



CALSTRS®

Approach to Diversity, Equity, and Inclusion

April 2022

CalSTRS Strength Core Value

We ensure the
STRENGTH
of our system by embracing a
DIVERSITY
of ideas and people.

CalSTRS Diversity & Inclusion Vision

CalSTRS welcomes and embraces diversity of thinking, background and experience to enhance our culture and drive business success. By working together to respect, value and include each individual's perspectives, CalSTRS empowers staff to perform their best work toward the fulfillment of our mission.

CalSTRS: What We've Done

 Competence

 Dignity

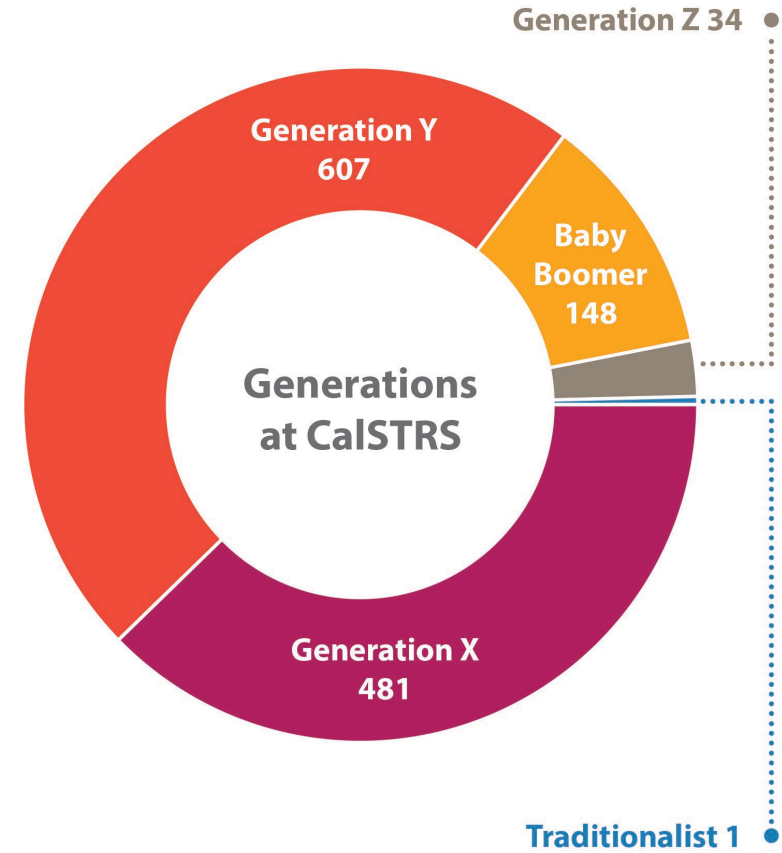
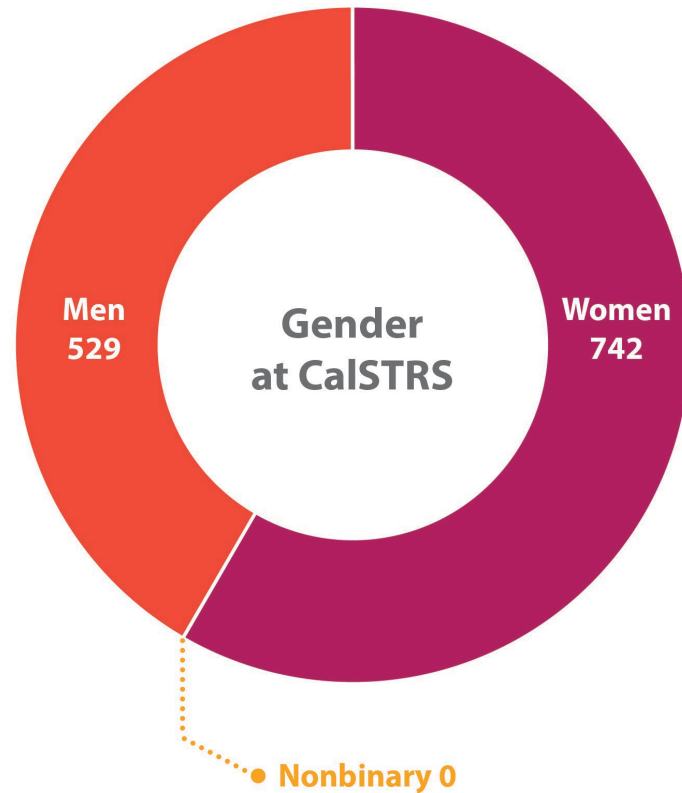
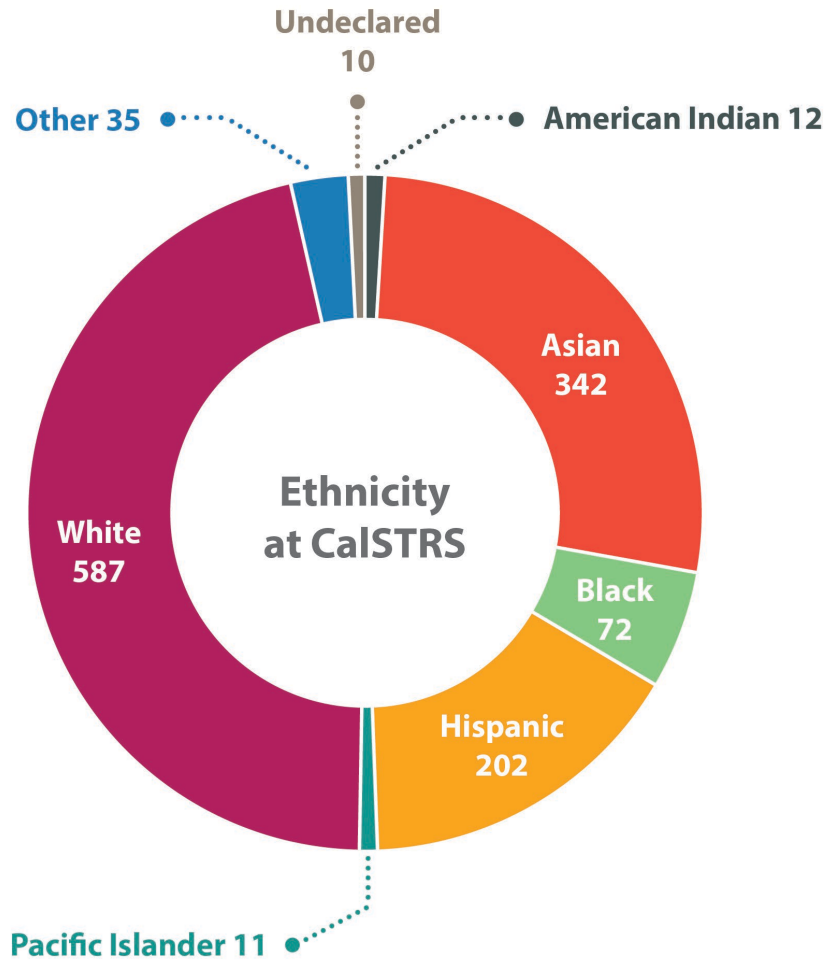
 Organization Development

