



Written by [James Murphy](#) on December 20, 2024

Another Megabank Ditches UN-backed Climate Alliance

Another high-profile financial institution has announced that it is leaving the United Nations-backed Net Zero Banking Alliance (NZBA). The announcement, first reported by [Bloomberg](#), comes a mere two weeks after financial-services giant Goldman Sachs announced it was departing the same alliance, which is focused on ESG (environmental, social, governance) policies.

While the megabank didn't give a specific reason for ditching the climate-focused alliance, it has been speculated that several state-backed investigations and investigations from House Republicans have made ESG investing unpalatable for American banks.

Last week, the House Judiciary Committee released a [report](#) stating it had "substantial evidence of collusion and anticompetitive behavior," and that a "cartel" of banks and climate groups were attempting to "impose radical ESG-goals" on oil companies, most notably ExxonMobil.

"The climate cartel branded ExxonMobil as a 'focus company' on its climate blacklist, grading it against a 'net-zero' benchmark and signaling investors to organize a barrage of shareholder pressure campaigns — more than any other company in the world," the Judiciary Committee's report stated.

Texas Attorney General Ken Paxton took a victory lap on X, [claiming](#) that the bank's decision to desert the ESG scheme was, at least in part, because of his investigation:

On August 21, I strongly encouraged Wells Fargo [to] leave Net-Zero Banking Alliance due to its unlawful ESG commitments. On December 19, Wells Fargo confirmed that they would leave NZBA because of my request.

He continued:

Today, Wells Fargo took a step in the right direction by officially ending their affiliation with NZBA, and Texas welcomes them to continue doing business with our great State. I urge other financial institutions to follow their example and end ESG policies that are hostile to our critical oil and gas industries.

However, according to Reuters, a spokesperson for NZBA [downplayed](#) the departure:

The alliance prefers not to see any bank leave but respects the decision Wells Fargo has made based on its own individual circumstances....

The overall increase in membership indicates how important understanding climate risk and



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the transition to net zero has become to banks and companies around the world.

ESG-inspired — or “woke” — investing has faced myriad problems over the past two years, to the point where one ESG proponent [suggested](#) a name change so that the investment scheme could fly under the radar of state investigations and congressional oversight.

Whether it was the House Judiciary Committee or Paxton in Texas along with other states’ badgering that caused Wells Fargo to abandon their UN-backed climate alliance, one thing is clear: ESG-focused investing appears to be failing in the United States.



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