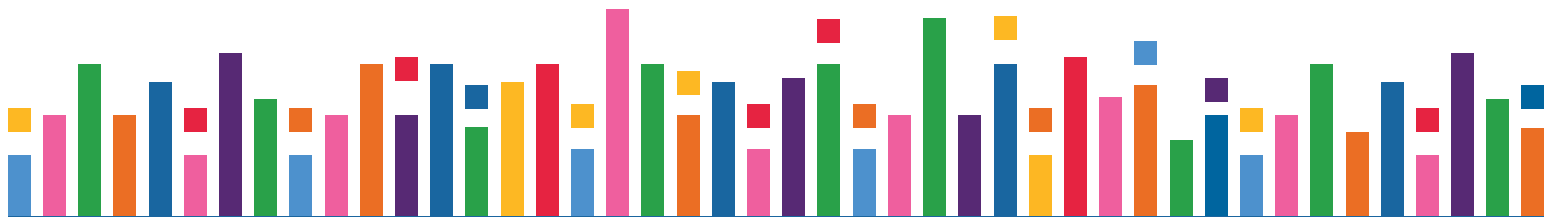


CalPERS Commitment to Diversity, Equity & Inclusion Report

Fiscal Year 2023-24



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Building Better Together

It takes responsible, steady stewardship of our programs and services to build a solid foundation of retirement security and healthy lives for our members and their beneficiaries. Our system must last for generations of California public employees who are counting on CalPERS.

And that begins with a passion for inclusion, a belief that we are building better together.

At the center of our focus are the people we serve, those we work with, and the partners we do business with. To ensure that we're continually improving, we have a blueprint for success built on our collective and unique strengths, ensuring that all the separate parts of our work add up to a greater whole.

We strive to get better each year. That's why we fine-tuned our efforts a few years ago with the creation of a five-pillar diversity, equity, and inclusion (DEI) framework. It captures our work in the areas of culture, talent management, health equity, supplier diversity, and investments. The pillars are closely aligned with our five-year strategic plan that guides us to meet the investment, retirement, and health benefits needs of our members and their families.

The initiatives highlighted in this report demonstrate how these practices make us better and how they also keep us accountable for the time and effort we invest. For fiscal year 2023-24, we tracked 17 DEI business plan initiatives, with 78 deliverables, and 19 strategic measures.

The data in this report reveals how the CalPERS culture of inclusion leads to more engaged teams who have members' best interests at the forefront of their minds; how our health programs are better equipped to meet patients' needs; and how our investment strategies produce the returns we need to meet or exceed our financial targets. Those are a few examples you'll discover that work together to help make us a better organization.

We are committed to use our position as a pension, investment, and health care leader to affect meaningful change for those we serve in a manner consistent with our fiduciary responsibilities. That is the north star of everything we do.

Marcie Frost

Chief Executive Officer

CalPERS DEI Framework

In 2021, CalPERS developed a DEI Framework that closely aligns with the CalPERS mission and includes five pillars.



Culture

Goal: Bring DEI best practices into CalPERS' culture

Objective: Increase awareness, build mutually rewarding relationships, and foster collaboration.



Talent Management

Goal: A high-performing, equitable, and diverse workforce

Objective: Ensure Human Resources processes are in place to strengthen diversity in recruitment, retention, equity, and succession.



Health Equity

Goal: Equitable health outcomes for members and their families

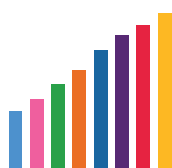
Objective: Ensure all health members have the opportunity to attain the highest level of health possible.



Supplier Diversity

Goal: High-performing Supplier Diversity Program

Objective: Better understand supplier community through the lens of diversity, equity, and inclusion.



Investments

Goal: Leverage the DEI Framework and Sustainable Investments Program to improve investment outcomes

Objective: Deliver returns through the identification, analysis, and management of high-value sustainable investment risks and opportunities.

Our Team

Building Understanding

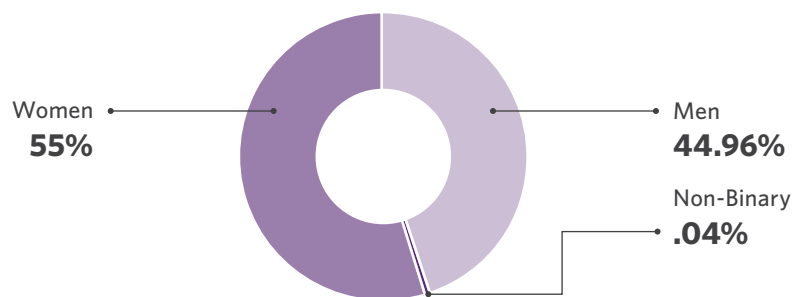
At CalPERS, we value a workforce that reflects the diversity of the members we serve and the population of California, one of the most diverse states in the country.

To better understand who we are, we rely on team member demographics to highlight unique characteristics such as race, ethnicity, gender identity, generational status, military service, and persons with disabilities. We also encourage team members to participate in the [Statewide Change in Disability Status Survey](#) and [Statewide Employee Veteran Survey](#).

It's important to note that there are limitations to this data, given the ebb and flow of new and retiring employees each year and the fact that some team members may not find the data choices aligned with the way they self-identify. Each year, we build a better understanding of how our team identifies.

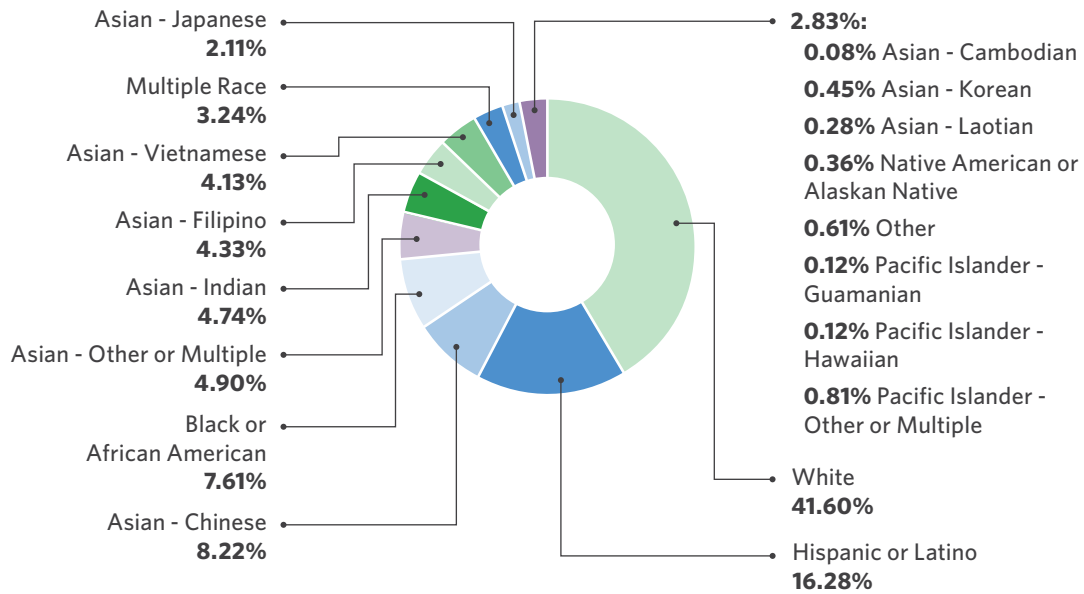
Note: CalPERS adheres to the California State Constitution, which states in [Article 1 Section 31](#) that “the State shall not discriminate against, or grant preferential treatment to, any individual or group on the basis of race, sex, color, ethnicity, or national origin in the operation of public employment.”

Gender



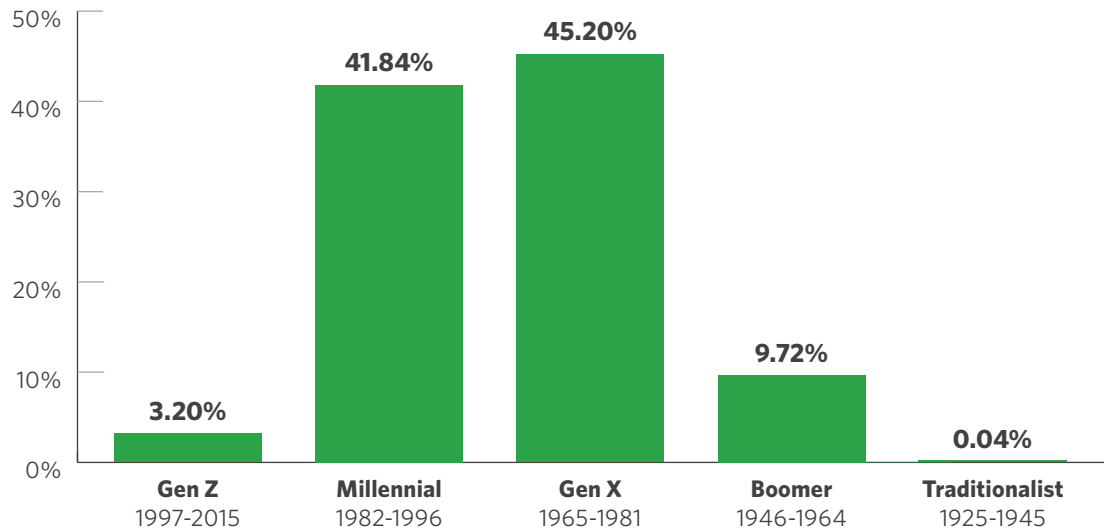
CalPERS' gender data comes from the State Controller's Office (SCO) as of September 20, 2024; and PeopleSoft HCM as of June 30, 2024.

