WOKE FINANCE IS HURTING GEORGIANS

Financial institutions are targeting key Georgia industries, including agriculture and aviation.

- The world's largest money managers are targeting specific sectors—including agriculture and aviation—to force them to comply with the aspirational climate goals of the Paris Agreement.
- Members of initiatives like NZAM or CA100+—including BlackRock, State Street, Invesco, and Goldman Sachs—manage large amounts of public money, including over half a billion dollars of state funds.
- These money managers push their decarbonization goals by pressuring companies to make farmers electrify their farm vehicles, change their fertilizer use, and switch to "lower-carbon alternatives to meat and dairy."
- Moreover, climate groups say the U.S. needs to cut its per capita ruminant meat consumption in half by 2050.
- These policies will hurt Georgia's leading industry of agribusiness, which has a $74 billion impact annually.
- For aviation, climate activists target Georgia companies, like Delta Air Lines, and pursue goals like: "keeping business travel to 2019 levels; capping long-haul flights (of more than 6 hours) for leisure at 2019 levels; and shifting demand to high-speed rail," as well as mandating the use of expensive biofuels.
- These policies are sure to harm Georgia's aerospace and tourism industries. Aerospace products are Georgia's No. 1 export, and tourism and travel in Georgia had an economic impact of $73 billion in 2022.

Money managers are also imposing ESG mandates on utilities like Georgia Power (The Southern Company). This makes the Peach State's electricity supply dependent on China.

- Money managers are pressuring power companies to "align future capital expenditures with . . . limiting global warming to 1.5° C," which means ramping up solar and wind energy to nearly 70% of electricity generation.
- This increases dependence on China, which controls more than 80% of all manufacturing stages of solar panels, 60–80% of wind energy components, and up to 90% of the processing of critical minerals, like rare earths.
- At the same time, these asset managers pressure electric utilities to phase out gas and coal power by 2040, but coal and natural gas provided over half of Georgia's net electricity generation as of November 2023.

Major banks are pressuring energy companies with 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.

How Georgia can push back: Legislative Solutions

- **Protect Workers' and Families' Savings:** Georgia can protect its pensioners by enacting a law, enforceable by the Attorney General or another executive branch official, clarifying that the fiduciary duty of those managing Georgia's pension funds is to consider only financial factors and financial purposes.
- **Protect Georgia Farmers:** Georgia can empower the Attorney General and the Director of the Department of Agriculture to investigate and take action when banks restrict services to farmers based on environmental policies. This will ensure that farmers are not frozen out of financing by climate-activist banks.
- **Protect Georgia's Economic Interests:** Georgia can enact a law, enforceable by the Attorney General or another executive branch official, prohibiting state contracts with companies that boycott or penalize other companies for engaging in industries disfavored by ESG activists, or for not meeting ESG criteria not required by law.

HERITAGE ACTION
FOR AMERICA

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 other 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 the Glasgow Financial Alliance for Net Zero (GFANZ), which is grounded in the UN-backed Race to Zero campaign, and Climate Action 100+, which is partially led by the UN-affiliated Principles for Responsible Investment.

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

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 over 40% of global banking assets, including JPMorgan Chase, Bank of America, Wells Fargo, Citi, Goldman Sachs, and Morgan Stanley. Overseen by the UN, these members commit to align their financed emissions with net zero by 2050 or sooner. Similarly, members of GFANZ's Net Zero Asset Managers initiative (NZAM), 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 by phasing out fossil fuels.

Climate Action 100+ (CA100+) members collectively managed $68 trillion in assets in 2023. CA100+ members 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, steel, and mining.

These groups, which handle Georgia public funds, are advancing their own radical goals.

Asset managers influence company behavior by "engaging" with them one-on-one and voting at annual meetings on shareholder proposals and board directors. In recent years, this has looked like:

- BlackRock asking companies to "set short-, medium-, and long-term targets for greenhouse gas reductions" and "explain how their business model will be compatible with . . . net zero."
- BlackRock and State Street voting for dissident board candidates at ExxonMobil as part of a campaign to get ExxonMobil invest more heavily in "net-zero emissions energy sources" and to "align [its] business with a net zero economy."
- BlackRock and State Street voting in favor of insurers Chubb and Travelers Companies disclosing plans to "reduce the GHG emissions associated with [their] underwriting, insuring, and investment activities" in line with net zero.
- BlackRock and State Street voting in favor of Charter Communications publishing a "diversity, equity, and inclusion" (DEI) report with "quantitative data on workforce composition, and recruitment, retention, and promotion rates of employees by gender, race, and ethnicity."