

# ESG Ratings Disclosure

July 2026



**HSBC** Asset Management | Opening up a world of opportunity

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# Circular IQ Rating

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# Circular IQ Rating

The EU ESG Ratings Regulation (Regulation (EU) 2024/3005) is designed to improve transparency, consistency and trust in the use of ESG ratings by setting clear requirements on how ESG rating providers explain their methodologies, data sources and governance. As we use a range of ESG scores and ratings within our investment process—and in some cases within fund-specific processes—certain ratings we produce and make available to our clients may fall within scope of these disclosure requirements. Our scoring approaches are built to support defined investment objectives and decision-making needs. In line with the regulation’s intent, disclosing our methodology helps clients understand what each score measures, its objectives, and limitations.

| Disclosure area                                | What to disclose  | Content disclosed  |
|--|---|--|
| 1. Rating product – Objective & materiality    | Objective of the ESG rating; whether it assesses <b>risk, impact, or both</b> (double materiality). If both, state split. | <p>The Circular IQ rating applies a double materiality lens consistent with the CSRD / ESRS approach. The framework assesses both a company's impacts on resource use, waste, pollution, water, energy and circular value-chain outcomes, and the financial risks and opportunities arising from the transition from a linear to a circular economy. The result is then used as a key input into the investment process of the HGIF Global Equity Circular Economy fund.</p> <p>Assesses: <input type="checkbox"/> Risk/Opportunity <input type="checkbox"/> Impact <input checked="" type="checkbox"/> Both</p> <p>If both, Risk %: 50 Impact %: 50</p> |
| 2. Rating product – Scope                      | What the rating covers: <b>E, S, G, combined/aggregated</b> , or specific themes (e.g., transition risk).                 | <p>Scope: <input type="checkbox"/> E <input type="checkbox"/> S <input type="checkbox"/> G <input type="checkbox"/> Aggregated ESG <input checked="" type="checkbox"/> Theme: Circular Economy</p> <p>The rating is thematic and focused on Circular Economy. It covers E, S and G dimensions where relevant.</p>  |
| 3. Rating product – Weightings (if aggregated) | Weighting of E/S/G and how weights are set (incl. sub-weights if used).   | Not aggregated   |

| Disclosure area                                   | What to disclose  | Content disclosed  |
|---|---|--|
| 4. Rating product – Topics covered                | Topics within E/S/G and whether aligned to CSRD/ESRS sustainability topics.   | <p>Topics covered: Includes strategy and Innovation, people and skills, operations, external engagement, products and materials use, services, PPE assets, water &amp; energy.</p> <p>Main ESRS link E5: Resource Use and Circular Economy</p> <p>ESRS aligned? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partly (explain): _____</p> |
| 5. Rating product – Scale type                    | Whether rating is <b>absolute</b> or <b>relative</b> (or both).   | Scale: <input checked="" type="checkbox"/> Absolute <input type="checkbox"/> Relative <input type="checkbox"/> Both   If relative, relative to:  |
| 6. Rating product – International alignment (E)   | If E is covered: whether it accounts for <b>Paris Agreement</b> targets/objectives or other relevant agreements.  | Paris Agreement considered? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No   Other agreements (if any): Yes, indirectly, as Circularity contributes to lower GHG emissions, resource efficiency, renewable energy use, and a lower carbon business model.   |
| 7. Rating product – International alignment (S/G) | If S and/or G are covered: whether it accounts for relevant international agreements/standards.   | S/G agreements considered? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No   S and G covered only where they support Circular economy implementation (strategy, skills, accountability, and value chain engagement)  |
| 8. Methodology – Overview & key features          | Summary of methodology; backward/forward-looking; time horizon; what is rated; expiry (if any); models/assumptions; data quality controls; rating scale meaning; last update and changes. | <p>Methodology title: Circular IQ Rating</p> <p>Rated items: Companies within the fund investment universe</p> <p>Back/forward-looking: Forward-looking</p> <p>Time horizon: 3-5 years</p> <p>Validity (i.e. renewal period): 2 years</p>  |

| Disclosure area                                 | What to disclose   | Content disclosed  |
|---|--|--|
|   |  | <p>Models/assumptions: Industry expertise and experience is used to extrapolate missing data, where possible missing information is requested from company management.</p> <p>Data quality controls: When a new company is added to the fund, an independent review of the rating and alignment with the fund theme is conducted by both a member of the RI Specialist team and the RI Research team. Once approved by the Active Equity ESG Committee, companies are added to a digital whitelist with logged approvals from both the RI and Active Equity teams.</p> <p>Rating scale meaning: The Circular IQ rating has been designed to assess circular economy 'Trailblazers'. These companies are typically large established brands that are setting high standards of circularity across their value chains and operational footprint. Their business practices are screened thorough a detailed questionnaire that assess the degree of circularity in various aspects of their strategies and operations. This qualitative questionnaire addresses 11 pillars across 50 questions, resulting in an overall score from 0 to 100. These companies are trendsetters who push the transition from a linear economy towards a circular economy by transforming their business practices and strengthening circularity of their business ecosystem. A minimum score of 30 must be achieved for a company to be eligible for inclusion in the fund.</p> <p>Last update: No methodology update since launch of the fund</p> <p>Changes made at last update: No methodology update since launch of the fund</p> |
| <b>9. Methodology – Industry classification</b> | Industry classification name, issuer, version, and link (if public).         | N/A  |
| <b>10. Data – Sources &amp; processing</b>      | Data sources (CSRD/ESRS, SFDR, other); public/non-public; estimation/proxies | Sources: Company publications, reports and sustainability disclosures, public sources, and company engagement  |

| Disclosure area   | What to disclose  | Content disclosed   |
|---|---|---|
|   | <p>when missing; update frequency; engagement process and how input is used.</p>            | <p>CSRD used? <input type="checkbox"/> Y <input checked="" type="checkbox"/> N (Partly where available. Circular IQ uses CSRD/ESRS information primarily at thematic and disclosure area level, especially ESRS E5 Resource and Circular Economy, ESRS E, Climate change, ESRS E3 Water and Marine resources)</p> <p>SFDR used? <input type="checkbox"/> Y <input checked="" type="checkbox"/> N</p> <p>Public/non-public data sources: Public data sources</p> <p>Estimation approach: Industry expertise and experience is used to extrapolate missing data, where possible missing information is requested from company management.</p> <p>Update frequency: Maximum 2 years, or more frequently if investment team become aware of new information impacting the investment thesis.</p> <p>Engagement process: Investment team routinely conduct active engagement with companies held in the portfolio and investment ideas being considered for addition to the portfolio, and the information from these engagements is used to inform the Circular IQ score.</p> |
| <p><b>11. Methodology – Scientific basis</b></p>          | <p>Whether/how methodology is based on scientific evidence; how evidence is identified.</p> | <p>Scientific basis: No specific science beyond generally recognised scientific evidence on topics such as climate change identified by the IPCC.</p>   |
| <p><b>12. Methodology – Use of AI (if applicable)</b></p> | <p>Whether AI is used in data collection/rating; limitations and risks.</p>                 | <p>AI used? No</p> <p>Limitations/risks: Note we are leveraging third party data sources that may use AI for their sourcing purposes but this would be disclosed in their disclosures separately. We do not use AI for our rating purposes.</p>   |

| Disclosure area  | What to disclose   | Content disclosed  |
|--|--|--|
| <b>13. Limitations – Data &amp; methodology</b>            | Key limitations: data availability/consistency; completeness; timeliness; accuracy; assumptions/proxies/estimates.       | <p>Limitations summary:</p> <p>We engage third-party research providers and sources to identify the E, S and G aspects that are relevant to our internal rating methodologies. Whilst we assess third party providers as part of ongoing monitoring, it is not possible to guarantee their data accuracy, completeness, quality of judgement or timeliness. Their coverage may not include every issuer held in our portfolios. We may set aside their data or scoring where our own due diligence suggests that this may be inaccurate, incomplete or disproportionate.</p>   |
| <b>14. Limitations – S/G agreements (if applicable)</b>    | If social and governance aspects are covered: confirm whether relevant international agreements are considered (or not). | <p>International agreements considered? Yes</p> <p>Details: Our third-party provider consider international treaties such as the International Labor Organisation treaties and International Convention on Human Rights as part of our inputs to our rating framework particularly for the social metric that we ingest into our AM internal rating framework.</p>   |
| <b>15. Organisation – Ownership &amp; issuing entities</b> | List of issuing regulated entities (as applicable).  | <p>Issuing entities (list):</p> <p>ESG ratings are issued by entities within HSBC Asset Management. 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. The issuing entities listed below are wholly-owned, indirect subsidiaries of HSBC Holdings plc:</p> <ul style="list-style-type: none"> <li>• <i>in France by HSBC Global Asset Management (France), a Portfolio Management Company authorised by the French regulatory authority AMF (no. GP99026);</i></li> <li>• <i>in Germany by HSBC Global Asset Management (Deutschland) GmbH which is regulated by BaFin;</i></li> <li>• <i>in Luxembourg by HSBC Investment Funds (Luxembourg) SA which is regulated by Commission de Surveillance du Secteur Financier;</i></li> </ul> |

| Disclosure area                                     | What to disclose   | Content disclosed   |
|---|--|---|
| <b>16. Organisation – Fees &amp; business model</b> | High-level fee criteria and business/payment model; clarify ratings are for internal AM use (not sold), if applicable.                                     | <p>The Active Equity team is part of the wider Investment team in HSBC Asset Management and is responsible for the development and review of this methodology. The Responsible Investment team also sits within the Investment team in HSBC Asset Management and is responsible for the oversight of this methodology.</p> <p>Ratings are solely for internal HSBC AM purposes and their clients. There are no charges associated with the rating.</p>  |
| <b>17. Conflicts of interest – Key risks</b>        | Main conflicts relevant to the rating activity (select the most material).   | <ul style="list-style-type: none"> <li>• Ratings inconsistency and comparability; due to time-lag/data gaps</li> <li>• Commercial incentives favouring strong ESG ratings to win mandates (this is mitigated by requiring independent RI approval for companies to be considered thematically aligned)</li> </ul>   |
| <b>18. Conflicts of interest – Mitigation</b>       | Steps to mitigate conflicts (e.g., information barriers, fiduciary duty, controls, governance, update cadence, input quality review, disclosure controls). | <p>Mitigating factors include appropriate use of effective information control barriers, AM acting in accordance with its fiduciary obligations vis-à-vis its clients, public information about ratings including accurate and balanced descriptions of what is being rated, and a number of internal control mechanisms covering (i) keeping ratings up-to-date, (b) managing any tracking errors, time lags and data gaps, (iii) reviewing the quality of the rating inputs and (iv) controlling the disclosure of ratings and (v) applying standardised scoring and weighting framework, with defined treatment of data gaps and periodic refresh of underlying inputs, to support consistent and comparable assessments across issuers.</p> |

Source: HSBC Asset Management as of July 2026

# Digital Leaders Rating

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# Digital Leaders Rating

The EU ESG Ratings Regulation (Regulation (EU) 2024/3005) is designed to improve transparency, consistency and trust in the use of ESG ratings by setting clear requirements on how ESG rating providers explain their methodologies, data sources and governance. As we use a range of ESG scores and ratings within our investment process—and in some cases within fund-specific processes—certain ratings we produce and make available to our clients may fall within scope of these disclosure requirements. Our scoring approaches are built to support defined investment objectives and decision-making needs. In line with the regulation’s intent, disclosing our methodology helps clients understand what each score measures, its objectives, and limitations.

