



J.P. MORGAN DEVELOPMENT FINANCE INSTITUTION
2023 Annual Report

J.P.Morgan

ABOUT J.P. MORGAN DEVELOPMENT FINANCE INSTITUTION

J.P. Morgan Development Finance Institution (JPM DFI) aims to mobilize capital toward sustainable development in the emerging markets and to contribute toward the achievement of the United Nations Sustainable Development Goals (SDGs). We do this through:

- **Impact assessments:** Using JPM DFI's methodology to assess the anticipated development impact of transactions and supporting clients to disclose their impact intentions and commitments toward advancing the SDGs
- **Structuring:** Creating scalable financing structures with the goal of catalyzing investments into emerging markets
- **Distribution:** Identifying sources of capital that seek investments with both financial returns and sustainable development impact

JPM DFI LEADERSHIP



DANIEL ZELIKOW

Chair of JPM DFI Governing Board

I am delighted to present this fourth annual report of JPM DFI. In 2023, JPM DFI scaled up its activity as Development Finance Structuring Agent (DFSA), advanced industry-level work to create impact disclosure guidance and contributed to our firm's \$2.5 trillion Sustainable Development Target.

The diversity of the deals we engaged in showed the growing use of impact metrics in public and private markets transactions. It also demonstrated sustained interest from institutional investors in disclosures and reporting. I am heartened that the demand for impact transactions has continued to grow and evolve.

Finally, I am pleased that Arsalan Mahtafar, a key part of the team since its inception, is taking the helm of JPM DFI. I feel privileged and proud to have helped set up JPM DFI and lay the foundations of the excellent work done and now look forward to staying close to a new chapter of this initiative from the purview of JPM DFI's governing board.



ARSALAN MAHTAFAR

Head of JPM DFI (incoming)

JPM DFI's 2023 Annual Report reflects the team's successes in mobilizing capital toward development gaps in emerging markets and in aligning investors seeking sustainable projects that are investable. Additionally, JPM DFI has also helped to convene and now co-chairs the Impact Disclosure Taskforce (the Taskforce). The Taskforce is an effort by a group of banks, investors, official development institutions and third-party evaluators to create a guidance for entity-level impact disclosure, enabling entities to present their plans to investors managing pools of capital that seek development impact.

Finally, it is my distinct honor to thank Faheen Allibhoy, JPM DFI's inaugural head, for her superb leadership since the group's inception. Faheen brought to reality what was just a concept about how a global bank can contribute to development finance. Her leadership was tireless, thoughtful and effective. As Faheen moves to a complementary role at J.P. Morgan, I am pleased to be working with Arsalan Mahtafar as the new Head of JPM DFI.

Arsalan formerly served as Director of Development Impact at JPM DFI, having come to the role from J.P. Morgan's Corporate & Investment Bank Strategy team, McKinsey and various relevant development-related roles before that. The governing board of JPM DFI feels excited to have Arsalan step up to the role and for his ideas for expanding its impact in the developing world and at J.P. Morgan.



FAHEEN ALLIBHOY

Head of JPM DFI (outgoing)

I am honored to take on the role as Head of JPM DFI and lead its mission in mobilizing private sector capital to support sustainable development. I echo our Chair's gratitude to Faheen for leading the build-out of our team, and my team members for their hard work and dedication to advancing our mission.

I also look forward to collaborating with capital markets industry participants and stakeholders in creating mechanisms to disseminate development impact information with greater scale and efficiency in my capacity as co-chair of the Impact Disclosure Taskforce. Together, we can exponentially increase the volume of sustainable capital that is channeled toward entities advancing the SDGs in places with the greatest needs.

Private capital has an important role to play in financing international development, and JPM DFI is well-positioned to support the industry's efforts to meet the global goals.



EXECUTIVE SUMMARY

Photo source: Kalyon Group
J.P. Morgan acted as DFSA for Kalyon's \$291 million U.K.
Export Finance-covered loan for the development of the Karapinar Solar Power Plant

2023 was another year marked by geopolitical conflict, macroeconomic uncertainty and rising global temperatures, making it the hottest year on record. Despite low expectations at the start of the year, the global recession that was widely predicted did not come to fruition. Supply chains normalized, China reopened and consumers continued to show signs of resilience. Latin American and Eastern European countries have shown strong growth in consumer spending, buoying them against inflationary concerns, and as overall supply chains diversify geographically, Asia's emerging market economies have stood to benefit.¹

The volume of capital incorporating environmental, social and governance (ESG) factors also continued to grow, reaching an estimated US\$41 trillion,² of which \$1.2 trillion includes funds of self-identified "impact investors."³ Though the global macroeconomic picture in 2023 was better than expected, the world hit a troubling milestone with respect to the United Nations Sustainable Development Goals (UN SDGs). At the halfway point to meet the SDGs, 85% of the 231 UN SDG indicators are off track for achievement by 2030,⁴ and the SDG funding gap has risen from \$2.5 trillion annually before the COVID-19 pandemic to over \$4 trillion annually.⁵ We are at a crucial point for the SDGs, which further informs our belief that the role of impact-focused finance is more relevant than ever before.

In our fourth year of operations, we facilitated private capital flows from pools of sustainable capital to entities with plans to bridge development gaps in emerging markets. At the same time, we have been collaborating with capital markets industry stakeholders to build an ecosystem to scale up financing for the SDGs. We also play a key role in supporting JPMorgan Chase's

progress toward its Sustainable Development Target (the SDT), which aims to facilitate and finance \$2.5 trillion over 10 years—from 2021 through the end of 2030—to advance long-term solutions to help address climate change and support sustainable development.⁶ The SDT aims to grow and strengthen JPMorgan Chase's business activities across three important objectives: Green, Development Finance and Community Development.

This annual report provides an overview of our 2023 activity, including an in-depth analysis of the development impact of transactions executed by the Corporate & Investment Bank (CIB) that contributed to the firmwide SDT, transactions where we acted as Development Finance Structuring Agent (DFSA), and our role in the Impact Disclosure Taskforce.

