



**CHINA UNIVERSAL  
ASSET MANAGEMENT**

## **Engagement Policy for Climate-related Risk**

**January 2026**

## **1. Overview**

The rise in global temperatures is considered as one of the significant and ongoing challenges to the world, and climate change has also been recognized as a source of risk and poses potential financial risks for businesses. To further optimize the investment and risk management processes of China Universal Asset Management (Hong Kong) Company Limited (the “Company” or “we”), the Company has already incorporated climate-related risks into our investment and risk management processes.

The purpose of this Engagement Policy for Climate-related Risk (the “Policy”) is set out to provide the guidelines for stewardship and engagement activities related to climate-related risk, which generally applies to collective investment schemes (“CISs”) managed by the Company with investment discretion.

## **2. Objectives**

The main objectives of the Company’s stewardship and engagement activities:

- to have a better understanding of target companies related to climate-related risk;
- to enhance the target companies’ awareness in relation to climate-related risk;
- to drive target companies to recognize the importance of climate-related risk; and
- to encourage target companies to improve its practices, disclosure or responsiveness to climate-related risk.

## **3. Engagement**

The Company considers that engagement is a critical tool to influence target companies toward sustainable business practices. We generally will not intervene in the day-to-day management or operation decisions of the target companies, where appropriate, the Company may conduct both unilateral and collaborative engagements primarily aiming to encourage :

- Governance enhancements to oversee climate-related risks
- Improvements in carbon emissions
- Transition to low-carbon business models
- Enhanced climate-related risk disclosures

The investment team and research team have been appointed to assist the Company in handling the stewardship and engagement activities. The investment team and research team may take various opportunities, and/or via our group company and/or its affiliates or other professional services providers (where appropriate), to communicate with target companies, including but not limited to site visits, direct meetings, conference calls and written correspondence with the management or designated personnels of target companies to discuss climate-related risk issues.

The investment team and research team, where appropriate, may also exercise voting rights to encourage target companies to improve their governance and/or practices in relation to climate-related risk.

Where an engagement matter materially influences performance and implicates the interests of several external stakeholders, the Company may consider pursuing collaborative engagement with the target companies and such stakeholders, thereby creating synergies to enhance the overall impact of the stewardship and engagement activities.

#### **4. Escalation**

The investment team and research team are responsible for climate related risks engagement follow up, and when necessary, report to the Chief Investment Officer and/or the Climate Related Committee of the Company. Any material concerns identified through engagement interactions may lead to escalation, for example, intensifying dialogues with senior management, issuing formal communications, collaborating with other investors to amplify influence, and, where necessary, exercising shareholder rights through voting against management proposals on material issues of the target companies. If these measures prove ineffective, the Company shall take such actions as considered appropriate and necessary including without limitation, consider reducing or divesting its exposure to the target company to safeguard long-term value and stakeholder interests.

#### **5. Review**

This Policy is formulated and interpreted by the Company and this Policy will be reviewed from time to time and at least annually to ensure the continued appropriateness and effective implementation.