

# Environmental Social & Governance Report



2019

JPMORGAN CHASE & CO.

# Message from Our Chairman & CEO

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As the world contends with the human and economic impacts of the COVID-19 pandemic, JPMorgan Chase is bringing the full force of our firm to lift up those we serve around the world.

No matter the challenge, we manage our company consistently with principles that have stood the test of time. These include maintaining robust risk, financial and operating controls; having an unwavering devotion to our customers and communities; investing in and supporting our employees; creating a culture that reinforces integrity, fairness and responsibility; and advancing sustainability in our business and operations.

The current crisis underscores why these principles are so critical. Our ongoing focus on environmental, social and governance matters has made our firm stronger and more resilient, which allows us to do even more to take care of our clients, customers, employees and communities during this difficult time.

The impact of COVID-19 will no doubt provide lessons about what everyone could have done better to prepare to face an emergency of this scale. At the same time, I am hopeful it will demonstrate what can be achieved when business, government and civil society mobilize to tackle pressing global challenges.

Climate change is one such issue that has the potential to have profound consequences for people and our economy. That is why our firm is growing our capabilities to finance sustainable development and climate action, as well as calling for coordinated policy solutions that can help all of us effectively confront this threat.

Diversity and inclusion is another priority for our firm, and we are taking steps to strengthen our culture and ensure these issues are top-of-mind when we develop products and services, serve customers, help employees and support communities. Our firm has long recognized that a diverse and inclusive company is a stronger and more successful company. We are committed to doing the ongoing work required to create and maintain the culture to which we aspire.

In the face of today's unprecedented challenges, JPMorgan Chase is doing what we always have, even in the most difficult of times: We put our business to work for the good of all our stakeholders. In this report, I invite you to learn more about how we do that.

**Jamie Dimon**

Chairman & CEO, JPMorgan Chase & Co.

# Introduction

Environmental, social and governance (ESG) considerations are integrated into the policies and principles that govern our business. This includes having robust governance systems, risk management and controls; striving to serve our customers exceptionally and transparently; investing in our employees and cultivating a diverse and inclusive work environment; working to strengthen the communities in which we live and work; and advancing sustainable solutions for our clients and within our operations. JPMorgan Chase's long-standing emphasis on running our business in this manner has made our firm strong, resilient and well positioned to support our clients, customers, employees and communities across the globe, even in times of crisis such as the current COVID-19 pandemic.

## About This Report

JPMorgan Chase & Co. (JPMorgan Chase) is committed to communicating regularly and transparently about how we manage and conduct our business. We share information about our ESG performance through a number of channels—including various reports and presentations, regulatory filings, press releases and conversations with stakeholders. We maintain a dedicated [ESG page](#) on our website to facilitate access to the wide range of information and resources that we publish on ESG topics. This annual ESG Report is designed to summarize our work on key topics that we and our stakeholders view as important to our business, and to guide readers to where they can access more detailed information about specific topics of interest. All data in this report are as of December 31, 2019, unless otherwise noted.

This ESG Report is intended to be a companion to our 2019 Annual Report and 2020 Proxy Statement. It also includes updates to our 2019 climate report, "Understanding Our Climate-Related Risks and Opportunities," which was informed by the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). The TCFD is an industry-led effort to establish a voluntary and consistent approach to disclosing climate-related financial risks.

This ESG Report has also been informed by other reporting standards and guidance, including the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB). Two separate indices, available on [our website](#), map our firm's disclosures related to these frameworks' indicators and recommendations.

# Company at a Glance

JPMorgan Chase is a leading global financial services company with assets of \$2.7 trillion as of December 31, 2019. The firm is a leader in investment banking, financial services for consumers and small businesses, commercial banking, financial transaction processing and asset management. A component of the Dow Jones Industrial Average, JPMorgan Chase serves millions of consumers in the U.S. as well as many of the world's most prominent corporate, institutional and government clients, under its J.P. Morgan and Chase brands.

JPMorgan Chase's activities are organized, for management reporting purposes, into four major reportable business segments, as well as a Corporate segment. The business segments are referred to as lines of business. For further information on our business segments, refer to Business Segment Results on pages 60-78 of our Annual Report on Form 10-K for the year ended December 31, 2019.

## Consumer & Community Banking (CCB)

Consumer & Community Banking serves consumers and businesses through bank branches, ATMs and digital (including mobile and online) and telephone banking. Consumer & Community Banking offers home and auto loans, deposit and investment products, cash management and payment solutions, and issues credit cards to consumers and small businesses.

## Corporate & Investment Bank (CIB)

The CIB offers a broad suite of investment banking, market-making, prime brokerage, treasury and securities products and services to a global client base of corporations, investors, financial institutions and government and municipal entities.

## Commercial Banking (CB)

Commercial Banking provides comprehensive financial solutions including lending, wholesale payments, investment banking and asset management products across three primary client segments: Middle Market Banking, Corporate Client Banking and Commercial Real Estate Banking.

## Asset & Wealth Management (AWM)

Asset & Wealth Management serves institutions and individuals, including pension and sovereign wealth funds, central banks, retail investors and many of the world's wealthiest individuals and families. Asset & Wealth Management offers investment management across most major asset classes, as well as brokerage and banking services. The majority of AWM's client assets are in actively managed portfolios.

For information about the firm's financial performance, please refer to the firm's [quarterly earnings](#) materials as well as quarterly and annual reports on [Form 10-Q](#) and [Form 10-K](#), respectively.

# Our Key Environmental, Social and Governance Topics

As a global financial services company, JPMorgan Chase manages a broad range of ESG matters. This report is designed to focus on those we have identified as among the most relevant to our business and of the greatest interest to our stakeholders. Our firm has an ongoing process to reassess the topics covered in our ESG Report and identify new ones for inclusion. This process includes discussions with subject matter experts from across our businesses and analysis of the feedback we receive and insights we gain through our regular engagement with stakeholders (see p. 6). We also monitor ESG trends, standards and practices related to our industry and ESG reporting and disclosure guidance.

We have reaffirmed that the broad categories we had identified remain relevant for our firm. In this year's report, we have added more discussion of our approach to managing climate-related risks and opportunities, as part of our firm's sustainability strategy.

## The following topics are discussed in this report:

Promoting Sound Governance	<ul style="list-style-type: none"> <li>▶ Board leadership and management processes</li> <li>▶ Ethical culture</li> <li>▶ Control environment</li> <li>▶ Cybersecurity</li> <li>▶ Political engagement and public policy</li> </ul>
Serving Our Customers	<ul style="list-style-type: none"> <li>▶ Engagement with retail customers and consumer organizations</li> <li>▶ Fair and transparent marketing and advertising</li> <li>▶ Data security</li> <li>▶ Products and services for a diverse retail customer base</li> <li>▶ Promotion of consumer financial health globally</li> </ul>
Investing in Our Employees	<ul style="list-style-type: none"> <li>▶ Talent attraction, retention and development</li> <li>▶ Compensation and benefits for our employees</li> <li>▶ Diverse and inclusive culture</li> </ul>
Supporting Our Communities	<ul style="list-style-type: none"> <li>▶ Use of investment and philanthropic capital to expand access to economic opportunity in the communities where we do business</li> </ul>
Advancing Sustainability	<ul style="list-style-type: none"> <li>▶ Integration of environmental and social issues into due diligence and analysis</li> <li>▶ Assessment of climate-related risks and opportunities</li> <li>▶ Financial solutions that generate positive environmental and social impacts</li> <li>▶ Partnerships with organizations to advance sustainable development</li> <li>▶ Management of the environmental impacts of our buildings and branches, including energy use, greenhouse gas emissions, water and waste</li> </ul>

More information about how these topics align with the GRI Standards reporting framework, including how we define topic boundaries and the GRI topics and disclosures we report, can be found in our [Global Reporting Initiative Index](#).

# Stakeholder Engagement

Our firm has a broad range of stakeholders, including shareholders, employees, regulators and policymakers, customers and clients, research analysts and communities. Ongoing and proactive engagement with these groups makes our company stronger and better informed. It helps us gain valuable insight into our stakeholders' perspectives and the topics that matter to them. It better enables us to develop products, services and programs that are responsive to their needs. This engagement also allows us to share information about our firm's strategy, practices and performance.

Responsibility for engaging with stakeholder groups is widely shared across our firm's lines of business and corporate functions, and we engage through numerous channels. For example:

## Shareholders

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We interact and communicate with shareholders through our Investor Day, quarterly earnings calls, Securities and Exchange Commission filings, Annual Report and Proxy Statement, annual meeting of shareholders, investor conferences, web communications and other forums. We conduct a formal shareholder outreach program focused on topics including corporate governance, the firm's strategy and performance and matters related to the Proxy Statement. In these meetings, we solicit shareholders' perspectives and share information about our management of a range of matters, including ESG topics. For example, the main areas of focus of our fall 2019 meetings were executive compensation, corporate governance and climate change strategy. After each of these outreach programs, we share feedback from our investors with our Board. In 2019 we reached out to our top 100 and select other shareholders, together representing over 50% of our outstanding common stock, and received feedback from shareholders representing approximately 45% of the firm's outstanding common stock across more than 60 engagements.

We also engage in dialogue outside of these more formal channels. These engagements provide us with useful feedback, which we consider when developing the strategic direction for the firm.

## Employees

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We share information with our employees and gather their input through our global Employee Opinion Surveys, regular town hall and small group meetings, blogs and newsletters, online suggestion tools via our intranet and other forums. We also have a variety of mechanisms through which employees can fulfill their obligation to report any known or suspected violation of our Code of Conduct, company policies or laws that govern our business. This includes our toll-free Code Reporting Hotline, which is operated by an independent third party and offers translation services. Employees can contact the hotline to report concerns 24 hours a day, seven days a week.

## Regulators and Policymakers

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We strive to maintain an open, ongoing dialogue with our global supervisory regulators and a broad array of other policymakers. Our senior leaders and Directors commit a significant amount of their time to meeting with our regulators and policymakers, providing opportunities for us to hear firsthand about their priorities and to keep them informed about developments in our businesses. In addition, our businesses and control functions engage with regulators—for example, through exams and continuous monitoring, regular meetings and ad hoc requests. We share reports with regulators on a range of matters. We also seek feedback about whether they are getting the right level, quality and frequency of information.

## Customers and Clients

We use multiple channels to solicit and respond to our consumer banking customers' feedback about our products, services and organization as a whole. Customers may communicate with us directly in our branches, via surveys, through our website and our various social media channels, and by phone or mail. We also regularly engage with and solicit feedback from our corporate, institutional, public sector and other clients through multiple channels, including individual meetings, conferences and other forums.

## Research Analysts

We provide a wide range of information to members of the investment community, including financial and ESG analysts and researchers, through reports, presentations, regulatory filings, conferences and publications on our website, as well as by responding to surveys and specific information requests. We also engage with analysts and researchers through calls and meetings.

## Communities

Within our communities, we engage with nonprofit organizations on matters that are important to consumers and our business. For example, through the Chase Advisory Panel program, our senior executives engage with national consumer policy groups to discuss issues related to the firm's products, policies, customer-facing practices and communications and public policy issues. In addition, through the JPMorgan Chase *PolicyCenter* we develop and advance policies at the federal, state and local levels designed to drive inclusive economic growth and strengthen communities (see p. 24). We also have philanthropic relationships with nonprofit organizations focused on making a positive impact in local communities and cities around the world.

