

JPMORGAN CHASE & CO.

# Environmental Social and Governance Report

2016



# Letter From Our Chairman & CEO

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At JPMorgan Chase & Co., we never lose sight of why we are here: to serve our customers, communities and shareholders. Our Firm has operated for more than 200 years – and become one of the most trusted and respected financial institutions in the world – because we have remained relentlessly focused on this mission.

Another reason for our enduring success: We have built an exceptional organization. One hallmark of such a firm is effective management of environmental, social and governance issues. For us, this starts with integrity and promoting a strong culture that values fairness and accountability. It includes providing our customers with excellent service and innovative products that best meet their needs, investing in our people, supporting our communities, and promoting sustainability in our business and operations. At JPMorgan Chase, we work every day to do that, across every part of our business, because we know our long-term financial success depends on getting the fundamentals right.

We also know that complacency is the enemy of excellence. So we continually evaluate and challenge ourselves to improve how we manage these important issues. For example, we are undertaking efforts to strengthen our compliance and risk management capabilities, including rolling out a firmwide Culture and Conduct Risk Program and making significant investments in people, technology and operations.

Finally, we invest in our employees because we know our people are our most important asset. Starting in February 2017, as part of a three-year plan, we began to raise the minimum salary of our U.S. employees to between \$12 and \$16.50 an hour, up from \$10.15 an hour. This pay increase impacts 18,000 of our bank tellers, customer service representatives and other hardworking employees. Giving these individuals a raise is the right thing to do – wages for too many Americans have gone nowhere for too long – but it is also the smart thing to do. It helps our Firm attract and retain talented people in a competitive environment.

These are just a few examples of how we are working to build a successful, enduring company. I invite you to read more about these and other efforts in this report.

**Jamie Dimon**  
Chairman & CEO, JPMorgan Chase & Co.

# Introduction

Effective management of environmental, social and governance (ESG) issues means having robust governance, risk management and controls; delivering exceptional service for our customers in a transparent manner; investing in our employees' development and fostering an inclusive work environment; building strong communities where we operate; and considering environmental and social issues in our business and operations. These are the fundamentals for building a successful, enduring company. Doing these things well creates value for our Firm and our stakeholders, and contributes to the long-term success of our business.

## About This Report

JPMorgan Chase is committed to providing information to our stakeholders about how we manage and conduct our business. One way we do this is through our annual ESG Report, which provides information on how we are addressing the ESG issues that we and our stakeholders view as among the most important to our business. We also maintain a dedicated [ESG Information](#) page on our website to facilitate access to a wide range of information and resources that we publish.

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

This report covers programs and performance in 2016. It is intended to be a companion to our 2016 Annual Report and 2017 Proxy Statement, as well as our Corporate Responsibility Report, which focuses on the Firm's philanthropic initiatives to drive inclusive growth around the world. This report also provides updates to many of the topics covered in How We Do Business – The Report, which was published in December 2014.

We developed this ESG Report, in combination with a separate Index available on our website, 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.

## Our Company at a Glance

JPMorgan Chase & Co. is a leading global financial services company with assets of \$2.5 trillion and operations worldwide. The Firm is a leader in investment banking, financial services for consumers and small businesses, commercial banking, financial transaction processing and asset management. A component of the Dow Jones Industrial Average, JPMorgan Chase & Co. serves millions of consumers in the U.S. and many of the world's most prominent corporate, institutional and government clients, under its J.P. Morgan and Chase brands.

JPMorgan Chase's activities are organized, for management reporting purposes, into a Corporate segment and four major reportable business segments, which we refer to as the lines of business.

### Consumer & Community Banking (CCB)

CCB has a relationship with about 60 million households – almost half of the households in the U.S. We serve people, families and businesses across multiple channels – including through 5,258 branches and 18,493 ATMs and through the No. 1 rated mobile app and most visited online banking portal in the U.S. We help people bank, save, invest, make purchases with credit cards, and finance homes and cars.

### Corporate & Investment Bank (CIB)

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

### Commercial Banking (CB)

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

### Asset & Wealth Management (AWM)

AWM serves both individuals and institutions, including 60% of the world's largest pension and sovereign funds, central banks and many of the world's wealthiest individuals and families. By managing money for clients, we help individuals retire more comfortably, pension funds meet their obligations, universities reinvest in research and facilities and wealthy families ensure lasting legacies.

## Financial Performance

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

	2016	2015
<b>Reported basis<sup>(a)</sup></b>		
Total net revenue	\$ 95,668	\$ 93,543
Total noninterest expense	55,771	59,014
Pre-provision profit	39,897	34,529
Provision for credit losses	5,361	3,827
Net income	\$ 24,733	\$ 24,442
<b>Per common share data</b>		
Net income per share:		
Basic	\$ 6.24	\$ 6.05
Diluted	6.19	6.00
Cash dividends declared	1.88	1.72
Book value	64.06	60.46
Tangible book value (TBVPS) <sup>(b)</sup>	51.44	48.13
<b>Selected ratios</b>		
Return on common equity	10%	11%
Return on tangible common equity (ROTCE) <sup>(b)</sup>	13	13
Common equity Tier 1 capital ratio <sup>(c)</sup>	12.2	11.6
Tier 1 capital ratio <sup>(c)</sup>	14.0	13.3
Total capital ratio <sup>(c)</sup>	15.2	14.7
<b>Selected balance sheet data (period-end)</b>		
Loans	\$ 894,765	\$ 837,299
Total assets	2,490,972	2,351,698
Deposits	1,375,179	1,279,715
Common stockholders' equity	228,122	221,505
Total stockholders' equity	254,190	247,573
<b>Market data</b>		
Closing share price	\$ 86.29	\$ 66.03
Market capitalization	307,295	241,899
Common shares at period-end	3,561.2	3,663.5
Headcount	243,355	234,598

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

(b) TBVPS and ROTCE are each non-GAAP financial measures. For further discussion of these measures, see Explanation and Reconciliation of the Firm's Use of Non-GAAP Financial Measures and Key Financial Performance Measures on pages 48-50 of JPMorgan Chase's 2016 Annual Report in Form 10-K.

(c) The ratios presented are calculated under the Basel III Advanced Fully Phased-In Approach, and they are key regulatory capital measures. For further discussion, see Capital Risk Management on pages 76-85 of JPMorgan Chase's 2016 Annual Report in Form 10-K.

# Our Key Environmental, Social and Governance Issues

As a global financial services company, JPMorgan Chase 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 greatest interest to our stakeholders.

The following issues were identified through a structured process we undertook in 2015, which included a series of internal interviews with individuals from across our business and analysis of the feedback our Firm receives as part of our ongoing engagement with a diverse range of external stakeholders. We also conducted a targeted analysis of new and emerging ESG trends, standards and practices related to our industry.

In 2016, we conducted a similar review process, which affirmed that the broad categories and specific key issues we had identified in 2015 remain relevant and accurate for our Firm.

## The following topics are discussed in this report:

Categories	Key Issues
Promoting Sound Governance	Board leadership and management processes Ethical culture Our control environment Policy engagement and political participation
Serving Our Customers	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	Talent attraction, retention and development Compensation and benefits Diverse and inclusive culture
Advancing Sustainable Finance	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	Use of investment and philanthropic capital to expand access to economic opportunity in the communities where we do business
Managing Our Operations	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](#).

## Additional Online Resources



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

- [2016 Annual Report](#)
- [2017 Proxy Statement](#)
- [Business Principles](#)
- [Code of Conduct](#)
- [Code of Ethics for Financial Professionals](#)
- [Corporate Responsibility Report \(May 2017\)](#)
- [Corporate Governance Principles](#)
- [Diversity and Inclusion](#)
- [Environmental and Social Policy Framework](#)
- [How We Do Business – The Report](#)
- [Human Rights Statement](#)
- [Asset Management – Sustainable Investing](#)
- [Policy Engagement and Political Participation](#)
- [Supplier Information](#)
- [Wealth Management – Sustainable Investing](#)

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

# Stakeholder Engagement

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

Our Firm has a broad range of stakeholders, including shareholders, employees, clients and customers, regulators and policymakers, researchers and analysts, members of the communities where we do business and nonprofit organizations. 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 forums, including quarterly earnings presentations, SEC 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 our Board.

We also engage in dialogue outside of these formal channels with shareholders who have a long-term economic interest in our company. These engagements provide us with useful feedback, which we consider in the processes that set the governance practices and strategic direction for the Firm. They also reflect our support of shareholder rights, including the right to call a special meeting and act by written consent, and the right of proxy access.

## Employees

We communicate with and gather input from our employees in a wide variety of ways, including our bi-annual global Employee Opinion Survey, periodic pulse surveys, focus group meetings on specific topics like culture and conduct, regular town hall and small group meetings, blogs and newsletters, and online suggestion tools via our intranet. We also have a global telephone hotline – staffed by a live responder 24 hours a day, seven days a week, with translation services available – through which employees are obligated to report any known or suspected violations of our Code of Conduct, company policies or laws that govern our business.

## Regulators

We have extensive interactions with our regulators and 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 understand their areas of focus and concern and allows us to keep them informed on what is happening in our businesses. In addition, across the enterprise, our businesses and control functions engage with regulators in multiple ways, including 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. We also proactively seek feedback as to whether they are getting the right level, quality and frequency of information.

## Customers

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

## Research Analysts

We provide a wide range of information to members of the investment community, including both financial and ESG analysts and researchers. We provide detailed information through a variety of channels, including reports, presentations, regulatory filings, conferences and publications on our website, as well as by responding to surveys and specific information requests. We also engage with analysts and researchers through calls and meetings, and have been consistently recognized for our efforts by industry publications, including for Best Corporate Governance by IR Magazine.

