

Presenting the Proposal to Report on Investments Tied to Genocide at the JPMorgan shareholder meeting on May 15, 2018

My name is Eric Cohen, co-founder of Investors Against Genocide. I'm here to present the proposal asking JPMorgan to report on investments tied to genocide and specifically explain how its investments in CNPC/PetroChina are consistent with its corporate values.

The CNPC/PetroChina group is a notable example because of its substantial, long-term support for the genocidal and murderous governments of Sudan, Burma, Syria, and Iran, and because, for many years, JPMorgan has been a very large holder of PetroChina. PetroChina is the publicly traded arm of its controlling parent, CNPC. The company partners with those governments' oil industries, thereby helping fund government-sponsored genocide and crimes against humanity.

Few of JPMorgan's customers and investors are aware of PetroChina's ties to genocide, but JPMorgan is well aware. Reasonable people may disagree on the definition of "ethical investing" but who would knowingly invest in companies complicit in genocide?

Since we first raised the issue 11 years ago, JPMorgan has resisted acting. JPMorgan opposed our numerous genocide-free investing proposals which asked it to avoid investments in companies substantially contributing to genocide. As recently as last month JPMorgan increased its holdings in PetroChina.

The shareholder proposal details some of JPMorgan's many statements on supporting human rights, developing best practices on human rights, signing on to the UN Principles for Responsible Investment, and even risk management processes to consider human rights. Given what JPMorgan says, one might assume, incorrectly, that JPMorgan takes reasonable steps to avoid, and help its customers avoid, investments tied to genocide. JPMorgan's investments in PetroChina demonstrate that it does not.

JPMorgan's statement of opposition raises questions about the sincerity of its human rights commitments, particularly its UN PRI commitment to take ESG factors into account when making investment decisions.

JPMorgan claims that its fiduciary duty prevents it from avoiding investments tied to genocide. However, ever since the famous Department of Labor "Calvert letter" of 1998 we have known that Environmental, Social, and Governance considerations are consistent with fiduciary duties.

JPMorgan implies that others are responsible for its problematic investments. This claim ignores JPMorgan's role in selecting and recommending investments.

Why does JPMorgan not even act on shares it directly controls? If it cannot avoid such investments, why not provide clear disclosure so that customers do not inadvertently invest in companies tied to genocide? Why does JPMorgan help CNPC/PetroChina raise capital? If T. Rowe Price, TIAA-CREF, and others can take steps to avoid investments tied to genocide, why can't JPMorgan?

JPMorgan has articulated powerful and important values. That's why it is so important that JPMorgan evaluate and report on how its corporate values align with its policies regarding investments in companies tied to genocide. If JPMorgan fails to address the inconsistency between its commitments and its practice, its corporate values are a sad irrelevancy, at best, and a dangerous hypocrisy, at worst.