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Hearing on "ESG Part II: The Cascading Impacts of ESG Compliance"
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Thank you, Mr. Chairman. St. Louis and I are here today because we understand the simple concept of cause and effect.

We understand that, when pharmaceutical giants like Purdue Pharma make their fortunes by getting people addicted to opioids, someone pays the price. We understand that, when corporate governance failures lead to the collapse of banks and Fortune 500 companies alike, someone pays the price. We understand that, when corporations recklessly pollute our communities or fail to consider how the climate crisis will harm people on the frontlines, someone pays the price.

Who pays that price? Our constituents. More specifically, it is our constituents who live in Black and Brown communities. It is the children in my district who are suffering from some of the highest asthma rates in our country because corporate polluters put short-term profits over the needs of people.

It is the families in East Palestine who paid the price when they had to flee their homes because railroad companies cut corner after corner, inevitably leading to adverse health outcomes and environmental ruin. It is our workers who entrust their livelihoods and earnings with their employers, only to have those employers go bankrupt after years of mismanagement and self-dealing.

It is also our constituents who will pay the price with their retirement funds and investments if Republicans succeed in their attempts to restrict the public's access to data.

Environmental, social, and governance elements—commonly known as ESG factors—have material and defining benefits on companies' bottom lines. Companies that face and responsibly address this reality carry less risk—both for themselves and for society overall. Companies that deny this reality and pretend their actions don't have consequences are not only delusional—they are dangerous.

ESG principles are designed to protect investors, workers, and retirees from the financial risks of bad business practices by responsibly considering all available data about potential investments. Responsible investing depends on ESG data to facilitate prudent planning for long-term challenges.

That's why Democrats are working to protect access to this data so that financial professionals and the public are free to make responsible and economically beneficial investment choices.

For example, under the Biden-Harris Administration, the Department of Labor finalized a rule reversing a Trump-era regulation that prevented retirement plan fiduciaries from considering ESG data when seeking to maximize investment returns for plan participants. The Securities and Exchange Commission

is also working on rulemaking to require publicly traded companies to disclose climate risk information, and to make ESG disclosures more standardized, consistent, and reliable.

The MAGA insurrectionist Republicans' political crusade against responsible investing is an attempt to manufacture a culture war and protect corporate special interests—all at the expense of taxpayers and their savings.

For example, in 2021, Texas barred municipalities from contracting with banks that have ESG policies regarding fossil fuel and firearms companies. The move cost taxpayers an additional $300 to $500 million in interest in the first eight months alone.

The vast majority of the public—Democrats and Republicans alike—oppose government efforts to restrict responsible investing. They understand that investments have better returns when financial professionals are free to consider all data, including environmental, social, and governance risks and opportunities.

Over the past few months, the GOP has made it very clear that they have no problem putting the public in harm's way for political gain. In using the debt limit to take our economy hostage, they willingly risked the full faith and credit of the United States, simply to push through politically unpopular policies that couldn't otherwise win the votes it needed.

By attempting to prohibit responsible investing practices, they continue to risk the retirement security of hard-working people, simply to protect corporate special interests that cannot attract investment on their merits alone.

To reiterate the clear message of our previous hearing on this topic, transparency and responsible management of environmental, social, and governance risks is the bare minimum we should expect of corporations, such as those headquartered in St. Louis, that bear a responsibility to the communities they touch and the people that invest in them.

This access and freedom is just commonsense, common decency, and smart business practice. Thank you.

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