



# DANGERS OF ESG

# BACKGROUND

- Non-partisan / American Issue
  - Civil Liberties
    - Free Speech
    - Freedom of the Press
  - How We Solve our Differences: Preserving our markets and Constitutional form of government
- Not about Red or Blue; about the very essence of our country
- Not Addressing Underlying Politics: Climate Change; Social Justice; etc.

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# BUSINESS and POLITICS

- Business has ALWAYS been involved in politics, but focused on their business interests
  - Campaign contributions
  - Lobbying to protect interests
  - Operated within political system
- What's Different? ESG uses business to DRIVE politics
  - Businesses adopting political issues as policies:
    - Reduce GHG emissions (Green New Deal)
    - Racial/demographic quotas: boards, employees
  - Activists shaming banks to drive behavior:
    - De-banking due to "reputational risk"

ews & Quotes

BARRON'S

Topics▼ Stock Picks Lists & Rankings Magazine Data

ECONOMY & POLICY

## Debanking Hurts Everyone

COMMENTARY By Ellen R. Wald Jan. 8, 2021 5:30 pm ET

Text size - +



Brendan Smialowski / AFP via Getty Images

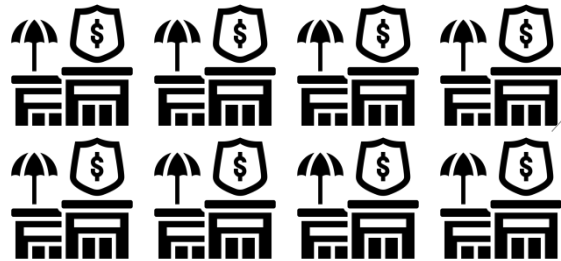
Vocal activist groups are putting pressure on U.S. banks to refuse services to certain businesses and entire industries. This "debanking" has been targeted at energy companies, private prison operators, and gun manufacturers, but it threatens to disrupt the operations and investment in any industry that finds itself unpopular in the moment. This trend has the potential to turn the American market system on its head. Fortunately, a new federal regulation would, if



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# UTAH CASE STUDY—FREE MARKET?

NET-ZERO INSURANCE ALLIANCE

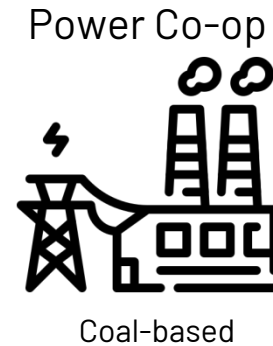


Committed to net-zero:  
1) underwriting  
2) investment

Fleet Vehicles



City Power Company



Power Co-op

Coal-based

All vector images: Vecteezy.com

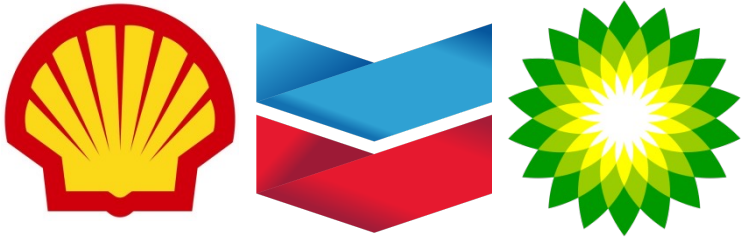
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# GOOD COLLUSION?

## Major Oil Companies

1. Get together
2. Agree cut oil production 20%
3. Prices spike



Vecteezy.com



## Financial Services Companies

1. Commit to Net-Zero agenda
2. Coerce oil production cut 20%
3. Prices spike

ES  
G



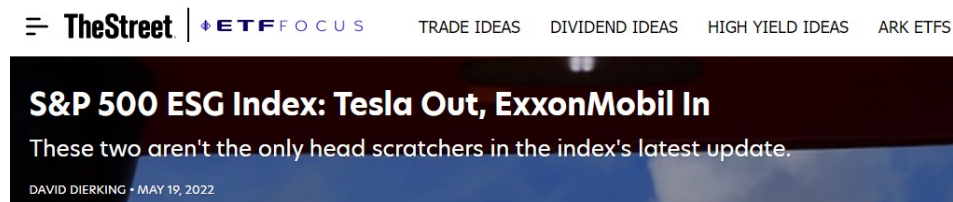
Vecteezy.com



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# WHAT IS ESG?

