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# Regulation: Republican House Judiciary Committee ‘launch investigation’ into Climate Action 100+

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Regulation

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Republican members on the House Committee on the Judiciary have written a letter to the steering committee members of Climate Action 100+, Ceres and CalPERS, requesting documents and seeking information regarding antitrust compliance. The letter claims that Climate Action 100+, the investor-led initiative created to “ensure the world’s largest corporate greenhouse gas emitters take necessary action on climate change,” “seems to work like a cartel.” The press release accompanying the letter states that the House Republicans have “launched an investigation ... probing whether major climate groups that spearhead the [ESG] movement are violating antitrust laws.” Climate Action 100+ was first launched in 2017 and includes 700 investors managing over $68 trillion USD in assets.

The press release states that “woke corporations are collectively adopting and imposing progressive policy goals that American consumers do not want or do not need. An individual company’s use of corporate resources for progressive aims might violate fiduciary duties or other laws, harming its viability and alienating consumers.”

In November, CalPERS CEO Marcie Frost stated that ESG risk analysis is not an endorsement of one political ideology, that “those who say otherwise are actually advocating for investors like CalPERS to put on blinders, to ignore information and data that might otherwise help build on the retirement security of our two million members,” and that “what these critics want is for CalPERS to stop considering ESG risks, even though doing so would be contrary to our fiduciary duty and might put the performance of our investments in jeopardy.”

**Taking The Temperature: This letter is yet another development in the politicized ESG debate occurring in the United States. We have reported on similar requests for documents from various state and federal officials multiple times in recent months, as well as actions, such as those by finance officials in Texas and Florida, to reduce**

**business with financial institutions deemed insufficiently supportive of the oil and gas industry. Investor climate coalitions in particular are being subject to significant scrutiny. Recently, Vanguard announced that it was withdrawing from the Net Zero Asset Managers Initiative following a report by the Minority Staff of the U.S. Senate Committee on Banking, Housing and Urban Affairs regarding the supposed influence of the "liberal views" toward ESG of the "Big Three" asset managers, Blackrock, State Street and Vanguard. Similarly, the Glasgow Financial Alliance for Net Zero last month dropped its connection to the UN-supported Race to Zero campaign after several large U.S. banks threatened to withdraw over concerns about ESG backlash and potential antitrust implications associated with such commitments. It remains to be seen, however, the extent to which such actions chill long-term progress on the part of financial institutions related to sustainability issues. Climate change will have an impact on most companies, and as Ms. Frost of CalPERS observes, it could be a breach of fiduciary duty to investors for financial institutions to ignore those real-world impacts due to political pressure.**