I. Introduction

JPMorgan Chase & Co. (together with its subsidiaries, “JPMorgan Chase” or “we”) has operations around the world and works with clients in nearly every sector of the economy. We have developed a firmwide sustainability strategy, and as part of that strategy, we may from time to time issue “Sustainable Bonds.” Sustainable Bonds include green, social or sustainability bonds, which are issuances of debt securities of JPMorgan Chase for which we undertake to allocate an amount equal to the net proceeds of the issuance to “Eligible Green Projects,” “Eligible Social Projects” or both, as described below.

Our Firmwide Sustainability Strategy

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<th>Business Opportunities</th>
<th>Risk Management</th>
<th>Policy Engagement</th>
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<td>Aiming to facilitate $200 billion in financing in 2020 to drive action on climate change and advance the objectives of the United Nations Sustainable Development Goals (“SDGs”)</td>
<td>Managing environmental and social risks that may impact JPMorgan Chase's business is an important component of our approach to risk management and we have a dedicated group responsible for establishing and overseeing our approach to evaluating risks associated with environmental and social matters</td>
<td>Supporting policy solutions to address climate change, drive clean energy innovation and protect underserved communities</td>
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<th>Operational Sustainability</th>
<th>Transparency &amp; Reporting</th>
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<td>Minimizing the environmental impact of our global physical operations and working to source renewable energy for 100% of our global power needs</td>
<td>Reporting on our approach to and performance on environmental, social and governance (“ESG”) matters</td>
<td>Leveraging the skills of our employees to advance sustainability in our business and communities</td>
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Alignment with the Green Bond Principles, Social Bond Principles and Sustainability Bond Guidelines

We intend for this Sustainable Bond Framework (the “Framework”) and any issuance by us of Sustainable Bonds to be aligned with the Green Bond Principles (June 2018), the Social Bond Principles (June 2020) or the Sustainability Bond Guidelines (June 2018), as applicable. Each of these principles and guidelines (collectively, the “Principles”) are voluntary guidelines that were developed by an industry working group administered by the International Capital Markets Association (“ICMA”). The Principles are intended to promote integrity in the Sustainable Bond market through recommendations relating to transparency, disclosure and reporting. The Principles encourage issuers to structure and administer their issuances of green bonds, social bonds and sustainability bonds in alignment with the Green Bond Principles, the Social Bond Principles and the Sustainability Bond Guidelines, respectively. Representatives of JPMorgan Chase were among the co-authors of the original Green Bond Principles introduced in 2014, and as of the date of this Framework, an employee of JPMorgan Chase serves as a representative of the underwriter community on the Executive Committee that oversees the Principles.

As provided in the Principles, we have adopted internal procedures for: (i) providing our undertaking that an amount equal to the net proceeds of any Sustainable Bond issuance by us will be used to fund projects that meet our eligibility criteria – i.e., the net proceeds of any green bond issuance will be allocated to fund Eligible Green Projects, the net proceeds of any social bond issuance will be allocated to fund Eligible Social Projects and the net proceeds of any sustainability bond issuance will be allocated to fund a combination of Eligible Green Projects and Eligible Social Projects (collectively, “Eligible Projects”), as described below; (ii) evaluating and selecting Eligible Projects; (iii) ensuring that an amount equal to the net proceeds of any Sustainable Bond issuance is allocated to applicable Eligible Projects; and (iv) after any issuance, providing publicly available reports concerning the allocation of an amount equal to the net proceeds of the issuance to fund Eligible Projects.

II. Use of Proceeds

We will allocate an amount equal to the net proceeds of any green bond issuance to Eligible Green Projects, any social bond issuance to Eligible Social Projects and any sustainability bond issuance to a combination of Eligible Green Projects and Eligible Social Projects. This may include either the financing or refinancing of projects that meet the following eligibility criteria or lending to clients that require financing for projects if the activity meets the following eligibility criteria: 

Eligible Green Projects

- Green buildings, including the development, construction, installation, operation, acquisition, maintenance, upgrades and associated costs of new or existing commercial or residential buildings, including buildings that meet regional, national or internationally-recognized standards or certifications (e.g., LEED Gold or Platinum); and

