

# Compliance Declaration for Taiwan Stewardship Principles for Institutional Investors

HSBC Global Asset Management (Taiwan) Limited ( “HSBC AMTW” ) primarily engages in managing and offering securities investment trust funds, discretionary investment accounts, and other asset management services as approved by the competent authority. In accordance with its role as an asset manager, HSBC AMTW hereby declares its compliance with the “Stewardship Principles for Institutional Investors” as promulgated by the Taiwan Stock Exchange (“the Principles”).

## Principle 1

### **Establish and disclose stewardship policies**

HSBC AMTW conducts asset management operations with a focus on responsible investment practices, aiming to safeguard the best interests of clients and beneficiaries. In this regard, HSBC AMTW has formulated stewardship policies and embedded them into its daily investment activities. Drawing on the Principles for Responsible Investment (PRI), HSBC Global Asset Management has established relevant investment policies and formally incorporated Environmental, Social and Governance (ESG) considerations into its investment decision-making process.

## Principle 2

### **Establish and disclose policies on managing conflicts of interest**

To safeguard the interests of clients and beneficiaries and prevent conflicts of interest, HSBC Global Asset Management has formulated and disclosed a conflicts-of-interest management policy. This policy governs all asset management activities, prescribing applicable codes of conduct, scopes, approaches, and reporting mechanisms. HSBC AMTW ensures that the rights and interests of clients and beneficiaries always take precedence and avoids any conflicts of interest identified and arising from securities trading, affiliated companies, or other related investment activities.

## Principle 3

### **Regularly monitor investee companies**

We continuously monitor our investee companies, including their financial and non-financial performance, corporate governance, and ESG practices. Areas of focus include, but are not limited to, financial results, industry developments, business ethics, labor practices, environmental protection, and other matters relevant to the interests of stakeholders and clients.

## Principle 4

### **Maintain an appropriate dialogue and interaction with investee companies**

We proactively engage in appropriate dialogue and interaction with investee companies to better understand and communicate with their management regarding industry risks and strategies. We endeavor to reach a certain level of consensus with investee companies on long-term value creation. Each year, we communicate with investee companies through conference calls, seminars, participation in investor conferences, or by sending representatives to attend annual general meetings or significant extraordinary shareholders' meetings. When investee companies are found to have major violations of corporate governance principles or to pose potential harm to the long-term value of our clients in relation to specific Environmental, Social, and Governance (ESG) issues, we will from time to time inquire with the management of the investee companies about the handling of such matters, and we do not preclude joining with other investors to collectively express demands.

## Principle 5

### **Establish and disclose clear voting policies and voting results**

In order to safeguard the best interests of our clients, we establish clear voting policies, taking into account the maximization of benefits and the avoidance of any material detriment to shareholder rights. We evaluate proposals submitted at investee companies' shareholders' meetings and actively exercise voting rights either through electronic voting or by appointing representatives to attend such meetings in person. We express our views on each proposal and may not necessarily support all resolutions put forward by management. We disclose a summary of our annual voting activities and results on our website.

## **Principle 6**

### **Periodically disclose the status of fulfilment of stewardship responsibilities**

We will regularly and publicly disclose the status of stewardship responsibilities on our website, including explanations for situations in which we are unable to exercise stewardship responsibilities in accordance with established principles. Disclosure items include the status of proxy voting and other significant matters.

HSBC Global Asset Management (Taiwan) Ltd.

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