Highlights of JPM DFI's 2023 achievements include:

- **Assessing 736 transactions for a total of \$115 billion** to qualify toward the Development Finance objective of the firmwide SDT based on their anticipated development impact and contribution to at least one of the 17 UN SDGs
- **Acting as DFSA for 19 transactions**, growing our activity in Latin America and South and Western Asia
- **Engaging with institutional investors** to bring incremental capital to emerging market and developing economy (EMDE) entities that have committed to measuring and reporting their impact on sustainable development
- **Serving as co-chair of the [Impact Disclosure Taskforce](#),**⁷ which announced its objective to create voluntary guidance for entities to disclose their intentions toward advancing the UN SDGs

METHODOLOGY

We review our methodology annually to incorporate evolving best practices, investor and market feedback, and lessons learned from our own experiences. In 2023, we assessed our clients' plans to achieve positive impacts and mitigate negative impacts. We leveraged best practices for "principle adverse indicators" and "do no significant harm," standards such as those referenced under the [IFC Performance Standards](#)⁸ and the [Sustainable Finance Disclosure Regulation in Europe](#).⁹ The methodology that was applied to transactions in 2023 is below. The full methodology is available on [JPM DFI's website](#).¹⁰

CIB transactions

JPM DFI's methodology is applied to all eligible CIB transactions, which already adhere to J.P. Morgan's existing risk frameworks, including those related to credit, market, environmental and social, regulatory requirements and customer onboarding processes.

JPM DFI filters



1. Sector



2. Geography



3. Product

1. The **sector filter** screens out sectors commonly excluded by development banks (such as weapons and tobacco) in addition to existing J.P. Morgan sector exclusions.
2. The **geography filter** evaluates whether the transaction supports projects or activities in a developing country, defined as a country that is eligible to borrow from the World Bank Group.
3. The **product filter** targets products that either facilitate raising capital (financing or refinancing) or assist clients in risk management. Key products include markets hedging and financing transactions, corporate finance and M&A.

4. SUSTAINABLE DEVELOPMENT GOALS

4. Transactions are also evaluated for their contributions toward the SDGs by identifying whether the client has disclosed intentions to make incremental progress on any of the 231 unique SDG indicators (or key performance indicators that approximate such indicators) and has presented quantifiable targets to advance such indicators. Given that each SDG indicator maps to unique SDG targets, the SDG targets that will be advanced by the transaction are also identified during this process.¹¹

5. Development intensity assessment



5.a Development gap assessment

Compare relevant development indicators to peer group



5.b Investment contribution assessment

- i Positive output & outcome targets
- ii Mitigating negative impacts
- iii Market development

- 5.a Benchmarks the country's in-scope SDG indicators against other countries that are eligible to borrow from the World Bank to identify the relative magnitude of the development gap.
- 5.b Evaluates the transaction's contribution to supporting incremental impact. The investment contribution assessment is comprised of three dimensions:
 - i **Positive output and outcome targets:** Specificity and magnitude of positive output and outcome targets disclosed by the client in conjunction with the transaction:
 - *Sector-specific:* Forward-looking targets related to addressing sector gaps
 - *Cross cutting:* Forward-looking targets in relation to environmental sustainability, job creation, gender and diversity, and institutional governance
 - ii **Mitigating negative impacts:** Policies and practices employed by the client to mitigate potential negative impacts
 - iii **Impact on market development:** Spillover effects of the transaction on the broader economy and society (e.g., supply chain effects, knowledge development)

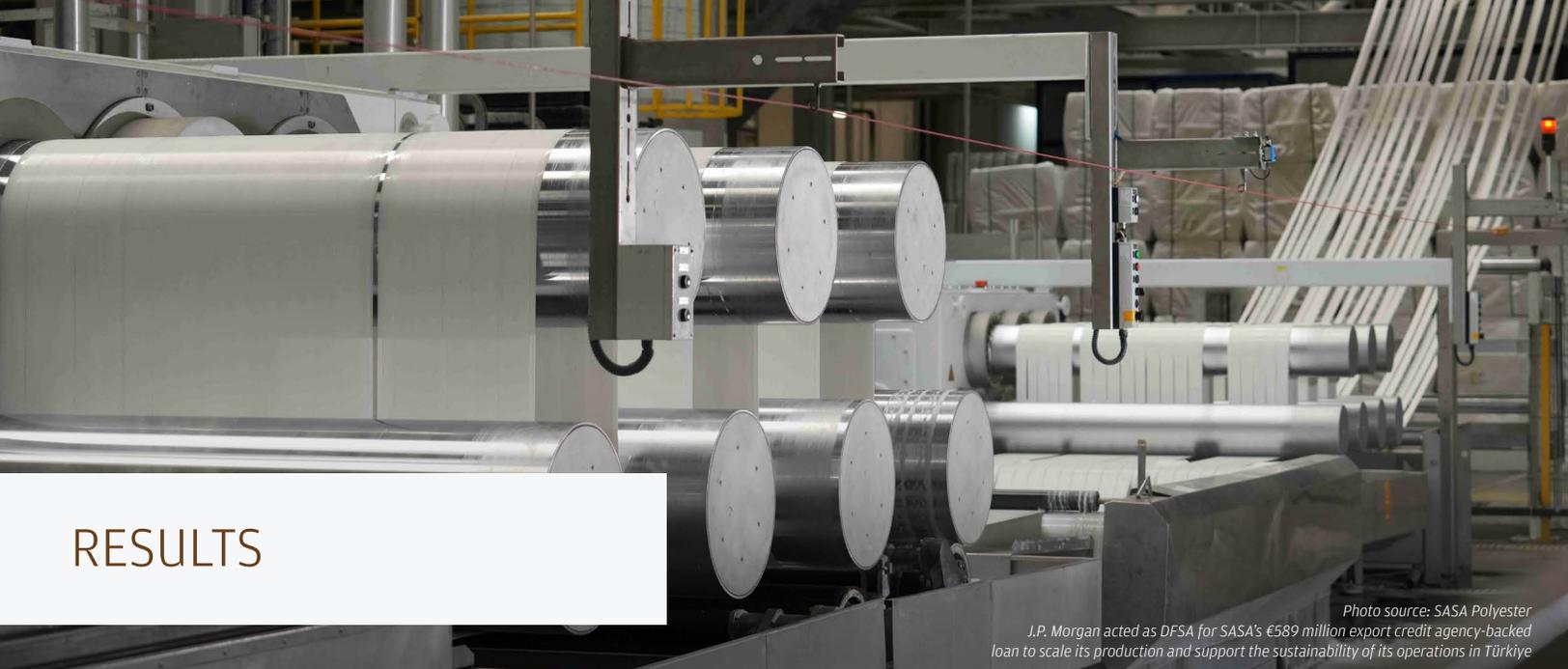


5.c No sustainable development impact



5.c Receive a development intensity score: low, moderate, high or very high

- 5.c The development gap and investment contribution assessments are averaged to provide the overall development intensity score of **low, moderate, high or very high**.



