

JPMORGAN CHASE & CO.

# Environmental Social and Governance Report

2017



# Letter From Our Chairman & CEO

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At JPMorgan Chase, we work hard to earn the trust and respect of our shareholders, employees, customers and the communities we serve every single day.

Doing so starts with our uncompromising focus on getting the fundamentals right, which includes effectively managing environmental, social and governance matters. It means having robust Board oversight; risk management and controls; promoting a strong culture that values fairness and accountability; delivering exceptional service for our customers; investing in and supporting our people and our communities; and advancing sustainability both for our clients and in our own operations.

When we do all these things well, we position our Firm for success – which allows us to do even more of what banks do best: provide the capital needed to support our clients and customers and help strengthen the broader economy. This is what we are doing through a \$20 billion, five-year investment in our employees, branches and communities announced in early 2018. We know that attracting and retaining talented people is essential to our success, so we are increasing our investment in them. For the second time in two years, we are raising wages for 22,000 employees. For employees making between \$12 and \$16.50 an hour, we have raised wages to between \$15 and \$18 an hour, depending on local cost of living. Our Firm will also open hundreds of new branches and add 4,000 jobs in U.S. markets, increase small business and mortgage lending, and boost our philanthropic investments in local communities by 40% to \$1.75 billion over the next five years.

Our Firm is also stepping up our commitment to sustainability. In 2017, we announced that we will source renewable energy for 100% of our global power needs by 2020 and facilitate \$200 billion in clean financing through 2025. These commitments build on our long-standing efforts to advance sustainability in our business and operations. They also reflect our belief that business must play a leadership role in creating solutions that protect the environment and grow the economy.

Well-managed and well-governed businesses are the ones that are successful over the long-term. They are also the engines of our global economy. In this report, I invite you to learn more about how we are working across our Firm to be that kind of business.

**Jamie Dimon**

Chairman & CEO, JPMorgan Chase & Co.

# Introduction

As a global financial institution operating in over 60 countries and with more than 252,000 employees, addressing environmental, social and governance (ESG) matters is fundamental to how JPMorgan Chase does business. ESG includes the Firm's own governance as well as our systems of risk management and controls, our human capital strategy, the manner in which we serve our customers and support our communities and how we advance sustainability in our businesses and operations. We know that the long-term success of our Firm requires a continued focus on these topics and a commitment to regularly evaluating how we are doing and challenging ourselves to improve.

## About This Report

JPMorgan Chase is committed to engaging with our many stakeholders and to being transparent about how we do business. One way we do this is by publishing this annual ESG Report, which provides information on how we are addressing ESG matters that we and our stakeholders view as among the most important to our business. We also maintain a dedicated [ESG Information](#) page on our website to facilitate access to the wide range of information and resources that we publish on these topics.

While we share information about our ESG performance through a number of channels – including various reports and presentations, regulatory filings, press releases and direct engagement with stakeholders – the annual ESG Report consolidates and summarizes the most important aspects of our work. It is also designed to guide readers to where they can access more detailed information about specific topics of interest.

This report principally covers programs and performance on ESG matters, including key developments and financial performance that took place in 2017. It is intended to be a companion to our [2017 Annual Report](#) and [2018 Proxy Statement](#), as well as our annual [Corporate Responsibility Report](#), which focuses on the Firm's philanthropic initiatives to drive inclusive growth in communities around the world. This report also provides an update on many of

the topics covered in How We Do Business – The Report, which was published in December 2014.

This ESG Report, in combination with a separate [Index](#) available on our website, has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option. The GRI is an international standard commonly used by companies and other organizations to guide sustainability reporting.

### 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 & 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

## Company at a Glance

JPMorgan Chase & Co. is a leading global financial services company with assets of \$2.5 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 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 a Corporate segment and four major reportable business segments, which we refer to as the lines of business.

### Consumer & Community Banking (CCB)

CCB has a relationship with about 61 million households – almost half of the households in the U.S. We serve people, families and businesses across multiple channels – including through over 5,100 branches and over 16,000 ATMs and through the No. 1 most visited online banking portal in the U.S. We help people bank, save, invest, make purchases with credit cards and finance homes and vehicles.

### Corporate & Investment Bank (CIB)

CIB offers a suite of investment banking, market-making, prime brokerage, and treasury and securities products and services to a global client base. In general, the CIB's clients can be categorized as corporations, governmental entities, central banks and asset owners and managers (e.g., pension and hedge funds, family offices).

### Commercial Banking (CB)

CB provides credit, banking and treasury services to approximately 19,000 clients, including mid-sized businesses, corporations, government entities and nonprofit organizations, as well as about 34,000 real estate owners and investors.

### Asset & Wealth Management (AWM)

AWM serves both individuals and institutions, including pension and sovereign wealth funds, central banks and many of the world's wealthiest individuals and families. By managing money for clients, we help individuals retire more comfortably, pension funds meet their obligations, universities reinvest in research and facilities and wealthy families ensure lasting legacies.

## Financial Performance

As of or for the year ended December 31 (in millions, except per share, ratio data and headcount)

	2017	2016
<b>Reported basis<sup>(a)</sup></b>		
Total net revenue	\$ 99,624	\$ 95,668
Total noninterest expense	58,434	55,771
Pre-provision profit	41,190	39,897
Provision for credit losses	5,290	5,361
Net income	\$ 24,441	\$ 24,733
<b>Per common share data</b>		
Net income per share:		
Basic	\$ 6.35	\$ 6.24
Diluted	6.31	6.19
Cash dividends declared	2.12	1.88
Book value	67.04	64.06
Tangible book value (TBVPS) <sup>(b)</sup>	53.56	51.44
<b>Selected ratios</b>		
Return on common equity	10%	10%
Return on tangible common equity (ROTCE) <sup>(b)</sup>	12	13
Common equity Tier 1 capital ratio <sup>(c)</sup>	12.1	12.2
Tier 1 capital ratio <sup>(c)</sup>	13.8	13.9 <sup>(d)</sup>
Total capital ratio <sup>(c)</sup>	15.7	15.2
<b>Selected balance sheet data (period-end)</b>		
Loans	\$ 930,697	\$ 894,765
Total assets	2,533,600	2,490,972
Deposits	1,433,982	1,375,179
Common stockholders' equity	229,625	228,122
Total stockholders' equity	255,693	254,190
<b>Market data</b>		
Closing share price	\$ 106.94	\$ 86.29
Market capitalization	366,301	307,295
Common shares at period-end	3,425.3	3,561.2
Headcount	252,539	243,355

(a) Results are presented in accordance with accounting principles generally accepted in the United States of America, except where otherwise noted.

(b) TBVPS and ROTCE are each non-GAAP financial measures. For further discussion of these measures, see Explanation and Reconciliation of the Firm's Use of Non-GAAP Financial Measures and Key Financial Performance Measures on pages 52-54 of JPMorgan Chase's 2017 Annual Report in Form 10-K.

(c) The ratios presented are calculated under the Basel III Advanced Fully Phased-In Approach, and they are key regulatory capital measures. For further discussion, see "Capital Risk Management" on pages 82-91 of JPMorgan Chase's 2017 Annual Report in Form 10-K.

(d) The prior period ratio has been revised to conform with the current period presentation.

# Our Key Environmental, Social & 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 greatest interest to our stakeholders.

The following topics were identified through a process that included discussions with subject matter experts from across our business as well as feedback from a wide range of external stakeholders. We also conducted a targeted analysis of ESG trends, standards and practices related to our industry. Every year, we reassess these areas based on the feedback we receive and insights we gain through our Firm's ongoing engagement with a diverse set of external stakeholders (see Stakeholder Engagement, p. 6). In 2017, this reassessment affirmed that the broad categories and specific key topics we had identified remain relevant for our Firm.<sup>1</sup>

## THE FOLLOWING TOPICS ARE DISCUSSED IN THIS REPORT

### PROMOTING SOUND GOVERNANCE

- + Board leadership and management processes
- + Ethical culture
- + Control environment
- + Policy engagement and political participation

### SERVING OUR CUSTOMERS

- + Engagement with retail customers and consumer organizations
- + Fair and transparent marketing and advertising
- + Serving a diverse retail customer base
- + Efforts to improve consumer financial health globally

### INVESTING IN OUR EMPLOYEES

- + Talent attraction, retention and development
- + Compensation and benefits for our employees
- + Diverse and inclusive culture

### SUPPORTING OUR COMMUNITIES

- + Use of investment and philanthropic capital to expand access to economic opportunity in the communities where we do business

### ADVANCING SUSTAINABILITY

- + Integration of environmental and social issues into due diligence and analysis
- + Financing solutions that generate positive environmental and social impacts
- + Partnerships with organizations to advance sustainable development
- + Management of the environmental impacts of our buildings and branches, including energy use, greenhouse gas emissions, water and waste

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 [GRI Index](#).

<sup>1</sup> During the year, we also expanded our Firm's sustainability strategy to bring together our existing initiatives with two new goals (see Advancing Sustainability, p. 24). As a result, we have decided to combine the discussion of key topics associated with our business and operational sustainability efforts within one comprehensive category.

# Stakeholder Engagement

Ongoing and proactive engagement with stakeholders helps make our company stronger and better informed. This engagement allows us to share information about our Firm's strategy, practices and performance. It also helps us gain valuable insight into our stakeholders' perspectives and the topics that matter to them. We use this insight to develop products, services and programs that are responsive to their needs.

Our Firm has a broad range of stakeholders: shareholders, employees, clients and customers, regulators and policymakers, researchers and analysts, members of the communities where we do business and nongovernmental organizations. Responsibility for engaging with these different 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 several forums, including our annual Investor Day, quarterly earnings calls, Securities and Exchange Commission filings, Annual Report and Proxy Statement, annual meeting, investor conferences and web communications. We conduct a formal shareholder outreach program twice a year, with fall meetings focused on corporate governance, strategy and financial issues and spring discussions focused on issues related to the Proxy Statement. In all these meetings, we solicit shareholders' perspectives and share information about our management of a range of matters, including ESG topics. After each of these outreach programs, we provide investor feedback to the Board. The shareholders who participated in these meetings in 2017 represented over 45% of the Firm's outstanding common stock.