## Additional Online Resources



The ESG page on our website provides links to numerous JPMorgan Chase publications, documents, policies and other sources of information about various ESG topics, including:

- ▶ [Annual Report](#)
- ▶ [Business Principles](#)
- ▶ [Code of Conduct](#)
- ▶ [Code of Ethics for Finance Professionals](#)
- ▶ [Corporate Governance Principles](#)
- ▶ [Diversity and Inclusion](#)
- ▶ [Environmental and Social Policy Framework](#)
- ▶ [Equal Opportunity, Anti-Discrimination and Anti-Harassment Statement](#)
- ▶ [How We Do Business—The Report](#)
- ▶ [Human Rights Statement](#)
- ▶ [JPMorgan Chase \*PolicyCenter\*](#)
- ▶ [Our Impact](#)
- ▶ [Political Engagement and Public Policy Statement](#)
- ▶ [Proxy Statement](#)
- ▶ [Supplier Information](#)
- ▶ [TCFD Climate Report](#)
- ▶ [U.K. Modern Slavery Act Transparency Statement](#)

For additional information, please visit  
[www.jpmorganchase.com/ESG](http://www.jpmorganchase.com/ESG).

# Promoting Sound Governance

Our firm has robust structures, processes and controls designed to support and promote accountability, transparency and ethical behavior—and we continually evaluate and enhance them to help us operate to the highest standards of performance in everything we do. Equally critical, we seek to create and reinforce a strong and healthy culture in which employees feel respected and empowered to do what is right for all of our stakeholders.

## Leadership and Governance

Outstanding people, strong leadership and effective governance and controls are the foundation of our success. Our senior management team develops the company's strategic direction and oversees its execution, while our Board of Directors provides oversight of management's performance. In addition, senior management and the Board are charged with demonstrating, communicating and reinforcing the company's commitment to doing business in accordance with our corporate standards and Business Principles.

### Board of Directors

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Our Directors are a diverse group who bring a strong combination of executive experience and skills aligned with our business and strategy. Apart from our CEO, all of our Directors are independent, under the standards established by the New York Stock Exchange and the firm's Corporate Governance Principles. We have a Lead Independent Director who is appointed annually by the independent Directors and facilitates independent Board oversight of management. At our 2019 annual meeting, our shareholders elected to our Board 11 Directors, including two women Directors and two black Directors. In 2020, two of our Directors decided to retire when their terms expire and one new Director has been nominated for election. Of the 10 individuals nominated at our 2020 annual meeting on May 19, 2020, three are women and one is black.

The firm's Corporate Governance Principles and the charters of the Board's five principal standing committees establish a framework for the governance of the Board and oversight of the firm. Among their responsibilities, the committees oversee a range of matters pertaining to ESG topics. For example:

- ▶ The Compensation & Management Development Committee (CMDCC) reviews and approves the firm's compensation and benefit programs and oversees the firm's culture, which includes reviewing feedback from employees and cultural initiatives and updates from management regarding significant conduct issues and related employee actions. As part of its oversight responsibilities, the committee also reviews the relationship among risk, risk management and compensation in light of the firm's objectives, including the avoidance of practices that would encourage excessive or unnecessary risk-taking.
- ▶ The Corporate Governance & Nominating Committee provides oversight of the governance of the Board of Directors, including evaluation and recommendation of Director candidates. JPMorgan Chase seeks Director candidates who uphold the highest standards, are committed to the firm's values and are strong, independent stewards of the long-term interests of shareholders, employees, customers, suppliers and the communities in which we work. In addition to considering candidates who have the combined professional skills, experience, personal qualities, balance of tenure and collegiality needed for an effective and engaged Board, the Board looks for individuals who will contribute diverse viewpoints and perspectives to enhance its independent oversight.
- ▶ The Risk Committee provides oversight of management's responsibility to implement an effective global risk management framework reasonably designed to identify, assess and manage the firm's risks. The committee approves applicable risk policies and reviews certain associated frameworks, analysis and reporting established by management.



- ▶ The Audit Committee assists the Board in its oversight of management's responsibilities to ensure that there is an effective system of controls reasonably designed to safeguard the assets and income of the firm and maintain compliance with the firm's ethical standards, policies, plans and procedures, and with laws and regulations.
- ▶ The Public Responsibility Committee provides oversight of the firm's positions and practices on matters such as community investment, fair lending, sustainability, consumer practices and other issues that reflect the firm's values and impact its reputation.

Our annual [Proxy Statement](#) includes details about the membership and responsibilities of these committees.

## Management

The design of our management structure is intended to encourage effective leadership that is consistent with our corporate standards and promotes a strong corporate culture. We manage our firm on a line-of-business basis, while also maintaining strong corporate functions and appropriate governance of our subsidiaries. Within each line of business, the management structure mirrors that of the firm as a whole.

Our firm's most senior management body is the Operating Committee, which is responsible for developing and implementing corporate strategy and managing operations. As of December 31, 2019, women held 50% of the seats on the Operating Committee.

## Executive Compensation

Our firm's compensation philosophy is designed to be responsive to and aligned with shareholders' interests and encourages a shared success culture in support of our Business Principles and strategic framework. Our approach is driven by our recognition that the long-term success of our firm depends in large measure on the talents of our employees and alignment of their compensation with performance, business strategy and sustained shareholder value.

The CMDC of the Board maintains independent oversight of our compensation programs, including executive compensation. In determining compensation for Operating Committee members, the CMDC uses a balanced and discretionary approach to assess performance against four broad dimensions over a sustained period of time: (i) Business Results; (ii) Risk, Controls & Conduct, including feedback received from the firm's risk and control professionals; (iii) Client/Customer/Stakeholder, including our engagement in communities; and (iv) Teamwork & Leadership, including creating a diverse, inclusive and respectful environment and developing employees, managers and leaders. These performance dimensions consider short-, medium- and long-term priorities that drive sustained shareholder value, while accounting for risk, controls and conduct objectives.

The intent of our compensation program is to incentivize long-term, sustainable decision making and to hold individuals accountable, when appropriate, for meaningful actions or issues that negatively impact business performance or the firm's reputation. We maintain policies and procedures that enable us to take prompt and proportionate actions with respect to accountable individuals, including (i) reduction or elimination of annual incentive compensation; (ii) cancellation of unvested awards; (iii) clawback of previously paid compensation; and (iv) other employment-related actions, including termination of employment.

We regularly review our compensation program and actively seek out and consider feedback in making potential changes. In 2019, 72% of our shareholders voted in favor of our annual advisory resolution to approve executive compensation. In response to shareholder feedback, the CMDC made enhancements to certain features of the long-term equity awards made to the Operating Committee for 2019, including revising the payout calculation methodology, setting appropriately rigorous absolute payout thresholds and updating the relative payout scale. The CMDC also made several enhancements to our executive compensation disclosures. Our [Proxy Statement](#) has a Compensation Discussion and Analysis section that includes further details of our executive pay program.

# Our Corporate Culture

Having clear and consistent policies and processes is essential to sound governance, but creating a corporate culture that reinforces and rewards adherence to them is equally vital. Our efforts focus on fostering an environment where all employees uphold the highest ethical standards and our Business Principles in all of their engagements. We reinforce these expectations through various channels and by encouraging our senior leaders to communicate clearly and frequently with employees.

Our efforts are also focused on promoting a culture of respect that allows every employee to feel safe and empowered at work. This includes having in place employee training and protocols for preventing, reporting and addressing behavior that is not in line with our Business Principles and standards. The firm prohibits retaliation against any individual who reports a concern or assists with an inquiry or investigation.

At the Board level, the CMDC provides oversight of the governance framework of our firmwide culture, including receiving updates from management regarding significant conduct issues. In addition, the CMDC holds a periodic joint session with the Risk Committee in which Directors are briefed on culture- and conduct-related matters.

# Our Control Environment

Our control agenda is a top priority for the firm, and we devote significant resources to adhering and adapting to the substantial number of regulatory expectations and reporting requirements that guide our industry. We have a culture and infrastructure that emphasize compliance and issue escalation and remediation, as well as checks and balances designed to prevent issues and address those identified before they become problems. We regularly engage regulators in dialogue as we develop appropriate remediation plans.

The firm's overall objective is to manage its businesses, and the associated risks, in a manner that balances serving the interests of its clients, customers and investors and protects the safety and soundness of the firm. Risks are generally categorized in the following risk types:

- ▶ Strategic risk is the risk to earnings, capital, liquidity or reputation associated with poorly designed or failed business plans or inadequate response to changes in the operating environment.
- ▶ Credit and investment risk is the risk associated with the default or change in credit profile of a client, counterparty or customer; or loss of principal or a reduction in expected returns on investments, including consumer credit risk, wholesale credit risk and investment portfolio risk.
- ▶ Market risk is the risk associated with the effect of changes in market factors, such as interest and foreign exchange rates, equity and commodity prices, credit spreads or implied volatilities, on the value of assets and liabilities held for both the short and long term.
- ▶ Operational risk is the risk associated with an adverse outcome resulting from inadequate or failed internal processes or systems; human factors; or external events impacting the firm's processes or systems; it includes compliance, conduct, legal and estimations and model risk.

Our firm continuously seeks ways to strengthen our control environment and to simplify and appropriately mitigate risk in our operations. We dedicate significant financial and human resources to managing these efforts across the company.

Our control environment, which is supported by other functions, including Finance, Human Resources and Legal, is structured as follows, and additional details are available in our [Annual Report](#).

## Lines of Business

Our firm's lines of business are each responsible for identifying and addressing risks within their respective businesses and operating within a sound control environment. The Control Management function, which consists of control managers within each of the lines of business and corporate functions, provides dedicated support to business leaders. Control managers, jointly accountable with business executives, are charged with enhancing the firm's control environment by promoting early operational risk identification and assessment, effectively designing and evaluating controls and developing solutions to mitigate risk. This structure is designed to enable the firm to detect control problems quickly, escalate issues promptly and engage other stakeholders to understand common themes and interdependencies among the various parts of the firm.

## Conduct Risk Management

Conduct risk is the risk that any action or inaction by an employee or employees could lead to unfair client or customer outcomes, impact the integrity of the markets in which the firm operates or compromise the firm's reputation. Our firm has an established policy framework for the governance, identification, measurement, monitoring and testing, management and reporting of conduct risk within the firm, as well as mechanisms to provide oversight of the firm's conduct initiatives and to escalate systemic conduct risk issues when appropriate. Each line of business and corporate function is accountable for identifying and managing conduct risk within its operations, and multiple Board committees share oversight of conduct risk.

Our Code of Conduct (Code) sets forth the firm's expectations for all of our employees when it comes to maintaining a safe, productive, diverse, professional, collegial and secure work environment in which all individuals are treated with respect and dignity. All new hires are assigned Code training and all employees are required to affirm their compliance with the Code periodically. Each member of the Board also periodically affirms his or her compliance with the Code.

## Independent Risk Management

Independent Risk Management, which consists of the Risk Management and Compliance organizations, sets and oversees the risk management structure for the firm, including the definition of policies and standards. These organizations operate independently from the lines of business.

## Internal Audit

Internal Audit, a function independent of the lines of business and Risk Management and Compliance, tests and evaluates the firm's risk governance and management, as well as its internal control processes. This function brings a systematic and disciplined approach to evaluating and improving the effectiveness of the firm's governance, risk management and internal control processes.