 Social Justice

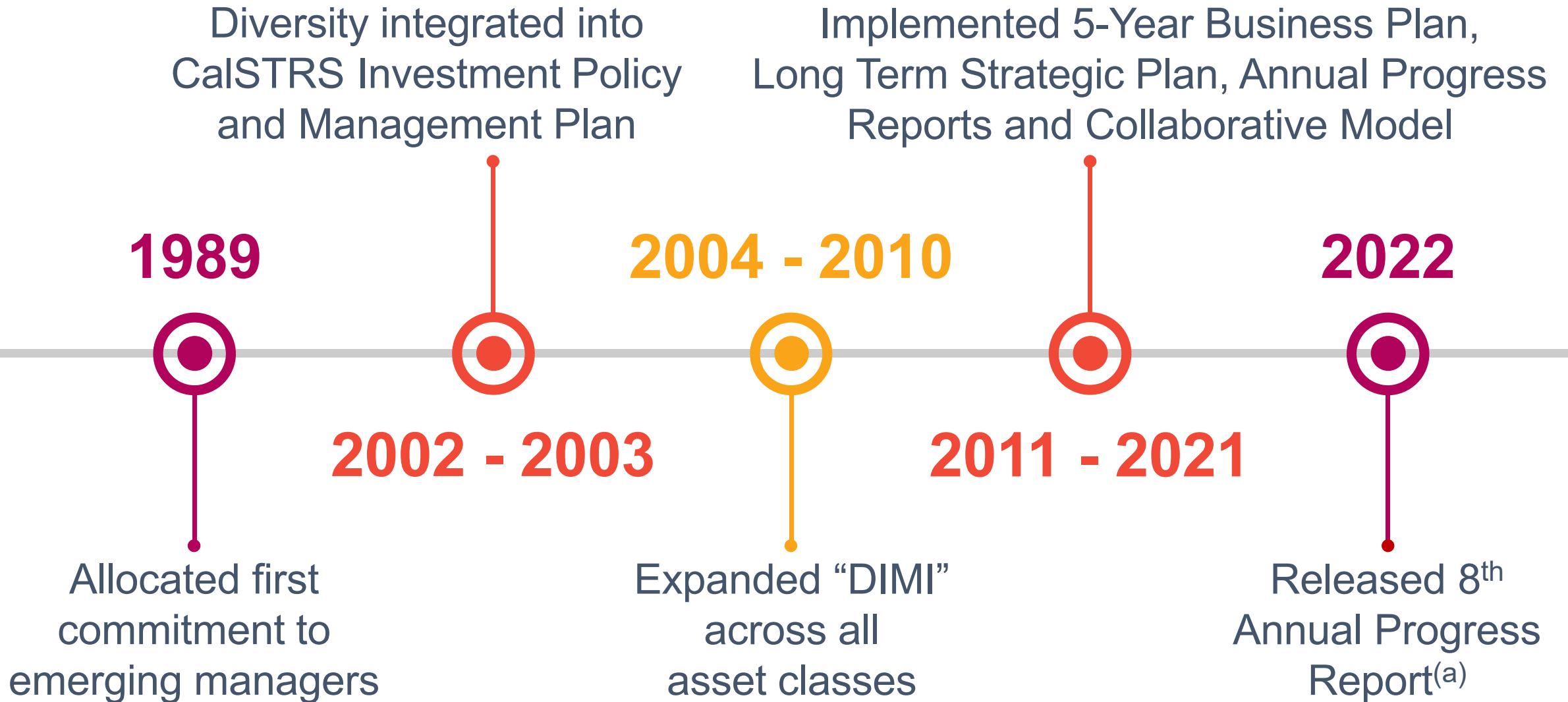


Diversity, Equity, Inclusion

CalSTRS Workforce snapshot



Diversity in the Management of Investments Pivotal Milestones



Footnotes: (a) 2022 Diversity in the Management of Investments Annual Report Progress Report reflects data ending and activities completed in calendar year 2021.

