
February 13, 2017**Item Name:** Corporate Governance Update**Program:** Global Equity**Item Type:** Information**Executive Summary**

This agenda item provides an overview of Global Equity's Corporate Governance Program's (Program) work plan for 2017. Staff will be primarily focused on three broad work streams namely: proxy voting, shareowner campaigns, and corporate engagement.

Strategic Plan

This agenda item supports the CalPERS' Strategic Plan goal of improving long-term pension and health benefits sustainability. The Program aims to improve the risk-return profile of the CalPERS Total Fund by enhancing sustainable value creation through improvement of financial, physical, and human capital management practices at companies owned. Periodic program updates support the Investment Committee in its oversight capacity.

Investment Beliefs

This item supports the following CalPERS' Investment Beliefs:

- Investment Belief 2, regarding the responsibility and advantage of a long-term investment horizon and the sub-beliefs which require that CalPERS encourage companies and external managers to consider the long-term impact of their actions.
- Investment Belief 4, that long-term value creation requires effective management of three forms of capital: financial, physical and human.

Background

The Program seeks good governance practices to ensure that CalPERS funds are being used for the benefit of our members to produce sustainable, long-term, risk adjusted returns that pay pensions.

Analysis

The Program's activities are guided by the Global Governance Principles and are executed through three main channels: Proxy Voting, Shareowner Campaigns and Corporate Engagement. This update gives an overview of the work plan for the year.

Budget and Fiscal Impacts

There are currently no additional costs or fees associated with this corporate governance activity.

Benefits and Risks

The Global Equity corporate governance program supports CalPERS' fiduciary duty to provide sustainable, risk adjusted returns for its members. The risks relate to not fulfilling Board policies and principles.

Attachments

Attachment 1 – Global Equity Corporate Governance Program Update

DANIEL BIENVENUE

Managing Investment Director
Global Equity

THEODORE ELIOPOULOS

Chief Investment Officer