



DIVISION OF
CORPORATION FINANCE

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

February 28, 2018

Martin P. Dunn
Morrison & Foerster LLP
mdunn@mof.com

Re: JPMorgan Chase & Co.
Incoming letter dated January 12, 2018

Dear Mr. Dunn:

This letter is in response to your correspondence dated January 12, 2018 concerning the shareholder proposal (the "Proposal") submitted to JPMorgan Chase & Co. (the "Company") by the National Center for Public Policy Research for inclusion in the Company's proxy materials for its upcoming annual meeting of security holders. Copies of all of the correspondence on which this response is based will be made available on our website at <http://www.sec.gov/divisions/corpfin/cf-noaction/14a-8.shtml>. For your reference, a brief discussion of the Division's informal procedures regarding shareholder proposals is also available at the same website address.

Sincerely,

Matt S. McNair
Senior Special Counsel

Enclosure

cc: Justin Danhof
National Center for Public Policy Research
jdanhof@nationalcenter.org

February 28, 2018

Response of the Office of Chief Counsel
Division of Corporation Finance

Re: JPMorgan Chase & Co.
Incoming letter dated January 12, 2018

The Proposal requests that the Company provide an annual report disclosing: the Company's standards for choosing recipients of Company assets in the form of charitable contributions; the business rationale and purpose for each of its charitable contributions, if any; personnel participating in the decision to contribute; the benefits to society at-large produced by Company contributions and a follow-up report confirming the contribution was used for the purpose stated.

There appears to be some basis for your view that the Company may exclude the Proposal under rule 14a-8(i)(7). In this regard, we note that the Proposal relates to contributions to specific types of organizations. Accordingly, we will not recommend enforcement action to the Commission if the Company omits the Proposal from its proxy materials in reliance on rule 14a-8(i)(7). In reaching this position, we have not found it necessary to address the alternative basis for omission upon which the Company relies.

Sincerely,

Lisa Krestynick
Attorney-Adviser

DIVISION OF CORPORATION FINANCE
INFORMAL PROCEDURES REGARDING SHAREHOLDER PROPOSALS

The Division of Corporation Finance believes that its responsibility with respect to matters arising under Rule 14a-8 [17 CFR 240.14a-8], as with other matters under the proxy rules, is to aid those who must comply with the rule by offering informal advice and suggestions and to determine, initially, whether or not it may be appropriate in a particular matter to recommend enforcement action to the Commission. In connection with a shareholder proposal under Rule 14a-8, the Division's staff considers the information furnished to it by the company in support of its intention to exclude the proposal from the company's proxy materials, as well as any information furnished by the proponent or the proponent's representative.

Although Rule 14a-8(k) does not require any communications from shareholders to the Commission's staff, the staff will always consider information concerning alleged violations of the statutes and rules administered by the Commission, including arguments as to whether or not activities proposed to be taken would violate the statute or rule involved. The receipt by the staff of such information, however, should not be construed as changing the staff's informal procedures and proxy review into a formal or adversarial procedure.

It is important to note that the staff's no-action responses to Rule 14a-8(j) submissions reflect only informal views. The determinations reached in these no-action letters do not and cannot adjudicate the merits of a company's position with respect to the proposal. Only a court such as a U.S. District Court can decide whether a company is obligated to include shareholder proposals in its proxy materials. Accordingly, a discretionary determination not to recommend or take Commission enforcement action does not preclude a proponent, or any shareholder of a company, from pursuing any rights he or she may have against the company in court, should the company's management omit the proposal from the company's proxy materials.

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1934 Act/Rule 14a-8

January 12, 2018

VIA E-MAIL (shareholderproposals@sec.gov)

Office of Chief Counsel
Division of Corporation Finance
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Re: JPMorgan Chase & Co.
Shareholder Proposal of the National Center for Public Policy Research

Dear Ladies and Gentlemen:

We submit this letter on behalf of our client JPMorgan Chase & Co., a Delaware corporation (the "**Company**"), which requests confirmation that the staff (the "**Staff**") of the Division of Corporation Finance of the U.S. Securities and Exchange Commission (the "**Commission**") will not recommend enforcement action to the Commission if, in reliance on Rule 14a-8 under the Securities Exchange Act of 1934 (the "**Exchange Act**"), the Company omits the enclosed shareholder proposal (the "**Proposal**") and supporting statement (the "**Supporting Statement**") submitted by the National Center for Public Policy Research (the "**Proponent**") from the Company's proxy materials for its 2018 Annual Meeting of Shareholders (the "**2018 Proxy Materials**").

Pursuant to Rule 14a-8(j) under the Exchange Act, we have:

- submitted this letter to the Staff no later than eighty (80) calendar days before the Company intends to file its definitive 2018 Proxy Materials with the Commission; and
- concurrently sent copies of this correspondence to the Proponent.

Copies of the Proposal, the Proponent's cover letter submitting the Proposal, and other correspondence relating to the Proposal are attached hereto as Exhibit A.

Pursuant to the guidance provided in Section F of Staff Legal Bulletin 14F (Oct. 18, 2011), we ask that the Staff provide its response to this request to Martin Dunn, on behalf of the Company, via email at mdunn@mofo.com or via facsimile at (202) 887-0763, and to Justin Danhof via email at JDanhof@nationalcenter.org.

I. THE PROPOSAL

On December 5, 2017, the Company received a letter from the Proponent containing the Proposal for inclusion in the Company's 2018 Proxy Materials. The Proposal reads as follows:

“Whereas, in addition to providing benefits to society at-large, charitable contributions should enhance the public image of JPMorgan Chase & Co. Increased disclosure about these contributions would provide shareholders with better insight into the Company's corporate giving strategy.

Resolved: The proponent requests that the Company provide an annual report, omitting proprietary information and at reasonable cost, disclosing the Company's standards for choosing recipients of Company assets in the form of charitable contributions; the business rationale and purpose for each of its charitable contributions, if any; personnel participating in the decision to contribute; the benefits to society at-large produced by Company contributions and a follow-up report confirming the contribution was used for the purpose stated. The report should be published on the Company's website.”

Supporting Statement

Absent a system of accountability and transparency, some donated assets may be misused and potentially harm the Company's reputation and shareholder value. Current disclosure is insufficient to allow the Company's Board and shareholders to evaluate the use of corporate assets by outside organizations.

For example, the Company has donated to the Southern Poverty Law Center. A recent New York Times article criticized the Company for its affiliation with the Southern Poverty Law Center, noting that “[I]f Jamie Dimon had done [his] due diligence, [he] would know that the S.P.L.C. is an organization that has lost its way, smearing people who are fighting for liberty.”

The Southern Poverty Law Center considers belief in traditional marriage and support for Muslim civil rights to be hatred on par with the beliefs of the Ku Klux Klan.

Shareholders are concerned that this partnership with the SPLC may result in the Company blacklisting certain faith-based organizations, Muslim civil rights groups and

conservative non-profits. Recall that the NAACP once faced censorship, and many Americans consider the Black Lives Matter movement to be a hate group.

Also, the Company has reportedly donated to Planned Parenthood. Numerous states have moved to defund the controversial abortion provider, as has the United States Congress. While groups such as NARAL support Planned Parenthood and unfettered access to abortion, millions of Americans oppose the group's activities.

Furthermore, according to public reports, the Company donated to the Clinton Foundation. Public reports also indicate the FBI is investigating or has investigated that organization for possible public corruption. Media reports strongly imply individuals and corporations may have sought preferential treatment from government actors in exchange for donations to the Clinton Foundation. The Clinton Foundation has many supporters who would support the Company's donation, but it also has many detractors who would disapprove of such giving – particularly if under investigation.

Fuller disclosure would provide enhanced feedback opportunities from which our Company could make more fruitful decisions. Corporate philanthropy should be transparent to better serve the interests of the shareholders.”

II. EXCLUSION OF THE PROPOSAL

A. Bases for Excluding the Proposal

As discussed more fully below, the Company believes it may properly omit the Proposal from its 2018 Proxy Materials in reliance on the following bases:

- Rule 14a-8(i)(7), as the Proposal deals with matters related to the Company's ordinary business operations; and
- Rule 14a-8(i)(5), as the Proposal relates to transactions that comprise less than 5 percent of the Company's total assets, net earnings and gross sales for its most recent fiscal year, and the Proposal is not otherwise significantly related to the Company's business.

B. The Proposal May Be Omitted in Reliance on Rule 14a-8(i)(7), as It Deals With Matters Relating to the Company's Ordinary Business Operations

Rule 14a-8(i)(7) permits a company to omit from its proxy materials a shareholder proposal that relates to the company's "ordinary business operations." According to the Commission, the underlying policy of the ordinary business exclusion is "to confine the resolution of ordinary business problems to management and the board of directors, since it is impracticable for shareholders to decide how to solve such problems at an annual shareholders meeting." *Exchange Act Release No. 40018, Amendments to Rules on Shareholder Proposals*, [1998 Transfer Binder] Fed. Sec. L. Rep. (CCH) 86,018, at 80,539 (May 21, 1998) (the "**1998 Release**"). In the 1998 Release, the Commission described the two "central considerations" for

the ordinary business exclusion. The first is that certain tasks are “so fundamental to management’s ability to run a company on a day-to-day basis that they could not, as a practical matter, be subject to direct shareholder oversight” and, as such, may be excluded, unless the proposal raises policy issues that are sufficiently significant to transcend day-to-day business matters. The second consideration of the 1998 Release relates to “the degree to which the proposal seeks to ‘micro-manage’ the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment.” *Id.* at 86,017-18 (footnote omitted).

On November 1, 2017, the Staff published Staff Legal Bulletin 14I (“**SLB 14I**”), which announced an updated Staff policy regarding the application of Rule 14a-8(i)(7). The Staff stated in SLB 14I that the applicability of the significant policy exception “depends, in part, on the connection between the significant policy issue and the company’s business operations.” The Staff noted further that a well-informed board, exercising its fiduciary duties in overseeing management and the strategic direction of the company, “is well situated to analyze, determine and explain whether a particular issue is sufficiently significant because the matter transcends ordinary business and would be appropriate for a shareholder vote.” Where the board concludes that the policy issue underlying a proposal is not sufficiently significant to the company’s business operations, the Staff said that the company’s letter notifying the Staff of the company’s intention to exclude the proposal should set forth the board’s analysis of “the particular policy issue raised and its significance” and describe the “processes employed by the board to ensure that its conclusions are well-informed and well-reasoned.”

1. The Proposal May be Omitted Because it Seeks to Micromanage the Company

It is the Company’s view that the Proposal may be properly omitted in reliance on Rule 14a-8(i)(7) because the Staff has repeatedly recognized that a proposal that seeks to micromanage the determinations of a company’s management regarding day-to-day decisions is excludable under Rule 14a-8(i)(7) as a component of “ordinary business.”

The Proposal requests that the Company publish a report “disclosing the Company’s standards for choosing recipients of Company assets in the form of charitable contributions,” among other topics. The Commission has long held that proposals requesting a report are evaluated by the Staff by considering the underlying subject matter of the proposal when applying Rule 14a-8(i)(7). *See* Commission Release No. 34-20091 (Aug. 16, 1983) (the “**1983 Release**”). In this regard, it is important to note further that the Proposal is not limited to the publication of a report; rather, as demonstrated by the Supporting Statement, the requested report should allow shareholders to “evaluate the use of corporate assets by outside organizations” because “some donated assets may be misused and potentially harm the Company’s reputation and shareholder value.” The Supporting Statement then lists three organizations, whose missions may be opposed by “faith-based organizations” and “millions of Americans,” without any evidence indicating that these three organizations misuse charitable contributions. As the Proposal clearly seeks to limit the Company’s charitable contributions to the three organizations

listed in the Supporting Statement, which support an agenda different than what is supported by the Proponent, the Proposal seeks to micromanage management's charitable contribution decisions.

The Company is a global financial services firm that specializes in investment banking, financial services for consumers, small business and commercial banking, financial transaction processing, asset management, and private equity. In connection with enabling more people to contribute to and share in the rewards of a growing economy, the Company and the JPMorgan Chase Foundation contribute to nonprofit organizations across the United States and globally to assist various causes, such as humanitarian and environmental aid. As such, the Company's decisions with respect to which organizations it will direct its charitable contributions are central to its ability to run the business on a day-to-day basis. The Company's management invests a significant amount of time, energy and effort on a daily basis in determining how the Company will distribute its charitable contributions to best support economic opportunity. Management establishes appropriate standards for making charitable decisions, which are then considered on a day-to-day basis by management and employees who are making the charitable contributions decisions.

In *SeaWorld Entertainment, Inc.* (March 30, 2017), the proposal sought to "retire the current resident orcas to seaside sanctuaries and replace the captive-area exhibits with innovative virtual and augmented reality or other types of non-animal experiences." The company argued, among other things, that the proponent sought to micromanage the company's decisions with respect to the entertainment products it offered to customers because those decisions involved myriad complex factors about which shareholders are not in a position to make an informed judgment. The Staff concurred in the omission of the proposal under Rule 14a-8(i)(7) as the proposal sought to "micromanage the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment." See also *The Wendy's Company* (March 2, 2017) (concurring with the exclusion of a proposal addressing company practices in the purchase of produce as micromanaging the company).

Similarly, the Proposal seeks to impose upon the Company's charitable contribution decisions the Proponent's opinion on which nonprofit organizations are suitable to receive aid from the Company, which would significantly impact the day-to-day decision making of the Company regarding how it chooses nonprofit organizations to which it will provide charitable contributions. Each of the Company's decisions regarding the appropriate policies and practices to implement with respect to decisions regarding which nonprofit organizations it will direct its charitable contribution requires deep knowledge of the Company's business and operations – information to which the Company's shareholders do not have access. Determining the appropriate policies and practices for decisions regarding which nonprofit organizations the Company will direct its charitable contributions requires analysis of numerous factors, including the objectives of a particular nonprofit organization, the expected use of the charitable contribution to best assist community development, legal and regulatory considerations and

competitive factors, among others. Company personnel similarly must consider those and other factors in making specific decisions regarding whether to distribute charitable contributions to a particular nonprofit organization.

The Proponent seeks to dictate that the Company cannot provide charitable contributions to particular nonprofit organizations, even if the nonprofit organizations targeted in the Supporting Statement otherwise meet all of the conditions established in the Company's policies and procedures. The requests within the Proposal and Supporting Statement would clearly impact the Company's policies and procedures with respect to how the Company evaluates nonprofit organizations for potential charitable contributions and the ongoing decisions the Company makes with respect to those potential charitable contribution recipients. Those Company decisions involve complex, day-to-day operational determinations of management that are dependent on management's underlying expertise. As the Proposal would impose a specific, over-riding requirement regarding day-to-day management decisions (*e.g.*, a prohibition on charitable contributions to three specific organizations), the Company is of the view that the Proposal seeks to micromanage the Company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment. As a result, the Proposal may be omitted pursuant to Rule 14a-8(i)(7) as it seeks to micromanage the Company.

2. *The Proposal May be Omitted because it Relates to Charitable Contributions to Specific Types of Organizations*

It is the Company's view that the Proposal may be properly omitted in reliance on Rule 14a-8(i)(7) because the Staff has repeatedly recognized that a proposal relating to charitable contributions to specific types of organizations is excludable under Rule 14a-8(i)(7) as a component of "ordinary business." At its core, the Proposal attempts to hinder the Company's contributions to organizations with which the Proponent, as an activist, disagrees. This conclusion is reinforced by references to three specific organizations in the Supporting Statement (the Southern Poverty Law Center, Planned Parenthood and the Clinton Foundation), which references are for reasons unrelated to the Proponent's purported goal of preventing misuse of donated assets but whose missions may be opposed by "faith-based organizations" and "millions of Americans." The subject matter of the requested report therefore relates directly to the ordinary business matter of determining the particular nonprofit organizations to which the Company should or should not direct its charitable contributions and the Company's standards for selecting the recipients of its charitable contributions.

The Company takes a comprehensive approach to increasing economic opportunity through its charitable contributions, using its global scale, talent, and resources to make investments and create partnerships in workforce skills development, small business expansion, financial capability for individuals, and community development. In 2016, the Company and the JPMorgan Chase Foundation gave nearly \$250 million to nonprofit organizations across the United States and in 40 countries around the world to assist various causes, such as humanitarian and environmental aid. The Supporting Statement clearly and directly opposes the Company's

charitable contributions to the Southern Poverty Law Center, Planned Parenthood, and the Clinton Foundation. As such, the Proposal relates to the Company's ordinary business operations because it targets the Company's decisions to direct its charitable contributions to specific organizations. The Company's decisions as to whether to contribute its charitable funds to certain organizations are precisely the kind of fundamental, day-to-day operational matters meant to be covered by the ordinary business operations exception under Rule 14a-8(i)(7).

The Proposal requests that the Company publish a report regarding "the Company's standards for choosing recipients of Company assets in the form of charitable contributions" and "the benefits to society at-large produced by Company contributions." As noted above, the Commission has long held that proposals requesting a report are evaluated by the Staff by considering the underlying subject matter of the proposal when applying Rule 14a-8(i)(7). *See* the 1983 Release. We note further, however, that the Proposal is not limited to the publication of a report; rather, as demonstrated by the Supporting Statement, the requested report should allow shareholders to "evaluate the use of corporate assets by outside organizations" because "some donated assets may be misused and potentially harm the Company's reputation and shareholder value." Despite its apparent emphasis on "misused" charitable donations, the Supporting Statement then lists three organizations, whose missions may be opposed by "faith-based organizations" and "millions of Americans." As the Proposal explicitly seeks to direct the Company's charitable contributions away from specific organizations, the Proposal would clearly impact how the Company evaluates its charitable contributions to specific organizations, which is precisely the type of day-to-day determinations that management of the Company makes with regard to the ordinary business matters of the Company. The decision-making process relating to charitable contributions is fundamental to management's ability to run the Company on a day-to-day basis; as such, the proposal relates to the Company's ordinary business operations.

The Staff has concurred that proposals seeking to prohibit a company from making or that require a company to make, contributions to specific types of organizations relate to a company's ordinary business operations and, as such, may be omitted under Rule 14a-8(i)(7). *See, e.g., PG&E Corp.* (Feb. 4, 2015) (concurring in the omission of a proposal suggesting the board "make appropriate changes to avoid future losses due to anti-family contributions and how to limit anti-family contributions"); *The Boeing Co.* (Jan. 21, 2005) (concurring in the omission of a proposal directing the company's "gift matching program" to include the Boy Scouts of America as an "eligible organization"); *Wachovia Corp.* (Jan. 25, 2005) (concurring in the omission of a proposal recommending that the board disallow the payment of corporate funds directed at Planned Parenthood and any other organizations involved in providing abortion services); *Bank of America Corp.* (Jan. 24, 2003) (concurring in the omission of a facially neutral proposal to refrain from making charitable contributions to Planned Parenthood and organizations that support abortion); *American Home Products Corp.* (Mar. 4, 2002) (concurring in the omission of a facially neutral proposal that the company form a committee to study the impact of charitable contributions on the business of the company); *Schering-Plough Corp.* (Mar. 4, 2002) (concurring in the omission of a facially neutral proposal that the company form a

committee to study the impact of charitable contributions on the business of the company); and *The Walt Disney Co.* (Nov. 10, 1997) (concurring in the omission of a facially neutral proposal that the company refrain from making any charitable contributions).

As noted in the references to prior no-action letters above, the fact that the Proposal's resolution itself is facially neutral does not change the analysis. Substantial precedent exists that recognizes that even where the language of a resolution does not target specific charities or types of charities, a proposal may still be omitted under Rule 14a-8(i)(7) where the supporting statement – as is the case with the Proposal – makes clear that the proposal in fact would serve as a shareholder referendum on corporate contributions to a particular charity or type of charity. *See, e.g., Starbucks Corp.* (Jan. 4, 2018) (contributions to specific types of organizations); *The Home Depot* (Mar. 18, 2011) (contributions to specific types of organizations); *Johnson & Johnson* (Feb. 12, 2007) (contributions to specific types of organizations); *Pfizer* (Feb. 12, 2007) (contributions to specific types of organizations); *Wells Fargo & Co.* (Feb. 12, 2007) (contributions to specific types of organizations); *Bank of America Corp.* (Jan. 24, 2003) (supporting statement opposed abortion); *American Home Products Corp.* (Mar. 4, 2002) (supporting statement opposed abortion); and *Schering-Plough Corp.* (Mar. 4, 2002) (supporting statement opposed abortion). The proposal in *American Home Products*, using the same tactic employed by the Proponent, was an attempt to disguise a proposal aimed at a specific type of charitable contribution with a facially neutral proposal. Finding this proposal to be related to “charitable contributions directed to specific types of organizations,” the Staff concurred that it could be omitted from the company's proxy materials in reliance on Rule 14a-8(i)(7). In reaching this decision, the Staff went beyond the face of the proposal in order to recognize the proponent's and the proposal's true objective.

Similarly, in *Starbucks*, the proposal was facially neutral, but the supporting statement criticized Planned Parenthood for “being the subject of much controversy,” the Human Rights Campaign for “call[ing] people who don't support same-sex marriage haters and bigots,” and the Southern Poverty Law Center for “publish[ing] a list of ‘hate’ groups.” The company argued that the supporting statement clearly reveal[s] the [p]roponent's true intent to use a vote on this otherwise facially [neutral] resolution to target contributions to support organizations that support abortion and same-sex marriage.” In *Home Depot*, the proposal was facially neutral and simply requested the company to list the recipients of corporate charitable contributions or merchandise vouchers on the company website. However, the company argued that the proposal targeted specific organizations because “[a] majority of the [p]roponent's supporting statement refers to GLBT groups, related events or same-sex marriage.” Similarly, in *Johnson & Johnson* and *Pfizer*, the proponents submitted proposals that requested the board implement a policy listing all charitable contributions on their websites. Notwithstanding the facial neutrality of the resolutions, the preambles and supporting statements targeted specific kinds of charitable contributions, namely contributions to Planned Parenthood and organizations that support abortion and same-sex marriage. In *Schering-Plough*, a facially neutral proposal requested that the company “form a committee to study the impact [that] charitable contributions have on the business of the company and its share value.” The company argued that the proposal, along with

its supporting statement, was “clearly designed to involve the company in the issue of abortion.” In *Walt Disney*, a facially neutral proposal requested that the company “refrain from making any charitable contributions.” However, when read in combination with the proposal's supporting statement, it was clear that the proposal was directed at contributions to organizations advocating homosexual causes. Similarly, in *Wells Fargo*, a facially neutral resolution was surrounded by a preamble and supporting statement with references to Planned Parenthood as well as “survey statistics and reports, concerning sexual practices, sexual orientation, religion, sexually transmitted diseases” Finding these proposals to be related to the companies’ “ordinary business operations (*i.e.*, contributions to specific types of organizations),” the Staff concurred that these proposals could be omitted from the companies’ proxy materials in reliance on Rule 14a-8(i)(7).

As was the case in the letters described above, the Proposal itself appears to be facially neutral; however, when read with the Supporting Statement, the Company believes that the Proposal is merely a veiled attempt to conduct a shareholder referendum opposing the Company’s interaction with particular organizations or groups that support an agenda different than what is supported by the Proponent.¹ As with *Starbucks*, *Home Depot*, *Johnson & Johnson*, *Pfizer*, *Schering-Plough*, *Walt Disney* and the other precedent cited above, the Company has looked beyond the face of the Proposal’s resolved clause to identify the Proponent’s and the Proposal’s true objective, as evidenced by the following statements in the Supporting Statement:

- “A recent New York Times article criticized the Company for its affiliation with the Southern Poverty Law Center, noting that “[I]f Jamie Dimon had done [his] due diligence, [he] would know that the S.P.L.C. is an organization that has lost its way, smearing people who are fighting for liberty.”
- “The Southern Poverty Law Center considers belief in traditional marriage and support for Muslim civil rights to be hatred on par with the beliefs of the Ku Klux Klan.”
- “Shareholders are concerned that this partnership with the SPLC may result in the Company blacklisting certain faith-based organizations, Muslim civil rights groups and conservative nonprofits.”
- “[T]he Company has reportedly donated to Planned Parenthood. Numerous states have moved to defund the controversial abortion provider, as has the United States Congress.”

¹ The Proponent’s website further demonstrates its true intent in putting forth the Proposal. The Proponent’s stated mission on its website (<https://nationalcenter.org>) is “[e]xposing the truth in federal tax policy, *highlighting conservative proposals for tax and entitlement reform* and educating the public and media on the importance of restoring fiscal integrity to the federal government.” (Emphasis added). The three non-profit organizations targeted by the Proponent in the Supporting Statement – the Southern Poverty Law Center, Planned Parenthood and the Clinton Foundation – conduct operations that are not supportive of, and often opposed to, the Proponent’s stated mission.

- “While groups such as NARAL support Planned Parenthood and unfettered access to abortion, millions of Americans oppose the group’s activities.”
- “[T]he Company donated to the Clinton Foundation. Public reports also indicate the FBI is investigating or has investigated that organization for possible public corruption.”
- “Media reports strongly imply individuals and corporations may have sought preferential treatment from government actors in exchange for donations to the Clinton Foundation.”

The above statements make clear that the purpose of the Proposal is to prohibit charitable contributions to three specific organizations whose missions the Proponent does not support.

