

Global Voting Guidelines

March 2026

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

We believe that stewardship is important to protect and enhance the value of investments. Exercising our voting rights is a core part of our stewardship activity and broader responsible investment approach.

This document sets out our Global Voting Guidelines, informing our clients, company boards and other stakeholders how we exercise our voting rights.

Our Global Voting Guidelines outline how HSBC Asset Management typically votes at shareholder meetings of publicly listed investee companies held by funds in our major investment hubs and in certain additional locations, including France, Hong Kong, India, Japan, Malta, Singapore, the United Kingdom, and the United States^{1,2}.

We were early signatories to the Principles for Responsible Investment in 2006 and to the UK Stewardship Code in 2010. In 2020, the Financial Reporting Council introduced a new assessment process for signatories to the UK Stewardship Code, and we have continued to be accepted as a signatory since this change was introduced³. We are also signatories to stewardship codes in Hong Kong, Taiwan, Singapore and Japan⁴. We keep our participation in other stewardship codes under review.

Notes:

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

2. When we refer to 'we' in this document, we specifically mean the HSBC Asset Management offices that operate under the scope of these guidelines.

3. At the time of publishing this policy, HSBC Global Asset Management (UK) Ltd is recognised as a signatory to the UK Stewardship Code for 2025.

4. HSBC Global Asset Management (Hong Kong) Ltd is a signatory to the Security and Futures Commission of Hong Kong's Principles of Responsible Ownership, HSBC Global Asset Management (Taiwan) Ltd is a signatory to Taiwan's Stewardship Principles for Institutional Investors, HSBC Global Asset Management (Singapore) Ltd is a signatory to the Singapore Stewardship Principles for Responsible Investors, and HSBC Asset Management (Japan) Ltd is a signatory to Japan's Stewardship Code.

The expectations for governance standards outlined in this document are based on international principles of good governance, such as the G20/OECD Principles of Corporate Governance, and the investor-led International Corporate Governance Network (ICGN) Global Governance Principles and Global Stewardship Principles. Our voting guidelines aim to encourage boards to make decisions that enhance shareholder value.

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

As global investors, we recognise that corporate governance requirements, standards and practices vary across different markets, and we reflect this in the design and application of our guidelines. We consider and operate within the local legal, regulatory, and market restraints in each jurisdiction. Some markets operate under a 'comply or explain' approach; we consider companies' explanations of any non-compliance in determining our vote as much as possible.

We expect directors of companies in which we invest to provide effective governance and to ensure that their companies act in the interests of shareholders and other relevant stakeholders. We expect companies to apply governance requirements and good practices for their market of listing and, for larger companies, to meet globally recognised good practice standards. We seek constructive engagement with boards and support management where we consider they are appropriately discharging their duties.

While we typically vote in line with these guidelines, we will exercise our judgement based on research and engagement history where appropriate. Therefore, we may, in some cases, vote differently from these guidelines. We annually review our guidelines and may change our expectations in the future.

To enable efficient proxy voting operations, we work with a proxy service provider, Institutional Shareholder Services (ISS), which provides research, a voting platform, and disclosure services. We provide our Global Voting Guidelines (“Guidelines”) to ISS and our Guidelines, together with our own research, inform more granular voting instructions, based on which ISS provide us with custom voting recommendations for each shareholder meeting for consideration by our investment and stewardship teams.

Should an investment or stewardship team identify a proposal that should be voted differently from our custom voting recommendation, this will be discussed by the Voting Advisory Group, a designated group of specialists including relevant investment teams. The Voting Advisory Group will make a collective decision on a vote. If the Voting Advisory Group does not reach an agreement, the vote may be escalated to the Responsible Investment Committee or the local/Global Chief Investment Officer for a decision.

We aim to vote on all equities for which clients have given us voting authority, except where this is not practical for reasons such as share blocking or overly burdensome power of attorney requirements⁵.

Oversight – Our Global Voting Guidelines were developed by the Stewardship Function within the Responsible Investment team in consultation with investment teams and are reviewed at least annually. Our Global Voting Guidelines are owned by the Chief Investment Officer and approved by the Responsible Investment Committee as well as the Stewardship Committee. We monitor the implementation of our Global Voting Guidelines and voting instructions by our proxy service provider⁶.

Engagement – Engaging with key stakeholders, including companies, is an important part of our stewardship activity and informs our voting decisions. We may also engage companies on our voting approach and rationale before or after the vote has taken place. Please note that we do not share our voting intentions on specific instances with third parties unless we have already made them public.

