

# Annual Diversity & Inclusion (D&I) Report

February 18, 2020

## Focus on D&I

- Increase engagement of leaders and team members
- Expand education to increase awareness and understanding
- Integrate best practices

# Focus Areas



Talent  
Management

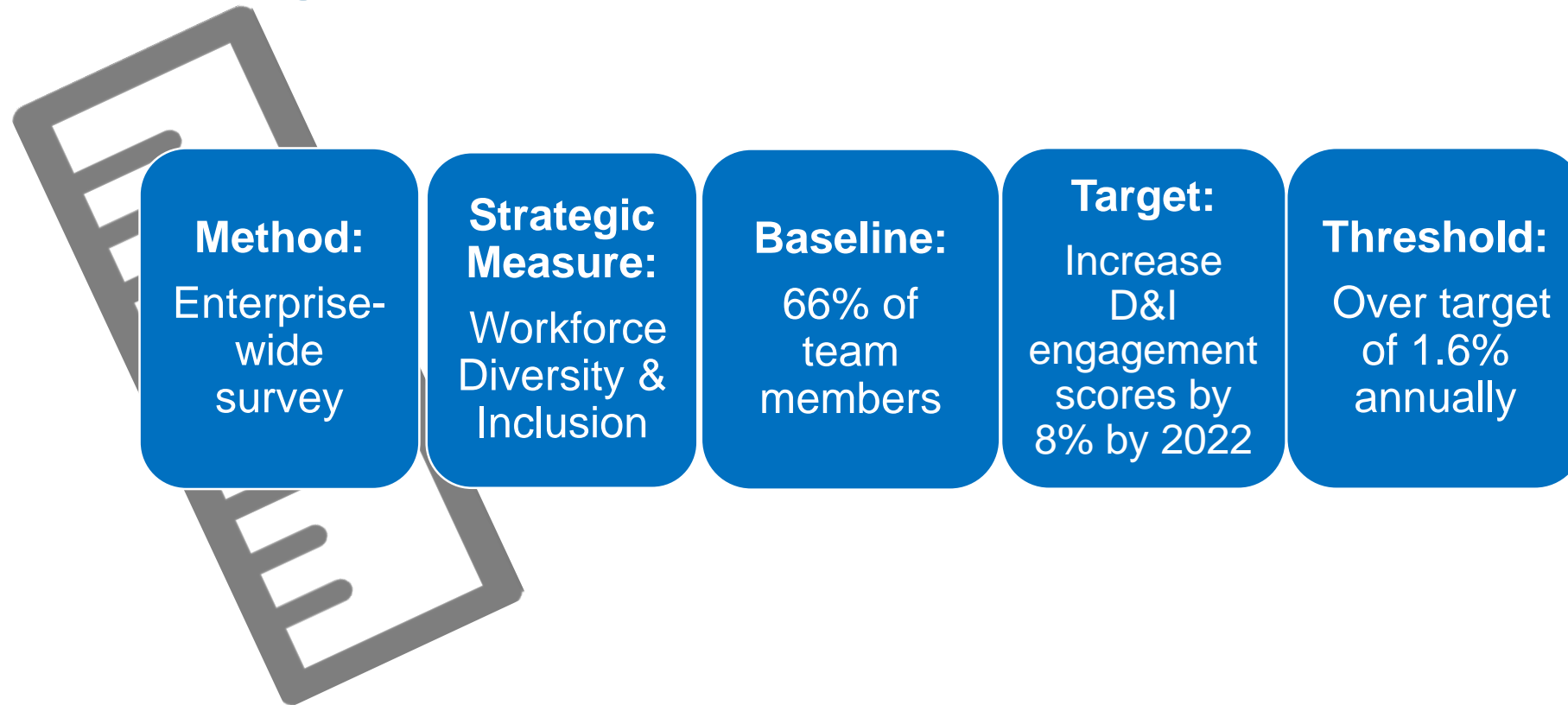


Education



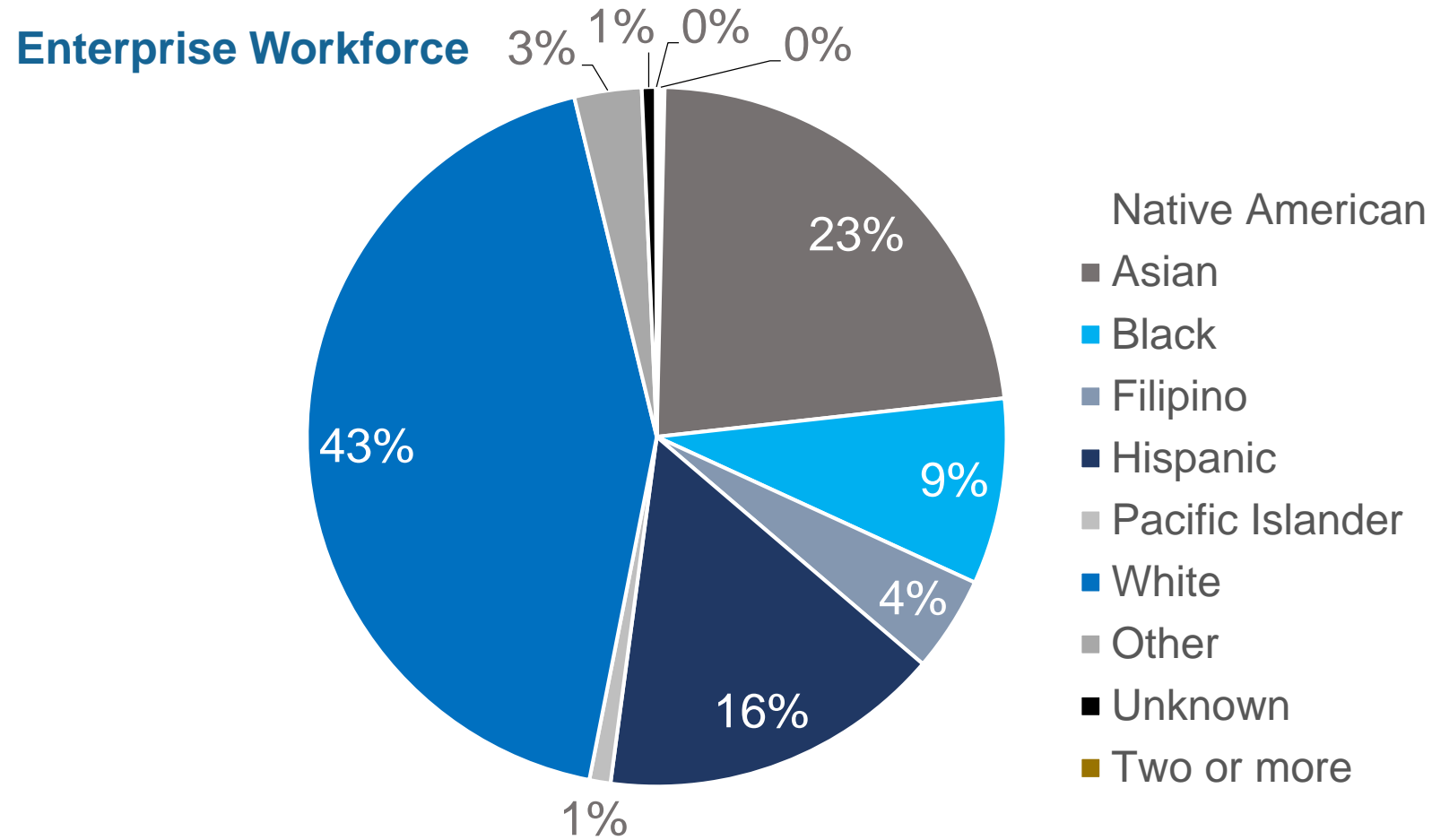
Communication

# Measuring our Success



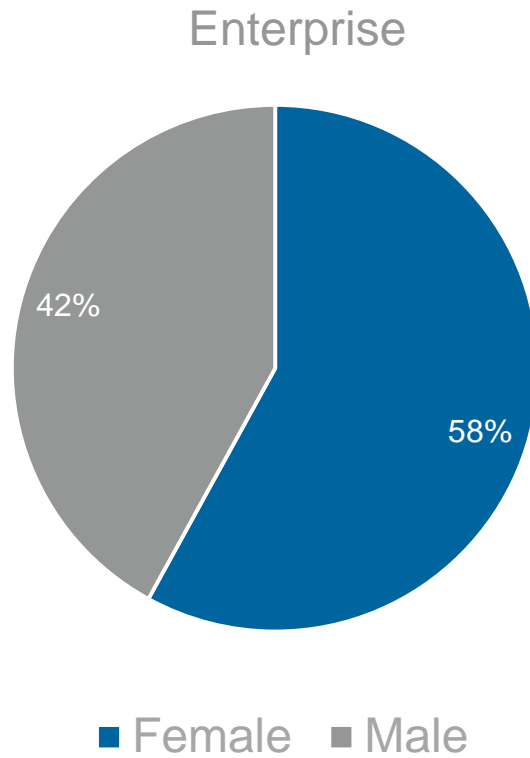
## D&I Accomplishments

- Established a D&I Council to support CalPERS' strategic goals and tactical initiatives, as identified in the CalPERS' Strategic Plan and Business Plan.
- Increased CalPERS D&I Strategic Measure by 1% via the Employee Engagement Survey D&I related questions. Our total growth is over 6% increase since the initiation of the expand D&I Business Initiative.
- Conducted workshops and presentations to over 40 teams, including the Senior Leadership Council , leading to increased senior leader engagement with employee resource group efforts.

