



## DISCLOSURE ON INVESTMENT MANAGEMENT

### Incorporating ESG into Investment Decision-Making

Considerations of ESG factors are embedded in our investment processes. This is driven through the Investment Governance Framework (IGF), which governs all aspects of investment activity and represents best practice. With respect to ESG for the Investment function, ESG considerations have been structurally embedded through, amongst others, our Investment Standards on ESG, Research Process, and Proxy Voting. The ESG Standard describes AIA's philosophy towards ESG investment, establishes the Investment function's focus, the factors to be considered and sets out the functional ownership of ESG issues.

Given the increasing importance of ESG scores, representing best practice, and the insights that these can provide, AIA has developed internal ESG scores through our ESG Rating Scorecard. In designing this, AIA has reviewed and considered ESG assessment methodologies from leading international ESG ratings agencies and external investment managers. Our ESG Rating Scorecard quantifies the assessment by AIA research analysts of ESG risks and opportunities in our investee companies, and scores these across the individual Environmental, Social and Governance pillars. The methodology is based on a number of weighted factors and material themes including climate change, together with a number of industry- specific factors, and with independent points of reference provided by external data providers. The overall ESG assessment is then mapped to a five-grade scale from A to E, with A being the highest grade. The scorecard is designed to complement the fundamental analysis conducted by AIA's research analysts. This methodology enhances AIA's existing research process and has been externally validated to ensure fitness for purpose.

In addition, AIA has also developed a Third-Party Investment Manager ESG Assessment which considers their ESG practices, including the review of their approach to both ESG engagement with investee companies and assessment of ESG factors for investment decisions. Based on their responses in an ESG questionnaire (ESG DDQ) developed by Group Investment, the third-party investment manager is assigned a rating ranging from 'A' (excellent) to 'D' (below average).

With respect to consideration of relevance and materiality, the investment team have considered the factors relating to their specific type of investment product or asset class as follows:

1. Fixed Income
2. Fund of Funds

### Fixed income

The following steps were taken by the fixed income team in the review of the fixed income funds to assess the relevance and materiality of climate-related risks:

1. Relevance: Classify the fixed income fund as relevant, if the fund contains debt securities that may be exposed to climate-related risks.
2. Materiality:
  - a. Design materiality assessment methodology i.e. using market value of sector or issuer and identifying classification method for assessment.
  - b. Measure exposures by total market value on each sector for corporate bond fund (breakdown by Bloomberg Classification Level 4) and each issuer for government bond fund.
  - c. Review total actual exposure on defined climate-related risk sector(s) (taking into consideration of internal and external requirements) and country /region(s) (compared to ND-GAIN Country Index).
  - d. Define as “material” if the total exposure of climate-related risk sector(s) or country/region(s) is higher than a threshold level which is assessed and reviewed from time to time by AIMHK’s Head of Fixed Income and the relevant portfolio managers.
  - e. Monitoring of this process will be performed by AIMHK’s Compliance team, and portfolios will be reviewed on an annual basis in addition to ad hoc reviews when there is any significant change.

### Fund of Funds

Relevance Test: A fund-of-funds (including feeder funds) is considered to have relevant climate-related risks if any one of the underlying funds fails to meet any of the following criteria:

1. Investment objective of the underlying funds requires tracking a particular index passively (i.e. without any discretion); or
2. Investment manager of the underlying funds does not adjust the weights of portfolio constituents or excludes them from the portfolio based on their ESG ratings; or
3. Investment manager of the specific underlying funds does not manage the material climate-related risks of the portfolio constituents through exercising stewardship (e.g. proxy voting) or engage with index providers to enhance ESG considerations in index design.

Materiality Test: Once a FoFs is considered to have relevant climate-related risks as set out in the section above, it will then be considered to have material exposure to climate-related risk if the total exposure of the FoF’s investments in its underlying funds to climate-related risk is higher than a threshold level, which is assessed and reviewed from time to time by AIMHK’s Head of Fund-Of-Funds Investment and the relevant portfolio managers.

With respect to portfolio carbon footprint calculations, the investment teams calculate estimated figures on investment carbon footprint in tons of CO<sub>2</sub>e per million US Dollar invested and percentage of the data coverage. For direct investments, the emission data are sourced from MSCI (Bloomberg Terminal Output). For externally managed investments, the emissions data are obtained from three sources including Morningstar, Bloomberg and directly-reported data from external managers. Our calculation for portfolio carbon footprint is based on the SFC’s suggested formula as the follows:

$$\sum_N^i \left( \frac{\text{Current value of investment}_i}{\text{Investee company's enterprise value}_i} \times \frac{\text{Investee company's Scope 1 and Scope 2 GHG emissions}_i^{\text{a}}}{\text{Current portfolio value (\$ million)}} \right)$$