Conflicts of interest – We maintain a register of potential conflicts of interest and associated mitigation activities. For further details on conflicts of interest, please refer to HSBC AM’s Conflicts of Interest Policy Summary⁷.

Voting records and disclosure – For voting through the ISS platform, we publish voting records through the Proxy Voting Dashboard on our website⁸. We also offer clients detailed reports on our voting activity.

Review – Our Global Voting Guidelines and voting process are reviewed annually.

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

6. For further details on how we monitor our proxy service provider, please refer to our latest UK Stewardship Code report, available on our website: <https://www.assetmanagement.hsbc.co.uk/en/institutional-investor/about-us/responsible-investing/stewardship>.

7. HSBC AM’s Conflicts of Interest Policy Summary is accessible via this link: <https://www.assetmanagement.hsbc.com/conflicts-of-interest>.

8. Our Proxy Voting Dashboard is accessible via this link: <https://vds.issgovernance.com/vds/#/MjIwNw==>.

These guidelines set out our approach to key voting topics. They are not exhaustive and are complemented by tailored voting frameworks that reflect our approach in specific markets.

Our voting intentions may change if new information from a company is provided in a timely and comprehensive manner to address our concerns. We may also vote against management for reasons other than those set out in our Global Voting Guidelines.

We use MSCI's definition of developed markets unless otherwise specified. We include all other markets in our emerging markets category unless otherwise specified⁹.

Board's Role and Leadership

In our view, the board's role is to provide proactive leadership and oversight – including on strategy, capital allocation, risk management, sustainability and corporate culture – with a long-term outlook to protect and enhance value. For the board to be able to fulfil its responsibilities effectively, it needs to have an appropriate balance between the executive and oversight functions, as well as appropriate composition including with respect to relevant skill sets.

Balance of independence – Significant independent representation on the board is important to ensure appropriate challenge and protection of investor interests. We believe that, in principle, at least 50 per cent of the board members elected by shareholders should be independent¹⁰, although we accept lower levels in certain markets, taking into consideration cultural and historical differences and local market practices¹¹.

In assessing independence, we usually consider a candidate's current or former employment with the company, family links with other directors, commercial links with the company, significant shareholding in the company, and tenure, with some exceptions. We are more likely to support independent director candidates nominated by shareholders if the board does not meet our standards for independent representation.

We generally vote against the re-election of the nomination committee chair where the balance of independent directors does not meet these standards.

Board composition – The board should comprise directors with an appropriate range of skills, viewpoints and experiences. Diversity in gender, race, ethnicity, and background are among the other factors we may consider when assessing board composition, subject to applicable laws and regulations. As with all proxy votes, our objective is to encourage boards to make decisions that enhance shareholder value. We generally vote against the re-election of the nomination committee chair of companies where there is insufficient diversity on the board, taking into consideration cultural and historical differences and local market practices, and in compliance with applicable laws and regulations.

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9. For further information, see <https://www.msci.com/our-solutions/indexes/market-classification>.

10. Excluding, where applicable, employee representatives or employee shareholder representatives.

11. We have also set different expectations for board independence at controlled companies, to allow for regional differences and local market practices.

Executive level composition – We believe that the board should also be responsible for considering diversity among top management. We may vote against the re-election of a relevant board director at large companies where there is insufficient diversity in the executive team, taking into consideration cultural and historical differences and local market practices, and in compliance with applicable laws and regulations.

Chair & CEO roles – The chair has a key role in driving the work of the board and providing effective leadership and oversight of the company. We believe in the separation of the roles of chair and chief executive officer (CEO). Where companies combine these, we expect a clear explanation and shareholder safeguards, such as a strong lead independent director. At larger companies in developed markets, except Hong Kong and Japan, we generally vote against the individual where the roles of the chair and CEO are combined, unless 1) the board meets our minimum independent requirement and has a lead (or senior) independent director; or 2) the company provides reasonable justification. At UK companies, we generally vote against combined chair and CEO roles.

Director re-election process – We favour annual re-election of individual directors but recognise this is not current practice in many markets. We generally vote against measures to increase the term for which directors are elected or the grouping of directors' elections.

Overboarding – Directors need to be able to devote time to their important role. We may vote against directors who sit on more than five or six public company boards, taking into consideration market practices. We consider the workload for the board chair or committee members to be more significant and may take this into account when making voting decisions.

