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JPMORGAN CHASE & CO.

Matthew Arnold
Global Head of Sustainable Finance

August 21, 2018

Fabio Ortolani
Il Presidente
Fondo Pensione EUROFER
Via Bari, 20
00161 Roma
Italy

Dear Mr. Ortolani:

I am writing in response to your letter addressed to Jason Scott, Peter Scher, and Joe Evangelisti dated July 27, 2018 regarding Fondo Pensione EUOFER's focus on sustainability and ESG, including your specific interest in certain aspects of JPMorgan Chase's (JPMC's) ESG performance. We have carefully reviewed your requests for a report on the risks of lending to Canadian oil sands producers and for the creation of a Human and Indigenous Peoples' Rights Committee of the Board. At JPMC, we recognize the importance of the issues you've raised and, as such, welcome the opportunity to engage and share more information with you about our approach to these matters.

Please note that throughout this response, we've provided links to various publicly-available documents you may find useful.

Report on Lending to Tar Sands Producers

We recognize that climate change poses global challenges and risks, and that businesses must play a leadership role in creating solutions that protect the environment and drive inclusive economic growth. Our policies and processes reflect our objective to do business with companies that strive to operate responsibly. We also endeavor to manage and mitigate the potential financial and credit implications to the Firm that could arise from our clients' operations.

Because we recognize that energy and related infrastructure development have the potential to impact surrounding communities and the environment, JPMC maintains an Environmental and Social Policy Framework¹, which guides our approach to evaluating environmental and human rights issues when conducting due diligence on clients operating in certain industries. We also have a dedicated team of experts within our risk management organization, Global Environmental and Social Risk Management (GESRM), which assesses environmental and social issues associated with our business activities. These efforts are also supported by the expertise of our Sustainable Finance team, which is part of the Firm's Corporate Responsibility group.

A specific area of focus for GESRM's due diligence is on companies operating in the Canadian oil sands. Our process assesses clients' compliance with Canadian permitting requirements and other operational

¹ <https://www.jpmorganchase.com/corporate/Corporate-Responsibility/document/jpmc-environmental-and-social-policy-framework.pdf>

practices; this includes evaluating how they manage issues such as water use and discharge, impacts to biodiversity and interactions with Indigenous Peoples. Our diligence includes site visits, whereby we visit clients and their operations, as well as other stakeholders including First Nations communities and government regulators. We also engage with our critics – including environmental and community activists – who provide us with feedback and insights.

Addressing climate change will require a significant transition of our global energy system – the way that we produce, deliver and consume energy. This transition is not going to happen overnight. Independent experts, like the International Energy Agency, anticipate that oil & natural gas will continue to play an important role in our global economy over the next several decades – even as the world transitions to a lower-carbon energy future.

As an institution, we have publicly expressed our support for government leadership on climate change, including the Paris Climate Accord. We are also using our expertise and resources to advance sustainable solutions for clients and across our operations. To that end, in 2017, we announced two new sustainability commitments: 1) to facilitate \$200B in “clean” financing through 2025 for companies engaged in renewable energy, energy efficiency and other clean technologies, and 2) to use renewable energy for 100% of our power needs across our buildings, branches and data centers globally by 2020.

In recent years, we have invested heavily in our reporting efforts on ESG. We publish an annual ESG Report², which includes data on our environmental and social transaction due diligence efforts and progress toward our sustainability commitments. We also disclose information about the Firm’s credit exposures by industry, including the oil & gas industry, in our Annual Report on Form 10-K³. Additionally, later this year, we are aiming to publish a dedicated report on climate-related risks and opportunities, which will be informed by the recommendations of the FSB’s Task Force on Climate-related Financial Disclosures – a committee on which JPMC’s Global Head of Sustainable Finance serves. We view our public reporting on ESG matters, including climate change, as an iterative process, and we welcome feedback from stakeholders, including investors, on how we can continue to strengthen our efforts over time.

Human and Indigenous Peoples’ Rights Committee

As described in our Human Rights Statement⁴, JPMorgan Chase supports fundamental principles of human rights across all lines of business and in each region of the world where we operate. Our approach is guided by the U.N. Universal Declaration of Human Rights and we acknowledge the U.N. Guidance Principles in Business and Human Rights as the recognized framework for corporations to respect human rights in their own operations and through their business relationships.

As mentioned above, our Environmental and Social Policy Framework guides our approach to evaluating environmental and human rights issues (including those related to Indigenous Peoples) when conducting due diligence on clients operating in certain industries. This process is managed by our dedicated team of experts within our risk management organization, Global Environmental and Social Risk Management, and is also supported by the expertise of our Sustainable Finance team, which is part of the Firm’s Corporate Responsibility group. If additional reviews are needed, transactions may be escalated, including up to one of the Firm’s Reputation Risk Committees and to the most senior executives of our Firm.

² <https://www.jpmorganchase.com/corporate/Corporate-Responsibility/document/jpmc-cr-esg-report-2017.pdf>

³ <https://www.jpmorganchase.com/corporate/investor-relations/annual-report-proxy.htm>

⁴ <https://www.jpmorganchase.com/corporate/About-JPMC/ab-human-rights.htm>

Through the Public Responsibility Committee (PRC)⁵, our Board has oversight of sustainability, which includes environmental and human rights matters. Management provides updates on such issues, including human rights, to the PRC on a quarterly basis, and the PRC apprises the full Board of these matters. As just one example, the PRC and full Board review JPMC's firm-wide U.K. Modern Slavery Act Transparency Statement⁶, which is published on our website each year. Because our existing oversight structure is already designed to consider human and Indigenous Peoples' rights, we believe that creating a new and separate oversight function would be duplicative to the procedures and practices that we utilize, including the Board's current oversight of sustainability issues through the PRC.

We recognize that matters pertaining to human rights are often very complex, and that many stakeholders – including within Indigenous communities – have different views and perspectives on many matters. Through our process, we aim to learn and understand the perspectives of multiple stakeholders, including our clients, civil society, groups directly impacted by development, and governments, as well as our critics. While we may not always reach the same conclusion, we always respect their views and their right to express them.

We hope this letter addresses your concerns. Please let us know if you have any further questions about these or other matters.

Sincerely,



Matthew Arnold
Global Head of Sustainable Finance

⁵ <https://www.jpmorganchase.com/corporate/About-JPMC/responsibility-committee-charter.htm>

⁶ <https://www.jpmorganchase.com/corporate/Corporate-Responsibility/document/modern-slavery-act.pdf>

