship-related conflicts of interest could include, but are not limited to, the following:

- ◆ Exercising voting rights over holdings of shares in our ultimate parent company, HSBC Holdings plc
- ◆ Exercising voting rights over holdings of shares in an HSBC sponsored fund
- ◆ Exercising voting rights through holdings in both sides of a proposed merger and/or acquisition transaction
- ◆ Exercising voting rights over holdings of shares where an HSBC employee is a director
- ◆ Exercising voting rights and/or undertaking engagement activities over holdings or shares in a company that has a commercial relationship, interest, and/or connection with HSBC Asset Management and/or with other HSBC Group companies
- ◆ Undertaking engagement activities – inadvertently or directly – results in being privy to material non-public information

Potential conflicts of interest in our engagements

We recognise that a conflict of interest may arise when our engagement objectives impact asset classes in different ways. For example, when we engage with an equity issuer to improve shareholder returns and valuation through higher dividend pay-outs or share buybacks – on one hand this may lead to positive outcomes for our equity portfolios; on the other, this may be viewed negatively in our credit portfolios.

We also recognise that there may be conflicts between different investment horizons, as some sustainability issues may not materialise until a medium- to long-term time horizon if left unaddressed.

We aim to mitigate these conflicts by ensuring that our investment teams are able to engage with issuers and exercise judgement and decision-making independently of other investment teams.

3. Identifying, managing and reporting conflicts of interest

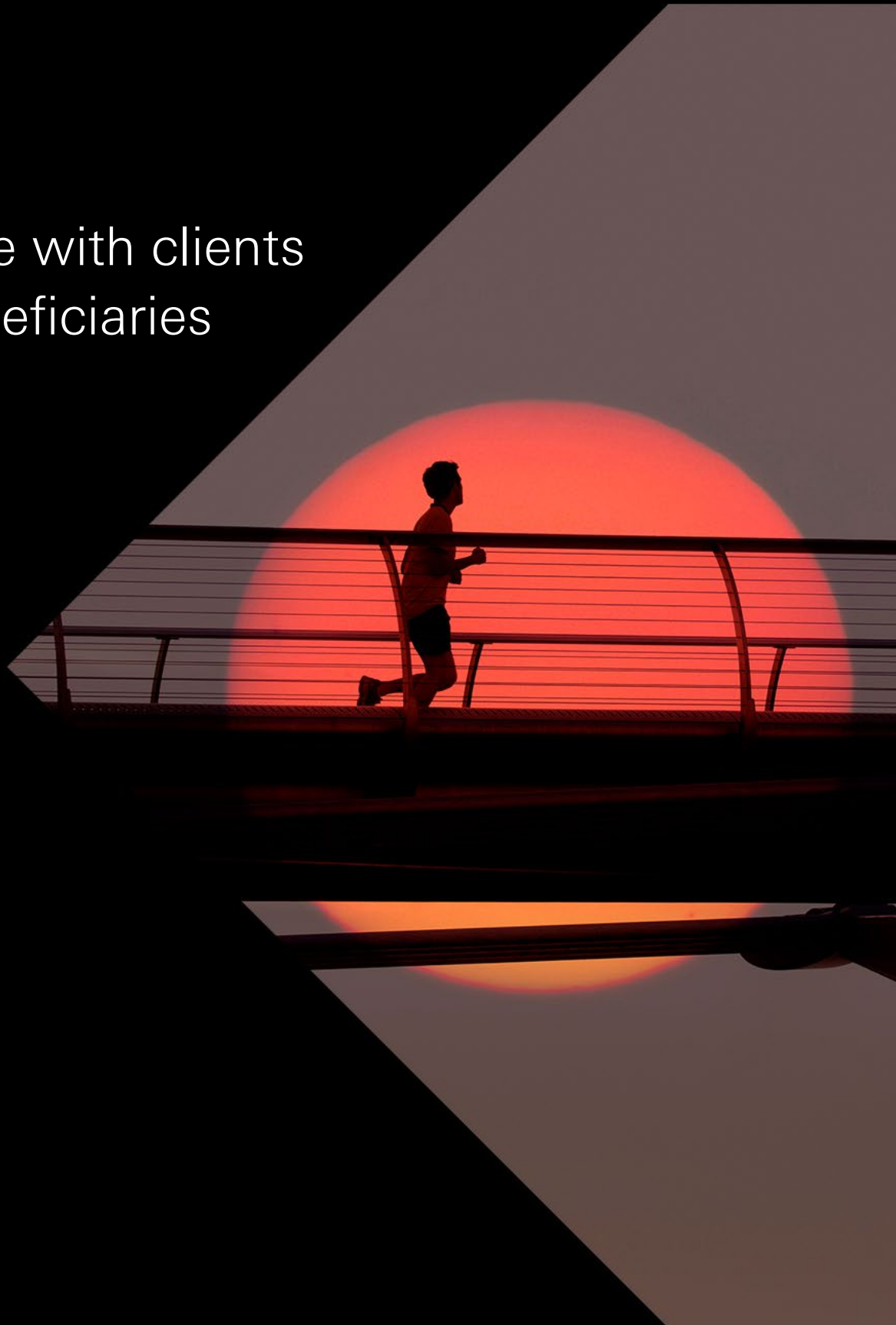
We have established policies, procedures and protocols that are designed to identify and manage all these potential conflicts. These include organisational and administrative arrangements to safeguard the interests of our clients, which include:

