



SFERS Board approves an ambition that the SFERS Trust achieve net-zero carbon emissions by 2050

SAN FRANCISCO – On March 11, 2020 the Retirement Board of the San Francisco Employees' Retirement System (SFERS) voted unanimously in favor of an updated Climate Action Plan with an ambition that the SFERS portfolio is net carbon zero by 2050. This plan is consistent with the goals of the 2015 Paris Agreement, to limit global temperature rise to 1.5 degrees Celsius. SFERS joins municipalities, institutional investors, corporations, and over sixty nations aiming to reduce carbon emissions to net-zero by 2050. This future-focused proposal will build on SFERS current efforts to manage the climate transition risks of fossil fuel assets and lead the way for institutional investors to commit to a more sustainable future.

"This is an ambitious but necessary step in acknowledging, evaluating, and taking steps to manage the investment risks from climate change", said SFERS Director of ESG Investing, Andrew Collins. "SFERS looks forward to collaborating with peers across the institutional investment industry to continue to further collective understanding of the wide-reaching implications of the transition to a low-carbon economy."

Ensuring strong investment returns is central to providing the benefits to the active members, retirees and beneficiaries that rely on SFERS for their retirement. Identifying, assessing, and addressing the investment risks and opportunities associated with climate change is a key provision to sustain the long-term health of the SFERS trust and the payment of those benefits. SFERS Retirement Board and Staff recognize the fiduciary duty to provide benefits to current and future retirees, while also acknowledging the importance of protecting the planet for the next generation. By working towards a 2050 net-zero carbon portfolio as outlined in the Paris agreement, SFERS has a unique opportunity to take a lead role in ambitiously, but prudently managing climate risk across a complex investment platform.

"Ceres applauds this leadership step by SFERS. The impacts of climate change affect every asset class in the portfolio," said The Rev. Kirsten Snow Spalding, Senior Director of the Ceres Investor Network on Climate Risk and Sustainability. "SFERS is taking the right approach by addressing the issue with a science-based target and an investor climate action plan to ensure that the risks to the portfolio are managed and the investment opportunities of the low-carbon economy are realized by the fund. SFERS' approach is forward looking and comprehensive and will position the fund well for the decades ahead."

The SFERS Net-Zero 2050 ambition will build on the [Climate Action Plan](#) strategy previously approved by the Retirement Board which includes an active membership in the CA 100+, thermal coal divestments, and the development of risk frameworks for oil & gas and other utilities. These forward focused, data-driven frameworks outline the timetable and actions that will be taken to analyze and address climate risk in the portfolio, while also protecting the benefits of SFERS members. The Net-Zero 2050 ambition will also be consistent with SFERS' Three Pillar ESG Platform that incorporates proxy voting, shareholder engagement, and policy advocacy efforts alongside investment related actions.

“SFERS manages its portfolio in recognition of scientific probabilities and severity and their impact on risk and return”, said William Coaker, SFERS Chief Investment Officer. SFERS’ Climate Action Plan to become net-zero by 2050 aligns with the long-term probability and severity of risk caused by carbon emissions. Our Climate Action Plan also specifies initiatives SFERS will undertake to achieve our goal of net-zero by 2050.”

A full version of the SFERS Climate Action Plan and Net-Zero Carbon Emissions by 2050 Ambition can be found [here](#). Please submit media inquiries to sfersinfo@sfgov.org

About SFERS

The SFERS Retirement Board oversees an over \$27 billion investment fund and administers a defined benefit retirement plan for over 70,000 active and retired employees of the City and County of San Francisco. The Retirement Board and SFERS Staff are dedicated to securing, protecting and prudently investing the pension fund trust assets, and providing promised benefits to its members. For more information visit:

<https://mysfers.org/about-sfers>.