Sustainability related disclosures pursuant to Article 10(1) of the Disclosure Regulation | HSBC Asia-Pacific Private Credit Fund SCSp SICAV-RAIF (the "**Fund**")

The Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (the "**Disclosure Regulation**") (as supplemented by articles 25 to 36 of Regulation (EU) 2022/1288 with regard to regulatory technical standards and as amended and supplemented from time to time) aims at providing more transparency to investors on sustainability risk integration, on the consideration of adverse sustainability impacts in the investment processes and on the promotion of environmental, social and/or governance ("**ESG**") factors. In particular, it requires fund managers and advisers to disclose specific ESG-related information to investors on their websites. Terms not otherwise defined herein shall have the meaning given to them in the offering memorandum of the Fund dated July 2026, as amended from time to time (the "**OM**").

1 Summary

No sustainable investment objective	This financial product promotes environmental or social characteristics, but does not have as its objective sustainable investment.
Environmental or social characteristics of the financial product	The Fund will promote ESG characteristics by not making any new investments (other than Follow-on Investments) into companies with a Weak ESG Score (1) as evidenced by the Portfolio Manager's approach to assessing ESG Ratings for prospective borrowers. In addition, the Fund will not make investments (other than Follow-on Investments) with a Satisfactory ESG Score (2) unless the Investment Team believes that an improvement in the ESG Rating to a Good ESG Score (3) or a Strong ESG Score (4) is achievable. ESG Ratings are determined by reference to a number of ESG characteristics, including climate change factors, natural resources, pollution and waste, workplace health and safety, product safety and liability, and Labour management practices.
Investment strategy	The Fund's strategy is to build a diversified portfolio of loans across the capital stack to support performing middle-market corporate, family and private equity-backed companies in Asia-Pacific. ESG Ratings (described below) will be used to assess the environmental, social, and governance practices of borrowers.
Proportion of investments	It is expected that at least 80% of the portfolio will be aligned with environmental and social characteristics within the meaning of Article 8 of the Disclosure Regulation and be classified accordingly.

Monitoring of environmental or social characteristics	Every investment presented to the Asia-Pacific Private Credit Investment Committee (the "**IC**") will contain a dedicated ESG section within the investment paper. ESG will be an agenda point during the meeting and members of the Asia-Pacific Private Credit IC will be required to validate the designated company ESG Rating. ESG factors will be monitored on an ongoing basis by the investment team of the Fund (the "**Investment Team**").
Methodologies	The Investment Team has implemented a set of sector-specific ESG Scorecards, used to assess a borrower's exposure to both ESG risks and opportunities for positive ESG contributions.
Data sources and processing	Inputs to the ESG Scorecard are determined with reference to materials provided by the company and/or shareholders, responses to questions raised, due diligence reports as well as third party data providers such as RepRisk.
Limitations to methodologies and data	The level of information available to complete the ESG Scorecards may vary between different borrowers and therefore the Investment Team will use whatever information is available in the public domain, disclosed by the borrower during due diligence (including via the Fund's questionnaire), sourced from independent reports, or available from HSBC or third-party ESG data providers to complete their analysis.
Due diligence	During the due diligence phase of the transaction, the Investment Team will review more detailed information on the company which may include the business plan and financial model, site visit attendance and management presentations, and review of externally prepared due diligence reports.
Engagement policies	The Investment Team may drive engagement by raising sustainability topics at management meetings and may encourage companies to report on their ESG-related activities. The Investment Team intends to offer Sustainability Linked Loans ("**SLLs**") to borrowers under a conversion concept.
Designated reference benchmark	No reference benchmark has been designated for the purpose of attaining the above environmental and social characteristics promoted by the Fund.

2 No sustainable investment objective

The HSBC Asia-Pacific Private Credit Fund will promote environmental and/or social characteristics within the meaning of Article 8 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ("SFDR") by seeking to invest in businesses that meet the requirements of the relevant ESG Framework of the AIFM (in coordination with the Portfolio Manager).

