

Review of California Public Pension Fund Climate and Stewardship Frameworks

CalPERS and CalSTRS: Climate, Forests,
Biodiversity, Agriculture, and Rights

Research Report Draft

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Prepared for Friends of the Earth U.S.

Executive Summary

A California companion to the NYC pension fund review, using the same policy-versus-implementation lens.

Purpose. This report examines how the California Public Employees' Retirement System (CalPERS) and California State Teachers' Retirement System (CalSTRS) address climate, forests, biodiversity, agriculture, and human rights—and whether disclosed holdings align cleanly with those frameworks.

Key findings

CalPERS has the more explicit board-adopted rights-and-nature vocabulary. Its Governance & Sustainability Principles name FPIC, Indigenous Peoples' rights, biodiversity, deforestation, land rights, supply-chain traceability, and just transition. These are stewardship and investment-decision expectations, not a deforestation-free screen.

CalSTRS has clearer recent Scope 1–2 implementation metrics. Its 2026 update reports 2024 absolute emissions declines of 21.5% for Global Equity, 9.3% for Fixed Income, and 22.6% for Real Estate. The same update says reclassified real-estate Scope 3 emissions are not reported.

Both systems have net-zero-by-2050 commitments and use investment, engagement, proxy voting, manager oversight, and policy advocacy. CalPERS also states a 2030 climate-solutions goal above \$100 billion and a portfolio-emissions-intensity pathway above 50%.

Nature and agriculture remain mainly stewardship or risk themes. Neither system's reviewed core documents establish a portfolio-wide deforestation-free exclusion, biodiversity-loss prohibition, commodity standard, or land-conversion deadline.

Rights coverage is uneven. CalPERS expressly identifies FPIC and land rights. CalSTRS' ESG Policy identifies human rights, cultural identities, Indigenous people, and harms to lands, territories, or resources, but no current explicit FPIC requirement was found.

Holdings create a concrete engagement test. On June 30, 2025, both systems disclosed equity exposure to all six issuer relationships traceable from the NYC report and direct positions in Astra Agro Lestari. Both also disclosed bonds tied to selected agribusiness issuers.

Bottom line

The strongest advocacy opening is not “no policy.” It is the gap between broad stewardship expectations and issuer-specific, time-bound requirements for forest conversion, Scope 3 supply-chain emissions, FPIC, remedy, and escalation. The holdings screen identifies where those expectations can be tested.

Scope note: “No direct reference identified” means no explicit term was located in the reviewed documents; it is not proof that no reference exists anywhere.

How the California Policy Stack Fits Together

The two funds are separate fiduciaries. A shared reporting statute does not create a shared investment policy.

Layer	CalPERS	CalSTRS	Practical significance
State-law floor	SB 964 climate-risk report	SB 964 climate-risk report	Common triennial public-market reporting duty; not a common voting, exclusion, or manager standard.
Board-level policy	Governance & Sustainability Principles; Responsible Contractor Program	ESG Policy; Corporate Governance Principles; Responsible Contractor Policy	Most durable statements of expectations and covered decision processes.
Board strategy / pledge	Sustainable Investments 2030 Strategy	Net-zero-by-2050-or-sooner pledge; Stewardship Priorities	Sets direction and work programs; implementation can evolve through staff plans and annual updates.
Implementation disclosure	2025 Climate Report; annual investment report	2025 Climate-Risk Report; 2026 Net-Zero Update; holdings pages	Evidence of measurement, engagement, voting, allocation, and actual securities held.

Who is covered

CalPERS: the Governance & Sustainability Principles guide proxy voting, company engagement, policy advocacy, and internal and external investment-manager decisions. The Responsible Contractor Program is narrower: covered real-estate and infrastructure investments and qualifying contracts.

CalSTRS: the ESG Policy is expected to be used by internal and external managers for active-investment decisions; for passive strategies, it guides engagement. The Responsible Contractor Policy is also asset-class specific.

Portfolio companies: neither fund's broad principles automatically become a contractual company obligation. Influence is primarily exercised through voting, engagement, proposals, manager oversight, capital allocation, and—in some circumstances—escalation or exit.

