V1
Data as of December 31, 2024
Publication date: May 13, 2025

Product name: HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND

Legal entity identifier: 9695002FAVK2RMMSQE25

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm either of these objectives and that the financial product's investee companies follow good governance practices.

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☐ **Yes**	☑ **No**
☐ **It made sustainable investments with an environmental objective: _%**	☑ It promoted **Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a minimum proportion of 30.66% sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective and made in economic activities that qualify as environmentally sustainable under the EU Taxonomy
	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It made **sustainable investments with a social objective: _%**	☐ It promoted E/S characteristics but **did not make any sustainable investments.**

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities.** This regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective are not necessarily aligned with the Taxonomy.

To what extent were the environmental and/or social characteristics promoted by this financial product met?

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

The subfund promotes E, S and G characteristics by investing in euro-denominated bonds and debt securities across a universe of issues that meets socially responsible economic, environmental, social, and governance criteria.
For public or private listed corporate issues: the manager uses a best-in-class approach to select within each sector the companies that have the best ESG practices compared with their peers within each sector of the economy. For each ESG pillar, several criteria are used, including CO2 emissions for the E pillar, management of staff for the S pillar, and level of independence of directors for the G pillar.
For government issues (bonds): euro-denominated issuing countries are classified according to

their overall “ESG” rating, which is based 50% on the Environmental pillar (E) and 50% on the Social/Governance pillar (S/G). The Social and Governance pillar includes the analysis of the political and governance system, human rights and fundamental freedoms, and social conditions. The Environmental pillar includes the analysis of natural resources, climate change and energy, production, and sustainable consumption.

The manager uses an ESG Selection approach to select the countries with a minimum ESG rating according to the non-financial rating agency ISS-Oekom from among euro-denominated issuing countries.

In addition, the subfund will:

- Exclude issuers that have one or more confirmed breaches or at least two presumed breaches of one of the ten principles of the United Nations Global Compact or of the OECD Guidelines for Multinational Enterprises.
- Exclude securities of companies involved in the production of controversial weapons or their components. Controversial weapons include, but are not limited to, anti-personnel mines, depleted uranium weapons and white phosphorus when used for military purposes. This exclusion is in addition to the exclusion policy on weapons prohibited by international treaties.
- Exclude securities of companies in the Defence sector.
- Exclude securities of companies engaged in thermal coal activities. Companies that derive more than 10% of their revenue from electricity generated using thermal coal are partially excluded. Mining companies are completely excluded.
- Exclude securities of companies involved in tobacco production.
- Carefully consider environmental issues through engagement activities.

The subfund is actively managed and does not track a benchmark. The indicator used by the subfund to measure performance is the Bloomberg Capital Euro Aggregate 500MM. However, it has not been designated to determine whether the subfund is aligned with the environmental or social characteristics it promotes.

How did the sustainability indicators perform?

Indicator	Fund	Benchmark
ESG Score	6.86	6.67
E Pillar	7.20	6.43
S Pillar	6.56	6.72
G Pillar	6.80	6.89
3. GHG emissions intensity of beneficiary companies - tonnes of CO2 equivalent per million euros of revenue	90.10	76.80
10. Violations of the principles of the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises	0.00%	0.00%
14. Exposure to companies involved in the production of controversial weapons or their components (anti-personnel mines, depleted uranium weapons, white phosphorus when used for military purposes)	0.00%	0.00%

The data in this report are as of 31 December 2024, based on the average of the positions at the end of each of the four quarters of the financial year ended 31 December 2024.

Benchmark - Bloomberg Euro Aggregate (500MM)

…and compared to previous periods?

