WOKE FINANCE IS HURTING THE BUCKEYE STATE

Financial institutions are targeting Ohio industries, including agriculture, aviation, and automotives.

- The world's largest money managers are targeting sectors—including agriculture, aviation, and automotives—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, and Wellington—manage large amounts of retirement savings, including billions of dollars for OPERS, STRS, and SERS.
- These money managers are using their influence to pressure companies to get farmers to electrify their farm vehicles, change their fertilizer use, and move toward "lower-carbon alternatives to meat and dairy products."
- Moreover, climate groups say the U.S. needs to cut its per capita ruminant meat consumption in half by 2050.
- For aviation and automotives, 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 and "constraining air travel demand." These policies will hurt Ohio, as its top exports include vehicles and aircraft.

Money managers are imposing ESG mandates on utilities like Ohio Edison, AEP Ohio, AES Ohio, Dominion Energy, and Duke Energy. This makes Ohio'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 81% of Ohio's net electricity generation as of November 2023.
- CA100+ targets Dominion Energy, Duke Energy, AES, and First Energy (which operates Ohio Edison, the Illuminating Company, and Toledo Edison) for "engagement" on climate issues. Further, AEP is a "key focus company" of CA100+ and has been "receptive to engagement" in response to CA100+'s demands.

Major banks are pressuring energy and auto companies with their lending practices.

- JPMorgan Chase and Bank of America joined the Net-Zero Banking Alliance, committing to slash their clients' emissions in the power sector by 69–70% carbon intensity by 2030, and by 41–44% for auto manufacturing.
- In the auto industry alone, policies like these are expected to result in a "net loss of 14 million jobs."

How Ohio can push back: Legislative Solutions

- **Protect Workers' and Families' Savings:** Ohio can protect its pensioners by enacting a law, enforceable by the Attorney General or another executive branch official, that clarifies that the fiduciary duty of those managing Ohio's pension funds is to consider only financial factors and financial purposes.
- **Protect Ohio's Farmers:** Ohio can empower the Director of the Department of Agriculture and the Attorney General 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 banks that make net zero commitments.
- **Protect Ohio's Economic Interests:** Ohio 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.

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 are using Ohioans' hard-earned savings to advance 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, using shares paid for with Ohio state pension funds. 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 to invest more heavily in "net-zero emissions energy sources" and "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."
- Wellington Management supporting 63% of environmental shareholder proposals in 2022.