HSBC

GLOBAL SUSTAINABLE LONG TERM EQUITY

The Investment Adviser will review all SFDR mandatory Principal Adverse Impacts to assess the relevance to the sub-fund. HSBC's Responsible Investment Policy sets out the approach taken to identify and respond to principal adverse sustainability impacts and how HSBC considers ESG sustainability risks as these can adversely impact the securities the sub-funds invest in. HSBC uses third party screening providers to identify companies and governments with a poor track record in managing ESG risks and, where potential material risks are identified. Sustainability impacts, including the relevant Principal Adverse Impacts, identified by screening are a key consideration in the investment decision making process and, in turn, this also supports the advice given to clients.

The approach taken, as set out above, means that among other things the following points are scrutinised:

- companies' commitment to lower carbon transition, adoption of sound human rights principles and employees' fair treatment, implementation of rigorous supply chain management practices aiming, among other things, at alleviating child and forced labour. HSBC also pay a great attention to the robustness of corporate governance and political structures which include the level of board independence, respect of shareholders' rights, existence and implementation of rigorous anti-corruption and bribery policies as well as audit trails; and
- governments' commitment to availability and management of resources (including population trends, human capital, education and health), emerging technologies, government regulations and policies (including climate change, anti-corruption and bribery), political stability and governance.

The sub-fund will promote the following environmental and social characteristics:

The sub-fund aims to make a positive environmental, social and governance (ESG) impact, by investing in equities and equity equivalent securities issued by companies that actively contribute to United Nations Sustainable Development Goals ("Contributing Companies" and "SDGs"), while also aiming to provide long-term total return.

The SDGs that the Contributing Companies contribute to include, but are not limited to, Climate Action, Affordable and Clean Energy, Clean Water and Sanitation, Good Health and Well Being and Reduced Inequalities.

Investment Strategy and Proportion of Investments:

(a) The sub-fund invests in normal market conditions a minimum of 90% of its net assets in equities and equity equivalent securities of Sustainable Companies that actively contribute to United Nations Sustainable Development Goals.

The sub-fund may invest up to 10% of its net assets in units or shares of UCITS and/or other Eligible UCIs (including other sub-funds of HSBC Global Investment Funds). The sub-fund will make a minimum of sustainable investments with an environmental objective of 90%.

(b) Governance is assessed against criteria specified in the investment process which includes, among other things, business ethics, culture and values, corporate governance and bribery and corruption. Controversies and reputational risks are assessed through enhanced due diligence as well as screening which are used to identify issuers that are considered to have low governance scores. Those issuers will then be subjected to further review, action and/or engagement.

The sub-fund invests in normal market conditions a minimum of 90% of its net assets in equities and equity equivalent securities of Sustainable Companies that actively contribute to United Nations Sustainable Development Goals. These goals include, but are not limited to, Climate Action, Affordable and Clean Energy, Clean Water and Sanitation, Good Health and Well Being and Reduced Inequalities.

The sub-fund may invest up to 10% of its net assets in units or shares of UCITS and/or other Eligible UCIs (including other sub-funds of HSBC Global Investment Funds).

The sub-fund will make a minimum of sustainable investments with an environmental objective of 90%.

Methodologies:
The sub-fund will not invest in equities issued by companies with specified involvement in specific excluded activities ("Excluded Activities"). Excluded Activities and specified involvement are proprietary to HSBC and include, but are not limited to:

- Companies involved in the production of controversial weapons or their key components. Controversial weapons include, but are not limited to, anti-personnel mines, depleted uranium weapons and white phosphorous when used for military purposes. This exclusion is in addition to HSBC's banned weapons policy.
- Companies involved in the production of tobacco.
- Companies with more than 2.5% revenue generated from thermal coal extraction and do not have a clearly defined, credible plan to reduce exposure to below 2.5%.
- Companies with more than 2.5% revenue generated from coal-fired power generation and do not have a clearly defined, credible plan to reduce exposure to below 2.5%.

HSBC's Responsible Investment Policy, our Engagement Policy and Stewardship Plan is available on our website www.assetmanagement.hsbc/responsible-investing/policies.