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**Testimony Before the New Hampshire  
Senate Commerce Committee  
Regarding HB 1469**

**Bette Grande, State Government Relations Manager  
The Heartland Institute  
April 12, 2022**

Chairman French and Members of the Committee:

Thank you for allowing me to testify on HB 1469 which recognizes and protects fundamental rights of the citizens and businesses in New Hampshire by leveling the playing field.

My name is Bette Grande, and I am a State Government Relations Manager with The Heartland Institute an independent, national, nonprofit organization whose mission is to discover, develop, and promote free-market solutions to social and economic problems. Heartland is headquartered in Illinois and focuses on providing national, state, and local elected officials with reliable and timely research and analysis on important policy issues.

This Bill addresses a growing and serious threat to the freedom of speech, freedom of association and the private financial decisions of your constituents and the private businesses in your state.

I have been working on Environmental, Social, Governance, (ESG) issues for the past two years and have worked with legislators in over 20 states the past 3 months, I want to provide some context to help you better understand ESG, where it started and where it is going.

The term “ESG” first appears in a 2004 report issued by the UN titled "[Who Cares Wins](#)", a financial sector initiative developed by the UN and 22 large financial companies including Citigroup, Goldman Sachs, Morgan Stanley, State Street, and UBS.

*Who Cares Wins* got the ESG ball rolling along with the 2005 [Freshfield Report](#) that developed the “legal framework for the integration of environmental, social and governance issues into institutional investment”. The world’s largest

banks, investment firms, and insurance companies began to develop the ESG movement with the backing and cooperation of the UN and governmental entities.

The ESG movement has continued to grow and now includes the majority of the world's largest corporations and culminated (so far) in the [Davos Manifesto 2020](#). This Manifesto, [according to another Forbes article](#), identified 22 core metrics for ESG reporting and another 34 more advanced metrics for phase 2. From the article "Both the core 22 and expanded 34 metrics are structured to align with the UN's 2030 Agenda for sustainable development."

Opponents to legislation to push back on the ESG movement cite two primary arguments 1) this is not really happening and 2) efforts to protect the rights of constituents and small business interfere with the free market.

Is this really happening? First, the ESG movement is broad, and the impacts are far reaching. Initially the focus was on institutional investments. For example, in 2017 State Street Global Advisors (SSGA) voted against the re-election of directors at 400 companies that SSGA said failed to make any significant effort to appoint women to their all-male boards. BlackRock has also changed its proxy voting guidelines and it is not hesitant about voting against managements that they view as not having made sufficient progress on sustainability issues.

In 2020 the Minnesota Board of Investments, the body that oversees the investment of public money, passed a resolution to adopt ESG standards and three months later voted to divest from coal. In 2021 Maine became the first state to divest public money from fossil fuels and several states are currently considering similar action.

An example of the ESG movement impacting small business is [Operation Choke Point](#) that showed how federal agencies worked hand in hand with banks to infringe on 2<sup>nd</sup> Amendment protections.

Bank lobbyists have testified in several states opposing this type of legislation by stating that the banking industry does not use ESG or social credit scores when dealing with customers. But, in [this article](#) my colleague, Justin Haskins cites this:

In 2021, Sustainalytics, an ESG business owned by Morningstar, published a [report](#) titled *How Sustainable Finance is Shaping Change in Banking*. In the publication, Sustainalytics notes:

*Most major banks screen their lending portfolios against specific ESG risks as per the OECD Due Diligence guidance, and many embrace negative or positive screening for potential corporate lending transactions or project finance transactions. Screening strategies filter potential transactions using predetermined ESG criteria to rule companies in or out of contention for financing. Negative screening and norm-based screening involve the exclusion or avoidance of transactions not aligned with environmental, social and ethical standards. Exclusion criteria often include issues like weapon manufacturing, tobacco sales or production of fossil fuels. While negative and norm-based screening are the most popular techniques used for ESG asset management, these practices have been losing traction since 2015.*

Free Market. It is true that an individual business can choose how and who to do business with. However, more and more we see large businesses, money-center banks, and insurance companies colluding to steer the economic choices of citizens with the nodding approval and privilege provided to them by government. [This is not the free market](#), it is collusion, see this [Bloomberg article](#) on insurance industry efforts along these lines that raised anti-trust concerns.

Many are aware of the social credit system in China, we are not China, but if access to banking, to credit cards, to loans, to travel, and other goods and services is restricted by some top-down subjective measuring stick – how is that any different than state-imposed restrictions? The result for the individual citizen is the same.

Individual citizens and independent businesses cannot fight the combination of large business entities and government pursuing ESG and Net-Zero 2050 initiatives. It is up to the states to level the playing field and protect the rights and liberties of your citizens and businesses.

I served for 18 years in the North Dakota Legislature and have been actively involved in public policy since leaving the House and I have not witnessed such a far reaching and coordinated effort to undermine our freedom, choices, and liberty as I see today. Call it what you will, but the impact on the lives of your constituents from the collusion of large businesses and the federal government cannot be ignored.

Is ESG, by whatever name, a threat to your constituents or is it another conspiracy theory? Here is what BlackRock CEO Larry Fink had to say, *“Behaviors are going to have to change and this is one thing we are asking companies, you have to force behaviors and at BlackRock we are forcing behaviors.”*

New Hampshire’s state motto, a favorite of mine, ***Live Free or Die***, is at a fork in the road, and as lawmakers, do you want your constituent’s behaviors forced – or free?

Thank you for your time and attention. If you have any questions please contact me, I can be reached at [bgrande@heartland.org](mailto:bgrande@heartland.org).

Bette Grande

Government Relations-Energy and Environmental Policy

*Ms. Grande represented the 41st District in the North Dakota Legislature from 1996 to 2014.*

For more information about The Heartland Institutes work on ESG and related issues please visiting our website at <https://www.heartland.org/ESG/esg>

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