
Sustainability Strategies: Development Finance, Operational Sustainability and Sustainable Growth Equity at JPMorgan Chase

EVENT CALL TRANSCRIPT¹

September 7, 2023

¹ Event transcript has been edited for clarity.

OVERVIEW

As a leading financial institution for nearly every sector of the global economy, we believe that JPMorgan Chase is uniquely positioned to lead on sustainability. To do so, we go well beyond addressing financed emissions and supporting community development by integrating sustainability into a multitude of other strategies that serve to drive inclusive economic growth and long-term shareholder value.

This event serves as an opportunity to discuss and ask questions about the Firm's sustainability strategies for Development Finance, Operational Sustainability and Sustainable Growth Equity.

Aaron Bertinetti, Head of ESG Investor Relations, moderated a panel discussion featuring **key executives in our Development Finance, Asset Management and Operational Sustainability organizations**. You will also hear remarks from JPMorgan Chase's Chairman and CEO, **Jamie Dimon**, and our Head of Corporate Responsibility, **Tim Berry**.

DISCUSSION TOPICS

- How the Firm will mobilize more than \$1 trillion in capital towards sustainable development in emerging markets to contribute to the United National Sustainable Development Goals as part of the Firm's \$2.5 trillion Sustainable Development Target
 - How JPMorgan leverages its operational sustainability strategy to reduce emissions, improve energy storage and usage and advance commercial and technological solutions such as carbon markets and removals
 - The Firm's investment in and engagement with innovative technology companies to improve outcomes in high-carbon-intensity sectors and addresses issues such as methane, mining extraction and direct air capture
 - How the Firm aligns the needs of our clients with the capital and expertise they seek, while managing the business risks and expectations of other stakeholders given the politicization of ESG issues
-

CORPORATE PARTICIPANTS

Speakers

Jamie Dimon

Chairman & Chief Executive Officer, JPMorgan Chase & Co.

Tim Berry

Head of Corporate Responsibility, JPMorgan Chase & Co.

Panel participants

Faheen Allibhoy

Head of the JPM Development Finance Institute

Tanya Barnes

Managing Director, JPM Asset Management Global Alternatives

Brian DiMarino

Head of Operational Sustainability

Moderator

Aaron Bertinetti

Head of ESG Investor Relations

TRANSCRIPT

Jamie Dimon

Chairman & Chief Executive Officer, JPMorgan Chase & Co.

Good morning and thank you for joining us today. We aim to be the most respected financial services company in the world. That means that sustainability is not a standalone consideration, but woven into how we do business every day. It is not a single thing, like helping clients reduce their emissions or investing in community development. It is a holistic consideration of strategies across the Firm that help run a healthy, vibrant, and responsible company for the long term.

Today, I'd like to highlight three of those strategies led by today's panel. In 2021, we announced a 10-year, \$2.5 trillion Sustainable Development Target. The largest contributor to this target is our Development Finance Institution. J. P. Morgan's DFI aims to mobilize capital towards sustainable development, with measurable impact in emerging markets. This work helps corporate clients but also development banks and governments. In 2022 alone, \$98 billion in transactions were anticipated to contribute to one of more of the 17 United Nations SDGs, with the objective of improving lives, ecosystems and economies around the world.

Our approach to operational sustainability reduces our Firm's operational footprint, but it also gives us the ability to deeply understand the journeys of our clients. One challenge we all share is that the science tells us that reductions of future emissions are simply not enough. We also need removal of historical emissions and those that cannot be abated in the future.

As a result, we recently announced and signed long-term agreements representing some of the largest carbon removal purchases to date. This reflects our ambition to use our operational scale and expertise to advance commercial solutions and innovative technologies to support market-wide solutions.

Finally, our asset management business is investing in companies that are decarbonizing high-intensity sectors, and across the Firm we're engaging with innovative businesses that have the potential be leading companies of tomorrow; firms like Bridger Photonics, a leader in aerial methane emissions detection technology, and Climeworks, a leader in verified carbon removal through direct air capture.

As a leading financial institution for nearly every sector of the global economy, we are uniquely positioned to lead. We will continue to apply our capital and expertise to help our clients, customers and communities maximize economic opportunities, navigate challenges and drive inclusive growth.

In short, sustainably is good for business and good for our shareholders.

Thank you for your support.

Aaron Bertinetti

Head of ESG Investor Relations

Good afternoon. Thank you for joining us today. My name is Aaron Bertinetti. I'm Head of ESG Investor Relations at JPMorgan Chase and it's my pleasure to host today's event on behalf of our investors from around the world.

Firstly, I'd just like to quickly thank our Chairman and CEO, Jamie Dimon, there for his opening remarks, which made clear that when it comes to sustainability, it is a much bigger world than narrowly focusing on financed emissions or community development. It is one that touches all parts of the Firm and how we make decisions as a business. It is also something that we intend to lead on. To repeat his closing line, JPMorgan believes sustainability is good for business and good for our shareholders.

As Jamie also noted, three of those strategies are the topic of today's event. It is often surprising when I speak to investors and they realize the scope and scale of what we're doing on sustainability across all of our businesses and the Firm's much broader impact beyond simply financed emissions. The intent of this event is to make you aware of such strategies and provide an opportunity for you to learn and ask questions of our panel about those strategies.

As Head of ESG Investor Relations, I'm fortunate to engage with many of you on these topics and then advise management and the Board on those views. Today, I get to switch roles and moderate a panel of experts on your behalf as they answer your questions based on your interests around these efforts, including development finance, private as opposed to public sustainable investing and operational sustainability.

At the conclusion of the panel, I will hand over to our Global Head of Corporate Responsibility, Tim Berry, who will provide closing remarks about the panel and a speech focused on our broader sustainability strategy and, importantly, what ESG means to this Firm.

If you have not already submitted a question, please feel free to do so via Zoom during today's event, and we will do our best to get to your questions.

With that, it is now my pleasure to introduce a very diverse and expert panel of senior leaders at our Firm.

