

# Stewardship Policy Engagement and Voting

February 2026

Die deutsche Übersetzung dieser Richtlinie kann auf Nachfrage zur Verfügung gestellt werden.

- ◆ Our Stewardship Policy covers listed assets (equities and fixed income) held by funds in our major investment hubs unless otherwise stated<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. 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 [add link to Responsible Investment Policy for Alternatives].
- ◆ We recognise our responsibility for the stewardship oversight of companies and other issuers whose securities we hold on behalf of our clients. We seek to exercise responsible stewardship to protect and enhance value for clients. Stewardship is one of the core components of our approach to responsible investment.
- ◆ We were early signatories to the Principles for Responsible Investment in 2006 and to the UK Stewardship Code in 2010. In 2020, the Financial Reporting Council introduced a new assessment process for signatories to the UK Stewardship Code, and we have continued to be accepted as a signatory since this change was introduced<sup>2</sup>.
- ◆ We are also signatories to stewardship codes in Hong Kong, Taiwan, Singapore and Japan<sup>3</sup>.
- ◆ We keep our participation in other stewardship codes under review.

#### Notes:

1. Our major investment hubs include France, Germany, Hong Kong, India, Mexico, Singapore, Taiwan, Turkey, the United Kingdom, and the United States.
2. At the time of publishing this policy, HSBC Global Asset Management (UK) Ltd is recognised as a signatory to the UK Stewardship Code for 2025.
3. HSBC Global Asset Management (Hong Kong) Ltd is a signatory to the Security and Futures Commission of Hong Kong's Principles of Responsible Ownership, HSBC Global Asset Management (Taiwan) Ltd is a signatory to Taiwan's Stewardship Principles for Institutional Investors, HSBC Global Asset Management (Singapore) Ltd is a signatory to the Singapore Stewardship Principles for Responsible Investors, and HSBC Asset Management (Japan) Ltd is a signatory to Japan's Stewardship Code.

- ◆ HSBC AM recognises the impact that relevant sustainability matters can have on companies' investment returns and risk profile.
- ◆ We manage our clients' assets according to a range of different investment strategies. We aim to consider sustainability matters in our investment processes to the extent that they are relevant to the strategy and asset class concerned and have the potential for financial impact on investee and portfolio performance and value creation.
- ◆ Active fundamental equity and fixed income portfolio managers and analysts undertake analysis of issuers, including relevant considerations such as financial, operational, sectoral and sustainability matters.
- ◆ We monitor companies and other issuers held in fundamental active portfolios both before and during the period of our investment. Our monitoring covers strategy, financial and non-financial performance and risk, capital structure, social and environmental impact, and corporate governance, as appropriate based on jurisdiction.
- ◆ We consider information from in-house sustainability research, third-party sustainability research and data, insights from our virtual sector teams, as well as information gathered from issuer engagement. Due diligence may be triggered by issuers in breach of our policies or risk thresholds, or if they do not meet the minimum requirements of a HSBC AM fund or product.
- ◆ We also use sustainability metrics to monitor and manage the financial risks of active fundamental and active quantitative portfolios, with varying levels of oversight depending on the nature of the portfolio.

- ◆ Engagement with issuers helps us to evaluate relevant sustainability risks and opportunities and encourage better practices to enhance and protect shareholder value.
- ◆ Our publicly available Stewardship Plan provides an overview of our engagement approach and is updated annually. Our current Stewardship Plan is available at: [Stewardship - Institutional Investor \(hsbc.co.uk\)](https://www.hsbc.co.uk/stewardship-institutional-investor).
- ◆ Engagements are typically carried out by stewardship specialists and by investment teams. Engagements may be conducted in a variety of manners, including through in-person meetings, calls, letters or digital communications, site visits, with other stakeholders as appropriate, or through industry bodies.
- ◆ We maintain a Priority List of issuers for engagement. This helps us to assess and prioritise issuers for engagement; monitor current engagement capacity and available resources; and support the co-ordination and collaboration of engagement activities across different teams. The existence of a Priority List process does not preclude engagement activity taking place with issuers not on the list and nor does it represent a commitment to engage all companies on the Priority List.
- ◆ Engagement activities with issuers, including those on the Priority List, are documented using internal engagement record-keeping tools, which enable the tracking of engagement progress, including on sustainability topics.
- ◆ If a company shows insufficient progress in response to our requests for change and we believe the lack of progress may increase risk or harm value, we may initiate our stewardship escalation process.
- ◆ Investment teams may also engage with companies as part of their ongoing monitoring and analysis processes; these engagements are focused on financial and operational performance.

- ◆ 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.
- ◆ Examples of system stewardship activities include industry engagement initiatives with other asset managers and owners, public policy engagements, as well as engagements with index providers, service providers, and other stakeholders as appropriate.
- ◆ 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.

## Fund-driven stewardship

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- ◆ 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.

- ◆ Exercising voting rights at company meetings is a core part of our stewardship activities. It is in our clients' investment interests to ensure high standards of responsible behaviour in the entities we invest in on their behalf.
- ◆ 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<sup>4</sup>.
- ◆ We publish our Global Voting Guidelines online to communicate our voting expectations clearly and fairly to issuers and to our clients. These are updated annually and apply across our offices in France, Hong Kong, India, Japan, Malta, Singapore, the United Kingdom, and the United States<sup>5</sup>. Our Global Voting Guidelines are available at: [Stewardship - Institutional Investor \(hsbc.co.uk\)](https://www.hsbc.co.uk/stewardship-institutional-investor).
- ◆ In most instances, proxy service providers may be used to provide voting research and support voting operations and disclosure. This may include the automation of relevant votes in line with our voting guidelines, and provision of custom voting recommendations based on our voting guidelines and detailed instructions. In doing so, proxy service providers act in an agency capacity, and we retain full control over final voting decisions to ensure that we are acting in the best interests of our clients.
- ◆ We monitor the quality of service from our proxy service providers, including an annual review to evaluate performance and identify areas for improvement.
- ◆ In some cases, we may vote differently from our voting guidelines or custom voting recommendations. Such decisions are subject to additional governance and oversight.

