



AMERICAN AGRI-WOMEN 2022

ENVIRONMENTAL SOCIAL GOVERNANCE (ESG)

ISSUE:

ESG stands for Environmental Social Governance. ESG works much like China's social credit scores. ESG reporting can force companies and other entities to take positions in the political arena on issues that may have nothing to do with their actual business activities or credit status.

Environmental Social Governance (ESG) is quickly gaining acceptance. ESG evolved from "sustainable development" and is the creation of the United Nations (U.N.) (see background below). ESG reporting is about controlling and forcing company behavior. Through capital markets, it attempts to do what activists have been unable to do through the democratic processes. It is a political score that could result in market participants using economic factors to force a political agenda.

Major investment portfolio managers sell stock index funds to investors, including the public employee retirement system pension fund. Investors purchase index funds because they want to own the stock index instead of owning a single company. Chief Executive Officers of these leading investment management companies can then use the votes of millions of shares purchased by shareholders.

These Chief Executives can vote with billions of dollars of shareholders' funds to force their ESG agendas. For example, they can intimidate a company into divesting large stock quantities from a corporation that uses fossil fuels to manufacture products or by purchasing large amounts of a company's stock to force the company to add more women to the executive board or decrease executive pay. Typical targets include the use of fossil fuels, second amendment rights, and welfare policy. These ESG advocates have no qualms about using shareholders' assets (other people's money) to promote their various political causes. This is a bullying tactic by bullies pushing their agenda with billions of dollars of shareholders' voting rights purchased by those who bought index funds.

ESG is also being adopted voluntarily because it seems like the "Right thing to do" or "Everyone else is doing it, so we should too." At first glance, Environmental Social Governance may sound non-threatening and harmless. There are noteworthy aspects to it. But upon further study and reflection, ESG is global governance, a one-size-fits-all scheme that burdens governments and businesses to accept, report, and demonstrate certain beliefs. Moreover, ESG is politicizing the rating process. It is deeply counterproductive, misleading, and potentially damaging to the rated entities.



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AMERICAN AGRI-WOMEN REQUEST:

The rejection of any Environmental Social Governance (ESG) ratings, credit indicators, or scoring systems that value ESG factors over traditional credit ratings.

Those elected, appointed, or hired in U.S. government positions (local, state, and federal):

- To understand the history and goals of ESG, its direct ties to the U.N. Sustainable Development Agenda and a globally governed system, and how this system ignores, undermines, or seeks to alter, U.S. or State Constitutions, including private and intellectual property rights, free speech, etc.
- To investigate how the 2030 Agenda and ESG reporting requirements impact private property rights, businesses, and the agricultural industry with public transparency.
- To consider the long-term impacts of investing Public Employee Retirement System pension funds with ESG ideology.

BACKGROUND:

An abbreviated history of Environmental Social Governance (ESG):

1992 – U.N. Framework Convention on Climate Change (UNFCCC) hosts its first major conference on "Sustainable Development" in Rio de Janeiro, Brazil. United States is represented by the U.S. President and delegates from Congress.

1992– 102nd U.S. Congress urges adoption of H.Con.Res.353 whereas, "The United States should assume a strong leadership role in implementing the decisions made at the Earth Summit by developing a national strategy to implement Agenda 21 and other Earth Summit agreements through domestic policy and foreign policy, by cooperating with all countries to identify and initiate further agreements to protect the global environment, and by supporting and participating in a high-level United Nations Sustainable Development Commission."

<https://www.congress.gov/bill/102nd-congress/house-concurrent-resolution/353/text>



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1993-2004 -- U.S. Presidential Executive Order 12852 establishes The President's Council on "Sustainable Development" and requires federal agencies to adopt "Sustainable Development" into business practices for the next ten years and beyond.

2000 – Global Compact international initiative brings companies together with U.N. agencies to support ten principles in the areas of human rights, working conditions, the environment, and anti-corruption. "Through the power of collective action, the Global Compact seeks to advance responsible corporate citizenship so that business can be part of the solution to the challenges of globalization. In partnership with other social actors, the private sector can help realize the [U.N.'s] vision: a more stable and inclusive global economy." (<https://www.globalcompactusa.org/about>)

2004-2006 – United Nations Principles for Responsible Investing (UNPRI) is unveiled, and major global investors and asset managers are signatories to the U.N.'s concept of ESG investing

- UNPRI releases a "Global Compact" report endorsed by the World Bank, Goldman Sachs, Morgan Stanley, UBS, CitiGroup, and others titled, "Who Cares Wins: Connecting Financial Markets to a Changing World." (<https://documents1.worldbank.org/curated/en/280911488968799581/pdf/113237-WP-WhoCaresWins-2004.pdf>).
- One of its key recommendations and the overall goal is the "contribution to sustainable development" by encouraging:
 - **Governments** and **multilateral agencies** proactively consider the investment of their pension funds according to the principles of sustainable development.
 - **Analysts** to incorporate ESG and pay consideration to emerging markets for the "importance of sustainable development."
 - **Companies** to take the lead on ESG and provide reports to prove their ESG compliance.
 - **Pension fund trustees** to consider ESG issues in formulating investment mandates and selecting investment managers.



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- UNPRI releases ESG report, "Show Me the Money: Linking Environmental, Social and Governance Issues to Company Value."
(https://www.unepfi.org/fileadmin/documents/show_me_the_money.pdf)

2015 – In concert with the UNFCCC "Paris Agreement," the U.N. announced the 17 Sustainable Development Goals to be completed by 2030 -- The 2030 Agenda for Sustainable Development. United States Council on International Business created the Business for the U.N. 2030 Development Agenda.

2019 – The Davos Manifesto 2020, Defines the purpose of a Company:

"The Universal Purpose of a Company in the Fourth Industrial Revolution" creates 34+ metrics agreed structured to align with the United Nation's Sustainable Development Goals (SDGs). "A company is more than an economic unit generating wealth. It fulfills human and societal aspirations as part of the broader social system. Performance must be measured not only on the return to shareholders but also on how it achieves its environmental, social, and good governance objectives. Executive remuneration should reflect stakeholder responsibility."

(<https://www.weforum.org/agenda/2019/12/davos-manifesto-2020-the-universal-purpose-of-a-company-in-the-fourth-industrial-revolution/>)