



Item 12. Investment Committee

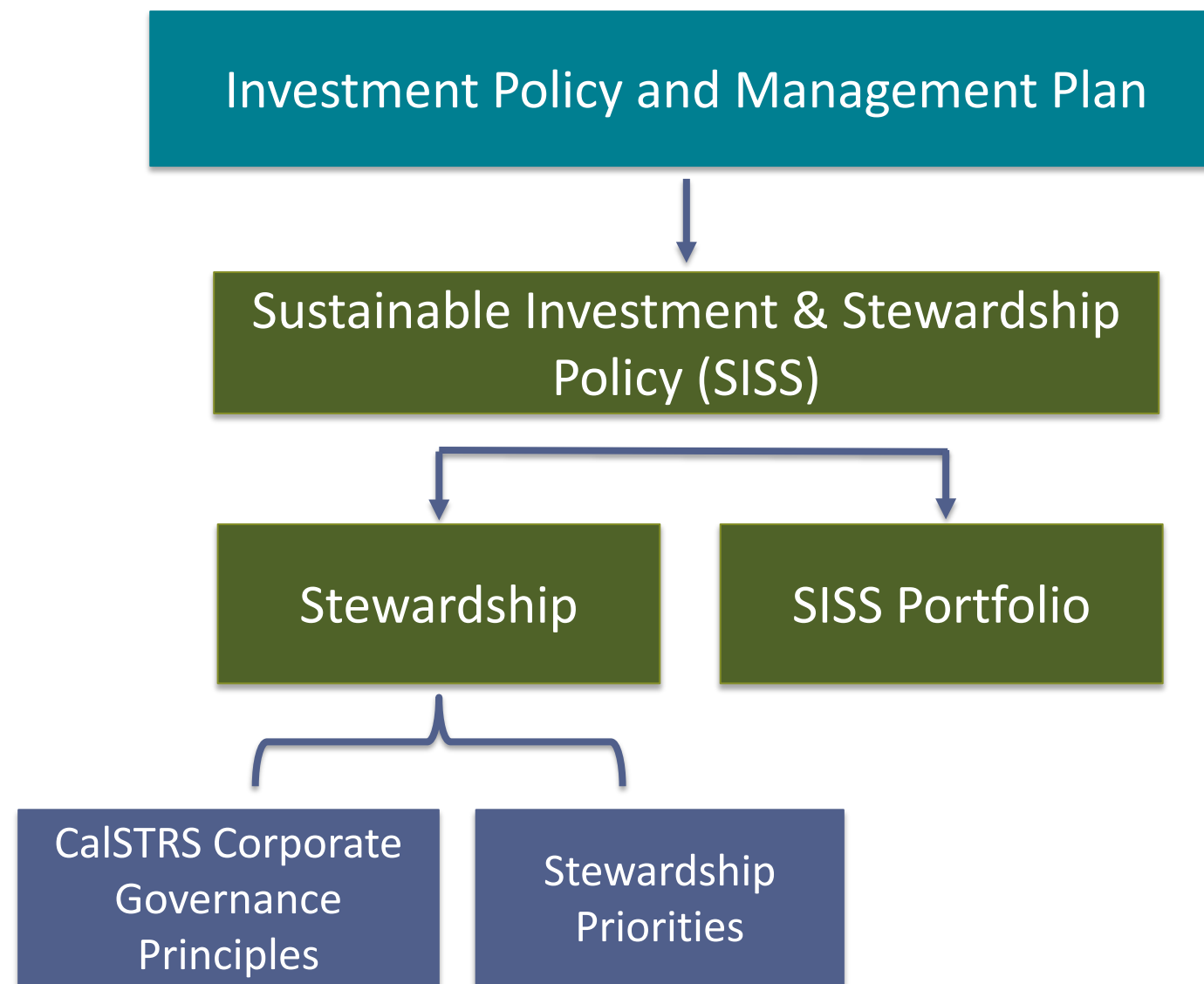
Sustainable Investment & Stewardship Strategies (SISS)

2022 Highlights and 2023 Framework

January 26, 2023



SISS Policy Hierarchy





Why do we engage?

- ❖ We use our influence as a significant global investor to promote sustainable business practices and public policies.
- ❖ We engage public companies to support long-term value creation as well as mitigate risk in our portfolio and the financial market as a whole.



CalSTRS Stewardship Priorities



CORPORATE AND MARKET ACCOUNTABILITY

Encourage regulators, standard-setters and policy makers to promote sustainable markets.



NET ZERO TRANSITION

Focus on supportive public policies and influencing companies on the path to a net zero economy.



BOARD EFFECTIVENESS

Influence good governance with effective boards overseeing long-term strategies, with an emphasis on human capital management and DE&I.



RESPONSIBLE FIREARMS

Address gun safety issues and aim to reduce investment risk.



Tactics to Implement Stewardship Priorities



Proxy Voting



Direct Company Engagement



Collaborative Engagements



Policy Advocacy



Delivering Outcomes & Successes



Companies implementing changes to their disclosures, processes and practices.



Market participants influenced by our thought leadership



Regulators responding to our concerns.



Questions?