


Content

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Content :	<p>Order of the Financial Supervisory Commission (FSC)</p> <p>Issue date: 11 January 2022 Issue number: Financial-Supervisory-Securities-SITC-1100365536</p> <ol style="list-style-type: none">1. Under Article 12, paragraph 6, subparagraph 9 and Article 39, paragraph 2, subparagraph 14 of the Regulations Governing Offshore Funds.2. When a master agent offers and sells environmental, social, and corporate governance (ESG) themed offshore funds, the investor information summary shall specify the following:<ol style="list-style-type: none">A. Investment objectives and measurement standards: Specify the main sustainable investment focus and objectives of the ESG offshore fund and explain the relation between the ESG standards or principles adopted and the investment focus. (Reference may be had, for example, to domestic and foreign generally accepted ESG taxonomies or disclosure standards, including but not limited to sustainability standards drawn up by international organizations, such as international standards issued by the United Nations, the EU taxonomy for sustainable activities, the Global Reporting Initiative, and the Sustainability Accounting Standards Board). An offshore fund is required to set one or more sustainable investment objectives and specify the assessment criteria to measure the degree of realization of the sustainable investment objectives.B. Investment strategy and method: Specify the investment strategy type adopted by the fund manager of the offshore fund to achieve the sustainable investment objectives, the specific method of integrating ESG factors into the investment process, the process of considering relevant ESG factors (e.g., filters, metrics, ratings, third-party certifications or labels), and the assessment and measurement methods for these factors.C. Allocation of investment weight: Specify the minimum proportion of the offshore fund's net asset value that is invested in ESG related priority targets and explain how the overall use of the fund assets can be ensured not to cause significant damage to the sustainable investment objectives.D. Reference performance benchmark: If an ESG performance benchmark has been set for the offshore fund, specify the characteristics of the benchmark and whether the benchmark is consistent with the relevant ESG investment priorities of the ESG offshore fund.E. Exclusion policies: Specify whether there are exclusion policies for the ESG offshore fund investment and the types of exclusion.F. Risk warnings: Describe any risks related to the offshore fund's ESG investment priorities (e.g., Methodological and data limitations, lack of standard taxonomy, subjective judgement in investment choices, reliance on third-party sources, concentration risk on specific ESG investment priorities).G. Stewardship: Specify the applicable stewardship policy of the offshore ESG fund and its implementation method (including the frequency and methods of paying attention to ESG issues of investee companies, interacting with management, participating in shareholder meetings, and exercising voting rights, etc.)3. For an existing offshore fund named with an ESG theme (e.g., ESG, sustainability, green, lower carbon, energy transition or revolution, alternative energy, environmental protection, water resources, environment, social responsibility, etc.), the master agent shall, within 6 months from the issuance of this Order, specify in the investor information summary the

information required under the preceding point, and submit the investor information summary to the Financial Supervisory Commission (FSC) for approval. If the content does not comply with requirements or the master agent fails to amend the investor information summary, the caveat "This fund is not an environmental, social, or corporate governance themed fund" shall be appended to the name of the fund. Furthermore, the following note shall be added to the investor information summary: "This fund is not an environmental, social, or corporate governance themed offshore fund. It does not disclose important content relating to sustainability in accordance with the 11 January 2022 Order No. Financial-Supervisory-Securities-SITC-1100365536 of the Financial Supervisory Commission." Furthermore, if such an offshore fund's name includes "ESG" or "sustainability", the Chinese name of the fund shall be modified.

4. If there are plans for an existing offshore fund not named with an ESG theme to be renamed as an ESG themed offshore fund, the master agent shall specify in the investor information summary the information required under Point 2 and submit the investor information summary to the FSC for approval.

5. The master agent shall disclose the following regular assessment information on ESG themed offshore funds to investors on the master agent's website within 2 months after the end of each fiscal year:

A. The actual investment weighting of the offshore fund's asset composition that conforms to the ESG investment strategy and selection criteria.

B. If a reference performance benchmark has been set, a comparison of the differences between the offshore fund's ESG screening criteria and the benchmark with respect to the screening criteria for constituent securities.

C. Stewardship actions that have been taken to achieve the sustainable investment focus and objectives of the offshore fund (e.g., interacting with management of investee companies, participating in shareholder meetings, and exercising voting rights, etc.)

6. This Order is effective from this day forward.