2022 Annual Progress Report^(a): Pillars

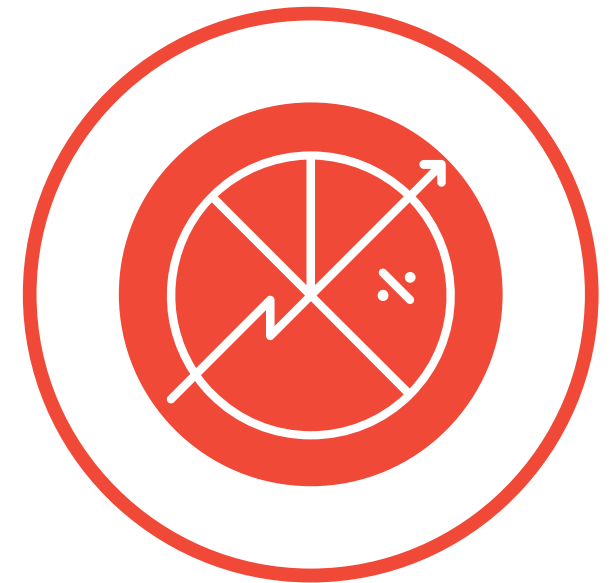
Internal Investments Branch



Portfolio Company Engagement



Portfolio Management



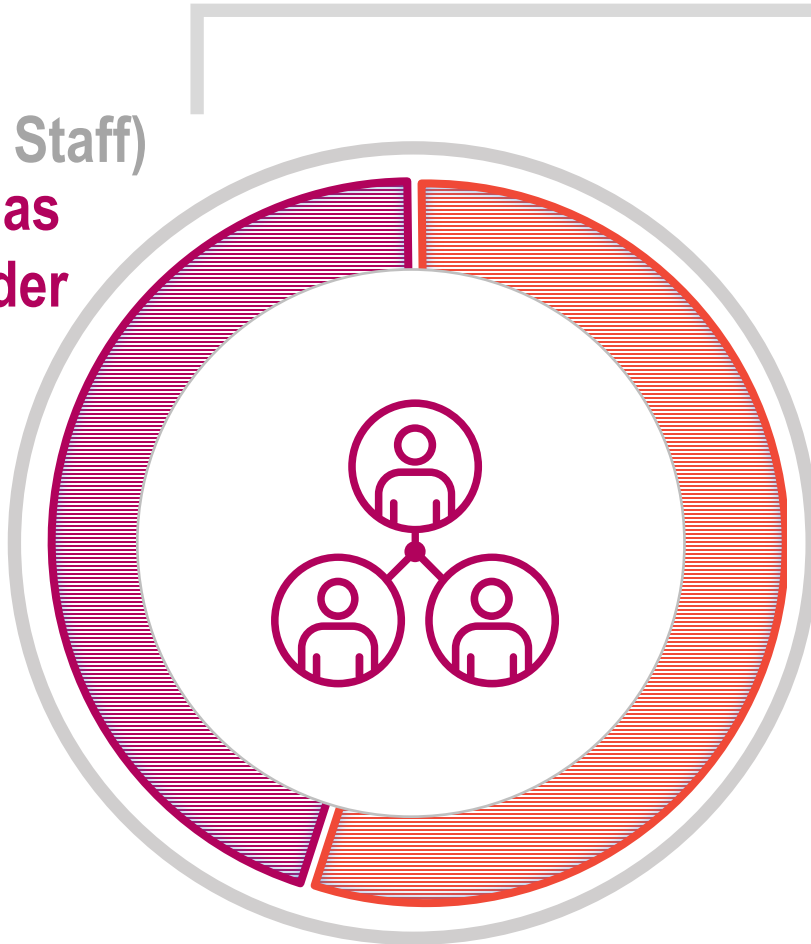
2022 Annual Progress Report^(a): Investment staff

Investments Branch - Total Staff Count: 212

95

(or 45% of Total Staff)