RESULTS

*Photo source: SASA Polyester
J.P. Morgan acted as DFSA for SASA's €589 million export credit agency-backed loan to scale its production and support the sustainability of its operations in Türkiye*

JPM DFI applies its impact methodology to support two key activities: acting as DFSA and assessing the development impact of all eligible CIB-executed transactions. When mandated as DFSA for transactions, JPM DFI works closely with our clients to disclose their anticipated development impacts during transaction execution. JPM DFI also helps clients create a framework for ongoing monitoring and reporting and uses the framework to attract impact-focused investors. Separately, JPM DFI applies its methodology to all transactions executed by the CIB, including to those it did not serve as DFSA, and identifies those that are anticipated to have development impact and contribute to the firm's SDT. This section presents the results of our work in these two pillars.

Development Finance Structuring Agent

In 2023, JPM DFI was mandated as DFSA for 19 transactions. In this role, we worked with clients to communicate their development impact intentions to stakeholders and prepare a framework for impact reporting. We primarily engaged with private sector corporations, which represented 47% of our mandates, but also worked with sovereigns, financial institutions and state-owned enterprises. The majority of our engagements were with clients in Latin America and the Caribbean, but also included clients in South and Western Asia. The examples section starting on Page 11 provides details on select transactions for which we acted as DFSA.

Development impact of transactions executed by the CIB

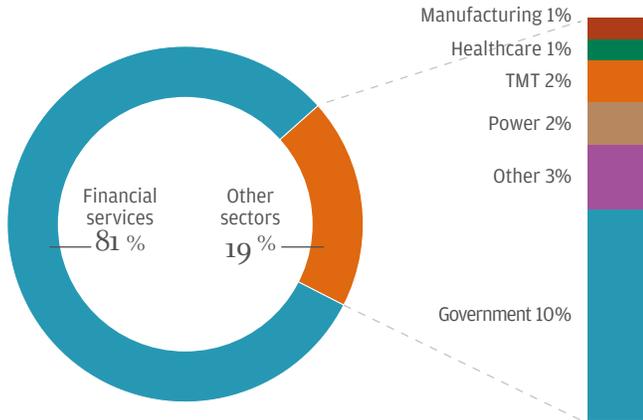
We applied our methodology to assess the development impact of eligible CIB transactions, to qualify them toward the firm's 10-year SDT. In 2023, JPM DFI assessed 736 CIB transactions to have anticipated development impact, representing a total value of \$115 billion, an increase of 17% from 2022. Notably, the contribution of markets transactions assessed by JPM DFI increased by 38% over 2022. At the same time, the value of banking transactions (debt offerings, loans, M&A and equity) decreased slightly by 6%.

Further details are presented in the following charts.

RESULTS

Sector

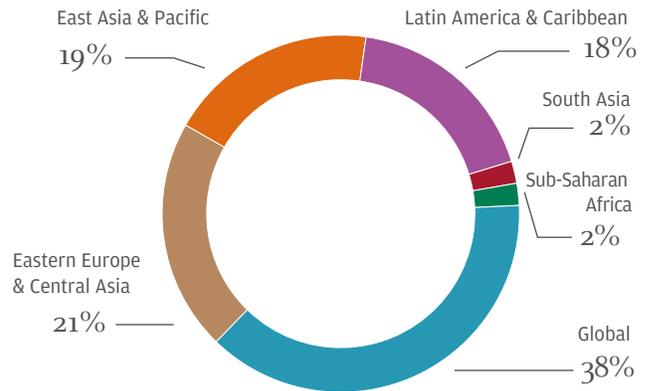
Transactions with anticipated development impact by sector
% of value, \$115B total



Most transactions assessed by JPM DFI were in the financial services sector, which includes transactions with development institutions. The remaining 19% comprised of transactions with government entities (10%) and companies from a variety of other sectors (9%).

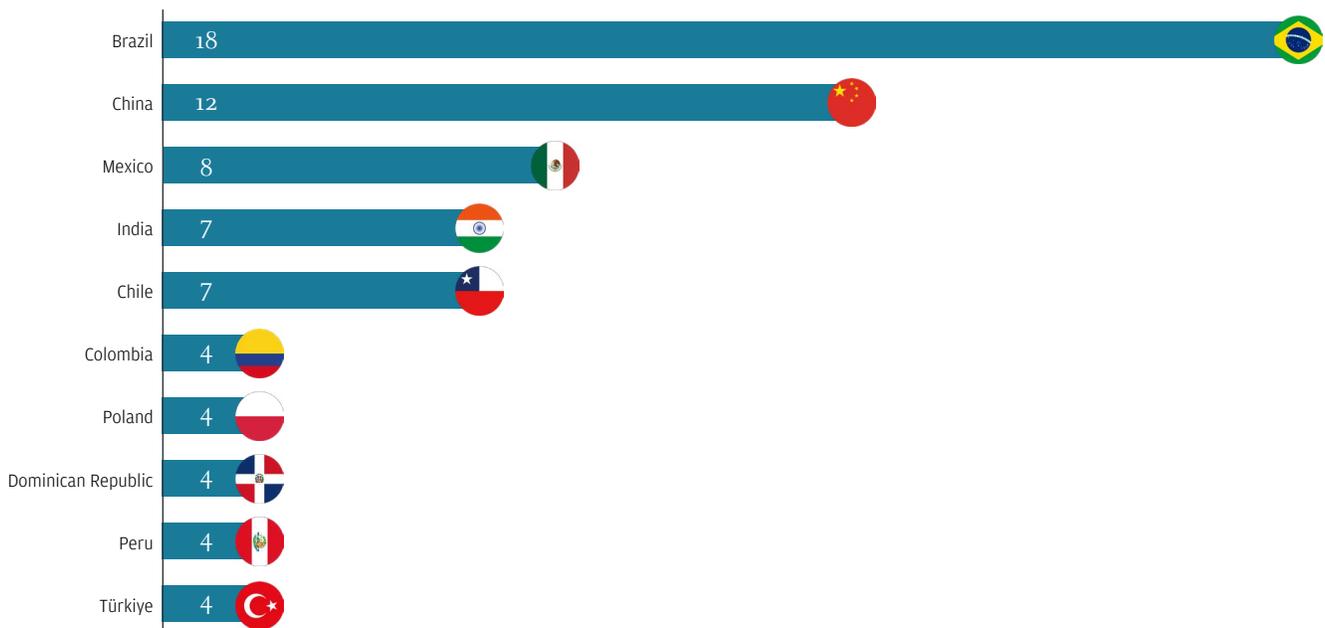
Geography

Transactions with anticipated development impact by region
% of value, \$115B total



Transactions assessed by JPM DFI were diversified across emerging market geographies. In 2023, public development banks with global mandates (i.e., not tied to a specific region) accounted for 38% of the total assessed value. Eastern Europe & Central Asia were the regions that contributed the most by notional value, accounting for approximately 21% of the total assessed value, driven by public development bank issuances and hedging activities in the region.

