

2015

**ENVIRONMENTAL
SOCIAL AND
GOVERNANCE**

Report

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LETTER FROM OUR CHAIRMAN & CEO

At JPMorgan Chase & Co., we are dedicated to serving our customers and the communities in which we operate - in good times and, more importantly, in challenging times.

Fulfilling this commitment demands we build an innovative, vibrant company that satisfies our customers' needs and delivers value for our shareholders. Effectively addressing environmental, social and governance issues is a key part of building a great company. Doing so means having strong governance, effective risk management systems and robust controls. It includes delivering exceptional service for our customers in a fair and transparent manner, investing in our employees' development and fostering an inclusive work environment. It also involves considering environmental and social issues in our business and operations. When we do these things well, it makes our company stronger and more resilient.

At JPMorgan Chase, management of these important issues is integrated into the work that we do. Our senior management team develops and executes the company's strategy, and our Board of Directors provides thoughtful oversight. Our Business Principles and policies underpin our commitment to maintain the highest standards of integrity. And we have worked to create a culture in which our employees put these values into practice and are empowered to do the right thing.

We are deeply proud of the way that JPMorgan Chase has served our customers, communities and shareholders for more than 200 years. We also know that exceptional and enduring companies continually learn and work to improve. In 2015, we invested significant resources and engaged with thousands of our employees to strengthen our historically strong culture and embed our Business Principles in everything we do. I invite you to read about these efforts and more in this report.

JAMIE DIMON

Chairman & CEO, JPMorgan Chase & Co.

INTRODUCTION

JPMorgan Chase & Co. is committed to providing information to our stakeholders about how we manage and conduct our business, including how we leverage our resources and capabilities to help solve pressing social, economic and environmental challenges. We communicate information about our approach to environmental, social and governance (ESG) issues through a variety of channels, including reports and presentations, regulatory filings, press releases and direct engagement with stakeholders. In 2015, we launched a dedicated [ESG Information](#) page on our website to facilitate access to the range of information and resources that we provide.

ABOUT THIS REPORT

This report highlights the ESG issues JPMorgan Chase views as among the most important to our business and provides information on how we are addressing them. While we provide detailed information on these issues through a number of other channels and on an ongoing basis, this report reflects an effort to summarize and consolidate some of the most important aspects of our work, and guide readers to sources where they can access additional information about topics of interest.

This ESG Report covers programs and performance in 2015. It is designed to be a companion to our [2015 Corporate Responsibility Report](#) - which focuses on the firm's philanthropic initiatives to expand access to opportunity and advance economic mobility around the world - as well as to other publications, including our [2015 Annual Report](#), [2016 Proxy Statement](#) and [How We Do Business-The Report](#) (published in December 2014).

We developed this ESG Report to align with the Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines at the Core level. The GRI is an international standard that is commonly used by companies and other organizations to guide sustainability reporting.

FOR MORE INFORMATION

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

- [Business Principles](#)
- [Code of Conduct](#)
- [Code of Ethics for Financial Professionals](#)
- [Corporate Governance Principles](#)
- [Diversity and Inclusion](#)
- [Environmental and Social Policy Framework](#)
- [How We Do Business-The Report](#)
- [Human Rights Statement](#)
- [J.P. Morgan Asset Management Proxy Information](#)
- [Policy Engagement and Political Participation](#)
- [Supplier Information](#)
- [2015 Annual Report](#)
- [2015 Corporate Responsibility Report](#)
- [2016 Proxy Statement](#)

OUR COMPANY AT A GLANCE

JPMorgan Chase, a financial holding company, is a leading global financial services company and one of the largest banking institutions in the United States. The company has operations worldwide and is a leader in investment banking, financial services for consumers and small businesses, commercial banking, financial transaction processing and asset management. Under the J.P. Morgan and Chase brands, the company serves millions of customers in the United States and many of the world's most prominent corporate, institutional and government clients.

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

has a relationship with about 57.8 million households - almost half of the households in the United States. We serve people, families and businesses across multiple channels - including through more than 5,413 branches, 17,777 ATMs and the No. 1 ranked mobile app and chase.com. We help people bank, save, invest, make purchases with credit cards, and finance homes and cars.



THE CORPORATE & INVESTMENT BANK

offers a suite of investment banking, market-making, prime brokerage, and treasury and securities products and services to a global client base. Clients include multinationals, corporations, governmental entities, central banks and asset managers (e.g., pension and hedge funds, family offices).



COMMERCIAL BANKING

provides credit, banking and treasury services to approximately 19,000 clients across the United States and major international cities. Clients include mid-sized businesses, corporations, municipalities, financial institutions, nonprofit entities and real estate owners and investors.



ASSET MANAGEMENT

has assets under management of \$1.7 trillion, serving financial intermediaries, 60% of the largest pension and sovereign funds 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.

OUR KEY ENVIRONMENTAL, SOCIAL AND GOVERNANCE ISSUES

As a global financial services company, JPMorgan Chase encounters and manages a broad range of ESG issues. This report is designed to focus on the set of ESG issues we have identified as among the most relevant to our business and of highest interest to our key stakeholders.

To help us identify and affirm this set of key ESG issues, in 2015, we conducted a series of internal interviews with individuals from across our business and analyzed the feedback our firm receives as part of our ongoing engagement with external stakeholders (see p. 6 for more information). We also conducted a targeted analysis of new and emerging ESG trends, standards and practices related to our industry.

We have identified the following broad categories and specific key issues that are discussed in this report:

CATEGORIES	KEY ISSUES
PROMOTING SOUND GOVERNANCE	<ul style="list-style-type: none"> • Board leadership and management processes • Ethical culture • Controls • Policy engagement and political participation
SERVING OUR CUSTOMERS	<ul style="list-style-type: none"> • Engagement with retail customers and consumer organizations • Fair and transparent marketing and advertising • Serving our diverse retail customer base • Efforts to improve consumer financial health globally
INVESTING IN OUR EMPLOYEES	<ul style="list-style-type: none"> • Talent attraction, retention and development • Compensation and benefits for our employees • Diverse and inclusive culture
ADVANCING SUSTAINABLE FINANCE	<ul style="list-style-type: none"> • 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
SUPPORTING OUR COMMUNITIES	<ul style="list-style-type: none"> • Use of investment and philanthropic capital to expand economic growth and opportunity
MANAGING OUR OPERATIONAL FOOTPRINT	<ul style="list-style-type: none"> • Management of the environmental impacts of our buildings and branches, including energy use, greenhouse gas emissions, water and waste

More information about how these issues align with the GRI G4 reporting framework, including how we define issue boundaries and the GRI aspects and indicators we report, can be found in our [GRI Index](#).

STAKEHOLDER ENGAGEMENT

Deep and sustained engagement with our stakeholders gives us the opportunity to gain insight into their perspectives and the issues that matter to them most, as well as to share information about our firm's strategy and practices. It helps us develop products, services and programs that are responsive to their needs and makes our company stronger and better informed.

Our firm has a broad range of external stakeholders – including shareholders, clients and customers, regulators and policymakers, members of the communities where we do business and nonprofit organizations – and we engage with them in a variety of ways and through numerous channels. For example:

SHAREHOLDERS

We interact and communicate with shareholders through a number of channels and forums, including quarterly earnings presentations, Securities and Exchange Commission filings, our Annual Report and Proxy Statement, our annual meeting, the annual Investor Day presentation, investor conferences and web communications. We conduct a formal shareholder outreach program twice a year, with fall meetings focused on corporate governance and spring discussions focused on issues related to the Proxy Statement. After each of these outreach programs, we provide investor feedback to the Board. We also engage in dialogue with our shareholders outside of these formal channels.

