

Congress of the United States

Washington, DC 20515

May 15, 2025

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Dear Mr. Pick, Mr. Dimon, Ms. Fraser, Mr. Moynihan, Mr. Scharf, Mr. Solomon, Mr. O'Grady, Mr. Fink, Ms. Johnson, Mr. O'Hanley, Mr. Schlossberg, and Mr. Roman:

We write to express disappointment over your company's decision to backtrack on its climate goals in response to political pressure and the influence of fossil fuel special interests. Your organization recently withdrew from a coalition of leading global companies committed to taking significant actions to address the serious financial threats posed by climate change.¹ Ignoring climate change's destabilizing effects on the economy is not an option.

Last year, 2024, was the hottest in history and the first in which global average temperatures exceeded the Paris Agreement's goal of 1.5 degrees Celsius above pre-industrial levels.² These record-breaking temperatures were reflected across the U.S., from hurricanes intensified by warm waters off the Gulf Coast to the hot and dry conditions that fueled fast-spreading wildfires in the Los Angeles area. It is estimated that the

¹ Net Zero Banking Alliance Members, <https://www.unepfi.org/net-zero-banking/members/>; Net Zero Asset Managers Initiative Signatories, <https://www.netzeroassetmanagers.org/signatories/>; Climate Action 100+ Companies, <https://www.climateaction100.org/whos-involved/companies/>.

² "2024 was the hottest year on record, scientists say," 10 Jan. 2025, <https://www.reuters.com/business/environment/2024-was-first-year-above-15c-global-warming-scientists-say-2025-01-10/>.

devastating wildfires in California could result in up to \$275 billion in damages³ and the total short- and long-term economic costs from Hurricanes Helene and Milton could exceed \$400 billion.⁴ More recently from March 16-18, 2025, there were at least 87 tornadoes, along with a series of wildfires, high winds, and dust storms that swept across eight states in the Midwest and South that resulted in at least 42 deaths, dozens of injuries, and extensive property damage.⁵

It bears repeating that climate risk is financial risk, a fact acknowledged by investors, asset managers, businesses, and regulators, including many of your organizations. For example, in a 2020 letter, BlackRock's CEO wrote that, "Investors are increasingly reckoning with these questions and recognizing that climate risk is investment risk.... They are seeking to understand both the physical risks associated with climate change as well as the ways that climate policy will impact prices, costs, and demand across the entire economy."⁶ Specifically, these risks could profoundly impact how financial institutions manage their investment decisions, loan portfolios, and business operations.

Financial institutions contribute to the emissions of nearly every business sector, making your organization a crucial player in limiting the average global temperature rise⁷ and seizing the economic opportunities presented by the transition to a low-carbon economy. Moreover, as top financiers of fossil fuels, a failure to address financed emissions could expose banks to long-term climate impacts, including the risk of stranded assets.

While the Trump Administration has quickly backtracked on addressing the climate crisis,⁸ in 2021, the Financial Stability Oversight Council (FSOC) identified climate change as an emerging and increasing threat to U.S. financial stability.⁹ In its annual reports for 2022, 2023, and 2024, the FSOC has reiterated the importance of financial institutions effectively managing their exposure to climate-related financial risks.¹⁰ In 2023, the Federal Reserve, the Federal Deposit Insurance Corporation (FDIC), and the Office of the Comptroller of the Currency (OCC) reaffirmed that climate change poses an emerging risk to the safety and soundness of financial institutions and financial stability.¹¹ Regardless of the Trump Administration's actions, we are at an important inflection point, as these emerging risks are quickly becoming a visible reality. The frequency and severity of climate-related disasters are causing property and casualty (P&C) insurance markets to become stressed, not just in coastal states but across the country.¹² In response to rising insured losses due to climate change, insurance companies are exiting these markets across the country, contributing to an insurance affordability and

³ "AccuWeather estimates more than \$250 billion in damages and economic loss from LA wildfires," 13 Jan. 2025, <https://www.accuweather.com/en/weather-news/accuweather-estimates-more-than-250-billion-in-damages-and-economic-loss-from-la-wildfires/1733821>.

