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Page 1 of 1

Attorney General Marshall to Top Credit Ratings Agencies: Stop the Unlawful ESG Policies

(Montgomery, Ala.) – Alabama Attorney General Steve Marshall joined a coalition of 23 States in questioning the lawfulness of the environmental, social, and governance (ESG) policies of three top credit rating agencies. The agencies – Fitch Ratings, Moody’s, and S&P Global Ratings – have pledged to systematically incorporate ESG considerations into credit ratings. In considering highly speculative ESG predictions and goals, the agencies have downgraded the credit ratings of traditional energy companies, and their policies threaten to undermine the States’ bond ratings as well.

“It is deeply concerning that major credit rating agencies continue to use unlawful ESG-driven decision making in their ratings in ways that raise borrowing costs across the economy. When financing becomes more expensive, businesses pass those costs on to consumers. This means higher prices for goods, fewer jobs, and less investments in our communities,” Attorney General Marshall stated. “Credit ratings should be based on clear financial risks, not subjective standards that distort markets and limit competition. If these credit rating companies continue these liberal practices, consumers and businesses will keep paying the price.”

The letter raises concerns with the ratings agencies’ policies and practices. Among them, the letter notes that while the ratings agencies’ methodology pushes companies to prioritize ESG factors, they are also artificially increasing demand for their suite of ESG-related consulting services. This, the States argue, is likely an undisclosed and unlawful material conflict of interest. The letter also questions whether the ratings agencies’ ESG policies constitute an antitrust violation or otherwise violate the States’ laws that ban unfair and deceptive trade practices.

Joining Attorney General Marshall in the letter are the attorneys general of Alaska, Arkansas, Florida, Georgia, Idaho, Iowa, Indiana, Kansas, Kentucky, Louisiana, Mississippi, Missouri, Montana, Nebraska, North Dakota, Ohio, Oklahoma, South Carolina, Texas, Utah, West Virginia and Wyoming.

To view the full letter, [click here](#).

