

AM Responsible Investment Governance

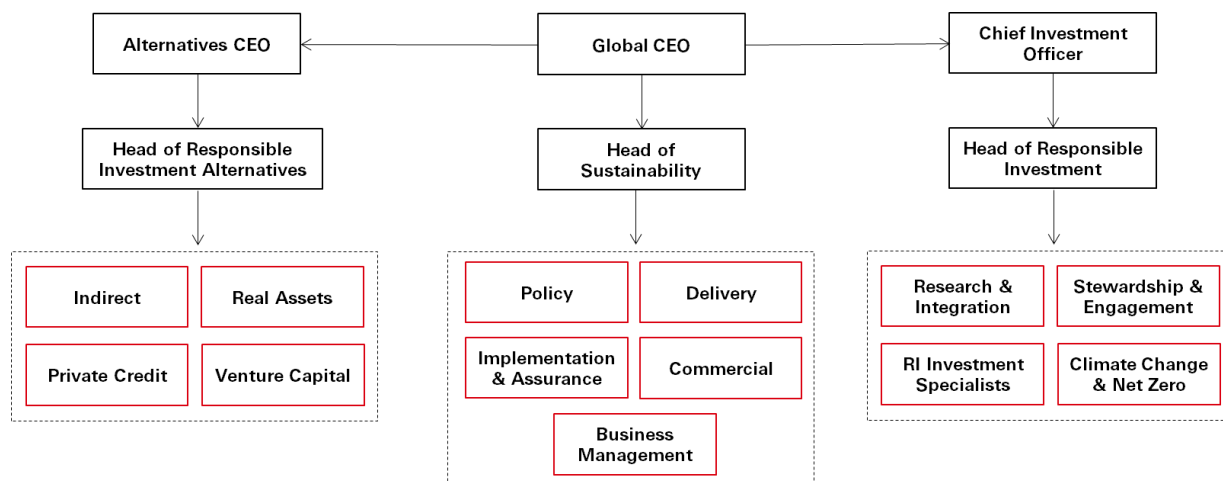
To meet our sustainable ambitions and embed sustainability across our business, strong governance is crucial. Indeed, investors assess asset managers on their ability and capacity to deliver on sustainability commitments. Similarly, regulators in most regions require asset managers to demonstrate that they are adequately monitoring and mitigating sustainability risks. Internally, a clear and strong governance is also a powerful way to showcase to our own teams, the importance we put in sustainability. It generates awareness, strengthens our culture and our collective pride to contribute to something positive.

For all these reasons, ensuring we have a clear and strong sustainability governance is a key and constant priority to HSBC AM. We have continued to reinforce our governance structure, having notably formalised the oversight of HSBC Alternatives, added a commercial pillar to our Sustainable Office, and created a Climate team within the Responsible Investment (RI) team.

Our current governance

At the end of 2021, we established a global sustainability governance structure. This global approach enables us to strengthen synergies and make sure we are consistent across the organisation.

Our sustainability governance structure



Source: HSBC Asset Management, January 2023.

The Sustainability Office and the Responsible Investment Team work in partnership to deliver on our objective of becoming a leader in sustainable investing. We believe our clients benefit from this dual structure as it allows us to increase our focus and resource alignment, helping to develop innovative products and solutions consistent with our sustainability commitments. Alongside the traditional asset classes Responsible Investment team, we created a dedicated team focusing on alternatives in order to address the specificities of this market.

The Sustainability Office is responsible for setting our strategic approach to sustainable investing and for driving the delivery of the transformational agenda. This is delivered through five key pillars:

Function	Purpose
Policy	Responsible for setting and embedding our sustainability policies throughout HSBC AM while considering investment feasibility and impact standards.
Assurance	Supports the ongoing review and development of Sustainability risk frameworks across the business. The role demonstrates to our clients and regulators that HSBC AM is embedding best practice across the sustainability value chain.
Delivery	Ensuring our transformational objectives are being effectively delivered and embedded throughout the business. Also responsible for our people-focused initiatives and outward linkages between HSBC AM and external bodies.
Commercial	Support business development initiatives and lead key commercial projects, with the main objective of delivering competitive products and solutions for clients. Drive strategic planning for priority business development initiatives and partnerships.
Business Management	Supporting the Sustainability Office to ensure we are making effective progress towards our objectives and are successfully transitioning towards becoming a sustainable investment business.

