

J.P.Morgan

PRIVATE BANK

International Private Bank Climate Report

United Kingdom Addendum
June 2024

Message from our International Private Bank Regional Head for the U.K.

We are pleased to introduce our inaugural 2023 International Private Bank (“IPB”)¹ Climate Report and the UK addendum. These reports outline the efforts we are undertaking to better understand, interpret and respond to the multi-faceted climate challenges that our planet is facing. The world today continues to be in flux, facing competing challenges of climate change mitigation and adaptation. Against this backdrop, we believe our role as fiduciaries to our clients is more important than ever.

Our goal is to assist our clients in accelerating the change that is needed. I am proud of the progress we have made in integrating sustainability and climate-related considerations into our business, including:

- **Solutions and services:** Our world is changing, impacting almost every aspect of our lives. In light of an ever-shifting environment, we ask how can clients navigate the risks? What are the opportunities for their wealth, family, business and beyond? We want to help our clients to navigate the complexity of these questions and the evolving sustainable investing landscape. We continue to build out our sustainable investing strategies and embed climate-related risks and opportunities in our investment processes to meet regulatory requirements and our clients’ investment preferences.
- **Clients:** Our J.P. Morgan Sustainability & Impact Summit aims to help clients address these questions and more. Convening experts in business, science and conservation, we share insights and best practices from those making it

happen now. We showcase cutting-edge companies and technologies at the heart of this evolution, paving the way for a transition to a more sustainable future. Our three focus themes from the summit were:

- Energy transition: Embrace the future of clean energy and how to invest in it
- Natural capital and biodiversity: Preserve our planet through protection and restoration considering its role in sustaining the economy
- Consumer and lifestyle: Provide clients with diverse and innovative solutions, while helping to grow the market for green and sustainable financing

We also seek to help clients through the publication of regular thought leadership on our websites.

- **Our workplace:** J.P. Morgan Chase & Co. (“the Firm”, “Firmwide”) strives to minimize the environmental impact of its own operations - including its real estate and supply chain. The Firm’s reported operational environmental footprint is driven primarily by the energy and resources the Firm uses to run its global network of more than 6,000 corporate offices, bank branches and data centers, as well as regular activities such as business travel. The Firm’s approach to minimizing operational impact centers on managing its energy and carbon footprint, constructing and operating more sustainable buildings, and implementing leading practices in sustainable sourcing and resource management.

¹ The IPB includes the Latin America and Global Families Group regions in addition to Europe Middle East and Africa (“EMEA”) and Asia Pacific (“APAC”). This report will focus on offerings and the platform available in EMEA, which is inclusive of JPMSE London Branch, and APAC regional businesses.

In the U.K., in line with the Firm’s global operational sustainability targets we have:

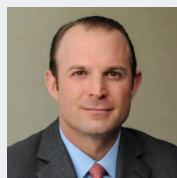
- Reduced the use of plastic, eliminating nearly all single-use plastic bottles and removing plastic cutlery in our offices,
- Collaborated with a well known energy provider to power our buildings with renewable energy around the clock, matching the Firm’s electricity consumption in the U.K. and providing approximately 120,000 MWh of renewable electricity each year,
- Trialing a tool to calculate the climate impact of the dishes served by the Firm’s caterers and planning to incorporate carbon labels onto its menus,
- Recently opened a new state-of-the-art building in Glasgow which will not only serve as one of the Firm’s technology centers of excellence but also has a certified sustainable design² with photovoltaic solar panels and sustainable management of lighting, water, air quality, noise reduction, heating and cooling system.

As trusted partners to our clients, we will continue to consider sustainability and climate-related factors across our business practices.

We hope you find this UK addendum and the 2023 IPB Climate Report informative.

Compliance statement

In addition to the above, the disclosures in the U.K. Addendum and the 2023 IPB Climate Report insofar as they relate to J.P. Morgan SE (“JPMSE”) London Branch are designed to comply with the requirements of Chapter 2 of the Financial Conduct Authority’s (“FCAs”) Environmental, Social and Governance sourcebook.



Oliver Gregson
Managing Director,
Regional Head for the UK



² It is certified as having a BREEAM - Sustainable Building certification (sustainability assessment method used to specify and measure the sustainability performance of buildings) and a ‘Gold’ rating according to the WELL Standard (performance-based system for measuring, certifying, and monitoring features of the built environment that impact human health and well-being, through air, water, nourishment, light, fitness, comfort and mind).

