THE J.P. MORGAN DEVELOPMENT FINANCE INSTITUTION

2022 Annual Report

J.P.Morgan

ABOUT THE J.P. MORGAN DEVELOPMENT FINANCE INSTITUTION

The J.P. Morgan Development Finance Institution (JPM DFI) aims to mobilize capital towards sustainable development in emerging markets and to contribute towards the achievement of the United Nations Sustainable Development Goals (SDGs). We do this through:

- Impact assessment: Using the JPM DFI methodology to assess the anticipated development impact of transactions and assisting clients to communicate the expected contributions of their transactions towards advancing the SDGs
- Structuring: Creating scalable financing structures with the goal of catalyzing investment into emerging markets
- Distribution: Identifying sources of capital that seek investments with both financial returns and sustainable development impact

DANIEL ZELIKOW

Chair,
J.P. Morgan Development Finance
Institution Governing Board

I am pleased to present JPM DFI's annual report, outlining the progress and achievements made in 2022, its third year of operations. Despite numerous economic and political challenges, JPM DFI was steadfast in its commitment to promote sustainable development in emerging markets by leveraging commercial capital to create measurable impact. The team has been instrumental in driving our success, and I would like to take this opportunity to acknowledge their hard work, dedication and innovation.

In 2022, JPM DFI continued to expand its reach, applying its impact methodology to new products across multiple geographies. These efforts have advanced our role in serving our clients in promoting transparency in how they use third-party capital in alignment with the SDGs. The team continues to strengthen its links with the development finance community, working with public sector development banks to integrate their products into transactions, and with other capital market participants to define industry standards for impact metrics.

Last year, we also had the privilege of participating in numerous global forums, including COP27 in Sharm el-Sheikh, which reinforced the fundamental role of the private sector in supporting the development agenda and a path to net zero. As we look towards the future, we remain focused on our effort to support the sustainable development agenda and we are confident that, with the continued support of our partners and stakeholders, we can meet the challenge of financing a sustainable and prosperous future.

FAHEEN ALLIBHOY

Managing Director,
Head of the J.P. Morgan
Development Finance Institution

Last year saw the confluence of conflict, inflation, rising interest rates and supply chain disruptions, all of which exacerbated sluggish economic growth and rising global inequality. Moreover, the impacts of the pandemic, natural disasters and climate crisis have continued, with emerging markets often feeling the strongest effects. At the same time, the focus on environmental, social and governance (ESG) and impact investing continues to accelerate, and the global community has continued to engage in reducing global emissions and financing socioeconomic development.

At COP27, it was heartening to see countries, corporations, investors, government agencies, development banks and civil society acknowledge that development and climate are linked, that both must be supported and that private capital is an increasingly important tool in achieving the SDGs.

It is against this backdrop that we present the 2022 JPM DFI annual report, which outlines the work of J.P. Morgan's Corporate & Investment Bank (CIB) with respect to anticipated development impact in emerging markets. Despite economic headwinds, there were numerous examples of impactful projects globally in which our clients engaged.
We look forward to continuing to work in this meaningful area and to supporting our clients and partners in achieving these important objectives.

EXECUTIVE SUMMARY

2022 was a year of geopolitical conflict, continued macroeconomic tumult, market volatility and climate disruptions. These concurrent shocks eroded the important progress made in the last decades on almost every human development indicator, from poverty reduction to life expectancy and education. The United Nations estimates that more than 90% of countries experienced a decline in human development in the past three years, since the onset of COVID-19. Food insecurity, energy prices and water scarcity are just some of the most pressing challenges faced by countries around the world, particularly emerging markets, which also experienced net capital market outflows amounting to ~US$95 billion in 2022.[1] At the same time, global institutional investors have maintained their share of capital allocated to ESG priorities. As investor interest in impact-oriented opportunities increases, mobilizing capital toward sustainable development in emerging markets has never been more important.

During our third year of operations, JPM DFI deepened relationships with clients, bolstered the firm's business in emerging markets, scaled relationships with partners in the development community and helped facilitate private capital flows from institutional investors to help bridge development gaps.

