

Disclosure on the Management of Climate-related Risks

Background

Climate change is one of the major risks threatening the well-being of mankind and is increasingly recognized as a source of financial risk for financial institutions and corporates. As a responsible financial institution and fund manager, Huatai Financial Holdings (Hong Kong) Limited (“Hautai”) has updated its governance structure, investment and risk management processes, engagement policy and disclosure obligations in line with the Circular to Licensed Corporations - Management and Disclosure of Climate-related Risks by Fund Managers issued by the Securities and Futures Commission of Hong Kong (“SFC”) on 20 August 2021.

Governance

The board of directors of Huatai (the “Board”) and the Manager-in-charge of the Type 9 Regulated Activity Key Business Line (“MIC”) are the primary parties responsible for the management of climate-related risk.

Board’s Roles and Responsibility

The Board is responsible for overseeing and reviewing the incorporation of climate-related consideration into the investment and risk management processes, and monitoring progress against goals for addressing climate-related issues relevant to the funds managed.

The Chief Executive Office (“CEO”), as representative and one of the members of the Board, will be informed about climate-related issues by the MIC at least once a year. The CEO will report these climate-related issues to the Board at least once in two years or at a higher frequency whenever necessary, usually subject to material climate-related risks identified or material changes in regulatory requirements.

MIC’s Roles and Responsibility

The MIC is responsible for leading and monitoring the execution of climate-related policy and investment strategy and implementing climate-related risk measures in the investment management processes and operations. The MIC will also review the goals and action plans for addressing and managing climate-related issues and risks, and allocate sufficient resources to support the proper performance of the duty by relevant teams in managing the risks. The MIC will establish communication channels to be informed about the status and progress of efforts to manage climate-related risks regularly, including meeting at least once a year with relevant teams to discuss climate-related matters and keep track of the progress of climate risk management. The MIC shall report to the CEO on matters related to climate-related risk at least once a year.

Investment and Risk Management

Climate-related risks including physical and transition risks could affect the performance of investments and funds. Thus, Hautai conducts:-

1. Relevance and materiality assessment to identify relevant and material climate-related risk and potential impacts for each investment strategy and the fund managed;

2. Climate-related risk assessment to assess funds most impacted by such climate-related risks;
and
3. Integration of the risk assessment results into the investment management processes.

The relevance to climate-related risks of each fund is assessed based on the investment strategy/asset class and trading frequency. As of 31 December 2021, two funds are identified as irrelevant to climate-related risks. We would separately inform the investors of the relevant funds and the relevance assessment will be re-evaluated periodically.

For those funds identified as relevant to the climate-related risks, materiality assessment will then be carried out based on the sector and major operating location of each underlying investee company of each fund. If the fund is deemed to have material climate-related risks, a qualitative climate-related risk assessment will be furthered conducted. On the other hand, for funds that are identified as having immaterial climate-related risks, risk assessment is not needed but the relevance and materiality assessment will be re-evaluated periodically.

To assess and manage climate-related risks, Hautai conducts a qualitative risk assessment based on geographical locations and sector-based metrics to evaluate, at the fund/portfolio level, whether the investment portfolio is unintentionally skewed towards sectors or locations with high potential climate-related risks. The results of the relevance and materiality assessment, as well as the findings from the risk assessment will be incorporated into our investment process, especially in the post-trading risk review, to ensure alignment with the investment philosophy and strategies of each of the funds.

Engagement

When extremely high level of climate-related risks are identified for a fund, Hautai will consider actively engaging with the relevant underlying investee companies to further gather information on climate-related matters and to encourage them to adopt climate-related integration within their operation where appropriate. The relevant team will consider the most appropriate engagement dialogue, including but not limited to meeting with the management, interviews, phone conversation, written correspondences, etc, on a case-by-case basis, and will also exercise the proxy voting rights on climate-related issues where appropriate.

We will update our climate-related risk disclosure to you annually and inform you of any material changes. Should you have any further questions about our climate-related risk management, please feel free to contact us.

氣候相關風險管理的披露

背景

氣候變化是威脅人類福祉的主要風險之一，並日益被視為金融機構和企業的金融風險源頭之一。作為負責任的金融機構和基金經理，根據香港證券及期貨事務監察委員會（“證監會”）於2021年8月20日發佈的《致持牌法團的通函：基金經理對氣候相關風險的管理及披露》，華泰金融控股（香港）有限公司（“華泰香港”）已更新其管治架構、投資及風險管理流程、參與政策及披露事宜。

管治

華泰香港董事會（“董事會”）及主要業務為第9類受規管活動的主管（“主管”）主要負責管理氣候相關風險事宜。

董事會的角色與職責

董事會負責監督將氣候相關因素納入投資和風險管理中的流程，並監察就處理氣候相關事宜而訂立的目標的實踐進度。

作為董事會代表及成員之一的首席執行官，至少每年由第9類主管告知氣候相關事宜一次。首席執行官則將至少每兩年向董事會匯報這些與氣候相關事宜一次，或在必要時增加匯報頻率，例如：在識別重大的氣候相關風險後或監管要求有重大變化時。

主管的角色與職責

主管負責領導及監察氣候相關的政策和投資策略的執行情況，並在投資管理流程和運作中落實與氣候相關的風險措施。他們亦會檢討就處理及管理氣候相關事宜而訂立的目標和相應的行動計劃。與此同時，他們會投放足夠的資源，以便支持有關團隊執行氣候相關風險管理的職務。定期了解管理氣候相關風險的工作情況及進度，他們會建立溝通渠道，包括每年至少與有關團隊會面一次，討論氣候相關事宜。他們亦會至少每年直接向首席執行官報告氣候相關風險的事宜一次。

