

Investing in Solutions: **\$100 Billion Climate Action Plan**

A broad and expansive plan to capitalize on the new opportunities created by the move to a low-carbon economy.



Capital for Change

One of the World's Biggest Commitments to Climate Solutions

CalPERS will commit at least \$100 billion in climate solutions, more than double our current allocation, to provide the capital necessary to fund advancements through mitigation, adaptation, and transition.



Incredible Opportunity

Investing in the Energy Transition Provides Returns for Our Members

The move to a low-carbon economy represents the largest economic revolution of our time and a significant opportunity, with global investors spending a record \$1.8 trillion on energy transition technologies in 2023.*



Reducing Risk

Making Our Portfolio and Planet More Resilient

By investing in change across all asset classes, CalPERS will not only reduce the carbon intensity of its portfolio by 50 percent by the end of 2030, but it will also reduce the risk that climate change poses to the pension fund.

* Bloomberg, *Global Clean Energy Investment Jumps 17%, Hits \$1.8 Trillion in 2023 - January 30, 2024* (<https://about.bnef.com/blog/global-clean-energy-investment-jumps-17-hits-1-8-trillion-in-2023-according-to-bloombergnef-report/>)

The Kinds of Investments That Might Be Made



Mitigation

Renewable energy: Solar, wind, hydro, and other renewable sources to replace fossil fuels

Carbon capture & storage (CCS): Technologies that capture and store CO2 emissions

Waste management: Reducing, recycling, and reusing, as well as capturing methane from landfills



Adaptation

Water management: Systems to manage droughts, floods, and ensure water supply

Agricultural adaptation: Techniques like drought-resistant crops

Disaster risk reduction: Early warning systems and community preparedness



Transition

Climate-friendly operations: Alternative materials in cement production and energy efficiency and carbon capture for cement plants

Developing sustainable fuels: Sustainable aviation fuels from renewable sources and electric or hydrogen-powered aircraft for shorter routes

Renewable energy sources: Transitioning to wind, solar and hydroelectric power, and retrofitting fossil fuel power plants and exploring advanced nuclear power

CalPERS Climate Action Milestones

2008

Integrated consideration of environmental and social factors alongside our governance agenda

2013

Adopted investment beliefs which highlight climate change in long-term value and risk mitigation

2015

Supporter of Task Force on Climate-Related Financial Disclosures (TCFD)

2016

Convener and co-founder of Climate Action 100+

2018

Signed Global Investor Statement to Governments on Climate Change

2019

Founding member of United Nations' Net Zero Asset Owner Alliance

2021

Co-founded ESG Data Convergence Initiative

2023

Launched \$100 Billion Climate Action Plan

2024

CalPERS COIO Michael Cohen chosen to lead Climate Action 100+ steering committee