Race & Ethnicity



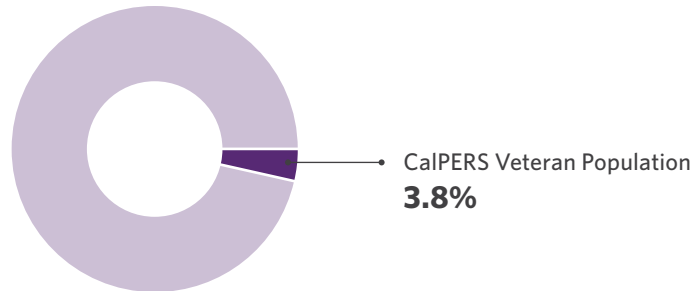
CalPERS' race & ethnicity data comes from the State Controller's Office (SCO) as of September 20, 2024; and PeopleSoft HCM as of June 30, 2024.

Generations



Generations data comes from the State Controller's Office (SCO) as of September 20, 2024; and PeopleSoft HCM as of June 30, 2024.

Veterans

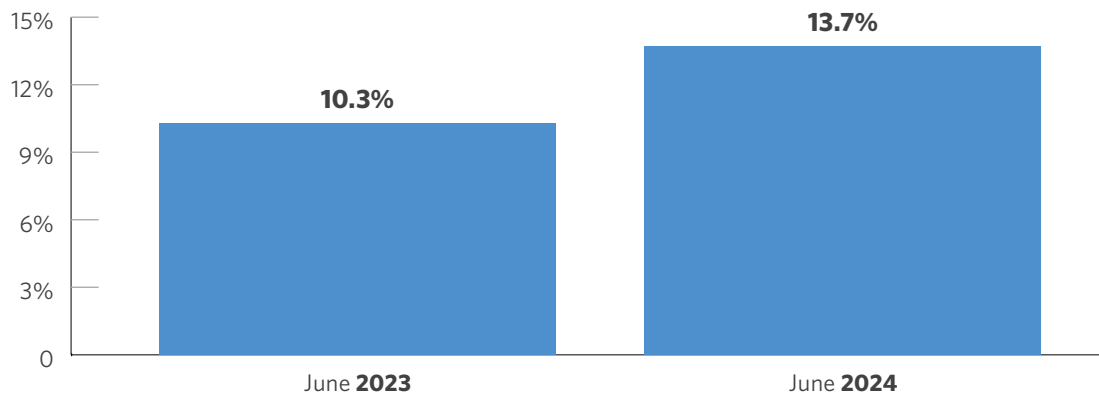


CalPERS' veterans population data comes from CalHR Public Employees' Retirement System, California Department 5102 Report, 06-30-2024.

Persons With Disabilities

In 2024, the CalPERS Diversity Outreach Program worked in collaboration with teams from the Office of Public Affairs, Equal Employment, Diversity, Equity & Inclusion Office, Human Resources, and the CalPERS Disability Advisory Committee to broadly educate our team members about disabilities and disability inclusion.

In the process, we encouraged them to complete the California Department of Human Resources' [Change in Disability Status Survey](#). The result was an increase in persons reported with disabilities who work at CalPERS, bringing us closer to the [statewide disability parity number of 16.6%](#).



CalPERS' disability population data is from CalHR Statewide Reports, Report 5 – Disability Parity by Department, 06-30-2023 and CalHR Statewide Reports, Report 5 – Disability Parity by Department, 06-30-2024.



Culture

Building Team Cohesion

Cohesion exists in workplace environments where everyone is on the same page. At CalPERS, we achieve that by embracing the idea that a diverse workforce is an advantage. In fact, it makes us stronger—stronger in the way team members contribute, collaborate, and innovate to serve our members and solve business challenges.

Through a variety of programs across CalPERS, we have strengthened our commitment to a workplace where every team member feels valued, respected, and has a sense of belonging. Their collective accomplishments are curated here to acknowledge the many separate efforts that make up a unified effort.

CalPERS Diversity Outreach Program

Our CalPERS Diversity Outreach Program (CDOP) is a vital component of DEI awareness at CalPERS. For more than two decades, this team has been providing education through multiple trainings and events to foster an inclusive environment about the value of diverse perspectives, experiences, cultures, backgrounds, and abilities.

Building Connections

Geeta Kumar, Manager, CalPERS Diversity Outreach Program



Geeta Kumar of our CalPERS Diversity Outreach Program knows first-hand the difference DEI training and awareness can make on one team member's experience. She felt a greater sense of purpose and belonging when she joined the CDOP program in 2018 and continues to see the impact on the CalPERS teams she and her colleagues work with throughout the organization.

One of her inspirations is the "Aha!" moment that happens in just about every training CDOP provides—a moment when attendees feel empowered by what they learned and motivated to share the message with their teams. The result is a stronger team working together in new and innovative ways that lead to better products and services for members.

"We provide resources our teams need to be their best selves and do their best work."

As a team leader with the first California state agency to have a DEI program, Geeta receives invitations to speak to other government workplaces about starting their own DEI program, especially in the aftermath of the COVID-19 pandemic. Getting on with business as usual during one of the most unprecedented health crises of our time was a major challenge for employers. Other agencies were looking for ways to support their teams' diverse needs and turned to CalPERS for help.

Unique to CalPERS is the annual Diversity & Inclusion Day, started by the CDOP team in 2010. The signature event encourages team members to experience global cultures and to truly enjoy learning about one another's traditions, foods, dress, and performing arts. It showcases respect and value for diversity in all its forms, and routinely shows up on team satisfaction surveys as one of the reasons people like working at CalPERS.

Employee Resource Groups

CDOP supports and facilitates two Employee Resource Groups (ERGs), the CalPERS Diversity & Inclusion Group (CDIG) and the CalPERS Disability Advisory Committee (CDAC). Membership is comprised of team members from across the enterprise who help raise awareness of DEI and disability topics. Both groups work to provide DEI information to the enterprise through a one-hour monthly meeting. On average, 57 people attend these monthly meetings.

CDIG aims to foster an inclusive environment where respect and openness bridge ideas, experiences, perspectives, and cultures to enrich the professional development of the CalPERS workplace. To facilitate team members' learning and exploration of wide-ranging topics, CDIG developed content for our internal website.

CDAC is dedicated to supporting inclusion and equality for employees with disabilities and an environment that is accessible to all employees, regardless of disability type.

Investment Office Culture Club

The CalPERS Investment Office Culture Club was created in 2023 to support enhanced communication, innovation, and continuous improvement. Its mission is built on the belief that our success in generating sufficient investment returns to pay retirement benefits can only be sustained by a culture that values, empowers, and recognizes the investment office team members.

One of the club's early successes was an Open House that brought together investment team members, along with CalPERS executives, to drop in for casual conversations to promote communication across various lines of business. The informal setting allowed for personal connections, information sharing about initiatives, and efforts at vision casting.

DEI Training

- **DEI Roadshow:** This 20-minute presentation is facilitated by CDOP in partnership with the Diversity, Equity, and Inclusion Office (DEIO), CDIG, and CDAC. The presentation's objectives are to share information about DEI at CalPERS, which includes cultivating a culture of respect to enhance operational excellence, and provide team members with resources. They presented to two divisions during the fiscal year, reaching 147 team members.
- **DEI at CalPERS Workshop:** This new workshop from CDOP and DEIO educates team members about the connection to DEI in their everyday work. It is available to all CalPERS teams and is included as a component of our New Hire Orientation class. Two workshops were held during the fiscal year with a total of 103 attendees. Of those who provided feedback to the workshop, most (90%) responded favorably that the workshop helped them understand how to create a sense of belonging at work.
- **Color Lingo:** This is a 90-minute workshop facilitated by CDOP, focusing on communication styles and the communication dynamics of teams. At its essence, this is a course about inclusion—helping to develop healthy interpersonal and group communication skills.

