

THE WAY FORWARD >>>



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JPMorgan Chase & Co. (NYSE: JPM) is a leading global financial services firm with assets of \$2.2 trillion and operations in more than 60 countries. The firm is a leader in investment banking, financial services for consumers, small business and commercial banking, financial transaction processing, asset management and private equity. A component of the Dow Jones Industrial Average, JPMorgan Chase serves millions of consumers in the United States and many of the world’s most prominent corporate, institutional and government clients under its J.P. Morgan and Chase brands.

Information about J.P. Morgan capabilities can be found at www.jpmorgan.com and about Chase capabilities at www.chase.com. Information about the firm is available at www.jpmorganchase.com.

Message from Jamie Dimon, Chairman and CEO

The current global economic crisis and The Way Forward were central themes of Jamie Dimon, JPMorgan Chase Chairman and CEO, in his letter to the shareholders in the 2008 Annual Report. On this page, you will find an excerpt of that letter where he specifically addresses his views on corporate responsibility. For a copy of the full letter to the shareholders as well as financial highlights and a description of our businesses, please refer to the [2008 Annual Report](#), which is posted to our website (www.jpmorganchase.com).

Corporate responsibility

We believe we have a deep responsibility to you, our shareholders, and to our creditors, our clients and all our employees. We work incredibly hard to uphold all our obligations every day.

Our commitment to corporate citizenship

We have always been deeply committed to being good corporate citizens. It is an essential part of what we do – and who we are – as a firm. As such, we have intensified our corporate responsibility efforts, directing resources to make a meaningful difference to the people who live and work in the communities in which we operate. While some may think of us as a Wall Street firm, we also are very much a part of Main Street: We employ 225,000 people worldwide in 48 U.S. states and more than 60 countries. Our 5,000 branches serve customers in 23 states. We provide health care coverage for 400,000 people. On average, we pay more than \$10 billion a year in taxes to the U.S. government, as well as to state and local jurisdictions.

Last year alone, our firm and our Foundation made charitable contributions of approximately \$100 million in our markets across the United States. And over the past five years, we have given more than \$600 million to 13,500 organizations globally. These tremendously important investments help inner-city young adults get jobs, fund educational programs, build affordable housing and support rebuilding efforts after a tsunami, earthquake or hurricane hits one of our global communities. Our people are devoted to the communities they serve – and, in a mutually beneficial relationship, we thrive when those communities are healthy, secure and prosperous.

The Way Forward: Stepping up our game

We strive to help our clients and our customers in every way – and especially during these difficult times. This overall effort, part of an initiative called The Way Forward, represents our commitment to the actions we have taken and are willing to take to move America and the global economy forward. Throughout our history, we have always believed that our obligation extends beyond simply serving shareholders, clients and employees. For us, public service means working with government officials, in a nonpartisan way, to fully identify, analyze and overcome our problems. We believe the right solutions come only when we participate in a constructive dialogue, get beyond the words, “It’s not politically feasible,” and take bold steps.

Message from Bill Daley, Head of Corporate Responsibility

Dear Fellow Stakeholders,

Visit our website (www.jpmorganchase.com/thewayforward) where we provide updates to The Way Forward initiative, an informational series highlighting the things we are doing to support our customers and communities.

JPMorgan Chase has not been immune to the global economic crisis and the many challenges it presents; however, we strongly feel that it is our duty to be a part of the way forward for the United States, our industry, our company, and our customers and clients. This update is intended to supplement our more extensive report published last year, with a special emphasis on the many efforts we have taken to assist our customers and clients, our communities and the financial system in these challenging economic times. In carrying out these efforts, we also believe it is important to act responsibly to create long-term value for our shareholders. We have a strong history and culture of doing the right thing, which our leaders continually reinforce with our employees today – on topics ranging from, but not limited to, lending and other business practices, ethical behavior and expense management. We also engage our political leaders in dialogue about financial issues and the need for smart regulation. I hope you will take the time to read Jamie Dimon’s letter to the shareholders in its entirety, which discusses his view on the economic crisis as well as proposals for certain regulatory changes that could enhance the financial system and help pave the way forward for our economy.

As we move ahead, we believe that shareholders will benefit as we do the right thing for our customers and the communities we serve. I hope that throughout the year, you will take the time to visit our website (www.jpmorganchase.com/thewayforward) where we provide updates to The Way Forward initiative, an informational series highlighting the things that JPMorgan Chase is doing to harness our resources to help our customers and the communities we serve.

Finally, this update will only be available electronically. Please consider the environment before printing. Copies of last year’s report, which contains the fundamentals of our approach and a description of our businesses and brands referred to in this update, may be accessed electronically on our website or in hard copy via the Office of Corporate Responsibility.

Bill Daley, Head of Corporate Responsibility

JPMorgan Chase continued to lend responsibly and to support other key business and philanthropic activities to help our customers, clients and communities through the global economic crisis

In doing “business as usual,” we provided loans, deposits and cash management services, investment and financial advice, capital raising and securities-related services, and more bricks and mortar and ATMs for our customers and clients. We also supported the broader financial system throughout the crisis. Some highlights for 2008 include the following:

\$352 billion in consumer lending loans.

14.9 million new credit card accounts.

\$43 billion in credit to states, municipalities, hospitals and health care facilities, higher education and not-for-profits.

\$300 billion in loans to large companies.

- Had more than \$352 billion in consumer lending loans as of year-end – with over \$30 billion originated in home lending and \$2.8 billion in auto lending in the fourth quarter alone.
- Added 14.9 million new credit card accounts. Kept credit open and available to customers and businesses in a safe and sound manner and extended over \$84 billion in new card credit.
- In the Commercial Bank, extended more than \$32 billion in credit to clients in municipalities, health care facilities, higher education institutions and not-for-profit organizations – a 50% increase over the previous year – and allocated an additional \$5 billion for 2009.
- In the Investment Bank, provided more than \$300 billion in loans to companies and over \$11 billion in credit to states, municipalities, hospitals and higher education institutions. Helped our clients raise billions of dollars in the capital markets. We also completed several major syndicated leveraged finance loans, and, in one critical instance, we bought the entire \$1.4 billion bond issue from

Excerpts from the JPMorgan Chase Chief Risk Officer’s message on safe and sound lending sent to all employees worldwide on March 3, 2009.

