



TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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Texas Comptroller Glenn Hegar Announces List of Financial Companies that Boycott Energy Companies

(AUSTIN) — Texas Comptroller Glenn Hegar announced today his list of financial companies that boycott energy companies. Listed companies are subject to the divestment provisions outlined in Texas Government Code Chapter 809, which defines a financial company as a publicly traded financial services, banking or investment company. The publication of the list, maintained by the Comptroller’s office, follows an exhaustive period of research and process development.

The initial list includes 10 financial companies. Additionally, Comptroller staff conducted research on individual investment funds, generating a list of nearly 350 funds that are subject to the same provisions as the companies.

“The environmental, social and corporate governance (ESG) movement has produced an opaque and perverse system in which some financial companies no longer make decisions in the best interest of their shareholders or their clients, but instead use their financial clout to push a social and political agenda shrouded in secrecy,” Hegar said. “Our review focused on the boycott of energy companies, rather than a review of the entire ESG movement. This research uncovered a systemic lack of transparency that should concern every American regardless of political persuasion, especially the use of doublespeak by some financial institutions as they engage in anti-oil and gas rhetoric publicly yet present a much different story behind closed doors. This list represents our initial effort to shine a light on entities that are engaging in these practices and create some clarity for Texans whose tax dollars may be working to directly undermine our state’s economic health.”

Along with the Texas list of financial companies that boycott energy companies, the Comptroller’s website includes additional information and answers to frequently asked questions regarding the listing process and the research conducted by Comptroller staff, who leveraged existing research, public statements and publicly available data to create the list. Hegar also conducted verification requests by sending letters seeking additional information to companies and fund managers in finalizing the candidates suitable for listing.

“The lack of transparency in the sector added to the challenge we faced in gathering the necessary information, and I recognize that there will likely be disagreements concerning whether a particular financial company is a suitable candidate for listing,” Hegar said. “We will continue to refine this process and gather additional information about how these firms may be boycotting energy companies. I am particularly interested in the misguided activism surrounding proxy voting. Some of these firms may be using investments essentially owned by Texas to directly push shareholder initiatives that run contrary to the interests of our state.”

State governmental entities subject to the investment prohibitions and divestment requirements in the statute include: Employees Retirement System of Texas, Teacher Retirement System of Texas, Texas Municipal Retirement System, Texas County and District Retirement System, Texas Emergency Services Retirement System and the Permanent School Fund.

In addition, not later than the 30th day after receiving the list, state governmental entities must notify the Comptroller of the listed financial companies in which the entity owns direct or indirect holdings. And not later than Jan. 5 of each year, such entities are required to submit a report to the presiding officer of each house of the Legislature and the attorney general that identifies all securities sold, redeemed, divested or withdrawn in compliance with the Texas Government Code.

The Comptroller’s office continues to review information on an ongoing basis, and the list may be subject to change as often as quarterly. The Comptroller encourages state governmental entities to review the listing criteria to determine whether prospective investments could be subject to listing later.

The release of the list comes as Texans continue to face elevated energy costs and global instability coupled with supply chain bottlenecks and an increasingly hostile federal regulatory environment hampering new domestic energy exploration and production.

“A diverse energy portfolio is necessary for Texas to meet our future energy needs, and a vibrant Texas oil and gas industry is a stabilizing force in today’s economic and geopolitical environment,” Hegar said. “My greatest concern is the false narrative that has been created by the environmental crusaders in Washington, D.C., and Wall Street that our economy can completely transition away from fossil fuels, when, in fact, they will be part of our everyday life into the foreseeable future. A complete divestment of the industry is not only impractical and illogical but runs counter to the economic well-being of Texas and our citizens.”

Hegar added: “I am grateful to the hardworking professionals at the agency, which includes the Texas Treasury Safekeeping Trust Company, who have worked tirelessly to create this list. They know our work on this issue is just beginning and, as always, we will fight to serve the best interests of the Texans who entrust us with the financial well-being of this great state.”