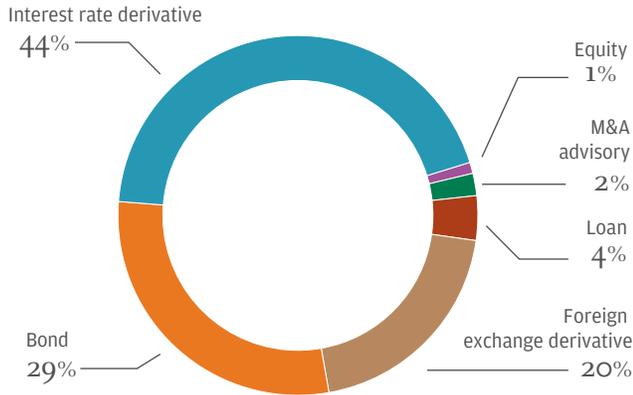
Top 10 countries with the highest number of transactions assessed to have anticipated development impact in 2023



RESULTS

Products

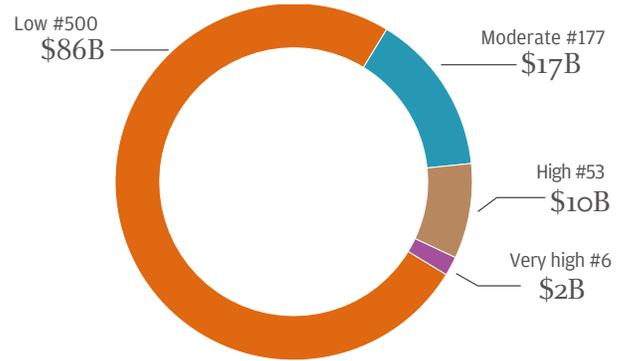
Transactions with anticipated development impact by product
% of value, \$115B total



In 2023, JPM DFI assessed interest rate and foreign exchange derivatives, bonds, loans, M&A and equity transactions to have anticipated development impact. Interest rate and foreign exchange derivatives with public development banks, which provide risk management solutions to support their development financings, accounted for 44% and 20% of the total value, respectively. Bonds represented 29% of the total, while M&A accounted for 2% of the assessed transactions, with loans and equity transactions making up the remaining 5%.

Development Intensity

Transactions with anticipated development impact by intensity
736 Transactions, \$115B total



JPM DFI's methodology assesses qualified transactions to have a development intensity score ranging from low to very high. Transactions with higher scores generally have more disclosure on their expected development outputs and outcomes or finance initiatives in countries with the greatest development gaps.

CONTRIBUTION TO THE SDGs

In 2023, JPM DFI assessed 736 transactions that are expected to contribute to the 17 UN SDGs. Most transactions support multiple SDGs, but the table below highlights transactions' contributions to one SDG to illustrate the diversity of impact across regions, sectors and products.

SDG	COUNTRY	DEVELOPMENT GAP SCORE	SECTOR	TYPE OF FINANCING	IMPACTS
1 NO POVERTY 	Dominican Republic	High	Government	Bond	Financing the government's plans to reduce poverty through cash transfers to families for education and health services
2 ZERO HUNGER 	Brazil	High	Consumer	Equity	Funding the company's sustainable food production system
3 GOOD HEALTH AND WELL-BEING 	China	Low	Medical	Equity	Raising capital to further develop the company's cancer early detection products
4 QUALITY EDUCATION 	Colombia	Moderate	Power	Bond	Funding the company's initiative to provide scholarships to students in local communities
5 GENDER EQUALITY 	Chile	Very High	Government	Bond	Supporting the government's target of achieving 40% of women in leadership roles by 2031
6 CLEAN WATER AND SANITATION 	Mongolia	Very High	Government	Bond	Supporting the government's plan to improve wastewater treatment facilities
7 AFFORDABLE AND CLEAN ENERGY 	Dominican Republic	High	Power	Loan	Raising funds to upgrade existing wind and solar generation facilities and generate additional renewable power
8 DECENT WORK AND ECONOMIC GROWTH 	Honduras	High	Power	Loan	Raising financing for construction of a solar plant, creating high- and low-skilled jobs for the plant's construction and operation

SDG	COUNTRY	DEVELOPMENT GAP SCORE	SECTOR	TYPE OF FINANCING	IMPACTS
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 	Trinidad and Tobago	Moderate	Government	Bond	Raising funds to support the government's plans to construct highways and roads
10 REDUCED INEQUALITIES 	Croatia	Moderate	Government	Bond	Introducing amendments to tax regulations to increase net salaries of employees to improve living standards and reduce economic inequalities
11 SUSTAINABLE CITIES AND COMMUNITIES 	Peru	Moderate	Financial services	Loan	Raising funds to provide mortgages under affordable housing and sustainable housing programs
12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	Poland	High	Retail	Bond	Arranging financing to reduce waste generation and recycling practices and seeking certifications for sustainable packaging
13 CLIMATE ACTION 	India	High	Power	Bond	Raising financing to produce solar and wind electricity, leading to a reduction of Scope 1, 2 and 3 greenhouse gas emissions
14 LIFE BELOW WATER 	China	Moderate	Financial services	Bond	Financing blue projects to reduce discharge of untreated wastewater to the sea and coastal areas
15 LIFE ON LAND 	Türkiye	High	Energy	Loan	Financing implementation of a biodiversity management plan to monitor and protect flora and fauna in the area surrounding a newly built solar power plant
16 PEACE, JUSTICE AND STRONG INSTITUTIONS 	Bulgaria	Moderate	Government	Bond	Securing funds to provide food, water and generators to people displaced by conflict
17 PARTNERSHIPS FOR THE GOALS 	Dominican Republic	High	Power	Loan	Raising financing to develop a renewable power project through a syndicated loan structure with a regional development bank

EXAMPLE

THE REPUBLIC OF COSTA RICA

In 2023, J.P. Morgan acted as Joint Bookrunner and DFSA for the Republic of Costa Rica on two transactions. Costa Rica returned to the international bond markets in March 2023 for the first time since 2019 and successfully issued \$1.5 billion,¹² the largest-ever single tranche bond issuance by the Republic. The Republic then returned to the market in November 2023 with another successful \$1.5 billion issuance.¹² Both issuances included a development impact disclosure framework to allow the Republic to track and measure the success of its national plans to address development gaps in the country.

