

# Task Force on Climate-Related Financial Disclosure

## J.P. Morgan Asset Management

### 2025 Report – Hong Kong Addendum

#### Introduction

This Hong Kong Addendum is prepared for J.P. Morgan Asset Management Hong Kong (“JPMAM(Hong Kong)”, “we” or “our”), an asset manager operating in Hong Kong as part of J.P. Morgan Asset Management (“JPMAM”). This Hong Kong Addendum is supplemental to and should be read in conjunction with [JPMAM 2025 Global Climate Report](#) (the “JPMAM Global Climate Report”), and together with this Hong Kong Addendum, the “report”). They together provide disclosures on how JPMAM(Hong Kong) considers climate-related risks and opportunities in the assets it manages, in accordance with the Fund Manager Code of Conduct issued by the Hong Kong Securities and Futures Commission (“SFC”) as of August 2022 and in line with the Taskforce on Climate-Related Financial Disclosures (“TCFD”) recommendations.

Within JPMAM(Hong Kong), (1) JPMorgan Funds (Asia) Limited (“JPMF(A)L”), with assets under management of \$23.9b USD as of 31 December 2024, acts as the manager of the JPMorgan Funds (Unit Trust Range) and JPMorgan Provident Funds; (2) JPMorgan Asset Management (Asia Pacific) Limited (“JPMAM(AP)L”), with assets under management of \$123.9b USD as of 31 December, 2024, is delegated with investment management responsibilities for JPMorgan Funds (Unit Trust

Range) and JPMorgan Provident Funds. JPMAM(AP)L also acts as the manager of JPMorgan SAR Funds, while providing investment management and advisory services to other mutual funds and segregated accounts.

JPMAM is the marketing name for the investment management businesses of JPMorgan Chase & Co. As a global asset management group, JPMAM seeks to adopt a consistent approach in its strategy and management of client assets, including with respect to climate risks and opportunities.

Please note, all data in this addendum and the [JPMAM Global Climate Report](#) is as of 31 December 2024, with a reporting period of 1 January 2024 to 31 December 2024.

We hope you find the contents of this addendum informative.



**Ms. Elisa Ng,**  
CEO, AM Hong Kong, Head of HK Funds and  
Institutional Business

#### Governance

**Board** The board of JPMAM(AP)L is chaired by the Chief Administrative Officer of JPMAM(Hong Kong). The board of JPMF(A)L is chaired by Chief Executive Officer of J.P. Morgan Asset Management Hong Kong. The role of each board is to effectively oversee and manage the respective legal entities’ businesses. Both boards of JPMAM(AP)L and JPMF(A)L meet on a quarterly basis.

Board-level oversight on climate-related risks and opportunities follows the framework adopted by JPMAM globally. For details, please refer to the “Governance – Board and Committee Oversight” section of the [JPMAM Global Climate Report](#). In particular, the boards of JPMAM(AP)L and JPMF(A)L provide oversight of senior management and challenge the respective legal entities’ business activities and controls. Their responsibilities also include oversight of sustainability-related matters, including climate risk strategy for managed funds.

The Sustainable Investing Oversight Committee (“**SIOC**”) serves as a single point of ongoing strategic oversight, decision-making, review, and assurance across the key components of sustainable investing. SIOC oversees sustainable investing activities globally, including certifying new strategies as environmental, social and governance (“**ESG**”) integrated, as part of JPMAM’s business strategy to help clients manage climate risks and opportunities.

The Investment Stewardship Oversight Committee (“**ISOC**”) serves as a single point of ongoing strategic oversight, effective decision making, review, and assurance across the key components of investment stewardship. This includes corporate engagement and proxy voting. The committee reviews any regulatory driven changes to policies, disclosures and approaches for investment stewardship, including JPMAM’s annual Investment Stewardship Report.

In APAC, from a risk and controls oversight perspective, SIOC escalates risk and controls issues, including climate-related risks to the AM Business Control Committee, regional Business Control Committee (“**APAC BCC**”), the AM Bank Fiduciary Committee (for specific fiduciary responsibilities) and in turn, the relevant legal entity board, where appropriate.

The ISOC follows the same escalation path. The ISOC met for the first time in March 2025.

JPMAM’s APAC Head of Sustainable Investing Specialists team or the delegate attends JPMAM(AP)L and JPMF(A)L board meetings as a standing invitee and provides climate-related updates, along with any escalations from the APAC BCC.