We also engage in dialogue outside these formal channels with shareholders who have a long-term economic interest in our company. These engagements provide us with useful feedback, which we consider when executing the processes that set the governance practices and strategic direction for the Firm. We have been consistently recognized for our engagement efforts by industry publications, including for Best Corporate Governance in 2017 by *IR Magazine*.

## Employees

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We communicate with and gather input from our employees through our biannual global Employee Opinion Survey, regular town hall and small group meetings, blogs and newsletters, and online suggestion tools via our intranet, among other avenues. We also have a global telephone hotline – staffed by a live responder 24 hours a day, seven days a week, with translation services available – as well as a variety of other 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.

## Regulators and Policymakers

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We 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, across the enterprise, our businesses and control functions engage with regulators – for example, through exams and continuous monitoring, regular meetings and ad hoc requests. We share regular 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

We have a variety of means to solicit and respond to customer feedback about our products, services and organization as a whole. Customers may communicate with us directly in our branches; via surveys; through our [website](#), [@ChaseSupport](#) Twitter handle and [Facebook](#) page; and by phone or mail.

## Research Analysts

We provide a wide range of information to members of the investment community, including both financial and ESG analysts and researchers, through several channels, including 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

In the U.S., where we have a retail banking presence, we have Community Advisory Boards (CABs) in our major markets. The CABs provide a forum for communication between our Firm and community stakeholders, including leaders from nonprofit organizations. CAB members help identify community development needs and have the opportunity to raise questions and concerns directly to JPMorgan Chase executives.

## Nongovernmental Organizations

We engage with nongovernmental organizations (NGOs) on issues that are important to communities, consumers and our business. For example, through the Chase Advisory Panel program, 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. We also engage with NGOs on environmental and social topics, and maintain philanthropic partnerships with a broad range of groups that work on issues that are important to our Firm.

## Additional Online Resources



Our [ESG Information](#) website portal provides links to numerous JPMorgan Chase publications, documents, policies, website pages and other sources of information about various ESG topics, including:

- > [2017 Annual Report](#)
- > [2018 Proxy Statement](#)
- > [Business Principles](#)
- > [Code of Conduct](#)
- > [Code of Ethics for Financial Professionals](#)
- > [Corporate Governance Principles](#)
- > [Corporate Responsibility Report \(April 2018\)](#)
- > [Diversity and Inclusion](#)
- > [Environmental and Social Policy Framework](#)
- > [How We Do Business – The Report](#)
- > [Human Rights Statement](#)
- > [Policy Engagement and Political Participation](#)
- > [Supplier Information](#)
- > [U.K. Modern Slavery Act Transparency Statement](#)

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

# Promoting Sound Governance

Under the oversight of our Board of Directors and the leadership of our senior management, we are committed to operating in an environment in which all our employees act with integrity, fairness and accountability. We know that outstanding people, strong leadership and effective governance and controls are the foundation of success and central to delivering consistently for our clients, communities and shareholders.

## Our Corporate Culture

We remain steadfast in our commitment to rigorously and consistently adhere to the high ethical standards that our shareholders, regulators and others expect of us, and that we expect of ourselves. This includes clearly articulating Business Principles, promoting sound governance and the right tone from the top, having in place strong leadership and management processes, and providing a management development and compensation framework that properly incents appropriate behaviors.

## Leadership and Governance

Broadly speaking, our senior management team develops the company's strategic direction and oversees its execution, while the Board of Directors is charged with providing oversight of management's performance. The Board and senior management team also remain committed to fostering an effective and efficient risk and control environment, including a continued emphasis on our Business Principles and cultivating a strong cohesive culture across all levels of the Firm.

## Board of Directors

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The Board's Corporate Governance Principles and the charters of the Board's principal standing committees, available on our website, form the framework for governance of the Firm. A deeply engaged Board is vital to our company's success, and our Directors bring a strong combination of executive experience and skills that are aligned with our business and strategy, including related to risk management and controls, regulatory issues, management development and succession planning, and financial reporting and accounting, among others. All of our Directors, other than our CEO, are independent, under the standards established by the New York Stock Exchange and the Firm's independence standards. We also have a Lead Independent Director, who is appointed annually by the independent Directors.

Our annual [Proxy Statement](#) contains information about the membership and responsibilities of the five principal standing committees of the Board. Among their various responsibilities, the committees oversee a range of environmental, social and governance matters, in accordance with the scope of their charters. For example, the Public Responsibility Committee has oversight of fair lending and sustainability (including environmental and human rights matters), among other topics, while the Compensation & Management Development Committee's oversight of executive compensation and benefit programs includes consideration of progress in culture and conduct, and teamwork and leadership.

Through its Corporate Governance & Nominating Committee, the Board engages in ongoing consideration of potential Board candidates. JPMorgan Chase seeks Director candidates who will uphold the highest standards; are committed to the Firm's values; and will be strong, independent stewards of shareholders' long-term interests. In addition to considering professional skills, experience and integrity, the Board looks for individuals who will contribute diverse viewpoints to enhance its independent oversight.

In March 2018, the Board of Directors announced that it had elected Mellody Hobson, President of the Chicago-based investment management firm Ariel Investments, LLC, as a Director of the company. The Board also announced the retirement effective May 2018 of Crandall Bowles, Chairman Emeritus of the Springs Company, who has served on the Board since 2006. With the appointment of Ms. Hobson, we will have added two new independent Directors in the past three years – bringing the average tenure of our independent Directors to 8.7 years as of May 2018.

## Management

Our management structure is designed to enhance our ability to lead the company as a whole, as well as each of our businesses, effectively and in a manner that promotes a strong corporate culture and is consistent with our corporate standards. We have found that the most effective approach is to manage on a line of business basis, coupled with strong corporate functions and appropriate governance of the company's subsidiaries. The management structure of each line of business mirrors that of the company as a whole. Each business is led by a CEO and has a Chief Financial Officer, Chief Risk Officer, Chief Compliance Officer, Chief Control Officer, General Counsel, Human Resources Executive and Chief Auditor.

The Operating Committee is the company's most senior management body; it is responsible for the overall management of the company, including developing and implementing corporate strategy and managing operations. Currently, five of the 11 members of our Operating Committee are women. In early 2018, Robin Leopold became Head of Human Resources and joined the Operating Committee in her role. Other new appointments to the Operating Committee include Lori Beer, Global Chief Information Officer, who joined in 2017, and Peter Scher, Global Head of Corporate Responsibility and Chairman of the Mid-Atlantic Region, who joined in 2018. In addition, in early 2018, we announced that Daniel Pinto, CEO of the Corporate & Investment Bank, and Gordon Smith, CEO of Consumer & Community Banking, would also become Co-Presidents and Co-Chief Operating Officers of the company, working closely with our CEO to drive critical firmwide opportunities.

## Executive Compensation

The Firm's compensation program plays a significant role in our ability to attract, retain and properly motivate the highest-quality workforce to support the Firm in achieving key goals and driving sustained shareholder value. We believe that the effectiveness of our executive compensation program is dependent on the alignment of our pay practices with our compensation philosophy, which is focused on promoting an equitable and well-governed approach to compensation, being responsive to and aligned with shareholders' interests, and encouraging a shared success culture in support of our Business Principles.

The Compensation & Management Development Committee (CMDC) of the Board maintains independent oversight of our compensation programs. In determining individual compensation decisions for Operating Committee members, the CMDC uses a balanced and discretionary approach to assess performance against each individual's goals associated with four broad categories: (i) Business Results; (ii) Risk, Controls & Conduct, including feedback received from the Firm's risk and control professionals; (iii) Client/Customer Focus, which includes our engagement in communities and encompasses a variety of environmental, social and governance-related factors and measures; and (iv) Teamwork & Leadership, including creating a diverse and inclusive environment that encourages employees to speak up.

Our compensation program is designed to incentivize long-term, sustainable decision-making and to hold individuals accountable, when appropriate, for meaningful actions or issues that negatively impact business performance in current or future years. To do so we maintain policies and procedures that enable us to take prompt and proportionate actions with respect to accountable individuals, including (i) reduction 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 shareholder feedback in making potential changes. In 2017, shareholders demonstrated strong support for our program with a 92% vote in favor of our annual resolution to approve executive compensation. Our 2018 Proxy Statement includes a Compensation Discussion and Analysis section that outlines further details of our executive pay program.

## Culture and Conduct Program

In 2017, we continued to strengthen and reinforce our Culture and Conduct Program, which is focused on fostering an environment where all employees adhere to the highest ethical standards and uphold our Business Principles (p. 3) in their engagements with customers, colleagues and other stakeholders. The Firm endeavors to promote a culture of respect that allows every employee to feel safe and empowered at work. For example, the Firm has in place employee training and protocols for preventing, reporting and addressing behavior that is not in line with our Business Principles and standards, including discriminatory behavior or sexual misconduct, and prohibits retaliation against any individual who reports a concern or assists with an inquiry or investigation.

Over the past few years, our efforts – which have been guided by ongoing employee engagement – have sought to promote a greater sense of personal accountability among employees by reinforcing these expectations through various communication channels, and by encouraging our senior leaders to communicate clearly and frequently with employees. In early 2017, we created a new role of Chief Culture and Conduct Officer, which works closely with the lines of business and corporate functions to embed culture and conduct risk management into existing risk management processes, and to develop more holistic oversight and reporting of conduct risk. In addition, we created a new compliance role, Conduct Risk Compliance Executive, which develops and issues conduct risk compliance standards for areas such as employee training and front office supervision.

The Board's Compensation & Management Development Committee provides oversight of the governance framework of the Culture and Conduct program, while the Directors' Risk Policy Committee of the Board reviews reports of identified operational, compliance and reputational matters. In addition, the full Board is briefed on the program annually.

## Our Control Environment

Our control agenda is a key priority, and we devote significant resources to adhering and adapting to the substantial number of heightened regulatory expectations and reporting requirements that guide our industry.

