

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 might be aligned with the Taxonomy or not.

Product Name: HSBC MSCI WORLD ISLAMIC SCREENED UCITS ETF

Legal Entity Identifier: 213800U32MXHBTON4K27

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

<p><input checked="" type="radio"/> <input checked="" type="radio"/> <input type="checkbox"/> Yes</p> <p><input type="checkbox"/> It made sustainable investments with an environmental objective: _%</p> <p><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> It made sustainable investments with a social objective: _%</p>	<p><input checked="" type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> No</p> <p><input checked="" type="checkbox"/> It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of 54.76% of sustainable investments</p> <p><input checked="" type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</p> <p><input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> with a social objective</p> <p><input type="checkbox"/> It promoted E/S characteristics, but did not make any sustainable investments</p>
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To what extent were the environmental and/or social characteristics promoted by this financial product met?

In replicating the performance of the MSCI World Islamic ESG Universal Screened Select Index (the "Index"), the Fund met the environmental and/or social characteristics through the following measures:

- An improvement on the ESG rating against that of the MSCI World Islamic Index (the "Parent Index").
- An improvement in greenhouse gas intensity against that of the Parent Index.

The Fund sought to achieve the promotion of the characteristics by replicating the performance of the Index which removed companies based on sustainability exclusionary criteria and United Nations Global Compact ("UNGC") exclusionary criteria, excluded companies to reduce greenhouse gas intensity and which weighted companies in order to improve the exposure to companies with favourable ESG ratings.

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

The Index was designated as a reference benchmark for the purpose of attaining the environmental and/or social characteristics promoted by the Fund.

The Fund did not use derivatives to attain the environmental and/or social characteristics of the Fund.

The performance of the sustainability indicators used to measure the attainment of the environmental and/or social characteristics promoted by the Fund can be seen in the table below. The sustainability indicators were calculated by the Investment Manager and utilises data from third party data vendors.

The data can be based on company/issuer disclosures, or estimated by the data vendors in the absence of company/ issuer reports. Please note that it was not always possible to guarantee the accuracy, timeliness or completeness of data provided by third party vendors.

● ***How did the sustainability indicators perform?***

Sustainability Indicator	Fund	Broad Market Index
ESG score (third-party score)	7.67	6.98
GHG Intensity of investee companies - Tons of CO2 equivalents per million of Euros of revenue	123.59	153.85

The data in this SFDR Periodic Report is based on the four-quarter average holdings of the financial year ending on 31 December 2025.

Broad Market Index - MSCI World Islamic Index

● ***...and compared to previous periods?***

Sustainability Indicator	Period Ending	Fund	Broad Market Index
ESG score (third-party score)	31 December 2025	7.67	6.98
	31 December 2024	7.74	7.27
	31 December 2023	7.92	7.48
GHG Intensity of investee companies - Tons of CO2 equivalents per million of Euros of revenue	31 December 2025	123.59	153.85
	31 December 2024	NA	NA
	31 December 2023	NA	NA

Broad Market Index - MSCI World Islamic Index

● ***What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?***

The sustainable investments made by the Fund contributed to one or more of the following environmental and/or social objectives:

- Transition to a lower carbon economy;
- Supporting research and financing of technology, resources and supply chain improvements relating to climate change mitigation and/or adaptation;
- Supporting the enhancement of the United Nations Sustainable Development Goals (“UN SDGs”); and
- Adopting the highest level of environmental and social practices, ranging from the approach to climate change mitigation to board gender diversity.

Investments were considered sustainable if they made a positive contribution to an environment or social objective in accordance with the Investment Manager’s sustainable investment policy. A sustainable investment’s contribution to these objectives was determined by meeting one or more of the following criteria:

- Classification as net zero aligned, or better, by the Investment Manager’s net zero investment framework;
- Best in class environmental and / or social scores in the investment’s respective universe, as determined by the Investment Manager;
- Generation of sustainable revenues, which are those generated from activities that the Investment Manager regarded as supporting the enhancement of the UN SDGs, EU

Taxonomy objectives or other climate related activities.