- Environmental, Social, Governance. Addresses societal issues through finance:
  - Climate change
  - Capitalism's inequities and injustices
- An investment ratings system that measures compliance to a **political** AGENDA
  - "Experts" determine what is best for society
  - Ratings companies determine the factors and correct answer to the factors
  - Compliance rewarded/punished through capital markets (raising money)



Undermines Constitution and Capitalism: Substitutes Plurality for Centralized Control

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# ESG vs SOCIALLY RESPONSIBLE INVESTING

- Socially Responsible Investing—Values-based decisions
  - DIVESTMENT
  - Historically Religious Institutions exclude: Tobacco, firearms, gambling, alcohol
  - Personal CHOICE: Respects the markets and other investors
- ESG—Coercive AGENDA-driven system **enforced with power**
  - Centralized Power through COLLUSION
  - Utilize other people's money (without their knowledge)
  - OUTCOMES-BASED governance

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# ESG & OUTCOMES-BASED GOVERNANCE

- OUTCOMES-BASED governance:
  - Experts determine problems and desired outcomes
  - Silence dissent: Attack misinformation and disinformation
  - Power defines reality when reason no longer exists
- ESG: Seeking an outcome—no debate: climate crisis and social injustices
  - Commit financial system to agenda: Money is POWER
  - Allocation of capital: foundation of our economic system

“97% of Scientists Agree”

Markets depend on information and diversity of thought (competition)

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# ESG CANNOT SUCCEED IN CAPITALISM

"...only if **all actors** contribute to the integration of environmental, social and governance issues in investment decisions, can significant improvements in this field be achieved."

--United Nations, "Who Cares Wins," June 2004.

"It is important to remember that capitalism has been the greatest driver of prosperity and opportunity the world has ever seen."

- Barack Obama, October 6, 2016



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# ESG: THE ACTORS



THE GLOBAL  
COMPACT

## Who Cares Wins

Connecting Financial Markets  
to a Changing World

Recommendations by the financial industry to better integrate  
environmental, social and governance issues in analysis, asset  
management and securities brokerage



Swiss Federal Department  
of Foreign Affairs



United Nations

Published in 2004

United Nations invited

Financial institutions

- Develop guidelines and recommendations **better integrate** environmental, social and corporate governance
- **asset management, securities brokerage services and associated research functions.**

**MONEY IS POWER**



Financial Sector  
Initiative  
Who Cares Wins

## Endorsing institutions

The report is the result of a joint initiative  
of the following companies:

ABN Amro

Aviva

AXA Group

Banco do Brasil

Bank Sarasin

BNP Paribas

Calvert Group

CNP Assurances

Credit Suisse Group

Deutsche Bank

→ Goldman Sachs

Henderson Global Investors

HSBC

Innovest

ISIS Asset Management

KLP Insurance

→ Morgan Stanley

RCM (a member of Allianz Dresdner  
Asset Management)

UBS

Westpac

Note: Throughout this report, the pronoun "We" refers  
to the endorsing institutions listed above and not to the  
individuals that have contributed to producing this report.



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# ESG EXPORPRIATES OTHER'S MONEY

Meaghan Muldoon, Global Head of ESG Integration, BlackRock:

“We have about \$400 billion of **sustainable** products...but we have \$9 trillion of assets (**4.4%**).... So if we think that **ESG risk** and **climate risk** are **investment risk** – then we should be thinking about that and not just with products with a sustainable objective, but in how we manage **everything for all of our clients...**”  
– May 2021

All the ASSETS are used to push an ESG agenda.

Source: American Accountability Foundation Investigative Report. “None of it is Our Money.” Pages 16-17, August 9, 2022.

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# REAL PROBLEMS WITH ESG

- People can just move their money: WRONG. People often don't know or can't move their retirement money
  - Most money in US managed with ESG agenda is not identified as ESG strategy
  - Participants in retirement programs often don't have a choice—the line-up is the line-up
  - Fiduciaries determine investment managers
- Performance will suffer: TRUE but you won't know it. Most ESG funds are passive
  - Own the index
  - Engage with companies to change them
  - Only one stock—if company changes all stockholders impacted the same



# MARKET ENGAGEMENT

- BlackRock, (Vanguard, and State Street):

## ExxonMobil

- You need to reduce GHG emissions
  - Create plan to be net-zero by 2050
  - Cut oil production by 20% (2021)
- Enforcement mechanism:  
“We did not support the election of 176 directors for climate-related concerns (254 last year).”
  - Impacts the market and investors

**BlackRock**

**2,060**

total engagements

**Engaging and voting on  
climate and natural capital**

WHERE ALTERNATIVE VIEWS NOT ALLOWED MARKETS (and FREE SOCIETIES) DIE

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# ESG and UTAH'S CREDIT RATING

