



2025 Climate-Related Risk Management Disclosure Report

Foreword

Climate-related risks continue to attract attention from international organisations, regulators and financial markets. More frequent extreme weather events and changes in energy and climate policy may affect companies' operations, supply chains and the value of financial assets. Through corporate operations, industrial transition and financing and investment activities, these risks can be transmitted to the financial system and have become important considerations in asset managers' investment analysis, risk identification and risk management.

Climate-related regulation and disclosure frameworks continue to evolve, while investors increasingly focus on investee companies' climate risk management, transition pathways and long-term resilience. Under the Securities and Futures Commission of Hong Kong (the "SFC") Fund Manager Code of Conduct (the "FMCC") and related requirements on climate-related risk management and disclosure, asset managers should identify and assess climate-related risks and take them into account in investment and risk management where appropriate. Doing so can improve portfolio risk identification and support long-term investment objectives.

GF International Investment Management Limited ("GFIIM", the "Company" or "we") is the wholly owned overseas asset management platform of GF Fund Management Co., Ltd ("GF Fund") . It was incorporated in Hong Kong in December 2010 and serves as a platform for the GF Fund's international development and for connecting domestic and international capital markets.

As a Hong Kong licensed asset manager and responsible investor, the Company makes climate-related risk management disclosures with reference to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and industry practice. Taking account of its business characteristics and the stage of development of its investment strategies, it is integrating climate considerations into investment research, risk identification and management, and will continue to strengthen its climate-related risk management framework.

About this report

This report publicly describes the Company's progress in climate-related investment and risk management. We seek effective dialogue with stakeholders on climate-related risks and continuous improvement in our management practices.

Reporting entity and scope

The reporting entity is GFIIM, which manages collective investment schemes (CIS) over which it has investment discretion and is responsible for their overall operation.

Reporting period

The assessments in this report are based on the funds and their holdings as at 31 December 2025.

Basis of preparation

This report has been prepared in accordance with the requirements of the SFC's Fund Manager Code of Conduct (FMCC) and its Circular to Licensed Corporations, Management and Disclosure of Climate-related Risks by Fund Managers.

Disclosure principles

This report aims to be truthful and accurate and applies the principle of proportionality to disclose climate-related risk management in a practical manner.

Publication and updates

This report is published in Chinese and English. In the event of any discrepancy, the Chinese version shall prevail.

Applying the principle of proportionality, the Company will publish this report on its website. We will review the disclosures periodically, update them where considered appropriate and inform fund investors of material changes as soon as practicable.

1. Governance

The Company manages climate-related risks through a structure comprising the Board of Directors (the “Board”), the Investment Decision Committee (the “Committee”) and the ESG Working Group, with delegated authority and regular reporting across these levels.

1.1 Board level — Board of Directors

The Board oversees the Company’s overall climate-related risk management. Its principal responsibilities are to:

- (1) Oversee the objectives and implementation plans for climate-related risk management.
- (2) Delegate relevant decisions, oversight and specific management responsibilities to the Committee.
- (3) Receive regular updates on climate-related risk management and approve the Committee’s annual report on responsible investment and climate-related risk management.

1.2 Senior management level — Investment Management Committee

Under the authority delegated by the Board, the Committee is responsible for specific decisions, oversight, guidance and reporting in climate-related risk management. Its responsibilities are to:

- (1) Implement the Board’s mandate, coordinate decisions and oversight, and report annually to the Board on implementation, risk controls and remediation.
- (2) Set the Company’s objectives and implementation plans for climate-related risk management.
- (3) Approve the Responsible Investment Policy, the ESG Working Group’s annual report and climate-related disclosures on the Company’s website.
- (4) Guide and oversee the methods, processes and implementation of responsible investment.
- (5) Guide and oversee the identification, assessment and management of climate-related risks.
- (6) Authorise and guide the ESG Working Group’s day-to-day operations, implementation, monitoring and policy revisions, and provide necessary resources.
- (7) Approve changes to the membership of the ESG Working Group.

1.3 Implementation level — ESG Working Group

The ESG Working Group comprises the Company’s Chief Executive Officer and Deputy General Manager, together with key personnel from the Investment, Legal and Compliance, and Risk Management Departments. Under the Committee’s authority, it is responsible for the day-to-day operation, implementation, monitoring and policy revisions of climate-related risk management arrangements. Its responsibilities are to:

- (1) Implement climate-related risk management in day-to-day operations, integrate climate-related risks into investment and risk management processes, and consider them in investment decisions.
- (2) Develop the basic principles, strategy and specific plans for climate-related risk management, including objectives, monitoring and reporting arrangements.
- (3) Revise the Responsible Investment Policy and submit them to the Committee for approval.
- (4) Report regularly to the Committee, submitting an implementation report at least annually and promptly reporting any material climate-related risk issue.

- (5) Promote a responsible investment culture through regular training on ESG, climate-related risks and new regulatory requirements, strengthening staff awareness of responsible investment and compliance.
- (6) Prepare disclosures on climate-related risks for the Company's website and fund documents in accordance with regulatory requirements and industry standards, review them regularly and update them as appropriate when material changes occur.

2. Strategy

The Company recognises that climate-related risks may affect its investment activities. Gradually integrating these risks into investment decisions and risk management is an important part of improving portfolio risk identification and management and meeting applicable requirements for licensed corporations.

The Company has made climate-related risk management a strategic priority. It has established a framework covering policies and processes, governance, implementation in investment decisions and disclosure, with defined responsibilities for execution and oversight.

By continuing to identify and assess exposures to physical and transition risks across investment strategies, the Company will refine its portfolio climate risk indicators, monitor and manage long-term portfolio resilience, and encourage companies to address climate-related risks.