In 2022, we:

- **Assessed 664 CIB transactions** in emerging markets to have anticipated development impact and contribution toward the SDGs for a total value of $98 billion.[2]
- **Acted as Development Finance Structuring Agent** (DFSA) for 13 transactions, and expanded our offering to new geographies, with a focus on deepening our engagement in Latin America and South Asia.
- **Deepened our relationships** with institutional investors with ESG and impact investing objectives; and worked closely with export credit agencies (ECAs) and development banks in their capacity to provide anchor investments, guarantees or risk mitigation products.

The following report provides an overview of JPM DFI's 2022 operations and activities, including our contribution to J.P. Morgan's Sustainable Development Target, examples where JPM DFI acted as DFSA and our priorities for 2023 and beyond.

METHODOLOGY

We review our methodology annually to incorporate evolving industry best practice, including the lessons from our own experience. The methodology applied to transactions in 2022 is described below.

CIB transactions

The JPM DFI methodology is applied to all eligible CIB transactions, which already adhere to J.P. Morgan's existing risk frameworks, including those related to credit, market, environmental and social, regulatory requirements and customer onboarding processes.

JPM DFI filters

1. Sector **2. Geography** **3. Product**

1. The **sector filter** screens out sectors commonly excluded by development banks (such as weapons and tobacco) in addition to existing J.P. Morgan sector exclusions.
2. The **geography filter** evaluates whether the transaction supports projects or activities in a developing country, defined as a country that is eligible to borrow from the World Bank.
3. The **product filter** targets products that either facilitate raising capital (financing or refinancing) or assist clients in risk management. Key products include markets hedging and financing transactions, corporate finance and M&A.

4. SUSTAINABLE DEVELOPMENT GOALS

4. Transactions are also evaluated for their contributions toward the SDGs by identifying whether the client has disclosed intentions to make incremental progress on any of the 231 unique SDG indicators (or key performance indicators that approximate to such indicators) and has presented quantifiable targets to advance such indicators. Given that each SDG indicator maps to unique SDG targets, the SDG targets that will be advanced by the transaction are also identified during this process.[3]

5. Development intensity assessment

5.a Development gap assessment
Compare relevant development indicators to peer group

5.b Investment contribution
- i Outputs and outcomes addressing sector gaps
- ii Cross-cutting criteria
- iii Market development

5.a Benchmarks the country's in-scope SDG indicators against other countries that are eligible to borrow from the World Bank to identify the relative magnitude of the development gap.

5.b Evaluates the transaction's contribution to supporting incremental impact. The investment contribution assessment comprises three dimensions:

- i **Addressing sector gaps:** Specificity and magnitude of impact metrics and targets disclosed by the client at the transaction level.
- ii **Impact on cross-cutting criteria:** Policies and practices employed by the client in relation to environmental sustainability, job creation, gender, diversity and corporate governance.
- iii **Impact on market development:** Spillover effects of the transaction on the broader economy and society (e.g., supply chain effects, knowledge development).

No sustainable development impact

5.c Receive a development intensity score: low, moderate, high or very high

5.c The development gap and investment contribution assessments are averaged to provide the overall development intensity score of none, **low, moderate, high or very high**.

RESULTS

The results[2] of JPM DFI are achieved through two key activities. First, we are mandated as DFSA for client transactions. This involves assisting in articulating the anticipated development impact of the transaction and creating a framework for impact reporting. Second, we apply our methodology to J.P. Morgan transactions already executed by the CIB (including transactions where we did not serve as DFSA) and identify those that are expected to have a development impact, the vast majority of which contribute to the firm's Sustainable Development Target. This section summarizes the results of our work in these two areas.

Development Finance Structuring Agent

In 2022, JPM DFI was engaged as DFSA for 13 transactions, helping clients communicate the anticipated development impact to stakeholders and preparing a framework for impact reporting. In our role as DFSA, we assisted corporate clients, which represented approximately 60% of the transactions, as well as development banks, sovereigns and government entities, which accounted for the remainder. Most engagements occurred with clients in Latin America and the Caribbean, where we worked on our first engagements in Chile, Ecuador and Colombia. In Europe and Central Asia, we worked with clients in Turkey and Kazakhstan. Moreover, we were engaged on two transactions in Sub-Saharan Africa and our first in India. Two of the transactions for which we were engaged as DFSA were also supported by ECAs and one was supported by multiple development banks as anchor investors. The examples section provides information on selected transactions where we acted as DFSA.

