



THE HEARTLAND INSTITUTE

FREEDOM RISING

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State of Arizona
Arizona State Legislature
House Commerce Committee

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HB 2656 - Neutral

Re: House Bill 2656 – Supplemental Testimony

Chairman Weninger and Members of the Committee:

In my testimony on House Bill 2656 I referenced the alliance of large financial institutions and the federal government to advance the ESG movement and the Net-Zero 2050 initiative. This is not a conspiracy theory as some claim, it is in fact well out in the open and I would like to provide some context, as well as additional and supplemental resources in support of my testimony.

In my testimony before your Committee, I said that collusion between government and large businesses is a direct threat to your constituents and local businesses and there is far too much evidence available to ignore the threat this poses to the citizens of Arizona and your private business sector. I have testified to the impact of the ESG movement on the coal industry in my home state of North Dakota with rising insurance premiums and restrictions to insurance coverage and the information here will support that testimony.

An [article in Bloomberg](#) that was linked in my testimony provides important context and refutes claims of a conspiracy theory - *in their own words*. This article discusses the Net Zero Insurance Alliance, a group of the largest insurance companies in the world who have jointly pledged to eliminate greenhouse gas emissions from their book of business, adopting Net-Zero 2050. This group considered a proposal to “include a commitment to exit coal insurance” in the terms of membership of aligned companies, but this proposal was scrapped on advice from legal counsel saying this level of *alliance* could trigger anti-trust violations.

The information in this article alone refutes any claim of conspiracy theory since potential anti-trust violations on their face imply collusion. But it gets worse. The article then addresses the role of government in the ESG movement. The Net Zero Insurance Alliance is part of a larger group, the Glasgow Financial Alliance for Net Zero, a group of 450 companies with combined assets exceeding \$130 trillion, according to the article. Further, Butch Bacani, program leader of the UN’s “Environment Programme’s Principles for Sustainable Insurance Initiative” is labeled a “key architect of the alliance”.

Tellingly, the response of the Alliance, the U.N., the European Union, and the U.K. to anti-trust concerns *is simply to rewrite anti-trust laws to carve out “collective action towards net-zero*

emissions”. After all, the article concludes: “Taking a position on fossil fuels, especially coal, is critical to reaching net zero as the burning of thermal coal is the single largest contributor to the increase in global temperatures.”

Clearly governments around the world support the de-carbonization of our economy and are enlisting large banks, financial firms, and insurance companies to enforce measures that cannot be passed through the legislative process. Attached is a small sample of policies the private sector is embracing in partnership with government. The threat and impact to your constituents and local businesses cannot be ignored.

Regardless of what you believe about climate change, the playing field is clearly not level. Private companies are free to set their missions and beliefs, but when the largest companies in the world align with one voice - the freedom, liberty, and choices your constituents will be restricted. Consumers we be left with fewer choices and higher prices.

Finally, much of the focus of the ESG is on the future of legacy energy production, coal, oil, natural gas. But a review of the resources below shows that your agricultural sector, your lumber sector, land use, and other important pieces to your economy will face the same threats. And the citizens of your state will face the erosion of important freedoms - if states are unwilling to take a stand.

Comments from Heartland colleague Justin Haskins, co-author of the best-selling book *The Great Reset*:

** Environmental, social, and governance (ESG) scores are essentially a social credit system for companies, similar to social credit schemes now in place in China.*

** Some banks have started applying ESG scores to individual investment accounts, including for accounts with relatively small investment amounts. It's not hard to see how ESG scores for companies could soon be imposed on individuals as well.*

** ESG systems have already been adopted by the vast majority of big businesses in America. According to a report by KPMG, thousands of companies, located in more than 50 countries, already have ESG systems in place, including 82 percent of large companies in the United States.*

** Two of the primary reasons businesses and banks support ESG scores is because they are a form of regulatory capture and because they plan to make massive amounts of money from new "green" government spending programs, vast amounts of money-printing from central banks, and other, similar schemes.*

