

2025 Stewardship Plan

Today, we and many of our customers contribute to greenhouse gas emissions. We have a strategy to reduce our own emissions and to develop solutions to help our clients invest sustainably. For more information visit <https://www.assetmanagement.hsbc.com/about-us/net-zero>.



HSBC Asset Management

5. Stewardship themes

In this section, we outline our engagement themes and key actions that we believe mitigate risk and/or enhance value and therefore encourage investee companies to work towards in order to address the relevant issues associated with these themes.

These actions provide guidance on good practices. We recognise that issuers are at different stages of progress. In practice, we adapt our approach to reflect each organisation's specific circumstances, maturity and risk exposure. Our aim is to set engagement objectives that are clear, actionable and tailored to the capabilities and context of the issuers we engage with. This includes a strong focus on regional context, particularly for emerging markets and developing economies (EMDE), to ensure we strike the right balance between meaningful change and the specific nuances of each region.

The key actions we outline are not exhaustive, and we acknowledge that many of our themes are interconnected, with each potentially influencing and being influenced by the others.

Overview of themes

Theme	Key engagement topics		
Corporate Governance	}	Board effectiveness Accountability	Market standards Disclosures
Climate Change	}	Strategy Risk and reporting Adaptation	Just Transition Governance
Bioeconomy and Natural Capital	}	Strategy Risk and reporting	Governance Engagement
Human Rights	}	Policy Board oversight Due diligence	Grievance mechanisms and remediation Ongoing monitoring Disclosures
Talent and Opportunity	}	Working conditions Fair reward Inclusion and belonging	
Trusted Technology and Data	}	Technology and data risks Security and protection	Privacy and digital rights Technology and data solutions

5. Stewardship themes

Corporate Governance



Why we engage

We believe that good corporate governance is critical to business success and value creation. It provides the framework for accountability, transparency, and effective decision making.

Boards are responsible for maintaining high standards of corporate governance and holding management accountable. They play an important role in overseeing the implementation of corporate strategy and promoting a strong company culture that aligns with investor interests and broader stakeholder expectations. Additionally, boards oversee the company's management of risks and opportunities, as well as capital allocation decisions, including those related to sustainability. We believe that an effective board will help management navigate today's complex and uncertain macroeconomic environment, building resilience across the company.

In our engagements, we expect our investee companies to uphold high standards of corporate governance. Just as boards hold management accountable, our role is to hold boards accountable on behalf of our clients.

Issues relating to this theme include:

Business Ethics

Corruption & Instability

Management of the Legal & Regulatory Environment

Business Risk Management

Governance Issues (pay, ownership structure, board, remuneration)

Transparency, Reporting, and Accounting

5. Stewardship themes

Corporate Governance

Engagement approach

We reference the International Corporate Governance Network (ICGN)'s Global Governance Principles (2021),⁷ the G20/OECD Principles of Corporate Governance (2023),⁸ as well as local codes.

Board effectiveness	<ul style="list-style-type: none">◆ When setting engagement objectives, we recognise the interconnectedness of different governance issues. For example, the separation of the Chair and CEO roles, overall board independence and diversity levels are closely linked to the board's approach to succession planning. Succession planning may be influenced by the presence of a controlling shareholder, a highly influential leader, or entrenched culture and values.◆ For directors to succeed in discharging their duties and responsibilities, we consider a number of attributes, including but not limited to board leadership, independence, composition, skill sets, succession planning, and the composition and effectiveness of board-level committees.
Accountability	<ul style="list-style-type: none">◆ We expect corporate strategies and incentive structures to align with – and for the board to act to protect – minority shareholder interests. This includes ensuring appropriate levels and structures of remuneration, guardrails against the over-concentration of power (e.g., through weighted voting rights), as well as sound capital management and shareholder return policies.◆ We also engage companies on business continuity, incident management, anti-bribery and corruption, whistleblowing mechanisms and audit effectiveness.
Market standards	<ul style="list-style-type: none">◆ We aim to engage with regulators and respond to market consultations that seek to enhance corporate governance, either directly with standard setters or via industry associations. We also participate in industry organisations and initiatives, including those a specific focus on sustainability topics. (See System Stewardship in Section 4 for further information.)
Disclosures	<ul style="list-style-type: none">◆ We support the adoption of IFRS sustainability disclosure standards and advocate for the assurance of these disclosures to strengthen investor trust and confidence.

7. The ICGN's Global Governance Principles can be accessed via this link: <https://www.icgn.org/icgn-global-governance-principles>.

8. The G20/OECD Principles of Corporate Governance can be accessed via this link: <https://www.oecd.org/corporate/principles-corporate-governance/>.

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