- **Generations in the Workplace:** This newly designed and launched 90-minute workshop from CDOP provides tools to help team members work together effectively across various generations. The first workshop was delivered to 50 attendees.
- **New Employee Orientation:** CDOP delivers a brief presentation during New Employee Orientation to introduce new Team Members to CalPERS Diversity Outreach Program, our CDAC and CDIG groups, and Equal Employment Opportunity information. There were 11 presentations delivered in the fiscal year to 335 attendees.
- **DEI Certificate Program:** CDOP implemented a DEI Certificate Program, a self-paced program available to team members who aim to build awareness and increase proficiency in DEI subject matter. Thirty-one team members completed the DEI Certificate Program in the fiscal year.

Human Resources Training

- **GoLearn:** The CalPERS Learning Management System (GoLearn) houses most of the trainings offered at CalPERS, including many DEI learning opportunities. In the fiscal year, team members completed approximately 1,308 DEI-related trainings on GoLearn using the LinkedIn Learning curriculum.
- **Harassment Training:** All CalPERS team members were re-assigned [state-mandated](#) sexual harassment prevention training for completion.
- **Leadership Training:** CalPERS' Human Resources Leadership and Engagement Program and CDOP worked together with third-party organizations to offer leadership training to support diversity, equity, and inclusion. These include: Mental Health First Aid Training, Leading an Inclusive Organization, and Cultural Competence & Our Bias Blind Spot.

Accessibility Compliance Training

- **Accessibility Training:** CalPERS is committed to ensuring the online information we produce and the communication technologies we use are accessible to our members, stakeholders, employees, and the general public, including persons with disabilities. In the process, we take steps to comply with all state, federal, and regulatory policy requirements. To stay up to date, our Accessibility Compliance Team (ACT) provided new vendor training for team members who use specialized accessibility software that provides a sophisticated level of compliance assurance for posting documents to the CalPERS website.

Health Training

- **CalPERS Health Care Training Academy:** The CalPERS Health Care Training Academy provides team members the opportunity to learn about health care policy and health equity transformation through a series of presentations, discussions, and interactive exercises.

Operations Support Training

- **Contract Manager Training:** The Operations Support Services Division trains CalPERS team members to ensure they are knowledgeable about the State of California contracting process, with a focus on updating contract manager training. By staying current, our teams are better able to achieve state-mandated contracting targets for Small Business and Disabled Veteran Business Enterprise participation. (See the Supplier Diversity section for more about our procurement participation.)

Enterprise Events

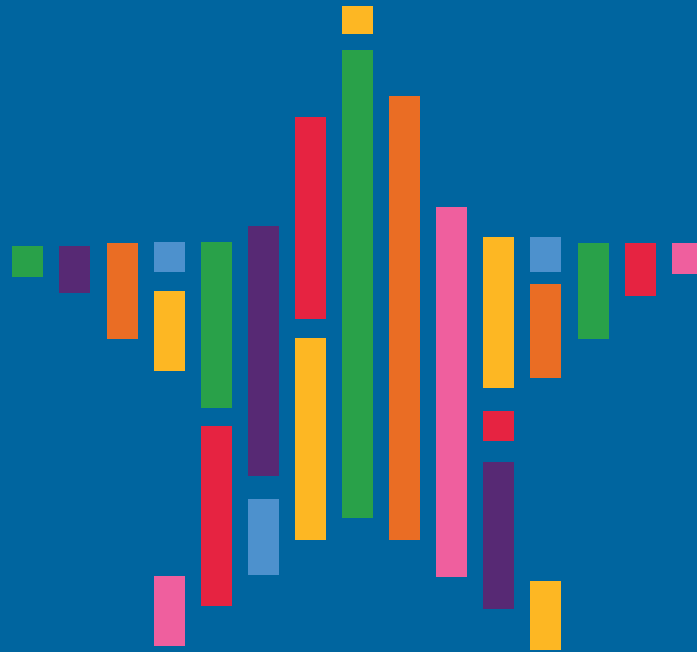
CalPERS hosts events each year to raise DEI awareness, many of which are hosted by the CalPERS Diversity Outreach Program (CDOP).

- **Women Rise Leadership Event:** On August 31, the CalPERS Information Technology Services Branch (ITSB) collaborated on an event for participants interested in learning more about women in leadership. The event included guest speakers, visionary activities, and opportunities to foster ongoing collaboration and sharing.
- **Suicide Prevention Month Lunch and Learn:** CDOP hosted a lunch and learn on September 20, featuring Erica Brown, the Sacramento Area Director for the American Foundation for Suicide Prevention. She provided a one-hour presentation called “Talk Saves Lives,” where she discussed key research findings, described suicide risk factors/warning signs, and provided team members with resources and services. Of those who completed the post-event feedback survey, most (91%) reported favorably that the session helped them to better understand suicide prevention and awareness.
- **D&I Day:** CDOP hosted the 14th Annual CalPERS D&I Day on October 18. At this annual educational event, team members hosted cultural booths, shared stories and information about their cultures, and enjoyed samples of multicultural food and drinks. There were 20 cultural exhibit booths and more than 300 attendees. Of those who completed the post-event feedback survey, most (98%) reported favorably that the event helped foster a work environment that values differences and contributions.
- **Multicultural Food Fair:** ITSB hosted a Multicultural Food Fair on September 20, showcasing a diverse array of unique cuisines to honor and celebrate culinary diversity.
- **Festival of Lights Event:** ITSB hosted a Festival of Lights event on November 8 to honor and celebrate culture and diversity and foster a sense of unity and inclusion within teams.
- **Lunar New Year Event:** ITSB hosted a Lunar New Year Event on February 14 to teach team members about the traditions, customs, and significance of the holiday.

- **13th Annual Global Accessibility Awareness Day:** ITSb and the ACT team recognized the 13th annual Global Accessibility Awareness Day on May 16. The event's goal was to keep accessibility top of mind when creating digital content for our members, our stakeholders, and fellow team members.
- **All Team Speaker Event:** On May 30, CDOP hosted an all-team speaker event featuring [Spencer West](#), a successful global keynote speaker, content creator, and advocate for LGBTQ+ and disability rights. The presentation included two 60-minute sessions called "Redefine Possible: Leveraging Diverse Talents to Foster Belonging," attended by 343 team members. Of those who completed the post-event feedback survey, most (94%) reported favorably that the session helped them understand that all team members, regardless of their differences, should be treated fairly.
- **Out Leadership Virtual Event:** On June 20, CDOP hosted a virtual training, "AllyUp: Fostering Positive Workplace Culture Through LGBTQ+ Allyship." The managing director of [Out Leadership](#), Jane Barry-Moran, facilitated training to equip attendees with resources and techniques on how to be an active ally for the LGBTQ+ community and beyond. More than 200 team members voluntarily attended this session.

Philanthropy

- **Pioneer House:** This is a skilled nursing facility that specializes in the care and rehabilitation of seniors recovering from a hospital stay. Two mix-and-mingle events were held, one on November 30 and the other on March 1. Senior Leadership Council members, CDOP, CDIG, and CDAC members contributed to a holiday party for residents at the Pioneer House on December 22.
- **Best Buddies Friendship Walk:** Best Buddies International is the world's largest organization dedicated to empowering 200 million people with intellectual and developmental disabilities. CalPERS participated in the walk on April 27 with a team consisting of 35 members, raising \$1,200.
- **Mustard Seed School:** The Mustard Seed School is a free private school in Sacramento for unhoused children ages 3-15. CalPERS hosted "Buy One, Feed One" campaigns throughout the year. Funds collected contributed to hot meals for the school's students.



Talent Management

Building Engaged Teams

One key to our longevity is the teams we employ and their paths to opportunity. In FY 2023-24, the CalPERS Human Resources Division (HRSD) expanded its outreach efforts to reach new candidate pools while working collaboratively across the organization to help increase the number of CalPERS team members investing in their career development.

Ongoing outreach and talent development ensure we are adequately staffed and skilled to meet members' current and future needs at all levels of the organization.

Innovative Recruitment Strategies— Better Results

Following the FY 2022-23 Rapid Recruitment Effort (RRE), CalPERS has been assessing different recruitment strategies, whether for individual recruitments or in larger group recruitments at the division or organizational level. The RRE process showed us what was possible—not just for recruiting but also for outreach and onboarding strategies, collaboration, and opportunities to leverage resources.

We approached our recruiting efforts with expedited processes in mind. For example, as we attended external outreach events, we provided job seekers—particularly those new to state service—with insights and practical guidance to efficiently navigate the hiring process. We also facilitated connections between potential candidates and our CalPERS division representatives.

These direct connections aimed to reduce barriers within the civil service hiring process, ensuring candidates understood and pursued roles aligned with their skills and interests. This approach accelerated candidate alignment with CalPERS career options and strengthened the connection between purpose-driven work and the opportunities in our organization.

Building Mission-Driven Teams

Roshni Patel, Deputy Human Resources Officer



Roshni Patel was inspired by two things growing up as a child of parents who owned a business: hard work and taking good care of employees.

She is particularly energized by the innovations taking place at CalPERS to recruit, retain, and continually develop talent. It's hard work to maintain a workforce of nearly 3,000 team members, but it's a job and a workplace she loves.