Satisfying the letter and spirit of the law requires that we understand all legal and regulatory requirements and have a culture and infrastructure that emphasize compliance and issue escalation and remediation. We continue to underscore that effective controls are an integral part of our day-to-day business practices. By having effective checks and balances in place, we endeavor to address issues before they become larger problems. We regularly engage regulators in constructive dialogue as we design appropriate adjustments and remediation plans.

We continuously seek ways to enhance governance and oversight of our control environment across the company and to simplify and appropriately de-risk our operations. We also continue to make substantial investments in financial and human capital dedicated to these efforts. Since 2011, our control headcount, which includes compliance, risk, control management, audit and other functions, has doubled from 24,000 to 48,000 people, and our total annual control spend over the same period has increased by approximately \$3 billion.

Our control environment, which is supported by other functions, including Finance, Human Resources and Legal, is structured as follows:

### Lines of Business

The lines of business are each responsible for identifying and addressing the risks presented by their respective businesses and operating within a sound control environment. The Control Management function, which consists of dedicated control managers within each of the lines of business and corporate functions, provides dedicated support to the business leaders. The function is charged with enhancing the Firm's control environment by looking within and across the lines of business and corporate functions to identify and remediate control issues. This enables the Firm to detect control problems more quickly, escalate issues promptly and engage other stakeholders to understand common themes and interdependencies among the various parts of the Firm.

## Risk Management and Compliance

The Risk Management Organization and Compliance operate independently from the lines of business, which enables them to provide credible challenge to the business. They are responsible for the definition of policies and frameworks for the management of risk across the organization, as well as processes to challenge the implementation by the businesses.

## Internal Audit

Internal Audit, a function independent of the lines of business as well as of 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.

Additional detail about our efforts to strengthen our control environment and our approach to controls, risk management and compliance is available in our [2017 Annual Report](#).

## Policy Engagement and Political Participation

As a public company with customers and employees around the world, we have a responsibility to engage and work constructively with policymakers, including elected representatives, in numerous jurisdictions. Because of the potential public policy has to impact our business, employees, communities and customers, we engage with policymakers on a range of issues, including financial regulation, job creation, workforce skills, trade and tax policy, among others, to advance and protect the long-term interests of the Firm and the communities in which we operate. Growing the economy and creating opportunity for more people are vitally important, and JPMorgan Chase is proud to engage on these issues. We also belong to a number of trade associations representing the interests of the financial services industry specifically, as well as the broader business community. JPMorgan Chase's membership in these associations comes with the understanding that our Firm may not always agree with certain positions of an organization or its other members. Finally, we aim to operate with high standards of public transparency in political spending and are credited as an industry leader by the 2017 CPA-Zicklin Index of Corporate Political Disclosure and Accountability.

## Cybersecurity

The Firm devotes significant resources to protect the security of our computer systems, software, networks and other assets. We continue to enhance our cyber defense capabilities and strengthen partnerships with government and law enforcement agencies and other businesses in order to understand the full spectrum of cybersecurity risks, enhance our defenses and improve resiliency against cybersecurity threats. We have dedicated cybersecurity professionals working across the globe, monitoring our systems 24 hours a day, seven days a week, to maintain our defenses and enhance our resiliency to threats. All of our employees receive annual Cybersecurity Awareness education and are expected to be vigilant to cyber risks at all times.

We are also advancing our cybersecurity leadership through Sheltered Harbor, an industry-led set of standards and processes to increase the resilience of the retail financial sector in the event of a destructive or disruptive cyberattack. JPMorgan Chase was one of the institutions that drove the development and establishment of Sheltered Harbor. A voluntary program, the participating firms represent over 60% of U.S. retail deposit accounts and over 55% of U.S. brokerage client assets. Sheltered Harbor is just one example of how the industry is taking the lead in building resiliency into the financial system to provide our customers the utmost confidence.

## Additional Online Resources



- > [2017 Annual Report](#)
- > [2018 Proxy Statement](#)
- > [Business Principles](#)
- > [Code of Conduct](#)
- > [Code of Ethics for Financial Professionals](#)
- > [Corporate Governance Principles](#)
- > [Corporate Responsibility Report \(April 2018\)](#)
- > [Diversity and Inclusion](#)
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For additional information, please visit [www.jpmorganchase.com/ESG](http://www.jpmorganchase.com/ESG)

# Serving Our Customers

At JPMorgan Chase, our goal is to provide exceptional service to clients and customers every time, in everything we do. Through our four lines of business, we serve tens of millions of consumers and small businesses across the U.S., as well as many of the world's most prominent corporations, national and local governments, investors, nonprofit organizations and a broad range of other institutions.

In this section, we focus on how our lines of business, especially our Consumer & Community Banking business, serve consumers and small businesses across the U.S. under the Chase brand. We support the banking needs of nearly half of all U.S. households, helping consumers manage their money, families purchase a home, individuals invest and save for the future, and entrepreneurs grow – or start – their businesses. In the 12 months ending in June 2017, the Firm's U.S. deposits, including consumers and businesses, grew by nearly 8%. This made it our fifth year of leading the nation in deposit growth and, for the first time in more than 23 years, JPMorgan Chase led the nation in total deposits.

In early 2018, we announced a number of new measures we will undertake to further invest in the economic growth of our communities, including:

- + Expanding our branch network by opening up to 400 branches over the next five years in new markets. These new branches will directly employ about 3,000 people.
- + Hiring approximately 500 new bankers in our existing markets to help support local businesses through lending and cash management solutions.
- + Hiring approximately 500 new Home Lending Advisors across the country to help consumers understand mortgage options so they can buy a home they can afford for the long term.

Together, these initiatives will enable us to increase our small business lending, accelerate affordable housing lending and provide further support for low- and moderate-income communities.

## WHO WE SERVE:

- + 61 million households
- + 4 million small business customers
- + 46.7 million active digital users, including 30 million active mobile users

## 2017 – AT A GLANCE:

- + Originated \$98 billion in mortgages
- + Opened 8.4 million credit card accounts
- + Completed 143 million Chase QuickPay with Zelle transactions
- + Processed, on average, \$2.5 billion in credit and debit payments every day
- + Processed \$1.2 trillion for merchants

## Innovating to Meet Our Customers' Needs

Our customers' lives increasingly center on mobile and digital technologies, so we are continually innovating to enhance how we serve them through those tools. This includes developing products and services specifically designed to meet the unique needs of our customers, including low- and moderate-income customers, individuals with disabilities, people for whom English is not their primary language and small business entrepreneurs.

Many of our innovations center on technology, but we also want to give our customers choices. Digital and mobile banking tools and services are increasingly important in how customers bank and are key to their satisfaction. These offerings supplement our extensive brick-and-mortar network of more than 5,100 branches and 16,000 ATMs. On an average day, 1 million customers visit a Chase branch, and we are also at the forefront of digital banking: Chase.com is the most visited online banking portal and we have the largest active digital customer base in our industry.

To maintain our leadership, we always look for ways to enhance our products and introduce new ones. For example, in recent years we have introduced mobile and online banking tools that empower our customers to perform a range of important banking tasks entirely online or from their mobile devices, including:

- + Making and receiving payments on the go through QuickPay with Zelle and Chase Pay
- + Paying for purchases and accessing ATMs with just their mobile phone
- + Helping homebuyers to research, apply for and track mortgages
- + Shopping for and financing vehicle purchases
- + Helping small business owners access and manage business loans

## Engaging With Customers

We regularly engage with our customers, consumer groups and other stakeholders to develop products, services and policies that are responsive to their needs and address the issues that matter most to them. We have developed a range of forums at the local, regional and national levels at which stakeholders can share their perspectives with us, both formally and informally.

Community Advisory Boards, which we have in our major U.S. retail markets, are one of the key forums through which local and regional nonprofit leaders and community partners can regularly share their perspectives on community development needs, public policy and regulatory issues with Chase executives. Similarly, Chase Advisory Panels provide a forum for national consumer policy groups to engage the Firm's senior executives on retail-related policies, products and communications. We also conduct hundreds of meetings annually with community-based nonprofits, which helps us better understand stakeholders' perspectives on our products and services.

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

## Being There When Our Customers Need Us

In 2017, many of our customers across the southern U.S. were affected by severe weather. We responded as we always do when disaster strikes communities where our customers and employees live and work: we jumped into action. We focused on easing customers' short-term financial stresses to give them time to recover after Hurricanes Harvey and Irma hit Texas, Florida and Georgia. We provided \$30 million in immediate economic relief, including waiving and refunding some fees on loans, credit cards, mortgages and ATMs, and offering 90-day grace periods on mortgage and home equity payments. In the Houston area, where flooding wrecked tens of thousands of vehicles, we also discounted interest rates on new auto loans. These actions are in addition to others undertaken by the Firm to support our customers, communities and employees when they face disaster. During 2017, JPMorgan Chase – combined with the generous contributions of our employees – donated \$7.8 million to nonprofits in support of relief and rebuilding efforts in communities that had been struck by disaster, including California and the southern U.S., as well as Puerto Rico, Mexico and the Caribbean.

## Treating Customers Fairly

We are committed to developing relationships with our customers that are based on fairness and transparency. We 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.

### Fair and Transparent Marketing

We strive to empower our customers to make informed choices about their finances and banking options by providing clear, concise and transparent information about our products and services. For example, for our Chase Liquid® product we provide information that uses plain language in a consumer-friendly format to explain fees. These disclosures also align with upcoming Consumer Financial Protection Bureau disclosure rules set to come into effect in 2019.

## Aligning Employees' Incentives With Customers' Interests

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We train our bankers to focus on providing our customers with the right products and services to meet their financial needs. We reinforce this priority by rewarding bankers for delivering our customers both a positive overall experience, as well as products and services they use. Every year, bankers are trained on our customer-centered policies, procedures and controls, and we evaluate their performance on these metrics, as well as on revenue and profitability. We also review sales practices, including culture, incentive plans, controls assessments and feedback received from customers and employees through various channels, including anonymous hotlines. By tying together the feedback from all of these channels, we help to safeguard our reputation and align employee performance with the best interests of our customers.