September 2024



## 投資管理的披露

### 將環境、社會及管治因素納入投資決策

我們已透過投資管治框架 (IGF)，將對環境、社會及管治因素的考量納入投資決策。該框架規管投資活動的所有方面，代表最佳實踐。至於投資部門的環境、社會及管治方面，環境、社會及管治考量因素已在架構上得到體現，被納入（其中包括）關於環境、社會及管治的投資準則、研究流程及代理投票中。該環境、社會及管治準則描述了友邦保險的環境、社會及管治投資理念，明確了投資部門的重點，列出了需要考慮的因素，以及部門對於環境、社會及管治成果的職能擁有權。

鑒於代表最佳實踐的環境、社會及管治評分的重要性與日俱增，以及其能提供的洞見，友邦保險透過環境、社會及管治評級評分卡，將內部環境、社會及管治評分融入我們的評估及研究流程之中。友邦保險已審核和考慮來自國際領先的環境、社會及管治評級機構和外部投資管理公司的環境、社會及管治評估方法，設計專屬環境、社會及管治評級評分卡。藉此，友邦保險研究分析員對我們所投資的公司在環境、社會及管治風險和機會所作出的評估可於個別的環境、社會及管治支柱上進行量化及評分。該方法基於若干加權因素和重大主題包括氣候變化以及若干行業特定因素，並由外部數據提供商提供獨立參考。其後將環境、社會及管治總體評估分為 A 至 E 的五個等級，A 為最高等級。該評分卡旨在補充友邦保險研究分析員所進行的基本因素分析。該方法改善現有的研究流程，並已經對外驗證，確保符合其目的。

此外，友邦保險亦已設立第三方投資經理環境、社會及管治評估，以考慮有關投資經理的環境、社會及管治實踐，包括審查與所投資公司在環境、社會及管治方面的議合協作，及作投資決定期間評估環境、社會及管治因素所採取的方法。根據投資經理對集團投資部門制定的環境、社會及管治問卷（ESG DDQ）的回應，第三方投資經理獲評為「A」（優異）至「D」（低於平均水平）不等的評級。

考慮相關性及重大性時，投資團隊考慮了以下與其特定投資產品類別或資產類別相關的因素：

1. 固定收益
2. 組合型基金

### 固定收益

固定收益團隊在審核固定收益基金時採用以下步驟，以評估氣候相關風險的相關性及重大性：

1. 相關性：倘固定收益基金包含可能面臨氣候相關風險的債務證券，則將其歸類為相關。
2. 重大性：

- a. 制定重大性評估方法，即使用行業或發行人的市值及識別分類方法。
- b. 按每個行業（就企業債券基金而言）（按彭博行業分類標準第 4 級細分）及每個發行人（就政府債券基金而言）的總市值衡量風險承擔。
- c. 審核已界定氣候相關風險行業（經考慮內部和外部規定）及國家 / 地區（相對於全球適應倡議國家指數（ND-GAIN Country Index））的實際總風險承擔。
- d. 倘氣候相關風險行業或國家/地區的總風險承擔高於由AIMHK固定收益主管和相關投資組合經理不時評估和審查的限制水平，則被定義為「重大」。
- e. AIMHK的合規團隊將監控此過程，除了在出現任何重大變化時進行臨時審核外，亦將每年審核投資組合一次。

## 組合型基金

相關性測試：倘任何一個組合型基金所投資的基金（簡稱投資相連基金）不符合以下任何一個準則，則組合型基金（包括聯接基金）被視為具有相關的氣候相關風險：

1. 投資相連基金的投資目標需要被動追蹤特定指數（即不具有任何投資酌情權）；或
2. 投資相連基金的投資經理並無根據其環境、社會及管治評級調整投資組成份股的權重或將其排除在投資組合之外；或
3. 特定投資相連基金的投資經理並無透過行使盡責管理權（例如代理投票）或與指數提供商合作以在指數構建過程中加強環境、社會及管治考慮，從而管理投資組成份股的氣候相關重大風險。

重大性測試：當組合型基金根據準則以上被視為具有氣候相關風險，若該組合型基金所投資於投資相連基金的總投資額的氣候相關風險超過由AIMHK基金投資主管和相關投資組合經理不時評估和審查的限制水平，則被視為具有重大氣候相關風險承擔。

至於計算投資組合碳足跡方面，投資團隊計算每百萬美元投資的估計碳足跡（以噸CO<sub>2</sub>e計算）及數據覆蓋的百分比。對於直接投資，排放數據來自MSCI（彭博終端輸出）。對於外部管理的投資，排放數據則來自三個來源，包括晨星、彭博和外部管理者直接報告的數據。我們的投資組合碳足跡計算基於證監會建議的公式，如下所示：

$$\sum_N^i \left( \frac{\text{投資現值}_i}{\text{被投資公司的企業價值}_i} \times \frac{\text{被投資公司的範圍 1 及範圍 2 溫室氣體排放量}_i}{\text{投資組合現值 (百萬元)}} \right)$$

2024年 9 月