HSBC Asset Management

Inside the Investor Mindset: Sustainability's Growing Influence

18 February 2026

Marketing Communication.
For Professional Investors Only.

Sustainability is a multi-layered consideration for investors, revealing increasing complexity across regions, strategies, asset classes, and themes. However, one constant remains: professional investors are highly committed to sustainability, with this commitment continuing to grow. Our survey of 500 global investment professionals shows they are not simply recognising environmental and social factors—they are actively restructuring portfolios and investment frameworks around sustainability principles. This evolution demonstrates a sophisticated approach, viewing ESG and sustainable investing as both a response to global challenges and a means to achieve long-term financial performance and reputational resilience.

Key findings

- **Sustainability and financial performance go hand in hand:**
  79% respondents recognise a positive correlation between sustainability integration and long-term financial performance.
- **Increased sustainable allocations:**
  73% of respondents are reporting increased allocations to ESG and sustainable investments over the past year.
- **Impact investing on the rise:**
  46% of respondents prioritise sustainability-driven impact investing and 45% seek more innovative impact solutions.

Sustainability remains an important consideration for professional investors

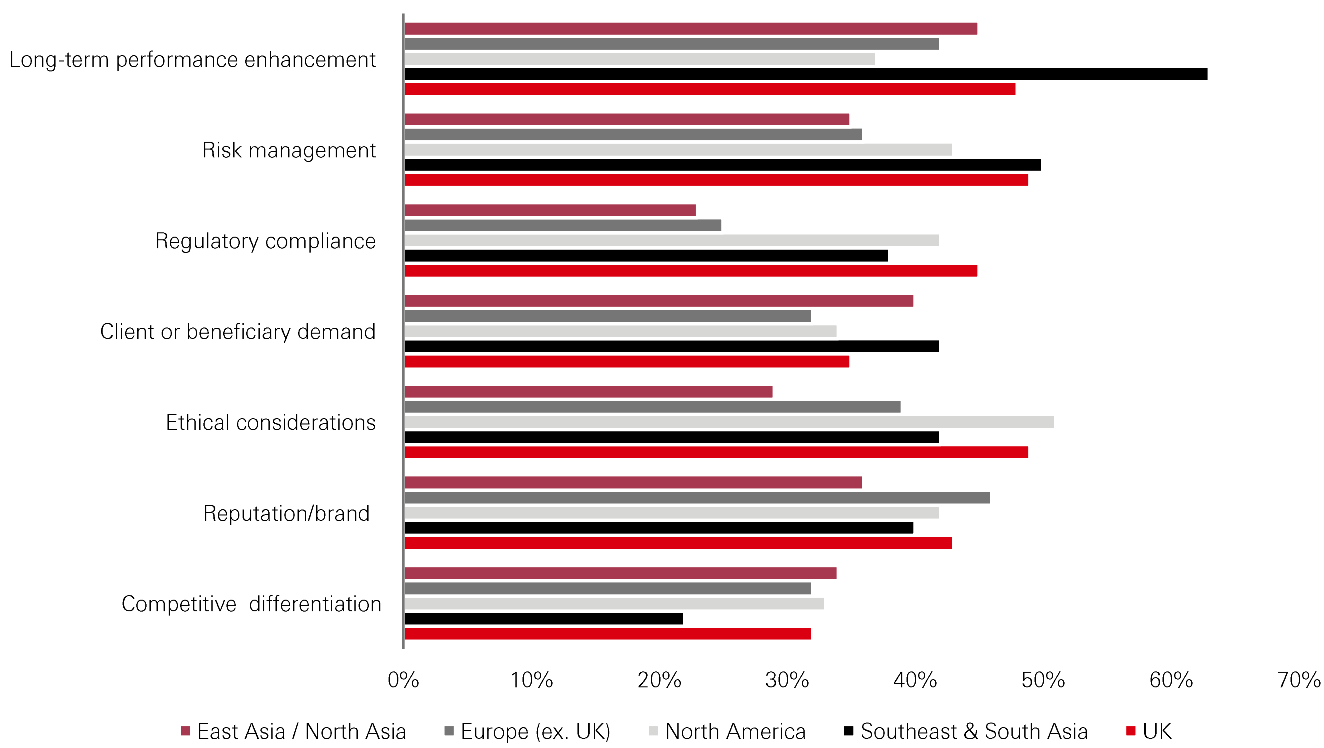
Professional investors demonstrate a strong commitment to sustainability, with climate and environmental considerations achieving remarkable prominence within investment strategies. The survey reveals that 72% of professional investors regard climate and environmental issues as very or extremely important to their overall approach. This overwhelming consensus is manifesting in concrete portfolio allocations that signal genuine commitment rather than superficial engagement. A majority of investors (52%) have allocated over one-quarter of their assets to ESG and sustainable investments, with 73% of investors reporting increased allocations over the past year alone. These tangible investment decisions provide compelling evidence of sustainability's integration into mainstream finance.

