

22 March 2021

### **JK Capital management releases its ESG inclusion policy**

JK Capital has been a long-term supporter of integrating Environmental, Social and Governance (ESG) considerations into investment processes. Although the emphasis on sound governance practices has been established and well-implemented at JK Capital since the inception of the firm in 1997, reliable environmental and social quantitative data was not available in the market until recently to enable full ESG integration and analysis. To enhance ESG-related information availability and expand our engagement network, JK Capital spearheaded the campaign by becoming a UNPRI signatory in 2017 and more recently joined the Task Force on Climate-related Financial Disclosures (TCFD) and CDP (a global disclosure organisation that focuses on environmental impact).

JK Capital has decided to take a step forward and published its *Firm Responsible Policy* and *ESG inclusion at JK Capital* as part of its collective efforts to embrace a more sustainable approach for its operations and investments at the firm and portfolio level.

Drafted under the belief that convincing investee companies to adopt best practices can only be achieved by applying the same set of values and principles to ourselves first, the *Firm Responsible Policy* aims to demonstrate our goodwill in being a responsible investor in our daily work and to showcase our commitments in sustainability and responsibility. This policy provides guidelines for employees' day-to-day activities in the following three categories:

- **ESG Firm Awareness** – cultivating a higher level of ESG awareness among our staff
- **Environmental Sustainability** - running our operations in an environmentally responsible and sustainable manner
- **Social Impacts** – delivering positive social impacts through philanthropic actions

At JK Capital, we believe that a thorough analysis of ESG related issues is crucial to understand a company's long-term sustainability and profitability, which in turn helps us generate alpha for our investors. To achieve systematic ESG integration at the portfolio level, the *ESG inclusion at JK Capital* describes in details the five interconnected pillars which are implemented throughout the investment processes:

- **Negative Screening**
- **Materiality Analysis**
- **The ESG Picture and its trajectory**
- **The Governance emphasis**
- **Active Engagement**

With comprehensive ESG guidance at both the firm and the portfolio levels, JK Capital strives to deliver long-term, sustainable value to our investors and stakeholders all along our ESG journey.

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