



DIVISION OF  
CORPORATION FINANCE

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

March 4, 2024

Brian V. Breheny  
Skadden, Arps, Slate, Meagher & Flom LLP

Re: JPMorgan Chase & Co. (the "Company")  
Incoming letter dated March 1, 2024

Dear Brian V. Breheny:

This letter is in regard to your correspondence concerning the shareholder proposal (the "Proposal") submitted to the Company by the New York City Employees' Retirement Systems (the "Proponent") for inclusion in the Company's proxy materials for its upcoming annual meeting of security holders. Your letter indicates that the Proponent has withdrawn the Proposal and that the Company therefore withdraws its January 19, 2024 request for a no-action letter from the Division. Because the matter is now moot, we will have no further comment.

Copies of all of the correspondence related to this matter will be made available on our website at <https://www.sec.gov/corpfin/2023-2024-shareholder-proposals-no-action>.

Sincerely,

Rule 14a-8 Review Team

cc: Jennifer Conovitz  
City of New York Office of the Comptroller

SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP

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January 19, 2024

VIA STAFF ONLINE FORM

U.S. Securities and Exchange Commission  
Division of Corporation Finance  
Office of Chief Counsel  
100 F Street, N.E.  
Washington, D.C. 20549

Re: Shareholder Proposal Submitted by the New York City Employees'  
Retirement System, the New York City Police Pension Fund,  
the New York City Teachers' Retirement System and  
the New York City Board of Education Retirement System

Ladies and Gentlemen:

This letter is submitted on behalf of JPMorgan Chase & Co., a Delaware corporation (the "Company"), pursuant to Rule 14a-8(j) promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The Company requests that the staff of the Division of Corporation Finance (the "Staff") of the U.S. Securities and Exchange Commission (the "Commission") not recommend enforcement action if the Company omits from its proxy materials for the Company's 2024 Annual Meeting of Shareholders (the "2024 Annual Meeting") the shareholder proposal and supporting statement (the "Proposal") submitted by the Office of the Comptroller of the City of New York (the "NYC Comptroller") on behalf of the New York City Employees' Retirement System, the New York City Police Pension Fund, the New York City Teachers' Retirement System and the New York City Board of Education Retirement System (collectively, the "Systems"). The NYC Comptroller and the Systems are sometimes referred to collectively as the "Proponents."

This letter provides an explanation of why the Company believes it may exclude the Proposal and includes the attachments required by Rule 14a-8(j). In accordance with relevant Staff guidance, we are submitting this letter and its attachments to the Staff through the Staff's online Shareholder Proposal Form. A copy of this letter also is being sent to the Proponents as notice of the Company's intent to omit the Proposal from the Company's proxy materials for the 2024 Annual Meeting.

Rule 14a-8(k) and Section E of Staff Legal Bulletin No. 14D (Nov. 7, 2008) provide that shareholder proponents are required to send companies a copy of any correspondence that the shareholder proponents elect to submit to the Commission or the Staff. Accordingly, we are taking this opportunity to remind the Proponents that if they submit correspondence to the Commission or the Staff with respect to the Proposal, a copy of that correspondence should be furnished concurrently to the Company.

### Background

The Company received the Proposal via email on November 30, 2023, along with a cover letter from the NYC Comptroller on behalf of the Systems. On December 4, 2023, the Company received, via United Parcel Service, letters from State Street verifying the Systems' stock ownership in the Company. Copies of the Proposal, cover letter and related correspondence are attached hereto as Exhibit A.<sup>1</sup>

### Summary of the Proposal

The text of the resolution contained in the Proposal follows:

#### **Resolved**

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

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<sup>1</sup> Exhibit A omits correspondence between the Company and the NYC Comptroller that is irrelevant to this request, such as the ownership letters from State Street. See the Staff's "Announcement Regarding Personally Identifiable and Other Sensitive Information in Rule 14a-8 Submissions and Related Materials" (Dec. 17, 2021), available at <https://www.sec.gov/corpfin/announcement/announcement-14a-8-submissions-pii-20211217>.

Basis for Exclusion

We hereby respectfully request that the Staff concur in the Company's view that it should exclude the Proposal from the proxy materials for the 2024 Annual Meeting pursuant to Rule 14a-8(i)(7) because the Proposal deals with matters relating to the Company's ordinary business operations.

Analysis

*The Proposal Should Be Excluded Pursuant to Rule 14a-8(i)(7) Because the Proposal Deals with Matters Relating to the Company's Ordinary Business Operations.*

Under Rule 14a-8(i)(7), a shareholder proposal may be excluded from a company's proxy materials if the proposal "deals with matters relating to the company's ordinary business operations." In Exchange Act Release No. 34-40018 (May 21, 1998) (the "1998 Release"), the Commission stated that the policy underlying the ordinary business exclusion rests on two central considerations. The first recognizes 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. The second consideration 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. As demonstrated below, the Proposal implicates both of these two central considerations.

A. *The Proposal deals with the Company's underwriting and financing decisions and its disclosures regarding these activities, both of which are part of ordinary business operations.*

In accordance with the policy considerations underlying the ordinary business exclusion, the Staff has consistently permitted exclusion under Rule 14a-8(i)(7) of shareholder proposals relating to the products and services offered for sale by a company, including its lending and underwriting activities. *See, e.g., JPMorgan Chase & Co.* (Mar. 25, 2022) (permitting exclusion under Rule 14a-8(i)(7) of a proposal requesting a study on the effects of the Company's underwriting practices regarding multi-class share offerings); *JPMorgan Chase & Co.* (Mar. 26, 2021) (same); *JPMorgan Chase & Co.* (Mar. 19, 2019) (permitting exclusion under Rule 14a-8(i)(7) of a proposal requesting a report examining the "politics, economics and engineering for the construction of a sea-based canal through the Tehuantepec isthmus of Mexico," noting that the proposal "relates to the products and services offered for sale by the Company"); *Wells Fargo & Co.* (Jan. 28, 2013, *recon. denied* Mar. 4, 2013) (permitting exclusion under Rule 14a-8(i)(7) of a proposal requesting that the company report on the adequacy of the company's policies in addressing the

social and financial impacts of its direct deposit advance lending service, noting that the proposal “relates to the products and services offered for sale by the company”).

