JPMorganChase

Our approach to our Sustainable Development Target

October 2026

The long-term strength and vibrancy of the global economy — as well as the health and prosperity of people and communities around the world — in part depends on creating sustainable economic growth. At JPMorgan Chase & Co. (together with its subsidiaries, "JPMorganChase", "we" or "the Firm"), we believe that financial institutions can help support this growth. In 2021, we set a target to finance and/or facilitate more than $2.5 trillion over 10 years — from 2021 through the end of 2030 — to help advance sustainable development ("Sustainable Development Target", "SDT" or "Target").

Our sustainable development activities have been focused on three objectives:

- **Green:** Aiming to support low-carbon energy systems, clean technologies and activities that promote climate resilience and sustainable resource management. We are targeting $1 trillion toward this objective by the end of 2030.
- **Development Finance:** Working to support sustainable development in emerging economies, focusing on facilitating capital flows that support socioeconomic development.
- **Community Development:** Striving to advance economic inclusion in developed markets, with a focus in the United States on low- and moderate-income (LMI)[1] individuals and communities, and closing the wealth gap among underserved communities.

This document supersedes earlier versions of "Our Approach to Our Sustainable Development Target" and reflects the underlying methodology for reported progress toward the SDT in our 2025 Sustainability Report. Changes from the previous version include revised wording for clarity and consistency in terminology, as well as updates to the Green objective eligibility criteria. In 2025, we updated the Green objective eligibility criteria to include a wider range of activities supporting low-carbon, affordable, secure and resilient energy systems, including electricity networks and nuclear power generation. With this update, the Green objective now covers the same energy supply activities included in the Low-Carbon Energy Supply category of our Energy Supply Financing Ratio (ESFR)[2]. As part of this update, we also refined and clarified existing eligibility criteria supporting climate resilience and sustainable resource management. For additional detail on eligible activities, refer to the Green objective section below.

Information on progress toward our SDT can be found in our latest Sustainability Report, available on our Sustainability website.

The information contained in this document is subject to change over time.

Eligible sustainable development activities

We have developed criteria for the types of activities that are eligible to qualify toward our Target, as detailed below. In the development of the Target's criteria and methodology, we took into account international market practices and industry standards, such as the United Nations Sustainable Development Goals (UN SDGs), the International Capital Market Association (ICMA)'s Green Bond Principles (GBP), Social Bond Principles (SBP) and Sustainability Bond Guidelines (SBG), and the International Finance Corporation's Anticipated Impact Measurement and Monitoring system. As such, transactions that align to certain recognized voluntary market standards — such as the GBP, SBP and SBG — are eligible to qualify toward our Target. We do not include transactions solely on the basis of pricing linked to environmental, social and/or governance-related key performance indicators (i.e., sustainability-linked pricing). Sustainability-linked loans and bonds are only included if they have been assessed under the Development Finance methodology and determined to have development impact, or otherwise qualify through our ordinary qualification processes.

Eligibility criteria are subject to change as the sustainable finance industry evolves, as industry guidelines are further developed and as we determine appropriate. Subject to the process as outlined in the Governance section below, we may, at our discretion, include transactions that are aligned with the goals and purpose of the Target, even if they are not included as one of the examples listed below.

Green

Our $1 trillion Green objective is intended to support low-carbon energy systems, clean technologies and activities that promote climate resilience and sustainable resource management. Eligible activities include transactions that finance, refinance or facilitate certain green objectives or support a client whose business model or activities support those green objectives. We also include green bonds and sustainability bonds that align with the GBP and SBG, respectively.

Our primary focus areas in this objective include:

- **Low-carbon energy systems and clean technologies**[3], including:
  - **Low- and zero-carbon energy systems**, such as wind, solar, geothermal[4], hydropower, tidal, low-carbon fuels (e.g., biogas, green hydrogen[5]), nuclear energy[6] and electricity networks, including transmission and distribution and grid modernization[6,7];
  - **Clean technology and sustainable manufacturing**, such as fuel cells, energy storage, energy-efficient technologies, smart grids, carbon capture, manufacturing solutions focused on electrification and/or using renewable or low-carbon energy, and sustainable materials;
  - **Sustainable transportation**, such as vehicles with zero tailpipe emissions (e.g., fully electric vehicles [EVs]), clean mass transportation[8] and EV charging infrastructure[6]; and
  - **Green buildings**, such as retrofitting, rehabilitating or constructing accredited energy efficient buildings.
- **Climate resilience and sustainable resource management**[3], including:
  - **Sustainable food and agriculture**, such as regenerative agriculture, agricultural productivity[6] and low-emissions farming systems, and alternative proteins;
  - **Adaptation and resilience**, such as adaptive food systems[6], infrastructure adaptation and hardening, and disaster preparation and response;
  - **Water management**, including water efficiency, reuse and conservation, and wastewater treatment;
  - **Circular economy and waste management**, including recycling and second life, pollution prevention or control, and land remediation; and

- **Conservation and biodiversity**, including sustainable management and restoration of terrestrial, freshwater, coastal and marine ecosystems, and the protection and enhancement of biodiversity and ecosystem services.

