

INVESTING IN OUR FUTURE:

*A Guide for Climate-Conscious
Pension Strategies*

www.climatefinanceaction.org



What We're Up Against— and How Your Pension Can Be Part of the Solution

From wildfires and heat waves to extreme weather disasters, the climate crisis is destroying lives, community health, safe housing and workplaces, and more. It's also putting huge risk to stable, safe jobs and secured retirement futures. But there is one very powerful tool that workers, union leaders, and pension trustees can more effectively wield to tackle these harms— and that is your pension.

There is tremendous, untapped power in the decisions in how your pension system invests and uses its ownership and lending power to push companies to be more accountable, spark economic growth in tackling the climate crisis, and invest in ways that better protect your and your colleagues' retirement future. We're talking about an estimated \$6.5 trillion of investor power in US public pension systems that can take power back from those invested in “business as usual”— and be a powerful driving force for a more just economy that serves people and the planet.

Workers and pension trustees should and can have a stronger voice in the kind of future their retirement savings fund. However, the pension and finance system is designed to be challenging to understand, access, and have a say in.

This toolkit is one of many offerings from CFA with a mission to demystify this finance system as a powerful arena for change-making – and help leaders among workers, pension trustees, and allied stakeholders see & exercise their power in it.



What this guide offers:

1

A digestible breakdown of the pension finance system, its players, and how change happens within these systems.

2

Concrete policy solutions and pathways that state pension systems have taken to better tackle climate risk to their workplaces, communities, and financial security– along with practical guidance to explore those possibilities for your pension fund.

3

Organizing tutorials and hands-on worksheets for workers, advocates, and trustees to – (1) Help to find and pursue policy improvements that work for their state system and labor community and (2) Design and implement engagement efforts that build power for positive change.

4

Case studies throughout the country to showcase success.

Table of Contents

1. Demystifying the Pension Finance System

Offers a roadmap to climate finance space, roles, and decision points where you can make a difference. Includes:

- “Say What” Glossary– translating key technical finance terms into actionable concepts
- “Who’s Who” of the Pension Finance World
- A Menu for Change: 10 policy paths that pensions can take to tackle climate risk
- “Save the Date”: A Timeline on Pension Policies

Worksheets:

- “Save the Date”: Build a Timeline for Your State
- “Who’s Who”: Map Your Pension System’s Key Players

2. Know Your Shareholder Power

Walks through the ways a pension can exercise its voice to drive positive action or curb problematic practices of the companies in its portfolio. This section will cover how strong shareholder power can drive a pension fund’s ability to address climate risk and hold companies accountable. Get access to sample proxy guidelines from different states on director votes, company disclosure and transition plan, and lobbying.

Worksheets:

- Proxy Guidelines “Strength Gauge” Checklist
- For Trustees: How to Raise the Need for Stronger Engagement

3. The Power of Investment Decisions

Covers investment policies and practices that equip the pension system to better manage and protect itself from climate risk as financial risk to its fund, as well as benefit from “greener” economic opportunity. Includes:

- Examples of what to include in an investment beliefs statements
- Key criteria for an effective and accurate portfolio risk review

Worksheet:

- Assessing and Advocating for Climate-Aligned Investing

4. Tips for Combating Anti-ESG Disinformation

Guidance on how to identify and respond to disinformation and strategic questions to help craft a counter-narrative

5. Organizing to Build Power

Guidance and hands-on tools for the following strategy & organizing support:

- For trustees: 10 Questions to power- and relationship-map your board and key influencers; and 5 steps to find allies
- For local public unions: Power-mapping your pension system to your union’s leaders and members
- For both: “Strengths, Weaknesses, Opportunities, Threats (SWOT)” analysis to explore pathways for pension policy change
- For both: Building a story that builds power

6. Additional Resources

A sample of informative and practical resources on the realms of finance, pensions, and climate change to help your continued learning and engagement

7 Upcoming: Learning through Celebration

Periodic updates of success stories from advocates & key stakeholders, in their words, to learn from their experiences and expertise.



What to do Next:

CONTINUE LEARNING:

[Part One: Demystifying the Pension Finance System](#)

BOOK A CONSULTATION:

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SUPPORT OUR WORK:

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Climate Finance Action (CFA) is a women-led, 501(C)3 non-profit organization equipping stakeholders and decision-makers to leverage the transformative power of publicly-held capital for real-world climate solutions to ensure a just transition to an inclusive economy in favor of people and the planet.