## Communities

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

## Nongovernmental Organizations

We engage with numerous nongovernmental organizations (NGOs) 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, communications and public policy issues. We also engage with organizations on environmental and social issues, and maintain philanthropic partnerships with a broad range of groups that work on issues that are important to our Firm.

# Promoting Sound Governance

Outstanding people, strong leadership and effective governance and controls are the foundation of success. JPMorgan Chase & Co. has set high corporate standards and, under the leadership of our senior management and oversight by our Board of Directors, we remain committed to operating in an environment in which all our people act with integrity, fairness and accountability. This commitment to excellence is central to delivering consistently for our clients, communities and shareholders.

## Our Corporate Culture

Over the past few years, we have undertaken a significant recommitment to rigorously and consistently adhere to the high ethical standards that our shareholders, regulators and others expect of us, and that we expect of ourselves. This includes clearly articulating business principles, promoting sound governance and the right tone from the top, having in place strong leadership and management processes, and providing a management development and compensation framework that properly incentivizes appropriate behaviors.

## Leadership and Governance

Broadly speaking, our senior management team develops the company's strategic direction and oversees its execution, while the Board of Directors is charged with providing oversight of management's performance. 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 corporate standards and Business Principles. To fulfill this core responsibility, our Board and management team are structured and operate in a manner that is fully aligned with these standards.

## Culture and Conduct Program

In 2016, we continued to advance our Culture and Conduct Program with a focus on reinforcing our [Business Principles](#) and instilling a greater sense of personal accountability. Our efforts are being informed by a process we undertook in 2015, when we engaged nearly 16,000 employees globally via focus groups, surveys and polls to collect feedback on our corporate standards and culture. This was further augmented by our 2016 Employee Opinion Survey, which included a subset of questions related to our progress on culture and conduct.

The results from the survey and these focus groups identified strengths and opportunities for our Firm. Results indicated a deep commitment to clients and customers, and employee pride about working for JPMorgan Chase. We also identified areas of opportunity, including the need to encourage and reinforce employee decision making and empower employees to escalate issues, the need to reinforce desired culture and conduct outcomes throughout an employee's career with the Firm and the need for continued focus on and communication about the Firm's Business Principles.

To continue to build on our progress, we took a number of additional actions across the Firm. For example, in early 2017, we created a new senior executive role, the Chief Culture and Conduct Officer, to reinforce ownership of conduct risk and to facilitate a consistent approach firm-wide. We are also embedding conduct risk – the risk that an action or inaction causes harm to clients, damages market integrity or undermines the Firm's reputation – more firmly into our risk management processes by designating it as a separate risk category.

We continue to refine and expand our internal tracking and analysis of conduct issues. In 2016, we created a Culture and Conduct Risk Assessment and Dashboard, which is an assessment relating to how well we manage risk, compliance results for our businesses and employees, Code of Conduct matters, employee survey results, and customer and client feedback for each of our businesses. We review the Culture and Conduct Risk Assessment and Dashboard with senior management and our Board of Directors on a regular basis.

The Board has direct oversight of the Culture and Conduct Program through the Compensation & Management Development Committee. Reinforcing our corporate culture and how we do business is not a one-time initiative – it is something over which we will continue to maintain constant vigilance.

## 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 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.

Through its Corporate Governance & Nominating Committee, the Board engages in ongoing consideration of potential Board candidates, considering all relevant attributes, including professional skills; experience and knowledge; gender, race, ethnicity, nationality and background; and other attributes, with the goal of building a pipeline of candidates with a combination of skills, experience and personal qualities that will effectively serve the Firm and our shareholders. The Board also considers Director succession and seeks an appropriate balance of refreshment and experience on the Board and its committees. Potential candidates are recommended by shareholders, management and Board members. In addition, the Corporate Governance & Nominating Committee uses a third-party advisor to identify potential candidates.

Of the Board's 11 independent Directors, five have joined the Board since May 2011. Our newest Director joined the Board in 2016. The average tenure of our independent Directors is 8.7 years, as of year-end 2016. The Board also considers succession and refreshment in its review of Board committee membership. Changes were made to Board committee membership and leadership, which are described in our 2017 Proxy Statement.

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. Eleven of our 12 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 line of business Chief Executive Officers (CEOs), along with the Firm's CEO, Chief Financial Officer (CFO), Chief Operating Officer (COO), Chief Risk 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. The management structure of each line of business mirrors that of the company as a whole. Each is led by a CEO and has a CFO, CRO, Chief Compliance Officer, Chief Control Officer, General Counsel, Human Resources Executive and Chief Auditor.

## Executive Compensation

Compensation is an important tool to attract, retain and properly motivate the talent necessary to support the Firm in achieving key goals and driving sustained shareholder value. Our compensation philosophy provides guiding principles that drive compensation-related decision making across all levels of the Firm. We believe that the effectiveness of our compensation program is dependent on the alignment of our pay practices with our compensation philosophy. Because of this strong alignment, our pay practices balance short-, medium- and long-term goals; reinforce Business Principles throughout the employee life cycle; and appropriately integrate risk with compensation. We also maintain strong corporate governance through independent oversight of our compensation program by the Compensation & Management Development Committee (CMDC). In determining individual compensation decisions for Operating Committee members, the CMDC uses a balanced and discretionary approach to assess performance against each individual's goals associated with four broad categories: (i) business results, (ii) risk and control, (iii) customers and clients, and (iv) people and leadership. In addition, feedback from the Firm's risk and control professionals is considered in the CMDC's overall assessment of each Operating Committee member's performance.

Our compensation program is designed to hold individuals accountable, when appropriate, for meaningful actions or issues that negatively impact business performance in current or future years. To do so we maintain policies and procedures that enable us to take prompt and proportionate actions with respect to accountable individuals, including (i) reduction of annual incentive compensation, (ii) cancellation of unvested awards, (iii) clawback of previously paid compensation, and (iv) other employment-related actions, including termination of employment.

In an ongoing effort to provide appropriate clarity and transparency, we have further enhanced the Compensation Discussion and Analysis section of our 2017 Proxy Statement, which includes 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. In 2016, shareholders demonstrated strong support of our program with a 92% vote in favor of our annual resolution to approve executive compensation.

## 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 heightened regulatory expectations 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. We continue to emphasize that effective controls are an integral part of our routine business practices. By having effective checks and balances in place, we can address many issues before they become larger problems. We regularly 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 these efforts. Since 2011, our control headcount grew from 24,000 to 43,000 people, and our total annual control spend has increased by nearly \$3 billion to approximately \$8 billion over that same time period.

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

### Lines of Business

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

### Independent Risk Management

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

### Internal Audit

Internal Audit, a function independent of the rest of the company, tests and evaluates the Firm's risk governance and management, as well as its internal control processes. This function brings a systematic and disciplined approach to evaluating and improving the effectiveness of the Firm's governance, risk management and internal control processes.

Additional detail about our efforts to strengthen our control environment and our approach to controls, risk management and compliance is available in our [2016 Annual Report](#) and [How We Do Business – The Report](#).

## Policy Engagement and Political Participation

As a public company with customers and employees around the world, we have a responsibility to engage and work constructively with policymakers, including elected representatives, in numerous jurisdictions. Because of the potential public policy has to impact our business, employees, communities and customers, we engage with policymakers on a range of issues including financial regulation, job creation, workforce skills, infrastructure, and tax policy, among others, to advance and protect the long-term interests of the Firm and the communities in which we operate. Growing the economy and creating opportunity for more people are vitally important policy challenges, and JPMorgan Chase is proud to engage on these issues. Finally, we operate with high standards of public transparency in political spending, and were credited as an industry leader by the 2016 CPA-Zicklin Index of Corporate Political Disclosure and Accountability.

## Cybersecurity

JPMorgan Chase continues to maintain a relentless focus and make significant investments in enhancing our cyberdefense capabilities to protect the Firm while enabling new technology and business initiatives. We have aligned our security technology and processes to focus on increasing our effectiveness in detecting and preventing malicious activity at the earliest point in the cyberthreat life cycle.

For example, we have deployed web browser isolation technology to reduce the risk that employees will be compromised through phishing attempts. Investments in security analytics, data science and automation technology are enabling the analysts working in our Security Operations Centers to efficiently detect and respond to anomalous activity. We continue to evolve our technology to enhance our fraud and malware detection capabilities to reduce client wire fraud; this is coupled with robust education and training for our clients on how to protect their assets and businesses from cyberthreats. For example, in 2016, we conducted in-person and web-based training in which more than 7,000 clients in Asset & Wealth Management, and more than 3,000 Commercial Banking clients and more than 1,900 Corporate & Investment Bank clients participated.

We are advancing our cybersecurity leadership through the Financial Systemic Analysis & Resilience Center (FSARC), a partnership with the U.S. government and other peer banks. FSARC will deliver analysis and solutions that will benefit the entire sector, from the smallest community institutions to the largest commercial banks, and facilitate greater industry collaboration to mitigate systemic risk to the financial system from cybersecurity threats.

## Additional Online Resources



- [2016 Annual Report](#)
- [2017 Proxy Statement](#)
- [Business Principles](#)
- [Code of Conduct](#)
- [Code of Ethics for Financial Professionals](#)
- [Corporate Governance Principles](#)
- [How We Do Business – The Report](#)
- [Policy Engagement and Political Participation](#)
- [Supplier Information](#)

# Serving Our Customers

At JPMorgan Chase, our most important goal is to satisfy the needs of our clients and customers. When we do that well, we help our customers achieve their goals — and we think they will want to do more business with us.

