



# Retirement News Highlights

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## Oklahoma joins in ESG backlash, creating its own boycott list

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Oklahoma State Treasurer Todd Russ announced Feb. 1 that he had started the process of compiling a list of financial institutions with which Oklahoma government entities will be prohibited from doing business because of their environmental, social and governance policies.

As his "first step," Mr. Russ sent a letter and questionnaire to some 160 fund managers, banks and other financial institutions to determine whether they should be put on the list of companies deemed to be boycotting energy companies.

"Other states are taking similar steps, and Oklahoma joins them in asserting that we will not do business with financial companies that discriminate against or boycott our energy industries and businesses," he said in a news release.

Companies that fail to respond to the letter by April 1 and provide Mr. Russ with written verification that they do not boycott Oklahoma energy companies will be "presumed to be engaged in discriminating activities and will be placed on the public list of financial companies that are engaged in energy company boycotts," he said in the news release.

Oklahoma public pension funds and other government entities will be required to divest any assets with the listed financial companies.

"This list is crucial to provide accountability for our government entities, including organizations responsible for pension funds such as the Oklahoma Public Employees Retirement System and Teachers' Retirement System to ensure our constituents' tax dollars are only invested in

secure and verified financial companies that comply with Oklahoma law," Mr. Russ said in the release.

The move follows last year's passage of Oklahoma's Energy Discrimination and Elimination Act, which requires the state treasurer to identify financial companies taking actions "intended to penalize, inflict economic harm on, or limit commercial relations with a company because of its stance on fossil fuels and ESG criteria."

Other states, including Kansas, Louisiana and Texas, have adopted similar legislation banning state government entities from doing business with — or requiring them to divest from — financial companies identified as boycotting energy companies.

Mr. Russ in the news release called out OPERS, noting that the \$10 billion pension fund has more than 60% of its portfolio in BlackRock, "a well-known adversary of energy businesses," he said.

Joseph Fox, executive director of the Oklahoma Public Employees Retirement System, Oklahoma City, said in a statement that "OPERS intends to fully adhere to its fiduciary responsibilities to the members and beneficiaries of the system."

"As with any legislation affecting our system, we intend to comply with the provisions of Energy Discrimination Elimination Act," Mr. Fox said.

BlackRock also responded to the criticism, saying in a statement that it did not boycott energy companies and that it has made more than \$200 billion of investments in traditional U.S. energy companies on behalf of its clients.

"We look forward to engaging with the Oklahoma treasurer to discuss how BlackRock serves our clients' interests in Oklahoma and elsewhere, including over \$20 billion of investments in Oklahoma-based public companies made on behalf of our clients and managing public pensions for more than 73,000 Oklahoma beneficiaries," a spokeswoman said in the statement.

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