Worker directors – We look to support directors appointed from the workforce where possible. If we face a choice between board independence falling slightly below our expectation, and supporting a worker director, we may support the worker director.

Board committees – Boards should establish committees to consider remuneration, nomination, and audit issues. These should be at least majority independent, with full independence being the standard in some markets. In developed markets, we generally vote against non-independent directors on audit, remuneration, and nomination committees where these are not majority independent¹². We also typically vote against non-independent chairs of these board committees.

Unequal voting rights – We believe in the principle of one share, one vote. We therefore generally vote against the re-election of the governance committee chair of US companies where unequal voting rights are in place. In Europe, we will generally vote against directors or against the discharge of (non-executive) directors where unequal voting rights are present.

Cross-shareholdings (Japan)¹³ – We do not favour the practice of cross-shareholdings unless there is clear strategic imperative, as it is often an inefficient use of investor funds and can lead to governance problems. We may vote against the board chair of companies that allocate over 10 per cent of net assets in cross-shareholdings.

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12. The policy does not apply to many companies in Japan, where these committees are primarily established on a voluntary basis and the disclosure on committee membership is limited, which limits our ability to apply the policy.

13. Cross-shareholdings refer to a situation where two or more companies own shares in each other.

Coal and Energy Policies – As outlined within the HSBC AM Coal Policy¹⁴, we may vote against the re-election of a relevant board director of listed issuers covered by our engagement if they have more than 10 per cent revenue exposure to thermal coal and do not provide Task Force on Climate-Related Financial Disclosures (TCFD) or equivalent reporting. Similarly, as outlined within the HSBC AM Energy Policy¹⁵, our voting approach for Oil & Gas and Power & Utilities issuers reflects our view that the board should be responsible for the company's climate change strategy and any shortfall in the management oversight of relevant issues. This may include votes against the re-election of a relevant board director of Oil & Gas and Power & Utilities issuers.

UNGC Non-Compliance – Where a potential breach of one or more of the 10 UN Global Compact (UNGC) principles has been identified, or where we have observed a company's response to a significant controversy to be inadequate, we may vote against the re-election of a relevant board director.

Sustainability-related Risks – We may vote against the re-election of a board director if a company has not taken appropriate steps to address relevant risks outlined in our Stewardship Plan, including relevant risks relating to climate change, bioeconomy and natural capital, human rights, and workforce concerns. Our assessments are informed by both internal research and external data sources. The level of accountability we apply may depend on the objectives of the fund.

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14. Please refer to this link for further information on the HSBC AM Coal Policy: <https://www.assetmanagement.hsbc.com.hk/-/media/files/attachments/common/coal-policy-en.pdf>.

15. Please refer to this link for further information on the HSBC AM Energy Policy: <https://www.assetmanagement.hsbc.com.hk/-/media/files/attachments/hongkong/common/energy-policy-hk.pdf>.

Remuneration should be set at the level required to reward and motivate company management while aligning with company strategy and long-term shareholder interests. We generally vote against remuneration policies, reports or related proposals that are not aligned with key aspects of our positions outlined below, while taking into account different practices in certain markets.

Quantum – For North America and Western Europe, we use a proprietary framework to determine the level of CEO pay that we believe is appropriate, taking into consideration factors such as company size in terms of market capitalisation and the number of employees.

Should the average pay of the CEO exceed the level we believe is appropriate, we may vote against relevant proposals such as the remuneration policy and report. If we persistently vote against relevant proposals because of excessive pay and do not feel that the board is adequately responding to our concerns, we may vote against members of the remuneration committee.

Shareholding requirement – Senior executives should have a sizable portion of their remuneration in shares to align with the long-term interests of the company.

Performance link – Remuneration linked to short- and long-term performance measures has a role in incentivising management if the conditions are set appropriately. Performance criteria should be clearly defined, challenging and aligned with the companies' strategic objectives, without incentivising excessive risk-taking.

Other share-based incentives – We welcome share-based incentives that underpin the alignment of interests between management and shareholders. Non-executive directors' remuneration may include or comprise shares but should not be linked to performance criteria. We welcome schemes that encourage the participation of all staff in companies' equity.

Dilution – Companies should be mindful of the dilutive impact of share-based remuneration. The overall impact of such plans should generally be limited to 10 per cent of total issued capital.