Governance distinction

A board-adopted principle can be important without functioning as an exclusion. Conversely, an annual report can show real implementation without creating a new binding standard. The evidence tables label both document type and operational reach.

Sources: CA-1; CP-1 pp. 4–5; CP-4 pp. 5–9; CS-1 PDF pp. 10–15; CS-2 pp. 1–6; CS-5.

Key Findings Matrix

Direct comparison of stated policy, measurement, and identifiable gaps.

Issue	CalPERS	CalSTRS	Assessment
Net zero	Pathway to 2050; SI 2030 strategy	Board pledge: 2050 or sooner	Both formal; neither is a blanket exclusion.
Interim target	>50% portfolio-emissions-intensity pathway by 2030	Strategic plan calls for interim targets; 2026 update states no total-fund number	CalPERS is more explicit at total-fund strategy level.
Climate solutions	Over \$100B by 2030	\$5.7B SISS commitments at 3/31/26, plus other asset-class investments	Different measures; not directly comparable.
Scope 1–2	Portfolio footprints across public equity, fixed income, and real assets	Absolute emissions for Global Equity, Fixed Income, Real Estate	Substantial current reporting by both.
Scope 3	Public-equity upstream/downstream and other-asset estimates	No current portfolio Scope 3 reporting in reviewed 2026 update	Material comparability gap.
Forests / biodiversity	Explicit terms in board principles	Explicit biodiversity stewardship priority; no core-policy deforestation term located	Mostly engagement and risk framing.
Agriculture / land use	Agricultural adaptation example; supply-chain traceability expectation	Agriculture, forestry, land use named in stewardship work	No commodity-wide portfolio standard located.
Human rights	Universal human-rights support	Human-rights ESG risk factor	Both broad; operational thresholds are not always specified.
Indigenous / FPIC	Indigenous Peoples' rights and FPIC explicit	Indigenous people explicit; historical FPIC engagement	Current CalSTRS policy reviewed does not state FPIC.
Land rights	Explicit	Lands, territories, resources / property-rights factor	Both relevant; CalPERS uses the direct term.
Human-rights defenders	No direct term located	No direct term located	Clear engagement-policy gap.
Just transition	Corporate/workforce expectation and strategy theme	Utility-sector stewardship focus	Present, but not a portfolio-wide rights standard.

Overall observation

California's two largest systems have credible climate-governance infrastructure. The weaker link is translation: forests, land, agriculture, and rights are rarely converted into named issuer thresholds, time-bound corrective actions, or public escalation ladders.

Climate and Emissions Commitments

Targets are meaningful only when the metric, boundary, date, and implementation mechanism are visible.

Element	CalPERS	CalSTRS
Long-term goal	"net-zero GHG emissions no later than 2050" (strategy direction)	"net zero portfolio emissions by 2050 or sooner" (board pledge)
2030 / interim signal	Over \$100B climate solutions; "more than 50 percent reduction" in portfolio emissions intensity	Strategic-plan indicator calls for appropriate measurements and interim targets; no total-fund percentage stated in the May 2026 update
Low-carbon implementation	Climate-solutions allocation, high-emitter engagement, selective investment, potential security-exit process	20% of Total Public Equity in low-carbon index; 15% Fixed Income low-carbon optimization
Engagement / voting	High-emitter engagement, votes against directors, proposals, policy advocacy	Proxy votes, shareholder proposals, company and policymaker meetings
Escalation	Potential exit process for companies without credible net-zero plans, subject to fiduciary duty and investment analysis	ESG risk-factor process can elevate concerns; public net-zero update emphasizes influence and portfolio construction

2024 / 2025 reported evidence

Fund / portfolio	Reported emissions or change	Boundary / date
CalPERS Public Equity	8.964M tCO ₂ e Scope 1+2; 17.615M upstream and 38.352M downstream Scope 3	6/30/25; reported portfolio footprint
CalPERS Public Equity WACI	12% lower year over year; 54% below 2015	6/30/25; Scope 1+2-based intensity indicator
CalSTRS Global Equity	5.077M tCO ₂ e; -21.5% year over year	Calendar 2024; Scope 1+2 absolute emissions
CalSTRS Fixed Income	0.994M tCO ₂ e; -9.3% year over year	Calendar 2024; Scope 1+2 absolute emissions
CalSTRS Real Estate	0.137M tCO ₂ e; -22.6% year over year	Calendar 2024; Scope 1+2; asset sales and method changes materially affected result

Sources: CP-2 Attachment p. 3; CP-3 pp. 49–52; CS-2 pp. 1–3 and footnotes.

