



CALSTRS

# Net zero pledge - annual strategy update

May 2024



# CalSTRS net zero pledge evolution

## ***Year 1 focus (9/21 – 5/22)***

- Internal governance
- Implementation plans

## ***Year 2 focus (5/22 – 5/23)***

- Emissions measurement
- Public markets emissions reduction strategies

## ***Year 3 focus (5/23 – 5/24)***

- Emissions measurement enhancements
- Private markets engagement

# Annual net zero strategy progress update

## *Major accomplishments*

- Engagement across all units – public and private markets
- Enhanced collaboration between Investments Branch and Enterprise
- Tangible progress despite multiple moving parts and evolving dynamics

# Net zero strategy: highlights



Manage & reduce portfolio emissions

Global Equity: 9.4% emissions reduction

Fixed Income: 11% emissions reduction



Accelerate global shift to net zero economy

Stewardship activities with highest emitters

External manager engagement



Increase investments in low-carbon solutions

SISS Private Portfolio

Private asset class investments

# Net zero strategy: challenges



Manage & reduce portfolio emissions

Integrating data into investment 'plumbing'



Accelerate global shift to net zero economy

Prioritizing efforts with trusted partners, despite 'noise'



Increase investments in low-carbon solutions

Developing decision-useful 'taxonomies'

# Net zero strategy: priorities



Manage & reduce portfolio emissions

Continue implementing public markets reduction plans



Accelerate global shift to net zero economy

Evaluate private markets external manager survey response  
Accountable engagement with highest emitters



Increase investments in low-carbon solutions

Scale investments in alignment with strategic allocations



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More information available at:  
[calstrs.com/path-to-net-zero](https://calstrs.com/path-to-net-zero)