The Staff also has consistently permitted exclusion under Rule 14a-8(i)(7) of shareholder proposals relating to how a company makes financial disclosures. *See, e.g., The Goldman Sachs Group, Inc.* (Jan. 23, 2017) (permitting exclusion under Rule 14a-8(i)(7) of a proposal requesting that the company’s board issue an annual “Statement of Significant Audiences and Materiality” document covering materiality determinations in the company’s Exchange Act reports); *Merrill Lynch & Co., Inc.* (Feb. 20, 2008) (permitting exclusion under Rule 14a-8(i)(7) of a proposal requesting disclosure of collateral and other credit risk management policy for off balance sheet liabilities and exposure); *AmerInst Insurance Group Ltd.* (Apr. 14, 2005) (permitting exclusion under Rule 14a-8(i)(7) of a proposal requesting disclosure of particular line items each quarter, noting that the proposal related to ordinary business operations “(i.e., presentation of financial information)”); *Union Pacific Corp.* (Jan. 28, 2005) (permitting exclusion under Rule 14a-8(i)(7) of a proposal requesting disclosure of revenue and certain performance data from passenger operations); *International Business Machines Corp.* (Jan. 9, 2001) (permitting exclusion under Rule 14a-8(i)(7) of a proposal requesting that the company adopt a policy that future executive incentive compensation be determined by profit “from real company operations not including accounting rule profit from pension fund surplus” and that the company provide “transparent financial reporting of profit from real company operations”); *Johnson Controls, Inc.* (Oct. 26, 1999) (permitting exclusion under Rule 14a-8(i)(7) of a proposal requesting disclosure of “goodwill-net” and the “true value” of shareholders’ equity in financial statements).

In this instance, the Proposal is focused on the products and services offered by the Company, including its decisions with regard to underwriting and financing, and related financial disclosures, which are ordinary business matters. In this respect, the Proposal’s resolved clause requests that the Company disclose annually its “Clean Energy Supply Financing Ratio” and specifically defines this ratio as the Company’s “total financing through equity and debt underwriting, and project finance in low-carbon energy supply relative to that in fossil-fuel energy supply.” The resolved clause notes that the disclosure “shall describe [the Company’s] methodology, including what it classifies as ‘low carbon’ or ‘fossil fuel.’” In addition, the Proposal’s supporting statement claims that “[s]ince 2022, banks have reportedly earned more in lending and underwriting fees from clean energy projects than from oil, gas, and coal companies” and alleges that, despite its significant commitments to achieving net-zero emissions by 2050, the Company “remains the largest financer of fossil fuels.” The supporting statement also claims that “[i]t remains difficult to assess [the Company’s] decarbonization progress and investors need additional information to assess [the Company’s] clean energy financing relative to fossil fuels.” When read together, the Proposal’s resolved clause and

supporting statement make clear that the Proposal focuses on the Company's underwriting and financial decisions and related financial disclosures, which are ordinary business matters.

The Company is one of the largest financial services firms in the world and is a leader in investment banking, financial services for consumers and small businesses, commercial banking, financial transaction processing and asset management. The Company's decisions to offer lending and underwriting services and products to particular clients, involve complex legal, regulatory and operational considerations, including business plans and risks, competition, regulatory requirements, and significantly, the Company's own targets and strategies, which it has publicly disclosed and on which it provides extensive reporting in its annual Climate Report. The Climate Report is informed by the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD") and provides details on the Company's evolving strategies and programs to support the transition to a low-carbon economy and plans and actions to meet the Company's strategic business objectives to align its lending and underwriting activities with the goal of net zero emissions by 2050. In its 2023 Climate Report, for example, the Company discloses both absolute emissions and emissions intensity metrics on nine targets across eight sectors for both financed and facilitated emissions, as well as a breakdown of progress against the Company's \$2.5 trillion sustainable development target. The Report also provides information on the Company's methodology for calculating absolute financed emissions and how the Company is managing data challenges in constructing baselines and monitoring progress toward its targets. The manner in which the Company monitors, measures and analyzes its lending and underwriting activities, and how it reports to investors on these matters, fundamentally relates to how management runs the business of the Company. Decisions regarding how the Company reports this information, including what financial measures the Company discloses to the public, involve careful weighing of the factors described above and constitute ordinary business matters that cannot, as a practical matter, be subject to direct shareholder oversight. As a result, the Proposal is precisely the type that companies are permitted to exclude under Rule 14a-8(i)(7).

We note that a proposal may not be excluded under Rule 14a-8(i)(7) if it focuses on a significant policy issue. However, the fact that a proposal may touch upon a significant policy issue does not preclude exclusion under Rule 14a-8(i)(7). Instead, the question is whether the proposal focuses primarily on a matter of broad public policy versus matters related to the company's ordinary business operations. *See* 1998 Release; Staff Legal Bulletin No. 14E (Oct. 27, 2009). The Staff has consistently permitted exclusion of shareholder proposals where the proposal focused on ordinary business matters, even though it also related to a potential significant policy issue. For instance, in *JPMorgan Chase & Co.* (Mar. 12, 2010), the proposal requested, among other things, that the Company adopt a policy barring

the financing of companies engaged in mountain top removal mining. In permitting exclusion under Rule 14a-8(i)(7), the Staff noted that “the proposal addresses matters beyond the environmental impact of [the Company’s] project finance decisions, such as [the Company’s] decisions to extend credit or provide other financial services to particular types of customers.” *See also, e.g., Marriott International, Inc.* (Jan. 13, 2021) (permitting exclusion under Rule 14a-8(i)(7) of a proposal that requested a report on the “external social costs” created by a compensation policy, noting that referencing social policy issues that “have only tangential implications for the issues that constitute the central focus of a proposal, does not transfer an otherwise ordinary business proposal into one that transcends ordinary business”); *CIGNA Corp.* (Feb. 23, 2011) (permitting exclusion under Rule 14a-8(i)(7) when, although the proposal addressed the potential significant policy issue of access to affordable health care, it also asked CIGNA to report on expense management, an ordinary business matter); *Capital One Financial Corp.* (Feb. 3, 2005) (permitting exclusion under Rule 14a-8(i)(7) when, although the proposal addressed the significant policy issue of outsourcing, it also asked the company to disclose information about how it manages its workforce, an ordinary business matter).

In this instance, even if the Proposal were viewed to touch on a potential significant policy issue, the Proposal’s overwhelming concern with the products and services offered by the Company, and specifically, its decisions with regard to underwriting and financing decisions and how the Company reports on these matters, demonstrates that the Proposal’s focus is on ordinary business matters. Therefore, even if the Proposal could be viewed as touching upon a significant policy issue, its focus is on ordinary business matters. Accordingly, consistent with the precedent described above, the Proposal should be excluded under Rule 14a-8(i)(7) as relating to the Company’s ordinary business operations.

*B. The Proposal seeks to micromanage the Company.*

The Staff has consistently agreed that shareholder proposals attempting to micromanage a company by probing too deeply into matters of a complex nature upon which shareholders, as a group, are not in a position to make an informed judgment are excludable under Rule 14a-8(i)(7). *See* 1998 Release; *see also, e.g., JPMorgan Chase & Co.* (Mar. 22, 2019); *Royal Caribbean Cruises Ltd.* (Mar. 14, 2019); *Walgreens Boots Alliance, Inc.* (Nov. 20, 2018). As the Commission has explained, a proposal may probe too deeply into matters of a complex nature if it “involves intricate detail, or seeks to impose specific time-frames or methods for implementing complex policies.” *See* 1998 Release; *see also, e.g., Amazon.com, Inc.* (Apr. 7, 2023, *recon. denied* Apr. 20, 2023). In Staff Legal Bulletin No. 14L (Nov. 3, 2021) (“SLB 14L”), the Staff explained that a proposal can be excluded on the basis of micromanagement based “on the level of granularity sought in the proposal

and whether and to what extent it inappropriately limits discretion of the board or management.”