3 Environmental or social characteristics of the financial product

The environmental and social characteristics that each company is assessed against via the ESG Scorecard are:

- GHG Emissions & Climate Risk
- Environmental Risk Management
- Biodiversity & Ecological Impacts
- Resource Use & Waste Management
- Materials Sourcing and Supply Chain Management
- Environmental Opportunities
- Product/Service Safety & Liability
- Privacy & Data Security
- Labour Management
- Workplace Health and Safety
- Community Relations & Human Rights
- Social Opportunities

The Fund will promote these ESG characteristics by not making any new investments (other than Follow-on Investments) into companies with a Weak ESG Score (1) as evidenced by the Portfolio Manager's approach to assessing ESG Ratings for prospective borrowers. In addition, the Fund will not make investments (other than Follow-on Investments) with a Satisfactory ESG Score (2) unless the Investment Team believes that an improvement in the ESG Rating to a Good ESG Score (3) or a Strong ESG Score (4) is achievable. Refer to section 7 for further details on the ESG Scorecards and how the ESG characteristics are factored into the ESG Scorecard methodology.

No reference benchmark has been designated for the purpose of attaining the above environmental and social characteristics promoted by this Fund.

4 Investment strategy

The Fund will grant loans both as original lender and indirectly through a third party or special purpose vehicle which originates loans for or on behalf of the Fund. The Fund’s strategy is to build a diversified portfolio of loans across the capital stack to support performing corporate, family and financial sponsor-backed companies in Asia-Pacific. The loans will predominantly be denominated in USD, but could also be denominated in major local currencies including Australian Dollars, Hong Kong Dollars, Indian Rupee, Japanese

Yen, Korean Won, Renminbi and Singapore Dollars, as well as Euros and Pound Sterling, with exposure being hedged or converted back to USD.

The Fund will primarily focus on granting loans to middle market companies across sectors (excluding real estate) with an EBITDA and/or private credit financing requirement of up to USD 100 million. Loans will be sourced from markets in the region where HSBC Bank has a presence, with an average target leverage/LTV at origination of below 5x/60%. The Fund's target return is 11-13% gross IRR. For the avoidance of doubt, as the Fund qualifies as a "loan-originating AIF" as defined in AIFMD II, the maximum level of leverage permitted in respect of the Fund is three hundred percent (300%) of its Net Asset Value under the commitment method.

The Fund will predominantly focus on six "Primary" HSBC Bank markets across Asia-Pacific (Hong Kong, Australia, India, Korea, Offshore China[1] and Singapore), with the remaining "Supplemental" (Indonesia, Japan, Malaysia, New Zealand, Philippines and Vietnam) and "Other" (Bangladesh, Macau, Mainland China, Sri Lanka, Taiwan, Thailand and Türkiye) markets to be covered on a more opportunistic basis.

Deals will predominantly be sourced via HSBC Bank in Asia-Pacific, one of the leading financial institutions in the region, with a multi award-winning financing proposition, 160+ year track-record of lending across Asia-Pacific and a dedicated in-region private credit platform. All investment decisions for the Fund will be made at the discretion of the Portfolio Manager (part of HSBC Asset Management) acting in accordance with the Portfolio Management Agreement and independently of HSBC Bank. It is expected that HSBC Bank will generally hold an interest in each loan the Fund invests in at the point of investment, although this is not a requirement, and the Fund will have capacity to enter into transactions where HSBC Bank is not providing facilities or retaining an interest.

The majority of loans will have at least one financial maintenance covenant and will typically be fixed or floating rate term instruments with a legal maturity of six years or less (typically three years/five years or less for corporate/financial sponsor transactions). Loans may benefit from "non-call" or prepayment protections (typically of 12-18 months where present), with historical experience of both HSBC Bank and the wider Asia-Pacific private credit market indicating a typical average loan life of around two to three years.

The Fund will focus on lending to performing corporate, family and financial sponsor-backed companies in the Asia-Pacific mid-market, with an expected 30%/70% split between sponsor/non-sponsor-backed loans based on historical experience, the penetration of the private equity market in the region and HSBC Bank's proven ability to source compelling private credit opportunities from its corporate customer base.

