



HSBC Investment Funds (Luxembourg) S.A. Summary of the Consolidated Statement on Principal Adverse Impacts on Sustainability Factors

HSBC Investment Funds (Luxembourg) S.A., (LEI - 213800KNC1J1NJ1YR95) considers principal adverse impacts of its investment decisions on sustainability factors. The present statement is the consolidated statement on principal adverse impacts on sustainability factors of HSBC Investment Funds (Luxembourg) S.A.

This statement on principal adverse impacts on sustainability factors covers the reference period from 1 January 2022 to 31 December 2022.

We (HSBC Investment Funds (Luxembourg) S.A.) recognise that sustainability risks can lead to outcomes that have adverse impacts on the value of the financial products and on society.

Our integration of environmental, social and governance factors as set out in our Responsible Investment Policy addresses material principal adverse impacts in our fundamental research and contributes to investment decisions in our investment process. We consider these impacts in our voting and engagement, and in further policies which express our sustainability objectives and set out the actions we take to reach them. This approach helps us to manage these adverse impacts and sustainability risks in our investments. The relevant principal adverse impacts include the full range of mandatory climate, environmental, social, employee and human rights impacts for which mandatory indicators have been identified, as well as impacts related to carbon emissions and human rights for which optional indicators have been identified and for which we explain our actions taken, actions planned, and targets set.

As a large asset manager, offering a range of active and passively managed products, relevant principal adverse impact indicators may be included in our investment process through integration, engagement and/or exclusion.

For our investment products, principal adverse impact indicators may be reflected in portfolio construction through screening, tilting and other techniques.

For our sustainable investment definition under the Regulation, relevant principal adverse impacts are considered amongst Do No Significant Harm criteria.

We explain our approach to voting at company meetings in our Voting Guidelines; companies which do not adequately manage principal adverse impacts may face voting sanctions.

Due to lack of data availability, Private Assets (such as Private Debt) are not included in this PAI statement, however if data becomes available in the future those will be included.

Our Engagement Policy sets out our approach to engagement, including escalation of engagement where companies do not respond adequately to concerns raised regarding adverse impacts.

We give further details on our expectations for companies in their management of adverse impacts in our Stewardship Plan.

Further details of our approach for screening, investment process and engagement are set out in specific policies, including Banned Weapons, Climate Change and Biodiversity. On climate change issues in particular, the net zero ambition and interim emissions reduction target of our parent entity HSBC Global Asset Management Ltd are the most important expression of our ambition.

The Consolidated Statement and all of the policies mentioned are available on our website: www.assetmanagement.hsbc.lu/en/professional-clients/about-us/responsible-investing/policies

The net zero interim emissions reduction target is available at: www.netzeroassetmanagers.org/signatories/hsbc-asset-management

The full Entity Report for HSBC Investment Funds (Luxembourg) S.A, which includes all of the global funds, is available in our Article 4 section in:

English - www.assetmanagement.hsbc.lu/en/professional-clients/about-us/responsible-investing/policies

French - www.assetmanagement.hsbc.lu/fr/professional-clients/about-us/responsible-investing/policies