

# Diversity, Equity & Inclusion Framework Semi-Annual Update

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# Summary

- Framework and philosophy introduced in March 2021
- Guided by CalPERS beliefs and principles, data, and research
- Five priority areas:



Culture



Talent  
Management



Health  
Equity



Supplier  
Diversity



Investments

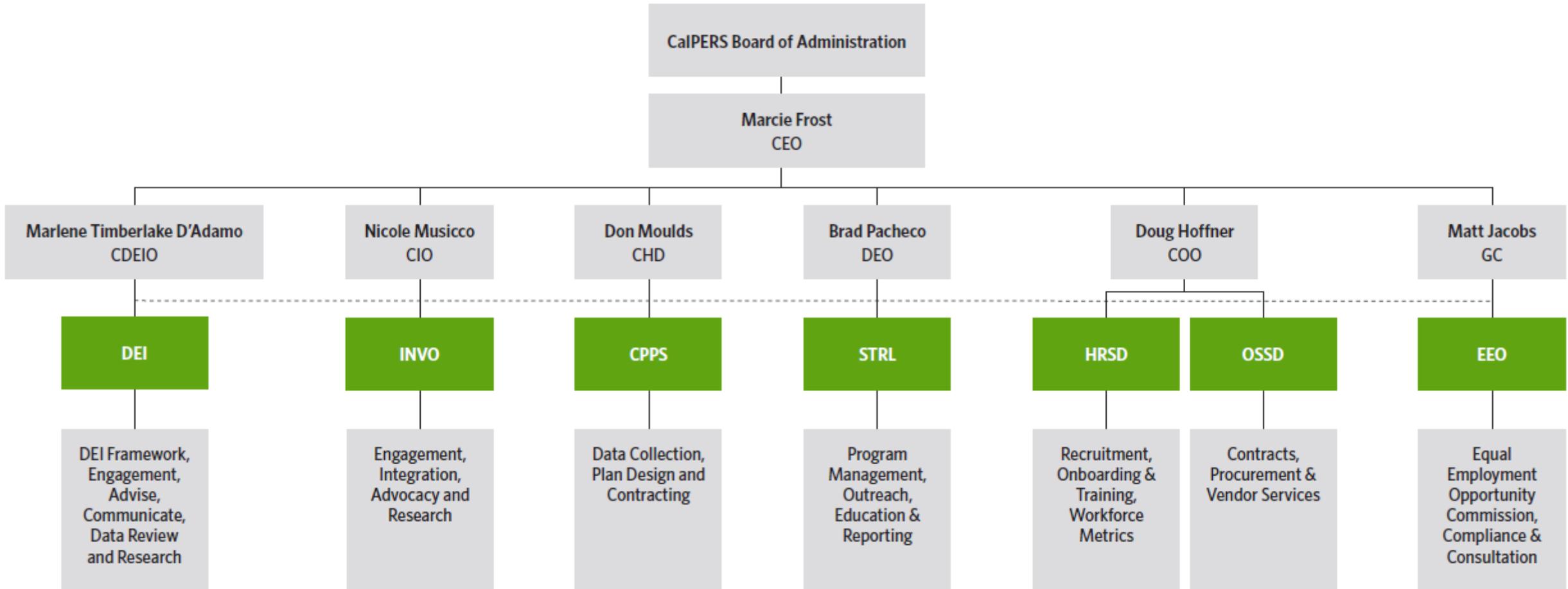
# Roles, Responsibilities & Reporting

- Oversight by Chief DEI Officer
- Supported by six core functional areas:
  - Diversity and Outreach Program
  - Human Resources Division
  - Operations Support Services Division
  - Health Account Management Division
  - Investments
  - Equal Employment Office

# Roles, Responsibilities & Reporting (cont'd)

- Diversity, Equity & Inclusion Council
  - CalPERS Diversity & Inclusion Group
  - CalPERS Disability Advisory Council
  - Diversity & Inclusion Steering Committee
- Board updates periodically
  - Commitment to DEI Annual Report – February/March
  - Framework Updates – March, June and September Board Meetings
  - Dashboard reporting through Insights tool

# DEI Framework Functional Roles





## Culture: Recent Accomplishments

- Hosted a Leadership Workshop called “LGBTQ+ & Gender Identity Topics in the Workplace”
- Hosted an in-person Lunch and Learn event on “Pride, Pronouns and Progress”
- Implemented pilot DEI Certificate Program
- Continued monthly communication on Observances and Holidays



## Culture: Recent Accomplishments (cont'd)

- Continued monthly ERG meetings focusing on team member interests
  - Disability Pride, Mental Health, Minority Donor Awareness, Latino/Hispanic Culture, Dyslexia and Dyscalculia, Disability Employment, Veterans with Disabilities, Domestic Violence
- CDAC (CalPERS Disability Advisory Council) awarded 2022 DAC of the Year
- CDAC participated in a panel discussion at the Statewide Disability Advisory Council meeting
- Pioneer House community outreach



## Culture: Recent Accomplishments (cont'd)

- Administered the 2022 Annual Employee Engagement Survey and launched the action planning process in response to the results
- Recognized over 1,800 team members' achievements through:
  - CalPERS and State Length of Service (LOS) awards
  - CalPERS and State retirement awards
  - E-Sunspark (day-to-day recognition)
  - ACE (Achieving CalPERS Excellence) awards, and the Informal Recognition program
- Prepared for and hosted three (3) APEX (Achieving Performance Excellence) Informational Sessions