“Now, more than ever, it is important that we continue to be there for our clients, providing loans and extending credit where appropriate. Banks and financial institutions recently have been criticized for failing to use the infusion of funds received through TARP to increase lending.

While we made more than \$150 billion in new loans during the fourth quarter, the public debate about the role of lending makes it clear that there are many misperceptions about the competing objectives of increasing lending while doing so in a safe and sound manner.

As we have said in many places and in many ways, we are open for business, and we are in business to lend. But it is precisely the act of lending in the absence of proper precautionary measures that caused much of the trouble that plagues today’s economy. It is imperative that JPMorgan Chase & Co. continues to maintain safe and sound lending practices across the board. ...”

Visit the Chase [Homeownership Center](http://www.chase.com) (www.chase.com) to find valuable information, resources and contact information to help homeowners, especially those who feel they might be at risk of losing their home.

the state of Illinois when no one else would bid for it, giving Illinois the financing for payroll and other important needs.

- Remained very active in the interbank market and have had on average \$40 billion-\$50 billion out in the interbank market each night.
- Acquired Bear Stearns following a request by the U.S. government for financial intervention.
- Acquired Washington Mutual's (WaMu) banking operations from the Federal Deposit Insurance Corporation after the largest bank failure in U.S. history. Honored all WaMu deposits – including uninsured deposits, saved the jobs of 32,000 WaMu employees and kept 1,800 WaMu branches open for the long term.
- Opened 126 new branches and added more than 5,300 ATMs, including 5,000 from the WaMu acquisition.

We worked with customers through financial difficulty with their credit cards, their mortgages, their businesses, their investments and their communities.

As the most difficult economy in decades pressures the finances of families and businesses, JPMorgan Chase has stepped up its efforts through modified loans, payment plans and forbearance and increased contributions to programs offering foreclosure prevention, homeownership counseling, affordable housing and workforce training programs.

Highlights and results of our proactive efforts include:

- In 2007 and 2008, Chase helped prevent about 330,000 foreclosures, primarily by modifying loan terms. We estimate we will help a total of more than 650,000 families by the end of 2010. The initiatives include:
 - Creating an independent review process to ensure each borrower receives every opportunity to avoid foreclosure.
 - Adding hundreds of mortgage advisors to the 2,200 already in place to help families understand their options.
 - Proactively reaching out to borrowers of Chase-owned home loans who are at risk of falling behind on their mortgages.
 - Staffing dozens of community-based workshops around the country to help homeowners with their mortgages.
 - Committing to open 24 Chase Homeownership Centers so struggling homeowners can meet loan counselors face to face (all 24 centers were opened by mid-April 2009).

If you are concerned about making your Chase, WaMu or EMC mortgage payment, call us today.

866-550-5705

M-F	8 am – 11 pm ET
Sat	8 am – 8 pm ET
Sun	9 am – 5 pm ET

- Helping to establish a not-for-profit clearinghouse for lenders to donate or discount foreclosed properties to not-for-profit groups and through government programs.
- Implementing streamlined modification programs from Fannie Mae and Freddie Mac.
- Supporting and implementing, beginning in 2009, the Obama administration's program to provide workable loan modifications and refinancings to struggling homeowners.
- Passing along financial incentives to borrowers and investors to make modifications work for the long term.

- The JPMorgan Chase Foundation invested in communities to assist distressed homeowners gain access to Chase and third-party foreclosure counseling services – especially in the hardest-hit areas.

Examples include:

- Working with the Tampa Bay Community Development Corporation to expand foreclosure prevention counseling services in the Hillsborough (Tampa), Orange (Orlando), Sarasota and Lee (Fort Myers) county areas in Florida.
 - Partnering with the Center for New York City Neighborhoods to provide both foreclosure prevention counseling and legal services. The center expects to assist 18,000 New York residents in 2009.
 - Making a \$500,000 grant to Living Cities, a public/private effort, to develop a pilot Home Foreclosure Prevention Fund to evaluate the success of strategies – an initiative that could help homeowners and communities across the United States.
 - Completing, with the assistance of Chase's mortgage default experts, a house-by-house appraisal of vacant and foreclosed properties of the Weinland Park neighborhood of Columbus, Ohio – a community where we are concentrating our efforts. The appraisal is being used to support a housing business plan, co-funded by JPMorgan Chase and focused on attacking and reversing the foreclosure trend in this targeted community.
- Chase expanded eligibility for and increased the alternatives within our credit card payment assistance programs. In 2008, more than 600,000 of our customers participated in such payment programs.

Note: Except where otherwise noted, figures are pro forma for Bear Stearns and WaMu.

Over the past five years, JPMorgan Chase has invested more than \$514 billion to support low- and moderate-income families, small businesses and communities.

- We provided referrals to qualified not-for-profit credit counseling agencies and accepted debt management plans for eligible customers. Chase works with more than 500 credit counseling agencies to support holistic financial counseling and community outreach.

We remain committed to community lending and investment, particularly in efforts that promote affordable housing, community development and access to credit in low- and moderate-income communities.