We are also aware that in certain circumstances the Staff has been unable to concur with the exclusion under Rule 14a-8(i)(7) of facially neutral shareholder proposals relating to charitable donations in which the companies argued that such proposals were actually directed to specific types of organizations. *See, e.g., McDonald’s Corp.* (Feb. 28, 2017) (Staff unable to concur with the exclusion under Rule 14a-8(i)(7) of a proposal to provide a report disclosing charitable contributions and related information); *PepsiCo., Inc.* (Mar. 2, 2009) (same); *Ford Motor Co.* (Feb. 25, 2008) (Staff unable to concur with the exclusion under Rule 14a-8(i)(7) of proposal to list the recipients of corporate charitable contributions on the company’s website); *General Electric Co.* (Jan. 11, 2008) (Staff unable to concur with the exclusion under Rule 14a-8(i)(7) of a proposal requiring that the company provide a report disclosing the company’s charitable contributions and related information). We believe that the current Proposal is clearly distinguishable in that arguably none of the proposals that were the subject of the foregoing Staff decisions so plainly and directly stated the proponent’s desire to impact or influence the corporate giving strategies of those particular companies. Furthermore, the supporting statements to those proposals contained only brief or isolated references to a specific charitable organization or cause. By contrast, the Supporting Statement for the Proposal clearly states the Proponent’s purpose is to guide the Company’s philanthropic decision making that, coupled with statements in the Supporting Statement that target three specific organizations and allegations of “misused” assets in the Supporting Statement, have the collective effect of overshadowing the apparently neutral language of the Proposal’s resolved clause. Indeed, while the Proponent makes allegations of “misused” assets and indicates that the Company’s existing disclosure “is insufficient to allow the Company’s Board and shareholders to evaluate the use of corporate assets by outside organizations,” the Proponent does not claim that any of the three specific organizations targeted in the Supporting Statement misused the Company’s charitable contributions. Rather, the Proponent takes issue that affiliation with those organizations “may result in the Company blacklisting certain faith-based organizations” and “many detractors . . . would disapprove of such giving,” for reasons entirely unrelated to alleged “misused” assets.

We note in particular that in *PepsiCo* the language of proponent’s resolution was similar to the current Proposal but that is where the similarity ends. The clear common thread to the

supporting statement and preamble clauses made in the *PepsiCo* proposal was the proponent's desire to enhance that company's corporate image. On the other hand, in the Proposal, the "whereas" clause and Supporting Statement cast substantial doubt on the Proponent's stated desire to "confirm[] the contribution was used for the purpose stated" but make abundantly clear the Proponent's desire to direct the Company's philanthropic decision making away from specific organizations not supported by the Proponent by conducting a shareholder referendum on contributions to specific nonprofit organizations. This is precisely the type of direct involvement by shareholders by way of the proxy process in a routine matter relating to a company's ordinary business operations that Rule 14a-8(i)(7) is intended to curtail. The Company invests in thousands of local communities because the Company believes that reducing inequality and creating widely-shared prosperity requires collaboration of business, government and nonprofit organizations, as well as other civic organizations. At the same time, the Company values the diversity these same communities offer and, in order to take full competitive advantage, its corporate giving to local nonprofits embraces that same diversity. As a result, the Company's corporate giving programs work in close partnership with stakeholders in local economies to identify local needs and to formulate appropriate, locally-relevant responses to promote economic inclusion and opportunity for underserved populations. Therefore, the Company is of the view that whether it and its various charitable teams decide to commence or cease contributions to a particular organization falls squarely within the scope of its ordinary day-to-day business operations under Rule 14a-8(i)(7).

Furthermore, permitting shareholders to effectively transform an otherwise facially neutral shareholder proposal into a referendum targeting the Company's support (or lack thereof) of specific nonprofit groups or causes is likely to generate numerable, opposing and potentially incendiary shareholder proposals each year. Shareholders as a group are simply not well-positioned to make determinations, through the proxy process, regarding the local grant-making decisions the Company makes on a day-to-day basis in the diverse communities in which it conducts business.

3. *Any Policy Issue Raised by the Proposal Does Not Transcend the Company's Ordinary Business Operations*

As discussed above, the Company is of the view that the Proposal deals, at least in part, with matters relating to the Company's ordinary business operations. Should the Staff disagree with that position, however, the Company believes that it may omit the Proposal because any policy issue raised by the Proposal does not transcend the Company's ordinary business matters and would not be appropriate for a shareholder vote, a conclusion made with due consideration by the Company's Board of Directors, as discussed below. Accordingly, even if the Staff disagrees that the Proposal relates, at least in part, on the ordinary business matters relating to the day-to-day decisions regarding charitable contributions to particular organizations, the Company believes that it may exclude the Proposal from its 2018 Proxy Materials in reliance on Rule 14a-8(i)(7).

In SLB 14I, the Staff stated that a board of directors, acting pursuant to its fiduciary duties and with the knowledge of the company's business and the implications for a particular proposal on that company's business, is well situated to "analyze, determine and explain whether a particular issue is sufficiently significant [to the company] because the matter transcends ordinary business and would be appropriate for a shareholder vote." In SLB 14I, the Staff stated that, where the board of directors concludes that the proposal is not so sufficiently significant, the company's no-action request should discuss the board's analysis of the policy issue and its significance to the company. Further, the Staff stated that the explanation would be most helpful if it detailed the specific "processes employed by the board to ensure that its conclusions are well-informed and well-reasoned." Consistent with the Staff's guidance, the discussion below describes the Board of Directors' analysis with respect to the policy issue addressed in the Proposal and whether such policy issue transcends ordinary business, including the Board's process in conducting its analysis.

The Board is regularly updated on the Company's business operations, which includes the manner in which various policy issues may impact the Company and the manner in which the Company addresses those issues in the course of its day-to-day operations. On December 12, 2017, the Board² met (the "**Board Meeting**"), and as part of the agenda, discussed the Proposal. The Board was provided with information prepared by the Company's Head of Corporate Responsibility and the Head of Global Philanthropy regarding the Company's approach to the policy issues presented by the Proposal, including the Company's existing policies, practices and frameworks, investor feedback and any prior communications with the Proponent, the impact of the Proposal on the Company's business operations, and the Board's oversight of the Company's approach to the policy issues raised by the Proposal. The Company's General Counsel met with the Board and discussed the Company's efforts with respect to the Proposal's implications to the Company, including the Company's approach to philanthropy, which is published on the Company's website.³ The website contains information regarding the Company's various policies and frameworks concerning these matters, including the types of organizations to which the Firm does not provide direct philanthropic funding, as well as:

- the Company's Environmental and Social Policy Framework (attached hereto as Exhibit B);
- The Company's Corporate Responsibility Report (attached hereto as Exhibit C);
- The Company's *Global Strength, Local Impact* newsletters (the latest newsletter, published October 2017, attached hereto as Exhibit D); and

² We note that the Corporate Governance & Nominating Committee (the "**CG&N Committee**") separately considered the policy issue raised in the Proposal and the significance of the issue to the Company. The discussion with respect to the Board's analysis contained in this letter reflects the process undertaken by the full Board of Directors. The CG&N Committee undertook a similar process, and the CG&N Committee's conclusion with respect to the Proposal is consistent with that of the Board described in this letter.

³ Available at <https://www.jpmorganchase.com/corporate/Corporate-Responsibility/global-philanthropy.htm>.

- The Company's *In the Community* newsletters (the latest newsletter, published Winter 2017, attached hereto as Exhibit E).

The Board undertook a thorough review of the Proposal, asked questions of management regarding the relationship of the Proposal to the Company's operations, and discussed the Proposal's implications for the Company's business and policies.

The Board considered that the Company is a global financial services firm that specializes in investment banking, financial services for consumers, small business and commercial banking, financial transaction processing, asset management, and private equity. In connection with enabling more people to contribute to and share in the rewards of a growing economy, the Board considered the extent to which management of the Company makes day-to-day business decisions regarding making investments in nonprofit organizations across the United States, which is the focus of the Proposal. In addition, the Board considered the level of charitable contributions undertaken by the Company that could be impacted by the Proposal.

While the Board has considered issues regarding the Company's charitable contributions in the past, it reviewed the issues at the Board Meeting in light of the Proposal. The Board recognized that it regularly considers issues that are addressed by the Proposal when setting the broad, strategic direction of the Company and performing its oversight role. The Board also noted that, while the Board sets the strategic direction of the Company on these issues, the application of this strategic direction requires numerous day-to-day decisions to be made by Company management. The Board further recognized the importance of the issues addressed by the Proposal to society generally, but noted that the specific issues raised by the Proposal are part of the Company's broad consideration of policy issues.

Acting consistent with its fiduciary duties, and after due consideration of the Company's business and the implications of the Proposal on the Company's business, the Board was of the view that it had received sufficient information from management to render a conclusion regarding the Proposal and its significance to the Company. The Board then concluded that the policy issues relating to charitable contributions that the Proposal addresses in part, while important to society in general and considered by the Company in the various contexts noted above, do not transcend the Company's ordinary business operations and, as such, the Proposal would not be appropriate for a shareholder vote.

As discussed above, the Proposal deals with matters relating to the Company's ordinary business operations. Further, as discussed in SLB 14I, the Board has concluded that the policy issues raised by the Proposal do not transcend the Company's ordinary business operations. Accordingly, the Company is of the view that it may exclude the Proposal from its 2018 Proxy Materials in reliance on Rule 14a-8(i)(7).

C. *The Proposal May Be Omitted in Reliance on Rule 14a-8(i)(5), as it Relates to Transactions that Comprise Less than 5% of the Company's Total Assets, Net Earnings and Gross Sales for Its Most Recent Fiscal Year, and it is Not Otherwise Significantly Related to the Company's Business*

Rule 14a-8(i)(5) permits a company to exclude a proposal that “relates to operations which account for less than 5 percent of the company’s total assets at the end of its most recent fiscal year, and for less than 5 percent of its net earnings and gross sales for its most recent fiscal year, and is not otherwise significantly related to the company’s business.” It is the Company’s view that the Proposal may be excluded from the 2018 Proxy Materials pursuant to Rule 14a-8(i)(5) because the Proposal relates to transactions that comprise less than 5% of the Company’s total assets, net earnings and gross sales, and is not otherwise significantly related to the Company’s business.

1. *The Proposal Relates to Transactions that Comprise Less than 5% of the Company's Total Assets, Net Earnings and Gross Sales for Its Most Recent Fiscal Year*

As noted above, the Company is a global financial services firm that specializes in investment banking, financial services for consumers, small business and commercial banking, financial transaction processing, asset management, and private equity. The donations made by the Company and the JPMorgan Chase Foundation totaled approximately \$250 million in 2016. As of December 31, 2016, the Company’s total assets totaled approximately \$2.5 trillion; net income totaled approximately \$24.7 billion; and revenue totaled approximately \$99.1 billion. Accordingly, the Company’s and the JPMorgan Chase Foundation’s charitable donations, which are the subject of the Proposal, constitute significantly less than 5% of each of the Company’s total assets, net earnings and gross sales as of December 31, 2016, and, when applicable information regarding 2017 becomes available, the Company expects charitable donations to continue to constitute significantly less than 5% of each of the Company’s total assets, net earnings and gross sales as of December 31, 2017.

2. *The Proposal is Not Otherwise Significantly Related to the Company's Business*

As the Company’s operations related to the Proposal are below the thresholds set forth in Rule 14a-8(i)(5), the Company may omit the Proposal if it is otherwise not significantly related to the Company’s business. As discussed below, the Company has concluded, with due consideration by its Board, that the Proposal is not significantly related to the Company’s business. Accordingly, the Company believes it may exclude the Proposal pursuant to Rule 14a-8(i)(5).

Consistent with the Staff’s guidance in SLB 14I, the discussion below discusses the conclusion by the Board, as well as the analysis provided to the Board by the Company’s management, and includes a description of the Board’s processes in conducting its analysis. In

addition to making the determination set forth in Section II.B.3 above, at the Meeting, the Board reviewed all information and considerations relevant to Rule 14a-8(i)(5) in its consideration of whether the Proposal is otherwise significantly related to the Company's business.

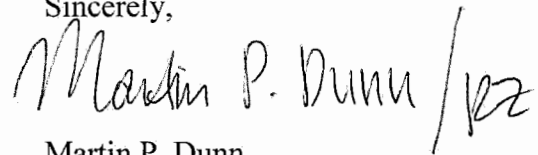
Acting pursuant to its fiduciary duties and with the knowledge of the Company's business and the implications of the Proposal on the Company's business, the Board was of the view that it had received sufficient information from management to render a conclusion regarding the Proposal and its relation to the Company. The Board then concluded that the matters raised by the Proposal are not otherwise significantly related to the Company's business. Further, the Company is of the view that the significance of the Proposal to the Company's business, on its face, is not apparent. Consistent with the Staff's view expressed in SLB 14I, the Proponents then have the burden of demonstrating the significance of the Proposal to the Company's business. The Proponent, however, has not provided any meaningful support regarding the significance of the Proposal to the Company's business. While the Proponent indicates in the Supporting Statement that "some donated assets may be misused and potentially harm the Company's reputation and shareholder value" and otherwise provided generalized statements regarding the benefits of additional disclosure, those statements do not demonstrate the significance of the policy issues underlying the Proposal to the Company. The Staff indicated in SLB 14I that "the mere possibility of reputational or economic harm will not preclude no-action relief [under Rule 14a-8(i)(5)];" the Proponent's statements in the Proposal and Supporting Statement similarly provide only general notions of potential reputational or economic harm and do not demonstrate the significance of the Proposal to the Company.

As discussed above, the Proposal relates to transactions that comprise significantly less than 5% of the Company's total assets, net earnings and gross sales for the last fiscal year. Further the Board has concluded that the matters raised by the Proposal are not otherwise significantly related to the Company's business. Accordingly, the Company therefore believes it may properly exclude the Proposal from its 2018 Proxy Materials in reliance on Rule 14a-8(i)(5).

III. CONCLUSION

For the reasons discussed above, the Company believes that it may properly omit the Proposal from its 2018 Proxy Materials in reliance on Rule 14a-8. As such, we respectfully request that the Staff concur with the Company's view and not recommend enforcement action to the Commission if the Company omits the Proposal from its 2018 Proxy Materials. If we can be of further assistance in this matter, please do not hesitate to contact me at (202) 778-1611.

Sincerely,

A handwritten signature in black ink that reads "Martin P. Dunn" followed by a stylized flourish or initials.

Martin P. Dunn
of Morrison & Foerster LLP

Office of Chief Counsel
Division of Corporation Finance
U.S. Securities and Exchange Commission
January 12, 2018
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Attachments

cc: Justin Danhof, General Counsel, National Center for Public Policy Research
Molly Carpenter, Corporate Secretary, JPMorgan Chase & Co.

Exhibit A



Via FedEx

December 4, 2017

Ms. Molly Carpenter
JPMorgan Chase & Co.
Office of the Secretary
270 Park Avenue
New York, NY 10017

Dear Ms. Molly Carpenter,

I hereby submit the enclosed shareholder proposal ("Proposal") for inclusion in the JPMorgan Chase & Co. (the "Company") proxy statement to be circulated to Company shareholders in conjunction with the next annual meeting of shareholders. The Proposal is submitted under Rule 14(a)-8 (Proposals of Security Holders) of the United States Securities and Exchange Commission's proxy regulations.

I submit the Proposal as General Counsel of the National Center for Public Policy Research, which has continuously owned JPMorgan Chase & Co. stock with a value exceeding \$2,000 for a year prior to and including the date of this Proposal and which intends to hold these shares through the date of the Company's 2018 annual meeting of shareholders. A Proof of Ownership letter is forthcoming and will be delivered to the Company.

Copies of correspondence or a request for a "no-action" letter should be forwarded to Justin Danhof, Esq, General Counsel, National Center For Public Policy Research, 20 F Street, NW, Suite 700, Washington, DC 20001 and emailed to JDanhof@nationalcenter.org.

Sincerely,

A handwritten signature in blue ink, appearing to read "Justin Danhof", with a long horizontal flourish extending to the right.

Justin Danhof, Esq.

Enclosure: Shareholder Proposal

Charitable Giving – Recipients, Intentions and Benefits

Whereas, in addition to providing benefits to society at-large, charitable contributions should enhance the public image of JPMorgan Chase & Co. Increased disclosure about these contributions would provide shareholders with better insight into the Company's corporate giving strategy.

Resolved: The proponent requests that the Company provide an annual report, omitting proprietary information and at reasonable cost, disclosing: the Company's standards for choosing recipients of Company assets in the form of charitable contributions; the business rationale and purpose for each of its charitable contributions, if any; personnel participating in the decision to contribute; the benefits to society at-large produced by Company contributions and a follow-up report confirming the contribution was used for the purpose stated. The report should be published on the Company's website.

Supporting Statement

Absent a system of accountability and transparency, some donated assets may be misused and potentially harm the Company's reputation and shareholder value. Current disclosure is insufficient to allow the Company's Board and shareholders to evaluate the use of corporate assets by outside organizations.

For example, the Company has donated to the Southern Poverty Law Center. A recent New York Times article criticized the Company for its affiliation with the Southern Poverty Law Center, noting that "[I]f Jamie Dimon had done [his] due diligence, [he] would know that the S.P.L.C. is an organization that has lost its way, smearing people who are fighting for liberty."

The Southern Poverty Law Center considers belief in traditional marriage and support for Muslim civil rights to be hatred on par with the beliefs of the Ku Klux Klan.

Shareholders are concerned that this partnership with the SPLC may result in the Company blacklisting certain faith-based organizations, Muslim civil rights groups and conservative non-profits. Recall that the NAACP once faced censorship, and many Americans consider the Black Lives Matter movement to be a hate group.

Also, the Company has reportedly donated to Planned Parenthood. Numerous states have moved to defund the controversial abortion provider, as has the United States Congress. While groups such as NARAL support Planned Parenthood and unfettered access to abortion, millions of Americans oppose the group's activities.

Furthermore, according to public reports, the Company donated to the Clinton Foundation. Public reports also indicate the FBI is investigating or has investigated that organization for possible public corruption. Media reports strongly imply individuals and corporations may have sought preferential treatment from government actors in exchange for donations to the Clinton Foundation. The Clinton Foundation has many supporters who would support the Company's

donation, but it also has many detractors who would disapprove of such giving – particularly if under investigation.

Fuller disclosure would provide enhanced feedback opportunities from which our Company could make more fruitful decisions. Corporate philanthropy should be transparent to better serve the interests of the shareholders.

Exhibit B

JPMORGAN CHASE & CO.

Environmental and Social Policy Framework

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I. INTRODUCTION

As a global provider of financial advisory and lending services for clients in various sectors and geographies around the world, we recognize that our business decisions have the potential to impact surrounding communities and the environment. JPMorgan Chase believes that balancing environmental and human rights issues with financial priorities is fundamental to sound risk management and a core part of corporate responsibility.

Protecting the natural systems which all life depends on while lifting people out of poverty and advancing economic development are among the greatest challenges confronting humanity. We recognize that the policies and practices we adopt today will shape not only our lives but also those of future generations. Therefore, we have designed policies that ensure environmental and human rights impacts are identified early, carefully evaluated and managed responsibly. Such policies not only promote positive environmental stewardship, but also highlight business opportunities to support investments in renewable energy, energy efficiency, sustainable water management, sustainable forestry and sustainable supply chains. Attention to environmental and social (E&S) issues helps us to better manage risk, attract and retain critical talent, develop expertise and provide clients with suggested solutions to pressing sustainability issues in their businesses.

JPMorgan Chase adopted its first comprehensive Environmental and Social Risk Policy (E&S Risk Policy) in 2005. The Sustainable Finance and Global Environmental and Social Risk Management (GESRM) teams partner closely in the implementation of the E&S Risk Policy and serve as the lead resources to the Firm on E&S issues. This Environmental and Social Policy Framework outlines the key elements of JPMorgan Chase's E&S Risk Policy, articulates the Firm's approach to key issues such as human rights, climate change, forests and biodiversity, and describes the Firm's initiatives to manage its operational footprint in a sustainable manner.

In July 2017, JPMorgan Chase announced an expansion of its comprehensive strategy to advance environmentally sustainable solutions for clients and its own operations. The Firm's updated strategic goals regarding environmental financing and energy procurement are outlined below in [Section III. B. Climate-Related Business Opportunities](#) and [Section VI. A. Global Energy and Greenhouse Gas Reductions](#). These new commitments build on JPMorgan Chase's long-term commitment to sustainability and are outlined in broader context and more detail on our [website](#).

As we refine our understanding of how sustainability issues impact our business, we will continue to integrate consideration of environmental and human rights issues into our financing decision-making processes. Maintaining the dialogue we have with stakeholders is a key part of improving our understanding and management of E&S risks in our business, and we welcome further engagement. We will also continue to train employees in each relevant Line of Business (LOB) to understand and effectively implement the E&S Risk Policy in partnership with GESRM and Sustainable Finance. Our E&S Risk Policy is subject to annual review and will be adjusted to reflect changes in our business and the context in which we operate. This Framework is an evolving document, and we will update it periodically to reflect changes in our thinking and our E&S Risk Policy.

II. ENVIRONMENTAL AND SOCIAL RISK MANAGEMENT

A. Our Approach to Risk Management

Understanding our clients' E&S performance is an important element of how we assess and manage risk. The consequences of failing to appropriately manage E&S issues can directly impact our reputation, our clients' operations and long-term economic viability, and the communities and environment in which we and our clients operate.

In 2013, JPMorgan Chase adopted a new Firm-wide policy management framework, which guides development, application and consistency of policies across the Firm. Situated within this framework is an updated E&S Risk Policy, which identifies the sectors, activities and issues that present an increased E&S risk and outlines our approach to managing those risks. The crosscutting issues of climate change, sensitive locations (areas of high biodiversity and operational complexity) and human rights are highlighted to provide the context for the E&S Risk Policy. Global Environmental and Social Risk Management (GESRM) is a dedicated team of experts principally responsible for applying the E&S Risk Policy and coordinates across the relevant LOBs to ensure successful implementation.

JPMorgan Chase has a multifaceted approach to managing the E&S risks associated with its financial products and services (as represented in the graphic below). At the transactional level, GESRM assesses a client's commitment and capacity to manage E&S issues, reviews its associated track record, and engages directly with clients to discuss performance improvements, where appropriate (See [Section II. E. Transaction Reviews](#)). The Firm also conducts sector-based portfolio reviews, which provide greater insight into our aggregate exposure to E&S risks and assist in the development of sector-based risk mitigation strategies (See [Section II. F. Portfolio Reviews](#)). A sophisticated understanding of industry practices allows us to contribute to key strategic initiatives that are aimed at promoting best practices in relevant industry sectors, which further drives more effective management of the Firm's E&S risk exposure.



B. Memberships and Commitments

JPMorgan Chase is a member of several leading organizations that address environmental and social issues in business. These include:

- [Center for Climate and Energy Solutions \(C2ES\) Business Environmental Leadership Council](#)
- [Ceres](#)
- [World Business Council for Sustainable Development](#)
- [Business and Sustainability Development Commission](#)
- [Global Impact Investing Network](#)

We adhere to a range of internationally-recognized principles of best practice to assess E&S impacts and promote responsible performance. These include:

- [The United Nations Universal Declaration of Human Rights](#)
- [The Wolfsberg Principles](#) (anti-money laundering)
- [The Equator Principles](#)
- [The Green Bond Principles](#)
- [The Extractive Industries Transparency Initiative](#)
- [Soft Commodities Compact](#)
- [United Nations Principles for Responsible Investment](#)

C. Environmental & Social Risk Policy Scope

The E&S Risk Policy applies to certain transactions in the Corporate and Investment Bank and Commercial Bank in sectors with the greatest potential for significant E&S impacts.¹ The [Equator Principles \(EP\)](#) and the [International Finance Corporation \(IFC\) Performance Standards](#) frameworks have informed the development of our E&S Risk Policy. However, our E&S Risk Policy is broader in scope. The following types of transactions are referred to GESRM irrespective of dollar amount:

- Project finance transactions (including advisory and principal investments)
- Bilateral and syndicated loans (including project-related corporate loans and bridge loans as defined under the Equator Principles)
- Equity security offerings
- Debt security offerings
- Private placements
- Advisory assignments

D. Prohibited Transactions

The following section outlines transactions that we will not finance:

- **Modern Slavery and Child Labor:** Transactions where there is evidence of modern slavery, such as forced labor and human trafficking, or child labor;

¹ These include: Mining and Metals, Oil and Gas, Power Generation, Heavy Manufacturing, Forestry & Pulp & Paper, Agriculture, Chemicals, Infrastructure, Shipping, Fishing, and Real Estate Construction and Development.

- **World Heritage Sites:** Transactions for natural resource development within UNESCO World Heritage sites, unless there is prior consensus with both the government authorities and UNESCO that such operations will not adversely affect the Outstanding Universal Value of the site;
- **Coal:** Transactions that involve asset-specific financing where the proceeds will be used to develop a new greenfield coal mine or a new coal-fired power plant in a high income OECD country.² (See Section E2b below for additional details on the firm’s approach for transactions involving coal.)
- **Illegal Logging:** Transactions with entities or projects that collude with or are knowingly engaged in illegal logging. Clients that process, purchase, or trade wood products from high risk countries (i.e., where more than 50% of the harvest is illegal) will have certifiable systems in place to ensure that the wood they process or trade comes from legal sources. Due diligence includes company representations as to its practices, monitoring and chain of custody certification (e.g., Forest Stewardship Council controlled wood standard) for illegal logging;
- **Uncontrolled Fire:** Transactions with entities or projects that lack an explicit policy against the uncontrolled and/or illegal use of fire in their forestry, plantation or extractive operations.

See also [Section IV. B. Prohibited Transactions Pertaining to Forests](#).

E. Transaction Reviews

1. Environmental and Social Review (E&S Review)

Where a transaction is within scope of our E&S Risk Policy, an E&S Review is conducted. GESRM will determine the requisite level of diligence according to a client’s sector and domicile of operations, the financial services being provided, whether the client’s operations are exposed to sensitive issues and / or sensitive locations and the nature of the underlying E&S risks. The E&S Review will assess the client’s approach to E&S risk management at the corporate level, the specific E&S impacts at the asset level (e.g., for asset specific financing), or both. The E&S Review focuses on a client’s commitment and capacity to manage the risks relevant to its activities including the company’s policy, governance, risk management and stakeholder engagement approaches. In addition, a client’s track record of E&S impact management is reviewed. An E&S Review evaluates clients against a set of sector-appropriate E&S indicators and utilizes in-house expertise and publicly available documentation (e.g., public and regulatory filings, media, and academic resources), and direct client engagement, where appropriate.

² <http://data.worldbank.org/income-level/OEC>

Equator Principles: For project finance and project-related corporate loans in any sector, we apply the [Equator Principles](#) as the framework for assessing E&S risk. The Equator Principles are based on the [Performance Standards](#) (PS) on Environmental and Social Sustainability of the IFC, and include the following key areas of review:

- PS 1: Assessment and Management of Environmental and Social Risks and Impacts
- PS 2: Labor and Working Conditions
- PS 3: Resource Efficiency and Pollution Prevention
- PS 4: Community Health, Safety, and Security
- PS 5: Land Acquisition and Involuntary Resettlement
- PS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources
- PS 7: Indigenous Peoples
- PS 8: Cultural Heritage

JPMorgan Chase adopted the Equator Principles in 2006. In 2013, the Equator Principles' scope was expanded to include project-related corporate loans and bridge loans. The specific framework, including categorization of projects and application of standards, can be viewed on the [Equator Principles website](#).