In particular, the Staff has permitted exclusion on the basis of micromanagement of shareholder proposals urging the adoption of policies that impose specific methods for implementing complex policies. For example, in *Amazon.com, Inc.* (Apr. 7, 2023, *recon. denied* Apr. 20, 2023), the Staff permitted exclusion under Rule 14a-8(i)(7) of a proposal that would have required the company to adopt a particular methodology for scope 3 greenhouse gas emissions measuring and reporting that was inconsistent with the company’s existing approach. In its response, the Staff noted that “the [p]roposal seeks to micromanage the [c]ompany by imposing a specific method for implementing a complex policy disclosure without affording discretion to management.” *See also Chubb Ltd.* (Mar. 27, 2023) (permitting exclusion on the basis of micromanagement of a proposal requesting that the company adopt and disclose a policy for the timebound phase out of the company’s underwriting risks associated with new fossil fuel exploration and development projects); *The Coca-Cola Co.* (Feb. 16, 2022) (permitting exclusion on the basis of micromanagement of a proposal requesting that the company submit any proposed political statement to shareholders at the next shareholder meeting for approval prior to issuing the subject statement publicly); *Rite Aid Corp.* (Apr. 23, 2021, *recon. denied* May 10, 2021) (permitting exclusion on the basis of micromanagement of a proposal requesting the board adopt a policy that would prohibit equity compensation grants to senior executives when the company common stock had a market price lower than the grant date market price of any prior equity compensation grants to such executives); *JPMorgan Chase & Co.* (Mar. 30, 2018) (permitting exclusion on the basis of micromanagement of a proposal that requested a report on the reputational, financial and climate risks associated with project and corporate lending, underwriting, advising and investing for tar sands production and transportation, noting that the proposal sought to “impose specific methods for implementing complex policies”).

The Staff also has permitted the exclusion on the basis of micromanagement of proposals that sought excessive and overly granular detail. *See, e.g., Phillips 66* (Mar. 20, 2023) (permitting exclusion on the basis of micromanagement of a proposal that requested an audited report describing the undiscounted expected value to settle obligations for the company’s asset retirement obligations with indeterminate settlement dates); *Valero Energy Corp.* (Mar. 20, 2023) (same); *Deere & Co.* (Jan. 3, 2022) (permitting exclusion on the basis of micromanagement of a proposal that requested annual publication of the “written and oral content of any employee-training materials” offered to the company’s employees); *GameStop Corp.* (Apr. 25, 2023) (permitting exclusion on the basis of micromanagement of a proposal that requested the company provide detailed and current information



regarding shareholder ownership of the company to the public and also provide a searchable history of this information).

In this instance, the Proposal seeks to micromanage the Company by imposing specific methods for implementing complex policies and by requesting overly granular detail. Although couched as a request for disclosure, the Proposal takes issue with the Company's current reporting and would require the Company to create and disclose an entirely new financial measure, the "Clean Energy Supply Financing Ratio," as defined in the Proposal. While the Proposal acknowledges that the Company "has committed to achieve net-zero emissions by 2050, with a target of \$1 trillion toward green initiatives by the end of 2030," the Proposal claims that the Company "remains the largest financer of fossil fuels" and that "[i]t remains difficult to assess [the Company's] decarbonization progress and investors need additional information to assess [the Company's] clean energy financing relative to fossil fuels." The Proposal then asserts that "[c]lean-energy-to-fossil-fuel financing ratios have emerged as a key metric for assessing progress in financing the clean energy transition." The supporting statement further prescribes how the Company should prepare the Proposal's requested disclosure, including that the Company (i) set timebound Clean Energy Supply Financing Ratio targets aligned with its net zero commitment, (ii) consult BloombergNEF Report when setting such ratio targets and defining "low carbon" and "fossil fuel" financing, (iii) work to establish standardized industrywide methodologies and (iv) include lending in its ratio "if methodologically sound." Thus, the Proposal seeks the Company's disclosure of what the Proposal claims to be a key metric, prepared in line with the specific methods outlined in the Proposal. Like in *Amazon.com, Inc.* (Apr. 7, 2023, *recon. denied* Apr. 20, 2023), where the Staff determined that a proposal sought to micromanage the company because it would have required the company to adopt a particular methodology for scope 3 greenhouse gas emissions measuring and reporting that was different from the company's existing approach, the Proposal here would require the Company to adopt a particular methodology for financial reporting on certain of its financing activities and would dictate precisely how this measure is calculated. In doing so, the Proposal would require a specific method for implementing a complex policy and seeks excessively granular information.

Decisions concerning the Company's financial disclosures to the public require complex business judgments and distinct assessments by the Company's teams across various functions. In this regard, whether and how the Company reports on these matters involves exactly the type of day-to-day operational decisions that the 1998 Release and SLB 14L recognized as appropriate for exclusion under Rule 14a-8(i)(7). By mandating that the Company use a particular reporting metric, the Proposal probes too deeply into matters of a complex nature upon which shareholders, as a group, are not in a position to make an informed judgment and therefore would micromanage the Company.

Moreover, the Proposal inappropriately limits discretion of the Board and management. As discussed in more detail above, the manner in which the Company monitors, measures and analyzes its lending and underwriting activities, and how it reports to investors on these matters, necessitates a careful and complex analysis and weighing of multiple factors. By forcing the Company to report a “Clean Energy Supply Financing Ratio,” the Proposal would remove the ability of management to evaluate and make judgments regarding whether this metric is even appropriate for the Company and its investors. Indeed, requiring a company to report any specific financial measure, as the Proposal does, is precisely the type of request that the Commission has determined would result in micromanagement. Accordingly, the Proposal should be excluded pursuant to Rule 14a-8(i)(7) as relating to the Company’s ordinary business operations.

Conclusion

On the basis of the foregoing, the Company respectfully requests the concurrence of the Staff that the Proposal should be excluded from the Company’s proxy materials for the 2024 Annual Meeting. If you have any questions or would like any additional information regarding the foregoing, please do not hesitate to contact me at (202) 371-7180. Thank you for your prompt attention to this matter.

Very truly yours,



Brian V. Breheny

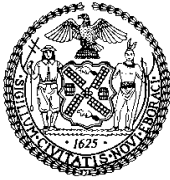
Enclosures

cc: John H. Tribolati  
Corporate Secretary  
JPMorgan Chase & Co.

