

# Environmental, Social, and Governance (ESG) Strategic Plan Update

Anne Simpson, Investment Director

Investment Committee, March 2017

# ESG Strategic Plan | Updated Summary

	Environmental	Social	Governance
S T R A T E G I C	<ul style="list-style-type: none"> <li>Data and corporate reporting standards (includes water risk)</li> </ul>	<ul style="list-style-type: none"> <li>Data and corporate reporting standards (includes human capital)                             <ul style="list-style-type: none"> <li>- Human Capital Management Petition</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Data and corporate reporting standards (focusing on the long-term)</li> </ul>
	<ul style="list-style-type: none"> <li>Manager Expectations (includes water risk)</li> </ul>	<ul style="list-style-type: none"> <li>Manager Expectations</li> </ul>	<ul style="list-style-type: none"> <li>Manager Expectations</li> </ul>
	<ul style="list-style-type: none"> <li>Research                             <ul style="list-style-type: none"> <li>- Sustainable Investment Research Initiative (SIRI)</li> <li>- Global Equity Strategies</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Research                             <ul style="list-style-type: none"> <li>- Sustainable Investment Research Initiative</li> <li>- Diversity</li> <li>- Income inequality (action plan if warranted)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Research                             <ul style="list-style-type: none"> <li>- Principles Review Topics:                                     <ul style="list-style-type: none"> <li>- Environmental Management Practices</li> <li>- Executive Compensation (Pay Ratio)</li> </ul> </li> <li>- Emerging Topics for Principles Review                                     <ul style="list-style-type: none"> <li>- Product Safety</li> <li>- Indigenous Peoples' Rights</li> <li>- HCM Disclosures</li> <li>- Geopolitical Risks</li> <li>- Compensation (Clawback)</li> </ul> </li> <li>- Supply Chain Activities</li> <li>- Non-voting Shares and benchmarks</li> </ul> </li> </ul>
	<ul style="list-style-type: none"> <li>Engage 80 100 + PRI Montreal Pledge Companies (identify water risk candidates) CA 100+</li> <li>SASB 100</li> </ul>	<ul style="list-style-type: none"> <li>Diversity and Inclusion                             <ul style="list-style-type: none"> <li>- Engagement</li> <li>- Voting</li> <li>- 3D (Diverse Director DataSource)</li> <li>- Advocacy                                     <ul style="list-style-type: none"> <li>- External Managers</li> <li>- Internal Talent Management</li> </ul> </li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Private Equity Fee and Profit Sharing Transparency (including AB 2833)</li> </ul>
C O R E	<ul style="list-style-type: none"> <li>Carbon Footprinting – Total fund</li> <li>Thermal Coal Companies – (SB185)</li> </ul>	<ul style="list-style-type: none"> <li>Responsible Contractor Program                             <ul style="list-style-type: none"> <li>- Labor Engagements</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Proxy Voting</li> <li>Shareowner Campaigns (Proxy Access / Majority Voting)</li> <li>Focus List (Japan Engagements)</li> <li>Divestment: Mandates, Policy &amp; Principles</li> </ul>
	Work through Partnerships to leverage resources and impact Sustainable Development Goals Discussion / Review		
	<ul style="list-style-type: none"> <li>Corporate Engagements</li> <li>Financial Markets Advocacy / Federal and Legislative Guidelines</li> <li>Sustainability Report</li> <li>Response to Ad Hoc Media and Stakeholder Requests: Indigenous Peoples' Rights; Geopolitical risk; Deforestation; Turkey; Assault Weapons</li> </ul>		