# Talent Management: Recent Accomplishments

- Implemented Mandatory Onboarding Training
- Video campaign underway:
  - Created team member videos highlighting their “why” and building inclusion and belonging
  - Created New Employee videos for refreshed recruitments
- Added additional social media links to CalPERS signature block to increase team member referrals
- Completed procurement of Inclusive language writing tool



# Health Equity: Recent Accomplishments

- Health Demographic Profiles Project
  - Collected more than 185,000 as of December 2022
  - Incentivized members with a \$10 gift card from their health plans
  - Increased targeted communication efforts toward greater HDP participation
- Health Plans – Contracts Effective 2024
  - Instituted health equity health plan requirements for 2024
    - Race and ethnicity data collection and reporting requirements
    - National Health Equity Accreditation requirements
    - Frequent communication and collaboration with health plans



## Health Equity: Recent Accomplishments (cont'd)

- Made Health Benefit Design Changes for 2023:
  - Hearing aid benefit amended to cover hearing aids at 100% in both ears every 36 months when medically necessary
  - Infertility Benefit Definition and Reproductive Health Equity Language Updates
- Participation in Department of Managed Health Care sponsored Health Equity and Quality Committee
  - Committee recommendations of health plan standards released in November 2022



## Supplier Diversity: Recent Accomplishments

- Vendor Engagement Team (VET) worked with the Contracts team and Financial Office (FINO) to ensure compliance with SB-588 for invoices without a DVBE Expenditure report included.
- Voluntary Statistical Data Sheet (VSIDS) that tracks vendors Ethnicity, Race, Gender, and Sexual Orientation on all purchase order and contracts has seen a steady increase in response rate since converting it to a more accessible version online via the Survey Monkey platform.



## Supplier Diversity: Recent Accomplishments (cont'd)

- Our SB/DVBE Advocate was nominated for the 23rd Annual State Agency Recognition Awards (SARA) hosted by DGS for outstanding achievements in SB/DVBE advocacy and contracting.
  - Our SB/DVBE Advocate has received both Silver and Bronze Advocate of the Year awards in the past two fiscal years.
- Vendor Outreach
  - VET has completed seven solicitations for FY 2022-23



## Investments: Recent Accomplishments

- Established Diverse Manager Definitions
- Fund Innovation and Entrepreneurship in Investment Industry
- Completed the AB 890 Report
- Participation in the newly formed SEC IAC: Inclusion And Access Working Group.



## Culture: Next Steps

- Roll out DEI Certificate Program to enterprise
- Host more frequent Lunch and Learn events
- Host an All-Team speaker event
- Expand internal outreach efforts
- Increase support efforts for external charities



## Culture: Next Steps (cont'd)

- Identify enterprise-wide initiatives in response to the Employee Engagement Survey results, including focused activities to build sense of inclusion and belonging
- Emerging Leader Program focus on DEI:
  - Emerging leaders selected for the sixth cohort of the Emerging Leader Program (ELP)
  - DEI team project identified for the Emerging Leader Program (ELP) sponsored the Chief Diversity, Equity & Inclusion Officer
- APEX (Achieving Performance Excellence) recipients selected and celebrated



# Talent Management: Next Steps

- Implement Inclusive Language software tool in the recruitment process
- Coordinate implementation of DEI Certification
- Implement expanded DEI metrics tracking and reporting across stakeholder groups
- Launch the 2023 Upward Mobility Program cohort
- Conduct rapid recruitment project with broad outreach



# Health Equity: Next Steps

- Health Demographic Profile data
  - Continue focus on collection of HDP data
  - Continue communication to members on importance of HDPs
- Identify and Assess Health Inequities
  - Identify appropriate disparity assessment methodology
- Health Equity Index Strategic Measure
  - Finalize components and scoring



## Supplier Diversity: Next Steps

- Participation by SB/DVBE Advocate in 2023 events, tradeshow, and SARA Awards.
- Continue to measure increases in the completion of VSDS surveys by vendors
- Coordinating with FINO in aligning expenditures with the financial system
- Continue partnership with GovOps to develop equitable procurement opportunities.



# Investments: Next Steps

- Engagement / Proxy Voting
  - Continue engagement efforts to improve board diversity
  - Use proxy voting, shareowner proposals, and shareowner campaigns to hold directors accountable where engagement efforts fail
  - Continue to partner with CalSTRS, LACERA and SFERS on the California Fund Board Diversity Initiative to improve board diversity of historically underrepresented groups at S&P 500 companies



## Investments: Next Steps (cont'd)

- Engagement / Proxy Voting
  - Continue to support shareowner proposals on Board Diversity, Racial Equity Audits, and Median Gender/Racial Pay Equity
- Advocacy
  - Provide comment to the Securities and Exchange Commission on potential rule making related to Board Diversity and Human Capital Management



## Investments: Next Steps (cont'd)

- Continue to develop the Innovation and Entrepreneurship platform
- Create the second AB 890 report
- Deliver 2023 DEI Survey to external managers through Lenox Park

# Framework Next Steps

- Develop Diversity, Equity & Inclusion Framework Reporting
  - Enhance Annual Diversity & Inclusion Reporting and Workforce Demographics
- Continue data review to strengthen DEI measures
- Continue to build out the Office of Diversity, Equity & Inclusion
- Research Diagnostic and Control Systems to measure DEI impact in the organization

Questions