Scope 1, 2, and 3 Analysis

The principal measurement difference is not definitions; it is current coverage.

Scope	Meaning in the reviewed frameworks	CalPERS	CalSTRS
Scope 1	Direct emissions from owned or controlled operations	Reported within asset-class footprints	Reported for Global Equity, Fixed Income, and Real Estate
Scope 2	Indirect emissions from purchased energy	Reported with Scope 1; real-estate location- and market-based detail	Reported with Scope 1; company disclosure expectation
Scope 3	Other upstream and downstream value-chain emissions	Public-equity upstream and downstream totals; estimates for other assets; methodology caveats	Not included in current reported portfolio totals; 2026 update expressly notes unreported reclassified real-estate Scope 3
Financed emissions	Investor-attributed share of issuer emissions	Financed-emissions totals and intensity metrics disclosed	Absolute portfolio emissions disclosed for selected business units; terminology and coverage differ

Why Scope 3 matters here

Agribusiness exposure is often dominated by purchased commodities, land-use change, methane, logistics, and processing—sources that can sit outside an issuer's Scope 1–2 boundary.

CalPERS' upstream/downstream disclosure gives FOE a visible portfolio-level baseline, but estimates remain data- and methodology-dependent and do not by themselves establish company targets.

CalSTRS' Scope 1–2 reductions are measurable, but they cannot be read as full value-chain decarbonization. The real-estate reclassification example shows how apparent progress can change when emissions move between scopes.

Interpretation guardrail

Do not compare the funds' headline reductions as if they share one boundary. CalPERS reports intensity and financed-emissions measures with Scope 3 estimates; CalSTRS' latest implementation update emphasizes absolute Scope 1–2 emissions for selected asset classes.

Exact definitions and reported totals: CP-3 pp. 49–52. CalSTRS boundary and one-year lag: CS-2 pp. 2–3, notes 1–4.

Detailed Evidence: CalPERS

Exact-language fragments are paired with document type, page, reach, and analytical weight.

Issue	Exact language	Document / page	Status and reach
Net zero	"net-zero GHG emissions no later than 2050"	Sustainable Investments 2030 Strategy, Attachment p. 3	Board-meeting strategy; total-fund direction.
2030 pathway	"more than 50 percent reduction"	Sustainable Investments 2030 Strategy, Attachment p. 3	Portfolio-emissions-intensity pathway; paired with climate-solutions allocation.
Climate solutions	"over \$100 billion in climate solutions by 2030"	Sustainable Investments 2030 Strategy, Attachment p. 3	Investment target; value is not an emissions outcome.
Scope 3	"upstream and downstream activities"	2025 Climate Report, p. 49	Statutory/implementation disclosure; footprint appears on pp. 50–52.
Human rights	"Universal Human Rights"	Governance & Sustainability Principles, p. 26	Board-adopted principles; company stewardship expectation.
Indigenous / FPIC	"free, prior, and informed consent"	Governance & Sustainability Principles, p. 26	Explicit standard tied to Indigenous Peoples' rights.
Biodiversity	"loss of biodiversity"	Governance & Sustainability Principles, p. 34	Company environmental-impact disclosure / risk expectation.
Forests	"degradation of natural ecosystems (e.g., deforestation)"	Governance & Sustainability Principles, p. 34	Explicit forest-risk language; not a deforestation-free screen.
Supply chain	Traceability and supply-chain environmental performance	Governance & Sustainability Principles, pp. 35–36	Company reporting / management expectation.
Land / transition	"land rights" • "just transition"	Governance & Sustainability Principles, p. 36	Community and human-capital impact expectation.
Labor	Fair wages and benefits	Responsible Contractor Program, pp. 5–9	Binding program for covered real-estate/infrastructure contracts; not total portfolio.
HR defenders	No direct reference identified	Documents reviewed	Gap statement, not proof of absence everywhere.