Through our four lines of business, we serve tens of millions of consumers and small businesses across the U.S., as well as many of the world's most prominent corporations, national and local governments, investors, nonprofit organizations and a broad range of other institutions. For example, through our wholesale businesses, we support over 80% of the Fortune 500.

In this section, we focus on how our Consumer & Community Banking business serves consumers and small businesses across the U.S. under the Chase brand. We have banking relationships with nearly half of all U.S. households, helping consumers manage their money, families purchase their first homes, individuals invest and save for the future and entrepreneurs grow their businesses. In every situation, we strive to deliver an outstanding customer experience and develop deep, long-lasting relationships.

Providing innovative solutions to meet the evolving needs of our customers — such as enhancing our digital and mobile products and services — is a core element of our strategy. We also focus on developing products and services designed to meet the unique needs of different segments of our customer base, such as low- and moderate-income customers, individuals with disabilities, people for whom English is not their primary language and small business entrepreneurs. Finally, we seek to provide an inclusive and accessible environment for all our customers.

## Who we serve:

- 60 million households
- 4 million small business customers
- 44 million active digital users, including 27 million active mobile users

## 2016 — At a Glance:

- Originated \$104 billion in mortgages
- Opened 10.4 million credit card accounts
- Completed 94 million Chase QuickPay transactions
- Processed 40 million credit and debit payments every day
- Processed \$1 trillion in merchant processing

## Engaging With Customers

Engaging with our customers, consumer groups and other stakeholders is an important component of how we understand the issues that matter to them and develop products, services and policies that are responsive to their needs. At both the national and regional levels, we have created forums where stakeholders can share their perspectives with our Firm.

For example, we have Community Advisory Boards (CABs) in our major U.S. retail markets, which enable stakeholders to engage with Chase representatives and share their perspectives on community development needs, public policy and regulatory issues. We also conduct hundreds of meetings annually with community-based nonprofits, which provide an opportunity for stakeholders 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 made it easier for customers to give us direct feedback on their experiences and needs, in person by visiting a branch, online through our website or via a range of other channels including social media and customer satisfaction surveys. In addition, we collect customer feedback through our customer-facing employees, as well as through external media and ratings agencies. We take this feedback seriously and use it to further improve our performance.

## Innovating to Meet Our Customers' Needs

With 5,258 branches and 18,493 ATMs, Chase provides convenient services for millions of customers. We also have leading online and mobile banking platforms: Chase.com is the most visited banking portal in the U.S. and consumers rated the Chase Mobile app No. 1 among large banks in 2016. Since 2012, more than twice as many customers are using our app and since 2014, customers have moved more than 130 million transactions from teller windows to digital channels, including ATMs.

We know that digital and mobile banking tools and services will be increasingly important in how customers bank — and that innovative and accessible tools will be essential to their satisfaction. Our digitally engaged customers not only spend substantially more on their credit and debit cards than other customers, but are also more likely to keep banking with us.

JPMorgan Chase ranked first among financial services companies on the list of 50 “Most Innovative Companies 2016” compiled by the Boston Consulting Group.

We are accelerating the pace of innovation at Chase by enhancing existing products and introducing new ones to maintain our leadership in mobile and digital banking. For example:

#### Chase QuickPay

Allows consumers to send money electronically to virtually anyone using a mobile device or computer. In 2016, 4 million households, an increase of 30% from the prior year, sent 94 million transactions.

#### Chase Digital Mortgage

Allows customers to apply online for a home loan and then track it all the way through closing from any mobile device or computer. E-sign, mobile upload capabilities and digital communication with Chase mortgage professionals and Realtors also make it easier to manage the process.

#### Chase Business Quick Capital

Sends small business owners a loan offer and lets them personalize the amount and the term online and then receive funding in a Chase business checking account that day.

## Treating Customers Fairly

We recognize that fairness must be the foundation of our customer relationships, and we keep it front and center when creating products and services. To make sure we live up to this standard, we have created policies and procedures to help simplify our disclosures, products and services, and operations, and have enhanced our efforts to safeguard customer privacy.

### Fair and Transparent Marketing

Clear, concise and transparent disclosures empower our customers to make informed choices about their finances. For example, we follow the Pew Charitable Trust’s model disclosure by using plain language in a consumer-friendly format for Chase Total Checking. We also follow Pew’s model disclosure for prepaid cards for our Chase Liquid® product. The disclosure form allows customers to plainly see a description of fees and when deposits are available in a simple, easy-to-read format.

### Rewarding Employees Who Best Serve Our Customers

We focus on providing a great customer experience to deepen relationships while maintaining strong controls. That is why we train our bankers to focus on our customers’ needs. We reinforce this priority by rewarding bankers for providing customers with products and services they use, as well as for customers’ overall experience with us. We train employees every year on policies and procedures, customer service and proper controls, and then

evaluate their performance on these metrics, as well as on revenue and profitability. We also review sales practices, including culture, incentive plans, controls assessments and feedback received from customers and employees through various channels, including anonymous hotlines. By tying together the feedback from all of these channels, we help to safeguard our reputation and align employee performance with the best interests of our customers.

### Safeguarding Customer Privacy and Security

Protecting our customers’ personal and financial information is of paramount importance and we have strong policies and tools to do so. We hold our suppliers and vendors to high standards. We use a wide range of security measures, including computer safeguards and secured files and buildings. We also train all employees on proper use of customer information, empowering them to serve our customers while protecting sensitive information. We strive to provide customers with clear, user-friendly explanations of our privacy policies that explain how we collect, share, use and protect their information, and how they can limit sharing of their personal information.

We want consumers to enjoy the greater convenience and autonomy afforded by the advancement of digital and mobile financial tools, but only when these tools maintain the security of their data. To do this, we are developing innovative solutions that adhere to best practices on data privacy and security. For example, we recently announced a new agreement with Intuit. In addition to protecting the bank, our customers and the third party (in this case, Intuit), this arrangement allows customers to share data – how and when they want. Customers can choose what they would like to share and opt to turn these selections on or off as they see fit. The data will be “pushed” to Intuit, eliminating the need for sharing bank passcodes, which protects JPMorgan Chase and our customers. This gives customers greater control of their financial information to help them make better financial decisions, while setting the bar for how banks and technology companies can work together to serve their shared customer base.

## Serving Low- and Moderate-Income Customers

As part of our commitment to serving all segments of our customer base well, we strive to develop high-quality, affordable products and user-friendly technologies to meet the needs of low- and moderate-income customers. Here are some of the ways we are doing that.

### Broadening Access to Banking Services

Chase Liquid is a reloadable, prepaid card with a flat monthly fee, no overdraft fees, robust transaction capabilities and online bill pay. 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 engagement with consumers, community groups and consumer advocacy groups. Chase Liquid meets the Cities for Financial Empowerment Fund’s (CFEs) newly updated Bank On National Account Standards (2017-2018) – as it did the previous version of the 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 increase financial security. As of December 2016, nearly 80% of Chase Liquid customers were new to Chase – and we estimate that half of those customers had never used traditional banking services, did not have a current bank account or were otherwise underbanked prior to opening their Chase Liquid Card.

## Expanding Homeownership

Promoting affordable and sustainable homeownership for customers across the credit spectrum remains a priority at Chase. We have expanded our home lending programs to make homeownership more accessible to those with limited cash for a down payment, including those with low- and moderate-incomes. In 2016, we established a dedicated team to advance our affordable home loan program. We recently introduced two new affordable products, Agency 97% and DreaMaker 97%, that offer as little as 3% down to help reduce upfront costs. These new products complement the bank's existing suite of affordable home loans, including Federal Housing Administration and U.S. Department of Veterans Affairs loans. Chase recently implemented a specialized underwriting team to ensure that all affordable loan types offer customers payment plans that are sustainable now and in the future.

In addition, we launched grant and incentive programs for customers who apply for an affordable loan with Chase. Customers living in select low- and moderate-income communities are eligible to receive a \$1,500 grant to help with closing costs, down payments or rate buy-downs. And, to reward those who choose to participate in homebuyer education, customers can also receive \$500 off closing costs when completing an approved education course. To better serve our local communities, we expanded the mortgage sales force in Chase branches that serve low- and moderate-income neighborhoods, and have hired hundreds of home lending advisors focused exclusively on the bank's affordable home loan program.

## Supporting Small Businesses

Helping entrepreneurs and small businesses succeed is a powerful tool for expanding opportunity and boosting the vibrancy of low- and moderate-income areas. In 2016, we made nearly half a million small business loans totaling \$12 billion in the markets served by our branches; 21% of these were made to businesses in low- and moderate-income communities.

We are also supporting entrepreneurs and small businesses by serving as lead sponsor of StartUp Week in seven U.S. cities. These free events bring together entrepreneurs, local leaders and others to build momentum and opportunity around a community's unique entrepreneurial identity. In addition, we are providing philanthropic support for underserved entrepreneurs through our Small Business Forward initiative.

## Strengthening Financial Health

Through the Financial Solutions Lab (FinLab) – a \$30 million, five-year initiative managed by the Center for Financial Services Innovation in partnership with JPMorgan Chase – we are catalyzing the development of tech-enabled innovations to help struggling consumers.

Research and analysis by the JPMorgan Chase Institute reveal that Americans experience tremendous income volatility, but the typical U.S. household does not have the necessary financial buffer to withstand that volatility. Informed by these insights, FinLab set its sights on solutions for weathering financial shocks and overcoming other challenges to financial health. By the end of 2016, FinLab had supported 18 financial technology companies offering innovative products to help more than a million Americans, a tenfold growth since joining the lab.

FinLab complements the Firm's broader efforts to offer high-quality, affordable products and services that promote the financial well-being of its customers, as well as our philanthropic funding of more than 300 community partners working to support these goals. See our [Corporate Responsibility Report](#) for more information.