⁴ "Helene and Milton Damage Is Just the Start of the Climate Tab," 28 Oct. 2024, <https://www.bloomberg.com/opinion/articles/2024-10-28/helene-and-milton-damage-is-just-the-start-of-climate-change-costs>.

⁵ AP, *A look at the 42 deaths linked to severe storms in the US* (Mar. 17, 2025).

⁶ BlackRock, *Larry Fink's 2020 Letter to CEOs – A Fundamental Reshaping of Finance* (2020).

⁷ In a March 2025 report, Morgan Stanley analysts stated that they "now expect a 3°C world...[due to] recent setbacks to global decarbonization efforts." Source: "Big banks predict catastrophic warming, with profit potential," 31 Mar. 2025, <https://www.eenews.net/articles/big-banks-predict-catastrophic-warming-with-profit-potential/>.

⁸ For example, see *Trump Orders a U.S. Exit From the World's Main Climate Pact* (Jan. 29, 2025).

⁹ FSOC Report on Climate-Related Financial Risk, 2021, <https://home.treasury.gov/system/files/261/FSOC-Climate-Report.pdf>.

¹⁰ FSOC Annual Report, 2024, <https://home.treasury.gov/system/files/261/FSOC2024AnnualReport.pdf>; FSOC Annual Report, 2023, <https://home.treasury.gov/system/files/261/FSOC2023AnnualReport.pdf>; FSOC Annual Report, 2022, <https://home.treasury.gov/system/files/261/FSOC2022AnnualReport.pdf>.

¹¹ "Principles for Climate-Related Financial Risk Management for Large Financial Institutions," 30 Oct. 2023, <https://occ.treas.gov/news-issuances/news-releases/2023/nr-ia-2023-118a.pdf>.

¹² "As Insurers Around the U.S. Bleed Cash From Climate Shocks, Homeowners Lose," 13 May 2024, <https://www.nytimes.com/interactive/2024/05/13/climate/insurance-homes-climate-change-weather.html>.

availability crisis for homeowners and businesses. The FSOC warned that these developments could affect mortgage markets and housing prices, and generate “larger economic spillover effects.”¹³

Our banking regulators similarly emphasized that climate-related risks can ripple throughout the economy and financial system—as a result, the financial sector could experience credit and market risks associated with loss of income, defaults, fluctuations in asset values, liquidity risks associated with changing demand for liquidity, operational risks associated with disruptions to infrastructure or other channels, or legal risks.¹⁴ Similarly, bank mortgage lending portfolios are affected by climate-related risks as well.¹⁵ Now is not the time to turn a blind eye to these potentially systemic risks.

There is value in participating in international coalitions and making firm climate commitments alongside other leading companies. For example, a 2023 Federal Reserve Bank of New York staff report found that U.S. banks that joined the Net Zero Banking Alliance (NZBA), compared to non-signatory banks, reduced their climate-related exposures by decreasing lending to risky industries that are likely to be adversely affected by the energy transition.¹⁶

Despite recent exits by U.S. financial institutions, membership among some of these international coalitions continues to grow globally.¹⁷ Abandoning these groups signals that your organization has actively decided to cede U.S. leadership on combating climate change. Furthermore, leaving doesn’t eliminate climate-related financial risk; instead, it diminishes your capacity to monitor and address that risk collaboratively. This ultimately has the potential to harm your customers and shareholders in the long run.

We are disappointed that your organization appears to be disregarding science and what’s good for business and instead yielding to political pressure for short-term political favor. To that end, we write to request answers in writing to the following questions by May 29, 2025.

1. Please explain your reasoning for leaving the Net Zero Banking Alliance, the Net Zero Asset Managers Initiative, and/or Climate Action 100+, where applicable.
2. Is your organization still committed to achieving its previously stated net-zero carbon emissions goals? If so, how?
3. Do you intend to continue publicly publishing your progress against your emissions targets? If not, why?
4. Please detail your existing targets and policies for reducing financed GHG emissions in line with the goals of the Paris Agreement.
 - a. Do you commit to not weakening these targets and policies?
5. For those with firms that were previously in the Net Zero Banking Alliance, do you still intend to set targets and policies to reduce facilitated emissions? Do you still intend to achieve your emission reduction targets on the timeline that you previously agreed upon?