## Cybersecurity

Cybersecurity is one of the biggest threats facing the global financial system, and it continues to be a top priority for the firm. Our strategy is designed to securely enable new business and technology initiatives while maintaining a relentless focus on protecting the firm, our clients and customers and our third-party partners and vendors. We devote significant resources to protecting and continuously improving the security of our systems, and we partner with leading technology companies to identify solutions to meet the fast-evolving threat landscape.

## Global Financial Crimes Compliance

Global financial crime has significant adverse societal impacts and undermines confidence in the financial system, which is why our firm dedicates significant resources to fighting it. JPMorgan Chase is committed to participating in international efforts to combat money laundering and the funding of terrorist activities. The firm operates a risk-based global Anti-Money Laundering (AML) Compliance Program designed to comply with all applicable laws and regulations relating to the prevention of money laundering and terrorist financing in the U.S. and the other jurisdictions in which the firm operates.

JPMorgan Chase is a founding member of the financial industry's leading forum on financial crimes risk, the Wolfsberg Group, and we are proud to work with our fellow group members to continually develop principles and industry standards to combat money laundering and terrorist financing.

In addition, our firm operates a Global Sanctions Compliance Program that consists of (i) procedures, systems and internal controls designed to comply with applicable sanctions; (ii) a designated person responsible for the day-to-day implementation and operation of the program; (iii) independent testing; (iv) an ongoing training program; and (v) reporting and record keeping.

## Political Engagement and Public Policy

JPMorgan Chase believes that responsible corporate citizenship demands a strong commitment to a healthy and informed democracy through civic and community involvement. Our business is subject to extensive laws and regulations, and changes to such laws can significantly affect how we operate, our revenues and the costs we incur. Because of the impact public policy can have on our businesses, employees, communities and customers, we engage with policymakers on a range of issues—including banking, financial services, cybersecurity, workforce development, small business, tax, trade and inclusive economic growth, among others—to advance and protect the long-term interests of the firm. In addition, in 2019 we launched the JPMorgan Chase *PolicyCenter* to develop and advance sustainable, evidence-based policy solutions that drive inclusive economic growth in the U.S. and around the world. The *PolicyCenter*'s first focus is removing barriers to employment for people with a criminal background.

The firm belongs to a number of trade associations that advocate on major public policy issues of importance to the firm and the communities we serve. The firm's participation as a member of these associations comes with the understanding that we may not always agree with all the positions of an association or its other members, and that we are committed to voicing our concerns as appropriate. The Public Responsibility Committee provides oversight of our positions and practices on public responsibility matters, including significant policies and practices regarding political contributions, major lobbying priorities and principal trade association memberships.

We aim to operate with the highest standards of public transparency in political spending. Our efforts have been recognized by the 2019 CPA-Zicklin Index of Corporate Political Disclosure and Accountability, which credited our firm as a Trendsetter in its 2019 report. In addition, in early 2019 we made enhancements to our disclosures, which are available on [our website](#).

The JPMorgan Chase cybersecurity team consists of professionals across all lines of business and geographies where the firm has operations and works 24 hours a day, seven days a week to detect, analyze, track and mitigate external threats. We also educate, train and test all employees on cybersecurity vigilance because we view every employee as our first line of defense.

We understand cybersecurity's potential to impact global financial stability and we are focused on the firm's role in building and maintaining systemic resiliency. We are a leader in the Financial Services Information Sharing & Analysis Center, which is an intelligence-sharing cooperative for the financial services sector. Its nearly 7,000 members share intelligence, best practices and exercises to better secure the sector for the benefit of the public and the resiliency and integrity of financial institutions. Our firm also helped drive the creation of the Financial Systemic Analysis and Resilience Center, which is an industry-funded nonprofit whose mission is to increase the resilience of the systems that underpin the U.S. financial services sector.

Collaborating and cooperating with government agencies and regulators is vital to effective cybersecurity. We maintain open lines of communication with government representatives and law enforcement agencies to share relevant information. In addition, JPMorgan Chase is a leading voice on a global industry workstream on regulatory harmonization, seeking to streamline the fragmented cybersecurity regulatory environment that is currently a patchwork of different standards, frameworks and requirements from over 150 global regulators. Our goal is to enable more efficient and effective cybersecurity supervisory oversight, while also helping to increase security and resiliency.

## Additional Online Resources



- ▶ [Annual Report](#)
- ▶ [Board Committees](#)
- ▶ [Business Principles](#)
- ▶ [Code of Conduct](#)
- ▶ [Code of Ethics for Finance Professionals](#)
- ▶ [Corporate Governance Principles](#)
- ▶ [Diversity and Inclusion](#)
- ▶ [Environmental and Social Policy Framework](#)
- ▶ [Global Financial Crimes Compliance](#)
- ▶ [How We Do Business—The Report](#)
- ▶ [Human Rights Statement](#)
- ▶ [Political Engagement and Public Policy](#)
- ▶ [Proxy Statement](#)
- ▶ [Suppliers Information](#)
- ▶ [U.K. Modern Slavery Act Group Statement](#)

For additional information, please visit  
[www.jpmorganchase.com/ESG](http://www.jpmorganchase.com/ESG).

# Serving Our Customers

Through our four lines of business, JPMorgan Chase serves millions of consumers and small businesses in the U.S., as well as corporations, local and national governments, investors, nonprofit organizations and a range of other institutions around the world. We strive to provide our clients and customers with exceptional service in everything we do.

## Who We Serve:

- ▶ 63 million households
- ▶ 4 million small business customers
- ▶ 52 million active digital users, including 37 million active on mobile

## 2019-At a Glance:

- ▶ Originated \$105 billion in mortgages
- ▶ Opened 8 million credit card accounts
- ▶ Received 35% of all check deposits through mobile phones
- ▶ Processed an average of \$3 billion in credit and debit payments every day

This section focuses principally on our CCB business, which serves consumers and small businesses across the U.S. under the Chase brand. We help our customers manage their money, purchase homes and vehicles, save and invest for the future, start and grow businesses and achieve their financial goals. We do so by using our expertise to help our customers make the most of their money and by continually innovating and developing products and services to enable them to bank however they choose—from their mobile phone, on their computer, at an ATM or at a Chase branch.

Since 2018, our firm has entered 16 new markets and opened more than 90 of the 400 new Chase branches we are planning across the U.S. as part of a nationwide market expansion effort. The new branches give us a presence in 38 states and Washington, D.C., as of year-end 2019.

## Helping Customers Make the Most of Their Money

Serving 63 million households, we have a deep understanding of the financial lives of consumers. We are using that insight to develop affordable, innovative and scalable products to help customers strengthen their financial health.

One way we do this is by offering products designed to make it easier for our customers to save and invest. For example, in early 2019, we introduced our low-fee Chase Secure Banking<sup>SM</sup> account (see p. 17), as well as Autosave, which lets customers set up automatic transfers to their savings accounts and monitor progress through a savings dashboard. A total of 1.4 million customers used Autosave in 2019, transferring \$1.5 billion to their savings accounts. Also in 2019, we launched My Chase Loan, which gives customers a hassle-free way to use the available credit on their credit cards at a lower Annual Percentage Rate (APR) and with fewer fees than a typical personal loan or cash advance. In addition, we empower all types of investors to build their savings and grow their wealth through our You Invest<sup>SM</sup> digital investment platform. Approximately 90% of You Invest<sup>SM</sup> clients are first-time investors with Chase.

We also created Credit Journey<sup>SM</sup>, a free, online tool to help consumers track and manage their credit scores. All consumers, whether or not they are Chase customers, can check their credit score at any time and receive alerts about changes, as well as learn what affects their score and find advice on how to improve it. By year-end 2019, 22 million people had enrolled in Credit Journey<sup>SM</sup>.

## Supporting Small Businesses

Small businesses are vital engines of economic growth and opportunity, and our firm has been a longtime leader in small business banking. During 2019, we originated over 1.1 million small business loans for a total of \$18.4 billion in the states where we have a branch presence, an increase of 19% in capital extended from the year before.

We know that minority, women, veteran and other underserved entrepreneurs face distinct barriers to starting and growing their businesses, so we have a number of efforts designed to help them get access to the capital, expertise and networks crucial for success. For example, through our Women on the Move global initiative, we are helping women start and grow businesses (see p. 21), including a goal to provide \$10 billion in credit to women business owners through 2021. By the end of 2019, we had extended approximately \$4 billion toward this goal, putting us ahead of pace.

In addition, we have committed \$150 million in philanthropic capital to help underserved entrepreneurs build and grow their businesses. Through the Entrepreneurs of Color Fund (see p. 25), we support community lending organizations that provide minority entrepreneurs with access to capital, education and other resources.

We are also using our global purchasing power to support diverse suppliers, spending more than \$2 billion annually with companies owned and operated by historically underrepresented groups, many of which are small businesses. Our firm is proud to be a member of The Billion Dollar Roundtable—a nonprofit that recognizes corporations that spend at least \$1 billion with minority and woman-owned suppliers—for our commitment to supplier diversity.

### Helping Our Small Business Customers Weather the Crisis

We know how important small businesses are to their communities—and how much they rely on cash flow and access to capital. So, when the COVID-19 crisis hit, we quickly took steps to support our small business customers, including allowing them to defer payments on loans, lines of credit and business credit cards. We are also providing much-needed capital by accelerating access to funding and extending new loans for our small business customers. We are working to help as many of our customers as possible receive loans through the Small Business Administration's Paycheck Protection Program. In addition, we immediately began deploying philanthropic capital to support vulnerable and underserved small businesses around the world.

## Engaging with Customers

We regularly engage with our customers, consumer groups and other stakeholders with a goal of developing products, services and approaches that are responsive to their needs and address the issues that matter most to them. We have established forums, known as Chase Advisory Panels, for local, regional and national stakeholders to share with our senior executives their perspectives on community development needs, public policy and regulatory issues. In addition, we conduct hundreds of meetings annually with community-based organizations.

We solicit customers' direct feedback on their experiences and needs through a range of channels, including in person at our branches, through our website, via social media and customer satisfaction surveys. In addition, we collect customer feedback through external media and ratings agencies. We take this feedback seriously and use it to improve our approach and offerings.

# Treating Customers Fairly

In order to earn and maintain the trust of our customers, we must treat them fairly and be clear and transparent in how we communicate and engage with them. We work to do this by having policies and procedures aimed at simplifying our disclosures, products and services and operations; aligning our sales practices with our customers' interests; and taking rigorous measures to safeguard the privacy of customers' information.

We regularly review and look for ways to make it easier for customers to navigate our full range of products and services available across our branch network. In addition, we are reevaluating the qualification requirements for new product features and benefits and taking steps aimed at ensuring the exercise of employee discretion in product accessibility works as intended.

## Providing Fair and Transparent Marketing

We want our customers to make informed choices about their finances and banking options, and we empower them to do so by working to provide clear, concise and transparent information about our products and services. To deliver on this objective, in 2019 we established the Disclosure Center of Excellence, a control team driving the consistent use of disclosures across our CCB and AWM businesses. The team is responsible for ensuring that these businesses have access to up-to-date disclosure language that meets regulatory requirements and firmwide guidelines so they can best serve their clients and customers.

## Aligning Employees' Incentives with Customers' Interests

Our objective is to provide our customers with the right products and services to meet their financial needs, and we train, assess and reward our employees accordingly. Every year, we train our bankers on our customer-centered policies, procedures and controls, and we evaluate their performance on these metrics, alongside revenue and profitability.

