

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 any environmental or social objective and that the investee companies follow good governance practices.

The EU Taxonomy is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product Name: HSBC Global Funds ICAV - Digital Leaders Equity Fund

Legal Entity Identifier: 213800RMAGIR1VIGGN65

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

☒ ☐ **Yes**

☐ It made **sustainable investments with an environmental objective:** _%

☐ 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

☐ It made **sustainable investments with a social objective:** _%

☒ ☐ **No**

☒ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 43.22% of sustainable investments

☐ with an environmental objective 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 promoted E/S characteristics, but **did not make any sustainable investments**



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 Sub-Fund promoted climate-responsible economic growth and the transition to a lower-carbon economy through its investment in companies linked to digital transformation. Digital transformation for these purposes means the integration of digital technology into companies, through the utilization of data and analytics, that results in a fundamental change in how the company operates.

The Investment Manager applied a sustainability framework to evaluate the alignment of prospective investee companies with the above characteristics, incorporating both quantitative and qualitative analysis based on three key themes:

- Low Carbon Infrastructure - companies that not only provide infrastructure to cloud enablers but also continue to innovate to reduce power consumption with future products.
- Data Stewardship - the security and privacy of customer data and the promotion of operational efficiency which drives a reduction in carbon emissions.

- Transitioned Tech Disruptors- companies that have already transitioned their business activities and utilize more efficient platforms, driving uptake across their segment and therefore improving its sustainability characteristics.

The Sub-Fund did not use a reference benchmark to attain its environmental and/or social characteristics.

The performance of the sustainability indicators the Sub-Fund used to measure the attainment of the environmental or social characteristics that it promoted can be seen in the table below. The sustainability indicators were calculated by the Investment Manager and utilise data from third party data vendors.

The data was based on company/issuer disclosures, or estimated by the data vendors in the absence of company/issuer reports. Please note that it was not always possible to guarantee the accuracy, timeliness or completeness of data provided by third party vendors.

● ***How did the sustainability indicators perform?***

Indicator	Sub-Fund	Reference Benchmark
The proportion of the Sub-Fund invested in investee companies that have 20% or more of their revenue generated by activities across one or more of the three segments described above (Low Carbon Infrastructure, Data Stewardship and Transitioned Tech Disruptors) within the sustainable framework	90.09%	NA
GHG Intensity (Scope 1 & 2)	44.72	114.43

Reference Benchmark - MSCI All Country World Index

The data is based on the four quarter average holdings of the financial year ending on 31 December 2024.

● ***...and compared to previous periods?***

This Sub-Fund launched in the reference period, and as such there are no previous periods to compare against.

● ***What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?***

The objectives of the sustainable investments made by the Sub-Fund were to promote climate-responsible economic growth and the transition to a lower-carbon economy. The sustainable investments contributed to the objectives through the application of the binding elements described below under "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

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

The principle of do no significant harm was incorporated into the investment decision-making process in respect of the sustainable investments, which included consideration of principal adverse impacts.

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

The mandatory principal adverse impacts ("PAI") indicators were used in the assessment of business activities of the initial universe of securities. Revenue data, business involvement and other data sources were considered when assessing each security using minimum thresholds or blanket exclusions on activities identified in relation to these indicators.

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.

The strategy applied business involvement exclusions on thermal coal extraction and generation (PAI 4). Tobacco and controversial weapons (PAI 14) were removed. Also excluded were companies involved in controversies related to the United Nations Global Compact ("UNGC") Principles and companies at risk of contributing to severe or systemic and/or systematic violations of international norms and standards relating to UNGC Principles 7, 8, 9 (PAI 10).

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

The Sub-Fund excluded issuers which were determined to be in violation of the UN Guiding Principles on Business and Human Rights and 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 specific Union criteria.

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

Any other sustainable investments must also not significantly harm any environmental or social objectives.



How did this financial product consider principal adverse impacts on sustainability factors?

The Sub-Fund did not consider principal adverse impacts on sustainability factors.



What were the top investments of this financial product?