Development Finance

The Development Finance objective of the SDT aims to facilitate capital flows that promote socioeconomic development and support the United Nations Sustainable Development Goals in emerging economies.

Transactions and activities that qualify toward the Development Finance objective of the SDT are assessed to have anticipated development impact in accordance with the Development Finance methodology.

Community Development

Our work in the Community Development objective of our SDT supports areas such as homeownership and affordable housing, small business growth, education and healthcare, with a focus on LMI individuals and underserved communities.

In 2026, we announced the American Dream Initiative (ADI), a multiyear effort to expand opportunity through targeted investments in local communities across the United States. Building on our longstanding community development efforts, the ADI includes areas the Community Development objective was designed to support, including small business growth, affordable housing and support for local institutions. As such, starting in 2026, we no longer plan to count or report new community development-related activities as part of SDT.

Our primary focus areas in this objective include:

- **Homeownership**, such as home purchase and refinance loans to LMI customers and/or Black, Hispanic and Latino borrowers or co-borrowers across all household income levels[9];
- **Affordable housing**, such as refinance, purchase or investment in projects that qualify for eligible government-subsidized affordable housing programs or other housing projects benefiting LMI households, or projects where the majority of units are affordable;
- **Small business**, such as lending for business operations in LMI and/or for majority Black, Hispanic and Latino communities[10]; and
- **Vital community institutions**, such as investments in New Markets Tax Credits and lending to Community Development Financial Institutions to support community development projects and businesses in LMI communities.

Our review of eligible business activity

To be eligible, transactions are first subject to the Firm's existing risk frameworks and customer onboarding (e.g., "Know Your Customer"). In addition, certain transactions that meet our criteria are subject to review and sign-off by internal subject matter experts to assess alignment with eligibility requirements and mitigation of potential adverse impacts. Determinations regarding eligibility and categorization of transactions are at the discretion of internal subject matter experts, consistent with the Firm's established approach and governance process for the Target.

Types of business activity that may contribute toward our Target

Business activities that qualify toward the SDT include transactions in which the Firm raises capital and/or extends credit, those for which we provide advisory, risk management and other facilitation services, and principal capital investments made for commercial purposes[11]. Eligible types of business activity are subject to change as the sustainable finance industry evolves, as industry guidelines are further developed, and as we deem appropriate. Subject to the governance process as outlined in the Governance section below, we may, at our discretion, include business activities that are aligned with the goals and purpose of the Target, even if they are not included as one of the examples listed below.

Examples of the business activity that may contribute toward our Target, if qualified according to our eligible sustainable development activities, include the following:

- **Auto lending**, such as
  - *Financing or refinancing to support consumer adoption of fully electric vehicles;*
- **Business banking**, such as
  - *Financing and refinancing for small businesses in LMI and/or majority Black, Hispanic and Latino communities for the financing of business operations, real estate and construction;*
- **Commercial banking**, such as
  - *Financing for the construction or renovation of real estate and transactions for which the Firm serves as sole or lead arranger for the development of commercial real estate and credit transactions for eligible green companies;*
- **Home lending**, such as
  - *Home purchase and refinance loans to LMI, Black, Hispanic and Latino borrowers;*
- **Investment banking**, such as
  - *Capital raising in debt and equity markets (including green, social and sustainability bonds), initial public offerings (IPOs), follow-on offerings (FPOs), private placements and advisory services, including those related to mergers and acquisitions (M&A);*
- **Markets activity**, such as
  - *Market-making activities in environmental commodities (including voluntary and compliance carbon markets), markets-based financing, derivative instruments, tax credit vehicles in alternative energy and affordable housing projects, and municipal and not-for-profit bonds; and*
- **Principal capital investments**, such as:
  - *Principal capital investments made to support activities aimed at developing solutions to support sustainable development.*

Quantifying business activity

We have developed an approach to quantify our sustainable development activity. The approach details how we assign a "tracking value" — the value of the transaction's contribution toward our Target — for different types of business activity. We maintain internal documentation that specifies standards for calculating the tracking value of the Firm's respective contribution in transactions where multiple firms play a role or where the Firm plays multiple roles in a single deal. There is currently no recognized market standard for how to quantify such transactions in sustainable development financing targets. We aim to be transparent in our methodology and may, over time, recalibrate our approach. The following are examples of how we quantify our activity:

- In the case of a loan where we are the only participating bank, the full value of the transaction is counted.
- In the case of a transaction with multiple bookrunners, only our participation is counted.
- In the case where the Firm plays multiple roles in a single deal, the transaction is counted only once toward the Target.
- In the case of an advisory deal, the full value of the transaction is counted, unless it is qualified through our ESFR methodology (see below).
- In the case of a deal in which only part of the transaction qualifies per our Eligible Activities, only the qualified portion is counted. For example, for certain energy-supply-related transactions under the Green objective, we determine the qualifying portion using the same investment-focused and low-carbon allocation factors applied under the ESFR[2] methodology.

Quantifying activity toward each of the objectives of our SDT can be challenging when one transaction supports more than one objective (e.g., Sustainability Bonds[12]). To solve for this, when tracking these transactions we count the value of the transaction one time, for one objective, in the following order (as applicable): Green, Development Finance, Community Development.

