To: Interested Parties
From: Global Strategy Group and Unlocking America's Future
Date: February 2024
Re: NEW POLLING—How to Go on Offense Against Bans on Responsible Investing in 2024

False political attacks against responsible investing, commonly known as environmental, social, or corporate governance (ESG) investing, have escalated across the country, particularly at the state and municipal levels. Research has shown repeatedly that the public is unclear about what "ESG" means, and proponents of bans on this kind of economic approach have sought to leverage this lack of awareness to drive a false and highly politicized attack. With the presidential election fully underway, right-wing candidates and media continue to seize on anti-ESG policies in states like Texas, Indiana, and North Carolina to drive a false narrative about a so-called "woke agenda" at the expense of workers, businesses, investors, and the states' economies. New research conducted by Global Strategy Group and Unlocking America's Future demonstrates how to flip the script and go on offense against proponents of anti-responsible investing policies.

While stakeholders of the ESG movement are actively deploying effective positive arguments about the benefits of this kind of investing, this new research demonstrates how to drive opposition to ESG bans and make orchestrators of the anti-ESG movement pay a political price.

- **While voters are largely unfamiliar with the term "ESG," they are overwhelmingly favorable to "responsible companies" (78% favorable), "sustainable business practices" (73%), and "responsible investing" (71%).** While this research was focused on going on offense against those who want to ban "ESG," this research confirms findings revealed in other studies that terms like "responsible investing" are viewed more positively by voters than "ESG."
- **Voters overwhelmingly oppose banning "ESG."** From banning books to banning abortion, voters are generally opposed to government bans, and ESG bans are no exception. By 24 points (25% support, 49% oppose) voters initially oppose banning ESG – and when they learn more, opposition grows by 14 points, with voters opposing a ban by 39 points (24% support, 63% oppose).
- **More than seven in ten Americans find a range of consequences from ESG bans to be "serious."** Chief among them are lack of corporate accountability leading to lower wages for workers (54% "very serious") and worse working conditions for workers (49%), jobs being sent overseas (49%), jobs being lost by limiting investment in renewables (48%), higher interest rates (47%), and taxpayers having to pay more like in Texas (47%). Less serious are those focused on increased bureaucracy (27%) or investors making poorly informed decisions (33%).
- **Voters feel ESG bans will most harm workers and the economy.** Nearly three in five voters say workers would be negatively impacted by ESG bans (58%), with similar numbers of voters saying that ESG bans will negatively impact the economy (58%), energy and gas prices (57%), and others' retirement savings (56%).
- **Three in five voters are concerned that "supporters of ESG bans do not care about the well-being of the middle class or American workers."** Nearly 60% of voters are also concerned that billionaire donors "are pouring money into the groups and politicians that support" ESG bans.
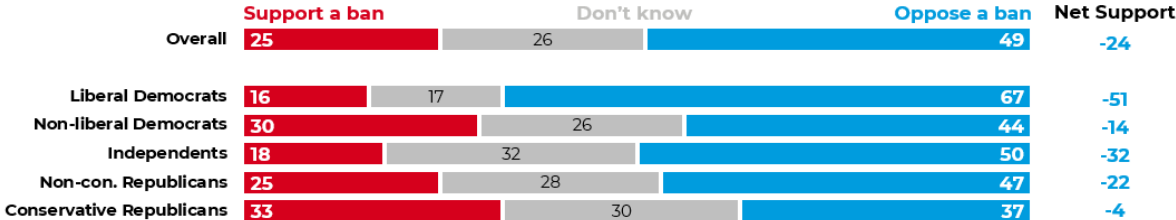
Key Findings

We began with a discussion board at the end of November with 30 persuadable voters nationwide who did not have strong views towards "ESG" and were otherwise weak partisans/ideologues, followed by a survey of 1,000 registered voters nationwide conducted in mid-January.

