

J.P. Morgan Securities (Asia Pacific) Limited, JPMorgan Chase Bank, N.A., Hong Kong Branch - Climate Disclosure under HKMA Supervisory Policy Manual GS-1

JPMorgan Chase & Co. (“the Firm” or “JPMC”) is committed to addressing energy and climate challenges as part of how we do business and serve our customers, clients, shareholders, and communities. The [JPMorgan Chase & Co. 2022 Climate Report](#) (“the Climate Report”), outlines the measures the Firm is taking to respond to the climate challenge across our business. The Climate Report is informed by the recommendations of the Task Force on Climate-related Financial Disclosures (“TCFD”). The TCFD Index on pages 4 and 5 of the Climate Report identifies where to find information related to recommended disclosures from TCFD. J.P. Morgan Securities (Asia Pacific) Limited (“JPMSAPL”) and JPMorgan Chase Bank, N.A., Hong Kong Branch’s (“JPMCB HK Branch”) activities are broadly expected to contribute to and align with the Firm’s overall approach as described in the Climate Report. The sections below describe the governance, strategy, risk management, and operational impacts that are specifically applicable to JPMSAPL and JPMCB HK Branch and their activities in Hong Kong.

Governance

The board of directors of JPMSAPL and the branch committee of JPMCB HK Branch (collectively, the “Boards”) are responsible for oversight of the business affairs of those entities. Oversight of climate-related matters is an important part of the Boards’ work. On a bi-annual basis the Boards are provided updates on relevant climate-related matters. The Hong Kong Location Operating Committee (“HK LOC”) and the Hong Kong Risk Asset and Liability Committee (“HK RALCO”) are accountable to the Boards. The HK LOC is accountable for executing the Firm’s location strategy with focus on performance and stability of the operating platform and providing oversight of the progress on strategic alignment with business strategy. The HK RALCO provide oversight of risks inherent in the Firm’s business, in Hong Kong. Climate related matters are embedded within the respective scope of the HK LOC and HK RALCO.

Executing the Strategy in Hong Kong Supporting Our Clients

The Firm’s strategy can be found in the “Strategy” section of the Climate Report. Where relevant, Hong Kong specific aspects are described further below.

Corporate and Investment Bank (Investment Banking, Payments, Global Research)

JPMC continues to broaden efforts to support the climate- and sustainability-related banking needs of wholesale clients in the CIB, from early stage and small companies through to multinationals and other large corporations. The Firm deploys its capital and expertise to assist clients working to transition their business model and operations to reduce emissions. As JPMC, JPMSAPL and JPMCB HK Branch expand their capabilities across the lines of business, we aim to provide clients with increasingly diverse and innovative solutions while helping to grow the market for green and sustainable financing.

The Hong Kong-based APAC ESG Advisory team, which is part of the global [ESG Solutions](#) team and affiliated to JPMC’s [Center for Carbon Transition](#) (“CCT”), comprises ESG subject matter experts who provide ESG-related advice and transaction support to advance sustainability solutions for our clients and enable access to ESG and sustainability focused capital across equity, debt and private markets. The team advises clients across the major industry verticals on improving their sustainability credentials, optimizing value, mitigating risk and addressing stakeholders’ concerns through effective ESG integration, disclosure and engagement. We support APAC clients with developing or strengthening their sustainability strategy, ESG targets setting, reporting and rating in line with

investors' expectations, regulatory requirements and good industry practices. We engage with our clients who operate in the Oil & Gas, Electric Power, Auto Manufacturing, Iron & Steel, Cement and Aviation sectors as part of our firmwide efforts to reduce our financing portfolio's carbon intensity by 2030 towards our published targets for these sectors.

The Payments business in Hong Kong currently offers ESG linked Supply Chain Financing solutions and is in the process of evaluating and expanding its ESG linked offering to additional Trade & Working Capital products.

The APAC ESG Research team managed out of Hong Kong, part of the Global CIB, provides insight on key ESG market trends and developments to institutional investors. The team is part of the wider Global ESG Research team within CIB, which combines both a quantitative approach and in depth ESG knowledge with industry context and expertise from within the Global Research franchise across asset classes.

Private Bank

The JPMorgan Global Private Bank provides tailored portfolio management, investment advisory, brokerage and other solutions to ultra-high-net-worth clients. We currently provide clients with access to ESG-eligible funds through diversified, multi-manager, single or multi-asset investment strategies.

Risk Management

JPMSAPL and JPMCB HK Branch's approach to climate risk management is informed by the firmwide climate risk framework. Our firmwide climate risk framework is comprised of the following six core firmwide risk capabilities central to enabling assessment, quantification and management of the climate risks that may manifest across our business: Risk Identification, Scenario Analysis, Risk Management, Risk Governance, Data Management and Reporting & Disclosures.

- JPMSAPL and JPMCB HK Branch use internationally recognized scenarios from the Network for Greening the Financial System ("NGFS") and the Intergovernmental Panel on Climate Change ("IPCC") to inform scenario analysis and stress testing exercises that are designed to assess a range of potential climate-related financial and economic impacts to the legal entity. The NGFS Divergent Net Zero ("DNZE") represents the most severe transition risk scenario. The scenario assumes that global net-zero is reached by 2050 through higher carbon prices with a rapid phase-out of fossil fuels, despite divergence in policies introduced by governments across the world. The scenario assumes that global warming is successfully limited to 1.5°C by 2100, which limits physical risk impacts.
- The IPCC Representative Concentration Pathway ("RCP") 8.5 represents the worst-case, highest emissions scenario. The scenario assumes that global mean temperature reaches 4.4°C warming above pre-industrial levels by 2100 due to the continued exploitation of abundant fossil fuel resources and a continued rise in resource- and energy-intensive activities around the world. Under this scenario, there is no transition to a low-carbon economy and GHG emissions continue to be very high.

For more information, please refer to the "Risk Management" section of the Climate Report.

Metrics and Targets

The metrics and targets used to manage and implement our environmental sustainability approach is available in the "Metrics and Targets" section of the Climate Report.

Minimizing Our Operational Impact

As outlined in the [JPMC 2022 ESG Report](#) (the "2022 ESG Report"), the Firm's strategy for minimizing this impact focuses on optimizing how we source and use energy, reducing direct and indirect GHG emissions, and enhancing resource management, including in how we design and operate our buildings, and through our supply chain. JPMSAPL and JPMCB HK Branch are included in these targets.

Firmwide, we are pursuing efforts to reduce energy use and reduce our GHG footprint across our global operations. Our efforts are guided by several of our key operational sustainability targets, including reducing global Scope 1 and 2 emissions by 40% by 2030 versus a 2017 baseline, sourcing renewable energy for 100% of our global power needs annually, satisfying at least 70% of our renewable energy goal with on-site generation and long-term renewable energy contracts by 2025, and maintaining carbon neutral operations annually.¹

¹ Operational neutrality achieved using contractual instruments, including applicable Energy Attribute Certificates and carbon credits. Carbon credits and the market for them are evolving rapidly. Although we endeavor to source high-quality carbon credits verified by independent third parties, the ability to use carbon credits to fully and permanently "offset" emissions or achieve carbon "neutrality" relies on certain assumptions and is subject to debate among experts.