

# United States Senate

WASHINGTON, DC 20510-0609

March 5, 2024

Brian Moynihan  
Bank of America Corporation  
100 North Tryon Street  
Charlotte, NC 28255

Jamie Dimon  
JPMorgan Chase & Co.  
383 Madison Avenue  
New York, NY 10170

Charles W. Scharf  
Wells Fargo & Company  
420 Montgomery Street  
San Francisco, CA 94104

Jane Fraser  
Citigroup Inc.  
388 Greenwich Street  
New York, NY 10013

Ted Pick  
Morgan Stanley  
1585 Broadway  
New York, NY 10036

David M. Solomon  
The Goldman Sachs Group, Inc.  
200 West Street  
New York, NY 10282

Dear Mr. Moynihan, Mr. Dimon, Mr. Scharf, Ms. Fraser, Mr. Pick, and Mr. Solomon,

As members of the United States Senate, we write today regarding the future of your investments in agriculture entities as they relate to so-called climate emissions. For several years now, we understand that you've been encouraged to make climate-related disclosures which in turn advise your institutions' investment decisions. While we share your interest in creating a more sustainable future, we have serious concerns with the methods that are being used in getting there.

Current domestic Environmental Social Governance (ESG) ratings already go well beyond, and unnecessarily add, to the extensive public disclosures that firms are required to make under federal securities laws. The international climate measures being made through the industry-led and United Nations (UN) convened Net Zero Banking Alliance (NZBA), of which your banks are a part of, are of equal concern to us. As CEOs of your respective institutions, you have made net-zero carbon emission commitments through the NZBA, and we are troubled by the potential impact that those commitments will have on the agriculture sector. Specifically, your bank's net-zero commitments will have an adverse impact on food availability, consumer prices, credit access for farmers, ranchers and other agricultural producers, and result in an overall negative economic impact for everyday Americans.

First and foremost, farmers and ranchers are the original conservationists - no one is more dedicated to leaving the world cleaner, safer, and healthier than our American agricultural producers. According to the United States Environmental Protection Agency (EPA) agriculture in the United States is only responsible for roughly 10% of carbon emissions in the United States. An overlooked data point also shows that agricultural land use, including forestry, in the United States offsets 12% of the total carbon emissions in the U.S. This means that agriculture and forestry is already a net carbon sink on top of producing enough food to feed this country and export food all across the world.

Following in the footsteps of the misguided UN recommendations for agriculture would require a complete overhaul of the industry in the United States which could cripple the agriculture economy, and in turn, our food supply. Such recommendations would result in more intensive forms of farming rather than encouraging the far more sustainable practices that farmers are already use here in the United States. Making investment decisions based on pressures from special interest groups that depart from market fundamentals is not only an un-sound business practice but could also lead to serious negative consequences for the food security of the nation.

As market-driven efforts to curb GHG emissions in the agriculture sector continue to evolve, we believe that any kind of authority that mandates certain behaviors will be incredibly harmful. As part of the NZBA, you've authorized the UN Environment Programme (UNEP) to monitor your banks' climate targets for "consistency" with the UN criteria. This very same entity played a key role in leading Sri Lanka to the disastrous switch from conventional to organic agriculture practices. This resulted in uprisings across the nation from farmers and widespread food shortages, including a 40% drop in rice production<sup>i</sup>, a crop that serves as the nations' main food staple. Radical net-zero policies in the European Union are also contributing to the massive protests of farmers that we are seeing erupt across Europe.<sup>ii</sup>

Due to your decision's potential impact to domestic agriculture practices, we are seeking more information regarding what appears to be an environmental commitment that targets our nation's farmers, ranchers, and agriculture producers and threatens the security of our nation's food supply. As pre-requisite for joining, you personally signed the NZBA Commitment Statement pledging to transition the operational and attributable greenhouse gas (GHG) emissions from your bank's lending and investment portfolios to align with pathways to net-zero carbon emissions by 2050 or sooner. We understand that in order to reach the 2050 goal, NZBA banks would require their customers to disclose their GHG emissions.

As you seek to reach the goals set forth by the NZBA, we would like the answers to the following questions:

1. Why are you a part of the Net Zero Banking Alliance?
2. Do you have minimum ESG or sustainability standards for customers?
3. Will you be developing minimum ESG or sustainability standards for customers and when will you advise customers about those standards?
4. Will there be increased costs for your products if customers do not meet your ESG or sustainability standards?
5. Will you stop selling products to customers if they do not have an ESG or sustainability program?

6. What is your plan for investment customers deemed “GHG intensive” moving forward?
7. The NZBA steering committee recently voted to enhance their net zero guidelines which could extend even greater harm to the agricultural and other sectors. If you are a member of the NZBA steering committee, how did you vote?
8. If you aren’t a member of the steering committee, how do you plan to vote on these expanded guidelines when it presented to the full membership?

Our farmers, ranchers, and agricultural producers are charged with delivering global food security under the unprecedented circumstances of record inflation, rising food prices, and global food insecurity. Farmers should be applauded not villainized and banks certainly should not be limiting their access to credit because of special interest pressures outside of the marketplace. We look forward to your thorough answers to the aforementioned questions by Monday, March 11, 2024.

Sincerely,



Roger Marshall, M.D.  
United States Senator



Rick Scott  
United States Senator



Mike Braun  
United States Senator



Pete Ricketts  
United States Senator

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<sup>i</sup> <https://www.spglobal.com/commodityinsights/en/market-insights/blogs/agriculture/081022-sri-lanka-crisis-food-organic-farming>

<sup>ii</sup> <https://www.reuters.com/pictures/farmer-protests-spread-across-europe-2024-02-06/>