Firstly, Faheen Allibhoy joins us as the head of the J. P. Morgan Development Finance Institution. The DFI was launched in January 2020 to spur investments supporting economic development in emerging markets. It aims to increase the origination and distribution of assets and develop an impact to meet the United Nations Sustainable Development Goals.

Prior to JPMorgan, Faheen spent 18 years at the International Finance Corporation, or IFC, the private sector arm of the World Bank, where she was responsible for setting strategy, business development, transaction execution and portfolio management. Faheen started her career originally at Merrill Lynch in investment banking and has sector expertise in infrastructure, renewable energy, industrials and private equity.

She is also a member of the Council on Foreign Relations, the Harvard Business School's Advisory Council for Africa, and the World Economic Forum's Global Future Council on the Future of Resilient Financial Systems.

Joining her is Tanya Barnes, who is a Managing Director in JPMorgan Global Alternatives within our asset management arm, and she focuses on private sustainable investing. Namely, she leads investments in companies that are advancing the transition to a sustainable future. She also sits on the committees for Sustainable Growth Equity and Project Black, a co-invest commitment to scale sustainable minority-owned businesses alongside Ariel Alternatives.

Prior to joining JPMorgan in 2022, Tanya was a Managing Director and Head of Blackstone Impact, an investment platform focused on companies addressing major social and environmental challenges and aiming to deliver attractive market-rate financial returns and measurable impact by investing directly into those companies alongside others. She started her career at Goldman Sachs and brings over 20 years of principal investing experience, including service on the boards of several portfolio companies.

And lastly, we have Brian DiMarino, who is Head of Operational Sustainability at JPMorgan Chase. In his role, Brian leads the development and implementation of the Firm's global operational sustainability strategy and manages its commitments to carbon neutrality, greenhouse gases, water and paper reductions, as well as greenhouse gas, water and paper reductions, and the transition to electric vehicles. His team is also responsible for calculating, mitigating and, where it is needed, offsetting the Firm's approximately one million metric tons of annual emissions.

In 2021, Brian established the Operational Sustainability team at JPMorgan Chase, and under his leadership we have worked to define and implement best practices and influence the further development of effective carbon markets. This has included joining Frontier, an advance market commitment to purchase carbon removals, and becoming a founding member of the Sustainable Aviation Buyers Alliance; SABA, for short.

Prior to his current role, Brian held other corporate finance positions, including serving as CFO of the JPMorgan Chase Americas real estate portfolio, which oversees the financial aspects of numerous real estate projects, including the Firm's new headquarters in New York City. Brian originally began his career in JPMorgan's Private Bank.

On behalf of our investors, I'd like to thank you, Faheen, Tanya and Brian, for joining us. We have a lot of questions. So, without further ado, I'll jump right into it, and let's begin.

So, Faheen, you heard Jamie make the point at the start. And I think personally, for me, one of the most surprising parts of my role has been learning about the DFI and just this incredible scope and scale that I think not everybody is necessarily aware of. I mean, it surprises me to find out that it actually exceeds even our \$1 trillion in terms of our green financing commitment. So, maybe I'll go to our first question, which is, what was the actual impetus for us setting up a development finance institution? Why was it needed at JPMorgan Chase? And what are our actual objectives with it?

Faheen Allibhoy

Head of the JPM Development Finance Institute

Thanks, Aaron. And so, the J. P. Morgan Development Finance Institute was created in early 2020 in an effort to achieve three key objectives, I would say. So, the first was to scale JPMorgan's business in the emerging markets. JPMorgan is a global Firm with a deep presence and history in many developing economies. We have a large international footprint, and we're motivated to create a group that would focus on the economies of the future and to support markets that have significant needs for finance to build out health care, education, telecom and energy infrastructure, among other priorities.

The second objective in setting up the JPM DFI was to spur additional financing towards the U.N. Sustainable Development Goals, or the SDGs. We were motivated by a desire to contribute to two important global agendas: the Paris Climate Accords and the U.N. SDGs, both of which have important 2030 targets. And as such, the JPM DFI has enabled us to align more of our business to the SDGs and to support our clients in meeting their sector-based and cross-cutting targets.

And the third goal or objective was to cater to a growing demand from our investor clients who are increasingly keen to access products with ESG and impact characteristics, as well as to scale up our engagement with the multilateral development banks who are key partners and clients of JPMorgan.

Aaron Bertinetti

Head of ESG Investor Relations

Great. Fantastic. And I look forward to – there are more questions. I'm going to move around a little bit, but there's more questions on DFI that I'll return to and look forward to talking to in a bit.

Tanya, reading your bio, you clearly have a lot of investment experience in private growth and opportunities. And I think really to both the point that Jamie made as well as myself that you're looking not just for returns, but really measurable and commercially driven solutions. You have impact as well as the returns. And so, we have a number of questions here that are asking what's the size of this opportunity in the private markets and what we're actually doing. Can you tell us a little bit about that?

Tanya Barnes

Managing Director, JPMorgan Asset Management Global Alternatives

Absolutely. And thank you for having me. I'm delighted to be here with my esteemed colleagues talking about this important topic.

I really want to build off of Faheen's comment and really Jamie's introduction around scale. I've been investing in private companies for over 20 years, not to date myself. One of the key principles that we always look at when we're making great investments that are driven by attractive returns is really market size and understanding where market and capital is flowing. And that's what makes sustainable investments in the private markets really, really attractive today.

When you think about the amount of capital that is shifting in the economy, order of magnitude, I've seen conservative estimates on the low end of \$4 trillion annually to \$9 trillion on the more bullish estimates. When you think about the winners and losers that really shake out from that shift and transfer of wealth, we're talking about really one of the largest wealth-creation opportunities we've seen in a generation. And we're really in the midst of capitalizing on that from an investment standpoint.

And a big part of what we do is track and understand how this impacts broader ecosystems, because this is not about just investing in one sector. It's not just understanding one particular industry. It's really understanding the broader economic transformation that's happening. And this touches multiple lines of both technology and old world assets as well. It's renewable energy. It's electric vehicles. It's heat pumps. It's batteries. It's hydrogen. It's newer technologies. I know Brian is going to talk about carbon capture. The list goes on and on.