In the first five years of a 10-year \$800.0 billion community commitment, JPMorgan Chase has invested more than \$514 billion – or 64.3% of our commitment – in three areas crucial to families and communities: mortgages, small businesses and community development. These commitments are integral components of our normal business activities within Retail, Commercial Banking and the Investment Bank. Supporting low- and moderate-income families, small businesses and communities, Chase has invested:

- \$379.8 billion in mortgages in low- and moderate-income neighborhoods and to lower-income and minority borrowers, including \$125 billion in mortgages that were made in 2008.
- \$86.7 billion in small business lending originations to businesses with revenue less than \$1 million. In 2008, the firm provided nearly \$23 billion in small business loans. In addition, Chase is a preferred Small Business Administration (SBA) lender and in 2008 ranked #1 nationally in the number of SBA loans made. SBA loans make it possible for smaller, less capitalized and emerging businesses to get financing.
- \$47.9 billion in community development lending and investment. This amount includes \$30.6 billion made in 2008 alone.

Examples of community development lending and investment projects in 2008 include:

- Serving as lead bank to arrange credit for a housing development company that financed the acquisition, rehabilitation and sale of foreclosed one- to three-family homes located throughout New York City. These restored homes will be resold at affordable prices to qualifying residents meeting specific income requirements. The company is working directly with not-for-profit and for-profit community groups to develop the homes, identify potential buyers and prepare them for homeownership.

Our community lending and investment projects helped support new and rehabilitated affordable housing and assisted small businesses expand and maintain local jobs.

- Playing a leadership role in financing replacement housing in hurricane-related disaster recovery areas in Louisiana and South Texas that helped get families back into homes more quickly. Chase provided financing for more than 1,000 affordable housing units, not only new construction rentals but also rehabilitated homes.
- Providing a \$20 million below-market interest rate loan to a manufacturing company in Wisconsin that enabled it to purchase land for a new manufacturing plant and to maintain jobs in the state.

The JPMorgan Chase Foundation also has complemented our multiple community development efforts by:

- Leveraging a \$3.75 million, three-year national grant to Enterprise Community Partners to use the technical expertise and on-the-ground knowledge of its affiliates to support sustainable affordable housing development and job creation in key markets across our expanded footprint.
- Strategically linking our increased funding for new affordable housing for very low-income families with employee volunteer projects that have benefited families in Atlanta, Columbus (Ohio), Jacksonville, Miami and Orlando in partnership with Habitat for Humanity.

As reported last year, our Social Sector Finance (SSF) unit within the Investment Bank brings financial services and financing to microfinance institutions and other enterprises servicing the base of the economic pyramid. The group serves as the center of expertise and client contact for social sector business opportunities. The geographic scope is global, with particular focus on developing countries where J.P. Morgan has a presence. SSF is founded on the premise that it is possible to achieve a “double bottom line” of both social benefits and positive financial returns.

In 2008, SSF provided direct equity and debt capital to microfinance institutions and funds around the world. It served as placement agent for social investment and microfinance funds and provided traditional merger and acquisition services. J.P. Morgan published in-depth research on the microfinance industry for the benefit of investors and microfinance practitioners. We supported and actively participated in social investment forums, including the Rockefeller Foundation’s Impact Investing Network and the International Association of Microfinance Investors.

By expanding access to financial services at the bottom of the economic pyramid, J.P. Morgan believes it is possible to achieve a “double bottom line” of both social benefits and positive financial returns.

Additionally, J.P. Morgan is partnering with leading not-for-profit organizations focused on alleviating poverty through microfinance and entrepreneurship. By contributing both our grant money (more than \$3 million between 2006 and 2008) and the valuable skills of our employees, we believe J.P. Morgan can have significant impact in advancing these critical programs.

Examples include the following:

- Served as the inaugural sponsor of Grameen Foundation’s Bankers without Borders® volunteer initiative. Bankers without Borders enables experienced professionals to provide volunteer services to Grameen Foundation and its global microfinance partners through short-term assignments.
- Co-sponsored a regional Latin America Business Plan Competition with TechnoServe in Peru, Colombia and Chile, supporting entrepreneurs targeting the bottom of the economic pyramid.
- Supported a program that teaches financial literacy classes to microfinance recipients with ACCION New York.
- Provided grants to several microfinance organizations globally, offering opportunities for the poor to transform their lives and communities by supporting entrepreneurial activity via small loans. Two examples are a grant to support the expansion of Opportunity International in South Africa, one of the world’s leading microfinance organizations, and a grant to Fundación de Beneficencia Ayuda y Esperanza in Chile.
- Funded The Prince’s Trust business program, which helps disadvantaged young people who have no other access to funding with a start-up loan and dedicated business mentoring. The grant for \$500,000 over two years provides loans to both ethnic minority women and those living in an economically challenged borough of London.

We enhanced efforts to promote financial literacy.

We believe our efforts should address both the basic needs of education (preventing foreclosure, understanding consumer rights and responsibilities, using banking services effectively, knowing how to manage and build credit) as well as helping families and individuals build wealth (savings and investment options and goal setting, including saving for homeownership, education and retirement).

Through our businesses, JPMorgan Chase has sought to make direct outreach to consumers a primary vehicle of our work both in person and online.

Opened 24 Chase Homeownership Centers.

Conducted more than 190 borrower outreach sessions and 75 loss mitigation training sessions.

Reached nearly 13,000 consumers through more than 500 financial education seminars/workshops.

Since 2007, we have:

- Opened a total of 24 Chase Homeownership Centers in areas with high mortgage delinquencies so counselors can work face to face with struggling homeowners.
- Conducted more than 190 borrower outreach sessions through the firm's Homeownership Preservation Office, reaching more than 1,800 consumers.
- Conducted 75 loss mitigation training sessions with local not-for-profits, community groups, realtors, housing counselors/HUD-approved counselors and attorneys, training nearly 1,800 people.
- Reached nearly 13,000 consumers through the implementation or sponsorship of more than 500 financial education seminars and workshops conducted either by our employees or trusted not-for-profits in local communities where we operate.
- Conducted direct outreach to employees of our client businesses to provide financial education seminars and materials.
- Have made available more than 100 resources on www.chase.com dedicated to improving financial education on various topics.