The Fund will promote environmental and social characteristics within the meaning of Article 8 of the Disclosure Regulation by seeking to invest in businesses that meet the requirements of the relevant ESG framework of the Portfolio Manager. In particular, the Fund will promote environmental and social characteristics by not making any new investments (other than Follow-on Investments) into companies with a Weak ESG Score (1). In addition, the Fund will not make investments (other than Follow-on Investments) with a Satisfactory ESG Score (2) unless the Investment Team believes that an improvement in the ESG Rating to a Good ESG Score (3) or a Strong ESG Score (4) is achievable.

[1] Chinese companies that have a meaningful portion of their revenue, profits, cashflow, assets or transaction security outside Mainland China that can be effectively secured

Further information on the ESG Scorecard and other methodologies that the Fund adopts to meet the environmental and social characteristics promoted by the Fund can be found in section 7 (***Methodologies***).

5 Proportion of investments

The Fund pursues an investment strategy comprising of a portfolio of Eligible Loans made to middle-market sized businesses in Asia-Pacific. It is expected that at least 80% of the portfolio (by reference to the aggregate of all commitments to the Fund (including to any parallel companies or alternative investment vehicles) ("**Aggregate Fund Commitments**")) will be aligned with environmental and social characteristics within the meaning of Article 8 of the Disclosure Regulation and be classified accordingly. Therefore, it is expected that 20% or less of the portfolio (by reference to Aggregate Fund Commitments) will not be aligned with environmental and social characteristics within the meaning of Article 8 of the Disclosure Regulation. All investments will undergo the complete investment, operational and legal due diligence processes.

6 Monitoring of environmental or social characteristics

Every investment presented to the Asia-Pacific Private Credit IC will contain a dedicated ESG section within the investment paper. This will include a written assessment of the ESG opportunities and risks of the company, the ESG Scorecard, and a written justification for the designated ESG Rating. The Investment Team member presenting to the Asia-Pacific Private Credit IC will be required to cover the ESG assessment as an agenda point during the meeting and members of the IC will be required to validate the designated company ESG Rating.

ESG Ratings will be reviewed and updated at least annually.

7 Methodologies

<u>ESG Scorecards</u>

The Investment Team has implemented a set of sector-specific ESG assessment scorecards (the **"ESG Scorecards"**) used to assess a borrower's exposure to both ESG risks and opportunities for positive contributions to sustainability outcomes, based on a number of ESG issues. Each issue is scored based on the parameters set out in the ESG Scorecards and assigned a specific weight based on its materiality within that sector. The ESG Scorecards were designed in collaboration with the HSBC Alternatives Responsible Investment team and are informed by external resources such as the Sustainability Accounting Standards Board (SASB) and the MSCI ESG Ratings Methodology.

Each company will be allocated a score between 1 and 4 or 5 per material ESG issue, with 1 being the highest ESG risk, 2 being medium risk, 3 being low risk, 4 being neutral and 5 being a positive impact. The highest score for some issues, such as Health and Safety or Environmental Risk Management, is limited to 4 given the best outcome is avoidance of negative impacts. However, for some issues, the highest score is 5 where the best outcome could theoretically be a positive impact. In the case of GHG Emissions and Climate Risk, a score of 5 could result from activities that more than offset emissions and/or increase climate resilience. In the case of Community Relations and Human Rights a 5 could result from the company going beyond mitigating risks to local communities to delivering positive impacts through employment generation or comprehensive corporate social responsibility programmes.

Inputs to the Scorecard are determined by the Investment Team with reference to materials provided by the company, financial sponsor, responses to questions raised, due diligence reports, as well as third party data providers such as RepRisk. The level of information available to complete the scorecards may vary between different borrowers and therefore the Investment Team will use whatever information is available in the public domain, disclosed by the borrower during due diligence (including via our ESG Questionnaire), sourced from independent reports, or available from HSBC or third-party ESG data providers to complete their analysis.

The weighted ESG issue scores are summed and then rebased to produce an ESG Score from 1 to 5 which is then used to assign each company an ESG Rating. An ESG score from 1 to below 2 would result in a “Weak” ESG Rating, an ESG score from 2 to below 3 would result in a “Satisfactory” ESG Rating, an ESG score from 3 to below 4 would result in a “Good” ESG Rating and an ESG score from 4 to below 5 would result in a “Strong” ESG Rating.