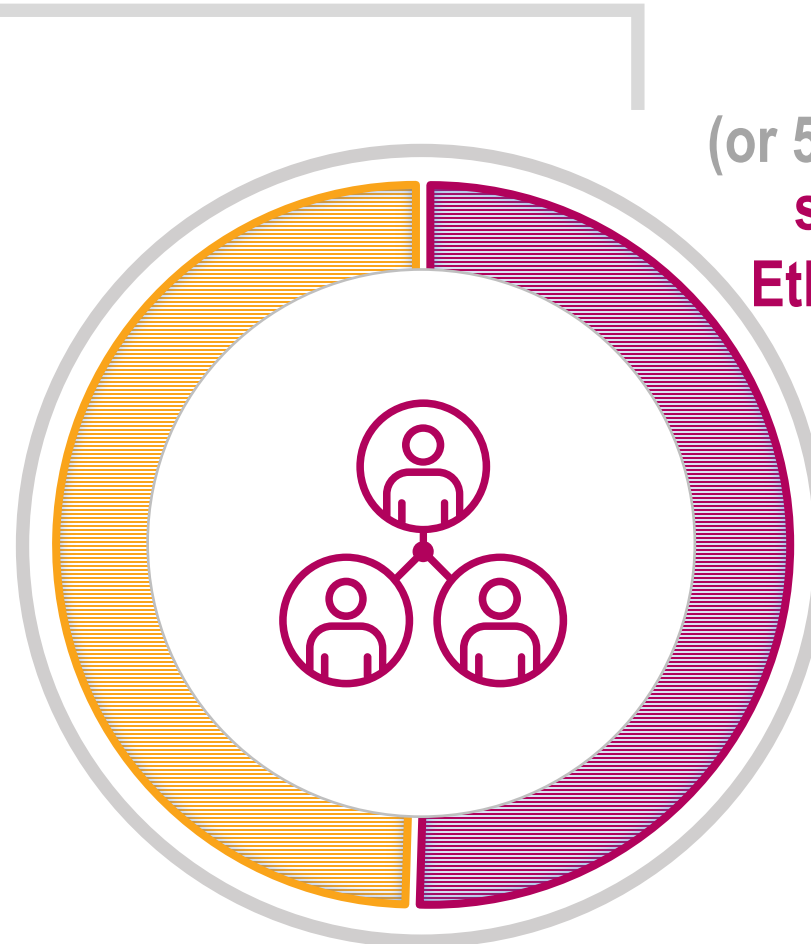
**self identify as
Female Gender**



107

(or 50% of Total Staff)