- Renewable energy, including the development, transmission, construction, installation, operation, acquisition, maintenance, upgrades and associated costs relating to the following:
  - On-shore wind energy;
  - Solar energy;
  - Small-scale hydropower generation (e.g., plants with a capacity of fewer than 20 megawatts or dams with a height less than ten meters); and
  - Geothermal energy (e.g., facilities with direct emissions of less than 100 grams of carbon dioxide per kilowatt-hour).
Eligible Social Projects

- Activities that promote economic development by financing small businesses in low- and moderate-income (“LMI”) geographies, as defined by the U.S. Bureau of the Census in the most recent decennial census, including support for employment generation, and programs designed to prevent and/or alleviate unemployment stemming from socioeconomic crisis;

- Affordable housing, including multi-family rentals, where a majority of the project’s units are reserved for or restricted to individuals who earn under 80% of the Area Median Income (“AMI”) or under 120% of the AMI for properties located in a high-cost area as defined by the U.S. Department of Housing and Urban Development, and home lending to LMI persons; and

- Projects that promote access to education and health care in LMI geographies, such as those of education-and health care-related non-profit or public sector organizations.

In the case of a social bond or sustainability bond issuance for which the net proceeds will be allocated to projects that are intended to address the direct or indirect effects of a socioeconomic crisis, such as the COVID-19 global pandemic, target populations for activities related to small business financing, education and health care may be expanded beyond LMI geographies or individuals.\(^1\) Loans to clients that are funded under the Paycheck Protection Program established by the Coronavirus Aid, Relief, and Economic Security Act will not be considered to be “Eligible Social Projects.”

We will not knowingly allocate proceeds from any issuance of Sustainable Bonds to the following:

- Activities related to the exploration, production or transportation of fossil fuels (e.g., coal, oil and gas);
- Consumption of fossil fuels for the purpose of power generation;
- Large hydroelectric power generation (e.g., plants with a capacity of greater than 20 megawatts or dams with a height greater than ten meters);
- Nuclear energy;
- Activities involving exploitation of human rights, modern slavery (e.g., forced labor or human trafficking) or child labor; or
- Any other activity that we determine is ineligible for allocation of proceeds at the time of allocation.

III. Process for Project Evaluation and Selection

Eligible Projects to which we allocate proceeds of any issuance of Sustainable Bonds may include transactions that we financed, in which we invested or for which we disbursed funds up to 24 months before any issuance of Sustainable Bonds. These projects will be evaluated and selected by groups within JPMorgan Chase that are responsible for our sustainability initiatives as well as risk management of environmental and social concerns, including our Sustainability and Global Environmental and Social Risk Management teams. The projects will be evaluated and selected in accordance with the eligibility criteria summarized above and final selection will be documented with a framework for attestation, controls and governance managed by JPMorgan Chase’s Risk Controller organization.

\(^1\) Funding for any “Eligible Social Project” that is intended to address the effects of the COVID-19 global pandemic must have been disbursed by JPMorgan Chase on or after March 11, 2020 (i.e., the date on which the World Health Organization assessed COVID-19 as a global pandemic).
IV. Management of Proceeds

An amount equal to the net proceeds of any issuance of Sustainable Bonds will be allocated to applicable Eligible Projects, as described above, or pending allocation, invested temporarily in cash, cash equivalents and/or other high quality liquid assets. If a transaction selected as an Eligible Project is in default, has terminated, is otherwise no longer outstanding or no longer meets our eligibility criteria, the portion of the proceeds of any issuance of Sustainable Bonds allocated to that transaction will be reallocated to one or more other Eligible Projects in accordance with our internal policies and procedures.

V. Reporting

After any issuance of Sustainable Bonds, we intend to prepare and make publicly available a report that will describe our allocation of the net proceeds of that issuance to fund Eligible Projects at such level of detail as we deem practicable based on commercial, confidentiality and other relevant considerations. We intend to publish such a report annually until the aggregate net proceeds of the relevant Sustainable Bond issuance have been fully allocated to fund Eligible Projects, and thereafter, we may publish an update of any such report in our discretion.

We expect that each report or update that we publish concerning the allocation of the proceeds of any issuance of Sustainable Bonds:

- Will contain an assertion by our management that an amount equal to the net proceeds from the issuance either has been allocated to fund Eligible Projects or invested temporarily; and
- Will be accompanied by a related report from an independent accountant or an independent third party consultant with experience in ESG research and analysis.