## Small Business Forward

In 2016, JPMorgan Chase more than doubled the size of our Small Business Forward global philanthropic initiative, committing \$75 million over the next three years to support women-, minority- and veteran-owned small businesses. A key focus of Small Business Forward is helping underserved entrepreneurs connect with capital. With research from the JPMorgan Chase Institute showing that greater liquidity is a critical need for most small businesses, we believe this strategy offers significant potential to help drive sustainable, widespread and inclusive growth.

Research has also shown that individuals who get personally referred for a bank loan are far more likely to get financing over those without referrals. To help scale the power of these kinds of personal connections, JPMorgan Chase committed \$1.9 million to the Association for Enterprise Opportunity to help advance its digital referral platform, which connects small businesses to trusted community development financial institution lenders when the owners are unable to qualify for traditional loans. See our [Corporate Responsibility Report](#) for more information.

## Additional Online Resources



- [2016 Annual Report](#)
- [2017 Proxy Statement](#)
- [Accessibility at Chase](#)
- [Business Principles](#)
- [Chase Privacy Policy](#)
- [Corporate Responsibility Report \(May 2017\)](#)
- [How We Do Business – The Report](#)
- [JPMorgan Chase Financial Capability](#)
- [JPMorgan Chase Institute](#)
- [JPMorgan Chase Small Business Forward](#)

# Investing in Our Employees

Our employees are the engine of our company. The quality and character of our employees at every level, in every location, is key to our long-term success. We strive to attract talent from the broadest pool to foster innovation and productivity, which allows us to serve – and sustain value for – our customers, shareholders and communities. Maintaining a strong talent pool requires investment through all phases of the employee life cycle, from how we recruit individuals to how we support their development and reward their performance throughout their careers at JPMorgan Chase.

Creating a diverse and inclusive environment is ingrained in our managers and leaders, and we are deeply committed to hiring, retaining and promoting employees from different backgrounds, experiences and locations. This means running a company where people are respected, trusted and encouraged to contribute and raise their ideas and voices. Doing so enables us to produce better and more innovative solutions to meet the diverse and evolving needs of our customers, clients and communities around the world.

We measure the success of investing in our employees in many ways, including job offer acceptance rates, employee engagement scores, attrition levels, internal mobility rates and more. In 2016, our employment engagement score was 84%, up four points since 2014, and overall satisfaction was 78%, up six points since 2014. Based on these measures, we believe our efforts are succeeding. We are also regularly recognized as a best place to work and have won numerous awards for employment-related initiatives. For more information visit our [website](#).

“Ultimately, our people are our most important asset – and they are exceptional.” – Jamie Dimon, 2016 Annual Shareholder Letter

## Who We Are – Key 2016 Statistics

We have a broad base of diverse employees working across business lines and geographies. Our employees include tellers and customer service representatives; bankers and administrative professionals; experts in risk, technology, legal, accounting, controls and human resources; and many others. Each plays an important role in delivering exceptional services to our clients and customers.

- 243,355 employees worldwide, approximately 69% of whom are in the U.S.
- 50% of employees globally are women
- 48% of our U.S. employees are ethnically diverse

## Attracting the Best

Our ongoing success starts with our ability to attract the best people. For us, that means finding people who not only have the skills and expertise we need, but also share our values and are committed to upholding the highest standards of culture, ethics and integrity. We seek high-quality candidates from both within and outside the Firm, and we hire based on merit, using consistent processes and objective criteria.

We manage an extensive, global campus recruiting program. In 2016, we added innovative recruiting strategies, including tech showcases and video interviewing. We also expanded our use of outlets like BuzzFeed, Snapchat and WeChat to connect with our target audiences.

We also attract and hire experienced professionals moving from jobs in other organizations. In 2016, nine out of 10 job offers were accepted, which is a strong indicator of the desirability of working for JPMorgan Chase.

## Seeking Diverse Candidates

We actively seek candidates representing a wide range of backgrounds and experiences for positions at all levels. At the entry level, we have a number of diversity-focused campus recruiting programs, including those aimed at attracting female and LGBT students globally, and those who identify as black, Hispanic or Native American in the U.S. These programs give students the opportunity to learn about careers in financial services, participate in skill-building workshops, gain access to scholarships and internship opportunities, and meet with senior leaders at our Firm who represent their backgrounds and experiences.

Over the past several years, we have made strong progress in our women's initiatives and veterans' programs. We also acknowledge that we have work to do to increase diversity at the highest levels of our company. For example, our Advancing Black Leaders initiative was put in place to increase our focus on attracting, hiring, retaining and advancing black talent at all levels of the organization. We are also expanding some of the lessons learned to inform our Hispanic and Asian diversity efforts.

We seek to hire and retain talented people who are committed to upholding our culture and operating with integrity.

## Supporting Our Employees

We support and invest in our employees by providing world-class training, clear opportunities for professional advancement, and a wide range of benefits and competitive compensation.

### Training and Career Development

We have made substantial investments in tools and training programs to support our employees' development, helping them build new skills and guiding their career advancement. These investments included the launch of a new Learning Portal and Mobile App to provide employees easier and expanded access to learning programs. In 2016, we spent more than \$300 million globally on formal training programs at all levels, and our global learning teams delivered over 7.4 million hours of training to employees across the Firm, including on culture and conduct, skills development and conflict resolution.

The Firm's focus on fostering diversity and inclusion is embedded throughout our training and career development programs. Our Blueprint for Managers on Diversity encourages leaders and managers to make diversity a business priority and gives managers direction on how to expand their scope in sourcing and attracting talent, create a more inclusive work environment to empower employees and foster a workplace that is respectful and inclusive of differences.

Regular performance reviews are an important way to support our employees' development and career advancement, and we recently enhanced our approach. We provide managers with tools to facilitate ongoing, productive dialogue with their employees on objectives, performance outcomes and areas for development, including acquisition of new skills and potential career paths. Our review process looks at performance holistically, soliciting input from multiple sources, including peers and subordinates, and risk and control functions. These 360-degree reviews also assess employees' adherence to the highest standards of ethics and integrity.

Developing leaders who embody our corporate culture, build and motivate high-performing teams, and uphold standards of excellence is a key focus of our training efforts. For example, Leadership Edge is our firmwide program to develop leadership and management skills for managers of all levels, and we are continuing to evolve and grow the program. In 2016, approximately 15,000 managers attended programs held through nearly 700 sessions at more than 30 global locations.

We invest in our people to help them advance their careers – and we give them opportunities to do so within JPMorgan Chase by actively supporting and facilitating internal career mobility. In 2016, 38% of new positions and 47% of senior positions were filled internally, demonstrating our commitment to our people, planning for the future, and long-term business continuity and success.

### Tuition Assistance Program

In 2016, we boosted our U.S. Tuition Assistance Program to help employees who want to enhance their skills by participating in further education. We increased the annual undergraduate tuition cap to \$5,250 and added new fields of study that are in high demand by hiring managers. In addition to helping employees advance their personal development and careers, the program yields benefits for our Firm: Employees who use the program have higher performance ratings and higher retention rates than employees who do not participate. In 2016, we saw an 11% increase in participation.

## A Workplace for Everyone

The Firm strives to foster an environment where all individuals are given the tools to succeed and can develop to their fullest potential. It is important that our employees feel that they can bring their whole selves to the workplace, and that we create an environment that is supportive of various heritages and cultures, and where different work styles and lifestyles are embraced. We have a range of programs to help foster these values in the workplace. For example:

### Business Resource Groups (BRGs)

Our BRGs are volunteer-based organizations that encourage employees to use their unique perspectives to advance the Firm's priorities in the global marketplace. More than 60,000 employees – or one in every four of our people – from across our businesses are members of one of our BRGs, which receive funding from the Firm to support their efforts. Examples include Access Ability (disability and caregivers), AsPIRE (Asian and Pacific Islanders Reaching for Excellence), BOLD (Black Organization for Leadership Development), WIN (Women's Interactive Network), Pride (LGBT community), Sage (administrative professionals), NextGen (millennials) and more.

### Advancing Black Leaders (ABL)

We are continuing to build on our ABL initiative, which seeks to improve attraction, retention and advancement of black talent across the Firm, continuing to differentiate JPMorgan Chase as an employer of choice for this community. This initiative is driven by a dedicated team, and we are realizing early and promising results. For example, we increased the number of black employees at the officer level (both through internal promotions and external new hires). We have also focused on retaining existing talent and providing expanded development opportunities for these employees, in addition to growing the pipeline of junior talent and increasing representation of black employees at the senior officer and vice president levels.

To further our momentum, we have put in place a variety of mechanisms to drive awareness and engagement, including monthly ABL Exchange Forums, an internal ABL Leadership Council, and ABL Dialogues, which are town hall-style events. In 2017, we will continue to expand the strategy and apply lessons learned to other employee segments. For example, in partnership with our Adelante (Hispanic) and AsPIRE Business Resource Groups, we recently launched the Hispanic Executive Forum and the Asian Executive Forum, modeling the Black Executive Forum formed a few years ago.

### ReEntry Program

Our ReEntry Program is designed to attract and support accomplished and experienced individuals seeking to return to the workforce after a voluntary career break. The majority of participants to date have been women who have taken time away from their career to care for children or other family members. 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. The program has grown steadily since its launch in 2013. Our 2016/2017 ReEntry class has more than 40 participants working across all lines of businesses.

### Office of Disability Inclusion (ODI)

In 2016, we launched a global ODI which will provide senior leaders across the Firm with consistent standards and processes to better accommodate employees with disabilities, as well as better support employees who care for family members with disabilities. This includes making sure we have the right tools, policies and procedures to promote an inclusive work environment.