| Disclosure area                                | What to disclose  | Content disclosed   |
|--|---|---|
| 1. Rating product – Objective & materiality    | Objective of the ESG rating; whether it assesses <b>risk</b> , <b>impact</b> , or <b>both</b> (double materiality). If both, state split. | The Digital Leaders Rating is a sustainability framework which is applied to evaluate each prospective investee company’s ESG characteristics, incorporating both qualitative and quantitative analysis to each segment to identify key material topics, and used as a key input into the investment process of the HSBC Global Funds ICAV – Digital Leaders Equity fund.<br><br>Assesses: <input type="checkbox"/> Risk/Opportunity <input checked="" type="checkbox"/> Impact <input type="checkbox"/> Both<br><br>If both, Risk %: ____ Impact %: ____ |
| 2. Rating product – Scope                      | What the rating covers: <b>E, S, G, combined/aggregated</b> , or specific themes (e.g., transition risk).                                 | Scope: <input type="checkbox"/> E <input type="checkbox"/> S <input type="checkbox"/> G <input type="checkbox"/> Aggregated ESG <input checked="" type="checkbox"/> Theme: Digital Leaders  |
| 3. Rating product – Weightings (if aggregated) | Weighting of E/S/G and how weights are set (incl. sub-weights if used).   | Not aggregated  |
| 4. Rating product – Topics covered             | Topics within E/S/G and whether aligned to CSRD/ESRS sustainability topics.   | Topics covered: Identified key material topics in each of the three thematic; Accelerating transition to cloud computing, product innovation, digital security and privacy, operational efficiency, accelerating transition to fairer and/or cleaner economy.   |

| Disclosure area                                   | What to disclose  | Content disclosed  |
|---|---|--|
|   |   | ESRS aligned? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Partly (explain): _____   |
| 5. Rating product – Scale type                    | Whether rating is <b>absolute</b> or <b>relative</b> (or both).   | Scale: <input type="checkbox"/> Absolute <input checked="" type="checkbox"/> Relative <input type="checkbox"/> Both   If relative, relative to: Digital Transformation Ecosystem investment universe   |
| 6. Rating product – International alignment (E)   | If E is covered: whether it accounts for <b>Paris Agreement</b> targets/objectives or other relevant agreements.  | Paris Agreement considered? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No   Other agreements (if any): _____   |
| 7. Rating product – International alignment (S/G) | If S and/or G are covered: whether it accounts for relevant international agreements/standards.   | S/G agreements considered? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No   Which:  |
| 8. Methodology – Overview & key features          | Summary of methodology; backward/forward-looking; time horizon; what is rated; expiry (if any); models/assumptions; data quality controls; rating scale meaning; last update and changes. | <p>Methodology title: Digital Leaders Rating</p> <p>Rated items: Companies within the fund investment universe</p> <p>Back/forward-looking: Forward-looking</p> <p>Time horizon: 3-5 years</p> <p>Validity (i.e. renewal period): 12 months</p> <p>Models/assumptions: Industry expertise and experience is used to extrapolate missing data, where possible missing information is requested from company management.</p> <p>Data quality controls: When a new company is added to the fund, an independent review of the rating and alignment with the fund theme is conducted by a member of the RI Specialist team. Once approved, companies are added to a digital reporting list with logged approvals</p> |

| Disclosure area                                 | What to disclose   | Content disclosed   |
|---|--|---|
|   |  | <p>from both the RI and Active Equity teams. The list is required to be renewed at least every 12 months.</p> <p>Rating scale meaning: The fund invests in a concentrated portfolio of equities and equity-related securities of companies worldwide that are enablers or beneficiaries of digital transformation.</p> <p>To achieve this, a sustainability framework is applied to evaluate each prospective investee company's ESG characteristics, incorporating both qualitative and quantitative analysis to each segment (Low Carbon Infrastructure, Data Stewardship and Transitioned Tech Disruptors) to identify key material topics to screen coverage companies and assign ranking from 'Leader' to 'Laggard'. Ranking methodology includes both qualitative – based on analysis of contribution towards the material issues; and quantitative – derived from MSCI scoring on the material issues.</p> <p>Last update: No methodology update since launch of the fund</p> <p>Changes made at last update: No methodology update since launch of the fund</p> |
| <b>9. Methodology – Industry classification</b> | Industry classification name, issuer, version, and link (if public).   | N/A   |
| <b>10. Data – Sources &amp; processing</b>      | Data sources (CSRD/ESRS, SFDR, other); public/non-public; estimation/proxies when missing; update frequency; engagement process and how input is used. | <p>Sources: Third party research, Company publications and active engagement with company management</p> <p>CSRD used? <input type="checkbox"/> Y <input checked="" type="checkbox"/> N</p> <p>SFDR used? <input type="checkbox"/> Y <input checked="" type="checkbox"/> N</p> <p>Public/non-public data sources: Public data sources</p>   |

| Disclosure area                                    | What to disclose   | Content disclosed   |
|--|--|---|
|  |  | <p>Estimation approach: Industry expertise and experience is used to extrapolate missing data, where possible missing information is requested from company management.</p> <p>Update frequency: Holdings reassessed at least every 12 months, or more frequently if investment team become aware of new information impacting the investment thesis.</p> <p>Engagement process: Investment team routinely conduct active engagement with companies held in the portfolio and investment ideas being considered for addition to the portfolio, and the information from these engagements is used to inform the Digital Leaders rating.</p> |
| <b>11. Methodology – Scientific basis</b>          | Whether/how methodology is based on scientific evidence; how evidence is identified.                               | Scientific basis: No specific science beyond generally recognised scientific evidence on topics such as climate change identified by the IPCC.  |
| <b>12. Methodology – Use of AI (if applicable)</b> | Whether AI is used in data collection/rating; limitations and risks.   | <p>AI used? No</p> <p>Limitations/risks: Note we are leveraging third party data sources that may use AI for their sourcing purposes but this would be disclosed in their disclosures separately. We do not use AI for our rating purposes.</p>   |
| <b>13. Limitations – Data &amp; methodology</b>    | Key limitations: data availability/consistency; completeness; timeliness; accuracy; assumptions/proxies/estimates. | <p>Limitations summary:</p> <p>We engage third-party research providers and sources to identify the E, S and G aspects that are relevant to our internal rating methodologies. Whilst we assess third party providers as part of ongoing monitoring, it is not possible to guarantee their data accuracy, completeness, quality of judgement or timeliness. Their coverage may not include every issuer held in our portfolios. We may set aside their data or scoring where our own due diligence suggests that this may be inaccurate, incomplete or disproportionate.</p>  |

| Disclosure area  | What to disclose   | Content disclosed   |
|--|--|---|
| <b>14. Limitations – S/G agreements (if applicable)</b>    | If social and governance aspects are covered: confirm whether relevant international agreements are considered (or not). | <p>International agreements considered? Yes</p> <p>Details: Our third-party provider consider international treaties such as the International Labor Organisation treaties and International Convention on Human Rights as part of our inputs to our rating framework particularly for the social metric that we ingest into our AM internal rating framework.</p>  |
| <b>15. Organisation – Ownership &amp; issuing entities</b> | List of issuing regulated entities (as applicable).  | <p>Issuing entities (list):</p> <p>ESG ratings are issued by entities within HSBC Asset Management. 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. The issuing entities listed below are wholly-owned, indirect subsidiaries of HSBC Holdings plc:</p> <ul style="list-style-type: none"> <li>• <i>in France by HSBC Global Asset Management (France), a Portfolio Management Company authorised by the French regulatory authority AMF (no. GP99026);</i></li> <li>• <i>in Germany by HSBC Global Asset Management (Deutschland) GmbH which is regulated by BaFin;</i></li> <li>• <i>in Luxembourg by HSBC Investment Funds (Luxembourg) SA which is regulated by Commission de Surveillance du Secteur Financier;</i></li> </ul> <p>The Active Equity team is part of the wider Investment team in HSBC Asset Management and is responsible for the development and review of this methodology. The Responsible Investment team also sits within the Investment team in HSBC Asset Management and is responsible for the oversight of this methodology.</p> |
| <b>16. Organisation – Fees &amp; business model</b>        | High-level fee criteria and business/payment model; clarify ratings are for internal AM use (not sold), if applicable.   | Ratings are solely for internal HSBC AM purposes and their clients. There are no charges associated with the rating.  |

| Disclosure area                               | What to disclose   | Content disclosed  |
|---|--|--|
| <b>17. Conflicts of interest – Key risks</b>  | Main conflicts relevant to the rating activity (select the most material).   | <ul style="list-style-type: none"> <li>• Ratings inconsistency and comparability; due to time-lag/data gaps</li> <li>• Commercial incentives favouring strong ESG ratings to win mandates (this is mitigated by requiring independent RI approval for companies to be considered thematically aligned)</li> </ul>  |
| <b>18. Conflicts of interest – Mitigation</b> | Steps to mitigate conflicts (e.g., information barriers, fiduciary duty, controls, governance, update cadence, input quality review, disclosure controls). | Mitigating factors include appropriate use of effective information control barriers, AM acting in accordance with its fiduciary obligations vis-à-vis its clients, public information about ratings including accurate and balanced descriptions of what is being rated, and a number of internal control mechanisms covering (i) keeping ratings up-to-date, (b) managing any tracking errors, time lags and data gaps, (iii) reviewing the quality of the rating inputs and (iv) controlling the disclosure of ratings and (v) applying standardised scoring and weighting framework, with defined treatment of data gaps and periodic refresh of underlying inputs, to support consistent and comparable assessments across issuers. |

Source: HSBC Asset Management as of July 2026

# HSBC Asset Management

## ESG Score



# HSBC Asset Management ESG Score

The EU ESG Ratings Regulation (Regulation (EU) 2024/3005) is designed to improve transparency, consistency and trust in the use of ESG ratings by setting clear requirements on how ESG rating providers explain their methodologies, data sources and governance. As we use a range of ESG scores and ratings within our investment process—and in some cases within fund-specific processes—certain ratings we produce and make available to our clients may fall within scope of these disclosure requirements. Our scoring approaches are built to support defined investment objectives and decision-making needs. In line with the regulation’s intent, disclosing our methodology helps clients understand what each score measures, its objectives, and limitations.

| Disclosure area                                | What to disclose  | Content disclosed   |
|--|---|---|
| 1. Rating product – Objective & materiality    | Objective of the ESG rating; whether it assesses <b>risk, impact</b> , or <b>both</b> (double materiality). If both, state split. | <p>The objective of the score is to consider an issuer’s exposure to relevant ESG risks as well as the quality of management systems and governance structures in place to mitigate those risks. Where applicable, the issuer’s positioning to meet market demand for products and services with a positive environment and/or social contributions are also considered. HSBC Asset Management’s internal materiality framework is the foundation of the rating system to determine suitable weights across E/S/G pillars for different sectors.</p> <p>The underlying framework of the data is the MSCI E, S and G scores that are then re-weighted using the HSBC Asset Management framework.</p> <p>Assesses: <input checked="" type="checkbox"/> Risk/Opportunity <input type="checkbox"/> Impact <input type="checkbox"/> Both</p> <p>If both, Risk %: ____ Impact %: ____</p> |
| 2. Rating product – Scope                      | What the rating covers: <b>E, S, G, combined/aggregated</b> , or specific themes (e.g., transition risk).                         | Scope: <input checked="" type="checkbox"/> E <input checked="" type="checkbox"/> S <input checked="" type="checkbox"/> G <input checked="" type="checkbox"/> Aggregated ESG <input type="checkbox"/> Theme: _____   |
| 3. Rating product – Weightings (if aggregated) | Weighting of E/S/G and how weights are set (incl. sub-weights if used).   | E: ____% S: ____% G: ____%   Weighting method: Weighting of E/S/G depends on sectors. They are determined by a consultative process across dedicated internal Virtual Sector Teams  |

