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**Exchange Act/Rule 14a-8**

January 13, 2020

**VIA E-MAIL ([shareholderproposals@sec.gov](mailto:shareholderproposals@sec.gov))**

Office of Chief Counsel  
Division of Corporation Finance  
U.S. Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549

Re: JPMorgan Chase & Co.  
Shareholder Proposal of Benedictine Sisters of Baltimore

Dear Ladies and Gentlemen:

We submit this letter on behalf of our client JPMorgan Chase & Co., a Delaware corporation (the "**Company**"), requesting confirmation that the staff (the "**Staff**") of the Division of Corporation Finance of the U.S. Securities and Exchange Commission (the "**Commission**") will not recommend enforcement action to the Commission if, in reliance on Rule 14a-8 under the Securities Exchange Act of 1934 (the "**Exchange Act**"), the Company omits the attached shareholder proposal (the "**Proposal**") submitted by Benedictine Sisters of Baltimore (the "**Proponent**") from the Company's proxy materials for its 2020 Annual Meeting of Shareholders (the "**2020 Proxy Materials**").

Pursuant to Rule 14a-8(j) under the Exchange Act, we have:

- filed this letter with the Commission no later than eighty (80) calendar days before the Company intends to file its definitive 2020 Proxy Materials with the Commission; and
- concurrently sent copies of this correspondence to the Proponent.

Copies of the Proposal, the Proponent's cover letter submitting the Proposal, and other correspondence relating to the Proposal are attached hereto as Exhibit A. A copy of a proposal submitted by Boston Trust Walden (the "**Walden Proposal**"), the cover letter

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submitting the Walden Proposal, and other correspondence relating to the Walden Proposal are attached hereto as Exhibit B.<sup>1</sup>

Pursuant to the guidance provided in Section F of Staff Legal Bulletin No. 14F (Oct. 18, 2011), we ask that the Staff provide its response to this request to Martin Dunn, on behalf of the Company, via email at mdunn@mofo.com, and to the Proponent's representative, Jared Fernandez of Green Century Capital Management, via email at jfernandez@bostontrustwalden.com.

**I. SUMMARY OF THE PROPOSAL**

On December 10, 2019, the Company received from the Proponent the Proposal for inclusion in the Company's 2020 Proxy Materials. The first paragraph of the submission of the Proposal reads:

*I am writing to you on behalf of Benedictine Sisters of Baltimore to co-file the stockholder resolution on Proxy Voting Policies Related to Climate Change. In brief, the proposal states: RESOLVED, shareholders request that the Board of Directors initiate a review assessing JPM's 2019 voting record and evaluate the Company's proxy voting policies and guiding criteria relating to climate change, including any recommended future changes. A summary report on this review and its findings shall be made available to shareholders and be prepared at reasonable cost, omitting proprietary information.*

The first sentence of the second paragraph of the submission reads:

*I am authorized to notify you of our intention to co-file this shareholder proposal with Green Century Capital Management.*

The submission of the Proposal does not include any additional information regarding the nature of the Proposal.

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<sup>1</sup> The materials relating to co-filers for the Walden Proposal have been omitted from Exhibit B. Those co-filer materials are included in the Company's no-action request with regard to the Walden Proposal submitted January 13, 2020.

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## **II. EXCLUSION OF THE PROPOSAL**

### **A. Bases for Excluding the Proposal**

As discussed more fully below, the Company believes it may properly omit the Proposal from its 2020 Proxy Materials in reliance on the following bases:

- Rule 14a-8(e), as the Company did not receive the Proposal from the Proponent before the deadline for submitting shareholder proposals to the Company for inclusion in the 2020 Proxy Materials;
- Rule 14a-8(i)(6), because the Company lacks the power or authority to implement the Proposal or, in the alternative, Rule 14a-8(i)(10), as the Company has substantially implemented the Proposal to the extent of its power and authority;
- Rule 14a-8(i)(7), as the Proposal relates to the Company's ordinary business operations; and
- Rule 14a-8(i)(11), as the Proposal "substantially duplicates" the Walden Proposal, which the Company received prior to the Proposal.

### **B. *The Proposal may be Omitted in Reliance on Rule 14a-8(e), as the Company did not receive the Proposal from the Proponent Until After the Deadline for Submitting Shareholder Proposals to the Company for Inclusion in the 2020 Proxy Materials***

Rule 14a-8(e)(2) provides, in part, that for a regularly scheduled annual meeting, "[t]he proposal must be received at the company's principal executive offices not less than 120 calendar days before the date of the company's proxy statement released to shareholders in connection with the previous year's annual meeting." The deadline for receiving shareholder proposals for inclusion in the 2020 Proxy Materials was December 7, 2019, as calculated by the Company in accordance with Staff guidance set forth in Section C.3.b of *Staff Legal Bulletin No. 14* (July 13, 2001) ("**SLB 14**"). With regard to the deadline for shareholder proposals relating to the 2020 Annual Meeting of Shareholders, the Company disclosed this December 7, 2019 deadline in its proxy statement for the 2019 Annual Meeting of Shareholders, as required by Item 1(c) of Exchange Act Schedule 14A and Exchange Act Rule 14a-5(e). According to Staff guidance set forth in Section C.3.b of SLB 14, if a company's Rule 14a-8(e)(2) deadline for shareholder proposals falls on a Saturday, Sunday or federal holiday, proposals received after business reopens are untimely. In this regard, the Staff provided the following guidance regarding the application of Rule 14a-8(e)(2):

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- “If the 120th calendar day before the release date disclosed in the previous year’s proxy statement is a Saturday, Sunday or federal holiday, does this change the deadline for receiving rule 14a-8 proposals? No. The deadline for receiving rule 14a-8 proposals is always the 120th calendar day before the release date disclosed in the previous year’s proxy statement. Therefore, if the deadline falls on a Saturday, Sunday or federal holiday, the company must disclose this date in its proxy statement, and rule 14a-8 proposals received after business reopens would be untimely.”
- “How does a shareholder know where to send his or her proposal? The proposal must be received at the company’s principal executive offices. Shareholders can find this address in the company’s proxy statement. If a shareholder sends a proposal to any other location, even if it is to an agent of the company or to another company location, this would not satisfy the requirement.”
- “How does a shareholder know if his or her proposal has been received by the deadline? A shareholder should submit a proposal by a means that allows him or her to determine when the proposal was received at the company’s principal executive offices.”

Consequently, for the Proponent’s submission to be timely, the Company needed to receive the Proposal from the Proponent on or before December 7, 2019. As noted above and in Exhibit A, the Proponent sent the Proposal to the Company via email on December 10, 2019. This December 10, 2019 receipt of the Proposal from the Proponent was, therefore, three days after the Rule 14a-8(e)(2) deadline. The Company did not provide the Proponent with a notice of deficiency per Rule 14a-8(f), which provides that a notice is not required “if the deficiency cannot be remedied, such as if [a proponent] fail[s] to submit a proposal by the company’s properly determined deadline.” See also *SLB 14* (“[A] company does not need to provide [a] shareholder with a notice of defect(s) if the defect(s) cannot be remedied [. . .] [which] would apply, for example, if [. . .] the shareholder failed to submit a proposal by the company’s properly determined deadline”). While the Company did not provide a notice of deficiency, on December 20, 2019, the Company provided the Proponent with an acknowledgement of receipt of the Proposal (the “*Acknowledgement*”).<sup>2</sup> In the Acknowledgement, the Company advised the Proponent of the following:

- “Your letter indicates that you wish to be a co-filer of the proposal, with Green Century Capital Management as the primary filer; to date we have not received a proposal from Green Century Capital Management.”

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<sup>2</sup> The December 20, 2019 Acknowledgement is included in Exhibit A.

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- “Additionally, your proposal was received on December 10, three days after the last day (December 7, 2019) for shareholder proposal submission.”

The Staff made clear in *SLB 14*, as discussed above, and in subsequent no-action responses that it strictly construes the deadline for shareholder proposals under Rule 14a-8, permitting companies to exclude from proxy materials those proposals received at a company’s principal executive offices on any date after the deadline. *See, e.g., Wal-Mart Stores, Inc.* (Feb. 13, 2017) (proposal received six days after company’s deadline); *Whole Foods Market, Inc.* (Oct. 30, 2014) (proposal received two weeks after company’s deadline); *BioMarin Pharmaceutical Inc.* (Mar. 14, 2014) (proposal received five days after company’s deadline); *PepsiCo, Inc.* (Jan. 3, 2014) (proposal received three days after company’s deadline); *Tootsie Roll Industries, Inc.* (Jan. 14, 2008) (proposal received two days after company’s deadline). Consistent with the Staff’s concurrence in the above letters, the Company is of the view that it may exclude the Proposal in reliance on Rule 14a-8(e), as the Company did not receive the Proposal from the Proponent until after December 10, 2019, three days after the December 7, 2019 deadline for submitting shareholder proposals.

**C. Alternative Bases for Exclusion of the Proposal – Rule 14a-8(i)(6) or Rule 14a-8(i)(10)**

As discussed more fully below, the Company believes it may properly omit the Proposal or portions thereof from its 2020 Proxy Materials in reliance on Rule 14a-8(i)(6) as the Company lacks the power or authority to implement the Proposal. Should the Staff be of the view that the Company has any power and authority to implement the Proposal, the Company is of the view that it has taken every step within its power and authority to substantially implement the Proposal for purposes of Rule 14a-8(i)(10).

