

2022-27 Strategic Plan 2nd Reading



Sabrina Hutchins

Enterprise Strategy & Performance Division

Today's Discussion

Project Overview & Timeline

Progress Update

Next Steps

2022-27 Strategic Plan Project Overview & Timeline

FY 19/20

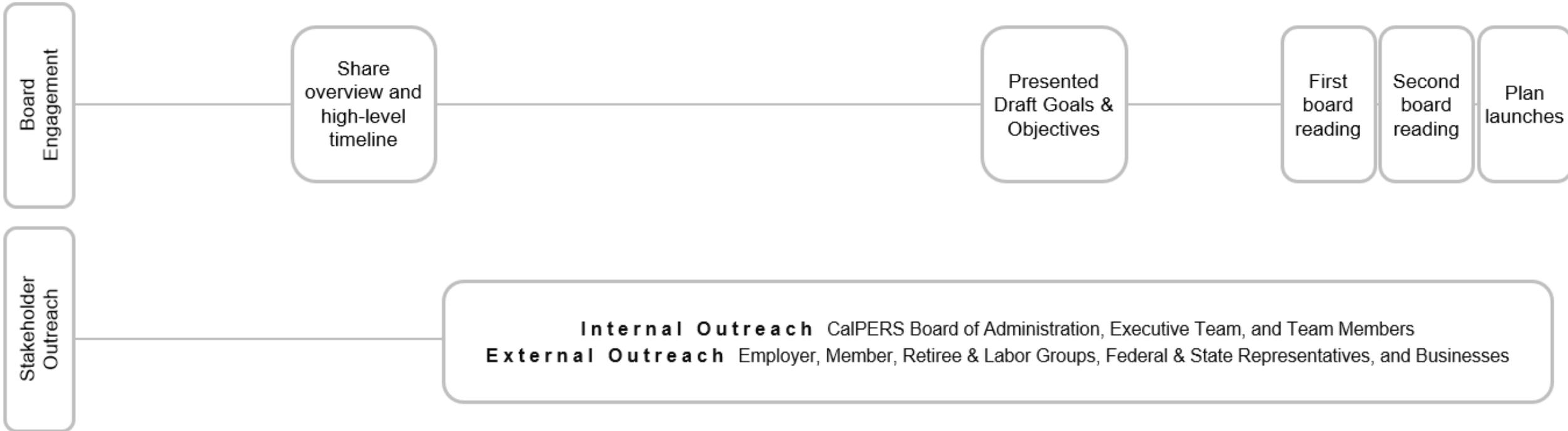
FY 22/23

Discover.

Analyze.

Create.

Launch.



Progress Update

CalPERS Vision

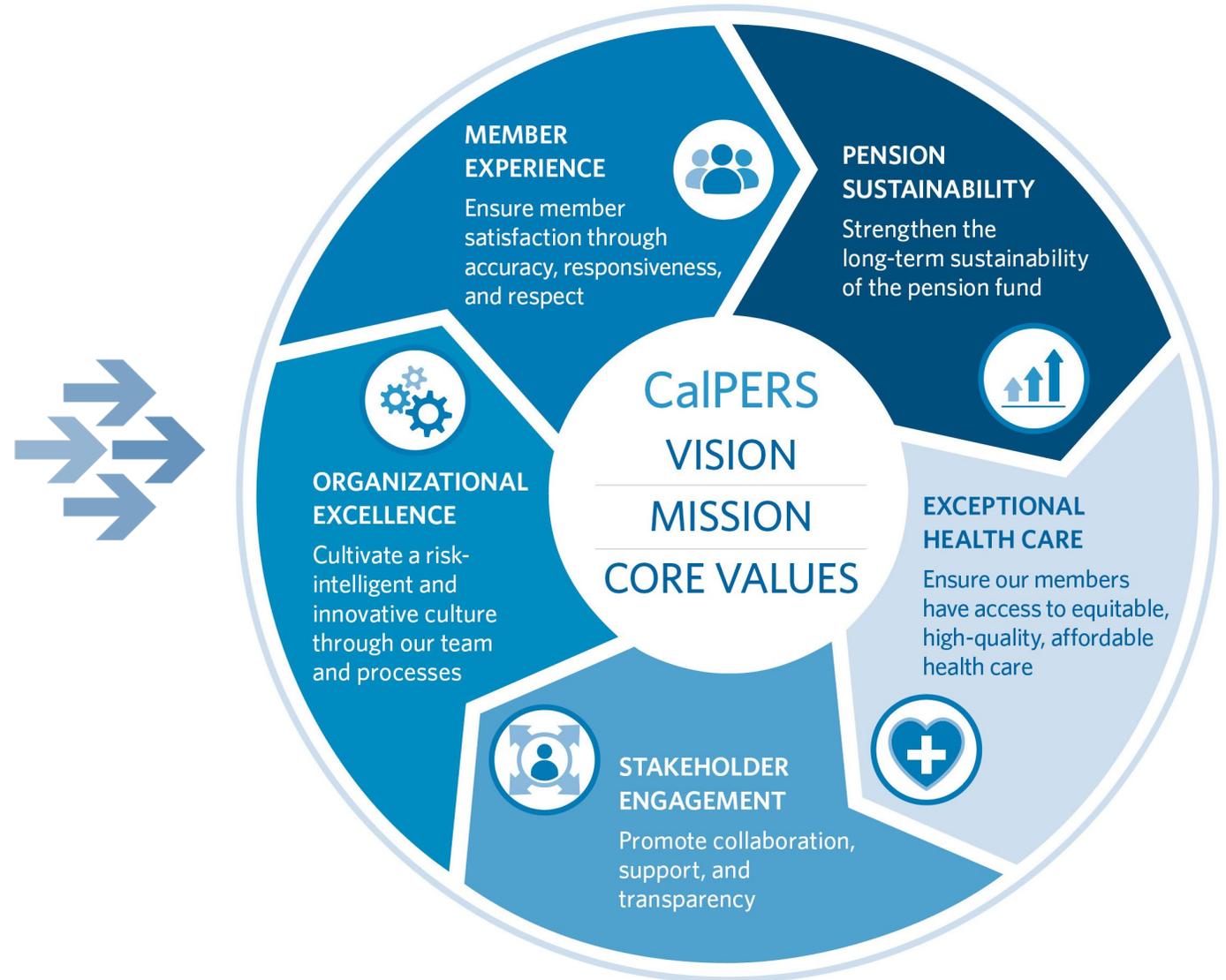
- A respected partner, providing a sustainable retirement system and health care program for those who serve California