Additionally, many of our lines of business are improving their outreach activities to include materials that address how families can discuss money management with their children, help seniors understand their financial management needs, and help families and children plan for their college education expenses. In 2008, our businesses continued to enhance those outreach efforts to include innovative tools to help consumers responsibly manage their own personal financial situations going forward.

An important program is Chase Clear & Simple, a web-based resource found at www.chaseclearandsimple.com that provides information and tools to help customers manage their credit card accounts and avoid fees. In 2008, we added new tools, such as payment calculators and budgeting tools, to enhance the site. Through this web resource, customers also can learn how to sign up for free e-mail, phone and text messages that remind them when their payments are due or let them know when they are reaching their credit limit.

We also reached out to tens of millions of customers through a variety of communication channels to promote tools designed to help them gain more control over their credit card accounts.

Since 2007, the firm and its heritage organizations have contributed more than \$12 million to financial education efforts across our market footprint. Among

Since 2007, the firm and its heritage organizations have contributed to basic debt management counseling efforts reaching 1.5 million consumers.

other things, these dollars have supported more than 1.5 million consumers in receiving basic debt management counseling through consumer credit counseling organizations in 2007 and 2008 alone, and we will continue these efforts.

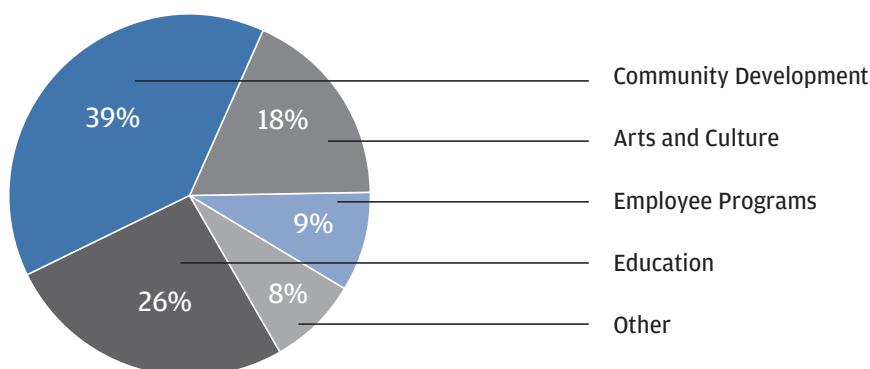
We built upon our legacy of actively investing our human and financial capital through volunteerism and philanthropy in communities across the globe.

The JPMorgan Chase Foundation's innovative philanthropic strategy enables our firm to address the unique local needs of the diverse communities we serve. In 2008, JPMorgan Chase continued its focus on community development, education, and arts and cultural investments by supporting more than 3,000 organizations globally.

For example:

- In Detroit, where unemployment is more than double the U.S. average, the JPMorgan Chase Foundation made a \$104,000 grant to fund Focus: HOPE's remediation/skill enhancement program emphasizing math, reading, communication and computer literacy skills to adults pursuing skill certification to help them compete for living wage jobs.
- In New Orleans, where the effects of Hurricanes Katrina and Rita are still being felt in the community's historically vibrant arts community, the firm is the lead sponsor of the Arts Market program. The program is contributing to the rebuilding of the city's cultural infrastructure by providing artists and arts organizations the tools, skills and technical assistance to continue to strive and thrive through this challenging time.

**JPMorgan Chase & Co.
2008 Charitable Contributions***



Note: Except where otherwise noted, figures are pro forma for Bear Stearns and WaMu.

* Percentages include charitable giving from JPMorgan Chase & Co. and the JPMorgan Chase Foundation.

130,000 hours of employee service, supplemented by nearly three-quarters of a million dollars in volunteer grants.

- In West Virginia, challenged by Appalachian poverty and school performance that lags behind most states, the firm is investing in The Education Alliance's Student Educational and Economic Development Success program, which offers new public school principals professional development training to strengthen their time management and financial and analytical skills.
- In London, where the J.P. Morgan School Mentoring Program has more than 300 young people (aged 14-18 years) mentored by 200 J.P. Morgan employees, the firm launched the Creative Skills for Life Program, a series of workshops focused on confidence, presentation skills, identity and networking. More than 120 mentees took part, and our employees continue to have regular follow-on mentoring sessions.

Additionally, our employees around the world gave their time and expertise to strengthen their communities:

- More than 20 volunteer leadership groups were in place at year-end 2008, informing and leading our volunteer activities in key markets. Twenty more are being formed in 2009.
- More than 300 service projects involving over 8,000 employees were led by volunteer leadership groups during 2008 and the first quarter of 2009.
- During that same period, JPMorgan Chase supported nearly 130,000 hours of employee service, supplemented by nearly three-quarters of a million dollars in volunteer grants to organizations benefiting from our volunteerism.

Highlights of employee volunteer initiatives include:

- More than 400 employees contributed their time and energy – using tools purchased via a grant from the JPMorgan Chase Foundation – to build a cluster of nine Habitat for Humanity homes in Columbus, Ohio. More than 30 children now live in those homes with their families.
- A new online payroll system offers all U.K.-based employees a full online service for regular payroll giving (including matching gifts) to any U.K.-based charity of their choice. The number of employees making donations increased by 38% during the year.
- Hong Kong employees pulled together in less than 48 hours and raised nearly HK\$1.3 million from employees to benefit the victims of the 2008 Sichuan earthquake. The money will be used to build two schools in Sichuan.

We continued to promote environmental sustainability

Offered customers paperless banking solutions.

Had \$2.4 billion invested in renewable energy projects and raised another \$3.4 billion for investment.

Acquired a world leader in carbon offsets.

Adopted the Carbon Principles.

As one of the world's leading financial institutions, JPMorgan Chase's environmental goal is to make a positive contribution to sustainable business practices by integrating environmental principles into our business model. To this end, we are helping our clients address the challenge of climate change by offering solutions and raising awareness. Within our own firm, we seek to continuously improve our use of resources to increase energy, water and material efficiency; reduce greenhouse gas emissions; and actively advance the public discourse.