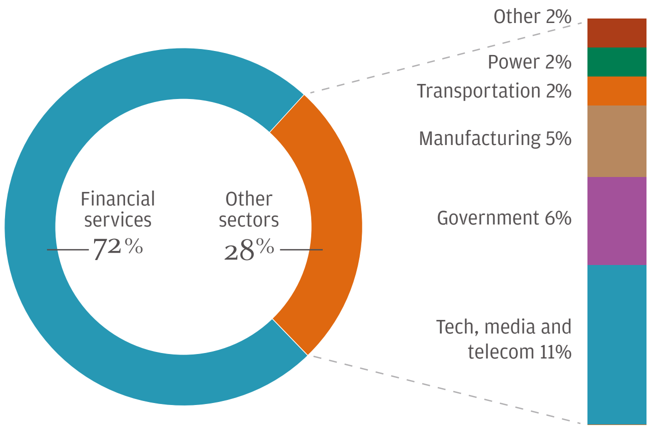
Development impact of transactions executed by the CIB

Each year, we apply our methodology to assess the development impact of eligible J.P. Morgan CIB transactions, the majority of which count toward the firm's 10-year Sustainable Development Target (see page 11 for details on J.P. Morgan's broader sustainability efforts). In 2022, JPM DFI assessed 664 CIB transactions to have anticipated development impact, representing a total value of $98 billion. The next section summarizes the breakdown of these transactions by sector, geography, product and development intensity, and analyzes the trends observed in 2022 compared to those in 2021.[4] This total includes transactions where we served as DFSA.

Overall, while JPM DFI assessed a greater number of transactions in 2022 to have anticipated development impact (a 5% year-over-year increase), the total value of assessed transactions decreased by 21% compared to 2021. The decrease in value was driven by two factors: a general decline in investment banking activities across all products and smaller assessed transaction sizes in 2022 compared to 2021. Further details are presented in the following charts.[5]

Sector

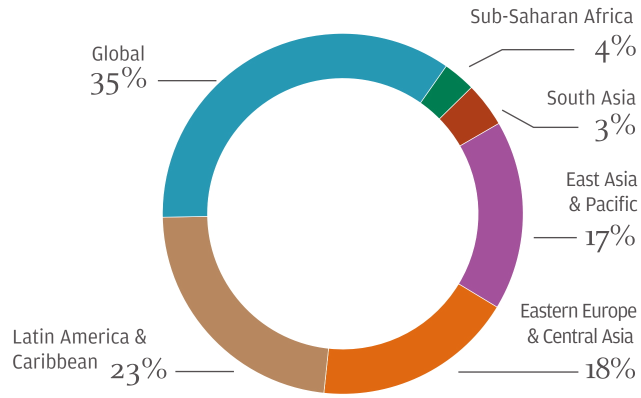
Transactions with anticipated development impact by sector
% of value, $98B total



Across industry sectors, financial institutions (which include public development banks) represented the largest segment of assessed transactions, accounting for 72% of the total value. This was followed by four commercial sectors (telecom, manufacturing, transportation and power) that together accounted for 20% of the total assessed value. Transactions with governments accounted for 6% of the total value.

Geography

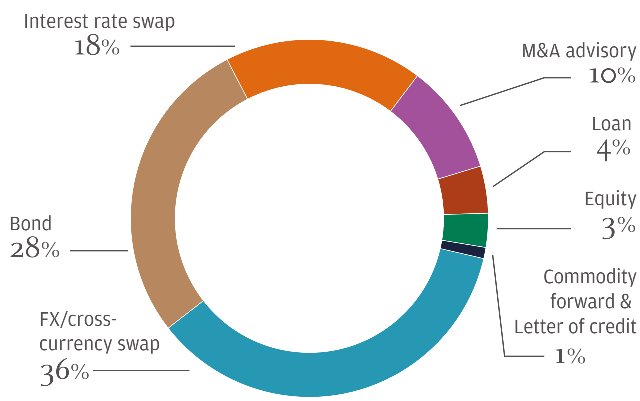
Transactions with anticipated development impact by region
% of value, $98B total



Transactions were diversified across emerging market geographies. Compared to 2021, the share of transaction values in Eastern Europe and Central Asia grew by 5%. Transactions with development banks operating globally (i.e., not tied to a specific emerging market region) accounted for 35% of the total this year, an increase over last year, given the countercyclical nature of the activity of these institutions.