Qualitative research showed that voters are cost-concerned and see an economic status quo that is not working for them. ESG presents some opportunities to subvert the status quo. Poll after poll shows that voters are financially uneasy and that inflation/the economy are top issue priorities. While most voters remain unfamiliar with ESG, they see strong potential that it could right some of the wrongs of an economic system that disproportionately benefits the wealthy while the middle class continues to struggle. Voters see hope that ESG will bring greater accountability, encouraging companies to prioritize workers' wages and safety, rather than allowing CEOs to focus solely on their bottom lines.

Nearly half oppose a ban on ESG: just 25% support a ban on ESG while 49% oppose a ban on ESG (another 26% don't know enough to say). And, among those who have not heard of ESG or do not know enough to rate the concept at the beginning of the poll, 48% oppose a ban, **revealing we don't need to do all that much defining of ESG for voters to stand against a ban.**

Initial Ban Vote: Do you support or oppose a **ban** on businesses and investors being able to consider all factors, including environmental, social, and governance (ESG) factors, in judging the strength of an investment or a pending business decision?

	Support a ban	Don't know	Oppose a ban	Net Support
Overall	25	26	49	-24
Liberal Democrats	16	17	67	-51
Non-liberal Democrats	30	26	44	-14
Independents	18	32	50	-32
Non-con. Republicans	25	28	47	-22
Conservative Republicans	33	30	37	-4

Almost two in three voters (63%) are against a ban after further debate from both supporters and opponents of ESG. After the initial ask, voters were shown a statement from supporters of a ban on ESG (included below), followed by information on the consequences of ESG bans and arguments against ESG bans. While voters move slightly towards support for a ban after reading the statement from supporters, they move decisively against a ban to 63% oppose, with net support of -39 overall (24% support a ban/63% oppose) after reading our messaging against ESG bans.

Statement from ESG Ban Proponents: Supporters of these bans say that ESG is a set of rules that forces companies to adhere to a politically correct, "woke" agenda, including forcing investing in companies that oppose fossil fuels, push for unionization, and stress racial and gender equity over merit in hiring and board selection. ESG rules hurt investors, consumers, and everyday seniors just looking to survive off their retirement savings. Bans on ESG help to free businesses and investors from this "woke" agenda and allow them to instead focus on achieving the best returns and economic outcomes possible for Americans, first and foremost.

Do you support or oppose a ban on businesses and investors being able to consider all factors, including environmental, social, and governance (ESG) factors, in judging the strength of an investment or a pending business decision?

	Net Support for Bans on ESG			
	Initial	**Post-Ban Positive**	**Post-Ban Negatives**	*Change (Initial to Post-Ban Negatives)*
Overall	-24	-17	-39	*-15*
Liberal Democrats	-51	-45	-62	*-11*
Non-liberal Democrats	-14	-12	-33	*-19*
Independents	-32	-28	-48	*-16*
Non-conservative Republicans	-22	-12	-39	*-17*
Conservative Republicans	-4	+7	-16	*-12*

We segmented our audience here into three groups. Nearly two in five voters (36%) fall into our base – this is a very Democratic audience, that includes many liberals and 2020 Biden voters: they are with us from start to finish in opposing a ban. Then, there is another group (11% of the electorate) that are always in support of bans: a more Republican, conservative audience. That leaves us with a swath of persuadable voters who are neither base nor opposition (54%): this persuadable audience is divided on partisanship with a slight Republican lean, with independent and center-right women (as well as non-college educated voters) particularly likely to fall in this category.