REGULATORS

We have extensive interactions with our regulators, and we are committed to providing them with complete, accurate and timely information and maintaining an open, ongoing dialogue. Our senior leaders commit a significant amount of their time to meeting with our regulators, which helps us hear firsthand what regulators are focused on and gives us a forum for keeping them well-informed on what is happening in our businesses. Our Board members also meet with regulators on a regular basis. In addition, across the enterprise, our businesses and control functions engage with our regulators in multiple ways: through exams and continuous monitoring, regular meetings and ad hoc requests. We share regular reports with regulators on a variety of matters and provide them with full access to our people, and we proactively seek feedback as to whether they are getting the right level, quality and frequency of information.

CUSTOMERS

We have a variety of mechanisms 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, through our website and our Twitter handle @ChaseSupport, and by phone or mail.

COMMUNITIES

In the United States, 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 to our executives (see *Serving Our Customers* on p. 11).

NONGOVERNMENTAL ORGANIZATIONS

We engage with numerous nongovernmental organizations on a diverse range of 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 on public policy. We also engage with organizations on environmental and social issues, and support several groups that work to advance sustainability in business, such as Ceres, The Nature Conservancy, the World Business Council for Sustainable Development and others.

PROMOTING SOUND GOVERNANCE

Outstanding people, strong leadership and effective governance and controls are the foundation of our success. JPMorgan Chase & Co. has set high corporate standards and, under the leadership of our Board of Directors and management, we are committed to creating an environment in which all our people operate with integrity, fairness and accountability. This commitment to operational excellence is central to enabling us to fulfill our business goal: to deliver consistently for our clients, communities and shareholders.

OUR CORPORATE CULTURE

Over the past few years, we have undertaken a significant effort to examine how we can more 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 incentivizes appropriate behaviors.

We have rededicated ourselves to our Business Principles in order to support a culture that instills a sense of personal accountability through broad, deep integration of common standards across businesses and geographies. Taken together, these efforts represent our commitment to a culture of integrity and reflect the long-term approach we are taking to enhance it.

CULTURE AND CONDUCT RISK PROGRAM

In 2015, JPMorgan Chase rolled out a firmwide Culture and Conduct Risk Program, which leverages what we learned from a pilot program we undertook in the Europe, Middle East and Africa region and the Corporate & Investment Bank. We obtained feedback from thousands of employees via focus groups, surveys and polls; identified key themes; and established actions, where appropriate. In addition, Conduct Risk Assessments were performed by each line of business and function, also with appropriate action items identified.

We also rolled out a comprehensive suite of management training programs that embed culture and conduct throughout the firm. So that the Culture and Conduct Risk Program remains a key business-driven priority for every line of business and function, the firm named senior executives to serve as the Executive Sponsors of the program on behalf of the Operating Committee. The program will be administered by our Human Resources department and oversight provided through the Board's Compensation & Management Development Committee.

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. Equally important, the Board and the senior management team are responsible for communicating and enforcing the company's commitment to doing business in accordance with our Business Principles.

BOARD OF DIRECTORS

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 at the Board level. A deeply engaged Board is vital to our company's success, and our Directors bring a strong combination of experience and expertise to their role. The Board has been engaged with management on the importance of strong corporate standards, working together to emphasize the company's commitment to doing things the right way and to establishing a clear and common vocabulary for communicating this commitment. Our annual Proxy Statement contains detailed information about the members of our Board, including the Director nomination process, biographical information and the Board's role in risk management oversight. The Proxy Statement also contains information about the membership and responsibilities of the five principal standing committees of the Board.

Board independence is essential to effective governance. An independent Board serves the interests of shareholders by effectively carrying out its fundamental obligation of oversight of management. Ten of our 11 Board members and each of the members of our five principal standing committees 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.

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 is led by a Chief Executive Officer (CEO) and has a Chief Financial Officer (CFO), Chief Risk Officer (CRO), Chief Compliance Officer, Chief Control Officer, General Counsel, Human Resources Executive and Chief Auditor. The line of business CEOs, along with the firm's CEO, CFO, Chief Operating Officer, CRO, Head of Human Resources and General Counsel, sit on the company's Operating Committee, the company's most senior management body, which is responsible for the overall management of the company, including developing and implementing corporate strategy and managing the company's operations. The line of business CEOs review their respective businesses with the Board, establish priorities for each year and report periodically on business results, risk matters and control issues.

COMPENSATION

Compensation is an important tool to attract, retain and properly motivate the talent necessary to support the firm in achieving its goals and driving sustained shareholder value. Our compensation philosophy provides sound guiding principles for compensation-related decision-making at every level of the firm. We believe that a well-established and clearly communicated compensation philosophy drives fairness and consistency. Our philosophy promotes a best-practice approach to compensation, including (i) tying pay to performance and aligning with shareholder interests; (ii) attracting, retaining and properly motivating top talent; (iii) integrating risk with compensation; (iv) maintaining strong governance; and (v) transparency.

Our compensation cancellation and clawback policies are designed to hold individuals accountable, when appropriate, for meaningful actions or issues that negatively impact business performance in current or future years. As part of the firm's commitment to further strengthening our corporate culture, we have focused our attention on embedding our standards throughout the employee life cycle, starting with the recruiting and onboarding process and extending to training, compensating, promoting and disciplining employees.

In an ongoing effort to provide appropriate clarity and transparency, we include in the Compensation Discussion and Analysis section of our annual Proxy Statement detailed information on our executive compensation program, including pay decisions for Named Executive Officers, compensation philosophy, pay practices, and risk and control features. We also regularly review our compensation program and actively seek out and strongly consider shareholder feedback in making potential changes.

OUR CONTROL ENVIRONMENT

Over the past several years, our control agenda has been a key priority, and we have devoted significant resources to conforming and adapting to a substantial number of new rules and reporting requirements that have emerged for 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. By making effective controls an integral part of our routine business practices and also having effective checks and balances in place, we can address many issues before they become larger problems. We also engage regulators in constructive dialogue as we design appropriate adjustments and remediation plans.

We have implemented fundamental changes across the company to enhance governance and oversight of our control environment and to simplify and appropriately de-risk our operations. We have also made substantial additional investments in financial and human capital dedicated to the efforts. Since 2011, our total headcount associated with controls has gone from 24,000 to 43,000 people, and our total annual control spend has gone from \$6 billion to approximately \$9 billion over that same time period. In 2016, we expect to spend \$1.9 billion on technology related to security and controls.

Our control environment is structured in the following three lines of defense, and is supported by other functions including Finance, Human Resources and Legal:

LINES OF BUSINESS

The lines of business are each responsible for developing and maintaining effective internal controls, identifying and addressing the risks presented by their respective businesses and operating within a sound control environment. The first line of defense also includes the firmwide Oversight and Control Group, which consists of dedicated control officers within each of the lines of business and corporate functions, as well as a central oversight function. The group 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. The group 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.



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INDEPENDENT RISK MANAGEMENT

The Risk Management Organization and Compliance, as second line of defense, operate independently from the revenue-generating businesses, 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 rest of the company, tests and evaluates the firm's risk governance and management, as well as its internal control processes. As the third line of defense, 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 [2015 Annual Report](#) and [How We Do Business-The Report](#).

CYBERSECURITY

There is no investment more important than protecting the data and assets of the firm, our customers and our clients. We devote significant resources to our firmwide cybersecurity program to protect the company's computer systems, software, networks and other technology assets.

For example, the firm operates Security Operation Centers in Singapore, New York and London and has established a robust cyber exercise and drill program to continually test and improve the firm's defense posture. Worldwide, thousands of our employees are focused on cybersecurity - working across the firm and with many partners to maintain our defenses and enhance our resilience against cyber threats. In 2015, to enhance the firm's defense capabilities, we nearly doubled our cybersecurity spending from the previous year, to approximately \$500 million, and we expect to spend more than \$600 million in 2016. We have also made enhancements to the firm's cybersecurity program, including more robust testing, advanced analytics, improved technology coverage and a program to increase employee awareness about cybersecurity risks and best practices.

