



Investment Committee

Agenda Item 4h

November 14, 2022

Item Name: Report to the California Legislature: Northern Ireland

Program: Investment Controls & Operational Risk

Item Type: Information Consent

Executive Summary

This agenda item seeks approval for staff to transmit the following to the California Legislature on or before March 1, 2023:

- 2022 MSCI Northern Ireland Annual Legislative Report (Attachment 1)

Strategic Plan

This agenda item supports statutory requirements and does not directly support CalPERS' Strategic Plan.

Investment Beliefs

This agenda item supports the following Investment Belief(s):

- CalPERS Investment Belief 3: CalPERS investment decisions may reflect wider stakeholder views, provided they are consistent with its fiduciary duty to members and beneficiaries

Background

Staff seeks permission to transmit to the Legislature the attached report in order to comply with California law requiring disclosure of CalPERS investment portfolio holdings in publicly traded companies subject to laws applicable in Northern Ireland relating to principles of nondiscrimination in employment and freedom of workplace opportunity (California Government Code §7513.5).

CalPERS has engaged MSCI ESG Research, LLC (MSCI) to prepare this mandated report, which is included as Attachment 1.

Analysis

The 2022 Northern Ireland Holdings Report (Attachment 2) lists 47 publicly traded companies in CalPERS' investment portfolio holdings operating in Northern Ireland that MSCI identified as may not be fully adhering to either the MacBride Principles, a code of conduct designed to strengthen anti-discrimination laws, or the Fair Employment and Treatment (Northern Ireland) Order 1998.

Budget and Fiscal Impacts

The attached report from MSCI was prepared at a cost of \$40,517. This does not include internal costs related to team member resources needed to complete this agenda item and transmit the report to the Legislature.

Benefits and Risks

Failure to comply with the statutory requirements of Northern Ireland reporting could result in legal and reputational risk for CalPERS.

Attachments

Attachment 1 – 2022 MSCI Northern Ireland Annual Legislative Report

Attachment 2 – 2022 Northern Ireland Holdings Report

Amy Deming

Investment Director

Investment Controls & Operational Risk

Michael Cohen

Interim Chief Operating Investment Officer

Nicole Musicco

Chief Investment Officer