Products

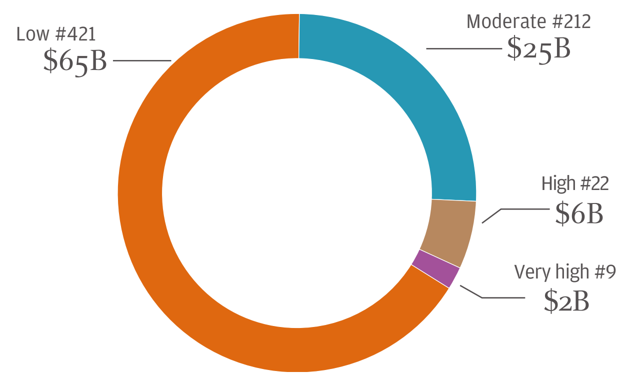
Transactions with anticipated development impact by product
% of value, $98B total



A diversity of products contributed to this year's total value of assessed transactions, including cross currency swaps, bonds, interest rate swaps, M&A, loans and equity issuances. Cross-currency and interest rate swaps that provide risk management solutions to activities with anticipated development impact accounted for 36% and 18% of the total respectively, highlighting our clients' needs for hedging instruments during volatile market conditions. Bonds represented 28% of transactions by volume and M&A transactions were 10% of the total volume. Equity issuances, loans, letters of credit and commodity forwards, together, made up the remaining 8%. Overall, contribution from equity issuances decreased slightly from last year, and the total assessed value of loans increased to 4% from 1% in 2021.

Development Intensity

Transactions with anticipated development impact by intensity
664 transactions, $98B total



Assessed CIB transactions had development intensity scores ranging from low to very high. Transactions with higher scores had more specific targets related to their intended outcomes, including those for which JPM DFI acted as DFSA, as well as those in countries and sectors with the greatest development gaps. Transactions with public development banks typically have a low score due to the lack of disclosure on the specific development outputs and outcomes targeted by the client in conjunction with the transaction.

CONTRIBUTION TO THE SDGs

In 2022, JPM DFI assessed transactions were anticipated to contribute to 16 of the 17 SDGs.[6] While transactions are often assessed to contribute to several SDGs and to advance progress on multiple sub-indicators, the table below shows the primary SDG contribution of each transaction. Examples include:

SDG	COUNTRY	SECTOR	TYPE OF FINANCING	IMPACTS
1 NO POVERTY	Bolivia	Government	Bond	Financing the implementation of the national social economic policy to reduce moderate and extreme poverty by 2025
2 ZERO HUNGER	Ukraine	Manufacturing	Bond	Funding a company to supply food, especially to hospitals and orphanages during conflict
3 GOOD HEALTH AND WELL-BEING	Nigeria	Government	Bond	Supporting a national program to reduce infant and maternal mortality rates as well as the HIV/AIDS infection rate
4 QUALITY EDUCATION	Philippines	Financial services	Bond	Raising capital for a financial institution whose corporate responsibility initiatives include providing distance learning tools for students in rural communities
5 GENDER EQUALITY	Brazil	Power	Bond	Financing a power company in Brazil with explicit targets to increase the number of women in leadership positions
6 CLEAN WATER AND SANITATION	Türkiye	Food and Beverage	Bond	Funding a company with plans to reduce its water usage and provide access to safe drinking water
7 AFFORDABLE AND CLEAN ENERGY	India	Power	Bond	Financing green projects including the construction and generation of wind and solar energy plants
8 DECENT WORK AND ECONOMIC GROWTH	Dominican Republic	Government	Bond	Supporting the government to further diversify economic growth post-COVID-19, with a plan to build and upgrade infrastructure in several key areas, including dams, waterworks, ports and roads

SDG	COUNTRY	SECTOR	TYPE OF FINANCING	IMPACTS
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Vietnam	Financial services	M&A	Advising on an acquisition that supports a company's investment in digital initiatives that will benefit up to 16 million customers through 230 retail branches
10 REDUCED INEQUALITIES	India	Financial services	Equity	Supporting a company to spread awareness of healthcare and related financial services to less developed areas
11 SUSTAINABLE CITIES AND COMMUNITIES	Serbia	Government	Loan	Funding to prevent flooding on a road that serves as a major economic corridor for the city of Belgrade
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Brazil	Agribusiness	Equity	Raising capital to support a company to implement animal welfare programs in its production, such as cage-free poultry and eggs
13 CLIMATE ACTION	Guatemala	Manufacturing	Bond	Financing operational transformations that are expected to reduce Scope 1 and 2 greenhouse gas emissions and to achieve carbon neutrality by 2050 across the company's manufacturing plants
14 LIFE BELOW WATER	China	Government	Bond	Financing a city government to maintain the marine ecological civilization through shoreline retention and restoration efforts
15 LIFE ON LAND	Uruguay	Government	Bond	Raising capital to maintain and increase the country's native forest coverage
17 PARTNERSHIPS FOR THE GOALS	Colombia	Financial services	Loan	Leveraging a development institution's guarantee program to extend a loan to support the country's climate change mitigation and adaptation activities

