

CalPERS ESG Strategic Plan Overview and Sustainable Investment Workshop Introduction

Ted Eliopoulos, Chief Investment Officer
Anne Simpson, Investment Director
Divya Mankikar, Investment Manager

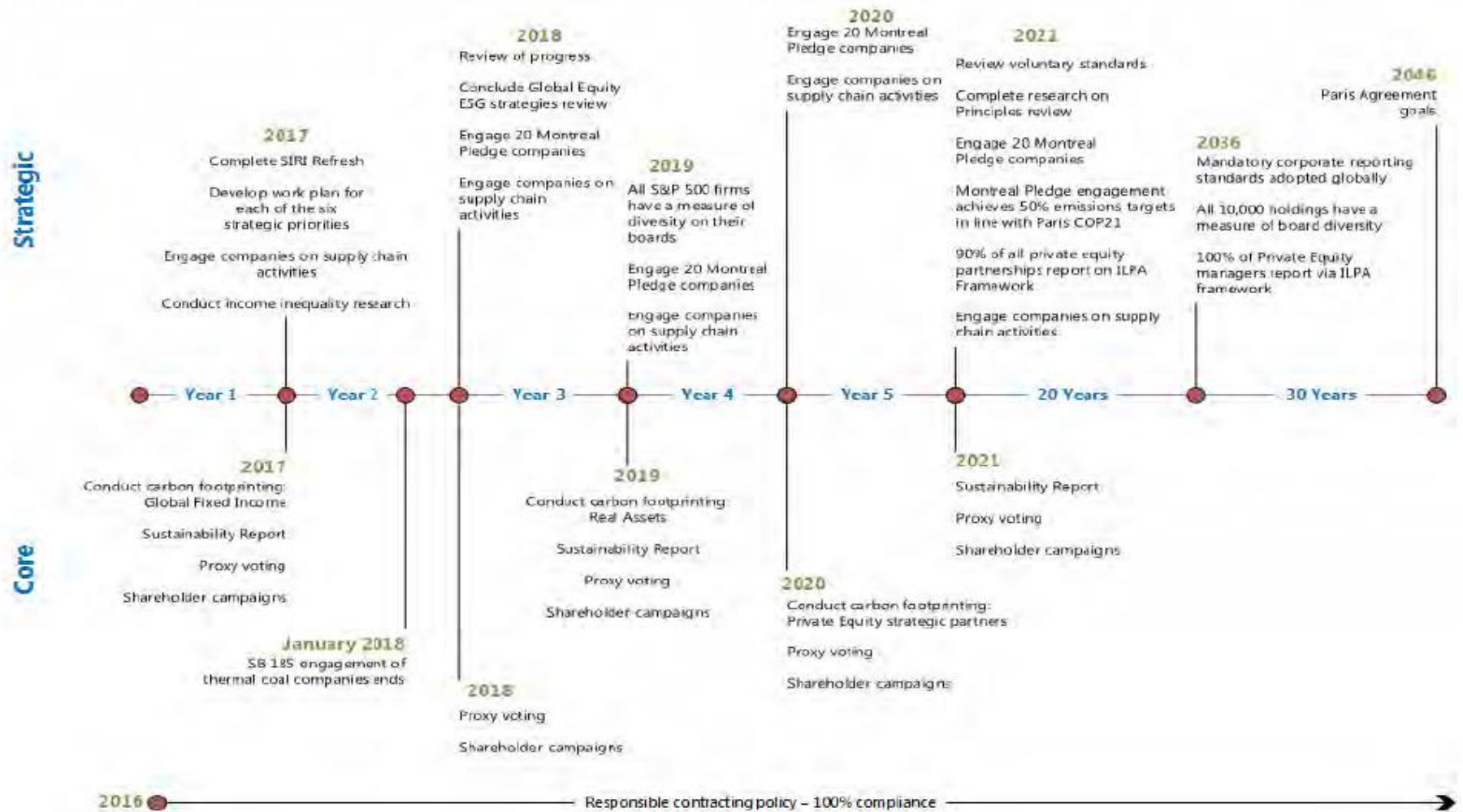
January 16, 2018

Summary of the 5-year plan | Governance & Sustainability

	Environmental	Social	Governance
S T R A T E G I C	<ul style="list-style-type: none"> Data and corporate reporting standards (includes water risk) Manager Expectations (includes water risk) 	<ul style="list-style-type: none"> Data and corporate reporting standards (includes human capital) Manager Expectations 	<ul style="list-style-type: none"> Data and corporate reporting standards (focusing on the long-term) Manager Expectations
	<ul style="list-style-type: none"> Research <ul style="list-style-type: none"> Sustainable Investment Research Initiative (SIRI) Global Equity Strategies 	<ul style="list-style-type: none"> Research <ul style="list-style-type: none"> SIRI Diversity Income inequality (action plan if warranted) 	<ul style="list-style-type: none"> Research <ul style="list-style-type: none"> Topics from Global Governance Principles Review Supply Chain Activities
	<ul style="list-style-type: none"> Engage 80 PRI Montreal Pledge Companies (identify water risk candidates) 	<ul style="list-style-type: none"> Diversity and Inclusion <ul style="list-style-type: none"> Engagement Voting 3D Advocacy 	<ul style="list-style-type: none"> Private Equity Fee and Profit Sharing Transparency (including AB 2833)
	<ul style="list-style-type: none"> Carbon Footprinting – Total fund Thermal Coal Companies – (SB185) 	<ul style="list-style-type: none"> Responsible Contractor Program 	<ul style="list-style-type: none"> Proxy Voting Shareowner Campaigns (Proxy Access/ Majority Voting) Focus List Divestment: Mandates, Policy & Principles
C O R E	Work through Partnerships to leverage resources and impact		
	<ul style="list-style-type: none"> Corporate Engagements Federal and Legislative Guidelines Sustainability Report Response to Ad Hoc Media and Stakeholder Requests 		

Source: <https://www.calpers.ca.gov/docs/board-agendas/201608/invest/item05a-01.pdf>

ESG Strategy | Timeline



Source: <https://www.calpers.ca.gov/docs/board-agendas/201608/invest/item05a-01.pdf>

Climate Action 100+



Index ▲ 1.56 ▼ 0.78



Overview of Climate Action 100+

- 🌀 Initiated by CalPERS in 2016, following UN PRI Montreal Pledge analysis
- 🌀 **100** companies are responsible for about **85%** of annual greenhouse gas emissions from fossil fuel combustion. Note: some double-counting is inevitable
- 🌀 **\$27 Trillion** worth of investors support engagement as signatories to Climate Action 100+



More information can be found at: www.ClimateAction100.org

Sustainable Development Goals | Framework for “E” and “S”



Source: <https://sustainabledevelopment.un.org/?menu=1300>