投資與風險管理

氣候相關風險包括實體風險及轉型風險。鑑於這些風險可能會對投資和基金的表現造成影響，華泰香港採取了以下措施：

1. 關聯性及重大評估，以識別每項投資策略和受其管理的基金的重大氣候相關風險和潛在影響；
2. 氣候相關風險評估，以評估有重大氣候相關風險的基金； 以及
3. 將風險評估結果納入投資管理流程。

根據投資策略/資產類別和交易頻率，評估每隻基金與氣候風險的關聯性。截至 2021 年 12 月 31 日，兩隻基金被識別為與氣候相關風險並無關聯。我們將個別通知相關基金的投資者，並定期重新進行其關聯性評估。

對於被識別為與氣候相關風險有關聯的基金，將根據該基金的被投資公司的行業和主要經營地點進行重大性評估。如該基金被評估為具有重大氣候相關風險，華泰香港會為該基金進行定性氣候相關風險評估。反之，當氣候相關風險被評估為對該基金並未有重大影響時，其關聯性及重大性評估則將定期重新進行。

為了評估及管理氣候相關風險，華泰香港進行了定性氣候相關風險評估。基金內的被投公司的行業和主要經營地點會作為氣候相關風險評估的指標，從而在基金/投資組合層面評估投資組合是否不經意偏向具有高潛在氣候相關風險的行業或地點。關聯性、重大性、以及風險評估的結果都會納入投資流程，尤其於交易後的風險審查中，以確保該基金與投資理念及策略一致。

參與政策

當基金被評估為有極高的氣候相關風險時，華泰香港會積極地與相關的被投資公司進行對話與互動，繼而收集其氣候相關信息，並鼓勵該公司在適當的情況下納入氣候相關因素在其運營中。根據實際情況，華泰香港會考慮最合適的參與方式，例如：管理層會面、訪談、電話交談、書面信函等，亦會在適當情況下就氣候相關事宜行使代理投票權。

我們將每年向您更新與氣候相關風險的披露，並將任何重大更改通知您。如果您對我們的氣候相關風險管理有任何疑問，請隨時聯繫我們。

气候相关风险管理的披露

背景

气候变化是威胁人类福祉的主要风险之一，并日益被视为金融机构和企业的金融风险源头之一。作为负责的金融机构和基金经理，根据香港证券及期货事务监察委员会（“证监会”）于2021年8月20日发布的《致持牌法团的通函：基金经理对气候相关风险的管理及披露》，华泰金融控股（香港）有限公司（“华泰香港”）已更新其管治架构、投资及风险管理流程、参与政策及披露事宜。

管治

华泰香港董事会（“董事会”）及主要业务为第9类受规管活动的主管（“主管”）主要负责管理气候相关风险事宜。

董事会的角色与职责

董事会负责监督将气候相关因素纳入投资和风险管理中的流程，并监察就处理气候相关事宜而订立的目标的实践进度。

作为董事会代表及成员之一的首席执行官，至少每年由第9类主管告知气候相关事宜一次。首席执行官则将至少每两年向董事会汇报这些与气候相关事宜一次，或在必要时增加汇报频率，例如：在识别重大的气候相关风险后或监管要求有重大变化时。

主管的角色与职责

主管负责领导及监察气候相关的政策和投资策略的执行情况，并在投资管理流程和运作中落实与气候相关的风险措施。他们亦会检讨就处理及管理气候相关事宜而订立的目标和相应的行动计划。与此同时，他们会投放足够的资源，以便支持有关团队执行气候相关风险管理的职务。定期了解管理气候相关风险的工作情况及进度，他们会建立沟通渠道，包括每年至少与有关团队会面一次，讨论气候相关事宜。他们亦会至少每年直接向首席执行官报告气候相关风险的事宜一次。

投资与风险管理

气候相关风险包括实体风险及转型风险。鉴于这些风险可能会对投资和基金的表现造成影响，华泰香港采取了以下措施：

1. 关联性及重大评估，以识别每项投资策略和受其管理的基金的重大气候相关风险和潜在影响；
2. 气候相关风险评估，以评估有重大气候相关风险的基金； 以及
3. 将风险评估结果纳入投资管理流程。

根据投资策略/资产类别和交易频率，评估每只基金与气候风险的关联性。截至 2021 年 12 月 31 日，两只基金被识别为与气候相关风险并无关联。我们将个别通知相关基金的投资者，并定期重新进行其关联性评估。

对于被识别为与气候相关风险有关联的基金，将根据该基金的被投资公司的行业和主要经营地点进行重大性评估。如该基金被评估为具有重大气候相关风险，华泰香港会为该基金进行定性气候相关风险评估。反之，当气候相关风险被评估为对该基金并未有重大影响时，其关联性及其重大性评估则将定期重新进行。

为了评估及管理气候相关风险，华泰香港进行了定性气候相关风险评估。基金内的被投公司的行业和主要经营地点会作为气候相关风险评估的指标，从而在基金/投资组合层面评估投资组合是否不经意偏向具有高潜在气候相关风险的行业或地点。关联性、重大性、以及风险评估的结果都会纳入投资流程，尤其于交易后的风险审查中，以确保该基金与投资理念及策略一致。

参与政策

当基金被评估为有极高的气候相关风险时，华泰香港会积极地与相关的被投资公司进行对话与互动，继而收集其气候相关信息，并鼓励该公司在适当的情况下纳入气候相关因素在其运营中。根据实际情况，华泰香港会考虑最合适的参与方式，例如：管理层会面、访谈、电话交谈、书面信函等，亦会在适当情况下就气候相关事宜行使代理投票权。

我们将每年向您更新与气候相关风险的披露，并将任何重大更改通知您。如果您对我们的气候相关风险管理有任何疑问，请随时联系我们。