



CALSTRS

Net Zero Annual Strategy - Branch Wide Updates

May 2023





Net Zero Strategy Implementation: Highlights and Priorities

WHAT WE CAN CONTROL

Measuring and reducing portfolio emissions

- Highlight: Real Estate conducts first measurement of portion of portfolio emissions
- Priority: Complete public markets emissions measurement
- Priority: Implement Public Equity and Fixed Income emissions reduction plans (pending approval)



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WHAT WE CAN CONTROL

Increasing exposure to low-carbon investments

- Highlight: SISS Private Portfolio deploys over \$1.3 billion into low-carbon solutions
- Highlight: Private market asset classes develop internal classification system: Green-Olive-Grey ‘GOG’ Framework
- Priority: Seek additional private low-carbon solutions in alignment with TRB strategic allocation
- Priority: Enhance ‘GOG’ framework in private assets



Net Zero Strategy Implementation: Highlights and Priorities

WHAT WE CANNOT CONTROL BUT CAN INFLUENCE

Using our influence to accelerate the net zero transition

- Highlight: Risk Mitigating Strategies works with industry leaders to increase understanding of net zero data in hedge fund/quant strategies
- Priority: Continue corporate engagement focusing on highest emitting companies
- Priority: Escalate proxy voting activities in alignment with net zero goals



Net Zero Strategy Implementation: Highlights and Priorities

Supporting activities

- Road test and get feedback on ‘Transition Tracker’
- Provide net zero education/training sessions to Investments Branch



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Learn more at:
[CalSTRS.com/path-to-net-zero](https://www.calstrs.com/path-to-net-zero)