| Disclosure area   | What to disclose  | Content disclosed   |
|---|---|---|
|   |   | <p>which draws on expert knowledge from analysts across asset classes.   Sub-weights (if any): _____</p>  |
| <p><b>4. Rating product – Topics covered</b></p>                | <p>Topics within E/S/G and whether aligned to CSRD/ESRS sustainability topics.</p>                                      | <p>Topics covered:</p> <p>For corporate and government issuers, the individual ESG topics are considered through external ESG ratings. These include but not limited to climate change, natural capital, pollution &amp; waste, environmental opportunities, human capital, product liability, stakeholder opposition, social opportunities, corporate governance and corporate behaviour and may be subject to changes based on our vendor’s methodology change and materiality of the sector.</p> <p>ESRS aligned? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Partly (explain): For corporate issuers, the underlying issues are indirectly covered, through our ESG rating provider, by aligning with topics that fall under the Non-Financial Reporting Directive (NFRD), which has overlaps with CSRD / ESRD requirements.</p> |
| <p><b>5. Rating product – Scale type</b></p>                    | <p>Whether rating is <b>absolute</b> or <b>relative</b> (or both).</p>  | <p>Scale: <input checked="" type="checkbox"/> Absolute <input type="checkbox"/> Relative <input type="checkbox"/> Both   If relative, relative to: _____</p>  |
| <p><b>6. Rating product – International alignment (E)</b></p>   | <p>If E is covered: whether it accounts for <b>Paris Agreement</b> targets/objectives or other relevant agreements.</p> | <p>Paris Agreement considered? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No   Other agreements (if any): _____</p>   |
| <p><b>7. Rating product – International alignment (S/G)</b></p> | <p>If S and/or G are covered: whether it accounts for relevant international agreements/standards.</p>                  | <p>S/G agreements considered? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No   Which: The rating indirectly considers depending on our base ESG rating provider: United Nations (UN) Global Compact and the United Nations Declaration on the Rights of Indigenous Peoples where relevant.</p>   |

| Disclosure area  | What to disclose   | Content disclosed  |
|--|--|--|
| <p><b>8. Methodology – Overview &amp; key features</b></p> | <p>Summary of methodology; backward/forward-looking; time horizon; what is rated; expiry (if any); models/assumptions; data quality controls; rating scale meaning; last update and changes.</p> | <p>Methodology title: HSBC Asset Management ESG Score</p> <p>Rated items: For corporate and government issuers, with underlying components including environmental, social and governance key issue scores, which are rolled up into Weighted Average Key Issue Scores (WAKIS) based on HSBC AM proprietary weighting.</p> <p>Back/forward-looking: For corporate and government issuers, the ratings are primarily based on public disclosures that are backward looking and are not predictions of future ESG performance or financial outcomes.</p> <p>Time horizon: The time horizon considered in our ESG score are indirectly integrating such consideration from our ESG rating provider on the key topics. Generally, each key issue is assigned a 'short-term', 'medium-term' or 'long-term' time horizon based on the type of key risk/opportunity. These time horizons may also differ by sector and short-term issues with high-impact to the sector will receive a high weighting.</p> <p>Validity (i.e. renewal period): For corporate and government issuers, the E,S,G pillar score constituents rating from commercial ESG rating provider and are reviewed annually. HSBC internal weightings are reviewed upon overall materiality framework review.</p> <p>Models/assumptions: External ESG Rating provides a reasonable evaluation of individual E,S,G pillar risks. External ESG Rating provider conducts reasonable data quality controls and methodology updates are well communicated and understood with HSBC AM.</p> <p>Data quality controls: ESG data quality rules have been established across multiple parameters, covering completeness, conformity, validity, timeliness, and consistency, to support consistent and reliable data outcomes.</p> <p>Rating scale meaning: 0-10 score ranges with the higher the score the lower ESG risks.</p> <p>Last update: December 2024</p> |

| Disclosure area                                 | What to disclose   | Content disclosed   |
|---|--|---|
|   |  | Changes made at last update: Sector weighting post materiality framework review   |
| <b>9. Methodology – Industry classification</b> | Industry classification name, issuer, version, and link (if public).   | <p>Classification:</p> <p>HSBC AM has an internal classification of 13 sectors (including 1 sovereign sector) and 32 sub-sectors. These sectors and sub-sectors are mapped to GICS and BICS industries. Each HSBC subsector is assigned E/S/G pillar weightings according to HSBC AM materiality framework and these weightings are applied to MSCI E/S/G scores to produce HSBC AM ESG Score. Where GICS and BICS industries cannot be identified, such as government issuers, it is considered as the default sector that applies an equal weighting across E/S/G pillars.</p> <p>Global Industry Classification Standard (GICS)   Issuer: MSCI and S&amp;P Dow Jones Indices   Version: 2023   Link: <a href="https://www.msci.com/indexes/index-resources/gics">https://www.msci.com/indexes/index-resources/gics</a></p> |
| <b>10. Data – Sources &amp; processing</b>      | Data sources (CSRD/ESRS, SFDR, other); public/non-public; estimation/proxies when missing; update frequency; engagement process and how input is used. | <p>Sources: MSCI ESG Rating, overlaid by weighting from HSBC AM Internal Materiality Framework</p> <p>CSRD used? <input checked="" type="checkbox"/> Y <input type="checkbox"/> N (indirectly if our ESG rating provider sources company information from CSRD disclosures)</p> <p>SFDR used? <input checked="" type="checkbox"/> Y <input type="checkbox"/> N (indirectly if our ESG rating provider sources company information from CSRD disclosures)</p> <p>Public/non-public data sources:</p> <ul style="list-style-type: none"> <li>• MSCI ESG Ratings</li> </ul> <p>Estimation approach: HSBC AM uses a proprietary mapping rules to apply ESG information for its relevant subsidiaries where we see appropriate.</p>  |

| Disclosure area                                    | What to disclose   | Content disclosed  |
|--|--|--|
| <b>11. Methodology – Scientific basis</b>          | Whether/how methodology is based on scientific evidence; how evidence is identified.                               | <p>Update frequency: Our refresh cycle is dependent on our ESG vendor provider, who reviews the rating at least annually and maintains event driven data (e.g. controversies, and governance inputs) on an ongoing basis.</p> <p>Engagement process: The rating process does not engage corporate issuer in the process.</p> <p>Scientific basis: No specific science beyond generally recognised scientific evidence on topics such as climate change identified by the IIPCC.</p>  |
| <b>12. Methodology – Use of AI (if applicable)</b> | Whether AI is used in data collection/rating; limitations and risks.   | <p>AI used? No</p> <p>Limitations/risks: Note we are leveraging third party data sources that may use AI for their sourcing purposes, but this would be disclosed in their disclosures separately. We do not use AI for our rating purposes.</p>   |
| <b>13. Limitations – Data &amp; methodology</b>    | Key limitations: data availability/consistency; completeness; timeliness; accuracy; assumptions/proxies/estimates. | <p>Limitations summary:</p> <p>We engage third-party research providers and sources to identify the E, S and G aspects that are relevant to our internal rating methodologies. Whilst we assess third party providers as part of ongoing monitoring, it is not possible to guarantee their data accuracy, completeness, quality of judgement or timeliness. Their coverage may not include every issuer held in our portfolios. We may set aside their data or scoring where our own due diligence suggests that this may be inaccurate, incomplete or disproportionate.</p> |

| Disclosure area  | What to disclose   | Content disclosed  |
|--|--|--|
| <b>14. Limitations – S/G agreements (if applicable)</b>    | If social and governance aspects are covered: confirm whether relevant international agreements are considered (or not). | <p>International agreements considered? Yes - Indirectly</p> <p>Details: Our third-party provider considers international treaties (including International Labor Organisation conventions and the United Nations (UN) Global Compact) as inputs to its rating framework - particularly for the social metric which we then ingest into our AM internal rating framework.</p>  |
| <b>15. Organisation – Ownership &amp; issuing entities</b> | List of issuing regulated entities (as applicable).  | <p>Issuing entities (list):</p> <p>ESG ratings are issued by entities within HSBC Asset Management. 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. The issuing entities listed below are wholly-owned, indirect subsidiaries of HSBC Holdings plc:</p> <ul style="list-style-type: none"> <li>• <i>in France by HSBC Global Asset Management (France), a Portfolio Management Company authorised by the French regulatory authority AMF (no. GP99026);</i></li> <li>• <i>in Germany by HSBC Global Asset Management (Deutschland) GmbH which is regulated by BaFin;</i></li> <li>• <i>in Luxembourg by HSBC Investment Funds (Luxembourg) SA which is regulated by Commission de Surveillance du Secteur Financier;</i></li> <li>• <i>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.</i></li> </ul> <p>The Responsible Investment team sits within the Investment team in HSBC Asset Management and is responsible for the development and review of this methodology.</p> |
| <b>16. Organisation – Fees &amp; business model</b>        | High-level fee criteria and business/payment model; clarify ratings  | Ratings are solely for internal HSBC AM purposes and their clients. There are no charges associated with the rating.   |

| Disclosure area                               | What to disclose   | Content disclosed   |
|---|--|---|
|   | are for internal AM use (not sold), if applicable.   |   |
| <b>17. Conflicts of interest – Key risks</b>  | Main conflicts relevant to the rating activity (select the most material).   | <ul style="list-style-type: none"> <li>• Ratings inconsistency and comparability; due to different methodologies and time-lag/data gaps.</li> <li>• Commercial incentives favouring strong ESG ratings to win mandates.</li> <li>• Commercial pressure to rate some issuers more favourable due to ongoing commercial relationships.</li> <li>• ESG ratings not often designed to measure ‘impact’, favouring the measurement of risk management and disclosures, which can create a conflict between the sales narrative, product positioning vs the obligation to be precise, balanced and accurate.</li> <li>• Some strategies may involve exclusion/tilts that may increase tracking error or constrain opportunity sets and if clients want maximum returns and high ESG scores, which can create a conflict dependent on market conditions and methodology.</li> <li>• There may also be conflicts to manage between methodology transparency vs proprietary IP and vendor restrictions on any inputs.</li> </ul> |
| <b>18. Conflicts of interest – Mitigation</b> | Steps to mitigate conflicts (e.g., information barriers, fiduciary duty, controls, governance, update cadence, input quality review, disclosure controls). | Mitigating factors include appropriate use of effective information control barriers, AM acting in accordance with its fiduciary obligations vis-à-vis its clients, public information about ratings including accurate and balanced descriptions of what is being rated, and a number of internal control mechanisms covering (i) keeping ratings up-to-date, (b) managing any tracking errors, time lags and data gaps, (iii) reviewing the quality of the rating inputs,(iv) controlling the disclosure of ratings and (v) applying standardised scoring and weighting framework, with defined treatment of data gaps and periodic refresh of underlying inputs, to support consistent and comparable assessments across issuers.  |

Source: HSBC Asset Management as of July 2026

# Securitised Credit ESG Score

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# Securitised Credit ESG Score

The EU ESG Ratings Regulation (Regulation (EU) 2024/3005) is designed to improve transparency, consistency and trust in the use of ESG ratings by setting clear requirements on how ESG rating providers explain their methodologies, data sources and governance. As we use a range of ESG scores and ratings within our investment process—and in some cases within fund-specific processes—certain ratings we produce and make available to our clients may fall within scope of these disclosure requirements. Our scoring approaches are built to support defined investment objectives and decision-making needs. In line with the regulation’s intent, disclosing our methodology helps clients understand what each score measures, its objectives, and limitations.