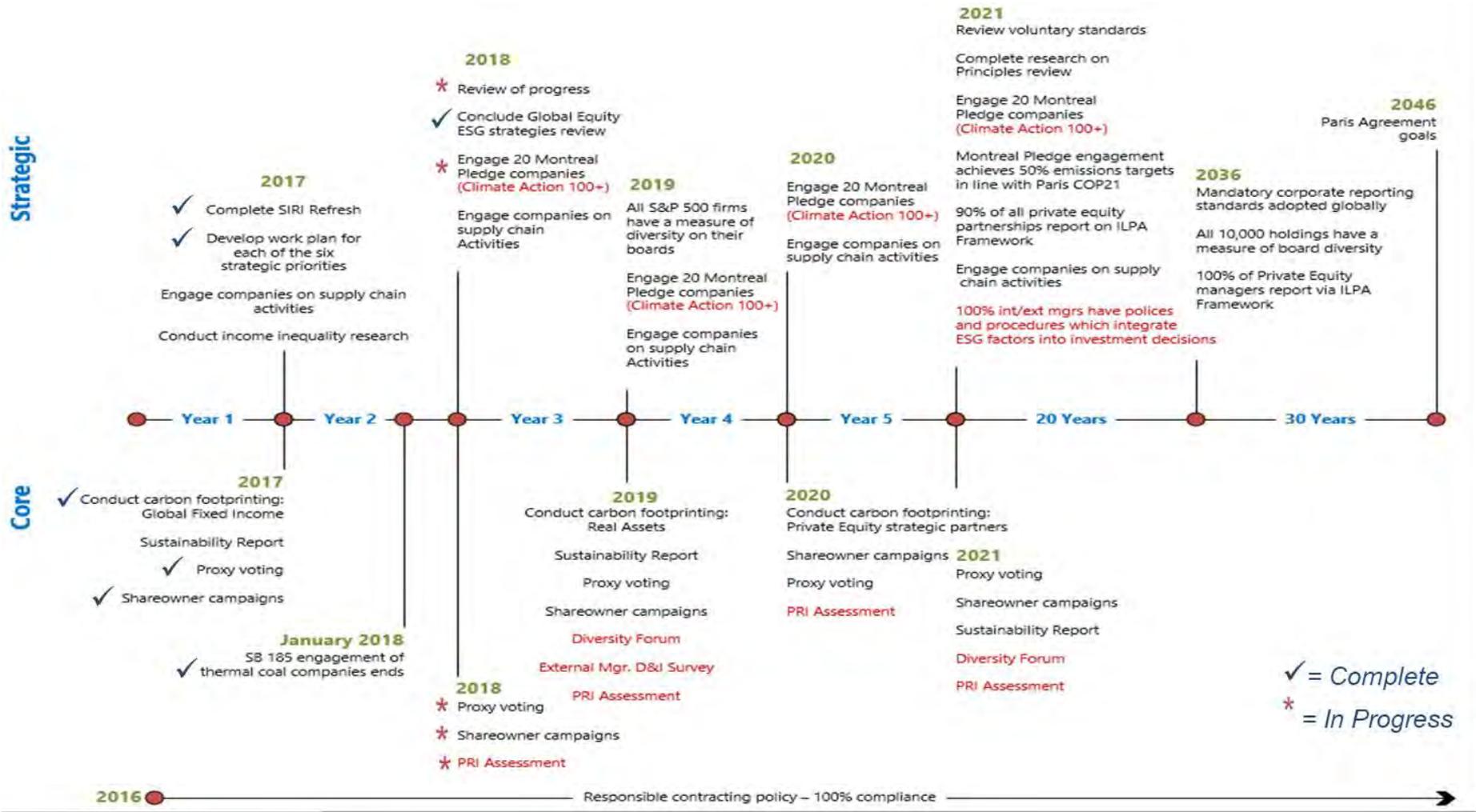
# ESG Strategic Plan | Partnerships

- Environmental
- Social
- Governance

Our approach utilizes  
three channels  
**supported by**  
**partnerships**



# ESG Strategic Plan | Timeline



# ESG Strategic Plan | Enhanced Governance

*Four subcommittees support the Investment Strategy Group's role as the primary deliberative body for investment strategies and decisions*



## Trust-Level Risk and Attribution

Co-Chairs: Kevin Winter, Michael Krimm

Ensures investment risks are intended, understood, and compensated



## Portfolio Allocation

Chair: Eric Baggesen

Provides an organized approach to making asset class rebalance and dynamic position decisions



## Governance and Sustainability

Co-Chairs: Dan Bienvenue, Anne Simpson

**Ensures ESG risk and opportunity considerations are integrated into the investment-decision making process**



## Trust-Level Investment Review

Chair: Paul Mouchakka

Provides a trust-level decision process and framework for the review of non-core programs, business models, assets and investments

# ESG Strategic Plan | GSS Working Groups

*Four working groups support the Governance and Sustainability Subcommittee's role to integrate ESG risk and opportunity considerations into the Total Fund*



## Financial Markets

**Lead:** Don Pontes

*Advise on Legislative and Regulatory Advocacy*



## Proxy

**Lead:** Simiso Nzima

*Assess Proxy Voting and Corporate Engagement Activities*



## Research

**Lead:** Anne Simpson

*Organized approach to understanding research and emerging trends in ESG*



## Correspondence

**Lead:** Dan Bienvenue

*Determine CalPERS' response to requests to sign on to comment letters*

Enterprise and Program Representation

# ESG Strategic Plan | Data and Corporate Reporting Standards

Objectives	<ul style="list-style-type: none"> <li>Initial voluntary corporate reporting including enhanced disclosure of ESG considerations in periodic filings globally</li> <li>Adoption of enhanced mandatory reporting of ESG in periodic filings globally</li> </ul>
Key Performance Indicators	<ul style="list-style-type: none"> <li>Benchmark and track the progress of integrated reporting globally</li> <li>Mandatory standards adopted globally</li> </ul>
Accomplishments	<ul style="list-style-type: none"> <li>Participation on                             <ul style="list-style-type: none"> <li>➤ International Financial Reporting Standards (IFRS) Council</li> <li>➤ Financial Accounting Standards Advisory Council (FASAC)</li> <li>➤ Sustainability Accounting Standards Board (SASB) Investor Advisory Group</li> <li>➤ Human Capital Management (HCM) Coalition</li> </ul> </li> <li>IFRS Advisory Council recommends placing integrated reporting on IASB’s work plan</li> <li>Weighed in on Financial Accounting Standards Board’s (FASB) conceptual framework</li> <li>Submitted Human Capital Management (HCM) petition for rulemaking to the Securities and Exchange Council</li> <li>Working group participation and support for Task Force on Climate-Related Financial Disclosures (TCFD)</li> </ul>

