J.P. Morgan Securities (Asia Pacific) Limited, JPMorgan Chase Bank, N.A., Hong Kong Branch - Climate Disclosure under HKMA Supervisory Policy Manual GS-1

JPMorgan Chase & Co. ("the Firm" or "JPMorgan Chase") works to power economies around the world and champion opportunity in good and difficult times. A key challenge is meeting governments and companies' net-zero emissions goals by 2050 while also meeting the global need for secure, reliable and affordable energy. The JPMorgan Chase 2023 Climate Report ("the Climate Report"), outlines the measures the Firm is taking to respond to climate risks and opportunities across our business. The Climate Report is informed by the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD"). The TCFD Index on page 2 of the Climate Report identifies where to find information related to recommended disclosures from TCFD. J.P. Morgan Securities (Asia Pacific) Limited ("JPMSAPL") and JPMorgan Chase Bank, N.A., Hong Kong Branch's ("JPMCB HK Branch") activities are broadly expected to contribute to and align with the Firm's overall approach as described in the Climate Report. The sections below describe the governance, strategy, risk management, and operational impacts that are specifically applicable to JPMSAPL and JPMCB HK Branch and their activities in Hong Kong.

Governance

The board of directors of JPMSAPL and the branch committee of JPMCB HK Branch (collectively, the "Boards") are responsible for oversight of the business affairs of the respective entities. Oversight of climate-related matters is an important part of the Boards' work. On a bi-annual basis, the Boards are provided updates on relevant climate-related matters. The Hong Kong Location Operating Committee ("HK LOC") and the Hong Kong Risk Asset and Liability Committee ("HK RALCO") are accountable to the Boards. The HK LOC is accountable for executing the Firm's location strategy with a focus on performance and stability of the operating platform and providing oversight of the progress on strategic alignment with business strategy. The HK RALCO provides oversight of risks inherent in JPMSAPL and JPMCB HK Branch's business. Climate-related matters are embedded within the respective scope of the HK LOC and HK RALCO.

Executing the Strategy in Hong Kong Supporting Our Clients

The Firm's strategy can be found in the "Strategy" section of the Climate Report. Where relevant, Hong Kong specific aspects are described further below.

Corporate and Investment Bank[1] (Investment Banking, Payments, Global Research)

JPMorgan Chase continues to broaden its efforts to support the climate- and sustainability-related banking needs of clients, from early stage and small companies through to multinationals and other large corporations. The Firm deploys its capital and expertise to assist clients working to transition their business model and operations to reduce emissions. As JPMorgan Chase, JPMSAPL and JPMCB HK Branch expand their capabilities across the lines of business, they aim to provide clients with increasingly diverse and innovative solutions while helping to grow the market for green and sustainable financing.

The Hong Kong-based Corporate Advisory and Sustainable Solutions team, including Asia Pacific ("APAC") regional representatives of the Center for Carbon Transition ("CCT") and Sustainable Solutions, comprises ESG subject matter experts who provide sustainability-related advice and transaction support to advance sustainability solutions for our clients and enable access to ESG and sustainability-focused capital across equity, debt and private markets. The team

[1] On January 25, 2024, JPMorgan Chase announced new responsibilities for several key executives. As a result of these organizational changes, the Firm will be reorganizing its business segments to reflect the manner in which the segments will be managed. The reorganization of the business segments is expected to be effective in the second quarter of 2024.

advises clients across the major industry verticals on improving their sustainability credentials, optimizing value, mitigating risk and addressing stakeholders' concerns through effective ESG integration, disclosure and engagement. We support APAC clients as they develop or strengthen their sustainability strategy, set ESG targets , and report in line with investors' expectations, regulatory requirements and good industry practices. In line with the Firm's net zero aligned financing targets, the APAC ESG Advisory team engages with our clients who operate in the Oil & Gas, Electric Power, Auto Manufacturing, Iron & Steel, Cement, Aviation, Shipping, and Aluminum sectors with the goal of accelerating the low-carbon transition and encouraging near-term actions that will set a path for net zero emissions by 2050.

The Payments business in Hong Kong currently offers ESG-linked Supply Chain Financing solutions and is in the process of evaluating and expanding its ESG-linked offerings to additional Trade & Working Capital products.

The APAC ESG Research team, managed out of Hong Kong and part of the Firm's Global Corporate and Investment Bank ("CIB"), provides insight on key ESG market trends and developments to institutional investors. The team is part of the wider Global ESG Research team within CIB, which combines both a quantitative approach and in-depth ESG knowledge with industry context and expertise from within the Global Research franchise across asset classes.

Private Bank

The International Private Bank[2] ("IPB")'s Climate Strategy is structured around the following core components across the business:

- Understanding its business environment – Assessing the impact of climate risks and opportunities on its business and the business environment in which it operates.
- Educating and advising clients - Educating clients about climate risks and opportunities in their portfolios and offering solutions to meet their climate-related investment needs.
- Reporting climate metrics - Developing climate analytics and reporting capabilities. The IPB continues to make progress to better understand climate risk in its investment portfolios. Over the past year, the IPB has evaluated multiple third-party ESG data providers to assess their climate-related data offerings. The IPB also considers applicable regulatory requirements as part of its decision-making process by which it delegates functions or services. The IPB continues to work with third party data providers to enhance data coverage, including climate analytics, methodologies, and metrics to help drive strategic decision making.

For additional details, please visit the "Strategy" section of International Private Bank Climate Report ("IPB Climate Report").