Jennifer Conovitz  
City of New York Office of the Comptroller

EXHIBIT A

(see attached)



Jennifer Conovitz  
Special Counsel for Governance and  
Responsible Investment  
Senior Advisor for ESG

CITY OF NEW YORK  
OFFICE OF THE COMPTROLLER  
BRAD LANDER

MUNICIPAL BUILDING  
ONE CENTRE STREET, 8<sup>TH</sup> FLOOR NORTH  
NEW YORK, N.Y. 10007-2341

TEL: [REDACTED]  
[REDACTED]

November 30, 2023

John H. Tribolati  
Secretary  
JPMorgan Chase & Co.  
Office of the Secretary  
383 Madison Avenue, 39<sup>th</sup> Floor  
New York, NY 10179

Dear Mr. Tribolati:

I write to you on behalf of the Comptroller of the City of New York, Brad Lander. The Comptroller is the custodian and a trustee of the New York City Employees' Retirement System, the New York City Teachers' Retirement System, the New York City Police Pension Fund, and the New York City Board of Education Retirement System (individually a "System," collectively the "Systems") The Systems' boards of trustees have authorized the Comptroller to submit and otherwise act on the Systems' behalf with respect to the enclosed shareholder proposal, and to inform you of the Systems' intention to present the shareholder proposal for the consideration and vote of stockholders at the Company's next annual meeting.

Therefore, we offer the enclosed proposal for the consideration and vote of shareholders at the Company's next annual meeting. It is submitted to you in full compliance with Rule 14a-8 of the Securities Exchange Act of 1934, and I ask that it be included in the Company's proxy statement.

Each System is the beneficial owner of at least \$25,000 in market value of the Company's securities entitled to vote on the shareholder proposal and have held such stock continuously for at least one year. Furthermore, each System intends to continue to hold at least \$25,000 worth of these securities through the date of the Company's next annual meeting. Proof of continuous ownership for the requisite time period will be sent by the Systems' custodian bank, State Street Bank and Trust Company, under separate cover.

We welcome the opportunity to discuss the shareholder proposal with you, and are available to meet with the Company via teleconference at 3:00pm ET on December 14, 2023 or December 15, 2023.

Please note that if the Company believes that the Systems or the enclosed shareholder proposal has failed to meet one or more of the eligibility or procedural requirements set forth in answers to Questions 1 through 4 of Rule 14a-8, the Company must notify us in writing of any alleged

deficiency within 14 calendar days of receiving the proposal and provide us with an opportunity to respond to any alleged deficiency within 14 days of receiving the Company's written notification.

I can be contacted at the phone number or email address set forth above to schedule a meeting with the Company or to address any questions the Company may have about the enclosed proposal.

Sincerely,

A handwritten signature in blue ink that reads "Jennifer Conovitz". The signature is written in a cursive style with a large, looping initial "J".

Jennifer Conovitz

Enclosure

## Clean Energy Supply Financing Ratio

### Resolved

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

### Supporting Statement

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

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

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

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

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

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<sup>1</sup> <https://www.iea.org/reports/net-zero-by-2050>

<sup>2</sup> <https://www.bloomberg.com/news/articles/2023-10-18/green-fees-overtake-fossil-fuels-for-second-straight-year>

<sup>3</sup> [JPMorgan \(JPM\) Joins Net-Zero Banking Alliance With Emissions Pledge - Bloomberg; Our Initiatives \(jpmorganchase.com\)](https://www.jpmorgan.com/news/press-releases/2023/09/20/jpmorgan-joins-net-zero-banking-alliance-with-emissions-pledge)

<sup>4</sup> [2022 Environmental Social Governance Report \(jpmorganchase.com\)](https://www.jpmorgan.com/news/press-releases/2023/09/20/jpmorgan-2022-environmental-social-governance-report)

<sup>5</sup> <https://www.bankinonclimatechaos.org/#sector-panel>

<sup>6</sup> <https://www.ft.com/content/ec631d67-831e-4efe-b01a-8342cebb0f70>

<sup>7</sup> <https://assets.bbhub.io/professional/sites/24/BNEF-Bank-Financing-Report-Summary-2023.pdf>

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

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

At management's discretion, we recommend JPMorgan:

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

We urge shareholders to vote FOR the proposal.

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

<sup>9</sup> <https://www.iea.org/reports/world-energy-investment-2023/overview-and-key-findings>

<sup>10</sup> <https://www.iea.org/reports/world-energy-investment-2023/overview-and-key-findings>



CITY OF NEW YORK  
OFFICE OF THE COMPTROLLER  
BRAD LANDER

JUSTINA K. RIVERA  
GENERAL COUNSEL

OFFICE OF THE GENERAL COUNSEL

February 22, 2024

VIA ONLINE SHAREHOLDER PROPOSAL FORM

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

Re: Response to JPMorgan Chase & Co.'s January 19, 2024 No-Action Request

Dear Counsel:

I write on behalf of the New York City Employees' Retirement System, the New York City Teachers' Retirement System, the New York City Police Pension Fund, and the Board of Education Retirement System of the City of New York (collectively, the "Systems") in response to the no-action request from JPMorgan Chase & Co. ("JPMorgan" or the "Company"), dated January 19, 2024 (the "No-Action Request"). The No-Action Request seeks the concurrence of the Office of Chief Counsel of the Division of Corporate Finance of the Securities and Exchange Commission ("Staff") in JPMorgan's contention that the Company may exclude the Systems' shareholder proposal ("Proposal") from its 2024 proxy materials. As we explain below, JPMorgan has not established that it may exclude the Proposal under Rule 14a-8(i)(7). The Proposal seeks the disclosure of a key financial metric that has emerged as a critical tool for assessing a company's progress in financing the clean energy transition, which is urgently needed to address climate change. Accordingly, the Proposal is squarely focused on the significant policy issue of climate change. Disclosure of this metric – the ratio of the Company's total financing of low-carbon energy supply to the Company's total financing of fossil-fuel energy supply – will assist investors in measuring the progress that the Company is (or is not) making in meeting its own climate goals and financing the transition from fossil fuels to clean energy. For this reason, the Proposal transcends ordinary business. Likewise, the Proposal does not micromanage the Company because it does not seek to impose a specific methodology, does not request overly granular detail, and does not inappropriately limit the discretion of the Company's board or management. Accordingly, the Systems respectfully request that the Staff deny JPMorgan's No-Action Request.



