



STATE OF CONNECTICUT

TREASURER SHAWN T. WOODEN

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State Treasurer Shawn T. Wooden Calls for Independent Governance At JPMorgan Chase

Wooden Joins Pennsylvania Treasurer, Comptrollers Of New York City And New York State, And CalPERS In Opposing Lee Raymond's Re-Election To The Board Of JPMorgan Chase; Announces Support For Key Proposals On Pay Equity, Climate Risks

Hartford, CT— Connecticut State Treasurer Shawn T. Wooden today announced his plans to vote against Lee Raymond as a director of JPMorgan Chase, one of the largest banks in the U.S. banking sector. This vote will be among several to be cast by Treasurer Wooden on behalf of the \$34 billion Connecticut Retirement Plans and Trust Funds in favor of greater independence of the board and fuller transparency of the board's oversight of material risks to the company.

The vote is set to take place virtually on May 19, 2020.

Wooden also detailed his plans to vote in favor of four shareholder-backed resolutions — including calls for an independent board chair, as well as reports on climate risks, gender and racial pay disparities, and the risks of the company's activities in the exploration and production of oil and gas in the Arctic and Canada.

As of May 12, 2020, the CRPTF held 912,363 shares of JPMorgan stock valued at approximately \$82.1 million.

Board Independence

A resolution on the ballot calls on JPMorgan to establish an independent chair of the board, a measure investors have advanced multiple years since 2012. James Dimon has served in the dual role of board chairman and CEO since 2005.

“The long-term value of our investments in JPMorgan absolutely depends on the strategic decisions that the board makes now,” said State Treasurer Wooden. “The current governance structure at JPMorgan essentially allows Dimon as CEO to be accountable to himself as board chair. There must be independence between these roles, which is why we are backing this important measure.”

Treasurer Wooden also detailed the rationale for questioning Raymond's independence as a director, as well as the overall structure of JPMorgan's board. Raymond has been a member of the JPM board for 33 years, and has served as its lead independent director since 2007.

“Independence of board oversight and increased transparency are essential to investor confidence and to the effective stewardship of JPMorgan,” he continued. “Raymond’s service on the board for more than three decades, in and of itself, defies common-sense notions of independence. Add to that the financial connections between Raymond’s family and JPMorgan, and his independence is appropriately questioned.”

Gender and Racial Pay Equity

Treasurer Wooden also announced his support for a key resolution calling for an annual report on gender and racial pay disparities. The World Economic Forum estimates the gender pay gap costs the economy \$1.2 trillion dollars annually. The median income for women working full time in the United States is 80 percent that of men. This disparity can equal half a million dollars over a career. Intersecting race, the gap for African American and Latina women is 60 percent and 55 percent, respectively. At the current rate, women overall will not reach pay equity until 2059, African American women not until 2130, and Latina women not until 2224.

“Disclosure of how JPMorgan works to ensure fairness makes good business sense,” noted Treasurer Wooden. “The resolution asks for what the Board ought to readily provide, which is an annual report of how the company is guarding against pay inequities throughout its workforce, using metrics that are in line with how the U.S. Department of Labor and others measure pay equity.” Also noted in the resolution and according to studies sponsored by McKinsey, “research suggests diverse leadership leads to superior stock performance and return on equity,” and “best practices include tracking and eliminating gender pay gaps.”

Climate Change

Additionally, the Treasurer announced his support for a resolution calling on JPMorgan to report on its plans to align its portfolio activity with the goals of the Paris Climate Agreement.

“JPMorgan stands as the largest global lender and underwriter to the fossil fuel sector. Yet, it lags its peers in the finance sector when it comes to planning for the impacts of this business on our climate, and the urgency of striving toward the goals of the Paris Climate Agreement,” said Treasurer Wooden. “All of us, including JPMorgan and companies across the world, owe it to future generations to get this right. While I appreciate JPMorgan’s latest commitment to no longer finance “new” oil and gas developments in the Arctic, there must be a serious obligation to implement long-term, sustainable economic strategies with climate change reversal as the main focus.”

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