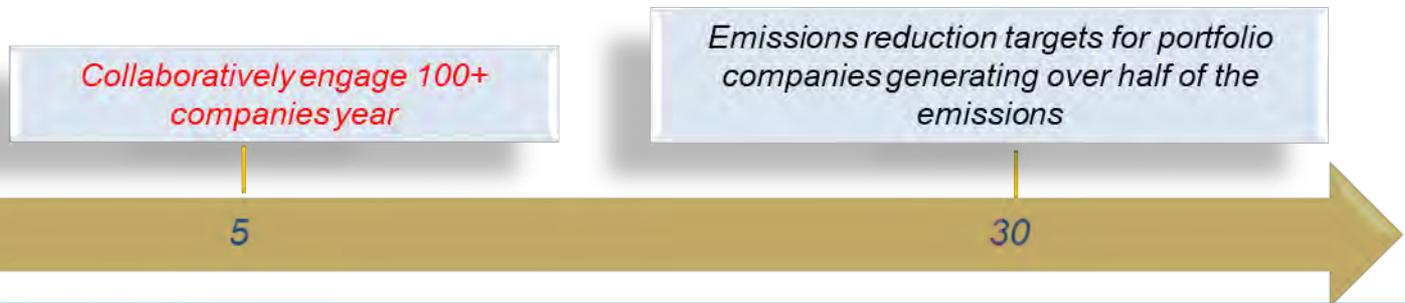


# ESG Strategic Plan | Climate Action 100+

(Formerly 80 Montreal Pledge)

## Engaging Systemically Important Carbon Emitters

Objective	Manage climate risk and opportunity by engaging 80 Montreal Pledge companies
Key Performance Indicators <b>(REVISED)</b>	<ul style="list-style-type: none"> <li>All <b>100</b> companies establish a carbon reduction target consistent with Paris COP 21</li> <li>Measure and report reduction in carbon footprint</li> <li>Track financial performance of companies with established reduction targets</li> </ul>
Accomplishments	<ul style="list-style-type: none"> <li>Measured public equity and global fixed income portfolios' carbon footprint</li> <li>Convened regional investor networks and UN PRI to create Climate Action 100+                             <ul style="list-style-type: none"> <li>➢ Coalition of 230 investors representing \$28+ Trillion in assets launched at PRI Berlin</li> <li>➢ <a href="http://www.climateaction100.org/">http://www.climateaction100.org/</a></li> </ul> </li> <li>Launched Climate Action 100+ at One Planet Summit in Paris, Dec.2017</li> </ul>



# CA 100+ | Structure and Engagement Working Groups

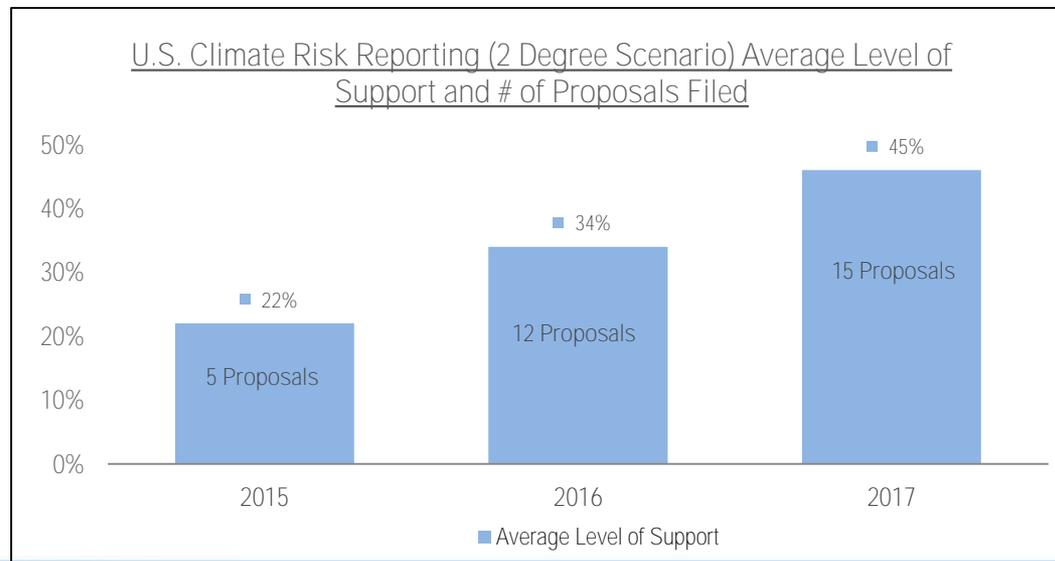


Allocation of first 100 focus companies to the five engagement working groups. The '+' companies will be allocated to the working groups once the nomination/selection process is completed in early 2018.