**1. The Company Lacks the Power or Authority to Implement the Proposal Within the Meaning of Rule 14a-8(i)(6)**

Rule 14a-8(i)(6) permits a company to exclude a shareholder proposal “if the company lacks the power or authority to implement the proposal.”

The Proposal requests that the Company’s Board of Directors (the “**Board**”), assess “JPM’s 2019 proxy voting record and evaluate the Company’s proxy voting policies and guiding criteria related to climate change, including any recommended future changes.”

The proxy voting matters discussed in the Proposal are implemented by entities distinct from the Company. In this regard, J.P. Morgan Investment Management Inc. (“**JPMIM**”) – and not the Company – has discretionary voting authority for certain of its investment advisory accounts. The JPMorgan Asset Management (“**JPMAM**”) Global Proxy Voting Procedures and

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Guidelines (the “*JPMAM Proxy Voting Policy*”), which include the North American Proxy Voting Guidelines (the “*North American Guidelines*”), contain criteria for evaluating and voting on environmental and climate change proposals and are established, reviewed, and approved by the JPMAM U.S. Proxy Voting Committee, and not the Company’s Board.<sup>3</sup> The JPMAM Proxy Voting Policy is publicly available at [www.jpmorganfunds.com](http://www.jpmorganfunds.com). As a fiduciary, JPMIM is required to have proxy voting policies and procedures that are reasonably designed to ensure that proxies are voted in the best interests of its clients. This fiduciary duty is specific to JPMIM, and not the Company’s Board.

The Company’s Board does not establish, review, or approve the JPMAM Proxy Voting Policy. Further, JPMIM sets proxy voting policies and procedures in its capacity as a fiduciary to its clients. As such, neither the Company nor its Board establishes or directs the “proxy voting policies and guiding criteria” of JPMIM and lacks the authority make “future changes” regarding those policies and criteria. Accordingly, the Company is of the view that it lacks the authority or power to implement the Proposal and, therefore, the Company may exclude the Proposal in reliance on Rule 14a-8(i)(6).

**2. *Should the Staff Disagree with the Company’s View Regarding Rule 14a-8(i)(6), the Company has Substantially Implemented the Proposal Within the Meaning of Rule 14a-8(i)(10)***

The Commission stated in 1976 that the predecessor to Rule 14a-8(i)(10) was “designed to avoid the possibility of shareholders having to consider matters which already have been favorably acted upon by the management.” *Exchange Act Release No. 12598* (July 7, 1976). Originally, the Staff narrowly interpreted this predecessor rule and granted no-action relief only when proposals were “‘fully’ effected” by the company. *See Exchange Act Release No. 19135* (Oct. 14, 1982). By 1983, the Commission recognized that the “previous formalistic application of [the Rule] defeated its purpose” because proponents were successfully convincing the Staff to deny no-action relief by submitting proposals that differed from existing company policy by only a few words. *Exchange Act Release No. 20091* (Aug. 16, 1983) (the “**1983 Release**”). In the 1983 Release, the Commission expressed a revised interpretation of the rule to permit the omission of proposals that had been “substantially implemented,” and then codified this revised interpretation in *Exchange Act Release No. 40018* (May 21, 1998) (the “**1998 Release**”). Thus, when a company can demonstrate that it already has taken actions to address the underlying concerns and essential objective of a shareholder proposal, the Staff has concurred that the proposal has been “substantially implemented” and may be excluded as moot. *See, e.g., Bank of*

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<sup>3</sup> JPMorgan Asset Management is a marketing name for the asset management business which includes certain J.P. Morgan asset management entities. It appears that Proposal’s focus is JPMIM’s proxy voting record on behalf of the J.P. Morgan Funds’ obtained from public filings on Form N-PX.

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*New York Mellon Corp.* (Feb. 15, 2019); *Exelon Corp.* (Feb. 26, 2010); and *Exxon Mobil Corp. (Burt)* (Mar. 23, 2009). Applying this standard, the Staff has noted that “a determination that the company has substantially implemented the proposal depends upon whether [the company’s] particular policies, practices and procedures compare favorably with the guidelines of the proposal.” *Texaco, Inc.* (Mar. 6, 1991, recon. granted Mar. 28, 1991). *See also, Annaly Capital Management, Inc.* (Feb. 22, 2019).

The Proposal requests that the “Board of Directors initiate a review assessing JPM’s 2019 proxy voting record and evaluate the Company’s proxy voting policies and guiding criteria related to climate change, including any recommended future changes.” While the Proposal does not define “JPM,” it is addressed to the Corporate Secretary of “J.P. Morgan Chase & Co.” and its submission references the Proponent’s ownership of “shares of J.P. Morgan Chase & Co.” The Company’s Board does not establish, review, or approve the JPMAM Proxy Voting Policy or direct the proxy voting activities of JPMIM. Rather, the proxy voting matters referred to in the Proposal are implemented by entities distinct from the Company, namely JPMIM and, for certain U.S. registered investment companies including J.P. Morgan Mutual Funds and ETFs that are advised by JPMIM (collectively, the “**J.P. Morgan Funds**”)<sup>4</sup> the Boards of Trustees (the “**Fund Boards**”) of the J.P. Morgan Funds. JPMIM owes a fiduciary duty to, and exercises discretionary voting authority on behalf of, certain of its investment advisory accounts under the JPMAM Proxy Voting Policy, which is designed to ensure that proxies are voted in clients’ best interests. The Fund Boards have responsibility for proxy voting for the J.P. Morgan Funds, have delegated proxy voting to JPMIM, and have adopted JPMAM’s Proxy Voting Policy as the Funds’ Proxy Voting Policy. The JPMAM Proxy Voting Policy specifies the factors that JPMIM considers in determining how environmental proposals, including climate change proposals, will be voted. The JPMAM Proxy Voting Policy, including the North American Guidelines, and other proxy voting matters are regularly assessed for potential changes to the Policy; further, the JPMAM Proxy Voting Policy and the North American Guidelines are all publicly available. Thus, the Proposal has been substantially implemented within the meaning of Rule 14a-8(i)(10).

The North American Guidelines included in the publicly available JPMAM Proxy Voting Policy include detailed information about the criteria JPMIM uses in evaluating environmental proposals. The North American Guidelines provide as follows:

*We believe that a company’s environmental policies may have a long-term impact on the company’s financial performance. We believe that good corporate governance policies should consider the impact of company operations on the environment and the cost of compliance with laws and regulations relating to*

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<sup>4</sup> The J.P. Morgan Funds Complex currently includes eleven registered investment companies (164 funds).

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*environmental matters, physical damage to the environment (including the costs of clean-ups and repairs), consumer preferences and capital investments related to climate change. Furthermore, we believe that corporate shareholders have a legitimate need for information to enable them to evaluate the potential risks and opportunities that climate change and other environmental matters pose to the company's operations, sales and capital investments. We acknowledge that many companies disclose their practices relating to social and environmental issues and that disclosure is improving over time. We generally encourage a level of reporting that is not unduly costly or burdensome and which does not place the company at a competitive disadvantage, but which provides meaningful information to enable shareholders to evaluate the impact of the company's environmental policies and practices on its financial performance.*

Further, the North American Guidelines provide that in evaluating how to vote on environmental proposals, considerations may include but are not limited to the following:

*Issuer Considerations*

- *Asset profile of the company, including whether it is exposed to potentially declining demand for the company's products or services due to environmental considerations;*
- *capital deployment of the company;*
- *cost structure of the company, including its position on the cost curve, expected impact of future carbon tax and exposure to high fixed operating costs;*
- *corporate behavior of the company, including whether senior management is incentivized for long-term returns;*
- *demonstrated capabilities of the company, its strategic planning process, and past performance;*
- *current level of disclosure of the company and consistency of disclosure across its industry; and*
- *whether the company incorporates environmental or social issues in a risk assessment or risk reporting framework.*

*Proposal Considerations*

- *would adoption of the proposal inform and educate shareholders and have companies that adopted proposal provided insightful and meaningful information that would allow shareholders to evaluate the long-term risks and performance of the company?*

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- *does the proposal require disclosure that is already addressed by existing and proposed mandated regulatory requirements or formal guidance at the local, state, or national level or the company's existing disclosure practices?*
- *does the proposal create the potential for unintended consequences such as a competitive disadvantage?*

The North American Guidelines further state that, “[i]n general, we support management disclosure practices that are overall consistent with the goals and objective expressed above. Proposals with respect to companies that have been involved in controversies, fines or litigation are expected to be subject to heightened review and consideration.”

The JPMAM Proxy Voting Policy, including the North American Guidelines, are updated each year in advance of the U.S. proxy season. In connection with this annual update, JPMAM's U.S. Proxy Voting Committee reviews and makes changes to the JPMAM Proxy Voting Policy including the North American Guidelines related to environmental proposals. Further, the JPMAM U.S. Proxy Voting Committee meets quarterly and assesses proxy voting issues including potential changes to proxy voting guidelines. JPMAM's U.S. Proxy Voting Committee includes Investment Management Professionals who have significant experience in evaluating issues presented by shareholder proposals including those related to environmental matters. Such Investment Management Professionals are further supported by investment teams who provide information to inform the considerations outlined above for environmental proposals.

