WOKE FINANCE IS HURTING LOUISIANANS

Money managers hurt Louisianans by imposing expensive ESG mandates on utilities like SWEPCO.

- A group of the world's largest money managers is targeting specific companies, including American Electric Power (SWEPCO), to force them to comply with the aspirational goals of the Paris Agreement.
- Members of Climate Action 100+ can influence companies because they manage large amounts of citizens' retirement savings, including for Louisiana's public pensions LASERS and TRSL.
- They are pressuring electric utilities to phase-out gas and coal power by 2040, while natural gas provides 70% of Louisiana's electricity, and coal provides 8%. Such a radical energy transformation would hurt Louisianans, who have lower electricity prices than states like California with green mandates.

Even worse, major banks have put similar pressure on energy companies in their lending practices.

- JPMorgan Chase has joined the Net-Zero Banking Alliance, committing to align its lending with net zero.
- Specifically, it has committed to slash its financed emissions in the electric power sector by 69% and the oil and gas sector by 35% carbon intensity by 2030.

These financial institutions are targeting oil and gas, Louisiana's leading industries, as well as upending agriculture.

- Climate Action 100+ assesses energy companies based on if they have aligned their capital expenditures with the Paris Agreement's goal and rates utilities on if they have a retirement date set for each coal and gas unit.
- These policies are sure to harm Louisiana, given its role as a top energy producer. Louisiana accounts for 9% of US natural gas production. It also ships half of the US's LNG exports and about 13% of its coal exports.
- Climate Action 100+ pushes the climate agenda on food and agriculture, too. It advocates for companies to transition to "lower-carbon alternatives to meat and dairy products" and electrify farm vehicles.

How Louisiana can push back: Legislative Solutions

Protect Louisiana's Pension Funds

- Enact a law, enforceable by the AG or an executive branch official, clarifying that the fiduciary duty of those managing Louisiana's pension funds is to consider only *financial* factors, for a *financial purpose*.
- Commitments to promote ESG goals are evidence of a motive to promote non-financial purposes.
- This will benefit retirees by shifting assets to asset managers focused on financial purposes.

Protect State Contracts And Investments

- Enact a law, enforceable by the AG or an executive branch official, prohibiting state contracts with companies that boycott or penalize companies for actions that do not violate the law, including:
  - engaging in mining, energy, agriculture, firearms, or commercial timber
  - not meeting corporate board composition criteria based upon protected characteristics
  - not meeting aspirational environmental or social standards

More Information on Woke Finance Organizations

United Nations-inspired climate initiatives push the Paris Agreement on U.S. companies.

In the past few years, numerous financial initiatives have arisen to coordinate asset managers, banks, and others financial institutions to comply with the aspirational climate goals of the Paris Agreement—even though the Paris Agreement is not legally binding on U.S. companies.

Some of the most notable groups are Climate Action 100+, which is partially led by the UN-affiliated Principles in Responsible Investing, and the Glasgow Financial Alliance for Net Zero (GFANZ), which is grounded in the UN-backed Race to Zero campaign.

Climate Action 100+ and GFANZ have enormous sway, controlling trillions of dollars.

Climate Action 100+ members collectively manage $68 trillion in assets and include two of the "big three" asset managers—BlackRock and State Street Global Advisors. They target certain companies and pressure them to commit to "[t]ake action to reduce greenhouse gas emissions across the value chain, consistent with the Paris Agreement's goal." Their sector strategies target power companies, agriculture (food & beverage), aviation, and steel.

GFANZ boasts that its members represent "over $130 trillion of private capital" that is "committed to transforming the economy for net zero." Its Net-Zero Banking Alliance represents nearly 40% of global banking assets, including JPMorgan Chase, Bank of America, Wells Fargo, Citi, Goldman Sachs, and Morgan Stanley. Overseen by the UN, they commit to align their financed emissions with net zero by 2050 or sooner. Similarly, GFANZ's Net Zero Asset Managers, including Blackrock and State Street, commit to "play [their] part to help deliver the goals of the Paris Agreement" by managing assets in line with net zero greenhouse gas emissions by 2050 or sooner and fossil fuel phase out.

These groups are using Louisianans' hard-earned savings to advance their own radical goals.

Through these initiatives, financial organizations are advancing radical climate and social policy. Money managers should be focused on making money in a tough stock market. Banks should provide credit based on financial metrics. Instead, they are using Louisianans' money to force U.S. companies to comply with the UN's aspirational climate goals—while China and others prioritize energy security and national interests.

Unless Louisiana pushes back against this sweeping agenda, its citizens will suffer. Energy costs will go up, while reliability goes down. Jobs will be destroyed. National security will be jeopardized. Now is the time for Louisiana to fight back.