Indicator	End of the financial year	Fund	Benchmark Reference
ESG Score	31 December 2024	6.41	6.94
	31 December 2023	6.33	5.85
	31 December 2022	6.53	6.28
E Pillar	31 December 2024	6.92	5.86
	31 December 2023	6.82	5.80
	31 December 2022	6.60	5.39
S Pillar	31 December 2024	6.21	6.11
	31 December 2023	6.15	6.04
	31 December 2022	6.74	6.90
G Pillar	31 December 2024	6.65	6.43
	31 December 2023	6.65	6.31
	31 December 2022	6.57	6.72
3. GHG emissions intensity of beneficiary companies - tonnes of CO2 equivalent per million euros of revenue	31 December 2024	90.10	76.80
	31 December 2023	94.57	80.70
	31 December 2022	124.09	143.91
10. Violations of the principles of the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises	31 December 2024	0.00%	0.05%
	31 December 2023	0.00%	0.09%
	31 December 2022	0.00%	0.00%
14. Exposure to companies involved in the production of controversial weapons or their components (anti-personnel mines, depleted uranium weapons, white phosphorus when used for military purposes)	31 December 2024	0.00%	0.00%
	31 December 2023	0.00%	0.00%
	31 December 2022	0.00%	0.00%

- ***What were the objectives of the specific sustainable investments that the financial product intended to make and how did its sustainable investments help meet such objectives?***

The subfund’s sustainable investments are aligned with its environmental characteristics.

The identification and ESG analysis of companies are performed as part of the investment decision-making process to reduce sustainability risks and increase returns.

- ***How did the specific sustainable investments that the financial product made not cause significant harm to any environmental or social sustainable investment objective?***

The principle of “do no significant harm” to environmental or social objectives applies only to the underlying sustainable investments of the subfund. This principle is incorporated into the investment decision-making process, which includes consideration of principal adverse impacts.

How have the indicators for adverse impacts on sustainability factors been taken into account?

Principal adverse impacts

are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social, and employee matters, respect for human rights, anti-corruption, and anti-bribery matters.

HSBC Asset Management’s “do no significant harm” (DNSH) assessment of issuers as part of its sustainable investment process includes consideration of principal adverse impacts (PAI). It involves a holistic analysis of the company’s multiple sustainability impacts rather than focusing on a single factor. When an issuer is identified as potentially controversial, it cannot be considered a sustainable investment. Thus, all relevant PAI are reviewed and integrated into the investment process using an approach that combines exclusions (sector-specific, most severe ESG controversies, and normative exclusions, etc.} with voting and shareholder engagement activities to instil and support a positive change dynamic within companies. Furthermore, a company will be considered unsustainable when it is not compliant with the Principles of the United Nations Global Compact and its associated international standards, conventions and treaties, or if it is involved in weapons banned by international conventions. With the exception of these last two PAIs, we use proxies. In our view, the setting of exclusion thresholds (e.g. GHG emissions) for each PAI is not always relevant and could compromise the fact that many sectors and companies are in a transition strategy. In addition, engagement is essential to ensure that companies with limited disclosure, particularly in emerging economies, are initially excluded from the definition of sustainable investment and allow us to be a catalyst for positive environmental or social change. For example, we use a 10% threshold on revenues from thermal coal mining (and coal-fired power generation) as an exclusion filter to indirectly address all PAIs related to greenhouse gas emissions. HSBC’s sustainable investment methodology is available on the management company’s website: www.assetmanagement.hsbc.fr/fr/retail-investors/about-us/responsible-investors/policies

Were the fund's sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

HSBC is committed to applying and promoting international standards. The ten principles of the United Nations Global Compact are among the priorities of HSBC’s Responsible Investment Policy. These principles include non-financial risks such as human rights, labour standards, the environment, and anti-corruption. HSBC is also a signatory to the United Nations Principles for Responsible Investment. They provide a framework for the identification and management of sustainability risks. In this subfund, companies with a proven violation of one of the 10 principles of the United Nations Global Compact or at least two alleged violations are systematically excluded. Companies are also assessed according to international standards such as the OECD Guidelines for Multinational Enterprises.

The EU Taxonomy sets out a “do no significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives, and is accompanied by criteria specific to the EU.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the European Union criteria for environmentally sustainable economic activities.

Any other sustainable investments must also do no significant harm to any environmental or social objectives.

How did this financial product take into consideration principal adverse impacts on sustainability factors?