2. Sensitive Sectors and Activities Requiring Enhanced Review

Certain sectors and activities require a tailored approach to ensure a comprehensive understanding of the transaction and associated risks. Where a client is involved in a sensitive sector, activity, location, or where we identify additional issues during a standard E&S Review, an Enhanced Review will be required. This process may entail sector/issue specific due diligence questions including a determination of whether a client holds specific sector certifications, direct client engagement, site visits and risk mitigation plans. An Enhanced Review may result in placing some conditions on certain future activities or transactions.

a. Oil and Gas

- (i) **Hydraulic fracturing:** Any transaction with a client engaged in the exploration and/or extraction of shale oil or natural gas using hydraulic fracturing is subject to Enhanced Review. This focuses on the client's management of water (including access, recycling and disposal), air emissions (including fugitive methane), well integrity and community impacts.
- (ii) **Oil sands development:** Any transaction with a client involved in oil sands development will be subject to Enhanced Review. This will focus on the client's management of water discharge, use of fresh water, impacts to biodiversity, interactions with First Nations communities, the type of technology deployed (and its environmental footprint) and the client's compliance with Canadian permitting requirements.
- (iii) **The Arctic:** The Arctic environment is unique for its remoteness from population

centers and major infrastructure, and the presence of ice conditions, permafrost and Indigenous Peoples. This uniqueness can present distinct challenges for corporate operations, particularly complexities regarding resource extraction. In recognition of the unique nature of the Arctic ecosystem and these operational complexities, transactions in the region are subject to an Enhanced Review. We define the Arctic as the Arctic lands and the Arctic Ocean with its marginal seas and adjoining water bodies prone to extensive permanent or seasonal ice cover. Each Enhanced Review will be tailored to the context and nature of the transaction and the location of a client's operations.

b. Coal

We believe the financial services sector has an important role to play as governments implement policies to combat climate change, and that the trends toward more sustainable, low-carbon economies represent growing business opportunities. While we expect our business to reflect the decline of coal as an energy source over time as a result of government policies, technology choices and innovation, we recognize that conventional energy sources will continue to form an important part of the energy mix. We will therefore continue to provide financial support to those clients whose activities remain consistent with our own internal policies and government-led efforts to achieve an orderly transition toward less carbon-intensive economies.

(i) Coal Mining:

- a. Prohibition on development of greenfield coal mines: JPMC will not provide project financing or other forms of asset-specific financing where the proceeds will be used to develop a new greenfield coal mine.
- b. Credit to coal mining companies: Over the medium term, our credit exposure to companies deriving the majority of their revenues from the extraction and sale of coal will be reduced.
- c. Credit to diversified mining and industrial companies: JPMC will apply enhanced due diligence to transactions with diversified mining and industrial companies where proceeds will be used to finance new coal production capacity.
- d. Mountaintop mining: Mountaintop mining (which includes mountaintop removal mining) is a method of removing all or a portion of a mountain or ridge to access coal seams near the surface. Coal production from mountaintop mining has declined by close to 50 percent since 2008 due to market conditions, regulations, and concerns over environmental and human health impacts. In 2013, we reduced our exposure to companies engaged in mountaintop mining. Going forward, we expect this decline to continue and exceed any decline in the overall market.

(ii) Coal-fired power generation:

- a. Prohibition on financing of new coal-fired power plants in high income OECD countries: JPMC will not provide project financing or other forms of asset-specific financing where the proceeds will be used to develop a new coal-fired power plant located in a high income OECD country.

Coal-fired power plants employing carbon capture and sequestration technology will be considered on a case-by-case basis.

- b. Technology requirement for new coal-fired power plants located outside of high income OECD countries: JPMC will not provide project financing or other forms of asset-specific financing where the proceeds will be used to develop a new coal-fired power plant located outside of high income OECD countries, unless it employs ultra-supercritical steam generation technology.
- c. Reduction in proportion of coal-fired power: JPMC expects that the proportion of coal-fired technology contained in power generation portfolios financed by the firm will continue to decline.

We will continue to apply enhanced due diligence to transactions involving coal-fired power generation and consider the type of technology, regulatory drivers, and the company's commitment, capacity and track record in managing environmental and social risks.

c. Large Hydroelectric Plants:

Transactions involving the construction of dams for hydroelectric power projects with more than 20MW of installed capacity or dams for other purposes where the dam wall is greater than 10 meters high are assessed using the International Hydropower Association Sustainability Assessment Protocol.

d. Soft Commodities

- (i) **Palm oil:** We require an Enhanced Review for transactions that involve palm oil production. The [Roundtable on Sustainable Palm Oil \(RSPO\) Principles and Criteria for Sustainable Palm Oil Production](#) is the framework for our assessments, although we are cognizant that other standards are under development. As outlined in the RSPO Principles and Criteria #5, environmental impact assessments include consideration of impacts on soil and water resources, air quality, GHGs, biodiversity and ecosystems, and local communities. Stakeholder consultation has a key role in identifying environmental impacts, and our Enhanced Review will assess the client's level of attention to these issues.

JPMorgan Chase acknowledges that the RSPO framework has been criticized on the basis that the rigor applied to the certification process is insufficient in some territories and that, according to certain constituents, the RSPO Principles and Criteria do not adequately address all the relevant E&S issues. Notwithstanding,

JPMorgan Chase will continue to use RSPO as a reference point for good E&S practice in conducting due diligence on clients and transactions, while recognizing that operator certification does not necessarily equate to positive E&S outcomes.

JPMorgan Chase also recognizes the scale of the challenges faced by the governments of countries where the palm oil industry is active in enforcing legal requirements and resolving competing land use claims. We believe institutional capacity in certain jurisdictions needs to be significantly enhanced before concepts such as plantation legality can become meaningful.

It remains our view that certain operators in the palm industry have accepted the societal concerns regarding the ongoing expansion of the industry. JPMC will continue to engage, support and work with operators who can evidence that management commitment is translating into improved E&S practices on the ground, particularly with respect to 'upstream' segments of the supply chain. We will continue to monitor the sector closely and review our analytical framework to accommodate developments that can help our clients strengthen their performance.

- (ii) **Soy:** We require clients involved in soy production to conform to the Roundtable on Responsible Soy (RTRS).
- (iii) **Timber:** We prefer Forest Stewardship Council (FSC) certification when we finance forestry projects that impact high conservation value forests, unless a comparable assessment process underpins a conservation plan. For operations that are not already certified, we require certification within five years and will introduce operators to credible experts who can help establish a rigorous, time-bound, step-wise approach to achieve this goal. We periodically review the merits of the different internationally accepted forestry certification standards to better understand evolving best practices.

See also [Section IV. A. Transactions Pertaining to Forests and Enhanced Review](#).

3. Escalation Process

GESRM may escalate any transaction to the relevant LOB Reputation Risk Committee to address residual reputation risk. The Firm has LOB-specific Reputation Risk Guidelines & Procedures describing the process for escalating reputation risk issues within each LOB. Where appropriate, matters may be escalated from the relevant Reputation Risk Committee up to and including the Firm-wide Risk Committee.

F. Portfolio Reviews

The set of relationships the Firm has with clients in a given sector constitutes a sector portfolio. In addition to reviewing specific transactions within a given sector, we have expanded our risk management approach to include portfolio-wide reviews of companies engaged in certain industries. We undertake these reviews where the Firm has significant financial exposure, and there are particular activities which may present an increased level of E&S risk. In addition to industry-specific considerations, we examine client management of

impacts on air quality, water, biodiversity, GHG emissions, worker safety, labor, and community relations.

Portfolio reviews provide greater insight into how our clients comparatively manage E&S challenges and enhance our decision-making during transaction reviews. In addition, the portfolio reviews provide a mechanism for proactive engagement with our clients, independent of the timeline and context of a transaction review process. This allows for a deeper and broader dialogue around their E&S risks and a collaborative approach to identify solutions. We have conducted portfolio reviews of our mining, power, and oil and gas clients, including a separate review of those oil and gas clients engaged in horizontal drilling and hydraulic fracturing. We will consider future portfolio reviews as circumstances warrant.

Portfolio Review of Clients Employing Hydraulic Fracturing of North American Shale: As one of the largest financiers of the oil and gas sector, we see both a need to thoroughly understand the environmental and community risks associated with unconventional oil and gas development, and an opportunity to identify best practices and raise the performance bar across the sector more broadly. As a result, in 2012, we launched a major effort to consult with our clients, academic and technical experts, nongovernmental organizations, local and national government agencies, investors and a range of other stakeholders to conduct an in-depth assessment of E&S risks associated with unconventional oil and gas development. We have shared our risk assessment framework with other financial institutions to help facilitate a robust, consistent approach to identifying and managing risk across the sector and are continuing to engage in dialogue with organizations working to promote best practices in oil and gas development.

III. CLIMATE CHANGE

The Fifth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC) concludes that it is extremely likely that human activity, principally the burning of fossil fuels and deforestation, has been the dominant cause of observed warming since the mid-20th century. Analysis from the International Energy Agency (IEA) estimates that, without widespread carbon sequestration, no more than one-third of the world's proven fossil fuel reserves can be consumed prior to 2050 in order to avoid a rise in global average temperatures of more than 2°Celsius—the level the IPCC states will trigger extreme and irreversible impacts on human and natural systems.³ This conclusion was supported by the 2015 UN Climate Change Conference (COP 21) Paris Agreement, which commits 188 signatory nations to lowering greenhouse gas (GHG) emissions and to pursuing efforts to limit the global average temperature from rising more than 1.5°C.

This global consensus provides a critical challenge to governments, companies, and consumers globally with respect to how the world produces and consumes energy as well as underscoring the need to manage the physical risks associated with the impacts of more severe and unpredictable weather – outcomes that are predicted if global GHG emissions continue to rise. Absent significant breakthroughs in commercializing large-scale, cost-effective carbon sequestration, the IEA estimates that the world will need to reduce its reliance on the most carbon-intensive fossil fuels, while significantly increasing levels of energy efficiency, renewable energy and other forms of low-carbon energy such as natural gas to achieve needed reductions in GHG emissions.

A. Perspective on Climate Policy

JPMorgan Chase recognizes that climate change poses global challenges and risks. An effective approach to climate change requires broad leadership and cooperation from governments to implement sensible policies that balance the need to reduce GHG emissions with the importance of promoting economic growth and social development.

Government needs to take the lead in sending clear and timely signals to business that incentivize innovation and investment in low-carbon and energy efficient technologies, while ensuring GHG reductions are achieved as cost-effectively as possible. Private sector efforts, including our own, have been successful in implementing GHG reduction and energy efficiency measures, and pursuing other business initiatives that help to address climate change. However, without economy-wide signals from the public sector, it will be challenging to make meaningful progress on global GHG emission reductions.

As a global financial firm, we work with clients in many different countries and sectors around the world. Our clients are continually innovating and developing new products and solutions in response to changing consumer preferences and needs, market trends, and regulatory frameworks. Our business reflects, and evolves with, the capital raising and financing needs of our clients. We expect it will continue to do so as global economies adapt to and address the climate challenge.

³ International Energy Agency, World Energy Outlook 2013, p.435

B. Climate-Related Business Opportunities

JPMorgan Chase is well-positioned to leverage its financial capabilities to assist companies seeking to deploy technologies that help to reduce GHG emissions and strengthen resilience and adaptation to climate change. The Firm is committed to facilitating \$200 billion in clean financing through 2025, the majority of which will support climate-related business opportunities. To support this commitment we have a range of efforts in place or under development across our lines of business:

- **Corporate & Investment Bank (CIB):** J.P. Morgan provides mergers & acquisitions advisory, equity private placement, capital markets execution and commercial banking services for global clients involved in renewable energy, waste-to-energy, smart grid, electric vehicles, building and home area networking, and energy storage technologies. As a leading financier of wind and solar, J.P. Morgan has best-in-class expertise in structuring and closing innovative transactions to monetize tax credit provisions, which play a significant role in driving renewable energy development in the United States.

J.P. Morgan's Global Commodities Group also offers a range of commodity services including price risk management, strategic hedging, project and structured finance for natural gas, biofuels, renewable energy, and related commodities.

JPMorgan Chase was a lead author of the Green Bond Principles (GBP), voluntary process guidelines for issuers of Green Bonds. The GBP were issued in early 2014 and promote transparency, disclosure and integrity in the development of the Green Bond market. The GBP are intended for broad use by the market. They provide guidance for issuers on the key components involved in launching a credible Green Bond, aid investors by ensuring availability of information necessary to evaluate the environmental impact of their Green Bond investments, and assist underwriters by moving the market towards standard disclosures which will facilitate transactions. JPMorgan Chase serves on the Executive Committee for the ongoing review and management of the [Green Bond Principles](#), now housed at the International Capital Markets Association (ICMA).

- **Commercial Banking (CB):** Commercial Banking provides financing to public sector clients such as local governments, universities and hospitals, to make their buildings more energy efficient. In addition to continuing these efforts, we will pursue opportunities to develop new, or extend existing products, to financing for energy efficiency retrofits and distributed energy (e.g., solar PV and combined heat and power) in the commercial and industrial sectors. We will also continue financing and investing in real estate projects that integrate green building strategies in their design process, construction and operations. By doing so, these projects conserve energy and natural resources, promote better health outcomes, and provide easy access to transit, jobs, schools, and services.
- **Consumer and Community Banking (CCB):** We work to identify opportunities to embed consumer education on energy efficiency into our product marketing materials. For example, in 2012 we launched an initiative, in partnership with the New York State Energy Research and Development Authority, to educate our home equity line of credit customers on ways to improve home energy efficiency.

C. Climate Change in Transaction and Portfolio Reviews

The Firm's E&S Risk Policy governs efforts across the CIB and the CB to assess climate-related policy, economic and social risks in the context of transaction reviews. Both our transaction and our portfolio reviews seek to better understand (i) how our clients manage their contributions to climate change (e.g., the control of fugitive methane by oil and gas producers), and (ii) consider how clients manage climate change related risk factors (e.g., access to fresh water).

Under the scope of the Equator Principles, all projects expected to emit over 100,000 metric tons of CO₂ equivalent annually must undergo an analysis of alternatives, including less carbon-intensive fuel sources and technologies. Borrowers must also report publicly on emissions during the operational phase of a project. In addition, projects that are subject to the International Finance Corporation's Performance Standards and Environmental, Health and Safety Guidelines are also required to address climate considerations incorporated within these standards.

D. Thought Leadership on Climate-Related Risks

We engage with our peers and civil society in the ongoing dialogue about climate-related risks. In 2016, JPMC served on the Financial Stability Board's [Task Force on Climate-related Financial Disclosures](#) (TCFD), which has developed recommendations for the voluntary disclosure of information pertaining to the financial impacts of climate change. The TCFD recommendations are an important step in promoting transparency around climate-related risks and opportunities. We commend the TCFD on its process and look forward to engaging as companies explore best practices for implementation.

E. Reporting and Engagement

JPMorgan Chase will publish information on our climate-related commitments, activities and operational footprint data in the annual Corporate Responsibility Report and respond to CDP's Climate Change questionnaire. In addition, as outlined in Section VII, we will convene and engage external stakeholders including clients, NGOs and other thought leaders to periodically discuss our climate related initiatives, best practices and relevant policy and scientific developments.

IV. FORESTS AND BIODIVERSITY

Forests are home to more than half of all terrestrial species and support the livelihoods of millions of people. They are sources of food, medicine, lumber, tourism, recreation and aesthetic benefits. They sequester carbon, cleanse water and cycle nutrients. In spite of their critical importance, many forests around the world are under threat; half of the world's original forests⁴ are gone and well over 30 million acres more are lost each year.⁵ In addition, the decline in high ecological-value forests and protected areas results in the loss of critical biodiversity as natural habitats are destroyed.

A. Transactions Pertaining to Forests and Enhanced Review

Transactions where we are able to identify that the client has operations in one of the following locations, or transactions where the use of proceeds is designated for assets to be developed in one of the following locations, will be subject to Enhanced Review (See [Section II. E. Transaction Reviews](#)):

- **Internationally recognized areas:** Internationally recognized areas are defined as UNESCO Natural World Heritage Sites, UNESCO Man and the Biosphere Reserves, Key Biodiversity Areas, and wetlands designated under the Convention on Wetlands of International Importance (the Ramsar Convention).
- **Legally protected areas:** Legally protected areas are clearly defined geographical space that is recognized, dedicated and managed, through legal or other effective means, to achieve the long-term conservation of nature with associated ecosystem services and cultural values. This covers the IUCN categories I-VI.
- **Critical habitats:** Critical habitats are areas with high biodiversity value, including (i) habitat of significant importance to Critically Endangered and/or Endangered species; (ii) habitat of significant importance to endemic and/or restricted-range species; (iii) habitat supporting globally significant concentrations of migratory species and/or congregatory species; (iv) highly threatened and/or unique ecosystems; and/or (v) areas associated with key evolutionary processes.
- **High conservation value forests:** High conservation value forests are defined as areas of forest or other vegetation types that have particular importance for social or environmental reasons, including: species diversity, contribution to landscape-level mosaics of ecosystems and habitats, critical ecosystem services, community needs and cultural values. When we finance forestry projects that impact high conservation value forests, we prefer FSC⁶ certification, unless a comparable assessment process underpins a conservation plan. For operations that are not already certified, we will introduce operators to credible experts who can help establish a rigorous, time-bound, step-wise approach to achieve certification within five years. We periodically review the merits of the different internationally-accepted forestry certification standards to stay abreast of evolving best practices.

⁴ <http://www.un.org/earthwatch/forests/forestloss.html>

⁵ <http://www.un.org/en/development/desa/news/forest/reforestation-the-easiest.html>

⁶ The Forest Stewardship Council (FSC) is an international organization that sets standards to ensure forestry is practiced in an environmentally responsible, socially beneficial, and economically viable way. It is one of the most stringent forest certification programs and its standards protect streams, conserve endangered forests and species habitat, and require the consent of indigenous communities. There are other forest stewardship certification schemes which provide assurance that timber is produced legally and comes from broadly sustainable sources.

B. Prohibited Transactions Pertaining to Forests

In addition to the prohibited transactions outlined above in [Section II. D](#), as part of our implementation of the Equator Principles:

- JPMorgan Chase will not finance commercial logging operations or the purchase of logging equipment for use in primary tropical moist forests. Any other type of transaction in a primary tropical moist forest will be subject to Enhanced Review.
- JPMorgan Chase will finance plantations only on non-forested areas (including previously planted areas) or on heavily degraded forestland.

C. Opportunities to Invest in Nature

There is an urgent need to step up the scale and creativity of financial resources dedicated to the protection of natural ecosystems and the cities and communities that rely on them for clean water, clean air and quality of life. In 2014, JPMorgan Chase provided founding sponsorship for [NatureVest](#), an initiative of The Nature Conservancy designed to attract investment capital to conservation. NatureVest serves as a platform for research, convening, and transaction development in the growing impact investment sector as investors increasingly seek positive environmental and social outcomes alongside financial returns.

The Sustainable Finance group also supports the market for investments intended to create positive social or environmental impact. The group partners with the business and clients on ESG and impact investing trends, structures, and products.

V. HUMAN RIGHTS

Across all our lines of business and in each region of the world in which we operate, JPMorgan Chase supports fundamental principles of human rights. Our respect for the protection and preservation of human rights is guided by the principles set forth in the United Nations Universal Declaration of Human Rights, as outlined in our [Human Rights Statement](#). Further, we acknowledge the Guiding Principles on Business and Human Rights (also known as the Guiding Principles) as the recognized framework for corporations to respect human rights in their own operations and through their business relationships. We are actively engaging with stakeholders, peer financial institutions and others in developing guidance on how to most appropriately apply the Guiding Principles to the financial sector.

JPMorgan Chase believes it is the role of government in each country to protect human rights. We also believe that our company has a role to play in promoting respect for human rights. We have a range of policies, procedures and training that pertain to human rights issues, including modern slavery, across our business and supply chain.

A. Indigenous Peoples

JPMorgan Chase recognizes that the identities and cultures of Indigenous Peoples are inextricably linked to the ancestral lands on which they live and the natural resources (such as fresh water or forest products) on which they depend. These lands and natural resources are often traditionally-owned or under customary use. We recognize that Indigenous Peoples, as social groups with identities that are distinct from mainstream groups in national societies, are often among the most marginalized and vulnerable segments of the population.

For transactions where we can identify that the use of proceeds may have the potential to impact Indigenous Peoples, we expect our clients to demonstrate alignment with the objectives and requirements of IFC Performance Standard 7 on Indigenous Peoples, including with respect to circumstances requiring Free, Prior and Informed Consent. These objectives include:

- Ensuring that the development process fosters full respect for the human rights, dignity, aspirations, culture, and natural resource-based livelihoods of Indigenous Peoples;
- Anticipating and avoiding adverse impacts of projects on communities of Indigenous Peoples, or when avoidance is not possible, to minimize and/or compensate for such impacts;
- Promoting sustainable development benefits and opportunities for Indigenous Peoples in a culturally appropriate manner;
- Establishing and maintaining an ongoing relationship based on informed consultation and participation with the Indigenous Peoples affected by a project throughout the project's life-cycle;
- Ensuring the Free, Prior and Informed Consent of the Affected Communities of Indigenous Peoples when the circumstances described in Performance Standard 7 are present; and
- Respecting and preserving the culture, knowledge, and practices of Indigenous Peoples.

Transactions that fall under the scope of the Equator Principles must demonstrate compliance with these requirements (See [Section II. Equator Principles](#)).

B. Modern Slavery and Child Labor

JPMorgan Chase is committed to strong business growth that is not achieved at the expense of the fundamental rights of workers to provide their service willingly. We recognize that modern slavery issues, such as forced labor and human trafficking, are a significant global challenge. The global economy has seen marked shifts in the labor migration, and we are mindful of the need to understand where the patterns and practices of labor recruitment present risk to our business.

We have a robust Environmental and Social Risk Management process that analyzes the potential social impacts of our corporate lending, advisory and capital markets transactions. The process prohibits any transactions where there is evidence of the use of modern slavery or child labor.

Once a transaction has triggered an E&S Review (See [Section II. E. Transaction Reviews](#)) by GESRM, we assess management commitment to respect human rights through a policy or recognition of international standards and a client's capacity to effectively implement such a policy with appropriate management systems or governance approaches. In particular, we look for evidence that the company is assessing compliance with its policies and procedures within its own supply chain, typically by operating an internal audit process.

In addition to our transactional review by GESRM, the Firm has a Global Anti-Money Laundering (AML) Compliance Program that includes policies, procedures and internal controls designed to comply with all applicable U.S. and international AML and counter-terrorist financing laws and regulations. As part of this program, the AML team works to help identify customers whose financial activity may show involvement in human trafficking and communicates actionable information directly to law enforcement. As a result of this work, we participated in a White House Forum to Combat Human Trafficking, alongside law enforcement.

VI. OPERATIONAL RESOURCE MANAGEMENT

As a financial institution, our direct environmental impacts stem primarily from the operation of our corporate real estate, including office buildings, bank branches, data centers and other specialty use buildings. The majority of these facilities are located in the U.S., but we also maintain offices and infrastructure to serve our clients throughout Europe, Latin America, Asia Pacific, the Middle East and Africa. We strive to manage our operations in an efficient and sustainable manner, continually look for opportunities to improve our performance, find innovative solutions to environmental challenges and engage our employees in these efforts. Our key areas of focus are:

A. Global Energy and Greenhouse Gas Reductions

JPMorgan Chase's Global Real Estate group applies best practices in energy efficiency, energy procurement, and resource management throughout our global operations to reduce energy use and GHG emissions. In 2017, the Firm committed to sourcing renewable power for 100% of its global energy needs by 2020. This commitment builds on JPMorgan Chase's long history of advancing sustainability in our business and operations, including the partnership with Current, powered by GE, to cut energy use at Chase branches. The Firm will install on-site solar power generation for bank-owned retail and commercial buildings globally as well as support the development of new renewable energy projects on the grids from which JPMorgan Chase purchases power. All GHG emissions associated with employee air travel will be offset by Verified Emission Reduction credits.

B. Paper Procurement

JPMorgan Chase believes strongly in the importance of ensuring that the paper we use is sourced from sustainably-managed forests, which provide many significant long-term benefits for the environment and local communities, including timber for paper and other wood products, ecosystem services such as clean air and water, habitat for wildlife and biodiversity, and recreation opportunities. As a result, we seek to maximize the use of paper that has been independently-certified by the Forest Stewardship Council or Sustainable Forestry Initiative. Our primary focus is on office copy-paper and customer-facing paper used in the daily operations of corporate and retail branch facilities, as well as customer-facing paper including statements and forms.

We work to use paper efficiently to meet our customers' needs. For example, our efforts to expand paperless billing options for customers and implement smart-printing methods for employees reduces costs and improves information security. This is consistent with our Firm-wide focus on efficiency, and secure and cost-effective customer service.

C. Water and Waste Management

JPMorgan Chase aims to reduce water usage throughout our corporate and retail facilities. Global Real Estate applies best practices to all sites, including new build and major building renovations, by utilizing reduced-flow fixtures and engineering whole building systems to optimize water conservation. In areas where our retail banking footprint extends into drought prone regions, we pilot and assess systems to minimize demand for landscape irrigation. In flood and storm prone areas, we will continue efforts to ensure the communities we serve are able to conduct business with us when most impacted by

changing climate conditions.

Throughout our offices and branches around the world, we integrate recycling into our programs for secure handling and destruction of sensitive paper documents. In addition, we are working to reduce non-paper waste (e.g., bottles, plastics and cans) throughout our corporate and retail sites by identifying opportunities to optimize existing recycling services, expanding such services to new locations, and exploring opportunities to expand composting services at our corporate locations with cafeterias.