Further information can be found in HSBC’s Responsible Investing Methodologies document. This is available on: [www.assetmanagement.hsbc.com/about-us/responsible-](http://www.assetmanagement.hsbc.com/about-us/responsible-investing)

investing, by selecting your location and then choosing Policies and Disclosures.

● ***How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?***

The sustainable investments in the Fund were assessed against the principle of do no significant harm (“DNSH”) to ensure they did not significantly harm any environmental or social objective. This included taking into account principal adverse impacts (“PAIs”) as further described below.

In addition, companies earning 50% or more of their revenue from adult entertainment, gambling, alcohol, and those identified as involved in severe controversies by a third-party research provider, did not pass the DNSH principle. The DNSH principle applied only to the investments in the Fund deemed sustainable.

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

The mandatory PAIs as defined in Table 1 of Annex 1 of the regulatory technical standards for Regulation 2019/2088 were used to assess whether the sustainable investments of the Fund were significantly harming the environmental or social objective.

To support the DNSH assessment, quantitative criteria was established across the PAIs.

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.

In instances where data was either non-existent or not sufficient, either a qualitative review and/or a relevant proxy may have been used as an alternative. Where a company was determined to cause or contribute to significant harm, it may still have been held within the Fund but did not count toward the portion of 'sustainable investments' within the Fund. Further information on the mandatory principal adverse impact indicators, as well as the data sources and limitations, can be found in HSBC's User Guide on Principal Adverse Indicators. This is available on: www.assetmanagement.hsbc.com/about-us/responsible-investing, by selecting your location and then choosing Policies and Disclosures.

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

The Investment Manager used a combination of third party research and its own ESG due diligence to monitor sustainable investments for involvement in controversies which included potential breaches of UNGC principles. As part of this monitoring, there was assessment against international standards including the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct and UN Guiding Principles on Business and Human Rights. HSBC Asset Management is also a signatory of the UN Principles of Responsible Investment.

The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the Union criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the Union criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



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

The Index was constructed using MSCI proprietary data on each security's business involvement. As per the Index methodology, securities involved in Thermal coal mining and generation, Oil & Gas, were screened at a minimum threshold level and controversial weapons (PAI 14) were removed before the Index was calculated. In addition, a separate controversy screen was applied to the starting universe to remove any security in violation of UNGC principles, (PAI 10). The methodology also considered the aggregate ESG score (as calculated by MSCI ESG Research) which was applied to all eligible securities post business activity screen and weighted accordingly. The Index increased the weightings of companies with robust ESG characteristics, including those that showed improvement in the direction of their rating over the most recent 12 months, while reducing the weight of those companies who lagged behind their industry peers in terms of ESG quality.

Principal Adverse Impact	Period Ending	Fund	Broad Market Index
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1. GHG Emissions - Metric tons CO2 equivalents	31 December 2025	3,566.47	1,210,825,522.89
3. GHG Intensity of investee companies - Tons of CO2 equivalents per million of Euros of revenue	31 December 2025	123.59	153.85
10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	31 December 2025	0.00%	0.00%
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	31 December 2025	0.00%	0.00%

The data in this SFDR Periodic Report is based on the four-quarter average holdings of the financial year ending on 31 December 2025.

Broad Market Index - MSCI World Islamic Index



What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: Based on the four-quarter average holdings of the reference period as at 31/12/2025

Largest Investments	Sector	% Assets	Country
Microsoft Corporation	Information Technology	9.33%	United States of America
Tesla, Inc.	Consumer Discretionary	3.87%	United States of America
ASML Holding NV	Information Technology	2.97%	Netherlands
Cisco Systems, Inc.	Information Technology	2.28%	United States of America
Advanced Micro Devices, Inc.	Information Technology	2.23%	United States of America
Salesforce, Inc.	Information Technology	1.98%	United States of America
Novartis AG	Health Care	1.95%	United States of America
Johnson & Johnson	Health Care	1.59%	United States of America
ServiceNow, Inc.	Information Technology	1.51%	United States of America
Applied Materials, Inc.	Information Technology	1.38%	United States of America
Accenture Plc Class A	Information Technology	1.36%	United States of America
Lam Research Corporation	Information Technology	1.36%	United States of America
Novo Nordisk A/S Class B	Health Care	1.25%	Denmark
Adobe Inc.	Information Technology	1.24%	United States of America
Schneider Electric SE	Industrials	1.20%	France

