

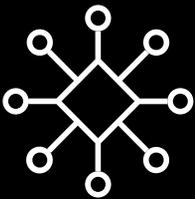
The purpose of the HSBC Asset Management (“HSBC AM”) 2026 Stewardship Plan is to communicate our approach to stewardship for the upcoming year. In developing our Plan, we consider insights and feedback received from our clients over the past year.

Our Stewardship Plan covers listed assets (equities and fixed income) held by funds in our major investment hubs and in certain additional locations;<sup>1</sup> investment teams in other locations will be guided by the principles set out and may also have access to the resources that inform our approach but the level of application may vary.<sup>2</sup> Our Stewardship Plan also covers listed alternative asset classes. However, it excludes other alternative asset classes and strategies managed by HSBC AM. Additionally, funds managed by third parties and held within our multi-asset strategies are excluded. For further information on our stewardship approach for alternative asset classes, please see the Alternatives Responsible Investment Policy available at: [HSBC AM Responsible Investment Policies and Disclosures](#).

Our Stewardship Plan is applied subject to applicable laws and regulations.

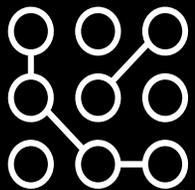
At HSBC AM, we recognise that sustainability matters may have an effect on the value of our clients’ investments. As a powerful tool to mitigate risk and enhance the value of companies we invest in, our stewardship activities play an important role in our investment processes. Engagement, whether through direct discussions with companies or engagement 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 core parts of our stewardship activities.

We carry out our stewardship activities at the firm, fund, and system levels:



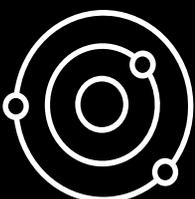
## Firmwide stewardship

Manages risks and opportunities across our client portfolios through issuer engagement and proxy voting.



## Fund-driven stewardship

Supports sustainability objectives where appropriate for selected client portfolios in our sustainable investment product range.



## System stewardship

Addresses market-wide and system risks impacting our client portfolios using a range of different approaches; it complements issuer stewardship at the firm and fund levels.

1. These include France, Germany, Hong Kong, India, Mexico, Singapore, Taiwan, Turkey, the United Kingdom, and the United States.  
2. Note that HSBC Asset Management will not necessarily engage with all securities within scope of this document.

## How stewardship creates value for investors

Empirical evidence is building regarding the link between stewardship and value for investors.<sup>3</sup> Stewardship creates value by:

- 1 Driving growth.** Holding company boards accountable for delivering sustainable growth for shareholders.
- 2 Managing risks.** Encouraging companies to proactively address both current and emerging risks to protect investor value.
- 3 Improving transparency and disclosure.** Supporting better investment decisions and reducing uncertainty for investors, potentially leading to lower costs of capital. Enhanced disclosure also helps companies gain insights into their businesses, leading to improvements in growth and risk management.
- 4 Promoting strong governance.** Acting in our clients' interests to encourage high standards of behaviour in the markets where companies operate.
- 5 Encouraging sustainable practices.** Promoting responsible social and environmental practices to manage risks, build trust with stakeholders, and safeguard companies' licences to operate.

In Section 2 of our Stewardship Plan, we set out our approach to how we exercise firmwide stewardship. In Section 3, we outline our approach to fund and system stewardship. In Section 4, we provide an overview of our stewardship governance. In Section 5, we provide further information on our engagement themes. Our Plan complements our Stewardship Policy and Global Voting Guidelines, which are published separately and available at: [HSBC AM Responsible Investment Policies and Disclosures](#).

For further information on the stewardship activities we have undertaken and their outcomes, please refer to our latest UK Stewardship Code report available on the [Financial Reporting Council's website](#).

3. As examples, Hoepner et al. (2024) found that engagement can benefit shareholders by reducing firms' downside risks (available at Hoepner, A. G. F., Oikonomou, I., Sautner, Z., Starks, L. T., & Zhou, X. Y. (2024). ESG shareholder engagement and downside risk. *Review of Finance*, 28(2), 483–510. <https://doi.org/10.1093/rofi/rfad034>). Bauer et al. (2023) found that targets of successful material engagements significantly outperformed their peers for over the next 14 months (available at Bauer, R., Derwall, J., & Tissen, C. (2023). Private shareholder engagements on material ESG issues. *Financial Analysts Journal*, 79(4), 64–95. <https://doi.org/10.1080/0015198X.2023.2220648>).

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.

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