

Workshop on Strategic Direction for Global Governance, Environmental Social and Governance (ESG) Integration, and Industry Context

Summary of Discussion

The purpose of the session is to seek the Board's input into our Global Governance strategy. Global Governance currently conducts operations through three main work streams – Engagement, Advocacy and Integration – leveraging partnerships to accomplish its work. This January Offsite workshop will begin a 6-month process culminating in July 2016 to create a renewed 3 – 5 year strategy. The focus of this workshop will be on three topic areas:

- First, review current Global Governance strategy, reasons for pursuing our current approach and priorities, and options for consideration during the 6-month revision process;
- Second, discuss and understand best practices from peers – hear from external speakers from BlackRock, Mercer, Pension Consulting Alliance, and Towers Watson on governance and ESG integration steps being taken by global peer funds; and
- Third, discuss current ESG Integration activities within the Investment Office with a panel discussion – representatives of the Investment Office's Governance and Sustainability Subcommittee from each asset class and program area will give an overview of their efforts to integrate ESG risk and opportunity considerations into the investment decision-making process.

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The materials for this session include:

- External Presenter Biographies
 - PowerPoint Presentation
 - Background Information
 - “We need a bigger boat | Sustainability in Investment” by Towers Watson
 - “The Pursuit of Sustainable Returns: Integrating Environmental, Social, and Corporate Governance Factors and Sustainability by Asset Class” by Mercer
 - Investment Beliefs Implementation Review Findings | September 2015 Investment Committee Agenda Item
 - “Towards Sustainable Investment & Operations Making Progress” by CalPERS
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