Document classification: CP-1 is board-adopted and guides voting, engagement, managers, and advocacy (pp. 4–5). CP-2 is a board strategy. CP-3 is disclosure. CP-4 is a formal investment policy with a limited asset-class perimeter.

Detailed Evidence: CalSTRS

CalSTRS separates its broad ESG Policy from its Corporate Governance Principles and annual stewardship implementation.

Issue	Exact language	Document / page	Status and reach
Policy hierarchy	"preeminent CalSTRS policy governing ESG integration"	2025 Investment Reports, PDF p. 10 (Attachment A-2)	Board ESG Policy; active internal/external managers; passive engagement.
Net zero	"net zero portfolio emissions by 2050 or sooner"	Net Zero Portfolio Strategy Update, p. 1	Board-adopted 2021 pledge; staff implementation update.
Scope 1-2	"scope 1 and 2 absolute emissions"	Net Zero Portfolio Strategy Update, p. 2 n.1	Current measurement boundary for reported asset-class totals.
Scope 3	"CalSTRS does not report on"	Net Zero Portfolio Strategy Update, p. 3	Applies to reclassified real-estate Scope 3 in the reported example.
Human rights	"Respect for Human Rights"	2025 Investment Reports, PDF p. 13 (Attachment A-5)	ESG risk factor for long-term profitability.
Culture	"Respect for Cultural and Ethnic Identities"	2025 Investment Reports, PDF p. 13 (Attachment A-5)	ESG risk factor.
Land / resources	"lands, territories or resources"	2025 Investment Reports, PDF p. 14 (Attachment A-6)	Property-rights risk factor; no direct FPIC term.
Indigenous people	"indigenous people"	2025 Investment Reports, PDF p. 14 (Attachment A-6)	Named within discrimination risk factor.
Nature / agriculture	"Agriculture, forestry, and land use"	Stewardship Priorities Annual Update, p. 4	Staff stewardship priority; Nature Action 100 and food/beverage engagements.
Just transition	"just transition"	Stewardship Priorities Annual Update, p. 4	Utility-sector worker/community disclosure focus.
FPIC	No direct current-policy reference identified	Core documents reviewed	Historical DAPL engagement used FPIC language; not treated here as current policy.
HR defenders	No direct reference identified	Documents reviewed	Gap statement, not proof of absence everywhere.

Sources: CS-1 pp. 10–15; CS-2 pp. 1–3; CS-4 p. 4; CS-9 (historical engagement precedent). The ESG Policy was adopted in 2008, made stand-alone in September 2023, and revised in January 2024 (CS-1, PDF p. 15 / Attachment A-7).

Forests, Biodiversity, Nature, and Agriculture

Explicit language exists, but portfolio-wide operational standards remain limited.

Question	CalPERS evidence	CalSTRS evidence	Finding
Is deforestation named?	Yes—within ecosystem-degradation examples.	No direct term located in reviewed core policy/update documents.	Only CalPERS states the term; neither has a reviewed portfolio-wide no-deforestation rule.
Is biodiversity named?	Yes—company environmental-impact expectation.	Yes—stewardship priority and Nature Action 100 activity.	Both recognize risk; CalSTRS implementation is engagement-specific.
Is agriculture named?	Agricultural adaptation appears as a climate-solutions example.	Agriculture/forestry/land use are named as emissions and species-loss drivers.	Neither establishes commodity-specific sourcing thresholds for the total fund.
Are supply chains covered?	Traceability and environmental performance expectations are explicit.	Prior engagements address supply-chain and water risks.	Best opening for issuer-specific asks; public escalation criteria are underdeveloped.
Are land-use emissions targeted?	Scope 3 and ecosystem-risk reporting can capture parts of the issue.	Scope 3 is not in current reported portfolio totals.	No reviewed dedicated land-use-change target at fund level.

