



**STATE OF NEW HAMPSHIRE
OFFICE OF THE GOVERNOR**

CHRISTOPHER T. SUNUNU
Governor

**STATE OF NEW HAMPSHIRE
BY HIS EXCELLENCY
CHRISTOPHER T. SUNUNU, GOVERNOR**

Executive Order 2023-03

**An Order Directing State Entities to Prioritize Investment Returns and Minimize Risk in
Fulfillment of Their Fiduciary Duties**

WHEREAS, State entities investing taxpayer and beneficiary funds have a fiduciary duty to act in the best interest of their constituencies, prioritizing the highest rate of return; and

WHEREAS, fiduciaries' investment decisions based on non-financial considerations may fail to meet the financial needs of the State and its citizens; and

WHEREAS, investment decisions based on non-financial considerations may include environmental, social, and governance (ESG) criteria which have shown to produce lower returns compared to investment decisions based on financial considerations alone; and

WHEREAS, the pursuit of ESG goals may result in suboptimal investments that fail to meet the fiduciary obligations that State entities investing taxpayer and beneficiary funds owe to their investors; and

WHEREAS, State entities have a responsibility to minimize risk and maximize returns in order to provide sustainable benefits to their constituencies, including pensioners and other beneficiaries; and

WHEREAS, the State currently follows its obligation as a fiduciary but this order will make it the official policy of the State of New Hampshire.

NOW, THEREFORE, I, CHRISTOPHER T. SUNUNU, GOVERNOR of the State of New Hampshire, by the authority vested in me by Part II, Article 41 of the New Hampshire Constitution, do hereby order, effective immediately, that:

1. Executive Branch agencies shall prioritize investment decisions that maximize financial returns and minimize risk, as part of their fiduciary duty to act in the best interest of the State and the beneficiaries of the State's trust funds.
2. Executive Branch agencies that are permitted to invest funds shall review their investments and pursue any necessary steps to ensure that no funds or state-controlled investments are invested with firms that invest New Hampshire funds in accounts *solely* based on ESG criteria.

3. The New Hampshire Retirement System is strongly encouraged to adhere to their fiduciary obligation and not invest with any firm that will invest state pension funds in funds that follow ESG criteria, as the primary investment goal should be to obtain the highest return on investment for New Hampshire's taxpayers and retirees.
4. The State Treasurer shall and the New Hampshire Retirement System is encouraged to report on an annual basis to the Governor and the relevant legislative committees regarding compliance with the duty to make investment decisions based upon the fiduciary duty to maximize short or long term financial benefits for the state. The report shall note the existence of any investment funds that may have mixed, rather than pure, fiduciary interest investment motivations.

Given under my hand and seal at the Executive Chambers in Concord, this 10th day of April, in the year of Our Lord, two thousand and twenty-three, and the independence of the United States of America, two hundred and forty-six.



GOVERNOR OF NEW HAMPSHIRE