As part of the boards’ oversight, members of JPMAM(AP)L and JPMF(A)L boards are presented with the risk management framework covering climate-related risks as described in this report. The risk management framework is also reviewed by senior management within our Sustainable Investing and Stewardship team and the APAC Head of Risk, as required.

The following Hong Kong based investment heads are responsible for providing the boards with updates relating to climate-related matters for funds where JPMAM(AP)L or JPMF(A)L has investment management responsibilities:

- APAC Head of Equities
- APAC Head of Fixed Income, Currencies & Commodities
- APAC Head of Liquidity
- APAC Head of Multi-Asset Solutions

Separately, JPMAM’s APAC Head of Risk attends JPMAM(AP)L and JPMF(A)L board meetings as a standing invitee, and, as outlined in the “Risk Management” section of the [JPMAM Global Climate Report](#), is responsible for independent risk oversight and challenge, including climate-related items presented to the boards of JPMAM(AP)L and JPMF(A)L.

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**Management** Management accountability of climate-related risks follows the global framework adopted by JPMAM. For more details, please refer to the “Governance – Management Oversight” section of the [JPMAM Global Climate Report](#).

As part of the global framework, JPMAM has local management within APAC which is assigned with responsibilities for managing climate-related risks. The following are examples of some relevant functional groups with members based in Hong Kong:

- Sustainable Investing and Stewardship Team: Provides sustainable investing expertise including information on climate-related risks and opportunities that can be applied across asset classes and may assist in the development of investment solutions for clients. The team also develops proprietary ESG, climate, and sustainable outcomes driven research, oversees climate-related proxy voting matters and defines company and industry level engagements on our stewardship priorities.
- Investment Groups: Accountable for the performance of relevant funds / strategies and contribution to clients' risk and return objectives, including consideration of financially material climate-related risks and opportunities.
- JPMAM Risk Team: Provides independent challenge, monitoring and review of the investment process, including climate-related risk factors.

The Hong Kong Location Management Meeting, chaired by JPMAM's CEO of AM Hong Kong and attended by heads of various business teams and control functions of JPMAM(Hong Kong), meets on a quarterly basis and provides a high level forum to discuss and agree on solutions to issues affecting the business in JPMAM(Hong Kong), including climate-related risks and considerations.

JPMAM's APAC Head of Sustainable Investing Specialists team or the delegate attends the Hong Kong Location Management Meeting as a standing member and provides climate-related updates as required.

The APAC Sustainable Investing and Stewardship team also provides trainings on ESG-related topics to staff. For example, the team provides in person and virtual trainings as part of region wide training meetings to client advisors, investment teams and other stakeholders of JPMAM(Hong Kong) on investment stewardship.

## Strategy

In identifying and assessing the impact of climate-related risks and opportunities, JPMAM(Hong Kong) adopts the strategy that JPMAM implements globally.

1. ESG integration across asset classes
2. Identifying climate-related risks and opportunities for investments held in fund accounts across time horizons
3. Developing tools and methodologies to improve insights on climate-related risks
4. Offering investment strategies for clients with specific climate goals
5. Engaging with portfolio companies on climate change risks and opportunities specific to such companies
6. Adopting AM Risk Framework to better manage climate-related risk

For more information, please refer to the "Strategy" section of the [JPMAM Global Climate Report](#).

As an asset manager, JPMAM understands its primary duties as a fiduciary, managing assets on behalf of clients. JPMAM also understands that our clients have diverse investment preferences that are designed to meet their own long-term financial objectives and supports the clients in meeting their objectives, recognizing that some may also have long-term sustainability related goals. For those clients who do have long-term sustainability related financial goals, JPMAM uses data-driven research and leverages the expertise of the dedicated Sustainable Investing Research Team to support these clients in achieving their goals.

JPMAM is committed to helping the clients achieve their financial goals and offers a wide range of investment products, many of which do not have a sustainability focus. Clients are free to invest in any product which best suits their long-term financial goals. The existence of investment products which have a sustainability focus does not influence the portfolio strategy or constrain the investment universe of any other portfolio.

In its role as an investment manager, JPMAM has developed and continues to expand a range of dedicated sustainable investment solutions which go beyond ESG integration, typically by screening or tilting portfolios based on sustainability-related criteria that may or may not be financially material or by focusing on specific environmental or social themes.

