Periodic disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Product name: HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION
Legal entity identifier: 969500QU9FT2NQ5RSU22
Reporting date: 31 December 2022

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 are not necessarily aligned with the taxonomy.

Sustainable investment objective of the subfund

Did this financial product have a sustainable investment objective?

☒ **Yes**	☐ **No**
☒ It made **sustainable investments with an environmental objective:** 98.7% ☐ 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 promoted Environmental/Social (E/S) characteristics**, and while it did not have as its objective a sustainable investment, it had a proportion of ___% 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 made a minimum of **sustainable investments with a social objective**: _%	☐ It promoted E/S characteristics but **did not make any sustainable investments**.

To what extent was the sustainable investment objective of this financial product met?

The subfund invests in shares issued by European companies that provide the solutions necessary for the decarbonisation of players in the green transition. Portfolio companies are selected for their good environmental, social, and governance practices and their financial quality. Therefore, the fund contributes to the environmental objectives set out in Article 9 of the Taxonomy Regulation and, in particular, to the objectives of climate change mitigation and adaptation.
In addition, the subfund will:
- Exclude issuers in violation of one or more of the 10 principles of the United Nations Global Compact (or at least two alleged violations) and the OECD Guidelines for Multinational Enterprises.
- Exclude shares of companies involved in the production of controversial weapons or their components. Controversial weapons include, but are not limited to, anti-personnel mines, depleted uranium weapons, and white phosphorus when used for military purposes. This exclusion is in addition to the exclusion policy on weapons prohibited by international treaties.

- Exclude shares of companies in the Defence sector.
- Exclude shares of companies primarily involved in the exploration, production, and exploitation of fossil fuels.
- Exclude shares of companies engaged in thermal coal activities. Companies with more than 5% revenue generated from coal-fired power generation are partially excluded. Mining companies are completely excluded.
- Exclude shares of companies in the nuclear sector.
- Exclude shares of companies involved in tobacco production.
- Carefully consider environmental issues through voting and engagement activities.

The subfund is actively managed and does not track a benchmark. The indicator used by the subfund to measure performance is the MSCI Europe GDP weighted. However, it has not been designated to determine whether the subfund attains the sustainable investment objective.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

How did the sustainability indicators perform?

One of the indicators used to monitor and measure the portfolio's environmental performance is the "avoided emissions" indicator. Avoided emissions correspond to future emissions of green technology compared with conventional technology that the subfund would replace during its life cycle. The subfund aims to have more avoided emissions than those of the MSCI Europe GDP weighted, the indicator used for information purposes to assess its performance.

31/12/2022	Carbon emissions avoided (Scope 1+2)*	Coverage rate
Subfund	-256.82	95%
Benchmark	-111.28	85%

* Expressed in tonnes of CO2/$M of revenue, taking scope 1 & 2 emissions into account.

The fund has a higher avoided carbon intensity (scope 1 and 2) than the benchmark. Climate change mitigation solutions aim to limit or reduce the production of greenhouse gas emissions, which on average translates into significant avoided CO2 intensity for the investee companies and at the aggregate level of our portfolio.

The subfund takes the following principal adverse impacts into consideration:

•Exposure to companies active in the fossil fuel sector, - Shares of companies primarily involved in the exploration, production, and exploitation of fossil fuels.

•Violations of the principles of the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises, Exclusions.

•Exposure to controversial weapons. Exclusions.

•Greenhouse gas intensity of companies:

31/12/2022	Carbon intensity (Level 1+2)*
Subfund	126.81
Benchmark	149.69

* Expressed in tonnes of CO2/$M of revenue, taking scope 1 & 2 emissions into account.

The fund's scope 1 & 2 carbon intensity is below that of its benchmark. The strategy does not aim to produce a portfolio-wide carbon intensity below the benchmark. Overexposure to carbon-intensive sectors such as industrial and material stocks and structural underexposure to low-carbon sectors such as healthcare and financial stocks tend to generate a higher carbon footprint than the benchmark. This effect is corrected in part by our stock-picking process, which tends to favour players who best understand the energy transition and energy efficiency issues, which can result in a carbon intensity below the average within a sector.