POLICY ENGAGEMENT AND POLITICAL PARTICIPATION

Our business is subject to extensive laws and regulations at the international, federal, state and local levels. Changes to such laws can significantly affect how we operate, our revenues and the costs we incur. Because of the potential impact public policy can have on our businesses, employees, communities and customers, we engage with policymakers in order to advance and protect the long-term interests of the firm. Meaningful engagement requires JPMorgan Chase to participate in the public policy process.

Information about our approach, policies and procedures is posted on our [website](#).

FOR MORE INFORMATION

- [Business Principles](#)
- [Code of Conduct](#)
- [Code of Ethics for Finance Professionals](#)
- [Corporate Governance Principles](#)
- [How We Do Business-The Report](#)
- [Policy Engagement and Political Participation](#)
- [Supplier Code of Conduct](#)
- [2015 Annual Report](#)
- [2016 Proxy Statement](#)

SERVING OUR CUSTOMERS

At JPMorgan Chase & Co., we operate through four distinct lines of business with one common goal: serving our clients and customers. These include millions of consumers and small businesses across the United States, as well as many of the world's most prominent corporations, national and local governments, nonprofit organizations and a broad range of other institutions.

We work hand in hand with our clients and customers to meet the full breadth of their needs. We help individuals and families manage their daily finances and save and invest for the future. We support the growth and development of small and mid-size businesses, spurring job creation and building vibrant communities. We work with corporations to raise capital, enabling them to invest in their businesses and deliver on their strategic objectives. And we serve institutional investors as they put their capital to work, from local governments investing in infrastructure to pension funds generating returns for their beneficiaries.

Each of our businesses focuses on ways to improve the customer experience by offering the products and services our clients and customers want and by making it easier for them to do business with us. In this chapter, we focus on the efforts of our Consumer & Community Banking business to serve our retail banking customers. For information on how our other lines of business are delivering on our commitment, see [How We Do Business-The Report](#).

SERVING OUR RETAIL BANKING CUSTOMERS

Consumer banking is a core part of our business: Under our Chase brand, we have a relationship with nearly half of all households in the United States. We continually work to improve how we serve these customers, from how we listen and communicate with them to the products and services we develop to meet their needs. Our efforts are paying off: In 2015, TNS, a market research firm that specializes in banking, ranked Chase No. 1 in Consumer Retail Banking nationally for the fourth consecutive year.



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ENGAGING WITH CUSTOMERS AND CONSUMER ORGANIZATIONS

We engage with our customers, consumer advocates and community groups regularly to understand the issues that matter to them most and to develop products, services and policies that are responsive to their needs. At both the national and regional levels, we have created engagement forums where consumer groups, community leaders and other stakeholders can share perspectives with our executives on the issues that matter most to consumers.

For example, the firm has established Community Advisory Boards (CABs) in our major U.S. retail markets. CABs enable community stakeholders to engage with our local business leadership. This helps our firm identify specific community needs and concerns so that we can better serve our customers. We also conduct hundreds of meetings annually with community-based nonprofits to share perspectives on our products and services. In addition, through the Chase Advisory Panel program, senior executives engage with national consumer policy groups on a semi-annual basis to discuss the firm's retail-related policies, products and communications.

We have also taken steps to make it easier for customers to give us direct feedback on their experiences and needs, whether in person in a branch, through our website or via a range of other channels. In addition, we have put mechanisms in place to capture input from our front-line employees, whose direct, daily interactions with our customers give them unique insight into the things we can do to improve the customer experience. In the past two years, we have implemented over 1,000 improvements based on feedback from front-line employees.

FAIR AND TRANSPARENT MARKETING AND DISCLOSURES

Treating customers fairly is a core element in our Business Principles. We have laid out policies and procedures to ensure we live up to this standard and we have also simplified our disclosures, products, services and operations.

We know that making disclosures clear, concise and transparent is a key part of making our products work for our customers. This also empowers our customers to make informed choices about their finances. For example, with our Chase Total Checking™ account product, we were the first major retail bank to follow the Pew Charitable Trust's model checking account disclosure form that uses plain language in a consumer-friendly format. In its May 2015 [Checks and Balances](#) report, Pew assessed Chase as meeting all of the organization's recommended best- and good-practice checking account disclosure standards. In addition, we were the first prepaid card provider to adopt Pew's model disclosure box for prepaid cards for our Chase Liquid® product (see below for more about Liquid). The disclosure form allows customers to plainly see a description of fees and when deposits are available in a simple, easy-to-read format.

PROMOTING ACCESSIBILITY FOR CUSTOMERS WITH DISABILITIES

At JPMorgan Chase, we challenge ourselves daily to create an accessible and inclusive environment, including by providing services, products and facilities that provide equal access for our customers with disabilities. To help inform these efforts, we engage with and support the efforts of policymakers, nonprofits and other stakeholders representing individuals with a variety of disabilities to better understand how our products and services can meet their needs.

We have also developed feedback channels for our customers with disabilities so that we can collect input on our services and develop solutions. For example, Chase.com has an [Accessibility](#) webpage with an email link for providing feedback on accessibility-related issues. We also provide auxiliary aids and services so that customers with disabilities can conduct their banking business, including through Talking ATMs and by providing Braille statements and guideline/raised-line checks.

SERVING LOW- AND MODERATE-INCOME CUSTOMERS

We are committed to serving all segments of our customer base and to developing innovative new products and services. In an effort to better serve low- and moderate-income customers, we are developing high-quality, affordable products and user-friendly technology specifically designed to meet their needs.

For example, Chase Liquid is a reloadable, prepaid card with a flat monthly fee, no overdraft fees, robust transaction capabilities and an online bill pay feature that allows consumers to pay anyone, including a landlord, at no additional cost. We created this product for low- and moderate-income individuals who lack access to traditional banking services, and we built it on the basis of extensive research and engagement with consumers, community groups and consumer advocacy groups. Chase Liquid has been recognized as meeting the Bank On National Account Standards, which identify critical features for safe, affordable financial products for low- and moderate-income consumers.

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 gain financial security. As of December 2015, nearly 70% 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.

In addition to our efforts to better serve low- and moderate-income consumers through our product offerings, we are working with nonprofit partners and other stakeholders to help address the needs of this community. For example, JPMorgan Chase provides support to the Cities for Financial Empowerment (CFE) Fund, a national organization that works with local city governments, community stakeholders and banks to advance financial access for low- and moderate-income individuals. We provided seed funding for CFE's Bank On 2.0 initiative, which is designed to scale up city-based efforts to expand access to safe and affordable banking products and services. In 2015, we directed our funding toward cities that are seeking to establish or strengthen their own Bank On coalitions and promote accounts meeting the new Bank On account standards.



Since its launch in 2012,
Chase Liquid has helped

**MORE THAN A
MILLION**

people gain access to
mainstream banking.

FOSTERING EFFORTS TO IMPROVE CONSUMER FINANCIAL HEALTH GLOBALLY

We are bringing the full resources of our firm to bear to help improve the financial health of individuals globally. Around the world, many people lack the tools and resources to manage their daily financial lives, withstand unexpected emergencies or plan for the future. We are leveraging our expertise, data and philanthropic and investment capital to improve consumer financial health, spark innovation to help address this global problem and build more resilient communities and economies.

In 2014, JPMorgan Chase launched a financial capability initiative to help individuals and families achieve greater financial security. The centerpiece is a \$30 million commitment to the Financial Solutions LabSM (FinLab), a program managed by the Center for Financial Services Innovation (CFSI) in partnership with JPMorgan Chase. The FinLab is running a series of competitions to identify next-generation financial products and services to improve the financial health of American households. In June 2015, CFSI announced the winners of the first Lab competition, which focused on identifying innovations to help consumers manage household cash flows more effectively. Each winner also received strategic support such as expert technical advice, design assistance, access to networking events, and mentoring and collaboration with FinLab experts. In addition, the winners were offered introductions to JPMorgan Chase experts who could answer questions crucial to their companies' success.