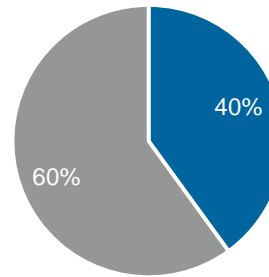


\* Source: SCO MIRS as of July 1, 2019

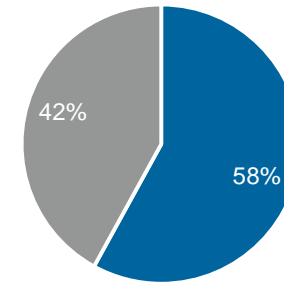
## Gender Demographics



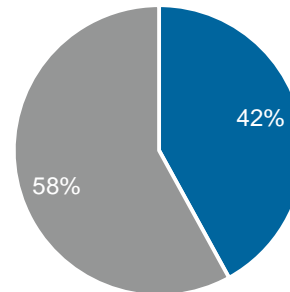
Executive



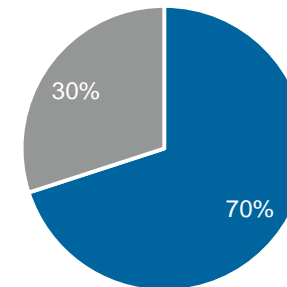
Rank & File



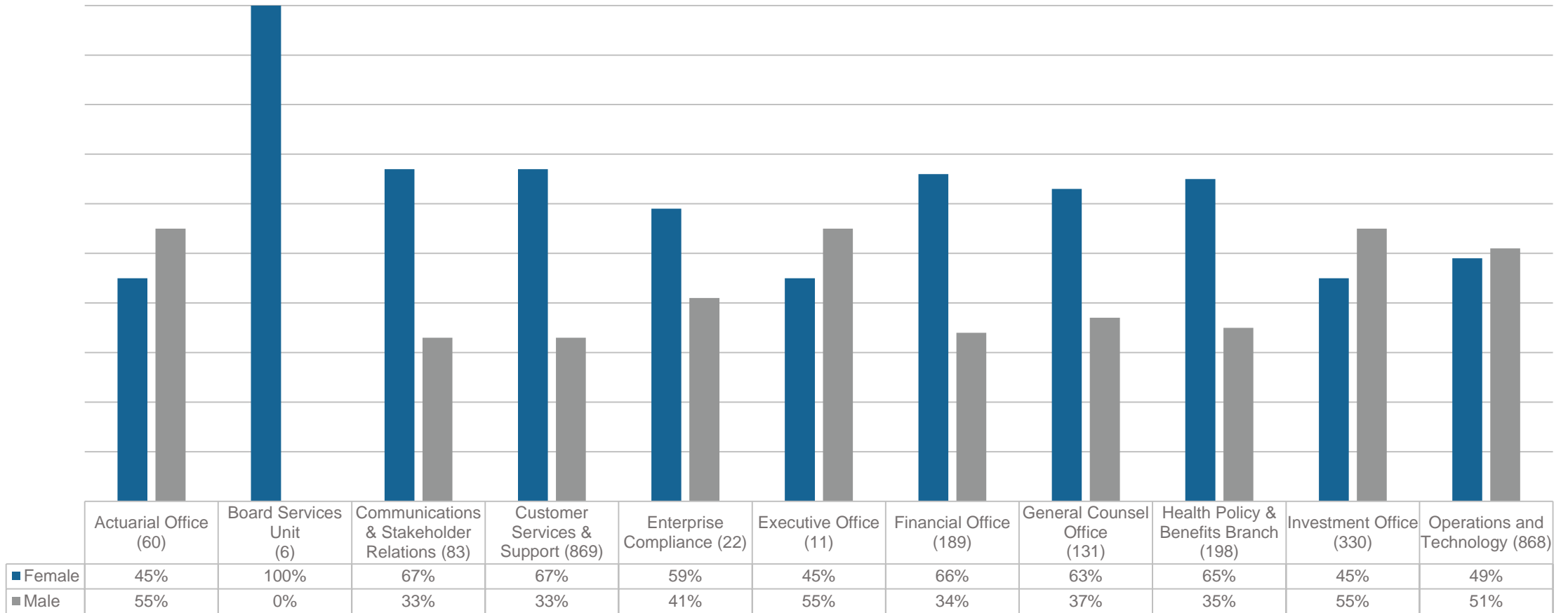
Senior Leader



Team Leader



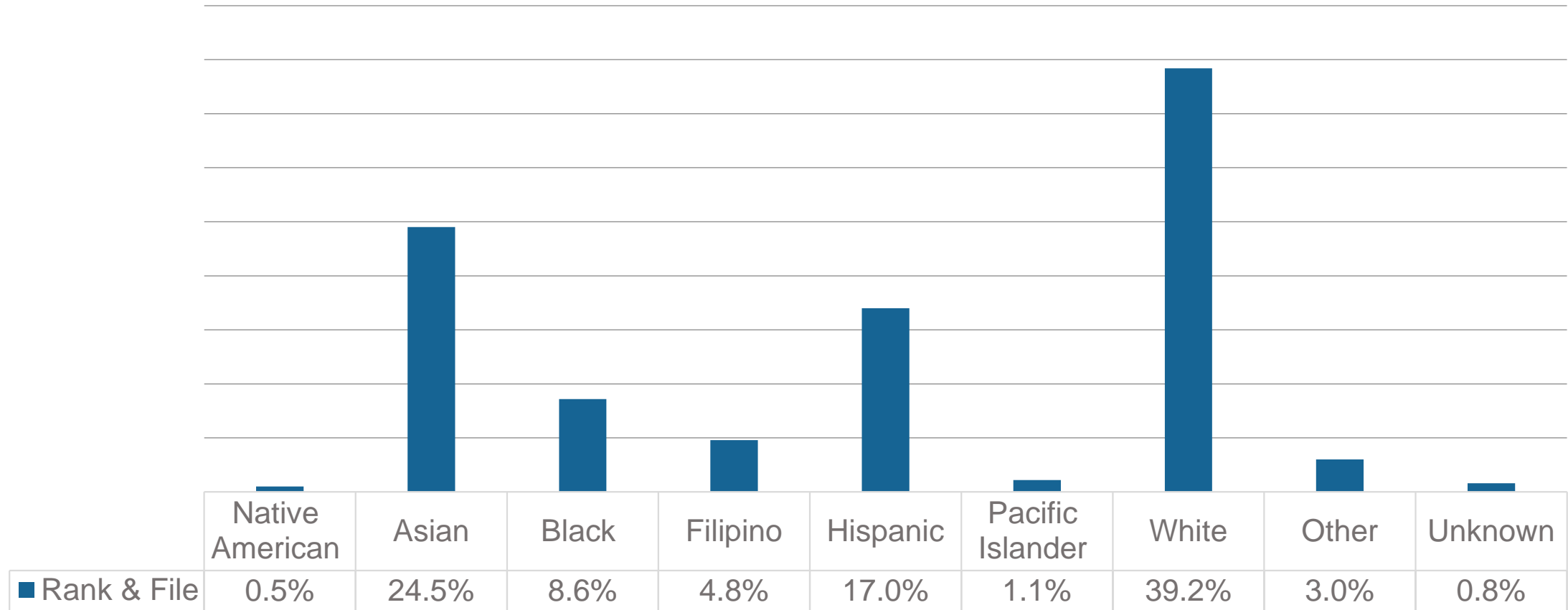