Under Commission regulation and Guidance, the Fund Boards (and not JPMIM) have responsibility for proxy voting for the J.P. Morgan Funds. While the Fund Boards have delegated proxy voting to JPMIM and have adopted JPMAM's Proxy Voting Policy as the Funds Proxy Voting Policy, the Fund Boards retain ultimate responsibility for proxy voting. In making the determination of whether to continue to delegate proxy voting responsibility to JPMIM and adopt JPMAM Proxy Voting Policy as the Funds' Proxy Voting Policy, JPMIM discloses to the Fund Boards (1) information concerning proxy voting results including voting decisions on key shareholder proposals related to climate change and (2) detailed information concerning the JPMAM Proxy Voting Policy including the North American Guidelines related to environmental proposals.

The JPMAM Proxy Voting Policy is publicly available at [www.jpmorganfunds.com](http://www.jpmorganfunds.com). In addition to accessing the JPMAM Proxy Voting Policy on the J.P. Morgan Funds website, non-Fund clients may obtain a copy of the JPMAM Proxy Voting Policy by contacting their client service representative or financial adviser. A summary of the JPMAM Proxy Voting Policy is also included in the Statement of Additional Information for the J.P. Morgan Funds and in JPMIM's Form ADV filed with the Commission.

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For the J.P. Morgan Funds, JPMIM's proxy voting record is publicly available on Form N-PX filed with the Commission. For other clients, information on JPMIM's proxy voting record are provided directly to those clients. JPMIM does not provide specific information about proxy votes for non-J.P. Morgan Funds clients as such information is confidential and proprietary to that client. JPMIM clients may obtain a copy of JPMIM's information about how JPMIM voted the client's proxies by contacting their client service representative or financial adviser. JPMAM publishes information concerning its views on environmental issues, including climate risk, on its institutional website.<sup>5</sup>

As demonstrated by materials that have been filed with the Commission or have been made publicly available otherwise, the actions sought by the Proposal have been substantially implemented for purposes of Rule 14a-8(i)(10) and, as such, the Company has taken every step within its power and authority to substantially implement the Proposal for purposes of Rule 14a-8(i)(10).

**C. *The Proposal May Be Omitted in Reliance on Rule 14a-8(i)(7) Because It Deals With Matters Relating to the Company's Ordinary Business Operations***

Rule 14a-8(i)(7) permits a company to omit from its proxy materials a shareholder proposal that relates to the company's "ordinary business operations." According to the Commission, the underlying policy of the ordinary business exclusion is "to confine the resolution of ordinary business problems to management and the board of directors, since it is impracticable for shareholders to decide how to solve such problems at an annual shareholders meeting." See the 1998 Release. In the 1998 Release, the Commission described the two "central considerations" for the ordinary business exclusion. One consideration of the 1998 Release relates to "the degree to which the proposal seeks to 'micro-manage' the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment." (footnote omitted). The other is that certain tasks are "so fundamental to management's ability to run a company on a day-to-day basis that they could not, as a practical matter, be subject to direct shareholder oversight" and, as such, may be excluded, unless the proposal raises policy issues that are sufficiently significant to transcend day-to-day business matters.

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<sup>5</sup> In this regard, see <https://am.jpmorgan.com/se/en/asset-management/adv/investment-themes/esg/> and <https://am.jpmorgan.com/gi/getdoc/1383436774069>.

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***1. The Proposal May be Omitted because it Relates to Ordinary Business Matters and is Not Otherwise Significant to the Company***

***a. The JPMIM and JPMAM Voting Policies and Criteria are Not Established by the Company's Board of Directors***

The proxy voting matters referred to in the Proposal are established and implemented by entities distinct from the Company. In this regard, JPMIM has discretionary voting authority for certain of its investment advisory accounts, and the JPMAM Proxy Voting Policy specifies the factors that JPMIM considers in determining how environmental proposals including climate change proposals will be voted. As a fiduciary, JPMIM is required to have proxy voting policies and procedures that are reasonably designed to ensure that proxies are voted in the best interests of its clients. Proxy voting disclosure is governed by regulatory requirements (*e.g.*, required public filing of mutual fund proxy votes) and client confidentiality (*e.g.*, individual client proxy voting records are proprietary to that client).

The JPMAM Proxy Voting Policy is publicly available at [www.jpmorganfunds.com](http://www.jpmorganfunds.com). In addition to accessing the JPMAM Proxy Voting Policy on the J.P. Morgan Funds website, non-Fund clients may obtain a copy of the JPMAM Proxy Voting Policy by contacting their client service representative or financial adviser. A summary of the JPMAM Proxy Voting Policy is also included in the Statement of Additional Information for the J.P. Morgan Funds and in JPMIM's Form ADV. The North American Guidelines included in the publicly available JPMAM Proxy Voting Policy include detailed information about the criteria JPMIM uses in evaluating environmental proposals.

For the J.P. Morgan Funds, JPMIM's proxy voting record is publicly available on Form N-PX filed with the Commission. For other clients, information on JPMIM's proxy voting record are provided directly to those clients. JPMIM does not provide information about proxy votes for non-registered investment company clients as such information is confidential and proprietary to that client.

As discussed above:

- JPMAM's U.S. proxy voting committee meets quarterly and assesses proxy voting issues including potential changes to proxy voting guidelines;
- JPMAM's U.S. proxy voting committee consists of Investment Management Professionals who have significant experience in evaluating issues presented by shareholder proposals including those related to environmental matters;
- The Investment Management Professionals are further supported by investment teams who provide information to inform the considerations outlined above for environmental proposals;

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- The JPMAM Proxy Voting Policy including the North American Guidelines are updated and publicly available each year in advance of the U.S. proxy season; and
- In connection with the annual update, JPMAM's U.S. proxy voting committee reviews and makes changes to the JPMAM Proxy Voting Policy including the North American Guidelines related to environmental proposals.

The Proposal requests that the "Board of Directors initiate a review assessing [JP Morgan Chase's] 2019 proxy voting record and evaluate the Company's proxy voting policies and guiding criteria related to climate change, including any recommended future changes." As discussed above, the proxy voting matters discussed in the Proposal are established and implemented by a number of entities, with JPMIM having discretionary voting authority for certain of its investment advisory accounts and the JPMAM Proxy Voting Policy specifying the factors that JPMIM considers in determining how environmental proposals including climate change proposals will be voted. The Company's Board does not establish, evaluate, or approve the JPMAM Proxy Voting Policy. As such, neither the Company nor its Board establishes or directs the "proxy voting policies and guiding criteria" of JPMIM or JPMAM.

***b. The JPMIM Voting Policies and Criteria are Ordinary Business Matters for that Entity***

It is the Company's view that the Proposal may be properly omitted in reliance on Rule 14a-8(i)(7) because the Staff has recognized that a proposal relating to the sale of a particular product or service is excludable under Rule 14a-8(i)(7) as a component of "ordinary business." The establishment, implementation, review and publication of policies regarding proxy voting by entities such as JPMIM implicate precisely the kind of fundamental, day-to-day operational matters meant to be covered by the ordinary business operations exception under Rule 14a-8(i)(7).

It is well established in prior Staff no-action responses that a company's decisions as to whether to offer particular products and services to its clients and the manner in which a company offers those products and services, including related proxy voting policies, are precisely the kind of fundamental, day-to-day operational matters meant to be covered by the ordinary business operations exception under Rule 14a-8(i)(7). In *Wells Fargo & Co.* (Jan. 28, 2013) (recon. denied Mar. 4, 2013), the proposal sought a report "discussing the adequacy of the company's policies in addressing the social and financial impacts of direct deposit advance lending. . ." The Staff concurred that the proposal could be omitted, noting in particular that "the proposal relates to the products and services offered for sale by the company" and that "[p]roposals concerning the sale of particular products and services are generally excludable under rule 14a-8(i)(7)". See also *Fifth Third Bancorp* (Jan. 28, 2013) (recon. denied Mar. 4, 2013) (same).

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As discussed above, the underlying subject matter of the requested proxy voting policy and report relates directly to the ordinary business matter of the establishment, implementation, review and publication of policies regarding proxy voting that are ordinary business matters for entities such as JPMIM. The Staff has consistently concurred with the exclusion of proposals relating to such ordinary business matters.

In *JPMorgan Chase & Co. (Neuhauser)* (Mar. 12, 2010), the Staff concurred in the exclusion of a proposal requesting a report assessing, among other things, the adoption of a policy barring financing of companies engaged in mountain top removal coal mining because it related to “decisions to extend credit or provide other financial services to particular types of customers,” where the Staff noted that “proposals concerning customer relations or the sale of particular services are generally excludable under Rule 14a-8(i)(7).” In *Bank of America Corp. (Trillium)* (Feb. 24, 2010), the Staff concurred in the exclusion of a proposal under Rule 14a-8(i)(7) where the proposal requested a report on the implementation of the company’s policy regarding funding of companies engaged predominantly in mountain top removal, in addition to an assessment of the related impact on greenhouse gas emissions in Appalachia. Similarly, with respect to entities such as JPMIM, the criteria for making particular proxy voting policy decisions is fundamental to its day-to-day business operations and, as such, is a matter of its ordinary business for those entities.