Introduction

The J.P. Morgan International Private Bank (“IPB”, “we”, “our”)³ serves the complex wealth management needs of clients from over 30 countries across Europe, the Middle East, Africa (“EMEA”) and Asia Pacific (“APAC”) from our hubs in London, Luxembourg, Geneva, Hong Kong, and Singapore.

With global reach, as well as local expertise, the IPB offers clients a highly personalized and goal-oriented private banking experience.

The IPB believes it has an important role to play in helping to address some of the most pressing environmental and social challenges of our time. Climate change will increasingly impact our lives in significant ways - through the increasing frequency and severity of weather events, such as floods, wildfires, and tropical storms; more gradual shifts in climate, such as sea level rises; and through the changes in public policy, adoption of technologies, and shifts in consumer preferences that will drive the transition to a lower carbon future.

We consider the future to be different, shaped by the impact of climate change and our collective response to it. We also expect that the resultant socio-economic impacts, evolving business practices, policy measures, technological changes and shifting consumer preferences will be far reaching and long lasting. As trusted partners for our clients, we educate, advise, and provide access to the multi-faceted landscape of opportunities that this transition will create.

Sustainability is an important consideration in how we do business, which encompasses how we educate our advisors, advise our clients, develop our products and services, support our employees and communities, and manage risk within our organization. The IPB seeks to adopt a consistent strategy to climate risks⁴ and opportunities across the regions in which we operate.

In the U.K., the IPB operates under JPMSE London Branch and operates as a branch of JPMSE, which is a European entity registered in Frankfurt.

Accordingly, this U.K. addendum is supplemental to, and should be read together with the IPB Climate Report 2023, informed by the recommendations of the Task Force on Climate-Related Disclosures (IPB Climate Report 2023).

Please note that all data in this addendum and the IPB Climate Report 2023 is as of 31 December 2023, with a reporting period of 1 January 2023 to 31 December 2023, unless otherwise specified.

³ The IPB is part of the Global Private Bank, which sits within the Asset and Wealth Management division of the wholesale business of JPMorgan Chase & Co.

⁴ Climate-related risks being transition risk, which refers to the financial and economic implications associated with a societal adjustment to a low-carbon economy, and physical risk, which refers to economic costs and financial loss associated with a changing climate.

Governance

Board

JPMSE London Branch is supervised and governed by the JPMSE Management Board. Oversight and escalation of climate related risks and opportunities follows the overall governance framework adopted at the line of business and legal entity levels. For more details, please refer to the “Governance” section of the IPB Climate Report 2023.

Management

Management accountability of climate-related issues follows the global framework adopted by our IPB. For more details, please refer to the “Governance – Management oversight” section of the IPB Climate Report 2023.

The London Branch Oversight Committee will review and sign-off this addendum annually, in line with the IPB Climate Report 2023 and related climate strategy for JPMSE London Branch (which will be aligned with the IPB level strategy, where applicable).

Strategy

The strategic approach to climate in our U.K. business forms part of the broader IPB Climate Strategy as discussed in the IPB Climate Report 2023 and is built around the following core components.

- **Understanding our business environment**
Assessing the impact of climate risks and opportunities on our business and the business environment in which we operate, and training senior management around these risks.
- **Educating and advising clients**
Educating clients about climate risks and opportunities in their portfolios and offering strategies to meet their climate-related investment needs.
- **Offering investment strategies**
Offering over 200 Environmental, Social and Governance (“ESG”), sustainable and climate-related third-party investment strategies and Wealth Management (“WM”)-managed portfolios (i.e. portfolio of funds managed on a discretionary basis).
- **Developing portfolio climate analytics and reporting capabilities**
Improving our understanding of climate risks in our investment portfolios.

We have started to develop our climate scenario analysis strategy for our discretionary strategies investing in public markets. We are exploring the current offering of climate scenario analysis approach by different data vendors and their underlying methodologies. We note that this is an evolving space with data and methodological limitations. In view of this, we currently do not use climate scenario analysis to manage clients’ portfolios and/or any of our risk management processes across our JPMSE London Branch and overall IPB business across our discretionary offering.

For more details on our strategic approach to climate and our continual approach to building climate scenario analysis capabilities, please refer to the “Strategy” section of the IPB Climate Report 2023.