We may also publish information, where feasible, concerning measures of the expected environmental or social impact of the Eligible Projects.

VI. External Review

We may from time to time engage an independent consultant with recognized expertise in ESG research and analysis to provide a second party opinion concerning the alignment of this Framework with the Green Bond Principles, the Social Bond Principles and the Sustainability Bond Guidelines. Any such opinion may be made available on the consultant’s webpage.

This Framework applies to any Sustainable Bonds issued by us after the date of this Framework.
VII. Disclaimer

The information contained in this Framework is provided as at the date of this Framework and is subject to change without notice. JPMorgan Chase does not assume any responsibility or obligation to update or revise the statements contained in this Framework, regardless of whether those statements are affected by the results of new information, future events or otherwise. This Framework is not intended to, nor can it be relied on, to create legal relations, rights or obligations.

This Framework is intended to provide non-exhaustive, general information. This Framework may contain or incorporate by reference public information not separately reviewed, approved or endorsed by JPMorgan Chase and accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by JPMorgan Chase as to the fairness, accuracy, reasonableness or completeness of such information.

This Framework contains statements regarding JPMorgan Chase’s plans with respect to its possible issuances of green, social or sustainability bonds and other statements about future events and expectations, including with respect to JPMorgan Chase’s sustainability strategy, that are forward-looking statements. Such statements are based on the current beliefs and expectations of JPMorgan Chase and are subject to significant risks and uncertainties, which may change over time. In particular, future events or circumstances may change JPMorgan Chase’s approach to possible green, social or sustainability bond issuances or result in changes to this Framework or to JPMorgan Chase’s sustainability strategy. Thus, there can be no assurance that the financing for any Eligible Projects will be implemented in the manner set forth in this Framework or achieve the results or outcome (environmental, social or otherwise) originally expected or anticipated by JPMorgan Chase or as contemplated by this Framework. Additionally, the description of Eligible Projects set forth under the heading “Use of Proceeds” in this Framework is for illustrative purposes only and no assurance can be provided that the proceeds of any issuance of Sustainable Bonds by us will be allocated to fund transactions with these specific characteristics. JPMorgan Chase’s activities in general, which may affect any green, social or sustainability bonds that it issues, are also subject to certain risks and uncertainties that are described in JPMorgan Chase’s Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q filed with the Securities and Exchange Commission. Those reports are available on JPMorgan Chase’s website (https://jpmorganchaseco.gcs-web.com/financial-information/sec-filings) and on the Securities and Exchange Commission’s website (www.sec.gov). JPMorgan Chase does not undertake to update any forward-looking statements. None of the projections, expectations, estimates or prospective statements in this Framework should be taken as forecasts or promises nor should they be taken as implying any indication, assurance or guarantee that the assumptions on which such projections, expectations, estimates or prospective statements have been prepared are correct or exhaustive or, in the case of assumptions, fully stated in the Framework.

No representation is made as to the suitability of any issuance of green, social or sustainability bonds to fulfill environmental and sustainability criteria required by prospective investors. Each potential purchaser should determine for itself the relevance of the information contained or referred to in this Framework or the relevant bond documentation regarding the use of proceeds and its purchase should be based upon such investigation as it deems necessary. Each potential investor should be aware that Eligible Projects may not satisfy the investor’s expectations concerning environmental or sustainability benefits, and may result in adverse impacts.

This Framework does not constitute a recommendation regarding any securities of JPMorgan Chase. This Framework is not, does not contain and may not be intended as an offer to sell or a solicitation of any offer to buy any securities issued by JPMorgan Chase. In particular, neither this document nor any other related material may be distributed or published in any jurisdiction in which it is unlawful to do so, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession such documents may come must inform themselves about, and observe, any applicable restrictions on distribution. If any offer to sell or solicitation of any offer to buy any securities issued by JPMorgan Chase is made, it will be done so pursuant to separate and distinct documentation in the form of a prospectus supplement, an accompanying prospectus or other equivalent document and a related pricing term sheet (collectively, the “Offering Documents”). Any decision to subscribe for or purchase any securities pursuant to such offer or solicitation should be made only after carefully reviewing such Offering Documents, including any documents incorporated by reference therein, and consulting with any legal, tax, financial and other advisors, as appropriate. No decision to subscribe for or purchase any securities of JPMorgan Chase should be made on the basis of the information contained in this Framework.