



**District of Columbia Retirement Board
Statement on
Council of the District of Columbia's
Fossil Fuel Divestment Recognition Resolution of 2016
June 9, 2016**

The District of Columbia Retirement Board (“Board”) has received multiple media requests for information related to the Board’s direct investments in public companies on the Carbon Tracker 200 List vis-à-vis the Council of the District of Columbia’s Fossil Fuel Divestment Recognition Resolution of 2016. Rather than respond to each of these requests individually, the Board is issuing the following statement related to the application of its Environmental, Social and Governance (“ESG”) Policy.

The Board’s paramount concern is its fiduciary duty to the members of the District of Columbia Police Officers and Firefighters’ Retirement Plan and the District of Columbia Teachers’ Retirement Plan (the “Plans”) and its underlying Trust Fund. Our investment process is guided by the asset allocation structure, policies we have adopted and the consultants we have engaged to advise us on investments that benefit the Trust Fund and, consequently, Plan members.

Over the past three years, the Board has evaluated its fossil fuel investments. Following discussions with peer institutions, our investment consultants, and a careful review of the United Nations Principles for Responsible Investment, the Board adopted an ESG Policy in November 2013 that outlines how the Board evaluates these risk factors within the context of our investment framework. The Board’s commitment to responsible investing is reflected throughout our decision-making process.

The Board also partnered with Institutional Shareholder Services, an industry leader in the field of corporate governance, to assist us with updating our Proxy Voting Guidelines by including targeted language with regard to ESG initiatives. As a rule, active ownership is our preferred method of company interaction, and these guidelines, upon implementation, will be used by our investment managers to vote on our behalf and to make our positions known to company boards of directors.

The Board’s direct holdings in public companies on the Carbon Tracker 200 List were reduced from approximately \$20 million (.33% of Trust Fund assets) to 0% over the past couple of years.