- ◆ While we are part of the HSBC Group, we maintain an arm's length commercial relationships with other HSBC Group companies and as such carry out our stewardship activities independently of any other relationships within the HSBC Group.
- ◆ Our Global Voting Guidelines are intended to identify the best interest of our clients as equity investors in a particular company. We aim to vote on all equities for which clients have given us voting authority, except where this is not practical for reasons such as share blocking or overly burdensome power of attorney requirements. Where a client has retained voting authority (usually to ensure consistency across holdings with different managers), voting is conducted in accordance with the client's voting policies, independently from our voting guidelines.
- ◆ Our Stewardship Policy defines our requirements to ensure when we undertake engagement we maintain a high standard of research, communication, and documentation. We engage from the perspective of a long-term owner of the company. When we engage, we aim to represent the interest of all holdings in an issuer, whether equity, fixed income, or another asset class.
- ◆ We have procedures in place to monitor, manage and escalate conflicts, which are documented on a register alongside their corresponding mitigating controls.
- ◆ As required, information barriers will be put into place, restricted lists amended, and trading activity – personal and/or on behalf our clients – restricted; however, in practice we prefer not to be made insiders as part of our engagement activities.

Oversight of conflicts of interest is embedded within our governance framework that includes:

- ◆ **Risk Management Meeting** – comprising our global senior leadership team – responsible for setting our risk management strategy and appetite, policies, and control standards and to monitor their implementation. In this regard, the Risk Management Meeting reviews the material risks affecting our business – including conflicts of interest – via regular reporting from the business and control functions.
- ◆ **Responsible Investment Committee** – comprising a sub-set of our global senior leadership team – responsible for managing and monitoring our responsibilities regarding stewardship as well as serves as a forum to discuss subjects that could result in a conflict for us in fulfilling our fiduciary obligations
- ◆ **Chief Executive Officer** – who is ultimately responsible for compliance with all aspects of the HSBC Group's Conflict of Interest Policy and associated regulatory requirements – provides regular updates on conflicts of interest to the Board of Directors

E. Dialogue with clients and/or beneficiaries



1. Communicating our stewardship activities

Client specific stewardship activity reports

We provide clients with stewardship activity reports in addition to standard investment performance reporting. For some clients, we offer engagement reporting across their portfolios, and we can also provide stewardship reports at the fund or mandate level on a quarterly basis. These reports include detailed voting and engagement data over the quarter.

Reporting can be tailored to individual client templates or aligned to industry guidelines, such as the UK Investment Consultants Sustainability Working Group (ICSWG) template, depending on client preference.⁶ We seek to understand each client's reporting requirements and, where operationally feasible, support bespoke reporting needs. Our client service team is available to meet with clients to discuss and review bespoke requirements. The frequency of reporting is dependent on the investment strategy and tailored to the specific requirements of each client, with reports generally issued on a monthly or quarterly basis.

Proxy voting dashboard

With regards to voting, our Proxy Voting Dashboard publishes our voting records online and is updated daily.⁷ Users can search votes by year, market, company name, security identification number, or ticker. The dashboard categorises votes by proposal type, distinguishing between management and shareholder proposals.

Fund-specific sustainability reports

In addition to engagement and voting reports, monthly ESG data and disclosures are included in the sustainable Funds Factsheet, available on our website via the Fund Centre page.⁸ For our ESG & Sustainable Investing strategies, we can also provide sustainability reports at fund or mandate level.⁹ These reports cover metrics such as carbon footprint, carbon intensity, carbon emissions from reserves, carbon disclosure, ESG scores, ESG ratings and rankings as well as major positive and negative score contributors and detractors. Sustainability reports are available upon request, and clients may request more detailed reporting and explanations as required.

