

SEPTEMBER 28, 2007

CLEAN ENERGY STRATEGIES FOR BUSINESSES & MUNICIPALITIES

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JPMorgan Chase

- JPMorgan Chase & Co. (NYSE: JPM) is a leading global financial services firm with assets of \$1.4 trillion
- 175,000 employees
- Operations in more than 50 countries and 17 U.S. States
- Headquartered in New York
- Leader in
 - Investment banking
 - Financial services for consumers
 - Small business and commercial banking
 - Financial transaction processing
 - Asset and wealth management
 - Private equity



Environmental footprint

- **Direct impact** – daily consumption of energy, paper, water usage; greenhouse gas emissions from energy usage; waste generation
- **Indirect impact** - provision of financial services to projects that may be environmentally sensitive or environmentally sustainable, e.g. lending, underwriting and advisory activities for clients



Our Environmental Policy

1. Environmental and social risk policy

- Based upon Equator Principles
- Forestry and Biodiversity policies

2. Climate Change initiatives

- Committed to reducing threat of climate change in partnership with our clients and through responsible management of our facilities
- Public Policy: Need for a market-based federal policy to reduce GHG emissions and reduce uncertainty for investors

3. Internal Footprint

- Building an internal culture of resource efficiency and environmental awareness

4. Strategic Partnerships

- Partner with external stakeholders to improve our impact on the environment



Equator Principles

- Financial Institutions led initiative – June 2003
- 54 institutions have adopted
- Voluntary guidelines for addressing environmental and social concerns for financings of projects \$10 Million + (e.g. oil & gas pipeline; forestry; mining; dams; power plants)
- Follows World Bank and International Finance Corporation (IFC) guideline
- Apply as appropriate to lending, underwriting and financial advisory where use of proceeds is designated



How we help our clients address climate change?

■ Corporate Research

Examining the business risks & opportunities related to climate change
E.g. of published research available at jpmorgan.com/climatechange:

- *All you ever wanted to know about Carbon Trading Vol 4 – Apr 2, 2007*
- *Global Utilities – Trading Climate Change – March 5, 2007*
- *The Flintstones Strategy, Alternatives to Fossil Fuels – Apr 11, 2006*
- *Airlines and Climate Change – Feb 21, 2006*

■ Launched first corporate bond index

- With Innovest Strategic Value Advisors that allows investors to account for the risks arising from climate change in a systematic way

■ Engage clients with large GHG emissions footprint:

- To better understand approach to climate change risk and encourage development of mitigation plans



How we help our clients address climate change?

(cont'd)

- **Investments in alternative energy**
 - In 2006, arranged \$1.5 billion in equity in wind power of which \$650 million is own portfolio. The firm has investments in 26 wind projects which span 13 states.

- **Energy Efficiency Building Retrofit Program – C40**
 - Committed to arrange lending facilities or financial instruments amounting to \$1 billion to make older buildings more energy efficient.

- **Carbon markets**
 - Dedicated team to help clients reduce emissions and manage risks – CERs, VERS, Emissions trading

- **Consumer products**
 - Energy star mortgage program





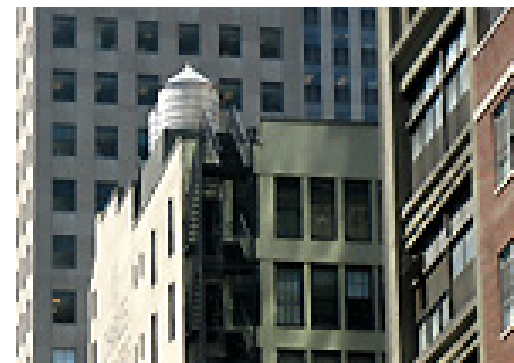
How we reduce our internal footprint?

- **Target: Reduce U.S. GHG emissions by 5 - 7% by 2012 using 2005 as baseline**
 - Reductions achieved through:
 - Energy efficiency projects
 - Purchase of renewable energy credits (green energy)
 - Reduce energy consumption through employee awareness
 - Hybrid vehicle car service available to employees in NY area - 70% less fuel than conventional "black cars" and taxicabs
 - Reduce paper consumption; improve recycling programs; 'green' supply chain



Taking the LEED in Green Buildings

- Seeking LEED platinum certification for renovation of **world HQ** & construction of **new Investment Bank HQ in NY**
- Seeking BREEAM, UK rating for Investment Bank in London
- Piloting **green branches** in Texas and Colorado
 - Energy-efficient equipment
 - Low VOC paint
 - Bamboo floors
 - Low-flow plumbing fixtures to conserve water
 - Carpets/ceiling tiles made from recycled materials
 - Highly efficient climate-control systems using CFC-free coolants





Strategic partnerships

■ Memberships

- The Climate Group
- Center for Health and Global Environment at Harvard Medical Center
- UNEP-FI
- World Resources Institute
- International Conservation Caucus Foundation

■ Celebrating Earth Day 2007

- Greened the venues of the Green Apple Music & Art Festival (NYC, Chicago, and San Francisco) - to raise awareness of environmental issues through music, film, education and environmental activities

■ Environmental Grants

- Donated \$1.5 million for global environmental initiatives



**‘We cannot solve today’s problems with
yesterday’s thinking.’**

Albert Einstein