Key highlights in 2008 include:

- Chase is the founding brand partner of the Together campaign. This brings together companies offering diverse services and products to help consumers make a difference by saving energy, waste, money and other resources. Chase offers customers paperless banking solutions, from electronic statements to paperless check and cash deposits and the option to forgo ATM receipts.
- By year-end 2008, the firm had invested \$2.4 billion in renewable energy projects and raised another \$3.4 billion from other institutions for investment. The portfolio included investments in 54 wind farms as well as several solar projects that together can power close to 1.5 million U.S. homes annually.
- J.P. Morgan completed the acquisition of U.K.-based ClimateCare, a pioneer in the development of high-quality voluntary offsets. ClimateCare is recognized as a world leader in the field of carbon offsets and has more than 50 projects in place across the developing world. It has helped J.P. Morgan increase awareness of the link between energy, poverty, environmental degradation and climate change and assisted in funding low-carbon technologies with environmental and social benefits.
- JPMorgan Chase adopted the Carbon Principles in February 2008 in partnership with Citigroup and Morgan Stanley, seven leading electric utilities and environmental stakeholders to better assess the risks in financing greenhouse gas-intensive electricity generation. The Principles came into effect in August 2008. Thereafter, JPMorgan Chase began applying the enhanced due diligence process to transactions that finance coal-fired power plants for investor-owned utilities and, effective February 2009, for public power and electric cooperatives. In 2008, JPMorgan Chase applied the Carbon Principles' enhanced due diligence process to its financing of general corporate facilities for two clients who each had coal-fired power plants under regulatory review (neither of which ultimately moved forward with the construction of the planned coal-fired power plants) and one client who had a coal-fired power plant under construction. Further, JPMorgan Chase did not participate in any project financing of Carbon Principle-eligible facilities in 2008.

- During 2008, we reviewed 126 financial transactions to evaluate and mitigate adverse environmental and social impacts – up from 67 in 2007. The JPMorgan Chase Environmental and Social Risk Management Policies require thorough assessments be performed on a broad range of transaction types across many industries. The process requires special attention for transactions in the natural resource sector, including mining, forestry, oil and gas, and hydro power. Enhanced environmental and social assessments employing the Equator Principles guidelines and our own internal policies are complemented by senior management review. Additionally, we rolled out a revised and updated online environmental and social risk management training module for bankers. The training, designed to better equip bankers to engage with their clients at an earlier stage on key issues, provided an overview of the key risks with certain sectors as well as detailed case studies. Approximately 3,000 employees completed the training, and an additional 11,000 are expected to participate in 2009. We also continue to conduct periodic in-person training sessions with key deal teams.

2008 Transactions Receiving Environmental and Social Risk Management Review

Note: Risk and impact Categories A, B and C are as defined by the Equator Principles. Transactions categorized as A are those with the greatest potential adverse environmental and social impacts and with limited ability to mitigate such impacts. Figures do not include Bear Stearns and WaMu data.

All Regions				
Industry Sector	2008 Total	Category A	Category B	Category C
Chemicals	7	0	3	4
Forestry and Agriculture	8	2	6	0
Mining	45	8	27	10
Oil and Gas	22	1	5	16
Power	14	1	6	7
Other	30	1	8	21
Total	126	13	55	58

By Region			
Asia and Pacific		Latin America	
Category A	7	Category A	2
Category B	20	Category B	15
Category C	27	Category C	10
Total	54	Total	27
Europe, Middle East and Africa		U.S. and Canada	
Category A	1	Category A	3
Category B	12	Category B	8
Category C	12	Category C	9
Total	25	Total	20

Note: Except where otherwise noted, figures are pro forma for Bear Stearns and WaMu.

	Unit	2005	2006	2007	2008
U.S. Employees (Full Time)	No.	138,590	140,114	141,401	129,700
Surface Area Monitored	RSF	52,859,694	51,323,402	46,780,753	44,034,815

Corporate Emissions

Indirect Emissions:					
CO ₂ Emissions – Electricity	MT	970,905	953,384	892,945	861,781
CO ₂ Emissions – Steam	MT	31,632	25,613	21,262	20,375
CO ₂ Emissions – Chilled Water	MT	1,199	1,288	1,139	781
Total Indirect Emissions	MT	1,003,736	980,285	915,346	882,937
Direct Emissions:					
Site Combustion (Gas + Fuel Oil)	MT	48,280	43,820	43,655	41,533
Chiller Plants – Fugitive Emissions	MT	22,726	22,232	20,969	20,498
CO ₂ Emissions – Jet Fuel	MT	8,007	8,412	6,899	7,678
Total Direct Emissions	MT	79,013	74,464	71,523	69,709
Total Corporate Emissions	MT	1,082,749	1,054,749	986,869	952,646

Energy Consumption

Electricity Consumption: Total	kWh	1,631,594,291	1,596,118,337	1,505,466,709	1,471,625,901
Electricity Consumption: Total	GJ	5,873,739	5,746,026	5,419,680	5,297,853
Heat Consumption (Natural Gas)	GJ	919,997	833,781	791,990	760,456
Fuel Oil Consumption	GJ	32,754	30,647	58,991	50,606
Propane Consumption	GJ	84	64	210	253
Steam	GJ	505,817	409,568	339,994	325,812
Chilled Water	GJ	31,382	34,971	30,587	21,780
Chiller Plants – Fugitive Emissions	GJ	158,480	155,035	146,227	142,940
Jet Fuel Consumption	GJ	115,833	121,691	99,806	111,082
Total Energy Consumption	GJ	7,638,086	7,331,783	6,887,485	6,710,782

Water Consumption

Total	M ³	5,683,725	5,484,003	4,831,585	4,775,832
Total	kGal	1,501,482	1,448,721	1,276,370	1,261,642

Waste Generation

Recycled Office Paper	MT	–	–	12,022	17,256
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Normalized Indicators

kWh per Employee	kWh	11,773	11,392	10,647	11,346
kWh per Rental Square Foot	kWh	30.9	31.1	32.2	33.4
CO ₂ per Employee	MT	7.8	7.5	7.0	7.3
CO ₂ per Rental Square Foot	MT	0.0205	0.0206	0.0211	0.0216

No. = Number RSF = Rental square foot MT = Metric tons GJ = Gigajoules kWh = Kilowatt hours M³ = Cubic meters kGal = Kilogallons

Note: 2005 – 2008 environmental indicators data do not include Bear Stearns or WaMu properties.