And the important thing that we are really focused on when we're making investments with attractive commercial returns is understanding the size of that market opportunity and really connecting it back to historic points in time. The analogy I always think about is what the internet has done for varieties of sectors 20, 30 years ago. The more relative relevant comp today that people look at is generative AI. I've seen estimates of AI impacting the economy anywhere from \$2 trillion, maybe even \$3 trillion.

What we're talking about with climate change and climate investing, particularly, is something that's an order of magnitude two to three times larger than that. So, as an investor, we're focused on companies that are being formed and grown to go after that market opportunity, and we really are trying to understand the business models that are going to benefit and drive commercial outcomes for their customers, along with the environmental ones.

Aaron Bertinetti

Head of ESG Investor Relations

Super helpful. And I think we're going to hear a lot of this today, is the scope and scale. I mean, I know that that's kind of a cliché about JPMorgan, is we're a big global player in the global economy. But I think also it's just really interesting to hear about, whether it's DFI or in the private markets, just the size of the markets that we're talking about here.

Brian, I think you're really interesting, because you're essentially like our insider guy on how our clients deal with sustainability. You're effectively the one sitting with the perspective of an operator. We often get a lot of questions about what does that actually mean, what does that role entail. So, we have a number of questions here. I'm going to read three of them, and hopefully we'll smush them together a little bit. You've got, how are you working with partners to achieve your objectives? What actually are they? And if you can speak to this last question, what are the challenges you're seeing to making progress?

Brian DiMarino

Head of Operational Sustainability

Thank you, Aaron. And thank you to Tanya and Faheen, not just for being here today, but for your partnership. This is a significant partnership across the Firm amongst us and others at JPMorgan to move the needle on this topic.

Maybe I'll start with the objectives, Aaron, because I think that kind of sets the stage for the other two. And we have a few. We have public commitments. We have nine public commitments, actually, that we report on every year in our *ESG Report*. But I'll point out a couple, and they sort of coalesce around these topics anyway.

One is generally reducing our emissions. So, you mentioned we emit about a million tons a year right now through the operations of the Firm. And we have to reduce that. That's the first task. And so, we do that through a multitude of ways. But as you can imagine, we work across what we call a mitigation hierarchy.

So, you start with efficiency. How do we just use less: less energy, less resources, less anything? How do we use less? The things that we have to use, how do we use a greener version of it? So, think about renewable energy or things like that. And then, we turn to – and we do that generally on-site as much as possible. So, installing solar panels and things of the sort, and then we move off-site. So, if we can't do it on-site, how do we do it off-site? So, how do we work with partners, like NextEra Energy or Liberty Power and Light, which we worked with to develop a wind farm in Illinois that we can then help stand up and bring new green power to the grid.

So, constantly working across that hierarchy in every different way to reduce our emissions and then turn to solutions outside of our sort of operational scope to try to influence and solve the problem.

The challenges in that particular space, in reducing emissions, is sort of JPMorgan-specific and then market wide. So, JPMorgan-specific, we have – most of our emissions come from two main things: operating real estate – commercial real estate and our branch portfolio on the Chase brand – and then business travel. Those are the two main things at JPMorgan. We're not a manufacturer. We don't have big factories and things like that. So, our biggest thing is those two bits.

And so, real estate is very complicated, in and of itself. But then at JPMorgan, we're a global company. We talked about scale and size. We're a global company. We've got hundreds of corporate sites in hundreds of cities in dozens of countries around the world. We've got thousands of branches. We're in every one of the 48 lower states. And so, doing this work across that massive network requires an incredible effort, and a lot of credit goes to our real estate team and others across the bank who work on this stuff every day, day-in and day-out. But then, globally, technologies have to scale. It's incredibly expensive. Permitting. Uncertainty in tax subsidies. All this stuff makes this space very complex to work in.

And the other sort of objective, if you will, that I'll point to, is where we haven't yet abated emissions, because it is a long journey. This is installation of technology in real estate. This takes a long time. These are capital projects. And so, as we're on that journey to decarbonize, we turn to the voluntary carbon markets and global energy markets to manage unabated emissions.

And so, one of our goals is to be carbon-neutral, which just effectively means matching every ton of unabated emissions with one ton of removed carbon from the atmosphere.

And we want those things to be verifiable in nature, and we sort of doubled down on that earlier this year. Jamie mentioned the \$200 million commitment we made to carbon removal. In doing that, one of the sorts of things that was important to us is that we align all of our Scope 1 emissions – so, all of our direct emissions – with removed tons of CO₂. So, every time we emit a ton of CO₂ because we haven't yet abated it, we capture one and permanently store it via engineered means underground. And we can get into sort of what that looks like a little bit later. And then, the challenges there are just, honestly, accessing that market, and the market has to scale very, very quickly. So, we can talk about that more as well.

Aaron Bertinetti

Head of ESG Investor Relations

Fantastic. Thanks very much.

I might take it back to Tanya with this next question, because it kind of leads off what Tanya was just saying briefly before. There's obviously a lot of talk about what's happening in terms of a lot of exciting growth-stage companies in this space. What themes are most prominent? And how do you, I guess, respond to activists – whether shareholder activists or otherwise – on investing in, let's call them, nascent technologies? You mentioned carbon capture before. What's your response to that?

Tanya Barnes

Managing Director, JPMorgan Asset Management Global Alternatives

Thank you for the question. And I think Brian's comments give us a real window in what we're seeing across the industry. What really is at stake here is the reduction of absolute emissions for the entire economy. And the reality is that there have been innovative companies, assets, people at this task for decades. So, it's not a new theme around investing. And it's gone through various labels and descriptions, but the important thing to understand is that the technologies we have today, when you're just talking about decarbonizing the energy grid, they all exist. They all are technically viable today. And so, it's not some far-off concept. I think a lot of times we get fixated on the long-dated commitments, but the reality is that most of the technology is here today.

In fact, when you look at renewable energy capacity – to focus on the energy supply side of this equation for a bit – the amount of capacity just in the U.S. interconnection queue could replace the entire capacity of the grid today if we just turned it on. That's a big deal.