We reward bankers for providing customers with a positive overall experience and products and services they need and use. We also review our sales practices, including culture, incentive plans, controls assessments and feedback received from customers and employees through various channels, including our employee Code Reporting Hotline. By merging all of this feedback, we help safeguard our reputation and align employee performance with the best interests of our customers.

## Protecting the Elderly and Vulnerable from Financial Abuse

We continue our work to increase awareness about potential financial abuse affecting elderly and vulnerable populations. To better protect our customers, we look for innovative solutions in data analytics and machine learning, while also concentrating on ongoing training and communication with our frontline employees. We are also working with nonprofit organizations, advocacy groups, regulators, law enforcement and others to explore strategies and best practices for combating exploitation of elderly and vulnerable customers.

## Safeguarding Customer Privacy and Data Security

Protecting our customers' personal and financial information is a priority for our firm. We have robust internal policies and security measures aimed at keeping our customers' personal and financial information safe, and we hold our suppliers and vendors to high standards for data security.

Consumers want to know our firm is safeguarding their personal information and to understand how it is used. We strive to provide customers with clear, user-friendly explanations of our privacy policies that explain how we collect, share, use and protect their information, and outline steps they can take to limit the sharing of personal information. We protect customer information through a wide range of technological, procedural and physical security measures. In addition, our Code of Conduct and related policies for ethical business conduct include specific guidelines about how employees should safeguard customers' confidential information.



We are investing in enhanced data privacy and security solutions to safeguard information shared via our suite of online and mobile banking tools. For example, in 2019 we announced an agreement with leading data aggregator Envestnet | Yodlee, which gives Chase customers more visibility and control of their data. With the new agreement, Envestnet | Yodlee will send 100% of its requests for Chase customer data through our firm's secure Application Programming Interface (API). This will give customers control over what is shared and with whom, including enabling them to monitor every financial app that retrieves their data and see all linked accounts and which information they are sharing.

We also continue to expand our usage of machine learning and intelligent strategies to improve detection and mitigation of fraud across our products and services. This technology allows us to more accurately detect potentially fraudulent activity for our customers and approve more legitimate transactions. Each year, we anticipate these systems will help prevent nearly one million more fraudulent credit card transactions that may have previously been approved, while simultaneously approving nearly one million additional legitimate transactions that would have been incorrectly declined. These machine learning capabilities, along with other initiatives, have also enabled us to reduce our credit card fraud loss rate by approximately 50% since 2014.

## Serving Low- and Moderate-Income Customers

We are committed to developing products and services that meet the needs of all segments of our customer base, including those specifically designed to serve low- and moderate-income customers. This includes taking steps to make homeownership more accessible; expanding our branch presence in low- and moderate-income neighborhoods; offering resources in our branches such as financial coaching; developing products that provide safe, high-quality and affordable ways to access banking services; and more.

## Expanding Homeownership

In 2018, our firm made a five-year commitment to finance \$50 billion of mortgages in low- and moderate-income communities. By the end of 2019, we had financed \$22 billion of those mortgages, or 44% of the five-year goal.

We continue to serve more low- and moderate-income customers with our DreaMaker™ mortgage, which allows buyers to make a down payment of as little as 3% and offers an affordable monthly payment. In 2019, DreaMaker™ accounted for 21% of our home-purchase mortgages. With DreaMaker™, buyers can earn a \$500 grant by completing a financial educational program to prepare them for homeownership. To reduce the cash required for closing costs and a down payment, we also offer a Chase Homebuyer Grant of \$2,500 to customers purchasing a home in low- or moderate-income census tracts across the U.S. More than 8,900 homebuyers benefited from this program in 2019. These products and programs complement the suite of other affordable loan products and programs we have long offered, including Federal Housing Administration and U.S. Department of Veterans Affairs mortgages.

Recognizing that homeownership is not possible or desirable for some consumers, JPMorgan Chase is dedicated to creating and preserving affordable rental housing for low-income communities across the country. In 2018, we committed to lend \$7 billion over five years to commercial and nonprofit housing partners to help maintain, rehabilitate and build affordable units. By the end of 2019, we had already lent \$5.6 billion toward that commitment, including more than \$3.3 billion in 2019 alone.

## Growing Our Branch Presence

Our retail bank branches are an important way that we serve our customers and provide access to banking services. We plan to open 30% of the 400 new branches in our market expansion program in low- and moderate-income communities. We have a higher proportion of our branches and ATMs in low- and moderate-income communities across the country than the industry overall.



We are also expanding resources available at our branches, such as financial coaching and advice. For example, we are piloting a new branch model aimed at making our branches community centers. We opened the first one in the Harlem neighborhood of New York City in 2019. The branch offers unique programming in money management and financial planning; digital coaching on job, small business and computer skills; a pop-up space for local small businesses; and a hub for us to showcase and test new retail banking technology before it rolls out nationwide.

## Broadening Access to Banking Services

Another crucial way we support low- and moderate-income communities is by striving to create products that provide safe, high-quality and affordable ways to access banking services. For example, in early 2019, we launched Chase Secure Banking<sup>SM</sup>, a Bank On certified checking account.<sup>1</sup> For a flat monthly fee, customers get all the benefits of banking with Chase without check-cashing fees, minimum balances to open an account or overdraft fees.

We know that small businesses also play an essential role in creating jobs and generating economic opportunity, especially in low- and moderate-income areas. In 2019, we made more than 265,000 small business loans—totaling more than \$4.5 billion—in low- and moderate-income communities. That is approximately 19% of our total small business lending.

In addition, we support technology-based innovations to improve the financial lives of low- and moderate-income Americans through the Financial Solutions Lab (see p. 26), managed by the Financial Health Network in collaboration with founding partner, JPMorgan Chase.

## Additional Online Resources



- ▶ [Accessibility at Chase](#)
- ▶ [Annual Report](#)
- ▶ [Business Principles](#)
- ▶ [Chase Privacy Policy](#)
- ▶ [COVID-19 Response](#)
- ▶ [Financial Health](#)
- ▶ [JPMorgan Chase Institute](#)
- ▶ [Proxy Statement](#)
- ▶ [Small Business Expansion](#)

For additional information, please visit  
[www.jpmorganchase.com/ESG](http://www.jpmorganchase.com/ESG).

<sup>1</sup>Bank On is Cities for Financial Empowerment Fund's standard for safe, affordable and appropriate accounts that meet the needs of low-income consumers.

# Investing in Our Employees

The success of our firm is a direct reflection of the talent of our people. To attract and retain the diverse, high-performing workforce we need, we make substantial investments in our employees and provide them with opportunities to learn, develop and advance their careers. We seek to foster a strong culture—based on our core values of respect, integrity and inclusion—where employees feel that they belong and where they want to stay.

As technological and other changes in our economy alter traditional career paths and business needs, one focus of our human capital strategy is building a future-ready workforce that is prepared to adapt to the trends that are transforming jobs at our firm. This includes cultivating a culture that supports self-driven learning and giving our employees access to tools and training to build business-critical skills that will be in demand at our firm in the future.

## Advancing Diversity and Inclusion across Our Firm

JPMorgan Chase knows that having a diverse workforce consistent with the global clients, customers and communities we serve is essential to our ability to deliver the best solutions and be successful in the long term. Fostering diversity and inclusion has long been a focus for our firm, and we are proud of the progress we have made.

We recognize, however, that we have more work to do. After the media reported on alleged discrimination in our firm last year, we undertook a major effort to evaluate our policies, procedures and programs to ensure they are fair for all employees and customers. We found opportunities to increase awareness about the firm's Diversity and Inclusion strategy, and we identified a need to expand our diversity recruitment efforts to hire more diverse talent and to implement mandatory firmwide training. We are also taking steps to strengthen how we serve our customers by reviewing our full spectrum of consumer offerings to enhance access to our products and services, as well as increasing the diversity of the businesses with which we partner. We know that these and other efforts we have underway to strengthen our culture demand ongoing work and sustained commitment.

To drive performance and enhance transparency, we are expanding the workforce composition data we report and providing more information on our strategy on the [Diversity and Inclusion](#) section of our website.

## Who We Are: Key 2019 Statistics

We have nearly 257,000 employees working in 62 countries worldwide, approximately two-thirds of whom are based in the U.S.

### Gender Demographics

#### Global Workforce

51% 49%

#### Operating Committee

50% 50%

#### Management Team

75% 25%

#### Campus & Internship Class

58% 42%

Men Women

### Ethnic Demographics<sup>2</sup>

#### Global Workforce

51% 49%

#### Operating Committee

8% 92%

#### Management Team

19% 81%

#### Campus & Internship Class

55% 45%

U.S. Ethnic U.S. White

<sup>2</sup>Numbers reflect U.S. workforce only.

## Hiring Great People

To deliver exceptional service to our clients, customers and communities, we aim to hire the best people. Diversity is a priority throughout our hiring process, and we seek candidates from a wide range of backgrounds and experiences for positions at all levels. We look to hire people who have the skills and expertise we need, using standard processes for assessing and selecting candidates.

### Building a Strong and Diverse Talent Pipeline

We have a number of efforts aimed at hiring diverse talent, including initiatives focused on women, underrepresented ethnic groups, people with disabilities, veterans and others.

We know that strengthening our pipeline of diverse future leaders is essential, so we have campus recruiting programs that help us connect with diverse candidates for internships and post-graduation roles as part of our Emerging Talent Program (ETP), which complements existing recruiting efforts. The ETP team oversees a range of employment opportunities for cognitively, experientially and traditionally diverse individuals who are often underrepresented in typical talent pipelines. To support our recruitment efforts, we also have structured partnerships with key diversity organizations, and we have long-standing relationships with Historically Black Colleges and Universities (HBCUs). In 2019, our firm was the top overall employer at three HBCUs: Howard University, Morehouse College and Spelman College.

In 2019, we continued to maintain best-in-class diversity hiring for our 2020 intern class, which was 47% female globally and in the U.S., 13% black and 16% Hispanic. This included efforts as part of our Advancing Black Pathways (ABP) initiative (see p. 21).

We are equally focused on diversity in our experienced hiring, which is delivering results. In 2019, for example, more than 55% of the Managing Directors we hired were diverse—defined by groups of ethnicity and race, as outlined by the U.S. Census Bureau, and inclusive of women globally—an increase of nearly 15% compared to 2018.

## Creating More Inclusive Inroads to Careers at Our Firm

Our emphasis is on hiring people with the skills we need, not particular degrees. In fact, in 2019 more than 75% of the jobs posted by JPMorgan Chase in the U.S. did not require a bachelor's degree. While our firm continues to value four-year college and advanced degrees, we are also increasingly turning to new and more diverse sources to recruit the talent we need. One way we are doing this is by partnering with community colleges and recruiting those with associate degrees. We are also looking to apprenticeship programs, bootcamps and other partners to create more inroads to careers at our firm. For example, through our ETP portfolio we offer a range of apprenticeships and other entry-level skill development opportunities.

Through our Second Chance initiative, we launched an effort to expand opportunities for individuals with criminal backgrounds to pursue careers at JPMorgan Chase (see p. 21). This means qualified applicants with criminal histories receive the same consideration as any other applicant, and in 2019 it resulted in approximately 3,000 people with criminal backgrounds hired—roughly 10% of our new hires. We also launched a pilot program to further build our pipeline for hiring people with criminal histories.