Building on the success of the FinLab, in December 2015, JPMorgan Chase announced its support for the Catalyst Fund, a new initiative managed by Bankable Frontier Associates that brings together impact investors, including Accion, Grey Ghost, Omidyar Network and the Gates Foundation, to support breakthrough innovations to promote financial health globally. The Catalyst Fund will offer funding and mentorship to early-stage financial inclusion social entrepreneurs in emerging global markets.

In addition to fostering the development of innovative models, we are leveraging JPMorgan Chase's unique proprietary data, expertise and market access to develop analyses and insights on the global economy - including those that impact consumers - that are useful for policymakers, businesses and nonprofit leaders. Launched in 2015, the JPMorgan Chase Institute published its first report, [Weathering Volatility: Big Data on the Financial Ups and Downs of U.S. Individuals](#), on how income and consumption fluctuate on a monthly and yearly basis. The research found that the typical household does not have a sufficient financial buffer to weather observed income and consumption volatility.

The firm is also harnessing the power of impact investing - investments aimed at creating positive social and environmental impacts alongside financial return - to improve financial health around the world (see Advancing Sustainable Finance on p. 18 for more information).

PROTECTING OLDER ADULTS

As demographics shift in the United States, we are working to increase awareness about potential financial abuse affecting the aging population. For example, in 2014, JPMorgan Chase established an internal initiative to identify challenges and solutions for serving vulnerable adult customers. As part of this effort, we are raising employee awareness about the range of issues that could make older adults vulnerable to financial scams and are identifying ways our employees can help older adult customers and their caregivers.

We are also working with nonprofits, advocacy groups, regulators and others to better understand and address the needs of and risks to older adult customers. For example, in 2015, JPMorgan Chase supported a program run by Empowering and Strengthening Ohio's People and the American Association of Retired People Foundation to deliver the "Money Smart for Older Adults" curriculum nationwide to more than 150 nonprofits that are providing financial education to older customers. The curriculum, jointly developed by the Federal Deposit Insurance Corporation and the Consumer Financial Protection Bureau, teaches older adults and their caregivers how to prevent elder financial exploitation, and encourages advance planning and informed decision-making.

FOR MORE INFORMATION

- [Accessibility at Chase](#)
- [Business Principles](#)
- [Financial Capability](#)
- [How We Do Business-The Report](#)
- [JPMorgan Chase Institute](#)
- [Social Finance](#)
- [2015 Annual Report](#)
- [2015 Corporate Responsibility Report](#)

INVESTING IN OUR EMPLOYEES

As a knowledge-based, service company, our firm's success depends on our human capital – our people's expertise, creativity, teamwork, entrepreneurship and ability to solve problems and continuously learn. Our people are also the embodiment of our corporate culture, and we depend on them to uphold the highest standards of integrity in all that they do.

In short, we know that to deliver the best solutions and service for our clients, deliver value for our shareholders and serve our communities, we must attract and retain the best people. That requires investing in our people through all phases of the employee life cycle and supporting their development throughout their careers at JPMorgan Chase & Co.

Fostering diversity and inclusion is a cornerstone of our corporate culture, and is embedded in all of our employee programs. Bringing together people with different backgrounds and experiences and creating a work environment that empowers all employees to contribute to their full potential enables us to produce better and more innovative solutions to meet the changing needs of our customers, clients and communities around the world.

We measure the success of our investments in employees in many ways, including job offer acceptance rates, employee engagement and satisfaction scores, attrition levels, internal mobility statistics and more. We are proud of our results. For example, in 2015, nine out of 10 candidates we recruited accepted jobs with the firm. We are also regularly recognized as a best place to work and have won numerous awards; see our [website](#) for more information and examples.

FOSTERING DIVERSITY AND INCLUSION

is a cornerstone of our corporate culture, and is embedded in all of our employee programs.

WHO WE ARE

At JPMorgan Chase, we have a broad base of diverse employees, working across various business lines and geographies to deliver products and services to our corporate and institutional clients and retail customers. The roles and positions within our company are varied and diverse. Our employees include tellers and customer service representatives; bankers and administrative professionals; experts in risk, technology, legal, accounting, controls and human resources; and much more. Each of our employees has an important role to play in delivering the highest-quality services to our clients and customers.

KEY 2015 STATISTICS



235,000
employees worldwide



**Women represent
30%**
of our company's
senior leadership



53%
of new U.S. hires
were racially or
ethnically diverse



51%
of our employees
globally are
women



48%
of our U.S. employees
identify as minorities



49%
of new hires globally
were women

ATTRACTING THE BEST

Attracting and hiring the best people is central to the ongoing success of our company – and is also the critical first step in educating employees about our corporate culture. For us, attracting the best means seeking people who not only have the skills and expertise we need, but also have a commitment to our values and to upholding our Business Principles. We seek high-quality candidates from both within and outside the firm, and we hire based on merit, using consistent processes and objective criteria.

At JPMorgan Chase, diversity is important at all levels of the company, so we actively work to create diverse candidate slates, with individuals representing a wide range of backgrounds and experiences for positions at all levels. To that end, the firm has developed a Blueprint for Managers on Diversity, which helps guide managers through the process of building and motivating a diverse team and creating a more inclusive work environment.

In addition, the firm has several diversity-focused college campus programs for recruiting interns that help us build a diverse pipeline of talent. We have specific recruiting programs that focus on female students; students who identify as black, Hispanic and Native American; and students who identify as lesbian, gay, bisexual and transgender individuals. These programs give diverse students the opportunity to learn about financial service careers, participate in skill-building workshops, gain access to scholarship and internship opportunities and meet with and get advice from diverse senior leaders at our firm who represent their backgrounds and experiences.

In 2013, the firm piloted a re-entry program, designed to attract and support accomplished and experienced individuals seeking to return to the workforce after a voluntary career break of two or more years, such as to raise a child or care for a sick family member. Following a successful two-year pilot, the program was expanded firmwide in 2015. Through the program, participants complete an 18-week paid fellowship at the firm, during which they receive intensive on-the-job training, professional skills development and networking opportunities. After completing the program, participants are better positioned to regain employment in the industry, including potentially receiving a full-time offer from JPMorgan Chase.

ADVANCING WORKFORCE READINESS IN COMMUNITIES GLOBALLY

We are not just investing in our own employees; we are also investing to help individuals in communities around the world build the skills they need to compete in the labor market.

The path to prosperity lies in stable, well-paying jobs that offer opportunities for advancement. Millions of aspiring workers are unemployed or underemployed. At the same time, many employers are struggling to fill vacancies, especially for middle-skill positions – jobs that require more education and training than a high school diploma, but less than a four-year college degree.

Through our \$250 million New Skills at Work initiative, JPMorgan Chase is leveraging our resources, expertise and global reach to help bridge this gap. As part of the initiative, we are providing innovative, data-driven analyses that help communities accurately assess labor market supply and demand, and develop demand-driven workforce systems. We are then using this information to target our philanthropic investments to strengthen and scale the most effective workforce training programs around the world.

In early 2016, JPMorgan Chase expanded on this effort with the launch of New Skills for Youth, a \$75 million, five-year initiative that aims to strengthen the career and technical training that young people need to be career-ready and succeed in well-paying jobs. See our [2015 Corporate Responsibility Report](#) for more information.



JPMorgan Chase received a
100% RATING
in 2015 and for 13
consecutive years on the
Human Rights Campaign
Corporate Equality Index.

SUPPORTING DEVELOPMENT AND ADVANCEMENT

We support our employees' professional development through comprehensive training and advancement programs. The firm spends approximately \$300 million per year globally on formal training programs at all levels, from entry-level skills to leadership and management courses. Programs are tailored to individual functions, lines of business and geographic regions.

INVESTING IN OUR MANAGERS

We are committed to creating a culture that recognizes and rewards leaders at all levels of the organization and enables them to grow and succeed throughout their careers. It is our intent to define a common leadership mindset in JPMorgan Chase employees around the world that helps embed our Business Principles and foster a strong leadership culture - attributes that we believe are key to employee satisfaction and retention - which in turn helps drive client satisfaction and business results.