## Harnessing the Talent of Military Veterans

JPMorgan Chase values the service of veterans and reservists and seeks to support them through active recruiting programs and employee support. Veterans also represent an enormous pool of talent whose skills and experience bring value to our Firm. In 2016, we hired more than 1,500 U.S. veterans. Since 2011, we have hired more than 11,000 U.S. veterans, more than 50% of whom self-identified as coming from diverse backgrounds. We also lead the Veteran Jobs Mission, a coalition of 235 Fortune 500 companies committed to hiring 1 million U.S. veterans.

We offer a Military Veteran Internship Program and Military Officer Executive Development Program in the U.S., as well as an officer internship program in the United Kingdom, to support the transition of military personnel and veterans into the financial services industry. In 2017, we are launching a veterans-focused mentoring program that will pair new veteran hires with more seasoned peers to support integration into our workforce and enhance job satisfaction.

We also have a veterans-focused BRG, which provides access to tools that foster retention, development and advancement of veterans at all levels at JPMorgan Chase. Additionally, we continue to offer paid military leave for all types of military service.

## Developing Leaders and Giving Back Through Skilled Volunteerism

Through our employee volunteerism programs, we encourage our people to lend their skills and expertise to help strengthen our communities. We view volunteerism and civic engagement as ways not only to give back, but also to provide our people with opportunities to develop leadership skills and gain new experiences. In 2016, 50,000 of our employees volunteered more than 325,000 hours of their time through our Firm's skilled volunteerism programs, including through the Service Corps, Technology for Social Good, The Fellowship Initiative and more. See our [Corporate Responsibility Report](#) for more information.

## Compensation and Benefits

Providing competitive benefits and compensation is a key component of our talent strategy and an important element for attracting and retaining the best employees. Our compensation philosophy provides the guiding principles that drive compensation-related decisions and practices across the Firm. This includes:

- Providing competitive and fair compensation opportunities to employees based on their roles and responsibilities, experience, performance and other factors
- Tying pay to performance and evaluating performance at the Firm, business unit and individual level
- Evaluating performance on a short-, medium- and long-term basis
- Promoting a culture of shared success
- Rewarding behaviors that generate sustained value for the Firm and reinforcing personal accountability
- Encouraging employees to think and act like owners

Compensation decisions for employees are based on an evaluation of employees with comparable roles, responsibilities, job scope, performance, contribution and other factors. We have governance mechanisms, systems and controls in place so that we pay our employees equitably for the work that they do, regardless of who they are. One example is our process for verifying the reasonableness of incentive compensation for individuals who have been on short-term leave.

In addition to our internal processes, we engage outside experts and consultants to help us evaluate and analyze our pay practices. The Firm monitors and researches pay equity, making adjustments to our approach when merited.

Alongside compensation, we offer comprehensive benefits packages for our employees and their families, including health care coverage, retirement benefits, life and disability insurance, on-site health and wellness centers, employee assistance programs, competitive vacation and leave policies, backup childcare arrangements, tuition reimbursement programs and more. In the U.S., we continue to offer an employer-sponsored pension plan, as well as a competitive 401(k) plan with a 5% company match for most employees.

Our guiding philosophy is to direct our benefits spending toward lower-wage earners. In addition, for employees globally earning less than \$60,000, we have provided monetary awards over the past few years. Outside of the U.S., we provide benefit programs designed to meet local requirements, which cover more than 75,000 employees in over 60 jurisdictions. We are one of a few major companies to continue to offer pension plans in the U.S. and many other countries where we operate, which are fully funded at the Firm's expense for employees' retirement.

## Giving Our Employees a Raise

In 2016, we took a close look at wages and benefits for employees at the lower end of our pay scale. Recognizing the growing challenge of wage stagnation and income inequality, we decided to raise the minimum pay for 18,000 U.S. employees over the next three years to between \$12 and \$16.50 an hour for full-time, part-time and new employees, depending on geographic and market factors. Our lower-compensated employees will continue to receive excellent benefits, including a medical plan – subsidized up to 90% by the Firm – dental, vision and other coverage. In total, the annualized value of all of our benefits for these employees is on average approximately \$11,000 a year above their existing wages.

## Supporting Health and Wellness

We are continually expanding our programs and benefits to support employee health and well-being. Over the past few years, we have made significant investments in on-site health and wellness centers. We now have 28 such centers in the U.S., which received 267,000 visits in 2016. In the U.S., we also offer free health assessments and preventive screenings to employees and their spouses/domestic partners every year. In 2016, 81% of employees completed both a health assessment and a biometric health screening. In addition to gaining valuable insights about their health risks, employees receive meaningful financial incentives for participating in these programs.

We recognize that work-life balance is an important contributor to the health and well-being of our employees and their families. Globally, we offer parental and adoption leave programs with a minimum of 16 weeks of fully paid parental leave time for employees who are the primary caregivers and a minimum of two weeks for the non-primary caregivers. We have flexible work options to support parents and others who need alternative time schedules, and provide backup childcare and other assistance to working parents. In addition, 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.

## Additional Online Resources



- [2016 Annual Report](#)
- [2017 Proxy Statement](#)
- [Awards and Recognition](#)
- [Business Principles](#)
- [Careers at JPMorgan Chase](#)
- [Diversity and Inclusion](#)
- [How We Do Business – The Report](#)
- [Investing in Women](#)

# Advancing Sustainable Finance

We work with our clients to manage environmental and social risks and capitalize on the opportunities created by the transition to a more sustainable global economy. We know these issues are important to our clients, so we leverage our expertise and resources to help them achieve their sustainability objectives. When we do so, we deepen our relationships with our clients and create opportunities for our Firm to do more business with them.

## Sustainability Through Our Business

This section outlines JPMorgan Chase's strategy and approach for addressing sustainability within the segments of our business where environmental and social issues have traditionally been of most relevance to our clients and our Firm:

- The Corporate & Investment Bank and Commercial Banking businesses serve companies, governments and institutions that are facing a range of sustainability challenges and opportunities around the world.
- Asset & Wealth Management serves individual, institutional and advisor clients, many of whom are integrating environmental, social and governance (ESG) considerations into their investment strategies.

## Corporate & Investment Bank and Commercial Banking

Through our Corporate & Investment Bank and Commercial Banking businesses, JPMorgan Chase helps some of the world's largest corporations, governments and institutions achieve their business objectives by giving strategic advice, raising capital, extending loans and providing risk management solutions.

## Managing Environmental and Social Risks

Managing risk is an essential part of running a successful company. At JPMorgan Chase, risk management is overseen and managed on an enterprisewide basis. When assessing clients and transactions, we consider a broad spectrum of risks, such as credit, market, liquidity, country, reputation and others.

Understanding our clients' approach and performance on environmental and social issues is an important component of the Firm's risk management process. It helps us make more informed decisions and allows us to offer insights and guidance on good practice when clients are seeking to access capital markets, provide disclosure to investors or improve performance. We believe our Firm can play a valuable role to help our clients minimize and manage their impacts on the environment, their workforce and local communities.

Our [Environmental and Social Policy Framework](#) outlines the Firm's approach to environmental and social risk management, including activities that we will not finance, and those sectors and activities that require environmental and social due diligence. In 2016, the Framework was updated to include certain restrictions on the financing of coal mining and coal-fired power.

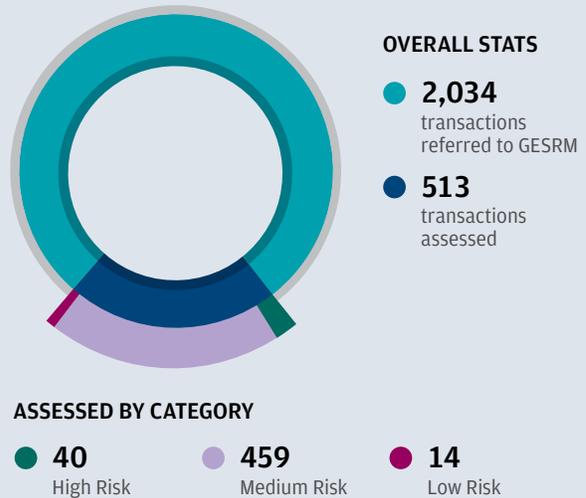
Our Global Environmental and Social Risk Management (GESRM) team, which sits within the Firm's risk management function, is responsible for reviewing clients and transactions and determines the need for, and depth of, due diligence. GESRM works collaboratively with the Firm's bankers to help identify environmental and social risk issues that require more in-depth review. 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 up to the Firmwide Risk Committee.

In 2016, a total of 2,034 transactions were referred to the GESRM team for review. Following an initial review of the nature and characteristics of the underlying environmental and social risks, GESRM determined that 513 transactions required detailed due diligence. We have also continued to use portfolio reviews – in-depth assessments that help us stay abreast of evolving sustainability trends and practices in various industries – to inform transaction-level due diligence and engagement with our clients.

JPMorgan Chase is an adopter or signatory to various internationally recognized principles that help guide our efforts on environmental and social risk management, including the Equator Principles. Further information about our implementation of the Equator Principles is published annually on our [website](#). We also published information about our wholesale credit exposure by industry in our 2016 Annual Report.

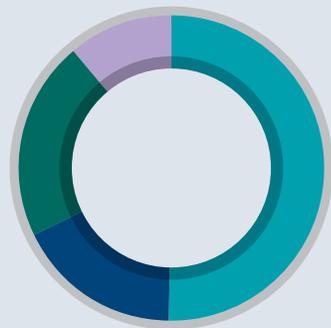
We also participate in external working groups and initiatives focused on best practices. We use the insights gained from our involvement in such initiatives to refine our internal processes and to help align our practices with broad and emerging consensus on environmental and social issues.