Sustainable investing on the upswing in Asia

Regional variations in this global trend reveal important nuances in how sustainability priorities are manifesting across different markets. Southeast and South Asia emerge as particularly dynamic regions, demonstrating the strongest momentum with 80% of investors increasing sustainable assets over the past year and 47% planning further increases over the next three years.

The motivations driving ESG and sustainability integration vary across geographies, yet one factor stands out globally: long-term financial performance. 79% respondents recognise a positive correlation between sustainability integration and long-term financial performance, making it a primary driver. Asian investors demonstrate particularly strong conviction in this performance link, with 54% citing long-term performance enhancement as a key motivator (vs. 47% global average). Beyond performance, regional priorities diverge in meaningful ways. Investors in the Americas are notably driven by ethical considerations, with 49% citing this as a key motivator (vs. 43% global average). European and UK investors, meanwhile, show heightened sensitivity to reputational implications, with 45% motivated by brand and reputation concerns (vs. 40% globally). These regional differences suggest that whilst sustainability has achieved global relevance, the pathways to integration remain culturally and contextually specific.

Primary motivations for incorporating climate and environmental issues into investment strategy



Institutional investors continue to show strong climate commitment

Examining sustainability commitment by investor type also reveals that some demonstrate particularly strong engagement with climate issues. Sovereign funds, central banks, and development banks lead with 83% regarding climate issues as extremely or very important to their investment strategies (vs. 72% global average). Notably, venture capital and hedge funds, traditionally associated with different investment horizons and risk profiles, demonstrate nearly equivalent commitment at 82% each, suggesting that sustainability considerations have permeated diverse investment philosophies and time horizons.

Why implementing sustainability remains difficult

Despite widespread commitment to sustainability, investors confront operational and strategic challenges in implementing sustainability-focused strategies. Data quality emerges as the predominant operational hurdle, cited by 46% of respondents. This challenge underscores the critical importance of trusted technology and data solutions capable of providing reliable, comparable, and decision-useful sustainability information.

Looking forward, investors anticipate an evolving challenge landscape that extends beyond operational concerns to encompass broader systemic risks. Future concerns include geopolitical backlash against sustainability initiatives, which worries 26% of investors, regulatory pressures cited by 28%, and widespread greenwashing concerning 22%. This anticipated shift from operational to strategic challenges suggests that as technical implementation issues are gradually resolved, investors expect to navigate increasingly complex political, regulatory, and credibility landscapes.

