

Transition to a Low-Carbon Economy





Paris Agreement

- Ratified by 184 nations in November 2016
- Mobilized world leaders in a global endeavor to transition to a low-carbon economy
- CalSTRS initiates implementation of a Low-Carbon Transition Work Plan

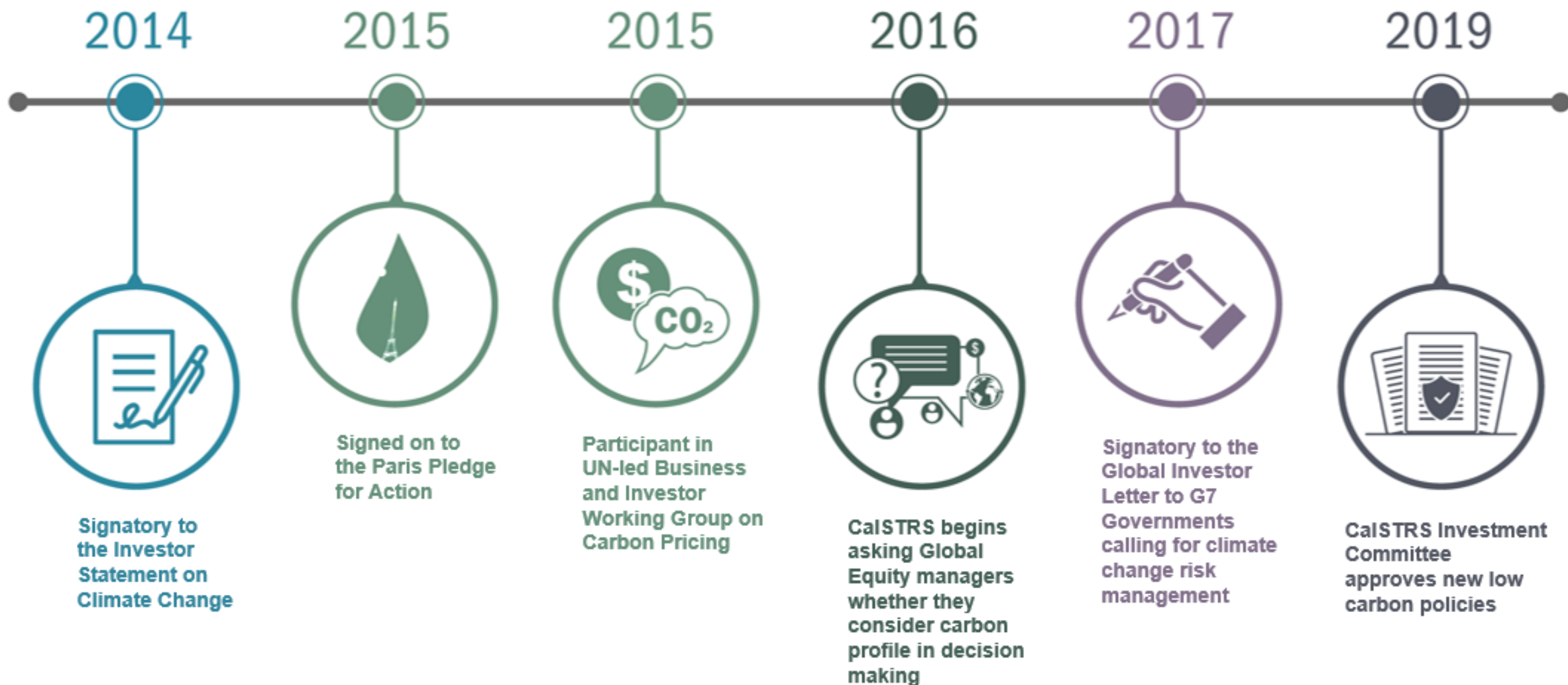


CalSTRS is committed to

- Influencing public policies
- Engaging with companies
- Investing to promote an orderly transition to a low-carbon economy

Transition to a Low Carbon Economy

- CalSTRS engages policy makers and financial markets



Climate Action 100+

Working with approximately 370 global investors who collectively manage more than \$35 trillion in assets under management to engage over 160 of the world's most significant greenhouse gas emitters to align their corporate strategies with the Paris Climate Accord.

Results to date:



GLENCORE



MAERSK



• CalSTRS Low-Carbon Investments by the Numbers

**Public
Equity**



\$2 billion

**Fixed
Income**



\$288 million

**Inflation-
Sensitive**



\$364 million

**Private
Equity**



**More than
\$500 million**

**Real
Estate**



Nearly 90%

Board work plan analyzing impacts of low-carbon economy

Next Steps:

- Building consensus
- Analyzing “transition readiness”
- Expanding our stewardship activities
- Analyzing physical risks



October 2019 CalSTRS Board Offsite

Guest speakers:

- Trevor Houser, Rhodium Group
- Alicia Seiger, Stanford Sustainable Finance Initiative
- John Goldstein, Goldman Sachs

Board & staff discussion outcomes:

- Low carbon investment belief
- Climate focused innovation portfolio
- Private assets carbon transition analysis

Questions?

CALSTRS®