## Safeguarding Customer Privacy and Data Security

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Our customers trust us with not only their money but also their personal and financial information. We take this responsibility seriously. We have established internal policies and maintain a variety of security measures intended to keep our customers' information safe. An important part of this involves holding our suppliers and vendors to high standards for data security.

We use a wide range of technological, procedural and physical security measures to protect customer information. Our Code of Conduct and related policies for ethical business conduct include specific guidelines about how employees should safeguard confidential information, including customers' data, and all employees receive annual training on these policies. 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 steps they can take to limit the sharing of personal information.

In parallel with enhancing our customers' banking experience with digital and mobile financial tools, we are developing and putting into place innovative data privacy and security solutions to safeguard information shared via these tools. For example, in 2017 we signed an agreement with Intuit that allows customers to share data easily while safeguarding the privacy of their personal and financial information. These kinds of partnerships not only give customers greater control of their financial information to help

them make better financial decisions, but also set the bar for how banks and technology companies can work together to serve their shared customer base.

## Serving Low- and Moderate-Income Customers

We are committed to serving all customer segments, which includes working to develop high-quality, affordable products and user-friendly technologies to meet the needs of low- and moderate-income customers.

### Broadening Access to Banking Services

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Through Chase Liquid – our reloadable, prepaid card with a flat monthly fee, no overdraft fees and robust transaction capabilities – we provide low- and moderate-income consumers a safe, affordable way to access traditional banking services. We developed this product based on extensive engagement with consumers, community groups and consumer advocacy groups and it meets the Cities for Financial Empowerment Fund's (CFE's) Bank On National Account Standards.

Since its launch in 2012, Chase Liquid has helped more than a million people gain access to mainstream banking, making it easier for them to pay bills and increase financial security. As of year-end 2017, nearly 69% of Chase Liquid customers were new to Chase – and we estimate that half of those customers had never used traditional banking services, did not have a current bank account or were otherwise underbanked prior to opening their Chase Liquid Card.

### Expanding Homeownership

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We are committed to increasing access to affordable and sustainable homeownership for many more customers. In 2017, nearly 15% of the mortgages we made for home purchases were through our DreaMaker loan – up from almost 5% in 2016 – which allows buyers to make a down payment of as little as 3%. This and our other affordable home loan products complement the suite of affordable loans we have long offered, including Federal Housing Administration and U.S. Department of Veterans Affairs mortgages. Chase also has a specialized underwriting team that

reviews each of these affordable loans so they can offer customers payment plans that are sustainable now and in the future.

In early 2018, we increased our commitment to homeownership in low- and moderate-income communities by expanding our lending to \$50 billion total over the next five years, a 25% increase from our previous lending levels. We are also expanding our homeownership grant program, which reduces the cash that buyers need for down payment and closing costs, to low- and moderate-income areas nationwide. In addition, we are increasing the grant amount available to \$2,500, up from \$1,500. Buyers can earn an extra \$500 grant toward a DreaMaker loan by completing a financial educational program to prepare them for homeownership.

Recognizing that homeownership is not possible or desirable for some consumers, JPMorgan Chase is also increasing our commitment to preserving affordable rental housing in distressed communities by nearly 20%. We will do that by lending a total of \$7 billion over five years to commercial and nonprofit housing partners to maintain, rehabilitate or build units.

## Supporting Small Businesses

JPMorgan Chase is a long-time leader in serving small businesses, which play an essential role in creating jobs and generating opportunity for communities – especially in low- and moderate-income areas. In 2017, we originated nearly 622,000 small business loans totaling \$13.3 billion in the markets served by our branches; 20% of these were made to businesses in low- and moderate-income communities. In early 2018, we announced that we are expanding on our commitment to serve this sector by increasing small business lending nearly 20%, or by \$4 billion, over three years.

In addition to leveraging our core business to support small businesses, through our Small Business Forward initiative we are investing \$150 million in philanthropic capital over five years to support and scale innovative efforts. This includes collaborations with community development financial institutions, to expand opportunities for underserved entrepreneurs – including people of color, women and veterans – who face unique barriers that inhibit their success (see p. 22).

## Promoting Financial Health

Because we serve 61 million U.S. households, we consider ourselves in the business of financial health. That means we have a responsibility to give our customers the tools, skills and confidence to manage daily finances, withstand unexpected emergencies and meet their long-term financial goals. As part of our firmwide strategy, we are developing and bringing to market affordable, innovative financial products and services designed to help promote consumer financial health.

For example, Chase Slate® card customers can enroll in the Slate Credit Dashboard, which provides a monthly credit score, information on factors impacting the score, a summary of their Experian credit report and tips for managing credit health. Following the success of Credit Dashboard – with more than 3.8 million customers enrolled by the end of 2017 – we launched Credit Journey<sup>SM</sup>, a similar service publicly available to all consumers for free. We are also working to build a long-term savings movement across America, such as through National Savings Week, which we recently launched to help consumers learn how to take control of their financial lives and save for the future.

To inform these efforts – and enable leaders across sectors to make more informed decisions – the JPMorgan Chase Institute leverages our Firm's unique data, expertise and market access to develop and share insights into the financial lives of consumers. In addition, through the Financial Solutions Lab, managed by the Center for Financial Services Innovation with JPMorgan Chase, we are supporting technology-based innovations to improve the financial lives of low- and moderate-income Americans (see p. 22).

### Additional Online Resources



- [> 2017 Annual Report](#)
- [> JPMorgan Chase Financial Health](#)
- [> 2018 Proxy Statement](#)
- [> JPMorgan Chase Institute](#)
- [> Accessibility at Chase](#)
- [> JPMorgan Chase Small Business Forward](#)
- [> Business Principles](#)
- [> Chase Privacy Policy](#)
- [> Corporate Responsibility Report \(April 2018\)](#)

# Investing in Our Employees

Our success as a company is a direct result of the character and talent of our people. Attracting, retaining and supporting our employees underpin our ability to serve our customers, clients and communities, and deliver value for our shareholders.

We invest in our people through all phases of the employee life cycle – from how we recruit to how we support their development and reward their performance throughout their careers at JPMorgan Chase. In January 2018, we announced we are stepping up this investment with a further increase to wages and enhancement to benefits for employees at the lower end of our pay scale (see p. 20).

Fostering a diverse and inclusive work environment where all our people are respected, trusted and encouraged to contribute their ideas is a cornerstone of our human capital strategy. We know that by having employees with different backgrounds and experiences we can better meet the diverse needs of our clients and communities, and this commitment is embedded throughout our organization at all levels. In particular, leaders and managers are encouraged to make diversity a priority when recruiting talent, and to work with their teams to create an environment that is respectful and inclusive of differences, where everyone has the opportunity to succeed.

We measure the success of our investments in employees in multiple ways, including job offer acceptance rates, employee engagement and satisfaction, attrition levels and internal mobility rates, among others. We are widely recognized for our workplace practices. For more information, visit our [website](#).

## WHO WE ARE – KEY 2017 STATISTICS

We have a diverse group of employees working in more than 60 countries. Our employees include tellers and customer service representatives; bankers and administrative professionals; experts in risk management, technology, operations, legal, finance, controls and human resources; and many others. Each plays an important role in delivering exceptional services to our clients and customers.

- + More than 252,000 employees worldwide, approximately 68% of whom are based in the U.S.
- + Women represent 50% of our global workforce
- + Women hold five of the 11 seats on our Firm's Operating Committee
- + 48% of our U.S. employees are ethnically diverse

## Hiring Great People

Recruiting high-quality, diverse talent at all levels is critical to the ongoing success of our company. This means we look for talent from multiple sources, within and outside our organization. We seek to hire people who not only have the skills and expertise we need, but also share our values and are committed to acting with integrity. We hire based on merit, using objective criteria and standard processes for assessing and selecting candidates.

To strengthen our talent pipeline, we continue to improve our campus recruiting program. We are pursuing innovative ways of broadening and connecting with our target student audience globally through approaches like video interviewing, pop-up events on campuses and social media campaigns.

## Seeking Diverse Candidates

We strive to make diversity a priority throughout our hiring process and seek candidates from a wide range of backgrounds and experiences for positions at all levels. We have continued to enhance our signature diversity-focused campus recruiting programs that help us build a diverse workforce. For example,

in 2017 our campus recruiting team piloted a “Day in the Bank” program for students with disabilities to spend a day at our offices in New York, learn about our Firm and apply for an internship; we hired over 50% of participating students.

Alongside our campus recruiting programs that provide insights into the banking industry and early employment opportunities for students from diverse backgrounds, we have a number of other programs that foster diverse hiring and advancement, including initiatives focused on women, veterans and others.

In 2017, 41% of the people hired through campus recruiting were women. In addition, black, Hispanic and Asian students represented approximately 41.6% of campus hires in the U.S. We believe our efforts to attract diverse candidates are paying off, but we know we can do more and are committed to doing so.

## Training and Career Development

The driving goal of our human capital strategy is to develop and retain a high-performing, diverse workforce for today and the future. To do so, we make substantial investments in tools and training programs to help employees build their knowledge, skills and experience, as well as to guide their career advancement. In 2017, we spent \$340 million globally on formal training programs at all levels. These training programs include both required trainings, such as those that cover our Code of Conduct and Cybersecurity Awareness, as well as voluntary learning and development trainings such as courses to improve technology skills.

Our training programs focus on the following categories: business processes and products, leadership and professional development, risk and compliance and technology. During the year, our global learning teams delivered over 11 million hours of training to employees across the globe. In addition to our internal training efforts, we provide tuition assistance to employees who are seeking to further build their skills.

Providing regular feedback to employees is an important element of our approach to training and career development. Managers are encouraged to engage in ongoing dialogue with their employees on objectives, performance outcomes and areas

for development, including acquisition of new skills and potential career paths. Our formal review process looks at performance holistically and considers input from multiple sources, including peers and subordinates, and risk and control functions. These 360-degree reviews also assess employees' adherence to the highest standards of ethics and integrity.

We also support employees by facilitating career advancement and mobility within the company. In 2017, we filled 39% of all positions, and 55% of our most senior-level roles, with internal employees.