The biggest challenges in integrating sustainability into investment strategy

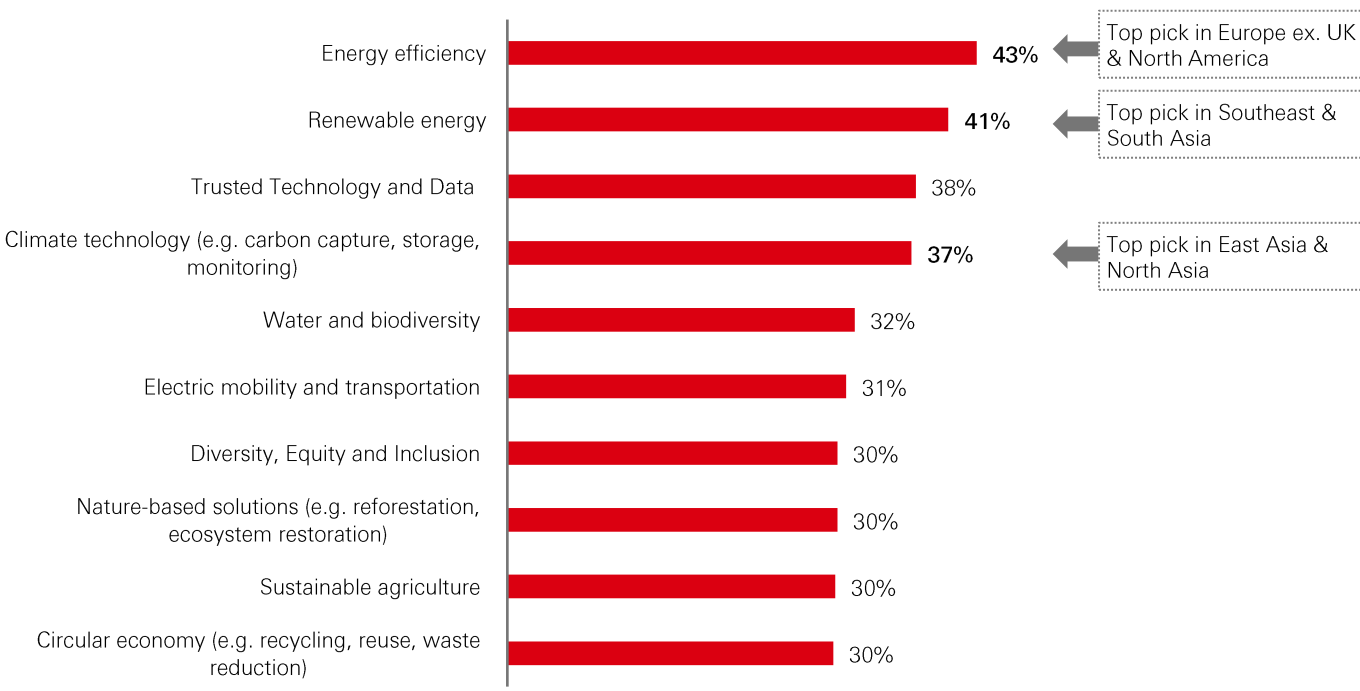
Sustainability priorities and interests are broadening

The thematic priorities emerging within sustainable investing reveal a broadening scope that extends well beyond climate considerations alone. Whilst climate change and net zero pathways remain central, cited by 45% as a priority, inclusion themes have achieved equivalent prominence at 45%, with even 30% viewing it as a promising sustainable investment over the next three years. Human rights issues similarly command attention from over two in five investors at 44%, indicating that social and governance dimensions of sustainability are achieving parity with environmental concerns.

Looking forward, investors aim to enhance sustainability reporting and focus more intensively on impact investing, with 44% identifying these as priorities. Impact investing has emerged as an area of focus, with 46% of investors prioritising sustainability-driven impact investing and 45% seeking more innovative impact solutions. This emphasis on measurable positive outcomes alongside financial returns represents an evolution beyond negative screening or risk management towards proactive value creation through sustainability.