J.P. MORGAN'S SUSTAINABILITY EFFORTS

As part of JPMorgan Chase's effort to advance a more sustainable future, the firm is leveraging its capabilities to provide capital and expertise for its clients and customers to support economic growth, address key global challenges and promote sustainable development.

In 2021, JPMorgan Chase established its Sustainable Development Target with the goal to finance and facilitate more than $2.5 trillion over 10 years—from 2021 through the end of 2030—to advance long-term solutions that address climate change and contribute to sustainable development. The Target reflects JPMorgan Chase's belief that creating sustainable economic growth is important to the long-term strength and vibrancy of the global economy as well as to the health and prosperity of people and communities around the world.

Development finance is one of the three pillars of the Target, alongside Green and Community development. The development finance objective of the Target highlights the work of JPM DFI, which applies its methodology to assess the sustainable development impact of the firm's transactions. Detailed information regarding JPM DFI assessments is presented in the Results chapter of this report and progress toward the Target can be found in our firmwide annual ESG report and website.

Green	Development Finance	Community Development
Aiming to drive climate action, clean energy and sustainable resource management, with a focus on accelerating the deployment of solutions for cleaner sources of energy and facilitating the transition to a low-carbon economy.	Working to support socioeconomic development in emerging economies, with a focus on mobilizing capital to advance the SDGs.	Striving to advance economic inclusion in developed markets, with a focus on low- to moderate-income individuals and communities in the United States and on closing the racial wealth gap among Black, Hispanic and Latino individuals and communities. Includes many of the actions we are taking as part of our Racial Equity Commitment.

JPMorgan Chase has multiple initiatives and teams supporting the firm's sustainability efforts, including:

- **Center for Carbon Transition:** The CCT provides clients with low-carbon transition-focused advice and partners with product teams on a wide variety of strategic sustainability-focused transactions. The team also works to develop and implement the firm's strategy to align, over time, its financing portfolio with what we consider to be the primary goals of the Paris Agreement and has led to the creation of our Carbon Assessment Framework, which helps us monitor our progress toward our portfolio-level emissions intensity reduction targets.
- **ESG Solutions**: Specialist team of investment bankers providing ESG-related advice and transaction support to advance sustainability solutions for our clients and enabling access to ESG and sustainability focused capital across equity, debt, private markets and IPOs.
- **Global Markets Sustainability Center**: Within CIB Markets, the team provides sustainability solutions across asset classes—from equity to credit, including new asset classes like carbon credits—to help clients realize their sustainability strategies and transition their portfolios to a low-carbon economy.
- **Racial Equity Commitment**: In 2020, JPMorgan Chase announced its $30 billion Racial Equity Commitment to help close the racial wealth gap and advance economic inclusion among Black, Hispanic, Latino and underbanked customers and communities in the United States.
- **Global Research**: The team produces a range of ESG-focused investment research to meet investors' needs for timely insights and analysis that support their broad range of sustainability and ESG investment strategies, with approximately 900 ESG-related reports published in 2022. This year, the team launched ESG Discovery, the first digital platform for ESG research content in the EMEA region to centrally house all ESG inputs from our sector and ESG analysts, and to address clients' needs for both thematic deep dives and stock-specific views.
- **Paris-Aligned Financing**: In 2022, the firm announced emissions intensity reduction targets for three sectors of its financing portfolio—iron and steel, cement and aviation—building on the approach and foundation of the initial sectors—oil and gas, electric power and auto manufacturing. The new targets are intended to align to the International Energy Agency's Net Zero Emissions by 2050 Scenario.
- **Operational commitments**: JPMorgan Chase is managing the environmental impact from its operations by focusing on optimizing how it sources and uses energy, reducing direct and indirect greenhouse gas emissions and enhancing resource management.