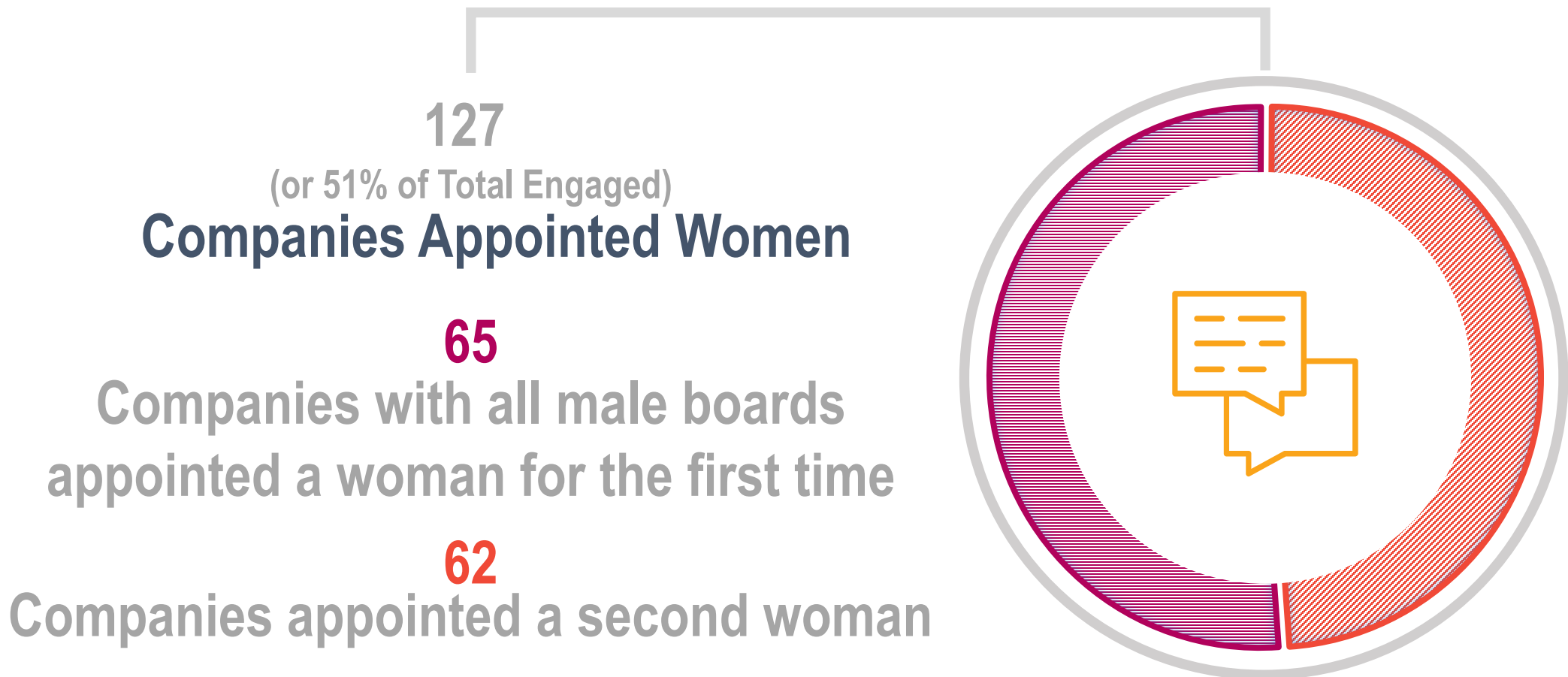
**self identify as
Ethnically Diverse**



Footnotes: (a) 2022 Diversity in the Management of Investments Annual Report Progress Report reflects data ending and activities completed in calendar year 2021.

2022 Annual Progress Report^(a): Board diversity

Thirty Percent Coalition “Adopt a Company” Campaign – Total Company Engagements: 250



Footnotes: (a) 2022 Diversity in the Management of Investments Annual Report Progress Report reflects data ending and activities completed in calendar year 2021.

2021 Strategic Roadmap: Core objectives

CLARITY



Map the range of current activity on Diversity, Equity and Inclusion

PRIORITIES



Identify the areas of focus, sequence & coordination across the portfolio

RELEVANCE



Establish opportunities where CalSTRS has capacity and potential impact on sustainable risk & return

IMPLEMENTATION



Plan delivery of key components, with reporting and targets integrated into strategies

Strategic Roadmap: Progress to date



- 1** Definition of Diversity
- 2** Diversity integration into Investment Policies
- 3** Leadership on collaboration and standards
- 4** Broad total fund and asset class activity and innovation
- 5** Staff training/education platform
- 6** Publication of Annual Progress Report

Shareholder Proposal: Racial Equity/Civil Rights Audit

An independent, systematic examination of significant civil rights and racial equity issues that may exist in a company and provides a plan of action to address those issues.

- Conducted by an independent third party with significant experience in civil rights.
- Identify external and internal challenges facing the company.
- Involve consultation with stakeholders, including civil rights organizations.
- Result is a clear plan of action.

Shareholder Proposal: Racial Equity Audit

2021 Proxy Season

Bank of America



amazon

WELLS
FARGO

ORACLE



JPMorgan Chase



citi

2022 Proxy Season

 Apple

Companies voluntarily conducting audits

*The revenues of the Fortune 500 companies represent two-thirds of U.S. GDP, and four times the revenue of the U.S. government. This means that if inequity is to be addressed in our society, it cannot happen through laws and government action alone. **



* The Rationale for and Key Elements of a Business Civil Rights Audit by Laura W. Murphy, pg.13

AB 890: Reporting requirements

CalSTRS Board to approve definitions in May 2022.

Investment Committee action item.

Contract Date.

Based on contracts that the system enters into on and after January 1, 2022.

Commencement Date.

March 1, 2023, and annually thereafter.

Sunset Date.

March 1, 2028.

Looking ahead at DEI

Remain at the forefront of DEI best practices within the State of California, the pension industry, and our national and global partners.

1

Continued partnerships between D&I Specialist and Investments Diversity Officer

2

Securing the assistance of an external DEI vendor expert

3

Integrate diversity, equity, and inclusion practices into all CalSTRS business processes

4

Grow a workforce that understands its value for each other, our membership, and the community at large