The Fund will promote environmental and social characteristics by implementing the HSBC Alternative Credit ESG Framework and not making any new investments (other than Follow-on Investments) into companies with a Weak ESG Rating. In addition, the Fund will not make investments (other than Follow-on Investments) with a Satisfactory ESG Rating unless the Investment Team believes that an improvement in the ESG Rating to a Good ESG Rating or a Strong Rating is achievable.

The environmental and social characteristics that each company is assessed against via the ESG Scorecard are:

- GHG Emissions & Climate Risk
- Environmental Risk Management
- Biodiversity & Ecological Impacts
- Resource Use & Waste Management
- Materials Sourcing and Supply Chain Management
- Environmental Opportunities
- Product/Service Safety & Liability
- Privacy & Data Security
- Labour Management
- Workplace Health and Safety
- Community Relations & Human Rights
- Social Opportunities

8 Data sources and processing

As described in section 7, ESG environmental and social characteristics are processed as data inputs to the ESG Scorecard are determined by the Investment Team with reference to materials provided by the company and/or shareholders, responses to questions raised, due diligence reports, and third-party data providers such as RepRisk. The resulting ESG Rating is a weighted average of the relevant ESG factors.

Whilst it is not yet industry standard or requirement, the investment team will encourage borrowers to complete an ESG questionnaire aligned with Principal Adverse Impact ("**PAI**") reporting to fill gaps in information, which would contribute towards the ESG Scorecard. The Investment Team continues to seek to develop proprietary sustainability frameworks to improve data availability and consistency and may apply these in the future. However, it remains the case that neither the AIFM, the Portfolio Manager nor the Fund Entities, consider PAIs as referred to in the Disclosure Regulation given the lack of available data.

The level of information available to complete the ESG Scorecards may vary between different borrowers and therefore the Investment Team will use whatever information is available in the public domain, disclosed by the borrower during due diligence (including via the Fund's questionnaire), sourced from independent reports, or available from HSBC or third-party ESG data providers to complete their analysis. To clarify, the Investment Team does not typically estimate data for the purpose of completing the ESG Scorecard. That being said, it is anticipated that no more than 20% of data will be estimated data.

Every investment presented to the Asia-Pacific Private Credit IC will contain a dedicated ESG section within the investment paper. This will include a written assessment of the ESG opportunities and risks of the company, the ESG Scorecard, and a written justification for the designated ESG Rating. The Investment Team member presenting to the Asia-Pacific Private Credit IC will be required to cover the ESG assessment as an agenda point during the meeting and members of the Asia-Pacific Private Credit IC will be required to validate the designated company ESG Rating.

9 Limitations to methodologies and data

The level of information available to complete the ESG Scorecards may vary between different borrowers. Whilst all reasonable efforts are made to retrieve such data, the Fund may not be able to obtain all the data it requires from the borrower. Accordingly, in order to address such limitations so that it does not materially affect how the environmental or social characteristics promoted by the Fund are met, the Investment Team will use whatever robust and reliable information is available in the public domain, disclosed by the borrower during due diligence (including via the Fund’s questionnaire), sourced from independent reports, or available from HSBC or third-party ESG data providers to complete their analysis. If the use of such information results in the use of estimations, robust estimation methodologies are used to replace such missing data.

10 Due diligence

During the due diligence phase of the transaction, the Investment Team will review more detailed information on the company which may include the business plan and financial model, site visit attendance and management presentations, and review of externally prepared due diligence reports covering inter alia: financial; tax; market; and legal issues. Assessment of ESG risks is a key component of the initial transaction screening phase. HSBC Asset Management’s investment teams have previously declined transactions at this stage for ESG-related reasons. Through the screening and due diligence process the Investment Team seek to make a qualitative assessment of the impact of ESG related factors on the credit risk profile of a borrower.