Reduced greenhouse gas emissions over the 2005 baseline by 12%.

Completed the first transaction to offset 100% of the greenhouse gas emissions from employee air travel in 2008.

Continued to build green branches.

- J.P. Morgan also continues to provide research, which explores business risks and opportunities related to climate change, looking across sectors and asset classes to examine topics such as potential liabilities of carbon emissions, developments in sustainable and clean fuels, carbon capture, cap and trading schemes, and water scarcity. The research is publicly available at www.jpmorgan.com/climatechange.

Managed our own operations to reduce energy consumption, greenhouse gas emissions and resource use to make progress on our goal of reducing our greenhouse gas emissions 20% by 2012 (using 2005 as a baseline).

Highlights include the following:

- Reduced greenhouse gas emissions from the U.S. real estate portfolio (not including Bear Stearns or WaMu) by 3.5% over 2007. This was mainly driven by a reduction in the real estate space used for operations. With respect to the 2005 baseline, the 2008 emission figures represent a decrease of 12%. The addition of Bear Stearns and WaMu will necessitate an upward adjustment of the baseline for the 2009 reporting year.
- Completed the first transaction to offset 100% of the greenhouse gas emissions from employee air travel in 2008 and will continue to do so going forward. We purchased and retired 142,000 metric tons of carbon offsets that were certified to the VER+ standard. This, in fact, was in excess of actual air travel emissions for 2008, which dropped noticeably from the previous year as a function of the economic downturn and reduced travel.

JPMorgan Chase & Co. Employee Air Travel

		2005	2006	2007	2008
Air Miles Traveled	Miles	—	—	738,080,233	642,505,431
Carbon Dioxide Emissions	MT	—	—	147,128	129,251

MT = Metric tons

Notes:

- 2008 data include partial year data for Bear Stearns and WaMu (Bear Stearns July - December 2008 only and WaMu December 8 - 31, 2008 only).
- 2007 data include JPMorgan Chase & Co. only.

Reduced paper consumption and increased the use of recycled and certified paper.

- Continued our commitment to building new green branches with a view toward minimizing environmental impacts. Features of all our new branches include (but are not limited to) reflective roofs to eliminate heat island effects; native plants with low irrigation needs for landscaping; low-flow fixtures to conserve water; energy-efficient and CFC-free heating/ventilation/air-conditioning equipment; ceiling tiles, carpets and floors made of recycled materials; wood that is Forest Stewardship Council (FSC) certified; and paints, adhesives and carpeting low in volatile organic compounds to improve indoor air quality for employees and customers. In 2008, Chase opened three LEED Silver certified branches and one LEED Gold certified branch (additional LEED certified branches are planned for 2009).
- Reduced paper consumption and increased the use of recycled and certified paper by leveraging less paper-intensive marketing channels; utilizing lighter-weight papers where possible; increasing use of print-on-demand and just-in-time processes; continuing efforts to increase the use of electronic communications with our customers; and adopting internal policies to drive down employee paper consumption. We also aimed to increase the use of recycled paper and to ensure that any residual virgin paper purchased promoted sustainable forestry practices.

JPMorgan Chase & Co. Paper Consumption

		2005	2006	2007	2008
Virgin Copy	MT	3,084	4,641	3,115	2,576
Virgin Commercial	MT	97,731	90,437	85,793	49,538
Total Virgin	MT	100,815	95,078	88,908	52,114
Recycled Copy	MT	5,745	6,160	5,537	4,616
Recycled Commercial	MT	708	460	12,804	20,005
Total Recycled	MT	6,453	6,620	18,341	24,621
Total Paper Consumption	MT	107,268	101,698	107,249	76,735
Total Recycled Content (PCW)	%	6%	7%	17%	32%
Certified Stock	%	—	—	—	8.28%

MT = Metric tons PCW = Post-consumer waste

Notes:

- Certified tonnage may be represented above as virgin or recycled.
- Data have been restated in metric tons (vs. kilograms in 2007) for more consistency in the units of measure used here.
- 2008 data include partial year data for Bear Stearns but do not include the impact of WaMu.
- 2007 paper data have been restated to capture additional data sources obtained through improved accuracy of reporting.
- 2005 - 2007 data have not been restated to include the impact of Bear Stearns or WaMu.

Note: Except where otherwise noted, figures are pro forma for Bear Stearns and WaMu.

Some notable accomplishments include (see Notes to table on page 16):

Decreased overall paper consumption by 28%.

Suppressed 71.4 million consumer paper statements.

Increased use of recycled paper to 32% and purchase of certified paper to 8.3%.

Implemented energy-efficient data centers.

Engaged our employees and communities.

