

CalPERS 2023 Board Self-Assessment

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Board Self-Assessment

Agenda

- CalPERS Board Self- Assessment Overview and Process
- Summary of 2021 Board Self-Assessment and Outcomes
- Timeline for 2023 Board Self-Assessment

CalPERS Board Self-Assessment Overview

The CalPERS Board Governance Policy, Section XI states:

“A. The Board has adopted a self-assessment process which assesses the whole Board, the President and Vice President, individual members, committees, and committee chairs and vice chairs, and includes multiple bases for evaluation:

1. Principles
2. Responsibility and authority
3. Process
4. Outcomes

CalPERS Board Self-Assessment Overview

B. One or more techniques may be utilized for obtaining self assessment feedback, including:

1. Expert third party facilitator to lead or co-lead (with the Board President) the self-assessment process
2. Feedback from external key stakeholders on Board performance
3. Third party evaluation of the Board's performance
4. Peer-to-peer and upward evaluations (360°) from staff

CalPERS Board Self-Assessment Overview

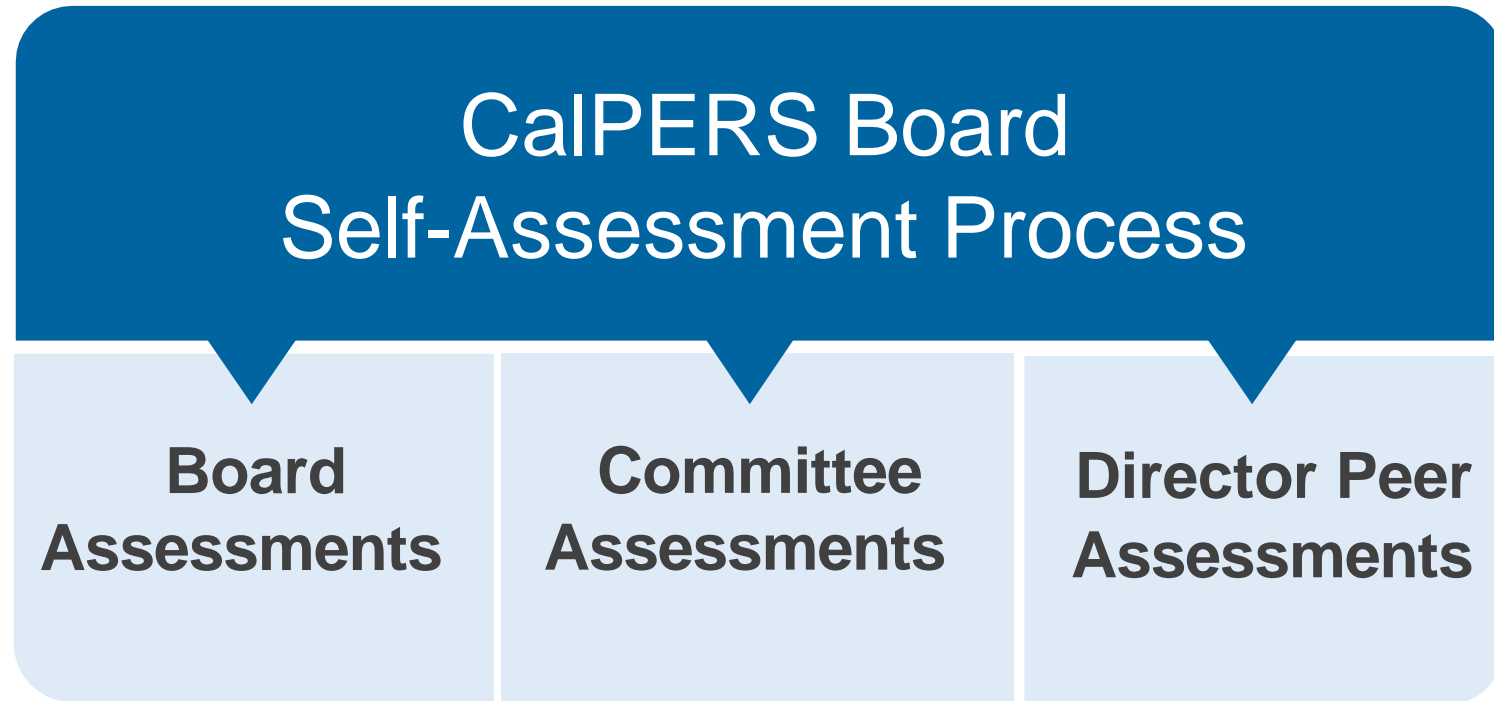
C. Each Board member will sign a statement acknowledging fiduciary responsibilities in conjunction with self-assessment processes