### Providing Leadership Training

Leadership Edge is our flagship development program designed to train leaders who embody our corporate culture and Business Principles, build and motivate high-performing teams and uphold our standards of excellence. The program focuses on core leadership skills – such as providing feedback and setting direction – as well as emerging skills that are important in today's complex, global business environment. In 2017, 18,000 managers attended Leadership Edge, and we have delivered programs in more than 47 global locations across the company since the program's inception.

### Building Skills and Strengthening Communities

We provide our employees with a range of skilled volunteerism opportunities that give them a chance to develop leadership skills and gain new experiences while giving back to our communities. One example is the JPMorgan Chase Service Corps, a program that combines team-based, experiential leadership development for top talent with a strategic philanthropic purpose. Participants, nominated by their managers, work on-site for three weeks with one of our nonprofit partners, leveraging their skills and insights to address a critical need. In 2017, 77 employee volunteers from offices in 13 countries contributed more than 11,500 hours of time to help 20 organizations address critical needs.

# A Workplace for Everyone

At JPMorgan Chase, we strive to cultivate a work environment that emphasizes our core values of respect, integrity and inclusivity and supports all employees' heritages, cultures, work styles and lifestyles. Managers play an important role in fostering inclusive environments where all employees can thrive and contribute to the success of the team and organization. We provide managers with diversity and inclusion training, as well as what we call our Blueprint, which provides leaders with ideas and resources to attract, hire, develop and retain diverse talent. In 2017, our Firm received more than 50 [awards](#) recognizing and reflecting our firmwide commitment to promoting an inclusive environment for our employees.

We have a range of programs designed to foster an inclusive, supportive workplace, such as:

## ADVANCING BLACK LEADERS (ABL)

Our ABL initiative seeks to improve attraction, retention and development of black talent, particularly at the most senior levels of the Firm. A key focus is on encouraging managers to recruit diverse slates of candidates from inside and outside the company. We have also introduced programs to build the skills and exposure of junior talent and promote retention of talent. To encourage dialogue and engage our people, in 2017, over 85,000 employees were invited to participate in our ABL Dialogues, a series of interactive discussions led by local leaders in 10 strategic U.S. locations.

Two years into this initiative, we are seeing encouraging results. For example, at year-end 2017, we achieved increases in the number of black Managing Directors globally, including both new talent and the advancement of existing employees. The number of black Executive Directors is up 30%; the number of black Vice Presidents is up 17%; and recruitment of black recent graduates is up 7% since the start of the initiative.

We are in the process of extending many of the learnings and best practices from the ABL initiative to other employee segments.

## SUPPORTING WOMEN

Women make up nearly half of our global workforce, and we provide a range of tools and programs to help them succeed. For example, our Women on the Move initiative offers women a platform to exchange ideas and explore ways to support their career development. The Firm hosts more than a dozen targeted resource groups for women, the largest of which is the Women on the Move – Interactive Network (WIN), which supports the growth and retention of women at all levels. We also have programs that support families, such as backup child care and expanded parental leave, as well as programs that address barriers to returning to work, such as our ReEntry Program and Maternity Mentors initiative.

## BUSINESS RESOURCE GROUPS (BRGs)

BRGs are networking groups that enable our employees around the world to connect with one another based on shared interests. They promote leadership and professional development opportunities for members who serve as active volunteers, advocates and recruiters in our key markets, connecting the company's employees to distinct and diverse communities and helping the Firm achieve certain goals. There are 10 BRGs globally comprised of over 75,000 employees, including Adelante (Hispanic and Latino), BOLD (black), AsPire (Asian and Pacific Islander), Pride (LGBTQA) and the Women on the Move – Interactive Network (WIN). Approximately 30% of our employees are members of at least one BRG. While each BRG has a core focus, all employees are welcome to join any BRG.

We have also launched a Hispanic Executive Forum, Asian Executive Forum and LGBT Executive Council, all modeled after our existing Black Executive Forum, through which senior leaders at the Firm share best practices and drive agendas that are important to each respective community.

### MILITARY AND VETERAN HIRING

JPMorgan Chase has hired more than 12,000 U.S. veterans since 2011 – including over 1,400 in 2017 alone – and more than 50% of veteran hires come from self-identified diverse backgrounds. We also offer internship programs in the U.S. and the U.K. to support the transition of military personnel and veterans into the financial services industry. Once they have joined the Firm, our Office of Military and Veterans Affairs helps support our veteran employees through mentorship programs, recognition events and other initiatives aimed at bridging the gap between military and corporate cultures. We also have a veterans-focused BRG that provides access to tools that foster the retention, development and advancement of veterans at all levels at JPMorgan Chase. Additionally, we offer paid military leave for all types of military service.

### OFFICE OF DISABILITY INCLUSION (ODI)

The ODI provides leaders and employees across the Firm with consistent standards, tools and processes to better accommodate and support employees with disabilities. Our management team focuses on four areas – attitude, accessibility, accommodations and assimilation – to hire and retain individuals with disabilities throughout the firm. A key area of focus has been on process enhancements that have improved resolving employee requests to better accommodate their needs.

## Employee Compensation and Benefits

Providing competitive benefits and compensation is a key component of our talent development strategy and is important for attracting and retaining the best employees. Our compensation philosophy provides the guiding principles that drive compensation-related decision making across all levels of the Firm. We believe the effectiveness of our compensation program is dependent on the alignment of sound pay practices with our compensation philosophy, including:

- + Providing competitive and equitable compensation opportunities to employees based on their roles and responsibilities, experience, performance and other factors
- + Tying pay to performance and evaluating performance at the firm, business unit and individual levels
- + Promoting a culture of shared success

- + Rewarding behaviors that generate sustained value for the Firm and reinforce personal accountability
- + Encouraging employees to think and act like owners

Compensation decisions for employees are based on an evaluation of role, tenure, seniority, and the business segment and location in which they work. 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 addition to our internal processes, we engage outside experts and consultants to help us evaluate and analyze our pay practices, and we adjust our approach when merited.

Alongside compensation, we offer comprehensive benefits packages for our employees and their families, including health care coverage, retirement benefits, life and disability insurance, on-site health and wellness centers, employee assistance programs, competitive vacation and leave policies, backup child care arrangements, tuition reimbursement programs and more.

### Assessing Gender Pay Equity

We conduct regular pay equity reviews at all levels. In early 2018, we announced that the results of our most recent gender pay equity assessment show that women at JPMorgan Chase globally are paid 99% of what men are paid. In addition, in the U.S., minority employees are paid more than 99% of what nonminority employees are paid. These results show that men and women at the Firm, in aggregate, are paid comparably, taking into account a number of factors, including role, tenure, seniority, the business area they work in and geography. However, we also know that women still are not represented in as many senior management positions as men. Despite the significant progress we have made, this means there is still a gap between the pay of men and women. We are proud of our efforts to support women, and we remain committed to continuing to work hard to promote gender pay equity, and also attract, retain and promote a diverse workforce – especially at more senior levels.

## Expanding and Accelerating Our Investment in Employees

For the second time in two years, JPMorgan Chase has increased hourly wages for many of our employees, effective February 25, 2018. The Firm raised wages from between \$12 and \$16.50 an hour to between \$15 and \$18 an hour in over 100 cities, depending on the local cost of living. This will benefit 22,000 full- and part-time U.S. hourly employees, notably in branches and customer service centers, in an effort to attract and retain great employees. We believe this is the right thing to do. To help ease the burden of out-of-pocket medical expenses, the Firm will also reduce medical plan deductibles by \$750 per year for employees making less than \$60,000. Additionally, consistent with our guiding philosophy to direct our benefits spending toward lower-wage earners, in 2017 we again offered a \$750 Special Award to employees who earn under \$60,000. The Firm's full benefits package is valued at, on average, \$12,000 annually per employee in this pay range.

## Supporting Health and Wellness

JPMorgan Chase is committed to providing a comprehensive set of benefits programs and policies that support the needs and lifestyles of our employees and their families. The benefits plan includes a health care and insurance plan and a comprehensive wellness program for employees and their spouses/domestic partners. As part of this wellness program, we are investing in health and wellness centers across our facilities globally and have launched a series of programs to improve access to health services for our employees, including on-site health screenings and health advocates. In 2017, 81% of enrolled employees and 64% of enrolled spouses/domestic partners completed a wellness screening and assessment that helps identify potential or existing health risks.

We also continue to expand support for working parents. In 2017, we launched new educational resources and information sessions attended by nearly 8,000 employees and started a mentoring program for new parents across 16 of our locations. Globally, we offer parental and adoption leave programs with a minimum of 16 weeks of fully paid parental leave time for employees who are the primary caregivers and a minimum of two weeks for the nonprimary caregivers. We have flexible work options to support parents and others who need alternative time schedules, and we provide backup child care and other assistance to working parents.