Roshni credits the CalPERS culture for building the best HR team she's ever known, with new and innovative ways to recruit and retain talent.

"We're much more strategic in everything we do," Roshni says. "We're reaching out to broader communities to expand our talent pool and actively working with students at local universities. We're hosting career fairs on our campus that connect job applicants directly with hiring managers. And we're enhancing training and development programs to ensure our teams can continually grow."

"I wouldn't be where I am without the talent development, training, and mentoring that defines who we are."

Division-Level Rapid Recruitments—Better Processes

Several CalPERS divisions worked collaboratively with HRSD to leverage resources and streamline recruitment efforts for similar positions by participating in division-level recruitment events.

Here's how it worked: one job advertisement was used for each classification. Multiple hiring managers worked together to consolidate the application screening and interview processes, which enhanced the candidate experience and expanded our candidate pools.

The results were promising. The Office of Audit Services and the Disability and Survivor Benefits Division hosted a combined total of five recruitment events that resulted in 19 hires.

Outreach Strategy—Better Networks

Our Career Services and Outreach team attended 15 career fairs to market the many job opportunities offered at CalPERS.

These included events at the University of California, Davis, the McGeorge School of Law's Sacramento Region Diversity Career Fair, and the Pathways to State Employment event led by the California Department of Rehabilitation. The purpose of the latter was to educate hiring managers and recruiters on tools available to promote inclusivity and accessibility in the workplace for persons with disabilities.

Talent Pipeline—Better Pathways

CalPERS has a long history of cultivating student talent and building a bridge of opportunity from higher education.

- **Student Employment:** We collaborated with an outside entity to hire students seeking part-time opportunities and on-the-job training.
- **Investment Associate Program:** In FY 2023-24, [CalPERS announced](#) the creation of a Long-Term Investing Fellowship Program with Stanford University to develop the next generation of institutional investors.

Career Services—Better Mentoring

Core work: The Career Services & Outreach (CSO) team in HRSD had appointments with 153 team members and provided them with services such as job application package review, interview preparation, and career path guidance. Feedback from those who sought CSO services was positive.

Internal outreach: The CSO Team and the Office of Public Affairs (PAOF) worked collaboratively to host an annual Career Development Day for CalPERS team members. The primary goals were to encourage team members to actively invest in their professional and personal goals, for any stage of their career, and to increase the amount of CalPERS team members participating in career development. Success was measured by the number of requests for career services and by a post-event survey.

Career Development Day included in-person and virtual speed networking, an in-person career fair, career development resources and training modules, professional headshots, and wellness activities.

241 team members attended the career fair.

59% of those who took the post-event survey reported that they explored career development resources on the CalPERS intranet.

Upward Mobility Program— Better Opportunities

The Human Resources Division's Upward Mobility Program (UMP) seeks to improve advancement opportunities for team members. A new UMP cohort is launched each fiscal year. With guidance from the Upward Mobility Coordinator, participants develop a plan that lists actionable goals to help them promote during the program or afterward. Going forward, the program's leaders are working on a feedback survey to evaluate the UMP in partnership with the Enterprise Learning & Development and Learning Technology & Design teams.

Emerging Leader Program— Better Access to Leadership Development

The Human Resources Division's Emerging Leader Program (ELP) prepares high-potential team members for a leadership role. ELP invites journey-level analysts, technical, and professional team members to participate in a six-month learning program while they work simultaneously in their current roles.

The program features three key components including mentorship, training, and a team project to resolve a CalPERS business challenge. FY 2023-24 accomplishments include:

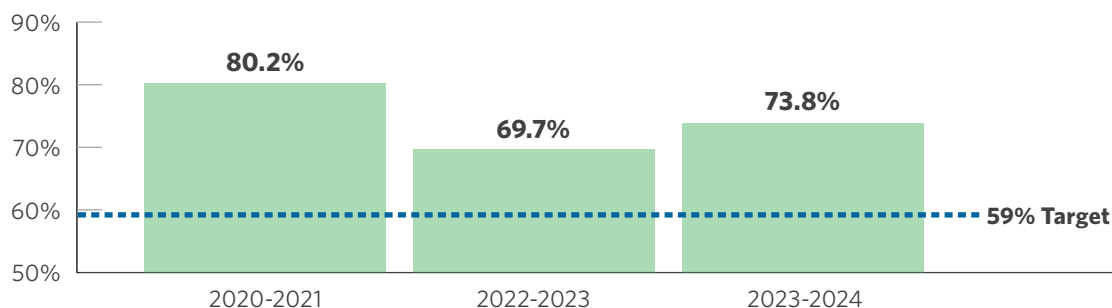
- Implementation of the seventh annual ELP cohort. Of the 53 applications submitted, 25 team members were accepted. (Since the program's inception, 148 team members have participated and 52% received internal promotions.)
- Mitigating bias in the application process by removing identifying information from the ELP applications before submission to the Review and Selection Committee.
- Addition of a Diversity, Equity & Inclusion Office project. One of the ELP teams was tasked to develop a recommendation to enhance a sense of belonging within CalPERS. This was based on the decrease seen in the DE&I Engagement Survey Results Strategic Measure in the 2022-23 Employee Engagement survey.

Engagement and Recognition— Better Feedback, Greater Appreciation

CalPERS uses a third-party vendor to administer its annual employment engagement survey for a comprehensive snapshot of employee sentiment, engagement levels, and perceptions. The data from this survey satisfies strategic measures that are connected to CalPERS business plan initiatives that follow.

- The [Team Member Engagement](#) strategic measure assesses team members' intent to remain at CalPERS, their pride in the organization, and their intrinsic motivation. This strategic measure is tied to two successful BPIs: *Talent Management Strategies and Implement Engagement Survey Action Items*.
- In the fiscal year, CalPERS saw an improvement in the Team Member Engagement strategic measure of 3.2 percentage points.
- The [DE&I Engagement Survey Results](#) strategic measure assesses team members' perception of fair treatment at CalPERS, as well as being treated with respect and dignity, and their sense of belonging. This measure is tied to two Business Plan Initiatives: *Implement Diversity, Equity, & Inclusion Framework and Increase Enterprise-Wide Diversity, Equity, and Inclusion Knowledge and Awareness*. In 2023-2024, CalPERS saw a 4.1 percentage point increase from the 2022-2023 survey.

CalPERS DEI Engagement Survey Results Strategic Measure



Note: The following prompts make up the CalPERS DEI Engagement Survey Results: I am treated with respect & dignity at work, I feel like I really belong at CalPERS, and All team members, regardless of their differences, are treated fairly.

Based on team member feedback, HRSD launched the “Acts of Appreciation” campaign. This campaign challenged team members to recognize one another using CalPERS recognition tools, which include multiple ways to acknowledge team members’ achievements, along with length of service awards for each five-year period of service accrued and retirements.

The “Acts of Appreciation” campaign resulted in a nearly **53%** increase in usage of recognition tools.

There were **4,786** instances where team members were recognized through these programs.

The campaign also established “Recognition Ambassadors” across the organization to help educate and promote the CalPERS recognition program tools within their divisions.



Health Equity

Building Better Health Outcomes for All

Working toward equitable health outcomes for our members is a multi-layered effort that spans across seven related initiatives in our business plan—a reflection of the diverse health needs of our CalPERS members. Nonetheless, we remain committed to building better health outcomes for our 1.5 million covered members, one initiative at a time.

Even so, we know that disparities persist. For example, research by the California Health Care Foundation shows that in California, people of color face barriers accessing culturally competent, high-quality health care and are more likely to experience poor health outcomes. The more we understand the individual needs of our members, the better decisions we can make to ensure exceptional care and equitable health outcomes for all, regardless of race, ethnicity, preferred language, sexual orientation, or gender identity.

The blueprint of our approach is the first-ever CalPERS health equity strategy, which outlines priorities that are in alignment with federal and state partners, including the Centers for Medicare and Medicaid Services, Covered California, and the California Department of Health Care Services.

Identify & Address Disparities— Better Data, Better Results

The first step toward addressing health gaps is to identify and assess disparities. The best tool we have for this is our health demographic data, voluntarily provided by members who are enrolled in our health program. We use the data to stratify and analyze clinical quality measures, such as high blood pressure control, diabetes control, colorectal cancer screening, immunizations for children, and prenatal and postpartum care. These measures are used throughout the United States for monitoring the quality of health care.

To further monitor improvement in health outcomes for our members, CalPERS has a [Population Health Management Strategic Measure](#) that focuses on controlling diabetes and high blood pressure, two of the most common chronic diseases among our members.

Since establishing a target of 75%, our rate for this measure rose from 77% in 2022 to 91% in 2023.

In the next phase, we'll finalize our methodology for identifying disparities and create an at-a-glance health equity dashboard. Finally, we will continue reviewing our health plan benefits to ensure equity in our benefit language or design.