Cash and derivatives were excluded

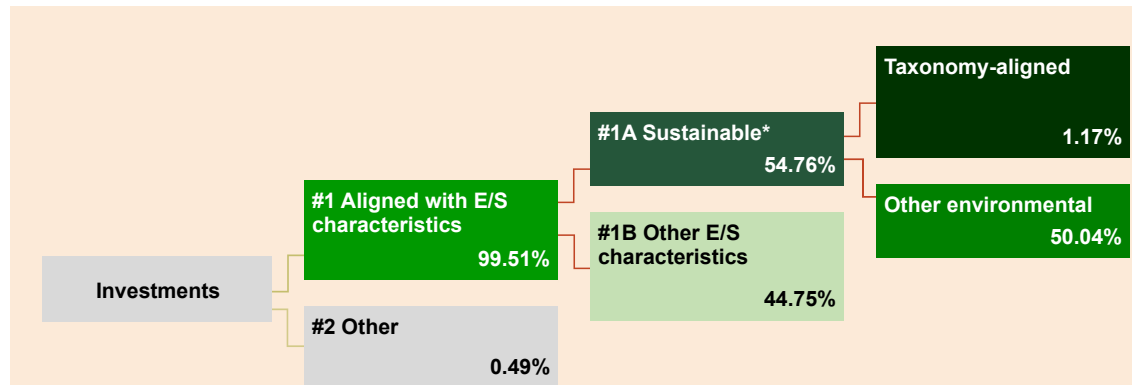


What was the proportion of sustainability-related investments?

54.76% of the portfolio was invested in sustainable investments.

Asset allocation describes the share of investments in specific assets.

● *What was the asset allocation?*



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers environmentally and socially sustainable investments.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

*A company or issuer considered as a sustainable investment may contribute to both a social and environmental objective, which can be aligned or non-aligned with the EU Taxonomy. The figures in the above diagram take this into account, but one Company or Issuer may only be recorded once under the sustainable investments figure (#1A Sustainable).

Due to the difference in the calculation methods, the percentages of Taxonomy-aligned and Other environmental, do not equal #1A Sustainable.

● **In which economic sectors were the investments made?**

Sector / Sub-Sector	% Assets
Information Technology	41.69%
Industrials	16.58%
Health Care	14.45%
Materials	9.24%
Consumer Discretionary	7.01%
Energy	5.02%
<i>Coal & Consumable Fuels</i>	<i>0.26%</i>
<i>Integrated Oil & Gas</i>	<i>3.13%</i>
<i>Oil & Gas Equipment & Services</i>	<i>0.78%</i>
<i>Oil & Gas Exploration & Production</i>	<i>0.33%</i>
<i>Oil & Gas Refining & Marketing</i>	<i>0.51%</i>
Consumer Staples	3.28%
Utilities	1.00%
<i>Electric Utilities</i>	<i>0.53%</i>
<i>Gas</i>	<i>0.05%</i>
<i>Multi-Utilities</i>	<i>0.35%</i>
Communication Services	0.80%
Cash & Derivatives	0.49%
Real Estate	0.42%
Financials	0.02%
Total	100.00%

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.



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

1.17% of the Fund's investments were deemed sustainable investments with an environmental objective aligned with the EU Taxonomy.

● **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy¹?**

Yes:

In fossil gas

In nuclear energy

No

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do no significant harm to any EU Taxonomy objective - see explanatory note in the left hand 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** reflects the “greenness” of investee companies today.