Investment theme preferences vary notably by region: renewable energy demonstrates particularly strong appeal in Southeast and South Asia (51%), North America (46%), and the UK (40%) as a promising investment over the next three years. However, this theme generates comparatively less enthusiasm in Europe (35%) and East and North Asia (28%). Other regionally differentiated priorities include climate technology such as carbon capture, storage, and monitoring in East and North Asia (45%), energy efficiency in North America (48%) and Europe (42%), and trusted technology and data solutions in the UK (40%).

Top 10 most promising themes and sectors for sustainable investment over the next 3 years



Conclusion

The insights presented reveal that sustainability has moved from aspiration to necessity for our survey respondents. The direction is clear. Investors are seeking more sophisticated sustainability solutions, credible impact measurement and transparent reporting. This consideration of sustainability credentials indicates that asset managers cannot treat sustainability as optional or peripheral but must demonstrate genuine integration into their organisational identity and investment processes to support long-term value creation.

Supporting our clients' climate investment objectives

With climate and environmental issues remaining of high importance to clients, at HSBC AM we seek to drive climate implementation as follows:

- **Assessing issuer net zero alignment** with forward-looking indicators.
- **Targeted engagement** with high-emitting issuers to support their transition.
- **Directing capital** towards climate solutions tailored to client objectives.
- **Screening out issuers** not aligned with our policies and product guidelines.

We developed our internal climate product framework[1] to help further define our sustainability offering. In support of HSBC Group's net zero ambition 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, and a phase-down energy policy[2]. Our approach is designed to support different client needs, and our framework includes key characteristics that should be applied to our ESG and sustainable investing solutions, should customers want to mitigate risk or seek value creation through considering climate factors in their investment horizon.

Good governance is designed to be at the core of how we conduct business in support of our clients' objectives. Our sustainability governance framework is structured to provide ongoing strategic oversight and accountability, effective decision making, assurance and delivery across the key components of our responsible investment activities, including climate-related policies and commitments.

We remain committed to providing innovative solutions tailored to meet the diverse investment objectives of our clients. This approach supports progress towards achieving our interim target of reducing scope 1 and 2 financed emissions intensity by 58% between 2019 and 2030 for the in scope assets under management, consisting of listed equities and corporate fixed income managed within our major investment hubs.

Methodology
The results in this report are based on an online survey with n=500 professional investors, which ran from the 22nd to the 26th of September 2025. We surveyed respondents globally and derived regional insights from five key locations: East Asia / North Asia (n=80), the UK (n=75), Europe (excluding the UK) (n=84), North America (n=67), and Southeast & South Asia (n=107). The respondent base spans across different types of professional investors including sovereign wealth funds, treasuries, family offices, hedge funds, insurance, pension funds, private banks and wealth management firms, who manage assets from less than US$100 million to over US$1 trillion.

1. HSBC Asset Management applies a climate product framework for the internal classification of climate-related strategies. The framework is used to promote consistent standards across asset classes where relevant. Strategies within the climate product 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. The climate product framework should not be relied on to assess the climate-related characteristics of any given product; please refer to the relevant product literature for further information.
2. Our current policies including their application can be found here: https://www.assetmanagement.hsbc.co.uk/en/institutional-investor/about-us/responsible-investing/policies

Today, we and many of our customers contribute to greenhouse gas emissions. We have a strategy to reduce our own emissions and to develop solutions to help our clients invest sustainably. For more information visit https://www.assetmanagement.hsbc.com/about-us/net-zero

Our lead entity HSBC Global Asset Management Ltd is a signatory to the Net Zero Asset Managers initiative. It has an interim target of reducing Scope 1 and 2 financed emissions intensity by 58% between 2019 and 2030 for its in-scope assets under management (AUM), consisting of listed equities and corporate fixed income managed within its major investment hubs. As of 31 December 2019, in scope assets amounted to $193.9bn, equating to 38% of global AUM. Its targets remain subject to consultation with stakeholders including investors and fund boards on whose behalf it manages the assets. The 58% target is based on assumptions for financial markets and other data, including the IEA Net Zero emissions by 2050 scenario and its underlying activity growth assumptions. Carbon emissions intensity is measured as tonnes of carbon dioxide equivalent per million USD invested (tCO2e/M$ invested), where emissions are scaled by enterprise values including cash. HSBC Asset Management is closely following the review that the NZAM Initiative has launched on the future of the initiative.