Exclusion of the Proposal from the Company’s 2020 Proxy Materials is also supported by a long line of Staff no-action responses recognizing that proposals focusing on a financial institution’s business decisions relate to ordinary business matters and may be excluded in reliance on Rule 14a-8(i)(7). For example, in *Bank of America Corp. (NLPC)* (Feb. 27, 2008), the Staff concurred in the omission of a proposal requesting a report disclosing the company’s policies and practices regarding the issuance of credit cards because, as the Staff stated in its response, the proposal related to “credit policies, loan underwriting and customer relations.” In *JPMorgan Chase & Co. (Lewis)* (Mar. 7, 2013), the Staff concurred in the omission of a proposal requesting that the board “adopt public policy principles for national and international reforms to prevent illicit financial flows...” based upon principles specified in the proposal, expressly noting that “the proposal relates to principles regarding the products and services that the company offers.” In *JPMorgan Chase & Co. (Community Reinvestment)* (March 16, 2010), the Staff concurred in the omission of a proposal that related to JPMorgan’s business decision to issue refund anticipation loans, in which the Staff noted that “proposals concerning the sale of particular services are generally excludable under Rule 14a-8(i)(7).”

The Proposal requests that entities such as JPMIM adopt overarching proxy voting policies that adhere to the guidance in the Proposal. To this end the Proposal seeks to institute a standard for proxy voting policies that would ensure that the Proponent’s contemplated goals are met. Similar to the Staff’s concurrences discussed above, the decisions as to the establishment,

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implementation, review and publication of policies regarding proxy voting by entities such as JPMAM and JPMIM are plainly matters of ordinary business for those entities.

*c. The Company's Board of Directors has Considered the Proposal's Request and the Authority of the Board and Determined that the Proposal is not Significant to the Company*

In *Staff Legal Bulletin No. 14K* (October 16, 2019) (“*SLB 14K*”), the Staff reiterated its earlier views from *Staff Legal Bulletin No. 14I* (November 1, 2017) and *Staff Legal Bulletin No. 14J* (October 23, 2018) (“*SLB 14J*”) regarding the value of a company’s inclusion in a no-action request of “a well-developed discussion of the board’s analysis of whether the particular policy issue raised by the proposal is sufficiently significant in relation to the company.” With regard to the usefulness of such board analyses, the Staff stated:

- “The improvement in the board analyses provided was largely attributable to a greater proportion of requests discussing in detail the specific substantive factors, such as those set forth in *SLB 14J*, that the board considered in arriving at its conclusion that an issue was not significant in relation to the company’s business.”
- “[I]n a number of instances, we were unable to agree with exclusion where a board analysis was not provided, which was especially likely where the significance of a particular issue to a particular company and its shareholders may depend on factors that are not self-evident.”

With regard to this “significance analysis,” the Staff expressed its view that the discussion may focus on any differences between the proposal’s specific request and the actions the company has already taken, and an analysis of whether the specific manner in which the proposal addresses the issue presents a significant policy issue for the company. The Staff referred to these differences as the “delta” and referred to the related discussion as a “delta analysis.” In this regard, the Staff noted the importance of specificity in a “delta analysis,” stating: “[A] delta analysis is most helpful where it clearly identifies the differences between the manner in which the company has addressed an issue and the manner in which a proposal seeks to address the issue and explains in detail why those differences do not represent a significant policy issue to the company. By contrast, conclusory statements about the differences that fail to explain why the board believes that the issue is no longer significant are less helpful.”

As described above, the Company’s Board does not establish or evaluate the JPMAM Proxy Voting Policy and it does not review the JPMAM “proxy voting policies and guiding criteria.”

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The Board's Corporate Governance & Nominating Committee met on January 6, 2020 and considered the significance to the Company of the Proposal's request that the Board "initiate a review assessing ["JPMorgan Chase's"] 2019 proxy voting record and evaluate the Company's proxy voting policies and guiding criteria related to climate change, including any recommended future changes." At its January 6, 2020 meeting the Committee considered the Board's role in establishing, evaluating, and reviewing the JPMAM proxy voting policies and determined that, due to the absence of a Board role in those matters, the Proposal was not significant to the Company. In reaching this determination, the Committee considered the following:

- The Company's Board does not establish or evaluate the JPMAM Proxy Voting Policy or North American Guidelines, and it does not review the JPMAM "proxy voting policies and guiding criteria." As the Board is not in a position to take further action to implement the Proposal, there is no difference between the Company's current actions with regard to the issues raised in the Proposal or the Proposal's specific request; and
- As there are no differences between the Company's current actions and the action sought by the Proposal, those differences do not represent a significant issue to the Company and, accordingly, the Company could not take further action to diminish the significance of the Proposal to the Company.

As the Proposal relates to the ordinary business operations of entities other than the Company, any action of the Board in response to the Proposal would merely involve the ordinary business matter of the Board, again, confirming that it does not have the power or authority to implement the Proposal and any such action would not be significant to the Company. Accordingly, the Company is of the view that it may properly omit the Proposal pursuant to Rule 14a-8(i)(7).

***E. The Proposal May Be Excluded Pursuant To Rule 14a-8(i)(11), as It Substantially Duplicates the Previously Received Walden Proposal***

Rule 14a-8(i)(11) allows a company to exclude a shareholder proposal from its proxy materials if "the proposal substantially duplicates another proposal previously submitted to the company by another proponent that will be included in the company's proxy materials for the same meeting." The Commission has stated that the exclusion provided for by Rule 14a-8(i)(11) (and its predecessor, Rule 14a-8(c)(11)) was intended to "eliminate the possibility of shareholders having to consider two or more substantially identical proposals submitted to an issuer by proponents acting independently of each other." *See Exchange Act Release No. 12598* (July 7, 1976). Two proposals need not be identical in order to provide a basis for exclusion under Rule 14a-8(i)(11). Rather, the standard that the Staff historically has applied for determining whether proposals are substantially duplicative is whether the proposals present the same "principal thrust" or "principal focus." *See Pacific Gas & Electric Co.* (Feb. 1, 1993). If

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two proposals do share the same principal thrust or focus, a company may exclude the subsequently received proposal as substantially duplicative of the first proposal despite differences in the terms or breadth of the proposals. *See, e.g., Wells Fargo & Co.* (Feb. 8, 2011) (concurring that a proposal seeking a review and report on the company's loan modifications, foreclosures and securitizations was substantially duplicative of a proposal seeking a report that would include "home preservation rates" and "loss mitigation outcomes," which would not necessarily be covered by the other proposal); *Chevron Corp.* (Mar. 23, 2009, recon. denied Apr. 6, 2009) (concurring that a proposal requesting that an independent committee prepare a report on the environmental damage that would result from the company's expanding oil sands operations in the Canadian boreal forest was substantially duplicative of a proposal to adopt goals for reducing total greenhouse gas emissions from the company's products and operations); and *Ford Motor Co. (Leeds)* (Mar. 3, 2008) (concurring that a proposal to establish an independent committee to prevent Ford family shareholder conflicts of interest with non-family shareholders substantially duplicated a proposal requesting that the board take steps to adopt a recapitalization plan for all of the company's outstanding stock to have one vote per share).

### ***1. Receipt of the Proposal and the Walden Proposal***

The Walden Proposal was received by the Company prior to the Proposal. As the attached materials show, the Company received the Walden Proposal on November 27, 2019, and received the Proposal on December 10, 2019.<sup>6</sup> The Company intends to include the Walden Proposal in its 2020 Proxy Materials if the Staff denies the Company's no-action request, dated January 13, 2020, related to the exclusion of the Walden Proposal from the 2020 Proxy Materials pursuant to Rule 14a-8 (the "**Walden No-Action Request**"). If the Company does include the Walden Proposal in its 2020 Proxy Materials, the issue under Rule 14a-8(i)(11) would then be whether the Proposal "substantially duplicates" the Walden Proposal and, if so, the Company may exclude the Proposal from the 2020 Proxy Materials.

### ***2. The Principal Focus of the Proposal and the Walden Proposal are the Same***

The resolved clause of the Proposal is identical to that of the Walden Proposal, with the exception of immaterial punctuation and font differences.<sup>7</sup> The Walden Proposal reads as follows:

*We believe JPMorgan Chase (JPM) should better align its proxy voting with its client's financial interests and its stated ESG commitments.*

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<sup>6</sup> The Walden Proposal was initially received on November 14, 2019. A revised proposal was received on November 27, 2019, which is the Walden Proposal addressed in this no-action request.

<sup>7</sup> The Walden Proposal begins "**Resolved:** Shareowners [. . .]" while the Proposal begins "**RESOLVED,** shareowners [. . .]"