| Disclosure area                                | What to disclose  | Content disclosed   |
|--|---|---|
| 1. Rating product – Objective & materiality    | Objective of the ESG rating; whether it assesses <b>risk, impact</b> , or <b>both</b> (double materiality). If both, state split. | <p>The Securitised Credit ESG Score is an internally developed ESG risk assessment aiming to assess the ESG risk profile of securitised credit assets — spanning RMBS, CMBS, auto loan ABS, consumer loan ABS, and CLOs — with a view to integrating E, S, and G considerations into the investment process for these instruments. The Rating adopts a risk-based perspective; it does not assess impact.</p> <p>Assesses: <input checked="" type="checkbox"/> Risk/Opportunity <input type="checkbox"/> Impact <input type="checkbox"/> Both</p> <p>If both, Risk %: ____ Impact %: ____</p> |
| 2. Rating product – Scope                      | What the rating covers: <b>E, S, G, combined/aggregated</b> , or specific themes (e.g., transition risk).                         | Scope: <input type="checkbox"/> E <input type="checkbox"/> S <input type="checkbox"/> G <input checked="" type="checkbox"/> Aggregated ESG <input type="checkbox"/> Theme:  |
| 3. Rating product – Weightings (if aggregated) | Weighting of E/S/G and how weights are set (incl. sub-weights if used).   | The methodology assigns a weighted average score to a securitised credit security based on a range of E, S and G factors scored individually. Scores range from 0 to 10, with 10 being the lowest ESG risk. To achieve better accuracy, we have scorecards tailored for each segment of the Securitised Credit universe. The weighting of the E, S and G factors is specific to each scorecard.   |

| Disclosure area                                   | What to disclose  | Content disclosed  |
|---|---|--|
|   |   | E: ____% S: ____% G: ____%   Weighting method: _____   Sub-weights (if any): _____   |
| 4. Rating product – Topics covered                | Topics within E/S/G and whether aligned to CSRD/ESRS sustainability topics.   | <p>Topics covered varies across the various scorecards we use. For Residential Mortgage Backed Securities for instance, E factors cover among other energy efficiency and exposure to extreme weather. S factors cover among other fair origination, lending and servicing practices. G factors cover among other ownership structure, ESG policy and compliance with regulations.</p> <p>ESRS aligned? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Partly (explain): _____</p> |
| 5. Rating product – Scale type                    | Whether rating is <b>absolute</b> or <b>relative</b> (or both).   | Scale: <input checked="" type="checkbox"/> Absolute <input type="checkbox"/> Relative <input type="checkbox"/> Both   If relative, relative to: _____  |
| 6. Rating product – International alignment (E)   | If E is covered: whether it accounts for <b>Paris Agreement</b> targets/objectives or other relevant agreements.  | Paris Agreement considered? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No   Other agreements (if any): _____   |
| 7. Rating product – International alignment (S/G) | If S and/or G are covered: whether it accounts for relevant international agreements/standards.   | S/G agreements considered? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No   Which: _____  |
| 8. Methodology – Overview & key features          | Summary of methodology; backward/forward-looking; time horizon; what is rated; expiry (if any); models/assumptions; data quality controls; rating scale meaning; last update and changes. | <p>Methodology title: Securitised Credit ESG Score</p> <p>Rated items: Securitised Credit Assets</p> <p>Back/forward-looking: Backward-looking</p> <p>Time horizon: No limitation</p>  |

| Disclosure area | What to disclose | Content disclosed   |
|-----------------|------------------|---|
|                 |                  | <p>Validity (i.e. renewal period): Twice per annum</p> <p>Models/assumptions: Not a model.</p> <p>Data quality controls: RI Team</p> <p>Rating scale meaning: 0-10. The lower the score, the higher the risk.</p> <p>Last update: December 2025</p> <p>Changes made at last update: None</p> <p>Securitised Credit utilises a scale from 0 to 10 where a score of 0 represents a very high ESG risk and a score of 10 represents a very low ESG risk or an ESG opportunity. The product of the score and weights for the E, S and G factors within the scorecard results in a quantitative ESG Score from 0 to 10.</p> <p>ESG Score is translated into an ESG Risk Assessment Rating – “Low”, “Medium” or “High”. Investments with an ESG Risk Assessment score of less or equal to 3 are labelled as “High” risk. Score above 3 up to 6 corresponds to “Medium” risk and a score above 6 corresponds to “Low” ESG risk or represents and ESG opportunity.</p> <p>E, S and G factors may have a different weight allocated within the scorecard depending on the factor relevance to securitised credit sector and materiality.</p> <ul style="list-style-type: none"> <li>• Securities backed by auto loans have a skew towards environmental factors due to environmental risks of certain engine types, their impact on residual values as well as impact of fines and remediation costs following the emissions testing failings.</li> <li>• Consumer loan backed transactions including credit card student loan ABS have a higher weighting allocated to the Social factor to reflect the risks of high borrowing costs, discriminatory or aggressive lending and servicing practices.</li> </ul> |

| Disclosure area                                 | What to disclose   | Content disclosed  |
|---|--|--|
|   |  | <ul style="list-style-type: none"> <li>• In residential mortgage backed securities, Social factor is assessed with respect to accessibility to affordable housing and fair treatment of the borrowers. We consider lenders' underwriting criteria with a focus on affordability as well as the servicer's collection practices and forbearance measures.</li> <li>• For commercial mortgage backed securities, focus on Environmental factors captures any "green" credentials of the buildings as well as considers any flags related to tenants.</li> <li>• For collateralised loan obligations, the CLO manager's ESG policy resulting in portfolio selection and industry allocation is central to transaction's ESG risk assessment.</li> <li>• Governance is allocated a substantial weight for all transactions which is consistent with Fixed Income approach for corporates (financial).</li> </ul> |
| <b>9. Methodology – Industry classification</b> | Industry classification name, issuer, version, and link (if public).   | Classification: NA   Issuer: NA   Version: NA   Link: NA   |
| <b>10. Data – Sources &amp; processing</b>      | Data sources (CSRD/ESRS, SFDR, other); public/non-public; estimation/proxies when missing; update frequency; engagement process and how input is used. | <p>Sources: ESG data comes from originator/sponsor and disclosure levels vary. No independent third party ESG data provider for securitised credit. We leverage in-house desk-based research conducted by our analysts and portfolio managers, drawing on their experience and expertise in the relevant sub-sector(s), to support our ESG monitoring and related regulatory disclosures.</p> <p>CSRD used? <input type="checkbox"/> Y <input checked="" type="checkbox"/> N</p> <p>SFDR used? <input type="checkbox"/> Y <input checked="" type="checkbox"/> N</p> <p>Public/non-public data sources: Public data sources</p> <p>Estimation approach: NA.</p>   |

| Disclosure area   | What to disclose   | Content disclosed   |
|---|--|---|
| <b>11. Methodology – Scientific basis</b>               | Whether/how methodology is based on scientific evidence; how evidence is identified.                                     | Update frequency: The Methodology is reviewed twice per annum.<br>Engagement process: Regular meetings with issuers.  |
| <b>12. Methodology – Use of AI (if applicable)</b>      | Whether AI is used in data collection/rating; limitations and risks.   | AI used? No<br>Limitations/risks: Note we are leveraging third party data sources that may use AI for their sourcing purposes but this would be disclosed in their disclosures separately. We do not use AI for our rating purposes.  |
| <b>13. Limitations – Data &amp; methodology</b>         | Key limitations: data availability/consistency; completeness; timeliness; accuracy; assumptions/proxies/estimates.       | Limitations summary:<br>SG data comes from originator/sponsor and disclosure levels vary. No independent third party ESG data provider for securitised credit. We leverage our in-house ESG research platform where the originator/sponsor is covered by the Fixed Income team. |
| <b>14. Limitations – S/G agreements (if applicable)</b> | If social and governance aspects are covered: confirm whether relevant international agreements are considered (or not). | International agreements considered? No<br>Details: Securitised Credit is not covered by third parties for E, S, G factors. ICMA green bond principles considered where appropriate.  |

| Disclosure area  | What to disclose   | Content disclosed  |
|--|--|--|
| <b>15. Organisation – Ownership &amp; issuing entities</b> | List of issuing regulated entities (as applicable).  | <p>Issuing entities (list):</p> <p>ESG ratings are issued by entities within HSBC Asset Management. 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. The issuing entities listed below are wholly-owned, indirect subsidiaries of HSBC Holdings plc:</p> <ul style="list-style-type: none"> <li>• <i>in France by HSBC Global Asset Management (France), a Portfolio Management Company authorised by the French regulatory authority AMF (no. GP99026);</i></li> <li>• <i>in Germany by HSBC Global Asset Management (Deutschland) GmbH which is regulated by BaFin;</i></li> <li>• <i>in Luxembourg by HSBC Investment Funds (Luxembourg) SA which is regulated by Commission de Surveillance du Secteur Financier;</i></li> <li>• <i>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.</i></li> </ul> <p>The Responsible Investment team sits within the Investment team in HSBC Asset Management and is responsible for reviewing the Securitised Credit ESG Score, developed by the Securitised Credit Team.</p> |
| <b>16. Organisation – Fees &amp; business model</b>        | High-level fee criteria and business/payment model; clarify ratings are for internal AM use (not sold), if applicable. | Ratings are solely for internal HSBC AM purposes and their clients. There are no charges associated with the rating.   |
| <b>17. Conflicts of interest – Key risks</b>               | Main conflicts relevant to the rating activity (select the most material).   | <ul style="list-style-type: none"> <li>• Ratings inconsistency and comparability; due to different methodologies and time-lag/data gaps.</li> <li>• Commercial incentives favouring strong ESG ratings to win mandates.</li> </ul>   |

| Disclosure area                               | What to disclose   | Content disclosed   |
|---|--|---|
| <b>18. Conflicts of interest – Mitigation</b> | Steps to mitigate conflicts (e.g., information barriers, fiduciary duty, controls, governance, update cadence, input quality review, disclosure controls). | <ul style="list-style-type: none"> <li>• Commercial pressure to rate some issuers more favourable due to ongoing commercial relationships.</li> <li>• ESG ratings not often designed to measure ‘impact’, favouring the measurement of risk management and disclosures, which can create a conflict between the sales narrative, product positioning vs the obligation to be precise, balanced and accurate.</li> <li>• Some strategies may involve exclusion/tilts that may increase tracking error or constrain opportunity sets and if clients want maximum returns and high ESG scores, which can create a conflict dependent on market conditions and methodology.</li> <li>• There may also be conflicts to manage between methodology transparency vs proprietary IP and vendor restrictions on any inputs.</li> </ul> <p>Mitigating factors include appropriate use of effective information control barriers, AM acting in accordance with its fiduciary obligations vis-à-vis its clients, public information about ratings including accurate and balanced descriptions of what is being rated, and a number of internal control mechanisms covering (i) keeping ratings up-to-date, (b) managing any tracking errors, time lags and data gaps, (iii) reviewing the quality of the rating inputs and (iv) controlling the disclosure of ratings and (v) applying standardised scoring and weighting framework, with defined treatment of data gaps and periodic refresh of underlying inputs, to support consistent and comparable assessments across issuers.</p> |

Source: HSBC Asset Management as of July 2026

# Sustainable Healthcare Score

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# Sustainable Healthcare Score

The EU ESG Ratings Regulation (Regulation (EU) 2024/3005) is designed to improve transparency, consistency and trust in the use of ESG ratings by setting clear requirements on how ESG rating providers explain their methodologies, data sources and governance. As we use a range of ESG scores and ratings within our investment process—and in some cases within fund-specific processes—certain ratings we produce and make available to our clients may fall within scope of these disclosure requirements. Our scoring approaches are built to support defined investment objectives and decision-making needs. In line with the regulation’s intent, disclosing our methodology helps clients understand what each score measures, its objectives, and limitations.