Message Recommendations

Keep the argument on economic terrain by focusing on the personal financial harms of ESG bans – threats to worker wages/conditions, job loss, and costs to taxpayers. Again, as many voters are feeling cost pressures in their everyday lives, policies that address and speak to those concerns are most resonant. When it comes to ESG bans, the consequences tested that lean into those feelings – high CEO pay at the expense of workers' wages/working conditions, job loss, higher interest payments, harm to retirement savings – are the ones that stick most with voters.
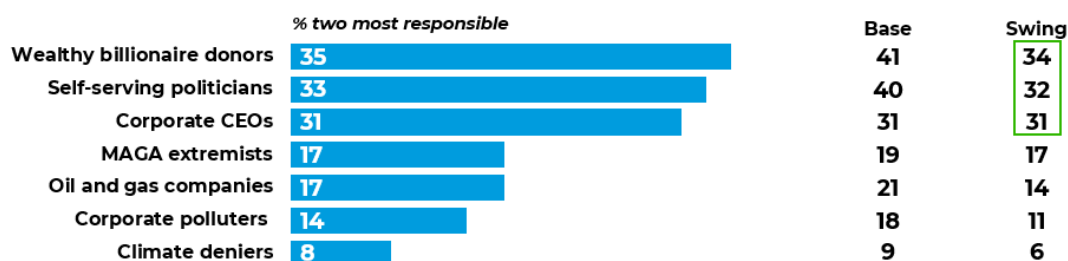
Please indicate how serious you find each potential consequence of an ESG ban. *(Top 11 tested)*	% Very Serious		
	Overall	Base	Swing
Jobs will be sent overseas to friendlier economic environments that do not have these kinds of bans	49	43	53
Without accountability for corporate executives, CEO pay will continue to skyrocket and worker wages will remain low	54	65	51
Economists predict that if there is a ban, banks will raise borrowing costs and taxpayers will have to pay millions more in higher interest payments	47	48	49
Hundreds of thousands of jobs will be lost by limiting investment in new, developing industries	46	47	49
Retirement savings could be cut to pay for higher costs, greater surveillance needs, and even more bureaucratic burdens for retirement systems to abide by these bans	44	41	47
Retirement savings could be cut – like in North Carolina, where such a ban would cost the state's retirement system more than $8 million a year in perpetuity	46	50	45
American manufacturing jobs will be outsourced overseas to friendlier economic environments that do not have these kinds of bans	42	42	45
Pensions will be harmed, like in Indiana where the state's retirement system estimated such a ban would cost retirees nearly $7 billion over 10 years	45	49	44
Hundreds of thousands of jobs will be lost by limiting investment in the renewable energy industry which has added more than 100,000 good-paying jobs to the American economy in 2023 alone	48	57	44
Without accountability for corporate executives, worker health and safety will not be a priority	49	61	43
Taxpayers will have to pay more, like in Texas, where such a ban created more than $300 million in additional interest costs in the first eight months alone	47	53	43

More swing voters and voters overall believe ESG bans will have a negative impact on workers, the economy, and energy prices. Asked what the impact would be on each one if ESG were to be banned:
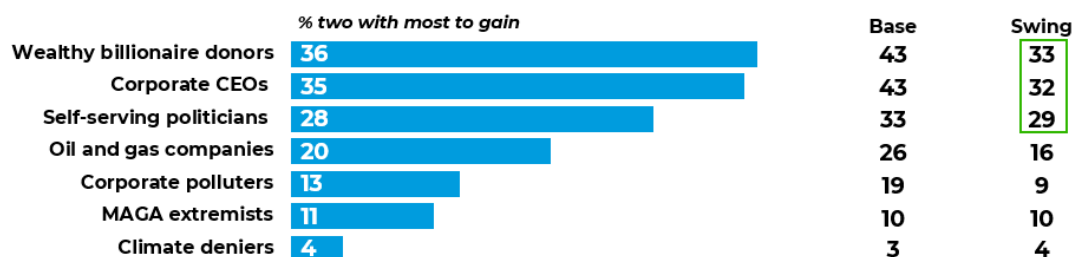
- 58% of voters overall, 52% of swing voters say "workers" would be negatively impacted
- 58% of voters overall, 52% of swing voters say "the economy" would be negatively impacted
- 57% of voters overall, 54% of swing voters say "the prices you pay for energy and gas" would be negatively impacted

Define drivers of ESG bans as billionaire donors, self-serving politicians, and greedy CEOs. Following messaging, we asked voters both who was most **responsible** for pushing bans on ESG and who **has the most to gain** from these bans: the top three across both questions – among both swing and base voters – are wealthy billionaire donors (35% most responsible, 36% most to gain overall), self-serving politicians (33% most responsible, 28% most to gain), and corporate CEOs (31% most responsible, 35% most to gain).