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*JPM is a member of the Principles for Responsible Investment (PRI), a global network of investors and asset owners representing over \$89 trillion in assets. One of the Principles encourages investors to incorporate ESG considerations into proxy voting.*

*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."*

*In 2019, JPM produced its first climate change report detailing the pervasive threat posed by climate change to virtually all aspects of the business. In the report, CEO Jamie Dimon stated, "Research shows that climate impacts are occurring much sooner than anticipated and with increasing frequency... The scale of the challenge is such that companies across all industries will need to participate in finding climate solutions."*

*JPM seems knowledgeable about the risks of climate change and the need for urgent action by companies.*

*J.P. Morgan Asset Management votes proxies and has supported numerous governance reforms proposed by shareholders, stating it is guided by clients' economic interests and believes corporate governance practices are one driver of investment performance. We believe climate change can also have a profound impact on shareholder value.*

*Yet J.P. Morgan Asset Management's 2019 proxy voting record reveals votes against virtually all climate related resolutions (voting in favor of only 2 of 52 such resolutions), including requests for enhanced disclosure or adoption of greenhouse gas reduction goals, even when independent experts advance a strong business and economic case for support.*

*In contrast funds managed by investment firms such as Alliance Bernstein, Allianz, Eaton Vance, Legg Mason, MFS, Nuveen, PIMCO, and Wells Fargo supported the majority of climate-related resolutions.*

*JPM's voting practices appear to contradict its statements about the risks to companies posed by climate change and ways business can identify solutions posing reputational risk for the company with both clients and investors. Moreover, such proxy voting practices seem to ignore significant company-specific and economy-wide risks associated with negative impacts of climate change that can have direct impact on shareholder value.*

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*We believe it is JPM's fiduciary responsibility to review how climate change quantitatively affects portfolio companies, evaluate how specific shareholder resolutions on climate relate to shareholder value, and vote accordingly.*

***Resolved:*** *Shareowners request that the Board of Directors initiate a review assessing JPM's 2019 proxy voting record and evaluate the Company's proxy voting policies and guiding criteria related to climate change, including any recommended future changes. A summary report on this review and its findings shall be made available to shareholders and be prepared at reasonable cost, omitting proprietary information.*

The identical language of the resolved clauses of each of the Proposal and the Walden Proposal make clear that the proposals share the same principal focus. The Proposal does not include a supporting statement; rather, the submission refers to a proposal of Green Century Capital Management.<sup>8</sup> As of the date of this no-action request, the Company has not received a proposal of Green Century Capital Management. While the Proposal, therefore, has no supporting statement from which to identify any purpose beyond the Proposal itself, the identical nature of the resolved clauses of the Proposal and the Walden Proposal demonstrate that they share the common purpose of evaluating the Company's proxy voting policies with regard to climate change. The Staff has consistently found that where two proposals share the same principal focus but differ in minor respects, exclusion under Rule 14a-8(i)(11) is warranted. *See, e.g., Rite Aid Corporation* (Feb. 26, 2019) (concurring with the exclusion of a proposal requesting that the company's governing documents be amended to give shareholders holding a certain minimum amount of stock the right to call a special meeting, as substantially similar to another proposal, despite one proposal calling for an ownership threshold of 15% and the other calling for an ownership threshold of 10%).

For the reasons discussed above, the Company is of the view that the Proposal "substantially duplicates" the Walden Proposal for purposes of Rule 14a-8(i)(11), as the principal focus of each proposal and the text of the resolved clauses are the same. If the Staff denies the Walden No-Action Request, the Company will include the Walden Proposal in the Company's 2020 Proxy Materials. Accordingly, in that situation, the Company believes that it may properly exclude the Proposal from the Company's 2020 Proxy Materials in reliance on Rule 14a-8(i)(11).

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<sup>8</sup> As stated above, the Company's December 20, 2019 Acknowledgement advised the Proponent that it had not received a proposal from Green Century Capital Management ("Your letter indicates that you wish to be a co-filer of the proposal, with Green Century Capital Management as the primary filer; to date we have not received a proposal from Green Century Capital Management."). The Acknowledgement is included in [Exhibit A](#).

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**III. CONCLUSION**

For the reasons discussed above, the Company believes that it may properly omit the Proposal from its 2020 Proxy Materials in reliance on Rule 14a-8. As such, we respectfully request that the Staff concur with the Company's view and not recommend enforcement action to the Commission if the Company omits the Proposal from its 2020 Proxy Materials. If we can be of further assistance in this matter, please do not hesitate to contact me at (202) 778-1611.

Sincerely,



Martin P. Dunn  
Morrison & Foerster LLP

Attachments

cc: Benedictine Sisters of Baltimore  
Molly Carpenter, Corporate Secretary, JPMorgan Chase & Co.

# **EXHIBIT A**

**From:** Susan Davis <[sdavis@emmanuelosb.org](mailto:sdavis@emmanuelosb.org)>

**Date:** Tuesday, Dec 10, 2019, 2:11 PM

**To:** Carpenter, Molly (Legal, USA) <[molly.carpenter@jpmchase.com](mailto:molly.carpenter@jpmchase.com)>

**Subject:** FW: Benedictine Sisters of Baltimore: JP Morgan Chase & Co.

Good Afternoon,

Please find the proxy vote for those owning J.P. Morgan Chase & Co. stock related to climate change for the Benedictine Sisters of Baltimore.

I have attached our letter of proxy and verification from our custodian that we own the required amount of stock in JP Morgan Chase & Co.

Please accept my apologies that this is past the deadline. I am new to this position and inadvertently sent this to an incorrect email. I do hope you will still accept the Sisters' proxy letter.

Please verify by email that you have received this email.

Thank you,

*Susie Davis*

Administrative Assistant  
Benedictine Sisters of Baltimore  
Emmanuel Monastery  
2229 W. Joppa Road  
Lutherville, MD 21093  
410-821-5792 x111

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BENEDICTINE SISTERS of BALTIMORE  
Emmanuel Monastery

December 5, 2019

Molly Carpenter  
Corporate Secretary  
J.P. Morgan Chase & Co.  
270 Park Avenue  
New York, NY 10017

Email: [Molly.Carpenter@jpmchase.com](mailto:Molly.Carpenter@jpmchase.com)  
Fax: 212-270-4240

Dear Ms. Carpenter:

I am writing you on behalf of Benedictine Sisters of Baltimore to co-file the stockholder resolution on Proxy Voting Policies Related to Climate Change. In brief, the proposal states: **RESOLVED**, shareowners request that the Board of Directors initiate a review assessing JPM's 2019 proxy voting record and evaluate the Company's proxy voting policies and guiding criteria related to climate change, including any recommended future changes. A summary report on this review and its findings shall be made available to shareholders and be prepared at reasonable cost, omitting proprietary information.

I am hereby authorized to notify you of our intention to co-file this shareholder proposal with Green Century Capital Management. I submit it for inclusion in the 2020 proxy statement for consideration and action by the shareholders at the 2020 annual meeting in accordance with Rule 14-a-8 of the General Rules and Regulations of the Securities and Exchange Act of 1934. We are the beneficial owner, as defined in Rule 13d-3 of the Securities Exchange Act of 1934, of 300 shares of J.P. Morgan Chase & Co. or \$2,000 worth of the shares, since November 5, 2008.

We have been a continuous shareholder for one year of \$2,000 in market value of J.P. Morgan Chase & Co. stock and will continue to hold at least \$2,000 of J.P. Morgan Chase & Co. stock through the next annual meeting. Verification of our ownership position will be sent by our custodian. A representative of the filers will attend the stockholders' meeting to move the resolution as required by SEC rules.

We truly hope that the company will be willing to dialogue with the filers about this proposal. We consider Green Century Capital Management the lead filer of this resolution. As such, Green Century Capital Management, serving as the primary filer, is authorized to act on our behalf in all aspects of the resolution, including negotiation and deputize them to withdraw the resolution on our behalf if an agreement is reached. Please note that the contact person for this resolution/proposal will be Jared Fernandez, of Green Century Capital Management who may be reached by phone 617-726-7258 or by email: [jfernandez@bostontrustwalden.com](mailto:jfernandez@bostontrustwalden.com).

As a co-filer, however, we respectfully request direct communication from the company and to be listed in the proxy.

Sincerely,

Sr. Patricia Kirk, OSB  
Prioress



December 5, 2019

Molly Carpenter  
Corporate Secretary  
J.P. Morgan Chase & Co.  
270 Park Avenue  
New York, NY 10017

Email: Molly.Carpenter@jpmchase.com

Fax: 212-270-4240

Re: Co-filing of shareholder resolution: Proxy Voting Policies Related to Climate Change

As of December 4, 2019, the Benedictine Sisters of Baltimore held, and has held continuously for at least one year, 300 shares, or \$2,000 worth of J.P. Morgan Chase & Co. (common stock). These shares have been held with The Bank of New York, DTC #8420.

If you need further information, please contact us at 1-866-620-5717.

Best Regards,

Brittne Rivera  
Vice President  
Lead Client Service Officer  
Advisor Solutions  
Brittne.rivera@pershing.com



**From:** [Corporate Secretary](#)  
**To:** ["bensrs@emmanuelosb.org"](mailto:bensrs@emmanuelosb.org)  
**Cc:** [Scott, Linda E](#); [Carpenter, Molly](#); [Corporate Secretary](#); ["jfernandez@bostontrustwalden.com"](mailto:jfernandez@bostontrustwalden.com)  
**Subject:** JPMC Shareholder Proposal - Benedictine Sisters of Baltimore  
**Date:** Friday, December 20, 2019 8:50:22 AM  
**Attachments:** [SH Acknowledgement - Benedictine Sisters of Baltimore \(56553941\) \(1\).pdf](#)

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Dear Ms. Kirk,

Attached is a copy of our letter regarding the shareholder proposal submitted for inclusion in the proxy materials relating to JPMC's 2020 Annual Meeting of Shareholders.

