

# Global Equity Corporate Governance Program Update

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## 2017 Global Proxy Voting Work Plan

### Proxy Voting Outlook for 2017:

- CalPERS casts votes at approximately 11,000 company meetings annually
- During April, May, and June staff will cast votes at approximately 7,300 meetings or 66% of the annual total
- Votes are cast in line with the CalPERS Global Governance Principles. Staff will vote management and shareowner proposals consistent with our principles on:
  - Investor Rights
  - Board Quality: Diversity, Independence and Competence
  - Compensation
  - Corporate Reporting
  - Environmental and Social Issues
- 2017 Shareowner Proposal Activity: Staff expects an active year with respect to shareowner proposal filings and related voting activity centered around the following issues:
  - Proxy Access
  - Environmental Disclosure (climate risk)
  - Executive Compensation
  - Independent Board Chairman
  - Reporting on Political Contributions/Lobbying Activities
  - Board Diversity/Composition

## 2017 Shareowner Campaigns Work Plan

### Proxy Access Campaign:

- CalPERS re-filed the request for proxy access at Old Republic International Corporation
- CalPERS will continue to assist NYC Funds to get companies to adopt proxy access. Similar to prior years, approximately 70 companies will be selected on the core themes of:
  - Climate change
  - Diversity
  - Governance

### Majority Vote for Director Elections Campaign:

- Staff has begun engagements at 50 companies regarding the adoption of majority voting
- To date 9 companies have agreed to adopt our request
- 10 shareowner proposals are currently filed

### Climate Risk Reporting Campaign:

- CalPERS has co-filed climate risk proposals at three U.S. companies
- On a limited basis, staff will identify opportunities to run proxy solicitation campaigns on proposals requesting climate risk reporting consistent with CalPERS Global Governance Principles

## 2017 Corporate Engagement Work Plan

### Montreal Pledge Climate Risk Engagements:

- Develop engagement agenda and objectives to engage Montreal Pledge companies
- Identify engagement partners for collaboration
- Identify the first cohort of companies to engage
- Secure necessary company and industry level research for engagement

### Diversity & Inclusion Engagements:

- Continue to engage remaining S&P 500 companies that lack board diversity
- Evaluate future engagement opportunities and identify new cohort of companies to engage

### Enhanced Focus List Program Engagements:

- Continue engagements as needed to accomplish desired governance reforms
- Evaluate Focus List screen to consider the appropriate strategy for future company engagements