



June 15, 2021

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**National Taxpayers Union (NTU) urges all Representatives to vote “NO” on H.R. 1187, the “Corporate Governance Improvement and Investor Protection Act.” This legislation would impose unnecessary mandates and associated costs onto private sector businesses under the guise of investor protection and addressing climate risk. As the economy continues to rebound following the COVID-19 recession, it would be misguided to jeopardize that recovery with new burdens on job creators.**

This legislation is a hodgepodge of bills imposing new, costly regulations onto publicly-traded companies to encourage uptake of “green” technologies and investments. At its core, H.R. 1187 would increase the level of government interference in the economy, add compliance costs onto businesses, and harm investors. Further, H.R. 1187 could be used to “name and shame” companies into altering their business decisions away from certain activities and towards investments that may not be in the best interest of said company. Under this standard, decisions would not be based on what is best for maximizing shareholder returns, but one that is based on politically popular opinion. More heavy-handed compliance costs will only disincentivize firms from going or staying public, thereby impacting returns for everyone, including middle-income investors and retirement accounts.

Additionally, Title IV of H.R. 1187 would subject some companies to even greater disclosure requirements on their carbon-related activities. Specifically, Title IV would require publicly-traded companies to make annual disclosures about their direct and indirect greenhouse gas emissions, non-renewable fuel assets, risk management strategies for addressing climate change, and other new information. As it stands, companies are currently free to voluntarily report ESG information to shareholders, so there is nothing stopping a company from disclosing this information. Yet under this legislation, companies would be forced to disclose even more information that is often not material or useful to current shareholders or potential investors - thereby wasting staff hours and resources that would be more productive elsewhere.

This proposal also includes provisions which would undermine freedoms enumerated in the First Amendment of the Constitution. Title II requires publicly-traded companies to send a quarterly report to shareholders containing a record of every contribution to trade associations, outside political groups, and candidates. This process could be used to shame members of the business community for their donations to certain organizations or members of Congress.

**Roll call votes on H.R. 1187 will be included in NTU’s annual Rating of Congress and a “NO” vote will be considered the pro-taxpayer position.**

*If you have any questions, please contact NTU Director of Federal Affairs, Thomas Aiello at [Thomas.Aiello@ntu.org](mailto:Thomas.Aiello@ntu.org)*

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