...and compared to previous periods?

Not applicable

How did the sustainable investments not cause significant harm to any sustainable investment objective?

The principle of "do no significant harm" to environmental or social objectives applies only to the underlying sustainable investments of the subfund. This principle is incorporated into the investment decision-making process, which includes consideration of principal adverse impacts.

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.

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

HSBC Asset Management's "do no significant harm" (DNSH) assessment of issuers as part of its sustainable investment process includes consideration of principal adverse impacts (PAI). All the PAIs included in table 1 of Annex 1 of Commission Delegated Regulation (EU) 2022/1288 were thus examined and integrated into the investment process according to an approach that combines exclusions (sectoral, the most severe ESG controversies, norms-based exclusions, etc.) with voting and shareholder engagement activities to instil and maintain a positive change dynamic within companies.

During the past financial year, the following were thus excluded from the subfund's eligible universe:

- issuers in violation of one or more of the 10 principles of the United Nations Global Compact (or at least two alleged violations) and the OECD Guidelines for Multinational Enterprises.
- shares of companies involved in the production of controversial weapons or their components. Controversial weapons include, but are not limited to, anti-personnel mines, depleted uranium weapons, and white phosphorus when used for military purposes. This exclusion is in addition to the exclusion policy on weapons prohibited by international treaties. The examination of the other PAIs was conducted with proxies. For example, to address all PAIs related to greenhouse gas emissions, we have used our coal policy as an exclusion filter. Companies with more than 5% revenue generated from coal-fired power generation are partially excluded. Mining companies are completely excluded.

Furthermore, the 'do no significant harm' (DNSH) test of issuers described above was supplemented by the application of an exclusion policy (with a 0% threshold for tobacco) and the exclusion of issuers for which the level of controversy provided by Sustainalytics was very severe (equal to 3).

In our view, the setting of exclusion thresholds (e.g. GHG emissions) for each PAI is not always relevant and could compromise the fact that many sectors and companies are in a transition strategy. Lastly, the subfund takes into consideration the principal adverse impacts in its engagement approach, which incorporates several levers for action including 1) direct dialogue with companies about their consideration of environmental and social issues to ensure that they are able to face the future and maintain long-term financial viability, 2) the exercising of voting rights by which we express our support for positive development initiatives or, conversely, our disagreement when directors do not meet our expectations, and 3) a gradual escalation procedure with companies when the ESG risks or controversies to which they are exposed are not managed.

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

Yes, sustainable investments were aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. Pre-trade and post-trade monitoring ensures that issuers in violation of one or more of the 10 Principles of the United Nations Global Compact (or with at least two alleged violations) and the OECD Guidelines for Multinational Enterprises are systematically excluded.

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

	Impact 31 December 2022	Comment
Greenhouse gas intensity of investee companies*	126.8	The fund's scope 1 & 2 carbon intensity is below that of its benchmark. The strategy does not aim to produce a portfolio-wide carbon intensity below the benchmark. Overexposure to carbon-intensive sectors such as industrial and material stocks and structural underexposure to low-carbon sectors such as healthcare and financial stocks tend to generate a higher carbon footprint than the benchmark. This effect is corrected in part by our stock-picking process, which tends to favour players who best understand the energy transition and energy efficiency issues, which can result in a carbon intensity below the average within a sector.
Exposure to companies active in the fossil fuel sector	0%	Pre-trade monitoring ensures the exclusion of companies whose core business is fossil fuel exploration, production, and exploitation. We have chosen to exclude the following companies in particular: Companies with more than 5% revenue generated from coal-fired power generation are partially excluded. Mining companies are completely excluded. With regard to exploitation, companies with 5% of their revenue generated from oil and gas exploitation are excluded. -Involved in unconventional fossil fuel exploitation (oil sands, oil shale, and Arctic oil and gas exploitation for more than 5% of their turnover). This check is performed over the entire fossil fuel value chain: exploration, supply, transport, distribution, and storage. A post-trade check is also in place to ensure that existing positions in these issuers are sold as soon as possible.
Exclusion of issuers in violation of the principles of the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises.	0%	Exclusion of issuers in violation of the principles of the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises.
Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0%	Application of the exclusion policy

What were the top investments of this financial product?

