

ESG Federal Landscape



Republican Activity

- **Republican ESG Working Group**
 - Meant to “combat the threat to capital markets posed by those on the far-left”
- **ESG Month**
 - 6 hearings in July 2023, followed by the introduction of a myriad of legislation on ESG issue
- **Jim Jordan (R-OH) Subpoenas Asset Managers**
 - December 15, 2023: Blackrock and State Street
 - December 11, 2023: Vanguard and Arjuna Technologies
 - November 1, 2023: As You Sow and Glasgow Financial
 - June 14, 2023: Ceres and Climate Action 100+

Democratic Activity

- **Biden Administration initiatives:**
 - SEC Disclosures
 - DOL final rule
- **Sustainable Investment Caucus**
 - Meant to advocate for policies for the sustainable investment industry
- **Congressional Black Caucus Letter to Corporations About DEI**
- **President Biden and the Executive Branch remain in support of ESG causes**

Key Players

Rep. Bill Huizenga (R-MI)

- Chairman of the Oversight and Investigations Subcommittee on the House Financial Services Committee
- Leads the Republican ESG Working Group

Rep. Patrick McHenry (R-NC)

- Chairman of the House Financial Services Committee
- Created Republican ESG Working Group

Sen. Tim Scott (R-SC)

- Ranking Member of Senate Banking Committee

Rep. Jim Jordan (R-OH)

- Chair of the House Judiciary Committee

Rep. Juan Vargas (D-CA)

- Co-Chair of the House Sustainable Investment Caucus

Rep. Sean Casten (D-IL)

- Co-Chair of the House Sustainable Investment Caucus

Rep. Steven Horsford (D-NV)

- Chair of Congressional Black Caucus
- Member of House Financial Services Committee

State Level Activity on ESG

Activities vary by state but the divide is extremely partisan

- Pieces of ESG legislation have passed only in places with a single party in control of the statehouse and the Governorship

Florida leads anti-ESG causes

- Pulled state money out of ESG asset managers as a part of “the most restrictive state ESG bill to date”

New York and California lead pro-ESG causes

- State investment portfolios are taking on zero carbon emission targets

Attorney Generals of 42 states have reacted to federal action

- 25 Republican AGs in opposition
- 17 Democratic AGs in support
- December 18, 2023: Tennessee Attorney General Jonathan Skrmetti (R) filed the first-of-its-kind consumer protection lawsuit against BlackRock Inc.



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