As of the date of this Report, JPMAM(HK) manages two Hong Kong unit trusts which are registered as ESG funds with the SFC – JPMorgan Sustainable Infrastructure Fund, JPMorgan Future Transition Multi-Asset Fund – both of which adopt a thematic strategy. JPMorgan Funds – Emerging Markets Sustainable Equity Fund, a SICAV sub-fund which adopts a best-in-class strategy, is also registered as an ESG fund with the SFC<sup>1</sup>.

As part of JPMAM's engagement policy, JPMAM's Hong Kong based Investment Stewardship team, led by JPMAM's Head of Investment Stewardship (Asia excluding Japan), engages with investee companies based in Asia, excluding Japan, to encourage enhanced disclosure of ESG and climate-related data. These engagements include encouraging companies facing climate-related risks to provide details of their own decarbonization planning and improve climate change risk disclosures, and, for those planning to capitalize on opportunities, to demonstrate their competitive advantage. For more information, please refer to the "Strategy – Considering climate in our investment stewardship" section of the [JPMAM Global Climate Report](#).

Voting on climate-related shareholder proposals is another important way of expressing JPMAM's views, where JPMAM thinks the relevant investee company's management could better manage climate-related financial risk. JPMAM's voting policies are designed to promote the best long-term interests of its client accounts. For more information, please see JPMAM's Global Proxy Voting Guidelines [here](#).

Examples of climate-related engagement with Hong Kong listed companies:

In 2024, we continued to prioritize engagement with demand-side companies (i.e. users) in relation to fossil fuels and encouraged them to set scientifically credible emissions-reduction targets and transition plans, where necessary, to mitigate financially material risks arising from their reliance on fossil fuels.

#### **Company A: A Chinese Solar Glass Manufacturer**

We have been actively engaging with a Chinese solar glass manufacturer to gain insights into its climate strategy and emission targets, advocating for the establishment of mid to long-term goals. The company has set ambitious 2025 targets for Scopes 1 and 2 carbon intensity and energy consumption intensity. To achieve these goals, we understand that it is undertaking retrofitting projects across all its factories to transition from fuel oil to natural gas as energy source and is installing solar PV systems on factory rooftops.

<sup>1</sup> SFC authorisation is not a recommendation or endorsement of a fund nor does it guarantee the commercial merits or ESG attributes of a fund or its performance. It does not mean the fund is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

Additionally, we understand the company is in the process of setting new targets for the period beyond 2025. We have recommended expanding its climate disclosure to include Scope 3 emissions data to meet the disclosure requirements under the Hong Kong Stock Exchange's listing rules.

Our engagements with the company highlight the challenges and progress in its ESG journey. While the company is receptive to suggestions, significant efforts are needed to meet carbon intensity targets, enhance transparency, and align governance with sustainability goals. The company remains committed to exploring opportunities in overseas markets and developing strategies to meet future targets, and we will continue to monitor its progress in achieving its climate-related goals.

#### **Company B: A Chinese Home Appliance Manufacturer**

Our engagement with the company focused on understanding its climate-related strategy, especially given the complexities of its extensive global network of subsidiaries and factories. These complexities pose challenges in accurately mapping emissions data and setting effective targets.

The company has disclosed its Scopes 1 and 2 greenhouse gas emissions, along with partial Scope 3 data, and has established a carbon intensity target for 2030. We have recommended that the company enhance its Scope 3 reporting by expanding the categories and broadening the scope of emission data to encompass all global operations. We are pleased to see the company has embarked on a digitalization initiative across all operations, embedding carbon emission mapping into its digital platform to track the lifecycle emissions of its products.

We were interested in how the company is embracing growth opportunities arising from increasing consumer demand for electronic goods that consume less energy and have a lower environmental impact. The company elaborated that it has integrated sustainability concepts from the design stage, with each business unit setting targets for the number of energy-efficient products. However, there has been limited information about the execution of this and its offering of these energy-efficient products. We encouraged it to provide more detailed disclosures to enhance transparency and accountability. Additional information could help investors evaluate the impact of its green products.

## **Risk Management**

JPMAM recognises the importance of effective identification, monitoring and management of climate-related risks and opportunities across its business.

