

Sustainable Investment Responsible Contractor Program Annual Report

Anne Simpson, Investment Director

Carrie Douglas-Fong, Associate Investment Manager

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Annual Report: Investment Beliefs

Investment Belief 3

CalPERS investment decisions may reflect wider stakeholder views, provided they are consistent with its fiduciary duty to members and beneficiaries

Investment Belief 4

Long-term value creation requires effective management of three forms of capital: financial, physical and human

Annual Report: Program History

Year	Event
1990's	<ul style="list-style-type: none">• Program first approved by the Investment Committee
2010	<ul style="list-style-type: none">• Establishment of the Neutrality Trial for core Managers on service contracts
2012	<ul style="list-style-type: none">• RCP Policy enhanced and revised
2015	<ul style="list-style-type: none">• 18 month policy review and engagement process• RCP Policy enhanced and revised• Neutrality Trial for core Managers becomes permanent policy• New Neutrality Trial established for select non-core Managers

Annual Report¹: RCP Policy Scope

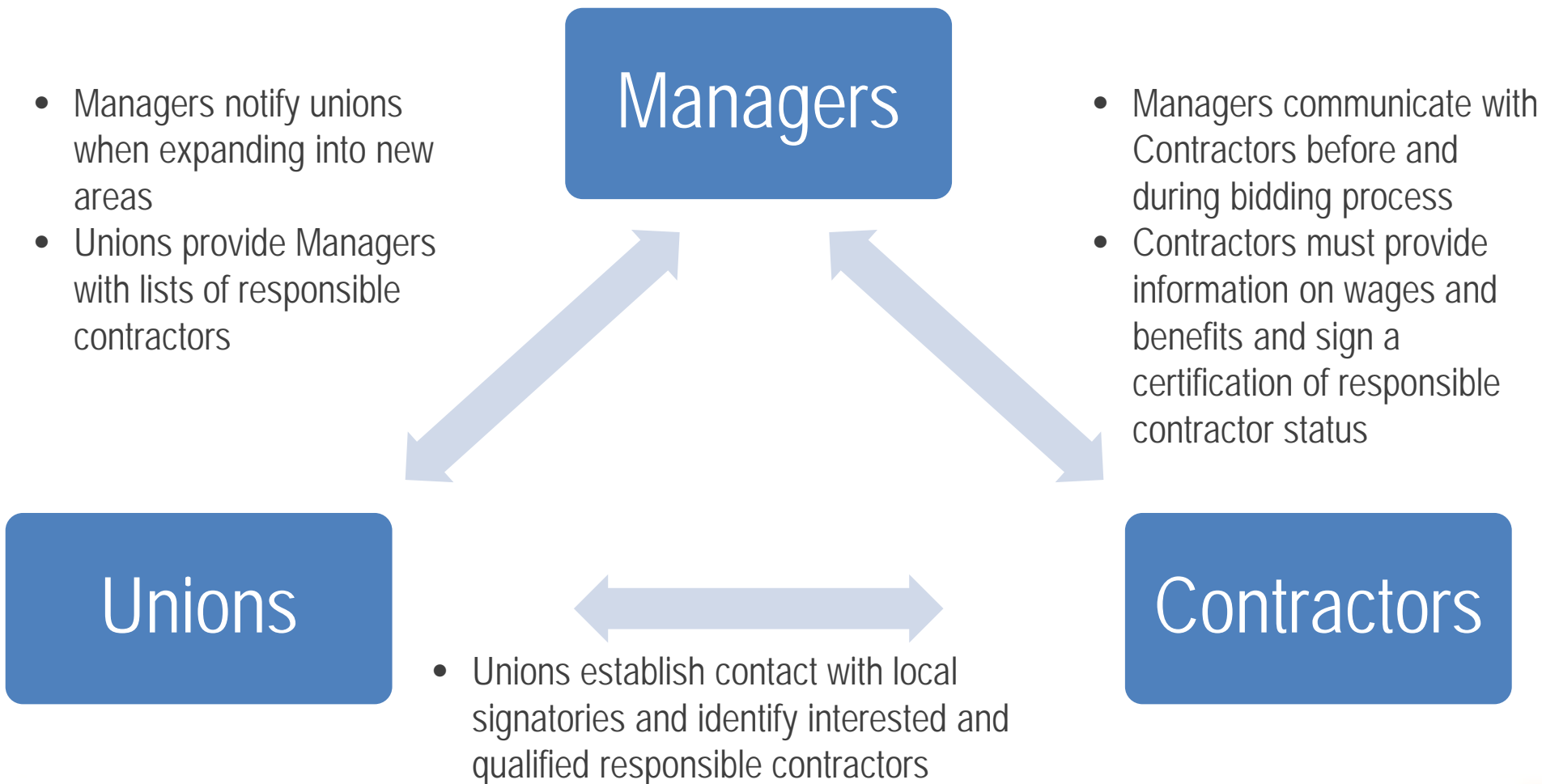
- Real Estate and Infrastructure assets where CalPERS holds greater than 50% interest
- Contracts that are \$100k or greater
- Annual Report includes:
 - Contract dollars awarded under the policy
 - Annual Report on Manager Responsibilities
- *“Spirit language in place when the RCP Policy does not apply”*

¹ Housing managers report on a voluntary basis

Annual Report: RCP Compliance and Total Contracting

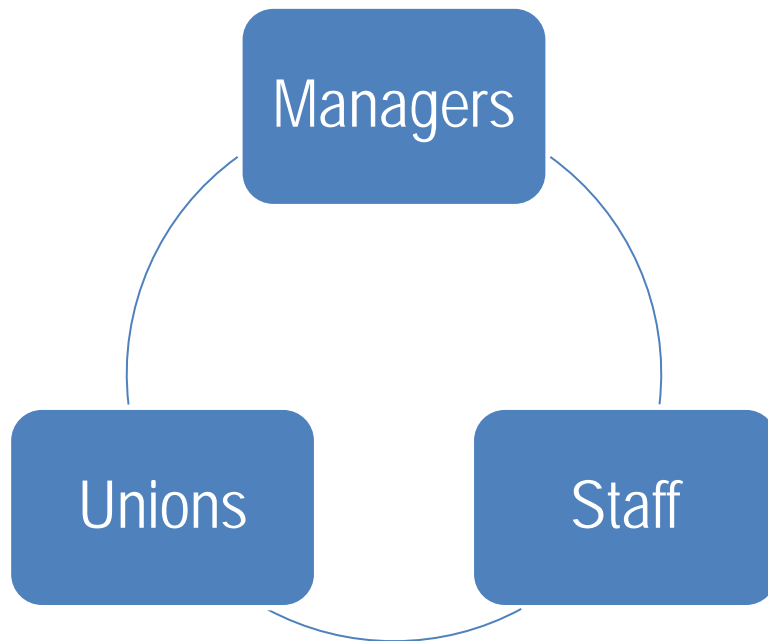
Fiscal Year	Compliance	Total Contract Dollars Paid to Responsible Contractors
2011-12	99.18%	\$671 Million
2012-13	98.63%	\$726 Million
2013-14	99.87%	\$950 Million
2014-15	99.49%	\$1.36 Billion
2015-16	99.73%	\$1.22 Billion
2016-17	99.97%	\$1.18 Billion
Total		\$6.1 Billion

Annual Report: RCP Bidding and Notification



Annual Report: RCP Communication and Case Studies

Staff, Managers, and Unions Feedback and Engagement Loop



Noteable Cases

- Commonwealth / SEIU / Green Cleaning
- Hines / LiUNA
- Centerpoint / Revive Oakland / SEIU