What is strong

CalPERS provides a clear textual bridge from biodiversity and deforestation to company risk, reporting, and supply-chain traceability.

CalSTRS identifies agriculture, forestry, and land use as linked emissions-and-species-loss drivers and reports collaborative engagement through Nature Action 100 and FAIRR.

What remains aspirational or incomplete

No reviewed policy defines deforestation- and conversion-free cut-off dates, protected-ecosystem requirements, traceability milestones, or remedy expectations across public-market portfolios.

No reviewed policy specifies a voting sanction automatically triggered by inadequate forest-risk plans.

Nature is generally framed through financial materiality, disclosure, and engagement—not a stand-alone rights-and-ecology floor.

FOE engagement use

Ask each fund to translate existing principles into a published agribusiness stewardship standard: full value-chain emissions, deforestation/conversion deadlines, supplier traceability, Indigenous-rights due diligence, remedy, and an escalation ladder tied to voting and capital allocation.

Human Rights, Indigenous Peoples, and Just Transition

The strongest California language is real, but it is not evenly distributed or equally enforceable.

Issue	CalPERS	CalSTRS	Assessment
Human rights	Explicit universal-human-rights support	Explicit ESG risk factor	Both broad; neither reviewed policy supplies a full remedy protocol for portfolio companies.
Indigenous Peoples	Explicitly linked to FPIC	Indigenous people named in discrimination factor	CalPERS is more specific.
FPIC	Explicit standard	No direct current-policy term found; historical DAPL precedent	Potential ask: codify current portfolio-company and manager expectation.
Land rights	Direct term in community-impact expectation	Lands, territories, resources in property-rights factor	Both support engagement; application thresholds are unclear.
Human-rights defenders	No direct term found	No direct term found	Shared gap.
Just transition	Worker/community and investment-strategy references	Utility-sector stewardship focus	Not yet a consistent total-portfolio standard.
Labor / contractors	RCP for covered real estate/infrastructure	RCP for covered real estate/infrastructure	Important, but not a substitute for public-equity human-rights due diligence.

Policy-to-holdings test

For agribusiness issuers, ask whether board-adopted human-rights language is incorporated into manager mandates, engagement objectives, votes, and escalation decisions.

Require disclosure of how FPIC or land-rights controversies are identified across subsidiaries, controlled entities, joint ventures, and suppliers.

Seek a public process for remedy and non-retaliation where communities, Indigenous leaders, or human-rights defenders raise credible allegations.

Separate contractor-policy compliance from portfolio-company due diligence; the covered populations and enforcement channels differ.

Precision point

CalPERS' FPIC language is a meaningful policy foothold, but the reviewed documents do not create a public, company-by-company compliance register. CalSTRS' historical FPIC engagement demonstrates precedent, but this report does not treat that precedent as a current board-wide rule.

Holdings Research: Method and Screen

A common date and clear entity mapping prevent false comparisons.

Screen definition. The NYC report names six matched or related issuer relationships but does not reproduce the full approximately 20-company source list. This California screen therefore uses those six traceable relationships and adds direct Astra Agro Lestari holdings, because the NYC report treated its parent Astra International as related exposure. The workbook preserves the boundary.

Screened issuer	Relationship	Identifier used	Search note
Archer-Daniels-Midland	Direct target	NYSE: ADM; CUSIP 039483102; ISIN US0394831020	Equity; bonds checked.
Bunge Global	Direct target	NYSE: BG; CUSIP H11356104; ISIN CH1300646267	Equity; Bunge Finance bonds checked.
JBS N.V. / JBS USA group	Direct target / affiliates	NYSE: JBS; CUSIP N4732M103	Equity and issuer-affiliate bonds.
Wilmar International	Direct target	SGX: F34; ISIN SG1T56930848	International equity.
Astra Agro Lestari	Direct target added	IDX: AALI	Direct holding located in both systems.
Astra International	Related parent	IDX: ASII; ISIN ID1000122807	Parent-company exposure; not relabeled as subsidiary shares.
Jardine Matheson	Related holding company	SGX: J36; ISIN BMG507361001	Ordinary shares; CalSTRS also discloses an ADR.