D. An independent third party will assess Board performance every two years

CalPERS Board Self-Assessment Process

- In 2018 and 2021, the CalPERS Board partnered with the National Association of Corporate Directors (NACD), to survey and assess the board's effectiveness and performance as a governing body
- National Association of Corporate Directors (NACD) provided independent, expert facilitation
- CalPERS is a long-standing NACD member
- The self-assessment was led by the Cari Dominguez, Director of NACD

CalPERS Board Self-Assessment Process



CalPERS Board Self-Assessment Process

Board Assessment

- Provide a comprehensive review of the competencies and overall effectiveness of the board to align priorities
- External consultant will report its assessment of the board's functionality, processes, strengths, weaknesses, boardroom culture and dynamics, communication, and information flow with management

CalPERS Board Self-Assessment Process

Committee Assessments

- Enable CalPERS' committees to review their core competencies, create baseline metrics, and define key performance indicators
- This process will identify areas for enhancement and assist committees in developing concrete action plans
- Committee assessments follow the same rigorous methodology and data analysis process as board assessments.

CalPERS Board Self-Assessment Process

Director Peer Assessments

- Director peer assessments help assess and align board members to collectively perform as a strategic asset for your organization
- Directors assess themselves and their peers along a set of behavioral questions and will be provided with feedback, which will outline key areas of strength and areas to consider for continuous development

Summary of 2021 Board Self-Assessment and Outcomes

NACD Board Self-Assessment Framework

Reflects five core competencies relevant to performance:

- Board Structure
- Operational Oversight
- Board Oversight of CEO Performance and Succession
- Strategy Oversight
- Risk Management and Oversight

Summary of 2021 Board Self-Assessment and Outcomes

NACD Findings and Opportunities

The CalPERS 2021 Board Self-Assessment identified opportunities to:

- Establish processes for CEO succession planning and long-term talent strategy
- Further develop Board Member onboarding and education

Summary of 2021 Board Self-Assessment and Outcomes

CEO Succession Planning and Talent Strategy

Board Members are provided many tools to assist with CEO succession planning and talent strategy through CalPERS' NACD membership:

- [CEO Succession Planning & Talent Oversight Resource Center](#)
- [Board Oversight of Talent Strategy](#)
- [The Art of Directorship: CEO Succession](#)
- [Success at the Top: CEO Evaluation and Succession](#)
- [Sample CEO Succession Process](#)

Summary of 2021 Board Self-Assessment and Outcomes

Onboarding and Education

Within the first three months of a Board Member's appointment, the CalPERS Board Education Policy requires training on each of the following:

- CEO Briefing
- Board President Briefing
- Executive Management Introduction
- Mentorship
- Education

Timeline for 2023 Board Self-Assessment

- Planning and Development – June to August 2023
 - Deliverables approved by Chair, contracting and procurement
- Survey and Interviews – September through November 2023
 - Board members complete and submit confidential surveys for external consultant's analysis
 - 1x1 interviews with external consultant are conducted
- Data and Survey Analysis – November 2023
 - External consultant analyzes written survey data and interviews
- Initial results presented to CalPERS Chair – Late November 2023
- Final Results and Delivery – January 2024
 - Survey results and outcomes presented to the Board by external consultant