Thank you,

Stella Lee

**Stella Lee** | Senior Counsel | JP Morgan Chase & Co. | Legal Department |OTS | 4 New York Plaza, 8<sup>th</sup> Floor, New York, New York 10004 | 212.623.3064 | [stella.lee@jpmorgan.com](mailto:stella.lee@jpmorgan.com)

# JPMORGAN CHASE & CO.

**Stella Lee**  
Senior Counsel  
Office of the Secretary

December 20, 2019

VIA EMAIL & OVERNIGHT DELIVERY

Sr. Patricia Kirk, OSB  
Benedictine Sisters of Baltimore  
2229 West Joppa Road  
Lutherville, MD 21093-4601

Dear Ms. Kirk:

This will acknowledge receipt of a letter on December 10, 2019, whereby you advised JPMorgan Chase & Co. of your intention to file a proposal regarding proxy voting policies related to climate change to be voted upon at our 2020 Annual Meeting. Your letter indicates that you wish to be considered a co-filer of this proposal, with Green Century Capital Management as the primary filer; to date, we have not received a proposal from Green Century Capital Management. Additionally, your letter was received on December 10, three days after the last day (December 7, 2019) for shareholder proposal submission.

Sincerely,



Stella Lee  
Senior Counsel

# **EXHIBIT B**



**Boston Trust Walden**

Principled Investing

October 25, 2019

Ms. Mollie Carpenter  
Corporate Secretary  
JPMorgan Chase & Co.  
277 Park Avenue, 38<sup>th</sup> floor  
New York, NY 10017

Dear Ms. Carpenter:

Boston Trust Walden holds shares of JPMorgan Chase & Co. stock for our clients who ask us to integrate environmental, social and governance analysis (ESG) into investment decision-making. Boston Trust Walden an investment manager with approximately \$9.5 billion in assets under management.

We are concerned about JPMorgan's proxy voting record on environmental and social issues, particularly on climate change. We appreciate the past dialogues with Eileen Cohen and Nishesh Kumar on this topic and look forward to continuing the conversation. We believe a review of the proxy voting record of the bank is important and timely. At present the bank votes against troubling environmental and social issues while voting for a number of governance changes, a curious division in proxy voting.

Environmental and social issues have a clear impact on long term shareholder value and therefore a voting record against a whole range of social and environmental issues including climate is perplexing

Therefore, we are filing the enclosed shareholder proposal as the primary filer for inclusion in the 2020 proxy statement, in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities Exchange Act of 1934. We are the beneficial owner, as defined in Rule 13d-3 of the Securities Exchange Act of 1934, of JPMorgan Chase shares. We will be joined by other co-filers.

We have been a continuous shareholder for more than one year holding over \$2,000 of JPMorgan Chase & Co. shares and will continue to hold over \$2,000 shares of JPMorgan Chase stock through the next annual meeting. In 2020. Verification of our ownership position will be provided by a DTC participant. A representative of the filers will attend the stockholders' meeting to move the resolution as required by SEC rules.

Please copy any correspondence related to this matter to [tsmith@bostontrust.com](mailto:tsmith@bostontrust.com). Or 617-726-7155 at Walden Asset Management.



**Boston Trust Walden**

Principled Investing

Sincerely,

Timothy Smith  
Senior Vice President  
Director of ESG Shareholder Engagement

Cc: Nishesh Kumar, JP Morgan Asset Management  
Linda Scott, Corporate Secretary's Office

We believe JPMorgan Chase (JPM) should better align its proxy voting with both its client's financial interests and its stated ESG commitments.

JPM is a member of the Principles for Responsible Investment (PRI), a global network of investors and asset owners representing more than \$89 trillion in assets. One of the Principles encourages investors to incorporate ESG considerations into proxy voting.

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."

In 2019, JPM produced its first climate change report that clearly communicated the pervasive threat posed by climate change to virtually all aspects of the business. In the report, CEO Jamie Dimon stated, "Research shows that climate impacts are occurring much sooner than anticipated and with increasing frequency...The scale of the challenge is such that companies across all industries will need to participate in finding climate solutions."

JPM seems knowledgeable about the risks of climate change and the need for urgent action by companies.

J.P. Morgan Asset Management votes proxies and has actively supported numerous governance reforms proposed by shareholders, stating it is guided by clients' economic interests and believes corporate governance practices are one driver of investment performance. We believe issues like climate change can also have a profound impact on shareholder value.

Yet J.P. Morgan Asset Management's 2019 proxy voting record reveals votes against virtually all climate related resolutions (voting in favor of only 2 of 52 such resolutions), including requests for enhanced disclosure or adoption of greenhouse gas reduction goals, even when independent experts advance a strong business and economic case for support.

In contrast funds managed by investment firms such as Alliance Bernstein, Allianz, Eaton Vance, Legg Mason, MFS, Nuveen, PIMCO, and Wells Fargo supported the majority of climate-related resolutions.

JPM's voting practices appear inconsistent with its statements about the risks to companies posed by climate change and ways business can identify solutions. This contradiction poses reputational risk for the company with both clients and investors. Moreover, such proxy voting practices seem to ignore significant company-specific and economy-wide risks associated with negative impacts of climate change that can have direct impact on shareholder value.

We believe it is JPM's fiduciary responsibility to review how climate change quantitatively affects portfolio companies, evaluate how specific shareholder resolutions on climate relate to shareholder value, and vote accordingly. Thus we request this review of JPM's 2019 proxy voting record.

**Resolved:** Shareowners request that the Board of Directors initiate a review assessing JPM's 2019 proxy voting record and evaluate the Company's proxy voting policies and guiding criteria related to climate change, including any recommended future changes. A summary report on this review and its findings shall be made available to shareholders and be prepared at reasonable cost, omitting proprietary information.



Institutional Trust & Custody  
425 Walnut Street  
Cincinnati, OH 45202

[usbank.com](http://usbank.com)

Date: November 12, 2019

To Whom It May Concern:

U.S. Bank is the sub-custodian for Boston Trust Walden Company

We are writing to confirm that Boston Trust Walden has had a beneficial ownership of at least \$2,000 in market value of the voting securities of **JP Morgan(Cusip#46625H100)** and that such beneficial ownership has existed continuously for over one year in accordance with rule 14a-8(a)(1) of the Securities Exchange Act of 1934.

U.S. Bank is a DTC participant.

Sincerely,

A handwritten signature in black ink, appearing to read "Melissa Wolf". The signature is written in a cursive, flowing style.

Melissa Wolf  
Officer, Client Service Manager  
Institutional Trust & Custody

**From:** [Corporate Secretary](#)  
**To:** ["tsmith@bostontrust.com"](mailto:tsmith@bostontrust.com)  
**Cc:** [Scott, Linda E](#); [Carpenter, Molly](#); [Corporate Secretary](#)  
**Subject:** JPMC Shareholder Proposal - Boston Trust Walden | report on proxy voting guidelines and criteria on climate change  
**Date:** Wednesday, November 27, 2019 10:25:29 AM  
**Attachments:** [SH Acknowledgment - Boston Trust Walden.pdf](#)  
[Rule 14a-8.pdf](#)

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Dear Mr. Smith,

Attached is a copy of our letter regarding the shareholder proposal submitted for inclusion in the proxy materials relating to JPMC's 2020 Annual Meeting of Shareholders.

Thank you,

Stella Lee

**Stella Lee** | Senior Counsel | JP Morgan Chase & Co. | Legal Department |OTS | 4 New York Plaza, 8<sup>th</sup> Floor, New York, New York 10004 | 212.623.3064 | [stella.lee@jpmorgan.com](mailto:stella.lee@jpmorgan.com)

# JPMORGAN CHASE & CO.

**Molly Carpenter**  
Corporate Secretary  
Office of the Secretary

November 27, 2019

## VIA EMAIL & OVERNIGHT DELIVERY

Timothy Smith  
Senior Vice President, Director of ESG Shareholder Engagement  
Boston Trust Walden Company  
One Beacon Street  
Boston, MA 02108

Dear Mr. Smith:

I am writing on behalf of JPMorgan Chase & Co. (“JPMC”), which received from you, on behalf of the Boston Trust Walden Company (the “Proponent”), via FedEx on November 14, 2019, the shareholder proposal regarding proxy voting policies (the “Proposal”) for consideration at JPMC’s 2020 Annual Meeting of Shareholders.

The Proposal contains certain procedural deficiencies, as set forth below, which Securities and Exchange Commission (“SEC”) regulations require us to bring to your attention.

### **Proposal Exceeds 500 Words**

Rule 14a-8(d) limits a proposal and any supporting statement to a maximum length of 500 words. Your Proposal, including the supporting statement, appears to exceed this 500-word limitation. As such, your submission is required by Rule 14a-8 to be reduced to 500 words or fewer to be considered for inclusion in JPMC’s proxy materials. For your reference, please find enclosed a copy of SEC Rule 14a-8.

For the Proposal to be eligible for inclusion in JPMC’s proxy materials for JPMC’s 2020 Annual Meeting of Shareholders, the rules of the SEC require that a response to this letter, correcting the procedural deficiency described in this letter, be postmarked or transmitted electronically no later than 14 calendar days from the date you receive this letter. Please address any response to me at 4 New York Plaza 8<sup>th</sup> Floor, New York NY 10004 or via email to [corporate.secretary@jpmchase.com](mailto:corporate.secretary@jpmchase.com).

If you have any questions with respect to the foregoing, please contact me.

