



Written by [James Murphy](#) on December 6, 2024

ESG Continues to Crumble: Goldman Sachs Leaves UN's Net Zero Banking Alliance

Financial industry giant Goldman Sachs has announced it will no longer participate in the UN-backed Net Zero Banking Alliance (NZBA). It is the latest high profile departure of a financial institution from a global climate alliance in the wake of scrutiny by American lawmakers concerned that banks are attempting to severely limit financial options for fossil fuel concerns because of climate change.

The [NZBA](#) boasts membership of more than 140 global banks with a goal of creating net zero emissions by 2050. The United Nations Environment Programme (UNEP), which oversees the alliance, has thus far not commented on Goldman Sachs' departure.

Reuters [reported](#) the banking giant gave no specific reason for the departure. It hinted, though, that certain regulatory demands from the European Union may have been a factor. Goldman Sachs is the latest to withdraw from a climate-based coalition. J.P.Morgan Asset Management, Franklin Templeton, and Vanguard have recently left similar climate alliances.

Goldman Sachs [said](#) in a statement:

We have the capabilities to achieve our goals and to support the sustainability objectives of our clients. Goldman Sachs is also very focused on the increasingly elevated sustainability standards and reporting requirements imposed by regulators around the world....

Our priorities remain to help our clients achieve their sustainability goals and to measure and report on our progress.

While the company assures investors that it remains committed to championing sustainability and climate change action, its departure from the UN group says volumes.

ESG Investing

The various state probes of so-called ESG (environmental, social, governance) investing around the United States also seem to be having an impact, as increasingly banks are discovering that ESG is bad for business. In essentially acting as a conduit for left-wing political action, many banks have become persona non grata for state pension funds. Thus far, at least 20 states have effectively banned ESG investing in state pension funds.

"Over the past two years, you have tried to stifle the American energy sector with your ESG fanaticism, your overly aggressive Environmental Protection Agency, and your favoritism of foreign oil over homegrown energy," Texas Governor Greg Abbott [told](#) President Joe Biden in 2023. "By pushing this



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radical ESG agenda, you are risking the lifelong savings of millions, for political points.”

Climate zealots have been concerned since the United States reelected Donald Trump in November that their crisis narrative about climate change may be in trouble. Goldman Sachs’ decision to leave the NZBA suggests they may be right about that.

Missouri’s Senator Eric Schmitt, a Republican and former state attorney general, [said](#) that the NZBA was set up to “to starve companies engaged in fossil fuel-related activities of credit on national and international markets.”

According to Schmitt, it was not only fossil fuel companies that are threatened by the NZBA:

Missouri farmers, oil leasing companies, and other businesses that are vital to Missouri’s and America’s economy will be unable to get a loan because of this alliance.... These banks are accountable to American laws — we don’t let international bodies set the standards for our businesses.

Which, of course, is the whole point of the ESG scheme. The goal is international control over U.S. banking, with climate change and “social justice” as limiting factors of growth.

ESG was once considered the wave of the future for the financial industry. But increasingly it just looks like another sad chapter of left-wing lunacy destined for the scrap heap of history.



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