Governance

We have an established governance process for our Target that is designed to provide accountability and assign responsibility for validating the quantification and tracking progress. This includes a cross-Line of Business and cross-functional group responsible for approving the quantification approach, documentation and reporting associated with transactions that contribute toward the Target. Senior management, including members of the Firm's Operating Committee, are periodically briefed on topics pertaining to the Target.

Reporting on our progress

We seek to be transparent with our stakeholders about our approach to our Sustainable Development Target, as well as our progress toward achieving it. To that end, we may provide updates on these efforts and the value of transactions that qualify toward the Target in our reporting on sustainability matters.

Endnotes

1 LMI is determined using the Federal Financial Institutions Examination Council (FFIEC) Census demographic data based on a comparison to median income in the Metropolitan Statistical Area (MSA)/Core Based Statistical Area (CBSA).

2 To learn more on our ESFR methodology, refer to Carbon Compass® methodology.

3 As part of the 2025 update to the Green objective, certain focus areas and eligibility criteria were refined or clarified, and certain activities were reclassified. Activities newly eligible as a result of the update are identified by Endnote [6].

4 With direct emissions of less than 100 grams of carbon dioxide per kilowatt-hour.

5 Refers to hydrogen produced with renewable energy.

6 This activity was added to the Green objective eligibility criteria as part of the 2025 update.

7 Electricity networks are technology-agnostic and may support transmission and distribution of electricity from both low- and high-carbon-intensive energy sources. They are included based on their role in enabling the connection and delivery of cleaner, reliable energy, and strengthening the resilience of electric power systems.

8 Less than 50 grams of carbon dioxide per passenger-kilometer.

9 Borrowers/co-borrowers who are identified as Black, Hispanic and Latino on the loan application. Regulation C, which implements the Home Mortgage Disclosure Act, requires mortgage lenders to request applicant and co-applicant ethnicity and race. Applicants can self-provide or decline to self-provide their ethnicity and race on an application submitted electronically, by mail or face-to-face (in person, video). Per Regulation C, if an applicant declines to self-provide this information for an application submitted face-to-face, then the mortgage lender must collect the applicant's ethnicity and race on the basis of visual observation and surname. The applicant then reviews and signs the loan application, which includes the ethnicity and race information.

10 LMI, Black, Hispanic and Latino communities are determined using the FFIEC Census demographic data identifying LMI census tracts and census tracts with majority populations of Black, Hispanic and Latino individuals.

11 Our Target does not include client investment flows into investment strategies or the Firm's grant-making activities.

12 Under ICMA's SBG, sustainability bonds are bonds where the proceeds will be exclusively applied to finance or re-finance a combination of both green and social projects. For purposes of our SDT, and according to our methodology, Sustainability Bonds are captured under the Green objective.

A note on our targets

We set targets using our own independent assessment of what we determine is reasonable and will serve the best interest of our business and our clients. These targets include our $2.5 trillion Sustainable Development Target, among others. Our targets indicate our intent to capture sustainability-related opportunities, not to restrict our financing. We have consistently noted that our targets are subject to other prerequisites and critical considerations, both within and outside our control, that may affect our ability to meet them. These include the necessity of technological advancements; the evolution of consumer behavior and demand; the business decisions of our clients, who are responsive to their own stakeholders; the need for thoughtful public policies; the potential impact of legal and regulatory obligations; market conditions; climate science; commercial considerations; and the challenge of balancing short-term targets with the need to facilitate an orderly transition and energy security and affordability. We expect that any progress toward our targets will reflect these external variables and market forces. Therefore, our targets should not be interpreted as environmental claims or guarantees related to future environmental performance.

We have also noted that we may make adjustments to our targets as we deem appropriate to align them with our independent management of businesses, which continue to grow, evolve and change.

The information provided in this document reflects JPMorganChase's approach to our Sustainable Development Target as at the date of this document and is subject to change without notice. We do not undertake to update any of such information in this document. This document is intended to provide non-exhaustive, general information. This document contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements relate to, among other things, our goals, commitments, targets, aspirations and objectives, and are based on the beliefs and expectations of JPMorganChase's management, speak only as of the date on which they were made, and are subject to significant risks and uncertainties, many of which are beyond JPMorganChase's control. Expected results or actions may differ from the anticipated goals and targets set forth in the forward-looking statements. Factors that could cause JPMorganChase's actual results to differ materially from those described in the forward-looking statements include the necessity of technological advancements, data quality and availability, the evolution of consumer behavior and demand, the business decisions of our clients who are responsive to their own stakeholders, the need for thoughtful public policies, the potential impact of legal and regulatory obligations, market conditions, climate science, commercial considerations, and the challenge of balancing our commitment to short-term targets with the need to facilitate an orderly transition and energy security. Additional factors can be found in JPMorganChase's Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K filed with the Securities and Exchange Commission. Those reports are available on JPMorganChase's website (https://jpmorganchaseco.gcs-web.com/ir/sec-other-filings/overview) and on the Securities and Exchange Commission's website (www.sec.gov). JPMorganChase does not undertake to update any forward-looking statements.