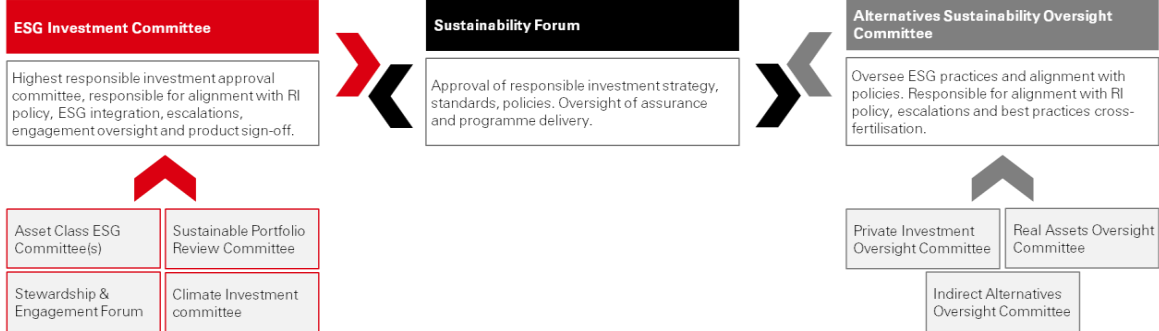
The Responsible Investment team is responsible for ESG integration (standards, best practices, and implementation) throughout our investment activity for traditional asset classes, developing new ESG, climate and thematic products and solutions, and for stewardship activities as well as research and innovation. The team is split into four distinct segments:

Function	Purpose
Research & Integration	Provide research and analysis to integrate ESG across our investment platform with the objective to drive alpha and mitigate risks.
Stewardship & Engagement	Voting of shares or actively engaging with companies to deliver positive ESG outcomes, while improving transparency and disclosure.
Climate & Net Zero	Developing our climate change strategy, ensuring climate considerations are embedded across the investment platform.
RI Investment Specialists	Product/asset class/subject matter experts, serving internal and external stakeholders.

The Alternatives team is responsible for ESG integration across non-traditional asset classes, including oversight of best practices, governance and product strategy in conjunction with the head of each Alternatives Capability. The function works closely with the Sustainability Office and Responsible Investment team to ensure alignment and cross-fertilisation of best practices.

Structure as an enabler

Sustainability and responsible investment committees



Source: HSBC Asset Management, January 2023.

HSBC AM has set up several global committees to support the work and governance of RI-related activities, with the formalised oversight of strategies and policies of traditional asset classes, as well as enhanced Alternatives governance, feeding into the structure. This includes, (but is not limited to):

Sustainability Forum

The Sustainability Forum includes our Global CEO and various members of our senior leadership team. This Forum provides strategic vision, objectives and oversight to the development and execution of sustainable implementation plans.

More specifically, this committee formally approves policies, product guidelines, external commitments, and fiduciary responsibilities. The Sustainability Forum reports to the Asset Management Risk Management Meeting.

The ESG Investment Committee

The ESG Investment Committee oversees ESG integration processes (and any relevant policies) across asset classes and thematic issue areas. The committee has an important role to play in ensuring that policies and processes are maintained, consistently applied and that the right resources are allocated to support. The members of the ESG Investment Oversight Committee are all senior members from the investment function and have operational oversight on ESG integration implementation; this includes the Global CIO, Asset Class CIOs, Head of Risk, Head of Stewardship, Head of Responsible Investment and Head of Sustainability.

The ESG investment Committee has several sub-committees each focusing on specific topics such as stewardship or portfolio review.