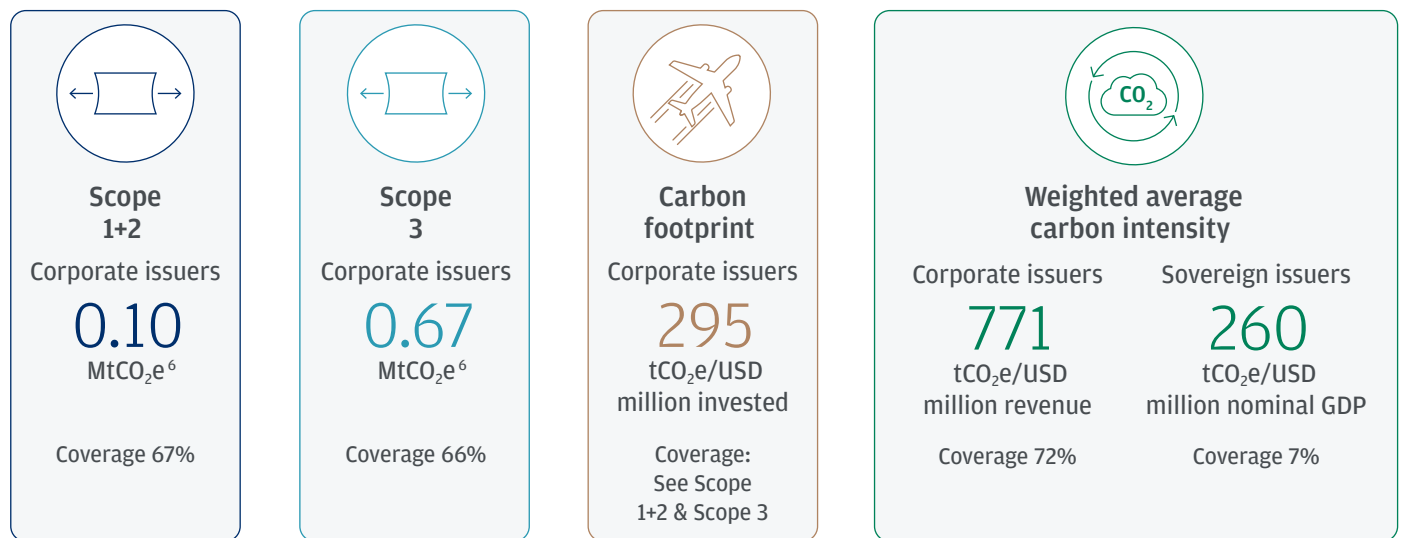
Risk management

Risk management of the JPMSE London branch is part of the overall risk management of JPMSE. For more information on JPMSE Risk, please refer to the Risk Report included in the [JPMSE's Annual Report 2023](#).

Our UK Business which falls under the IPB and its specific approach to climate risk management is outlined in the 'Risk management' section of the IPB Climate Report 2023.

Metrics and targets

Carbon exposure metrics for U.K. assets under management⁵



A CO₂ equivalent (CO₂e) is a unit of measurement that is used to standardize the warming effect of different greenhouse gases (over 100 years) in comparison to CO₂. Coverage above indicates percentage of AUM for which MSCI has emissions data (reported and/or estimated) available across each reported metric. Please see Appendix in the IPB Climate Report 2023 for more information on how these carbon exposure metrics have been calculated.

We seek to disclose greenhouse gas emissions (GHG) and other carbon metrics both at JPMSE London Branch and individual client portfolio levels. This U.K. addendum follows the approach to these disclosures adopted in the IPB Climate Report 2023's "Metrics and targets" section. In particular, please see the "Emissions data coverage and limitations" section of the IPB Climate Report 2023.

Targets

The UK business follows the IPB approach on climate metrics, and no emissions targets have been set for the UK businesses' overall assets under management as we are required to manage our portfolios in accordance with our client's investment objectives and parameters.

⁵ The data is based on our holdings as of 31st December 2023. MSCI data coverage is typically across listed equities, corporate bonds and sovereign debt. Other asset classes are currently not covered due to data limitations and methodology challenges. Emissions data comes from the MSCI dataset as of 31st December 2023. This includes absolute emissions and revenue-based emission intensities for individual companies, GDP-based emission intensities for individual sovereign debt issuers, and fund-level revenue-based emission intensities and weighted average carbon intensity ("WACI") for corporates and sovereigns.

⁶ Mt is reflective of megatonne (mass, one million metric tonnes).

DISCLAIMERS

Statements made in this report by J.P. Morgan SE (together with its affiliates, "JPMSE" and the International Private Bank "IPB") relating to environmental, social and governance ("ESG") matters, including those included on their websites may constitute "forward-looking statements" within the meaning of applicable law, which may not be a reliable indicator of future performance. JPM IPB cautions that forward-looking statements are subject to numerous assumptions, risks, and uncertainties, which may change over time and speak only as of the date they are made. JPM IPB assumes no duty to and does not undertake to update forward-looking statements. Actual results could differ materially from those anticipated in forward-looking statements and future results could differ materially from historical performance.