| Disclosure area                                | What to disclose  | Content disclosed   |
|--|---|---|
| 1. Rating product – Objective & materiality    | Objective of the ESG rating; whether it assesses <b>risk, impact, or both</b> (double materiality). If both, state split. | The Sustainable Healthcare score centres around using our proprietary sustainability index to assess companies’ clinical differentiation (clinical efficacy, safety, durability and patient outcomes) and potential cost-savings (cost-offsets, budget impact, price and volumes). The scores are then plotted on a 2 x 2 matrix and used as a key input into the investment process to determine eligibility for investment in the HGIF Global Equity Sustainable Healthcare fund.<br><br>Assesses: <input type="checkbox"/> Risk/Opportunity <input checked="" type="checkbox"/> Impact <input type="checkbox"/> Both<br><br>If both, Risk %: ____ Impact %: ____ |
| 2. Rating product – Scope                      | What the rating covers: <b>E, S, G, combined/aggregated</b> , or specific themes (e.g., transition risk).                 | Scope: <input type="checkbox"/> E <input type="checkbox"/> S <input type="checkbox"/> G <input type="checkbox"/> Aggregated ESG <input checked="" type="checkbox"/> Theme: Sustainable Healthcare   |
| 3. Rating product – Weightings (if aggregated) | Weighting of E/S/G and how weights are set (incl. sub-weights if used).   | Not aggregated  |
| 4. Rating product – Topics covered             | Topics within E/S/G and whether aligned to CSRD/ESRS sustainability topics.   | Topics covered: Cost savings and clinical outcomes of healthcare products   |

| Disclosure area                                   | What to disclose  | Content disclosed  |
|---|---|--|
|   |   | ESRS aligned? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Partly (explain): _____   |
| 5. Rating product – Scale type                    | Whether rating is <b>absolute</b> or <b>relative</b> (or both).   | Scale: <input checked="" type="checkbox"/> Absolute <input type="checkbox"/> Relative <input type="checkbox"/> Both   If relative, relative to:  |
| 6. Rating product – International alignment (E)   | If E is covered: whether it accounts for <b>Paris Agreement</b> targets/objectives or other relevant agreements.  | N/A as E not covered as part of the rating   |
| 7. Rating product – International alignment (S/G) | If S and/or G are covered: whether it accounts for relevant international agreements/standards.   | S/G agreements considered? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No   Which:  |
| 8. Methodology – Overview & key features          | Summary of methodology; backward/forward-looking; time horizon; what is rated; expiry (if any); models/assumptions; data quality controls; rating scale meaning; last update and changes. | <p>Methodology title: Sustainable Healthcare Score</p> <p>Rated items: Companies within the fund investment universe</p> <p>Back/forward-looking: Forward-looking</p> <p>Time horizon: 3-5 years</p> <p>Validity (i.e. renewal period): 2 years</p> <p>Models/assumptions: Industry expertise and experience is used to extrapolate missing data, where possible missing information is requested from company management.</p> <p>Data quality controls: When a new company is added to the Sustainable Healthcare fund, an independent review of the scores and alignment with the fund theme is conducted by a</p> |

| Disclosure area                                 | What to disclose   | Content disclosed   |
|---|--|---|
|   |  | <p>member of the RI Specialist team. Once approved, companies are added to a digital reporting list with logged approvals from both the RI and Active Equity teams.</p> <p>Rating scale meaning: The Sustainable Healthcare score centres around using our proprietary sustainability index to assess companies' clinical differentiation (clinical efficacy, safety, durability and patient outcomes) and potential cost-savings (cost-offsets, budget impact, price and volumes) as we believe access to healthcare is critical to the sector however this isn't yet reflected in traditional ESG ratings. Companies are then placed into a two-by-two matrix where we aim to select companies which score neutral or positive in both clinical differentiation and cost saving.</p> <p>For each identified company, proprietary analysis is undertaken on their products that are currently, or expected to become, their top revenue generating products, representing at least 10% of their net present revenue generating value in aggregate. This proprietary analysis is used to determine Sustainable Healthcare Scores for each product according to both improved clinical benefits and cost savings. Scores can range from -3 to +3 or a similar scoring scale for each product. Following this, the overall Sustainable Healthcare Scores for each identified company will be calculated as the average of their top revenue generating products' Sustainable Healthcare Scores, weighted by their net present revenue generating values. Companies with -1 to positive Sustainable Healthcare Scores are considered for investment in the fund.</p> <p>Last update: No methodology update since launch of the fund</p> <p>Changes made at last update: No methodology update since launch of the fund</p> |
| <b>9. Methodology – Industry classification</b> | Industry classification name, issuer, version, and link (if public). | N/A   |

| Disclosure area                                    | What to disclose   | Content disclosed   |
|--|--|---|
| <b>10. Data – Sources &amp; processing</b>         | Data sources (CSRD/ESRS, SFDR, other); public/non-public; estimation/proxies when missing; update frequency; engagement process and how input is used. | <p>Sources: Scientific, clinical, health economics, etc publications, Company publications and active engagement with company management</p> <p>CSRD used? <input type="checkbox"/> Y <input checked="" type="checkbox"/> N</p> <p>SFDR used? <input type="checkbox"/> Y <input checked="" type="checkbox"/> N</p> <p>Public/non-public data sources: Public data sources</p> <p>Estimation approach: Industry expertise and experience is used to extrapolate missing data, where possible missing information is requested from company management.</p> <p>Update frequency: Maximum 2 years, or more frequently if investment team become aware of new information impacting the investment thesis.</p> <p>Engagement process: Investment team routinely conduct active engagement with companies held in the portfolio and investment ideas being considered for addition to the portfolio, and the information from these engagements is used to inform the Sustainable Healthcare scores.</p> |
| <b>11. Methodology – Scientific basis</b>          | Whether/how methodology is based on scientific evidence; how evidence is identified.   | Scientific basis: No specific science beyond generally recognised scientific evidence on topics such as climate change identified by the IPCC.  |
| <b>12. Methodology – Use of AI (if applicable)</b> | Whether AI is used in data collection/rating; limitations and risks.   | <p>AI used? No</p> <p>Limitations/risks: Note we are leveraging third party data sources that may use AI for their sourcing purposes but this would be disclosed in their disclosures separately. We do not use AI for our rating purposes.</p>   |

| Disclosure area  | What to disclose   | Content disclosed  |
|--|--|--|
| <b>13. Limitations – Data &amp; methodology</b>            | Key limitations: data availability/consistency; completeness; timeliness; accuracy; assumptions/proxies/estimates.       | <p>Limitations summary:</p> <p>We engage third-party research providers and sources to identify the E, S and G aspects that are relevant to our internal rating methodologies. Whilst we assess third party providers as part of ongoing monitoring, it is not possible to guarantee their data accuracy, completeness, quality of judgement or timeliness. Their coverage may not include every issuer held in our portfolios. We may set aside their data or scoring where our own due diligence suggests that this may be inaccurate, incomplete or disproportionate.</p>   |
| <b>14. Limitations – S/G agreements (if applicable)</b>    | If social and governance aspects are covered: confirm whether relevant international agreements are considered (or not). | <p>International agreements considered? Yes</p> <p>Details: Our third-party provider consider international treaties such as the International Labor Organisation treaties and International Convention on Human Rights as part of our inputs to our rating framework particularly for the social metric that we ingest into our AM internal rating framework.</p>   |
| <b>15. Organisation – Ownership &amp; issuing entities</b> | List of issuing regulated entities (as applicable).  | <p>Issuing entities (list):</p> <p>ESG ratings are issued by entities within HSBC Asset Management. 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. The issuing entities listed below are wholly-owned, indirect subsidiaries of HSBC Holdings plc:</p> <ul style="list-style-type: none"> <li>• <i>in France by HSBC Global Asset Management (France), a Portfolio Management Company authorised by the French regulatory authority AMF (no. GP99026);</i></li> <li>• <i>in Germany by HSBC Global Asset Management (Deutschland) GmbH which is regulated by BaFin;</i></li> <li>• <i>in Luxembourg by HSBC Investment Funds (Luxembourg) SA which is regulated by Commission de Surveillance du Secteur Financier;</i></li> </ul> |

| Disclosure area                                     | What to disclose   | Content disclosed   |
|---|--|---|
| <b>16. Organisation – Fees &amp; business model</b> | High-level fee criteria and business/payment model; clarify ratings are for internal AM use (not sold), if applicable.                                     | <p>The Active Equity team is part of the wider Investment team in HSBC Asset Management and is responsible for the development and review of this methodology. The Responsible Investment team also sits within the Investment team in HSBC Asset Management and is responsible for the oversight of this methodology.</p> <p>Ratings are solely for internal HSBC AM purposes and their clients. There are no charges associated with the rating.</p>  |
| <b>17. Conflicts of interest – Key risks</b>        | Main conflicts relevant to the rating activity (select the most material).   | <ul style="list-style-type: none"> <li>• Ratings inconsistency and comparability; due to time-lag/data gaps</li> <li>• Commercial incentives favouring strong ESG ratings to win mandates (this is mitigated by requiring independent RI approval for companies to be considered thematically aligned)</li> </ul>   |
| <b>18. Conflicts of interest – Mitigation</b>       | Steps to mitigate conflicts (e.g., information barriers, fiduciary duty, controls, governance, update cadence, input quality review, disclosure controls). | <p>Mitigating factors include appropriate use of effective information control barriers, AM acting in accordance with its fiduciary obligations vis-à-vis its clients, public information about ratings including accurate and balanced descriptions of what is being rated, and a number of internal control mechanisms covering (i) keeping ratings up-to-date, (ii) managing any tracking errors, time lags and data gaps, (iii) reviewing the quality of the rating inputs and (iv) controlling the disclosure of ratings and (v) applying standardised scoring and weighting framework, with defined treatment of data gaps and periodic refresh of underlying inputs, to support consistent and comparable assessments across issuers</p> |

Source: HSBC Asset Management as of July 2026

# Transition Resources Rating

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# Transition Resources Rating

The EU ESG Ratings Regulation (Regulation (EU) 2024/3005) is designed to improve transparency, consistency and trust in the use of ESG ratings by setting clear requirements on how ESG rating providers explain their methodologies, data sources and governance. As we use a range of ESG scores and ratings within our investment process—and in some cases within fund-specific processes—certain ratings we produce and make available to our clients may fall within scope of these disclosure requirements. Our scoring approaches are built to support defined investment objectives and decision-making needs. In line with the regulation’s intent, disclosing our methodology helps clients understand what each score measures, its objectives, and limitations.

| Disclosure area                                | What to disclose  | Content disclosed  |
|--|---|--|
| 1. Rating product – Objective & materiality    | Objective of the ESG rating; whether it assesses <b>risk, impact, or both</b> (double materiality). If both, state split. | The Transition Resources Rating is a sustainability framework which is applied to evaluate each prospective investee company’s environmental characteristics, incorporating both qualitative and quantitative analysis to each segment to identify key material topics, and used as a key input into the investment process of the HSBC Global Funds ICAV – Global Transition Resources Equity fund.<br><br>Assesses: <input type="checkbox"/> Risk/Opportunity <input checked="" type="checkbox"/> Impact <input type="checkbox"/> Both<br><br>If both, Risk %: ____ Impact %: ____ |
| 2. Rating product – Scope                      | What the rating covers: <b>E, S, G, combined/aggregated</b> , or specific themes (e.g., transition risk).                 | Scope: <input type="checkbox"/> E <input type="checkbox"/> S <input type="checkbox"/> G <input type="checkbox"/> Aggregated ESG <input checked="" type="checkbox"/> Theme: Transition Resources  |
| 3. Rating product – Weightings (if aggregated) | Weighting of E/S/G and how weights are set (incl. sub-weights if used).   | Not aggregated   |
| 4. Rating product – Topics covered             | Topics within E/S/G and whether aligned to CSRD/ESRS sustainability topics.   | Topics covered: Identified key material topics; supply materials for a net zero future, minimize resource use and environmental footprint, employee welfare, product innovation.   |

| Disclosure area                                   | What to disclose  | Content disclosed   |
|---|---|---|
|   |   | ESRS aligned? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Partly (explain): _____  |
| 5. Rating product – Scale type                    | Whether rating is <b>absolute</b> or <b>relative</b> (or both).   | Scale: <input type="checkbox"/> Absolute <input checked="" type="checkbox"/> Relative <input type="checkbox"/> Both   If relative, relative to: Global Transition Resources investment universe   |
| 6. Rating product – International alignment (E)   | If E is covered: whether it accounts for <b>Paris Agreement</b> targets/objectives or other relevant agreements.  | Paris Agreement considered? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No   Other agreements (if any): _____  |
| 7. Rating product – International alignment (S/G) | If S and/or G are covered: whether it accounts for relevant international agreements/standards.   | S/G agreements considered? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No   Which: _____   |
| 8. Methodology – Overview & key features          | Summary of methodology; backward/forward-looking; time horizon; what is rated; expiry (if any); models/assumptions; data quality controls; rating scale meaning; last update and changes. | <p>Methodology title: Transition Resources Rating</p> <p>Rated items: Companies within the fund investment universe</p> <p>Back/forward-looking: Forward-looking</p> <p>Time horizon: 3-5 years</p> <p>Validity (i.e. renewal period): 12 months</p> <p>Models/assumptions: Industry expertise and experience is used to extrapolate missing data, where possible missing information is requested from company management.</p> <p>Data quality controls: When a new company is added to the fund, an independent review of the rating and alignment with the fund theme is conducted by a member of the RI Specialist team. Once approved, companies are added to a digital reporting list with logged approvals</p> |

