United States Senate
WASHINGTON, DC 20510

March 22, 2018

James Dimon
Chairman, President & CEO
JP Morgan Chase
270 Park Avenue
New York, NY 10017

Dear Mr. Dimon:

We write to thank you for JPMorgan Chase's climate leadership. Your advocacy on behalf of greater climate risk disclosure and your participation in and support of the important work done by the Task Force on Climate-Related Financial Disclosures are most welcome. What's more, your decision to phase out the financing of coal mining projects is one that we wholeheartedly support.

As strong believers in the need for comprehensive solutions to climate change, we recognize that addressing and combating the climate crisis requires active engagement by many diverse actors, including financial institutions such as your own. We greatly appreciate that JPMorgan Chase shares our belief in the necessity of active engagement on climate.

We have recently learned, however, that JPMorgan Chase finances and invests in at least three companies that are active in the Amazon rainforest.[1]

As you know, prevailing science – and the Paris Climate Agreement – suggests that the world must keep two-thirds of proven fossil fuel reserves in the ground in order to hold the average global temperature increase to under two degrees Celsius and thereby have a fighting chance to escape the worst effects of climate change. Continued extraction of heavy crudes such as those found in the Amazon and the boreal forests of northern Canada, as well as the expansion of the fossil fuel industry into places like the Amazon rainforest, the destruction of which has been called a key "tipping point" by climate scientists,[2] will cause temperatures to increase by far more than two degrees, and will likely cause climatic consequences more severe than anything we have seen to date.

Additionally, extraction of heavy crude in culturally and biologically diverse places like the Amazon poses serious financial risks for companies and their investors. As clearly laid out by the Task Force on Climate-Related Financial Disclosures, "[t]he reduction in greenhouse gas emissions implies movement away from fossil fuel energy and related physical assets. This, coupled with rapidly declining costs and increased deployment of renewables and energy-

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[1] "JPMorgan, BlackRock Tout Climate Bona Fides While Funding Amazon Oil Drilling," *Huffington Post* (Nov. 9, 2017), https://www.huffingtonpJPMost.com/entry/amazon-oil-drilling_us_5a05060fe4b05673aa586549

[2] "Vicious Circle of Drought and Forest Loss in the Amazon," Postdam Institute for Climate Impact Research (March 13, 2017), https://www.pik-potsdam.de/news/press-releases/vicious-circle-of-drought-and-forest-loss-in-the-amazon

efficient technologies, could have significant, near-term financial implications for companies engaged in the extraction, production, and use of fossil fuels."[3] We further note that the World Bank has recently announced that it will stop financing oil and gas projects.

As fossil fuel extraction becomes less viable, there is a significant risk that fossil fuel companies will be left holding stranded assets. Investors in and creditors of fossil fuel companies may be left holding the bag should this occur. We are therefore concerned about the systemic risks fossil fuel investments pose to financial institutions and the nation's economy.

In light of these concerns, we are particularly interested in learning about your plans to address the climate and social risks of investments in and financing of companies engaged in the exploration, extraction, and refinement of heavy crudes, including in the Amazon rainforest and in northern Canada.

Sincerely,

Sheldon Whitehouse
United States Senator

Brian Schatz
United States Senator

[3] "Final Report: Recommendations of the Task Force on Climate-Related Financial Disclosures," page ii, Task Force on Climate-Related Financial Disclosures (June 2017), https://www.fsb-tcfd.org/wp-content/uploads/2017/06/FINAL-TCFD-Report-062817.pdf