Number of transactions referred to GESRM, and number of and category of transactions subject to detailed due diligence (2016)

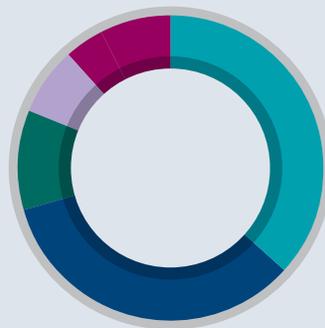


Transactions subject to detailed due diligence (%) by region, product, sector (2016)

**REGION**



**PRODUCT**



**SECTOR**



**ANALYSIS OF ASSESSED TRANSACTIONS (513)**

- 259 North America
- 90 Asia Pacific
- 107 Europe, Middle East & Africa
- 57 Latin America

- 189 Credit
- 174 Debt
- 54 Equity
- 37 Advisory
- 59 Other

- 221 Oil & Gas
- 59 Mining & Metals
- 59 Other
- 58 Power
- 21 Chemicals
- 30 Infrastructure
- 13 Heavy Manufacturing
- 11 Forestry Pulp & Paper
- 22 Agriculture
- 1 Shipping
- 18 Real Estate

## Facilitating Sustainability Solutions

CIB works side by side with our clients to help them achieve their business and strategic objectives that, increasingly, include a focus on sustainability. We provide M&A advisory, equity and debt capital raising, credit and financing solutions for renewable energy and clean technology companies, in addition to helping development finance institutions achieve their underlying missions. We support and facilitate our clients' sustainability objectives in numerous ways, including:

### Underwriting green, social and sustainability bonds

Building on JPMorgan Chase's deep experience in the capital markets business, we underwrote more than \$5 billion of green, social and sustainability bonds in 2016 for municipal, corporate and multilateral clients. The proceeds of these bonds are designated for environmentally and socially beneficial projects. To help advance development of this market, the Firm also served as Deputy Chair of the Green Bonds Principles Executive Committee in 2016.

### Arranging and investing capital in renewable energy projects

JPMorgan Chase is one of the leading investors in renewable energy in the U.S. In 2016, the Firm committed and arranged \$1.9 billion for wind, solar and geothermal projects. Since 2003, JPMorgan Chase has raised approximately \$16.8 billion in financing for wind and solar energy projects in the U.S.

### Providing risk management solutions for renewable projects

JPMorgan Chase helps provide commodity and interest rate risk management solutions for clients developing renewable energy projects. These products enable clients to raise capital for project development.

### Sharing insights on impact investing

JPMorgan Chase leverages the experience we gained as an early principal investor in the impact investing market to provide insights on sustainable and impact investing trends.

### Offering sustainability-focused index solutions

Our Sustainable Investments platform offers a comprehensive suite of tools for clients looking to deploy capital into ESG-focused investments.

### Issuing sustainability-related research

We periodically produce sustainability- and ESG-themed research. For example, in 2016 our Global Quantitative & Strategy Derivatives group issued a research report, Environmental, Social and Governance Investing – A Quantitative Perspective of How ESG Can Enhance Your Portfolio, which examined the merits of ESG investing and identified ways in which it can enhance clients' portfolios.

## Asset & Wealth Management

Our Asset & Wealth Management business is a leading money manager for individuals, advisors and institutions around the world. As a trusted fiduciary, we help our clients achieve their financial goals, which increasingly include a focus on sustainable investing, including ESG integration. Many of our core investment capabilities incorporate ESG factors into their analysis with the primary goal of delivering exceptional investment returns. We have been a signatory to the U.N. Principles for Responsible Investment since 2007.

### Asset Management

With over \$1.5 trillion in assets under management (AUM), Asset Management is a leader in investment management, serving corporate and public pension plans, endowments, foundations, insurance companies, sovereign wealth funds, government-affiliated institutions and individuals. Our investment professionals have a deep understanding of investment portfolios and a goal of producing the best risk-adjusted returns for our clients.

Our business has had a long-standing commitment to incorporating ESG factors into our investment practices. In 2016, we strengthened this commitment by publishing a [Sustainable Investment Statement](#) and establishing a Sustainable Investment Leadership Team, which brings together a cross-functional group of senior experts to implement a coordinated strategy for sustainable investing across asset classes and investment offerings. This includes systematically incorporating ESG factors into fundamental research and portfolio management, where material and relevant; promoting education and best practices through research and partnerships; deepening capabilities including portfolio analytics, measurement and reporting; and regular engagement with company management on a broad range of ESG issues.

As of December 31, 2016, we had implemented systematic and explicit consideration of ESG factors into the investment decision-making process across approximately \$200 billion in AUM. This represents approximately 20% of our long-term AUM, which is a 10% increase since our ESG integration efforts began. We have also increased our efforts to contribute to and advance our clients' understanding of ESG issues. For example, in early 2017 we published [Investment Perspective on Climate Risk](#), which outlines our approach to thinking about the potential impact of climate-related risks and opportunities in investment portfolios.

## Wealth Management

Through our Wealth Management business, we provide foundations, endowments, family offices and individuals with innovative investment strategies and advice to help them achieve their financial goals and personal objectives. We do this by providing expert insights and philanthropy advisory services, and by connecting clients with like-minded individuals and new ideas by organizing events.

In 2016, we expanded our sustainable investing capabilities across our product and thought leadership platforms. To help educate our clients and other interested stakeholders, we published a white paper titled [Decoding the Elements of Sustainable Investing](#), expanded our digital presence and developed a suite of videos that describe various pathways – ranging from ESG integration to impact investing – by which investors can integrate sustainable investing approaches into their investment portfolios.

## Strategic Engagements and Capacity Building

All of our Firm's sustainability efforts are enhanced and informed through collaborations and initiatives with nonprofits, clients and other institutions. The United Nations Sustainable Development Goals and other multi-stakeholder initiatives illustrate both the increased attention to sustainability across all sectors and the importance of collaboration to drive progress. Examples of how we are partnering to advance sustainability across the market include:

### Incubating the private market for conservation

JPMorgan Chase is the founding sponsor, strategic advisor and an Advisory Board member of NatureVest, the impact investing arm of The Nature Conservancy. In 2016, our Firm committed a further \$6 million to help support NatureVest.

### Enhancing transparency on climate-related risk

In 2016, JPMorgan Chase served on the Financial Stability Board's Task Force on Climate-related Financial Disclosures, which is developing voluntary recommendations to guide corporate disclosure of climate-related risks and opportunities.

### Encouraging corporate leadership on sustainability

JPMorgan Chase is a member of the World Business Council for Sustainable Development and serves on the organization's Executive Committee. Through this forum, we share our approach and expertise on financial and sustainability issues, while engaging with and learning from other companies. The Firm is also the Deputy Chair of the Green Bonds Principles Executive Committee, which is helping to advance standards for the market.

### Promoting sustainability best practices

The Firm participates in the Organisation for Economic Co-operation and Development's Advisory Group for Responsible Business Conduct for the Financial Sector, which was established to develop enhanced due diligence approaches in the financial sector. In addition, the Firm sits on the Equator Principles Association Steering Committee, which coordinates the administration and development of the Principles. The Firm is also a participant in the Cross Sector Biodiversity Initiative, which is focused on developing and sharing good practices related to biodiversity and ecosystem services in the extractives industries.

## Key Memberships and Commitments

JPMorgan Chase participates in, is a member of or has committed to various initiatives and principles that address business and sustainability issues. These include:

- Business and Sustainable Development Commission
- C2ES Business Environmental Leadership Council
- CDP
- Ceres
- Equator Principles
- Extractives Industry Transparency Initiative
- Global Impact Investing Network
- Green Bond Principles
- Soft Commodities Compact
- U.N. Principles for Responsible Investment
- World Business Council for Sustainable Development

