

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

Human Rights



Why we engage

Businesses play an important role in respecting and upholding human rights, which is increasingly recognised as a key factor in regulatory compliance, reputational risk management, operational stability, and supply chain resilience. As investors, we prioritise human rights violations that carry the greatest risk of causing significant negative impacts due to actions caused or contributed to by companies in our investment portfolios.

Failure to address these violations can escalate into legal penalties, regulatory investigations, operational and supply chain disruptions, damage to brand reputation, boycotts, and loss of market access. These risks not only impact the financial performance of individual investee companies but also create financial and reputational risks for our clients' investments.

Human rights legislation and regulations have been on the rise around the world, evolving from disclosure requirements to include mandatory supply chain due diligence and import controls. There are also industry efforts to standardise human rights disclosures, such as the recently launched Taskforce on Inequality and Social-related Financial Disclosures (TISFD) and IFRS' work plan to explore human capital as a potential future disclosure standard.²⁰

Adverse human rights impacts, such as modern slavery, can arise in any sector. However, certain industries, geographies, or business models are at heightened risk. When engaging with investee companies, we take into account that human rights issues are complex and often intertwined with broader political and systemic challenges, sometimes beyond the control of the companies (e.g., situations involving state actors).

Issues relating to this theme include:

Human Rights

Community Relations

Supply Chain Management

20. Please refer to the following links for further information: <https://www.tisfd.org/> and <https://www.ifrs.org/projects/work-plan/human-capital/#about>.

5. Stewardship themes

Human Rights

Engagement approach

We highlight good practices below and encourage priority companies, where human rights are a relevant issue, to work towards these.

Human rights policy	<ul style="list-style-type: none">◆ Establish a public policy committing to respect human rights, ideally aligned with a global standard such as the UN Guiding Principles, the UN Global Compact, or the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct.²¹
Board oversight	<ul style="list-style-type: none">◆ Provide evidence of board and senior management oversight of human rights commitments, practices, and performance.
Due diligence	<ul style="list-style-type: none">◆ Develop a robust due diligence process to identify and assess human rights impact on stakeholders in its operations, products and services, and value chain. The approach may vary depending on industry, geography or business model.◆ Take steps to avoid causing or contributing to adverse human rights impacts.
Grievance mechanisms and remediation	<ul style="list-style-type: none">◆ Provide grievance channels that are accessible and free from retaliation.◆ Where violations are found, ensure timely investigation and develop corrective action plans. Consider third-party opinions, and provide impacted stakeholders with effective remedies and communications.
Ongoing monitoring	<ul style="list-style-type: none">◆ Ensure findings are integrated into relevant business processes, and monitor for evolving and emerging risks on an ongoing basis.
Disclosures	<ul style="list-style-type: none">◆ Provide greater transparency through disclosures across these areas, including relevant metrics, targets and case studies.

We recognise that sometimes system-level stewardship is needed to tackle broader challenges related to human rights – for example, to improve the transparency and consistency of human rights data and assessments carried out by commercial data providers.

21. Please refer to the following links for further information: https://www.ohchr.org/sites/default/files/documents/publications/guidingprinciplesbusinesshr_en.pdf; <https://unglobalcompact.org/what-is-gc/mission/principles>; and <https://mneguidelines.oecd.org/>.

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