EXAMPLES

AXIAN TELECOM

In February 2022, J.P. Morgan acted as joint global coordinator, joint bookrunner and DFSA for AXIAN Telecom's debut $420 million five-year bond. AXIAN Telecom operates across Africa and is a leading provider of telecommunications, mobile money services and digital infrastructure.

The transaction is expected to bolster the company's operations in Tanzania, Togo and Uganda and to help bridge the relatively high connectivity gap faced by these countries in the telecommunications sector. On average, 76% of the population in these countries had a mobile cellular subscription in 2021, which is below the Sub-Saharan Africa average (93%) and well below the global average (110%).[7]

The transaction is expected to support several development outputs and outcomes. It will support the company's initiatives to provide affordable mobile services, improve the coverage of less connected areas, expand the 4G network by adding up to 2,325 new mobile antennas and 747 km of tower fiber for high-speed internet and increase renewable energy use by deploying solar-powered sites in Uganda. The transaction is also expected to expand mobile financial services and payment systems, especially for small and medium enterprises, advancing financial inclusion. Additionally, the company is committed to improving gender representation in the workforce, targeting at least 35% of female staff in Togo and 40% of female staff in Tanzania.

AXIAN Telecom has committed to reporting annually on its progress toward achieving these development outcomes. The bond attracted anchor orders from four development banks: British International Investment, German Investment Corporation (DEG), Emerging Africa Infrastructure Fund and International Finance Corporation.

JPM DFI assessed the transaction to contribute to several SDG targets, including:

Target 4.1: Ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes

Target 5.5: Ensure women's full participation and equal opportunities for leadership at all levels of decision-making

Target 8.5: Achieve full and productive employment and decent work for all women and men

Target 8.10: Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all

Target 9.c: Significantly increase access to information, communications technology and universal and affordable access to the Internet

PUERTO BOLÍVAR– YILPORT HOLDING

In February 2022, J.P. Morgan acted as mandated lead arranger, sole structuring agent and DFSA for a $127 million ECA-covered loan to Yilport Holdings for the expansion and modernization of the Puerto Bolívar Port terminal in Ecuador. The terminal is operated by Yilport through a 50-year concession, the longest agreement in the country's history. The port is one of the world's largest banana-exporting ports and exports approximately 25% of the Ecuadorian banana production as well as shrimp and mineral products. Upon completion of the expansion, the port is expected to become the largest container terminal on the Pacific Coast of Latin America.

The transaction is expected to support the construction of a new 450-meter berth, which would increase the port's ability to accommodate larger container ships, and expansion of onshore facilities including new container ships, a refrigerated warehouse and new access roads. The expansion of the terminal's annual container capacity to an estimated 600,000 20-foot equivalent units is expected to enable the country to increase and diversify its exports.

The construction of a cold warehouse will enable the storage of fresh and frozen cargo, a valuable function given the perishable nature of primary food exports. At its peak, the project will employ up to 800 workers, including construction workers, technical managers and administrative workers. Yilport has committed to report annually on its impact targets.

JPM DFI assessed the transaction to contribute to several SDG targets, including

8 DECENT WORK AND ECONOMIC GROWTH

Target 8.5: Achieve full and productive employment and decent work for all women and men

17 PARTNERSHIPS FOR THE GOALS

Target 17.3: Mobilize additional financial resources for developing countries from multiple sources

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Target 9.1: Develop quality, reliable, sustainable and resilient infrastructure

ACCIONA

In August 2022, J.P. Morgan acted as guarantee issuer and DFSA for the syndicated letter of credit for Acciona, a leading global company in rail and metro development. The transaction will fund the construction of the São Paulo Metro Line 6, the largest public-private infrastructure project under development (in terms of funding) in Latin America. The Brazilian Development Bank provided a facility of 6.9 billion Brazilian reais (approximately $1.3 billion), with J.P. Morgan guaranteeing 283 million Brazilian reais (approximately $54 million). The facility is tied to a sustainability impact linked framework which offers financial cost reductions based on the achievement of social targets. JPM DFI supported Acciona in setting specific forward-looking targets to measure its impact on employment, entrepreneurship and gender equality.