## Additional Online Resources



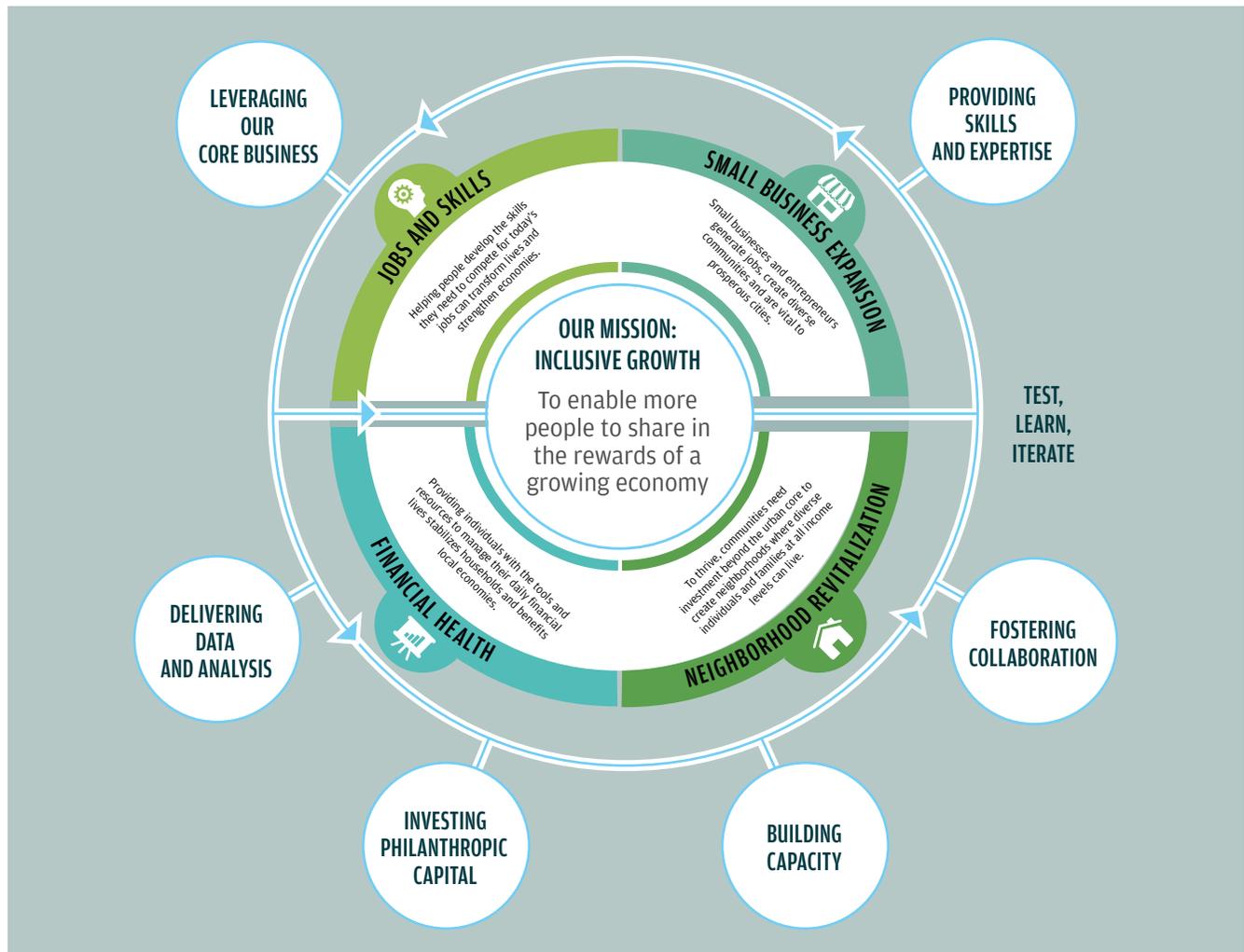
- [2016 Annual Report](#)
- [Sustainability](#)
- [Environmental and Social Policy Framework](#)
- [Equator Principles Report](#)
- [Asset Management – Sustainable Investing](#)
- [Wealth Management – Sustainable Investing](#)
- [NatureVest](#)
- [Research Library](#)

# Supporting Our Communities

JPMorgan Chase believes more people should have access to opportunity and the chance to move up the economic ladder, and we are bringing together the full range of our Firm’s assets – our investment and philanthropic capital, expertise and relationships – to help advance this mission. It is the right thing to do and it makes business sense: We know that when communities thrive, our business thrives.

Over the past five years, we have reimagined our approach to driving inclusive growth. Our model was developed, tested and refined through our efforts on the ground in communities around the world. It combines a data-driven, strategic focus with what we believe are the essential inputs for creating lasting impact. Our efforts draw on our Firm’s worldwide presence, expertise, data, relationships and resources, and we are applying them in targeted areas where we can have the greatest impact.

## Our Model for Inclusive Growth



## Our Pillars

While every community faces unique challenges and opportunities, our model works because it focuses on the drivers of inclusive growth that our experience shows are consistent across communities. We believe that, taken together, these are the pillars of opportunity:

### Jobs and Skills

Helping people develop the skills they need to compete for today's jobs can transform lives and strengthen economies.

### Small Business Expansion

Small businesses and entrepreneurs generate jobs, create diverse communities and are vital to prosperous cities.

### Neighborhood Revitalization

Communities need investment beyond the urban core to create neighborhoods where diverse individuals and families at all income levels can thrive.

### Financial Health

Providing individuals with the tools and resources to manage their daily financial lives stabilizes households and benefits local economies.

Our approach is yielding real results and, as we learn more about what is most effective, we continue to refine it. The challenges we are seeking to address are complex, and we are working to develop approaches to measure both the short- and longer-term impacts of our efforts. This commitment to ongoing assessment and improvement underpins our ultimate mission: to enable more people to share in the rewards of a growing economy.

## Essential Inputs

Our approach starts by understanding precisely the social or economic issue we are trying to address – and then we deploy the skills, expertise, data, relationships and resources that contribute to positive outcomes. Our efforts have also made clear to us that there are essential inputs for creating lasting impact, and these underpin our approach in all our communities. These include:

### Leveraging Our Core Business

As a financial institution, JPMorgan Chase deploys capital, provides credit and applies our expertise to catalyze local economic development around the globe. Making a meaningful impact in our communities starts with leveraging our core business activities.

As a leader in community development banking, we provided \$4.4 billion in debt and tax credit equity in 2016 to build or rehabilitate affordable housing units, health facilities, charter schools, food grocers and community centers. For example, the John and Jill Ker Conway Residence in Washington, D.C., is a newly built apartment building that reserves half of its units for formerly homeless veterans, some of whom are disabled, and the other half for low-income families. It is the first of its kind in the country to have full-time U.S. Veterans Affairs on-site managers and supportive services for the veteran tenants.

Through our Small Business Banking Business, Chase provided \$24 billion in new and renewed credit and capital for our small business clients in 2016.

## Delivering Data and Analysis

We are harnessing the power of data and our Firm's insights into the global economy to drive our efforts. The JPMorgan Chase Institute is a global think tank that draws on unique proprietary data, expertise and market access to deliver data-rich analyses and insights to help policymakers, business and nonprofit leaders and individuals to make better decisions that lead to shared, global prosperity. Institute research in 2016 explored the financial lives of small businesses through the lens of cash inflows, outflows and account balances; the demographics and sources of income volatility, including an unprecedented look at the impact of the Online Platform Economy; and more. We are drawing on data and analysis from the Institute and others to inform our philanthropic initiatives on consumer financial health, small business expansion, workforce development and other issues.

## Investing Philanthropic Capital

In 2016, our Firm deployed approximately \$250 million in philanthropic capital toward significant, long-term corporate responsibility initiatives focused on driving inclusive growth, including:

### Partnerships for Raising Opportunity in Neighborhoods (PRO Neighborhoods)

A \$125 million, five-year initiative launched in 2016 to support and catalyze locally driven solutions for revitalizing distressed neighborhoods across the U.S.

### New Skills at Work and New Skills for Youth

We have committed \$325 million to our global skills initiatives to provide adult workers and young people with a real and tangible pathway to economic opportunity.

### Small Business Forward

Through this initiative we have committed \$75 million over the next three years to support women-, minority- and veteran-owned small businesses.

### The Financial Solutions Lab

A \$30 million, five-year initiative managed by the Center for Financial Services Innovation with founding partner JPMorgan Chase to identify and expand the reach of the next generation of financial products and services to help consumers improve their financial health.

We have also committed \$100 million to our Invested in Detroit initiative, which brings together the full range of our efforts to help support and accelerate Detroit's revitalization.

## Building Capacity

A key part of our strategy is strengthening the nonprofit sector and underlying systems that are needed to empower communities to deliver and sustain change. Through our Office of Nonprofit Engagement, we have programs to help build the capacity of nonprofit partners involved in advocacy, thought leadership and services related to low- and moderate-income communities, communities of color and people with disabilities. As another example, our Firm serves as the founding sponsor and strategic advisor to NatureVest, the impact investment unit of The Nature Conservancy. NatureVest is focused on developing transactional solutions to address ecosystem challenges around the world that can also provide a return for private investors. The collaboration brings the bank's financial and market expertise together with the Conservancy's environmental science and policy work, helping to strengthen The Nature Conservancy's capacity to develop and expand the conservation finance market.

## Fostering Collaboration

The challenges facing our communities are complex, and finding solutions requires tapping into the unique expertise, resources and capabilities of business, government and nonprofits. Through our Firm's corporate responsibility efforts, we collaborate with deeply committed and knowledgeable partners around the world. We also work to forge new types of partnerships across the public, private and nonprofit sectors. For example, as part of our New Skills for Youth initiative, in 2016 we launched a competition – in collaboration with the Council of Chief State School Officers and Advance CTE, the association of state Career and Technical Education directors – to award U.S. states with funding to expand and improve career-focused education.

## Providing Skills and Expertise

Financial capital is just one of the resources JPMorgan Chase brings to bear to support our communities. We also leverage the unique assets of our Firm – our people's skills and expertise, data, technology and relationships – to help our nonprofit partners fulfill their missions and enhance their capacity. In 2016, 50,000 of our employees volunteered more than 325,000 hours of their time.

For example, through the JPMorgan Chase Service Corps, we deploy teams of top-performing employees to work on-site with our nonprofit partners to help solve a particular organizational need. Since the program's launch in 2014, 112 employees from 11 countries have participated in nine separate Service Corps cohorts, traveling to cities around the globe, including Mumbai, Johannesburg, New Orleans and Detroit.

Our employees also put their expertise to work to support our communities and help strengthen the capacity of our nonprofit partners in numerous ways. For example, as part of the Financial Solutions Lab, senior JPMorgan Chase employees mentor entrepreneurs working to develop technology-enabled tools to help individuals improve their financial health. Our Technology for Social Good program harnesses the technology skills and experience of our employees to develop solutions that benefit the social sector.

Our Corporate Responsibility Report provides detailed information about our key initiatives and work on the ground in communities around the world.

### Additional Online Resources



- [2016 Annual Report](#)
- [Community Development Banking](#)
- [Corporate Responsibility Report \(May 2017\)](#)
- [Corporate Responsibility](#)
- [JPMorgan Chase Institute](#)

# Managing Our Operations

We strive to manage our physical operations in an efficient and sustainable manner, and we continually seek opportunities to improve our performance. Our operational sustainability strategy is an important part of the Firm's efforts to operate efficiently, strengthen resiliency and reduce costs.