In 2015, we launched Leadership Edge, a firmwide program to develop leadership and management skills for all levels of managers. Certified instructors and business leaders from across the firm serve as faculty and facilitate program segments. In its inaugural year, more than 4,500 managers attended programs held at over 20 global locations across the company. In 2016, more than 13,000 managers are expected to attend such programs.

Managers also work with employees to support career advancement and development through ongoing feedback. The firm's performance review philosophy is to provide managers with the tools to facilitate ongoing, productive dialogue with their employees on objectives, performance outcomes and areas for development, including new skills and career paths. Employees are encouraged to develop learning experiences on the job through formal training and by exploring new opportunities. That can mean taking on more responsibility in their current team or exploring new roles, teams and businesses. Many of our employees take advantage of internal mobility opportunities. For example, 41% of the new positions we advertised for in 2015 were filled by internal hires.

ADVANCING BLACK LEADERS

In 2015, we launched the Advancing Black Leaders program, a firmwide effort focused on attracting, recruiting, retaining and developing black talent within the firm. In addition to working to expand the pipeline of black employees joining the firm, the program supports career advancement of black employees by providing resources, developing a strong internal community of support and increasing opportunities to progress to senior leadership positions.

FOSTERING EMPLOYEE NETWORKS

In addition to formal training and feedback, employees benefit from sharing perspectives with their peers through the firm's Business Resource Groups (BRGs). These employee-led groups are sponsored and recognized by the firm for their strategic support of business goals. They provide forums for our employees to share perspectives on diversity issues and network and engage with people across lines of business. The priorities of our BRGs include business solutions, recruiting, professional development, marketplace recognition, community outreach, and education and awareness. For example, the Women's Interactive Network provides its members with access to tools that foster retention, development and advancement of women at all levels at JPMorgan Chase. Another example is SAGE, the administrative professionals group, which helps assist in the recruitment, retention and visibility of administrative professionals across the firm.

DEVELOPING LEADERSHIP SKILLS THROUGH SKILLED VOLUNTEERISM

In 2014, the firm launched the JPMorgan Chase Service Corps, an advanced leadership development program that enables top-performing employees from around the world to put their skills to use on behalf of nonprofit organizations.

The program, which builds on the firm's long-standing commitment to promoting employee volunteerism, helps develop the leadership and cultural competency skills of our employees, while helping our nonprofit partners build organizational capacity (see p. 23 for more information).



41%
of the new positions
we advertised for in
2015 were filled by
internal hires.

COMPENSATION AND BENEFITS FOR OUR EMPLOYEES

Compensation and benefits, as part of our overall talent management strategy, play a critical role in our ability to attract, retain and motivate our workforce. Our programs are informed by best practices and are designed to align the long-term interests of our employees with those of our shareholders.

Our compensation philosophy provides the guiding principles that drive compensation-related decisions across the firm. Key tenets of our compensation philosophy include the following:

- Providing competitive and fair compensation opportunities for our people
- Tying pay to performance and evaluating performance at the firm, business unit and individual level
- Focusing on long-term performance
- Encouraging a culture of shared success across the firm
- Rewarding behaviors that generate sustained value for the firm and reinforcing personal accountability
- Encouraging employees to think and act like owners

The firm is committed to providing benefits programs and policies that support the needs of our employees and their families. Our incentives for wellness and healthy behaviors include free preventive screenings and 29 free onsite clinics. The firm offers a comprehensive benefits package that covers our employees and their partners and families. We consciously direct our benefit spending more toward lower-wage earners, through higher insurance subsidies. We provide comprehensive retirement benefits, including a competitive 401(k) dollar-for-dollar match on 5% of pay, as well as a special award to employees who earn under \$60,000. We are one of fewer than 20% of Fortune 500 companies that continue to offer a defined-benefit pension plan to employees, which has been a well-funded success.



JPMorgan Chase
was included in the
2016
Bloomberg Financial
Services Gender-
Equality Index.

SUPPORTING WORK-LIFE BALANCE

JPMorgan Chase recognizes the importance of enabling our employees to maintain appropriate balance between work and life. For example, we have flexible work options to support parents and others who need alternative time schedules. We also provide back-up childcare and other assistance to working parents. We host regular seminars on work-life topics and provide employees with a variety of resources and tools so they are better equipped to manage life events.

Supporting employees during critical moments is another key part of our culture. We have had parental and adoption leave programs for many years and, in 2015, we increased the amount of paid time off covered under our U.S. Parental Leave Policy. We increased fully paid parental leave time for eligible employees from 12 weeks to 16 weeks for the primary caregiver and from one week to two weeks for the non-primary caregiver. We also increased our bereavement leave time and added paid military leave for all types of military service.

FOR MORE INFORMATION

- [Awards and Recognition](#)
- [Business Principles](#)
- [Careers at JPMorgan Chase](#)
- [Diversity and Inclusion](#)
- [How We Do Business-The Report](#)
- [2015 Annual Report](#)
- [2015 Corporate Responsibility Report](#)
- [2016 Proxy Statement](#)

ADVANCING SUSTAINABLE FINANCE

Sustainability, encompassing environmental and social issues, has moved decisively into the mainstream of business. As a global financial institution that works with corporate, government and institutional clients in virtually every sector of the global economy – from energy and infrastructure to food and consumer products – JPMorgan Chase & Co. sees firsthand the range of challenges and opportunities facing companies and institutions around the world.

We are in a unique position to leverage our core expertise and resources to help our clients both navigate sustainability challenges and access financing solutions to capitalize on emerging opportunities, especially those that achieve positive environmental and social impacts. Our efforts are enhanced through partnerships with nonprofit organizations and other key stakeholders. The insights we gain, perspectives we provide and relationships we build collectively strengthen our ability to help our clients navigate the transition to a more sustainable economy.

MANAGING ENVIRONMENTAL AND SOCIAL RISKS

We recognize our responsibility to consider environmental and social risks that arise within the context of our business, including those that stem from evolving government policies, civil society expectations, and market and technology trends that impact our clients and by extension our firm. Managing environmental and social risks requires a deep understanding of these evolving factors and their impact on industries and companies. Our emphasis on effective risk management enables more informed decision-making, which leads to improved client and transaction selection and relationships.

JPMorgan Chase's [Environmental and Social Policy Framework](#) outlines the firm's approach to environmental and social risk management for lending, debt and equity underwriting, and advisory transactions. It also discusses our firm's broader strategy on cross-cutting issues such as climate change, human rights and biodiversity. We update the Framework periodically to reflect evolving trends and best practices, and make it publicly available on our website.

TRANSACTION REVIEWS

Sound client and transaction due diligence is the foundation of our approach to managing environmental and social risks in our business activities. We have a standardized process to refer certain transactions to our Global Environmental and Social Risk Management (GESRM) team, which sits within the firm's risk management chain. The team reviews referred clients and transactions and determines the need for, and depth of, additional due diligence.

The firm's reviews focus on clients and transactions involving industries or activities that may impact the environment or local communities most significantly – such as resource extraction, power generation, and forestry and agriculture – or that are located in certain geographies or near sensitive areas, such as World Heritage Sites. We have also outlined activities that we will not finance, such as those where there is evidence of forced or child labor, illegal logging and certain transactions involving coal mining and coal-fired power development.

NUMBER OF TRANSACTIONS REFERRED TO GESRM, AND NUMBER AND CATEGORY OF TRANSACTIONS SUBJECT TO DETAILED DUE DILIGENCE (2015)



OVERALL STATS

- **1,562**
Referred to GESRM
- **439**
Transactions Assessed

ASSESSED BY CATEGORY

- **24**
High Risk
- **403**
Medium Risk
- **12**
Low Risk

In 2015, a total of 1,562 transactions were referred for review under the Framework. Of these, 439 transactions required additional, detailed due diligence. The majority represented client activity in North America and Asia Pacific, and focused on a range of industries, including oil and gas, mining and metals, and infrastructure.