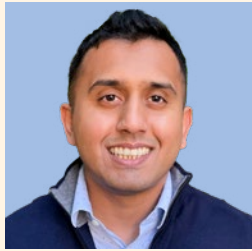
Looking Ahead—Addressing Disparities

Building better health outcomes is an ongoing effort. The progress we have made lays the foundation for what comes next.

The process of eliminating health care disparities for 1.5 million members is a series of actions that start small and grow over time.

- We've worked closely with our health plans to share challenges and promising practices. Going forward, we'll work together and continue monitoring data to ensure that all our members receive access to the care they need.
- We'll ensure our health plans provide timely access to behavioral services for all members and promote primary care, including integrated behavioral health and primary care provider matching for all members.
- We'll also work with health plans to ensure implementation of cultural and linguistic programs and member advisory committees.

Building Better Through Listening Adrian Naidu, CalPERS Health Equity Officer



The first step in addressing and advancing health equity is to listen. Only then will the gaps in care be identified.

That was the motivation behind the Member Advisory Committees (MAC) that CalPERS required to be included in its health plans starting in 2024. Adrian Naidu, a CalPERS Health Equity team member, has seen early success for the program when it came to screening for colorectal cancer — one of the leading causes of cancer-related mortality in the U.S., with persistent disparities by race and ethnicity.

In alignment with our efforts, Kaiser Permanente routinely sends a colorectal cancer screening kit. However, one member who volunteered to participate in Kaiser’s local MAC found the kit’s instructions difficult to understand.

The member raised the issue with their local MAC, which brought the issue to the attention of health plan leaders. They followed up by designating teams to re-design the instructions with language, visuals, and graphics that were easier to understand and were cross-culturally relevant. The improved instructions were then adopted in kits used across Southern California.

“The MACs are crucial to ensuring that health plans are engaging with members and using their feedback to improve the care that members receive.”

Behavioral Health— Better Screening and Treatment

We have a strategic measure to evaluate the quality of [Behavioral Health Screening and Treatment](#) delivered to our members. A baseline of 62.3% was established for this measure in 2022. In 2023, the measure exceeded the target of 75% with a score of 82.35%. While that represents an improvement in behavioral health screening, we still face significant challenges in the area of behavioral health care, particularly around behavioral health access. Given this, we are engaged in a secret shopper survey of our health plans focused on outpatient mental health therapy appointments. We are working with researchers to have simulated members call mental health providers in order to assess the availability of these appointments to our members, as we know many members experience significant challenges finding a provider – particularly for members living in rural areas.

We have also added virtual behavioral health services as an option in our PPO plans to help expand options for behavioral health access for our PPO members. We also continue to work with our state purchaser and agency partners to expand the integration of behavioral health and primary care to increase access, and to expand the workforce.

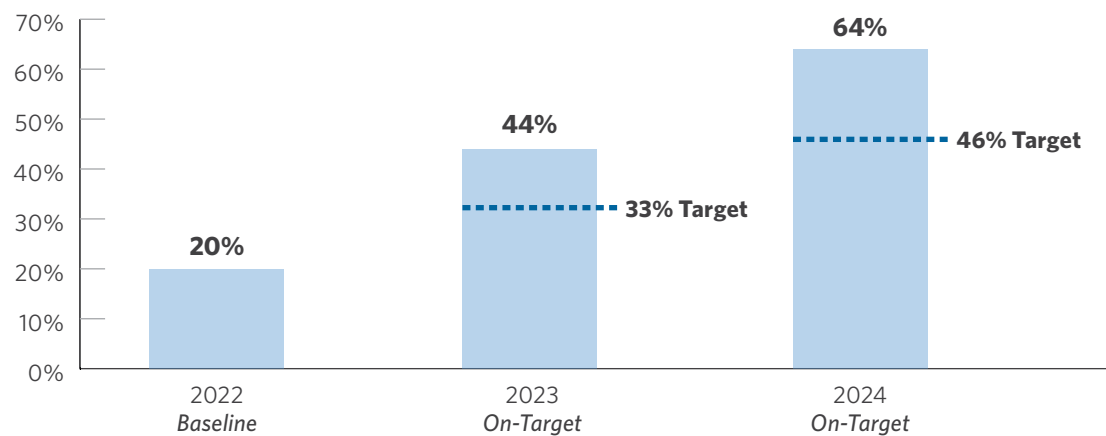
Holding Ourselves Accountable for Progress—Better Outcomes

To ensure that we act on our commitment, CalPERS will measure our efforts using a Health Equity Index (HEI) to track our progress, which includes baselines and milestones.

The HEI is included in CalPERS' reporting as the [Achieving Health Equity Strategic Measure](#) and includes milestones that foster health equity by creating a consistent infrastructure for improving outcomes and creating a culture of health equity.

In late 2022, we finalized the index and reported a baseline rate of 20%, with the goal of improving by 13 percentage points each year. We exceeded our target in both 2023 and 2024 as we continued to build our infrastructure and completed milestones.

Achieving Health Equity Strategic Measure



Health Demographic Data—Better Understanding Our Members

The CalPERS [Health Demographic Profile](#) (HDP) is an electronic survey in myCalPERS that allows members who are 18 years and older to self-report demographic information. The number of enrolled health plan members volunteering their information continues to grow. As of June 30, 2024, there were more than 214,000 HDPs collected.

Additional enhancements include updates to the HDP to align with state partners and revised federal standards; creation of a Health Equity Data Committee to promote equity through improved data collection, analysis, and utilization of health data; and implementation of the process of receiving demographic data from our health plans.

2025 Health Benefit Design Changes— Better Adaptability

To improve health care access, affordability, equity, and quality, we conducted an external health equity-focused analysis of CalPERS health benefits and updated the [2025 Health Benefit Design](#) with two new benefits.

Updated Travel and Lodging Benefits for Medically Necessary Care: This ensures standardized [travel and lodging coverage for eligible medically necessary services](#) including, but not limited to, abortion services, gender-affirming care, complex surgeries, and cancer care that cannot be accessed within 50 miles from the member's residence. This applies to all Basic and Medicare plan members for up to \$5,000 per occurrence.

Doula Benefit for all Pregnant and Postpartum Members: [Doula care](#) can help reduce the impacts of racial disparities and implicit bias in health care settings by providing individually tailored and patient-centered support and advocacy for birthing members.

Pregnant members with doulas often report positive birth experiences, feeling more in control and satisfied with their labor and delivery experiences.

Beyond Our Health Plans— Better Advocacy

There's more to our health care practices than administering health benefits with our health plans. On behalf of our members, we also proactively engage in efforts to advocate for meaningful health care policy and to provide access to health care, from high-quality primary care to life-saving hospital care.

- **Health Policy Advocacy:** CalPERS routinely works with our purchaser partners, Covered California, and the Department of Health Care Services, to promote high-quality and equitable health care. We do this by aligning our contract requirements across the three agencies for the health plans that we all contract with so that all of our members benefit from our strategies – such as the promotion of advanced primary care, the integration of primary care and behavioral health, and improvement on key population health measures. We also do this through our joint participation in state agency efforts to increase primary care spending as well as efforts to expand both the primary care and the behavioral health care workforce.

We also leverage our collective policy influence by commenting on and supporting important issues and programs at the federal level by writing joint letters to entities such as the Centers for Medicare and Medicaid Services (CMS) in support of issues like increasing access to preventive services and improving access to high-quality primary care.

- **Vaccines:** CalPERS shared [information about the importance of vaccines](#) with its members and hosted an annual vaccine clinic for the CalPERS team at CalPERS headquarters so that the CalPERS team can remain healthy during cold and flu season.

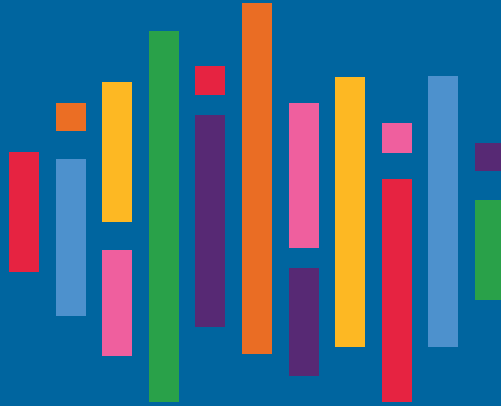
315

team members received
the flu vaccine.

312

team members received
the COVID vaccine.

- **Blood Donation Drives:** According to [Vitalant](#), one of the nation's largest nonprofit blood and biotherapies healthcare organizations, someone in the United States needs blood every two seconds. CalPERS partners with Vitalant to promote blood donation by offering regular on-site donor drives at our Sacramento headquarters.



Supplier Diversity

Building Economic Opportunity

CalPERS is committed to increasing contracting opportunities with California's certified Small Business (SB) and Disabled Veteran Business Enterprise (DVBE) firms.

