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Jamie Dimon
Chief Executive Officer
JPMorgan Chase & Co.
277 Park Avenue
New York, NY 10172-0003

Dear Mr. Dimon,

Consumers' Research represents the interests of household consumers in all areas of consumer spending. It is an independent educational 501(c)(3) nonprofit organization whose mission is to increase the knowledge and understanding of issues, policies, products, and services of concern to consumers and to promote the freedom to act on that knowledge and understanding.

Food production and food availability on store shelves are critical issues for consumers. This places a greater emphasis on action taken by the New York Attorney General's office which highlighted a major risk to companies directly involved in financing and supporting the national food supply chain.

Recently, JBS USA Food Company (JBS) was sued by New York Attorney General Letitia James over public ESG statements and sustainability documents. The lawsuit alleged JBS's public statements and sustainability documents set unattainable goals regarding net-zero emissions—goals that could not be met so long as JBS continued to produce beef products—and that the JBS commitments misled consumers.

In her public statement announcing the JBS lawsuit, Attorney General James wrote:

“When companies falsely advertise their commitment to sustainability, they are misleading consumers and endangering our planet. JBS USA's greenwashing exploits the pocketbooks of everyday Americans and the promise of a healthy planet for future generations. My office will always ensure that companies do not abuse the environment and the trust of hardworking consumers for profit.”

Consumers' Research is concerned that it is only a matter of time before the banks that finance food supply production companies, like JPMorgan Chase, are subjected to state actions targeting their unrealistic net-zero commitments, as has happened with JBS.

Below you will find claims cited by General James in the lawsuit against JBS and similar claims made by JPMorgan Chase:

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1) JBS Claim:

“JBS was also the first major global protein company to set a net-zero GHG emissions by 2040 target, covering our scope 1, scope 2 and scope 3 emissions.”

JPMorgan Chase Claim:

“We are aligning key sectors of our financing portfolio with net zero emissions by 2050. We have developed Carbon Compass™ — our methodology for setting portfolio-level net zero aligned targets to reduce the carbon intensity of our in-scope sector portfolios over time.”

2) JBS Claim

“The SBTi [Science Based Targets initiative] recognized the Net Zero Commitment of JBS.”

JPMorgan Chase Claim:

“Our targets build on the transition pathways outlined by the IEA NZE scenario. We also reference a wide range of public resources, including additional climate scenarios, decarbonization research and other frameworks for assessing alignment with global emission reduction goals.”

3) JBS Claim

“Leading change across the food industry and achieving [JBS’s] goal of net zero by 2040 will be a challenge. Anything less is not an option.”

JPMorgan Chase Claim:

“As a global financial institution, we can play an important role in helping to respond to the climate challenge and meeting the world’s energy needs. We are supporting clients across sectors and building our own capabilities to help accelerate the transition to a low-carbon economy and drive revenue opportunities. Our environmental sustainability strategy is designed to provide the foundation for delivering on our climate goals. It informs our work and the actions we take to align our lending and underwriting decisions with our net zero aligned targets and progress toward our operational GHG emissions

reduction target.”

4) JBS Claim:

“JBS will achieve Net Zero greenhouse gas emissions, reducing its direct and indirect (scopes 1, 2 and 3) emissions.”

JPMorgan Chase Claim:

“To minimize the environmental impact of our operations and drive progress on our sustainability goals, we’ve set multiple targets, including sourcing renewables for 100% of our electricity needs and reducing Scope 1 and 2 emissions by 40% by 2030 from a 2017 baseline.”

5) JBS Claim:

“[JBS is] setting time-bound, science-based targets and backing them up with \$1 billion in capital over the next decade.”

JPMorgan Chase Claim:

“We aim to finance and facilitate more than \$2.5 trillion over 10 years – from 2021 through the end of 2030 – to help advance long-term climate solutions and contribute to sustainable development. This includes \$1 trillion for green initiatives.”

As this comparison makes plain, JPMorgan Chase’s statements on emissions reduction goals expose the company to the same type of litigation JBS currently faces.

Costly litigation harms the consumer. And that is doubly so when one outcome of the litigation threatens food supply chain financing in order to meet climate commitments that should never have been made in the first place.

Rather than continuing to mislead consumers with unrealistic goals while trying to comply with impossibly attainable emissions standards or trying in vain to ward off the risks of litigation by decreasing financing in politically disfavored industries, Consumers’ Research urges JPMorgan Chase to reassess its ESG statements and sustainability policies, disavow the types of positions that subjected JBS to litigation, and recommit to providing banking services to the companies that ensure Americans have affordable food on the table.

Failure to do so not only exposes JPMorgan Chase to litigation risk from Attorneys General like



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Letitia James, it could also expose the company, its executives, and its directors to legal liability for refusing to recant these unfounded marketing claims while JPMorgan Chase was aware of the problem and still had the opportunity to reduce or eliminate their exposure. As we have witnessed in a number of shareholder derivative suits recently, shareholders and elected officials have become increasingly litigious in cases where corporations have put at risk or sacrificed returns in order to engage in so-called "virtue signaling."

The JBS lawsuit by General James has made plain that there is risk lurking in the ESG and sustainability commitments of countless financial companies. There is no better time than now for JPMorgan Chase to course correct, remove this ESG risk, and pivot back to a pro-consumer approach to its business.

Sincerely,

Will Hild

Will Hild
Executive Director

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