The principal adverse impacts of investments are considered in the management of the subfund as follows:
• For the selection of investments, the manager has chosen an environmental indicator: “Greenhouse Gas Intensity”. The subfund’s consideration of this indicator stems from, in particular, the application of our coal phase-out policy. In addition, the manager favours companies with low CO_2 emissions or companies working to reduce their carbon intensity.
• Exclusion of issuers:
Considered non-compliant with the principles of the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises;
- Exposed to controversial weapons.
• Lastly, the subfund takes into consideration the principal adverse impacts in its engagement approach, which incorporates several levers for action including 1) direct dialogue with companies about their consideration of environmental and social issues to ensure that they are able to face the future and maintain long-term financial viability, 2) a gradual escalation procedure with companies when the ESG risks or controversies to which they are exposed are not managed. In practice, the Greenhouse Gas Intensity indicator is taken into consideration, in particular, through dialogue with companies to assess how their carbon neutrality transition plans take into account impacts on employees, supply chains, communities and consumers.

The list comprises the investments making up the **largest proportion** of the financial product's investments at: Average of the positions at the end of each of the four quarters of the reference period ended 31/12/2024

What were this financial product's largest investments?

Largest investments	Sector	% of assets	Country
Government Of Italy 1.25% 01-Dec-2026	Sovereign	2.39%	Italy
Government Of Germany 4.0% 04-jan-2037	Sovereign	1.67%	Germany
Government Of Italy 5.0% 01-sep-2040	Sovereign	1.54%	Italy
HSBC Monétaire C 10163739	Other	1.52%	France
Government Of Italy 6.0% 01-may-2031	Sovereign	1.46%	Italy
Government Of France 0.5% 25-may-2025	Sovereign	1.38%	France
Government Of Spain 1.95% 30-jul-2030	Sovereign	1.33%	Spain
Government Of Italy 3.1% 01-mar-2040	Sovereign	1.31%	Italy
Government Of Italy 3.45% 01-mar-2048	Sovereign	1.29%	Italy
Government Of Spain 4.7% 30-jul-2041	Sovereign	1.24%	Spain
Government Of Spain 5.75% 30-jul-2032	Sovereign	1.22%	Spain
Government Of Italy 3.5% 01-mar-2030	Sovereign	1.08%	Italy
Government Of Spain 1.95% 30-apr-2026	Sovereign	1.06%	Spain
Government Of The Netherlands 2.5% 15-jul-2034	Sovereign	1.06%	Netherlands
Government Of France 0.5% 25-may-2040	Sovereign	0.93%	France

Cash and derivatives are excluded

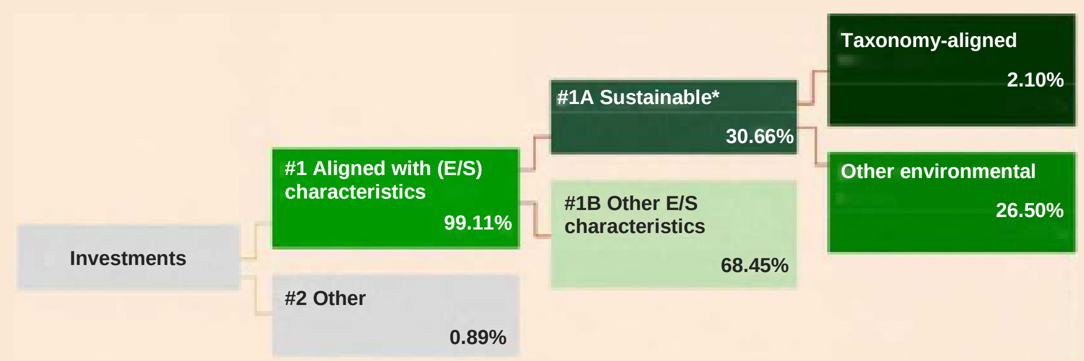
The asset allocation

describes the proportion of investments in specific assets.

What was the proportion of sustainability-related investments?

The proportion of sustainable investments was 30.66%.
The management company’s sustainable investment methodology is available in the section “SFDR” Appendix of Regulation (EU) 2019/2088 of the annual report.