And so, it's important to have that level-set of history. But things are changing rapidly. I think that's also important. The rate of innovation and growth is really accelerating, in large part because the tailwinds around all these trends that we're talking about are accelerating, not decelerating. So, the corporate commitments. Again, Brian gave us a window into what JPMorgan is doing. That's happening in companies all across the economy.

Policy, regulation, consumer preferences and also the focus on economic security and energy security really has changed the game on how we think about using less energy but changing the supply and diversifying the supplies of those energy sources.

And so, when you look at the data, you see that most of the technologies are there, but there's a rapid growing of technologies that we still need. The International Energy Agency, the IEA, released a report that over 50% of the technologies that we need to actually reach net zero by 2050 are actually not commercially available yet.

So, we're seeing more ecosystem investing as a result. So, the rate of venture capital funding going into the industry is increasing. In 2022, 25% of all venture capital dollars went to climate technologies. I mean, that's a staggering figure for people who follow this industry over time.

So, I would say, in short, the technology has been invested in for a long time. The important part of that is it's economically much more viable today when we talk about the cost curves of that technology. But more innovation is needed, and it's coming because more investment is really coming.

Aaron Bertinetti
Head of ESG Investor Relations

Great. Thank you very much.

Faheen, I promised I'd come back to you. So, we've talked just there about that opportunity set in the private space and the transition. A lot of our investors may not have considered DFI. And so, how do you think about financing projects, aligning them to development goals, operating in emerging markets? How would you explain this opportunity to our investors on the call today?

Faheen Allibhoy

Head of the JPM Development Finance Institute

Thanks for this question, Aaron, because I think it's great to level-set and make definitions clear.

So, development finance and impact alignment are about intentionality. It's about monitoring measurable outcomes, and then reporting results so that investors can respond to the direction of progress.

In recent years, I think we've seen a burgeoning interest from investors to understand the impacts of the investments they make. This means going beyond the use of proceeds (i.e., how money is spent), but also looking at the outputs and outcomes of their investments. So, for example, when evaluating a solar project, an investor may go beyond trying to understand how much money was spent to construct the project, but also to focus on how much energy it produces, how many additional households receive renewable power, how the project may change the energy mix of a country, how many jobs were created in the process and what innovative technologies may have been deployed through the process.

And in response – and as referenced by Tanya earlier – corporates and sovereigns have been forward-leaning to this demand and are reporting on how they're using investor capital and what results they plan to achieve with those funds.

So, in a sense, this opportunity is explained by a growing desire to encourage accountability for the use of investor capital and helping clients, including our clients, commit to transparency on their impact intentions and the results they intend to achieve.

.....

Aaron Bertinetti

Head of ESG Investor Relations

Very helpful. And I'm still learning on my side, but as I said at the start, it's really surprising to understand the scale and the impact of your particular organization.

I want to switch back to Brian very quickly. We talked to this idea that you're almost like the operator or the client view. We've got a question here which is basically asking can you actually tell us how you're walking the talk? Not just on the energy system, but also for things such as water and supply chain. And then, a related question, what lessons are there for our clients and also for our investors when looking at operational sustainability at other firms?

.....

Brian DiMarino

Head of Operational Sustainability

Jamie said at the beginning that we have the same view as our clients, and I would say it's – we talked about challenges before. We face the same challenges. We're on the same journey as many of them. And so, I think it's important and interesting the conversations that we're able to have with lots of our clients, from individual clients in the Private Bank all the way up to large corporates in the Investment Bank, and being able to sort of empathize and

talk to them about what we are doing and the challenges we're facing and how we're overcoming them and how they're overcoming challenges. And I think that camaraderie across this conversation is really important.

So, to just be very, very clear, decarbonization of our economy is an incredibly complicated, asset-heavy, capital-intensive undertaking. Like, this is not easy. But we can get there. And I think, again, a lot of people – Tanya was talking about this a little bit – a lot of people get focused on, like, the long-datedness and the complexity of it and lose sight of the fact that, actually, we can do this.

And so, one of the things that I would say to look for is ambition, in general. Like, it's really important to just simply be willing to take some of these steps forward into a little bit of the unknown. A lot of those corporates have been operating for decades or even centuries and in certain ways haven't changed the way they've generally operated. And so, this is a big shift for them.

But taking a stance and trying new things, thinking big, stretching yourself, I think that's really what we've learned at JPMorgan, is that by stretching ourselves a little bit into the unknown, but keeping ourselves grounded in reality, has helped us sort of move forward and move the needle. And we've made some pretty ambitious targets for ourselves, and we're going to achieve them, but it's not going to be easy to get there. But I think if we don't push ourselves a little bit, we'll never get there.

We talk about energy and carbon a lot, but we're also focused, as you mentioned, on resource reduction. So, how do we use less paper? We're a bank. We use a lot of paper. So, how do we use less paper every day in our operations? How do we use less water? We have a commitment to reduce our water use by 20%. So, how do we do all these things across our day-to-day operations?

And actually, that gets a little bit into our employee base. Like, our employees use water. Our employees use paper. And so, it's not just about us doing things at a global level and global scale behind the scenes. We actually need to communicate and engage with a large community of people to make a difference.

And then, I think we go sort of – again, this idea of control. You can't control and influence where you can't. And so, where we can't control to influence, we look to our supply chain. JPMorgan, again, is a global company, and we work with a lot of suppliers around the world. And we're looking to them to be ambitious and do what we're doing, driving eco-friendly products and services by challenging our suppliers to provide us with lower-carbon alternatives to what we would normally purchase. Things like that. I think that really goes a long way in sending a message to the market that we are sort of canvassing this entire landscape, and we're really working across our business to do our best and ask others to do the same.

Aaron Bertinetti

Head of ESG Investor Relations

Great. So, maybe a follow-up – and I'm being conscious of time here because we definitely have a lot of questions to get through. Keep sending them, please, but I'm not sure we'll get through all of them today.

So, maybe a follow-up there, Brian, is, just as an example, you talked about clean sources of energy there. What are we actually doing with our new building in Manhattan? We get a lot of questions about this, so this isn't a surprise.