## Training and Career Development

Supporting our employees' professional development is a core focus of our human capital strategy. We invest approximately \$200 million a year in tools and training programs to help our employees build their knowledge, skills and experience. And, in 2019, we delivered nearly 10 million hours of training to employees across the globe on topics including business processes and products, leadership and professional development, risk and compliance and technology, among others. In addition to our internal training efforts, we provide tuition assistance to employees who are seeking to further build their skills.

We also support employees by facilitating career advancement and mobility within the firm. In 2019, we filled 42% of all positions and 67% of our most senior-level roles with internal candidates.

## Delivering Best-in-Class Leadership Training

Leadership Edge is our firmwide initiative to enable leaders at all levels to grow and succeed throughout their careers. The program, which has been recognized as a best-in-class leadership development platform, offers in-person training focused on core leadership skills, people management and further embedding our Business Principles into our culture. By the end of 2019, 74% of our 40,000 managers had attended one or more programs since the introduction of Leadership Edge in 2015.

## Investing in New Skilling

We are creating more paths for career mobility and preparing our employees to adapt to the trends that are transforming jobs at our firm through a concerted focus on new skilling. The employees in the roles that will be most affected by technological changes—such as our operations and entry-level positions—are a highly diverse employee population. Providing these individuals with opportunities to build skills that facilitate career mobility and improve retention is, therefore, a key part of our strategy to advance diversity and inclusion within our firm.

We are committed to providing employees with opportunities for ongoing development and career advancement. In 2019, through our Lifelong Learning program, we launched New Skills at Work to address talent needs across the firm. We have proactively defined business-critical future skills—such as data and tech literacy, analytical thinking and project management—and we are developing and expanding access to opportunities for our people to build the identified skills. The New Skills at Work program will support employees as they navigate changes and compete for emerging jobs at JPMorgan Chase. The goal is to expand the program in phases to all of our employees.

In addition, through our Skills of the Future online curriculum, we are helping employees increase their digital fluency. In 2019, nearly 20,000 unique users took part in one of our Data and Tech Literacy course offerings. And through our Power-Up Learning Journey, our firm trained over 10,000 of our tellers, facilitating their career progression and graduation to Associate Bankers.

## Skills-Based Volunteering

Our firm leverages the talent of our people to maximize the impact of our philanthropic programs. In 2019, 325 employees from 14 countries contributed nearly 20,000 hours working with about 70 nonprofits through the JPMorgan Chase Service Corps, our signature skills-based program through which employees volunteer their skills and expertise to help our nonprofit partners build capacity. And, through our Force for Good program, 1,300 employee volunteers gave nearly 60,000 hours of their time to develop sustainable tech solutions for 200 nonprofit organizations.

In addition to these programs, we provide a range of other opportunities for our employees to volunteer their expertise to support the communities we serve. In 2019, many employees around the world lent their knowledge and time helping drive more inclusive growth, from advising women-led businesses and mission-driven fintech entrepreneurs to mentoring young people from disadvantaged backgrounds.

## A Workplace for Everyone

We want to be an employer of choice for people from all backgrounds and experiences, and a place where all employees feel like they belong. By striving to create an inclusive work environment that supports all heritages, cultures, abilities, work styles and lifestyles, our goal is to attract and retain the best people and be positioned to meet the diverse needs of our clients, customers and communities.

We continually work to promote a culture of respect that allows every employee to feel safe and empowered at work. Our [Equal Opportunity, Anti-Discrimination and Anti-Harassment Statement](#)—which we made publicly available on our website in early 2020—sets forth our policies and expectations for our employees, and all employees are required to take anti-harassment awareness training. Additionally, we have implemented a framework for unconscious bias and inclusion training for managers, called Journey to Inclusive Teams, which provides training as well as other internal resources, such as decision-making tools and guides.

Our Business Resource Groups (BRGs) are an essential part of how we cultivate an inclusive work environment. These are groups of employees who volunteer to advance the firm's position in the global marketplace and diversity and inclusion strategies by leveraging the unique perspectives of their members. Our firm has ten BRGs globally focused on ethnic communities and other groups, including Hispanic and Latino, black, Asian and Pacific Islander, military and veterans, LGBT+ employees, women, people with disabilities, early career employees, administrative professionals and working families. Approximately 43% of our employees were members of at least one BRG in 2019.

We also have a variety of executive forums designed to support and advance diversity and inclusion within our firm. For example, the Hispanic Executive Forum serves as a senior collective voice for the Hispanic and Latino community and supports the Adelante BRG and other Hispanic leadership forums across the firm's lines of business; engages with external organizations; and supports the firm's campus hiring, new employee on-boarding and retention and development efforts among the Hispanic and Latino community. The Asian Executive Forum similarly partners with the AsPIRE BRG and supports the firm's commitment to the Asian American and Pacific Islander community through recruitment, development, advancement and external engagement.

Here are some other examples of how our firm is taking a deliberate approach to supporting and investing in the success of particular communities:

## Championing Women

In recent years, we have significantly expanded our Women on the Move initiative, which we originally launched in 2013 to provide women at all levels of our firm with a platform to exchange ideas and support their career development. Today, the program focuses not only on women inside our firm but also on clients and customers through three strategic pillars: expanding women-run businesses, improving women's financial health and empowering women's career growth (see p. 14). We also continue to support women's advancement within the firm. As of the end of 2019, women made up 50% of our Operating Committee. In addition, we are expanding our efforts to support working parents and families (see p. 23).

## Investing in the Black Community

In 2019, we marked the third anniversary of our firm's Advancing Black Leaders (ABL) strategy to increase representation of black talent across all of our businesses. While we have much more to do, this strategy is delivering tangible results, especially at senior levels of the firm. We expanded the ABL strategy to our Europe, Middle East and Africa region, which resulted in our doubling the number of black Managing Directors in those regions between 2018 and 2019.

We also launched ABP in 2019, which builds on the success of our internal ABL strategy and extends our commitment to helping black Americans achieve economic success in our communities. This initiative combines the firm's business and philanthropic resources to accelerate economic opportunity for black Americans by strengthening education and job training, growing careers and building wealth. As part of this program, we committed to hiring more than 4,000 black students over the next five years into apprenticeships, internships and post-graduation roles. In 2019—our first year working toward this commitment—we achieved 25% of the target.

## Providing Opportunities to People with Disabilities

The global Office of Disability Inclusion (ODI) provides consistent standards and processes to better accommodate employees and strategic direction to the firm with a focus on recruiting, hiring and advancing individuals with disabilities. As part of the firm's disability inclusion and well-being strategy, we are also working to reduce stigmas and dispel myths around mental illness in the workplace. This is Me™, the firm's ongoing mental health awareness campaign, does just that through events, videos, toolkits and other resources. Nearly 100 employees have shared stories about their mental health journeys on our corporate intranet. Additionally, about 80,000 employees leverage meQuilibrium, the firm's stress and resilience program. Our goal is to make JPMorgan Chase the employer of choice for people with disabilities—both visible and hidden—by removing barriers and providing the right level of support when they need it.

## Hiring and Supporting Veterans

Our firm's Office of Military and Veterans Affairs drives our firmwide strategy to support veterans through employment, entrepreneurship and private-sector leadership on veteran talent. Since 2011, JPMorgan Chase has hired more than 15,000 U.S. veterans—including over 1,200 in 2019 alone—with more than 65% coming from diverse backgrounds. We offer internship and rotational entry programs to support the transition of military personnel and veterans into the financial services industry. We support our veteran employees through mentorship programs, acclimation and development initiatives, recognition events and other programs to help bridge the gap between military and corporate cultures. Additionally, we offer paid military leave for all types of military service.

## Supporting Our Employees

Our firm is committed to supporting our employees, including their physical, emotional and financial well-being.

When the COVID-19 pandemic struck, we put this commitment into action by taking steps to protect and support our employees and their families. We implemented alternative work arrangements and reinforced both personal and office hygiene measures to keep our employees and clients safe by modifying business operations, staggering shifts, changing seating, closing buildings to nonessential visitors and providing additional equipment where possible.

We are continuing to pay branch employees for their regularly scheduled hours, even if their hours are reduced or their branch is temporarily closed. We are encouraging employees to stay home when appropriate by providing 14 days of full pay for precautionary situations. In addition, for employees who felt they were higher risk and could not work, we provided an extended leave through May 2, 2020. And we provided five additional paid days off for all employees to help them manage personal issues, such as dependent care, childcare or other needs. In addition, to help meet challenges related to issues like childcare and transportation, we are making a special payment of up to \$1,000 to full- and part-time employees whose jobs require them to continue working on-site and generally have annual cash compensation of less than \$60,000.

## Supporting the LGBT+ Community in Our Workplace and Beyond

Our global PRIDE BRG, which focuses on the community who identify as LGBT+ and allies, had nearly 24,000 members in 2019, up 35% from the year prior. In 2019, we also created our LGBT+ Executive Forum, a group of Out LGBT+ Managing Directors and Executive Directors across 13 countries, to drive increased engagement and visibility of our LGBT+ senior leaders and advance topics important to our LGBT+ community. In recent years, our firm has taken a number of steps to better meet the needs of this employee population. For example, we have improved family planning benefits and transgender medical benefits for LGBT+ employees, as well as rolled out same-sex partner benefits and gender reassignment surgery coverage in certain geographies. In recognition of our workplace practices, JPMorgan Chase has received a 100% score on the Human Rights Campaign Corporate Equality Index every year since its inception 18 years ago.

Our firm's efforts to advance equality and acceptance for those who identify as LGBT+ do not stop with our own workforce; we are also lending our voice to efforts in our communities. In 2019, for example, we signed public statements in support of marriage equality in Japan and Hong Kong, as well as a U.S. Supreme Court amicus brief in support of LGBT+ workers seeking to be protected from discrimination under existing federal civil rights laws. We also engage with and support external LGBT+ organizations around the world.

## Employee Compensation and Benefits

We offer competitive compensation and comprehensive benefits. We have governance mechanisms, systems and controls in place that are intended to provide our employees equitable pay for the work that they do, regardless of who they are. In recent years we increased wages for U.S. employees at the lower end of our pay scale by 10% on average, ranging from between \$15 and \$18 per hour.

Our benefits package includes health care coverage, retirement benefits, life and disability insurance, wellness and employee assistance programs, competitive vacation and leave policies, tuition reimbursement programs and more. We consciously direct our benefit spend toward lower-wage earners and provide those employees with higher insurance subsidies and lower deductibles.



## Supporting Working Parents and Family Building

We offer parental and adoption leave programs with a minimum of 16 weeks of fully paid parental leave for employees who are primary caregivers. In 2019, we increased the amount of paid leave we provide to nonprimary caregivers following the birth or adoption placement of a child to a minimum of six weeks, up from two weeks.

We also help our employees build families through our medical benefits program, which includes coverage for infertility, as well as through policies such as adoption assistance and surrogacy benefits. In 2019, we expanded fertility benefits to individuals without a medical diagnosis of infertility and we increased financial support for surrogacy.

We have flexible work options to support parents and others who need alternative work schedules, and we provide backup childcare in select markets and other assistance to working parents. In 2019, we increased our support for nursing mothers by launching a new lactation consulting program and breast milk shipping options for our employees who are traveling. Since 2013, we have recruited talent through the ReEntry Program, which is a competitive fellowship for individuals who are returning to the workforce after having taken a career break for at least two years for personal reasons, including, but not limited to, caring for family members who are young, ill or elderly.