Whilst it is not yet industry standard or requirement, the Investment Team will encourage borrowers to complete an ESG questionnaire aligned with PAI reporting to fill gaps in information, which would contribute towards the ESG Scorecard. The Investment Team continues to seek to develop proprietary sustainability frameworks to improve data availability and consistency and may apply these in the future. However, it remains the case that neither the AIFM, the Portfolio Manager nor the Fund Entities consider PAIs as referred to in the Disclosure Regulation given the lack of available data.

11 Engagement policies

The Investment Team have used their experience to develop a robust and repeatable approach to portfolio monitoring. This includes regular ongoing monitoring through use of internal tools to monitor news alerts on portfolio borrowers, review of management information and regular dialogue with borrower management and shareholders. The Investment Team will also undertake quarterly portfolio reviews, which will consider ESG engagement. For each company where there has been engagement with management in the last quarter, the relevant member of the Investment Team will cover any changes in ESG Score, key topics discussed, and any updates to relevant targets

In addition to the HSBC Asset Management Responsible Investment ("RI") and HSBC Alternatives RI policies, as well as policies around Voting and Engagement, the Asia-Pacific Private Credit Investment Team has adopted a strategy to engage with borrowers.

The Investment Team will engage with borrowers at least annually through the ESG Questionnaire. The Investment Team may also engage with borrowers on ESG topics during management meetings to understand and assess their sustainability commitments and progress on ESG targets where relevant. These meetings may be used to encourage companies to report on their ESG-related activities and to share outputs with the Investment Team. The Investment Team will look to schedule further dedicated meetings if additional ESG information is required. Where relevant, the team will also engage with shareholders to understand their overarching approach to ESG and specific strategy relating to the Fund's borrowers.

Prior to the meeting, the responsible member of the Investment Team may work with the Senior Responsible Investment Specialist to prepare a set of ESG focused questions relevant to the sector to guide discussion with management. This may include any ESG Scorecard-related questions that may not have been fully covered pre-investment and are important to assess the ESG profile of the asset (e.g. progress on climate commitments etc). Details of ESG-related engagements will be tracked in the Investment Team's front office system. The information gained through engagement with companies will contribute towards any updates to the ESG Scorecard, which could result in positive/negative movements of the score.

ESG Engagement will be covered on the agenda at the Quarterly Portfolio Review meeting, which is chaired by the Head of Portfolio for HSBC Asset Management's private credit platform. For each company where there has been engagement with management in the last quarter, the relevant member of the Investment Team will cover any changes in ESG Rating, key topics discussed, and any updates to relevant targets.

The Investment Team will implement enhanced engagement for companies with a Satisfactory ESG Rating, or in the event that a company's ESG Rating is downgraded to Satisfactory or below by the Investment Team, or where the Investment Team becomes aware of an ESG risk incident. The responsible Investment Team will identify potential areas of improvement and/or sustainability targets to highlight to the company, based on the environmental or social characteristics where the company falls below expectations.

Enhanced engagement will be carried out with the company on a periodic (at least annual) basis and will continue until sufficient evidence of improvement is gathered to support an improvement of the ESG Rating of the company to Good or above, as well as approval from the Asia-Pacific Private Credit IC. If the company demonstrates insufficient progress over the course of the year to warrant an improvement in ESG Rating, this will be taken into account when reviewing any future opportunities with the borrower.

Sustainability-linked Loans

The Investment Team intends to offer SLLs to portfolio companies under a conversion concept where the appropriate sustainable performance targets are set post transaction by the borrower and the sponsor. SLLs will:

- Include a 2-way margin ratchet (the margin on the loan is adjusted up or down depending on performance against the Sustainability Performance Targets ("**SPTs**"))
- Include certain sustainability covenants to protect against greenwashing risk
- Include meaningful key performance indicators ("**KPIs**") set by the borrower and to be reviewed by a third-party sustainability reviewer
- Require periodic disclosures by the borrower of performance against the SPTs and KPIs

Whilst the conversion concept is required for situations where there is a change of control, the Fund will also offer SLLs on refinancings where the documentation and targets are put in place ahead of transaction completion.

12 Designated reference benchmark

No reference benchmark has been designated for the purpose of attaining the above environmental and social characteristics promoted by this Fund.