## Gender by Branch



\* Source: SCO MIRS as of July 1, 2019

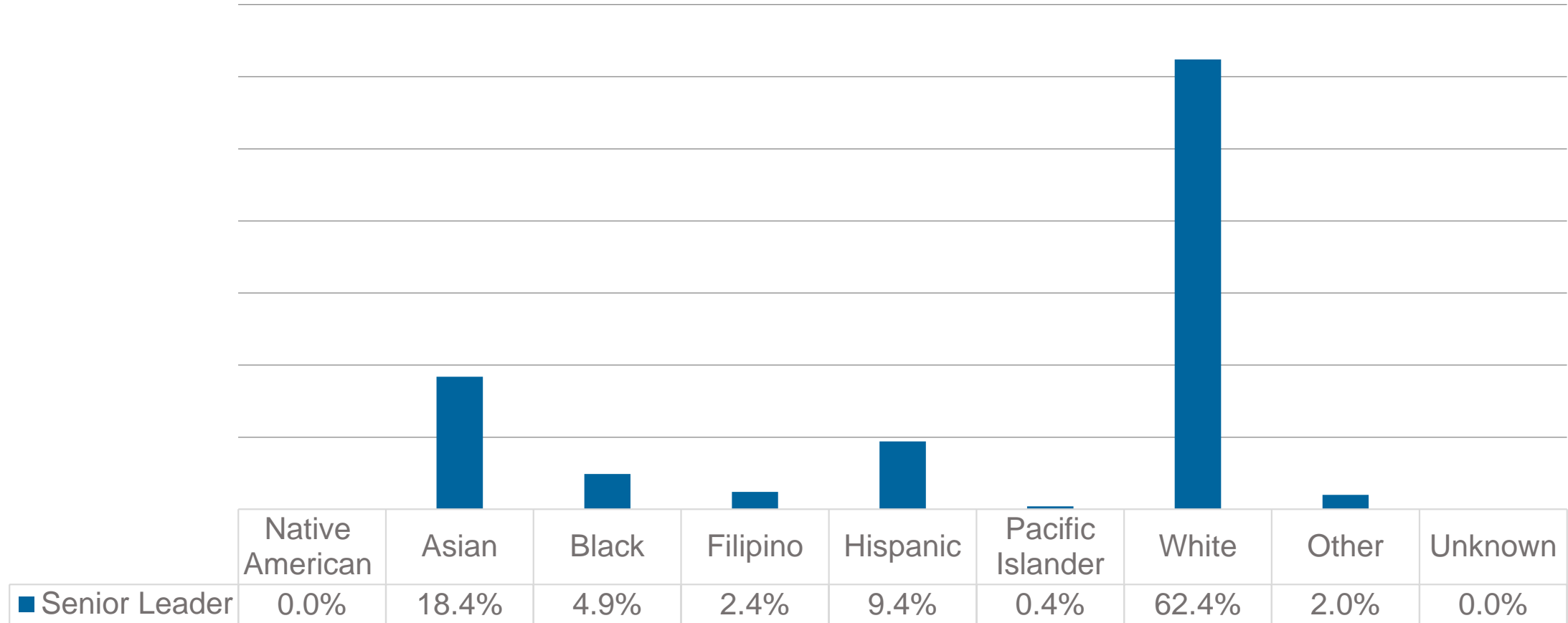


## Team Members



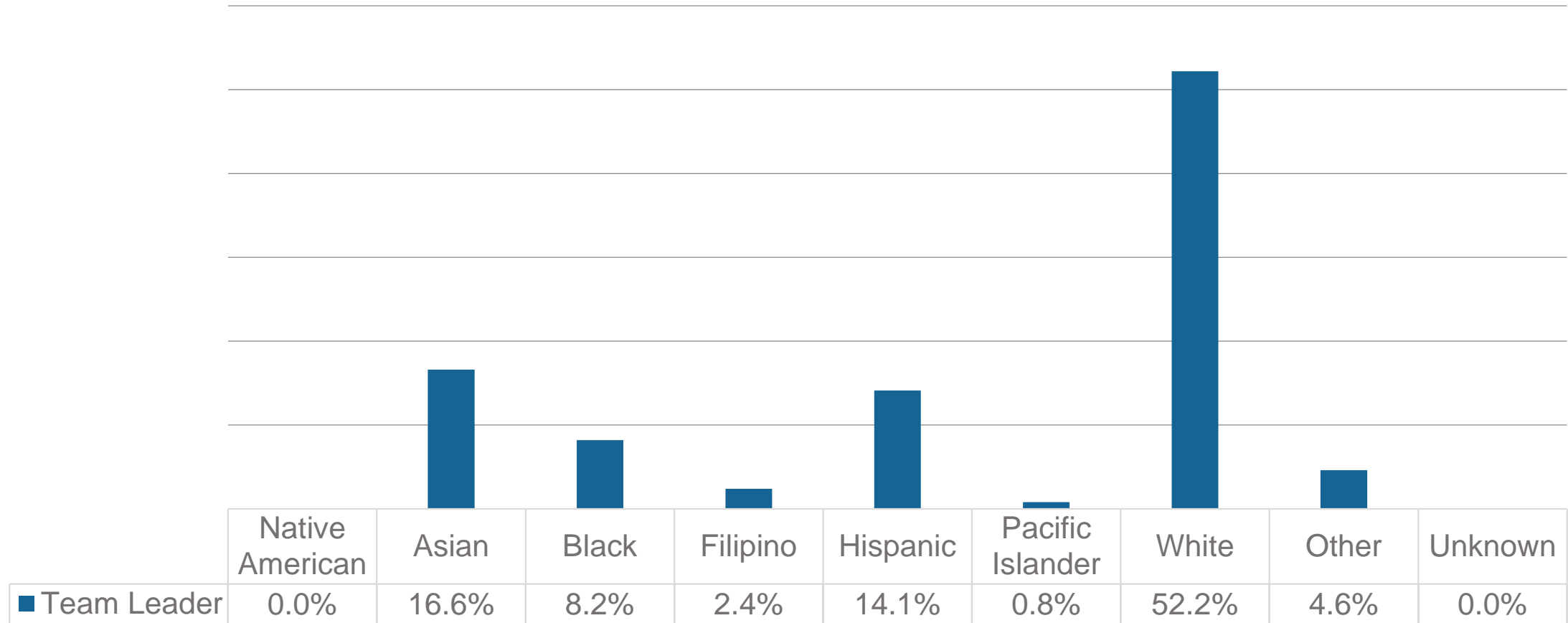
