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For press inquiries only, contact:

Cameron Mixon (334) 242-7491

Steve Marshall
Alabama Attorney General



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Attorney General Steve Marshall Joins 20 States in Challenging Proxy Firms' ESG Practices

(MONTGOMERY) – Attorney General Steve Marshall joined a 20-state coalition that is questioning the ESG practices of two proxy advisory companies, International Shareholder Services, Inc. (“ISS”) and Glass, Lewis & Co. (“Glass Lewis”). The attorneys general specifically take issue with how ESG considerations affect ISS and Glass Lewis’s proxy-voting recommendations that conflict with the financial interests of their clients.

Attorney General Steve Marshall stated, “It is vital that these financial institutions are providing recommendations based upon the economic value of prospective investments and not any broader political or social agenda. A client’s hard-earned money should not be used to fund social-engineering projects to the detriment of the client’s financial interests.”

Both ISS and Glass Lewis have pledged to support the priorities established by an international group of financial institutions committed to aligning their lending and investment portfolios with “net zero emissions” by 2050. By letting “net zero” inform their proxy advice, ISS and Glass Lewis are potentially abandoning their fiduciary duties to their clients, including many states, in favor of a radical environmental agenda that experts predict is not possible.

Additionally, ISS and Glass Lewis have pledged to recommend votes against certain directors on boards that they view as having insufficient racial, ethnic, or sex-based diversity under arbitrary quotas announced by ISS and Glass Lewis.

The letter states, “Your actions may threaten the economic value of our States’ and citizens’ investments and pensions – interests that may not be subordinated to your social and environmental beliefs, or those of your other clients.”

Attorney General Marshall and his colleagues are seeking information and assurances from ISS and Glass Lewis that they will uphold their legal obligations in performing proxy advisory services.



The attorneys general of the states of Alaska, Arkansas, Georgia, Idaho, Indiana, Iowa, Kansas, Kentucky, Louisiana, Mississippi, Missouri, Montana, Nebraska, New Hampshire, Ohio, South Carolina, Texas, Utah, Virginia and West Virginia also joined the letter.

The full letter sent by the attorneys general can be viewed online [here](#).