## Encouraging Health and Wellness

We offer a comprehensive wellness program that includes a range of resources to empower and inspire our employees to manage and improve their health. Globally, we have 34 on-site health and wellness centers, and more than half of our U.S. employees have access to these centers. We offer all benefits-eligible employees and their covered spouses/domestic partners access to annual wellness assessments and screenings to help our employees identify potential or existing health risks. In 2019, 82% of enrolled employees and 71% of spouses/domestic partners completed both a wellness assessment and screening.

During the year, we continued to expand our programs to raise awareness and reduce stigmas around mental illness and provide relevant support to employees. All employees have access to our Employee Assistance Program (EAP), which provides confidential counseling and support as well as manager consultations—either through on-site counselors or our extended provider network. In the U.S., we have 13 on-site clinical providers focusing on mental health and in 2019 we launched on-site EAP support and counseling in London. We also launched new resources including videos, a Manager and Employee Toolkit and a resource library on the disease of addiction.

## Assessing Pay Equity

We conduct periodic pay equity reviews at all levels. In 2019, in aggregate, women globally were paid 99% of what men were paid and U.S. minorities were paid more than 99% of what nonminorities were paid, taking into account factors such as an employee's role, tenure, seniority and geography. We are proud of the overall diversity of our workforce. However, we also know that women and minorities still are not represented in as many senior management positions as men and nonminorities. Despite the significant progress we have made, we are taking a variety of actions focused on hiring, retaining, developing and advancing women and minorities, especially at more senior levels.

## Additional Online Resources



- ▶ [Annual Report](#)
- ▶ [Awards and Recognition](#)
- ▶ [Business Principles](#)
- ▶ [Careers at JPMorgan Chase](#)
- ▶ [Compensation & Management Development Committee](#)
- ▶ [COVID-19 Response](#)
- ▶ [Diversity and Inclusion](#)
- ▶ [Equal Opportunity, Anti-Discrimination and Anti-Harassment Statement](#)
- ▶ [How We Do Business—The Report](#)
- ▶ [People and Culture](#)
- ▶ [Proxy Statement](#)

For additional information, please visit  
[www.jpmorganchase.com/ESG](http://www.jpmorganchase.com/ESG).

# Supporting Our Communities

Companies like ours have a responsibility to step up and help solve pressing challenges. When communities do well, our firm does well. This conviction is reflected in how JPMorgan Chase endeavors to do business every day. We are investing in our customers, employees and communities around the world to break down barriers to opportunity and create an economy that works for more people.

In response to COVID-19, and in addition to efforts across the firm to support our customers and employees in need, we made an initial \$200 million commitment to assist those most affected by humanitarian challenges, as well as create sustainable and innovative solutions to help communities recover when the crisis subsides. This commitment included \$150 million in low-cost capital to help underserved small businesses and nonprofits access funding through community partners and a \$50 million philanthropic investment to help address immediate and long-term impacts of COVID-19. We will continue to focus on areas where we can leverage our core business, philanthropy and policy expertise to help the most vulnerable in the short and long term.

## Our Approach

Our firm is combining our business and policy expertise, sustainable business practices, data, capital and global presence to advance solutions aimed at improving people's lives. Our approach is strategic and data driven, and we have developed, tested and continuously refine it on the ground in communities around the world.

### Advancing Policy Solutions

Public policy is a critical tool to scale the most innovative and impactful approaches that bring about lasting change. In 2019, we launched the JPMorgan Chase *PolicyCenter* to develop and advance sustainable, evidence-based policy solutions designed to drive inclusive economic growth in the U.S. and around the world.

The first focus area for the *PolicyCenter* is advancing federal and state policy changes to remove barriers to employment for people with criminal backgrounds, such as “banning the box” on job applications and increasing access to education through Pell grants—which provide financial aid to low-income students—for people in prison. One in three Americans has a criminal record, which constitutes a significant barrier to employment for many people. Providing education, skills training and employment opportunities to people with arrest or conviction histories can have a huge impact. It enables them to support their families, save money and secure stable housing. It also helps reduce recidivism, increase public safety, build stronger communities and strengthen the economy.

Another area of focus for the *PolicyCenter* is advancing local policy solutions that will enable more young people—particularly those who lack opportunity—to access high-quality career readiness programs that pave the way to well-paying jobs. And the *PolicyCenter* will play an integral role as we respond to and recover from the impacts of COVID-19.

### Harnessing the Power of Data

Sound public policy is informed by timely, granular data. The JPMorgan Chase Institute is dedicated to delivering data-rich analyses and expert insights for the public good. Our firm serves 63 million households through our consumer banking business, and by leveraging the unique assets and proprietary data of the firm, the Institute provides policymakers, businesses and nonprofit leaders with timely data and thoughtful analyses to help address critical issues and advance global prosperity.

Our data allow us to better understand and answer important questions about the financial health and resilience of U.S. consumers, businesses and communities, as well as study labor and financial markets. In 2019, the Institute shared valuable insights across a range of areas, including how student loan payments affect the financial lives of 4.6 million families, how Miami's small businesses turn a profit yet have limited cash buffers and how families are weathering financial volatility on a monthly basis.



# Our Focus Areas

Our firm is focused on advancing inclusive growth where we have the ability to make a real and lasting impact. As the world faces the health and economic consequences of COVID-19, we will lean into our core areas of expertise to support vulnerable individuals, small businesses and communities as they face financial hardship and uncertain work opportunities, a shifting business landscape and increased pressure to access or maintain affordable housing.

## Preparing Workers for the Future of Work

Technological change continues to transform the world of work. By 2030, more than 30% of American workers and 375 million workers globally will need to change jobs or upgrade their skills significantly to advance within the workforce.

In 2019, JPMorgan Chase announced a \$350 million investment over five years to equip young people and adults with the skills to succeed in a rapidly changing economy. We are working to create greater economic mobility and career pathways for workers inside our firm (see p. 20), as well as in our communities. This new commitment includes \$75 million to enable more young people to get education and real-world work experiences. Our first investment as part of this commitment was \$7 million to support Denver, Colorado's nationally recognized youth apprenticeship program and scale it to connect more underserved students to degrees and credentials aligned with in-demand careers.

These investments build on our firm's long-standing efforts to support education, skills training and policy solutions that connect job seekers to high-quality jobs in a changing economy. Over the past six years, we have helped more than 150,000 people across 37 countries develop in-demand job skills.

## Supporting Small Businesses

Through our investments in communities around the world, we have seen firsthand how underserved, minority entrepreneurs have the power to lift up communities. Yet these populations often face unique barriers that inhibit their success. This is why our efforts focus on unleashing their power as drivers of opportunity.

Through the Entrepreneurs of Color Fund, we have provided minority entrepreneurs in Detroit, Chicago, the South Bronx, the Bay Area and the Greater Washington region with access to capital, education and other resources. Through 2019, we committed over \$17 million through the Entrepreneurs of Color Fund, resulting in more than 475 loans that created or retained over 3,000 jobs.

## Cultivating Thriving Neighborhoods

Housing that individuals and families can afford, in proximity to economic opportunity and basic services, is the cornerstone of vibrant and resilient neighborhoods. Producing, preserving and protecting affordable housing is essential to our strategy for creating thriving neighborhoods. For example, as part of a \$75 million commitment to the Bay Area our firm announced in early 2020 through our *AdvancingCities* effort, we are investing \$27 million to develop and preserve affordable housing in San Francisco and Oakland. This investment, which combines long-term, low-cost loans and philanthropic capital, will provide more affordable housing and protect local residents from being displaced.

In addition, we have hosted six Partnerships for Raising Opportunity in Neighborhoods (PRO Neighborhoods) competitions, awarding more than \$131 million to over 95 community development financial institutions across the U.S. As of 2019, the winners have raised over \$870 million in outside capital and made over 35,000 loans worth over \$475 million dedicated to low- and moderate-income communities. In 2020, the PRO Neighborhoods Competition merged with our *AdvancingCities* Challenge to continue to source innovative and sustainable solutions and address persistent problems facing communities (see p. 27).

## Strengthening Financial Health

Sound financial health is the foundation on which strong and resilient households, communities and economies are built. We are using our data, expertise and capital to improve the financial health of customers, employees and communities. In 2019, JPMorgan Chase made a \$25 million commitment to the Financial Solutions Lab, which supports technology-based innovations that address the needs of underserved consumers. This investment builds on our five-year collaboration with the Financial Solutions Lab, which has supported nearly 40 innovative fintech startups that have raised over \$500 million in capital since joining the program, helping U.S. residents save more than \$1 billion.

Through the Financial Inclusion Lab, JPMorgan Chase—in collaboration with the Indian Institute of Management Ahmedabad's Centre for Innovation Incubation and Entrepreneurship and MicroSave Consulting—is supporting innovative, technology-enabled solutions to address the financial health of people in India. Through 2019, the Financial Inclusion Lab has supported 18 fintech startups that have expanded their services to reach more than 900,000 people in underserved communities in India. Additionally, together with U.K. aid, we committed \$15 million to Catalyst Fund to advance financial inclusion in emerging markets.

## Leveraging the Talent and Commitment of Our Employees

We leverage the considerable talent and commitment of our employees by connecting them with opportunities to support inclusive growth in the communities where we live, work and operate. In 2019, we implemented a new firmwide policy that provides up to eight hours of paid time off annually for volunteering and community engagement activities. And, during the year, nearly 73,000 employees volunteered 467,000 hours, which includes JPMorgan Chase Service Corps activities (see p. 20). In addition, more than 400 employees contributed to the Board Match program, which doubles the impact of eligible employees' donations to nonprofits on whose boards they serve and resulted in the firm matching more than \$1.6 million to those organizations.

# Expanding Opportunity through *AdvancingCities*

Cities offer tremendous potential as engines of inclusive economic growth. *AdvancingCities* is our firm's \$500 million, five-year effort to expand economic opportunity in the world's cities through low-cost, long-term loans and philanthropic investments.

A key component of the initiative is an annual *AdvancingCities* Challenge, which is designed to spark creative, collaborative and sustainable solutions that address cross-cutting challenges and help make the economy work for more people. In 2019, we announced the inaugural *AdvancingCities* Challenge winners, awarding a total of \$15 million to Chicago, Ill.; Louisville, Ky.; Miami, Fla.; San Diego, Calif.; and Syracuse, N.Y. During the year, we also committed \$41 million in long-term, low-cost loans to drive inclusive growth in low-income communities. Other highlights of our impact through 2019 include:



## Detroit

Six years into our \$200 million commitment:

- ▶ **14,728** people participated in workforce training programs
- ▶ **2,002** units of affordable housing were created or preserved
- ▶ **17,255** people received services to improve their financial health
- ▶ **3,855** jobs were created or retained
- ▶ **7,718** small businesses received capital or technical assistance



## Chicago South and West sides

Two years into our \$40 million commitment:

- ▶ **6,362** people participated in workforce training programs
- ▶ **48** units of affordable housing were created or preserved
- ▶ **49,314** people received services to improve their financial health
- ▶ **2,323** jobs were created or retained
- ▶ **3,305** small businesses received capital or technical assistance



## Greater Washington region

Two years into our \$25 million commitment:

- ▶ **224** people participated in workforce training programs
- ▶ **955** units of affordable housing were created or preserved
- ▶ **1,120** jobs were created or retained
- ▶ **2,092** small businesses received capital or technical assistance



## Greater Paris

First year of our \$30 million commitment:

- ▶ **4,000** people participated in career readiness programs
- ▶ **12** small businesses received capital or technical assistance

## Additional Online Resources



- ▶ [Annual Report](#)
- ▶ [COVID-19 Response](#)
- ▶ [JPMorgan Chase Institute](#)
- ▶ [JPMorgan Chase PolicyCenter](#)
- ▶ [Our Impact](#)

For additional information, please visit  
[www.jpmorganchase.com/ESG](http://www.jpmorganchase.com/ESG).