D. Employee Engagement

Sustainable Finance and the Firm's Employee Engagement and Volunteerism teams support a distributed, volunteer network of employees who work to raise awareness of environmental issues and encourage participation in environmental initiatives. The Firm's Volunteer Leadership Groups help connect employees with environmental volunteer opportunities within their communities. The Firm's Service Corps program also deploys teams of top-performing employees to work on-site with non-profit partners (including those working on sustainability issues), lending their skills and expertise to help those organizations fulfill their missions.

VII. IMPLEMENTATION, ENGAGEMENT AND REPORTING

A. Resources, Training and Implementation

JPMorgan Chase will continue to train staff and provide necessary resources to ensure that environmental objectives are met and procedures, policies and standards are implemented. Training on E&S issues is provided globally to bankers whose clients operate in covered sectors and other internal constituents, such as corporate employees. A mandatory online training module covers the key elements of JPMorgan Chase's E&S Risk Policy, including the criteria that require GESRM review. Additional specialized training is provided to employees through interactive workshops that are tailored by region, product or industry (e.g., training on the updated requirements of Equator Principles III). Refresher training is provided periodically to increase awareness on E&S issues.

In addition to training, JPMorgan Chase has internal processes to ensure that relevant transactions are referred to GESRM for E&S Review. These processes also help improve familiarity with, and awareness of, policy commitments. To further engage employees on environmental and social risks and opportunities, Sustainable Finance and GESRM convene workshops and panels to enhance understanding of key issues.

Global Real Estate conducts energy management reviews to align energy and resource savings expectations with targeted savings allocated by region and facility. Monthly and quarterly energy usage and carbon emissions are reported internally via asset-level and portfolio-level dashboard tools. These tools are shared among facility and asset managers responsible for achieving energy savings at our corporate, data center and retail facilities.

Energy and resource-efficiency projects are implemented strategically so as to prioritize opportunities by cost, quantity and intensity of use, and associated GHG emissions. Projects with acceptable economics of initial investment and payback will be tracked for performance verification and replication in similar facilities throughout the global real estate portfolio.

B. Engagement

JPMorgan Chase values the perspectives of external stakeholders. Their experience and perspective often help inform our approach and improve our strategy and communications. The Sustainable Finance and GESRM teams make it a priority to regularly engage with clients, peer financial institutions, investors, policy makers, NGOs, and other sustainability thought leaders. We conduct briefings to periodically highlight specific sector related initiatives and engage in dialogue around best practice and relevant policy and scientific developments. To that end, we are a member of Ceres and work within their network of stakeholders to periodically discuss key issues and emerging trends in E&S risk management.

C. Reporting and Review

JPMorgan Chase publishes an annual Corporate Responsibility Report, which includes a discussion of the Firm's E&S risk management and operational sustainability efforts. The annual environmental and sustainability reports establish objectives and report on progress made on achieving the previous year's goals. We also respond annually to the CDP's Climate Change questionnaire. JPMorgan Chase performs periodic audits of its policies, including the E&S Risk Policy, to ensure compliance. GESRM also conducts an annual review of the E&S Policy to assess the need for any additions or changes.

VIII. GOVERNANCE STRUCTURE

The Sustainable Finance team reports to the Head of Corporate Responsibility, who is a member of the Executive Committee, and is overseen by the Public Responsibility Committee of the Board of Directors.

GESRM reports to the Chief Risk Officer for the Corporate and Investment Bank and coordinates its efforts with Sustainable Finance. See [Section II. E.3](#) for information regarding how GESRM reviews are escalated within the Firm's risk management structure.

Global Real Estate reports to the Chief Administrative Officer and collaborates with Sustainable Finance.

Exhibit C

JPMORGAN CHASE & CO.

CORPORATE RESPONSIBILITY REPORT | MAY 2017



MODEL FOR IMPACT

How JPMorgan Chase is driving
inclusive growth and helping more
people share in the rewards of a
growing economy

IN DETROIT — AND BEYOND

Jobs and Skills

Arming workers with the skills
for today's well-paying jobs

Small Business Expansion

Building capital bridges for
underserved entrepreneurs

Neighborhood Revitalization

Spreading prosperity
beyond the urban core

Financial Health

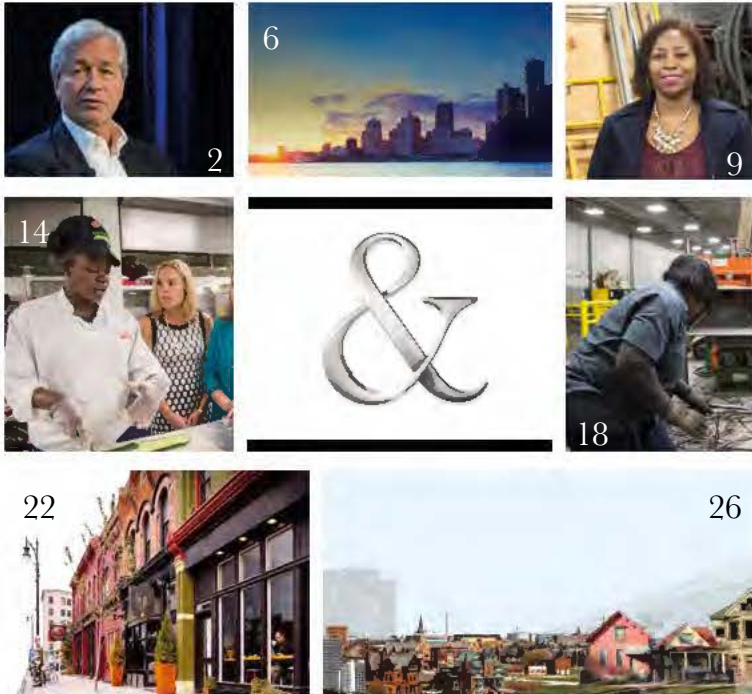
Unlocking innovation to
help struggling consumers

JPMORGAN CHASE & CO.

Corporate Responsibility Report

May 2017

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Learn more about JPMorgan Chase's corporate responsibility work in communities around the world at www.jpmorganchase.com/cr

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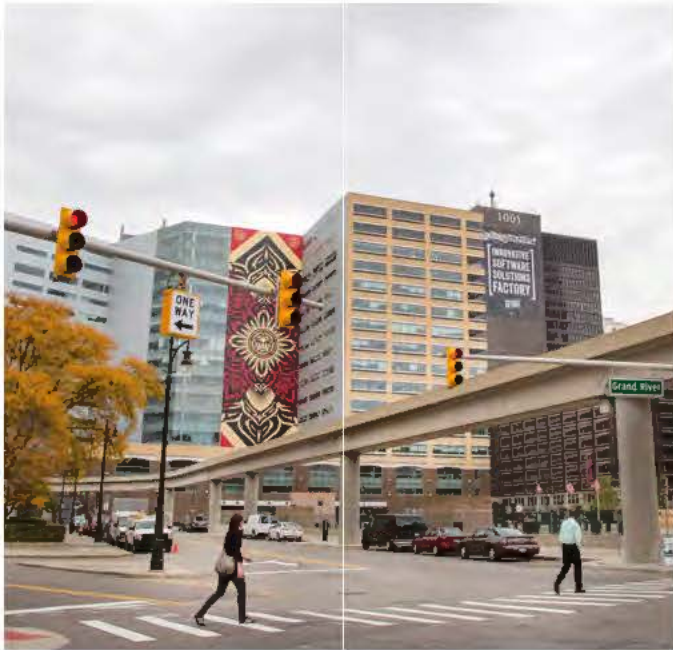
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WELCOME



PETER L. SCHER



Too many people are being shut out of the rewards of a growing economy, and the frustration and disillusionment that follow have had deep and far-reaching impacts. Creating greater economic opportunity must be a responsibility and an imperative for all of us.

During the past five years, my colleagues and I at JPMorgan Chase have undertaken significant long-term initiatives focused on this imperative. We're targeting a limited number of areas where we believe we can have the greatest impact. While we deployed approximately \$250 million globally in 2016 toward these efforts, we know that money alone won't solve these challenges. Instead, our mantra has become, "Work the problem." That means understanding precisely the social or economic challenge we're trying to address and deploying the skills, expertise, data, relationships and resources that contribute to positive outcomes.

We have too often seen well-intentioned money – both public and private – fail to result in long-term impact. So a critical and deliberate part of our strategy is strengthening the underlying organizations and systems that are needed to empower communities to deliver and sustain change.

Our work around the world has made two things clear. The first is that there are some universal drivers of inclusive growth, which include workforce development – getting more people the skills they need to succeed in today's economy – small business expansion, financial

health and neighborhood revitalization. The second is that making real impact requires the private sector to play a much more active role. Companies must leverage their unique assets to help solve problems – not simply give away money and hope for the best.

Three years ago in Detroit we launched our most comprehensive initiative to date, which we view as "proof of concept" of our firm's model. We have made Detroit the focus of our Corporate Responsibility Report this year because it provides insights that are informing our efforts elsewhere. While our primary focus is Detroit, we also showcase examples of our model at work beyond Detroit.

Our work in Detroit has also yielded lessons that we think can be instructive for others.

Chief among these is the need to bring an innovation mindset and a willingness to adjust. For example, we initially focused on incubators to drive small business growth, but it became clear that we could have greater impact by providing minority entrepreneurs with much-needed capital. As a result, we shifted our strategy. With data from the JPMorgan Chase Institute showing that local spending at small businesses has grown faster in Detroit than in other major cities we track, we are confident we are now focused where we can best move the needle. We've since expanded this approach to small businesses in other communities.

Equally important, we've learned firsthand the power and necessity of collaboration. Detroit's turnaround has been possible only because government, businesses and nonprofits all came to the table and asked, "What value can each of us provide to solve these challenges?"

The model JPMorgan Chase put into practice in Detroit is making a real impact, but as we learn more about what's most effective, we continue to refine it. I hope the lessons we have learned in Detroit and elsewhere around the world can help spark a conversation across all sectors about better approaches to solving our challenges and creating greater economic opportunity for all. ■

Peter L. Scher, Head of Corporate Responsibility and Chairman of the Greater Washington Region, JPMorgan Chase & Co.

Jamie Dimon

PRIVATE
Enterprise
FOR PUBLIC GOOD



Private enterprise has shown an unparalleled capacity to generate prosperity and produce goods and services that meet people's needs and improve their lives.

The same attributes that drive business success – innovation, ingenuity and the ability to efficiently marshal human and financial capital – also offer tremendous promise to help solve pressing societal challenges.

The private sector has not only a moral obligation but also a deeply vested interest in delivering on this potential for public good. Why? Because businesses cannot outgrow the economy of their communities.

The private sector plays an essential and positive role in society – and it is one we should embrace. Of the 145 million people who work in the United States, 125 million of them work for private enterprise. It is the private sector that generates the jobs and economic growth that fuel progress, underpin opportunity and support the critical public services on which we all depend.

Like other businesses, JPMorgan Chase creates opportunities through jobs, fair wages and benefits and investing in our 240,000 employees around the world. Starting in February 2017, as part of a three-year plan, we began to raise the minimum salary of our U.S. employees to between \$12 and \$16.50 an hour, up from \$10.15 an hour. This pay increase impacts 18,000 of our bank tellers, customer service representatives and other hardworking employees across the country. Giving these individuals a raise is both the smart thing to do – it helps our firm attract and retain talented people in a competitive environment – and the right thing to do. Wages for too many Americans have gone nowhere for too long.

Indeed, from stagnating wages and growing income inequality to a lack of quality education and failure to arm our young people with job skills, there are clear signs that many of our communities are struggling.

The net result is that too many people are not getting a fair shot at getting ahead. Clearly, the private sector cannot solve this alone, but it is uniquely positioned to contribute by driving economic growth and creating more opportunity.

The private sector's ability to be a positive force extends well beyond the four walls of our firms. Companies can actively leverage the capacity of their core business to strengthen the communities where they operate. This will look different for different companies, of course, but every enterprise can and should do its

part. As a bank, JPMorgan Chase's societal value proposition is clear: We enable and catalyze economic growth by providing the capital that businesses, government and nonprofits need to expand, create jobs and fulfill their vital missions.

Our firm has also always supported our communities through philanthropy, another important tool the private sector can apply to make a difference. But over many years of giving, we have refined our approach to more fully draw on and leverage all of our resources. Our model combines financial commitments with capable partners, evidence-based solutions and direct investments of our people's time and expertise.

We are using this model to help solve critical social and economic challenges. For example, we are investing \$325 million in career-oriented education to help young people and adults develop the skills they need to get on a stable career path and move up the economic ladder. We are putting the model into practice in Detroit where, alongside our \$100 million philanthropic investment, we are directly leveraging our firm's expertise in areas such as community development, small business lending and workforce readiness to help support and accelerate the city's turnaround.

Reducing inequality, creating well-paying jobs, supporting vibrant and resilient communities – all these challenges are as daunting as they are essential to address. But by harnessing the unique capabilities of the private sector, alongside the nonprofit and public sectors, I believe we can drive the change at the scale and pace our communities deserve. ■

Jamie Dimon, Chairman and CEO,
JPMorgan Chase & Co.

MODEL FOR IMPACT

JPMorgan Chase believes more people should have access to opportunity and the chance to move up the economic ladder, particularly in the world's cities, where the benefits of revitalization are not reaching everyone.

To achieve this mission, we have reimagined our approach to corporate responsibility: We combine a data-driven, strategic focus with what we believe are the essential inputs for creating lasting impact in our communities. This model is yielding real results, and we hope it can serve as a template for others seeking to address social and economic challenges.

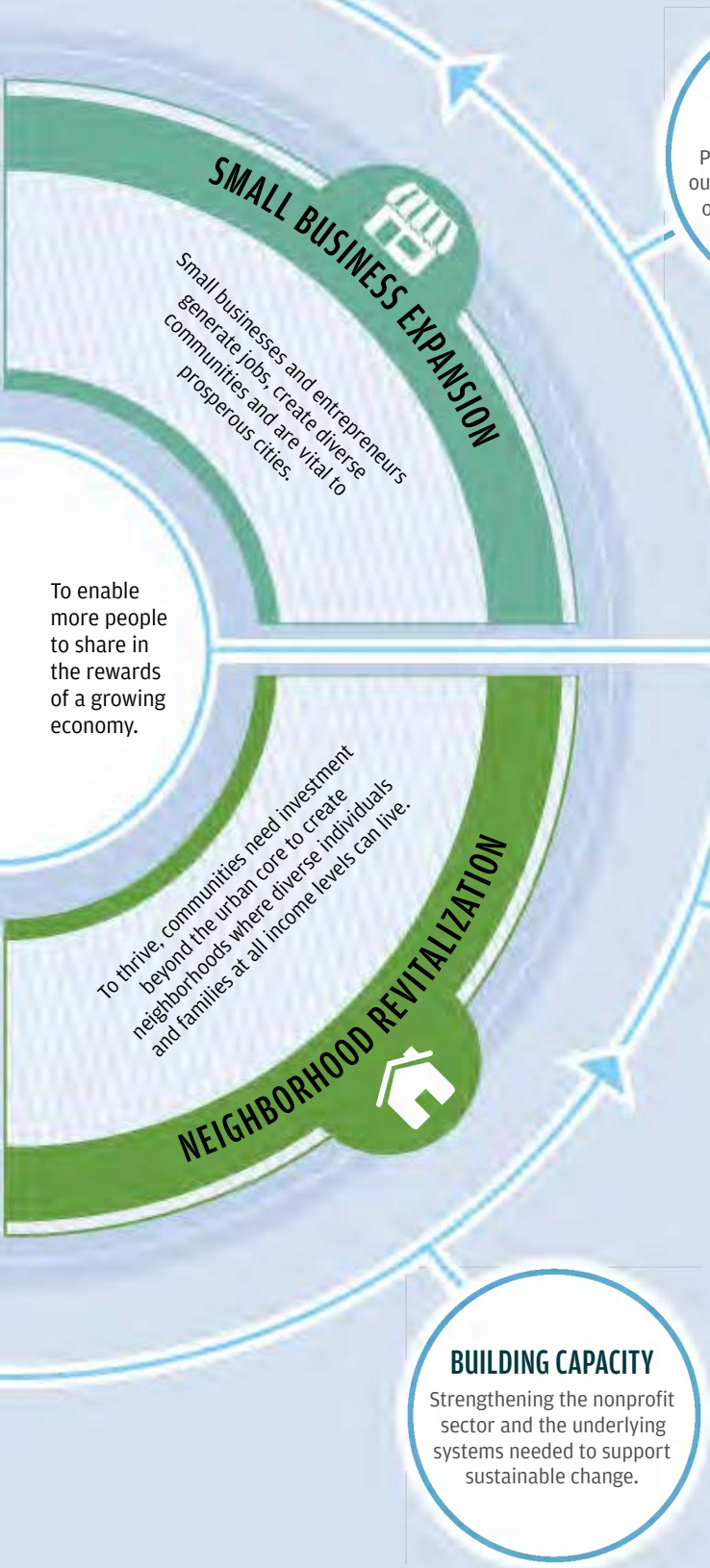
Our global initiatives are focused on the key drivers of inclusive growth, and we are making big, long-term bets that directly leverage our firm's worldwide presence, talent and resources.

LEVERAGING OUR CORE BUSINESS
Deploying capital, providing credit and applying our expertise to enable local economic development.

DELIVERING DATA AND ANALYSIS
Harnessing the power of data and our firm's insights into the global economy.

INVESTING PHILANTHROPIC CAPITAL
Making long-term investments to test and scale innovative programs.





FOSTERING COLLABORATION
 Forging partnerships among businesses, government and nonprofits to solve complex problems.

AN INTEGRATED AND SUSTAINABLE APPROACH
 Creating more widely shared prosperity depends on addressing the drivers of inclusive growth in an integrated way and strengthening the underlying systems needed to deliver sustainable change.

Mike Duggan

Since 2014 Duggan has been mayor of Detroit, where he governs his hometown and collaborates with others to solve some of the city's most vexing issues.

Karen Persichilli Keogh

Karen is head of global philanthropy at JPMorgan Chase & Co., where she oversees the bank's global philanthropic investments to drive inclusive growth.



Karen Persichilli Keogh: How is Detroit helping ensure that its recovery translates into economic opportunities for all Detroiters?

Mayor Mike Duggan: We are building a city where everyone who lives and works in Detroit is included in the comeback. Everything we do – from creating a trained workforce to revitalizing neighborhoods to developing housing – is focused on a strategy of inclusive growth that strengthens the economy while protecting existing residents. This is the only way that we'll achieve long-term success. Through the hard work of our team, the help of our partners and the willingness of our residents, we are making great strides in creating more opportunity for more people.

KPK: I know you have made small business growth a priority. How does that tie into the larger inclusive growth strategy?

MD: We have a number of programs to deliver longtime Detroiters and people of color access to funds to make sure they can participate in the growth. This includes Motor City Match, which gives entrepreneurs \$50,000 to start a business, as well as the Entrepreneurs of Color Fund, which provides capital for minority businesses. These and other programs have been huge drivers for inclusive small business growth. We now have a culture in this city where new business owners know there is a whole range of resources available to them.

A Conversation with Detroit Mayor Mike Duggan

A Comeback for All

JPMorgan Chase's **Karen Persichilli Keogh** talked with **Mayor Duggan** about how to create inclusive economic growth in Detroit so that both longtime residents and newcomers can thrive.

KPK: What is the key to more economic opportunity for Detroit's youth?

MD: I'm a great believer that talent is distributed evenly across this country, but what isn't distributed equally is opportunity. Our young people aren't getting enough opportunity in schools and not enough opportunity in jobs. But if we don't give our youth a good education and the skills to work, we won't fundamentally change the trajectory of the city. There is no shortcut. We need to keep on creating paths of opportunity to make sure this recovery benefits everybody.

KPK: How are you creating these paths?

MD: We've kicked off Detroit Promise, where every student in Detroit public schools has two years of community college guaranteed. And we are very close to our goal of placing 8,000 Detroit youths into summer employment through our youth program, Grow Detroit's Young Talent. Many of these kids have never had a paycheck or don't know how to dress for work. But by the end of the summer, they'll have a bank account and a good sense of what a particular job requires.

When it comes to our workforce, we are focusing on job training for people who are willing to work hard and get training for jobs that we actually need in this city. We are making progress: There are more people in Detroit working today than a year ago.

KPK: I know you are a metrics-driven leader. How are you using data to support the city's recovery?

MD: Everything we do is data driven. On the blight side, the technology that we have is pretty remarkable. There are about 350,000 parcels of land in the city of Detroit, and we know the condition of every one of them – whether it's an occupied house, a vacant house or a vacant lot. With this knowledge, we can move systematically with our demolition program. Another example is workforce: Through data, we know that there is a shortage of certain jobs such as coders, MRI and CT techs and the skilled trades. We have actually catalogued the jobs that someone with a high school degree and with additional training can be hired for and paid a good wage.

KPK: You ran on the campaign "Every Neighborhood Has a Future." How are you implementing that vision?


MD: We have a vision of inclusive growth in Detroit's neighborhoods based on building out from zones of density. We've taken the most densely populated neighborhoods and demolished burned-out homes and sold lots to people who are renovating them, planting gardens and putting in swing sets. We are creating "20-minute neighborhoods" that focus on filling in vacant apartment buildings, creating retail spaces in main corridors and building greenways to create communities where people can walk or bike to everything they need. We can't compete with the suburbs, and we don't want to. A huge segment of millennials want to be in urban environments where they are closely connected with other people.

KPK: What is the role of the private sector in helping address issues facing communities like Detroit?

MD: We can't rebuild Detroit with city government alone. In an age of constricted municipal budgets, public private partnerships are essential in addressing our most pressing needs. We have been extremely lucky with a number of corporate partners helping out with Detroit's recovery in critical areas such as housing and technology. And we welcome private companies that open businesses, create jobs and become engaged in civic affairs. The catalytic effect of investment in this city cannot be overstated. JPMorgan Chase has set an example that investing in communities like Detroit brings strong social and capital returns.

KPK: How will you know when you have succeeded in achieving your vision for Detroit?

MD: Things are getting better and people believe in the future, but we still have a long way to go. The population of Detroit has dropped every year for 60 years. When you are heading in the wrong direction, residents and businesses move out. When you are doing the right thing, people move here and stay. I will know we have succeeded when we reverse population decline in the city. ■




“Everything we do — from creating a trained workforce to revitalizing neighborhoods, to developing housing — is focused on a strategy of inclusive growth that strengthens the economy while protecting existing residents.”
Mike Duggan, Mayor of Detroit

Proof of *Concept*

We view our work in Detroit as “proof of concept” of our firm’s strategy for helping more people move up the economic ladder and share in the rewards of a growing economy.

Our efforts around the world have made clear to us that there are some key drivers of inclusive growth – and that they are as equally true in Detroit as they are in all cities. They include arming people with the skills needed for today’s high-quality jobs, providing small businesses – particularly minority-owned and community-based ones – with the capital and resources they need to succeed, investing in community development that revitalizes not only urban cores but also surrounding neighborhoods and giving households the tools and resources to manage their financial health.

We believe that, taken together, these are the pillars of opportunity. When we address them in an integrated and data-driven way, we lay the foundation for more widespread prosperity. It is a model that is making a real impact in Detroit – and it is one that can be equally effective in cities around the world.



▶ Angel Paris, owner of Power, Lighting and Technical Services in Detroit, used support from the Entrepreneurs of Color Fund to help expand into a new facility.

Invested in *Detroit*



By **John Carter**
Chase Michigan
Market President,
JPMorgan Chase & Co.

As a proud Detroiter, I am deeply cognizant of Detroit's place in history. The Arsenal of Democracy. Birthplace of the automobile. Central site in the civil rights movement. Home of Motown. And the list goes on. This heritage fuels the pride of all of us who live and work here, even when our city has struggled. It is also part of what inspired JPMorgan Chase to commit \$100 million – the largest corporate philanthropic investment ever made in Detroit – to support and accelerate the city's recovery.

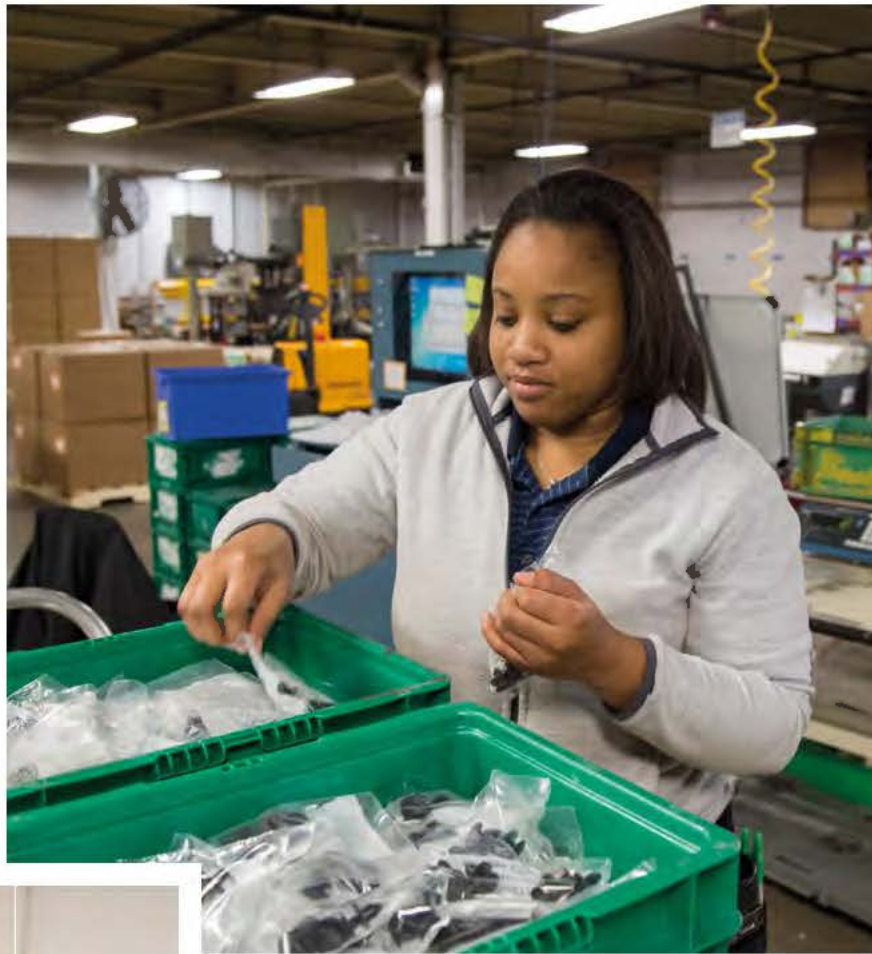
MODEL IN ACTION

INVESTED IN DETROIT

JPMorgan Chase's history in Detroit dates back more than 80 years – 35 of which I have been with the firm – starting with our predecessor, National Bank of Detroit.