CalPERS participates in the Statewide Supplier Diversity Program to help support the local economy by ensuring equal access to state procurement opportunities for small and micro businesses and disabled veteran-owned business enterprises. The annual statewide participation goals are to spend a minimum of 25% of our contracting and procurement dollars with certified SBs and three percent with certified DVBEs, in support of state Executive Order S-02-06 and the Military and Veterans Code 999(a).

We use a competitive process to award contracts for a variety of goods and services, such as consulting and professional services and information technology-related products and services.

Building Efficiency Into Our Procurements

Benjamin Wynn, Wynn Innovations



Wynn Innovations is an example of the companies CalPERS contracts with to fulfill our commitment to small businesses and disabled veteran businesses. It's owned and operated by Benjamin Wynn, an Air Force veteran who worked in emergency command centers, quickly deploying vital resources where they were needed.

Like CalPERS, Wynn is mission-focused. As he built his business over the years, he has given back time and again to veterans, paying tribute through school and professional sports events to World War II vets and Tuskegee Airmen who long went unrecognized.

Since 2021, CalPERS teams have procured a wide variety of business supplies and services through Wynn's e-commerce platforms. What makes the relationship with the company so valuable is the efficiency and speed with which orders are processed. Add to that Benjamin's dedication to customer service and a growing list of service offerings, and you have a valuable partnership.

"We pride ourselves on speed, efficiency, and saving the client time and money."

He credits the state's small business and disabled veteran business enterprises certification process as a gateway to his success, helping him launch his business and exposing him to more opportunities than he would have had access to otherwise. He believes in it so much that he helps other veterans set up their own enterprises to serve the needs of the community.

Why does the state create procurement participation goals? The short answer, according to the [California Department of Government Services](#), is "to enhance and encourage competition by creating an optimum environment that affords all businesses equal access to state procurement and contracting opportunities."

The California Office of the Small Business Advocate highlights that there are more than 4 million small businesses in the state, employing 47% of the private sector workforce. About half – 49% – are owned by people from diverse backgrounds and 4% are owned by veterans (Source: [California Office of the Small Business Advocate](#)).

Exceeding DVBE Procurement Goals

CalPERS has a consistent record of meeting or exceeding DVBE contracting goals and did so again in FY 2023-24 by surpassing the 3% target with 4.22% participation. Of the total contracted dollars spent at CalPERS:

2.10%

went to DVBE enterprises
for Non-IT Goods.

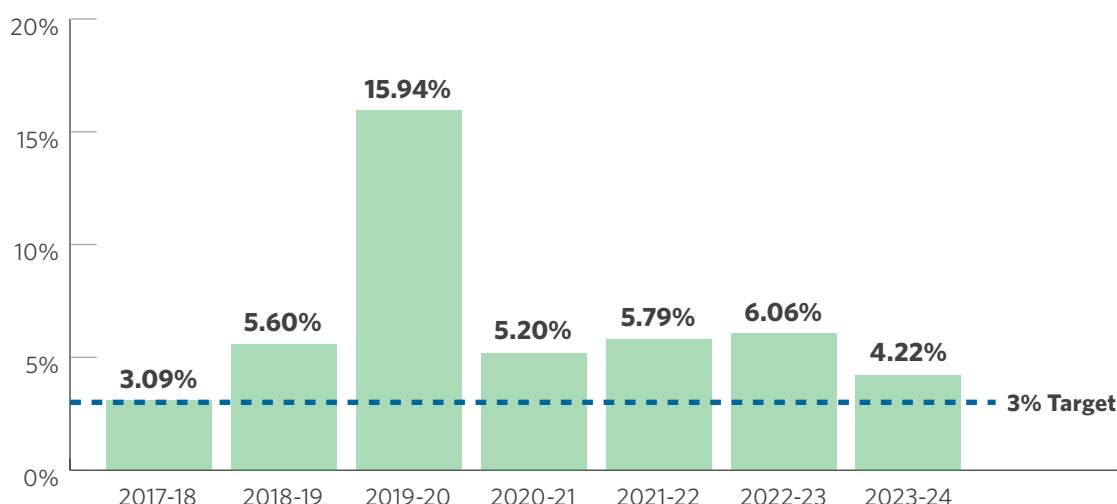
2.30%

went to DVBE enterprises
for Non-IT Services.

7.82%

went to DVBE enterprises
for IT Goods and Services.

CalPERS Annual DVBE Participation



Updated Tracking System— Better Focus on Goals

To help CalPERS contract managers maintain a clear picture of our DVBE contracting status at all times, the Operations and Support Services Division (OSSD) implemented an internal website page to track contract procurements in real-time. This at-a-glance perspective helps the team communicate and collaborate to ensure goals are reached.

In addition, we have formalized the tracking of the DVBE contracting target by incorporating the goal into our quarterly compliance and risk management reporting process that is shared with the CalPERS Board of Administration. This helps ensure that we are carefully monitoring compliance with DVBE laws, rules, and regulations.

Exceeding Small Business Procurement Goals

Generally, CalPERS has had a consistent track record for exceeding small business procurement goals. In FY 2023-24, the Small Business (SB) and Micro Business (MB) participation rate was 25.83%, exceeding the 25% target. Of the total contracted dollars spent at CalPERS:

9.75%

went to SB/MB for
Non-IT Goods.

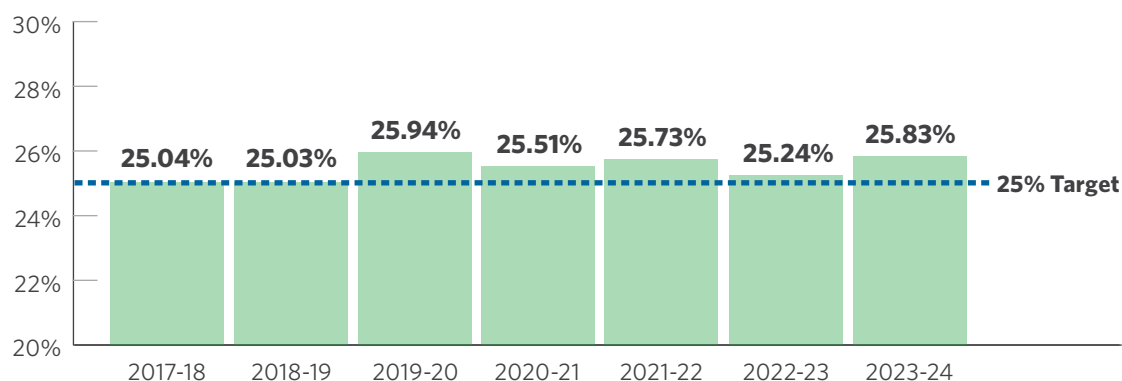
24.72%

went to SB/MB for
Non-IT Services.

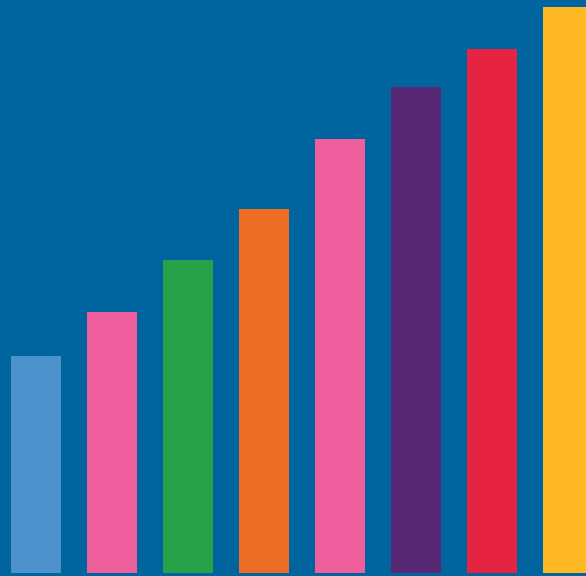
28.49%

went to SB/MB for
IT Goods and Services.

CalPERS Annual SB/MB Participation



As with our DVBE compliance monitoring process, we do the same to achieve goals with small business contracting targets, incorporating them into the quarterly compliance and risk management reporting process that is shared with the Board of Administration.



Investments

Building Efficient & Inclusive Paths to Financial Success

CalPERS has a fiduciary responsibility to its members and employers who contribute to the fund to efficiently manage their assets by earning money on their investments and striving to exceed expectations.

Part of our ongoing success can be viewed through the diversity, equity, and inclusion considerations we factor into our assessments of risk and opportunity. These assessments focus on the human side of the equation, such as the investment managers we partner with and the teams they employ.

CalPERS is a global leader in advocating for equity and efficiency in the financial markets. We do this through our engagement and advocacy efforts with portfolio companies, regulators, and global partners aligned with our values. In tandem with the DEI framework, we are guided by the CalPERS Sustainable Investments 2030 plan that includes criteria to support broader inclusion and representation, climate transition practices, and human capital policies that lead to more efficient financial markets.

The more efficient the marketplace, the better decisions we will be able to make. Our DEI efforts are designed to improve investment outcomes, protecting the fund against adverse risk while capitalizing on new opportunities.

