

Task Force on Climate-Related Financial Disclosure

J.P. Morgan Asset Management

2023 Report – Singapore Addendum

Introduction From Ms. Sherene Ban, CEO of JPMorgan Asset Management (Singapore)

J.P. Morgan Asset Management (Singapore) Limited (“**JPMorgan Asset Management (Singapore)**”) is an asset manager with assets under management of \$47.8b USD as of 30th June 2023, operating in Singapore as part of J.P. Morgan Asset Management (“**JPMAM**”). J.P. Morgan Asset Management is the marketing name for the investment management businesses of JPMorgan Chase & Co. and its affiliates worldwide.

This Singapore Addendum is complementary to and should be read in conjunction with “J.P. Morgan Asset Management 2023 Global TCFD Report” (the “**2023 Global TCFD Report**”, and together with this Singapore Addendum, this “**Report**”). They together provide disclosure in accordance with the Guidelines on Environmental Risk Management for Asset Managers issued by the Monetary Authority of Singapore in December 2020.

Recognizing that climate risk is the pre-eminent environmental risk, we have aligned this Report to the recommendations of the Task Force on Climate-Related Financial Disclosures (“**TCFD**”), specifically its Supplemental Guidance for Asset Managers.

This is the second year that we publish the Report. It builds on our sustainability work and looks to provide insights into our approach and developing commitment to integrate climate-related considerations in our business and investment processes. Given the scale and complexity of the global climate transition, managing financially material climate-related risks and opportunities is important to our role in serving our diverse client base.

We will continue to evolve and enhance our disclosure, in line with industry developments and regulatory requirements.

We hope you find this Report informative.



Ms. Sherene Ban,
Chief Executive Officer,
JPMorgan Asset Management (Singapore)

Governance

Board

The Board of JPMorgan Asset Management (Singapore), chaired by Ms. Sherene Ban, Chief Executive Officer (CEO) of JPMorgan Asset Management (Singapore), meets on a bi-annual basis. Board-level oversight and escalation of 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 **2023 Global TCFD Report**.

Members of the Board of JPMorgan Asset Management (Singapore) are also presented with the **2023 Global TCFD Report** (including this addendum) and more specifically the relevant risk management frameworks which are reviewed alongside senior management within our Sustainable Investment (SI) team and the APAC Head of Risk as required.

JPMAM’s APAC Lead Sustainable Investing Strategist or her delegate also attends Board meetings as a standing invitee, and provides climate and other environmental, social and governance (ESG) risks training and updates to the Board as required.

Management

Sustainable Investing Oversight Committee (SIOC) serves as a single point of ongoing strategic oversight, effective decision-making, review, and assurance across the key components of sustainable investing. It is responsible for oversight and governance of ESG integration processes of JPMAM. Where and when escalation specific to APAC is required from a controls and risk oversight perspective, escalation from SIOC is to the APAC Business Control Committee (APAC BCC). As mentioned in the previous section, JPMAM's APAC Lead Sustainable Investing Strategist or her delegate would then escalate matters to the Board of JPMorgan Asset Management (Singapore) as required. For more details, please refer to the "Governance – Management oversight" section of the **2023 Global AM TCFD Report**.

The Singapore Business Management Meeting, chaired by Ms. Sherene Ban, CEO of JPMorgan Asset Management (Singapore) meets on a monthly basis and was established to provide a high level forum to discuss and agree on solutions to issues affecting the business in JPMorgan Asset Management (Singapore), including any climate-related risks and considerations as and when they arise. Where applicable, JPMAM's APAC Lead Sustainable Investing Strategist or her delegate may participate in the Singapore Business Management Meeting or organize separate classroom trainings / workshops to provide climate-related risk training and updates on an ad-hoc basis.

Strategy (including Stewardship and Engagement)

In identifying and assessing the impact of climate-related risks and opportunities, JPMorgan Asset Management (Singapore) adopts the strategy that JPMAM implements globally. In particular, in actively managed strategies deemed by JPMAM to be ESG integrated under our governance process, we systematically assess financially material ESG factors including climate-related risks in our investment decisions with the goals of managing risk and improving long-term returns. For clients with sustainability objectives, JPMAM also continues to develop a range of dedicated sustainable investment solutions which go beyond ESG integration, typically by screening or tilting the portfolio based on sustainability-related criteria that may or may not be financially material. For more information, please refer to the "Strategy" section of the **2023 Global TCFD Report**.

As part of JPMAM's engagement policy, our APAC based Investment Stewardship team, led by JPMAM's Head of Investment Stewardship (Asia ex Japan), engages with investee companies to actively 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 those planning to capitalize on opportunities to demonstrate their competitive advantage. Voting on shareholder proposals relating to climate change is another important way of expressing our views where we think company management should be encouraged to better manage climate risk they actually face. For more information, please refer to the "Strategy – Considering climate in our investment stewardship" section of the **2023 Global TCFD Report** and the **JPMAM 2022 Investment Stewardship Report**.

Risk Management

JPMorgan Asset Management (Singapore) adopts JPMAM’s firmwide internal controls framework and has multiple 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. For details, please refer to the “Risk Management” section of the **2023 Global TCFD Report**.

In 2022, JPMAM launched the Sustainable Investing Risk Oversight Framework globally to monitor material ESG metrics and their consideration in the investment process of JPMAM’s strategies. The framework covers JPMorgan Asset Management (Singapore). 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 will consider the robustness of JPMorgan Asset Management (Singapore)’s risk management framework in managing climate-related risks, as part of its independent review within a risk-based cycle audit plan.

Metrics & Targets

JPMorgan Asset Management (Singapore) is a component of 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 **2023 Global TCFD Report**.

The portfolio carbon footprints based on the portfolio holdings as of 30th June 2023 for funds managed by JPMorgan Asset Management (Singapore) are set out in the **Appendix (Portfolio Carbon Footprint)** below.

The formula used for the calculation of the portfolio carbon footprints (see below) is in line with the TCFD guidelines. This metric identifies the carbon footprint of Scope 1 and Scope 2 greenhouse gas (GHG) emissions of a portfolio’s underlying investments and is disclosed at the portfolio level.

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

where:

I_i is a scope marker, equal to 1 for assets in scope and with available (reported or estimated) data (0 otherwise)

Emissions_i are the greenhouse gas emissions of company i , in tonnes of CO₂ equivalent

Investment_i is the total value invested in company i

AUM is the total size of the portfolio

EVIC_i 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)

As part of calculating the emissions data of underlying holdings in client portfolios, JPMAM uses Trucost data as the emissions data source to measure the carbon exposure of investment portfolios across public equity and corporate bonds, and data from MSCI for sovereign debt. Where emissions data is not available, gaps are filled following a hierarchical approach consisting of a Trucost emissions estimate model and an internal data gap filler policy using industry / sub-industry averages. For more details, please refer to the “Metrics and Targets – Bridging emissions data gaps” section of the **2023 Global TCFD Report**.

Appendix (Portfolio Carbon Footprint)

Fund Name	Portfolio Carbon Footprint (Tons CO ₂ e/USD mn invested)	Portfolio Coverage (% AUM)
JPMorgan Funds - China A-Share Opportunities Fund	42.56	99.92
JPMorgan Funds - ASEAN Equity Fund	105.71	99.42
JPMorgan ASEAN Fund	103.97	100
JPMorgan Thailand Fund	218.85	100
JPMorgan Vietnam Opportunities Fund	492.15	100
JPMorgan Malaysia Fund	138.99	100
JPMorgan Indonesia Fund	272.11	100
JPMorgan Philippine Fund	163.36	100

*Calculated as at 30th June 2023