

# WHITE PAPER – JPMorgan Chase

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## Introduction

Banks contribute to climate change whenever they finance projects or companies whose operations are incompatible with a stable climate. In fact, one of the Paris Agreement's three objectives is "making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development."<sup>1</sup>

The potential carbon emissions from the oil, gas, and coal just in the world's *currently* operating fields and mines would take us beyond 2°C of warming, and emissions from oil and gas alone takes us beyond 1.5°C — the limits agreed upon in Paris.<sup>2</sup> To support the goals of the Paris Agreement, banks would have to stop financing any new fossil fuel projects, and support a rapid phase-out of the most extreme fossil fuels.

As laid out in the report, *Banking on Climate Change: Fossil Fuel Finance Report Card 2018*, no large U.S. banks are on this path. In fact, several banks are headed in the opposite direction, continuing to fund fossil fuel expansion projects, and increasing their financing to six extreme fossil fuel sectors (tar sands oil, Arctic oil, ultra-deepwater oil, liquefied natural gas, coal mining, and coal power).

In particular, **JPMorgan Chase has greatly increased its financing of extreme fossil fuels in recent years, especially to tar sands oil and coal mining.** This is flatly incompatible with global climate goals, and financing these sectors exposes the bank to a range of risks.

Except where noted, the findings below on fossil fuel financing trends and amounts are drawn from *Banking on Climate Change: Fossil Fuel Finance Report Card 2018*. The report reveals league tables of total financing (lending and underwriting) from 36 global banks to the top 30 companies in six extreme fossil fuel subsectors over 2015-17, and grades bank policies on financing for those subsectors.

» Download the full report and explore the data at [RAN.org/reportcard](https://ran.org/reportcard)

## Extreme Fossil Fuels - Overall

JPMorgan Chase is **the top U.S. funder of extreme fossil fuels, and #3 globally**, over the last 3 years.

From 2015-2017, the bank increased its financing to six extreme fossil fuel sectors year on year, one of only four banks out of 36 to do so. It was the **biggest U.S. backslider** (and third biggest global backslider), with extreme fossil fuel financing more than \$4 billion higher in 2017 than 2016.

### Tar Sands Oil

The carbon-intensive tar sands sector in Alberta, Canada spells disaster for both the climate and Indigenous rights. But from 2016 to 2017, JPMC **quadrupled its tar sands financing**.

JPMC lent **\$243 million to the Kinder Morgan Trans Mountain tar sands pipeline project**,<sup>3</sup> despite a coalition of more than 20 Indigenous and environmental organizations warning the bank about the Indigenous rights and climate impacts of the project, and legal challenges from seven First Nations, two cities, and the province of British Columbia.<sup>4</sup> The bank is a leading banker of not only Kinder Morgan, but also TransCanada and Enbridge, the companies behind the proposed Keystone XL and Line 3 **tar sands pipeline projects**. The bank is a **major lender to Teck, the company behind Frontier**, an enormous proposed tar sands open-pit mine.<sup>5</sup>

### Coal

JPMC was **the world's 3rd worst backslider on coal mining and power from 2016-2017**.

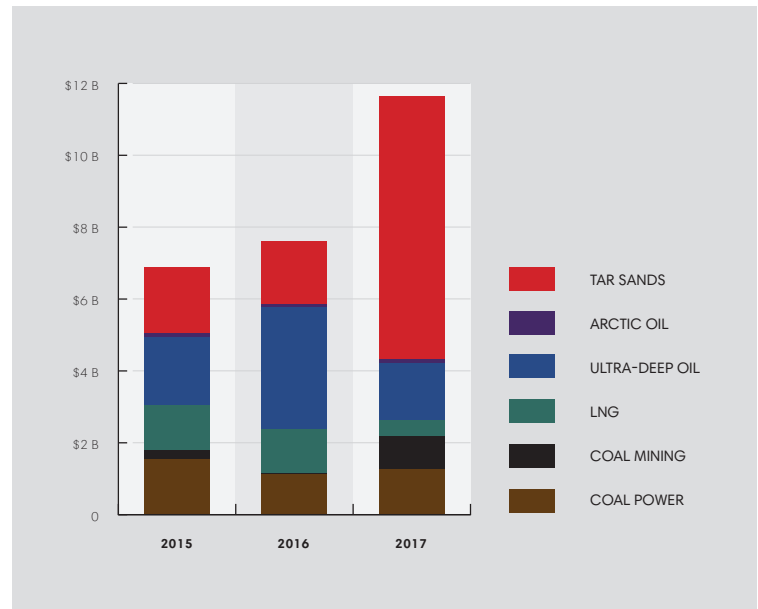
For coal mining, the bank's financing in 2017 was a startling **21 times higher than the previous year** — this while the bank has a policy to reduce its credit exposure to coal mining companies.<sup>6</sup> JPMorgan Chase is the only major U.S. bank whose coal mining financing in 2017 was higher than in 2015 (the year of the Paris climate agreement).

JPMorgan Chase is **the top U.S. funder of coal power**, and #6 globally.

### Other Extreme Oil and Gas

For 2015-2017, JPMorgan Chase is:

- » **The top Arctic oil funder in the U.S.**, and #6 globally.
- » **The world's top funder of ultra-deepwater oil.**
- » **The #2 U.S. funder of North American liquefied natural gas exports**, and #4 globally.



1. "Paris Agreement," Article 2(c), United Nations Framework Convention on Climate Change, December 2015, p. 3

2. "The Sky's Limit: Why the Paris Climate Goals Require a Managed Decline of Fossil Fuel Production," Oil Change International, September 2016

3. Jason Disterhoft, "These Banks Are Financing a Pipeline That Will Let Big Oil Move More Barrels a Day Than Keystone XL or Dakota Access," AlterNet, 9 July 2017.

4. Julien Gignac, "Environmental and Indigenous Groups Demand Banks Avoid Supporting Trans Mountain Expansion," Toronto Star, 8 June 2017. "Kinder Morgan Canada Limited: Brief on Legal Risks for Trans Mountain," West Coast Environmental Law Association and Tsleil Waututh Nation Sacred Trust Initiative, 29 May 2017.

5. Rainforest Action Network, "Funding Tar Sands: Private Banks vs. the Paris Agreement," November 2017, [www.ran.org/fundingtarsands](http://www.ran.org/fundingtarsands)

6. "Environmental and Social Policy Framework," JPMorgan Chase & Co., accessed February 2018, p. 8