



# Retirement News Highlights

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## CalSTRS Commits to Net Zero

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Trustees for the \$310.9 billion California State Teachers' Retirement System, known as CalSTRS, voted Tuesday to commit the fund to achieving a net-zero investment portfolio by 2050 or sooner.

The pledge represents a significant commitment for the fund, which had previously resisted calls to set a net-zero target while simultaneously seeking to secure net-zero commitments from companies that are large greenhouse gas emitters, as reported.

CalSTRS has studied low carbon investments since 2004, but it was only recently that the pension "came to the idea" of a pledge, Chief Investment Officer Chris Ailman told trustees. The fund had been "planning this path for a long time, we just didn't have a name for our destination," he said.

However, he cautioned that achieving net zero earlier, 2040 or even before, would not make a difference unless the rest of the world acts. "This is a global and a complex problem, and we need China, the USA, India, and the [European Union] to make massive changes," he said.

CalSTRS saw a big climate win in May, after it threw its weight behind activist hedge fund Engine No.1's successful campaign to shake up Exxon's board.

However, that hasn't been enough to quell calls by some retirees to take more immediate action on climate change. A vocal divestment movement has gathered momentum in recent years, and board meetings routinely feature calls for divestment.

Ailman noted that he had been "criticized personally" for the 2050 target.

Trustee Betty Yee applauded the move.

"I really struggle with this notion of divestment because the world doesn't change tomorrow if CalSTRS divests," she said. "I just have been very impressed by the fact that we still have a seat at the table to really leverage our institutional investor muscle around what needs to change globally. I don't want to give up that power or that muscle or that voice."

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