## CA 100+ | U.S. Climate Risk Proposal Trends

- Building on European wins at BP, Shell, Rio Tinto, Anglo American and Glencore, CalPERS co-filed climate risk proposals at 3 companies in 2017 – Chevron, ExxonMobil and Occidental Petroleum. The proposal at Chevron was withdrawn due to substantial implementation
- 2017 was the first time climate-related shareowner proposal received majority shareowner support in the U.S.
  - ExxonMobil proposal passed with 62% shareowner support
  - Occidental Petroleum proposal passed with 67% shareowner support
  - PPL Corporation proposal passed with 57% shareowner support
- CalPERS ran proxy solicitations at all 15 U.S. shareowner proposals seeking climate risk reporting (2 Degree Scenario)



## CA 100+| Progress Examples: Climate Risk Engagements

- **Chevron:** Published a new climate risk report with 2-degree scenario analysis in March 2017, in response to the climate risk shareowner proposal filed (and withdrawn) in 2017
- **ExxonMobil:** Published a new climate risk report with 2-degree scenario analysis in February 2018, in response to the majority approved climate risk shareowner proposal in 2017
- **Occidental Petroleum:** Committed to publishing a new climate risk report with 2-degree scenario analysis in 1Q 2018, in response to the majority approved climate risk shareowner proposal in 2017
- **PPL Corporation:** Published a new climate assessment report with 2-degree scenario analysis in November 2017, in response to the majority approved climate risk shareowner proposal in 2017. PPL plans to cut CO<sub>2</sub> emissions by 70% from 2010 levels by 2050. PPL reduced CO<sub>2</sub> emissions by about 50% from 2010 to 2016
- **American Electric Power:** Set goals to reduce CO<sub>2</sub> emissions by 80% by 2050
- **DTE Energy:** Set goals to reduce CO<sub>2</sub> emissions by 80% by 2050
- **Hitachi:** Set goal to reduce CO<sub>2</sub> emissions throughout the value chain by 50% by 2030 and 80% by 2050
- **NRG Energy:** Set goals to reduce CO<sub>2</sub> by 90% by 2050

# ESG Strategic Plan | Diversity and Inclusion

Objective	Enhance Total Fund performance by increasing corporate board diversity
Key Performance Indicators	<ul style="list-style-type: none"> <li>• All public companies in which CalPERS invests have a dimension of board diversity<sup>1</sup></li> <li>• Track financial performance of companies with diverse boards</li> </ul>
Accomplishments	<ul style="list-style-type: none"> <li>• Engaged 500+ US companies in Russell 3000 index regarding lack of diversity on their boards</li> <li>• Transferred ownership of Diverse Director DataSource (3D) to Equilar’s Diversity Network             <ul style="list-style-type: none"> <li>➢ Over 150 public companies have signed up to search 3D</li> <li>➢ Eleven candidates within 3D appointed to boards</li> </ul> </li> <li>➢ Attended Equilar Diversity Network events to expand range of candidates who bring racial and ethnic diversity to 3D</li> <li>➢ Provided testimony to the California State Senate Select Committee on Women, Work, Families</li> <li>➢ Integrated D&amp;I and Responsible Contractors Policy program into Sustainable Investments program</li> </ul>



<sup>1</sup>Diversity: Board diversity should be thought of in terms of skill sets, gender, age, nationality, race, sexual orientation, gender identity, and historically under-represented groups. Consideration should go beyond the traditional notion of diversity to include a more broad range of experience, thoughts, perspectives, and competencies to help enable effective board leadership. – Source: Global Governance Principles, Section B.9.

<sup>2</sup>Reference: 2015 Spencer Stuart Board Index - <https://www.spencerstuart.com/research-and-insight/spencer-stuart-us-board-index-2015>

# Diversity and Inclusion | Scorecard

Diversity and Inclusion Engagement Score Card (504 companies)		
Tier 1	Added or in the process of adding a female director	63 Companies (13%)
Tier 2	Responded – Enhanced or in the process of enhancing diversity disclosure	113 Companies (22%)
Tier 3	Responded – Inadequate Response	13 Companies (3%)
Tier 4	No Response	315 Companies (62%)

