CalPERS and CalSTRS Divest from Tesla
Web: https://wonderl.ink/@divest-tesla
Petition & mailing list signup: https://actionnetwork.org/petitions/calperscalstrs-divest-from-tesla
Email: divest-tesla@proton.me
Bluesky: https://bsky.app/profile/divesttesla.bsky.social
Mastodon: https://mastodon.social/@DivestTesla

CalPERS Board of Administration, Investment Committee, September 15, 2025:
https://www.youtube.com/watch?v=OZ55QWlkGhM&t=23636s

Announcement to the full Board of Investment Committee direction to staff:
https://www.youtube.com/watch?v=37L4tqG9HCY&t=9950s

CalPERS BOARD AND INVESTMENT COMMITTEE MEMBER MULISSA WILLETTE:

I want to use this opportunity to recognize… our beneficiaries who've invested their personal time and resources to engage with us on any of our holdings, the majority of which are public equity holdings. And that engagement does underscore [that] our public equity strategy succeeds when we manage risk with discipline and align our investments with our governance and sustainability standards. And I really appreciate highlighting the Investment Belief 7 that we should seek risk adjusted returns where we have high conviction and that strong governance is a critical risk factor in a decision.

I don't encourage individual company discussions [in open session], but President Taylor opened it up. So I think it warrants a discussion a little bit about Tesla.

Tesla's past gains don't erase the present picture. I think we all know its price to earnings ratio is near 200. Even other tech firms are below 40. I think the first two quarters of 2025 showed steep declines in sales and profits. The loss of the US carbon credits are impactful. The shrinking European sales, a lot of pensions in Europe have divested from Tesla. I think the growing legal [and] regulatory liabilities, the autopilot misrepresentation lawsuit verdict, the class actions, the DMV and HTSA investigations, all compound the risk of our investment. And the speculative bets like the robots are now cited as the company's future value, which doesn't really align with that disciplined active risk-taking approach that we talked about today….

A handpicked board, outsized pay packages, strange AGM dates, weakened shareholder rights, rejection of climate and labor proposals, ongoing discrimination suits, those all fall short of the governance standards that CalPERS does promote across the market.

Any pause or other investment decisions related to Tesla would be discussed in closed session, not here today. But given the valuation risk, operational headwinds, the governance failures, the sustainability non-compliance, and in line with our Investment Belief 7 that we take risk where we believe we will be rewarded, through the Chair, I'd like board direction to ask staff to investigate and report on the risks of our current Tesla exposure, including our passive holdings, and return with recommendations on whether reducing our position best protects our beneficiaries' pensions and CalPERS values.

CalPERS BOARD INVESTMENT COMMITTEE CHAIR DAVID MILLER:
Yes. [Looks around for assent.] Sounds like direction from the committee to me. Thank you.