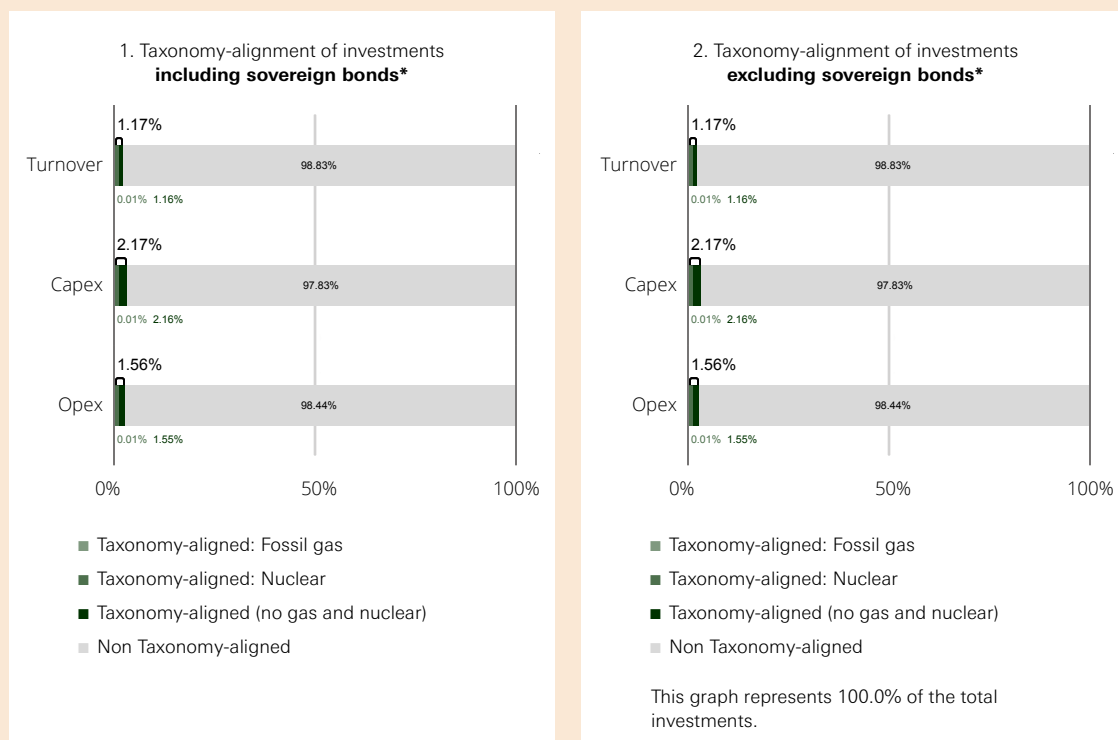
- **capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.

- **operational expenditure** (OpEx) reflects the green operational activities of investee companies.

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.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

The graphs below show in green the percentage of investments that were 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.

● **What was the share of investments made in transitional and enabling activities?**

For the reference period the Fund’s share of investment in transitional activities was 0.00% and the share of investment in enabling activities was 0.94%.

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

Indicator	2024-25	2023-24	2022-23
Revenue - Taxonomy-aligned: Fossil gas	0.00%	0.00%	0.00%
Revenue - Taxonomy-aligned: Nuclear	0.01%	0.01%	0.00%
Revenue - Taxonomy-aligned (no gas and nuclear)	1.16%	1.03%	0.67%
Revenue - Non Taxonomy-aligned	98.83%	98.96%	99.33%
CAPEX - Taxonomy-aligned: Fossil gas	0.00%	0.00%	0.00%
CAPEX - Taxonomy-aligned: Nuclear	0.01%	0.00%	0.00%
CAPEX - Taxonomy-aligned (no gas and nuclear)	2.16%	2.33%	1.63%
CAPEX - Non Taxonomy-aligned	97.83%	97.67%	98.37%
OPEX - Taxonomy-aligned: Fossil gas	0.00%	0.00%	0.00%
OPEX - Taxonomy-aligned: Nuclear	0.01%	0.00%	0.00%
OPEX - Taxonomy-aligned (no gas and nuclear)	1.55%	1.57%	1.34%
OPEX - Non Taxonomy-aligned	98.44%	98.43%	98.66%

 are 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 sustainable investments with an environmental objective not aligned with the EU Taxonomy?

The sustainable investments with an environmental objective not aligned with the EU Taxonomy were 50.04%. The Fund did not commit to making any EU Taxonomy aligned investments.



What was the share of socially sustainable investments?

The Fund did not invest in socially sustainable investments.



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

Cash and other Shariah-compliant instruments such as financial derivative instruments may have been used for liquidity and hedging purposes in respect of which there were no minimum environmental and/or social safeguards.



