Clean Energy Supply Financing Ratio

Resolved
Shareholders request that JPMorgan Chase & Co. ("JPMorgan") disclose annually its Clean Energy Supply Financing Ratio ("Ratio"), defined as its total financing through equity and debt underwriting, and project finance in low-carbon energy supply relative to that in fossil-fuel energy supply. The disclosure, prepared at reasonable expense and excluding confidential information, shall describe JPMorgan's methodology, including what it classifies as "low carbon" or "fossil fuel."

Supporting Statement
The Intergovernmental Panel on Climate Change ("IPCC") has advised that greenhouse gas emissions must be halved by 2030 and reach net zero by 2050. According to the International Energy Agency ("IEA"), this requires rapid transition away from fossil fuels and a tripling in global annual clean energy investment by 2030.[1]

Banks aligning their activities with their own climate goals are better prepared to manage the legal, reputational and financial risks associated with the global energy transition. Since 2022, banks have reportedly earned more in lending and underwriting fees from clean energy projects than from oil, gas, and coal companies.[2]

JPMorgan has committed to achieve net-zero emissions by 2050,[3] with a target of $1 trillion toward green initiatives by the end of 2030.[4] While this commitment appears significant, JPMorgan remains the largest financer of fossil fuels, providing approximately $434 billion since 2016.[5]

JPMorgan shifted "climate goalposts" in 2023, expanding the boundary of its oil and gas end-use emissions target to a broader "energy mix," adding alternative fuels and zero-carbon electricity generation.[6] It remains difficult to assess JPMorgan's decarbonization progress and investors need additional information to assess JPMorgan's clean energy financing relative to fossil fuels.

According to BloombergNEF's report, Financing the Transition: Energy Supply Investment and Bank Financing Activity ("BloombergNEF Report"),[7] the pace at which low-carbon energy supply is scaled up will dictate the rate at which fossil fuels are phased down. Synthesizing the seven most frequently referenced 1.5C – aligned pathways (IEA; Network for Greening the Financial System; IPCC), it concluded that, to achieve net zero emissions by 2050, the Ratio

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[1] https://www.iea.org/reports/net-zero-by-2050
[2] https://www.bloomberg.com/news/articles/2023-10-18/green-fees-overtake-fossil-fuels-for-second-straight-year
[3] JPMorgan (JPM) Joins Net-Zero Banking Alliance With Emissions Pledge - Bloomberg; Our Initiatives (jpmorganchase.com)
[4] 2022 Environmental Social Governance Report (jpmorganchase.com)
[5] https://www.bankinonclimatechaos.org/#sector-panel
[6] https://www.ft.com/content/ec631d67-831e-4efe-b01a-8342eebb0f70
[7] https://assets.bbhub.io/professional/sites/24/BNEF-Bank-Financing-Report-Summary-2023.pdf

must reach a minimum of 4:1 in 2030, rise to 6:1 in the 2030s and 10:1 thereafter. Bloomberg estimated JPMorgan's 2021 Ratio approximately 0.7.[8]

Clean-energy-to-fossil-fuel financing ratios have emerged as a key metric for assessing progress in financing the clean energy transition. The IEA tracks one,[9] and they have been recognized by the leading bank climate alliances in which Company participates, including the Glasgow Financial Alliance for Net Zero and the Net Zero Banking Alliance."[10]

At management's discretion, we recommend JPMorgan:

- Set timebound Ratio targets aligned with its net zero commitment.
- Consult BloombergNEF Report when setting Ratio targets and defining "low carbon" and "fossil fuel" financing.
- Work to establish standardized industrywide methodologies.
- Include lending in its ratio if methodologically sound.

We urge shareholders to vote FOR the proposal.

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[8] https://www.bloomberg.com/news/articles/2023-02-28/banks-need-even-bigger-low-carbon-pivot-to-avert-climate-crisis#xj4y7vzkg

[9] https://www.iea.org/reports/world-energy-investment-2023/overview-and-key-findings

[10] https://www.iea.org/reports/world-energy-investment-2023/overview-and-key-findings