

WSIB Public Comment

September 21, 2023

Good afternoon madam chair and board, my name is Riddhi Mehta-Neugebauer with the Private Equity Stakeholder Project. I'm here today to talk about SIB's continued investment in portfolio companies that drive the climate crisis and propose avenues for meaningful progress.

Climate change is a systemic risk that must be urgently addressed in SIB's entire portfolio. Earlier this year, the SIB invested in the proposed [Rio Grande LNG](#) export terminal in Texas via a [\\$400 million commitment](#) to [Global Infrastructure Partners Fund V](#). This controversial project is already facing [community](#) and [legal opposition](#). If built, this project is estimated to emit the equivalent [emissions of 44 coal power plants every year, about 163 million tons of carbon dioxide equivalent](#).

In a recent statement Bekah Hinojosa with the South Texas Environmental Justice Network said, "If the Rio Grande LNG project moves forward, the pollution from these gas projects would destroy our community's way of life that depends on shrimping, fishing, and a healthy ecosystem. We demand these private equity companies immediately drop their support for LNG for the sake of poor communities of color along the Gulf Coast and our climate."

Such private market fossil fuel investments contain climate and financial risks. A recent [New York Times column](#) highlighted new research that estimated the risk of investing in private equity, as measured by standard deviation, was about 50% higher than SIB's published analysis. And if we fail to transition in alignment with the Paris Agreement, [studies](#) expect global equity returns to decline by 50% by 2060. To address these risks, we urge the SIB to reduce its climate and financial risks in private markets by:

1. Disclosing scope 1, 2, and 3 emissions and other related climate risks
2. Engaging asset managers to transition current fossil fuel investments
3. Immediately cease new investments in fossil fuels
4. Invest in utility-scale and scientifically proven climate solutions.

Thank you.