Accountability – Where a company has taken insufficient action to address previous significant shareholder votes against the remuneration report, policy or advisory vote, we may vote against the re-election of remuneration committee members.

Vesting, holding and deferral periods – Sufficient disclosure and structure regarding vesting, holding and deferral periods is required. To support alignment with long-term shareholder interests, vesting and holding periods should be long enough to encourage executive directors to maintain their shareholdings over the long term.

Malus and clawback – Both these provisions should be present in executive remuneration packages, with specific reference made to the circumstances in which a company would exercise them.

We expect timely and appropriately detailed disclosure from companies in order to exercise our voting rights effectively. This should cover strategic, financial, and operational performance, risk management and relevant sustainability matters.

Meeting disclosures – We expect companies to disclose sufficient information well in advance of the shareholder meeting so that shareholders will be able to make informed decisions. We may vote against proposals where insufficient information is provided by the company.

Annual report – We may vote against specific resolutions, such as the approval of annual reports and accounts or financial statements, where we consider there is inadequate disclosure on governance issues or where there are broader concerns about companies' governance.

'Say on climate' – We assess Say on Climate resolutions put forward by companies on a case-by-case basis, taking into account our internal net zero alignment assessment of companies and applicable legal and regulatory requirements. Our support for the proposal is contingent on factors such as our assessment of the climate strategy proposed, the scope of any targets, management oversight and accountability, and capital expenditure plans. We typically support proposals to introduce a regular 'say-on-climate' resolution, regular reporting on climate, or a vote on climate transition plans.

Bundling – Resolutions for shareholder approval should not 'bundle' together separate matters.

A robust and reliable set of accounts and audits is critical for investor confidence. We review auditor independence and any concerns that are flagged and may vote against the re-appointment of external or statutory auditors.

Amendments to company articles and bylaws – We will review the proposed changes and may vote against if we believe that the proposed changes will adversely impact the interest of shareholders.

Auditor tenure & independence – We expect companies to tender audit work at least once every ten years and we typically vote against the appointment of auditors if the tenure of the external auditor exceeds 20 years in developed markets. In markets where stricter norms apply, we may vote against auditors with a shorter tenure and also vote against the audit committee chair.

Shareholders are among the principal providers of the capital that companies need to grow and flourish. Companies should be mindful of the interests of existing shareholders as they consider changes to their capital structure. We believe all shareholders should have equal voting and other rights, proportionate to their shareholding, and that these rights must be protected. This includes minority shareholders having voting rights on key decisions or transactions that affect their interest in the company.

Share repurchase – We generally support authorities to repurchase shares as long as these are not at a significant premium to the market price, cannot be used during a takeover period, and no more than 15 per cent of issued capital is held ‘in treasury’ or able to be reissued, with shares repurchased above that level to be cancelled.

Pre-emption – Existing shareholders should have a pre-emptive right to participate in significant capital increases. We recognise that pre-emption is not an established concept in some markets. We generally vote against share issuance authority without pre-emption which would result in dilution of existing shareholders by more than 15 per cent. We may apply different thresholds in some markets, taking into consideration local practices.

Related party transactions – We assess related party transactions on a case-by-case basis. Companies should ensure that they have adequate mechanisms to avoid conflicts of interest in transactions with related parties. This may include seeking specific shareholder approval.

‘Poison pill’ defences¹⁶ – We generally do not support the introduction or continuation of ‘poison pill’ defences. However, we are mindful of the increasing concentration of corporate power in certain sectors and markets, and its links to anti-competition, economic inequality, and lower levels of innovation and investment. Therefore, we may support poison pills and their introduction by exception where we believe there is a long-term, holistic, value creation argument for a company remaining independent.

Virtual-only meetings - We recognise that there can be good reasons to hold shareholder meetings virtually, but these should not be used to limit accountability to shareholders. We may support resolutions to allow virtual-only meetings for a set period of time where shareholders attending virtually will be given the same rights as they would have attending in-person.

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16. A "poison pill" is a defensive strategy used by companies to deter hostile takeovers. It allows existing shareholders to purchase additional shares at a discounted price if a potential acquirer buys a certain percentage of the company's shares.

Shareholder resolutions are an important mechanism for raising concerns about companies' oversight and management of relevant issues. In assessing shareholder resolutions, we consider multiple factors, including alignment with our stewardship priorities; relevance of the request; how effectively we believe the resolution will bring about the change or outcome it proposes, including consideration of potential unintended negative impacts; whether the company is well placed to address the issue; the steps the company is already taking to address this issue; and the objectives of the funds that are invested in the company.