CalPERS Mission

- Deliver retirement and health care benefits to members and their beneficiaries

CalPERS Core Values

- Quality
- Respect
- Accountability
- Integrity
- Openness
- Balance



Potential Measure Modification

Improve processes, operations, and advance technologies to gain efficiencies and effectiveness



Organizational Excellence

Cultivate a risk-intelligent & innovative culture through our team & processes

Current:

Overhead Operational Cost

Description:

- Overhead operational costs calculated for pension administration and health.

Target:

- Reduce by 1.5% – 2% annually

Modification:

Enterprise Operational Effectiveness

Description:

- In alignment with the Enterprise Operational Effectiveness incentive measure, calculate the percentage of overhead costs out of total administrative operating costs.

Target:

- Compared to the baseline year, reduce the percentage of overhead costs out of total administrative costs.

Potential Measure Modification



Organizational Excellence

Cultivate a risk-intelligent & innovative culture through our team & processes

Improve processes, operations, and advance technologies to gain efficiencies and effectiveness

CEM benchmarking
Cost Per Member

Target:

- Reduce by 2% annually

Target:

- 5% reduction over the life of the 5-year plan

Measure Highlights

Integrate sustainable investment strategies



Pension Sustainability

Strengthen the long-term sustainability of the pension fund

Percentage of Diverse Managers

- Identify diverse firms in the CalPERS portfolio to help us achieve our investment objectives

Human Capital Management

- 100% of qualifying contract payment to be made under the CalPERS Responsible Contractor Program Policy

Just Transition to Net Zero by 2050

- # of Public Equity companies in the portfolio that have a net zero goal

Financial Markets Policy

- Advocate with global regulators and standard setters to provide more timely and transparent reporting of financial, human, and physical capital metrics

Private Assets Data Transparency

- % of Private Equity companies that report GHG emission. Limited to portfolio companies in buyout strategies of core CalPERS Private Equity managers.

Measure Highlights



Cultivate Diversity, Equity, & Inclusion through culture, talent, investments, health equity, and supplier diversity

Culture:

- DE&I Engagement Survey Results
- DE&I Team Member Participation and Engagement

Talent:

- Candidate Pool Outreach
- Participation and Results of Onboarding Survey
- Participation and Results of Exit Survey
- Workforce Demographics
- Employee Development
- CalPERS Leadership Competencies

Investments:

- Percentage of Diverse Managers
- Human Capital Management
- Just Transition to Net Zero by 2050
- Financial Markets Policy
- Private Assets Data Transparency

Health Equity:

- Population Health Management
- Behavioral Health Screening and Treatment
- Health Care Member Experience
- Access to Care
- Health Care Affordability
- Achieving Health Equity

Supplier Diversity:

- Diversity of Supplier Pool

Next Steps

Deploy new Strategic Plan (July 2022)

Strategy Discussion (July 2022)

First Quarter Report (November 2022)