



# NEWS RELEASE

Attorney General Mike Hilgers

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## **Attorney General Hilgers Joins Antitrust Lawsuit Against Institutional Investors for ESG Commitments**

Lincoln—Attorney General Mike Hilgers joined a coalition of 11 states to sue BlackRock, State Street Corporation, and Vanguard Group, three of the largest institutional investors in the world, for conspiring to artificially constrict the market for coal through anticompetitive trade practices.

Over several years, the three asset managers acquired substantial stockholdings in every significant publicly held coal producer in the United States, thereby gaining the power to control the policies of the coal companies. Using their combined influence over the coal market, the asset managers collectively announced in 2021 their commitment to weaponize their shares to pressure the coal companies to accommodate “green energy” goals. To achieve this, the investment companies pushed to reduce coal output by more than half by 2030.

Blackrock, Vanguard, and State Street utilized the Climate Action 100 and the Net Zero Asset Managers Initiative to signal their mutual intent to reduce the output of thermal coal, which predictably increased the cost of electricity for Americans across the United States. These firms also deceived thousands of investors who elected to invest in non-ESG funds to maximize their profits. Yet these funds pursued ESG strategies notwithstanding the defendants’ representations to the contrary.

"Whether it comes from state or federal governments or the private sector, the radical climate agenda harms Nebraskans. Nebraska’s energy sector depends on coal, and these ESG agreements make coal-based power more expensive, hiking the price of electricity for end consumers," said Attorney General Hilgers. "We want the free market to work, but anticompetitive agreements like ESG investment pledges or truck manufacturers who conspire to eliminate the internal-combustion engine attempt to control the market based on a political agenda. Our lawsuit is aimed at letting fair market prices be set by supply and demand—not by three of the largest financial firms in the country based on ESG goals that investors are not interested in," stated Hilgers.

Deliberately and artificially constricting the supply of electricity increased prices and enabled the investment companies to increase revenues. The lawsuit alleges that this conspiracy violated multiple federal laws that prevent a major shareholder, or a group of shareholders, from using their shares to lessen competition or engaging in other anticompetitive schemes.

Attorney General Hilgers joined attorneys general from 10 other states: Texas, Alabama, Arkansas, Indiana, Iowa, Kansas, Missouri, Montana, West Virginia, and Wyoming.

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