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The ESG or sustainable solutions offered by J.P. Morgan meet our internally developed criteria for inclusion in the ESG Strategies available to our clients which, where applicable, take into account ESG or sustainable investing regulations. As part of the due diligence process, J.P. Morgan's Manager Solutions team applies an ESG eligibility framework that establishes minimum criteria for determining the universe of ESG Strategies offered to our clients. The evolving nature of sustainable finance regulations and the development of jurisdiction-specific legislation setting out the regulatory criteria for a "sustainable" investment or "ESG" investment mean that there is likely to be a difference in the regulatory meaning of such terms. This is already the case in the European Union where, for example, under the Sustainable Finance Disclosure Regulation (EU) (2019/2088) ("SFDR") certain criteria must be satisfied in order for an investment to be classified as a "sustainable investment". Unless otherwise specified and where permitted by applicable law, any references to "sustainable investing" or "ESG" in this material are intended as references to our internally developed criteria only and not to any jurisdiction-specific regulatory definition.

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Estimates, forecasts, comparisons

For illustrative purposes only. Estimates, forecasts and comparisons are as of the dates stated in the material.

Alternative assets

Investing in alternative assets involves higher risks than traditional investments and is suitable only for sophisticated investors. Alternative investments involve greater risks than traditional investments and should not be deemed a complete investment program. They are generally not tax efficient and an investor should consult with his/her tax advisor prior to investing. Alternative investments have higher fees than traditional investments and they may also be highly leveraged and engage in speculative investment techniques, which can magnify the potential for investment loss or gain. The value of the investment may fall as well as rise and investors may get back less than they invested.

Real Estate/Hedge Funds/Other Private Investments

Real estate, hedge funds, and other private investments may not be suitable for all individual investors, may present significant risks, and may be sold or redeemed at more or less than the original amount invested. Private investments are offered only by offering memoranda, which more fully describe the possible risks. There are no assurances that the stated investment objectives of any investment product will be met. Hedge funds (or funds of hedge funds): often engage in leveraging and other speculative investment practices that may increase the risk of investment loss; can be highly illiquid; are not required to provide periodic pricing or valuation information to investors; may involve complex tax structures and delays in distributing important tax information; are not subject to the same regulatory requirements as mutual funds; and often charge high fees. Further, any number of conflicts of interest may exist in the context of the management and/or operation of any hedge fund.

YOUR INVESTMENTS AND POTENTIAL CONFLICTS OF INTEREST

Conflicts of interest will arise whenever JPMorgan Chase Bank, N.A. or any of its affiliates (together, "J.P. Morgan") have an actual or perceived economic or other incentive in its management of our clients' portfolios to act in a way that benefits J.P. Morgan. Conflicts will result, for example (to the extent the following activities are permitted in your account): (1) when J.P. Morgan invests in an investment product, such as a mutual fund, structured product, separately managed account or hedge fund issued or managed by JPMorgan Chase Bank, N.A. or an affiliate, such as J.P. Morgan Investment Management Inc.; (2) when a J.P. Morgan entity obtains services, including trade execution and trade clearing, from an affiliate; (3) when J.P. Morgan receives payment as a result of purchasing an investment product for a client's account; or (4) when J.P. Morgan receives payment for providing services (including shareholder servicing, recordkeeping or custody) with respect to investment products purchased for a client's portfolio. Other conflicts will result because of relationships that J.P. Morgan has with other clients or when J.P. Morgan acts for its own account.

Investment strategies are selected from both J.P. Morgan and third-party asset managers and are subject to a review process by our manager research teams. From this pool of strategies, our portfolio construction teams select those strategies we believe fit our asset allocation goals and forward-looking views in order to meet the portfolio's investment objective.

As a general matter, we prefer J.P. Morgan managed strategies. We expect the proportion of J.P. Morgan managed strategies will be high (in fact, up to 100 percent) in strategies such as, for example, cash and high-quality fixed income, subject to applicable law and any account-specific considerations.

While our internally managed strategies generally align well with our forward-looking views, and we are familiar with the investment processes as well as the risk and compliance philosophy of the firm, it is important to note that J.P. Morgan receives more overall fees when internally managed strategies are included. We offer the option of choosing to exclude J.P. Morgan managed strategies (other than cash and liquidity products) in certain portfolios.

The Six Circles Funds are U.S.-registered mutual funds managed by J.P. Morgan and sub-advised by third parties. Although considered internally managed strategies, JPMC does not retain a fee for fund management or other fund services.

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