Who do you think is <u>most responsible</u> for pushing these bans on ESG?

% two most responsible		Base	Swing
Wealthy billionaire donors	35	41	34
Self-serving politicians	33	40	32
Corporate CEOs	31	31	31
MAGA extremists	17	19	17
Oil and gas companies	17	21	14
Corporate polluters	14	18	11
Climate deniers	8	9	6

Who has the <u>most to gain</u> from these bans on ESG?

| *% two with most to gain*		Base	Swing
Wealthy billionaire donors	36	43	33
Corporate CEOs	35	43	32
Self-serving politicians	28	33	29
Oil and gas companies	20	26	16
Corporate polluters	13	19	9
MAGA extremists	11	10	10
Climate deniers	4	3	4

Specify the motivation for proponents of ESG bans – putting CEOs ahead of workers and using the network of billionaire donors and self-serving politicians to protect their profits and the status quo. Our strongest messaging pulls together two themes: ESG bans as another means for CEOs to prosper at the expense of workers, and the shady network of the rich/billionaire donors and the politicians in their pay-for-play schemes working together to ban ESG to maintain an unfair status quo. Our top-two testing messages overall and among both base and swing focus on proponents putting CEOs before workers and the shady network of billionaires who are pushing these bans:

Please indicate how concerned each statement makes you feel about bans on ESG investing and decision-making.	MEAN concerned		
	Overall	Base	Swing
[CEO PAY VS. WORKERS] Those who support these bans do not care about the well-being of the middle class or American workers. They want to let CEOs make 500 times what the average worker makes, and do not want big corporations to be held accountable even for unsafe working conditions for their employees.	6.84	7.91	6.53
[BILLIONAIRES] Shady billionaires support these bans. This group of billionaires, including Leonard Leo and others, has raised over $2 billion over nearly 30 years to influence the Supreme Court. Now, they are pouring money into the groups and politicians that support these bans on ESG, operating behind closed doors to corrupt our democracy.	6.75	7.88	6.41

In a subsequent open-ended question, base and swing voters alike say it is money and greed that motivate supporters of ESG bans. These two words are by far the standouts on motivation, and when asked what the best word or phrase to describe those who support these bans is, 50% say "greedy" and 36% say "self-serving."
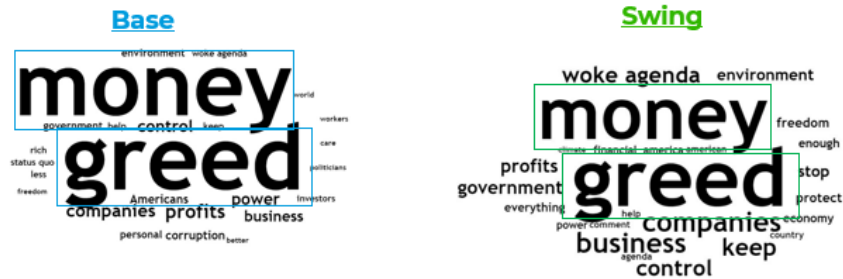
Putting It All Together: Anti-ESG Ban Narrative

*ESG bans are bad for the economy. The **self-serving politicians and billionaire donors** pushing these bans **do not care about the well-being of American workers** and are driven by one thing: **greed**. They want to protect the status quo, let CEOs make 500 times what the average worker makes, and do not want big corporations to be held accountable even for unsafe working conditions for their employees. The self-serving politicians who support these bans do not care that banning ESG costs hundreds of thousands of good-paying American jobs, raises interest payments and costs for taxpayers, and hurts hard-working Americans' retirement savings. Billionaire donors are pouring money into corrupt groups and politicians that are trying to ban ESG, operating behind closed doors to corrupt our democracy and protect their own bottom lines by preserving the status quo where the rich get richer, and the middle-class struggles.*