- Overall paper consumption decreased 28%, and copy paper use dropped 16%.
- 71.4 million consumer paper statements were suppressed – an increase of 60% year over year as a result of a targeted marketing strategy aimed at increasing the uptake and conversion to electronic statements.
- Total use of paper featuring post-consumer waste recycled content increased to 32% of total paper used (up from 17% at the end of 2007).
- Certified paper usage grew from 1% to 8.3% of total papers purchased, moving from 1,094 metric tons in 2007 to 6,356 metric tons in 2008. In addition, all our primary suppliers have achieved either single or dual chain of custody certification (FSC or SFI (Sustainable Forestry Initiative)).
- Continued to implement energy-efficient data centers. In 2004, JPMorgan Chase launched a multi-year transformation program to develop a new global core data center strategy, taking into account design criteria that would reduce the considerable energy footprint. Use of virtualization techniques, convergence of platforms for both data and voice communications, and use of energy-efficient equipment has enabled us to deliver the same or better business support with a reduced energy footprint. In 2008, it was announced that JPMorgan Chase would be honored for its leadership by the Uptime Institute, an independent think tank, and added to the Global Green 100 list, which highlights corporations that have mandated dramatic improvements in the energy efficiency and carbon footprint of their data center operations.
- Engaged our employees and communities. On Earth Day 2008, JPMorgan Chase continued its historic sponsorship of the Green Apple Festival. In 2008, the festival provided 320 free music concerts in eight cities across the United States (Chicago, Dallas, Denver, Los Angeles, Miami, New York, San Francisco and Washington, D.C.) and was accompanied by school greening pilot programs in low- to moderate-income neighborhoods in Chicago, Denver and New York City as well as multiple employee volunteer opportunities. In Hong Kong, J.P. Morgan introduced the ChopNoSticks initiative in response to Friends of the Earth's estimate that Hong Kong uses more than 50,000 pairs of disposable chopsticks every day, requiring almost 5,000 trees to be cut down every year. J.P. Morgan issued more than 5,000 sets of reusable metal chopsticks and cutlery, mostly to employees, as well as to some clients. Using reusable instead of disposable utensils in the company cafeteria is rewarded by a price discount, part of which is donated to local charities.

- Participated in efforts to promote more transparency around climate change disclosure. J.P. Morgan continues to be a signatory investor of the Carbon Disclosure Project, thus lending its support to the call for companies to disclose their own climate change related risks, opportunities and performance. JPMorgan Chase responds annually to the request for information.

For more details on the governance of our environmental affairs as well as information on how JPMorgan Chase engages in public policy dialogue on climate change, environmental and social risk management of financial transactions, and application of the Equator Principles; Environmental Markets group activity; management of its operational environmental performance; and stakeholder engagement, please refer to the [2007 Corporate Responsibility Annual Report](#) and [our website](#).

We support our people and also believe that diversity makes our company stronger

We provide employment for 225,000 people and health care coverage for 400,000.

Nearly 40% of our U.S. employees are People of Color.

At the heart of our business, JPMorgan Chase employs approximately 225,000 men and women in more than 60 countries. To meet the changing needs of this diverse workforce, JPMorgan Chase offers a variety of programs and services related to workplace flexibility, wellness, child and elder care, career development and more. In 2008, we introduced CareAllies, a service for U.S.-based employees and their family members that offers access to a 24-hour nurse hotline, professional guidance in managing chronic health conditions such as asthma, and other resources to improve overall health and well-being. We also piloted the Summer Advantage Program that offers our employees reasonably priced summertime child care for up to two weeks. Additionally, we introduced a combined Employee Assistance Program and Work-Life service that offers professional counseling, referrals to community resources and interactive web tools to help our people address the many demands of their busy lives. Globally, we continue to provide health care coverage for our employees and their family members – 400,000 people in all.

JPMorgan Chase & Co. Workforce Information

Region	2008	Percentage	2007	Percentage
Domestic Population	179,466	80%	140,841	78%
Overseas Population	43,486	20%	39,410	22%
Total	222,952		180,251	

In addition to appropriately reflecting our worldwide customer base, a richly diverse set of perspectives and backgrounds leads to stronger decision making and contributes to a more innovative working environment.

JPMorgan Chase continues to value and build a diverse and inclusive workforce. In the United States, People of Color comprised nearly 40% of all employees, 9.4% at the Managing Director/Senior Vice President level and 22% of all executive level hires in 2008. Our Diversity Recruiting Executive, in addition to sourcing top talent at the mid- and senior levels, has initiated a recruiting pipeline with the National Black MBA Association, the Association of Latino Professionals in Finance and Accounting, and the Historically Black Colleges and Universities. Specific programs launched for women in 2008 include an onboarding program for newly hired senior women created by the female members of the firm's Executive Committee and a mentoring circles program for women at the Executive Director level in our Europe, Middle East and Africa region. Our

women's networking group, WIN, drew more than 1,000 participants when the organization introduced Winning in a Demanding Environment, a career development program for women at all levels.

Globally, our 130+ Employee Networking Group chapters are active in our lines of business – helping them to achieve business results and reach diversity goals while offering leadership and career development opportunities to more than 30,000 networking group members. The firm's Employee Networking Groups also serve as active volunteers, advocates and recruiters in our key markets, connecting the firm's employees, products and services to the unique communities they represent.

JPMorgan Chase & Co. 2008 U.S. Workforce Demographics

Position	White	Black/ African- American	Hispanic/ Latino	Asian	American Indian/ Alaska Native Islander	Native Hawaiian/ Other Pacific	Two or More Races	Total
Executive/Senior-Level Officials	90.1%	3.0%	2.7%	3.9%	0.2%	0.0%	0.0%	1.7%
First/Mid-Level Officials and Managers	73.1%	11.4%	8.4%	6.8%	0.2%	0.0%	0.1%	18.4%
Professionals	66.4%	10.0%	8.8%	14.2%	0.2%	0.1%	0.3%	31.4%
All Other	50.0%	25.9%	16.5%	6.6%	0.4%	0.1%	0.5%	48.5%
Total	60.1%	17.8%	12.3%	9.0%	0.3%	0.1%	0.4%	

Note: Figures may not total 100% due to rounding.

Source: 2008 EEO-1 Report. "All Other" is a combination of the following EEO-1 job categories: technicians, sales workers, office and clerical, craft workers (skilled), operatives (semi-skilled), laborers and service workers.

