

## PROXY VOTING REVIEW: JPMorgan Chase

JPMorgan Chase (JPM) is a global leader in the financial services industry with commendable policies and practices addressing environmental, social, and corporate governance (ESG) topics.

JPM's Environmental and Social Policy Framework states, "JPMorgan Chase recognizes that climate change poses global challenges and risks... We believe the financial services sector has an important role to play as governments implement policies to combat climate change, and that the trends toward more sustainable, low-carbon economies represent growing business opportunities."

As a lender, JPM reduced credit exposure to companies deriving a majority of revenues from extraction and sale of coal and limited project financing of new coal-fired power plants.

In one of many statements by global leaders highlighting climate risk, Mark Carney, Governor of the Bank of England stated "the combination of the weight of scientific evidence and the dynamics of the financial system suggest that, in the fullness of time, climate change will threaten financial resilience and longer-term prosperity."

JPM subsidiaries invest money on behalf of clients and, as fiduciaries, are responsible for recommending votes and voting proxies of public equities. Proxy voting is a primary mechanism for investors to express to management their opinions on many policies and practices.

J.P. Morgan Asset Management is a member of the Principles for Responsible Investment, a global network of investors and asset owners representing approximately \$62 trillion in assets. One of the Principles encourages investors to vote conscientiously on ESG issues.

JPMorgan Asset Management focuses appropriately on clients' economic interests in voting proxies and frequently votes for important governance reforms proposed by shareholders believing these issues affect shareholder value.

Yet JPM's recent public proxy voting record reveals votes against virtually all shareholder resolutions on climate change (except the few supported by management), such as requests for enhanced disclosure or adoption of greenhouse gas reduction goals, even when independent experts find a strong business case for support.

In contrast, funds managed by investment firms such as AllianceBernstein, Morgan Stanley, Neuberger Berman, and Wells Fargo supported the majority of these resolutions. Goldman Sachs, MFS Investment Management, and State Street Global Advisors also voted for many climate change resolutions.

JPM's voting practices appear inconsistent with its policies and statements addressing climate change and pose reputational risk for the company. Moreover, proxy voting practices that ignore climate change fail to recognize significant company-specific and economy-wide risks associated with negative impacts of climate change. For example,

corporations that effectively address climate issues impacting their businesses are protecting long-term shareholder value.

Thus we believe it is JPMorgan Asset Management's fiduciary duty to review how climate change impacts our economy and portfolio companies and evaluate how shareholder resolutions on climate may impact long-term shareholder value as they vote proxies.

**Resolved:** Shareowners request that the Board of Directors initiate a review and issue a report on our proxy voting policies and practices related to climate change prepared at reasonable cost and omitting proprietary information.