### Additional Online Resources

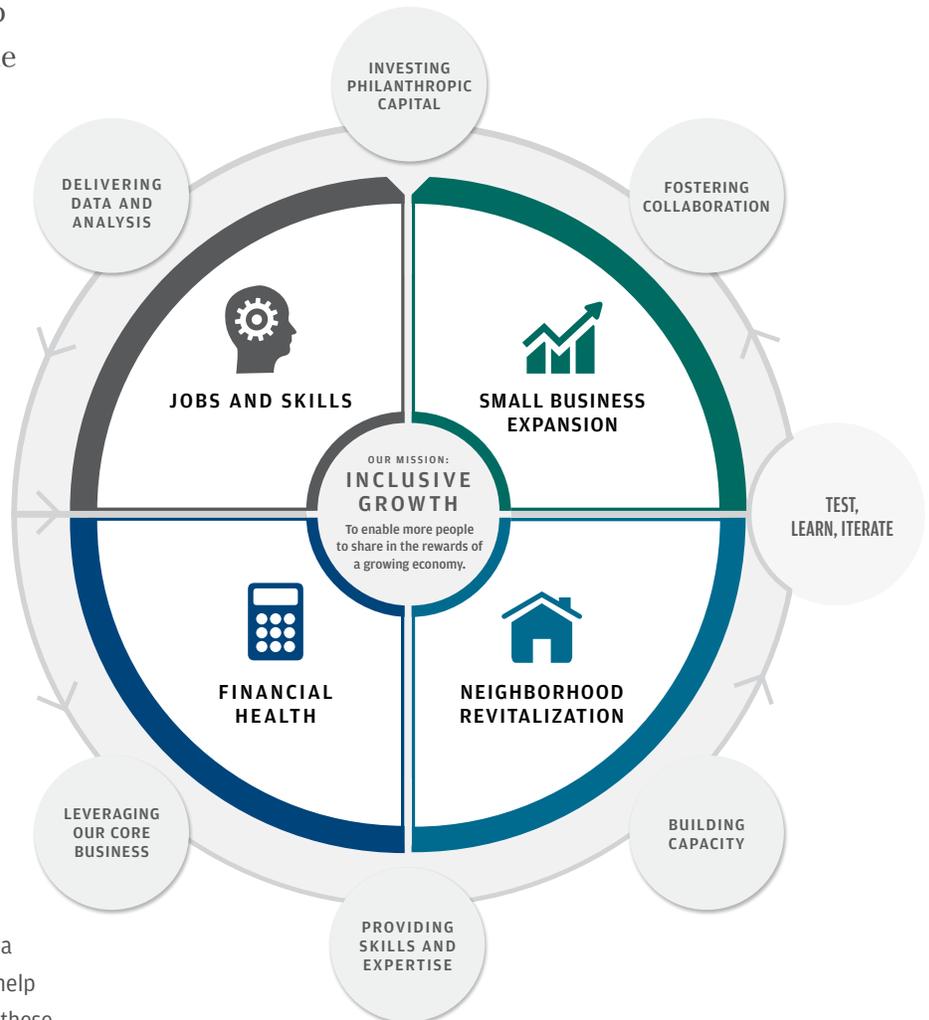
- [> 2018 Proxy Statement](#)
- [> Compensation & Management Development Committee](#)
- [> Awards and Recognition](#)
- [> Diversity and Inclusion](#)
- [> Business Principles](#)
- [> How We Do Business – The Report](#)
- [> Careers at JPMorgan Chase](#)

# Supporting Our Communities

JPMorgan Chase believes there is a pressing need to expand access to opportunity and help more people move up the economic ladder. Through our model for driving inclusive growth, we are taking a strategic, data-driven approach to doing just that.

Our efforts are focused on what our experience has shown are universal pillars of opportunity, and we are undertaking significant, long-term global initiatives that directly leverage our Firm’s worldwide presence, expertise and resources.

Our model is yielding real results, so we are extending it to communities around the world to create more opportunity for more people. We are also scaling it with a 40% increase in our annual community investments, which we announced in early 2018. The net result is that JPMorgan Chase will invest a total of \$1.75 billion over the next five years to help drive inclusive economic growth. We are making these investments because it is good for our communities and for our Firm – when our communities thrive, our business thrives.



# Focusing on Key Pillars of Opportunity

Our Firm's model for driving inclusive growth is focused on key pillars of opportunity: jobs and skills, small business expansion, neighborhood revitalization and financial health. In 2017, our Firm deployed approximately \$250 million in philanthropic capital across 40 countries.

## Jobs and Skills

Through New Skills at Work, New Skills for Youth and other initiatives, we are investing over \$350 million to provide young people and adult workers the skills and training they need to move up the economic ladder, while strengthening the talent pipeline employers need to compete. In addition to supporting programs that train workers to compete for well-paying, middle-skill jobs, we are developing next-generation labor market data resources. For example, in partnership with Georgetown University, in 2017 we launched the Good Jobs Index ([GoodJobsData.org](http://GoodJobsData.org)), an interactive platform that allows users to explore the entire U.S. labor market for jobs with median earnings of \$55,000 per year that do not require a bachelor's degree.

Also in 2017, we expanded The Fellowship Initiative, our Firm's intensive academic, leadership and professional development program for young men of color. In 2017, 117 students completed the program in Chicago, Los Angeles and New York City – with a 100% high school graduation rate – and we expanded it into Dallas. In 2018, we increased the overall size of the program when we welcomed in 200 new Fellows for the Class of 2020.

## Small Business Expansion

Through Small Business Forward, JPMorgan Chase is leveraging our deep expertise in serving the small business sector as part of a \$150 million, five-year initiative to support and scale innovative efforts to expand opportunities for underserved entrepreneurs, including people of color, women and veterans.

A key focus of Small Business Forward is expanding access to flexible capital. In 2015, we helped launch the Entrepreneurs of Color (EOC) Fund to provide capital to Detroit's minority-owned small businesses. By 2017, the EOC Fund had tripled in size to more than \$18 million, with support from new funders Fifth Third Bank, Kresge Foundation and Ralph C. Wilson, Jr. Foundation. To date, the EOC Fund has lent or approved nearly \$4.7 million to more than 45 minority small businesses – 53% of them owned by women – resulting in over 600 new or preserved jobs. In 2018, we are replicating the model with similar funds in San Francisco and New York City's South Bronx.

## Neighborhood Revitalization

Partnership for Raising Opportunity in Neighborhoods (PRO Neighborhoods) is JPMorgan Chase's \$125 million initiative to support locally driven solutions for revitalizing neighborhoods across the U.S. Through the effort, we are leveraging our deep expertise in community development banking to drive collaboration, provide seed capital to preserve and build affordable housing, and develop forward-looking data tools to help nonprofits and communities effectively target investments.

Through an annual competition, PRO Neighborhoods motivates local community development financial institutions (CDFIs) to work together to tackle a specific challenge. To date, PRO Neighborhoods has hosted four competitions – awarding a total of \$84 million to 62 CDFIs serving over 25 states. We are supporting collaborative approaches to community development in other ways as well. The Uplift America Fund, for example, is a unique public-private partnership aimed at addressing poverty in rural America. The effort brings together the U.S. Department of Agriculture with philanthropic and private sector partners, including JPMorgan Chase, to fund vital community services and strengthen community-based lenders in distressed communities.

## Financial Health

The Financial Solutions Lab (FinLab) – a \$30 million, five-year initiative managed by the Center for Financial Services Innovation with founding partner JPMorgan Chase – is one part of our firmwide strategy to promote financial health (see p. 15). FinLab hosts an annual competition to identify, test and scale technology-based products and services that address the needs of low- and moderate-income Americans. Since FinLab's inception in 2014, the 26 winners have served more than 2.5 million Americans with solutions on issues such as managing cash flow, increasing savings, improving credit scores and more. Collectively, FinLab companies have also raised more than \$250 million in capital since joining the program.

Our Firm also supports nonprofit organizations that help low-income individuals get on more solid financial ground. Since 2014, JPMorgan Chase has committed more than \$100 million to over 500 organizations that have collectively helped at least 2.4 million people across 11 countries improve their financial well-being.

# Extending Our Model

In 2014, JPMorgan Chase launched an initiative to support Detroit's economic recovery. In just three years – and two years ahead of schedule – we exceeded our initial \$100 million commitment and now expect to invest \$150 million in the city by 2019. We view this effort – which combines philanthropic investments with our core business expertise – as proof of concept of our Firm's model for driving inclusive growth. The initiative is yielding real results. To date, we have deployed \$117 million in loans and grants in Detroit's economic recovery. This investment is allowing more than 15,000 adults and young people to receive skills training for in-demand jobs; supporting development projects that have created or preserved more than 900 jobs, over 1,300 housing units and 177,000 square feet of commercial space; and providing more than 2,200 entrepreneurs with technical assistance and access to capital, creating or maintaining more than 1,100 jobs.

We are now putting the approach we refined in Detroit into action in other communities facing similar challenges, and where we believe the conditions are right for our Firm to make a meaningful contribution. Most important, we look for collaboration among a community's civic, business and nonprofit organizations, which lies at the heart of our model's success. In 2017, we announced new, multiyear commitments to two cities:

## Chicago

JPMorgan Chase made a \$40 million, three-year commitment to create economic opportunity in Chicago's underserved South and West sides, focused in four key areas:

- + **Connecting underserved entrepreneurs with capital and resources** by supporting efforts such as the Women's Business Development Center's ScaleUp program, which delivers business services, mentorship, technical assistance and access to capital to female entrepreneurs.
- + **Equipping Chicagoans with the skills to get on well-paying career paths**, through efforts such as a robotics technician training program operated by Building Self Determination Industries, a subsidiary of the Arthur M. Brazier Foundation.
- + **Investing in and leveraging existing support to foster neighborhood revitalization.** For example, we are supporting The Chicago Collaborative, a partnership between three community development financial institutions. To date, the collaborative has preserved nearly 600 units of affordable housing.
- + **Promoting financial health** by supporting efforts such as The Resurrection Project (TRP), which is helping families through personalized financial coaching and asset-building services like Lending Circles. Through our support, TRP has served nearly 2,000 individuals, with an average improved credit score of 28 points and an average increase in savings of \$2,227.

## Washington, D.C.

JPMorgan Chase made a \$10 million, three-year commitment to Washington, D.C., focused in the District's underserved Wards 7 and 8. We have committed half of this to support a plan to help existing residents benefit from economic opportunities related to a planned 11th Street Bridge Park development, an ambitious, \$50 million project that will include an elevated bridge across the Anacostia River. We are targeting the other half of our commitment toward accelerating and scaling efforts to provide residents most at risk of being left behind with opportunities to benefit from the region's economic growth.

### RECOGNITION FOR OUR WORK

We are proud that our Firm's corporate responsibility efforts have been recognized by a number of organizations and media outlets. In 2017, for example, *Fortune* magazine highlighted JPMorgan Chase's work in Detroit and ranked JPMorgan Chase No. 1 on its list of companies that are changing the world. Our Firm was also selected as winner of The Queen's Award for Enterprise for Promoting Opportunity in the United Kingdom.

### Additional Online Resources



- > [2017 Annual Report](#)
- > [Corporate Responsibility Report \(April 2018\)](#)
- > [Corporate Responsibility](#)
- > [JPMorgan Chase Institute](#)

# Advancing Sustainability

JPMorgan Chase works with companies in nearly every sector of the economy — as well as with development finance institutions, governments, and investors — to help them advance environmental and social best practices and capitalize on the opportunities created by the transition to a lower-carbon, more sustainable future. We also strive to promote sustainability, including energy efficiency and renewable energy, across our buildings, branches and data centers. JPMorgan Chase's sustainability strategy reflects and drives our comprehensive, firmwide efforts to advance sustainable solutions for our clients and within our own operations.