| Disclosure area                                 | What to disclose   | Content disclosed   |
|---|--|---|
|   |  | <p>from both the RI and Active Equity teams. The list is required to be renewed at least every 12 months.</p> <p>Rating scale meaning: The fund invests in a concentrated portfolio of equities and equity-related securities of companies worldwide that are enablers of the transition to a lower-carbon economy through investments linked to natural resources companies and services that are critical to enabling a clean energy eco-system.</p> <p>To achieve this, a sustainability framework is applied to evaluate each prospective investee company's environmental characteristics, incorporating both qualitative and quantitative analysis to each segment to identify key material topics (supply materials for a net zero future, minimize resource use and environmental footprint, employee welfare, product innovation) to screen coverage companies and assign ranking from 'Leader' to 'Laggard'. Ranking methodology includes both qualitative – based on analysis of contribution towards the material issues; and quantitative – derived from company revenue contribution and MSCI scoring on the material issues.</p> <p>Last update: No methodology update since launch of the fund</p> <p>Changes made at last update: No methodology update since launch of the fund</p> |
| <b>9. Methodology – Industry classification</b> | Industry classification name, issuer, version, and link (if public).   | N/A   |
| <b>10. Data – Sources &amp; processing</b>      | Data sources (CSRD/ESRS, SFDR, other); public/non-public; estimation/proxies when missing; update frequency; engagement process and how input is used. | <p>Sources: Third party research, Company publications and active engagement with company management</p> <p>CSRD used? <input type="checkbox"/> Y <input checked="" type="checkbox"/> N</p> <p>SFDR used? <input type="checkbox"/> Y <input checked="" type="checkbox"/> N</p>  |

| Disclosure area                                    | What to disclose   | Content disclosed   |
|--|--|---|
|  |  | <p>Public/non-public data sources: Public data sources</p> <p>Estimation approach: Industry expertise and experience is used to extrapolate missing data, where possible missing information is requested from company management.</p> <p>Update frequency: Holdings reassessed at least every 12 months, or more frequently if investment team become aware of new information impacting the investment thesis.</p> <p>Engagement process: Investment team routinely conduct active engagement with companies held in the portfolio and investment ideas being considered for addition to the portfolio, and the information from these engagements is used to inform the Transition Resources rating.</p> |
| <b>11. Methodology – Scientific basis</b>          | Whether/how methodology is based on scientific evidence; how evidence is identified.                               | Scientific basis: No specific science beyond generally recognised scientific evidence on topics such as climate change identified by the IIPCC.   |
| <b>12. Methodology – Use of AI (if applicable)</b> | Whether AI is used in data collection/rating; limitations and risks.   | <p>AI used? No</p> <p>Limitations/risks: Note we are leveraging third party data sources that may use AI for their sourcing purposes but this would be disclosed in their disclosures separately. We do not use AI for our rating purposes.</p>   |
| <b>13. Limitations – Data &amp; methodology</b>    | Key limitations: data availability/consistency; completeness; timeliness; accuracy; assumptions/proxies/estimates. | <p>Limitations summary:</p> <p>We engage third-party research providers and sources to identify the E, S and G aspects that are relevant to our internal rating methodologies. Whilst we assess third party providers as part of ongoing monitoring, it is not possible to guarantee their data accuracy, completeness, quality of judgement or timeliness. Their coverage may not include every issuer held in our</p>   |

| Disclosure area   | What to disclose  | Content disclosed   |
|---|---|---|
|   |   | <p>portfolios. We may set aside their data or scoring where our own due diligence suggests that this may be inaccurate, incomplete or disproportionate.</p>   |
| <p><b>14. Limitations – S/G agreements (if applicable)</b></p>    | <p>If social and governance aspects are covered: confirm whether relevant international agreements are considered (or not).</p> | <p>International agreements considered? Yes</p> <p>Details: Our third-party provider consider international treaties such as the International Labor Organisation treaties and International Convention on Human Rights as part of our inputs to our rating framework particularly for the social metric that we ingest into our AM internal rating framework.</p>  |
| <p><b>15. Organisation – Ownership &amp; issuing entities</b></p> | <p>List of issuing regulated entities (as applicable).</p>  | <p>Issuing entities (list):</p> <p>ESG ratings are issued by entities within HSBC Asset Management. 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. The issuing entities listed below are wholly-owned, indirect subsidiaries of HSBC Holdings plc:</p> <ul style="list-style-type: none"> <li>• <i>in France by HSBC Global Asset Management (France), a Portfolio Management Company authorised by the French regulatory authority AMF (no. GP99026);</i></li> <li>• <i>in Germany by HSBC Global Asset Management (Deutschland) GmbH which is regulated by BaFin;</i></li> <li>• <i>in Luxembourg by HSBC Investment Funds (Luxembourg) SA which is regulated by Commission de Surveillance du Secteur Financier;</i></li> </ul> <p>The Active Equity team is part of the wider Investment team in HSBC Asset Management and is responsible for the development and review of this methodology. The Responsible Investment team also sits within the Investment team in HSBC Asset Management and is responsible for the oversight of this methodology.</p> |

| Disclosure area                                     | What to disclose   | Content disclosed  |
|---|--|--|
| <b>16. Organisation – Fees &amp; business model</b> | High-level fee criteria and business/payment model; clarify ratings are for internal AM use (not sold), if applicable.                                     | Ratings are solely for internal HSBC AM purposes and their clients. There are no charges associated with the rating.   |
| <b>17. Conflicts of interest – Key risks</b>        | Main conflicts relevant to the rating activity (select the most material).   | <ul style="list-style-type: none"> <li>• Ratings inconsistency and comparability; due to time-lag/data gaps</li> <li>• Commercial incentives favouring strong ESG ratings to win mandates (this is mitigated by requiring independent RI approval for companies to be considered thematically aligned)</li> </ul>  |
| <b>18. Conflicts of interest – Mitigation</b>       | Steps to mitigate conflicts (e.g., information barriers, fiduciary duty, controls, governance, update cadence, input quality review, disclosure controls). | Mitigating factors include appropriate use of effective information control barriers, AM acting in accordance with its fiduciary obligations vis-à-vis its clients, public information about ratings including accurate and balanced descriptions of what is being rated, and a number of internal control mechanisms covering (i) keeping ratings up-to-date, (b) managing any tracking errors, time lags and data gaps, (iii) reviewing the quality of the rating inputs and (iv) controlling the disclosure of ratings and (v) applying standardised scoring and weighting framework, with defined treatment of data gaps and periodic refresh of underlying inputs, to support consistent and comparable assessments across issuers. |

Source: HSBC Asset Management as of July 2026

# Alts ESG Scorecards

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# Alts ESG Scorecards

The EU ESG Ratings Regulation (Regulation (EU) 2024/3005) is designed to improve transparency, consistency and trust in the use of ESG ratings by setting clear requirements on how ESG rating providers explain their methodologies, data sources and governance. As we use a range of ESG scores and ratings within our investment process—and in some cases within fund-specific processes—certain ratings we produce and make available to our clients may fall within scope of these disclosure requirements. Our scoring approaches are built to support defined investment objectives and decision-making needs. In line with the regulation’s intent, disclosing our methodology helps clients understand what each score measures, its objectives, and limitations. This rating is used for direct funds intended for professional investors only.

| Disclosure area  | What to disclose  | Content to insert (blank)   |
|--|---|---|
| <b>1. Rating product – Objective &amp; materiality</b> | Objective of the ESG rating; whether it assesses <b>risk, impact, or both</b> (double materiality). If both, state split. | <p>The objective of the ESG Scorecards and resulting ESG Rating is to provide a structured, sector-specific assessment of material ESG issues, to inform investment decision-making plus ongoing monitoring and engagement. The framework identifies and weights the ESG factors most likely to affect the resilience and performance of investments, while also recognising where the investment may contribute positively to sustainability outcomes.</p> <p>Assesses: <input type="checkbox"/> Risk/Opportunity <input type="checkbox"/> Impact <input checked="" type="checkbox"/> Both</p> <p>If both, Risk %: 50 Impact %: 50</p> |
| <b>2. Rating product – Scope</b>                       | What the rating covers: <b>E, S, G, combined/aggregated</b> , or specific themes (e.g., transition risk).                 | Scope: <input type="checkbox"/> E <input type="checkbox"/> S <input type="checkbox"/> G <input checked="" type="checkbox"/> Aggregated ESG   Theme: _____   |
| <b>3. Rating product – Weightings (if aggregated)</b>  | Weighting of E/S/G and how weights are set (incl. sub-weights if used).   | <p>ESG pillar weights vary as Issue weights are sector-specific and ESG weights are assigned a specific weight based on its materiality within that sector. Weighting is established with reference to the MSCI ESG Industry Materiality Map and SASB plus input/feedback from Investment Teams.</p> <p>As such the ESG pillar scores are wide ranging, for example:</p>  |

| Disclosure area                                 | What to disclose   | Content to insert (blank)   |
|---|--|---|
| 4. Rating product – Topics covered              | Topics within E/S/G and whether aligned to CSRD/ESRS sustainability topics.                                      | <p>Diversified Support Services: E 10% / S 35% / G 55%</p> <p>Healthcare &amp; Education Services: E 5% / S 60% / G 35%</p> <p>Consumer: E 32.5% / S 30% / G 37.5%</p> <p><u>Topics covered:</u></p> <p>Environmental: GHG Emissions &amp; Climate Risk; Environmental Risk Management; Biodiversity &amp; Ecological Impacts; Resource Use &amp; Waste Management; Materials Sourcing &amp; Supply Chain Management; Environmental Opportunities.</p> <p>Social: Product/Service Safety &amp; Liability; Privacy &amp; Data Security; Labour Management; Workplace Health &amp; Safety; Community Relations &amp; Human Rights; Social Opportunities.</p> <p>Governance: Competitive Behaviour &amp; Risk Management; Business Ethics; Financial Transparency, Reporting &amp; Controls; Ownership Structure &amp; Shareholder Influence; Management Experience &amp; Strategy; Sustainability Governance &amp; ESG Initiatives.</p> <p>ESRS aligned? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Partly (explain): Scorecard topics cover a range of E, S, G matters. While not fully aligned to ESRS, many ESRS topics are covered.</p> |
| 5. Rating product – Scale type                  | Whether rating is <b>absolute</b> or <b>relative</b> (or both).  | <p>The score is produced from defined criteria and weighted issue scores, rebased to an ESG Score from 1 to 5, then mapped to rating bands. For certain criteria, where data is less available scoring may be informed by sector peer comparison.</p> <p>Scale: <input checked="" type="checkbox"/> Absolute <input type="checkbox"/> Relative <input type="checkbox"/> Both</p>  |
| 6. Rating product – International alignment (E) | If E is covered: whether it accounts for <b>Paris Agreement</b> targets/objectives or other relevant agreements. | <p>Paris Agreement considered? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No   Other agreements (if any): _____</p> <p>The E pillar includes “Net zero commitment/strategy” and “Emissions reductions targets” under GHG Emissions &amp; Climate Risk.</p>  |

| Disclosure area  | What to disclose  | Content to insert (blank)  |
|--|---|--|
| <b>7. Rating product – International alignment (S/G)</b> | If S and/or G are covered: whether it accounts for relevant international agreements/standards.   | <p>S/G agreements considered? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No   Which: _____</p> <p>RI integration explicitly looks to ensure that investee companies uphold the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. This includes rights/principles from the eight fundamental ILO conventions (Declaration on Fundamental Principles and Rights at Work) and the International Bill of Human Rights.</p>   |
| <b>8. Methodology – Overview &amp; key features</b>      | Summary of methodology; backward/forward-looking; time horizon; what is rated; expiry (if any); models/assumptions; data quality controls; rating scale meaning; last update and changes. | <p><u>Methodology summary</u>: Sector-specific proprietary ESG Scorecards assess a borrower’s exposure to ESG risks and opportunities for positive sustainability outcomes.</p> <p>For each material ESG issue, the company receives a score of 1–5:</p> <ul style="list-style-type: none"> <li>1 = highest ESG risk</li> <li>2 = medium risk</li> <li>3 = low risk</li> <li>4 = neutral</li> <li>5 = positive impact (only for some issues; others capped at 4 where “best outcome is avoidance of negative impacts”).</li> </ul> <p>Weighted issue scores are summed and rebased to an ESG Score (1–5), then mapped to an ESG Rating:</p> <ul style="list-style-type: none"> <li>Strong: ESG Score <math>\geq 4</math> and <math>\leq 5</math></li> <li>Good: <math>\geq 3</math> and <math>&lt; 4</math></li> <li>Satisfactory: <math>\geq 2</math> and <math>&lt; 3</math></li> <li>Weak: <math>\geq 1</math> and <math>&lt; 2</math></li> </ul> |

**Disclosure area**

**What to disclose**

**Content to insert (blank)**

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Investment rule: Article 8 funds using the ESG scorecard as part of their investment process will not invest in companies with Weak rating at outset (i.e., ESG Score below 2). Enhanced engagement for Satisfactory.