- ***What was the asset allocation?***



The category **#1 Aligned** with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

The category **#2 Other** includes the remaining investments of the financial product that are neither aligned with the environmental or social characteristics nor are qualified as sustainable investments.

The category **#1 Aligned** with E/S characteristics covers:
- the sub-category **#1A Sustainable** covering environmentally and socially sustainable investments,
- the sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments

* A company or issuer that is considered a sustainable investment can contribute to both an environmental and a social objective that may or may not be aligned with the EU taxonomy. The figures in the chart above take this into account, but a company or issuer can only be counted once in category #1A Sustainable.

- ***In which economic sectors were the investments made?***

Sector / *Sub-Sector*	% of assets
Sovereign	41.61%
Financial	22.94%
Utilities	8.52%
Electricity	*5.77%*
Gas	*1.28%*
Diversified businesses	*1.17%*
Industry	7.09%
Telecommunications services	4.66%
Materials	2.91%
Real estate	2.91%
Consumer staples	2.10%
Consumer discretionary	2.05%
Health	1.60%
Other	1.43%
Energy	1.28%
Integrated Gas and Oil	*0.90%*
Oil and Gas Related Equipment and Services	*0.38%*
Information Technology	0.83%
Cash and derivatives	0.07%
Total	100.00%

To comply with the EU Taxonomy, the criteria applicable to **natural gas** include emission limits and switching to entirely renewable sources of electricity or to low-carbon fuel by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

The proportion of sustainable investments aligned with the EU taxonomy is shown in the asset allocation table above.

- **Has the financial product invested in natural gas and/or nuclear energy generation activities that are compliant with the EU Taxonomy? [1]**

☐ Yes:

☐ In natural gas ☐ In nuclear energy

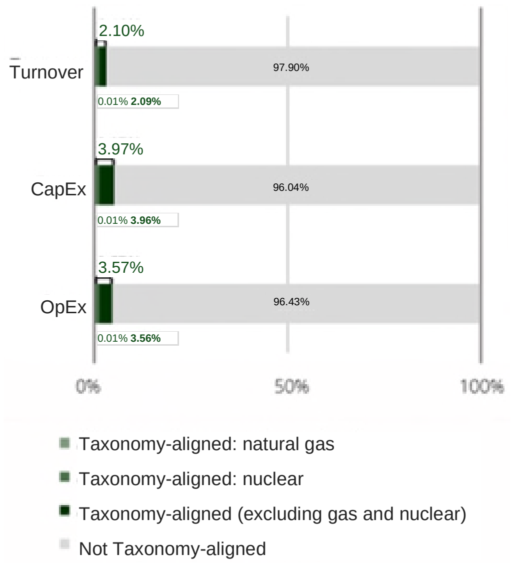
☑ No

[1] Natural gas and/or nuclear energy generation activities only qualify as EU Taxonomy-eligible if they help mitigate climate change (“mitigation of climate change”) and cause no significant harm to any of the EU Taxonomy objectives (see the explanatory note in the sidebar on the left). The set of criteria for natural gas and nuclear energy generation activities that are compliant with the EU Taxonomy are set out in Commission Delegated Regulation (EU) 2022/1214.

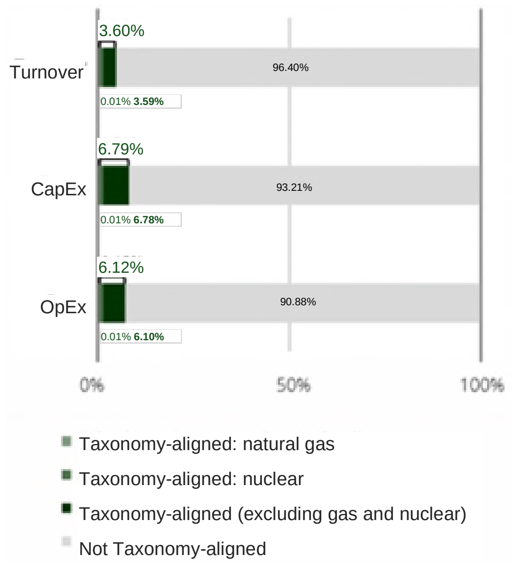
EU Taxonomy-aligned activities are expressed as a percentage of:
- **revenue** to reflect the current ecological nature of investee companies;
- **capital expenditure** (CapEx) to show the green investments made by investee companies, relevant for a transition to a green economy;
- **operational expenses** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show, in green, the percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.