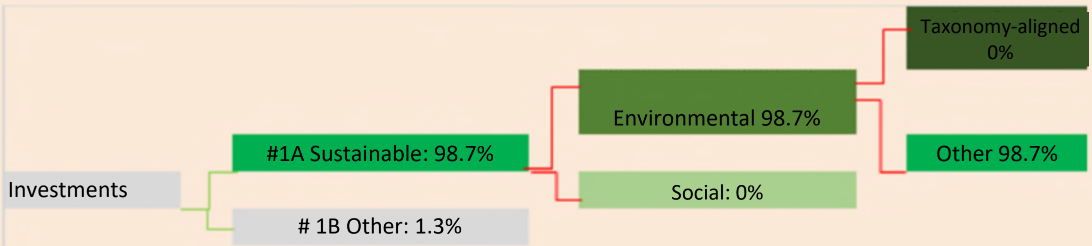
The list includes the investments constituting the **largest share of investments of** the financial product as at 31 December 2022

Largest investments	Sector	% Assets	Country
EDP RENOVAVEIS SA	Utilities	3.51%	Spain
SIKA AG-REG	Materials	3.47%	Switzerland
AIR LIQUIDE SA	Materials	3.46%	France
COMPAGNIE DE SAINT GOBAIN	Industry	3.37%	France
PRYSMIAN SPA	Industry	3.29%	Italy
NORSK HYDRO ASA	Materials	3.18%	Norway
MUENCHENER RUECKVER AG-REG	Finance	3.14%	Germany
NIBE INDUSTRIER AB-B SHS	Industry	3.04%	Sweden
ACCIONA S.A.	Utilities	3.01%	Spain
SCHNEIDER ELECTRIC SE	Industry	2.90%	France
STMICROELECTRONICS NV	Information technology	2.76%	Switzerland
SIGNIFY NV	Industry	2.71%	Netherlands
VERBUND AG	Utilities	2.66%	Austria
KONINKLIJKE KPN NV	Telecommunications services	2.38%	Netherlands
SPIE SA	Industry	2.35%	France

What was the proportion of sustainability-related investments?

What was the asset allocation?

Asset allocation describes the share of investments in specific assets.



Category **#1 "Sustainable"** covers sustainable investments with environmental or social objectives.

Category **#2 "Other"** includes investments that do not qualify as sustainable investments.

In which economic sectors were the investments made?

Sector	% Assets
Utilities	14.98%
Materials	16.38%
Industry	41.73%
Finance	6.49%
Information technology	7.83%
Telecommunications services	2.38%
Health	2.24%
Consumer staples	1.94%
Consumer discretionary	4.72%
Other	1.31%
Total	100.00%

To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

To comply with the EU taxonomy, the criteria for **fossil gas** include emission limits and switching to fully renewable or low-carbon fuels by the end of 2035. With regard to **nuclear energy,** the criteria include comprehensive rules on nuclear safety and waste management.

The subfund does not commit to a minimum proportion of sustainable investments with an environmental objective aligned with the European Union's taxonomy. However, when assessing issuers, the subfund manager takes into consideration two environmental indicators: the "Greenhouse Gas Intensity" indicator and the "Exposure to companies active in the fossil fuel sector" indicator. The subfund's consideration of these indicators stems from, in particular, the application of our coal phase-out policy as well as sectoral exclusions set out by the label guidelines. In addition, the manager favours companies with low CO_2 emissions or companies working to reduce their carbon intensity.

Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[1]?

