

**Whereas:** Banks play a critical role in meeting the Paris Agreement’s goal of limiting global warming to 1.5 degrees Celsius which requires net zero greenhouse gas (GHG) emissions by 2050. Projections have found that limiting global warming to 1.5 degrees versus 2 degrees will save \$20 trillion globally by 2100,<sup>1</sup> and going beyond 2 degrees could lead to climate damages in the hundreds of trillions.<sup>2</sup> Yet, the Bank of England notes that, as of 2019, the global financial system supports carbon producing activities that will cause global temperature to rise greater than 4 degrees Celsius – double the limit necessary to avoid catastrophic warming.<sup>3</sup>

This carbon intensive funding creates systemic portfolio risks to the global economy, investors, and banks. The United States’ Commodity Futures Trading Commission recently acknowledged that climate change could impair the productive capacity of the national economy.<sup>4</sup> Recognizing growing risk, the European Investment Bank, the largest global multilateral lender, will stop funding fossil fuel projects in 2021.<sup>5</sup>

Chase’s financing contributes substantially to this global climate risk. Chase is by far the largest source of financing to fossil fuel companies globally (averaging over \$67 billion annually since signing of the Paris Agreement).<sup>6</sup> Its financing of carbon intensive fossil fuel activities puts the company, investors, and society at risk of catastrophic climate impacts.

Chase recently announced a Paris aligned commitment for its financed emissions. Yet, Chase does not disclose the carbon footprint associated with its financing activities or the method by which it will measure those emissions. As noted by Bloomberg, measuring the financed emissions of a portfolio enables financial institutions to “perform scenario analysis, set targets, inform actions and disclose progress. These areas are crucial for portfolio alignment and decarbonization.”<sup>7</sup>

Joining a globally accepted standard such as the Partnership for Carbon Accounting Financials (PCAF), or otherwise disclosing its financed emissions and the methodologies and assumptions used in measuring those emissions, will create necessary transparency for investors. PCAF is designed not only to assist banks in measuring their financed emissions, but to help create consistency in measurement and disclosure across banks such that investors are able to compare bank progress and make better informed investment decisions.

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<sup>1</sup> <https://www.nature.com/articles/d41586-018-05219-5>

<sup>2</sup> <https://www.nature.com/articles/s41467-020-18797-8/>

<sup>3</sup> [https://www.theguardian.com/business/2019/oct/15/bank-of-england-boss-warns-global-finance-it-is-funding-climate-crisis?CMP=Share\\_iOSApp\\_Other](https://www.theguardian.com/business/2019/oct/15/bank-of-england-boss-warns-global-finance-it-is-funding-climate-crisis?CMP=Share_iOSApp_Other)

<sup>4</sup> <https://www.cftc.gov/sites/default/files/2020-09/9-9-20%20Report%20of%20the%20Subcommittee%20on%20Climate-Related%20Market%20Risk%20-%20Managing%20Climate%20Risk%20in%20the%20U.S.%20Financial%20System%20for%20posting.pdf>

<sup>5</sup> <https://www.reuters.com/article/us-climate-europe-eib/european-investment-bank-to-cease-funding-fossil-fuel-projects-by-end-2021-idUSKBN1XO2OS>

<sup>6</sup> [https://www.ran.org/wp-content/uploads/2020/03/Banking\\_on\\_Climate\\_Change\\_2020\\_vF.pdf](https://www.ran.org/wp-content/uploads/2020/03/Banking_on_Climate_Change_2020_vF.pdf)

<sup>7</sup> <https://news.bloomberglaw.com/bloomberg-law-analysis/analysis-future-pressure-on-financial-sector-for-climate-action>

Peer banks are beginning to measure and report the GHG emissions associated with their financing activities. Over 80 global banks have committed to measure and disclose their financed emissions through the PCAF standard, including Bank of America, Citigroup, and Morgan Stanley.<sup>8</sup>

**Resolved:** Shareholders request that JPMorgan Chase issue a report, at reasonable cost and omitting proprietary information, addressing whether, when, and how it will measure and disclose the greenhouse gas footprint of its financing activities.

**Supporting Statement:** Shareholders recommend the report disclose, among other issues, at board and management discretion:

- Whether the bank will join its peers in adopting the global PCAF measurement and reporting standard;
- Any other actions Chase is taking to measure and publicly disclose the GHG emissions associated with its financing activities.

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<sup>8</sup> <https://carbonaccountingfinancials.com/>