Largest Investments	Sector	% Assets	Country
Taiwan Semiconductor Manufacturing Co., Ltd. Sponsored ADR	Information Technology	5.28%	Taiwan
SAP SE	Information Technology	5.05%	Germany
NVIDIA Corporation	Information Technology	5.04%	United States of America
Palo Alto Networks, Inc.	Information Technology	4.83%	United States of America
Amazon.com, Inc.	Consumer Discretionary	4.36%	United States of America
Microsoft Corporation	Information Technology	4.21%	United States of America
Accenture Plc Class A	Information Technology	4.20%	Ireland
SK hynix Inc. Sponsored GDR	Information Technology	4.19%	Korea
Broadcom Inc.	Information Technology	4.06%	United States of America
ServiceNow, Inc.	Information Technology	4.05%	United States of America
Capgemini SE	Information Technology	3.38%	France
Publicis Groupe SA	Communication Services	3.17%	France

Cash and derivatives were excluded

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: Based on the four-quarter average holdings of the reference period as at 31/12/2024

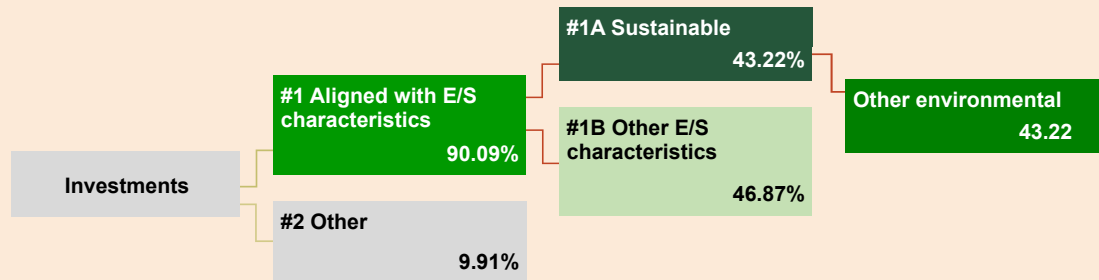


What was the proportion of sustainability-related investments?

43.22% of the portfolio was invested in sustainable investments.

Asset allocation describes the share of investments in specific assets.

What was the asset allocation?



#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.

#2 Other includes the remaining investments of the financial product which 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** covers 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 considered as a sustainable investment may contribute to both a social and environmental objective, which can be aligned or non-aligned with the EU Taxonomy. The figures in the above diagram take this into account, but one company or issuer may only be recorded once under the sustainable investments figure (#1A Sustainable).

The percentages of Taxonomy-aligned and Other Environmental, do not equal #1A Sustainable investment due to differing calculation methodologies of sustainable investments and Taxonomy-aligned investments.

In which economic sectors were the investments made?

Sector / Sub-Sector	% Assets
Information Technology	81.50%
Consumer Discretionary	7.20%
Communication Services	5.23%
Cash & Derivatives	3.45%
Financials	1.98%
Industrials	1.63%
Total	100.00%



To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels 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 Sub-Fund did not make sustainable investments aligned with the EU Taxonomy.

Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy¹?

☐ Yes:

☐ In fossil gas

☐ In nuclear energy

☒ No

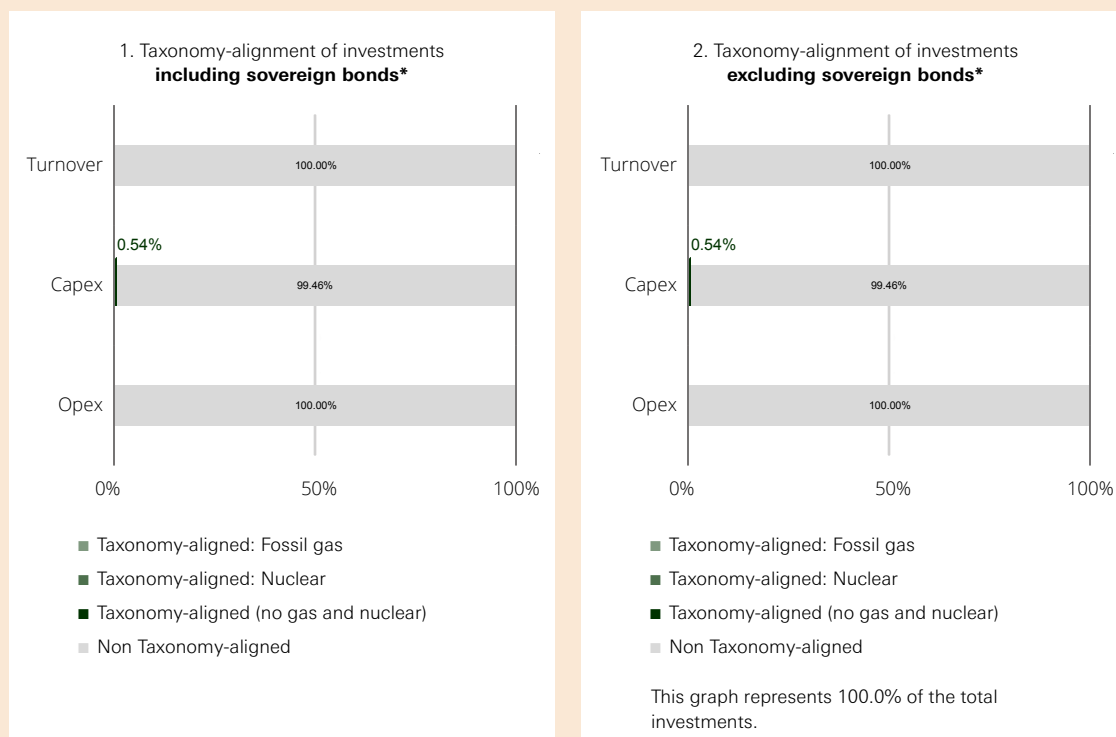
¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do no significant harm to any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflects the "greenness" of investee companies today.
- **capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure** (OpEx) reflects the green operational activities of investee companies.

