

# FIRM RESPONSIBLE POLICY

January 2022

## Contents

|   |   |
|---|---|
| <b>Background</b> .....                   | 1 |
| <b>ESG Firm Awareness</b> .....           | 2 |
| <b>Environmental Sustainability</b> ..... | 3 |
| <b>Social Impact</b> .....                | 5 |

## Background

JK Capital became a United Nations Principles for Responsible Investment (UNPRI) signatory in 2017 with the belief that investing in companies with a sustainable framework in all matters relating to Environmental, Social and Governance (ESG) contributes to building a better society.

JK Capital also joined the CDP and TCFD initiatives in 2021 to expand our network and deepen our knowledge of sustainability and climate change challenges.

Many of the firm's ESG commitments rely on engaging with our investee companies to identify, assess and manage ESG-related risks and opportunities that have been identified.

We believe that convincing investee companies to change and adopt best practices can only be achieved by applying the same values and principles to ourselves first.

This Policy aims to demonstrate our goodwill in being a responsible investor in our daily work and to showcase our commitments in sustainability and responsibility.

## ESG Firm Awareness

At JK Capital, we believe that cultivating ESG awareness of employees is the cornerstone of implementing an effective ESG integration. A series of ESG-related events are held on a regular basis to enable analysts and portfolio managers to develop an ESG-conscious mindset, and therefore facilitate the process of fully integrating material ESG considerations in our bottom-up investment research.

External and internal ESG events:

- Monthly ESG awareness sessions
- ESG knowledge dedicated trainings
- Forum and networking events
- ESG conferences and webinars

### ***The Beyond the Standard Action:***

Among the different themes addressed during our Monthly ESG Awareness sessions, one was about the challenges the recycling industry faces in the Western world, its impact on China, and more recently on South East Asia. It triggered some discussions about how environmental matters can impact our daily actions, our research, and how it can help us generate new investment ideas.

The purpose of these ESG Awareness sessions is precisely to attain such goal: To develop the responsible behaviour of our staff, their ESG mindset and help generate new investment ideas.

## **Environmental Sustainability**

JK Capital is committed to protecting the environment by running our operations in an environmentally responsible and sustainable manner. We recognize that reducing and, where possible, eliminating the environmental impacts of our activities is an important part of our mission as stewards of environmental sustainability. We strive to be a leader among asset managers in achieving environmental excellence. We work closely with our employees each time we design new initiatives that are aimed at contributing to the environment and reducing our footprint.

JK Capital's guiding practices to preserve resources, to reduce waste, and to contribute to the sustainability of the environment are summarised below:

- a. Energy Conservation
  1. Turn off lights when not in use and use natural light when possible.
  2. Turn off all computers, Bloomberg terminals, printers, and other office equipment at the end of each workday.
  3. Activate the power-down features on computers and monitors to enter into a low-power or sleep mode when not in use.
  4. Unplug equipment that drains energy even when not in use (e.g. cell phone chargers, fans, coffee makers, water kettles).
  5. Utilise video-conferencing and conference calls as an alternative to travelling whenever possible.
  
- b. Reduction of Materials Consumption
  1. Avoid using paper by distributing and storing documents electronically.
  2. Use double-sided printing and print two-pages per side of paper whenever possible.
  3. Use the backside of old documents as scrap paper and photocopies.
  
- c. Reduce Fossil Fuel Consumption and Air Pollution
  1. Ride mass transit and other forms of public transportation whenever possible.

2. Use carpools or vanpools, when possible, over single use cars.

d. Minimise Waste and Promote Recycling

1. Use durable reusable beverage containers, plates, and utensils.
2. Print documents in black and white or grayscale whenever possible.
3. Recycle paper, paper products, plastic, binders, folders, catalogs, boxes, bottles, cans, batteries, electronics, toner and ink cartridges.
4. JK Capital is providing reusable masks to its staff during the Covid 19 pandemic. This policy is meant to reduce the use of single-use masks that have become a major source of pollution across the globe.

***The Beyond the Standard Action:***

We decided to replace our distilled water fountain that uses 18L plastic containers and that is ubiquitous in Hong Kong. Despite being re-usable and made of plastic PET BPA Free (Polyethylene Terephthalate and Bisphenol-A), these containers end up being transformed into microplastic that ends up in the ocean, poisoning sea creatures.

Instead, we opted to use a lifetime warranty water filtration system that uses tap water. This filtration system removes 99.999% of chlorine, viruses, harmful pathogenic bacteria, heavy metals, and hazardous contaminants without removing the important minerals already present in the water. As a result, we are able to offer a better-quality water to our staff, with much reduced negative impact on the environment.

## Social Impact

JK Capital strives to constantly deliver positive social impact through philanthropic efforts made by the firms and its staff. We aim to foster a culture of social responsibility among employees and are willing to participate in charitable events to support a wide variety of social causes.

All employees of the firm are welcome to propose initiatives that are meant to have a positive social impact on society while contributing to the team building efforts of the firm. The management of the firm has the flexibility to allocate budgets to sponsor such events. Employees of the firm are invited to participate to such events but are never obliged to. Such events will be considered as a normal business day if they take place on a weekday and will not count as a holiday.

### ***The Beyond the Standard Action:***

JK Capital took part in the 2021 Virtual Corporate Challenge organised by RUN Hong Kong, a charity event for supporting refugees and asylum seekers in Hong Kong. By donating cash to the charity organisation and having 10 members of our staff participate in several runs around Hong Kong over a two-week period, we endeavoured to promote the cause of the thousands of stateless refugees of Hong Kong while the firm contributed to providing financial support to them.

*The information contained herein is issued by JK Capital Management Limited. To the best of its knowledge and belief, JK Capital Management Limited considers the information contained herein is accurate as at the date of publication. However, no warranty is given on the accuracy, adequacy or completeness of the information. Neither JK Capital Management Limited, nor its affiliates, directors and employees assumes any liabilities (including any third party liability) in respect of any errors or omissions on this report. Under no circumstances should this information or any part of it be copied, reproduced or redistributed.*