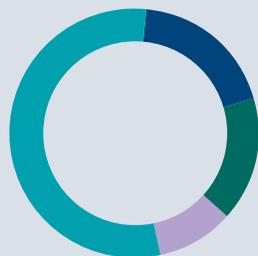
During the due diligence process, we focus on understanding our clients' commitment, capacity and track record of performance with respect to anticipating and managing environmental and social issues and impacts. Our process often involves direct engagement with clients. This enables the firm to gain deeper insight into risks facing a particular business and provides an opportunity to work constructively with our clients to enhance performance.

In cases where significant issues are identified, clients and transactions may be escalated to one of the firm's Reputation Risk Committees for further review, including the Firmwide Risk Committee. This process helps to escalate sensitive issues for thorough review and discussion by senior management.

Our risk management efforts are informed and strengthened by our participation in various industry dialogues focused on environmental and human rights issues, such as the Organization for Economic Co-operation and Development advisory group on Responsible Business Conduct in the Financial Sector, as well as by certain internationally recognized principles, including the Equator Principles, Carbon Principles and Green Bond Principles. In 2015, we also adopted the Soft Commodities Compact, which aims to establish responsible practices in soft commodity supply chains, including palm oil. We did not participate in any general corporate purpose, municipal bond or project financing of Carbon Principles-eligible facilities in 2015. Further information about our implementation of the Equator Principles is published on our [website](#). We also publish information about our wholesale credit exposure by industry in our [2015 Annual Report](#).

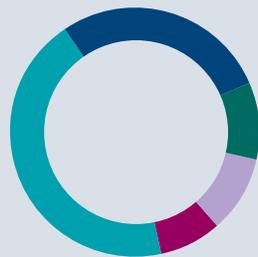
TRANSACTIONS SUBJECT TO DETAILED DUE DILIGENCE (%) BY REGION, BY PRODUCT, BY SECTOR (2015)

ANALYSIS OF ASSESSED TRANSACTIONS (439)



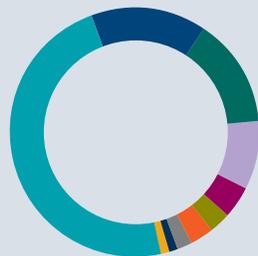
BY REGION

- **55** North America
- **19** Asia Pacific
- **16** Europe, Middle East & Africa
- **10** Latin America



BY PRODUCT

- **44** Credit
- **28** Debt Underwriting
- **10** Equity Underwriting
- **10** Advisory
- **8** Other



BY SECTOR

- **48** Oil & Gas
- **15** Mining & Metals
- **14** Other
- **9** Power
- **4** Chemicals
- **3** Infrastructure
- **3** Heavy Manufacturing
- **2** Forestry Pulp & Paper
- **1** Agriculture
- **1** Shipping

PORTFOLIO REVIEWS

In addition to conducting due diligence on individual clients and transactions, we periodically undertake portfolio-wide reviews to develop broader insights into how our clients in certain sectors may be impacted by certain environmental and social issues and trends. These in-depth assessments help us stay abreast of evolving sustainability issues within particular industries and understand how policy, market and technology drivers may impact our clients' businesses.

For example, in 2015, we conducted a portfolio review of our global power sector clients, in which we assessed how evolving climate change policies may impact our clients' assets and business strategies. We also created a framework to inform how the firm assesses the potential impact of climate-related policy, technology and market trends on mining companies globally. These efforts provide useful insight that we can share with our clients and also help to inform our ongoing due diligence for transactions.

HELPING DRIVE SOLUTIONS

Sustainability issues can present risks that need to be managed, and also opportunities for potential value creation. JPMorgan Chase works side by side with our clients, providing strategic advice and education, raising capital and extending liquidity to help them realize this potential and achieve their business objectives, which increasingly include a focus on sustainability. We support and facilitate our clients' efforts to develop and implement sustainability solutions in numerous ways, including the following:

ADVISORY, UNDERWRITING, CAPITAL RAISING AND LENDING

In 2015, JPMorgan Chase underwrote more than \$4 billion of green bonds and other social and sustainability bonds, where proceeds are used to finance efforts that generate climate, environmental or other sustainability benefits. This included a \$934 million green bond issued by Washington State's Central Puget Sound Regional Transit Authority in 2015 - the largest municipal green bond issuance to date - to finance rail and bus transit and related infrastructure to support sustainable transportation. JPMorgan Chase is also one of the authors of the Green Bond Principles, which promote integrity and transparency in the market, and currently serves on the Green Bond Principles Executive Committee.

In addition, JPMorgan Chase is a leader in structuring and closing innovative transactions that support renewable energy development in the United States. In 2015, the firm committed and arranged \$2 billion for wind and solar energy projects. Since 2003, we have raised more than \$14.8 billion for renewable energy projects, including \$8.6 billion of our own capital. This capital has helped to finance over 15,000 megawatts of wind power and close to 700 megawatts of solar in the United States.

SUSTAINABLE INVESTING AND WEALTH MANAGEMENT

J.P. Morgan Asset Management serves individual investors and organizations globally, including corporate pension plans, endowments, foundations, insurance companies, sovereign wealth funds and government-affiliated institutions. We are one of the largest asset and wealth managers in the world, with assets under management of \$1.7 trillion (as of December 31, 2015). We recognize that as a fiduciary manager dedicated to delivering strategic advice and solutions for our clients, we must seek to provide this advice in a risk-aware manner. Excellence and integrity are our guiding principles and we seek to align our clients' investments strategically for strong risk-adjusted returns, which includes taking into account sustainable investment factors, when material. Recognizing the importance of sustainable investing, J.P. Morgan Asset Management has been a signatory to the Principles for Responsible Investment since 2007.

STRUCTURING AND ADVISORY

JPMorgan Chase provides structuring and advisory services that support the development of businesses and financing vehicles intended to create positive environmental and social impacts alongside financial returns. For example, in 2015, we worked with the U.K. government to structure and develop the Dementia Discovery Fund, which has attracted more than \$100 million from partners such as GlaxoSmithKline, Johnson & Johnson, Lilly and Pfizer. The capital raised through the fund will finance pre-clinical research identified as having good potential for clinical success in treating dementia, a condition that affects an estimated 47 million people worldwide.

These structuring and advisory activities leverage our experience as a principal investor in similar funds. Since 2009, we have committed \$68 million of our own capital - and catalyzed millions more from clients and partners - to investments that have helped to improve the lives of more than 58 million underserved people globally, while also providing a financial return to investors. Most recently, JPMorgan Chase committed \$7.5 million to the Accion Frontier Inclusion Fund, which invests in growth-oriented businesses seeking to improve access to financial services in the developing world. The fund targets the world's more than 4 billion underbanked consumers, those with little or no access to financial services. With our investment, these businesses will help underbanked populations to finance a business, build or improve a home, efficiently pay utility bills and school fees, or transfer money to family members.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE MARKET SOLUTIONS

In early 2016, our Corporate & Investment Bank launched Ethos Investments, a platform offering a suite of tools for clients looking to deploy capital in ESG-focused investments. The platform was designed to combine financial performance with clients' sustainability priorities and offers customizable products, ranging from passive indices and actively managed funds to green and social bonds.

STRATEGIC PARTNERSHIPS AND EXTERNAL ENGAGEMENT

A key component of our strategy is engagement and partnerships with nonprofit organizations, clients, other financial institutions, multilateral organizations and other stakeholders.

These relationships enable us to deepen our expertise, drive improved sustainability performance and create new sustainability opportunities for our clients.