Brian DiMarino

Head of Operational Sustainability

So, in general, our buildings are getting more efficient, more electrified and smarter. That's generally the direction of travel.

And so, just a couple of quick examples that I'll talk about with the headquarters project. We made one of the largest single orders of LEDs ever to do a retrofit program back in 2016 and 2017. Every light bulb in JPMorgan is an LED. Significant reduction in energy use. Also, significant reduction in heat-produced from those light bulbs. You need less air conditioning during the summer. It seems a little bit silly, but actually measurable changes in the internal environment of our buildings.

On-site solar. We're doing a lot of that around the world. I mentioned that before. We've got 55 megawatts of installed solar capacity on-site at JPMorgan. In fact, at our Polaris campus in Columbus, Ohio, we've got one of the largest solar arrays in the world. The entire roof and the entire parking lot is covered by a carport with solar panels. It's incredible to see. You can Google it and see pictures of it. It's pretty awesome, actually.

The headquarters project is – it's the pinnacle, a little bit, of this work. And so, it's the largest capital project we're endeavoring to do. And it started with removing the existing building. And that was a big challenge in and of itself. But 97% of that building, that structure that was taken down, was diverted from landfills and recycled for a whole bunch of different means, mostly construction. So, that was a really important start.

And then, the decision to make that building all-electric is a really big one. That will be the largest all-electric tower in New York City. That's a big deal. That's a building that's not using gas for cooking, it's not using gas for heat. In our day-to-day operations, that building is only running on electricity. You can't really green Scope 1 emissions, which are fuels, but you can green electricity over time via the grid. And so, again, if you electrify, you can then turn to the grids and try to green those.

And then, a couple of other, like, things that we're doing. A lot of the steel in the building is electric arc-smelted; again not using sort of fossil fuels to smelt the steel but using electricity. And then, we're using – about 40% of the concrete in the building is using ground glass pozzolan. So, we're replacing sort of traditional aggregate, like sand and things like that, in the cement mix with ground glass, recycled glass. It helps – actually, it strengthens the concrete. It reduces the thermal requirements to produce the concrete. And it actually makes the concrete – well, I already said strengthened. So, it's just generally better.

So, anyway, we're doing a whole bunch of stuff in that building that's pretty cool.

Aaron Bertinetti

Head of ESG Investor Relations

I feel like we could probably just talk about the headquarters for a whole hour! But I'd better move on.

I'll bring it back to Faheen, and I've got quite a few questions. So, maybe we split them up a bit here, Faheen. The first question is really to Jamie's comment that he made the point that the DFI is the largest part of the Sustainable Development Target of \$2.5 trillion that we have over 10 years. How do you actually qualify the projects that count towards this target? What's the methodology used? And what metrics do you look at?

Faheen Allibhoy

Head of the JPM Development Finance Institute

So, indeed, the JPM DFI is indeed a key component of this Firm's overall strategy to promote a green transition and inclusive economy. As a global financial institution, we're leveraging all our capabilities and expertise to provide capital and advice that supports economic growth, while addressing key global challenges. And so, that's why in 2021, we set a target to finance and facilitate more than \$2.5 trillion over 10 years to advance long-term solutions that address climate change and contribute to sustainable development.

This Sustainable Development Target aims to grow and strengthen our business activities across three important areas. The first is green, the second is development finance and the third is community development. The target reflects the need, I think, for collective action to address the world's most important challenges and the role that the financial sector can play by mobilizing capital to drive progress. And as mentioned by Tanya and Brian earlier, I think this target really reflects how the Firm is working together on this important issue.

So, to get to the "how," Aaron, the JPM DFI applies its impact methodology, which is publicly available on our website and was developed in partnership with the International Finance Corporation, to evaluate transactions in the Corporate and Investment Bank for their contribution to the SDGs. We do this by identifying whether clients have, number one, disclosed explicit intentions to make incremental progress on any of the 232 unique SDG indicators, and also whether they have presented quantifiable targets to advance the indicators.

And to date, as Jamie mentioned in his remarks, the JPM DFI is the largest contributor to the target. In 2022, we assessed 664 corporate and investment banking transactions to have anticipated impacts, for a total value of almost \$100 billion.

Aaron Bertinetti

Head of ESG Investor Relations

Great. And I've got a follow-up question here, which is interesting given your background at the IFC at the World Bank, which is a lot of people would think that development finance, or DFI, is really kind of the role of governments or multilateral development banks. What's the actual reality? Why is private capital needed in sustainable development? And who are these investors?

Faheen Allibhoy

Head of the JPM Development Finance Institute

So, indeed, I think maybe again to give a definition, I think development finance is really about helping both public and private sector entities in the emerging markets to articulate and disclose their intentions in achieving incremental socioeconomic impacts in the countries and regions where they operate.

I think this critical area of development finance, as you mentioned, Aaron, has traditionally been spearheaded by multilateral institutions over many, many decades, including the likes of the World Bank, which was established in the 1940s to finance the reconstruction of Europe after the Second World War. And today, there are hundreds of national and multilateral development banks with mandates to spur capital and also deliver expertise towards improving the well-being of citizens and communities around the world.

Yet, I think it's become increasingly clear that these institutions do not have the sufficient capital needed to address the scale – we're coming back to scale here – of the growing funding gaps in emerging markets. At the same time – and Tanya would know this well – it's estimated that capital held by institutional and impact investors designated towards ESG impact and sustainability is roughly about \$40 trillion in AUM in 2022. So, that's a lot of money with the objective that the development banks have also aligned towards.

So, just given this landscape, the development banks have publicly called on for a stronger partnership with the private sector, which is already responsible for financing important parts of national developments and is a critical component of achieving the U.N. SDGs.

And as such, I think it is well understood that to advance development at scale, it's critical to combine the intellectual capital and impact framework of the existing development architecture with the heft the private sector balance sheets that can help address the magnitude and plethora of today's global challenges, which include climate change, energy transition, food security, infrastructure and, of course, public health.