Data rules

Primary comparison date: June 30, 2025. CalPERS figures are for the Public Employees' Retirement Fund (PERF); CalSTRS holdings pages report values in US\$ thousands.

Equities are shown by shares and market value. Debt is shown by par value and market value; issuer-affiliate mapping is stated.

No share counts are combined across ordinary shares and ADRs because depositary ratios may differ.

Figures do not capture derivatives, private-fund look-through exposure, securities-lending positions, or holdings not identifiable under the searched issuer names.

A March 31, 2026 CalPERS Form 13F cross-check for ADM and Bunge appears in the workbook; it is not mixed into the common-date totals.

Sources: NYC Pension Fund Climate Forests Rights Report.pdf; CP-5; CP-6; CS-6; CS-7; CS-8.

Equity Holdings and Exposure

Both funds disclosed every traceable direct or related equity relationship at the common date.

Issuer / instrument	Relationship	CalPERS shares	CalPERS value	CalSTRS shares	CalSTRS value
Archer-Daniels-Midland	Direct	811,293	\$42.820M	677,821	\$35.775M
Bunge Global	Direct	384,636	\$30.879M	166,294	\$13.350M
JBS N.V.	Direct	1,032,821	\$14.800M	428,250	\$6.137M
Wilmar International	Direct	5,123,121	\$11.544M	2,178,933	\$4.910M
Astra Agro Lestari	Direct added	87,700	\$0.031M	1,568,100	\$0.560M
Astra International	Related parent	77,352,700	\$21.441M	58,153,640	\$16.119M
Jardine Matheson ordinary	Related holding co.	804,026	\$38.641M	756,266	\$36.346M
Jardine Matheson ADR	Related holding co.	—	—	8,632	\$0.416M
Total disclosed equities	All rows	Not additive	\$160.156M	Not additive	\$113.613M

As of June 30, 2025. CalPERS: CP-5, PERF Domestic Equity pp. 128–131 and International Equity pp. 161, 211, 277. CalSTRS: CS-6 and CS-7; site values multiplied by 1,000 for dollars.

Interpretation

Direct-target equity value totals approximately \$100.074M at CalPERS and \$60.732M at CalSTRS. Related-parent/holding-company equity value totals approximately \$60.082M and \$52.881M, respectively.

The related rows are not evidence that the pension fund owns the target subsidiary security. They identify economic/governance exposure through a parent or holding company.

Position size is an engagement-relevance indicator, not proof of policy breach. Alignment analysis requires issuer conduct, fund objectives, voting records, and escalation history.

Cross-check

CalPERS' March 31, 2026 Form 13F later reported 1,025,447 ADM shares valued at \$74.540M and 254,052 Bunge shares valued at \$32.315M. Foreign ordinary shares outside 13F coverage cannot be inferred absent from that filing.

Debt Holdings and Exposure Analysis

Bond holdings expand the engagement perimeter beyond proxy voting.

Fund	Issuer group	Issues	Par value	Market value	Mapping
CalPERS	JBS USA / Food / Lux / SARL affiliates	9	\$223.632M	\$234.581M	Issuer affiliates of JBS group
CalSTRS	Archer-Daniels-Midland	4	\$11.000M	\$10.015M	Direct issuer
CalSTRS	Bunge Ltd Finance	2	\$6.000M	\$5.876M	Finance affiliate
CalSTRS	JBS USA / Food / Lux / SARL affiliates	11	\$37.612M	\$37.986M	Issuer affiliates of JBS group

As of June 30, 2025. CalPERS: CP-5, PERF Corporate Bonds p. 96. CalSTRS: CS-8; page values are in US\$ thousands. Issue-level rows, coupons, and maturities are in the accompanying workbook.

Exposure summary

Measure	CalPERS	CalSTRS	Combined
Screened equity market value	\$160.156M	\$113.613M	\$273.769M
Screened debt market value	\$234.581M	\$53.877M	\$288.458M
Visible listed exposure	\$394.737M	\$167.490M	\$562.227M

Policy alignment questions raised by the holdings

Are Scope 3, land-use-change, methane, and commodity-traceability expectations included in issuer engagement objectives for ADM, Bunge, JBS, and Wilmar?