# Advancing Sustainability

Our firm has operations around the world and works with clients in nearly every sector of the economy, including corporations, development finance institutions, governments and investors. Across our business, we see the imperative to create a lower-carbon, more sustainable economy as more pressing than ever. Climate change, in particular, is driving a growing set of risks for business and communities around the world. At the same time, there are new opportunities to advance solutions that protect the environment, support sustainable development and grow the economy.

JPMorgan Chase is leveraging our expertise in the financial markets to promote sustainable business practices and help our clients raise the capital they need to invest in projects and initiatives intended to achieve positive environmental and social outcomes. Our firm is aiming to facilitate \$200 billion in financing in 2020 to drive action on climate change and advance the objectives of the United Nations Sustainable Development Goals (SDGs). This new target—which we announced in early 2020 and builds on our previous clean financing goal—represents a significant expansion of our commitment to creating a more sustainable future for clients, customers, employees and communities we serve.

We are focusing this financing on green initiatives, as well on social objectives and economic development, including increasing access to housing, education and health care and advancing infrastructure, innovation and growth. As the world faces the health and economic consequences of COVID-19, the need for investment in sustainable development will be even more pressing. At the same time, the crisis has underscored the interconnected nature of our world, highlighting the need to take collective action to address other global challenges such as climate change. While this new target is for 2020 alone, we recognize that the issues we are tackling are significant and require sustained commitment and resources over the long term. We intend to set a new sustainable development financing target each year—with the goal to keep growing it over time.

## Our Firmwide Sustainability Strategy



### Business Opportunities

Financing transactions that support climate action and advance the United Nations Sustainable Development Goals



### Risk Management

Managing environmental and social risks that may impact our business, including risks driven by climate change



### Policy Engagement

Supporting market-based policy solutions to address climate change, drive clean energy innovation and protect underserved communities



### Transparency & Reporting

Reporting on our approach to and performance on ESG matters



### Operational Sustainability

Working to source renewable energy for 100% of our global power needs by the end of 2020



### Employee Engagement

Leveraging the skills and passion of our employees to advance sustainability in our business and communities

# Business Opportunities

JPMorgan Chase's objective is to support our clients that are thinking strategically about the transition to a lower-carbon economy and positioning themselves to adapt to and capitalize on opportunities to advance sustainable solutions. We leverage our deep insight into financial markets and the expertise of our bankers, risk managers, industry experts and others to help our clients achieve their goals.

## Corporate & Investment Bank and Commercial Banking

One way we help our clients meet their sustainability efforts is through our financing activities. Our goal to facilitate \$200 billion in 2020 to advance the SDGs builds on and expands the previous target we set in 2017, which was to facilitate \$200 billion by 2025 in clean financing. This new 2020 goal includes approximately \$50 billion toward green initiatives that will also fulfill our 2017 clean financing target.

We established a new goal in 2020 because we were already nearly three-quarters of the way toward our 2025 clean financing target—and because the environmental, social and economic needs the world is facing require us to think bigger. Effectively tackling critical global challenges like climate change requires addressing the full spectrum of development needs, as reflected in the SDGs.

This financing activity is principally led by our CIB and CB businesses, which collectively provide strategic advice, raise capital, extend loans and offer risk management solutions for large- and medium-sized corporations, governments and institutions. Our capabilities include:

- ▶ **Underwriting debt with a sustainable use of proceeds.** In 2019, JPMorgan Chase underwrote \$14.6 billion in green bonds and bonds with a sustainable use of proceeds. For example, we served as joint bookrunner on ReNew Power's \$525 million Restricted Group green bond issuance. ReNew Power is India's largest renewable energy independent power producer, with more than 8 gigawatts (GW) of wind and solar capacity commissioned and under construction. The proceeds from the issue were used to refinance some of ReNew's existing debt and finance investments in new green power projects.
- ▶ **Financing and risk management.** JPMorgan Chase provides financing and risk management solutions to support clients' renewable energy projects and to facilitate new energy, technology, transportation, waste management and water treatment innovations. For example, since 2003, JPMorgan Chase has committed or arranged over \$24 billion in tax equity financing for wind, solar and geothermal energy projects in the U.S., including \$3 billion for wind and solar projects in 2019.

- ▶ **Providing advisory services.** JPMorgan Chase advises clients on strategic transactions, such as mergers and acquisitions, initial public offerings and capital raising. In 2019, the firm acted as a bookrunner on the initial public offering for Sunnova Energy International, Inc. [NYSE: NOVA], a residential solar and energy service provider that serves over 78,000 customers in more than 20 U.S. states and territories.

- ▶ **Advancing sustainability through research.** We leverage our research capabilities to advance sustainability and ESG investment strategies. In 2019, our firm published approximately 115 reports assessing the macro- and sector-level impact of climate change and outlining different approaches to integrating ESG into investment strategies. In addition, through J.P. Morgan ESG (JESG)—a suite of indices we launched in 2018 that integrate ESG factors into a composite benchmark—we provide scoring coverage for over 4,500 global corporate issuers across 14 sectors and nearly 300 sovereigns and quasi-sovereigns. The ESGQ quantitative metric for stock selection helps investors pick stocks that prioritize ESG factors and covers a universe of 5,124 stocks globally. In 2020, J.P. Morgan expanded its dedicated ESG research capabilities, adding ESG specialists in both our Equity Research and Global Index Research groups.

## Expanding Our Firm's Capacity and Capabilities

To support JPMorgan Chase's commitment to advance the SDGs and meet growing client demand, we are expanding our firm's capacity and capabilities in emerging markets. In 2020, we launched the J.P. Morgan Development Finance Institution (JPM DFI), which is focused on scaling up financing for developing countries. In consultation with leading development institutions, JPM DFI has created a methodology intended to identify and qualify business activities and opportunities that generate both financial and developmental returns.

Our CIB business has established an ESG Solutions group to advise our clients on a variety of ESG and climate-related topics. By bringing together specialists in sustainability and financial markets, this group will serve as a center of expertise to help our clients navigate the energy transition and respond to increased interest in ESG investing. The group will also lead the development of our sustainable product offerings, enabling our clients to improve their sustainability credentials and access ESG-focused capital. In addition, we have assembled a new Energy Transition Team to provide strategic and financial advice to corporate clients on mergers and acquisitions that support carbon optimization objectives.

Finally, we have also established a Client Engagement team focused on driving high-impact conversations on corporate responsibility and ESG-related topics with clients across our lines of business.

## Asset & Wealth Management

Sustainable investing is a priority within our AWM business, which has \$2.4 trillion in assets under management (AUM) and works with institutional, wholesale and professional clients around the world to invest capital to achieve their financial goals.

Our Asset Management business believes that incorporation of material ESG issues into the investment process can help to deliver enhanced risk-adjusted returns over the long term and it has committed to integrate ESG factors across all eligible strategies. Building on ESG integration, we also provide a range of dedicated sustainable investing products that aim to deliver financial returns, align portfolios with client values and help meet a diverse set of goals. As of year-end 2019, our Asset Management business had more than \$1.3 trillion of AUM in ESG-integrated strategies and \$2.4 billion in our suite of 11 dedicated sustainable investing products.

As a fiduciary of our clients' assets, we are committed to making sure that the companies in which we invest focus on responsible allocation of capital and long-term value creation with an investment-led, expert-driven investment stewardship approach. Our Asset Management business supports and participates in industry advocacy efforts aimed at addressing climate change, such as the TCFD and the United Nations-supported Principles for Responsible Investment (PRI) initiative. And, in 2020, Asset Management joined the Climate Action 100+ investor initiative to enhance its engagement with companies on climate-related risks and opportunities.

Our Wealth Management business is also working to expand and enhance how we help clients who want to pursue sustainable investing within their portfolios. Through white papers and other resources, we support our clients' interests and share insights on sustainability topics such as sustainable agriculture, circular economy, electric vehicles and clean energy.

Across equities, fixed income, alternatives and multi-asset portfolios, Wealth Management has 80 investment strategies globally geared toward sustainable investing, with \$7.3 billion in AUM as of year-end 2019. These strategies span multiple approaches, including ESG integration, exclusionary screening, thematic investing and impact investing. We continue to develop tools to help clients achieve their sustainable investing goals and new opportunities for our clients to participate in impact investing funds. For example, in 2019 we offered a new investment opportunity to Wealth Management clients through RRG Capital Management, which is an impact-focused fund manager that—in partnership with The Nature Conservancy as a technical advisor—raised a fund that aims to invest across multiple synergistic themes such as water, farm acquisition and development, habitat conservation and renewable energy and storage.

## Managing Risk

Assessing our clients' approach to, and performance on, environmental and social matters is an important component of the firm's risk management process. It helps us make more informed decisions and safeguards our reputation. It also enables us to offer our clients information and guidance on best practices when they are seeking to access capital markets, provide disclosures or improve sustainability practices.

The firm's publicly available Environmental and Social Policy Framework (Framework) provides an overview of our approach to evaluating risks posed by environmental and social matters, including certain activities that we will not finance, and sectors and activities subject to environmental and social due diligence. In 2020, we updated our Framework to expand restrictions on financing for coal mining and coal-fired power and to prohibit project financing for new oil and gas development in the Arctic.

Our due diligence efforts are led by a dedicated environmental and social risk management group. In 2019, approximately 2,100 transactions were referred to this team for review because a potential environmental or social risk was identified. These included loans, debt underwriting, equity underwriting and advisory services. Detailed due diligence was undertaken on roughly one-third of the referred transactions.

JPMorgan Chase participates in or has adopted various internationally recognized principles that help guide our efforts on environmental and social risk management, including the Equator Principles. Further information about our implementation of the Equator Principles and other principles is available in our [Framework](#).

### Expanding Our Focus on Climate Change

In 2019, we published our first climate report that was guided by recommendations of the TCFD. Our firm has served as a member of TCFD since it was established. Our report discusses our approach toward managing climate-related risks and how we are capitalizing on the opportunities that arise through a transition to a lower-carbon economy. Since our report was published, we have taken a number of steps to integrate climate factors into our firmwide processes for identifying, assessing and managing risks. For example:

- ▶ We created a dedicated risk team focused on climate.
- ▶ We integrated climate-related risks into the processes the firm uses to identify, assess and review the most material risks to our business.

- ▶ We are evaluating stress testing approaches to deepen our understanding of the relationship between climate change and financial impact to our firm.
- ▶ We continue to engage on policy through industry forums, such as the Climate Financial Risk Forum—established by the Financial Conduct Authority (FCA) and the Prudential Regulatory Authority (PRA) of the Bank of England—as a member of the Scenario Analysis working group.

## Policy Engagement

Addressing complex global challenges, including climate change, requires collaboration and collective action. We participate in a variety of initiatives focused on advancing sustainability within our industry and across the corporate sector broadly. As part of this, we share our expertise on issues at the nexus of finance and sustainability, and learn from other companies and organizations.