What actions have been taken to meet the environmental and/or social characteristics during the reference period?

The Fund was passively managed and aimed to replicate the net total return performance of the Index. The Index sought to achieve an improvement of the MSCI ESG rating against that of the Parent Index.

The Index achieved this in the following ways:

1. Excluding securities of companies with exposure (as defined by the Index provider in the Index methodology) to certain characteristics. If greenhouse gas intensity is not at least 30% lower than the Parent Index, after applying initial exclusions, additional securities are excluded from the eligible universe to achieve a reduction of 30% greenhouse gas intensity against the Parent Index; and
2. The Index applies the MSCI ESG Universal Indexes Methodology in the construction of the Index in order to increase exposure to those companies demonstrating both a robust ESG profile as well as a positive trend in improving that profile.

HSBC Asset Management is a signatory of the UN Principles of Responsible Investment and UK Stewardship Code. The HSBC Asset Management's stewardship team met with companies regularly to improve the understanding of their business and strategy, signal support or concerns it had with management actions and promote best practice.

Further information on shareholder engagement and voting policy can be found on our website: <https://www.assetmanagement.hsbc.co.uk/en/individual-investor/about-us/responsible-investing/policies>



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

See below for details on how the Fund performed compared to the reference benchmark.

- ***How does the reference benchmark differ from a broad market index?***

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

The Index is an equity index based on the Parent Index and which reflected Shariah investment principles and included large- and mid-cap securities across 23 Developed Markets countries as determined by the Index provider. The Index was constructed from the Parent Index by applying values and climate-based exclusionary criteria (as defined by the Index provider in the Index methodology). Each of the exclusionary criteria may apply thresholds which are defined by the Index provider and set out in the Index methodology and which may be amended from time to time. If greenhouse gas intensity is not at least 30% lower than the Parent Index, after applying initial exclusions, additional securities are excluded from the eligible universe to achieve a reduction of 30% greenhouse gas intensity against the Parent Index.

In addition to the application of the exclusionary criteria, the Index applied the MSCI ESG Universal Indexes methodology to achieve its ESG objective. The use of the MSCI ESG Universal Indexes Methodology in the construction of the Index is to increase exposure to those companies demonstrating both a robust ESG profile as well as a positive trend in improving that profile.

To achieve this, the Index provider applied the following steps to the Parent Index: (i) the Index provider excluded the securities with the weakest ESG profile from the Parent Index; (ii) the Index provider defined an ESG re-weighting factor that reflected an assessment of both the current ESG profile, based on the current MSCI ESG Rating, as well as the trend in that profile; and (iii) the Index provider re-weighted securities from the free-float market cap weights of their parent index using this combined ESG score to construct the Index.

Further information on the Index provider's ESG re-weighting factors and the MSCI ESG Rating system can be found on the Index provider's website.

The Index also excluded securities based on the following criteria:

- Unrated Companies – Companies not assessed by MSCI ESG Research on MSCI ESG Ratings, MSCI ESG Controversies, MSCI Business Involvement Screening Research and MSCI Climate Change Metrics.

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?

In seeking to achieve its investment objective, the Fund invested in the constituents of the Index in generally the same proportions in which they were included in the Index.

In doing so, the performance of the sustainability indicators of the Fund was similar to the performance of the sustainability indicators of the Index, as shown below.

How did this financial product perform compared with the reference benchmark?

Sustainability Indicator	Fund	Reference Benchmark
ESG score (third-party score)	7.67	7.66
GHG Intensity of investee companies - Tons of CO2 equivalents per million of Euros of revenue	123.59	123.68

The data in this SFDR Periodic Report is based on the four-quarter average holdings of the financial year ending on 31 December 2025.

Reference Benchmark - MSCI World Islamic ESG Universal Screened Select Index

● ***How did this financial product perform compared with the broad market index?***

Sustainability Indicator	Fund	Broad Market Index
ESG score (third-party score)	7.67	6.98
GHG Intensity of investee companies - Tons of CO2 equivalents per million of Euros of revenue	123.59	153.85

The data in this SFDR Periodic Report is based on the four-quarter average holdings of the financial year ending on 31 December 2025.

Broad Market Index - MSCI World Islamic Index

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