## PROPOSAL AND SUPPORTING STATEMENT

The Systems' Proposal<sup>1</sup> states:

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

Although the Proposal's Resolved Clause requests the disclosure of the Ratio, a financial metric, the Supporting Statement makes clear that the Proposal is squarely focused on how the Ratio will be used to assess JPMorgan's response to the significant policy issue of climate change, which the Staff has long recognized as an issue that transcends ordinary business. The Supporting Statement begins by noting that the Intergovernmental Panel on Climate Change has advised that greenhouse gas ("GHG") emissions must be halved by 2030 to reach net zero by 2050. According to the International Energy Agency ("IEA"), this requires a rapid transition from fossil fuels and a tripling in annual global clean energy investments by 2030. Financial institutions play an outsized role in financing this transition. For its part, JPMorgan has committed to obtaining net zero emissions by 2050, and it has set a target of \$1 trillion for green initiatives by the end of 2030. Nevertheless, as the Supporting Statement notes, JPMorgan remains the largest financer of fossil fuel projects, providing approximately \$434 billion in financing since 2016. Furthermore, JPMorgan recently shifted its "climate goalposts" by expanding the boundary of its oil and gas end-use emissions target to a broader "energy mix," adding alternative fuels and zero-carbon electricity generation. This has muddied the waters and makes it difficult for the Systems and other investors to assess the Company's progress on its own decarbonization goals and to determine whether the Company is on pace to reach net zero by 2050. The Ratio is a tool that will better enable investors to assess Company's progress towards its own climate goals. Without requiring JPMorgan to adopt any specific methodology for formulating the Ratio, the Supporting Statement notes that clean-energy-to-fossil-fuel financing ratios – of which there are several – have emerged as a key metric for assessing progress in financing the clean energy transition. The Proposal accords the Company substantial methodological discretion, asking only that the Company describe its selected methodology as part of its disclosure of the Ratio, including what it defines as "low carbon" and "fossil fuel." In addition, while the Supporting Statement makes several recommendations concerning the Ratio, they are all *expressly* made subject to "management's discretion."<sup>2</sup>

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<sup>1</sup> A copy of the Proposal and supporting statement is attached as Exhibit A to JPMorgan's No-Action Request.

<sup>2</sup> The recommendations to the Company are to set timebound Ratio targets aligned with its net zero commitment, consult a BloombergNEF report when setting Ratio targets and defining "low carbon" and "fossil fuel" financing, work to establish standardized industrywide methodologies, and include lending in the Ratio if methodologically sound.

## **THE PROPOSAL CANNOT BE EXCLUDED AS ORDINARY BUSINESS**

JPMorgan argues the Proposal may be omitted under Rule 14a-8(i)(7) because it relates to the “ordinary business” operations of the Company. As we explain below though, the Proposal is focused on the significant policy issue of climate change, which transcends ordinary business concerns, and does not seek to micromanage the Company. Accordingly, it cannot be excluded under Rule 14a-8(i)(7).

### **A. The Ordinary Business Standard of Rule 14a-8(i)(7)**

The “ordinary business” exception permits a company to exclude a proposal that “deals with a matter relating to the company’s ordinary business operations.” Rule 14a-8(i)(7). The Staff recently clarified that the policy underlying the ordinary business exception rests on two considerations: (1) the “proposal’s subject matter,” and (2) “the degree to which the proposal ‘micromanages’ 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.’” Staff Legal Bulletin 14L, § B.3 (Nov. 21, 2021) (“SLB 14L”), *quoting* Release No. 34-40018 (May 21, 1998) (the “1998 Release”).

With respect to the subject matter of a proposal, SLB 14L re-affirmed the standards set forth in the 1998 Release, which explained that some “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.” 1998 Release, § III. However, even if a proposal raises “ordinary business” issues, SLB 14L re-affirmed a longstanding exception, under which a company may not exclude a proposal that transcends a company’s ordinary business affairs because the proposal addresses “significant social policy issues.” SLB 14L, § B.2. Specifically, “the staff will consider whether the proposal raises issues with a broad societal impact, such that they transcend the ordinary business of the company.” *Id.* The Staff has long recognized that climate change constitutes one such transcendent issue and that proposals focused on climate change are generally not subject to exclusion under Rule 14a-8(i)(7). *See, e.g., Devon Energy Corp.* (Mar. 19, 2014) (proposal requesting a report on the company’s goals and plans to address global concerns regarding the contribution of fossil fuel use to climate change, including analysis of long- and short-term financial and operational risks to the company, not excludable under Rule 14a-8(i)(7) because the proposal “focuses on the significant policy issue of climate change and does not seek to micromanage the company to such a degree that exclusion of the proposal would be appropriate”). In determining whether a proposal focuses on a significant social policy issue, the Staff considers “the proposal and the supporting statement as a whole.” Staff Legal Bulletin 14C, § D.2 (June 28, 2005).

With respect to micromanagement, SLB 14L clarified that the inclusion of specific methods, timelines, or detail do not necessarily amount to micromanagement and are not dispositive of excludability. SLB 14L, § B.3. The Staff emphasized that it will “take a measured approach to evaluating companies’ micromanagement arguments – recognizing that proposals seeking detail or seeking to promote timeframes or methods do not per se constitute micromanagement,” and that the Staff will focus “on the level of granularity sought in the proposal and whether and to what extent it inappropriately limits discretion of the board or management.” *Id.* Particularly relevant here, the Staff also noted that it “expect[s] the level of detail included in a

shareholder proposal to be consistent with that needed to enable investors to assess an issuer's impacts, *progress towards goals*, risks or other strategic matters appropriate for shareholder input." *Id.* (emphasis added). Finally, in assessing whether a proposal "probes matters 'too complex' for shareholders, as a group, to make an informed judgment," the Staff "consider[s] the sophistication of investors generally on the matter, the availability of data, and the robustness of public discussion and analysis on the topic," as well as "references to well-established national or international frameworks when assessing proposals related to disclosure, target setting, and timeframes as indicative of topics that shareholders are well-equipped to evaluate." *Id.*

### **B. The Proposal Addresses the Significant Policy Issue of Climate Change and Therefore Transcends the Company's Ordinary Business**

The Proposal is not excludable as "ordinary business" because it focuses on the significant policy issue of climate change, which transcends the Company's ordinary business. As we noted above, the Proposal requests the disclosure of the Ratio, which compares the Company's total financing in low-carbon energy supply to that in fossil-fuel energy supply. However, the Supporting Statement clarifies that the disclosure of the Ratio is necessary to provide investors with a tool to better assess the Company's progress on its own stated decarbonization goals, as well as to better understand whether the Company is on pace to meet those goals, especially its goal of achieving net-zero emissions by 2050. These goals are all directly related to the issue of climate change, especially how climate change issues are being addressed through the Company's financing decisions. The Staff has long considered proposals that focus on issues related to climate change to transcend ordinary business. *See, e.g., Dominion Resources* (February 27, 2014) (proposal requesting board report evaluating environmental and climate change impacts of the company using biomass as a key renewable energy and climate mitigation strategy, including an assessment of risks to the company's finances and operations posed by emerging public policies on biomass energy and climate change, not excludable as ordinary business because proposal focused on the significant policy issue of climate change); *Devon Energy Corp.* (Mar. 19, 2014) (proposal requesting a report on the company's goals and plans to address global concerns regarding the contribution of fossil fuel use to climate change, including analysis of long- and short-term financial and operational risks to the company, not excludable under Rule 14a-8(i)(7) because the proposal focused on the significant policy issue of climate change and did not seek to impermissibly micromanage the company); *Goldman Sachs Group, Inc.* (February 7, 2011) (proposal requesting report disclosing the business risk related to developments in the political, legislative, regulatory, and scientific landscape regarding climate change not excludable as ordinary business because the proposal focused on the significant policy issue of climate change).