Aaron Bertinetti

Head of ESG Investor Relations

Great. So, just a quick time check there. We've got maybe 15 minutes left for questions. So, just for you as the panelists, we'll try and keep the responses a bit shorter, going forward, so that we've got maybe time for our audience to answer another five to six questions if we keep them to two-minute responses.

Okay. So, Tanya, I'm going to spend a bit of time with you quickly. As an investor, what captures your interest and excitement about all the various technologies that you're probably looking at in terms of driving financial outcomes?

Tanya Barnes

Managing Director, JPMorgan Asset Management Global Alternatives

Thank you for the question. So, I think there's really three themes in the energy transition that we're really finding the most attractive investment opportunities. And again, we think about both commercial financial returns alongside the environmental outcomes as two key metrics we're looking for in the investment world.

The first really touches on really a topic that we've come across a few times in this conversation, which is the heaviest emitting sectors. Eighty percent of greenhouse gas emissions come from heavy industry. Brian talked about how real estate is a big contributor to JPMorgan's footprint. Again, that's true for assets and corporations across the globe. Food and agriculture, industrials, transportation: in aggregate that's 80% of where greenhouse gas emissions are coming from.

And what's interesting here is that there's a tailwind of a manufacturing super cycle in the United States being created when you think about all of the policy and capital that is going into the hard goods that are really going to spur over this transition. So, the heavy industries are only going to get bigger is the point. And so, when you think about decarbonization and the investment opportunities in those areas, that's what we find is really, really attractive.

And I think what's important to understand – it was a comment I made earlier, but I wanted to really double-click on in the appropriate two-minute window – is the cost-cutting and the cost advantage that is happening with these technologies today. The cost curve of a lot of these inputs really makes the economics around adopting these technologies as good, if not better than, the non-sustainable ones.

To bring it back to the comment Jamie made at the top, this is good business, and it needs to be good business if we have to think about the size and scale and scope of what we're trying to achieve here. And so, in addition to thinking about where the actual greenhouse gas emissions are coming from, from an investment standpoint, we focus on investments and really technologies and assets that really match the energy demand side of the curve and really look at the electrification and the reduction in energy use, because that's the best way to connect ROI, financial ROI, with commercial outcomes.

The third theme I would just quickly touch on is around adaptive technologies and adaptive assets, whether it's retrofitting buildings or flood detection or wildfire detection. I think we spend a lot of the debate around climate, around climate mitigation, reduction of emissions, but there's also important theses being built around how do we adapt to where we already are. And when you think about wildfires as just one quick example of that, we all have read the headlines of what happened in Hawaii. It's very, very interesting to think about the fact that the emergency detection management systems didn't work there, because they were people-based. They weren't technology. They weren't using technologies that could have helped with that early detection and really avoided or mitigated over \$6 billion of damage. So, there's a real financial risk component to all of this that goes into the calculus of how we think about these investment opportunities and the ROI connected to them.

Aaron Bertinetti

Head of ESG Investor Relations

That's so powerful. And I don't know whether you want to say anything additional here, but I've got a couple of questions here about your views on methane and carbon capture. I don't know whether you have any color that you want to add to that?

Tanya Barnes

Managing Director, JPMorgan Asset Management Global Alternatives

Those are great areas and I think touch on what I mentioned earlier. When you think about methane, going back to the analysis around greenhouse gas emission, when you're thinking about environmental outcomes, methane is really twenty five times more challenging for regular CO₂ emissions when you think about greenhouse gas emissions and greenhouse gas effects. So, methane detection and methane technology have a really good payback when you think about it relative to other CO₂ emissions.

And so, we are spending a lot of time in this space, and there's been some very interesting technologies. And one of the things that we do – and this connects to Brian's comment about us really working across the bank – is in Asset Management, part of what's driving our thesis around heavy industries is the fact that we have \$100 billion of assets in these heavy industries. And we're watching the transformation of these assets and the need to be responsive to the climate adaptive needs and the mitigation needs.

And so, methane detection is a great example of something that our transportation business needs to understand, our infrastructure business needs to understand. And so, the technologies and the assets in those ecosystems become a real big winner when you think about the incremental investment opportunity that's being created and understanding what the impact is on our existing asset base is also important.

Aaron Bertinetti

Head of ESG Investor Relations

Great. Fantastic. I might just jump off the back of that, talking about carbon capture.

Brian, you actually played a key role in sort of a number of announcements that we've made around the carbon market, and you spoke to it earlier. We have some skepticism in some of the questions here. Why is it actually important to invest and push this carbon market forward?

Brian DiMarino

Head of Operational Sustainability

I would start by saying I don't actually think it's skepticism necessarily. I think most people generally understand that there are greenhouse gases that are emitted every day, there are greenhouse gases already situated in the atmosphere that we'll need to reduce. I think their concern is around and the skepticism comes from how they're used or the potential that those things – carbon removal in this case – could be used as an excuse to continue doing other emitting activities.

And so, I would just say that the view of JPMorgan and the view of most corporates that I have ever talked to – or all that I've ever talked to – is that carbon credits should not forestall or otherwise supplant efforts to reduce emissions. They should not. But we are on a long journey and there is a long tail of emissions that will exist in our economy into the future. And so, we need to be investing in technologies that remove carbon today to manage those unabated emissions and the emissions that are already in the atmosphere. We have to be investing in this stuff.

And one of the things that this market is missing right now is demand. We continuously have talked about carbon removal as a supply-constrained market as these technologies scale. We are not yet seeing the demand that we need to see. And so, what JPMorgan did, we announced back in May a \$200 million commitment to carbon removal – \$200 million of actual contracts. The commitment we made is technically bigger, because our commitment is to access carbon removal for our Scope 1 emissions into the future, in perpetuity.

And so, we need that level of demand to start showing up into this market for it to really scale, and I think that that is incredibly important. And we're not there yet. The commitment that we made removes about 800,000 tons of CO₂. It's a big number in the grand scheme of the voluntary carbon market, but it's a relatively small number in the grand scheme of global emissions. And so, again, we're going to need to see more and more demand for these things come up.