Asset Class ESG Committees

We also hold monthly Asset Class ESG Committees which ensure our investment teams are consistently implementing ESG integration, monitoring enhanced due diligence risks and engagement progress (for example, reviewing and monitoring engagement activity, setting engagement milestones). The purpose of the Asset Class ESG Committees is to promote best practices of ESG integration throughout the entirety of our asset classes. These committees are attended by our Global and Regional CIOs, Investment teams and our Responsible Investment Specialists.

Alternatives Sustainability Oversight Committee

We have similar committee structures established within HSBC Alternatives, including an Alternatives Sustainability Oversight Committee to oversee the integration of ESG across the alternatives platform and ensure alignment with responsible investment and sustainability policies and principles for the core business. As considerations for illiquid and alternative asset classes from traditional listed assets, there are Alternatives Asset Class Investment Committees to review and approve investments recommendations presented, as well as the ongoing monitoring of ESG developments.

The evolution of our governance in 2023

HSBC AM has designed this global sustainable governance to generate synergies and to ensure consistency across the organisation on our approach to sustainability. HSBC AM is building on its existing framework to facilitate the flows of information and the decision making in the relevant global and local committees.

Board

HSBC AM board drives Company's values and standards, including in relation to environmental, social and governance. The ESG topics are set as standing topics in the board meetings to ensure that board members are informed of ESG developments and issues, can oversee progress against the climate-related goals.

AMHK governance system ensures that there is AMHK board and management oversight on the implementation of the HSBC AM Global Responsible Investment framework including the status and progress against climate-related goals, ESG integration in the investment process and risk management process. AMHK board and executive committee review the firm's climate management approach at least annually and leverage the inputs from global and local management level committees focusing on climate-related responsibilities for its oversight.

投資管理責任投資管治

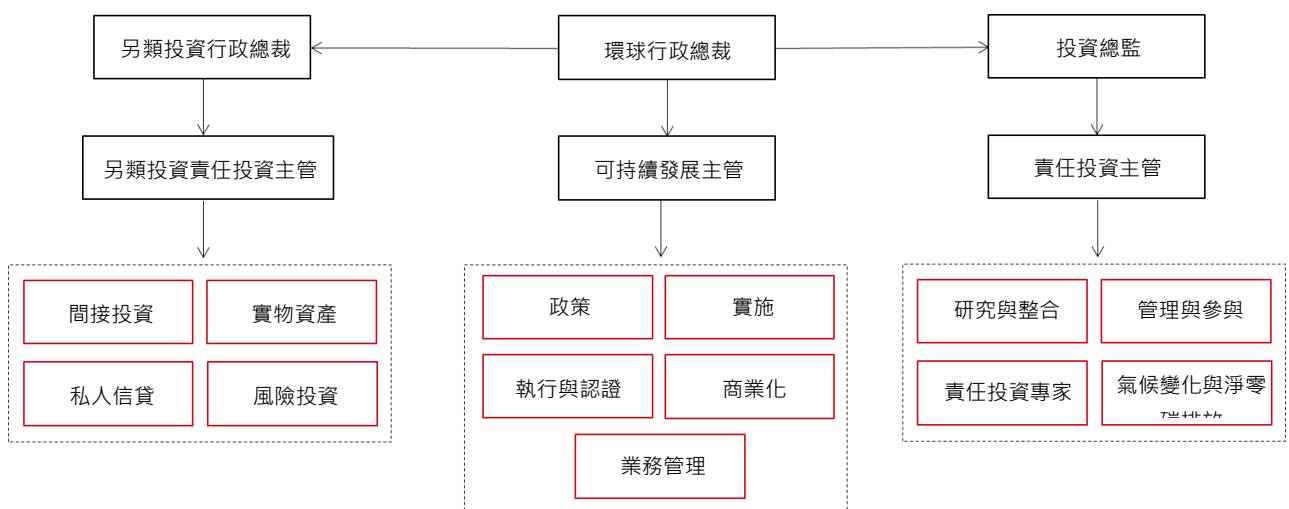
若要實現我們的可持續發展抱負，並將可持續發展整合至業務內，優秀的管治至關重要。事實上，投資者評估資產管理公司是否有能力及資源履行可持續發展承諾。同樣，大多數地區的監管機構均要求資產管理公司證明具有充分監控，並能減輕可持續發展風險。內部方面，清晰而有力的管治亦可有效向團隊展示我們對可持續發展的重視，這可提高意識，加強企業文化，亦促使公司各團隊為積極作出貢獻感到自豪。

