

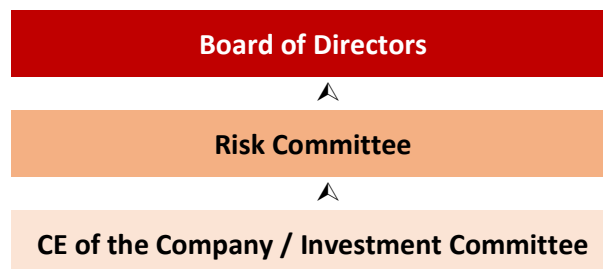
BPI International Finance Limited
Climate Risk Disclosure Statement
(the "Statement")
Nov 2022

Climate-related risks management is an area that has been continuously evolving and developing both locally and internationally in recent years and is one of the top regulatory agenda items globally. BPI International Finance Limited ("BPI IFL" or "Company"), as a wholly-owned subsidiary of the Bank of the Philippine Islands, is committed to provide long-term value for our clients while taking proactive steps to incorporating climate risk considerations into our investing philosophy.

1. Climate-Related Governance Structure

The Board of Directors of BPI IFL has the ultimate responsibility for the oversight of the Company's approach to managing risks and opportunities in the strategic direction of the Company, including the oversight of the management of climate related-risks in the asset management activities of which BPI IFL is acting as the investment manager. The Company's Risk Committee assists the Board in overseeing and reviewing major policies, procedures and practices of the risk management framework for BPI IFL's asset management activities. Any significant climate-related risks and issues would be escalated to the Board through different channels, such as via the Risk Committee and/or senior management through Board meeting.

The Board has delegated the oversight of the asset management activities to the Chief Executive ("CE") of the Company, supported by the Investment Committee and relevant departments. The Investment Committee and relevant departments will identify, measure, manage and monitor the status and progress of efforts in managing the physical and transition climate-related risks for each investment strategy adopted by the funds which BPI IFL manages. All the monitoring and the stress testing results (where appropriate) will be reported to the Risk Committee and escalated to the Board periodically to facilitate its oversight.



2. Investment Management and Risk Management

BPI IFL integrates climate-related risks into our investment and risk management process across asset classes and regions to enhance the sustainability of the investments we make on behalf of our clients. BPI IFL evaluates whether climate-related risks may affect a specific fund by considering its investment strategy, trading frequency, categories of investment (asset classes, sectors and/or geographical locations of the underlying), investment period and other features using a qualitative or quantitative approach or a combination of both. References to the standards and approaches of various international organisations will also be made. Where data is not readily available or cannot be reasonably estimated, we may also engage investee companies directly on the potential climate-related risks and opportunities.

BPI IFL may adopt different approaches in managing climate-related risks, including but not limited to reallocation of assets, exercising stewardship and active engagement as well as through proxy voting where appropriate. A range of quantitative and qualitative tools/metrics are considered to facilitate monitoring, and to provide early warning signals for necessary actions. Findings (if any) will be escalated to the Investment Committee and/or Risk Committee as needed. BPI IFL will review the existing investment philosophy and investment strategies and re-assess the relevance and materiality of climate-related risk on the funds we manage at least on an annual basis. For underlying investments which are managed by a third-party (e.g. feeder fund), BPI IFL will perform review on the underlying investment's fund manager regularly to monitor material non-compliance with the applicable regulatory requirements.

3. Disclosure

In respect of the climate-related risk disclosure, BPI IFL is required to apply the baseline requirements according to Securities and Futures Commission's requirements and make such entity level disclosures via the Company's corporate website. The contents of this Statement will be reviewed at least annually, or on an ad-hoc basis if there are material updates and changes.