• Source: SCO MIRS as of July 1, 2019

## Senior Leaders



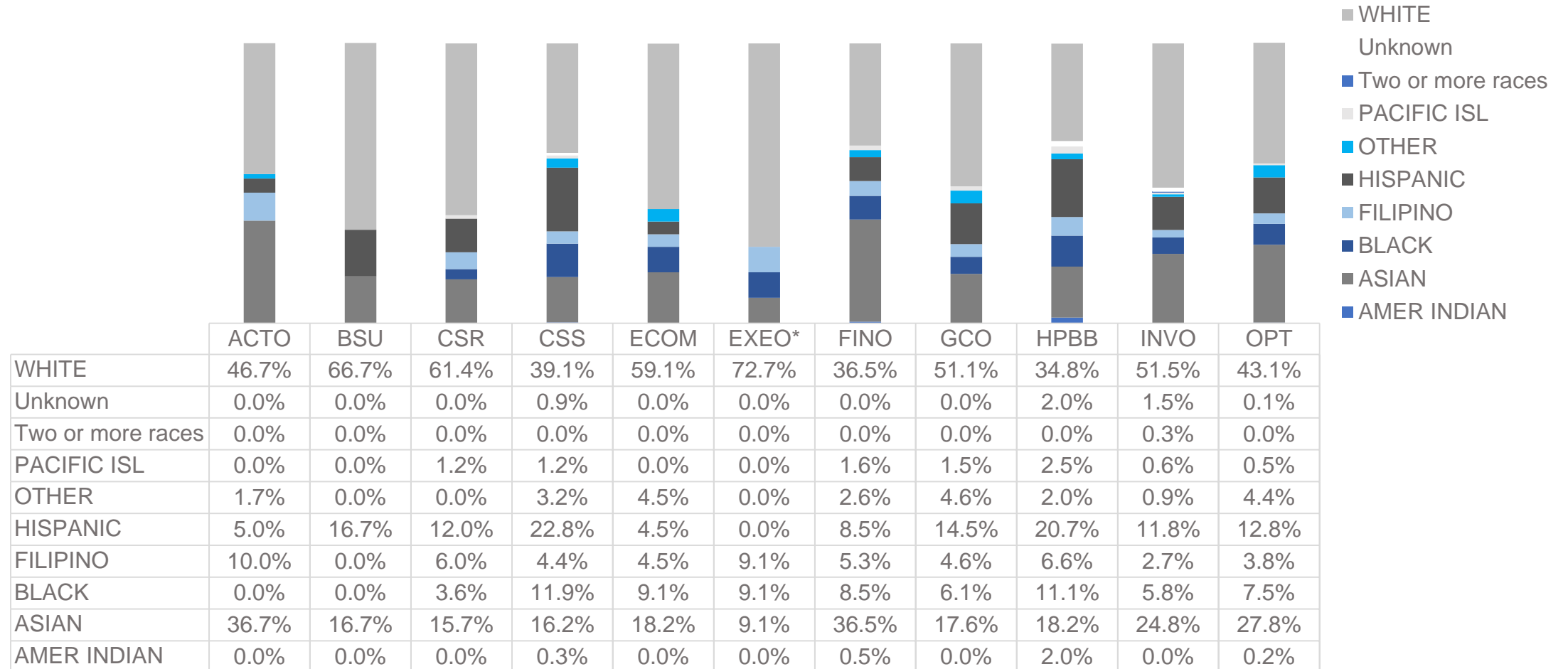
- Source: SCO MIRS as of July 1, 2019
- Senior Leader: SSM III, DCs.