Data as of 2/7/18

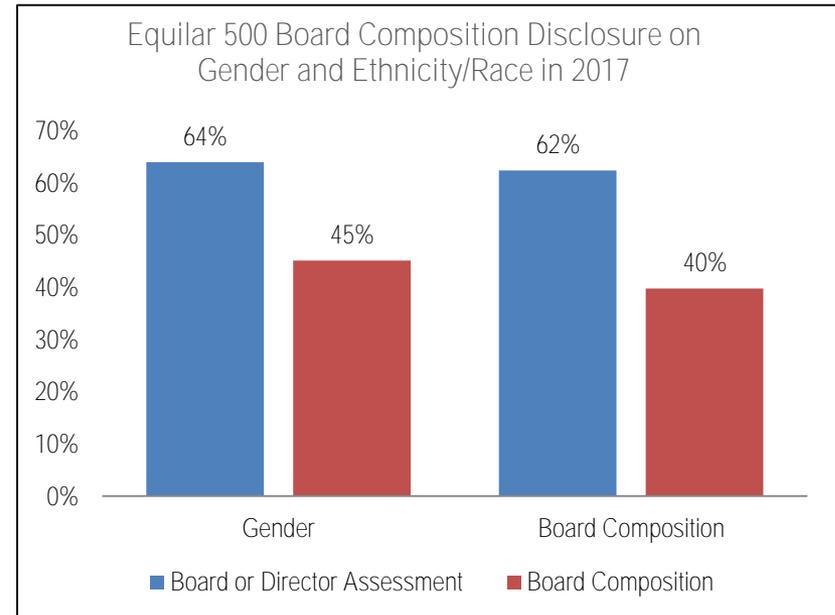
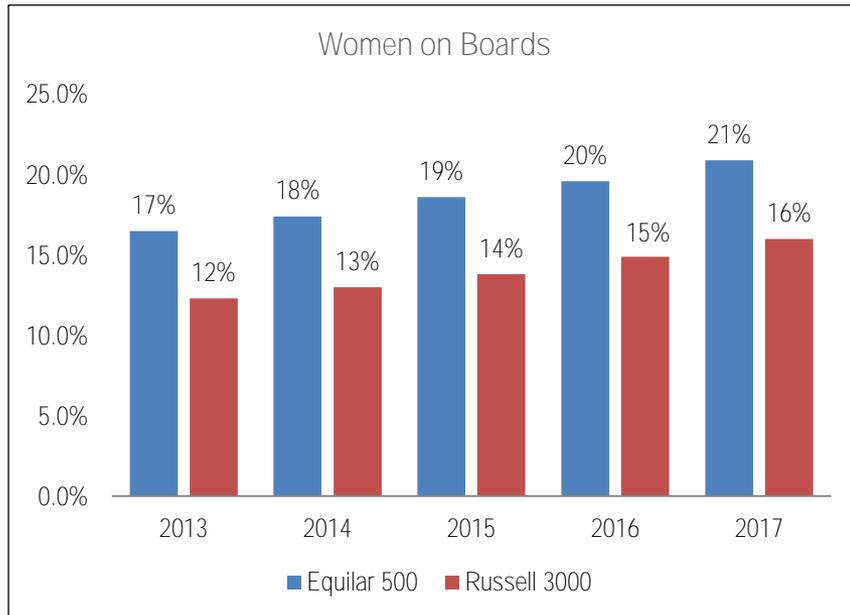
## Company Response to Engagement

- Companies generally agree about the benefits of gender diverse boards, and understand the focus by investors
- Engagements generally result in positive outcomes:
  - Companies currently lacking disclosure on gender and ethnicity commit to enhancing disclosure in their upcoming proxy
  - Most companies discuss nomination process and the inclusion of women candidates
- Companies going through succession planning or refreshment process are “explicitly” asking search firms to source diverse candidates – including gender and race/ethnicity
- Challenges identified by companies lacking gender diversity on their boards:
  - Smaller companies find it difficult to attract talent, who are usually recruited to serve on larger company boards
- Some engagement companies have previously had female directors

# Diversity and Inclusion | Trends

## S&P 500 Gender Diversity Highlights:

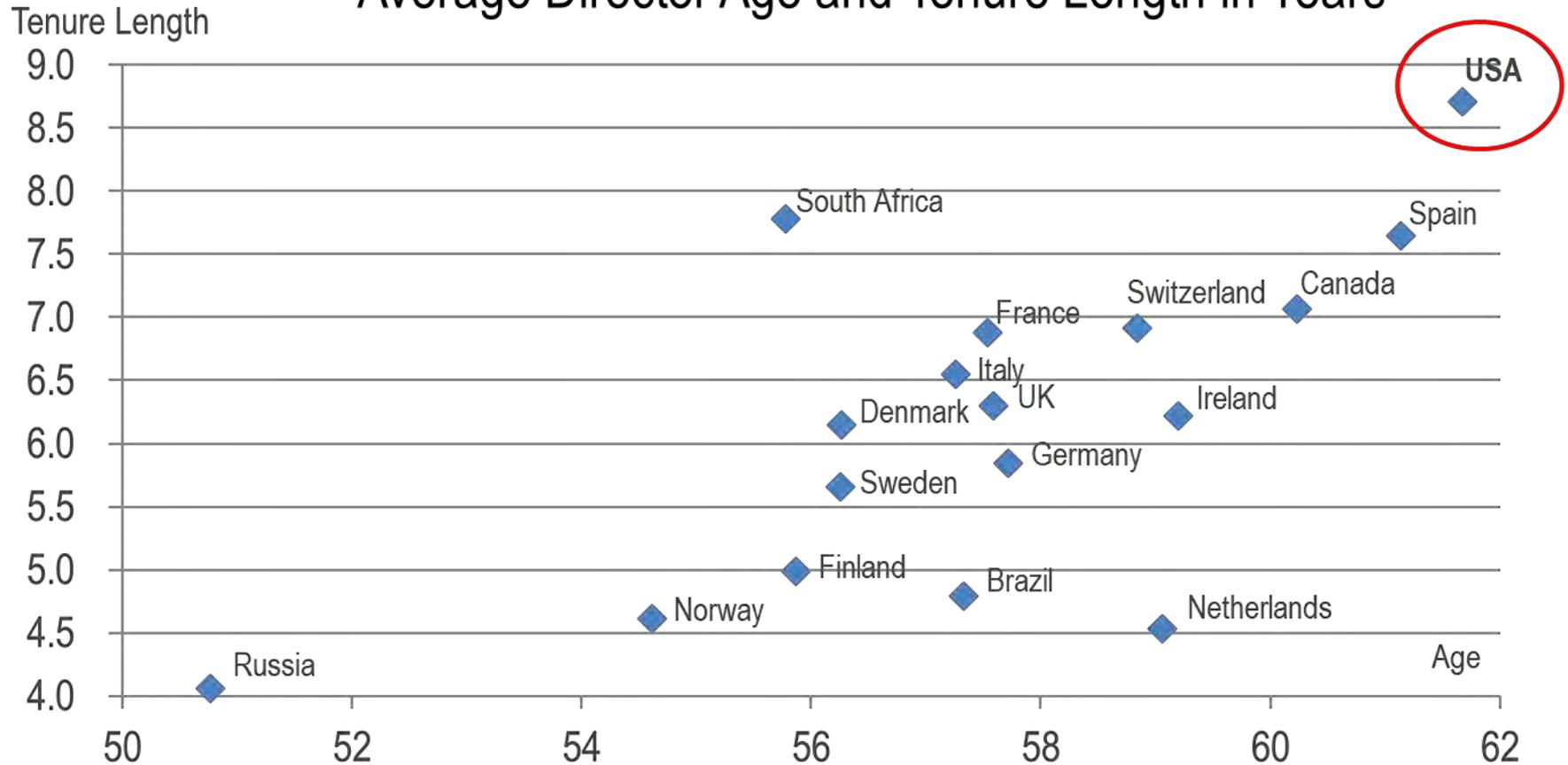
- 42% of first-time directors are women, compared to 32% in 2016
  - Women constitute 21% of all S&P 500 directors
  - Female representation among new directors rose to 36% in 2017 (compared to 19% in 2007)
- Source: Spencer Stuart