Our environmental impacts stem primarily from the energy use and related greenhouse gas (GHG) emissions associated with the operation of our global real estate, which includes our corporate buildings, retail bank branches and data centers. In addition, our Firm has impact through employee air travel, paper procurement and waste. Our strategy is focused on reducing energy use and GHG emissions, purchasing sustainably certified paper and disposing of our key waste streams in a responsible manner. We are also committed to helping ensure that our suppliers are as diverse as the customers we serve, and that we support them with the resources they need to build strong businesses.

Our Global Real Estate division has primary responsibility for managing our physical operations, including energy efficiency and renewable energy initiatives, overseeing recycling efforts and other green building management programs. 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.

## Our Global Real Estate Footprint

- Operating in more than 60 countries
- 5,258 branches in the U.S.
- Nearly 80% of our GHG emissions are in the U.S.

## Reducing Carbon Emissions

JPMorgan Chase has had a long-standing focus on increasing energy efficiency, promoting renewable energy and reducing GHG emissions. We have committed to reducing our global GHG emissions by 50% from a 2005 baseline by 2020, and to date, have reduced our GHG emissions by approximately 38%. As part of our building efficiency efforts in 2016, we identified areas in both our retail and commercial real estate portfolios where simple, but effective, measures could be undertaken to improve building operations, and by extension reduce energy consumption and GHG emissions.

### High-efficiency LED lighting

We partnered with Current, a subsidiary of GE, to execute our strategy. For example, we are upgrading more than 4,400 retail branches and nearly 60 U.S. corporate offices with high-efficiency LED lighting fixtures.

### Building Management Systems

We are installing comprehensive Building Management Systems across nearly 4,000 retail branches, which will synchronize lighting; heating, ventilation and air conditioning (HVAC) systems; operational hours; irrigation; and power systems to drive optimization of our operations.

### Thermal building insulation

We are installing thermal energy blankets above the ceiling tiles in more than 1,700 retail branches to help maintain heating and cooling temperatures and reduce the load on HVAC systems across our retail portfolio.

We anticipate that these building efficiency measures will reduce our global energy consumption and GHG emissions by nearly 20% from our 2015 baseline.

Additionally, we began or continued the following programs in 2016:

#### Purchased renewable energy

As of 2016, 100% of our purchased electricity in the United Kingdom, Germany and Luxembourg comes from renewable sources. We also finalized a major renewable energy investment and purchasing agreement in the U.S.

#### Purchased certified Renewable Energy Credits (RECs)

Since 2010, we have purchased nearly 1.5 million RECs – equivalent to 1.5 million megawatt hours of electricity generated from renewable energy.

#### Purchased Verified Emission Reduction credits (VERs) to offset emissions from employee air travel

JPMorgan Chase continues to offset 100% of our employee air travel emissions through the purchase of VERs.

## Sustainable Paper Use

Given the nature of our business, we use paper for a variety of business activities such as customer mailings and statements, as well as within our branches and corporate offices. To minimize the impact of this paper use, we seek to source paper from independently certified sustainably managed forests. In 2016, more than 90% of the paper we purchased was sustainably certified.

We also seek to use paper efficiently in our own operations and make it convenient for customers and employees to do so as well. We offer paperless billing options for customers and are implementing smart printing methods for employees. We recycle used paper, including business documents from JPMorgan Chase locations around the world, through a secure shred program. Globally, we recycled more than 33,000 metric tons of paper in 2016.

## Supplier Diversity

We believe that having a diverse supply chain makes our company stronger and better positioned to serve our diverse stakeholder base. Through our Global Supplier Diversity Program, diversity considerations are incorporated at every step of the sourcing process. We define diverse suppliers as women-, minority-, veteran-, disabled- and LGBT-owned businesses. We proactively recruit diverse suppliers that fit our purchasing needs and, as relevant, help them grow and scale their businesses to gain more work with our Firm and become more competitive overall.

In the past 10 years, we have spent more than \$11 billion with diverse suppliers, including over \$1.3 billion in 2016. We have received widespread recognition for our efforts to advance supplier diversity. For example, Minority Business News magazine has recognized JPMorgan Chase as one of America's Most Admired Corporations for Supplier Diversity for the past two years. We've also been recognized by the National Veteran-Owned Business Association and Black Enterprise magazine as leaders in advancing supplier diversity.

### Additional Online Resources



- [Environmental and Social Policy Framework](#)
- [Sustainability](#)
- [Supplier Information](#)

## A Renewable Energy Win-Win-Win

JPMorgan Chase recently finalized an innovative deal that increases the Firm's use of renewable energy to run our global operations. In 2016, we closed on a transaction to help support the construction of a 100 megawatt wind energy farm. As part of the arrangement, JPMorgan Chase committed to purchase over half of the energy produced by the project, which will power about 10% of our firmwide electricity use. We will also retire the RECs associated with the renewable energy we purchase from the project.

Through this innovative model, JPMorgan Chase not only supports the project as the primary energy buyer,

but also provides a long-term hedge for the remaining energy generation from the wind farm. We were able to secure a renewable energy source for our own operations while helping the developer raise the necessary capital to undertake the project.

This transaction provides broad environmental benefits and advances our own emissions reduction targets, while leveraging the core expertise of our Firm to generate value for our business. It also helps support the growth of the renewable energy sector by bringing new renewable energy capacity to the grid. In short, it is a win-win-win.

# Environmental Data\*

		2014	2015	2016
Employee headcount		241,359	234,598	243,355
Square footage <sup>1</sup>		61,444,431	61,401,409	59,736,427
<b>Greenhouse Gas Emissions<sup>2</sup></b>				
Scope 1 – direct emissions	MtCO <sub>2</sub> e	89,225	82,525	79,556
Scope 2 – indirect emissions (location-based) <sup>3</sup>	MtCO <sub>2</sub> e	1,073,549	979,445	906,093
<b>Gross Total (Scope 1 and Scope 2 location-based)</b>	<b>MtCO<sub>2</sub>e</b>	<b>1,162,774</b>	<b>1,061,970</b>	<b>985,649</b>
Renewable energy credits (RECs) purchased	MWh	210,000	210,000	210,000
Emission reductions from RECs	MtCO <sub>2</sub> e	159,254	135,042	125,383
Scope 2 – indirect emissions (market-based) <sup>4</sup>	MtCO <sub>2</sub> e	914,295	844,403	780,710
<b>Net Total (Scope 1 and Scope 2 market-based)</b>	<b>MtCO<sub>2</sub>e</b>	<b>1,003,520</b>	<b>926,928</b>	<b>860,267</b>
Reduction over 2005 baseline (net) <sup>5</sup>	%	28	33	38
<b>Emissions From Employee Air Travel</b>				
Scope 3 – emissions from employee air travel	MtCO <sub>2</sub> e	147,811	138,878	130,430
Emissions from corporate air travel (counted in Scope 1)	MtCO <sub>2</sub> e	8,035	8,055	8,789
Total emissions from air travel	MtCO <sub>2</sub> e	155,845	146,933	139,219
Verified emission reduction (VER) credits purchased	MtCO <sub>2</sub> e	170,000	150,000	160,000
<b>Energy Consumption</b>				
Electricity	MWh	2,025,944	1,992,529	1,942,799
Steam	MWh	49,843	40,665	30,284
Chilled water (indirect emissions)	MWh	1,811	495	327
Natural gas	MWh	271,020	234,621	221,823
Propane	MWh	1,338	1,147	1,034
Fuel oil	MWh	14,858	16,490	11,161
Chiller plants (fugitive emissions)	MWh	54,662	53,758 <sup>6</sup>	52,417
Jet fuel	MWh	32,548	30,534	32,970
<b>Total</b>	<b>MWh</b>	<b>2,452,024</b>	<b>2,370,238</b>	<b>2,292,816</b>
Reduction over 2005 baseline (net)	%	22	27	28
<b>Water Consumption</b>				
U.S. operations	m <sup>3</sup>	5,404,135	5,014,959	5,127,749
<b>Paper</b>				
Total paper purchased (U.S. and Canada)	Mt	76,977	69,132	70,099
Percentage with recycled content	%	22	31	44
Percentage with certified content	%	93	93	92
Total paper collected for shredding and recycling (global)	Mt	42,057	42,699	33,606

\* Data is current as of May 16, 2017.

<sup>1</sup> JPMorgan Chase utilizes an operational control approach to establish boundaries for our greenhouse gas inventory. This includes owned and leased facilities for which we control the energy usage and pay the energy/utility bills directly to the respective utility.

<sup>2</sup> Scope 1 and 2 emissions were verified for 2012; Scope 1, 2, and 3 emissions were verified for 2013, 2014, 2015 and 2016. Other data has not been subject to external verification.

<sup>3</sup> Gross Scope 2 emissions, before deductions for RECs. Emissions calculated using the Scope 2 location-based method outlined in the updated GHG Protocol Scope 2 Guidance published in 2015.

<sup>4</sup> Net Scope 2 emissions, after deductions for RECs. Emissions calculated using the Scope 2 market-based method outlined in the updated GHG Protocol Scope 2 Guidance published in 2015.

<sup>5</sup> Reflects net emissions reductions (using the market-based Scope 2 method) over the 2005 baseline, which was adjusted in accordance with the updated GHG Protocol Scope 2 Guidance.

<sup>6</sup> The 2015 figure for fugitive emissions from chiller plants has been adjusted to reflect a minor change in our calculations. Note: Changes did not result in an overall percentage change over the baseline.

# JPMorgan Chase Business Principles

## Exceptional client service

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

## Operational excellence

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

## A commitment to integrity, fairness and responsibility

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

## A great team and winning culture

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

## Contact Us

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

# JPMORGAN CHASE & CO.

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

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