Sustainable Finance Disclosure Regulation, Article 3 Disclosure

As part of the EU's Sustainable Finance Disclosure Regulation (2019/2088) ("**SFDR**"), we are required to provide information about our policies on the integration of sustainability risks into our investment decision-making.

"Sustainability risk" is defined in the SFDR as an environmental, social or governance event or condition which, if it occurs, could cause an actual or potential material negative impact on the value of an investment.

J.P. Morgan SE (acting through its Luxembourg Branch) ("**JPMSE**") has integrated sustainability risks into its discretionary investment decision-making process.

For agency securities financing ("**Agency Securities Financing**"), JPMSE is appointed by its clients to act as an agent lender to lend securities into the market to borrowers in exchange for collateral. One service offered as part of Agency Securities Financing, is the reinvestment of cash collateral (generated from the lending of securities) in certain types of investments under the Agency Securities Financing's cash collateral management service ("**Portfolio Management Activities**").

JPMSE is considered a "financial market participant" under SFDR specifically in the context of the Agency Securities Financing business' Portfolio Management Activities. The Portfolio Management Activities' investments may include shares, debt instruments and units in money market funds.

JPMSE has limited discretion to manage cash collateral on an agency basis within the confines of a pre-agreed set of investment guidelines incorporated into the contractual legal documentation between JPMSE (and/or an affiliate) and a client. The goal of such Portfolio Management Activities is to provide preservation of principal and maintain portfolio liquidity for the client, while maximising income in support of securities financing activities.

For Agency Securities Financing, JPMSE's policies on the consideration of sustainability risk in its investment decision-making rely on the JPMorgan Chase & Co Environmental and Social Policy Framework (see Link), and this has been incorporated into specific procedures across J.P. Morgan.

Sustainability risk would not in itself prevent JPMSE from making an investment. Instead, sustainability risk forms part of JPMSE's overall risk management processes, and is one of many risks which may, depending on the specific investment opportunity, be relevant to JPMSE's determination of risk.

A link to the relevant disclosure statement for other areas of J.P. Morgan SE's activities outside of Securities Services can be found here (see Link).