Backward/forward-looking:

Uses both:

- Backward-looking: controversies/incidents (generally consider those in the past five years unless repeated history).
- Forward-looking: policies, targets, management systems, governance structures, net zero strategy, climate risk assessment, etc.

Time horizon:

Controversy lookback guidance: five years.

Ongoing monitoring: scorecards reviewed at least annually; questionnaire updates annual.

What is rated:

The borrower/company (prospective and existing investments) via sector scorecard.

Review:

Scores are reviewed annually and/or when additional information becomes available (e.g. through controversies screening) warranting reassessment.

Expiry:

No explicit “rating expiry date”; instead, annual review/update expectation.

Models/assumptions:

No models used.

| Disclosure area                                 | What to disclose   | Content to insert (blank)  |
|---|--|--|
|   |  | <p><u>Data Quality Controls:</u></p> <p>Inputs are triangulated from multiple sources (company/sponsor materials, DD reports, public domain, questionnaire, third-party providers like RepRisk), and the Senior RI Specialist reviews scorecards and ESG sections of papers.</p> <p><u>Last update / changes:</u></p> <p>Governance: Reviewed annually in Alternatives Policy &amp; Process Working Group and reported to Alternative Sustainable Oversight Committee (ASOC) with last review in Q3/4 2025.</p>  |
| <b>9. Methodology – Industry classification</b> | Industry classification name, issuer, version, and link (if public).   | Scorecard sectors mapped to GICS sectors/subsectors.   |
| <b>10. Data – Sources &amp; processing</b>      | Data sources (CSRD/ESRS, SFDR, other); public/non-public; estimation/proxies when missing; update frequency; engagement process and how input is used. | <p>Sources:</p> <ul style="list-style-type: none"> <li>• Company/borrower provided materials; sponsor materials; Q&amp;A during due diligence.</li> <li>• Third-party due diligence reports (commercial, financial, legal).</li> <li>• Public domain information.</li> <li>• Internal expertise (sector experts, expert networks, wider AM business).</li> <li>• Third-party ESG data provider example: RepRisk</li> <li>• External frameworks informing design: SASB, MSCI ESG Ratings Methodologies.</li> <li>• ESG Questionnaire template: ESG Integrated Data Disclosure Project.</li> <li>• SFDR context: questionnaire encouraged to be aligned with Principal Adverse Impact (PAI) reporting (but the team states it does not currently consider PAIs due to inconsistent data).</li> </ul> <p><u>CSRD/ESRS/SFDR:</u><br/>CSRD/ESRS: No</p> |

| Disclosure area                                    | What to disclose   | Content to insert (blank)  |
|--|--|--|
|  |  | <p>SFDR: referenced for disclosure classification and reporting context; PAI-aligned questionnaire is encouraged to fill data gaps.</p> <p><u>Public/non-public estimation/proxies when missing:</u><br/>No estimation or proxy data utilised</p> <p><u>Update frequency:</u><br/>ESG Scorecards reviewed and updated at least annually (and if changes occur).<br/>ESG Questionnaire (Article 8 investments): borrower asked to update annually.</p> <p><u>Engagement process and how input is used:</u><br/>Engagement at least annually via ESG Questionnaire; also via management meetings and sponsor engagement as needed.<br/>Information gained through engagement feeds into scorecard updates and could result in positive/negative movements of the score.<br/>Enhanced engagement for Satisfactory (or downgraded) ratings and ESG incidents; action areas/targets are set and progress monitored until improvement to Good+ (subject to Investment Committee approval).</p> |
| <b>11. Methodology – Scientific basis</b>          | Whether/how methodology is based on scientific evidence; how evidence is identified. | Scientific basis: No specific science beyond generally recognised scientific evidence on topics such as climate change identified by the IIPCC.  |
| <b>12. Methodology – Use of AI (if applicable)</b> | Whether AI is used in data collection/rating; limitations and risks.                 | AI used? No  |

| Disclosure area  | What to disclose   | Content to insert (blank)   |
|--|--|---|
| <b>13. Limitations – Data &amp; methodology</b>            | Key limitations: data availability/consistency; completeness; timeliness; accuracy; assumptions/proxies/estimates.       | <p>Limitations/risks: Note we are leveraging third party data sources that may use AI for their sourcing purposes but this would be disclosed in their disclosures separately. We do not use AI for our rating purposes.</p> <p>Limitations summary:</p> <p>We engage third-party research providers and sources to identify the E, S and G aspects that are relevant to our internal rating methodologies. Whilst we assess third party providers as part of ongoing monitoring, it is not possible to guarantee their data accuracy, completeness, quality of judgement or timeliness. Their coverage may not include every issuer held in our portfolios. We may set aside their data or scoring where our own due diligence suggests that this may be inaccurate, incomplete or disproportionate.</p> |
| <b>14. Limitations – S/G agreements (if applicable)</b>    | If social and governance aspects are covered: confirm whether relevant international agreements are considered (or not). | <p>International agreements considered? Yes</p> <p>Details: Our third-party provider consider international treaties such as the International Labor Organisation treaties and International Convention on Human Rights as part of our inputs to our rating framework particularly for the social metric that we ingest into our AM internal rating framework.</p>  |
| <b>15. Organisation – Ownership &amp; issuing entities</b> | List of issuing regulated entities (as applicable).  | <p>Issuing entities (list):</p> <p>ESG ratings are issued by entities within HSBC Asset Management. 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. The issuing entities listed below are wholly-owned, indirect subsidiaries of HSBC Holdings plc:</p> <ul style="list-style-type: none"> <li>• <i>in France by HSBC Global Asset Management (France), a Portfolio Management Company authorised by the French regulatory authority AMF (no. GP99026);</i></li> </ul>   |

| Disclosure area                                     | What to disclose   | Content to insert (blank)   |
|---|--|---|
|   |  | <ul style="list-style-type: none"> <li>• in Germany by HSBC Global Asset Management (Deutschland) GmbH which is regulated by BaFin;</li> <li>• in Luxembourg by HSBC Investment Funds (Luxembourg) SA which is regulated by Commission de Surveillance du Secteur Financier;</li> <li>• 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.</li> </ul> <p>The Alternatives Responsible Investment team sits within the Investment team in HSBC Asset Management and is responsible for the development and review of this methodology.</p>   |
| <b>16. Organisation – Fees &amp; business model</b> | High-level fee criteria and business/payment model; clarify ratings are for internal AM use (not sold), if applicable. | Ratings are solely for internal HSBC AM purposes and their clients. There are no charges associated with the rating.  |
| <b>17. Conflicts of interest – Key risks</b>        | Main conflicts relevant to the rating activity (select the most material).   | <ul style="list-style-type: none"> <li>• Ratings inconsistency and comparability; due to different methodologies and time-lag/data gaps.</li> <li>• Commercial incentives favouring strong ESG ratings to win mandates.</li> <li>• Commercial pressure to rate some issuers more favourable due to ongoing commercial relationships.</li> <li>• ESG ratings not often designed to measure ‘impact’, favouring the measurement of risk management and disclosures, which can create a conflict between the sales narrative, product positioning vs the obligation to be precise, balanced and accurate.</li> <li>• Some strategies may involve exclusion/tilts that may increase tracking error or constrain opportunity sets and if clients want maximum returns and high ESG scores, which can create a conflict dependent on market conditions and methodology.</li> <li>• There may also be conflicts to manage between methodology transparency vs proprietary IP and vendor restrictions on any inputs.</li> </ul> |

| Disclosure area                               | What to disclose   | Content to insert (blank)   |
|---|--|---|
| <b>18. Conflicts of interest – Mitigation</b> | Steps to mitigate conflicts (e.g., information barriers, fiduciary duty, controls, governance, update cadence, input quality review, disclosure controls). | Mitigating factors include appropriate use of effective information control barriers, AM acting in accordance with its fiduciary obligations vis-à-vis its clients, public information about ratings including accurate and balanced descriptions of what is being rated, and a number of internal control mechanisms that also ensures ratings consistency and comparability, covering (i) keeping ratings up-to-date, (b) managing any tracking errors, time lags and data gaps, (iii) reviewing the quality of the rating inputs, (iv) controlling the disclosure of ratings and (v) reviewing external frameworks that inform rating. |

Source: HSBC Asset Management as of July 2026

# Sustainable Investment Framework for Alternatives

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# Sustainable Investment Framework for Alternatives

The EU ESG Ratings Regulation (Regulation (EU) 2024/3005) is designed to improve transparency, consistency and trust in the use of ESG ratings by setting clear requirements on how ESG rating providers explain their methodologies, data sources and governance. As we use a range of ESG scores and ratings within our investment process—and in some cases within fund-specific processes—certain ratings we produce and make available to our clients may fall within scope of these disclosure requirements. Our scoring approaches are built to support defined investment objectives and decision-making needs. In line with the regulation’s intent, disclosing our methodology helps clients understand what each score measures, its objectives, and limitations. This rating is used for direct funds intended for professional investors only.