Upon completion, the São Paulo Metro Line 6 is anticipated to have a capacity of over 600,000 passengers a day, which will improve mobility for the 260,000 inhabitants of Brasilândia, a low-income neighborhood. The new line will also become a key transportation option for students as its route passes through relevant education centers in the city. The project is expected to create 9,000 jobs during the construction phase and 800 jobs during operations. It is also expected to reduce the use of personal cars, thereby diminishing air pollution, and to decrease the total energy consumption of the rail system by 109 tons of CO_2 per year by using trains that have regenerative traction systems. Acciona has committed to report annually on its impact targets.

JPM DFI assessed the transaction to contribute to several SDG targets, including:

4 QUALITY EDUCATION

Target 4.3: Ensure equal access for all women and men to affordable and quality education

8 DECENT WORK AND ECONOMIC GROWTH

Target 8.5: Achieve full and productive employment and decent work for all women and men

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Target 9.1: Develop quality, reliable, sustainable and resilient infrastructure

10 REDUCED INEQUALITIES

Target 10.2: Empower and promote the social, economic and political inclusion of all

11 SUSTAINABLE CITIES AND COMMUNITIES

Target 11.2: Provide access to safe, affordable, accessible and sustainable transport systems for all

Target 11.6: Reduce the adverse per capita environmental impact of cities

13 CLIMATE ACTION

Target 13.2: Integrate climate change measures into national policies, strategies, and planning

17 PARTNERSHIPS FOR THE GOALS

Target 17.16: Enhance the Global Partnership for Sustainable Development to support the achievement of the SDGs

Target 17.17: Encourage and promote effective public, public-private and civil society partnerships

LATAM AIRLINES

In October 2022, J.P. Morgan acted as lead left bookrunner and DFSA for LATAM Airlines' dual-tranche $1.15 billion bond offering and joint lead arranger, joint bookrunner and DFSA for the company's $1.1 billion Term B loan. The company is a leading passenger and cargo airline group in Latin America, connecting the region with North America, Europe and the Asia-Pacific. The financing supported LATAM Airlines' emergence from Chapter 11 bankruptcy. JPM DFI supported LATAM Airlines in preparing a reporting framework with approximately 30 development impact indicators.

The transaction will help LATAM Airlines improve its route network both domestically and internationally. LATAM Airlines currently serves over 280 routes, including flights to multiple rural locations. The transaction is expected to contribute to climate change mitigation efforts by establishing the goal to reduce and offset 22% of CO_2 emissions per 1,000 available ton kilometers by 2030 and to save 25 million gallons of fuel through increased fuel efficiency by 2027. Moreover, LATAM Airlines expects to avoid 1.3 million tons of greenhouse gas emissions through carbon offset purchases, which are sourced from projects focused on biodiversity preservation, safeguarding of water resources and fostering sustainable forest management that protects key natural ecosystems in South America.

LATAM Airlines also intends to eliminate single-use plastics on its flights and to increase the amount of recycled, reused and sustainable material used in the airline's operations. The company aims to continue creating job opportunities and monitoring gender diversity in its workforce and executive positions. The company has committed to report annually on its progress towards achieving these impact targets.

JPM DFI assessed the transaction to contribute to several SDG targets, including:

5 GENDER EQUALITY

Target 5.5: Ensure women's full participation and equal opportunities for leadership at all levels of decision-making

8 DECENT WORK AND ECONOMIC GROWTH

Target 8.5: Achieve full and productive employment and decent work for all women and men

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Target 9.1: Develop quality, reliable, sustainable and resilient infrastructure

Target 9.4: By 2030, upgrade infrastructure and retrofit industries to make them sustainable

17 PARTNERSHIPS FOR THE GOALS

Target 17.16: Enhance the Global Partnership for Sustainable Development to support the achievement of the SDGs

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Target 12.2: Achieve the sustainable management and efficient use of natural resources

Target 12.5: Substantially reduce waste generation

Target 12.6: Encourage companies to adopt sustainable practices

13 CLIMATE ACTION

Target 13.2: Integrate climate change measures into national policies, strategies, and planning

15 LIFE ON LAND

Target 15.1: Ensure the conservation, restoration and sustainable use of terrestrial ecosystems

Target 15.2: Promote sustainable management of all types of forests

RENEW

ReNew Surya Jyoti Pvt Ltd focuses on developing, building and operating large-scale wind and solar projects that generate energy for commercial and industrial customers. In October 2022, J.P. Morgan issued a 1.05 billion Indian rupees (approximately $13.2 million) green standby letter of credit and acted as DFSA for ReNew's power purchase agreement (PPA) with Amazon. The company is constructing a 210-megawatt solar power project in India, under a long-term PPA with Amazon's energy trading entity in India. This supports Amazon's global objective of powering its operations with 100% renewable energy by 2025. The transaction enables ReNew to provide Amazon with a development guarantee while the project is under construction.