Emerging & Diverse Managers— Better Inclusion & Representation

Broader representation gives CalPERS access to diverse and emerging investment managers who are succeeding in new and innovative ways.

CalPERS AB 890 Report to California Legislature

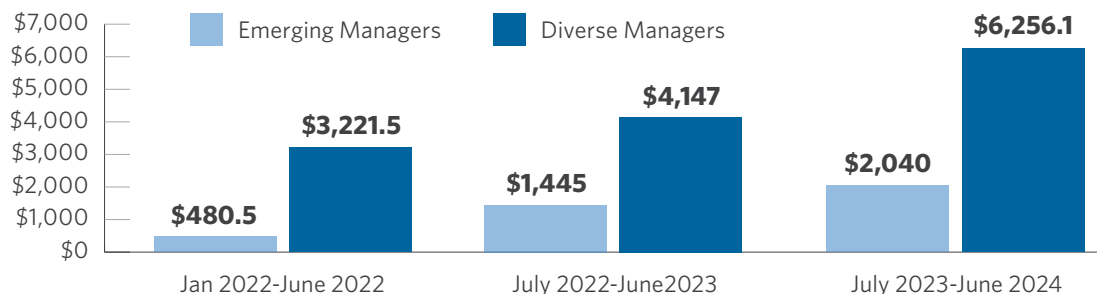
CalPERS reports its new investment amounts to emerging and diverse managers in the annual AB 890 Report, intended to ensure transparency and promote inclusion in the asset management industry. The reporting period will run through 2028.

CalPERS Definition of Majority Diverse: A firm that is more than 50% owned by women and/or ethnic minority group members, and/or a person of the LGBTQ+ community, or where diverse teams receive more than 50% of the fund's carried interest.

CalPERS Definition of Substantially Diverse: A firm that is 25% to 50% owned by women and/or ethnic minority group members, and/or a person of the LGBTQ+ community, or where diverse teams receive 25% to 50% of the fund's carried interest.

Investments were made in FY 2023-24 to emerging and diverse managers in amounts higher than in previous fiscal years. While depictions of the data suggest clear separation, some managers could be identified in both categories, reflecting the flexible nature of the CalPERS program.

CalPERS Investments Per AB 890 Reports, in Millions



Sources: [CalPERS Assembly Bill 890 Year One Report 2021-2022](#), [CalPERS Assembly Bill 890 Year Two Report 2022-2023](#), [CalPERS Assembly Bill 890 Year Three Report 2023-2024](#)

Note: California law prohibits state agencies from discriminating against or granting preferential treatment to any individual or group based on race, sex, color, ethnicity, or national origin in the operation of public contracting. Therefore, we may not grant preferential treatment to emerging or diverse managers based on the above characteristics. CalPERS may, however, collect data and other information regarding diverse characteristics for annual reports to the Legislature.

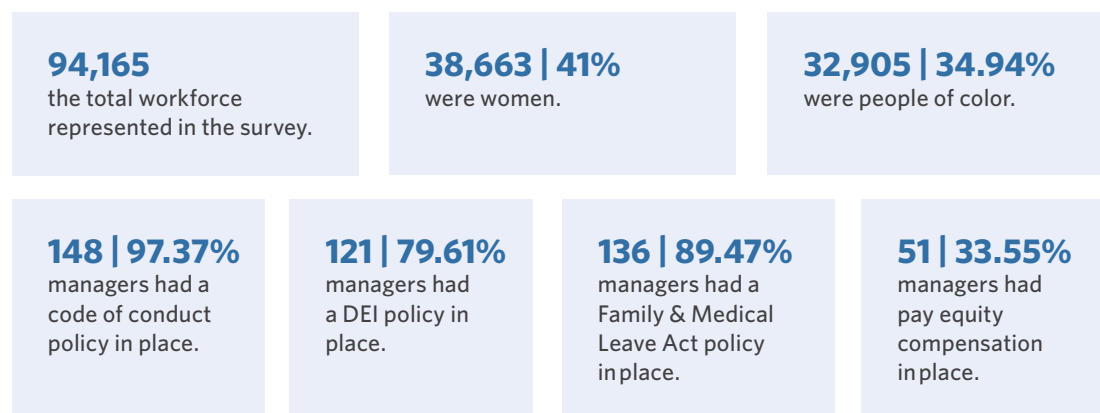
The DEI Efforts of Our Investment Partners—Better Data Drives Inclusion

To support broader inclusion in the investment industry, CalPERS works with Lenox Park to conduct an annual DEI Survey of our external investment managers. Lenox Park is respected in the asset management industry for the quality and consistency of its DEI survey assessments. The CalPERS survey includes questions about formalized workplace policies and demographics across all levels. The results help CalPERS achieve its investment objectives and better understand our role to impact change.

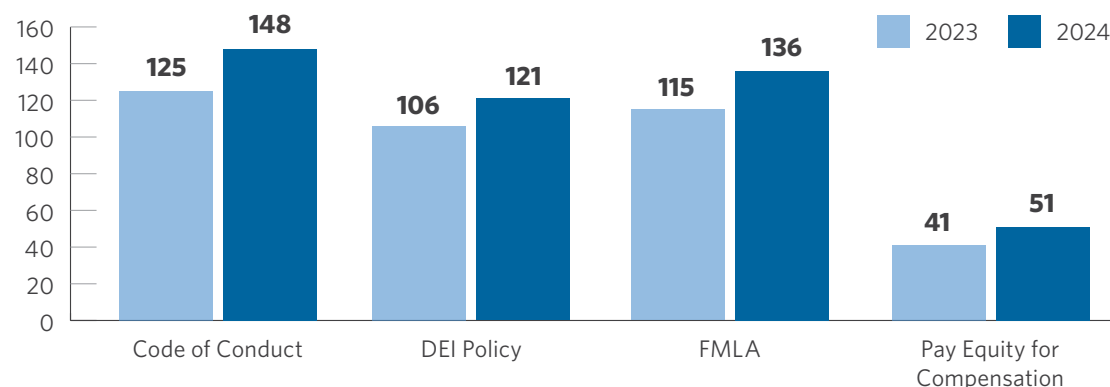
The 2024 survey was distributed to 194 public and private asset class managers of varying sizes—some with more than 1,000 employees and others with less than 50. Regardless of company size, the information for each is of equal value.

In all, 177 managers responded to the survey, for a 91% response rate. Of those surveyed, 133 managers represented privately held companies and 44 managers – one-third of the privately held companies – met CalPERS definitions for ownership diversity.

Highly detailed demographic and policy information was provided by 152 managers, up from 131 in 2023 and 82 in 2022. Of those that provided detailed information:



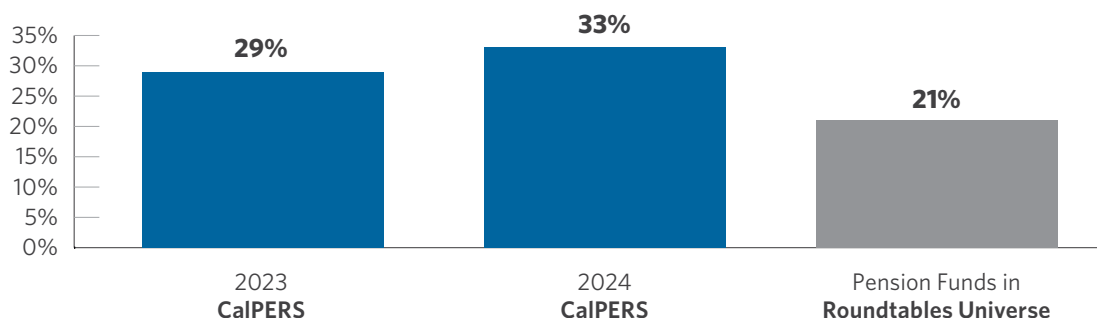
Formalized Workplace Policies



Note: In 2023, there were 131 managers, and in 2024, there were 152 managers who provided highly detailed information.

The number of diverse managers identified in the Lenox Park survey increased from 2023 to 2024. And when compared to other pension funds in the Lenox Park Roundtable Universe, CalPERS had a higher percentage of qualifying managers in its portfolio.

CalPERS & Other Pension Funds Diverse Managers (Substantially + Majority Diverse)



Note: As of 2024, there were eight pension funds included in the Lenox Park Roundtables Universe. The pension fund data used is from 2023 or 2024 (if the survey was completed by Sept 2024).

\$1 Billion Commitment— Better Pathways to Success

In January 2023, [CalPERS committed \\$1 billion](#) toward funding investor entrepreneurship and innovation in partnership with two of our long-standing asset managers, TPG NEXT and GCM Grosvenor. Each firm received a \$500 million commitment to help identify and cultivate the next generation of external investment management talent in the private markets. High-potential firms with proven track records of success are being selected and developed by TPG and Grosvenor to provide investment returns to the fund for years to come. To date, TPG and Grosvenor have invested in five emerging and diverse managers totaling \$380 million of CalPERS' \$1 billion commitment.