How are FPIC and land-rights expectations applied when risk sits in a subsidiary, controlled entity, supplier, or financed affiliate?

What happens after engagement milestones are missed—director votes, shareholder proposals, collaborative escalation, mandate changes, reduced exposure, or exit?

For bond positions without a shareholder vote, are underwriting, refinancing, covenant engagement, and manager expectations used as leverage?

Material concentration

JBS-related bonds account for most of CalPERS' screened visible exposure. A stewardship strategy limited to equity proxy voting would therefore miss the largest identified position in this screen.

Conclusions and Engagement Opportunities

The policy base is sufficient for targeted asks; the implementation record needs sharper public accountability.

Where commitments are strongest

CalPERS: explicit nature, forest, land-rights, Indigenous-rights, and FPIC language; broad reach across stewardship and manager decision-making; current Scope 3 portfolio estimates.

CalSTRS: board net-zero pledge, current asset-class Scope 1–2 measurement, low-carbon portfolio construction, and nature-focused collaborative stewardship.

Both: formal governance, climate-risk integration, proxy voting and engagement, manager expectations, and asset-class labor standards.

Priority FOE asks

Ask	Use existing foothold	Evidence of progress
Publish an agribusiness stewardship standard	Nature, supply-chain, ESG, and fiduciary-risk language	Issuer list; objectives; milestones; annual outcomes
Require full value-chain emissions	CalPERS Scope 3 baseline; CalSTRS disclosure expectations	Comparable financed Scope 1–3 data and land-use/methane treatment
Codify deforestation/conversion requirements	CalPERS deforestation term; CalSTRS biodiversity program	Cut-off date, traceability, verification, supplier remedy
Operationalize FPIC and land rights	CalPERS board language; CalSTRS rights/property factors	Due diligence, consent evidence, grievance/remedy, non-retaliation
Publish escalation ladders	Existing voting, proposals, engagement, and investment tools	Triggers for votes, proposals, manager action, exposure change
Cover credit as well as equity	Large disclosed bond positions	Issuer/underwriter engagement and refinancing expectations

Final assessment

The California systems are not starting from zero. CalPERS' board principles already contain unusually direct language on FPIC, land rights, biodiversity, and deforestation; CalSTRS has measurable low-carbon implementation and an active nature-stewardship program. The central gap is operational specificity. The reviewed materials do not show a consistent portfolio-wide standard that converts those commitments into issuer-level forest, agriculture, Scope 3, rights, remedy, and escalation requirements.

Full Source List

Official fund and government sources were prioritized. URLs are current as reviewed in July 2026.

CP-1. CalPERS, Governance & Sustainability Principles, revised Nov. 13, 2023. <https://www.calpers.ca.gov/documents/governance-and-sustainability-principles/download>

CP-2. CalPERS, Sustainable Investments 2030 Strategy, Agenda Item 6d, Attachment 1. <https://www.calpers.ca.gov/documents/202311-invest-item06d-01-a/download>

CP-3. CalPERS, Climate Report and Response to Senate Bill 964, Nov. 2025. <https://www.calpers.ca.gov/documents/climate-related-financial-disclosure-2025/download?inline=>

CP-4. CalPERS, Statement of Investment Policy for Responsible Contractor Program, effective July 1, 2025. <https://www.calpers.ca.gov/documents/policy-responsible-contractor/download>

CP-5. CalPERS, 2024–2025 Annual Investment Report, holdings as of June 30, 2025. <https://www.calpers.ca.gov/documents/annual-investment-report-fy-2025/download?inline>

CP-6. U.S. SEC, CalPERS Form 13F-HR, period ended Mar. 31, 2026, filed May 6, 2026. <https://www.sec.gov/Archives/edgar/data/919079/000091907926000006/0000919079-26-000006-index.htm>

CS-1. CalSTRS, Investment Reports, as of June 30, 2025, including ESG Policy attachment. <https://www.calstrs.com/files/c2eb53ba2/CalSTRSInvestmentReports2025.pdf>

