

3. Our approach to fund and system stewardship

Fund-driven stewardship

Fund-driven stewardship can support sustainability objectives where appropriate for selected client portfolios in our sustainable investment product range. Engagements related to fund-driven stewardship are added to our Priority List.

Certain sustainability-labelled funds, such as those falling under the SRI Label from the French Government (“Label ISR de l’État Français”) and the UK’s Sustainability Disclosure Requirements (SDR) framework, may be required to comply with local regulations regarding engagement and escalation strategies.

System stewardship

We may participate in systemic, or system, stewardship activities to address risks and opportunities affecting the wider market or financial system, when relevant to our client portfolios and consistent with applicable legal requirements.

Participation in industry initiatives provides us with valuable research, resources, insights, and expertise that we can leverage as needed, enhancing our efficiency. Additionally, such engagements strengthen our voice as a minority investor, ultimately creating greater value for our clients. Examples include industry initiatives with other asset managers and owners, public policy engagements, as well as engagements with index providers, service providers, and other stakeholders as appropriate.

We aim to identify opportunities to engage with regulators, governments, or monetary authorities, primarily through our memberships in industry or sustainable finance associations, to provide perspectives on policy development. Our engagement with regulators includes responses to industry consultations on sustainability practices, including sustainability frameworks, disclosure, or assurance standards.

HSBC Asset Management acts independently in its investment and voting decisions. We do not coordinate investment or voting decisions with any members of any industry engagement body.



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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