



## Oklahoma State Treasurer Todd Russ

January 30, 2023

Re: Verification request regarding energy company boycott

To Whom It May Concern:

Pursuant to the Oklahoma Energy Discrimination Elimination Act of 2022, 74 O.S. §§ 12001-12006, the Oklahoma State Treasurer ("OST") is to prepare and maintain a list of financial companies that boycott energy companies. In maintaining the list, OST may review and rely on publicly available information. Further, OST may request written verification from a financial company that it does not boycott energy companies.

After review, your company may appear on the State of Oklahoma's list of financial companies that boycott energy companies. Such a listing will prohibit Oklahoma governmental entities from investing in, and may potentially require divestment from your company, your company's affiliates and subsidiaries, or investment vehicles affiliated with your company, its affiliates or subsidiaries. Your company may be presumed to be boycotting energy companies under Oklahoma law if you fail to timely respond to this request.

Therefore, OST requests a written verification of your company's position regarding the boycott of energy companies, executed and verified by an authorized representative of your company. You must complete and return answers to the questions enclosed with this letter no later than 60 days after receiving this letter.

Under Oklahoma law, a financial company that fails to provide a response to this request within 60 days after receipt may be presumed to be boycotting energy companies.

Send your company's response to this verification to:

Office of the State Treasurer  
Attn: Mr. Christopher Biggs  
2300 N. Lincoln Blvd., Room 217  
Oklahoma City, OK 73105

Should you have any questions, please contact OST by telephone at (405) 522-4205 or by email at [Christopher.Biggs@treasurer.ok.gov](mailto:Christopher.Biggs@treasurer.ok.gov).

Respectfully,

A handwritten signature in black ink, appearing to read "Todd Russ".

Todd Russ  
Oklahoma State Treasurer  
Enclosure

## Questions - Annex 1

1. What is the name of your company? What is the ISIN for your company?
2. What is the name, title, and mailing address of the person verifying the answer to these questions on behalf of your company, and to whom may the Treasurer direct further communications regarding this verification request?
3. Is your company publicly traded? On which securities exchange?
4. Does your company invest capital or loan capital to other people or entities? Does your company invest capital or loan capital to other people or entities on behalf of third parties?
5. Has your company committed or pledged to meet environmental standards, such as reducing your greenhouse gas emissions, beyond applicable federal or state law with respect to its lending, investing, or underwriting portfolio, or with respect to the companies with which your company does business? If so, to what environmental standards has your company committed or pledged?
  - a. What is the name of the entity that established the environmental standards beyond applicable federal or state law to which your company has committed or pledged?
  - b. Are your company's commitments or pledges to such environmental standards mandatory for your company? If so, how are your company's commitments or pledges mandatory?
  - c. Who monitors your company's commitments or pledges to such environmental standards? How are your company's commitments or pledges to such environmental standards monitored? Please attach any reports, metrics, or other documents that you have submitted or published pursuant to these commitments or pledges.
  - d. What are the consequences for your company not fulfilling its commitments or pledges to such environmental standards?
  - e. If the environmental standard includes aligning attributable emissions with net zero, please identify the net zero pathway(s) you use to measure alignment with net zero. For each economic sector or category of companies to which you apply the pathway, please describe the net zero pathway's requirements for that sector or category and include any reports, metrics, or other documents used by you or any environmental entity to which you belong to measure compliance with this pathway.
  - f. Please identify any consequences you have applied or threatened with respect to any company in your lending, investing, or underwriting portfolio, or any company with which your company does business, for failing to commit or meet environmental standards beyond those required by applicable federal or state law.
6. Does your company have a written policy, procedure, or investment guideline restricting or prohibiting investment in energy companies, including companies engaged in the exploration, production, utilization, transportation, sale, or manufacturing of fossil fuel-based energy?
7. What is your company's policy on banking, consumption, financing, investment, underwriting, or related activity pertaining to fossil fuel-based energy and fossil fuel-based energy companies, including companies engaged in the exploration, production, utilization, transportation, sale, or manufacturing of fossil fuel-based energy?
8. How is your company's chief executive officer, board of directors, and other company leadership involved in the development or monitoring of the company's policies pertaining to fossil fuel-based energy companies, including banking, consumption, financing, investment, underwriting, or related activity?
9. Do you belong to the Net Zero Asset Managers initiative?
  - a. If so, what actions have you taken to "[w]ork in partnership with asset owner clients on decarbonisation goals, consistent with an ambition to reach net zero emissions by 2050 or sooner across all assets under management?"<sup>1</sup>

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<sup>1</sup> <https://www.netzeroassetmanagers.org/media/2021/12/NZAM-Commitment.pdf>