☐ ***Yes:***

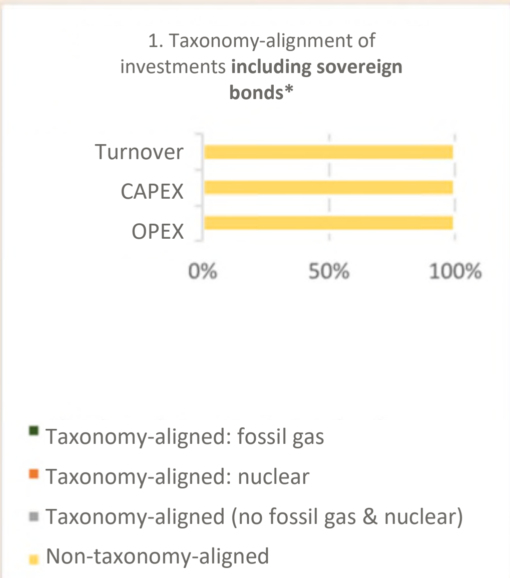
☐ ***In fossil gas*** ☐ ***In nuclear energy***

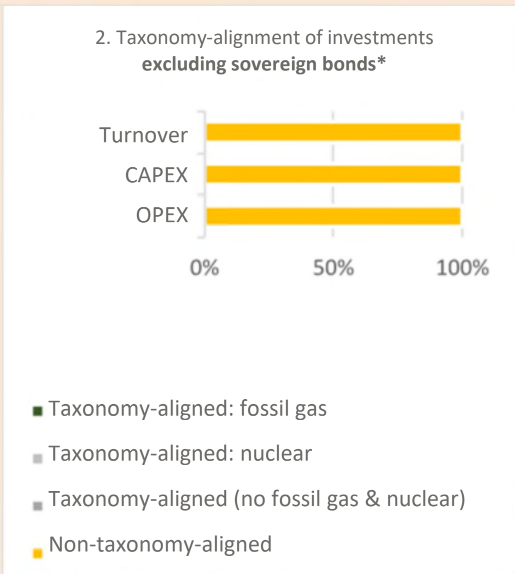
☒ ***No***

[1] Fossil gas and/or nuclear activities will be consistent with the EU taxonomy only if they contribute to limiting climate change ("climate change mitigation") and do no significant harm to any of the objectives of the EU taxonomy – see the explanatory note in the left 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** reflecting the share of revenue from green activities of investee companies;
- **capital expenditure** (CAPEX) showing the green investments made by investee companies, e.g. for a transition to a green economy;
- **operational expenditure** (OPEX) reflecting green operational activities of investee companies.

The two graphs below show, in green, the minimum percentage of investments that are 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.

The share of EU taxonomy-aligned investments was 0% as at 31 December 2022.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.
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 symbol denotes 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 investments made in transitional and enabling activities?

This is not applicable as the subfund does not have a specific minimum share of transitional and enabling activities as defined by the Taxonomy Regulation.

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

This does not apply to the subfund, as the share of sustainable investments with an EU Taxonomy-aligned environmental objective was 0% as at 31/12/2022.

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

The subfund's minimum share of sustainable investments with an environmental objective not aligned with the taxonomy is 100%. However, when assessing issuers, the subfund manager takes into consideration two environmental indicators: the "Greenhouse Gas Intensity" indicator and the "Exposure to companies active in the fossil fuel sector" indicator. The subfund's consideration of these indicators stems from, in particular, the application of our coal phase-out policy as well as sectoral exclusions set out by the label guidelines. In addition, the manager favours companies with low CO_2 emissions or companies working to reduce their carbon intensity.

What was the share of socially sustainable investments?

The subfund does not commit to having a minimum share of socially sustainable investments. However, when assessing issuers, the subfund manager does look at the social characteristics, respect for human rights and employee rights, management conduct, and corporate social responsibility of the companies.

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

The "other" category consists of cash.

What actions have been taken to attain the sustainable investment objective during the reference period?

The portfolio is composed in such a way that all the equities in the portfolio contribute to the sustainable objective of the strategy. Management measures have been taken in line with the sustainable investment objective.

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

The subfund is actively managed and does not track a benchmark. There is no benchmark representative of our management philosophy and therefore of our investment universe or an index designated to determine whether the subfund is aligned with the environmental or social characteristics it promotes. The information expected in this section is therefore not applicable to this product.

Reference benchmarks are indexes to measure whether the financial product attains the sustainable investment objective that it promotes.

- ***How did 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