Important Information

For Professional Clients and intermediaries within countries and territories set out below; and for Institutional Investors and Financial Advisors in the US. This document should not be distributed to or relied upon by Retail clients/investors.
The value of investments and the income from them can go down as well as up and investors may not get back the amount originally invested. The performance figures contained in this document relate to past performance, which should not be seen as an indication of future returns. Future returns will depend, inter alia, on market conditions, investment manager's skill, risk level and fees. Where overseas investments are held the rate of currency exchange may cause the value of such investments to go down as well as up. Investments in emerging markets are by their nature higher risk and potentially more volatile than those inherent in some established markets. Economies in emerging markets generally are heavily dependent upon international trade and, accordingly, have been and may continue to be affected adversely by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries and territories with which they trade. These economies also have been and may continue to be affected adversely by economic conditions in the countries and territories in which they trade.
The contents of this document may not be reproduced or further distributed to any person or entity, whether in whole or in part, for any purpose. All non-authorised reproduction or use of this document will be the responsibility of the user and may lead to legal proceedings. The material contained in this document is for general information purposes only and does not constitute advice or a recommendation to buy or sell investments. Some of the statements contained in this document may be considered forward looking statements which provide current expectations or forecasts of future events. Such forward looking statements are not guarantees of future performance or events and involve risks and uncertainties. Actual results may differ materially from those described in such forward-looking statements as a result of various factors. We do not undertake any obligation to update the forward-looking statements contained herein, or to update the reasons why actual results could differ from those projected in the forward-looking statements. This document has no contractual value and is not by any means intended as a solicitation, nor a recommendation for the purchase or sale of any financial instrument in any jurisdiction in which such an offer is not lawful. The views and opinions expressed herein are those of HSBC Asset Management at the time of preparation and are subject to change at any time. These views may not necessarily indicate current portfolios' composition. Individual portfolios managed by HSBC Asset Management primarily reflect individual clients' objectives, risk preferences, time horizon, and market liquidity. Foreign and emerging markets: investments in foreign markets involve risks such as currency rate fluctuations, potential differences in accounting and taxation policies, as well as possible political, economic, and market risks. These risks are heightened for investments in emerging markets which are also subject to greater illiquidity and volatility than developed foreign markets. This commentary is for information purposes only. It is a marketing communication and does not constitute investment advice or a recommendation to any reader of this content to buy or sell investments nor should it be regarded as investment research. It has not been prepared in accordance with legal requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing ahead of its dissemination. This document is not contractually binding nor are we required to provide this to you by any legislative provision.
All data from HSBC Asset Management unless otherwise specified. Any third-party information has been obtained from sources we believe to be reliable, but which we have not independently verified.
HSBC Asset Management is the brand name for the asset management business of HSBC Group, which includes the investment activities that may be provided through our local regulated entities. HSBC Asset Management is a group of companies in many countries and territories throughout the world that are engaged in investment advisory and fund management activities, which are ultimately owned by HSBC Holdings Plc. (HSBC Group).