## Our Comprehensive Sustainability Strategy

### Business Opportunities

Advancing financing opportunities and investment strategies, with a commitment to facilitate \$200 billion in clean financing by 2025



### Operational Sustainability

Managing our buildings and branches sustainably, with a goal of using 100% renewable energy by 2020



### Risk Management

Managing environmental and social risks associated with our financing activities



### Policy Engagement & Market Development

Partnering with stakeholders to advance best practices and new opportunities



### Employee Engagement

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



### Transparency & Reporting

Reporting on our approach to and performance on Environmental, Social and Governance issues



## OUR COMMITMENTS

Building on our global strategy, in 2017 we announced new targets to:

- + Facilitate \$200 billion in clean financing through 2025
- + Source renewable energy for 100% of our global power needs by 2020

## Business Opportunities

JPMorgan Chase works to integrate sustainability into the way we do business to better serve our clients, many of whom have sustainability objectives of their own. We help them achieve these objectives by leveraging our resources and the expertise of our bankers, risk managers, industry experts and others across our Firm.

### Corporate & Investment Bank and Commercial Banking

Advancing sustainability through our financing activities is a key element of our strategy, as exemplified by our commitment to facilitate \$200 billion in clean financing through 2025. As of year-end 2017, JPMorgan Chase had facilitated \$60.6 billion toward this commitment, helping our clients to scale the impact of their sustainability efforts around the world.

This financing activity is led principally through our Corporate & Investment Bank and Commercial Banking businesses. These groups serve large- and medium-sized corporations, governments and institutions by providing strategic advice, raising capital, extending loans and offering risk management solutions. We help our clients achieve their financial and sustainability objectives in numerous ways, including:

- + **Underwriting debt with a sustainable use of proceeds.**  
In 2017, JPMorgan Chase underwrote \$13.5 billion in green bonds and bonds with a sustainable use of proceeds. In 2017, Apple Inc. raised \$1 billion using green bonds. The company plans to increase its recycling efforts and to pioneer the use of greener materials in its products and processes. It was the second green bond Apple has issued with JPMorgan Chase as an active bookrunner.

- + **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. In 2017, the Firm provided \$1.2 billion for wind and solar projects in the U.S. Since 2003, JPMorgan Chase has committed or arranged over \$18 billion in financing for wind, solar and geothermal energy projects in the U.S.
- + **Providing advisory services.** JPMorgan Chase advises clients on leading strategic transactions and capital raises, including in the renewable energy sector. For example, in 2017 the Firm served as financial advisor to Enbridge Inc., an energy infrastructure group, on its partnership with EnBW to develop the Hohe See and Albatross offshore wind farms in Germany – one of Europe's largest offshore wind projects. The Firm also advised SunEdison on its sale of a controlling stake in TerraForm Power and the sale of TerraForm Global – renewable energy companies – to Brookfield Asset Management.
- + **Advancing sustainability through research.** The Firm periodically produces sustainability and ESG-themed research. We also share insights and best practices with both corporate and investor clients to advance efforts globally.

### Asset & Wealth Management

Through our Asset & Wealth Management business, comprised of Asset Management and Wealth Management, we help individuals, advisors and institutions around the world invest capital to achieve their financial goals. These goals increasingly include a desire to align investments with sustainability objectives.

Our Asset Management business, with over \$1.7 trillion in assets under management (AUM),<sup>2</sup> has a long-standing commitment to incorporating ESG factors into its investment practices. This commitment is outlined in its Sustainable Investing Statement and is guided by its Sustainable Investment Leadership Team, which brings together a cross-functional group of senior experts to implement a coordinated strategy for sustainable investing across asset classes and investment offerings. This includes systematically incorporating ESG factors into fundamental research and portfolio management where material and relevant; deepening capabilities, including portfolio analytics, measurement and reporting; and regularly engaging with company management on a broad range of ESG topics.

<sup>2</sup>As of December 31, 2017.

As of December 31, 2017, our Asset Management business had implemented systematic and explicit consideration of ESG factors into the investment decision-making process across approximately \$365 billion in AUM. This represents approximately 30% of its long-term AUM.

We have also increased our efforts to contribute to and advance our clients' understanding of ESG matters. For example, in 2017 our Asset Management team published a series of insights and podcasts exploring ESG integration, engagement and proxy voting, climate risk and other topics.

In Wealth Management, we provide foundations, endowments, family offices and individuals with innovative investment strategies and advice to help them achieve their financial goals and personal objectives, including advice on integrating sustainable investing strategies into their portfolios. In 2017, we expanded our thought leadership by developing client resources across a range of topics, including ESG integration, exclusionary screening, positive screening, thematic investing and impact investing. Currently, we have 45 investment strategies geared toward ESG investing globally across equities, fixed income, alternatives and multi-asset portfolios, with \$2.4 billion in AUM through a combination of approaches including ESG integration, exclusionary screening, positive screening, thematic investing and impact investing. We are continuing to explore the use of new analytical tools to help clients achieve their social and investment goals, along with new opportunities for our clients to invest in impact investing funds.

# Operational Sustainability

Promoting sustainability in our operations is an important part of our sustainability strategy and supports the Firm's goals to operate efficiently, strengthen our resilience and reduce costs. As a financial institution, our direct environmental impacts stem primarily from the operation of our corporate buildings, retail bank branches and data centers.

## OUR REAL ESTATE FOOTPRINT

- + Operating in more than 60 countries
- + Managing over 5,500 properties, covering approximately 75 million square feet — about 27 times the square footage of the office space at the Empire State Building
- + Approximately 85% of our real estate portfolio is in the U.S.

## 2017 SUSTAINABLE OPERATIONS PROGRESS

- + Reduced Greenhouse Gas (GHG) emissions by over 50% since 2005
- + Sourced renewable energy for 21% of our global power consumption
- + Recycled more than 36,000 tons of paper globally through our secure-shred program
- + 91% of the paper we purchased was sustainably certified

## Reducing Our Carbon Footprint

In 2017, we announced a commitment to source renewable energy for 100% of our global power needs by 2020, a major step in our long-standing efforts to reduce our carbon footprint. Below is our strategy to meet this commitment and the progress we have made through year-end 2017:

HOW WE WILL DO IT	OUR PROGRESS
<p><b>INSTALLING ON-SITE RENEWABLE ENERGY</b></p> <p>We are developing on-site solar power generation at over 1,400 bank-owned retail and 40 commercial buildings globally.</p>	<ul style="list-style-type: none"> <li>+ Started planning for a <b>pilot installation of solar panels at 23 Chase branches</b> in California and New Jersey</li> <li>+ Initiated plans to <b>install solar arrays on our commercial buildings</b> in Columbus, Ohio; Plano, Texas; Tempe, Arizona; and Wilmington, Delaware</li> <li>+ Planning to <b>install large-capacity fuel cell technology</b> at our Metrotech Center in Brooklyn, New York, which is expected to meet about 48% of the site's energy needs</li> </ul>
<p><b>EXECUTING POWER PURCHASE AGREEMENTS (PPAS)</b></p> <p>We are using the Firm's global reach and expertise in the renewable power sector to support the development of new renewable energy projects on grids from which we purchase energy.</p>	<ul style="list-style-type: none"> <li>+ Executed a <b>PPA to secure renewable energy for nearly 10% of our firmwide power</b> use from a 100-megawatt wind farm in Texas. The innovative structure of this PPA allowed us not only to serve as the project's primary energy buyer, but also to provide a long-term hedge for the remaining energy generation from the wind farm which helped the developer raise the necessary capital to undertake the project</li> <li>+ Executed a <b>second PPA in Bangalore, India</b>, to purchase power from a solar farm to cover about 15% of our electricity needs in the country</li> </ul>
<p><b>REDUCING ENERGY CONSUMPTION</b></p> <p>We are improving energy efficiency by installing LED lighting and state-of-the-art Building Management Systems.</p>	<ul style="list-style-type: none"> <li>+ About 80% of the way through <b>retrofitting 4,400 Chase branches with LED lighting</b>. Once complete, we will have installed 1.4 million bulbs and cut our lighting energy consumption in half, making ours the world's largest LED lighting network to date</li> <li>+ <b>Installed Building Management Systems</b>, which synchronize operational systems that control lighting, heating, air conditioning and irrigation, at 50 pilot sites and are now initiating a full-scale rollout to 4,100 Chase bank branches</li> <li>+ <b>Certified 108 retail branches that met the Environmental Protection Agency's (EPA's) Energy Star requirements</b></li> <li>+ Recognized by the EPA as the <b>2018 Energy Star Partner of the Year</b> for advancing leadership in energy efficiency</li> </ul>
<p><b>SUPPORTING RENEWABLE ENERGY AND OFFSETTING EMISSIONS</b></p> <p>For nearly a decade, we have been supporting renewable energy and offsetting our emissions by purchasing certified Renewable Energy Credits (RECs) and Verified Emission Reduction (VER) Credits.</p>	<ul style="list-style-type: none"> <li>+ <b>Purchased 200,000 RECs</b>, the equivalent of about 10% of our total electricity consumption</li> <li>+ <b>Offset 100% of emissions from employee air travel</b> through the purchase of VERs</li> </ul>

# Risk Management

Assessing our clients' approach and performance on environmental and social issues is an important component of the Firm's risk management process. It helps us make more informed decisions and enables us to offer insights and guidance on best practices when clients are seeking to access capital markets, provide disclosures to investors or improve sustainability efforts.

Our [Environmental and Social Policy Framework](#) outlines the Firm's approach to evaluating reputational and financial 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. Our due diligence efforts are managed by a dedicated group within our risk management organization – Global Environmental and Social Risk Management (GESRM). In cases where significant issues are identified, clients and transactions may be escalated to one of the Firm's Reputation Risk Committees.