** ESG systems are a form of cronyism designed to restrict freedom by doing an end-run around state and federal laws. By coercing companies to control behavior, governments and central banks have the ability to alter society without passing sweeping new laws.*

Additional Resources:

Large Money Center Banks, Financial Institutions, Insurance Companies and the Federal Government with one voice - *In their own words*:

Bank of America Environmental and Social Risk Policy Framework

<https://about.bankofamerica.com/content/dam/about/pdfs/environmental-and-social-risk-policy-framework-report.pdf>

BlackRock ESG Integration Statement

<https://www.blackrock.com/corporate/literature/publication/blk-esg-investment-statement-web.pdf>

Lloyd's of London (one of the largest insurance entities in the world) ESG Strategy and Responsible Business Approach

<https://www.lloyds.com/about-lloyds/responsible-business-esg-strategy>

BMO (formerly Bank of Montreal) Responsible Funds Transition to Low-Carbon Global Economy

<http://www2.bmogam.com/l/123372/2017-05-12/7fb6yn>

<https://capitalmarkets.bmo.com/en/news-insights/news-releases/sustainable-finance/bmo-declares-climate-ambition/>

Wells Fargo Advancing Environmental Sustainability

<https://www.wellsfargo.com/about/corporate-responsibility/environment/>

Business Round Table Redefines the Purpose of a Corporation

<https://www.businessroundtable.org/business-roundtable-redefines-the-purpose-of-a-corporation-to-promote-an-economy-that-serves-all-americans>

President Biden Executive Order 14008 on Whole of Government Approach to Tackle Climate Change

<https://www.whitehouse.gov/briefing-room/presidential-actions/2021/01/27/executive-order-on-tackling-the-climate-crisis-at-home-and-abroad/>

President Biden Executive Order 14057 Executive Order on Catalyzing Clean Energy Industries and Jobs Through Federal Sustainability

<https://www.federalregister.gov/documents/2021/12/13/2021-27114/catalyzing-clean-energy-industries-and-jobs-through-federal-sustainability#print>

Treasury Sec. Yellen to Appoint Climate Czar at Treasury

<https://www.reuters.com/article/us-usa-biden-yellen-climate/yellen-says-would-appoint-senior-climate-official-at-treasury-idUSKBN29O2B3>

U.S. Department of Labor Proposes New Investment Duties Rule to Allow for ESG Investing

<https://www.dol.gov/newsroom/releases/ebsa/ebsa20200623>

National Credit Union Administration (NCUA) Strategic Plan Calls for Credit Unions to Include Climate Related Risk When Making Agricultural Loans (pg. 14)

<https://www.ncua.gov/files/agenda-items/AG20211118Item2b.pdf>

How Wall Street Sees ESG Investing

ESG Investing – The Great Wall Street Money Heist

https://www.theepochtimes.com/esg-investing-the-great-wall-street-money-heist_4247881.html

States Fighting Back to Protect their Citizens and Local Businesses

Texas Passes Statute Targeting ESG Movement

<https://www.bloomberg.com/news/articles/2021-06-15/texas-targets-wall-street-in-fight-over-sustainable-investing>

West Virginia Dumps BlackRock Fund over Anti-Energy Stance

<https://www.foxbusiness.com/markets/west-virginia-dumps-blackrock-fund-over-anti-energy-stance>

Alaska Governor, Mike Dunleavy, Calls on States to Unite Over the ESG Movement

<https://lifepowered.org/watch-how-anti-energy-extremism-has-taken-over-the-corporate-boardroom/>

Bette Grande, The Heartland Institute. First They came for Alaska

https://www.americanthinker.com/blog/2021/01/first_they_came_for_alaska.html

Forget Peak Oil, Peak Capital Will Cost Consumers Dearly

<https://redstate.com/heartlandinstitute/2021/01/13/forget-peak-oil-peak-capital-will-cost-consumers-dearly-n309263>