Climate change resolutions – Shareholder resolutions are considered on a case-by-case basis, taking into account our internal net zero alignment assessment of companies and applicable legal and regulatory requirements. The types of shareholder resolutions we may support include those requesting the adoption of climate change policies; adoption of science-based greenhouse gas emission reduction targets; assessments of climate risk and resilience; and credible transition plans.

Bioeconomy and natural capital-related resolutions – We will consider supporting shareholder resolutions addressing risks relating to the bioeconomy and natural capital, particularly for companies where this is a relevant issue. This includes resolutions related to our engagement requests of companies, or on related topics including, but not limited to, biodiversity, deforestation, agricultural practices, natural resource overexploitation, and pollution.

Social resolutions – We will consider supporting shareholder resolutions that call for enhanced disclosure on social issues where permitted under applicable law. These include resolutions calling for human rights impact assessments; access to remedy processes according to the UN Guiding Principles for Business and Human Rights (UNGP); fair drug pricing; and fair lending practices. We may also support resolutions relating to talent and opportunity topics, such as those addressing health and safety, sick pay, labour rights, living wage provision, and reporting on gender and ethnicity pay gaps in markets where it is possible.

Governance resolutions – We generally support shareholder proposals that defend or promote the governance principles set out in this policy. This includes resolutions calling for an independent board chair; one share, one vote; enhancing shareholders' rights to call special meetings or propose resolutions; and supporting majority voting in director elections. We may also support resolutions calling for transparency on responsible tax, as well as enhanced disclosure on political lobbying and political donations.

Technology and data resolutions – We will consider supporting proposals that request greater transparency in managing information and disinformation or the company's use of artificial intelligence (AI) and algorithmic systems. We may also support proposals that promote robust information and cybersecurity measures or that strengthen consumer privacy and online protections.

Accountability – Although shareholder resolutions are often advisory, directors need to carefully consider the views expressed by shareholders in their voting and associated engagements. Where companies have failed to respond adequately to majority or significant votes in support of shareholder resolutions, we may vote against relevant directors.

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

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

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

HSBC Asset Management is the brand name for the asset management business of HSBC Group, which includes the investment activities that may be provided through our local regulated entities. This Policy is issued by the following entities:

- in France by HSBC Global Asset Management (France), a Portfolio Management Company authorised by the French regulatory authority AMF (no. GP99026);
- in Germany by HSBC Global Asset Management (Deutschland) GmbH which is regulated by BaFin;
- in Hong Kong by HSBC Global Asset Management (Hong Kong) Limited, which is regulated by the Securities and Futures Commission;
- in the UK by HSBC Global Asset Management (UK) Limited and HSBC Asset Management (Fund Services UK) Limited, which are authorised and regulated by the Financial Conduct Authority;
- in the US by HSBC Global Asset Management (USA) Inc. which is an investment adviser registered with the US Securities and Exchange Commission;
- in Singapore by HSBC Global Asset Management (Singapore) Limited, which is regulated by the Monetary Authority of Singapore;
- in Taiwan by HSBC Global Asset Management (Taiwan) Limited which is regulated by the Financial Supervisory Commission R.O.C;
- in Mexico by HSBC Global Asset Management (Mexico), SA de CV, Sociedad Operadora de Fondos de Inversión, Grupo Financiero HSBC which is regulated by Comisión Nacional Bancaria y de Valores;
- in Switzerland by HSBC Global Asset Management (Switzerland) AG;
- in Luxembourg by HSBC Investment Funds (Luxembourg) SA which is regulated by Commission de Surveillance du Secteur Financier;
- in Bermuda by HSBC Global Asset Management (Bermuda) Limited, of 37 Front Street, Hamilton, Bermuda which is licensed to conduct investment business by the Bermuda Monetary Authority;
- in Malta by HSBC Global Asset Management (Malta) Limited which is regulated and licensed to conduct Investment Services by the Malta Financial Services Authority under the Investment Services Act;
- in Japan by HSBC Asset Management Japan Limited;
- in Turkiye by HSBC Asset Management A.S. Turkiye (AMTU) which is regulated by Capital Markets Board of Turkiye.
- in India by HSBC Asset Management (India) Pvt Ltd. which is regulated by the Securities and Exchange Board of India.