Costa Rica is a middle-income country in Central America with a population of over five million people. While the country has made progress in social and economic development in recent decades

relative to other countries in Latin America, Costa Rica still faces significant challenges related to environmental resilience, infrastructure and economic diversification. To address these challenges, Costa Rica has four comprehensive development plans, which are focused on promoting sustainable economic growth, reducing poverty and inequality, strengthening social services, and enhancing environmental protection.

By strengthening the budgetary support of the government, the two issuances are expected to support the development outputs and outcomes designed by these four national plans. To increase transparency and evidence the progress on these plans, Costa Rica selected 12 forward-looking targets to report on annually for its November 2023 transaction.

The Republic aims to address acute development gaps in Costa Rica, including:¹³

SDG	SDG TARGET	SDG GAP ¹⁴	TARGET OUTPUTS AND OUTCOMES
 <p>1 NO POVERTY</p>	1.1: Eradicate poverty	25.5% of the population lives below the national poverty level, which is higher than the median for peers of 25.1% ¹⁵	Provide state-sponsored money transfers to 12% of households ¹⁶
 <p>6 CLEAN WATER AND SANITATION</p>	6.4: Substantially increase water-use efficiency	Water use efficiency was \$44.2, which is lower than the median for peers of \$53.3 ¹⁷	Improve Costa Rica's water infrastructure to improve drinking water losses by 17% by 2026

In addition to the development gaps shown above, the Republic has also set targets to disclose its intended contributions to SDGs #3 (Good Health and Well-Being), #4 (Quality Education), #7 (Affordable and Clean Energy), #8 (Decent Work and Economic Growth), #9 (Industry and Infrastructure) and #13 (Climate Action).

For more information on these two issuances, please see the development impact assessments published by the Republic of Costa Rica for its [March 2023 issuance](#) and [November 2023 issuance](#).

EXAMPLE

MOTTU

Photo source: Mottu

In September 2023, J.P. Morgan acted as Lead Coordinator and DFSA for a senior secured debentures offering in the Brazilian local debt capital markets. Mottu is a motorcycle leasing company and last-mile delivery marketplace headquartered in São Paulo, Brazil. Mottu provides low-cost motorcycle rentals for delivery drivers seeking employment as independent couriers for delivery or logistics apps. Many of Mottu's clients are low-income individuals who face barriers to access or ownership of motorcycles because they lack credit history or the means for background checks.

Mottu is contributing to economic development in Brazil by creating local jobs and increasing household income by generating additional employment opportunities through

courier jobs in the gig economy. Mottu aims to produce up to 20,000 additional motorcycles for lease, which is expected to create up to 19,560 additional courier jobs and up to 6,100 jobs at Mottu. The increased availability of motorcycles for lease and couriers is expected to enable completion of up to 600,000 additional deliveries, bolstering the local Brazilian economy across sectors. Motorcycles produced by Mottu are more fuel efficient and emit less carbon than the Brazilian market average. Mottu also aims to recycle 100% of waste generated in its plants and supports local knowledge development by providing vocational and technical training through the company's school for mechanics.

Mottu is anticipated to address development gaps in Brazil, including:¹⁸

SDG	SDG TARGET	SDG GAPS	TARGET OUTPUTS AND OUTCOMES
 8 DECENT WORK AND ECONOMIC GROWTH	8.2: Achieve economic productivity	The annual growth rate of real GDP per employed person is -0.8%, lower than the median of 1.7% in peer countries ¹⁹	Create up to 6,100 jobs at Mottu and up to 19,560 courier jobs
	8.5: Achieve full and productive employment	The unemployment rate is 9.6%, higher than the median of 6.4% in peer countries ²⁰	
 13 CLIMATE ACTION	13.2.2: Carbon emissions	Carbon emissions are 1.9 metric tons per capita higher than the median of 1.4 in peer countries ²¹	Produce up to 20,000 new motorcycles that have lower emissions than the market average

In addition to the development gaps shown above, Mottu has set targets to disclose its intended contributions to SDGs #4 (Quality Education) and #12 (Responsible Consumption and Production).

EXAMPLE

FONDO MIVIVIENDA

Photo source: Fondo Mivivienda

Fondo Mivivienda (FMV) is a Peruvian state-owned mortgage lender and provider of affordable housing financing. Peru struggles with housing shortages, with 34.5% of its urban population living in slums.²² FMV operates in the primary and secondary mortgage markets by originating loans and offering mortgages denominated in Peruvian soles. By providing real estate developers with funding for qualified housing projects and funding financial institutions that provide mortgages to low- and middle-income homeowners, FMV supports access to housing for over 50,000 low- and middle-income families annually.

In June 2023, FMV signed an agreement for a line of credit from J.P. Morgan, guaranteed by the World Bank Group's Multilateral Investment Guarantee Agency, to provide social and green mortgages to low- and middle-income families in Peru. FMV's green mortgage product helps finance the purchase of housing that meets rigorous housing standards

under FMV's sustainability certifications. With the loan, FMV is also accelerating its lending activity in social mortgages through a program that provides direct state-issued subsidies to enable low-income families to buy, build or improve their housing. FMV's grants and mortgages are expected to bolster the real estate and construction markets in Peru, creating direct and indirect employment opportunities in the country and supporting overall housing infrastructure.

In addition to providing affordable funding for housing in Peru, FMV aims to improve the environmental sustainability of the housing financed by providing green mortgages at lower rates relative to standard mortgages. To monitor the incremental environmental benefits of the green mortgages, FMV has set targets to improve water efficiency, increase renewable energy generation and reduce energy consumption for homes financed through the green mortgage program.

FMV is anticipated to contribute to development gaps in Peru, including:²³

SDG	SDG TARGET	SDG GAPS	TARGET OUTPUTS AND OUTCOMES
 6 CLEAN WATER AND SANITATION	6.4: Increase water-use efficiency	Water productivity was \$4.9 GDP per cubic meter, lower than the median for peer countries of \$13.7 GDP per cubic meter ²⁴	Improve water efficiency in housing by 30% by 2030
 11 SUSTAINABLE CITIES AND COMMUNITIES	11.1: Ensure access to safe and affordable housing	34.5% of the urban population lives in slums, higher than the median for peer countries of 34.2% ²⁵	Provide an additional 2,100 affordable mortgages and 7,530 green mortgages in 2023

In addition to the gaps shown above, FMV has also set targets to disclose its intended contributions to SDG #7 (Affordable and Clean Energy).

For more information on this transaction, please see the [development impact assessment](#) published by FMV.

EXAMPLE

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P.

Photo source: Grupo Energía Bogotá S.A. E.S.P.