Building With the Best

Anthony Miller, Excolere Equity Partners



Tony Miller, the founder and managing partner of Excolere Equity Partners, represents the value of working with emerging and diverse managers to deliver superior returns in new and innovative ways.

Excolere is a firm of high performers that is deeply experienced in a unique and untapped sector of the market that's aligned with CalPERS' mission to serve members.

Tony has extensive experience as an investor in private markets. Complementing his investment experience, in 2009, he was offered the opportunity to serve as the Deputy Secretary and Chief Operating Officer at the U.S. Department of Education. There, he gained a clear perspective about the need for enhanced educational resources and career training to meet business needs in this era of rapidly changing technology.

Excolere Equity Partners is one of more than 1,200 firms combined that applied to participate in the partnership with GCM Grosvenor and TPG in 2023. Excolere stood out for its successful track record and the tremendous potential its firm's business plan represents.

Excolere provides capital to companies that create education and workforce software and services for organizations and working adults looking to retool their skills, including educators looking to improve student learning. The list of reasons Excolere represents an innovative opportunity is compelling.

- Over the next 10-20 years, education, human capital management, and workforce development represent a combined U.S. market opportunity of over \$1 trillion.
- Upskilling and reskilling can help add 2.4 million U.S. jobs by 2030 and are driving the demand for skills-based credentialing and tech-enabled training programs.
- An estimated shortage of 100,000 U.S. healthcare workers by 2028 is projected to worsen health disparities and impact patient care.
- The clean energy industry faces a global shortage of skilled workers, with a predicted shortfall of 7 million skilled employees by 2030.
- Almost 40% of global employment is exposed to AI, with 19% of American workers in jobs in which the most important activities may be either replaced or assisted by AI.

Beyond the Framework Building the Member Experience

Serving members from one of the most diverse states in the nation has inspired this new addition to the annual *Commitment to Diversity, Equity & Inclusion* report. It features the many ways we have expanded inclusion efforts in our business processes.

Interpreter Services— Building Language Access

Providing language services fosters inclusion, enhances customer satisfaction, and boosts CalPERS' organizational reputation. As the CalPERS Customer Services and Support (CSS) team expanded access to interpreters, the team collected data to highlight its understanding of customer needs.

Contact Center

- In FY 2023-24, CalPERS used interpreter services for a total of 48,635 minutes for participants whose preferred language was not English. The five languages with the greatest needs were Cantonese, Japanese, Mandarin, Spanish, and Vietnamese.
- We contracted with vendors for 3,734 interpreter interactions in 21 different spoken languages. The five languages with the most interactions were Cantonese, Mandarin, Russian, Spanish, and Vietnamese.

The table highlights our Contact Center’s language interpreter services in FY 2023-24 by language and the percentage of interpreter requests for each.

Spoken Language	Percentage of Total Interactions	Percentage of Total Minutes
Amharic	0.027%	0.006%
Arabic	0.161%	0.234%
Cantonese	1.178%	2.126%
Farsi	0.054%	0.060%
Gujarati	0.027%	0.008%
Haitian Creole	0.027%	0.045%
Hmong	0.161%	0.169%
Italian	0.027%	0.010%
Japanese	0.268%	0.434%
Khmer	0.027%	0.023%
Korean	0.080%	0.111%
Laotian	0.027%	0.109%
Mam	0.027%	0.008%
Mandarin	0.670%	0.892%
Portuguese	0.054%	0.045%
Russian	0.295%	0.288%
Spanish	95.715%	93.994%
Tagalog	0.187%	0.263%
Tigrinya	0.027%	0.031%
Ukrainian	0.027%	0.006%
Vietnamese	0.937%	1.137%
TOTAL	100%	100%

Regional Offices

In addition to contract interpreters, CalPERS regional offices have six dedicated staff positions certified for Spanish language services and 20 non-certified volunteers who speak various languages.

- The languages spoken by the volunteers include Spanish, Cantonese, Tagalog, Arabic, Hmong, and Thai.
- Out of 1,702 total interactions, the top three languages requested were Spanish (92.4%), Cantonese (3.23%) and Tagalog (2.29%).

The table shows the total of spoken languages and percentage of total interactions experienced by our Regional Offices in FY 2023-24 FY.

Spoken Language	Percentage of Total Interactions
American Sign Language	0.88%
Cantonese	3.23%
Mandarin	0.29%
Other	0.76%
Spanish	92.4%
Tagalog	2.29%
Vietnamese	0.18%
TOTAL	100%

Retirement Education Classes

The CSS team also launched the “Planning Your Retirement Basics in Spanish” class for our members, complete with Spanish language course materials, learning guides, takeaways, and marketing tools. This class provides a general overview of the CalPERS retirement options available to members and was also recorded to provide the option for convenient viewing online.

During the pilot phase, there were four different in-person classes held with our employers with a total of 39 attendees.

To further enhance our language service offerings, the CSS team produced a personalized [Pre-Retirement Survivor Benefits Employer Webinar](#) for the School for the Deaf by providing American Sign Language (ASL) services.

Counseling Materials & Resources

The CSS team also conducted 1,572 Spanish-language sessions covering member benefits at our regional offices and developed resources and materials to assist our Spanish-speaking regional office counselors, including the *Glossary of Retirement Counseling Terms*, *Retirement Planning Checklist*, and *Retirement Payment Options*.

Materials & Resources— Better Inclusion Processes

The CSS team generates a wide variety of outbound communication, such as letters, forms, and resources. To ensure the communications are inclusive, the manual letter creation process has been improved to ensure gender-neutral content.

In addition, CSS used these inclusive and accessible approaches to support a variety of business processes such as account adjustments; disability retirements; employer reviews; retirement applications and calculations; and warrant/forms administration.

Virtual and In-Person Classes

In FY 2023-24, there were a total of 430 classes conducted, with 6,107 attendees for the employer classes. The average satisfaction ratings were 99%-100%.

Employer Class	Format	Classes Conducted	Students Attended	Satisfaction Percentage
Business Rules Classes	Virtual	63	1,705	100%
Business Rules Classes	In-Person	91	741	100%
myCalPERS Classes	Virtual	81	2,392	99%
myCalPERS Classes	In-Person	195	1,269	99%
TOTALS		430	6,107	

For members, we conducted a total of 935 classes with 67,980 participants. The average satisfaction ratings ranged from 92%-99%.

Member Class	Format	Classes Conducted	Students Attended	Satisfaction Percentage
Retirement Classes	Virtual	283	16,595	92%
Retirement Classes and Benefit Fairs	In-Person	487	20,006	99%
CalPERS Benefits Education Events Classes	Virtual	44	13,165	98%
CalPERS Benefits Education Events Classes	In-Person	109	6,095	99%
Monthly Member Videos	Virtual	12	12,119	89%
TOTALS		935	67,980	

Service Enhancements

With 2.3 million members, CalPERS strives to offer multiple ways to access our CSS team for service and support. We offer on-site appointments at our regional offices, as well as by phone or virtually, along with walk-ins to increase accessibility and flexibility for individuals with varying needs and circumstances.

Members need assistance with a variety of services such as retirement counseling and application submission, account maintenance tasks, changing addresses, and submitting CalPERS Special Power of Attorney forms.

Flexible service options foster inclusivity by ensuring members can access services regardless of their physical location, health concerns, mobility, and transportation options.

In FY 2023-24, our CSS teams interacted with members during 91,401 visits.

Emergency Disability Retirement Services

In the unfortunate event that a member is diagnosed with a terminal illness, CalPERS has an Emergency Disability Retirement process that provides hands-on support.

Emergency retirement counseling for members is provided by their nearest regional office. In some circumstances, a CalPERS counselor will travel to the member's medical facility or home to help members navigate their benefits. Regional offices work directly with our CSS teams to expedite the retirement application process when needed.

In FY 2023-24, there were a total of 110 members served using the Emergency Disability Retirement process.

CalPERS Benefits Education Events

The CSS team holds regular CalPERS Benefits Education Events (CBEE) each year. These events provide the opportunity to learn about retirement benefits for any stage of a member's career.

We held five CalPERS Benefits Education Events (CBEE), virtually and in-person, that provided better access and equitable opportunity for our members.

Event Format	Events Conducted	Attendance	Satisfaction Percentage
In-Person	3	2,262	98%
Virtual	2	6,396	92%
TOTALS	5	8,658	

For additional accessibility, we implemented a new practice in February 2024 by including information on team member name tags indicating any additional languages they spoke. This helped in-person CBEE attendees easily find team members who could communicate in a member's preferred language.

To support members with hearing loss, we offered ASL interpreters. They were utilized at the CalPERS Benefits Education event held in February of 2024 in the city of Riverside. Eight ASL interpreters were on hand and helped 11 members.

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Building Better Together