Source: Equilar data as of September 2017

# Diversity and Inclusion | Trends

## Average Director Age and Tenure Length in Years



# ESG Strategic Plan | Manager Expectations

Objective	Manager Expectations that allow CalPERS to better understand and manage ESG investment risk and opportunity across the portfolio
Key Performance Indicators	<ul style="list-style-type: none"> <li>All managers have policies and procedures for including ESG information in decision making</li> <li>Asset classes establish and implement documented procedures for due diligence, contracting, and monitoring activities</li> </ul>
Accomplishments	<ul style="list-style-type: none"> <li>Developed and piloted a set of Sustainable Investment Practice Guidelines which reflect each asset class' particular requirements             <ul style="list-style-type: none"> <li>➤ Updated in 2017 and posted to CalPERS' website</li> </ul> </li> <li>Integrated Sustainable Investments into Annual Program Reviews, with each asset class delivering to Investment Committee throughout 2017</li> <li>Developing a framework to measure and report % of internal / external managers with policies and procedures integrating ESG into investment processes and decisions</li> <li>Strategic Measure within the CalPERS 2017-22 Strategic Plan</li> </ul>



# ESG Strategic Plan | Research

Objective	Strengthen understanding of ESG factors relevant to risk and return specific to CalPERS' investment objectives
Key Performance Indicators	<ul style="list-style-type: none"> <li>• Complete evidence review:             <ol style="list-style-type: none"> <li>1. Sustainable Investment Research Initiative (SIRI) refresh (inclusive of diversity and income inequality)</li> <li>2. Global Equity strategies</li> <li>3. Research companies most exposed to water risk to inform engagement</li> <li>4. Topics from Global Governance Principles review, including supply chain issues</li> </ol> </li> <li>• Integrate relevant research findings into investment decision making</li> </ul>
Accomplishments	<ul style="list-style-type: none"> <li>• Completed refresh of SIRI Library             <ul style="list-style-type: none"> <li>➤ Over 1000 new papers have been uploaded in to SIRI database on CalPERS' website <a href="https://www.calpers.ca.gov/page/investments/governance/sustainable-investing/siri-library">https://www.calpers.ca.gov/page/investments/governance/sustainable-investing/siri-library</a></li> </ul> </li> <li>• Completed deep dive into equity strategies that integrate ESG themes / research</li> <li>• GSS Research Working Group developed Governance and Sustainability Principles topics and drafted revisions for Committee approval</li> </ul>



## ESG Strategic Plan | Private Equity & Fee Profit Sharing Transparency

Objective	Industry adoption of the Institutional Limited Partners Association (ILPA) framework for transparency of fees and profit sharing
Key Performance Indicators	<ul style="list-style-type: none"> <li>• Ensure 100% of CalPERS' strategic private equity partnerships complete the ILPA fee reporting template and provide profit sharing information</li> <li>• Target 100% of CalPERS private equity strategic partnerships complete the Institutional Limited Partners Association (ILPA) fee reporting template and provide profit sharing information</li> <li>• Track and report industry ILPA adoption               <ul style="list-style-type: none"> <li>➢ Partnerships completing the ILPA fee reporting template and providing profit sharing information</li> <li>➢ Limited partners requiring such information from their general partners</li> </ul> </li> </ul>
Accomplishments	<ul style="list-style-type: none"> <li>• Strategic Fund Template submission rate is stabilized at approximately 80%</li> <li>• Overall submission rate is ~ 70%</li> </ul>



# ESG Strategic Plan | Ad Hoc Stakeholder Requests

## Investment Belief 3

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

### Sub-belief 3

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- In considering whether to engage on issues raised by stakeholders, CalPERS will use the following prioritization framework:
  - Principles and Policy - to what extent is the issue supported by CalPERS' Investment Beliefs, [Governance and Sustainability Principles] or other Investment Policy
  - Materiality - does the issue have the potential for an impact on portfolio risk or return?
  - Definition and Likelihood of Success – is success likely, in that CalPERS' action will influence an outcome which can be measured? Can we partner with others to achieve success or would someone else be more suited to carry the issue?
  - Capacity – does CalPERS have the expertise, resources, and standing to influence an outcome?

