

WOKE FINANCE IS HURTING TENNESSEANS

Money managers hurt Tennesseans by imposing expensive ESG mandates on utilities like Appalachian Power, Piedmont Natural Gas, and Chattanooga Gas.

- A [group of the world's largest money managers](#) is targeting specific companies, including [AEP \(Appalachian Power\)](#), [Duke Energy \(Piedmont Natural Gas\)](#), and [the Southern Company \(Chattanooga Gas\)](#) to force them to comply with the aspirational climate goals of the Paris Agreement.
- [Members of Climate Action 100+](#) (CA100+) are able to exert influence over companies because they manage large amounts of citizens' retirement savings, including [billions of dollars for the Tennessee Consolidated Retirement System](#).
- They are [pressuring electric utilities to phase-out gas and coal power by 2040](#), while natural gas and coal provide [40% of Tennessee's electricity](#). Such a radical energy transformation would hurt Tennesseans, 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.

- [Wells Fargo](#), [Bank of America](#), and [JPMorgan Chase](#) have all joined [the Net-Zero Banking Alliance](#), committing to slash their financed emissions in the power sector by 60%-70% carbon intensity by 2030.

These financial institutions are also targeting automotives and tourism, two of the Volunteer State's most important industries.

- For the [automotive industry](#), CA100+ is pushing companies to align with the [IEA's Net Zero by 2050 scenario](#), which means [eliminating the sale of new internal combustion engine passenger cars by 2035](#). [JPMorgan Chase](#) and [Bank of America](#) plan to cut their auto manufacturing clients' emissions intensity by 41%-44% by 2030.
- CA100+ is also advocating for ["constraining air travel demand" by limiting air travel to 2019 levels](#). JPMorgan aims to [reduce its aviation clients' emissions by 36%](#). This is sure to harm Tennessee's No. 2 industry, [tourism](#).

How Tennessee can push back: Legislative Solutions

Protect Tennessee's Pension Funds

- Enact a law, enforceable by the AG or an executive branch official, clarifying that the fiduciary duty of those managing Tennessee'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 Tennesseans’ 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 Tennesseans’ 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 Tennessee 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 Tennessee to fight back.