Public reports

We produce other reports to fulfil both regulatory and voluntary commitments. Within these public reports, we provide details of our stewardship activities and processes. Examples of these reports include:

- ◆ As a signatory to the Principles for Responsible Investment (PRI), HSBC Asset Management is required to comply with the PRI's reporting requirements, including disclosure of our responsible investment activities and how integrate the PRI principles, including stewardship, within our investment processes.
- ◆ Our UK business is required by the UK FCA to produce TCFD-aligned disclosures annually. These disclosures detail our climate governance, risk management, strategy, and metrics and targets. The reports also include climate engagement case studies and a summary of our climate engagement and voting during the year. In addition, our UK business is subject to the FCA's Sustainability Disclosure Requirements (SDR), under which we disclose how we manage sustainability-related risks, including our stewardship approach and activities.

⁶ The Investment Consultants Sustainability Working Group (ICSWG) is a collaboration between investment consulting firms which aims to drive better sustainable investment practices across the industry for its key stakeholders, working with asset owners, asset managers and regulators.

⁷ Our proxy voting dashboard can be accessed here: <https://vds.issgovernance.com/vds/#/MjIwNw==>

⁸ Our Fund Centre can be found here: [GFC - HSBC Asset Management UK - Institutional Investor](#)

⁹ HSBC ESG and Sustainable Investing Framework is an HSBC internal classification framework used to establish sustainable investment standards and promote consistency across asset classes and business lines where relevant. HSBC AM strategies within the HSBC Group ESG and Sustainable Investment Framework may not necessarily be marketed as sustainable externally, depending on the relevant regulatory regime for sustainable investment disclosure where there may be differences in requirements.

Fair, balanced and understandable stewardship reporting

We have established procedures to ensure our public reporting and disclosures are fair, balanced and understandable.

- ◆ Regulatory and industry body disclosures are subject to internal approval processes, with review by senior management and relevant governance committees before final submission.
- ◆ Marketing materials and financial promotions issued in the UK are subject to an approval process, ensuring compliance with UK regulatory requirements.
- ◆ Risk Stewards issue guidance on sustainability-related marketing materials and client communications. This guidance is followed throughout the creation and approval process and is regularly reviewed and updated.

2. Feedback informing our stewardship approach

We have dedicated client segment teams that provide specialist insight into the requirements of different client types, including pension funds, insurance companies, and official sector institutions. These teams support relationship managers globally by sharing knowledge on regulatory developments, investor preferences, and broader market influences, helping to enrich client engagement.

Our relationship managers and specialists engage with clients throughout all stages of the relationship, from initial discussions to implementation, ensuring we understand their goals and preferences. Regular dialogue and client feedback enable us to tailor our strategies and stewardship approach to reflect evolving preferences and ongoing changes in markets and regulation, and we recognise this requires continuous refinement and improvement.

We undertake structured independent feedback with key clients (institutional and wholesale distributors) through our client insights programme. This includes feedback on the quality of our products, propositions and client service across three areas – people, processes and product. We also use external consultant surveys to better understand client segment preferences and investment product trends.

In addition, we host client roundtables to exchange views on stewardship priorities, emerging areas of focus, concerns and challenges. We also attend sustainability-focused industry conferences to support active dialogue with peers and asset owners.

Based on client feedback, we continue to develop capability to better record escalations, and evolve our Stewardship themes, such as adding reference to responsible taxation in the Stewardship Plan 2026.

The Request for Proposal (RFP) process is a key part of new business, helping us deepen client relationships and better understand client objectives. We have observed a growing emphasis on responsible investment, stewardship, and climate transition in RFPs, with clients increasingly requesting detailed information about our capabilities and processes in these areas. We are also seeing an increase in the specificity of questions from clients and consultants on voting and engagement activity, including requests for supporting examples. Working in partnership with clients and understanding their sustainability objectives helps us determine how best to meet their requirements over the medium and long term.



Appendix: Stewardship Code Mapping

**Hong Kong Securities and Futures Commission (SFC)
Principle of Responsible Ownership**

UK Stewardship Code 2026

Principle 1	Investors should establish and report to their stakeholders their policies for discharging their ownership responsibilities	Policy and Context Disclosure Sections C, E; Activities and Outcomes Report Principles 5, 6
Principle 2	Investors should monitor and engage with their investee companies	Activities and Outcomes Report Principles 3, 4
Principle 3	Investors should consider and establish clear policies on when they will escalate their engagement activities	Activities and Outcomes Report Principles 3, 4
Principle 4	Investors should have clear policies on voting guidance	Policy and Context Disclosure Section C; Activities and Outcomes Report Principles 4, 6
Principle 5	Investors should be willing to act collectively with other investors where appropriate	Activities and Outcomes Report Principle 3
Principle 6	Investors should report to their stakeholders on how they have discharged their ownership responsibilities	Policy and Context Disclosure Section E; Activities and Outcomes Report Principles 4, 5
Principle 7	When investing on behalf of clients, investors should have policies on managing conflicts of interests	Policy and Context Disclosure Section D; Activities and Outcomes Report Principle 4

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