Throughout that time, JPMorgan Chase has supported local nonprofits and been a part of the city's civic life. In 2014, however, we dramatically expanded our commitment to the city with the launch of our Invested in Detroit initiative. We pledged \$50 million to fund and catalyze further investment in housing, commercial and manufacturing projects across the city. We also pledged another \$50 million to strengthen the city's workforce system, support small business growth – especially for minority and women entrepreneurs – stabilize neighborhoods and support other transformative investments.

Students at Focus: HOPE work on computer repair as part of an information technology training course.



Participants in a Goodwill Industries program gain workplace skills and technical training at an automotive supplies facility.

We placed this big bet on Detroit's turnaround not only because we saw a need but also because we saw an unprecedented spirit of engagement, cooperation and commitment among the city's leaders, business community and nonprofit sector. With these conditions in place, we believed the right kind of commitment by our company could make a real difference.

We also knew that we had more we could offer the city than financial resources alone. The fact is, JPMorgan Chase does not believe in just writing checks; rather, we put the weight of all our resources – data, technology and our people's deep expertise, market knowledge and relationships – behind our efforts to catalyze inclusive growth and expand access to opportunity. And we focus our efforts where we can best put our firm's unique skills and competencies to work to advance this agenda. This is exactly what we are doing in Detroit.



In Detroit, we saw an opportunity and a need to bring together our full range of efforts in our most comprehensive philanthropic initiative to date.

We know that the drivers of inclusive growth are fundamentally linked, so moving the needle of opportunity in Detroit requires addressing all of them in an integrated way.

Similarly, we know that the challenges facing the city are complex and interconnected. Meaningfully addressing them, then, demands a thoughtful, holistic and collaborative approach. Take blight, for example. We recognized that identifying, removing and rehabilitating blighted properties – a critical and massive task in and of itself – had to be just one part of a larger and more integrated strategy to stabilize and revitalize Detroit’s neighborhoods. We also saw that blight removal efforts could be leveraged to provide economic opportunities for Detroit’s residents.

As a result, our firm is making coordinated investments across the range of elements that must come together to create livable, inclusive and sustainable neighborhoods. This includes support for blight-mitigation organizations, such as the Motor City Mapping project. It also includes creating and seeding innovative financing models to help homebuyers buy and rehabilitate blighted homes, such as our collaboration with Liberty Bank. But we know that addressing the physical landscape alone isn’t enough.

▼ Students work on a summer farming project as part of Detroit’s youth employment program.



DETROIT AS A STARTUP

By *Jerry Paffendorf*,
CEO and Co-Founder,
Loveland Technologies

With scarce resources and big challenges in our city, Detroiters have had no choice but to take risks and try new things. And when that doesn’t work, we try something else.

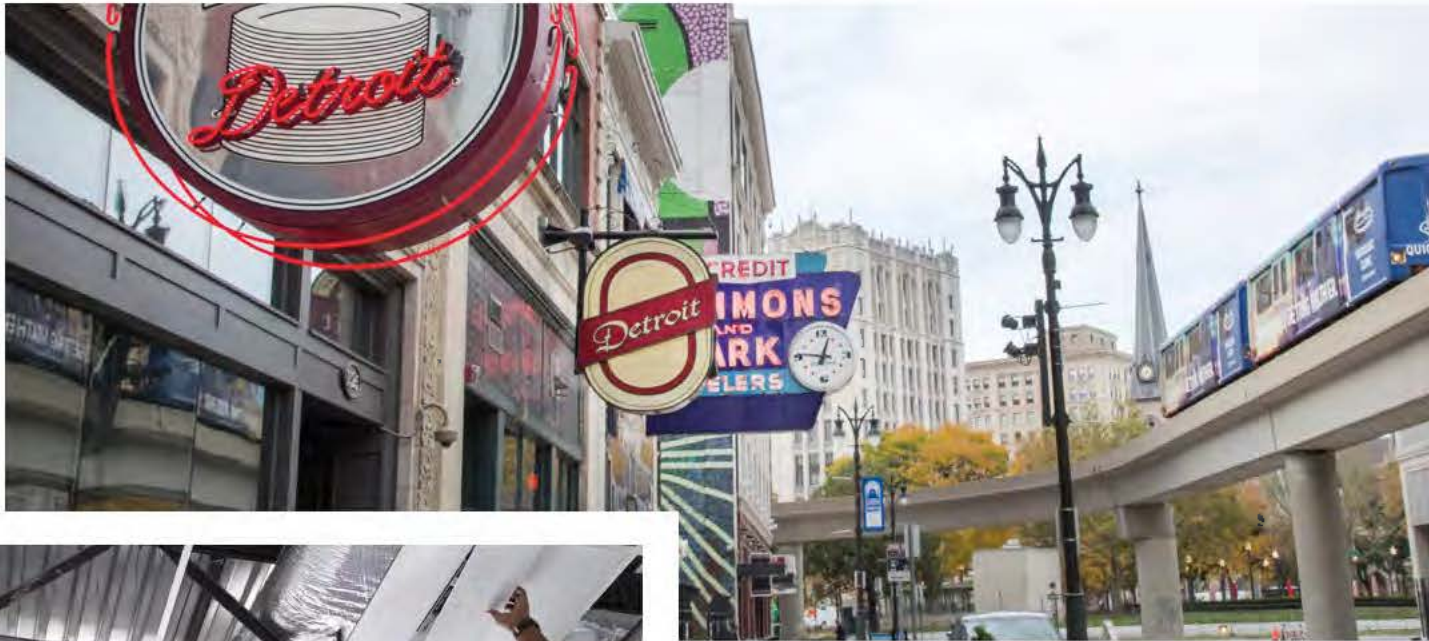
It’s similar to the “innovate-test-iterate” mindset inherent in technology startups. More and more, I am seeing this mindset applied across Detroit, not only by fellow entrepreneurs but also in the public sector. I see this spirit as well in the way JPMorgan Chase has approached its partnership with Loveland. It’s brought a willingness to give new ideas a shot and quickly adjust as we all learn more about what works and what doesn’t.

My company’s story illustrates what this iterative process looks like in practice. We got our start trying to build a community around a vacant lot by inviting people to buy one-inch parcels through a website we created. In the process, we learned that no one actually knew what was out there in terms of the city’s vacant and blighted properties. Eventually, that effort evolved into the Motor City Mapping Project. Now, based on the success we’ve had in Detroit and what we’ve learned there – and with the support of JPMorgan Chase as we continue to explore new markets and expand our work – we’re taking the approach to other cities around the country.

In the tech industry we often tout the “fail fast” mantra, but I prefer “fail slowly.”

Not that any of us wants to fail, of course, but there are benefits to sticking with something long enough to find solutions. That was what we did at Loveland. Even as we “failed” our way forward, we determinedly stayed focused on our core issue: understanding land use and how it contributes to the life or death of neighborhoods.

Applying a startup mentality to solving Detroit’s challenges means taking the best of the rapid-fire “innovate-test-iterate” cycle and bridging it with a vision for creating long-term change. JPMorgan Chase provides that kind of bridge: patient capital for innovative solutions to deep problems.



▲ New construction projects across the city require skilled workers. A master electrician's apprentice installs lighting in the New Center neighborhood.

“The challenges that batter our cities and communities — poverty, income disparities, structural racism, disinvestment — far exceed the capacity of any individual actor. This has been vividly apparent in Detroit. When once dependable business and civic players retreated in the face of economic turmoil and municipal frailty, philanthropy stepped in. We collaborated with an array of partners to invest in the civic scaffolding of neighborhoods, transportation infrastructure, anchor institutions, economic development and arts and culture until the public and private sectors could resume their rightful roles. In the wake of that experience, we find this cross-sectoral, cross-discipline approach too effective to be reserved for crisis. This is the way we must continue to forge ahead.”

Rip Rapson, *President and CEO,*
The Kresge Foundation



▲ Goodwill Industries' Flip the Script program provides at-risk men and women with a pathway toward well-paying jobs with training and workplace skills.

That's why we are also supporting workforce training programs that are arming Detroiters with the skills they need for jobs in industries emerging out of the need to transform Detroit's vacant land and remove and renovate its blighted structures. It is one of the reasons the Entrepreneurs of Color Fund, supported by JPMorgan Chase, offers a contractor line of credit to help small businesses in Detroit's construction industry capitalize on the growing demand for their services.

This integrated approach is also driving our support for the new Detroit Strategic Neighborhoods Fund, which brings together community developers and dedicated resources to fuel inclusive development in a targeted group of neighborhoods. And it is why we seeded Develop Detroit, the city's first nonprofit real estate development firm focused exclusively on creating and preserving affordable housing in Detroit's neighborhoods.

Finally, our holistic and deep engagement is reflected in the Detroit Service Corps. Since 2014, we have sent 68 of our most talented employees from around the world to Detroit to spend three weeks embedded with our nonprofit partners, lending their skills and expertise to help these organizations fulfill their critical missions.

Clearly, there is still much work to be done to ensure Detroit's rising tide lifts the boat for *all* Detroiters. But the momentum is palpable and signs of progress can be seen across the city.

JPMorgan Chase is proud to be a part of Detroit and we are deeply invested in its future. ■



INCLUSIVE RECOVERY IN DETROIT

By Sarah Rosen Wartell
President, Urban Institute

As Detroit emerges from a decades-long economic crisis, its challenge is to create not simply a recovery but an inclusive recovery.

This requires a plan for fueling growth that benefits the city's longtime residents, draws on their experiences and amplifies their voices. Detroit exemplifies many of the crucial elements required to achieve this inclusive vision.

The story of Detroit is, in many ways, the story of what can be achieved through collective effort.

Success depends on partnership across the public, nonprofit and private sectors. Detroit has done this as well as any city I have seen, with stakeholders across sectors knitting together a strategy for renewal. Public-sector officials are partnering with a deeply committed philanthropic community and engaged business leaders. These three sectors are collaborating to create and implement an integrated strategy.

This is hard work. The city and its partners may not always get it right at first, but their demonstrated commitment will help ensure that Detroit's recovery is a shared recovery. This is part of what is uniquely powerful in Detroit: The city's partners have been willing to make the kind of cross-sector investments that will prove effective – from small business growth to workforce development to affordable housing.

In partnership with the city, JPMorgan Chase has worked to understand the community's needs and to bring the firm's particular capacity to bear to make a meaningful impact. To this end, Urban Institute is bringing data and analytics to inform and assess JPMorgan Chase's philanthropic efforts in Detroit. Through this collaborative effort, Urban is forming local partnerships as well as mining data and experience to provide insights that will enhance and advance local conversation and generate a wider understanding of major economic and social challenges; JPMorgan Chase is incorporating those insights to make its programs in Detroit and elsewhere even more effective.



BUILDING CAPACITY ON THE GROUND

BY STEPHEN M. CUTLER, EXECUTIVE VICE PRESIDENT AND VICE CHAIRMAN, JPMORGAN CHASE & CO.

Our work in Detroit started with the same central question that drives our efforts in cities around the world: What is the problem we are trying to help solve, and what is the best way to do so?

Answering that starts with understanding the nonprofit organizations and other institutions that are on the ground playing a key role in serving their communities. We analyze these organizations' strengths, weaknesses and challenges with one objective in mind: identifying where we can help strengthen their capacity and the underlying systems needed to support and drive sustainable change.

An equally important part of our approach is identifying what unique assets and capabilities our firm can bring to the table. In some cases, part of the solution is additional financial resources. In others, however, what's needed is a different service delivery model, a novel partnership or application of a new technology. So we bring the full weight of our firm's assets to bear — including our expertise, data, technology and relationships.

Our work in Detroit illustrates this comprehensive approach. For example, JPMorgan Chase's experts on workforce development closely partnered with Detroit's leaders to analyze the city's workforce system and provided valuable data and insight into the local labor market dynamics. Combining this analysis with our similar work in other cities, we offered recommendations for strengthening the system, which helped inform a new direction for the Mayor's Workforce Development Board.

We are lending this kind of expertise in many other ways. Our community development bankers are bringing leading-edge thinking and extensive global experience about how to revitalize neighborhoods, while our mortgage bankers have worked with our partners to develop imaginative solutions to the challenges of Detroit's real estate market. The JPMorgan Chase Institute is providing unique, deeply localized data that sheds light on the critical role of Detroit's small business sector.

The Detroit Service Corps is perhaps the most tangible example of this multifaceted approach. Through the Service Corps, some of our most talented employees have spent time working on-site with our nonprofit partners in Detroit, using their expertise to assist with everything from strategic and business planning to market analysis, financial modeling, organizational design and marketing (see box).

Ultimately, greater capacity for Detroit's nonprofits means greater opportunity for Detroit's residents — and the chance for economic growth that brings the most people along.



Since 2014, JPMorgan Chase has deployed teams of top-performing employees, putting their skills and expertise to work on the ground to help our nonprofit partners fulfill their critical missions. Time and again, these teams have helped accelerate our partners' ability to impact their communities and even fundamentally shift their goals and vision. Through hands-on work in the communities we serve, Service Corps members also have the opportunity to draw new meaning and insight about their roles at the firm — and in the world. The program, which we started in Detroit, is now global.

As of November 2016, 112 employees from 11 countries have participated in nine separate Service Corps cohorts, traveling to Uberlândia, Mumbai, Johannesburg, New Orleans and Detroit to dedicate their time and skills across 34 projects to help nonprofits achieve their missions.





DEVON BUSKIN, WORKFORCE
DEVELOPMENT DIRECTOR



LIONEL BRADFORD,
PRESIDENT AND EXECUTIVE DIRECTOR

Employment rates in Detroit lag far behind the national average. At the same time, the city's post-bankruptcy revitalization has created a number of new employment opportunities in the green infrastructure industry.

These new jobs are a welcome addition, but for some Detroit residents who face significant barriers to employment – such as the lack of a high school diploma, limited literacy or a previous incarceration – these opportunities can seem out of reach.

The Greening of Detroit is addressing these barriers head-on. Through its programs for youth and adults, the nonprofit organization provides workforce training for jobs in forestry, urban agriculture and landscaping. By aligning its programs with available jobs, the organization boasts a nearly 100 percent placement rate. Now, with funding from JPMorgan Chase's New Skills at Work initiative, The Greening is able to significantly expand its proven demand-driven programs.

In partnership with Neighborhood Services Organization and Focus: HOPE, our support helped launch the Detroit Conservation Corps in 2016. Through the program, participants complete an eight-week paid training course that results in certification in several areas of their choice – such as tree removal or landscape maintenance – and then placement in well-paying jobs. Through the program, The Greening also provides training in “soft skills,” such as how to dress for an interview, as well as

wraparound services including help with food, child care and housing assistance. The Detroit Conservation Corps is aiming to train at least 2,500 adults.

“We are helping to make these folks work-ready so they can get into the workforce and earn a decent living wage,” said Devon Buskin, workforce development director, The Greening.

Another highly successful program is the Green Corps, an eight-week summer youth employment program that provides low-income Detroit youth with job training and meaningful employment – while also ensuring that the trees The Greening plants are adequately maintained. Each year, the Green Corps provides 250 summer jobs for high school students.

JPMorgan Chase's support for The Greening extends well beyond its training programs – and illustrates how our firm is investing more than dollars to strengthen the capacity and long-term sustainability of our nonprofit partners.

For example, as plans to expand The Greening's programs took shape, it became clear that the organization was facing a physical capacity challenge: It had long outgrown its previous office space, which required dividing staff, tools and vehicles between three different locations.

In response, JPMorgan Chase donated one of our former branch buildings to The Greening. The new building allows adequate space for ongoing operations, serves as a training hub and acts as an anchor for the neighborhood.

In addition, the organization was wrestling with how best to ensure its long-term financial sustainability. “Like so many nonprofits in Detroit, we face a problem with getting the administrative dollars that we need to keep our organization running,” said Lionel Bradford, president and executive director, The Greening. One possible solution was to develop a fee-for-service model to offset some of these costs, but leaders were not sure if it was feasible.

Enter the JPMorgan Chase Detroit Service Corps. In 2015 a team of JPMorgan Chase employees with expertise in operations, business plan development and financial modeling spent three weeks on-site with the team at The Greening, helping the organization develop a business plan for a new landscaping social enterprise program.

“This wasn't our area of expertise, but the Service Corps confirmed for us that we were going down the right path,” said Bradford. “They came in and put together a plan for this, basically showing us how to keep our organization sustainable.” ■

DECODING DATA



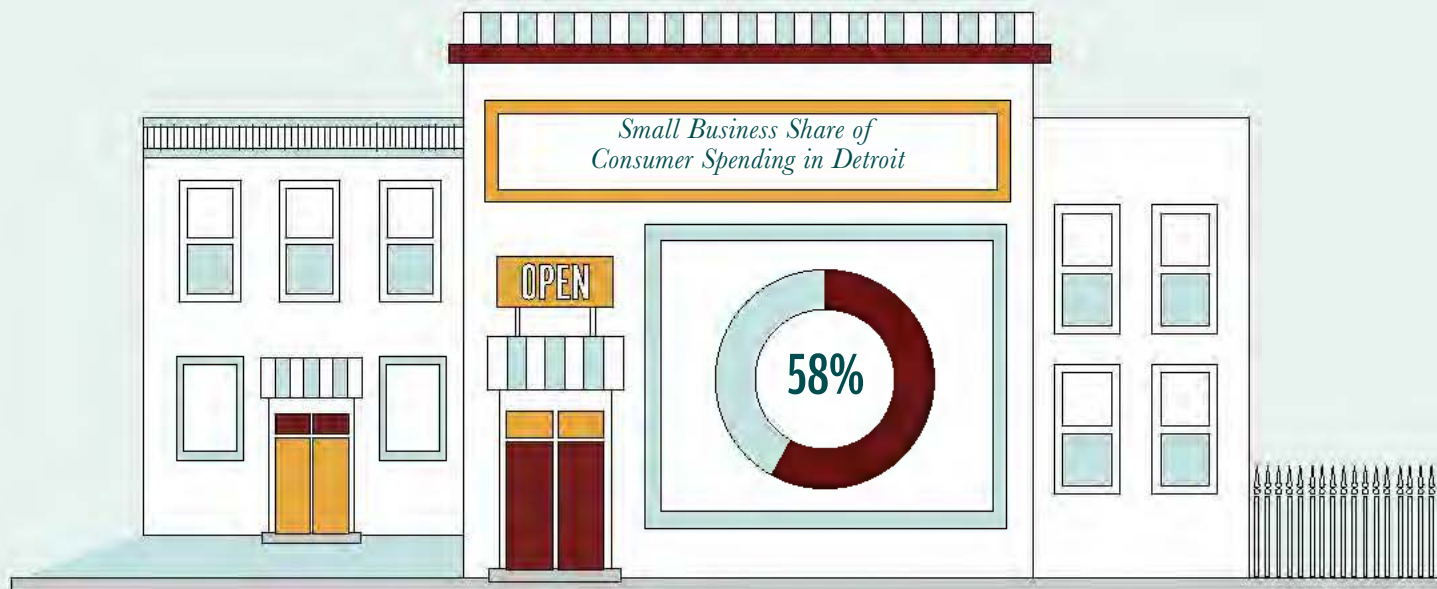
By Chris Wheat, Director of Business Research, JPMorgan Chase Institute

JPMorgan Chase believes deeply in the power of data to advance economic progress and expand access to opportunity – which is why we are helping arm Detroit’s leaders with actionable data to inform their work.

For example, through the JPMorgan Chase Institute – a global think tank that draws on our firm’s unique proprietary data, expertise and market access to develop insights into the global economy – we measured consumer spending across 15 U.S. cities, including Detroit. The Institute’s Local Consumer Commerce Index (LCCI) shows that in Detroit, small businesses are a big driver of consumer spending – more so than in other parts of the country.

The Institute’s LCCI data are truly distinctive. Unlike other data sources that rely on self-reports, these data reflect over 16 billion anonymized credit and debit card transactions from more than 54 million Chase customers. This provides an opportunity to produce hyper-localized analyses of consumer spending.

In Detroit, these analyses revealed that 58 percent of consumer spending took place at small businesses within Detroit –



no other city in in the LCCI sample cleared 50 percent. In September 2016, small businesses in Detroit contributed 3.4 percentage points to overall growth in the entire metro area. By contrast, the 15-city metro average contribution from small businesses was 2.5 percentage points.

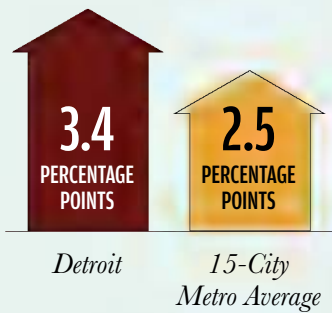
These findings suggest that the city’s focus on strengthening and supporting its small business sector has the potential to be a powerful lever for driving inclusive growth.

Data provided by our firm also informs a broad range of other efforts underway across Detroit – from tackling blight to strengthening the city’s workforce system. For example, in 2016, JPMorgan Chase and the Corporation for a Skilled Workforce released research aimed at enabling the city’s leaders to make data-driven investments in training programs and connect and better prepare Detroiters for job opportunities. This research built on an analysis of the “skills gap” in Detroit that JPMorgan Chase issued in 2015, which identified the sectors projected to create the most middle-skill job opportunities in the city.

As another example, data provided by the Global Cities Initiative – a joint project of the Brookings Institution and JPMorgan Chase – helped illuminate Detroit’s economic assets and opportunities for investments. After the research found that Detroit has the potential for more foreign direct investment, we brought together leaders to discuss the actions they could take toward the region’s overall expansion and globalization of its economy.

Detroit provides a case in point of how timely, robust and local data helps leaders target efforts and focus limited resources in ways that make a real difference in the lives of their residents. ■

Small Business Contribution to Metro Spending Growth



Detroit’s focus on strengthening its small business sector can be a powerful lever for driving inclusive growth.



RETOOLING DETROIT'S WORKFORCE



BY CHAUNCY LENNON, HEAD OF WORKFORCE
INITIATIVES, JPMORGAN CHASE & CO.

There is perhaps no more important measure of Detroit's revitalization than whether it creates opportunities for Detroiters to secure good jobs and climb the economic ladder.

Today, there are clear signs of progress. As 2016 came to a close, 11,000 more Detroiters were working than at the start of the year. The city's employment growth is outpacing overall U.S. growth. The unemployment rate is down to 10.4 percent from a high of about 28 percent in 2009.

But challenges remain. The unemployment rate is still significantly higher than the national average. Additionally, many residents do not have the necessary skill and education levels to qualify for good-paying jobs available locally.

"As Detroit comes back, we want to make sure that Detroiters are participating in the turnaround — and that means having the skills to secure available jobs," said Detroit Mayor Mike Duggan.

Through New Skills at Work, JPMorgan Chase's \$250 million global initiative to inform and accelerate demand-driven skills training, our firm is investing \$12.5 million in Detroit to help boost the city's workforce readiness. Our goal is to create more opportunities for workers to obtain well-paying, middle-skill jobs — those that require education beyond a high school diploma but less than a college degree — while providing employers with the workforce needed to grow and compete.

Detroit, like many other cities, has experienced profound shifts in its industrial base, technological disruption and a changing employment landscape. Working closely with our partners on the ground, we are sharing insights from our efforts to address these challenges.

◀ At Eco Works, Shiquia Montgomery recycles industrial materials as part of a skills training program.



◀ Jamie Dimon visits the training facility floor at Focus: HOPE with Decondi Kennedy (left) and Nathaniel Harris (right).

▼ Christopher Proctor II started at Eco Works as a trainee and has moved on to a manager role in only a few years.



STRENGTHENING DETROIT'S WORKFORCE SYSTEM STARTS WITH UNDERSTANDING IT

The misalignment between the skills employers need to be competitive, the skills available in the workforce and the skills provided by training programs is unique to the local region. This makes good data and analysis essential for accurately diagnosing problems and formulating solutions that truly make a difference on the ground.

With this in mind, our firm commissioned research to examine the dynamics of Detroit's workforce system. In 2016 JPMorgan Chase and the Corporation for a Skilled Workforce (CSW) released a series of reports that identified specific opportunities for strengthening the city's workforce infrastructure and aligning resources to support job growth.

The findings helped inform a reconstituted Mayor's Detroit Workforce Development Board. They also prompted the launch of a new Detroit Workforce System Leadership Academy — an intensive 12-month learning program facilitated by CSW and JPMorgan Chase — which will provide Detroit workforce leaders with an opportunity to collaborate on developing practical solutions to solve some of the city's most challenging workforce issues. The Academy will leverage and build on the expertise of leaders across the workforce community to help up to 22 local senior workforce leaders better engage employers, understand industry workforce needs, develop successful career pathway

strategies and strengthen connections between training providers, job seekers and employers.

“JPMorgan Chase has been instrumental in advancing the leadership culture of learning and innovation that Detroit's leaders are working to build,” said Jeannine La Prad, CEO, Corporation for a Skilled Workforce. “Through the Academy, local leaders will increase their capacity to tackle persistent employment challenges for Detroit residents and employers. Together, we will help Detroit be on the leading edge of workforce system transformation.”

“To translate economic growth into true economic opportunity for more Americans, we need a new strategy for human-capital formation and a major pivot toward practical skills. The unique sense of dignity conferred by meaningful work and earned success is vital for building satisfying lives and strong societies.”

Arthur C. Brooks, President of the American Enterprise Institute



INVESTING IN DETROIT'S MOST EFFECTIVE TRAINING PROVIDERS

In Detroit, as in other cities around the world, JPMorgan Chase is investing in high-quality training providers that help individuals develop the skills, credentials and experience they need to get on stable and rewarding career pathways.

