



Investment Committee

Item Number 6 – Open Session

Subject: Green Team Report

Presenter(s): Chairperson

Item Type: Consent Information

Date & Time: June 10, 2021 – 0 minutes

Attachment(s): None

PowerPoint(s): None

POLICY

The Green Initiative Task Force report is covered under the reporting and monitoring requirements of the overall [CalSTRS Investment Policy and Management Plan](#).

HISTORY OF THE ITEM

In 2007, CalSTRS established the Green Initiative Task Force with the mission to address global environmental issues and to identify, analyze and propose potential investment and risk control strategies related to climate change. Initially, staff reported Green Initiative Task Force efforts to the Investment Committee semi-annually. In November 2008, the Investment Committee directed staff to prepare an annual report, due in November, and an abbreviated mid-year update due in June. In November 2010, the committee directed staff to only prepare an annual report due in November.

In 2018, California Senate Bill 964 (Allen) (Chapter 731, Statutes of 2018), was passed requiring CalSTRS to report by January 1, 2020, and every three years thereafter, an analysis of the climate-related financial risks of its public market portfolio. Staff has integrated the requirements of SB 964 into the 2019 CalSTRS Green Initiative Task Force report that was posted on CalSTRS website on December 31, 2019. This report included analysis on climate-related financial risks and aligned with guidance from the Task Force on Climate-Related Financial Disclosures.

In 2020, staff presented CalSTRS Green Initiative Task Force report to the Investment Committee and communicated that it will continue to author in-depth reports every three years detailing how CalSTRS is mitigating climate-related financial risks and will also provide interim updates highlighting other important climate and environment-related programs or themes.

EXECUTIVE SUMMARY

This 14th annual Green Initiative Task Force report is the first interim update and highlights how CalSTRS environmentally focused investment efforts continue to recognize and integrate the low-carbon transition. This report focuses on the development and implementation of CalSTRS Low-carbon Transition Work Plan – a multiyear initiative transforming our approach to managing the impacts of climate change across the CalSTRS Investment Portfolio.

As part of CalSTRS Low-Carbon Transition Work Plan, the Teachers' Retirement Board and CalSTRS investment staff identified three key priorities to understanding how economies and societies are responding to climate change and how global financial markets are transitioning to a low-carbon future. This report features these three priorities and addresses five workstreams that were implemented to meet the work plan's objectives.

CONCLUSION

The [2020 Green Initiative Task Force report](#) was posted to the CalSTRS website in May 2021 and is provided through the hyperlink.