



STATE OF CONNECTICUT

TREASURER SHAWN T. WOODEN

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CONTACT: Office of the Treasurer, michelle.woods-matthews@ct.gov

TREASURER WOODEN'S INVESTMENT STRATEGY INCLUDES RENEWABLE ENERGY AND INCREASED DEMAND FOR ACCOUNTABILITY TOWARDS NET ZERO GREENHOUSE EMISSIONS

CLIMATE CHANGE IS KEY TO ENSURING CONNECTICUT'S ECONOMY IS ON A SUSTAINABLE PATH

Hartford, CT – Connecticut State Treasurer Shawn Wooden reaffirmed his commitment to tackling climate change with new investments in clean energy and pledged to hold companies accountable for reducing their greenhouse gas emissions.

"Climate change is one of the largest systemic risks facing the economy and financial markets," said Treasurer Wooden. "These risks have created opportunities to invest in infrastructure and clean energy, which will be important elements of our long-term investment strategy and will help to ensure that our environment and our economy are on a sustainable path."

Investments in Infrastructure, Natural Resources, and Renewables

Treasurer Wooden recently announced Connecticut's first investment purely focused on renewable energy, with a commitment of \$100 million to BlackRock Global Renewable Power Fund III (GRP III). This fund is a geographically diversified portfolio of renewable power generation infrastructure assets. The fund will focus on wind and solar energy and also seeks a positive impact that is aligned with the United Nations' Sustainable Development Goals.

"The commitment to Blackrock GRP III will help position Connecticut to transition into the future by playing an increasingly important role in reducing overall carbon emission and becoming a leader in clean energy," said Treasurer Wooden. "It will also allow Connecticut to diversify our real assets portfolio into sustainable infrastructure investments that will generate attractive returns from both a risk and return perspective."

Bloomberg New Energy Finance forecasts that renewable energy will account for approximately 57% of all new U.S. capacity between 2020 and 2024 and 74% of all U.S. capacity by 2050.

Treasurer Wooden's investment decisions are guided by the Connecticut Retirement Plans & Trust Funds (CRPTF) Investment Policy Statement, which explicitly acknowledges the economic and financial risks to long-term shareholder value associated with climate change. The Statement cited the United Nations' Intergovernmental Panel on Climate Change and its 2018 conclusion that "the current pace of greenhouse gas emissions will have significant, adverse impact on the world's economy as soon as 2040."

Upon taking office in 2019, Treasurer Wooden focused on the Infrastructure and Natural Resources sector, doubled the target allocation from 2% to 4%, and developed a long-term strategic plan to build

a clean energy diversified portfolio, focused on preserving capital and generating attractive risk-adjusted returns.

“The world is transitioning away from fossil fuels and toward clean energy at a rapid rate,” said Treasurer Wooden. “As this transition continues, there are multiple areas of potentially explosive growth for renewable energy and I want Connecticut to be ready for the future and well-positioned to reap these benefits. By investing in renewable energies, Connecticut can be part of the solution to reduce our carbon footprint while also benefiting our economy and saving taxpayer dollars in the long-term.”

Shareholder Engagement

The Treasurer’s Office understands that environmental, social, and governance issues can significantly affect the return on investments over time and long-term shareholder value.

Accordingly, in 2019, our Office joined a coalition of institutional investors representing more than \$1.8 trillion in combined assets to demand that the 20 largest publicly traded electricity generators in the U.S. commit to achieving net-zero carbon emissions.

In November of 2020, the CRPTF co-filed a resolution with Wells Fargo seeking disclosure of how Wells Fargo is planning for the risks associated with an increased focus on greenhouse gas reductions for the projects they finance.

On the heels of this resolution co-filed by the CRPTF, Wells Fargo announced its pledge to disclose financed emissions for its oil, gas and power portfolios by 2022. Wells Fargo also pledged to achieve net-zero greenhouse-gas emissions among its financing activities by 2050, becoming the last of the six largest U.S. banks to do so. Finally, the bank committed to deploying \$500 billion in financing toward sustainable businesses and projects by 2030.

“Wells Fargo’s effort to set measurable goals to achieve net-zero greenhouse gas emissions by 2050 and integrate climate considerations into the company’s Risk Management Framework demonstrates the bank’s acknowledgment that climate risks are material to their performance,” said Treasurer Wooden. “Shareholders must continue to play a critical role in urging companies to disclose their climate-related sustainability strategies.”

Earlier this month, members of the Investment Advisory Council approved Treasurer Wooden’s proposed revisions to the CRPTF’s domestic proxy voting policies, which are designed to ensure that the State’s proxy voting activities align with metrics that correlate with stronger company performance. These objectives allow the CRPTF to maximize returns and safeguard shareholder value, which includes holding boards accountable for climate risk.

“These risks have guided our engagements with companies in which we invest, ensuring that they demonstrate their progress toward the goals of the Paris Climate Agreement,” said Treasurer Wooden.

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About the Office of the State Treasurer

Under the leadership of Connecticut's State Treasurer Shawn T. Wooden, the Office of the Treasurer is dedicated to safeguarding the state's financial resources and taxpayers' dollars, while maximizing returns and minimizing risks and operating at the highest professional and ethical standards. Through investments and disbursements, the Office continues to enhance the state's fiscal stability, financial literacy, college and disability savings, and its approach to leveraging business partnerships to combat social issues such as gun violence, climate change, and equal opportunity in economic growth. Learn more about the Office of the Treasurer [here](#) and follow along on [Facebook](#), [Instagram](#) and [Twitter](#).

Office of the Treasurer | 165 Capitol Avenue - Hartford, CT, 06106