One of our most significant partnerships is with The Nature Conservancy (TNC). In 2014, JPMorgan Chase provided founding sponsorship for NatureVest, an initiative of TNC that is developing transactions that harness the power of markets to advance conservation – an approach that is of growing interest to many of our corporate and investor clients. With ongoing strategic input from JPMorgan Chase, the NatureVest initiative is shaping investment opportunities in markets across the United States and the world – addressing issues from urban stormwater management to rural habitat protection. One example of this work is the recently closed Washington D.C. Green Infrastructure Fund, which uses green infrastructure to mitigate water pollution from stormwater runoff. NatureVest aims to scale this model across the District and then replicate it in other cities around the country that are facing Clean Water Act compliance mandates.

NatureVest and JPMorgan Chase also collaborate to produce insights on conservation finance. Research is under way with partners to update the 2014 [Investing in Conservation](#) report, which provided a data-driven analysis of conservation finance market activity. This work complements the firm's leadership in developing research on impact investing, where investors aim to generate social and environmental impact alongside a financial return. Since 2010, the firm has collaborated with The Global Impact Investing Network to publish an annual Impact Investor Survey. The fifth edition, [Eyes on the Horizon](#), which was published in May 2015, is publicly available online, along with a number of other reports about the market.

KEY MEMBERSHIPS AND COMMITMENTS

We participate in, are members of or have committed to various initiatives and principles that address business and sustainability. The following are some examples:

- Carbon Principles
- CDP
- C2ES Business Environmental Leadership Council
- Ceres
- Equator Principles
- Extractive Industries Transparency Initiative
- Global Impact Investing Network
- Green Bond Principles
- U.N. Principles for Responsible Investment
- World Business Council for Sustainable Development

OUR APPROACH TO CLIMATE CHANGE

JPMorgan Chase has clients in nearly every sector of the global economy and we engage with them on climate change matters in a variety of ways. We leverage our financial capabilities to assist companies seeking to deploy technologies that help reduce greenhouse gas (GHG) emissions, manage the risks and opportunities that are emerging from the transition to a lower-carbon economy, and strengthen resilience and adaptation to climate change. We are also actively engaged in helping investors and regulators understand how climate change may impact companies and markets.

For example, we are a member of the Financial Stability Board's Task Force on Climate-related Financial Disclosures, which is working to identify principles to guide more effective voluntary disclosure of climate-related risks and opportunities. This builds upon our efforts to help develop the [Carbon Asset Risk: Discussion Framework](#), which was designed to assist banks, investors and other stakeholders evaluate the potential financial implications of carbon-related risks facing companies. We served as the chair of the working group that provided input to the paper, which was published in 2015 by the World Resources Institute and United Nations Environment Programme-Finance Initiative.

We also recognize that effective action on climate change requires strong, economy-wide signals from the public sector. For this reason, we welcomed the Paris Agreement reached in December 2015, which was a historic pact to limit GHGs.

In advance of the Conference, we updated our Framework to articulate our view on the importance of government policy that incentivizes innovation and investment in low-carbon and energy-efficient technologies. We also collaborated with Ceres and other financial institutions to issue a [statement](#) supporting strong government leadership on climate. Clear policy signals from governments will help to support our efforts to provide the capital needed to facilitate the transition to a low-carbon economy.

FOR MORE INFORMATION

- [Environmental and Social Policy Framework](#)
- [Environmental Sustainability](#)
- [Equator Principles Report](#)
- [Financial Sector Statement on Climate Change](#)
- [Memberships and Commitments](#)
- [NatureVest](#)
- [Social Finance Research Library](#)
- [2015 Annual Report](#)

SUPPORTING OUR COMMUNITIES

As the global economy evolves, one of the most urgent challenges facing local communities is the need to create more economic opportunity and mobility. JPMorgan Chase & Co. combines our investment and philanthropic capital, expertise and relationships to support more inclusive growth in communities around the world.

FINANCING COMMUNITY DEVELOPMENT

As a leading financial institution, we support our communities and help create economic opportunity through our core business: providing capital and credit that governments, small businesses, nonprofits and individuals need in order to grow, create jobs, build infrastructure and provide the services that communities need to thrive.

We have a strong commitment to making loans, grants and other investments aimed at strengthening low- and moderate-income communities. In 2015, we provided nearly \$21 billion in equity investments and lending, small business loans and mortgages to lower-income borrowers and communities.

As a leader in community development banking, we provided \$3.1 billion in debt and equity capital in 2015 to build or rehabilitate affordable housing units, health facilities, charter schools, food grocers and community centers. One project that reflects our focus on local communities is the Alice Griffith Community located on Candlestick Point in San Francisco, which is in its fourth phase to replace a troubled public housing complex, and will bring much-needed affordable housing that will be linked with appropriate services, schools and access to jobs.



In 2015, we provided

**NEARLY
\$21 BILLION**

to lower-income borrowers and communities.



In 2015, we deployed

**MORE THAN
\$200 MILLION**

in philanthropic capital to advance economic growth and opportunity.

CORPORATE RESPONSIBILITY

JPMorgan Chase's corporate responsibility programs directly align with and support our firm's efforts to drive more inclusive economic growth. In 2015, we deployed more than \$200 million in philanthropic capital toward programs focused on expanding access to opportunity and advancing economic mobility around the world. Investing in these initiatives is not only good for our communities, it is good for our company.

Our corporate responsibility initiatives are focused in areas where we can best put our firm's capabilities to work: expanding workforce readiness, growing small businesses, improving consumer financial health and supporting the economic vitality of cities. We are taking a data-driven approach to target our philanthropic capital toward effective solutions, and we are making long-term global commitments to create meaningful and lasting impact in our communities. Our [2015 Corporate Responsibility Report](#) provides detailed information about our key initiatives.

Alongside our grant capital, we are leveraging innovative financial models to drive change. For example, in 2015, JPMorgan Chase committed \$5 million to Vital Healthcare Capital (V-Cap), a nonprofit organization that provides flexible financing and development services in support of quality healthcare and good front-line healthcare jobs in underserved communities. Our support for V-Cap takes the form of a Program-Related Investment, an alternative to traditional grant making that allows funders to recycle their capital - and maximize their impact - by investing philanthropic dollars in charitable ventures that return principal and a modest level of return.

EMPLOYEE ENGAGEMENT

Around the world, our volunteerism and workplace giving programs engage our employees in efforts to give back to the communities where we operate. In 2015, more than 47,000 employees dedicated more than 300,000 hours of volunteer service in their communities.

Our unique skills-based volunteerism programs are designed to utilize our employees' professional expertise in support of our philanthropic initiatives. For example, in 2014, we launched the JPMorgan Chase Service Corps, an advanced leadership development program that enables top-performing employees from around the world to work directly alongside our grantee partners to tackle tough problems. The program, which builds on the firm's long-standing commitment to promoting employee volunteerism, helps develop the leadership and cultural competency skills of our employees, while helping our nonprofit partners build organizational capacity. Since its launch in 2014, 64 employees have traveled to places around the globe including Brazil, Mumbai and Detroit to employ their skills, time and expertise to help community-based nonprofits expand their capacity to achieve their missions.

For example, in 2015, a cohort of employees worked with the Detroit Land Bank Authority (DLBA), which serves as a central clearinghouse for the city's vacant and blighted properties. The team helped the DLBA modernize and streamline its financial activities, saving time and producing higher-quality data that will better equip DLBA to track, monitor and record property transactions. In 2016, the firm will double the number of Service Corps participants and expand to new U.S. and international cities.



In 2015, more than

**47,000
EMPLOYEES**

**dedicated more than
300,000 hours of
volunteer service in
their communities.**

FOR MORE INFORMATION

- [Corporate Responsibility](#)
- [Community Development Banking](#)
- [JPMorgan Chase Institute](#)
- [2015 Corporate Responsibility Report](#)

MANAGING OUR OPERATIONAL FOOTPRINT

JPMorgan Chase & Co. strives to manage its global real estate and physical operations in an efficient and sustainable manner, and we continually look for opportunities to improve our performance. We focus our efforts in the areas where we can have the greatest impact: reducing energy use and greenhouse gas (GHG) emissions, using renewable energy, purchasing sustainably certified paper and disposing of our key waste streams in a responsible manner.