- In Australia, this document is issued by HSBC Bank Australia Limited ABN 48 006 434 162, AFSL 232595, for HSBC Global Asset Management (Hong Kong) Limited ARBN 132 834 149 and HSBC Global Asset Management (UK) Limited ARBN 633 929 718. This document is for institutional investors only and is not available for distribution to retail clients (as defined under the Corporations Act). HSBC Global Asset Management (Hong Kong) Limited and HSBC Global Asset Management (UK) Limited are exempt from the requirement to hold an Australian financial services license under the Corporations Act in respect of the financial services they provide. HSBC Global Asset Management (Hong Kong) Limited is regulated by the Securities and Futures Commission of Hong Kong under the Hong Kong laws, which differ from Australian laws. HSBC Global Asset Management (UK) Limited is regulated by the Financial Conduct Authority of the United Kingdom and, for the avoidance of doubt, includes the Financial Services Authority of the United Kingdom as it was previously known before 1 April 2013, under the laws of the United Kingdom, which differ from Australian laws;

- In Bermuda, this document is issued by HSBC Global Asset Management (Bermuda) Limited, of 37 Front Street, Hamilton, Bermuda which is licensed to conduct investment business by the Bermuda Monetary Authority;
- In France, Belgium, Netherlands, Luxembourg, Portugal, Greece, Finland, Norway, Denmark and Sweden this document is issued by HSBC Global Asset Management (France), a Portfolio Management Company authorised by the French regulatory authority AMF (no. GP99026);
- In Germany, this document is issued by HSBC Global Asset Management (Deutschland) GmbH which is regulated by BaFin (German clients) respective by the Austrian Financial Market Supervision FMA (Austrian clients);
- In Hong Kong, this document is issued by HSBC Global Asset Management (Hong Kong) Limited, which is regulated by the Securities and Futures Commission. This content has not been reviewed by the Securities and Futures Commission;
- In India, this document is issued by HSBC Asset Management (India) Pvt Ltd. which is regulated by the Securities and Exchange Board of India;
- In Italy and Spain, this document is issued by HSBC Global Asset Management (France), a Portfolio Management Company authorised by the French regulatory authority AMF (no. GP99026) and through the Italian and Spanish branches of HSBC Global Asset Management (France), regulated respectively by Banca d'Italia and Commissione Nazionale per le Società e la Borsa (Consob) in Italy, and the Comisión Nacional del Mercado de Valores (CNMV) in Spain;
- In Malta, this document is issued by HSBC Global Asset Management (Malta) Limited which is regulated and licensed to conduct Investment Services by the Malta Financial Services Authority under the Investment Services Act;
- In Mexico, this document is issued by HSBC Global Asset Management (Mexico), SA de CV, Sociedad Operadora de Fondos de Inversión, Grupo Financiero HSBC which is regulated by Comisión Nacional Bancaria y de Valores;
- In the United Arab Emirates, this document is issued by HSBC Investment Funds (Luxembourg) S.A. – Dubai Branch (Level 20, HSBC Tower, PO Box 66, Downtown Dubai, United Arab Emirates) regulated by the Capital Market Authority (CMA) in the UAE to conduct investment fund management, portfolios management, fund administration activities (CMA Category 2 license No.20200000336) and promotion activities (CMA Category 5 license No.20200000327).
- In the United Arab Emirates, this document is issued by HSBC Global Asset Management MENA, a unit within HSBC Bank Middle East Limited, U.A.E Branch, PO Box 66 Dubai, UAE, regulated by the Central Bank of the U.A.E. and the Capital Market Authority in the UAE under CMA license number 602004 for the purpose of this promotion and lead regulated by the Dubai Financial Services Authority. HSBC Bank Middle East Limited is a member of the HSBC Group and HSBC Global Asset Management MENA are marketing the relevant product only in a sub-distributing capacity on a principal-to-principal basis. HSBC Global Asset Management MENA may not be licensed under the laws of the recipient's country of residence and therefore may not be subject to supervision of the local regulator in the recipient's country of residence. One of more of the products and services of the manufacturer may not have been approved by or registered with the local regulator and the assets may be booked outside of the recipient's country of residence.
- In Singapore, this document is issued by HSBC Global Asset Management (Singapore) Limited, which is regulated by the Monetary Authority of Singapore. The content in the document/video has not been reviewed by the Monetary Authority of Singapore;
- In Switzerland, this document is issued by HSBC Global Asset Management (Switzerland) AG. This document is intended for professional investor use only. For opting in and opting out according to FinSA, please refer to our website; if you wish to change your client categorization, please inform us. HSBC Global Asset Management (Switzerland) AG having its registered office at Gartenstrasse 26, PO Box, CH-8002 Zurich has a licence as an asset manager of collective investment schemes and as a representative of foreign collective investment schemes. Disputes regarding legal claims between the Client and HSBC Global Asset Management (Switzerland) AG can be settled by an ombudsman in mediation proceedings. HSBC Global Asset Management (Switzerland) AG is affiliated to the ombudsman FINOS having its registered address at Talstrasse 20, 8001 Zurich. There are general risks associated with financial instruments, please refer to the Swiss Banking Association ("SBA") Brochure "Risks Involved in Trading in Financial Instruments";
- In Taiwan, this document is issued by HSBC Global Asset Management (Taiwan) Limited which is regulated by the Financial Supervisory Commission R.O.C. (Taiwan);
- In Turkiye, this document is issued by HSBC Asset Management A.S. Turkiye (AMTU) which is regulated by Capital Markets Board of Turkiye. Any information here is not intended to distribute in any jurisdiction where AMTU does not have a right to. Any views here should not be perceived as investment advice, product/service offer and/or promise of income. Information given here might not be suitable for all investors and investors should be giving their own independent decisions. The investment information, comments and advice given herein are not part of investment advice activity. Investment advice services are provided by authorized institutions to persons and entities privately by considering their risk and return preferences, whereas the comments and advice included herein are of a general nature. Therefore, they may not fit your financial situation and risk and return preferences. For this reason, making an investment decision only by relying on the information given herein may not give rise to results that fit your expectations.

