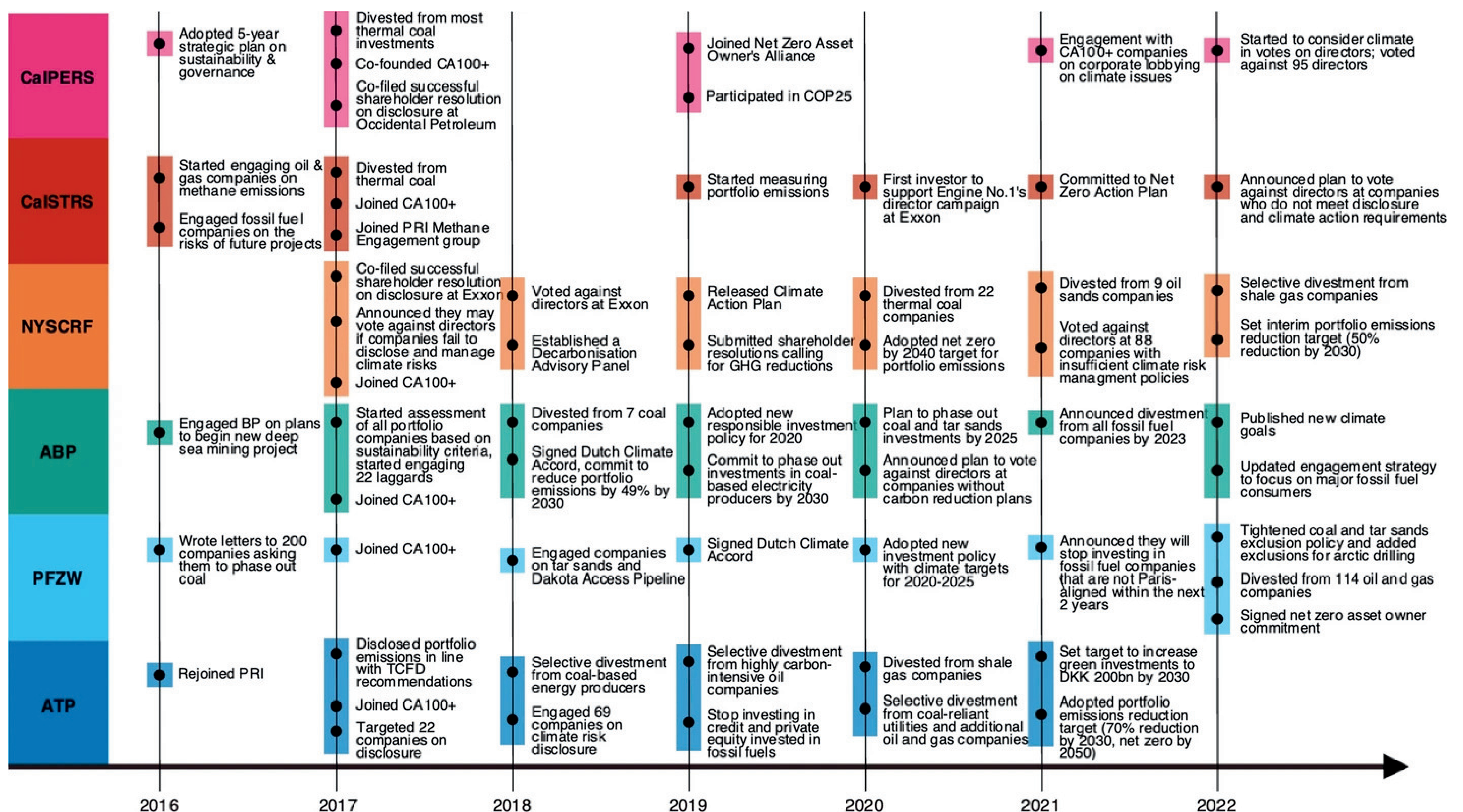


# Pension funds and fossil fuel phase-out: historical developments and limitations of pension climate strategies

McDonnell, Clara. "Pension funds and fossil fuel phase-out: historical developments and limitations of pension climate strategies." *International Environmental Agreements: Politics, Law and Economics* 24.1 (2024): 169-191.

This paper examines how the climate strategies of the largest US and European pension funds have evolved in relation to key developments in international climate agreements and the extent to which these strategies contribute to restricting fossil fuel supply. Through an analysis of the annual, governance, and sustainability reports of 6 pension funds from 1997 to 2022, we examine the strategies pension funds have adopted to address both climate change and fossil fuels. [...] **While pension fund climate action is growing, the ambition of their strategies is not aligned with a rapid fossil fuel phaseout; their efforts are often focused on improving disclosure and transparency and demonstrate complacency with minimal improvements from fossil fuel companies.** As ATP points out, at present, **“there is no authoritative way of determining whether investors ‘comply with’ the Paris Agreement”** (ATP, 2019, p. 5). Assessing the most effective contributions investors might make, and developing policy to enable such contributions remains a pressing challenge.



Key events and developments in pension fund climate strategies (2016–2022);  
 ABP: Algemeen Burgerlijk Pensioenfonds; ATP: Arbejdmarkedets Tillægspension; CA100+: Climate Action 100+; CalPERS: California Public Employees Retirement System; CalSTRS: California State Teachers Retirement System; ESG: Environment, Social, and Governance; NYSCRF: New York State Common Retirement Fund; NZAOA: Net Zero Asset Owner Alliance; PFZW: Pensioenfonds Zorg & Welzijn; PRI: Principles for Responsible Investment; SEC: Securities and Exchange Commission; TCFD: Task Force on Climate-Related Financial Disclosures; UNFCCC: UN Framework Convention on Climate Change; INCR: Investor Network on Climate Risk



<https://doi.org/10.1007/s10784-024-09626-0>