Climate Risk Disclosures of BPI International Finance Limited ("BPI IFL" or "Company") 2023

TCFD Recommendation	TCFD Recommended Disclosure
Governance	BPI IFL's Board of Directors (the "Board") has primary responsibility for the oversight of the Company's approach to managing climate risks and opportunities, which is fundamental to the Company's climate resilience. The Board oversees the climate risk management strategy development and implementation, including but not limited to: •Setting of climate goals and actions; •Considering the climate-related risks and opportunities in a holistic manner and to ensure the Company business decisions are commensurate with the magnitude of climate risks; •Defining and articulating the roles and responsibilities for the Company's approach to addressing climate-related issues; and •Setting the Company's overall risk appetite and approving the risk appetite statement. The Board Level Risk Committee has been designated by the Board to be responsible for overseeing the Company's climate risk related issues.
	BPI IFL's management is responsible for the oversight and the provision of guidelines in the set-up of the Company's climate risk management which include : •Supervising the preparation of the Company's climate risk management and implementation of recovery actions; •Acting as the key contact person for the HKMA and the Board after activation of the climate risk management; •Leading the Company's activation and implementation of the climate risk management; and •Reviewing issues and leading the Company to build up actions related to the climate risk management.
Strategy	The business plan of the Company normally covers a time horizon of 1 to 5 years (short to medium horizon in the context of climate change). The business structure of BPI IFL is relatively simple and BPI IFL does not involve in the corporate client credit business or project which tends to expose to longer tenor climate risk exposure. Short to medium term strategy: BPI IFL will reduce the unnecessary business trips, having work from home arrangement and paperless policy to reduce the carbon footprints. Long term strategy: BPI IFL will monitor the trend of climate risk relevant issues and update the information to the Board periodically. Currently, BPI IFL does not have too much potential vulnerabilities from climate risk in the longer time horizon (e.g., over 10 years) unless there is significant change of its business strategy and risk exposure.
	BPI IFL imbeds the climate risk consideration into the key business operation process (e.g., customer on-boarding, product on-boarding, credit facility reviewing) Its strategy is to evaluate the material impact on the business operation and to mitigate the financial impacts on the business.
	Scenarios of climate risk are included in the stress testing of its business continuity plan ("BCP") and different climate-related scenarios are already imbedded in BPI IFL's operational resilience.

Risk Management	IFL incorporates climate-related risk considerations into its risk management framework, and establishes effective risk management processes to identify, measure, monitor, report, control and mitigate climate-related risks. The framework for managing climate-related risks is proportionate to BPI IFL's nature, scale and complexity of the business activities and the risks associated with those activities. BPI IFL has based on a comprehensive assessment on how and to what extent climate change would affect BPI IFL's risk exposures and business operations. In view of the unique characteristics of climate change, the financial, reputational and strategic risk implications have been properly addressed.
	BPI IFL identifies the high climate risk asset portfolios based on sectoral/geographical exposures and assesses the concentration risk. This is done by performing high-level identification of high-risk sectors/ geographical locations, followed by more detailed analysis of clients or transactional data. For physical risks, such analysis focuses on the physical location of a client's business operations and assets, potential physical disruption to the client's supply chain, as well as the potential implication on collateral valuations. For transition risks, risk criteria such as carbon emission, energy usage and sensitivity to climate policy may be applied to assess vulnerability of exposures to transition risk. However, the business strategy of BPI IFL is not highly related to the carbon emission or energy usage activities, therefore the transaction risk impact is relatively low.
	BPI IFL begins with identifying material climate-related risks at portfolio, counterparty and transactional level, by assessing the relevant financial implications over both short and longer-term horizons. Such assessments are carried out during the client on boarding, credit initiation and underwriting, credit evaluation, credit review and investment decision process. BPI IFL also assesses how the business activities may increase the risk of reputational damage, liability and/or litigation.
Metrics and Targets	A range of quantitative and qualitative tools and metrics are considered to facilitate monitoring, and to provide early warning signals for necessary actions. Timely and regular reporting is made to the Board to facilitate oversight.
	Currently, BPI IFL does not involve in greenhouse gas (GHG) emissions.
	BPI IFL follows the emission reduction target of its parent, the Bank of the Philippine Islands and will do its best to fulfil its targets and to implement the strategy of climate risk management effectively.