- In the UK, this document is issued by HSBC Global Asset Management (UK) Limited, which is authorised and regulated by the Financial Conduct Authority;
- In the US, this document is issued by HSBC Securities (USA) Inc., an HSBC broker dealer registered in the US with the Securities and Exchange Commission under the Securities Exchange Act of 1934. HSBC Securities (USA) Inc. is also a member of NYSE/FINRA/SIPC. HSBC Securities (USA) Inc. is not authorized by or registered with any other non-US regulatory authority. The contents of this document are confidential and may not be reproduced or further distributed to any person or entity, whether in whole or in part, for any purpose without prior written permission.
- In Chile, operations by HSBC's headquarters or other offices of this bank located abroad are not subject to Chilean inspections or regulations and are not covered by warranty of the Chilean state. Obtain information about the state guarantee to deposits at your bank or on www.cmfchile.cl;
- In Colombia, HSBC Bank USA NA has an authorized representative by the Superintendencia Financiera de Colombia (SFC) whereby its activities conform to the General Legal Financial System. SFC has not reviewed the information provided to the investor. This document is for the exclusive use of institutional investors in Colombia and is not for public distribution;
- In Costa Rica, the Fund and any other products or services referenced in this document are not registered with the Superintendencia General de Valores ("SUGEVAL") and no regulator or government authority has reviewed this document, or the merits of the products and services referenced herein. This document is directed at and intended for institutional investors only.
- In Peru, HSBC Bank USA NA has an authorized representative by the Superintendencia de Banca y Seguros in Perú whereby its activities conform to the General Legal Financial System - Law No. 26702. Funds have not been registered before the Superintendencia del Mercado de Valores (SMV) and are being placed by means of a private offer. SMV has not reviewed the information provided to the investor. This document is for the exclusive use of institutional investors in Perú and is not for public distribution;
- In Uruguay, operations by HSBC's headquarters or other offices of this bank located abroad are not subject to Uruguayan inspections or regulations and are not covered by warranty of the Uruguayan state. Further information may be obtained about the state guarantee to deposits at your bank or on www.bcu.gub.uy.

Content ID: D065543_v1.0 ; Expiry Date: 01.02.2027