In *Duke Energy Corp.* (Mar. 12, 2019), the challenged proposal asked the company to annually disclose the costs the company actually incurred, as well as the associated actual/significant benefits accruing to shareholders, public health and the environment from the Company's environment-related activities that are voluntary and exceed federal/state regulatory requirements. Although the proposal expressly sought the disclosure of financial information (including the costs incurred by the company), which would typically be considered a matter of ordinary business, the Staff determined that the proposal transcended ordinary business because of its focus on significant policy issues. Likewise, in *PNC Financial Services Group, Inc.* (February 13, 2013), the proposal requested a board report assessing greenhouse gas emissions

resulting from its lending portfolio and its exposure to climate change risk in lending, investing, and financing activities. The Staff determined that the proposal was not excludable because it addressed the significant policy issue of climate change, even though the company argued, as JPMorgan does here, that the proposal simply dealt with the Company's financing decisions.

Although the Proposal does not require the Company to adopt any policies regarding its financing and underwriting of fossil fuel projects, the Staff has already concluded that a proposal focusing on that subject can survive an ordinary business challenge. In *Chubb Limited* (March 26, 2022), the proposal requested that the board adopt and disclose new policies to help ensure that the Company's underwriting practices do not support new fossil fuel supplies, in alignment with the IEA's Net Zero Emissions by 2050 Scenario. The Staff concluded that this proposal transcended ordinary business matters and did not seek to micromanage the Company. It is hard to see how the Proposal – which only requests the *disclosure* of information regarding the Company's financing of fossil fuel and low carbon energy– would be excludable as ordinary business, while a proposal directly requesting that a company adopt *policies* to ensure that it does not support new fossil fuel supplies would not be excludable as ordinary business. In short, the Proposal falls squarely in line with prior proposals that could not be excluded on ordinary business grounds because they focused squarely on issues directly related to climate change.

Despite this precedent, JPMorgan argues that the Proposal should be excluded as ordinary business because the Staff has previously permitted the exclusion of shareholder proposals relating to the products and services offered for sale by a company, including its lending and underwriting activities. The Company cites a plethora of prior Staff determinations where shareholder proposals relating to the products and services offered for sale by a company were found to be excludable, including *JPMorgan Chase & Co.* (Mar. 25, 2022); *JPMorgan Chase & Co.* (Mar. 26, 2021), *JPMorgan Chase & Co.* (Mar. 19, 2019), and *Wells Fargo & Co.* (Jan. 18, 2013, *recon. denied* Mar. 4, 2013). However, none of these determinations involved proposals that were focused on climate change. Furthermore, contrary to the Company's claim, the Staff has clarified that proposals concerning the “nitty-gritty” of a company's business, including the products and services offered, are not excludable where they are focused on a significant policy issue that transcends a company's ordinary business. *See* SLB 14H. Thus, the current Proposal, which requests that JPMorgan annually disclose the Ratio, does not impinge on the ordinary business of the company in a manner that renders it excludable.

The Company further contends that the Staff has consistently permitted exclusion under Rule 14a-8(i)(7) of shareholder proposals relating to how a company makes financial disclosures. No-Action Request at 4. The Company again cites a long string of prior determinations (*The Goldman Sachs Group, Inc.* (Jan. 23, 2017); *Merrill Lynch & Co., Inc.* (Feb. 20, 2008); *AmerInst Insurance Group Ltd.* (Apr. 14, 2005); *Union Pacific Corp.* (Jan. 28, 2005); *International Business Machines Corp.* (Jan. 9, 2001); and *Johnson Controls, Inc.* (Oct. 26, 1999)). None of these determinations involved proposals that raised significant policy issues, much less the significant policy issue of climate change. Where a proposal addresses a transcendent policy issue, such as climate change, the Staff has rejected ordinary business challenges, even if the proposal seeks the disclosure of financial information. *See, e.g., Duke Energy Corp.* (Mar. 12, 2019) (proposal requesting the annual disclosure of actually incurred costs and associated actual/significant benefits accruing to shareholders, public health and the environment from the company's environment-related activities not excludable under Rule 14a-8(i)(7) because proposal transcends ordinary business matters and did not seek to

micromanage the company); *Dean Foods Company* (Mar. 25, 2005) (proposal requesting disclosure of the company's social, environmental and economic performance in annual sustainability reports not excludable as ordinary business). Because the Proposal directly concerns climate change, it is easily distinguished from these prior determinations.

Finally, JPMorgan argues that the Proposal can still be excluded as ordinary business even if it touches upon a significant policy issue. The question, the Company asserts, is whether the proposal focuses primarily on a matter of broad public policy versus matters related to the company's ordinary business operations. No-Action Request at 5. Here, the Proposal does much more than "touch upon" a significant policy issue. The focus of the Proposal is climate change, and in particular with providing investors a tool that can be used to assess the Company's progress in meeting its own climate goals and financing the clean energy transition. To support its position, the Company relies on *JPMorgan Chase & Co.* (Mar. 12, 2010), where the proposal requested that the board publish a report assessing: (1) the impact of mountain top removal coal mining by JPMorgan's clients on the environment and people of Appalachia, and (2) the adoption of a policy barring future financing by JPMorgan of companies engaged in mountain top removal coal mining. In permitting exclusion of the proposal under Rule 14a-8(i)(7), the Staff noted that "the second part proposal addresses matters beyond the environmental impact of JPMorgan Chase's project finance decisions, such as JPMorgan Chase's decisions to extend credit or provide other financial services to particular types of customers." But the proposal at issue there is markedly different from the Proposal. There, the Staff noted that the second part of the proposal addressed the adoption of a policy barring the future financing of companies engaged in a particular type of business. In contrast, the Proposal does not request that the Company adopt a policy that bars it from certain types of financing or from engaging in business with certain customers; it simply requests an annual disclosure of a metric that will allow investors to better assess JPMorgan's progress in meeting its own climate goals and financing the clean energy transition.

Based on the foregoing, the Staff should conclude that the Proposal cannot be excluded as ordinary business under Rule 14a-8(i)(7).

### **C. The Proposal does not Micromanage the Company**

There is also no merit to JPMorgan's contention that the Proposal seeks to micromanage the Company. Far from imposing "specific methods for implementing complex policies" or seeking "overly granular detail" (No-Action Request at 8), the Proposal is a straightforward request, asking only that JPMorgan disclose a key metric that has emerged as a vital tool for investors that want to evaluate a company's progress in financing the clean energy transition and meeting its own climate goals: the ratio of a company's total financing of low-carbon energy supply relative to its total financing of fossil-fuel energy supply. The Proposal does not impose specific methods for implementing complex policies, and the Proposal's request for aggregated, high-level information is the very opposite of "overly granular detail." Likewise, the Proposal does not inappropriately limit the discretion of JPMorgan's board and management. Importantly, no constraints whatsoever are placed on the Company's financing activities, and in disclosing the Ratio, the Company remains free to determine what financing it classifies as "low carbon" and what it classifies as "fossil fuel," and whether it wishes to include lending in the Ratio. Finally, disclosing the Ratio does not limit the Company's ability to explain its view of the meaning or significance of the Ratio the Ratio, nor does it limit the Company's ability to disclose additional

or alternative metrics that it feels are appropriate for the Company and investors. Accordingly, the Proposal cannot be excluded on micromanagement grounds.