3. Risk Management

3.1 Climate-related risks

The Company considers both physical and transition risks. Physical risks arise primarily from the effects of extreme weather and long-term climate change on issuers' assets and operations. Transition risks arise primarily from changes in policy, technology, markets and reputation. The Company assesses relevance and materiality in light of the asset classes, sector exposures, investment horizons and portfolio characteristics of the strategies concerned.

3.2 Climate-related risk management process

The Company integrates climate-related risks throughout investment and risk management. In pre-investment research, it considers climate-related risk indicators for entities for which public disclosures are available. In investment decisions, it selects material indicators appropriate to different strategies, product requirements and client needs. After investment, it continues to monitor indicators for portfolio holdings.

At the product level, the Company assesses the relevance and materiality of climate-related risks for its managed strategies or portfolios. It periodically reassesses funds or places them under closer review based on the results and complies with the requirements applicable to its size:

- (1) Where climate-related risks are relevant to a strategy or portfolio, the Company uses an appropriate method to assess the materiality of their impact.
- (2) Where these risks are relevant and material, the Company takes them into account in portfolio management.
- (3) Where climate-related risks are assessed as irrelevant to a strategy or portfolio, the Company discloses the strategy or portfolio to which the exception applies, documents its reasons and retains the records.
- (4) The Company reassesses portfolios assessed as "irrelevant" or "immaterial" at least annually. It also reassesses them promptly to ensure that the assessment conclusions remain accurate and compliant when there is a material change in the

strategy, portfolio allocation, investee risk profile or applicable regulatory requirements, and updates disclosures as required following a material change.

(5) For products requiring particular attention to climate-related risks, the Company may, subject to their objectives and constraints, strengthen research, monitor more frequently, consult the investment team, engage with issuers or consider the risks in investment decisions.

(6) If the assets of collective investment schemes under the Company's management reach or exceed HK\$8 billion for any three months, whether consecutive or in aggregate, in the previous reporting year, the Company will meet the SFC definition of a Large Fund Manager and become subject to the enhanced standards. It will work with specialist third parties on emissions data to measure and assess portfolio emissions, such as the portfolio carbon footprint, and potential impacts.

3.3 Monitoring climate-related risks

The Company uses appropriate methods to monitor climate-related risks throughout its risk management process. If it meets the SFC definition of a Large Fund Manager and becomes subject to the enhanced standards, it will work with specialist third parties on emissions data to measure and assess portfolio emissions, such as the portfolio carbon footprint, and potential impacts.

4. Metrics and Targets

4.1 Integration of climate-related risk indicators into investment management

The Company assesses the relevance and materiality of climate-related risks for products and investments in light of investment objectives, strategies, asset classes, investment horizons, industry characteristics and data availability. Where risks are relevant and material, it incorporates them into investment management.

In investment research, decisions and post-investment monitoring, the Company draws on public disclosures, third-party data and internal research to consider physical and transition risks in light of asset classes and strategies and assess material portfolio impacts.

4.2 Climate-related risk assessment metrics

- (1) The Company uses climate hazard data, public corporate information and third-party data to identify and assess physical risks affecting investments.
- (2) It uses publicly available and third-party emissions data, such as absolute emissions and emissions intensity, to identify and assess transition risks affecting investments.
- (3) If the Company meets the definition of a Large Fund Manager and becomes subject to the enhanced standards, it will assess portfolio exposure to climate-related risks and carbon performance and disclose Scope 1¹ and Scope 2 greenhouse gas emissions, or reasonable estimates, together with calculation methods, assumptions and limitations.
- (4) If the Company meets the definition of a Large Fund Manager and becomes subject to the enhanced standards, it will assess the relevance and utility of scenario analysis for its investment strategies. Where it considers scenario analysis relevant and useful, it will undertake forward-looking climate scenario analysis, consider changes in

¹ The definitions of "Scope 1" and "Scope 2" used here and below are taken from the Greenhouse Gas Protocol, jointly developed by the World Resources Institute and the World Business Council for Sustainable Development. Scope 1 refers to all direct greenhouse gas emissions. Scope 2 refers to indirect greenhouse gas emissions from the consumption of purchased electricity, heat or steam.

carbon prices and climate hazard risks under different scenarios, assess potential effects on investee and portfolio values, and conduct portfolio stress testing.

The Company is currently not a Large Fund Manager as defined by the SFC, so the enhanced standards do not currently apply to it as mandatory requirements. To draw on industry practice and continue improving its climate-related risk management, the Company may voluntarily refer to some enhanced standards where appropriate and practicable and assess portfolio climate-related risks and emissions indicators. These assessments are primarily intended to support investment and risk management. Subject to applicable laws and regulations, confidentiality obligations and relevant product disclosure arrangements, the Company may provide an appropriate explanation of the methods and results in response to reasonable requests from clients or investors.

4.3 Climate-related risk management objectives

The Company will continue to refine its assessment methods and management processes and strengthen quantitative monitoring of climate-related risks. In doing so, it seeks to improve its risk management and the resilience of its portfolios to climate-related risks. Through active ownership and sustained engagement, it will also encourage investee companies to improve climate-related risk disclosures and develop and implement low-carbon transition strategies, with a view to supporting sustainable long-term returns for investors.

4.4 Outlook

The Company will maintain a long-term investment approach, continue to monitor climate-related risks and opportunities, implement sustainable investment measures progressively and build its climate risk management capabilities. It will also explore sustainable investment practices, participate in sustainable development of capital markets and contribute to progress towards international climate-related goals.