¹³ FSOC Annual Report, 2023, <https://home.treasury.gov/system/files/261/FSOC2023AnnualReport.pdf>.

¹⁴ “Principles for Climate-Related Financial Risk Management,” <https://occ.treas.gov/news-issuances/news-releases/2023/nr-ia-2023-118a.pdf>.

¹⁵ “Banks’ Mortgage Lending Portfolios Laced With Climate Risk,” Sep. 23, 2024, <https://nationalmortgageprofessional.com/news/banks-mortgage-lending-portfolios-laced-climate-risk>.

¹⁶ “U.S. Banks’ Exposures to Climate Transition Risks,” Apr. 2023, https://www.newyorkfed.org/medialibrary/media/research/staff_reports/sr1058.pdf?sc_lang=en.

¹⁷ “Explainer: Where do big-name US departures leave the Net-Zero Banking Alliance?” 7 Jan. 2025, <https://www.thebanker.com/Explainer-Where-do-big-name-US-departures-leave-the-Net-Zero-Banking-Alliance-1736251396>; “CA 100+ grows emerging markets footprint with new joiners,” 17 Oct. 2024, <https://www.responsible-investor.com/ca100-grows-emerging-markets-footprint-with-new-joiners/>.

5. Please detail any communications between the Trump Administration and your institution regarding eliminating ESG (Environmental, Social, and Governance) activities since January 20, 2025, including any directives you may have received to freeze funds for climate-related Federal programs, like the Greenhouse Gas Reduction Fund.

Thank you for your attention to this important matter.

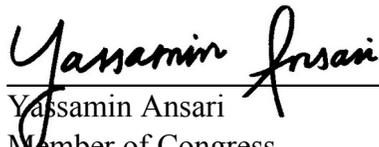
Sincerely,



Maxine Waters
Ranking Member
Committee on Financial Services



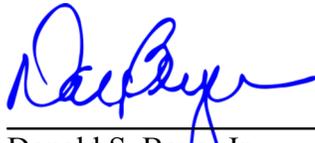
Sean Casten
Member of Congress



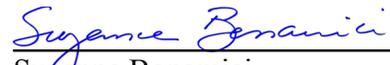
Yassamin Ansari
Member of Congress



Joyce Beatty
Member of Congress



Donald S. Beyer Jr.
Member of Congress



Suzanne Bonamici
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Jesús G. "Chuy" García
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Jared Huffman
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Pramila Jayapal
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Henry C. "Hank" Johnson, Jr.
Member of Congress

Ro Khanna
Member of Congress

Summer L. Lee
Member of Congress

Ted W. Lieu
Member of Congress

Zoe Lofgren
Member of Congress

Stephen F. Lynch
Member of Congress

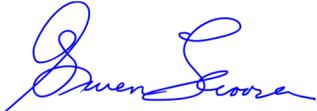
Seth Magaziner
Member of Congress



Doris Matsui
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James P. McGovern
Member of Congress



Gwen S. Moore
Member of Congress



Jerrold Nadler
Member of Congress



Eleanor Holmes Norton
Member of Congress



Alexandria Ocasio-Cortez
Member of Congress



Ilhan Omar
Member of Congress



Ayanna Pressley
Member of Congress



Delia C. Ramirez
Member of Congress



Jan Schakowsky
Member of Congress



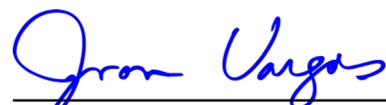
Rashida Tlaib
Member of Congress



Jim Tokuda
Member of Congress



Paul D. Tonko
Member of Congress



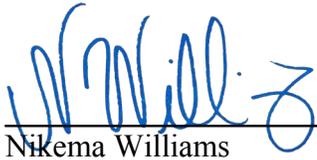
Juan Vargas
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Nydia M. Velázquez
Member of Congress



Bonnie Watson Coleman
Member of Congress



Nikema Williams
Member of Congress