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.

The graphs below show in green the percentage of investments that were 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.*



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.


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

For the reference period the Sub-Fund's share of investment in transitional activities was 0.00% and the share of investment in enabling activities was 0.00%.

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

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

Indicator	2023-24	2022-23
Revenue - Taxonomy-aligned: Fossil gas	0.00%	NA
Revenue - Taxonomy-aligned: Nuclear	0.00%	NA
Revenue - Taxonomy-aligned (no gas and nuclear)	0.00%	NA
Revenue - Non Taxonomy-aligned	100.00%	NA
CAPEX - Taxonomy-aligned: Fossil gas	0.00%	NA
CAPEX - Taxonomy-aligned: Nuclear	0.00%	NA
CAPEX - Taxonomy-aligned (no gas and nuclear)	0.54%	NA
CAPEX - Non Taxonomy-aligned	99.46%	NA
OPEX - Taxonomy-aligned: Fossil gas	0.00%	NA
OPEX - Taxonomy-aligned: Nuclear	0.00%	NA
OPEX - Taxonomy-aligned (no gas and nuclear)	0.00%	NA
OPEX - Non Taxonomy-aligned	100.00%	NA

 are sustainable investments with an environmental objective that **do not take into account the criteria for environmentally sustainable economic activities** under Regulation (EU) 2020/852.



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

The sustainable investments with an environmental objective not aligned with the EU Taxonomy were 36.35%. Due to lack of coverage and data, the Sub-Fund did not commit to making any EU Taxonomy aligned investments.



What was the share of socially sustainable investments?

The Sub-Fund did not invest in socially sustainable investments.



What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?

Cash, Eligible Collective Investment schemes and/or financial derivative instruments may have been used for liquidity, hedging and efficient portfolio management in respect of which there were no minimum environmental and/or social safeguards.



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

The Sub-Fund achieved its investment objective by using a bottom-up approach focusing on investing, in companies that were investing in digitally transforming their businesses from the Low Carbon Infrastructure, Data Stewardship and Transitioned Tech Disruptors segments. At least 80% of underlying investment holdings had a minimum of 20% revenues related to digital transformation products & services.

The Sub-Fund aimed to provide long term total return by investing in a concentrated portfolio of equities and equity-related securities of companies worldwide that were enablers or beneficiaries of digital transformation, while promoting ESG characteristics within the meaning of Article 8 of the European Union's SFDR.

To achieve this, the Investment Manager first identified companies that existed within the Low Carbon Infrastructure, Data Stewardship and Transitioned Tech Disruptors segments. The Investment Manager then used proprietary analytics to identify long term growth trends across the segments to develop long-term thematic convictions and a broader asset allocation framework, which were used by the Investment Manager to assist in the selection of investments, constructing the portfolio of the Sub-Fund, and determining asset allocation and weightings across sectors and sub-sectors.

The Sub-Fund also employed a range of business exclusions. Companies involved in the following were excluded:

- Non-compliance with UNGC principles and the OECD Guidelines for Multinational Enterprises.
- Controversial Weapons.
- Tobacco.
- Thermal Coal – extraction and generation.

HSBC Asset Management is a signatory of the UN Principles of Responsible Investment and UK Stewardship Code. HSBC Asset Management's stewardship team met with companies regularly to improve the understanding of their business and strategy, signal support or concerns we have with management actions and promote best practice.

Further information on shareholder engagement and voting policy can be found on our website: <https://www.assetmanagement.hsbc.co.uk/en/individual-investor/about-us/responsible-investing/policies>



How did this financial product perform compared to the reference benchmark?

The Sub-Fund did not have a reference benchmark.

- ***How does the reference benchmark differ from a broad market index?***
Not applicable.
- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?***
Not applicable.
- ***How did this financial product perform compared with the reference benchmark?***
Not applicable.
- ***How did this financial product perform compared with the broad market index?***
Not applicable.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.