Risk Management

JPMSAPL and JPMCB HK Branch's approach to climate risk management is informed by the firmwide climate risk framework. The firmwide climate risk framework sets forth the capabilities JPMorgan Chase uses to identify, assess and manage the impacts of physical and transition risk on its risk types. This framework is comprised of the following six core firmwide risk capabilities, which are central to enabling assessment, quantification and management of the climate risks that may manifest across the Firm's diverse global footprint: Risk Governance, Risk Identification, Scenario Analysis, Risk Measurement, Data Management and Reporting & Disclosures.

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[2] The International Private Bank ("IPB") is part of J.P. Morgan Global Private Bank ("GPB") operating within the Asset and Wealth Management ("AWM") business of J.P Morgan Chase & Co. The Private Bank business in Hong Kong forms part of the IPB. Its clients are primarily ultra-high net worth individuals, charities, endowments, and foundations. Additionally, its Credit business primarily caters to individuals and to a lesser extent includes operating companies. The IPB maintains a strategic focus on diversification in order to provide its clients with holistic advice and solutions on wealth management.

Scenario Analysis

To assess the range of potential climate-driven paths and outcomes, we apply an array of scenarios to our internal risk processes. JPMSAPL and JPMCB HK Branch use internationally recognized scenarios from the Network for Greening the Financial System ("NGFS") and the Intergovernmental Panel on Climate Change ("IPCC") to inform our measurement of the potential financial and economic impacts to the legal entities from the manifestation of climate risks.

Physical risk Scenario Analysis

JPMSAPL and JPMCB HK Branch apply IPCC-derived physical risk parameters to assess the potential impacts of the increasing frequency and severity of severe weather events on our business operations, credit exposures, and collateral locations. Consistent with the transition risk approach, we utilize both a "baseline" physical risk scenario and a "severe" physical risk scenario to inform the range of outcomes.

- **Baseline Scenario**: The IPCC Representative Concentration Pathway ("RCP") 4.5 scenario represents an intermediate, middle-of-the-road scenario where social, economic and technological trends do not shift markedly from historical patterns. Global and national institutions work toward but make slow progress in achieving sustainable development goals; overall, the intensity resource and energy use declines. The scenario assumes that global mean temperature reaches 2.7°C warming above pre-industrial levels by 2100.

- **Severe Scenario**: The IPCC Representative Concentration Pathway ("RCP") 8.5 scenario represents the worst-case, highest emissions scenario. The scenario assumes that global mean temperature reaches 4.4°C warming above pre-industrial levels by 2100 due to the continued exploitation of abundant fossil fuel resources and a continued rise in resource- and energy-intensive activities around the world. Under this scenario, there is no transition to a low-carbon economy and greenhouse gas ("GHG") emissions continue to rise throughout the 21st century.

Transition Risk Scenario Analysis

JPMSAPL and JPMCB HK Branch apply macroeconomic and industry-specific variables (e.g., Oil & Gas demand, steel production, etc.) from NGFS scenarios to help assess potential transition risk impacts to the legal entities. In order to quantify and understand the range of these impacts, we are using a "baseline" transition risk scenario and a "severe" transition risk scenario from the NGFS.

- **Baseline Scenario**: The NGFS Current Policies ("CP") scenario represents a low-transition risk scenario that captures the current state of global climate policy. The scenario assumes that no future emissions reduction policies are implemented by governments, leading to high physical risks. In this scenario, 3°C or more of warming could occur by 2100[3].

- **Severe Scenario**: The NGFS Divergent Net Zero ("DNZE") represents the most severe transition risk scenario. The scenario assumes that global net-zero is reached by 2050 through higher carbon prices with a rapid phase-out of fossil fuels, despite divergence in policies introduced by governments across the world. The scenario assumes that global warming is successfully limited to 1.5°C by 2100, which limits physical risk impacts.

For more information, please refer to the "Risk Management" section of the Climate Report.

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[3] Temperature increases are relative to global mean temperatures at pre-industrial levels (1850–1900).

In relation to IPB's risk management practices specifically for Investment Services, please refer to the "Risk Management" section of the IPB Climate Report.

Metrics and Targets

The metrics and targets used to manage and implement the Firm's environmental sustainability approach is available in the "Metrics and Targets" section of the Climate Report. Further details regarding IPB's approach are also available in the "Metrics and Targets" section of the IPB Climate Report

Minimizing Our Operational Impact

A key component of the Firm's global approach to sustainability is managing the environmental impact from its operations, including optimizing how it sources and uses energy, reducing direct and indirect Greenhouse Gas ("GHG") emissions, and enhancing resource management. In support of these efforts, JPMorgan Chase has set a number of firmwide operational sustainability targets. To view the Firm's progress toward these targets globally, refer to the JPMorgan Chase 2023 ESG Report.

In Hong Kong, JPMorgan Chase tracks Scope 1 and Scope 2 GHG emissions; 2023 is the first year the data is included for disclosure and will be used for future annual comparisons.

JPMorgan Chase's tracked GHG emissions in Hong Kong are largely driven by Scope 2 building-related purchased electricity emissions. Building-related emissions includes data centers, which contain a high density of 'always on' equipment and consume more energy compared with typical office space.

JPMC's Hong Kong GHG Emissions ($mtCO_2e$)[4]

GHG Emissions ($mtCO_2e$)	Description	2023
Scope 1	Fugitive emissions	81
Scope 1 Total		*81*
Scope 2	Purchased Electricity	10,703
Scope 2	Purchased Electricity (Company-owned electric vehicles)[5]	2
Scope 2 Total		*10,705*
Total		**10,786**

[4] $mtCO_2e$ – metric ton of Carbon Dioxide equivalent.
[5] Emissions for electric vehicles are estimated based on the distance traveled by vehicles owned by the Firm in Hong Kong. The Firm does not currently lease or own fossil fuel vehicles in Hong Kong.