CS-2. CalSTRS, Net Zero Portfolio Strategy—Annual Update, Investment Committee Item 7, May 27, 2026. <https://www.calstrs.com/files/0d15f8883/INV%2B2026-05%2BItem%2B07.00.pdf>

CS-3. CalSTRS, Addressing Climate-Related Financial Risk 2025. <https://www.calstrs.com/files/94b92e26f/AddressingClimate-RelatedFinancialRiskReport2025.pdf>

CS-4. CalSTRS, Stewardship Priorities Annual Update, Investment Committee Item 4, Jan. 8, 2025. <https://www.calstrs.com/files/7d7c6ab84/INV%2B2025-01%2BItem%2B04.00%2B-%2BCalSTRS%2BStewardship%2BPriorities%2BAnnual%2BUpdate.pdf>

CS-5. CalSTRS, Responsible Contractor Policy. <https://www.calstrs.com/files/cb0622548/ResponsibleContractorPolicy.pdf>

CS-6. CalSTRS, Domestic Equities holdings, as of June 30, 2025. <https://www.calstrs.com/portfolio-holdings-domestic-equities>

CS-7. CalSTRS, International Equities holdings, as of June 30, 2025. <https://www.calstrs.com/portfolio-holdings-international-equities>

CS-8. CalSTRS, Debt Securities holdings, as of June 30, 2025. <https://www.calstrs.com/portfolio-holdings-debt-securities>

CS-9. CalSTRS, Dakota Access Pipeline Engagement Report (historical FPIC engagement precedent).
https://www.calstrs.com/files/d65500028/calstrs_dakota_access_pipeline_engagement_report.pdf

CA-1. CalSTRS legislative analysis describing SB 964's shared CalPERS/CalSTRS reporting requirement. <https://www.calstrs.com/files/30da2b944/SB261-amended-9-8-23.pdf>

Comparison source

NYC Pension Fund Climate Forests Rights Report.pdf (user-provided comparison report). The California report mirrors its analytical order and visual system, while adapting governance and holdings sections to CalPERS and CalSTRS.

Research cut-off: July 28, 2026. Holdings are point-in-time disclosures and may have changed.

Appendix A: Direct-Term Review

A controlled vocabulary check supports (but does not replace) substantive policy reading.

Term	CalPERS core reviewed documents	CalSTRS core reviewed documents	Qualification
Scope 1 / Scope 2	Direct	Direct	Both define or report.
Scope 3	Direct; quantified	Direct; current non-reporting noted	Boundaries differ.
Financed emissions	Direct / quantified	Portfolio-emissions measures; terminology varies	Do not assume identical methodology.
Deforestation	Direct	No direct current-policy term identified	CalSTRS biodiversity work can still address forest risk.
Biodiversity / nature	Direct	Direct in stewardship update	Policy weight differs.
Agriculture / food systems	Agriculture example	Direct in stewardship update	No total-fund commodity standard located.
Supply chain	Direct	Direct in stewardship activity	Public issuer milestones not consistently disclosed.
Human rights	Direct	Direct	Broad risk/stewardship framing.
Indigenous Peoples / people	Direct	Direct	Different wording and specificity.
FPIC	Direct	Historical engagement only; no direct current-policy term found	CalPERS stronger current foothold.
Land rights / lands	Direct	Direct lands/territories/resources language	CalSTRS uses property-rights framing.
Human-rights defenders	No direct reference identified	No direct reference identified	Shared gap.
Just transition	Direct	Direct in stewardship update	Scope/application differ.

Appendix B: Holdings totals and limits

At June 30, 2025, the screen identified approximately \$562.227 million in combined disclosed listed equity and debt market value. This is not a total economic-exposure measure. It excludes derivatives, private-fund look-through holdings, unsearched subsidiaries, and securities that could not be matched under the disclosed names. Market values are not comparable to the NYC report's holdings date without re-running both datasets on a common date.

Reproducibility

The accompanying workbook contains the security-level values, identifiers, as-of dates, source pages or URLs, issuer mappings, and calculation formulas used in the report.