



NEWS RELEASE

Attorney General Mike Hilgers

FOR IMMEDIATE RELEASE

May 20, 2026

Nebraska Attorney General Sues ISS for Misleading Investors and Pushing ESG Agenda

Nebraska Attorney General Mike Hilgers is suing Institutional Shareholder Services Inc. (ISS), claiming the company misled Nebraska investors by promising objective advice while promoting an undisclosed ESG agenda and coordinating with activist groups. ISS is the world's largest proxy advisor firm.

"ISS sold Nebraska investors on the promise of objective, independent research. What they were actually getting was advocacy—coordinated with ESG activist organizations, untested against any financial standard, and driven by an ideological agenda that ISS never disclosed," said Attorney General Mike Hilgers. "Despite heavy criticism for promising objectivity and delivering ideology, ISS has refused to make any changes. But you cannot promise one thing and deliver another in Nebraska. We are taking action to put a stop to it."

The lawsuit claims ISS falsely advertised its services as objective, while actually working with ESG activist groups like Climate Action 100+, Ceres, and The Children's Investment Fund, to shape recommendations, without disclosing their influence to clients.

While ISS does offer ESG-focused products to consumers who seek ESG-oriented guidance, the lawsuit claims it secretly included the same ESG mandates in its main benchmark advice, misleading clients who expected neutral recommendations. ISS's owners, Deutsche Börse AG and General Atlantic, are also committed ESG activists, creating undisclosed conflicts of interest.

ISS used ESG metrics without studying financial impact, adopting broad ESG policies in its main products without analyzing their effect on shareholder value or company performance.

From 2022 to early 2025, ISS allegedly recommended votes against board members based on race and ethnicity—a policy the lawsuit says was illegal and not disclosed to clients. ISS ended this after a 2025 Executive Order. On the side, ISS ran a side consulting business selling ESG services to the same companies it rated, without fully disclosing this conflict of interest.

Additionally, the lawsuit claims ISS opposed leaders who focused on financial analysis over ideology, citing Warren Buffett as an example.

“ISS exerts outsized influence over corporate decisions in Nebraska and the United States, injecting anti-fiduciary activism into the performance of investments that everyday Nebraskans hold and often rely on for retirement and financial well-being,” said Attorney General Hilgers. “The fact that they could provide a disfavored recommendation as to seating Warren Buffett as a director at Berkshire Hathaway reflects how far they went astray in pursuit of their climate ideology.”

The lawsuit follows wider national concerns about proxy advisers like ISS, with U.S. officials and financial leaders criticizing the firm’s influence and conflicts of interest.

Florida first filed a lawsuit against ISS in November. Nebraska, Iowa, West Virginia, and Texas join in filing suit against ISS today. The Multistate Proxy Advisor Coalition aims for coordinated efforts and a unified front against what they call widespread harm from ISS’s practices. The Multistate Proxy Advisor Coalition includes Alabama, Alaska, Florida, Indiana, Iowa, Kansas, Kentucky, Nebraska, Missouri, Montana, South Carolina, South Dakota, Tennessee, Texas, Utah, and West Virginia.

###

Court Filing Attached

Suzanne Gage
Director of Communications
Nebraska Attorney General’s Office
Office: 402-471-2656
Mobile: 402-560-3518
Suzanne.gage@nebraska.gov