Sincerely,

A handwritten signature in cursive script, appearing to read "Molly Carpenter". The signature is written in dark ink and is positioned below the word "Sincerely,".

Enclosures:  
Rule 14a-8 under the Securities Exchange Act of 1934

## **Rule 14a-8 – Proposals of Security Holders**

This section addresses when a company must include a shareholder's proposal in its proxy statement and identify the proposal in its form of proxy when the company holds an annual or special meeting of shareholders. In summary, in order to have your shareholder proposal included on a company's proxy card, and included along with any supporting statement in its proxy statement, you must be eligible and follow certain procedures. Under a few specific circumstances, the company is permitted to exclude your proposal, but only after submitting its reasons to the Commission. We structured this section in a question-and-answer format so that it is easier to understand. The references to "you" are to a shareholder seeking to submit the proposal.

(a) *Question 1: What is a proposal?*

A shareholder proposal is your recommendation or requirement that the company and/or its board of directors take action, which you intend to present at a meeting of the company's shareholders. Your proposal should state as clearly as possible the course of action that you believe the company should follow. If your proposal is placed on the company's proxy card, the company must also provide in the form of proxy means for shareholders to specify by boxes a choice between approval or disapproval, or abstention. Unless otherwise indicated, the word "proposal" as used in this section refers both to your proposal, and to your corresponding statement in support of your proposal (if any).

(b) *Question 2: Who is eligible to submit a proposal, and how do I demonstrate to the company that I am eligible?*

(1) In order to be eligible to submit a proposal, you must have continuously held at least \$2,000 in market value, or 1%, of the company's securities entitled to be voted on the proposal at the meeting for at least one year by the date you submit the proposal. You must continue to hold those securities through the date of the meeting.

(2) If you are the registered holder of your securities, which means that your name appears in the company's records as a shareholder, the company can verify your eligibility on its own, although you will still have to provide the company with a written statement that you intend to continue to hold the securities through the date of the meeting of shareholders. However, if like many shareholders you are not a registered holder, the company likely does not know that you are a shareholder, or how many shares you own. In this case, at the time you submit your proposal, you must prove your eligibility to the company in one of two ways:

(i) The first way is to submit to the company a written statement from the "record" holder of your securities (usually a broker or bank) verifying that, at the time you submitted your proposal, you continuously held the securities for at least one year. You must also include your own written statement that you intend to continue to hold the securities through the date of the meeting of shareholders; or

- (ii) The second way to prove ownership applies only if you have filed a Schedule 13D (§ 240.13d-101), Schedule 13G (§ 240.13d-102), Form 3 (§ 249.103 of this chapter), Form 4 (§ 249.104 of this chapter) and/or Form 5 (§ 249.105 of this chapter), or amendments to those documents or updated forms, reflecting your ownership of the shares as of or before the date on which the one-year eligibility period begins. If you have filed one of these documents with the SEC, you may demonstrate your eligibility by submitting to the company:
  - (A) A copy of the schedule and/or form, and any subsequent amendments reporting a change in your ownership level;
  - (B) Your written statement that you continuously held the required number of shares for the one-year period as of the date of the statement; and
  - (C) Your written statement that you intend to continue ownership of the shares through the date of the company's annual or special meeting.
- (c) *Question 3:* How many proposals may I submit? Each shareholder may submit no more than one proposal to a company for a particular shareholders' meeting.
- (d) *Question 4:* How long can my proposal be? The proposal, including any accompanying supporting statement, may not exceed 500 words.
- (e) *Question 5:* What is the deadline for submitting a proposal?
  - (1) If you are submitting your proposal for the company's annual meeting, you can in most cases find the deadline in last year's proxy statement. However, if the company did not hold an annual meeting last year, or has changed the date of its meeting for this year more than 30 days from last year's meeting, you can usually find the deadline in one of the company's quarterly reports on Form 10-Q (§ 249.308a of this chapter), or in shareholder reports of investment companies under § 270.30d-1 of this chapter of the Investment Company Act of 1940. In order to avoid controversy, shareholders should submit their proposals by means, including electronic means, that permit them to prove the date of delivery.
  - (2) The deadline is calculated in the following manner if the proposal is submitted for a regularly scheduled annual meeting. The proposal must be received at the company's principal executive offices not less than 120 calendar days before the date of the company's proxy statement released to shareholders in connection with the previous year's annual meeting. However, if the company did not hold an annual meeting the previous year, or if the date of this year's annual meeting has been changed by more than 30 days from the date of the previous year's meeting, then the deadline is a reasonable time before the company begins to print and send its proxy materials.
  - (3) If you are submitting your proposal for a meeting of shareholders other than a regularly scheduled annual meeting, the deadline is a reasonable time before the company begins to print and send its proxy materials.

- (f) *Question 6:* What if I fail to follow one of the eligibility or procedural requirements explained in answers to Questions 1 through 4 of this section?
- (1) The company may exclude your proposal, but only after it has notified you of the problem, and you have failed adequately to correct it. Within 14 calendar days of receiving your proposal, the company must notify you in writing of any procedural or eligibility deficiencies, as well as of the time frame for your response. Your response must be postmarked, or transmitted electronically, no later than 14 days from the date you received the company's notification. A company need not provide you such notice of a deficiency if the deficiency cannot be remedied, such as if you fail to submit a proposal by the company's properly determined deadline. If the company intends to exclude the proposal, it will later have to make a submission under § 240.14a-8 and provide you with a copy under Question 10 below, § 240.14a-8(j).
  - (2) If you fail in your promise to hold the required number of securities through the date of the meeting of shareholders, then the company will be permitted to exclude all of your proposals from its proxy materials for any meeting held in the following two calendar years.
- (g) *Question 7:* Who has the burden of persuading the Commission or its staff that my proposal can be excluded? Except as otherwise noted, the burden is on the company to demonstrate that it is entitled to exclude a proposal.
- (h) *Question 8:* Must I appear personally at the shareholders' meeting to present the proposal?
- (1) Either you, or your representative who is qualified under state law to present the proposal on your behalf, must attend the meeting to present the proposal. Whether you attend the meeting yourself or send a qualified representative to the meeting in your place, you should make sure that you, or your representative, follow the proper state law procedures for attending the meeting and/or presenting your proposal.
  - (2) If the company holds its shareholder meeting in whole or in part via electronic media, and the company permits you or your representative to present your proposal via such media, then you may appear through electronic media rather than traveling to the meeting to appear in person.
  - (3) If you or your qualified representative fail to appear and present the proposal, without good cause, the company will be permitted to exclude all of your proposals from its proxy materials for any meetings held in the following two calendar years.
- (i) *Question 9:* If I have complied with the procedural requirements, on what other bases may a company rely to exclude my proposal?
- (1) Improper under state law: If the proposal is not a proper subject for action by shareholders under the laws of the jurisdiction of the company's organization;

**Note to paragraph (i)(1):** Depending on the subject matter, some proposals are not considered proper under state law if they would be binding on the company if approved by shareholders. In our experience, most proposals that are cast as recommendations or requests that the board of directors take specified action are proper under state law. Accordingly, we will assume that a proposal drafted as a recommendation or suggestion is proper unless the company demonstrates otherwise.

- (2) *Violation of law:* If the proposal would, if implemented, cause the company to violate any state, federal, or foreign law to which it is subject;

**Note to paragraph (i)(2):** We will not apply this basis for exclusion to permit exclusion of a proposal on grounds that it would violate foreign law if compliance with the foreign law would result in a violation of any state or federal law.

- (3) *Violation of proxy rules:* If the proposal or supporting statement is contrary to any of the Commission's proxy rules, including § 240.14a-9, which prohibits materially false or misleading statements in proxy soliciting materials;
- (4) *Personal grievance; special interest:* If the proposal relates to the redress of a personal claim or grievance against the company or any other person, or if it is designed to result in a benefit to you, or to further a personal interest, which is not shared by the other shareholders at large;
- (5) *Relevance:* If the proposal relates to operations which account for less than 5 percent of the company's total assets at the end of its most recent fiscal year, and for less than 5 percent of its net earnings and gross sales for its most recent fiscal year, and is not otherwise significantly related to the company's business;
- (6) *Absence of power/authority:* If the company would lack the power or authority to implement the proposal;
- (7) *Management functions:* If the proposal deals with a matter relating to the company's ordinary business operations;
- (8) *Director elections:* If the proposal:
- (i) Would disqualify a nominee who is standing for election;
  - (ii) Would remove a director from office before his or her term expired;
  - (iii) Questions the competence, business judgment, or character of one or more nominees or directors;
  - (iv) Seeks to include a specific individual in the company's proxy materials for election to the board of directors; or
  - (v) Otherwise could affect the outcome of the upcoming election of directors.

(9) *Conflicts with company's proposal*: If the proposal directly conflicts with one of the company's own proposals to be submitted to shareholders at the same meeting;

**Note to paragraph (i)(9)**: A company's submission to the Commission under this section should specify the points of conflict with the company's proposal.

(10) *Substantially implemented*: If the company has already substantially implemented the proposal;

**Note to paragraph (i)(10)**: A company may exclude a shareholder proposal that would provide an advisory vote or seek future advisory votes to approve the compensation of executives as disclosed pursuant to Item 402 of Regulation S-K (§ 229.402 of this chapter) or any successor to Item 402 (a "say-on-pay vote") or that relates to the frequency of say-on-pay votes, provided that in the most recent shareholder vote required by § 240.14a-21(b) of this chapter a single year (*i.e.*, one, two, or three years) received approval of a majority of votes cast on the matter and the company has adopted a policy on the frequency of say-on-pay votes that is consistent with the choice of the majority of votes cast in the most recent shareholder vote required by § 240.14a-21(b) of this chapter.