We're going to need to see the investment in these industries. Back to the point around technologies existing, these technologies exist; they just aren't scaled yet. We know how to remove carbon dioxide from the atmosphere via direct air capture. We know how to remove it via biogenic sources. We know how to do this stuff. We just have to scale it. So, I think this is an incredibly important point. And it is not an "and / or"; it is a "yes / and." We need to do all of it.

And so, that has been our goal. We have a ton of conviction in that. If you can't hear it in my voice, I'll just say it. We have a ton of conviction in the way that we're doing this and going about it. And if anyone wants to talk about that, we are happy to talk about it.

Aaron Bertinetti

Head of ESG Investor Relations

Yes, we're absolutely happy to engage. And I really liked the point about the way I, too, think about it is you've got the historical emissions which are there regardless of what you do in reducing emissions, going forward; plus, as you mentioned, the unabated ones that you can't abate in any other way.

Brian DiMarino

Head of Operational Sustainability

We're just on a journey to abate. Like, if we start a capital project today,, it doesn't mean it's working yet. It takes a couple of years to install solar panels and things like that. So, you have to be doing this stuff.

Aaron Bertinetti

Head of ESG Investor Relations

Super helpful.

Faheen, I wanted to bring it back to you, and I'm going to combine a couple of questions here. So, I think maybe the first one is just, like, what is the size of this asset class? How big can it get? And then, secondly, how do you make it more mainstream, including perhaps what we do through COP or other kinds of organizations?

Faheen Allibhoy

Head of the JPM Development Finance Institute

So, I think to describe the opportunity, the natural instinct as a banker is to look at the numbers a little bit. And so, I think that it is estimated that capital flows to the emerging markets reached about \$1.6 trillion in 2021 and a great majority of that came from foreign direct investment, about \$800 billion. And then remittances, in fact, represented about \$500 billion. But a much smaller chunk, about \$130 billion, came from official flows, as they're called, from multilateral or national development institutions.

And at the same time, the OECD estimates that achieving the SDGs that we've been referring to in the developing economies and helping them address their needs by 2030 will require \$4.2 trillion. So, you have flows of \$1.6 trillion and needs of \$4.2 trillion per annum.

So, I think it's very clear to say that this presents an enormous space and opportunity where private sector companies, banks and institutional capital can engage, making meaningful investments in important sectors globally that have a return, but also have economic and social benefits in their respective countries. So, this is a really nice win-win proposition that Tanya also alluded to earlier.

And as such, we believe that impact could indeed become a very large market, just as labeled bonds have become over the past decade, and that by harmonizing the best practice around development finance and impact, a whole emerging asset class can be cultivated, and that institutional capital can come off the sidelines in places and projects where it's really needed the most.

Aaron Bertinetti

Head of ESG Investor Relations

That's super helpful. And I suppose the follow-up question is we obviously, and I know you did a lot. with COP at the last one. What's the plan for COP, going forward?

Faheen Allibhoy

Head of the JPM Development Finance Institute

So, as you know, Aaron, COP 28 will take place at the end of this year in the UAE. And I think it presents another significant opportunity for stakeholders – be they governments, civil society, business, and providers of capital – to advance the global climate goals that the world has set for itself.

And indeed, financial institutions such as JPMorgan have an important role to play in boosting this transition to a low-carbon future. Organizations like ours provide access to capital, investment and expertise that can really hasten the pace of progress in the real economy, which – Tanya also alluded to – is a big contributor to these emissions.

So, as such, I think we believe that private capital is already providing support for this transition and that global investment in energy transition technologies, which reached a record high of \$1.3 trillion in '22, is a trend that is upward and continuing.

And I think all of these issues will be discussed at COP 28, including how to scale the emerging technologies that we're going to need to help the world achieve climate goals. And I think we're just very pleased, Aaron, to see that so many of JPMorgan's clients and stakeholders will be present at COP to present their particular perspective on this important topic, and we're also excited to be present and engaged and aiming to contribute to the important discussions that will happen there on achieving climate goals and helping our clients in supporting their transition strategies.

Aaron Bertinetti

Head of ESG Investor Relations

Fantastic. So, I'm going to leave the last question – and it's a quick one to Tanya, because I have to get Tim on the line shortly. Obviously, there's been a lot of talk and we've talked about what we see our view on the IRA and the E.U. GDIP. But the second part of this question is perhaps more interesting, which is that what line of business will benefit the most?

Tanya Barnes

Managing Director, JPMorgan Asset Management Global Alternatives

Great question. One of the tailwinds I talked about was policy and regulation. It can't really be understated the impact of the Inflation Reduction Act, a \$360 billion bill across energy and climate funding in the United States. Similarly, on the European side, the European Green Deal. These are enormous numbers that are moving markets, creating big economic opportunities.

And rather than pick a particular line of business, I would say all lines of businesses will really benefit from this in supporting our client activity, whether it's financing activities in the CIB, investment activities in Asset Management. I see this as a really transformative economic impact across the economy.

Aaron Bertinetti

Head of ESG Investor Relations

Fantastic. And sorry to rush you at the end there, but I've got to be conscious of time and the much more senior person who's talking after all of us.

So, thank you very much for all of you joining our panel today and handling all those questions with such aplomb.

Thank you also to our audience for joining us today and your questions. If we didn't get to your question – and I know there are questions we did not get to – we will follow up with you, and my apologies. You should also feel free to reach out to myself or the Investor Relations team if you would like to meet with us or any of the people on this call. We are always happy to engage to Brian's point earlier.

You can find transcripts from this event on our Investor Relations website from next week as well.

I'm pleased to now introduce you to Tim Berry. Tim Berry is the Global Head of Corporate Responsibility and Chairman of the Mid-Atlantic Region for JPMorgan Chase & Co. He oversees the Firm's global government relations, sustainability and philanthropic efforts, as well as the JPMorgan Chase Institute and Policy Center, which together help drive and support public policies that are good for the financial industry and the communities in which we do business. In addition, he also leads the Firm's business expansion in the Mid-Atlantic Region, spanning Philadelphia to southern Virginia.