We also constantly strive to engage diverse vendors.

JPMorgan Chase is a leader in supplier diversity. In 2008, the combined efforts of our heritage firms to engage women-, minority-, veteran-, and lesbian, gay, bisexual and transgender (LGBT)-owned businesses allowed us to eclipse the \$1 billion supplier diversity spending mark – a significant accomplishment in our industry.

Note: Except where otherwise noted, figures are pro forma for Bear Stearns and WaMu.

**Eclipsed the
\$1 billion
spending mark
with diverse
suppliers.**

Across all our businesses, diverse suppliers play critical roles in driving value to our clients. From managing pension assets to manufacturing recycled toner cartridges, from building technology platforms to building office facilities and retail branches, our diverse suppliers are the best in their industry. Our partnership with World Wide Technology (WWT), a diverse supplier that is helping us reduce travel costs and minimize our carbon footprint by installing TelePresence systems, is one example. As an alternative to in-person meetings, WWT has installed 14 of these advanced video systems that save the firm thousands of flight miles and the associated travel costs. In this and many other ways, diverse suppliers allow us to remain viable and competitive in a global market.

To assist us in meeting our supplier diversity goals, we enlist the support of organizations such as the National Minority Supplier Development Council (NMSDC), Women's Business Enterprise National Council, U.S. Hispanic Chamber of Commerce and the National Gay & Lesbian Chamber of Commerce.

JPMorgan Chase is an active member of the Financial Services Roundtable of the NMSDC, a networking group of banking and insurance companies dedicated to the growth and development of diverse businesses. In 2008, we hosted more than 20 of our peer companies at a Capital Summit, an industry-wide event designed to encourage greater levels of private equity and venture capital investment in minority businesses.

We remain committed to maintaining strong governance practices and to “doing the right thing”

In 2008, JPMorgan Chase adopted and published the JPMorgan Chase Human Rights Statement in support of the fundamental principles of human rights. Below is an excerpt from that statement, which can be found in its entirety on [our website](#):

JPMorgan Chase supports fundamental principles of human rights across all our lines of business and in each region of the world in which we operate. JPMorgan Chase’s respect for the protection and preservation of human rights is guided by the principles set forth in the United Nations’ Universal Declaration of Human Rights. ... Our conviction with respect to responsible, honest and ethical behavior informs our Code of Conduct, and the character of our company is defined by the personal integrity and honesty of our employees. ...

Detailed information regarding the Board of Directors, risk management, Code of Conduct, political contributions and lobbying, and shareholder engagement can be found in the [2008 Annual Report](#), the [2007 Corporate Responsibility Report](#) and on [our website](#). Additionally, please refer to Jamie Dimon’s letter to the shareholders in the [2008 Annual Report](#) and to the firm’s annual shareholder meeting [proxy statement](#) for a discussion on the firm’s principles regarding compensation.

Awards and recognition

At JPMorgan Chase, we work hard to ensure our workplace is one where people of all backgrounds and perspectives feel welcome and where every employee feels his or her talents are matched by opportunities to grow and contribute. Our progress can be seen, in large part, by the recognition we are receiving in the marketplace:

- Named to The World's Most Influential Companies list by *BusinessWeek*, 2008.
- Top 10 Companies for Best Places to Launch a Career by *BusinessWeek*, 2008.
- Named a Top 50 Employer for Women in the United Kingdom in *The Times'* Where Women Want to Work survey for the third year in a row, 2008.
- Top 100 Companies for Working Parents by *Working Mother* for 2008 and previous 13 years.
- #1 Company for Recruiting and Retention by *DiversityInc* magazine, 2008.
- Top 5 Companies for Diverse MBAs by *Diversity MBA* magazine, 2008.
- Top 50 Companies for Diversity by *DiversityInc* magazine, 2008 and previous seven years running.
- Top 10 Adoption-Friendly Workplaces by the Dave Thomas Foundation for Adoption, 2008 and 2007.
- Top 50 Employers for Disabled Workers by readers of *CAREERS & the DisABLED* magazine, 2008.
- Top 10 Company for Executive Women by *DiversityInc* magazine, 2008.
- Named to Diversity Elite list by *Hispanic Business* magazine, 2008 and 2007.
- Top 50 Companies for Latinas by *LATINA Style* magazine, 2008 and previous seven years running.
- Top Companies for Multicultural Women by *Working Mother* magazine, 2008 and previous four years running.
- NAAAP NY Leadership Awards – National Association of Asian American Professionals organization recognizing contributions of leaders.
- Leading-Edge Company for LGBT employees by Stonewall, an LGBT advocacy organization in the United Kingdom, 2007.
- 100% rating on the Corporate Equality Index, measuring treatment of LGBT employees and customers. Perfect score since inception of this recognition in 2001.

Contact information

Reporting period and structure

This report is a summary of our corporate responsibility performance from January 1, 2008 through December 31, 2008 unless otherwise noted. More detailed and current information is available on our website at: www.jpmorganchase.com. The last report was published in the spring of 2008 covering the period January 1, 2007 through December 31, 2007. JPMorgan Chase publishes an annual Corporate Responsibility Report prior to the annual shareholders' meeting each year.

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Financial information about JPMorgan Chase & Co. can be accessed by visiting the [Investor Relations section](#) on: www.jpmorganchase.com.

Additional questions should be addressed to:

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Directors

To contact any of the Board members or committee chairs, the Presiding Director or the non-management directors as a group, please e-mail: corporate.secretary@jpmchase.com.

Or you may mail correspondence to:
JPMorgan Chase & Co.
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The Corporate Governance Principles of the Board, the charters of the principal Board committees, the Code of Conduct, the Code of Ethics for Finance Professionals and other governance information can be accessed by visiting: www.jpmorganchase.com > [About us > Governance](#).