In early 2020, for example, JPMorgan Chase joined the Climate Leadership Council (CLC), a think tank that is promoting a bipartisan roadmap for a revenue-neutral carbon tax and dividend framework for the U.S. Institutions like JPMorgan Chase play an important role financing the energy transition necessary to address climate change, and we believe the CLC's roadmap is a step toward advancing a bipartisan conversation about concrete policy solutions.

## Transparency and Reporting

JPMorgan Chase is committed to providing stakeholders with information about our approach to and performance on ESG topics. This annual ESG Report, which summarizes our work on key issues, is one of the primary ways we do that. For the first time, this ESG Report is informed by SASB and includes a separate index, available on [our website](#), which maps our firm's disclosures against the SASB indicators relevant to the sectors in which our firm operates. Our ESG Report also continues to be informed by GRI.



## Strengthening Community Resilience to Climate Change

Around the world, communities are struggling to manage the impacts of natural disasters, such as severe weather and wildfires, many of which could be exacerbated by climate change. These events are expected to grow over time—and to disproportionately impact the most vulnerable populations. While our firm has a robust operational resilience program and a long track record of supporting customers and communities after disaster strikes, we are taking an increasingly coordinated approach to helping communities prepare to withstand these threats.

In 2019, we launched community resilience pilots in South Florida and Northern California. Informed by community input about the main challenges in responding to disasters, our firm committed nearly \$3 million in philanthropic capital to help these communities develop new informational tools, models of engagement and research that will help prepare them to be more resilient in the face of the next disaster. Going forward, we are applying insights from these pilots to enhance our support. This includes working to expand our efforts to more communities that are vulnerable, as well as better aligning our community resilience strategy with immediate disaster relief efforts.

## Operational Sustainability

Minimizing the environmental impact of our physical operations continues to be an important part of our global sustainability strategy. It also helps us to reduce costs and strengthen the firm's resilience. Given the nature of our business, our direct environmental impacts stem primarily from the operation of more than 5,400 corporate buildings, retail bank branches and data centers, including the electricity needed to power those sites.

## Increasing Renewable Energy

Increasing our support for renewable energy is a core part of our operational sustainability strategy. In addition to reducing energy consumption by implementing energy-efficient lighting and other technologies, we are undertaking a range of actions, including:

- ▶ **Installing on-site renewable energy** at retail branches and commercial buildings;
- ▶ **Executing Power Purchase Agreements (PPAs) and green power supply contracts** to support the development of new renewable energy projects on grids from which we purchase energy; and
- ▶ **Purchasing Renewable Energy Certificates (RECs)** to green our electricity supply.

We will meet our 100% renewable energy commitment in 2020 by generating and purchasing energy and corresponding RECs in an amount equivalent to the total megawatt (MW) hours of electricity that JPMorgan Chase consumes globally over the year. The RECs we purchase will be sourced in accordance with RE100—an initiative of The Climate Group and CDP to accelerate the world's transition to renewables—of which JPMorgan Chase is a member. Over time, our goal is to meet our commitment on an annual basis in a way that maximizes impact by bringing more renewable energy onto the grid.



Highlights of our progress in 2019 include:

- ▶ Completing LED lighting retrofits at 4,300 branches and 50 commercial offices, which will result in up to 50% reduction in lighting energy consumption for each building;
- ▶ Installing energy-efficient building management systems at 2,600 branches;
- ▶ Purchasing the equivalent of more than 10% of our global annual electricity consumption from a 100.5 MW wind farm in Texas and over 15% of the electricity we consume annually in India through a solar PPA in Bangalore;
- ▶ Completing on-site solar installations at commercial offices, including the construction of a 3.6 MW rooftop and carport system in Arizona and a 2.8 MW rooftop system at our Polaris campus in Ohio, which is one of the world's largest commercial installations of bifacial solar modules; and
- ▶ Constructing rooftop solar systems at approximately 200 branches in Arizona, Michigan and Nevada, which are on track to be completed in 2020.

## Offsetting Emissions from Employee Travel

In 2019, we offset 100% of the greenhouse gas (GHG) emissions from employee air and rail travel.<sup>3</sup> We achieved this by purchasing 189,327 Verified Emission Reduction (VER) credits from forest management projects in the U.S., such as Hawk Mountain Sanctuary in Pennsylvania. This project is part of Working Woodlands, a program designed by Bluesource and The Nature Conservancy to protect and sustainably manage forested lands for the benefit of the environment and local communities. In addition to sequestering an estimated 47,000 tonnes of carbon dioxide equivalent (tCO<sub>2</sub>e) each year, Hawk Mountain Sanctuary includes 2,500 protected acres and provides habitat for more than 16 species of large birds of prey, including bald eagles, peregrine falcons and ospreys.

<sup>3</sup>Includes client air and rail travel paid for by JPMorgan Chase.

## Key Memberships and Commitments

JPMorgan Chase participates in, is a member of or has committed to various initiatives and principles that address business and sustainability matters, including:

- ▶ Asian Corporate Governance Association (ACGA)
- ▶ Business and Sustainable Development Commission
- ▶ CDP (Investor Signatory)
- ▶ Center for Climate and Energy Solutions (C2ES) Business Environmental Leadership Council
- ▶ Ceres
- ▶ Climate Action 100+
- ▶ Climate Leadership Council
- ▶ Corporate Eco Forum
- ▶ Equator Principles
- ▶ Extractives Industry Transparency Initiative
- ▶ Global Impact Investing Network
- ▶ Global Real Estate Sustainability Benchmark (GRESB)
- ▶ Green Bond Principles
- ▶ Institutional Investors Group on Climate Change
- ▶ RE100
- ▶ Soft Commodities Compact
- ▶ U.N. Principles for Responsible Investment
- ▶ World Green Building Council

## Additional Online Resources



- ▶ [Annual Report](#)
- ▶ [Asset Management—Sustainable Investing](#)
- ▶ [COVID-19 Response](#)
- ▶ [Environmental and Social Policy Framework](#)
- ▶ [Equator Principles Report](#)
- ▶ [J.P. Morgan Development Finance Institution](#)
- ▶ [Sustainability](#)
- ▶ [Sustainability Announcement Press Release](#)
- ▶ [TCFD Climate Report](#)
- ▶ [Wealth Management—Sustainable Investing](#)

For additional information, please visit  
[www.jpmorganchase.com/ESG](http://www.jpmorganchase.com/ESG).

# Environmental Data

		2019	2018	2017
Employee headcount		256,981	256,105	252,539
Square footage <sup>a</sup>		57,205,977	57,584,466	58,140,356
<b>Greenhouse Gas (GHG) Emissions<sup>b</sup></b>				
	UNIT	2019	2018	2017
Scope 1 emissions <sup>c</sup>	MtCO <sub>2</sub> e	81,655	83,101	78,229
Scope 2 emissions—Location-based	MtCO <sub>2</sub> e	692,299	739,458	770,704
Scope 2 emissions—Market-based	MtCO <sub>2</sub> e	556,142	572,067	596,843
<b>Total Scope 1 and Scope 2—Market-based</b>	<b>MtCO<sub>2</sub>e</b>	<b>637,798</b>	<b>655,167</b>	<b>675,073</b>
Reduction over 2005 baseline <sup>d</sup>	%	54	53	52
GHG Emissions per sq. ft.	MtCO <sub>2</sub> e/sq. ft.	0.01115	0.01138	0.01161
Scope 3 emissions from employee air and rail travel <sup>e</sup>	MtCO <sub>2</sub> e	181,004	176,356	187,020
Verified Emission Reduction (VER) credits purchased	MtCO <sub>2</sub> e	189,327	184,769	175,155
<b>Renewable Power</b>				
	UNIT	2019	2018	2017
Electricity production (on-site solar and fuel cells)	MWh	7,743	13,290	6,472
Contractual instruments <sup>f</sup>	MWh	380,901	375,280	370,801
Proportion of power use from renewable sources (production and instruments)	%	22	22	21
<b>Energy Consumption</b>				
	UNIT	2019	2018	2017
Electricity	MWh	1,759,170	1,787,344	1,823,121
Steam	MWh	25,071	36,911	30,423
Chilled water (indirect emissions)	MWh	246	232	222
Natural gas	MWh	254,794	256,623	224,119
Propane	MWh	1,314	1,281	1,081
Fuel oil	MWh	9,849	13,248	12,283
Jet fuel	MWh	31,833	32,172	33,447
<b>Total</b>	<b>MWh</b>	<b>2,082,277</b>	<b>2,127,812</b>	<b>2,124,697</b>
Reduction over 2005 baseline (net)	%	34	33	31
<b>Water Consumption</b>				
	UNIT	2019	2018	2017
U.S. operations <sup>b</sup>	m <sup>3</sup>	5,091,865	5,731,976	5,611,797

a JPMorgan Chase utilizes an operational control approach to establish boundaries for our GHG inventory. This includes owned and leased facilities for which we control the energy usage and pay the energy/utility bills directly to the respective utility.

b Scope 1, 2 and 3 emissions were verified for 2016, 2017, 2018 and 2019. Water consumption in 2018 and 2019 has been verified.

c Scope 1 emissions include emissions from corporate air travel.

d Emission reduction calculations over the 2005 baseline use the market-based method.

e Includes client air and rail travel paid for by JPMorgan Chase.

f Contractual instruments include renewable energy credits (RECs) from the Buckthorn wind farm PPA and a hydroelectric project on BeBee Island, Renewable Energy Guarantees of Origin (REGOs) and a solar and wind tariff.

# JPMorgan Chase Business Principles

## Exceptional client service

1. Focus on the customer
2. Be field and client driven and operate at the local level
3. Build world-class franchises, investing for the long term, to serve our clients

## Operational excellence

4. Set the highest standards of performance
5. Demand financial rigor and risk discipline: We will always maintain a fortress balance sheet
6. Strive for the best internal governance and controls
7. Act and think like owners and partners
8. Strive to build and maintain the best, most efficient systems and operations
9. Be disciplined in everything we do
10. Execute with both skill and urgency

## A commitment to integrity, fairness and responsibility

11. Do not compromise our integrity
12. Face facts
13. Have fortitude
14. Foster an environment of respect, inclusiveness, humanity and humility
15. Help strengthen the communities in which we live and work

## A great team and winning culture

16. Hire, train and retain great, diverse employees
17. Build teamwork, loyalty and morale
18. Maintain an open, entrepreneurial meritocracy for all
19. Communicate honestly, clearly and consistently
20. Strive to be good leaders

# Contact Us

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To contact Investor Relations, email [JPMCinvestorrelations@jpmchase.com](mailto:JPMCinvestorrelations@jpmchase.com).

JPMorgan Chase & Co. (NYSE: JPM) is a leading global financial services firm with assets of \$2.7 trillion and operations worldwide. The firm is a leader in investment banking, financial services for consumers and small businesses, commercial banking, financial transaction processing and asset management. A component of the Dow Jones Industrial Average, JPMorgan Chase & Co. serves millions of customers in the United States and many of the world's most prominent corporate, institutional and government clients under its J.P. Morgan and Chase brands.

Information about J.P. Morgan's capabilities can be found at [jpmorgan.com](http://jpmorgan.com) and about Chase's capabilities at [chase.com](http://chase.com). Information about JPMorgan Chase & Co. is available at [jpmorganchase.com](http://jpmorganchase.com).

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