# Ad Hoc Stakeholder Requests | Themes

Theme	Overview	Actions Taken	Next Steps
Dakota Access Pipeline (DAPL) Indigenous Peoples' Rights	Protests over routing of pipeline	<ul style="list-style-type: none"> <li>Proposed Principles language</li> <li>Multi-stakeholder engagement</li> </ul>	<ul style="list-style-type: none"> <li>Equator Principles review</li> <li>ETP response awaited</li> </ul>
Use of antibiotics in livestock feed	Health risks to wider population due to superbug resistance	<ul style="list-style-type: none"> <li>Stakeholder engagement</li> <li>Proxy votes</li> <li>Proposed Principles language</li> </ul>	<ul style="list-style-type: none"> <li>Investment Committee Principles review</li> </ul>
Opioid Epidemic	Death and disability due to addiction to opioids	<ul style="list-style-type: none"> <li>Investor network</li> <li>Proxy votes</li> </ul>	<ul style="list-style-type: none"> <li>Investment Committee Principles review</li> <li>Company annual general meeting</li> </ul>
Deforestation	Impact on climate change and local communities	<ul style="list-style-type: none"> <li>New Principles language</li> </ul>	<ul style="list-style-type: none"> <li>Investment Committee Principles review</li> </ul>
Chemicals	Lawsuits around carcinogenic effect of certain pesticides	<ul style="list-style-type: none"> <li>Stakeholder engagement</li> <li>Proxy votes</li> </ul>	<ul style="list-style-type: none"> <li>Investment Committee Principles review</li> <li>Company annual general meeting</li> </ul>
Supply Chain	Labor conditions in US supply chain for major retailers	<ul style="list-style-type: none"> <li>Stakeholder and company engagement</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> </ul>

# CalPERS Response to the Treasurer's Request

- In 2013, CalPERS divested from two manufacturers of assault-style weapons illegal for sale in California.
- CalPERS' Total Fund Investment Policy, Section 7 sets forth CalPERS' policy on divestment stating:
  - “CalPERS divestment policy, generally prohibits divesting in response to divestment initiatives, but permits CalPERS to use constructive engagement, where consistent with fiduciary duties, to help divestment initiatives achieve their goals.”
- Under CalPERS' Total Fund Policy, staff responded to the Treasurer's request with the following:
  1. Identified five portfolio companies potentially applicable to the Treasurer's request.
  2. Sent written correspondence in November 9, 2017 to five portfolio companies requesting:
    - “If assault weapons and accessories are indeed available for sale in your stores, we ask that the Board review the reputational and associated risks which this poses to your company in the wake of recent tragedies. We ask that you review the revenues which are earned from the sale of these weapons and accessories, and consider removing them from being sold to the public in your stores. We appreciate there are various federal and state requirements attendant upon purchase of firearms. However, our concern is around the Board's responsibilities to address risks to its reputation and brand.”
- Engagement results to date are included in the chart on the following slide.
- CalPERS will continue to monitor the situation for other potential engagement options.

## Divestment Pros and Cons

### Divestment “Pros” – *Address public policy concerns*

- May afford CalPERS some protection from reputational risk
- Signals to targeted companies that a given investor does not support their activities
- May generate media attention for the issue
- **May contribute to a “de-normalization” of the targeted activities**

### Divestment “Cons” – *As addressed in Board’s Total Fund Investment Policy*

- Fiduciary obligations preclude sacrificing investment performance for the purpose of achieving goals not directly related to CalPERS operations or benefits
- Divesting appears to almost invariably harm investment performance
- **There’s considerable evidence that divestment is an ineffective strategy for achieving social or political goals since the usual consequence is often a mere transfer of ownership**
- Investors that divest lose their ability as shareowners to influence the company to act responsibly

# Engagement Outcomes To Date

	Company Name	CalPERS' Equity Exposure	Response to Request for Engagement	Engagement Outcomes (to date)
1	Big 5 Sporting Goods Corporation	\$1,592,729	√	<p>On March 2, 2018, staff had a conference call with the company and confirmed the following:</p> <ul style="list-style-type: none"> <li>• In 2016, the company decided to discontinue the sale of assault weapons and ensured there is no current inventory across the retail chain.</li> <li>• The company has never carried accessories that can increase the rate of fire or high capacity magazines.</li> <li>• The company does not sell hand guns to the public.</li> <li>• The company's revenue derived from firearms is approximately 1.5% of sales.</li> </ul>
2	Dick's Sporting Goods	\$14,825,053	√	<p>On February 28, 2018, the company contact CalPERS to highlight their announcement that the company is committed to the following:</p> <ul style="list-style-type: none"> <li>• No longer selling assault-style rifles from all stores</li> <li>• No longer sell firearms to anyone under 21 years of age</li> <li>• No longer sell high capacity magazines</li> <li>• Has never and will never sell bump stocks that allow semi-automatic weapons to fire more rapidly</li> <li>• Calling on policy makers to issue regulations to ban assault-style firearms, high capacity magazines, and so-called "bump stocks". Including a comprehensive database of those banned from buying firearms and for universal background checks which include mental health, among other relevant considerations. Specifically requesting policy makers to "close the private sales and gun show loophole" that waives the need for such background checks.</li> </ul>
3	Kroger Company	\$346,135,621	√	<p>On March 1, 2018, staff had a conference call with the company and confirmed the following:</p> <ul style="list-style-type: none"> <li>• Management decided to review the company's policy on the sale of assault weapons to the public and announced on March 1, 2018, it will no longer sell assault weapons in any of its stores nor to accept any special orders of these weapons, for example via online channels.</li> <li>• The company does not sell high capacity magazines for ammunition or accessories.</li> <li>• The company will be raising the minimum age for purchasing any firearm or ammunition across all stores to 21 years of age.</li> </ul>