- b. Have you “[s]et interim targets for 2030, consistent with a fair share of the 50% global reduction in CO2?”<sup>2</sup> If so, what targets have you set?
  - c. What actions have you taken to “[p]rioritise the achievement of real economy emissions reductions within the sectors and companies in which [you] invest?”<sup>3</sup>
  - d. What actions have you taken consistent with your commitment to “[i]mplement a stewardship and engagement strategy, with a clear escalation and voting policy, that is consistent with [NZAM’s] ambition for all assets under management to achieve net zero emissions by 2050 or sooner?”<sup>4</sup>
    - i. Please identify any companies where you have taken escalation or voting measures to align that company’s operations or your portfolio with net zero.
  - e. What is your fossil fuel investment policy? Does it comply with the “Net Zero Asset Managers initiative: Network Partners’ expectation of signatories with regard to fossil fuel investment policy?”<sup>5</sup>
    - i. What is your policy regarding the financing of thermal coal plants or projects?
    - ii. What is your policy regarding the financing of coal-fired electricity generation?
10. Do you belong to Climate Action 100+?
- a. If yes, please identify all actions you have taken to “seek commitments” from companies to “[t]ake action to reduce greenhouse gas emissions across the value chain?”<sup>6</sup>
  - b. Please describe any actions you have taken to encourage utility companies to “publish and announce . . . [a] coal and natural gas-generation retirement schedule,” with “[a] retirement date assigned to each coal or gas unit.”<sup>7</sup>
11. Have you “exercise[d] voting rights to hold directors and management accountable for climate-related issues?”<sup>8</sup> Have you threatened to do so? If so, please identify each instance where you have cast or threatened to cast such votes.
- a. Please identify how you voted in the following director elections:  
 Atmos Energy Corporation, 2021 AGM  
 Atmos Energy Corporation, 2022 AGM  
 ExxonMobil, 2021 Proxy Contest  
 ExxonMobil, 2020 AGM  
 Kinder Morgan, 2022 AGM  
 Kinder Morgan, 2021 AGM
  - b. Have you voted or threatened to vote against directors if they do not set or meet targets related to reducing greenhouse gas emissions where such emissions reductions would be beyond what is required by controlling law? If so, please identify each instance where you have cast or threatened to cast such votes.
  - c. Please provide any voting bulletins or other descriptions of your votes where you described your vote in whole, or in part, as an action in response to a company’s action or inaction on climate-related issues.
12. Have you voted in favor of shareholder proposals that would require companies to issue a report on how they intend to reduce emissions beyond what is required by federal law?
- a. If so, please identify each instance where you voted in favor of such a proposal.

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<sup>2</sup> Id.

<sup>3</sup> Id.

<sup>4</sup> Id.

<sup>5</sup> <https://www.netzeroassetmanagers.org/media/2021/12/NZAM-Network-Partners-Fossil-Fuel-Position.pdf>

<sup>6</sup> <https://www.climateaction100.org/approach/how-we-work/>

<sup>7</sup> <https://www.climateaction100.org/wp-content/uploads/2020/12/CA100-Progress-Report.pdf#page=44>

<sup>8</sup> <https://www.climateaction100.org/approach/how-we-work/>

13. Have you voted in favor of shareholder proposals that would require companies to adopt greenhouse gas emissions reductions targets beyond what is required by federal law?
  - a. If so, please identify each instance where you voted in favor of such a proposal.
14. Please identify how you voted on the following types of proposals since January 2020:
  - a. proposals to insurance companies to set emissions reductions targets within their investment or underwriting portfolio.
  - b. proposals to banks to set emissions reductions targets within their investment or lending portfolio.
15. Do you belong to the Net Zero Banking Alliance?
  - a. If so, please describe all actions you have taken consistent with your commitment to “transition all operational and attributable GHG emissions from [your] lending and investment portfolios to align with pathways to net-zero by mid-century, or sooner.”<sup>9</sup>
  - b. Have you committed to reduce greenhouse gas emissions or emissions intensity within specific economic sectors?
    - i. If so, please describe the actions you have taken to reduce emissions or emissions intensity within these sectors.
    - ii. Please describe whether you have raised prices or declined to provide services to companies to reduce your overall emissions, or emissions intensity.
    - iii. If you have done neither of these things, please explain how you have met your emissions reduction commitments, or how you intend to meet those commitments.
    - iv. Do you require fossil fuel-based energy companies to purchase carbon offsets, which are not required by either federal or state law?
    - v. How have you reallocated your capital in connection with your commitment to reduce your financed emissions in these sectors?
16. Do you have a policy that restricts lending and investing in fossil fuel-based energy companies?
  - a. Do you have a policy that prevents investments in coal?
  - b. Do you have a policy against providing financial services to clients with a certain percentage of their revenue coming from coal or mining?
  - c. Do you have a policy that prevents investments in energy projects in the Arctic region or the Arctic National Wildlife Refuge?
17. Applying the Act’s statutory definition of “boycott energy company,” is your company boycotting energy companies as defined in Oklahoma law?
18. Has your company been identified by another state as boycotting energy companies? Does your company currently appear on or has your company appeared on another state’s list of financial companies that boycott energy companies? If so, which state(s)?

## Questions – Annex 2

Does your company offer for sale on an exchange securities of an investment company, mutual fund, exchange-traded fund, or other publicly traded security that has a written policy, procedure, or investment guideline restricting or prohibiting investment in energy companies, including companies engaged in the exploration, production, utilization, transportation, sale, or manufacturing of fossil fuel-based energy?

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<sup>9</sup> <https://www.unepfi.org/wordpress/wp-content/uploads/2021/04/UNEP-FI-NZBA-Commitment-Statement.pdf>