| Disclosure area                                | What to disclose  | Content disclosed   |
|--|---|---|
| 1. Rating product – Objective & materiality    | Objective of the ESG rating; whether it assesses <b>risk, impact, or both</b> (double materiality). If both, state split. | <p>Short description of the objective of the rating:</p> <p>SIFA’s outcomes are designed to determine, evidence, and monitor whether an alternatives investment can be labelled a “sustainable investment”. It does this by classifying the investment into categories (Harmful / At Risk / Progressing / Safe) against SDG-aligned indicators to confirm the investment contributes positively to decarbonisation and/or one or more UN SDGs, does not cause significant harm (DNSH) to other SDGs, and meets good governance expectations, with ongoing review at least annually.</p> <p>Assesses: <input type="checkbox"/> Risk/Opportunity <input type="checkbox"/> Impact <input checked="" type="checkbox"/> Both</p> <p>If both, Risk %: 50 Impact %: 50</p> |
| 2. Rating product – Scope                      | What the rating covers: <b>E, S, G, combined/aggregated</b> , or specific themes (e.g., transition risk).                 | Scope: <input checked="" type="checkbox"/> E <input checked="" type="checkbox"/> S <input checked="" type="checkbox"/> G <input type="checkbox"/> Aggregated ESG <input type="checkbox"/> Theme: _____  |
| 3. Rating product – Weightings (if aggregated) | Weighting of E/S/G and how weights are set (incl. sub-weights if used).   | No weighting scheme implemented, E/S/G issues captured and evaluated separately based on economic activity and contribution to SDGs and no significant harm caused to other SDGs.   |

| Disclosure area                                   | What to disclose   | Content disclosed   |
|---|--|---|
| 4. Rating product – Topics covered                | Topics within E/S/G and whether aligned to CSRD/ESRS sustainability topics.                                      | <p>Topics covered:</p> <p><u>Environmental</u>: Clean water and sanitation; Climate action; life below water; life on land</p> <p><u>Social</u>: Poverty; Hunger; Health; Education; Gender equality; Affordable clean energy; Sustainable cities &amp; communities; Decent work</p> <p><u>Governance</u>: Justice &amp; strong institutions; Responsible consumption &amp; production</p> <p>ESRS aligned? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Partly (explain): S topics cover a range of E, S, G matters. While not fully aligned to ESRS, many ESRS topics are covered. Topics are aligned to the SDGs</p> |
| 5. Rating product – Scale type                    | Whether rating is <b>absolute</b> or <b>relative</b> (or both).  | <p>SIFA uses a categorisation approach (Safe / Progression / Risk / Harm) which produces an absolute score as the entity is assigned to a category based on thresholds</p> <p>Scale: <input checked="" type="checkbox"/> Absolute <input type="checkbox"/> Relative <input type="checkbox"/> Both   If relative, relative to:</p>   |
| 6. Rating product – International alignment (E)   | If E is covered: whether it accounts for <b>Paris Agreement</b> targets/objectives or other relevant agreements. | Paris Agreement considered? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No   Other agreements (if any): _____  |
| 7. Rating product – International alignment (S/G) | If S and/or G are covered: whether it accounts for relevant international agreements/standards.                  | <p>S/G agreements considered? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No   Which: _____</p> <p>RI integration explicitly looks to ensure that investee companies uphold the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. This includes rights/principles from the eight fundamental ILO conventions (Declaration on Fundamental Principles and Rights at Work) and the International Bill of Human Rights.</p>  |

| Disclosure area   | What to disclose   | Content disclosed   |
|---|--|---|
| <b>8. Methodology –<br/>Overview &amp; key features</b> | Summary of methodology;<br>backward/forward-looking; time horizon;<br>what is rated; expiry (if any);<br>models/assumptions; data quality<br>controls; rating scale meaning; last<br>update and changes. | <p>Methodology summary: defines sustainable investment as operating in (or credibly moving toward) a “safe zone” that respects: Planetary Boundaries (environmental limits); Social Foundations (minimum social standards)</p> <p>Uses framework to classify investments into four zones:</p> <ul style="list-style-type: none"> <li>- Safe zone: activity operates within planetary/social limits</li> <li>- Progression zone: close to safe zone but currently outside; credible transition strategy exists</li> <li>- At Risk zone: outside safe zone with limited capacity or high execution risk;</li> <li>- Harm zone: outside safe zone with no credible transition pathway / unwillingness to address.</li> </ul> <p>Uses Sector Sustainability Assessments (SSAs) with SDG-linked metrics to support classification</p> <p><u>Backward/forward-looking:</u><br/>Uses both:</p> <ul style="list-style-type: none"> <li>- Backward-looking: controversies/incidents (consider, however, no formal period assessed).</li> <li>- Forward-looking: policies, targets, management systems, governance structures, net zero strategy, climate risk assessment, etc.</li> </ul> <p><u>Time horizon:</u><br/>Scores are reviewed annually and/or when additional information becomes available (e.g. through controversies screening) warranting reassessment.</p> <p><u>What is rated:</u><br/>The mapped SDGs of borrower/company’s economic activities.</p> <p><u>Review:</u><br/>Scores are reviewed annually and/or when additional information becomes available (e.g. through controversies screening) warranting reassessment.</p> <p><u>Expiry:</u><br/>No explicit “rating expiry date”; instead, annual review/update expectation.</p> |

| Disclosure area                                 | What to disclose   | Content disclosed   |
|---|--|---|
|   |  | <p><u>Models/assumptions:</u><br/>No models used.</p> <p><u>Data quality controls:</u><br/>Inputs are triangulated from multiple sources (company/sponsor materials, DD reports, public domain, questionnaire, third-party providers like RepRisk), and the Senior RI Specialist reviews scorecards and ESG sections of papers.</p> <p><u>Last update/changes:</u><br/>Governance: Reviewed annually in Alternatives Policy &amp; Process Working Group and reported to Alternative Sustainable Oversight Committee (ASOC) with last review in Q4 2025.</p>   |
| <b>9. Methodology – Industry classification</b> | Industry classification name, issuer, version, and link (if public).   | Framework maps economic activities to NACE codes (EU statistical classification as per EU Compass tool)   |
| <b>10. Data – Sources &amp; processing</b>      | Data sources (CSRD/ESRS, SFDR, other); public/non-public; estimation/proxies when missing; update frequency; engagement process and how input is used. | <p><u>Data sources:</u></p> <ul style="list-style-type: none"> <li>• Company/borrower provided materials; sponsor materials; Q&amp;A during due diligence.</li> <li>• Third-party due diligence reports (commercial, financial, legal).</li> <li>• Public domain information.</li> <li>• Internal expertise (sector experts, expert networks, wider AM business).</li> <li>• Third-party ESG data provider example: RepRisk</li> <li>• External frameworks informing design: GIIN IRIS+ and UN SDG Compact tool; EU Taxonomy Technical Screening Criteria; Climate Bonds Initiative</li> <li>• SIFA Questionnaire.</li> </ul> <p><u>CSRD/ESRS / SFDR:</u><br/>CSRD/ESRS: No<br/>SFDR: No</p> <p><u>Public/non-public estimation/proxies when missing:</u></p> |

| Disclosure area                                    | What to disclose   | Content disclosed  |
|--|--|--|
|  |  | <p>No estimation or proxy data utilised</p> <p><u>Update frequency:</u><br/>SIFA assessment reviewed and updated at least annually (and if changes occur).</p> <p><u>Engagement process and how input is used:</u><br/>SIFA assessment could be used as part of broader ESG engagement process.</p>  |
| <b>11. Methodology – Scientific basis</b>          | Whether/how methodology is based on scientific evidence; how evidence is identified.                               | Scientific basis: No specific science beyond generally recognised scientific evidence on topics such as climate change identified by the IIPCC.  |
| <b>12. Methodology – Use of AI (if applicable)</b> | Whether AI is used in data collection/rating; limitations and risks.   | <p>AI used? No</p> <p>Limitations/risks: Note we are leveraging third party data sources that may use AI for their sourcing purposes, but this would be disclosed in their disclosures separately. We do not use AI for our rating purposes.</p>   |
| <b>13. Limitations – Data &amp; methodology</b>    | Key limitations: data availability/consistency; completeness; timeliness; accuracy; assumptions/proxies/estimates. | <p>Limitations summary:</p> <p>We engage third-party research providers and sources to identify the E, S and G aspects that are relevant to our internal rating methodologies. Whilst we assess third party providers as part of ongoing monitoring, it is not possible to guarantee their data accuracy, completeness, quality of judgement or timeliness. Their coverage may not include every issuer held in our portfolios. We may set aside their data or scoring where our own due diligence suggests that this may be inaccurate, incomplete or disproportionate.</p> |

| Disclosure area  | What to disclose   | Content disclosed   |
|--|--|---|
| <b>14. Limitations – S/G agreements (if applicable)</b>    | If social and governance aspects are covered: confirm whether relevant international agreements are considered (or not). | <p>International agreements considered? Yes</p> <p>Details: Our third-party provider consider international treaties such as the International Labor Organisation treaties and International Convention on Human Rights as part of our inputs to our rating framework particularly for the social metric that we ingest into our AM internal rating framework.</p>  |
| <b>15. Organisation – Ownership &amp; issuing entities</b> | List of issuing regulated entities (as applicable).  | <p>Issuing entities (list):</p> <p>ESG ratings are issued by entities within HSBC Asset Management. 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. The issuing entities listed below are wholly-owned, indirect subsidiaries of HSBC Holdings plc:</p> <ul style="list-style-type: none"> <li>• <i>in France by HSBC Global Asset Management (France), a Portfolio Management Company authorised by the French regulatory authority AMF (no. GP99026);</i></li> <li>• <i>in Germany by HSBC Global Asset Management (Deutschland) GmbH which is regulated by BaFin;</i></li> <li>• <i>in Luxembourg by HSBC Investment Funds (Luxembourg) SA which is regulated by Commission de Surveillance du Secteur Financier;</i></li> <li>• <i>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.</i></li> </ul> <p>The Alternatives Responsible Investment team sits within the Investment team in HSBC Asset Management and is responsible for the development and review of this methodology.</p> |
| <b>16. Organisation – Fees &amp; business model</b>        | High-level fee criteria and business/payment model; clarify ratings  | Ratings are solely for internal HSBC AM purposes and their clients. There are no charges associated with the rating.  |

| Disclosure area                               | What to disclose   | Content disclosed   |
|---|--|---|
|   | are for internal AM use (not sold), if applicable.   |   |
| <b>17. Conflicts of interest – Key risks</b>  | Main conflicts relevant to the rating activity (select the most material).   | <ul style="list-style-type: none"> <li>• Ratings inconsistency and comparability; due to different methodologies and time-lag/data gaps.</li> <li>• Commercial incentives favouring strong ESG ratings to win mandates.</li> <li>• Commercial pressure to rate some issuers more favourable due to ongoing commercial relationships.</li> <li>• ESG ratings not often designed to measure ‘impact’, favouring the measurement of risk management and disclosures, which can create a conflict between the sales narrative, product positioning vs the obligation to be precise, balanced and accurate.</li> <li>• Some strategies may involve exclusion/tilts that may increase tracking error or constrain opportunity sets and if clients want maximum returns and high ESG scores, which can create a conflict dependent on market conditions and methodology.</li> <li>• There may also be conflicts to manage between methodology transparency vs proprietary IP and vendor restrictions on any inputs.</li> </ul> |
| <b>18. Conflicts of interest – Mitigation</b> | Steps to mitigate conflicts (e.g., information barriers, fiduciary duty, controls, governance, update cadence, input quality review, disclosure controls). | Mitigating factors include appropriate use of effective information control barriers, AM acting in accordance with its fiduciary obligations vis-à-vis its clients, public information about ratings including accurate and balanced descriptions of what is being rated, and a number of internal control mechanisms that also ensures ratings consistency and comparability, covering (i) keeping ratings up-to-date, (b) managing any tracking errors, time lags and data gaps, (iii) reviewing the quality of the rating inputs, (iv) controlling the disclosure of ratings and (v) reviewing external frameworks that inform rating.   |

Source: HSBC Asset Management as of July 2026

## Important Information

This document is provided for information purposes only and is intended to assist users in understanding the ESG rating methodology, data sources, assumptions, limitations and governance arrangements applicable to the ESG rating described herein. The ESG ratings referred to in this document are designed solely to provide an assessment of specified environmental, social and governance characteristics in accordance with the methodology described. ESG ratings do not constitute investment research, investment advice, a recommendation to buy, sell or hold any security, or a recommendation regarding any investment strategy. ESG ratings are based on information obtained from sources considered reliable, including issuer disclosures, third-party data providers and proprietary analysis. No representation or warranty, express or implied, is made as to the accuracy, completeness or reliability of such information. Accordingly, ESG ratings may be revised, suspended or withdrawn without notice. ESG ratings reflect the application of the methodology in force as at the date stated in this document and involve the exercise of judgement, assumptions and methodological choices. Different ESG rating providers may employ different methodologies, criteria, weightings and data sources and may therefore reach different conclusions regarding the same issuer, investment or portfolio. Past ESG ratings are not indicative of future ESG characteristics, sustainability performance or investment outcomes. ESG ratings do not provide a measure of financial performance, creditworthiness, valuation, investment risk or suitability for any particular investor

This document should be read together with the full methodology, definitions and supporting disclosures, which may be amended from time to time. The latest versions are available via HSBC Asset Management's Responsible Investing website, where users should select the applicable jurisdiction and investor type:

<https://www.assetmanagement.hsbc.com/about-us/responsible-investing#openTab=0>.

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