



# Jonathan Skrmetti Attorney General & Reporter

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## **TENNESSEE ATTORNEY GENERAL JONATHAN SKRMETTI JOINS COALITION WARNING ASSET MANAGERS OVER ESG INVESTMENTS**

**Nashville-** Tennessee Attorney General Jonathan Skrmetti joined a coalition of 20 state attorneys general in warning more than 50 of the nation’s largest asset managers about Environmental, Social, and Governance (ESG) investments being made with Americans’ hard-earned money as annual shareholders’ meetings begin for many public companies.

The letter was sent to 53 asset managers with \$40 billion or more in assets; the attorneys general cite concerns that asset managers may be pushing the political goals of Climate Action 100+ and the Net Zero Asset Managers Initiative rather than acting in the best fiduciary interests of their clients, which is their legal obligation.

“We are writing this open letter to asset manager industry participants to raise our concerns about the ongoing agreements between asset managers to use Americans’ savings to push political goals during the upcoming proxy season,” the coalition wrote. “As explained further below, asset managers have committed to use client assets to change portfolio company behavior so that it aligns with the Environmental, Social, and Governance (ESG) goal of achieving net zero by 2050. This specific, political commitment changes the terms of the products offered, as well as engagements with individual companies.”

In addition, the coalition notes that during the 2023 proxy season, asset managers will need “to choose between their legal duties to focus on financial return, and the policy goals of ESG activists” as banks, insurers, and utility and energy companies are all facing proposals from climate activists affiliated with organizations asset managers may have joined. Additionally, abortion and political spending and race and gender quotas may also be included in numerous proposals this year but are not financially justified – and ESG aims themselves are not valid defenses.

“We will continue to evaluate activity in this area in line with our ongoing investigations into potential unlawful coordination and other violations that may stem from the commitments you and others have made as part of Climate Action 100+, Net Zero Asset Managers Initiative, or the like,” the attorneys general warned.

General Skrmetti signed onto the letter in addition to state attorneys general from Alabama, Arkansas, Georgia, Idaho, Indiana, Iowa, Kansas, Kentucky, Mississippi, Missouri, New Hampshire, Ohio, South Carolina, Texas, Virginia, West Virginia, and Wyoming. The effort was led by Montana Attorney General Austin Knudsen, Louisiana Attorney General Jeff Landry, and Utah Attorney General Sean Reyes.

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