In 2017, 2,281 transactions – spanning credit (loans), debt underwriting, equity underwriting and advisory services – were referred to GESRM because a potential environmental or social risk was identified. All transactions referred were subject to an initial

review and additional, more detailed due diligence was undertaken on 1,136 of the referred transactions. Of these, 61 transactions were designated as “high risk,” covering projects with Category A impacts in line with the Equator Principles, as well as transactions with more significant environmental and social issues, which required more substantive internal review and engagement with clients.

We also continue to conduct periodic portfolio-wide reviews – where we take an in-depth look at policy trends, market developments and sustainability practices in various industries – to inform transaction-level due diligence and engagement with our clients.

JPMorgan Chase is an adopter of, or signatory to, various internationally recognized principles that help guide our efforts on environmental and social risk management, including the Equator Principles. We are one of the coordinating banks for a multistakeholder process underway to update the Equator Principles. Further information about our implementation of the Equator Principles is published on our [website](#). We also published information about our wholesale credit exposure by industry in our [2017 Annual Report](#).

## Transactions Subject to Detailed Due Diligence by Region and Sector

% of total (1,136 transactions)



\* Basic Resources includes Forestry, Mining and Heavy Manufacturing; Energy includes Oil & Gas and Power

## Policy Engagement and Market Development

Our Firm partners with and participates in a wide range of organizations and initiatives aimed at encouraging corporate leadership on sustainability and promoting sustainability best practices within our industry and in other sectors. Through these forums we share our expertise on issues at the nexus of finance and sustainability, while engaging with and learning from other companies and organizations. For example, our Firm serves as Deputy Chair of the Green Bond Principles Executive Committee, helping to standardize a growing market and promote scalability.

One of our key efforts has been focused on accelerating the private market for conservation through our support for NatureVest, the impact investing unit of The Nature Conservancy. JPMorgan Chase is the founding sponsor, strategic advisor and an Advisory Board member to NatureVest.

## Transparency and Reporting

We are committed to reporting publicly on our approach to and performance on ESG topics. We do so through this annual ESG Report and numerous other communications channels (see Additional Online Resources, p. 7). We are also helping to advance transparency by serving on the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD), which has developed voluntary guidance on corporate disclosure of climate-related risks and opportunities. We are currently exploring how the TCFD recommendations will inform our approach to reporting on climate risks and opportunities.

## Employee Engagement

Our employees are a key part of our efforts to advance sustainability. Our Firm is committed to supporting what matters to our employees – and we also want to provide opportunities for our people to make a contribution on issues they care about. In addition, we believe engaging our employees on sustainability helps us attract and retain the best people.

### 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:

- + C2ES Business Environmental Leadership Council
- + CDP (Investor Signatory)\*
- + Ceres
- + Corporate Eco Forum
- + Equator Principles
- + Extractives Industry Transparency Initiative\*
- + Global Impact Investing Network
- + Green Bond Principles
- + RE100
- + Soft Commodities Compact
- + Task Force on Climate-related Financial Disclosures
- + U.N. Principles for Responsible Investment\*
- + World Business Council for Sustainable Development

\* Through J.P. Morgan Asset Management

### Additional Online Resources



- > [2017 Annual Report](#)
- > [Environmental and Social Policy Framework](#)
- > [Equator Principles Report](#)
- > [Soft Commodities Compact](#)
- > [NatureVest](#)
- > [Research Library](#)
- > [Sustainability website](#)
- > [Sustainability Fact Sheet](#)
- > [Wealth Management – Sustainable Investing](#)

# Environmental Data

		2015	2016	2017
Employee headcount		234,598	243,355	252,539
Square footage <sup>1</sup>		61,401,409	59,736,427	58,140,356
<b>GREENHOUSE GAS EMISSIONS<sup>2</sup></b>				
	UNIT	2015	2016	2017
Scope 1 emissions <sup>3</sup>	MtCO <sub>2</sub> e	82,525	79,556	78,229
Scope 2 emissions – location-based	MtCO <sub>2</sub> e	979,445	906,093	770,704
Scope 2 emissions – market-based	MtCO <sub>2</sub> e	844,403	780,710	596,843
<b>Total Scope 1 and Scope 2 – market-based</b>	<b>MtCO<sub>2</sub>e</b>	<b>926,928</b>	<b>860,267</b>	<b>675,073</b>
Reduction over 2005 baseline <sup>4</sup>	%	33	38	52
Scope 3 emissions from employee air travel <sup>5</sup>	MtCO <sub>2</sub> e	138,878	130,430	187,020
Verified emission reduction (VER) credits purchased	MtCO <sub>2</sub> e	150,000	160,000	175,155 <sup>6</sup>
<b>RENEWABLE POWER</b>				
	UNIT	2015	2016	2017
Electricity production (on-site solar and fuel cells)	MWh	4,353	5,328	6,472
Contractual instruments <sup>7</sup>	MWh	210,000	210,000	370,801
Proportion of power use from renewable sources (production and instruments)	%	11	11	21
<b>ENERGY CONSUMPTION</b>				
	UNIT	2015	2016	2017
Electricity	MWh	1,992,529	1,942,799	1,823,121
Steam	MWh	40,665	30,284	30,423
Chilled water (indirect emissions)	MWh	495	327	222
Natural gas	MWh	234,621	221,823	224,119
Propane	MWh	1,147	1,034	1,081
Fuel oil	MWh	16,490	11,161	12,283
Jet fuel	MWh	30,534	32,970	33,447
<b>Total<sup>8</sup></b>	<b>MWh</b>	<b>2,316,480</b>	<b>2,240,399</b>	<b>2,124,697</b>
Reduction over 2005 baseline (net)	%	27	28	31
<b>WATER CONSUMPTION</b>				
	UNIT	2015	2016	2017
U.S. operations	m <sup>3</sup>	5,014,959	5,127,749	5,611,797
<b>PAPER</b>				
	UNIT	2015	2016	2017
Total paper purchased (U.S. and Canada)	Mt	69,132	70,099	45,397
Percentage with recycled content	%	31	44	28
Percentage with certified content	%	93	92	91
Total paper collected for shredding and recycling (global)	Mt	42,699	33,606	36,004

<sup>1</sup> JPMorgan Chase utilizes an operational control approach to establish boundaries for our greenhouse gas 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.

<sup>2</sup> Scope 1, 2 and 3 emissions were verified for 2015, 2016 and 2017. Other data have not been subject to external verification.

<sup>3</sup> Scope 1 emissions include emissions from corporate air travel (8,916 MtCO<sub>2</sub>e in 2017).

<sup>4</sup> Emission reduction calculations over the 2005 baseline use the market-based method.

<sup>5</sup> Improved calculation methodology was implemented in the 2017 reporting year which resulted in an increase in Scope 3 emissions compared to previous years.

<sup>6</sup> Surplus VERs purchased in 2016 were carried over to offset remaining 2017 Scope 3 emissions

<sup>7</sup> Contractual instruments include renewable energy credits (RECs) and renewable energy guarantees of origin (REGOs).

<sup>8</sup> Chiller plant fugitive emissions expressed in megawatt hours was removed from the energy consumption table as it is already included as part of Scope 1 emissions. Energy consumption totals were revised accordingly.

# Key ESG Statistics

All statistics are for 2017 unless otherwise noted.

## Governance

- + JPMorgan Chase has 12 Board Directors, 2 of which are women.
- + 11 Board Directors are independent and their average tenure is 8.7 years.
- + 5 of the Firm's 11 Operating Committee members are women.

## Customers

- + JPMorgan Chase operates in over 100 markets in more than 60 countries.
- + We serve 61 million households with over 5,100 branches and over 16,000 ATMs across the U.S.
- + We have 46.7 million active digital users, including 30.1 million active mobile users.
- + We serve 4 million small business customers.
- + We originated nearly 622,000 small business loans, totaling \$13.3 billion (20% of which were made to businesses in low- and moderate-income communities).

## Sustainability

- + JPMorgan Chase has committed to source renewable energy for 100% of our global power needs by 2020 and facilitate \$200 billion in clean financing by 2025.
- + 21% of our power use came from renewable energy sources and, since 2016, we have facilitated \$60.6 billion in clean financing.
- + We have reduced our greenhouse gas emissions by more than 50% from a 2005 baseline.
- + Asset Management is integrating ESG factors into its investment decision-making process across approximately \$365 billion in AUM.
- + 1,136 transactions required detailed environmental and social due diligence.
- + We have spent over \$15 billion with diverse suppliers since 2007, including \$1.7 billion in 2017.

## Employees

- + JPMorgan Chase employs more than 252,000 people globally, with approximately 68% of employees in the U.S.
- + Women make up 50% of our workforce.
- + 48% of employees in the U.S. are ethnically diverse.
- + Globally, women are paid 99% of what men are paid; in the U.S., minority employees are paid more than 99% of what non-minority employees are paid, adjusting for factors such as role, tenure, seniority, among others.
- + 39% of all positions and 55% of our most senior roles were filled internally.
- + Over 11 million hours of training were delivered, including on business processes and products, leadership and professional development, risk and compliance, and technology.
- + We have hired more than 12,000 U.S. veterans since 2011, including over 1,400 in 2017.
- + We offer 16 weeks of fully paid parental leave time globally for primary caregivers.

## Communities

- + The JPMorgan Chase Foundation deployed approximately \$250 million in philanthropic capital to drive inclusive economic growth globally.
- + 56,000 employees volunteered more than 383,000 hours of their time.

**In early 2018, we announced that we are investing \$20 billion in our employees, branches and communities over the next five years. This investment includes:**

- + Further increasing wages to between \$15 and \$18 an hour for 22,000 employees.
- + Opening up to 400 new Chase branches in new cities and states.
- + Hiring up to 4,000 additional employees nationwide.
- + Increasing loans to customers seeking affordable homes by 25% to \$50 billion.
- + Expanding philanthropic investments by 40% to \$1.75 billion.

JPMORGAN CHASE & CO.



## Contact Us

To contact Corporate Responsibility, email [corporate.responsibility@jpmchase.com](mailto:corporate.responsibility@jpmchase.com)

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 \$2.5 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 consumers 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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