

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

Trusted Technology and Data



Why we engage

Digital connectivity can support international collaboration, economic growth, and sustainable development. However, rapid changes in technology can be disruptive to both society and businesses, creating significant risks and opportunities for investors.

Governments and regulators, including those in the UK, EU, and US, have introduced new rules to address risks from digital technologies, including from artificial intelligence (AI) and digital assets.²⁸ This follows earlier regulations on privacy and data protection, such as the EU’s General Data Protection Regulation (GDPR). Regulations increase compliance costs and the risk of large penalties for breaches. They may also lag behind innovations, meaning some risks may not be addressed at the company or system level. At the same time, major technology firms are intensifying lobbying efforts to shape regulations in ways that align with their business interests.

Misinformation and disinformation on digital platforms can distort public perceptions and erode trust in institutions. This can pose risks to companies and financial markets, for example, by damaging corporate reputations, amplifying market volatility, or undermining investor confidence. Digital platforms are also subject to shutdowns and censorship by state actors, with implications for human rights as well as business continuity.

Growing demand for digital products, especially AI, is increasing demand for energy and raw materials. The IEA predicts that electricity consumption from data centres, AI and the cryptocurrency sector could double by 2026 (compared to 2024).²⁹ Meanwhile, economic shocks (such as COVID-19) and geopolitical competition for key materials and components (such as semiconductors), can impact production costs and output volumes for some sectors.

Issues relating to this theme include:

Data Security & Privacy	Product/Service Governance & Responsibility	Product/Service Quality & Safety
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28. For example, Digital Markets, Competition and Consumers Act 2024 (UK) (<https://www.legislation.gov.uk/ukpga/2024/13/contents>) , Digital Markets Act (EU) (https://eur-lex.europa.eu/legal-content/EN/TXT/?toc=OJ%3AL%3A2022%3A265%3ATOC&uri=uriserv%3AOJ.L_.2022.265.01.0001.01.EN.G) , and Financial Innovation and Technology for the 21st Century Act (US) (<https://www.congress.gov/bill/118th-congress/house-bill/4763>).

29. International Energy Agency. (2024). Electricity 2024: Executive summary. <https://www.iea.org/reports/electricity-2024/executive-summary>.

5. Stewardship themes

Trusted Technology and Data

Engagement approach

We highlight good practices below and encourage priority companies, where trusted technology and data are relevant issues, to work towards these.

Technology and data risks	<ul style="list-style-type: none">◆ Identify and report on how the company is managing sustainability and financial risks that may arise from their provision of, or use of, technology and data (including bias and misinformation).◆ Provide transparency regarding the use and impact of AI from an operational and product/service perspective.◆ Adopt international standards regarding information AI e.g., ISO/IEC 42001.
Security and protection	<ul style="list-style-type: none">◆ Take steps to protect cybersecurity, including within cyber supply chains.◆ Integrate effective protection, security, and prevention strategies into technology and data-related policies.◆ Carry out an independent review and verification of technology and data-related policies.◆ Adopt international standards regarding information security, cybersecurity, and privacy protection e.g., ISO/IEC 27001.
Privacy and digital rights	<ul style="list-style-type: none">◆ Educate employees and users regarding data collection, storage, processing, and dissemination.◆ Safeguard data and user rights to privacy, and carry out enhanced due diligence on any business model or operations carrying a risk of rights infringement.◆ Take steps to uphold, protect, and respect human rights within a digital environment e.g., by implementing an independent and expert-driven committee to protect digital human rights in both real and digital environments.
Technology and data solutions	<ul style="list-style-type: none">◆ Identify opportunities for technology and data solutions that address environmental and social practices.

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Economies in Emerging Markets generally are heavily dependent upon international trade and, accordingly, have been and may continue to be affected adversely by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries and territories with which they trade. These economies also have been and may continue to be affected adversely by economic conditions in the countries and territories in which they trade.

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