Grupo Energía Bogotá S.A. E.S.P. (GEB) is a leading owner, developer and operator of electricity and natural gas assets across Latin America, with operations in Colombia, Peru, Guatemala and Brazil. In November 2023, GEB issued a \$400 million²⁶ sustainable bond in the international capital markets to finance or refinance eligible green and social projects. J.P. Morgan acted as Joint Bookrunner, Sustainable Bond Structuring Agent and DFSA.

Through its major affiliates, GEB generates, transmits, distributes and commercializes energy, including electricity, gas and liquid fuels. As part of GEB's Corporate Plan, it is committed to improving lives through sustainable energy. To that end, GEB aims to build additional transmission lines and gas distribution

connections. Specifically, GEB intends to expand its transmission networks by 5,645 kilometers by 2030 to guarantee the connectivity of new clean energy generation in Guatemala, Brazil and Colombia. GEB also intends to extend the distribution of natural gas to an additional 800,000 connections in Peru by 2030. As of 2020 in Peru, 14% of the population lacked access to clean fuels for cooking and heating. Use of clean fuels such as natural gas, as opposed to the burning of wood, coal or kerosene, reduces the exposure to indoor air pollutants, a leading cause of death and disease in low-income households. GEB also plans to reduce its greenhouse gas emissions, improve working conditions and improve gender and diversity representation through a variety of programs.

GEB is expected to contribute to development gaps in Colombia, Peru, Guatemala and Brazil, including:²⁷

SDG	SDG TARGET	SDG GAPS	TARGET OUTPUTS AND OUTCOMES
 5 GENDER EQUALITY	5.5: Ensure women's full and effective participation in leadership	The proportion of women in senior and middle management positions in Colombia is 30.3%, lower than the peer country median of 31.7% ²⁸	Increase the percentage of women in middle management positions in Colombia to 45% by 2025
 7 AFFORDABLE AND CLEAN ENERGY	7.1: Ensure universal access to affordable, reliable and modern energy services	95.6% of people in Peru, 97.9% in Guatemala and 100% in Colombia had access to electricity, compared to the peer country median of 97.9% ²⁹	Increase gas connections to 2 million in Peru

In addition to the development gaps shown above, GEB has also set targets to disclose its intended contributions to SDGs #4 (Quality Education), #8 (Decent Work and Economic Growth), #10 (Reduced inequalities) and #13 (Climate Action).

GEB opted to publish its [development impact assessment](#) on its website under its ESG library.

EXAMPLE

CJ SELECTA



Photo Source: CJ Selecta

CJ Selecta, a leading manufacturer of soy products in Brazil, purchases soy products from multiple Brazilian producers, processes the soybeans and manufactures soy products. CJ Selecta produces soy protein concentrate, which is a key ingredient for the animal feed industry and produces various soy-derived products used in the food, chemical and pharmaceutical industries such as oil, lecithin, molasses, tocopherol, soybean hulls, fertilizers, ethanol and fatty acids. In June 2023, CJ Selecta entered into a 6-month \$10 million export pre-payment facility with J.P. Morgan to support the company's export operations and manage their cash flows more efficiently. CJ Selecta is advancing its industrial practices to promote biodiversity and improve the productivity and sustainability of its crop system. It also intends to certify the plant for the generation of carbon credits. For example, CJ Selecta produces

ethanol from soy molasses and aims to double the volume of production while achieving self-sufficiency via ethanol use. The goal is to distribute the extra ethanol to fuel distributors and use organic material byproduct to produce biogas, which ultimately will be converted to methane.

In Brazil, only 8.9% of forests are under a long-term management plan, putting the country's natural resources at risk. As part of CJ Selecta's efforts to pursue strong ESG practices in its supply chain and production processes, the company aims to achieve 100% of suppliers' traceability by 2025 and supply 100% of raw materials in areas that are free of deforestation and outside the Amazon biome. The company further aims to reduce Scope 1, 2, and 3 emissions and has increased transparency around its non-GMO carbon footprint.

CJ Selecta is anticipated to contribute to development gaps in Brazil, including:³⁰

SDG	SDG TARGET	SDG GAPS	TARGET OUTPUTS AND OUTCOMES
	2.5: Maintain the genetic diversity of seeds	Brazil has 203,302 plant species stored in conservation facilities ³¹	Increase use of non-GMO seeds in industrial sites
	15.2: Implement sustainable forestry	8.9% of forests are under a long-term management plan, which is lower than the median for peer countries of 23.3% ³²	Supply 100% of raw materials for production in areas free of deforestation

In addition to the development gaps shown above, CJ Selecta has also set targets to disclose its intended contributions to SDGs #7 (Affordable and Clean Energy), #8 (Decent Work and Economic Growth) and #9 (Industry and Infrastructure).

CJ Selecta's development impact assessment can be accessed [here](#).



IMPACT DISCLOSURE TASKFORCE

Photo Source: ReNew Energy
In April 2023, J.P. Morgan acted as DFSA for ReNew Energy's \$400 million green bond offering to finance construction of solar fields in India

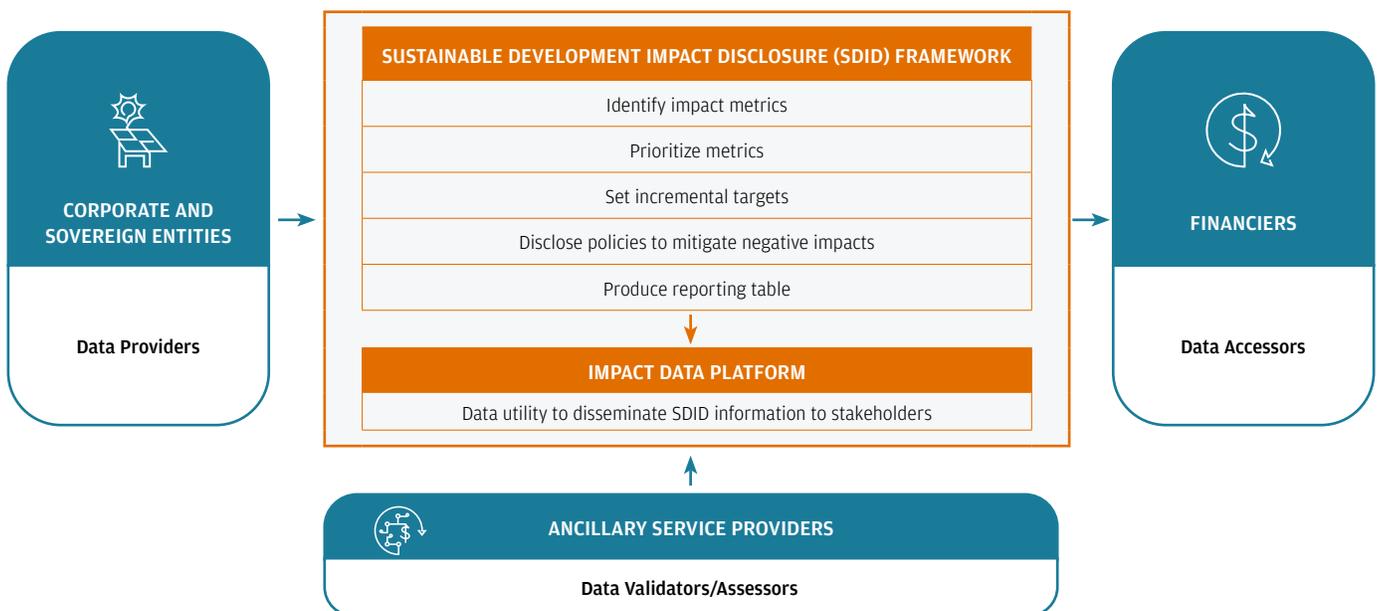
In April 2023, JPM DFI helped convene the Impact Disclosure Taskforce (the Taskforce) to address a fundamental challenge: corporates and sovereigns in emerging markets and developing economies lack the disclosures necessary to access sustainable capital. Informed by the precedent set by JPM DFI and co-chaired by J.P. Morgan and Natixis, the Taskforce is creating voluntary guidance to help entities disclose their intentions to address the most pressing development challenges in the geographies where they operate. The guidance will also help these entities monitor and report their progress against targets to measure the success of their development initiatives.