## Team Leaders

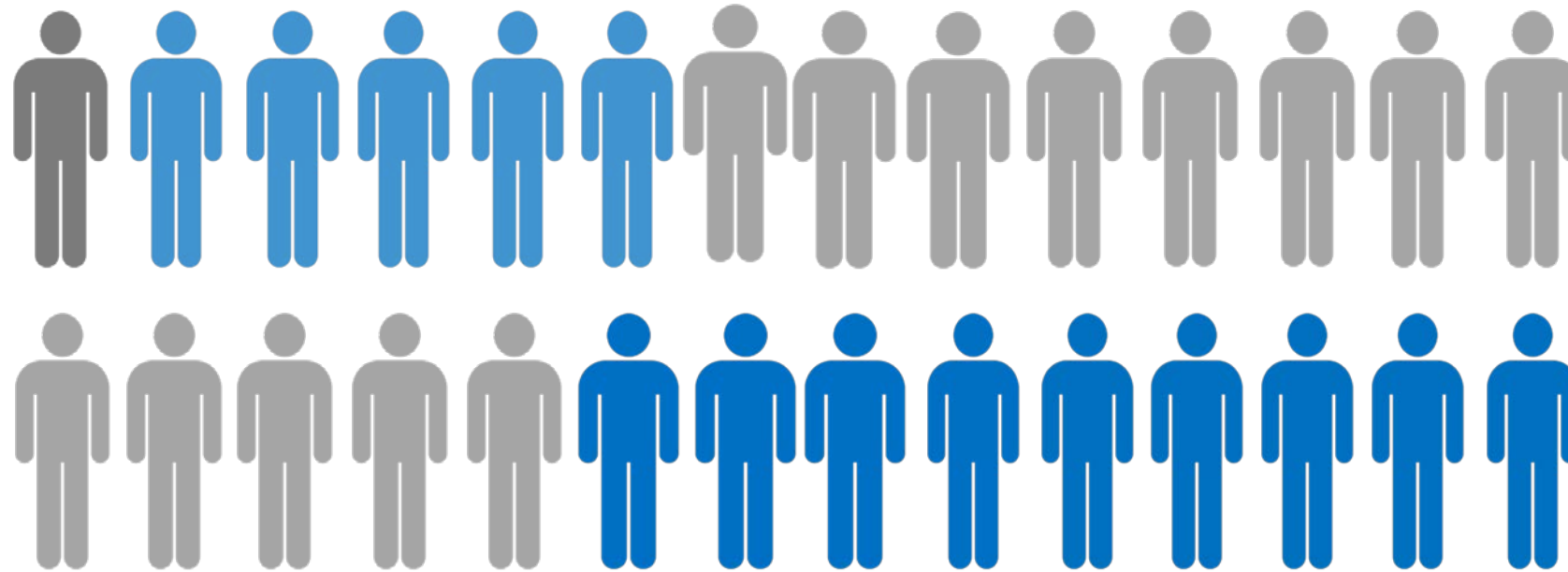


- Source: SCO MIRS as of July 1, 2019
- Team Leader: SSM I/II.