鑑於以上種種原因，滙豐投資管理的重要恆常優先工作，就是確保我們履行清晰而有力的可持續發展管治。我們繼續加強管治架構，特別是對滙豐另類投資監督的規範，同時為可持續發展辦公室增設一項商業支柱，並在責任投資(RI)團隊內設立氣候團隊。

當前管治

2021 年底，我們建立環球可持續發展管治架構。該環球方針有助我們加強協同效益，並確保整體組織保持一致。

我們的可持續發展管治架構



資料來源：滙豐投資管理，2023 年 1 月。

可持續發展辦公室及責任投資團隊攜手合作，實現我們成為可持續發展投資領導者的目標。我們深信客戶將從該雙重架構中受惠，因為這有助我們更能依據重心調整資源，協助開發符合我們可持續發展承諾的創新產品及方案。除傳統資產類別責任投資團隊外，我們還設立一支另類投資專責團隊，以應對該市場的獨特之處。

可持續發展辦公室負責制訂可持續發展投資的策略性方針，推動轉型議程的落實。這通過五大支柱實現：

職能	目的
政策	負責制訂及整合滙豐投資管理的整體可持續發展政策，同時考慮投資可行性及影響的標準。
認證	協助持續檢討及制訂整體業務的可持續發展風險框架。此職務負責向客戶及監管機構證明滙豐投資管理正將最佳慣例整合至整體可持續發展價值鏈。
實施	確保轉型目標在整體業務中得以有效實施及整合，同時負責推動以人為本的措施，以及對外維繫滙豐投資管理與外界機構之間的關係。
商業化	支援業務發展計劃，並領導重要商業化項目，主要目標為客戶提供具競爭力的產品及方案。推動優先業務發展計劃及夥伴關係的策略性規劃。
業務管理	協助可持續發展辦公室，以確保在實現目標方面取得有效進展，並成功轉型為可持續發展投資業務。

責任投資團隊負責於傳統資產類別整體投資活動中整合社會、環境及管治（ESG）（標準、最佳慣例及實施），開發新 ESG、氣候及主題產品和方案，並負責管理活動，以及研究和創新。該團隊分為四個不同職能：

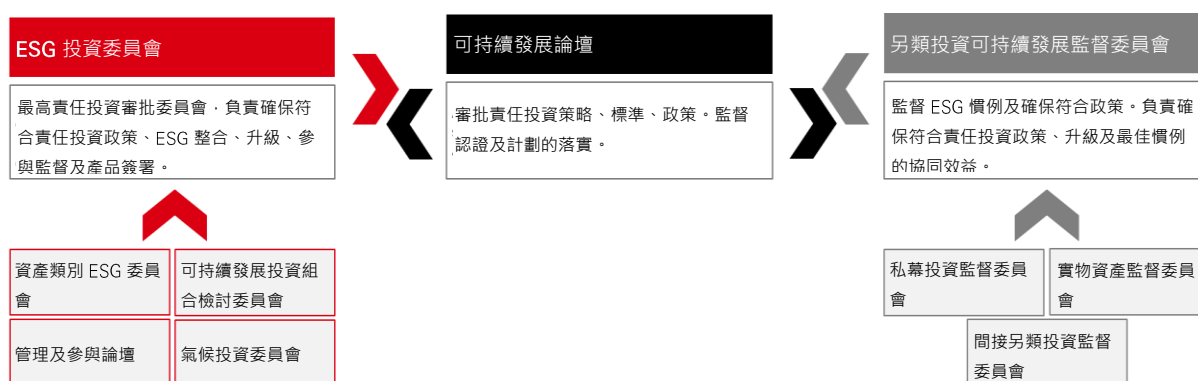
職能	目的
研究與整合	提供研究和分析，將 ESG 整合至投資平台，目標推動超額回報及降低風險。
管理與參與	運用股票投票權或積極參與有關公司的管治，帶來正面 ESG 成果，同時提高透明度和披露。