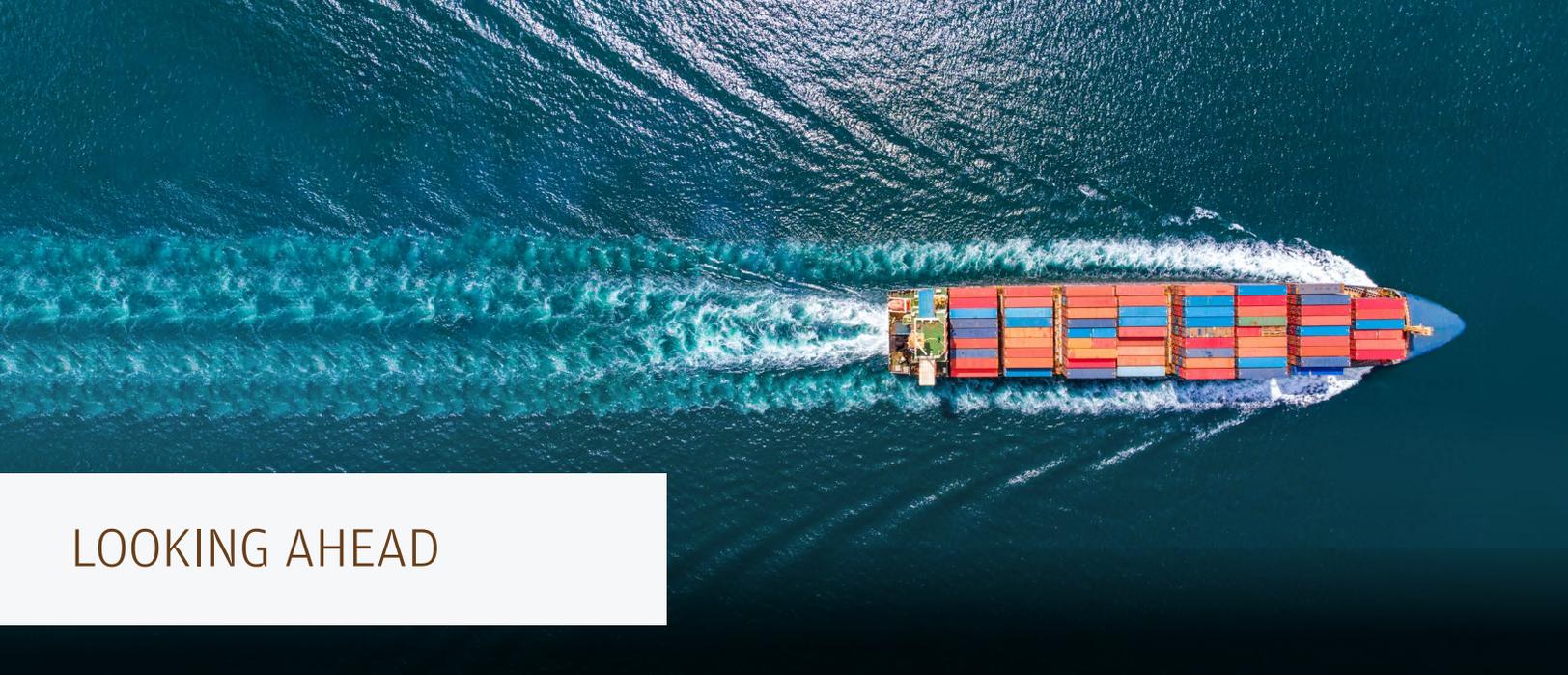
The Taskforce also intends to explore mechanisms for disseminating and analyzing this entity-level impact information

to promote transparency and accountability. Entities that apply the guidance would provide helpful data required for investment decisions, thus making their entire balance sheets more attractive to sustainable financiers.

The Taskforce comprises 25 named organizations, among ~40 additional participating organizations, and includes investment banks, institutional investors, standards setters, markets data and service providers, and investor networks. A concept note the Taskforce published in November 2023 can be found [here](#).³³

The diagram below illustrates the ecosystem envisioned by the Taskforce, which includes the Sustainable Development Impact Disclosure Framework, an Impact Data Platform and Ancillary Service Providers.





LOOKING AHEAD

Since its inception, JPM DFI has used its impact methodology to help corporate and sovereign entities in EMDE produce disclosures and reporting frameworks that help attract sustainable investors. JPM DFI has, in turn, enabled sustainable investors to allocate capital to entities that have disclosed measurable impact intentions and are accountable to reporting on their progress against their ambitions.

Looking forward, JPM DFI will continue to work with other capital markets participants through the Impact Disclosure Taskforce to establish an ecosystem that facilitates the flow of capital toward entities that provide disclosure on their SDG impacts. The effort will further develop the sustainable investing market by broadening the investible universe for

sustainable investors, enabling them to grow funds or launch new funds that target eligible investments. As the sustainable investing market develops, the incentives for EMDE entities to adopt the guidance and produce data necessary to attract the growing pool of sustainable investors will accelerate. We expect this to establish a virtuous cycle that can scale capital flowing toward advancing the SDGs by orders of magnitude.