1. Taxonomy-alignment of investments **including sovereign bonds***



2. Taxonomy-alignment of investments **excluding sovereign bonds***



This graph represents -% of total investments.

**For the purpose of these graphs, "sovereign bonds" include all sovereign exposures.*

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

- ***What was the share of investments made in transitional and enabling activities?***

  During the reporting period, the proportion of investments made in transitional activities was 0.00% and the proportion of investments made in enabling activities was 2.44%.

- ***How did the percentage of EU Taxonomy-aligned investments compare with previous reference periods?***

Indicator	2023-24	2022-23	2021-22
Revenue - Taxonomy aligned: fossil gas	N/A	N/A	0.00%
Turnover - Taxonomy-aligned: nuclear	0.01%	N/A	0.00%
Revenue - Taxonomy aligned (excluding gas and nuclear)	2.09%	1.28%	0.00%
Revenue - Not Taxonomy-aligned	97.90%	98.72%	100.00%
CapEx - Taxonomy-aligned: natural gas	N/A	N/A	0.00%
CapEx - Taxonomy-aligned: nuclear	0.01%	N/A	0.00%
CapEx - Not Taxonomy-aligned	3.96%	3.28%	0.00%
CapEx - Taxonomy-aligned (excluding gas and nuclear)	96.04%	96.72%	100.00%
CapEx - Taxonomy-aligned: natural gas	N/A	N/A	0.00%
OpEx - Taxonomy-aligned: nuclear	0.01%	N/A	0.00%
OpEx - Taxonomy-aligned (excluding gas and nuclear)	3.56%	2.92%	0.00%
OpEx - Not Taxonomy-aligned	96.43%	97.08%	100.00%

This symbol denotes sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU's Taxonomy Regulation 2020/852.

What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

Sustainable investments with an environmental objective not aligned with the EU taxonomy accounted for 26.50%. The fund has not committed to investments aligned with the EU taxonomy.

What was the share of socially sustainable investments?

The subfund does not commit to having a minimum share of socially sustainable investments. However, when assessing issuers, the subfund manager does look at the social characteristics, respect for human rights and employee rights, management conduct, and corporate social responsibility of the companies.

What investments were included under “Other”, what was their purpose and were they covered by any minimum environmental or social safeguards?

The subfund holds cash, derivatives, as well as investments for which no non-financial analysis could be performed due to the unavailability of ESG data. Derivatives are used for portfolio risk adjustment (exposure, hedging, arbitrage).

What actions have been taken to attain the environmental and/or social characteristics during the reference period?

Changes in the MSCI ratings of issuers in the eligible universe are systematically analysed, with the aim of improving the overall ESG score through portfolio rebalancing. Those whose rating has declined and who have moved into the fourth quartile of their sector are sold in favour of higher-rated issuers, while the number of issuers in the third quartile must remain limited to eight. The inclusion of non-financial factors such as the percentage of women in leadership positions or independent board members was added to the list of criteria in order to improve the S and G pillars.

How did this financial product perform compared with its benchmark?

The subfund is actively managed and does not track a benchmark. There is no benchmark representative of our management philosophy and therefore of our investment universe, nor has any index been designated to determine whether the subfund is aligned with the environmental or social characteristics that it promotes. The information requested in this section is therefore not applicable to this product.

Benchmarks are indexes used to gauge whether the financial product attains the environmental or social characteristics that it promotes.

- ***How does the benchmark differ from a broad market index?***

  Not applicable

- ***How did this financial product perform with regard to the sustainability indicators designed to determine the benchmark's alignment with the environmental or social characteristics promoted?***

  Not applicable

- ***How did this financial product perform compared with its benchmark?***

  Not applicable

- ***How did this financial product perform compared with the broad market index?***

  Not applicable