(11) *Duplication*: If the proposal substantially duplicates another proposal previously submitted to the company by another proponent that will be included in the company's proxy materials for the same meeting;

(12) *Resubmissions*: If the proposal deals with substantially the same subject matter as another proposal or proposals that has or have been previously included in the company's proxy materials within the preceding 5 calendar years, a company may exclude it from its proxy materials for any meeting held within 3 calendar years of the last time it was included if the proposal received:

- (i) Less than 3% of the vote if proposed once within the preceding 5 calendar years;
- (ii) Less than 6% of the vote on its last submission to shareholders if proposed twice previously within the preceding 5 calendar years; or
- (iii) Less than 10% of the vote on its last submission to shareholders if proposed three times or more previously within the preceding 5 calendar years; and

(13) *Specific amount of dividends*: If the proposal relates to specific amounts of cash or stock dividends.

(j) *Question 10*: What procedures must the company follow if it intends to exclude my proposal?

(1) If the company intends to exclude a proposal from its proxy materials, it must file its reasons with the Commission no later than 80 calendar days before it files its definitive proxy statement and form of proxy with the Commission. The company must simultaneously provide you with a copy of its submission. The Commission staff may permit the company to make its submission later than 80 days before the company files its definitive proxy statement and form of proxy, if the company demonstrates good cause for missing the deadline.

(2) The company must file six paper copies of the following:

(i) The proposal;

(ii) An explanation of why the company believes that it may exclude the proposal, which should, if possible, refer to the most recent applicable authority, such as prior Division letters issued under the rule; and

(iii) A supporting opinion of counsel when such reasons are based on matters of state or foreign law.

(k) *Question 11:* May I submit my own statement to the Commission responding to the company's arguments?

Yes, you may submit a response, but it is not required. You should try to submit any response to us, with a copy to the company, as soon as possible after the company makes its submission. This way, the Commission staff will have time to consider fully your submission before it issues its response. You should submit six paper copies of your response.

(l) *Question 12:* If the company includes my shareholder proposal in its proxy materials, what information about me must it include along with the proposal itself?

(1) The company's proxy statement must include your name and address, as well as the number of the company's voting securities that you hold. However, instead of providing that information, the company may instead include a statement that it will provide the information to shareholders promptly upon receiving an oral or written request.

(2) The company is not responsible for the contents of your proposal or supporting statement.

(m) *Question 13:* What can I do if the company includes in its proxy statement reasons why it believes shareholders should not vote in favor of my proposal, and I disagree with some of its statements?

(1) The company may elect to include in its proxy statement reasons why it believes shareholders should vote against your proposal. The company is allowed to make arguments reflecting its own point of view, just as you may express your own point of view in your proposal's supporting statement.

(2) However, if you believe that the company's opposition to your proposal contains materially false or misleading statements that may violate our anti-

fraud rule, § 240.14a-9, you should promptly send to the Commission staff and the company a letter explaining the reasons for your view, along with a copy of the company's statements opposing your proposal. To the extent possible, your letter should include specific factual information demonstrating the inaccuracy of the company's claims. Time permitting, you may wish to try to work out your differences with the company by yourself before contacting the Commission staff.

- (3) We require the company to send you a copy of its statements opposing your proposal before it sends its proxy materials, so that you may bring to our attention any materially false or misleading statements, under the following timeframes:
- (i) If our no-action response requires that you make revisions to your proposal or supporting statement as a condition to requiring the company to include it in its proxy materials, then the company must provide you with a copy of its opposition statements no later than 5 calendar days after the company receives a copy of your revised proposal; or
  - (ii) In all other cases, the company must provide you with a copy of its opposition statements no later than 30 calendar days before its files definitive copies of its proxy statement and form of proxy under § 240.14a-6.

**From:** [Smith, Timothy](#)  
**To:** [Corporate Secretary](#); [Lee, Stella](#); [Carpenter, Molly](#)  
**Cc:** [Scott, Linda E](#)  
**Subject:** FW: JPMC Shareholder Proposal - Boston Trust Walden | report on proxy voting guidelines and criteria on climate change  
**Date:** Wednesday, November 27, 2019 11:30:31 AM  
**Attachments:** [JPM\\_proxy\\_voting\\_resolution\\_final\\_2020\\_updated.pdf](#)  
[JPM\\_proxy\\_voting\\_resolution\\_final\\_2020\\_updated.docx](#)

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Dear Ms. Lee,

Thank you for the emailed letter today raising an issue about the number of words in our proposal . Our computers must be counting differently since even counting \$ and other symbols we understood we were under 500 words . However in response to your letter we are pleased to amend the resolution cutting a number of words that brings us closer to 470 words.

I enclose the amended resolution text to substitute for the earlier resolution submitted by Boston Trust Walden .

As the primary filer we understand that we are substituting this text for any cofilers who have or will be filing with Boston Trust Walden .

Please let us know if you have any questions or if you need further paperwork confirming the submission of this amended resolution.

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**Timothy Smith**

Director of ESG Shareowner Engagement  
Boston Trust Walden | Principled Investing.  
1 Beacon Street, 33<sup>rd</sup> Floor, Boston, MA 02108  
Office Phone: 617.726.7155  
Email: [tsmith@bostontrustwalden.com](mailto:tsmith@bostontrustwalden.com)  
Website: [www.bostontrustwalden.com](http://www.bostontrustwalden.com)

Note: Our company name and email addresses have changed. Please update your contact files.

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**From:** Corporate Secretary <[corporate.secretary@jpmchase.com](mailto:corporate.secretary@jpmchase.com)>

**Sent:** Wednesday, November 27, 2019 1:25 PM

**To:** Smith, Timothy <[tsmith@bostontrustwalden.com](mailto:tsmith@bostontrustwalden.com)>

**Cc:** Scott, Linda E <[linda.e.scott@chase.com](mailto:linda.e.scott@chase.com)>; Carpenter, Molly <[molly.carpenter@jpmchase.com](mailto:molly.carpenter@jpmchase.com)>;  
Corporate Secretary <[corporate.secretary@jpmchase.com](mailto:corporate.secretary@jpmchase.com)>

**Subject:** JPMC Shareholder Proposal - Boston Trust Walden | report on proxy voting guidelines and criteria on climate change

Dear Mr. Smith,

Attached is a copy of our letter regarding the shareholder proposal submitted for inclusion in the proxy materials relating to JPMC's 2020 Annual Meeting of Shareholders.

Thank you,

Stella Lee

**Stella Lee** | Senior Counsel | JP Morgan Chase & Co. | Legal Department |OTS | 4 New York Plaza, 8<sup>th</sup> Floor, New York, New York 10004 | 212.623.3064 | [stella.lee@jpmorgan.com](mailto:stella.lee@jpmorgan.com)

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**Boston Trust Walden**

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We believe JPMorgan Chase (JPM) should better align its proxy voting with its client's financial interests and its stated ESG commitments.

JPM is a member of the Principles for Responsible Investment (PRI), a global network of investors and asset owners representing over \$89 trillion in assets. One of the Principles encourages investors to incorporate ESG considerations into proxy voting.

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."

In 2019, JPM produced its first climate change report detailing the pervasive threat posed by climate change to virtually all aspects of the business. In the report, CEO Jamie Dimon stated, "Research shows that climate impacts are occurring much sooner than anticipated and with increasing frequency...The scale of the challenge is such that companies across all industries will need to participate in finding climate solutions."

JPM seems knowledgeable about the risks of climate change and the need for urgent action by companies.

J.P. Morgan Asset Management votes proxies and has supported numerous governance reforms proposed by shareholders, stating it is guided by clients' economic interests and believes corporate governance practices are one driver of investment performance. We believe climate change can also have a profound impact on shareholder value.

Yet J.P. Morgan Asset Management's 2019 proxy voting record reveals votes against virtually all climate related resolutions (voting in favor of only 2 of 52 such resolutions), including requests for enhanced disclosure or adoption of greenhouse gas reduction goals, even when independent experts advance a strong business and economic case for support.

In contrast funds managed by investment firms such as Alliance Bernstein, Allianz, Eaton Vance, Legg Mason, MFS, Nuveen, PIMCO, and Wells Fargo supported the majority of climate-related resolutions.

JPM's voting practices appear to contradict its statements about the risks to companies posed by climate change and ways business can identify solutions posing reputational risk for the company with both clients and investors. Moreover, such proxy voting practices seem to ignore significant company-specific and economy-wide risks associated with negative impacts of climate change that can have direct impact on shareholder value.

We believe it is JPM's fiduciary responsibility to review how climate change quantitatively affects portfolio companies, evaluate how specific shareholder resolutions on climate relate to shareholder value, and vote accordingly.

**Resolved:** Shareowners request that the Board of Directors initiate a review assessing JPM's 2019 proxy voting record and evaluate the Company's proxy voting policies and guiding criteria related to climate change, including any recommended future changes. A summary report on this review and its findings shall be made available to shareholders and be prepared at reasonable cost, omitting proprietary information.