JPMAM(Hong Kong) leverages JPMAM's firmwide internal controls framework and continue to develop processes to capture the potential impacts of climate-related risks. For more information, please refer to the "Risk Management" section of the [JPMAM Global Climate Report](#).

At JPMAM, it has three lines of defense to manage risks in client portfolios. These lines work together but with distinct responsibilities to provide oversight over business activities, including climate-related risks.

Investment teams are responsible for developing and maintaining effective internal controls and are the primary risk owners, or the first line of defense. Within the first line of defense, financially-material climate related risks are considered as part of ESG integration and managed within portfolios that are determined to be ESG-integrated under JPMAM's governance process.



Compliance, Conduct and Operational risk is responsible for the independent governance and oversight of the first line of defense, including the timely escalation of identified issues to the relevant management committee.

JPMAM Risk is the second line of defense for managing climate-related risk, providing independent oversight and effective challenge of the risk management process, including measuring, monitoring and managing risk thresholds to review investment, liquidity and counterparty risks. Climate-related risks are considered part of Sustainable Investing Risk Oversight.

JPMAM's Sustainable Investing Risk Oversight Framework monitors material ESG metrics globally and their consideration in the investment process of JPMAM's strategies. The framework covers JPMAM (Hong Kong). On a quarterly basis, the monitoring results are reviewed to determine material outliers to escalate to senior management.

It is also important to note the internal audit function, our third line of defense, will consider the robustness of the risk management framework in managing climate-related risks as part of its risk-based cycle audit plan at global and regional levels.

## Metrics & Targets

JPMAM(Hong Kong) contributes to the metrics and targets that JPMAM adopts firmwide in assessing the progress of its efforts in managing climate-related risks. For details, please refer to the "Metrics and Targets" section of the [JPMAM Global Climate Report](#).

In line with the SFC requirements, with respect to the funds for which JPMAM(Hong Kong) is responsible for the overall operation ("In-scope Funds"), JPMAM(Hong Kong) calculates the portfolio carbon footprints based on the positions of the respective in-scope Funds as at their financial year ends. These portfolio carbon footprints are set out in the Appendix to this document.

The formula used for the calculation of the portfolio carbon footprints (see below) is in line with the methodology recommended by the SFC and Partnership for Carbon Accounting Financials (PCAF). This metric identifies the Scope 1 and Scope 2 greenhouse gas (GHG) emissions of a portfolio's underlying investments and is disclosed at the portfolio level.

$$\text{Carbon footprint (tonnes CO}_2\text{e/million invested (USD))} = \frac{\sum_{i=1}^N \left[ \frac{\text{Investment}_i \times \text{Emissions}_i}{\text{EVIC}_i} \right]}{\text{AUM}}$$

where:

**Emissions<sub>i</sub>** are the greenhouse gas emissions of company *i*, in tonnes of CO<sub>2</sub> equivalent

**Investment<sub>i</sub>** is the total value invested in company *i*

**AUM** is the total size of the portfolio

**EVIC<sub>i</sub>** is the enterprise value (including cash) of company *i*, in million USD, defined as "the sum of the market capitalization of ordinary shares at fiscal year-end, the market capitalization of preferred shares at fiscal year-end, and the book values of total debt and minorities' interest" (PCAF)

Currently, JPMAM uses carbon footprint data from third party data vendors to measure the carbon exposure of investment portfolios across public equity and corporate bonds. Where emissions data are not available, gaps are filled following a hierarchical approach consisting of an emissions estimate model from its data vendor and an internal emissions data gap filling methodology which uses industry / sub-industry averages<sup>2</sup>. For more details, please refer to the "Metrics and Targets – Bridging Emissions Data Gaps" section of the [JPMAM Global Climate Report](#).

<sup>2</sup> While JPMAM looks to data inputs that it believes to be reliable, JPMAM cannot guarantee the accuracy, availability or completeness of its proprietary system or third-party data. Under certain of JPMAM's investment processes, data inputs may include information self-reported by companies and third-party providers that may be based on criteria that differ significantly from the criteria used by JPMAM, which often include forward-looking statements of intent and are not necessarily factbased or objectively measurable. In addition, the criteria used by third-party providers can differ significantly, and data can vary across providers and within the same industry for the same provider. Such data gaps could result in the incorrect, incomplete or inconsistent assessment of an ESG practice and/or related risks and opportunities.