Building an ecosystem requires partnerships between users of capital, investors, bankers, broker-dealers and providers of market infrastructure, data and analytics. We look forward to working with partners across capital markets in this endeavor in 2024 and beyond.

GLOSSARY

CIB: Corporate & Investment Bank
DFSA: Development Finance Structuring Agent
EMDE: Emerging Markets and Developing Economies
ESG: Environmental, Social and Governance
FX: Foreign exchange
JPM DFI: J.P. Morgan Development Finance Institution
SDID: Sustainable Development Impact Disclosure
SDGs: United Nations Sustainable Development Goals
SDT: JPMorgan Chase Sustainable Development Target
TMT: Technology, Media, and Telecommunications

ENDNOTES

- ¹ Emerging markets outlook, October 2023. <https://www2.deloitte.com/us/en/insights/economy/emerging-markets-outlook.html>
- ² ESG May Surpass \$41 Trillion in Assets, in 2022, But Not Without Challenges, Finds Bloomberg Intelligence, January 2022. <https://www.bloomberg.com/company/press/esg-may-surpass-41-trillion-assets-in-2022-but-not-without-challenges-finds-bloomberg-intelligence/>
- ³ Sizing the Impact Investing Market, 2022. <https://thegiin.org/assets/2022-Market Sizing Report-Final.pdf>
- ⁴ SDG Stocktake: Through the Eyes of the Private Sector, 2023. https://info.unglobalcompact.org/l/591891/2023-09-14/582psl/591891/1694705_301piq9Ub0t/UNGC_SDG_Stocktake_Report_2023.pdf
- ⁵ United Nations Conference on Trade and Development. <https://unctad.org/publication/sdg-investment-trends-monitor-issue-4?secureweb=lynx>
- ⁶ To learn more about the SDT and JPMorgan Chase's work on ESG topics, please see our 2022 ESG report available on our website. <https://www.jpmorganchase.com/content/dam/jpmc/jpmorgan-chase-and-co/documents/jpmc-esg-report-2022.pdf>
- ⁷ Impact Disclosure Taskforce created to scale financing of the United Nations Sustainable Development Goals, 2023. <https://www.businesswire.com/news/home/20231128154253/en/Impact-Disclosure-Taskforce-Created-to-Scale-Financing-of-the-United-Nations-Sustainable-Development-Goals>
- ⁸ IFC's Performance Standards on Environmental and Social Sustainability. <https://www.ifc.org/en/insights-reports/2012/ifc-performance-standards>
- ⁹ Sustainable Finance Regulation in Europe. https://finance.ec.europa.eu/regulation-and-supervision/financial-services-legislation/implementing-and-delegated-acts/sustainable-finance-disclosures-regulation_en
- ¹⁰ JPM DFI's website. www.jpmorgan.com/dfi/methodology
- ¹¹ The majority of SDG indicators have a one-to-one relationship with a corresponding SDG target. For the few SDG indicators that correspond to multiple SDG targets, a determination is made on which targets are relevant based on the context of the transaction
- ¹² J.P. Morgan's apportioned share in the transaction was \$750 million. Per the SDT methodology, only JPMorgan Chase's apportioned share was counted toward the SDT
- ¹³ SDG targets are abbreviated, and table shows an incomplete list of the SDG contribution assessed. For full targets, see <https://sdgs.un.org/goals>
- ¹⁴ To determine the relative severity of the development gaps in each country, a quartile analysis was performed for each metric in scope of the transaction, using the most recent data from each source as of the date of the analysis
- ¹⁵ As of 2022. Source: World Bank, Poverty and Inequality Platform. Data retrieved from World Bank Database as of October 27, 2023 (n=116)
- ¹⁶ Represents target increase by 2026 over baseline of 9.93% in 2020
- ¹⁷ As of 2020. Source: Food and Agriculture Organisation of the United Nations. Data retrieved from UN Statistics as of October 27, 2023 (n=83)

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- ¹⁸ SDG Targets are abbreviated, and table shows an incomplete list of the SDG contribution assessed. For full targets, see <https://sdgs.un.org/goals>
- ¹⁹ As of 2021. Source: International Labour Organization. Data retrieved through UN SDGs database as of August 15, 2023 (n=144)
- ²⁰ As of 2022. Source: International Labour Organization. Data retrieved through UN SDGs database as of August 15, 2023 (n=132)
- ²¹ As of 2020. Source: Climate Watch Historical GHG Emissions. Data retrieved through World Development Indicators as of August 15, 2023 (n=143)
- ²² As of 2014. Source: United Nations Human Settlements Program. Data retrieved from the World Bank World Development Indicators as of May 10, 2023
- ²³ SDG targets are abbreviated, and table shows an incomplete list of the SDG contribution assessed. For full targets, see <https://sdgs.un.org/goals>
- ²⁴ As of 2020. Water productivity is calculated as GDP in constant prices divided by annual total water withdrawal. It is an indication only of the efficiency by which each country uses its water resources. Source: Food and Agriculture Organization. Data retrieved from World Bank Development Indicators as of May 10, 2023 (n=132)
- ²⁵ As of 2014. Source: United Nations Human Settlements Program. Data retrieved from the World Bank World Development Indicators as of May 10, 2023 (n=100)
- ²⁶ J.P. Morgan's apportioned share in the transaction was \$133 million. Per the SDT methodology, only J.P. Morgan's apportioned share was counted toward the SDT
- ²⁷ See corresponding footnotes for in-scope metrics for each country. SDG targets are abbreviated, and table shows an incomplete list of the SDG contribution assessed. For full targets, see <https://sdgs.un.org/goals>
- ²⁸ As of 2021. Source: LFS - Permanent Household Survey (Urban), HIES - Household, Income and Labour Dynamics Survey, HS - Household Survey of Multiple Purposes. Data retrieved from UN Statistics as of November 13, 2023 (n=99)
- ²⁹ As of 2021. Source: World Bank. Data retrieved from UN Statistics as of November 16, 2023 (n=143)
- ³⁰ SDG targets are abbreviated, and table shows an incomplete list of the SDG contribution assessed. For full targets, see <https://sdgs.un.org/goals>
- ³¹ As of 2021. Source: UN Statistics. Data retrieved from UN Statistics as of April 20, 2023 (n=82)
- ³² As of 2020. Source: UN Statistics. Data retrieved from UN Statistics as of April 20, 2023 (n=89)
- ³³ Impact Disclosure Taskforce Concept Note, 2023. https://www.cgdev.org/sites/default/files/2023-11/impact-disclosure-taskforce-concept-note-FAQs_0.pdf

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