Since 2014, our support for organizations such as Detroit Employment Solutions Corporation (DESC), Goodwill Industries, EcoWorks, Focus: HOPE, The Greening of Detroit, United Way for Southeastern Michigan and others have helped more than 3,600 Detroiters build in-demand skills.

“The city of Detroit is seeing significant demand in a number of key occupational sectors, and we need to ensure that a pipeline of skilled talent is available to support that demand,” said Nicole Sherard-Freeman, president and CEO of DESC.

That is exactly what DESC’s Demand Driven Detroit Training program (3DT) — which uses a combination of boot camps, apprenticeships and basic skills accelerator training — is working to do. It focuses on arming participants with skills to enter well-paying jobs in Detroit’s fast-growing health care and information technology sectors.

Demand-driven programs like 3DT, and those of our many other partners across the city, are powerful tools for ensuring all Detroiters have the opportunity to share in the rewards of Detroit’s revitalization. ■

▼ Roderick Carter works on the assembly and packing line at an automotive supply facility managed by Goodwill Industries, one of the workforce training providers supported by JPMorgan Chase.



▶ Denise Hampton works on the automotive parts supply line at Goodwill Industries.





Gregory Davis, a graduate of Focus: HOPE, a JPMorgan Chase-supported training program that helps Detroiters build in-demand skills. After completing the program, Davis was hired by Detroit Manufacturing Systems.

OPENING THE DOORS TO OPPORTUNITY FOR DETROIT'S YOUTH

Talent is distributed evenly. Opportunity is not.

It's a point Detroit Mayor Mike Duggan, among others, has made, and it's one that is starkly apparent in Detroit. More than 55 percent of Detroit's children live in poverty. The city has a 30 percent youth unemployment rate — the highest among the 25 largest U.S. metro areas. Only 62 percent of the city's African-American and 55 percent of its Latino young men are graduating from high school. More than 30 percent of young people in Detroit's lower-income African-American neighborhoods are neither working nor in school.

In Detroit, as in too many communities around the world, young people of color and young people from distressed neighborhoods are being shut out of opportunity. JPMorgan Chase is working to help change that reality.

In 2016 our firm launched New Skills for Youth, a \$75 million global initiative to expand high-quality career-focused education programs that lead to well-paying jobs and long-term careers. These programs can truly transform lives by showing students that there are many pathways to success, including ones that do not require pursuing a four-year degree right after high school.

As part of this initiative, we are investing \$4 million to support work by the United Way of Southeastern Michigan to strengthen college and career pathways for students at 20 Detroit high schools. JPMorgan Chase joins the Skillman Foundation, the Ford Foundation and the Ford Motor Company Fund as part of a coalition working to connect 10,000 Detroit high school students over the next three years with career education and work experiences to boost employment.

Our support will enable the United Way to expand its Linked Learning initiative, a career-oriented education program. Through Linked Learning's curriculum and work-based learning, students earn credentials, qualifying them for career pathways and college, in growing industries such as advanced manufacturing, health care, information technology, digital communications, engineering and public service.

"As parents fight to encourage their children to stay in school in hopes that they have a brighter future, it's an uphill battle without access and opportunity that our youth can see," said Sharlonda Buckman, CEO, Detroit Parent Network. "With support from JPMorgan Chase, the Linked Learning approach is an opportunity to affirm parents' resolve to push and support their youth and the relevance of their education experience."

By creating more opportunities for Detroit's young people, JPMorgan Chase is helping lay the foundation for a real, lasting and broadly shared recovery.



SUPPORTING INCLUSIVE



ENTREPRENEURSHIP

By Janis Bowdler, Head of Small Business and Community Development Initiatives, Global Philanthropy, JPMorgan Chase & Co.

When Detroit's small businesses succeed, its neighborhoods and the city as a whole follow. From restaurants to barbershops, from tech startups to coffee shops, these vital hubs of commerce contribute to diverse neighborhoods, attract new residents, create jobs and power the local economy.

In Detroit – where U.S. Census data show that approximately 50,000 small businesses are owned by people of color, making it the fourth-largest U.S. city for the number of minority-owned businesses – JPMorgan Chase recognized that better meeting these entrepreneurs' needs was vital to unleashing the power of small business as a driver of opportunity.

Our work in the city quickly shined the spotlight on the importance of creating more abundant and creative opportunities for underserved entrepreneurs to access capital. Knowing that greater access to flexible capital – financing for small businesses that don't meet the criteria for traditional loans – is a particularly dire need, we helped launch the Entrepreneurs of Color (EOC) Fund, in partnership with the Detroit Development Fund (DDF) and the W.K. Kellogg Foundation.

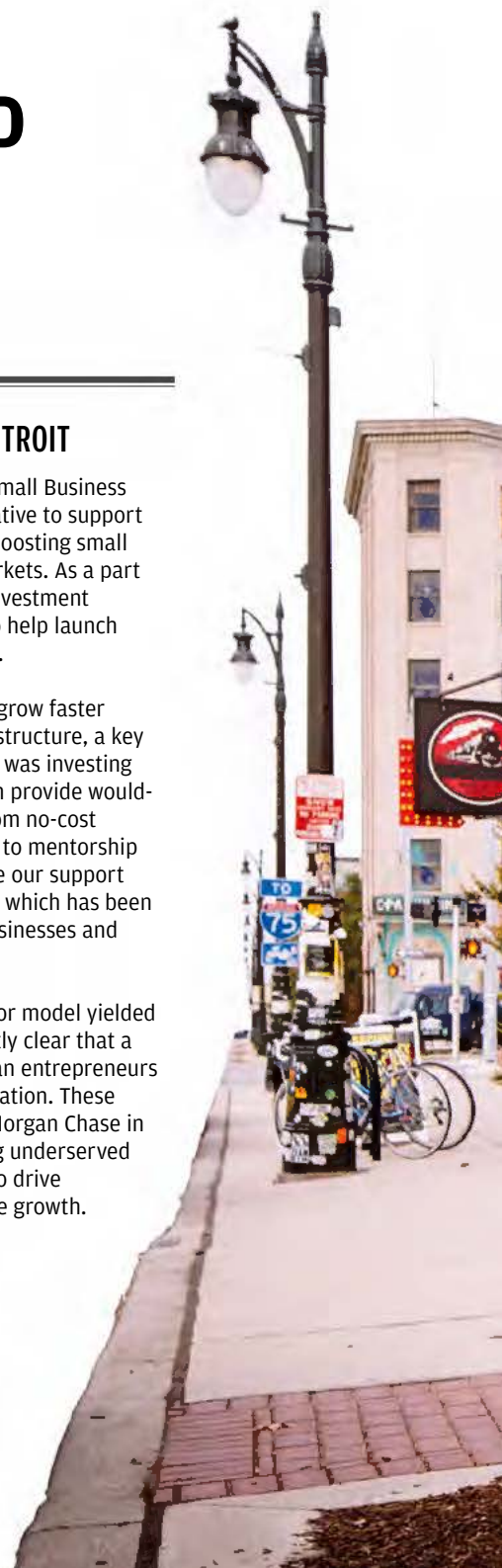
"Growing lending to minority small business owners is crucial to Detroit's comeback," said Ray Waters, president, DDF. "The unique structure of the EOC Fund allows DDF to provide lines of credit and loans to accommodate the needs of entrepreneurs who might otherwise go out of business but now are able to offer their services to the residents of Detroit."

A STRATEGY SHARPENED IN DETROIT

In 2014 JPMorgan Chase launched Small Business Forward, a global philanthropic initiative to support and scale innovative approaches to boosting small business growth in critical urban markets. As a part of this initiative, JPMorgan Chase's investment included a \$7 million commitment to help launch and grow small businesses in Detroit.

With evidence that small businesses grow faster when they share resources and infrastructure, a key component of our strategy in Detroit was investing in incubators and accelerators, which provide would-be entrepreneurs with everything from no-cost workspaces and strategic workshops to mentorship and networking. In Detroit, this drove our support for Eastern Market, a food incubator, which has been extremely successful in launching businesses and creating jobs.

Although this highly focused incubator model yielded real results, it also became abundantly clear that a focus on women, minority and veteran entrepreneurs was essential for the city's transformation. These insights in Detroit contributed to JPMorgan Chase in 2016 sharpening its focus on helping underserved entrepreneurs connect with capital to drive sustainable, widespread and inclusive growth.





“Detroit’s entrepreneurs grapple with many challenges — a global marketplace, rapidly changing technology and new sources of competition. However, they also face a unique set of obstacles that come from working in a city that is transforming itself on a large scale. Though these challenges are particularly acute in Detroit, the ways we address them can be applied to communities across the country and around the world.”

***Jennifer Piepszak**, CEO of Chase Card Services (former CEO of Chase Business Banking)*



By the end of 2016 the EOC Fund had awarded 30 loans valued at \$2.75 million in critical capital, and it had created 79 jobs for Detroit businesses that are owned by minorities or that primarily employ minorities.

MOVING SMALL BUSINESS FORWARD

▲ Trellis Mercer on the floor of a manufacturing facility for LoveLifeSwagger. Funding from the Entrepreneurs of Color Fund helped Mercer to expand his Detroit clothing business.

Our strategy is focused on three key areas:

Diversifying High-Growth Sectors

.....
Eastern Market is a prime example of how a geographic concentration of related businesses can help entrepreneurs get off the ground. Located at the site of three formerly blighted industrial buildings in the Eastern Market District, the regional food service hub houses incubators like Shed 5. With the help of funding from JPMorgan Chase, it also supports a network of six commercial shared-use kitchens across the city. Detroit Kitchen Connect, a technical assistance program, has helped create 42 jobs and license 35 businesses.

Expanding Entrepreneurial Opportunities

.....
As the city's preeminent business accelerator and incubator, **TechTown** clearly shows how a high-tech, high-growth incubator can address the needs of small businesses and underserved entrepreneurs. With JPMorgan Chase's support, TechTown has engaged 15 businesses through its University District SWOT City program since 2014. TechTown also offers its Retail Boot Camp for owners to open brick-and-mortar businesses. Since 2013 it has helped 39 entrepreneurs open new businesses and leveraged over \$540,000 in investments.

Expanding Access to Flexible Capital

.....
Launched in 2015, the **Entrepreneurs of Color (EOC) Fund** is a \$7 million loan fund for Detroit's minority-owned small businesses to help ensure that they have the resources and tools to succeed. Facilitated by the Detroit Development Fund, with funding from JPMorgan Chase and the W.K. Kellogg Foundation, the EOC Fund provides flexible financing and access to technical assistance to businesses that lack access to traditional forms of credit and capital. ■



ROWE
Trucking

2016
CVED

Rowe Trucking's fleet of trucks needs gas to keep it running smoothly. But the business is really fueled by a steady flow of working capital.

RHONDA ROWE KEEPS ON TRUCKING

Rowe Trucking is a second-generation Detroit small business owned by Rhonda Rowe and started by her father, Arthur, in 1967. With five trucks, it hauls materials such as sand, gravel, asphalt and dirt for a range of clients in the city and beyond.

Since 2015 Rowe has secured two loans totaling \$75,000 through DDF's Entrepreneurs of Color program, which has allowed Rowe to buy new trucks that let the company transport larger amounts to meet her customers' needs.

The funds help to bridge the cash flow gap, especially since the seasonal business is closed for several months in winter due to the frigid Detroit weather. "Sometimes it takes 30 to 60 days to get paid from some of the contractors that we work for," said Rowe. In the meantime, she needs to meet payroll, fuel the trucks, pay insurance and meet other needs that arise. The funds give her a cushion to make this all happen. "I am grateful to the whole team at the Detroit Development Fund for working with me to keep my business running."

Rowe's vision of the future includes expanding from five to 10 trucks as well as continuing to support the community where she works and lives.

"Because I was born and raised in Detroit, I want to hire more Detroiters," said Rhonda Rowe, owner of Rowe Trucking. "This is very important to me, so they can take care of their families while my company can continue on for generations to come."



“Detroit’s success depends on our ability to work collaboratively with public, private and philanthropic partners to find innovative solutions that will fuel the city’s continued revitalization. JPMorgan Chase’s investment will create a micro-district model, which can be tailored throughout the city and serve as a catalyst for neighborhood redevelopment, stimulating small business economic growth and creating new jobs.”

U.S. Sen. Gary Peters (D-Mich.)

NO NEIGHBORHOOD LEFT BEHIND



By Hon. Mel Martinez

Chairman of the Southeast U.S. and Latin America Regions, JPMorgan Chase & Co.; former U.S. Senator from Florida, and 12th Secretary of Housing and Urban Development

Detroit’s newly revitalized downtown and midtown are buzzing. But not everyone is feeling the thrill. Beyond these areas, it’s all too common to find neighborhoods that are at risk of being left behind. The disparity not only harms families and communities, it isn’t a sustainable model – research shows that thriving neighborhoods are key for any city’s long-term economic success.



DOWNTOWN

MIDTOWN

THE DETROIT STRATEGIC NEIGHBORHOODS INITIATIVE

The question is how to spread the prosperity beyond the urban core.

To help address this complex issue, in 2016 JPMorgan Chase launched Partnerships for Raising Opportunity in Neighborhoods (PRO Neighborhoods), a \$125 million, five-year philanthropic initiative to support and catalyze locally driven solutions for revitalizing distressed neighborhoods across the United States.

This focus on neighborhood renewal has been greatly informed by our work in Detroit, where we help to find ways to ensure the revitalization underway there extends beyond downtown and midtown. Historically, community development efforts have treated each element of neighborhoods – housing, education, health care and transportation – separately. Instead, PRO Neighborhoods' strategy is based on the idea that creating vibrant, healthy and inclusive neighborhoods depends on investing in these elements in a holistic and integrated way – and doing so deeply enough in a particular place to have a real impact.

DEVELOP DETROIT

In 2016 JPMorgan Chase announced a commitment of \$4 million over four years in seed funding to support the creation of Develop Detroit, a full-service nonprofit real estate development organization that fills a critical gap in capacity to bring financing to projects in Detroit's neighborhoods. Develop Detroit will work to preserve existing affordable residential homes and build new, inclusive mixed-use housing projects in targeted neighborhoods. Since its launch in August, Develop Detroit has closed on three projects, which include new housing units, renovated apartments and a new development site for mixed-income, multifamily rental homes.

PRO Neighborhoods holds an annual competition to encourage community development financial institutions (CDFIs) to collaborate on local solutions that promote inclusive growth in their communities. One of the 2016 winners was the Detroit Strategic Neighborhoods Initiative, a collaboration that brings together public, private and philanthropic partners. The initiative is focused on improving a targeted group of neighborhoods by stabilizing real estate, creating jobs, providing mixed-income housing and improving infrastructure.

JPMorgan Chase committed \$5 million in the initiative to support the creation of a new \$30 million Strategic Neighborhood Fund, a partnership between Invest Detroit, the Detroit Development Fund and the Opportunity Resource Fund. Over the next decade, the fund will dedicate key resources to add more housing, density and services in the West Village, Southwest Detroit and Livernois-McNichols neighborhoods, which have been targeted by the city for revitalization.

AND BEYOND...



INVESTING IN COMMUNITY DEVELOPMENT

TACKLING BLIGHT

Blight isn't just an aesthetic issue.

Dilapidated housing drains city resources, erodes the tax base, decreases property values and puts a community's health and safety at risk. In Detroit, tackling this problem is a crucial step in the city's revitalization. Our firm has committed \$25 million to support a broad range of key efforts and organizations in Detroit to end blight and stabilize and revitalize Detroit's neighborhoods.

For example, in 2015 JPMorgan Chase provided \$5 million to community lender Liberty Bank – the third-largest African-American-owned bank in the country – to create the Liberty Bank Home Restoration Program. Through the program, Liberty Bank is extending \$20 million in affordable mortgage and rehabilitation loans to qualified buyers and existing homeowners in Detroit's neighborhoods. Our support enables Liberty to offer more flexible financing terms that account for the realities of Detroit's housing market and to provide down-payment assistance.

Another example is our support of Southwest Solutions, which is working to revitalize the Southwest neighborhood through coaching and homeownership counseling programs, and by rehabilitating properties and putting them back on the market. We have also invested in Michigan Community Resources and Community Development Advocates of Detroit to create an electronic system to help community organizations better coordinate their activities and build capacity for blight removal.

JPMorgan Chase has deep expertise in community development banking and, through our Chase Community Development Banking business, a proven track record of lending and investing in Detroit.



Capital Impact Partners, we are providing financing for the rehabilitation and construction of mixed-use and multifamily housing. The Chase Invest Detroit Fund, managed by Invest Detroit, provides capital for residential, commercial and retail developments that help small and medium-sized enterprises grow. This support is enabling our partners to finance projects in Detroit's neighborhoods and urban core that hold the key to unlocking more inclusive growth but lack access to traditional financing.

By the end of 2016, the funds together have committed over \$43.9 million through 19 loans and leveraged over \$145.8 million in additional funding.

This commitment continues in the city, where in addition to our ongoing community development banking work and PRO Neighborhoods efforts, half of our total \$100 million investment will support two leading nonprofit community development financial institutions: Capital Impact Partners and Invest Detroit. Through the Detroit Neighborhoods Fund, managed by

“CDFIs are built on the philosophy of collaboration. We are seeing a high level of partnering that exists between CDFIs, which allows us to share risk, leverage assets and get boots on the ground on a grassroots level. It's based on the concept that we all have limited resources that we can deploy, and the best we can do is leverage our resources for a common goal or purpose,” said David Blaszkiewicz, president and CEO of Invest Detroit.

▲ David Blaszkiewicz, president and CEO of Invest Detroit.

HARNESSING TECHNOLOGY

JPMorgan Chase supports the work of the Motor City Mapping project, which uses technology developed by Loveland Technologies to digitize property information and helps city officials, residents and community groups work together to transform blighted properties. The initiative is a model for how technology can lead to innovative solutions for problems that plague neighborhoods. Now we're supporting the expansion of this unique tool to three cities in Ohio.

THE

20-MINUTE NEIGHBORHOOD

Imagine living in a place where everything you wanted — from parks to groceries to a cup of coffee — was a 20-minute walk or bike ride away.

This is the concept of the “20-minute neighborhood,” an idea that started in Portland, Oregon, and that Detroit’s civic leaders have embraced. In addition to increasing livability, convenience and well-being, these neighborhoods provide access to critical services like public transit that help remove barriers for people and communities.

Throughout history, people have walked from their homes to get the things they need. With the invention of the car and the rise of the suburbs, however, this way of living has fallen by the wayside in many places. But the concept is back, thanks in part to millennials who seek a denser, urban community over the isolated and car-bound culture of the suburbs.

“A lot of the comeback stories have been focused on downtown, what people call the heart of the city. But Mayor Duggan has always said that what will make Detroit great again is the quality of the neighborhoods, which are the soul of the city. In the next phase of revitalizing Detroit, we felt that it was important to re-establish the importance of neighborhoods,” said Maurice Cox, Detroit’s director of planning. Restoring the city’s “soul,” according to Cox, involves bringing both long-time residents and newcomers along in Detroit’s recovery. The program targets three

neighborhoods with an abundance of single-family homes, many of them beautiful but abandoned or in disrepair. “We owe people a return on their investment by regenerating their neighborhoods,” said Cox. “We need to give them clear, demonstrable results so they can plan to stay, raise their families and continue to anchor this city.”

For West Village, Southwest Detroit and Livernois-McNichols, the city laid out a plan that includes several key steps to creating 20-minute neighborhoods: renovating homes with federal affordable housing funds, building greenways to connect neighborhoods, adding protected bike lanes and retail in adjacent commercial corridors, renovating vacant apartment buildings, improving streetscapes in medians and turning vacant lots into gardens or orchards.

With these three neighborhoods making steady progress, more are sure to follow. “There is something systemic about what we are doing,” said Cox. “Our goal is to take the lessons learned and apply them to many kinds of neighborhoods across Detroit. If we get this right, we will have solved a problem that a majority of Detroit neighborhoods have faced for decades.” ■

► Maurice Cox, Detroit’s planning director.





BRINGING A STRONG FINANCIAL FOUNDATION TO DETROIT

BY SALLY DURDAN, HEAD OF STRATEGY, CHASE CONSUMER & COMMUNITY BANKING

Too many people are trying to build a future on an unstable financial foundation. Detroit is a case in point.

A 2016 study by the Urban Institute shows that financial health is critical in promoting stability and resiliency in Detroit's communities. However, many have difficulty achieving – or maintaining – financial health due to barriers to affordable credit, high levels of debt and poor credit history.

Sound financial health is the foundation on which strong families and communities are built. When this foundation is solid, the dream of owning a home, starting a business and building a nest egg can become a reality. That is why, as part of our model of investing in the key drivers of economic opportunity, JPMorgan Chase is supporting nonprofit partners that promote financial health, helping them scale their proven models and supporting efforts to identify and expand the reach of digital financial services.

An example of this strategy is our partnership with The Mission Asset Fund (MAF), a San Francisco-based nonprofit that is a pioneer in social lending. By formalizing the social lending model through a technology-based platform, MAF helps individuals who have been traditionally excluded from the financial system to gain access.

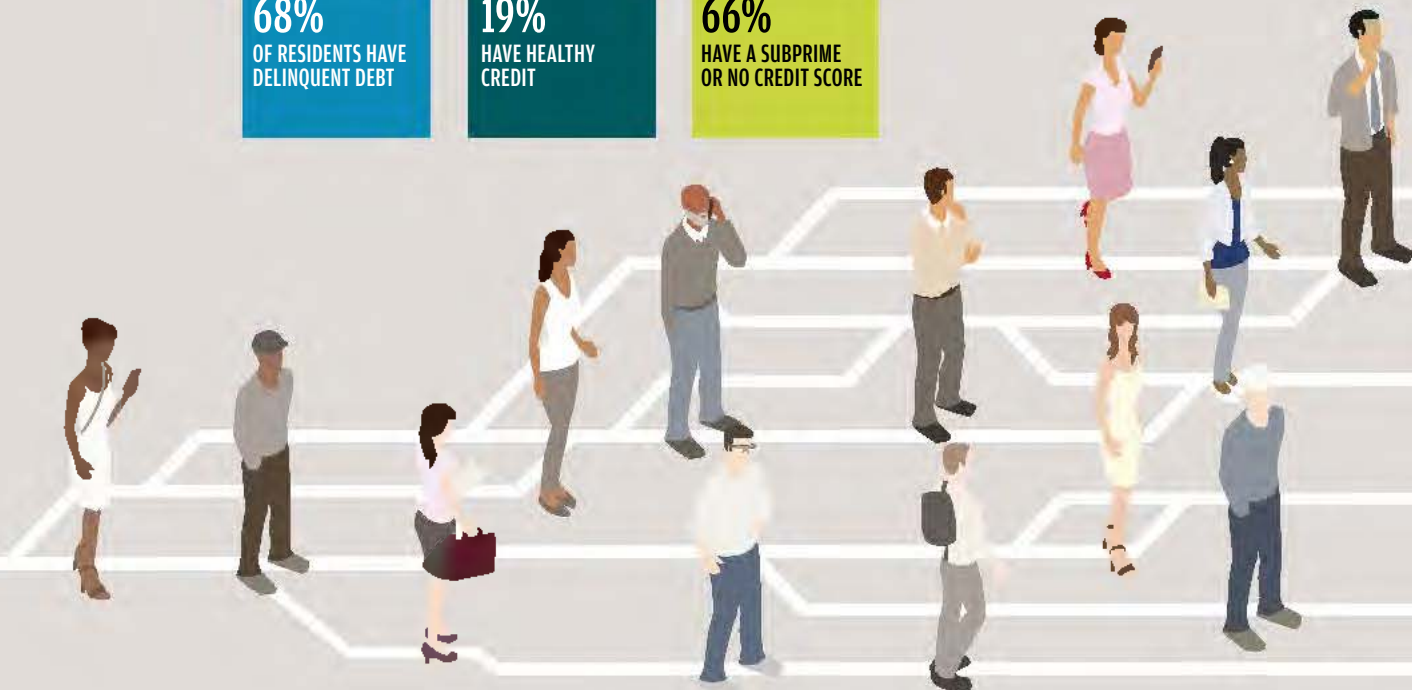
Through a three-year, \$1.5 million grant, JPMorgan Chase is helping MAF expand its Lending Circles program to several new cities, including Detroit. The success of MAF exemplifies how innovative technology solutions can be scaled to boost financial health around the world, helping to create a solid foundation that can make an enormous difference to families and communities.

ACCORDING TO THE URBAN INSTITUTE, IN DETROIT:

68%
OF RESIDENTS HAVE
DELINQUENT DEBT

19%
HAVE HEALTHY
CREDIT

66%
HAVE A SUBPRIME
OR NO CREDIT SCORE



A MODEL THAT WORKS

In the past, efforts to help individuals and families become more financially secure focused narrowly on financial literacy, which often meant attending an informational workshop or reading a brochure that explained the basics of finance. “When we started 10 years ago, the conventional wisdom was that poor people didn’t know enough, and we needed to teach them to change their ways,” said José Quiñonez, CEO of Mission Asset Fund.

Quiñonez didn’t agree with this limited assessment. Instead, he looked for the positive ways immigrant communities handled their finances. One thing he noticed was that they often came together to lend each other money. This was the idea behind MAF’s Lending Circles, a unique social lending product that draws on this cultural practice.

The premise of Lending Circles is straightforward: After taking an online financial training class, a participant can join a Lending Circle, which is comprised of six to 10 people. Together, they decide on an amount for their group loan. Every month, each member contributes a payment and takes turns receiving a zero-interest loan. By adding a promissory note and reporting to all three major credit bureaus, Lending Circles empowers participants to establish credit scores or improve damaged ones. For many, this is a first crucial step to their long-term financial goals.

“The financial lives of poor people are complex,” said Quiñonez. “Instead of looking at complexity and shying away from it, we can answer people with innovation and technology, delivering products that are true to their reality.”

Through JPMorgan Chase’s commitment, MAF is able to expand its technology-based Lending Circles platform to other organizations. Around the country, the platform is supporting 53 – and growing – nonprofit partners, with near-limitless capacity to accommodate future partners as the network expands.

One of these partners in Detroit is Southwest Solutions, which provides a wide range of community programs and services to Detroit residents, including financial coaching, entrepreneurial training and homebuyer counseling. Now Southwest Solutions has integrated Lending Circles into its program offerings, with the goal of helping its clients work toward greater financial stability.