Tim brings a wealth of experience from both the public and private sectors. He has spent nearly 20 years in government service, including as the Chief of Staff to two majority leaders of the U.S. House of Representatives, developing policy and legislative agendas. He also spent five years in the private sector as a VP for Government Relations at Time-Warner and as an Executive Vice President at Axios.

Tim, thank you for joining us today.

Tim Berry

Head of Corporate Responsibility

Absolutely. Thanks, Aaron. And thank you, Brian, Tanya, and Faheen, for the great insights from today's panel. It's a fascinating conversation.

As Aaron said, I am the Global Head of Corporate Responsibility and the Chairman of the Mid-Atlantic Region at JPMorgan. Within Corporate Responsibility, sustainability threads through our work end to end. So, as I listened to today's panel, I couldn't help but feel proud to be a part of this tremendous operation.

I know it's not always obvious how corporate responsibility fits into the Firm's broader sustainability work. So, I'd like to start there, before addressing some key takeaways from today's panel and how the two fit together.

In Corporate Responsibility, our mission is to advance the Firm's business objectives and advocate for inclusive financial, inclusive economic growth. We do this through traditional philanthropy like grant making, as well as through research and by building relationships with community leaders and policymakers at every level of government. The Firm's Global Government Relations team, which I used to lead, is actually part of the broader Corporate Responsibility department because we've always believed that real change sits at the intersection of policy, philanthropy, and community engagement.

When it comes to sustainability, our end-to-end approach that I mentioned earlier focuses on driving impact today, while keeping an eye on tomorrow. Today, we are working with stakeholders to facilitate climate risk mitigation to ensure the communities we serve can continue to thrive and grow. For example, in the last year we've committed \$15 million to help produce or preserve more than 1,400 units of affordable housing with energy-efficient features and weatherization upgrades. At the same time, we're looking ahead to help shape advocacy priorities.

We're confident that this approach will help the Firm become a green business leader at the forefront of the incredible commercial opportunities being mobilized around the low carbon transition.

With that said, the challenge we face today is to bring clarity and long-term vision to the deep connection between sustainable practices and commercial outcomes that generate shareholder value. As you all know too well, ESG has become a highly politicized term in an already polarized Washington. Before joining the Firm six years ago, as Aaron said, I spent more than 20 years on Capitol Hill. I draw on that experience as we collectively navigate the complex geopolitical policy and regulatory environment in which ESG issues now exist.

Even within this difficult political climate, we have an opportunity to move the conversation to what ESG ought to be. The key will be returning the conversation to business outcomes. Addressing material, long-term ESG issues is essential to a company's long-term performance. That is a matter of value, not values.

The reality is that the underlying issues obscured by the overly broad use of the term "ESG" has been growing in significance for some time. For example, companies are right to manage the material risks and opportunities their businesses face from climate change, and you, our investors, are right to expect that. Meanwhile, the transition to a low-carbon economy is top of mind for many of our clients. The same can be said for the financially material applications of human rights and community relations.

Simply stated, having good employee safety practices, effective supply chains and agile operations able to meet markets' needs are all a matter of long-term value creation. We know firsthand that maintaining a healthy and vibrant company that does a good job of taking care of customers, employees and communities helps build shareholder value. We are thankful for our investors who engage with us openly and constructively on these issues, which you clearly understand is important considerations for your investment decisions and our long-term financial performance.

However, as many of you have noted, the increased polarization of ESG has created a rapidly evolving set of risks that investors and companies need to keep in mind. We can better navigate these issues if we communicate our views effectively. Here's how we're doing that in Washington and statehouses around the country.

First, we are free enterprise and free market capitalists, with the proper regulation, who find nothing inconsistent about responding to market demands.

Second, our efforts in leveraging our business and expertise to help address economic and societal challenges are not just the right thing to do, but are good for business, communities and our shareholders.

And third, we have always considered effective management of relevant risks and opportunities as a key driver for our long-term success.

The bottom line is that we seek to drive inclusive sustainable economic growth because we know that our business can't grow and thrive unless the communities we serve do the same.

Now, before we close out today's session, I want to take a moment to touch on some of the key points from the panel which are foundational to our sustainable business practices. Number one, expertise is critical, and it is imperative that we advise companies at all stages of their growth and transitions.

Number two, the importance of transparency and open engagement on these issues. We are committed to sharing details of our client-focused, data-driven approach with our shareholders, and we highly value the continuous feedback and perspective that you all share with us.

Finally, at JPMC, we are uniquely positioned with our client relationships, our scale and our expertise to address these issues and the generational opportunity they present.

When it comes to climate and the low-carbon transition, the opportunity is just as great as the challenge. Estimates show that meeting global climate goals would require \$4 trillion of investment per year. Investment at this level could generate economy-wide growth at a scale that the world has not seen since the Industrial Revolution.

In order to realize this potential, unprecedented action from all sectors will be necessary, and we want to do our part. As you're aware, we set a Sustainable Development Target with a goal of financing and facilitating more than \$2.5 trillion by the end of 2030 to advance long-term solutions that address climate change and contribute to sustainable development. We're also providing critical financing to nearly every sector, including power, transportation, oil and gas, manufacturing and heavy industry.

From the top down, the Firm's leaders are committed to building sustainability into how we do business, making and following through on commitments that are good for the planet, good for the economy and good for business.

I'm looking forward to continuing to engage with our stakeholders, including you, our investors, for your valuable feedback that informs our approach.

Thank you.

Disclaimer

This document contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on the current beliefs and expectations of JPMorgan Chase & Co.'s management and are subject to significant risks and uncertainties. Actual results may differ from those set forth in the forward-looking statements. Factors that could cause JPMorgan Chase & Co.'s actual results to differ materially from those described in the forward-looking statements can be found in JPMorgan Chase & Co.'s Annual Report on Form 10-K for the year ended December 31, 2022, which has been filed with the Securities and Exchange Commission and is available on JPMorgan Chase & Co.'s website (<https://jpmorganchaseco.gcs-web.com/financial-information/sec-filings>), and on the Securities and Exchange Commission's website (www.sec.gov). JPMorgan Chase & Co. does not undertake to update any forward-looking statements.