

## **Texas PSF Corporation implements proxy voting directives focused on fiduciary responsibility, not political activism**

AUSTIN—April 15, 2024—The Texas Permanent School Fund Corporation (Texas PSF) today announced its decision to implement a newly-developed proxy voting matrix that pushes back on much of the Environmental Social and Governance (ESG) agenda that has become a staple of corporate annual meeting shareholder resolutions which guide corporate policy and culture--often at the expense of shareholders.

Texas PSF, which manages one of the nation’s largest educational endowments, becomes among the first to adopt the new matrix which provides specific proxy voting directives on a wide array of matters, all of which may impact returns. The \$54 billion dollar fund casts 40,000-50,000 proxy votes every year, and like all funds of this scale, outsources proxy voting to an external manager.

The “ESG skeptical” proxy voting matrix is offered through Institutional Shareholder Services (ISS), Texas PSF’s external proxy voting manager, in response to widespread criticism that ISS voting policies supported too many ESG shareholder resolutions.

“The PSF is proud to step up and be a national leader on this issue,” said Tom Maynard who chairs the Texas PSF Board of Directors. “We are committed to voting our shares in a manner that reflects Texas values and protects not only the assets under the stewardship of the PSF Corporation but also the mineral, oil and gas assets that create new capital to support Texas students,” Maynard added.

“ESG efforts have targeted Texas’ oil and gas economy, the very industry that generates the revenues that make the PSF an essential resource for Texas public schools,” said Aaron Kinsey, State Board of Education Chairman and Chairman of the Corporation’s Strategic Planning and Policy Committee. “We are making sure our votes are not cast in a way that is incompatible with our fiduciary duty to Texas,” he commented.

Texas Land Commissioner and board member Dr. Dawn Buckingham stated, “It is my duty to safeguard and properly manage over 13 million acres of energy-rich state land. The royalties from the General Land Office’s land provide billions for public education funding throughout the state. ESG mandates will not only crush jobs throughout the state, but they will steal from Texas school children. I am proud to stand behind this newly developed proxy voting matrix, ensuring ESG initiatives are eliminated, and Texas values are fully represented. As a longtime advocate and ally for Texas’ robust oil and gas industry, I will always support bold moves to protect our state’s assets – especially when it comes to funding for our children.”



Texas Comptroller of Public Accounts Glenn Hegar commended the Corporation for its move to an alternative proxy voting policy, noting that “Texas is now one of the first states in the nation to have a major public investment vehicle take such action.”

The new matrix will take effect immediately and will be used to cast votes on behalf of Texas PSF during the first half of this year. ISS will produce a report to the Corporation to allow for an annual review to ensure that proxy votes comply with the matrix.

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