# Engagement Outcomes To Date

	Company Name	CalPERS' Equity Exposure	Response to Request for Engagement	Engagement Outcomes (to date)
4	Sportsman's Warehouse Holdings	\$689,449	√	The company has agreed to engage with CalPERS. Staff has scheduled a conference call with the Chairman and CEO for March 6, 2018.
5	Walmart	\$468,615,363	√	<p>On January 15, 2018, the company confirmed in writing the following:</p> <ul style="list-style-type: none"> <li>• The company does not sell any assault weapons following a decision made in 2015.</li> <li>• The company's firearm inventory is catered towards the hunter and sporting clay enthusiasts.</li> <li>• The company does not sell any handguns in continental United States, except in Alaska.</li> <li>• The company does not sell any assault weapon accessories, such as bump stocks or trigger cranks, which are designed to modify firearms to make them more like an assault weapon.</li> </ul> <p>On February 28, 2018, the company announced they reviewed their firearm policy and decided to raise the age restriction for purchasing firearms and ammunition to 21 years of age.</p>

# Appendix

# Key Partnerships

Partnership Name	Description
100 Women in Finance (100 Women)	Global network of professionals in the finance industry to empower women at every stage of their careers.
Association of Asian American Investment Managers (AAAIM)	Non-profit organization dedicated to the advancement of Asian Americans & Pacific Islanders in the field of investment management.
Ceres – Investor Network on Climate Risk	U.S. coalition to address sustainability challenges, such as global climate change.
CFA Institute (CFA)	CFA is a global association of investment professionals that sets the standard for excellence in the industry.
Council of Institutional Investors (CII)	(CalPERS Co-Founder) U.S. corporate governance advocacy organization of public, labor and corporate pension funds.
Executive Leadership Council (ELC)	The ELC is the preeminent membership organization for the development of global black leaders.
Financial Accounting Standards Board (FASB)	Financial accounting and reporting standards for public and private companies that follow GAAP.
Global Peer Exchange*	(CalPERS Founder) Group of the world's largest asset owners to collaborate on the integration of sustainable investment practices.
Healthy Markets Association	Investor-focused coalition working to educate market participants and promote data-driven reforms to market structure and regulatory challenges.
ICGN	(CalPERS Co-Founder) Global membership whose mission is to raise standards of corporate governance worldwide
International Financial Reporting Standards (Advisory Council)	Develop a single set of high quality, understandable, enforceable and globally accepted reporting standards.
International Limited Partners Association (ILPA)	Leading global organization dedicated to advancing the interests of private equity Limited Partners.

## Sustainable Investments ESG Strategic Plan Update

# Key Partnerships

Partnership Name	Description
National Organization of Investment Professionals (NOIP)	Fostering favorable regulatory environment for institutional participation in the securities markets.
International Organization of Securities Commissions (IOSCO)	Association of organizations that regulate the world's securities and futures markets.
New America Alliance (NAA)	NAA is national organization committed to building on American Latino success to forge a stronger America.
Pacific Pension & Investment Institute	Global organization centered on a common interest in helping asset owners and managers understand, learn, and gain perspective.
Principles for Responsible Investment (PRI)	(CalPERS Founding Signatory) Network to incorporate ESG issues into decision making and ownership practices.
Public Company Accounting Oversight Board (PCAOB)	Oversees the audits of U.S. public companies in order to protect investors.
Robert F. Kennedy Center for Justice & Human Rights Compass Program	Advocates for sustainable fiduciary investments.
SEC Investor Advisory Committee	Advises SEC on initiatives to protect investor interests.
Sustainable Accounting Standards Board (SASB)	Aims to develop and maintain industry-based sustainability standards to guide US corporations for risk reporting.
Task Force on Climate-Related Financial Disclosures	Develops voluntary, consistent climate-related financial risk disclosures for use by companies in providing information to investors, lenders, insurers, and other stakeholders.
The Credit Roundtable	Fixed income manager group seeking to enhance investment grade bondholder protection.
The Institute of International Finance (IIF)	Leading voice for the financial services industry on global regulatory issues.
The Robert Toigo Foundation (Toigo)	Foundation fostering the advancement and leadership of underrepresented talent.
UN Global Compact	Supports companies to align their strategies and operations with Ten Principles on human rights, labor, environment, and anti-corruption and the Sustainable Development Goals.