With respect to methodology, the Proposal does not impose any particular methodology for calculating the Ratio, much less require the implementation of a complex policy.<sup>3</sup> This is apparent from the Resolved Clause, which asks that the Company's disclosure of the Ratio include a description of "JPMorgan's methodology, including what it classifies as 'low carbon' or 'fossil fuel.'" If the Proposal sought to impose a preexisting, third-party metric that already defined or classified low-carbon and fossil-fuel financing, it would make no sense to ask the Company to describe "*JPMorgan's methodology*" or explain "what *it* classifies as low-carbon and fossil-fuel energy supply financing" (emphasis added). The Supporting Statement further explains there are several clean-energy-to-fossil-fuel ratios that have emerged as a key metric for investors, but neither the Resolved Clause nor the Supporting Statement mandates that the Company adopt any of the ratios already in use. The Supporting Statement does *recommend* that the Company (1) set timebound ratio targets aligned with its net zero commitment, (2) consult a BloombergNEF report when setting ratio targets and defining low-carbon and fossil-fuel financing, (3) work to establish standardized industrywide methodologies, and (4) include lending in its ratio if it is methodologically sound, but these are all identified as recommendations and expressly left to "management's discretion."<sup>4</sup> Accordingly, there is no basis for JPMorgan's claim that the Proposal requires "the Company to adopt a particular methodology" or that the Proposal "dictate[s] precisely how [the Ratio] is calculated." No-Action Request at 8.

Likewise, the Proposal does not seek overly granular detail. The requested ratio only requires JPMorgan to determine what financing it classifies as low-carbon energy supply financing and what financing it classifies as fossil-fuel energy supply financing, tally the two categories, and then annually disclose how they compare to each other. The information subject to disclosure is high-level, aggregated data that has become increasingly important for investors concerned with how (and the speed at which) financial institutions, such as JPMorgan, are financing the transition to clean energy. Accordingly, the Company's conclusory claim that the Proposal seeks "overly" or "excessively" granular detail or information has no basis. No-Action Request at 8.

The Proposal also does not inappropriately limit the discretion of the Company's board or management. First and foremost, the Proposal focuses simply on the *disclosure* of data regarding the Company's energy supply financing; it does not attempt to place any limits on the Company's financing activities. Second, even if shareholders approve the Proposal, substantial discretion remains with the Company regarding the requested disclosure. In particular, the Company gets to determine the methodology it adopts for calculating the Ratio, including what it classifies as low-carbon energy supply financing and what is classifies as fossil-fuel energy supply financing, and

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<sup>3</sup> JPMorgan does not identify the policies that would need to be implemented by the Proposal or explain why those policies are complex. The Ratio is not complex—it is a straightforward comparison of one amount (low-carbon energy financing) to another (fossil-fuel energy financing)—and the Company's disclosure of the Ratio does not involve any substantial complexity because it does not limit the Company's ability to explain its views on the relevance of the Ratio, or bar the Company from disclosing its own preferred metrics for measuring its low-carbon and fossil-fuel financing.

<sup>4</sup> The Proposal's recommendations that the Company work to establish industrywide methodologies for this ratio and determine whether the inclusion of lending is methodologically sound further demonstrate that the Proposal does not impose any specific methodology on the Company for calculating this ratio.

whether it includes lending in the Ratio. Further, the disclosure of the Ratio does not, as JPMorgan contends, “remove the ability of management to evaluate and make judgments regarding whether this metric is even appropriate for the Company and its investors.” No-Action Request at 9. For example, the Company is free to explain why the Ratio is being disclosed (*i.e.*, because shareholders asked for it) and express any caveats it has about the usefulness or relevance of the Ratio for the Company and its investors. Likewise, the Proposal does not limit the Company’s discretion to disclose other metrics that it feels are more useful for investors seeking to assess the impact of the Company’s financing activities on its clean energy transition, which is a professed goal of the Company. In short, any limitation the Proposal places on the Company’s discretion is *de minimis* and certainly not sufficient to warrant a finding of micromanagement.

As the Staff made clear in SLB 14L, the micromanagement exemption should not be read to mean that “any limit on company or board discretion constitutes micromanagement,” and investors remain free to advance proposals that “provid[e] high-level direction on large strategic corporate matters,” including those that seek information that allows them “*to assess an issuer’s ... progress towards goals*, risks or other strategic matters appropriate for shareholder input.” SLB 14L (emphasis added). This guidance from SBL 14L is particularly germane here. As noted in the Supporting Statement, the Company has committed itself to achieving net-zero emissions by 2050 and has given itself a target of \$1 trillion in green initiatives by the end of 2030. The Proposal makes clear that the purpose of the requested disclosure is to make it easier for investors to assess JPMorgan’s progress towards its own strategic climate goals. Accordingly, this is exactly the type of proposal that should survive a micromanagement challenge.

Turning to the prior determinations cited by the Company, JPMorgan primarily relies on *Amazon.com, Inc.* (Apr. 7, 2023, *recon. denied* Apr. 20, 2023), but the proposal at issue there is easily distinguished from the Proposal. In *Amazon*, the proposal asked Amazon to measure and disclose scope 3 GHG emissions from its full value chain inclusive of its physical stores and e-commerce operations and all products that it sells directly and through third-party vendors. The proposal did not afford Amazon discretion as to how to collect, measure, or disclose scope 3 GHG emissions – and required Amazon to measure scope 3 GHG emissions for its *entire value chain*, instead of some subset of its business (such as only Amazon-branded products). The proponent noted that 99% of products sold on Amazon are third-party products, so the proposal, if implemented, would have required a massive and complex undertaking by Amazon to collect, measure and report scope 3 GHG emissions data from the thousands of companies that produce and sale products on Amazon. Accordingly, the Staff concluded that the proposal could be excluded on micromanagement grounds because it imposed a specific method for implementing a complex policy without affording discretion to management. No such concerns are present here. As noted above, no specific methods for calculating the Ratio are imposed on the Company and the information needed to calculate the Ratio does not require the implementation of complex policies, such as the task of collecting scope 3 GHG emissions data from thousands of entities outside the control of the company, as was the case in *Amazon*. Here, the information needed to calculate the ratio is much more limited and *already in JPMorgan’s possession* because the Ratio concerns JPMorgan’s *own financing activity*. Accordingly, *Amazon* provides no support for JPMorgan’s micromanagement argument.