## Appendix - Portfolio Carbon Footprints

In-Scope Funds with Financial Years Ended on 30 June 2025

Fund Name	As of 30 June 2025	
	Portfolio Carbon Footprint (Tons CO2e/USD mn invested)	Portfolio Coverage (% AUM)
<b>JPMorgan Provident Funds</b>		
JPMorgan Provident Capital Fund	75.79	57.55
JPMorgan Provident European Fund	64.10	97.99
JPMorgan Provident Global Bond Fund	137.36	58.78
JPMorgan Provident Greater China Fund	36.14	99.61
JPMorgan Provident Growth Fund	60.52	73.53
JPMorgan Provident High Growth Fund	54.79	82.28
JPMorgan Provident HK\$ Money Fund	2.03	64.90
JPMorgan Provident Hong Kong Fund	37.02	99.47
JPMorgan Provident Stable Capital Fund	80.33	72.76
JPMorgan Provident US\$ Money Fund	0.24	72.34
JPMorgan Provident Balanced Fund	70.37	66.42
<b>JPMorgan SAR Funds</b>		
JPMorgan SAR American Fund	25.39	99.65
JPMorgan SAR Asian Bond Fund	150.49	58.33
JPMorgan SAR Asian Fund	56.18	97.78
JPMorgan SAR European Fund	64.10	97.99
JPMorgan SAR Global Bond Fund	139.27	60.35
JPMorgan SAR Greater China Fund	36.14	99.61
JPMorgan SAR HK\$ Bond Fund	85.39	62.07
JPMorgan SAR Hong Kong Fund	37.02	99.47
JPMorgan SAR Investment Grade Corporate Bond Fund	38.66	84.21
JPMorgan SAR Japan Fund	31.33	99.08
JPMorgan SAR China A-Shares Fund	246.85	74.33
JPMorgan SAR Pan Asia Fund	57.39	95.18

For JPMorgan Provident Plan, please refer to the portfolio carbon footprints of JPMorgan Provident Funds above, each representing an investment portfolio under the JPMorgan Provident Plan.

## Appendix - Portfolio Carbon Footprints

In-Scope Funds with Financial Years Ended on 30 September 2025

Fund Name	As of 30 September 2025	
	Portfolio Carbon Footprint (Tons CO2e/USD mn invested)	Portfolio Coverage (% AUM)
<b>JPMorgan Hong Kong Unit Trust</b>		
JPMorgan Sustainable Infrastructure Fund	70.03	99.28
JPMorgan ASEAN Fund	69.67	99.25
JPMorgan Asia Equity Dividend Fund	42.10	98.31
JPMorgan Asia Equity High Income Fund	41.56	93.48
JPMorgan Asia Growth Fund	24.65	96.20
JPMorgan Asian Smaller Companies Fund	79.95	96.72
JPMorgan Asian Total Return Bond Fund	177.52	60.52
JPMorgan China A-Share Opportunities Fund	66.29	98.68
JPMorgan China Equity High Income Fund	200.54	76.36
JPMorgan China Pioneer A-Share Fund	72.84	99.13
JPMorgan Europe High Yield Bond Fund	29.26	38.35
JPMorgan Europe Equity High Income Fund	59.86	67.84
JPMorgan Evergreen Fund	69.16	80.54
JPMorgan Future Transition Multi-Asset Fund	36.29	92.21
JPMorgan Global Bond Fund	140.13	66.73
JPMorgan Global Investment Grade Bond Fund	168.56	64.21
JPMorgan Japan (Yen) Fund	23.66	97.71
JPMorgan Korea Fund	127.80	98.41
JPMorgan Money Fund - HK\$	0.39	77.91
JPMorgan Multi Balanced Fund	40.76	70.44
JPMorgan Multi Income Fund	60.03	73.85
JPMorgan Pacific Securities Fund	18.83	97.68
JPMorgan Pacific Technology Fund	18.17	98.28
JPMorgan Thailand Fund	194.68	98.60
JPMorgan Vietnam Opportunities Fund	179.13	96.85
JPMorgan Global Equity High Income Fund	35.68	81.40
JPMorgan India Fund	99.05	99.29
JPMorgan India Smaller Companies Fund	71.32	99.96

The information herein has been provided for information and disclosure purposes only. It should not be construed as investment advice, or an offer to sell, or a solicitation of an offer to buy any security, investment product or service.

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