### Ethnicity by Program



• Source: SCO MIRS as of July 1, 2019



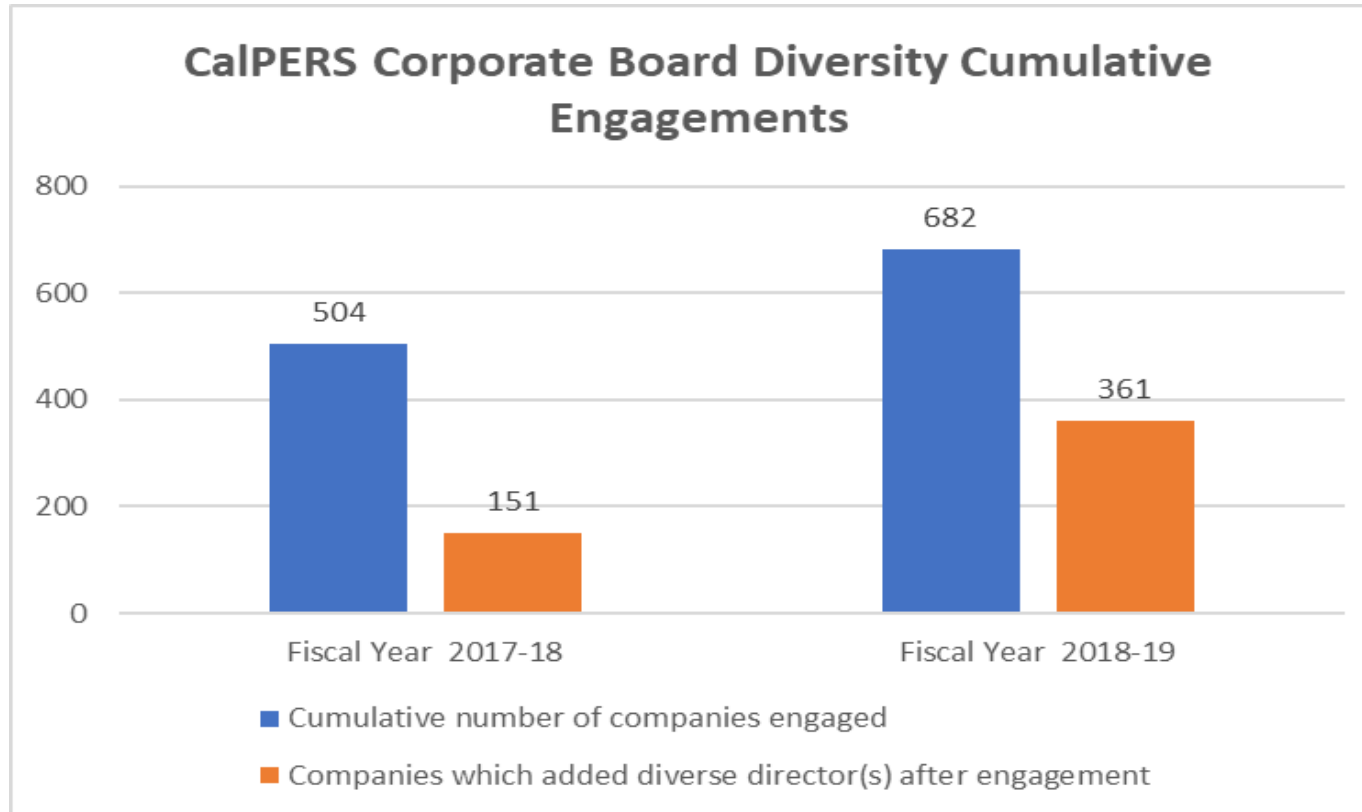
Traditionalists (1925-1945)	Baby Boomers (1946-1964)	Generation X (1965-1981)	Millennials (1982-2004)
<b>2018-19: 2</b> <b>2017-18: 2</b>	<b>2018-19: 528</b> <b>2017-18: 598</b>	<b>2018-19: 1290</b> <b>2017-18: 1286</b>	<b>2018-19: 947</b> <b>2017-18: 898</b>

• Source: SCO MIRS as of July 1, 2019

# Corporate Boards Diversity Accomplishments

- Made progress in improving corporate board diversity, with 53% of companies cumulatively engaged since July 2017 adding at least one diverse director to their boards (361 of 682 companies).
- All S&P 500 companies now have at least one female director on their boards as of July 2019. This fulfills our 3-year KPI from the ESG Strategic Plan adopted by the Investment Committee in August 2016.
- Voted against 255 directors at 97 companies where diversity engagements did not result in constructive outcomes. In 2018, we voted against 468 directors at 145 companies due to lack of progress on diversity engagements. The lower number of against votes in 2019 versus 2018 is a sign of progress.

# Corporate Boards Diversity Accomplishments



## Next Steps

- On track to increase engagement goal of 8% by 2022
- Launch enterprise Council for D&I initiatives
- Continue to engage companies to improve corporate board diversity, and use proxy voting and shareowner campaigns to bring about change where engagements do not result in constructive outcomes.