



Written by [James Murphy](#) on May 3, 2024

Bankers Meet With Texas AG Over State's ESG Probe

From [Bloomberg](#) comes news that officials from at least two major banks recently met with Texas Attorney General Ken Paxton over the state's investigation into banks boycotting the fossil-fuel industry in connection with so-called environmental, social, governance (ESG) funding. Bankers from RBC and Wells Fargo reportedly met with Paxton in April.

Bloomberg noted that the bank executives included Bob Spangler of RBC and Scott Fontenot of Wells Fargo.

Texas is among a group of states who have said "no" to the ESG craze that has been pushed by climate zealots and the "social justice" movement. They have divested from banks and investment companies who engage in the practice, and in 2023 Texas created a law prohibiting insurance companies in the state from using ESG scores of businesses to raise or lower rates.

Since October, Paxton's office has been looking over the policies of banks who have joined the Net-Zero Banking Alliance, a UN-approved group "committed to financing ambitious climate action to transition the real economy to net-zero greenhouse gas emissions by 2050." Both RBC and Wells Fargo boast membership in the alliance.

"The Office of the Attorney General will continue to vigorously enforce our laws that prevent taxpayer funds from going to companies whose 'ESG' policies harm Texans or key Texas industries," Paxton said at the time. "Companies who discriminate against firearms businesses and organizations, the oil and gas industry, or the nation of Israel will not enjoy the opportunity and privilege of winning public contracts in Texas."

Paxton is reportedly investigating whether the banks are boycotting the fossil-fuel industry in their efforts to reach net-zero emissions, something the Lone Star State forbids. Both banks claim that they do not boycott fossil-fuel companies.

"This Office is reviewing whether companies or any affiliates that are members of a Net Zero Alliance are companies that boycott energy companies in violation of [Senate Bill 13](#), now codified in part at chapter 2276 of the Government Code," said an October [letter](#) from Paxton's office.

Paxton is serious about the Texas law, as he has already barred both Citigroup and Barclays, both members of the Net-Zero Banking Alliance, from working on municipal bonds in the state.

Governor Greg Abbott agrees with Paxton, and said as much in a letter to President Joe Biden last year. "Over the past two years, you have tried to stifle the American energy sector with your ESG fanaticism,



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your overly aggressive Environmental Protection Agency, and your favoritism of foreign oil over homegrown energy,” stated [a press release](#) about the letter from Abbott’s office. “By pushing this radical ESG agenda, you are risking the lifelong savings of millions, for political points. I will continue to stand up for my constituents who rely upon the good-paying jobs of our energy industry. Anyone who puts their livelihood at risk will have a fight on their hands down in Texas.”

The banks appear to want it both ways. They want to be admired and loved for their commitment to the environment, as evidenced by their membership in the Net-Zero Banking Alliance, but they’d still like to do business in Texas and other states hostile to ESG. Unfortunately, this particular street doesn’t run in both directions; they’ll have to pick a side and stay with it.



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