



**BE IT RESOLVED:** Shareholders request that JP Morgan Chase issue a report disclosing a transition plan that describes how it intends to align its financing activities with its 2030 sectoral greenhouse gas emissions reduction targets, including the specific measures and policies necessary to achieve its targets, the reductions to be achieved by such measures and policies, and timelines for implementation and associated emission reductions.

**WHEREAS:** The banking sector has a critical role to play in achieving global Net Zero by 2050 goals. The Net Zero Banking Alliance (NZBA) notes that 40 percent of global banking assets have committed to aligning lending and investment portfolios with Net Zero by 2050.<sup>1</sup> But targets alone are insufficient. Investors seek disclosures demonstrating banks' concrete transition strategies to credibly achieve their disclosed emission reduction targets.

The United Nations has recommended that financial institution transition plans demonstrate how all parts of the business align with interim targets and long-term net zero targets.<sup>2</sup> Other guidelines exist to help financial institutions operationalize and translate net zero commitments into strategies "with specific objectives . . . against which progress can be assessed."<sup>3,4</sup>

JP Morgan Chase is the largest global funder of fossil fuels, with nearly \$62 billion in fossil fuel financing in 2021, and \$382 billion between 2016 through 2021.<sup>5</sup>

Recognizing the need for action and the importance of achieving global 1.5°C climate goals, Chase is a member of NZBA. In October 2021, Chase announced a Net Zero by 2050 greenhouse gas emissions (GHG) reduction goal; it also set 2030 intensity reduction targets for its oil and gas, electric power, and auto manufacturing emissions. Chase states that it will implement these targets by assessing client's emissions and decarbonization plans when considering new transactions; by supporting clients with capital and expertise, strategic advice, connectivity to bank products and solutions, and sustainable investing; and facilitating approximately \$1 trillion through 2030 to

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<sup>1</sup> <https://www.unepfi.org/net-zero-banking/>

<sup>2</sup> [https://www.un.org/sites/un2.un.org/files/high-level\\_expert\\_group\\_n7b.pdf](https://www.un.org/sites/un2.un.org/files/high-level_expert_group_n7b.pdf) p.21-22

<sup>3</sup> <https://www.iigcc.org/media/2022/07/An-investor-led-framework-of-pilot-indicators-to-assess-banks-on-the-transition-to-net-zero-28-July.pdf>

<sup>4</sup> [https://assets.bbhub.io/company/sites/63/2022/06/GFANZ\\_Recommendations-and-Guidance-on-Net-zero-Transition-Plans-for-the-Financial-Sector\\_June2022.pdf](https://assets.bbhub.io/company/sites/63/2022/06/GFANZ_Recommendations-and-Guidance-on-Net-zero-Transition-Plans-for-the-Financial-Sector_June2022.pdf)

<sup>5</sup> [https://www.ran.org/wp-content/uploads/2022/03/BOCC\\_2022\\_vSPREAD-1.pdf](https://www.ran.org/wp-content/uploads/2022/03/BOCC_2022_vSPREAD-1.pdf)



accelerate the transition to a low-carbon economy.<sup>6,7</sup> Chase has also committed to integrate climate into its risk management framework.<sup>8</sup>

These are important first steps. But Chase cannot stop there. Shareholders are concerned that Chase does not demonstrate a concrete transition plan for achieving its 2030 sectoral reductions targets. An effective transition plan creates accountability by describing the policies, indicators, milestones, metrics, and timelines to deliver on its 2030 decarbonization targets and ensure investors that it is fully accountable for the risks associated with its financing of high-carbon activities. Currently, Chase has not demonstrated whether its planned actions will result in 1.5 degree aligned emissions reductions.

The disclosures requested in this proposal will help assure investors that Chase has an effective and accountable transition plan in place for achieving its 2030 intensity goals.

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<sup>6</sup> <https://www.jpmorgan.com/content/dam/jpmc/jpmorgan-chase-and-co/documents/jpmc-esg-report-2021.pdf> p.12

<sup>7</sup> <https://www.jpmorgan.com/content/dam/jpmc/jpmorgan-chase-and-co/documents/jpmc-esg-report-2021.pdf> p.6

<sup>8</sup> <https://www.jpmorgan.com/content/dam/jpmc/jpmorgan-chase-and-co/documents/jpmc-esg-report-2021.pdf>

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