

Suggested revisions to 2031 vision of success

Goal 1: Trusted stewards

Ensure a well-governed, financially sound trust fund.

Pursuing this goal will put CalSTRS on the path to realizing our 10-year future vision as follows:

2031 vision of success measures	As demonstrated by
Funding plan on track	<ul style="list-style-type: none"> • Targeted funding ratio achieved. • Cost savings and added portfolio value with an implemented CalSTRS Collaborative Model. • <u>Investment approach is dynamic and flexible, allowing us to innovate and leverage partnerships.</u>
Risk and return-focused fund	<ul style="list-style-type: none"> • <u>Diversified asset</u> Asset allocation supports benefit payments and actuarial rate of return. • <u>Organizational approach to risk positions us to be responsive, anticipatory and agile.</u>
Members, employers and policymakers support the value of the defined benefit	<ul style="list-style-type: none"> • Productive relationships with key stakeholders. • Proactive, trusted presence in political environments. • CalSTRS plans, programs and policies support the long-term viability of the fund.
Board culture of excellence in governance	<ul style="list-style-type: none"> • Knowledgeable, engaged and participatory trustees. • Cohesive policy board focused on strategy, risk, performance and people. • <u>Board and executive leadership set the tone for organizational culture.</u>
Distinct and trusted identity	<ul style="list-style-type: none"> • Trusted by funding partners, members, employers and the State of California, <u>decision-makers and oversight entities.</u> • Known for transparency and accountability.
Industry influencers	<ul style="list-style-type: none"> • Recognized staff, corporate and board governance leadership. • Considered as a benchmark organization. • Global investment partner of choice.

Goal 2: Leading innovation and managing change

Innovate to grow resiliency and efficiency in service of our members.

Pursuing this goal will put CalSTRS on the path to realizing our 10-year future vision as follows:

2031 vision of success measures	As demonstrated by
<p><u>Member-centric culture</u> Culture supports strategic vision <u>of innovation</u></p>	<ul style="list-style-type: none"> • People <u>Effective interactions and communication</u> coordination. • Responsiveness to change. • <u>Strong organizational culture that embraces change, opportunities, innovation, and continuous improvement through creativity and learning.</u>
<p><u>Customer service creates meaningful member experiences and lifelong connections</u> Sponsor of financial literacy and financial wellness solutions</p>	<ul style="list-style-type: none"> • Engaged, educated and confident members and retirees. • <u>Sponsor of financial literacy and financial wellness solutions.</u>
<p>Operational excellence</p>	<ul style="list-style-type: none"> • Leader of pension industry peers for optimized administrative cost and service value, efficiency, productivity, accuracy and effectiveness. • <u>Leaders in leveraging innovations to improve efficiency.</u> • <u>Anticipatory organization that adapts to change.</u>
<p>Technologically modern, secure <u>operations</u> operating platform</p>	<ul style="list-style-type: none"> • Known for accuracy, efficiency, reliability and intuitiveness. • Cybersecurity program <u>supports and protects technology and innovation</u> keeps pace with risk. • Customer experience <u>and operations benchmarks on par with financial services and institutional investment</u> technology peers.

Goal 3: Sustainable organization

Fully integrate sustainability ~~a unified environmental, social and governance ethos~~ in all we do.

Pursuing this goal will put CalSTRS on the path to realizing our 10-year future vision as follows:

2031 vision of success measures	As demonstrated by
Unified ESG <u>sustainability</u> principles embedded as the operating norm	<ul style="list-style-type: none"> • Successfully completed integration plan with defined metrics.
Diversity, equity and inclusion efforts drive organizational outperformance	<ul style="list-style-type: none"> • Employee engagement survey results. • Benchmarking against industry peers. • Optimized investment returns. • <u>Achievement of strategic initiatives and operational performance benchmarks.</u>
Premier <u>mission-driven</u> employer that attracts <u>and retains</u> top talent and develops internal staff	<ul style="list-style-type: none"> • Optimized employee benefit <u>and compensation</u> offerings. • Quality candidate pools. • <u>Forward-thinking strategies to recruit, retain and grow the skills of our workforce.</u> • Retention rate Promotion rate. • <u>High levels of Employee employee engagement— attract and retain for the following reasons:</u> • Ethical culture. • Cost-consciousness. • Continuous improvement. • Blend of public and private practices. • Mission driven. • Diversity, equity and inclusion. • <u>Internal talent development.</u>
<u>Optimized</u> Adaptable, blended work environment <u>that supports delivery of the mission</u>	<ul style="list-style-type: none"> • <u>Optimized workspace utilization</u> Alignment with long-term workspace needs and members' service preferences. • Skills and tools to respond effectively to unexpected working conditions.

2031 vision of success measures	As demonstrated by
	<ul style="list-style-type: none">• <u>Sustainable productivity that meets service level agreements.</u>
Prepared to address change and disruptions with appropriate urgency	<ul style="list-style-type: none">• Refreshed business continuity capabilities.• Cybersecurity program keeps pace with risks <u>at the industry forefront, ahead of risks.</u>