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4. Share blocking refers to a practice where the trading of shares is blocked after voting instructions are given ahead of a shareholder meeting.

5. Our Global Voting Guidelines are also applicable to some of our holdings in Taiwan and Turkey but not in Germany or Mexico currently. In Germany, voting is exercised through the fund's KVG, an independent legal entity responsible for the fund, rather than by the delegated asset manager.

- ◆ Engagement activities may inform investment decision-making, including the inclusion or exclusion of issuers within specific funds or their respective fund universes, or the introduction of investment restrictions on a security (e.g., “do not add”). This may include investment decisions related to HSBC AM policies and commitments, as well as sustainability due diligence processes as appropriate.
- ◆ When engaging with and voting proxies with respect to the portfolio companies in which we invest our clients’ assets, we do so on behalf of and in the best interests of the client accounts we manage and do not seek to change or influence control of any such portfolio companies.
- ◆ Potential stewardship escalation options include, but are not limited to, dialogue with senior management or board members, including written communications, and participation in industry initiatives. For companies where we hold publicly listed shares, escalation options also include voting against certain management proposals, including director (re)elections, and co-filing shareholder proposals.
- ◆ The escalation options chosen, and the order and timescales in which they are taken, will vary by issuer depending on the specific context. We also consider market and region-specific nuances such as cultural expectations, geopolitical challenges, and local regulations and practices.
- ◆ Decisions to escalate are guided by several factors, including the issuer’s responsiveness to our requests and timeliness in enacting change; the relevance of the issue and its potential to negatively impact shareholder value; and the potential for our chosen escalation activity to effectively address the issue.

## Stewardship governance

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- ◆ Oversight of stewardship activities relating to this policy is embedded within our governance framework, including the Responsible Investment Committee, the Asset Management Global Operating Committee, and the Stewardship Committee.

- ◆ Our engagement and voting is focused on advancing and protecting the interests of our clients as investors in companies and other issuers.
- ◆ We recognise that actual and potential conflicts of interest may arise in our engagement and voting. Oversight of conflicts of interest is embedded within our governance framework, and we have established policies, procedures and protocols to identify and manage such conflicts.
- ◆ The HSBC Asset Management Conflicts of Interest Policy is published online: [Conflict of interest - HSBC Asset Management UK](#).

## Reporting

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- ◆ Reporting on our engagement and voting is available to clients in line with their requirements.
- ◆ Our voting statistics are available publicly in our Proxy Voting Dashboard.
- ◆ Further information about our stewardship activities is published annually in our UK Stewardship Code submission, available on the Financial Reporting Council's website.

## Review of policy

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- ◆ We conduct regular reviews of our policy, generally on an annual basis, though this may vary.

This Policy is intended to help our external stakeholders to understand HSBC Asset Management's (HSBC AM) approach related to the policy subject matter. It is made public for information only; HSBC AM shall owe no obligation or liability to third parties in relation to them. The Policy's scope of application to HSBC AM businesses is as stated in the Policy itself. Clients should refer to the applicable product documentation for the investment policies and criteria governing the relevant product.

In making the assessments and determinations further described in the Policy, HSBC AM will use such information as it determines necessary and relevant in its sole discretion. No representations or warranties, express or implied, are made by HSBC AM as to; (i) the fairness, accuracy or completeness of the Policy; (ii) the data relied on to meet policy requirements or any underlying policies; (iii) the application or interpretation of requirements; or (iv) the achievement of any forward-looking statements.

HSBC AM reserves the right, without giving reason, to amend the Policy at any time. The application of HSBC AM's Policies remains subject to compliance with applicable laws and regulations.

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. This Policy is issued by the following entities:

- in France by HSBC Global Asset Management (France), a Portfolio Management Company authorised by the French regulatory authority AMF (no. GP99026);
- in Germany by HSBC Global Asset Management (Deutschland) GmbH which is regulated by BaFin;
- in Hong Kong by HSBC Global Asset Management (Hong Kong) Limited, which is regulated by the Securities and Futures Commission;
- in the UK by HSBC Global Asset Management (UK) Limited and HSBC Asset Management (Fund Services UK) Limited, which are authorised and regulated by the Financial Conduct Authority;
- in the US by HSBC Global Asset Management (USA) Inc. which is an investment adviser registered with the US Securities and Exchange Commission;
- in Singapore by HSBC Global Asset Management (Singapore) Limited, which is regulated by the Monetary Authority of Singapore;
- in Taiwan by HSBC Global Asset Management (Taiwan) Limited which is regulated by the Financial Supervisory Commission R.O.C;
- in Mexico 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 Switzerland by HSBC Global Asset Management (Switzerland) AG;
- in Luxembourg by HSBC Investment Funds (Luxembourg) SA which is regulated by Commission de Surveillance du Secteur Financier;
- in Bermuda 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 Malta 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 Japan by HSBC Asset Management Japan Limited;
- in Turkiye by HSBC Asset Management A.S. Turkiye (AMTU) which is regulated by Capital Markets Board of Turkiye.
- in India by HSBC Asset Management (India) Pvt Ltd. which is regulated by the Securities and Exchange Board of India.

