

Sustainable Finance Disclosure Regulation, Article 6 Pre-contractual disclosure

As part of the EU's Sustainable Finance Disclosure Regulation (2019/2088) ("**SFDR**"), we are required to integrate sustainability risks into our discretionary investment decision-making process.

"Sustainability risk" is defined in the SFDR as an environmental, social or governance event or condition which, if it occurs, could cause an actual or potential material negative impact on the value of an investment.

J.P. Morgan SE (acting through its Luxembourg Branch) ("**JPMSE**") has integrated sustainability risks into its discretionary investment decision-making process. For agency securities financing and in particular, the reinvestment of cash collateral as a financial product, JPMSE's policies on the consideration of sustainability risk in its investment decision-making rely on the JPMorgan Chase & Co Environmental and Social Policy Framework (see Link), and this has been incorporated into specific procedures across J.P. Morgan.

Sustainability risk would not in itself prevent JPMSE from making an investment. Instead, sustainability risk forms part of JPMSE's overall risk management processes, and is one of many risks which may, depending on the specific investment opportunity, be relevant to JPMSE's determination of risk. The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

The likely impacts of a sustainability risk may be numerous and can vary depending on the specific risk and asset class. To the extent that a sustainability risk materializes, or materialises in a manner that is not anticipated by JPMSE, there may be a sudden, material negative impact on the value of an investment.

Notwithstanding the above, due to the limited discretion afforded to JPMSE, JPMSE does not consider the principal adverse impacts of its investment decisions on sustainability factors for the agency securities financing business' portfolio management activities.

A link to the relevant disclosure statement for other areas of J.P. Morgan SE's activities outside of Securities Services can be found here (see Link).