The other determinations JPMorgan mentions are even further afield. The proposal in *Chubb Ltd.* (Mar. 27, 2023) expressly asked the company to adopt and disclose a policy for phasing out its underwriting risks associated with new fossil fuel exploration and development projects. Here, the Proposal solely concerns disclosure and does not request or require that JPMorgan adopt a policy that limits or phases out any aspect of its energy supply financing. The others, including: *The Coca-Cola Co.* (Feb. 15, 2022) (proposal requesting the submission of political statements to shareholders for approval), *Rite Aid Corp.* (Apr. 23, 2021, *recon. denied* May 10, 2021) (proposal requesting the adoption of a policy prohibiting equity compensation grants to senior executives in certain instances), *Phillips 66* (Mar. 20, 2023) (proposal requesting audited report describing the undiscounted expected value to settle obligations for AROs with indeterminate dates), *Valero Energy Corp.* (Mar. 20, 2023) (same), *Deere & Co.* (proposal requesting the publication of the written and oral content of any employee-training materials offered to any subset of the company's employees) and *GameStop Corp.* (Apr. 25, 2023) (proposal requesting detailed and current information regarding shareholder ownership of the company), all concern proposals that are not remotely similar in structure, content or the high-level of information requested in the Proposal. Finally, *JPMorgan Chase & Co.* (Mar. 30, 2018) concerned a proposal that requested a report on the reputational, financial and climate risks associated with project and corporate lending, underwriting, advising and investing for tar sands production and transportation that included assessments of: (1) short- and medium-term risk of portfolio devaluation due to stranding of high cost tar sands assets; (2) whether the Company's tar sands financing was consistent with the Paris Agreement; (3) how tar sands financing aligned with the Company's support for indigenous People's rights; and (4) reducing risk by establishing a specific policy restricting financing for tar sands projects and companies. The detailed granularity requested in *JPMorgan Chase & Co.*, and the lack of discretion accorded to the Company, distinguish that proposal from the Proposal, which is straightforward and accords wide latitude to the Company. Further, *JPMorgan Chase & Co.* was decided prior to the Staff's release of SLB 14L, placing any precedential value it otherwise had in serious doubt.

If the Staff is looking for similar proposals, the Proposal is much closer in subject matter to the proposals at issue in *The Travelers Companies, Inc.* (Mar. 30, 2022) (proposal requesting the adoption and disclosure of new policies to help ensure that the company's underwriting practices do not support new fossil fuel supplies, in alignment with the International Energy Association's Net Zero Emissions by 2050 Scenario, did not micromanage the company), *Chubb Ltd.* (Mar. 26, 2022) (proposal requesting that the company issue a report addressing whether and how it intends to measure, disclose, and reduce GHG emissions associated with its underwriting, insuring, and investment activities in alignment with the Paris Agreement's temperature goal, requiring net zero emissions, did not micromanage the company); *JPMorgan Chase & Co.* (Mar. 25, 2022) (proposal requesting that the company adopt a policy in which the company takes available actions to help ensure its financing does not contribute to new fossil fuel supplies inconsistent with the International Energy Agency's Net Zero Emissions by 2050 scenario, did not micromanage the company), and *PNC Financial Services Group, Inc.* (Feb. 13, 2013) (proposal requesting disclosure of company's assessment of the greenhouse gas emissions resulting from its lending portfolio and its exposure to climate change risk in its lending, investing and financing activities not excludable under Rule 14a-8(i)(7)). In fact, these Proposals – most of which requested the adoption and implementation of a specific policy related to climate change – come closer to implicating micromanagement concerns than the Proposal, which simply requests the



disclosure of a relatively easily calculated high-level financial metric that will allow investors to assess the Company's progress towards meeting its own stated climate goals.

Based on the foregoing, the Staff should conclude that the Proposal does not micromanage the Company.

### **CONCLUSION**

For the reasons set forth above, we respectfully request that JPMorgan's No-Action Request be denied.

If you have any questions or need additional information, please do not hesitate to contact me at the phone number or email address provided above.

Respectfully submitted,



Justina K. Rivera

CC (via email):

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SINGAPORE  
TOKYO  
TORONTO

March 1, 2024

VIA STAFF ONLINE FORM

U.S. Securities and Exchange Commission  
Division of Corporation Finance  
Office of Chief Counsel  
100 F Street, N.E.  
Washington, D.C. 20549

Re: Shareholder Proposal Submitted by the New York City Employees'  
Retirement System, the New York City Police Pension Fund,  
the New York City Teachers' Retirement System and  
the New York City Board of Education Retirement System

Ladies and Gentlemen:

We refer to our letter, dated January 19, 2024 (the "No-Action Request"), pursuant to which we requested that the Staff of the Division of Corporation Finance (the "Staff") of the U.S. Securities and Exchange Commission concur with JPMorgan Chase & Co.'s view that it may exclude the shareholder proposal and supporting statement (the "Proposal") submitted by the Office of the Comptroller of the City of New York (the "NYC Comptroller") on behalf of the New York City Employees' Retirement System, the New York City Police Pension Fund, the New York City Teachers' Retirement System and the New York City Board of Education Retirement System (collectively, the "Systems," and, together with the NYC Comptroller, the "Proponents") from its proxy materials for JPMorgan Chase & Co.'s 2024 Annual Meeting of Shareholders.

Attached hereto as Exhibit A is a letter, dated March 1, 2024 (the "Withdrawal Letter"), from the Proponents withdrawing the Proposal. In reliance on the Withdrawal Letter, we hereby withdraw the No-Action Request.

Office of Chief Counsel  
March 1, 2024  
Page 2

If we can be of any further assistance, or if the Staff should have any questions, please do not hesitate to contact me at the telephone number or email address appearing on the first page of this letter.

Very truly yours,



Brian V. Breheny

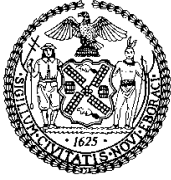
Enclosures

cc: John H. Tribolati  
Corporate Secretary  
JPMorgan Chase & Co.

Jennifer Conovitz  
City of New York Office of the Comptroller

EXHIBIT A

(see attached)



Jennifer Conovitz  
Special Counsel for Governance and  
Responsible Investment  
Senior Advisor for ESG

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March 1, 2024

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383 Madison Avenue, 39th Floor  
New York, NY 10179

Dear Mr. Tribolati:

Thank you for engaging with us concerning our shareholder proposal to JPM Chase ("JPMC") and your letter dated today. Based on the commitments contained therein, including JPMC's commitment to publicly disclose a Clean Energy Supply Financing Ratio in 2024 as well as associated disclosures, and your commitment to engage with the Office of the New York City Comptroller during the process, on behalf of the New York City Employees' Retirement System, the New York City Teachers' Retirement System, the New York City Police Pension Fund, and the New York City Board of Education Retirement System, I hereby withdraw the shareholder proposal submitted to JPMC in connection with the upcoming shareholder meeting.

Sincerely,

A handwritten signature in blue ink that reads "Jennifer Conovitz".

Jennifer Conovitz