“Too many Detroit residents have no credit history or very low credit ratings,” said Hector Hernandez, executive director of Southwest Solutions. “Lending Circles will enable our clients to build their credit so they can realize their long-term financial goals, such as becoming homeowners, entrepreneurs and college graduates.”

As MAF rapidly expands, it is learning the nuances of choosing impactful partners. JPMorgan Chase’s wide reach has helped open doors for the organization, and shows the value of strong collaborations: “Our model depends on trust and building relationships,” said Quiñonez. “It’s not about us setting up an office where we don’t know anybody. Chase has been that connection that has allowed us to expand. It’s been a team effort.” ■

THREE STEPS TO A LENDING CIRCLE

STEP 1

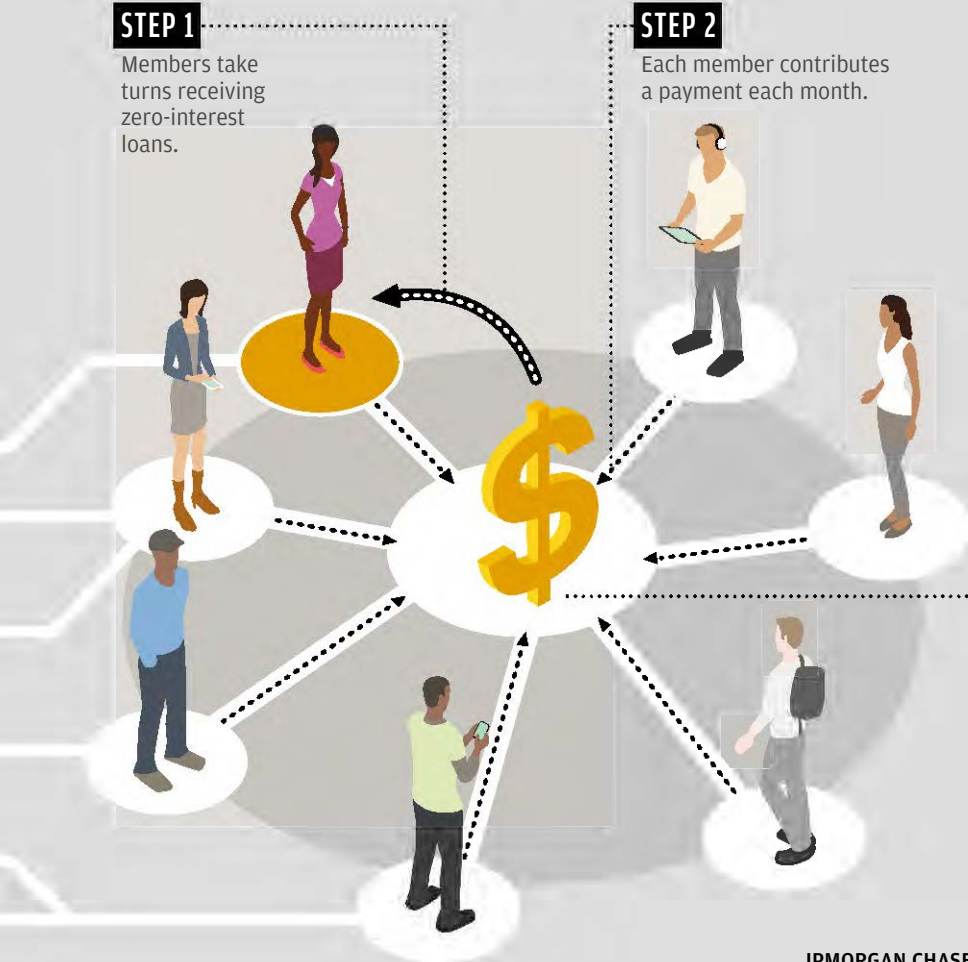
Members take turns receiving zero-interest loans.

STEP 2

Each member contributes a payment each month.

STEP 3

Payments are reported to all three major credit bureaus.



Lending Circles helps participants to establish credit scores or improve damaged ones.

BEYOND DETROIT MODEL IN ACTION

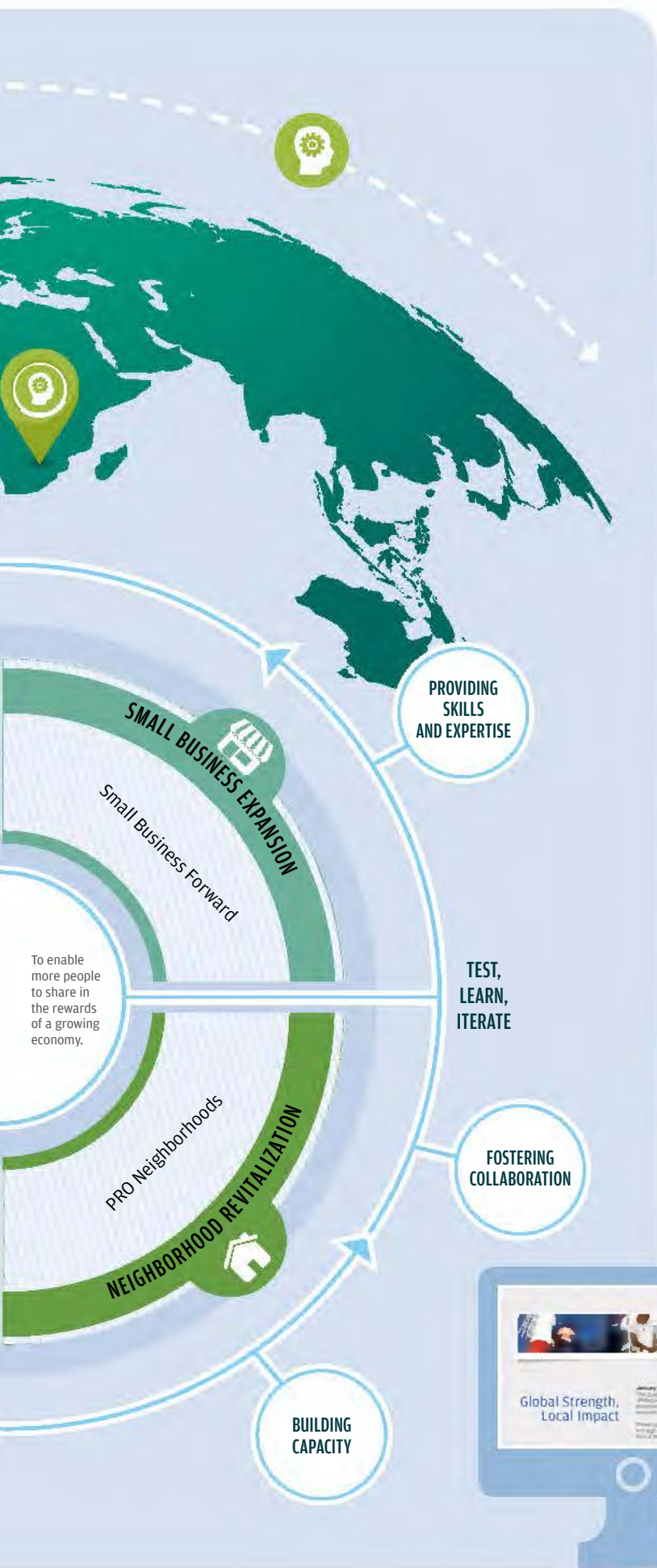
While we look at our work in Detroit as “proof of concept” of JPMorgan Chase’s model for driving inclusive growth, our firm’s corporate responsibility strategy and approach was developed, tested and refined through our efforts on the ground in communities around the world.

While every city faces unique challenges and opportunities, our model works because it focuses on the drivers of inclusive growth that our experience shows are consistent across communities: arm people with the skills needed for today’s high-quality jobs; provide small businesses – particularly minority-owned and community-based ones – with capital and resources; invest in community development that revitalizes not only urban cores but also surrounding neighborhoods; and give households the tools and resources to manage their financial health.

JPMorgan Chase is advancing these drivers through a series of targeted philanthropic initiatives, all of which are informed by data, focused on strengthening the underlying systems needed to deliver sustainable change and executed in collaboration with deeply committed and knowledgeable partners.

On the pages that follow, we briefly highlight these initiatives and showcase some examples of how we are putting our model into action in communities around the world.





WE ARE PUTTING OUR MODEL INTO ACTION IN CITIES ACROSS THE GLOBE.

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LEARN MORE ABOUT JPMORGAN CHASE'S CORPORATE RESPONSIBILITY EFFORTS

Learn more about how JPMorgan Chase is using its scale, resources and expertise to open pathways to economic opportunity around the world by signing up for *Global Strength, Local Impact*, our quarterly corporate responsibility newsletter, at:

www.jpmorganchase.com/corporateresponsibility





PREPARING THE NEXT GENERATION OF WORKERS

We asked Denver Mayor Michael B. Hancock and New Orleans Mayor Mitchell J. Landrieu how their cities are arming economically vulnerable young people with the skills to succeed.



DENVER MAYOR HANCOCK



NEW ORLEANS MAYOR LANDRIEU

WHAT IS THE BUSINESS COMMUNITY'S ROLE IN EQUIPPING YOUNG PEOPLE TO ENTER THE WORKFORCE?

Mayor Hancock: Preparing the next generation of workers has to be a shared responsibility across the business, nonprofit and government sectors. Employers need the talent, and for Denver to remain economically competitive, we need to continually feed that talent pool. We make sure we understand the private sector's needs and partner with them to put together curriculum and programs that will prepare their workforce pipeline.

Mayor Landrieu: Employers are the most important partners in the workforce system. Through the Anchor Collaborative, my team has regularly convened business leaders, testing workforce innovation and building trust with and among local major employers. Government alone cannot adequately respond to workforce challenges.

One of the most critical tasks of a mayor is to shift leadership and ownership of economic opportunity and workforce development from government to industry.



HOW ARE YOU MAKING SURE YOUNG PEOPLE HAVE THE OPPORTUNITY TO SHARE IN YOUR CITY'S ECONOMIC GROWTH?

Mayor Hancock: As the employment base has changed, it's not as much about the degree you have — although certifications and degrees are important — as it is the practical skills you bring to the marketplace. Particularly for those who are under-skilled, undereducated and challenged economically, we have to make sure they have the skills to be competitive.

Denver Public Schools has a tremendous career education platform, and we are collaborating with them to reach out to disconnected youth and provide skill-building opportunities that will help them find gainful employment.

We've got myriad efforts to break down barriers and create opportunities. We're not just leaving it to the market or to chance.

Mayor Landrieu: In order for New Orleans to reach her full potential, all New Orleanians must participate in the city's economic growth. We support creating career pathways in key economic clusters. Because of the wide range of skill sets or education needed for these high-demand industries, it presents employment opportunities for youth at every point on the economic spectrum.

New Orleans has a strong, cross-sector collaborative with EMPLOY, which works to decrease the number of disconnected youth ages 18 to 24. EMPLOY aims to create a common language across employers and workforce development agencies to ensure that youth are trained to successfully meet industry demands and sustain themselves and their families through high-growth careers. ■



TRANSFORMING CAREER AND TECHNICAL EDUCATION AROUND THE WORLD

Failing to prepare young people with the right skills and education to compete for good jobs is not just a missed opportunity for them — it's a missed opportunity for businesses to hire the talent they need to grow and compete. That's why, in 2016, JPMorgan Chase launched New Skills for Youth, a \$75 million global initiative to expand high-quality career-focused education programs that lead to well-paying jobs and long-term careers.

As part of the initiative, we launched a competition — in collaboration with the Council of Chief State School Officers (CCSSO) and Advance CTE, the association of state Career and Technical Education directors — to award U.S. states with funding to expand and improve career-focused education.

In 2016, JPMorgan Chase and CCSSO committed \$100,000 to each of the 24 states and the District of Columbia, which were selected from a total of 44 states that applied. These states also received targeted coaching and support to begin implementing these programs.

In the second phase of the initiative, in January 2017 we announced \$20 million in grants to 10 states to dramatically increase the number of students who graduate from high school prepared for careers. The winning states — which were selected from the original 24 state

winners — were **Delaware, Kentucky, Louisiana, Massachusetts, Nevada, Ohio, Oklahoma, Rhode Island, Tennessee and Wisconsin.**

We are also supporting innovative career and technical education programs around the world. In 2016, for example, we launched a program with the nonprofit Education Development Center to help young people in the Association of Southeast Asian Nations gain the skills in demand in the region's dynamic digital economy. In the United Kingdom, JPMorgan Chase and the Education Endowment Foundation launched an initiative to help young people improve their English and mathematics attainment — a crucial step for progressing their studies, whether toward higher education or high-level apprenticeships, and finding quality jobs.

INVESTING IN APPRENTICESHIPS IN COLORADO

By providing students with hands-on instruction and the chance to earn while they learn, apprenticeships are a time-tested and proven model to help young people get on the path to secure, well-paying employment. We know apprenticeships work; we just need to give more young people the opportunity to get on the path they provide.

JPMorgan Chase and Bloomberg Philanthropies have together committed \$9.5 million to CareerWise Colorado, a new statewide apprenticeship system for high school students, and Denver Public Schools' CareerConnect.

JPMorgan Chase's support will enable CareerConnect to expand its program, which currently helps more than 6,000 Denver students develop skills and education for opportunities in Colorado's engineering, tech, biomedical, advanced manufacturing and finance industries. With the funding, the program plans to reach 9,000 students over the next three years.

Our support will also enable the piloting of a bold new apprenticeship model in the state. Called CareerResidency, the program links with high school curriculum (grades 9 to 12) and CareerConnect experiential learning programs, adds a 13th year, and culminates in a full transferrable associate's degree and relevant industry certifications. In years 12 and 13, students spend three days a week at a worksite — earning while they learn — and two days at a training center, such as a community college. ■

CREATING CAREER PATHWAYS IN LOUISIANA

Aligning education with career pathways can have a profound impact on young people's lifelong economic trajectories. JPMorgan Chase and Bloomberg Philanthropies have joined forces to open this opportunity to more young people in the Greater New Orleans region, home to the third-largest population of disconnected youth in the United States, with nearly one in five young people neither working nor in school.

We are providing a combined \$7.5 million to YouthForce NOLA, a collaboration of community and education leaders working to help

the city's public high schools redesign their career and technical education programming. YouthForce NOLA is offering coursework, credentials and work-based learning experiences to students that put them on a pathway to developing the skills and knowledge to pursue well-paying jobs in high-demand fields.

Specifically, over the next five years, this support will allow YouthForce NOLA to help 1,600 students earn credentials that will qualify them for career pathways, and place 1,200 students in paid internships in fast-growing regional industries.

FILLING THE SKILLS GAP WHILE PROVIDING PATHWAYS TO OPPORTUNITY

A changing global economy and the rise of technology have dramatically transformed the types of workforce skills that are in demand. JPMorgan Chase is investing over \$325 million in skills development around the world, including our New Skills for Youth and New Skills at Work initiatives. Through this effort, we are working to help fill the skills gap for employers and simultaneously provide adult workers with a real and tangible pathway to economic opportunity.

BRIDGING THE SKILLS GAP WITH DATA

In communities around the world, there is a lack of reliable information on new and emerging skill needs. It became clear to us that closing the skills gap had to start with closing the data gap. That is why a key part of New Skills at Work's strategy is investing in data and analysis.

One such philanthropic investment is Adapting to Changing Skills Needs, a project launched by the Organization for Economic Cooperation and Development (OECD) and JPMorgan Chase in 2016. The goals of the effort are to fill knowledge gaps in the

assessment of skill imbalances and to identify international best practices in addressing them. The project will build an online statistical tool that will enable users to compare how their country performs against other OECD countries on a set of indicators that measure skill imbalances; users can also see which occupations and skills face the strongest labor market pressure. The project will highlight cross-country patterns and identify policies in addressing skill gaps, and provide in-depth reviews for selected countries in Europe and South Africa.

At Tennessee's Lenoir City High School, health sciences students participate in a car crash simulation.



ILLUMINATING CAREER PATHWAYS

We know the importance of integrating career pathways that help participants build skills and credentials to advance in their careers over time. The success of these approaches depends on effectively reaching job seekers to make them aware of the possible pathways and which skills and education are needed to get there. However, we have seen that too often that is not happening.

This is the idea behind JPMorgan Chase's partnership with Houston's East Harris County Manufacturers Association (EHCMA) and the Council for Adult and Experiential Learning to create an innovative, online platform to help students and adults tap into career opportunities in the petrochemical industry.

"Many of these careers are hidden in plain sight, and once people know about them, they become interested because of the compensation, benefits and ability to have a lifelong career with one employer," says Craig Beskid, executive director of EHCMA.

Launched with the support of JPMorgan Chase, PetrochemWorks.com is an interactive and information-packed career exploration resource, which benefits from the input of more than 150 petrochemical experts and company representatives. It features interest-based career maps, educational resources, listings of open jobs and related skills and educational requirements.

In the United Kingdom, JPMorgan Chase supported the creation of another tool to give job seekers visibility into the career options available to them: WhereTheWorkIs.org. Developed by Burning Glass Technologies and the Institute for Public Policy Research, the online resource provides data on skills and vacancies for middle-skill jobs and the gaps between them that exist in different occupations and areas of the country. ■



EXPANDING ACCESS TO CAPITAL ON A NATIONAL SCALE

With small businesses growing fastest among people of color, particularly Latinas and African-American women, it's essential to help them get started and growing. When small businesses succeed, our communities and neighborhoods succeed.

That's why, in 2016, JPMorgan Chase more than doubled the size of our Small Business Forward global philanthropic initiative, committing \$75 million over the next three years to support women-, minority- and veteran-owned small businesses.

As part of this initiative, we are applying the lessons we learned in Detroit about the critical importance of building capital bridges for underserved entrepreneurs by supporting a variety of efforts across the United States that are working to advance that goal.

“Not everyone can access a traditional loan. It is crucial to make it faster and easier for small businesses to connect with local CDFI partners devoted to providing targeted capital and trusted guidance. This supports our vision to change the way capital and services flow to Main Street.”

Connie Evans, President and CEO, AEO

Accion U.S. Network

JPMorgan Chase launched a \$1 million partnership with Accion U.S. Network aimed at enhancing access to capital for women and minority entrepreneurs. A critical part of the partnership is a multi-year review of the portfolios of Accion Network members and Opportunity Fund to gain better insight into the long-term impacts of small business microlending. In addition, the Accion members are co-creating new technology that will streamline their lending businesses. To aid in this effort, JPMorgan Chase also provided \$2.1 million to four Accion organizations to support their lending activity.

LiftFund's LiftUP Initiative

In 2016 JPMorgan Chase invested in LiftFund, a nonprofit that helps small businesses with limited access to capital. The nonprofit lender provides small business loans and minority-business loans for women, startups and entrepreneurs, as well as essential technical assistance. With a \$4.6 million commitment to its new LiftUP Initiative, the loan fund will offer faster and cheaper loans to small business owners in Dallas, Houston, Austin, San Antonio, New Orleans and Atlanta through a new web-based program that will reduce loan approval time from an average of five weeks to four days.

Association for Enterprise Opportunity

Research shows that individuals who get personally referred for a bank loan are far more likely to get financing over those without referrals. To help scale the power of these kinds of personal connections, JPMorgan Chase committed \$1.9 million to the Association for Enterprise Opportunity (AEO), a trade organization whose mission is to support underserved entrepreneurs. The funding will help advance AEO's digital referral platform, which connects small businesses to trusted community development financial institution (CDFI) lenders when the owners are unable to qualify for traditional loans.

Q&A

What Are the Keys to Inclusive Entrepreneurship?

Nely Galán: Many women of color don't have experience with the financial system in the United States. Many Latinos come from countries where the banking system has collapsed. I started a business at 25, and I didn't make one penny for four years. Then I found a banker who looked like me and started asking questions. I began going to classes at the Chamber of Commerce, networking and joining organizations for small business owners. I started meeting people and building relationships. It was only then my business took off. Power is not given to us – we have to go take it.

Beverly Johnson: It's crucial to understand the importance of and the barriers to accessing capital. This is a key element to success. People think they can go out and start a business on their own, but all of a sudden they are against the wall. But information is power: There are grants, loans and government supplier diversity programs for people who want to start their own business. Many people of color know they exist, but we just weren't invited to the table. So it's important to surround yourself with a team of entrepreneurs, mentors and partners who know how to get capital.

Nely Galán is the former president of entertainment at Telemundo, making her the first Latina head of a major network. An Emmy award-winning television producer, she has owned her own media company since 1994. As a self-made media mogul, Galán has made it her mission to teach women how they too can become entrepreneurs. She is the author of "Self Made: Becoming Empowered, Self-Reliant, and Rich in Every Way," a manifesto to unite all women on a quest for an economic future they control. She is also the founder of the Adelante Movement, a digital platform that seeks to elevate the entrepreneurial spirit and skills of Latinas.

Beverly Johnson is the first African-American supermodel. Her stunning features eventually landed her on the cover of *Vogue* in August 1974, making history as the first black model to ever grace the acclaimed magazine's cover and forever changing the beauty ideal in the fashion world. Johnson is a founder, chairwoman and CEO of BJE LLC. Her vision is to build BJE (Beverly Johnson Enterprises) into the multibillion-dollar global brand The Beverly Johnson Luxurious Lifestyle Brand, which represents the highest-quality luxurious products in media, fashion and hair, beauty and cosmetics to the global multicultural market for women of all colors.

THE DATA ON MINORITY-OWNED SMALL BUSINESSES

For many aspiring entrepreneurs, starting – and keeping afloat – a small business can present insurmountable obstacles. This is especially true for minority-owned businesses, which have less access to flexible financing and the support services that are so critical to success. Only 16 percent of conventional small business loans go to women entrepreneurs, and despite the higher startup rate of African-American-owned businesses, these businesses received less than 2 percent of Small Business Administration loans in 2013, down from 8 percent before the recession.

A 2016 report by JPMorgan Chase and the Initiative for a Competitive Inner City (ICIC) found that women and minorities are significantly underrepresented in high-tech incubators and accelerators, and cited intentional exclusivity, a lack of outreach and inherent biases in the selection process as the strongest barriers to diversity. Yet minority-owned small businesses are critical to revitalize local economies: ICIC also reported that small businesses in America's inner cities are the primary drivers of job creation and employment rates. ■





PRO NEIGHBORHOODS

FINDING PROACTIVE SOLUTIONS

As the economy recovers, much of the growth is often channeled toward reviving commercial corridors and downtowns in U.S. cities. As a result, many disadvantaged neighborhoods are being left behind. To help address this challenge, in 2016 JPMorgan Chase launched Partnerships for Raising Opportunity in Neighborhoods (PRO Neighborhoods), a \$125 million, five-year philanthropic initiative to support and catalyze locally driven solutions for revitalizing distressed neighborhoods across the United States.

PRO NEIGHBORHOODS IS FOCUSING ON:

Catalyzing Collaboration among community development financial institutions (CDFIs) to accelerate and magnify their impact.

Providing Seed Capital for Affordable Housing to increase the amount of housing for those most in need.

Investing in Data to help communities understand the most urgent problems and develop specific solutions.

CREATING PROSPEROUS NEIGHBORHOODS

As part of PRO Neighborhoods, our firm committed \$20 million in 2016 to support community development organizations in Detroit as well as four additional cities: Atlanta, Chicago, Miami and New York.

Through our firm's work on the ground, we've seen the same paradox again and again: The community development organizations working in distressed neighborhoods where the needs are greatest are often the organizations that have the least resources. That's why we are working intentionally to invest in the right partners in the right places for the most impact. For example, the North-Miami-Dade CDFI Collaborative brings two long-term neighborhood CDFIs together – Opa-Locka Community Development Corp. and Tools for Change – combining their expertise in consulting services and housing, to better scale these services. In Chicago, the Neighborhood Retail-Chicago Collaborative provides technical assistance services and loans for commercial developments and also works to reduce blight.

MOTOR CITY MAPPING EXPANDS

The success of Motor City Mapping's data-mapping tool in Detroit has caught the attention of other cities looking to more effectively deal with blight and distressed properties. Supported by a two-year, \$1 million grant from JPMorgan Chase, the Western Reserve Land Conservancy is bringing the data-mapping tool developed by Loveland Technologies to Ohio's three largest cities – Cleveland, Cincinnati and Columbus.

While these cities face different challenges than those of Detroit, using data for making critical decisions on community development is relevant for civic leaders, investors and neighborhood organizations in any city. The expansion of the program is just one example of how lessons learned from Detroit's successes are being applied – and adapted – to fit the unique needs of cities around the country.



Credit: Loveland Technologies



THE FINANCIAL SOLUTIONS LAB

UNLOCKING INNOVATION TO BOOST FINANCIAL HEALTH

JPMorgan Chase believes that technology can be an important tool to help Americans get on solid financial ground. The Financial Solutions Lab (FinLab) – a \$30 million, five-year virtual lab initiative managed by the Center for Financial Services Innovation (CFSI) with founding partner JPMorgan Chase – is just one example of our firm’s efforts to boost the financial health of families and individuals around the world.

Through FinLab, we are harnessing the power of technology and the innovation of entrepreneurs with a series of challenges to identify and expand the reach of the next generation of financial products and services to meet the needs of struggling consumers. FinLab’s inaugural challenge in 2015 focused on solving consumer cash flow issues.

In 2016 FinLab set its sights on solutions to weathering financial shocks. The winners each offered a solution to this issue, such as a mobile app that provides financial advice, a service that offers digital alternatives to checking and savings accounts and a program that gives working families tools to achieve financial goals like saving for college or buying a first home. FinLab provided each winning organization with \$250,000 in capital, support from FinLab operating partners IDEO.org and ideas42, strategic guidance from its industry-leading advisory council, and resources from founding partners CFSI and JPMorgan Chase, including the JPMorgan Chase employee mentorship program.

Since its inception, FinLab has supported 18 financial technology companies offering innovative financial products to help more than 1 million Americans improve their financial health – a tenfold increase since joining the lab. Collectively, FinLab companies have raised over \$100 million in capital since joining the program. In addition, more than 100 JPMorgan Chase employees have volunteered their expertise and leveraged their networks to help the winners improve their products and increase their reach.