- Utah highest credit ratings in the world
- Credit rating agencies: S&P, Moody's, and Fitch
- ESG ratings separate from credit rating
- Utah's one issue: drought
  - If financially material, put in credit rating
  - Otherwise, non-financial ESG factors can impact ability to access market
- Factor under "G": Adverse publicity resulting in reputation risk



SPORTS

BYU bans a fan who yelled a racist slur at a Black volleyball player on Duke's team

Updated August 28, 2022 · 6:29 PM ET



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# RECIPE FOR TYRANNY

- Identify Goals to Achieve (OUTCOMES-BASED governance)
- Declare Crisis or Emergency
  - Create FEAR
  - SILENCE dissent
  - Enforce COMPLIANCE
    - ESG
    - Digital IDs
    - Vaccine Passports
    - Central Bank Digital Currency
- Check Papers Society

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# TRUTH IN FREE SOCIETIES: PRESS/SPEECH

TOP THREAT TO FREEDOM: Protecting Citizens from “Misinformation” and “Disinformation”

REUTERS

RACE FOR A CURE  
NOVEMBER 12, 2020 6:57 AM / UPDATED 2 YEARS AGO

### Misinformation could prompt people to turn against COVID-19 vaccines: study

REUTERS

My View Following Saved

2 minute read · January 14, 2023 1:53 PM EST · Last Updated 31 min ago

### U.S. FDA, CDC see early signal of possible Pfizer bivalent COVID shot link to stroke

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Bari Weiss @bariweiss

Twitter suppressed true information from doctors and public-health experts that was at odds with U.S. government policy.

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Industry News Opinion

## Bill Maher Praises Twitter Files Journalist Bari Weiss, The Free Press

Progressive comic's endorsement comes as Twitter leaks shred media lies

Christian Toto · December 12, 2022 5,035 3 minutes read

**CENSORSHIP**

AMERICAN NEWS Apr 27, 2022 11:50 AM EST

### BREAKING: Biden administration creates 'Disinformation Governance Board' under DHS to fight 'misinformation'

*"Here, we are not afraid to follow truth wherever it may lead, nor to tolerate any error so long as reason is left free to combat it."*

Thomas Jefferson, 1820



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# OUTCOMES-BASED GOVERNANCE

- No Child Left Behind: 100% of children will pass their exams and be proficient
- United Nations Sustainable Development Goals (SDGs):
  - Eliminate poverty
  - Stop hunger
  - Prevent climate crisis
- ESG
  - Stop climate change (global temperature rising less than 1.5°C)
  - Implement Diversity, Equity, and Inclusion for a more just society

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# OUTCOMES vs. RULES OF CONDUCT

*"The possibility of men living together in peace ...**without** having to agree on **common concrete aims**, and bound only by abstract **rules of conduct**, was perhaps **the greatest discovery mankind ever made.**"*

*"...a system of **common concrete ends** towards which [all] efforts are directed by authority...would deprive us...of the advantages of a **free civilization.**"*

- The 10 Commandments
- The United States Constitution

Outcomes-based Governance opens the door to Authoritarianism



Friedrich Hayek  
Austrian Economist

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# UN SDGs and CCP

THE EPOCH TIMES

CHINESE REGIME

## Beijing Takeover of United Nations Presents Existential Threat to US: Experts

By [Alex Newman](#)

May 13, 2020 Updated: May 19, 2020

The CCP also boasted that it played a “crucial role” in creating the U.N.’s Agenda 2030 Sustainable Development Goals, which have been widely touted by U.N. leaders as the “masterplan for humanity.”

### SUSTAINABLE DEVELOPMENT GOALS



## CCP Exporting ‘Ethno-Nationalism and Totalitarianism’ Globally: Rep. Torres

March 1, 2023

THE EPOCH TIMES

PREMIUM INTERNATIONAL

## UN Promotes Anti-Israel, Pro-Beijing Policies: US Ambassador



U.S. ambassador to the U.N., Linda Thomas-Greenfield, speaks during a press conference at the U.N. Headquarters in New York on March 1, 2021. (Timothy A. Clary/AFP via Getty Images)



By [Andrew Thornebrooke](#)  
March 1, 2023 Updated: March 1, 2023

Print

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# ESG in ONE IMAGE



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# BEWARE of CRISES



“Crisis is the rallying cry of the tyrant.”

--James Madison

Source: Wall Street Journal, Portrait of James Madison, 1806 UNIVERSAL HISTORY ARCHIVE/UIG/GETTY IMAGES

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