MANAGING OUR ENVIRONMENTAL IMPACTS

As a financial services institution, our direct environmental impacts stem primarily from the operation of our office buildings, bank branches and data centers. The majority of these facilities are located in the United States, but we also maintain offices and infrastructure to serve our clients throughout Europe, the Middle East and Africa, Asia Pacific, Latin America and Canada. Energy use and associated GHG emissions are the most significant environmental impacts of our facilities. The firm's other key environmental impacts result from employee air travel, paper procurement, and disposal and use of information technology (IT) equipment.

Our Global Real Estate division has primary responsibility for managing the sustainability of our physical operations, including setting emissions-reduction targets, implementing energy and water efficiency programs and overseeing recycling efforts and other green building management programs (see sidebar). Global Real Estate works in partnership with other corporate functions, such as sourcing and technology, which have responsibility for purchasing products including paper, office supplies and IT equipment, among others.



Since 2005 we have
reduced our GHG
emissions by about

33%.

REDUCING EMISSIONS

Operating our facilities generates GHGs indirectly through electricity purchased to power our facilities and directly through energy sources consumed onsite to heat and cool our buildings. We have committed to reduce our operational GHG emissions by 50% by 2020, compared with a 2005 baseline. Since 2005, we have reduced our GHG emissions by about 33%.

These improvements were driven by our programs to use energy more efficiently in our facilities, as well as our efforts to expand installation of our own renewable energy generation capacity. Each year, we purchase renewable energy credits to support green power generation. In addition, we continue to offset 100% of GHG emissions associated with employee air travel by purchasing verified emissions reduction credits (see sidebar on next page).

EXPANDING ENERGY EFFICIENCY IN OUR BRANCHES

In early 2016, we announced plans to install energy-efficient LED lighting across most of Chase's bank branches in the United States. This effort, undertaken in partnership with Current, a GE subsidiary, is the world's largest single-order LED installation to date, spanning up to 25 million square feet of building space across roughly 5,000 branches. The project is expected to reduce the branches' lighting-related energy use by more than 50% - the equivalent of taking nearly 27,000 cars off the road.

OFFSETTING EMISSIONS BY REDUCING DEFORESTATION

In 2015, we offset 100% of the GHG emissions associated with our employee air travel. We achieved this by purchasing 150,000 verified emission reduction credits from The Nature Conservancy to support the Rio Bravo Climate Action Project. This project, which has been validated under the Verified Carbon Standard, has preserved nearly 16,000 acres of the Mayan Forest in Belize, and has avoided the emission of over 3 million tons of carbon dioxide that would have been caused by deforestation and forest degradation. It is one of the world's first projects under the United Nations Programme on Reducing Emissions from Deforestation and Forest Degradation, otherwise known as REDD. The project is helping to protect an ecologically diverse area that is home to 200 species of trees, 400 species of birds, 70 species of mammals and 39 species of conservation concern.



In 2015,
we offset

100%

of the GHG emissions
associated with our
employee air travel.



In 2015,
approximately

93%

of the paper we purchased
was sustainably certified.

SUSTAINABLE PAPER USE

As a significant consumer of paper, we think it is important to source the paper we use from sustainably managed forests, which provide many significant long-term benefits for the environment and communities. We seek to maximize our use of paper that is independently certified as sourced from sustainably managed forests. In 2015, approximately 93% of the paper we purchased was sustainably certified.

We also strive to use paper efficiently and make it convenient for customers and employees to do so. We offer paperless billing options for customers and have implemented smart printing methods for employees. Last, we recycle the paper we have used, including business documents from JPMorgan Chase locations around the world, which are recycled through a secure shred program. Globally, we recycled over 42,000 metric tons of paper in 2015.

MANAGING INFORMATION TECHNOLOGY EQUIPMENT

The use and disposal of IT equipment such as computers and servers is another focus of our operational sustainability efforts. IT hardware has a range of potential social and environmental impacts across its life cycle from production and use to eventual disposal.

JPMorgan Chase aims to maximize the lifespan of IT equipment by finding opportunities to refurbish and redeploy assets internally whenever feasible. When we cannot reuse equipment internally, we work with our suppliers to recycle the materials or seek to donate them to nonprofit organizations. All IT equipment we refurbish, recycle or donate meets our strict data privacy standards prior to donation.

FOR MORE INFORMATION

- [Environmental and Social Policy Framework](#)
- [Sustainability in Our Operations](#)

ENVIRONMENTAL DATA

	2013	2014	2015
Employee headcount	251,196	241,359	234,598
Square footage ¹	64,687,646	61,444,431	61,401,409

¹ JPMorgan Chase utilizes an operational control approach to establish the boundaries of our GHG inventory. This includes owned and leased facilities for which JPMorgan Chase controls the energy usage and pays the energy/utility bills. We do not currently include sites where we do not pay the utility bill directly to the respective utility, but where we lease, own or otherwise occupy the space.

GREENHOUSE GAS EMISSIONS	UNIT	2013	2014	2015
Scope 1 - direct emissions	MtCO ₂ e	85,950	89,225	82,525
Scope 2 - indirect emissions	MtCO ₂ e	1,092,558	1,073,549	844,403 ²
Total	MtCO₂e	1,178,508	1,162,774	926,928
Renewable energy credits (RECs) purchased	MWh	210,000	210,000	210,000
Emission reductions from RECs	MtCO ₂ e	164,010	159,254	135,042
Scope 1 and 2 emissions (net)	MtCO₂e	1,014,498	1,003,520	926,928
Reduction over 2005 baseline (net)	%			33³

² For 2015, Scope 2 emissions were calculated using the market-based method outlined in the GHG Protocol Scope 2 Guidance, updated in 2015.

³ Reflects net emissions reductions (using the market-based Scope 2 method) against our 2005 baseline, which was adjusted in accordance with the updated GHG Protocol Scope 2 Guidance.

EMISSIONS FROM EMPLOYEE AIR TRAVEL	UNIT	2013	2014	2015
Scope 3 - indirect emissions from employee air travel	MtCO ₂ e	155,917	147,811	138,878
Emissions from corporate air travel (counted in Scope 1)	MtCO ₂ e	7,088	8,035	8,055
Total emissions from air travel	MtCO ₂ e	163,005	155,845	146,933
Verified emission reduction credits purchased	MtCO ₂ e	170,000	170,000	150,000

ENERGY CONSUMPTION	UNIT	2013	2014	2015
Electricity	MWh	2,060,701	2,025,944	1,992,529
Steam	MWh	96,533	49,843	40,665
Chilled water (indirect emissions)	MWh	2,168	1,811	495
Natural gas	MWh	261,875	271,020	234,621
Propane	MWh	1,373	1,338	1,147
Fuel oil	MWh	10,961	14,858	16,490
Chiller plants (fugitive emissions)	MWh	55,599	54,662	49,493
Jet fuel	MWh	28,715	32,548	30,534
Total	MWh	2,517,925	2,452,024	2,365,973
Reduction over 2005 baseline (net)	%			27

WATER CONSUMPTION	UNIT	2013	2014	2015
U.S. operations	m ³	6,105,560	5,404,135	5,014,959

PAPER	UNIT	2013	2014	2015
Total paper purchased (U.S. and Canada)	Mt	79,928	76,977	69,132
Percentage with recycled content	%	24	22	31
Percentage with certified content	%	92	93	93
Total paper collected for shredding and recycling (global)	Mt	40,363	42,057	42,699

JPMORGAN CHASE BUSINESS PRINCIPLES

EXCEPTIONAL CLIENT SERVICE

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

OPERATIONAL EXCELLENCE

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

A COMMITMENT TO INTEGRITY, FAIRNESS AND RESPONSIBILITY

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

A GREAT TEAM AND WINNING CULTURE

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

CONTACT US

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To contact Investor Relations, email: JPMInvestorrelations@jpmchase.com

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