



# Retirement News Highlights

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## Texas Pension System Loses ESG Head

*The system's ESG chief left amid a contentious environment for sustainable investing in Texas.*

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**FUNDfire**

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The head of environmental, social and governance investing at the Teacher Retirement System of Texas left the pension earlier this month.

Lauren Gellhaus took up the job as the system's first head of ESG in 2020, after joining the pension three years earlier in an operations role and transitioning to an investment position the following year, she writes in a LinkedIn post.

A spokesperson from the \$204 billion pension, known as Texas TRS, confirmed her Aug. 8 departure but declined to comment on her replacement.

Gellhaus did not return calls for comment on the reasons for her departure or her next steps before publication deadline.

She left the system amid a contentious environment for ESG in Texas.

Texas Comptroller Glenn Hegar on Wednesday released a list of 10 financial companies and nearly 350 funds that he claims boycott fossil fuels, as reported. The move stems from new state law, Senate Bill 13, which aims to make Texas pension systems divest from firms that boycott oil and gas companies.

Texas TRS is reviewing the comptroller's list of companies that allegedly boycott the fossil fuel sector and "will follow the process outlined in statute in accordance with Senate Bill 13 to divest any applicable listed securities while exercising our fiduciary responsibilities to the Fund," Executive Director Brian Guthrie said.

The Texas system's investment policy statement mentions that ESG factors influence the performance of its investments, and in making investment decisions, the system's investment division will consider ESG factors that are material to long-term returns and levels of risk, according to the presentation.

Gellhaus in February presented the results of a survey of private and public firms the system conducted in an effort to compile ESG best practices. The next steps outlined in the presentation included

educating teams, continuing ESG research on topics such as research on China, formalizing documentation on material ESG considerations and continuing to assess tools and frameworks related to ESG.

No action was taken on the presentation as it was meant for “information-only,” a spokesperson for the pension said.

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