The solar power plant will be constructed in Rajasthan, an area with one of the highest solar exposure rates in India. The company anticipates that the project will provide clean electricity to Amazon, contributing to diversifying India's energy mix and boosting renewable energy use in the country. Additionally, the project will invest in electrical infrastructure such as an overhead transmission line, pooling substation, access roads, streetlights, inverter stations and security fencing. ReNew expects that the project will provide direct and indirect employment to approximately 50 people throughout the project construction and operation period. The company has committed to annual reporting on its development outputs.

JPM DFI mapped the transaction to relevant SDGs and associated targets, including:

7 AFFORDABLE AND CLEAN ENERGY

Target 7.2: Increase substantially the share of renewable energy in the global energy mix

8 DECENT WORK AND ECONOMIC GROWTH

Target 8.5: Achieve full and productive employment and decent work for all women and men

LOOKING AHEAD

In 2023 and beyond, we aim to work on transactions across a broader set of geographic markets and expand the application of our work to additional investment banking and markets products. We also endeavor to continue engaging with development banks, as well as institutional and impact investors, to bridge the gap between funding sources and needs in emerging markets.

Since its inception, JPM DFI has worked with corporate and sovereign clients, investors, development banks and industry stakeholders to articulate the sustainable development impact of transactions. As such, we aim to increase engagement with industry participants to establish more widely used standards for impact disclosure. Given the growing demand for sustainable development disclosure from asset managers with capital allocated towards ESG, impact or the SDGs, we recognize the importance of building consensus around industry norms.

Looking forward, we aim to continue harnessing our global presence and relationships with the public sector to incorporate the capabilities from both the public and private sectors to enhance business and financing activity in developing economies. Moreover, we aim to leverage our engagement with bilateral, regional and multilateral development banks to deploy their products, services and intellectual capital to attract private capital to emerging markets. It is through all these critical partnerships that we aim to continue working to unlock and mobilize capital towards the SDGs.

GLOSSARY

CIB: Corporate & Investment Bank
DFSA: Development Finance Structuring Agent
ECA: Export Credit Agency
ESG: Environmental, Social and Governance
JPM DFI: J.P. Morgan Development Finance Institution
PPA: Power Purchase Agreement
SDGs: United Nations Sustainable Development Goals

ENDNOTES

[1] Source: J.P. Morgan Global Emerging Markets Research, EM Flows Weekly, February 10, 2023.

[2] JPM DFI has adopted the following methodology for value attribution: For debt capital markets and equity capital markets transactions, the full deal value of the transaction is attributed if J.P. Morgan acted as sole lead manager or sole global coordinator; in any other instances, J.P. Morgan's apportioned value is designated based on allocations determined through final deal documents or Dealogic league tables. For loan transactions, if J.P. Morgan is the sole arranger, the entire facility size is attributed, and in any other instances, J.P. Morgan's original commitment amount to the facility is attributed. For M&A transactions, the full announced transaction value is attributed. For derivative transactions, the notional amount is attributed. In cases where J.P. Morgan was involved in both the financing and the derivative transaction, only the greater value of the two transactions is attributed.

[3] The majority of SDG indicators have a one-to-one relationship with a corresponding SDG target. For the few SDG indicators that correspond to multiple SDG targets, a determination is made on which targets are relevant based on the context of the transaction.

[4] Numbers in the charts may not add to 100% due to rounding.

[5] In previous years (2020, 2021), JPM DFI presented results by number of transactions. Starting 2022, JPM DFI reports by transaction value basis to align with how the Sustainable Development Target is reported in the JPM ESG report and other firmwide reports that typically present transactions by their USD dollar value.

[6] No transactions were assessed to have a contribution towards SDG 16 in 2022.

[7] Source: World Bank Development Indicators - Mobile cellular subscriptions (per 100 people) - International Telecommunication Union (ITU) World Telecommunication/ICT Indicators Database; data retrieved in March 2023.

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