“The consumer impact of FinLab companies to date has been really astounding,” said Ryan Falvey, managing director at CFSI. “First-year Lab winner Digit, for example, has helped clients save more than \$350 million. And Earn, part of the lab’s second class, found that

83 percent of its clients develop a habit of saving, with low-income households saving an average of \$558 over six months. We expect this level of impact to continue with the next class of FinLab innovators.”

Based on research from JPMorgan Chase, CFSI and other thought leaders, the third challenge is seeking solutions to promote the financial health of often overlooked populations, including people of color, the aging, people with disabilities and low-income women. ■





By Vis Raghavan, Deputy
CEO for Europe, the
Middle East and Africa,
JPMorgan Chase & Co.

APPLYING STRATEGIES FOR INCLUSIVE GROWTH

East London Rising

Our firm has deep roots in London, with a presence here for more than 200 years. Over the past decade, London's rapidly growing financial center has shifted from its historic home in the City of London to East London. This shift has heralded huge changes for the boroughs of East London, including more economic activity, jobs and development.

The rate of
employment in four
East London boroughs
is approximately
5%
LOWER
than that of the rest
of London.

As East London booms, however, these new opportunities are not reaching everyone equally – especially those who have lived and worked here since before the area's ascendance. In fact, some East London boroughs still struggle with stubborn economic challenges.

To address these inequities, JPMorgan Chase is taking a long term, holistic and multifaceted approach to its corporate responsibility efforts in East London so that the area's newfound prosperity can be more equally shared.

In 2012 the firm relocated from the City of London to Canary Wharf, boosting our presence in this thriving area of energy and growth. Our collaborative relationships with London Legacy Development Corporation and leading local nonprofit efforts such as Bromley by Bow Centre and the St. Paul's Way Transformation Project helped us establish a strong connection with the community. Now we are proud to say that our work in East London has created a positive impact through our support of efforts to build a skilled workforce, strengthen small businesses and boost the financial health of individuals and families.



“The new East London is a place where diversity and cultural vibrancy meet growing economic prosperity. It’s crucial that no one is left behind and that East Londoners have opportunities to both contribute to and benefit from economic growth.”

Paul Brickell, Executive Director of Regeneration and Community Partnerships, London Legacy Development Corporation

In East London, we are supporting a broad range of organizations by focusing our investments in areas that best leverage our firm’s skills and expertise. Here are some examples:

At **Saint Paul’s Way Trust School**, a fast-paced, high-achieving school that serves some of the most disadvantaged communities in East London, JPMorgan Chase funded the **Enterprise & Employability Project** for students to practice business skills, learn about entrepreneurship and gain confidence through real-life work experiences. The project also includes mentorships and paid internships for students so they can develop one-on-one relationships with people in their field of interest.



YTKO Group has advised both new and established entrepreneurs on growing their business. With funding from JPMorgan Chase, YTKO’s **GetSet for Growth** East London program works with small businesses that are looking to expand, by providing specialized finance, marketing and sales support – the areas of biggest need for entrepreneurs. As part of the successful program, business development experts serve as mentors to local business owners to help increase their skills, knowledge and confidence.

Based on the idea that most people get financial advice from people they know, **Toynbee Hall’s Money Mentors** program educates and trains local residents on money management. After a successful pilot, JPMorgan Chase provided funding to expand the program to an additional six boroughs and train 22 staff members of partner organizations.



There is no one-size-fits all solution to this problem.

Yet through meeting local communities and leveraging our competencies to invest in the four key drivers of inclusive economic growth, our firm has gained valuable insight into the broad approaches that are proving effective in cities around the world. ■

In your experience...

what builds the strongest bonds between businesses and the communities they serve?

“

DAN GILBERT

*Founder and Chairman,
Quicken Loans &
Rock Ventures*

“The people. Detroiters and Clevelanders are hard-working, innovative and creative. At Quicken Loans and our family of companies, we leverage these attributes and empower our team members to go out and make a difference in the local communities where they live, work and play. The world has heard of nonprofits and for-profits, but a company that incorporates a ‘more-than-profit’ core business strategy sets the stage for future growth. I wholeheartedly believe that because our nearly 30,000 team members work in downtown urban cores of Detroit and Cleveland, they feel more fully dedicated and are better at their day jobs as they play a part in the greater mission of growing a thriving local community.”



“

GAIL J. MCGOVERN

*President and CEO,
American Red Cross*

“In my experience, businesses engender trust when they reinvest in the communities they serve and when their employees are engaged as volunteers. These actions can take many forms – from supporting local preparedness and emergency relief to installing smoke alarms in vulnerable neighborhoods, to serving meals in food kitchens, to mentoring youth in after-school programs. All of these activities work to ensure that businesses are firmly rooted in the fabric of their communities. In addition, I believe it’s important that businesses hire employees who accurately reflect the diversity of the communities they serve, that they establish open communication and positive relationships with local governments and that they strive to be responsive and accessible to their customers and other stakeholders.”



“

JACQUES PANIS

President, Shinola

“When we first came to Detroit five years ago, we saw a city with a rich heritage in manufacturing and a population of people who collectively wanted to work on shaping the future of this town. With the mission of creating world-class manufacturing jobs in the U.S., we made an investment in this city because we knew there was a future here, but we needed the support of the community behind us to be successful. We forged a strong bond between our business and our community simply by doing what we said we would do. For the 350+ people we have working in Detroit and over 600 globally, we are proving daily that their well-being matters to us. We believe in good jobs, jobs that pay livable wages and afford people the opportunity to grow within the organization. We foster people to become leaders and encourage them to have a positive influence inside and outside of the workplace. As we scale, our mission stays central so we can do the same in other communities across the country.”



“

JANET MURGUÍA

*President and CEO,
National Council of
La Raza*

“From my experience, I’ve seen that we are stronger and more effective when we collaborate and work across sectors and communities than if we try to tackle problems alone.

That’s why it is important to have companies like JPMorgan Chase as partners to help meet those challenges.

When businesses bring their expertise and a commitment to help create innovative solutions – and nonprofit organizations bring their knowledge, understanding and values to the table – that helps all of us.”





LEBRON JAMES

Founder, LeBron James Family Foundation

“The key for me, in everything I do, is authenticity. In order to create real, long-term change and to build meaningful relationships, it has to be authentic. With the LeBron James Family Foundation, almost all of our partners are local businesses, because they understand our needs and care about our kids. Our kids are the future, so their investment in these students is an investment in our community. And because they live here and work here, that means something to them. The support we get from our community partners is what our ‘we are family’ philosophy is all about, and that to me is the strongest bond you can have between businesses and the communities they serve.”



MICHAEL PORTER

Bishop William Lawrence University Professor, Harvard Business School

“Businesses create critical jobs and economic opportunity not only in the communities where they are located, but throughout the broader economy. Job creation, together with skill development, has the greatest potential to expand participation in the workforce, combat rising income inequality and grow our country’s prosperity and competitiveness. In distressed inner-city neighborhoods, leveraging the job and wealth creation power of businesses (and small businesses in particular) is the only sustainable and scalable approach to revitalization that will truly move the needle. We need community-based programs in inner cities that will improve the business environment, helping inner-city businesses become more competitive and access the employees they want to hire. The net result will be a win-win outcome. As the businesses prosper and grow, so will our inner cities.”



SADIQ KHAN

Mayor of London

“I want London to be a place where members of all communities can flourish, whatever their background. A key part of delivering my promise to be the most pro-business mayor London has ever had is ensuring businesses of all sizes are committed to fairness.

For instance, I am absolutely determined to drive up gender equality across industry and I’m proud to say City Hall is already leading by example. Last year, I published a full gender pay audit for my staff and all functional bodies across the Greater London Authority family, while more than half the members of my Business Advisory Board are female. In addition, I announced an increase in the London Living Wage, which is being offered by more employers than ever before. This is a win-win, as employees feel more valued while businesses can attract and retain staff.

I’m clear that economic fairness is not just about doing the right thing: It makes good business sense too. A fairer city is healthier, safer and more prosperous.”



VIRGINIA M. ROMETTY

Chairman, President and CEO, IBM Corporation

“A deep commitment to collaboration and partnership by focusing our best efforts on the most pressing challenges facing society is what builds the strongest bonds between businesses and the communities they serve. As essential partners in corporate responsibility leadership, IBM and JPMorgan Chase have worked together on Corporate Service Corps engagements in Brazil and India to assist community efforts to stimulate economic growth. By providing our best talent to work in tandem with civic leaders to promote growth in cities like Detroit, we both have focused on efforts to address critical societal needs. And we both have focused our best efforts in partnership with educators to improve our schools’ ability to connect education to college and career and close the skills gap. But while we both have achieved much to be proud of, we still believe that there is much more to do.”





IN MEMORIAM: DAVID ROCKEFELLER (1915-2017)

“If government is going to get out of a lot of things, somebody has to take their place. It seems to me that business and the private sector — which pushed for this — has to assume some responsibility. If so, then it means that the leaders of business and of not-for-profit corporations should recognize that they have a responsibility outside their own businesses to do something for society at large.”

DEC. 1, 1998

David Rockefeller, the former Chase Manhattan chairman and CEO, will long be remembered for his impact on philanthropy, the arts, business and global affairs.

LEARN MORE

ABOUT JPMORGAN CHASE'S CORPORATE RESPONSIBILITY EFFORTS

Learn more about how JPMorgan Chase is using its scale, resources and expertise to open pathways to economic opportunity around the world, by signing up for *Global Strength, Local Impact*, our quarterly corporate responsibility newsletter, at: www.jpmorganchase.com/corporateresponsibility

For more information on how JPMorgan Chase & Co. manages environmental, social and governance issues within our business, see www.jpmorganchase.com/esg

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Exhibit D



Global Strength, Local Impact

October 2017 Update

This quarterly newsletter highlights the ways that JPMorgan Chase & Co. is using its expertise, data, resources and scale to open new pathways to economic opportunity and drive inclusive growth in communities around the globe. [Sign up here](#) for updates on what matters to you, and follow us on [Facebook](#), [Twitter](#), [LinkedIn](#) and [Instagram](#) for more examples of our impact in action.



Partnering to Change the World

When communities thrive, businesses thrive. Last month, JPMorgan Chase was ranked no. 1 on FORTUNE's 2017 [Change the World List](#), which highlights the firm's investment in Detroit's recovery. "Since 2014, the company has been doubling down on that relationship, in a daring experiment to help revitalize Detroit's middle-class core. The bank's effort, called Invested in Detroit, is a neighborhood-by-neighborhood campaign to revive local real estate, launch small businesses and train residents for in-demand jobs – all at the same time, as quickly as possible."

RECENT HIGHLIGHTS



Stepping up for our Communities

JPMorgan Chase is committed to serving our communities, especially in their greatest time of need. In the wake of the recent hurricanes, earthquakes, wildfires and the tragic shooting in Las Vegas, more than 11,000 JPMorgan Chase employees have donated \$1.7 million, combined with more than \$5 million in matching contributions and direct support from JPMorgan Chase to [help with recovery efforts](#).



Expanding the Model for Impact

We are applying the lessons from Detroit to other cities where we can make an impact by collaborating with local leaders. Last month, we announced two new, three-year commitments: \$40 million to help drive inclusive growth in Chicago's underserved neighborhoods on the South and West Sides, where unemployment rates are as high as 30 percent, and \$10 million to Wards 7 and 8 in Washington, D.C., where too many people lack access to opportunity and are disconnected from critical resources.



Investing in Neighborhoods

We announced a new class of PRO Neighborhoods winners, committing over \$16 million to four organizations, representing ten Community Development Financial Institutions (CDFI) that are advancing inclusive growth in Washington, D.C., Los Angeles & San Jose, San Francisco and Orlando. These organizations are using data and their local expertise to address drivers of inequality and to tackle some of the biggest challenges in neighborhoods that are often overlooked.



Promoting Opportunity

This summer, we received the Queen's Award for Enterprise, the highest official UK awards for British businesses, in the inaugural category of "Promoting Opportunity." The firm was honored for its Aspiring Professionals Program (APP), part of our broader efforts to provide more young people with pathways to economic opportunity around the globe. The program provides mentoring to high-achieving students from low-income backgrounds, along with a two-week work placement at our London offices.



Building on the Firm's Long-Standing Commitment to Sustainability

Business must play a leadership role in creating solutions that protect the environment and grow the economy, and JPMorgan Chase's two new goals do both. In July, we announced our commitment to source renewable power for 100 percent of our global energy needs by 2020, covering approximately 75 million square feet – about 27 times the square footage of the office space at the Empire State Building. We also committed to facilitating \$200 billion in clean financing through 2025, the largest commitment by a global financial institution.



Advancing Groundbreaking Data on Out-of-Pocket Healthcare Costs

The JPMorgan Chase Institute released, Paying Out-of-Pocket: The Healthcare Spending of 2 Million US Families, a first-ever look at out-of-pocket healthcare spending by U.S. consumers on a month-to-month basis, at the state, metro and county level. The report, which is based on healthcare spending for two million American families, shows that families consistently delayed healthcare payments until they had more liquid assets at their disposal.

MODEL FOR IMPACT: INVESTING IN JOBS AND SKILLS

Graduating to Greater Opportunity

The [Fellowship Initiative \(TFI\)](#) is an intensive academic, leadership and professional development program that creates opportunity for young men of color by providing them with skills, networks and resources. In addition to announcing that we will expand TFI into Dallas, 117 students completed the program in Chicago, Los Angeles and New York City. Combined, they have been accepted into more than 200 colleges and universities across the country.

Bridging the Skills Gap with Data-Driven Solutions

Data and analysis are essential for identifying solutions that address the misalignment between the skills employers need to be competitive and the skills available in the workforce. Through [New Skills at Work](#), our five-year, \$250 million global workforce initiative, we are commissioning research on labor market conditions across the world to provide data-driven solutions to persistent workforce challenges. And this summer, we launched two new tools that are helping identify solutions:

The [Skills for Jobs](#) database, in collaboration with the Organization of Economic Cooperation and Development (OECD), is providing information on skills mismatches and shortages across European countries and in South Africa in order to help governments, organizations and businesses more effectively target their workforce assistance.

With the Council for Adult and Experiential Learning, JPMorgan Chase unveiled an online interactive career exploration tool, [BankingOnMyCareer.com](#), linking New Yorkers to middle skills financial services jobs. The website offers a powerful job matching tool, career maps, detailed job descriptions and industry information to help give middle-skilled users a chance to get their foot in the door in the financial services industry and establish long-term, well-paying careers.

MODEL FOR IMPACT: PROMOTING FINANCIAL HEALTH

Improving the Financial Health of Overlooked Americans

[Financial Solutions Lab \(FinLab\)](#) — a \$30 million, five-year initiative managed by the Center for Financial Services Innovation (CFSI) with founding partner JPMorgan Chase — announced eight financial services innovators as the winners of its third competition. Each winner received \$250,000 in capital and additional resources to test, enhance and scale their products, many of which are designed to address the needs of often overlooked populations, such as people of color, low-income women, aging Americans and individuals with disabilities. Since its inception, FinLab has supported 26 financial technology companies offering innovative financial products to help more than 1.5 million Americans improve their financial health — a tenfold increase since joining the lab. Collectively, FinLab companies have raised more than \$350 million in capital since joining the program.

Partnering to Help Transform India into a More Financially Inclusive Economy

Increased participation in the formal financial system is seen as central to encouraging national economic growth and reducing poverty that affects one-in-five people in India. In collaboration with the Grameen Foundation India and the Institute of Rural Management Anand, we released a [new report](#) that provides key insights into the role of gender and jobs and makes recommendations for overcoming the barriers faced by low-income users of financial services.

Catalyzing Innovative Breakthroughs in Financial Health in Emerging Economies

[Five new investees](#), representing breakthrough innovations to advance the financial health of low-income consumers in Mexico, India and across Africa, were selected by the Catalyst Fund, our initiative with the Gates Foundation, Rockefeller Foundation and the global consulting firm BFA. In addition, the Fund has released several articles and toolkits featuring [insights](#) from these companies, such as how to build trust with digital products and the role of technology to improve financial products for low-income households.

MODEL FOR IMPACT: REVITALIZING NEIGHBORHOODS

Making a Lasting Impact in Our Communities

The 2017 PRO neighborhood winners are building on more than two years of work underway as part of this \$125 million initiative – work that's highlighted in a new progress report by the Joint Center for Housing Studies of Harvard University. The report found that the winners of the first two competitions leveraged our support to raise an additional \$549 million in outside capital, make nearly 11,000 loans to customers totaling more than \$320 million and created or preserved almost 2,700 housing units and 6,800 jobs. You can learn more in that report here and in case studies of PRO Neighborhoods projects underway in Phoenix, Chicago and the Midwest.

These organizations are building on a broader strategic effort around neighborhood revitalization — supported by new research from the Urban Institute — as well as a series of commitments, including one recently announced in Milwaukee to help local organizations build their own capacity in order to help communities grow and thrive.

MODEL FOR IMPACT: SMALL BUSINESS GROWTH

Assisting Houston-Area Small Businesses Hurt by Hurricane Harvey

As the largest bank in Houston, we employ more than 6,400 people and serve more than 3.6 million business and consumer clients, so when Hurricane Harvey hit the city, we knew that we needed to do more to lift up the community. In addition to contributing more than \$5.5 million to the relief effort, the firm committed \$1.5 million to Houston-area small businesses impacted by Hurricane Harvey. This commitment allows two Houston organizations to extend 90-day loan payment reprieves and provide ongoing financial assistance to local small businesses in need. Both LiftFund and PeopleFund, nonprofit small business lenders, specialize in serving small businesses that are owned by women, veterans, minorities and low-income entrepreneurs.

INPUTS FOR IMPACT: DELIVERING DATA AND BUILDING CAPACITY

Strengthening Underlying Systems to Support Sustainable Change

JPMorgan Chase Service Corps, our signature skills-based program, sends teams of our top-performing employees from around the world on three-week, in-market assignments with local organizations. Earlier this month, several JPMorgan Chase employees from our global offices in Hong Kong, Singapore and London, plus several different U.S. cities, headed to Detroit for the seventh Service Corps program in the city. Back in July, a group from New York, NY; Scottsdale, AZ; Atlanta, GA; Lexington, KY and Columbus, OH joined colleagues from Australia and China in Hong Kong. In both of these programs, JPMorgan Chase employees put their skills and expertise to work, providing concrete recommendations and project deliverables directly to our nonprofit partners that are helping to build stronger, more inclusive communities.

Raising Awareness about the Impact of Race and Disability on Financial Instability

At JPMorgan Chase, we believe that the private sector has both a responsibility and an essential role to play in solving societal challenges, but doing so requires understanding the true scope and scale of a problem. This is why we are proud to support our partners at the National Disability Institute and their recent report, *Financial Inequality: Disability, Race and Poverty in America*. Even though we've known for a while that people with disabilities experience economic hardship at rates far above the national average, thanks to this research, we now have data on the prevalence of disability by race and the impact of race and disability on educational attainment, employment, banking status, health insurance, medical debt and food insecurity.

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Exhibit E

In the Community

Community Development Newsletter



Continuing Our Partnership & Investment in Chicago

Chicago is known for its diverse food, neighborhoods and people as well as landmarks such as the Water Tower and the Sears Tower (officially the Willis Tower these days), The Bean and the L. At Chase¹, we trace our roots in Chicago back to 1863, and we remain as committed as ever today to be a vested partner in the community.

That involves building on the city's strengths and pitching in to address its challenges. One of the biggest challenges is the lack of economic opportunity that has created concentrated poverty, persistent racial and economic inequalities and gun violence. In response, Chase recently announced a \$40 million investment over three years to support and expand opportunity on Chicago's South and West Sides.

The initiative will focus on four main areas:

- **Financial capability programs.** Using technology and insights to create financially healthy families, including helping them weather financial shocks and increase their savings and credit
- **Small business growth.** Working to expand access to capital for minority small business owners
- **Neighborhood revitalization.** Providing finance and leverage capital for residential, commercial and retail developments
- **Workforce and job training.** Preparing residents for in-demand, good-paying jobs

Chase's investment will use strategies developed through a variety of global initiatives – including our work in Detroit which helped develop our Model for Impact, we're applying to cities across the country.

¹ Chase refers to JPMorgan Chase & Co. and any of its subsidiaries or affiliates; Low Income Housing Tax Credit Investments are provided through JPM Capital Corporation; philanthropic grants are provided through the JPMorgan Chase Foundation.

Our Model for Impact relies on innovation, ingenuity and focus to drive economic opportunity in communities. We started by determining where the biggest difference can be made, then rely on data and the expertise of our people to strengthen our investments.

In Chicago, too, collaboration is crucial. , We will work closely with new businesses, local nonprofits and government officials as well as existing partnerships to help foster inclusive growth. Our employees from around the globe will provide additional support and expertise through the Service Corps. We look forward to the impact we can make in Chicago through collaborative efforts and leveraged resources.



Welcome to *In the Community*

Cities big and small are a cornerstone of American life. Their neighborhoods, food, weather, buildings, sport teams and especially their people make each one unique.

Chase is proud that we've long supported the growth and development of cities, providing opportunities for residents and responding to community needs. Three years ago, we made an exceptional commitment to Detroit in extraordinarily difficult times. Today, we're applying what we've learned there to cities across the country, supporting financial capability programs, helping small businesses, revitalizing neighborhoods and training tomorrow's workforce.

We highlight some of this work in this latest edition of the *In the Community* newsletter. And as we bid farewell to 2017, we thank you for your partnership, support and feedback. Together, we're making positive impacts in our communities.

Happy New Year!

Supporting Neighborhood Revitalization: Mesa Heights Apartments

With extreme poverty and deteriorating buildings, the Mesa Heights neighborhood is one of Yuma's most distressed areas. These conditions prompted the development of the Mesa Heights Neighborhood Strategy, which will help revitalize the neighborhood and provide affordable housing.

Chase has provided a \$9.2 million construction loan and a \$1.7 million permanent loan to Mesa Heights Apartments, the anchor project of the plan. It will include 58 units of affordable housing for those with incomes below 60% the area median income, or about \$44,000 annually.

Mesa Heights Apartments will provide quality housing that will help stimulate the local economy, provide employment opportunities and bring an area of blight back to life.



Photo credit: GAR Associates LLC

Supporting affordable housing in Columbus, OH

Columbus is a vibrant place to learn, work, and raise a family. Its South Side will become more vibrant through new affordable housing opportunities to strengthen the health and well-being of all children, families and residents.

Demonstrating our commitment to our communities, Chase is investing \$1.5 million over five years to support the Healthy Neighborhoods Healthy Families initiative of Nationwide Children's Hospital. It focuses on five impact areas: affordable housing; education; health and wellness; safe and accessible neighborhoods, and workforce development.



Chase invested an additional \$75,000 to support a multi-purpose learning and business center. The Career Gateway Training Center will tap into a diverse group of local organizations to offer tenants and residents workforce training and support. Community Development for All People, a nonprofit that is a long-time bank partner, will coordinate the training programs.

These investments and partnerships will provide many residents with greater access to opportunities.

Creating Inclusive Growth in the U.S. Capital

The nation's capital is part of the third largest regional economy in the world, boasting the largest high-tech corridor outside of Silicon Valley. Yet areas inside the District and the surrounding counties struggle with high levels of poverty, unemployment and unaffordable housing.

To help more of the District's long-time residents share in its growing economy, Chase has committed to invest \$10 million over three years in underserved Washington, D.C. neighborhoods. Our Model for Impact will be used to combine our business expertise to and collaborate with local leaders. We're focusing on four key drivers of inclusive growth:



Equipping workers with critical skills to qualify for good-paying jobs; Increasing access to capital and expertise for minority small business owners to help them grow; Revitalizing neighborhoods by investing in affordable housing; and Supporting strong financial health with tools consumers need.

A key component of our efforts is supporting local Community Development Financial Institutions to ensure that the development of Bridge Park, which connects D.C. wealthier neighborhoods with Anacostia, provides opportunity for every resident. The project, one of our PRO Neighborhoods winners in 2017, brings together local organizations focused on creating inclusive growth.

Time and time again, our experience confirms that collaboration is critical to developing long-term, regional economic solutions that benefit everyone. These collaborative efforts will help accelerate efforts to drive inclusive growth in Wards 7 and 8 and create more opportunities in Washington, D.C.

Supporting Local Businesses: Standard Electric Supply Co.

Vested partners -- both long-time and new -- are essential for stable communities. One of the oldies, Standard Electric Supply Co. dates back to 1919 when it set up shop in Milwaukee.

As the company has grown over the years, it has needed more space. Stepping in to help support local businesses, Chase provided a combined \$2.6 million New Markets Tax Credit equity investment and term-loan financing. The expansion and renovation of the Standard Electric Supply Co. facility will fit in well with the city's comprehensive plan for revitalization.



The expansion project will include:

- Acquiring an adjacent 1.5-acre parcel of land
- Adding 8,000 square feet of office space and 12,000 square feet of warehouse space
- Renovating to create a more efficient layout and
- Adding offices and conference rooms

One of the largest distributors of electrical and automation products in the country, Standard Electric Supply Co. employs nearly 200 people. Chase's support will help the company continue to grow, provide jobs and do business in Milwaukee for years to come.

MyPath: Empowering Young People



Finding your first job can be exciting, especially for young people who enjoy the independence that comes along with added responsibilities.

The nonprofit MyPath is right there to help by providing youth with financial tools and information as they start their first jobs. Its My Path Savings model has earned much success over the years, including growth in saving behaviors, positive future orientation and self-efficacy.

As part of our commitment to promote solutions that advance the financial health of consumers and following over \$350 million in investments to support skill building around the globe, Chase invested \$1 million to support MyPath's 2017-2018 national expansion. That will enable the nonprofit to expand its savings model to six markets: Los Angeles; New York City; Newark, N.J.; San Antonio; the San Francisco area, and Seattle.

With support from Chase, MyPath will:

- Meet the growing demand for its MyPath Savings financial capability model in new and existing markets;
- Leverage and refine its innovative technology to optimize impact and efficiency; and
- Provide new insights around the integration of credit-building in youth employment programs

Young people in MyPath Savings will be empowered to build a strong financial skill set, healthy banking relationships, and emergency savings. Combined, they'll develop life-long stability and upward mobility as they embrace adulthood.



We welcome your feedback

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