氣候變化與淨零碳排放	制訂氣候變化策略，確保將氣候因素整合至整體投資平台。
責任投資專家	產品/資產類別/主題專家，服務內部及外界相關群體。

另類投資團隊負責各非傳統資產類別的 ESG 整合，包括與各另類投資服務的主管共同監督最佳慣例、管治及產品策略。該部門與可持續發展辦公室及責任投資團隊緊密合作，確保符合最佳慣例及推動協同效益。

架構作為動力

可持續發展及責任投資委員會



資料來源：滙豐投資管理，2023 年 1 月。

滙豐投資管理設立多個環球委員會，協助責任投資相關活動的工作及管治，對傳統資產類別的策略及政策進行正規監督，並加強另類資產管治，為有關架構提供支持。這包括（但不限於）：

可持續發展論壇

可持續發展論壇包括環球行政總裁及高級領導團隊各成員。該論壇為可持續發展實施計劃的制訂及執行提供策略性願景、目標及監督。

具體而言，該委員會負責政策、產品指引、外界承諾及信託責任的正式審批工作。可持續發展論壇向資產管理風險管理會議匯報工作。

ESG 投資委員會

ESG 投資委員會監督跨資產類別及主題性議題方面的 ESG 整合流程（及任何相關政策）。該委員會發揮重要作用，確保政策及流程獲得維護、穩定應用及資源正確分配，以提供相關支援。ESG 投資監督委員會成員均為投資部門的資深成員，對 ESG 整合進行營運方面的監督，包括環球投資總監、資產類別投資總監、風險主管、管理主管、責任投資主管及可持續發展主管。ESG 投資委員會設立多個下設委員會，各自專責特定主題，例如管理或投資組合檢討。

資產類別 ESG 委員會

我們還每月舉行資產類別 ESG 委員會，確保投資團隊貫徹實施 ESG 整合，監控增加的盡職調查風險及參與進度（例如檢討及監控參與活動，設定參與里程碑）。資產類別 ESG 委員會目的是推動所有資產類別實施 ESG 整合最佳慣例。環球及區域投資總監、投資團隊和責任投資專家均會列席該等委員會。

另類可持續發展監督委員會

滙豐另類投資業務設有類似委員會架構，包括另類投資可持續發展監督委員會，負責監督整體另類投資平台的 ESG 整合，並確保符合核心業務的責任投資及可持續發展政策和原則。鑑於傳統上市資產的非流動性及另類資產類別，我們設立另類資產類別投資委員會檢討及審批提出的投資建議，以及對 ESG 發展進行持續監控。

2023 年管治的發展

滙豐投資管理設計此環球可持續發展管治模式，以產生協同效應，確保整體組織符合我們的可持續發展方針。滙豐投資管理正發展其現有框架，促進相關環球及地區委員會的資訊流動及決策釐定。

董事會

滙豐投資管理董事會推動公司的價值觀及標準，包括環境、社會及管治相關的價值觀和標準。ESG 議題設為董事會會議的常設主題，確保董事會成員了解 ESG 的發展及問題，可就氣候相關目標監督有關進展。

滙豐投資管理（香港）的管治制度確保滙豐投資管理（香港）董事會及管理層對滙豐投資管理環球責任投資框架的實施進行監督，包括氣候相關目標的狀況及進展、投資程序的 ESG 整合和風險管理程序。滙豐投資管理（香港）董事會及執行委員會至少每年檢討一次公司的氣候管理方針，並利用專責氣候相關責任的環球及地區管理層委員會的意見進行監督。