

CALSTRS

# Stewardship priorities annual update

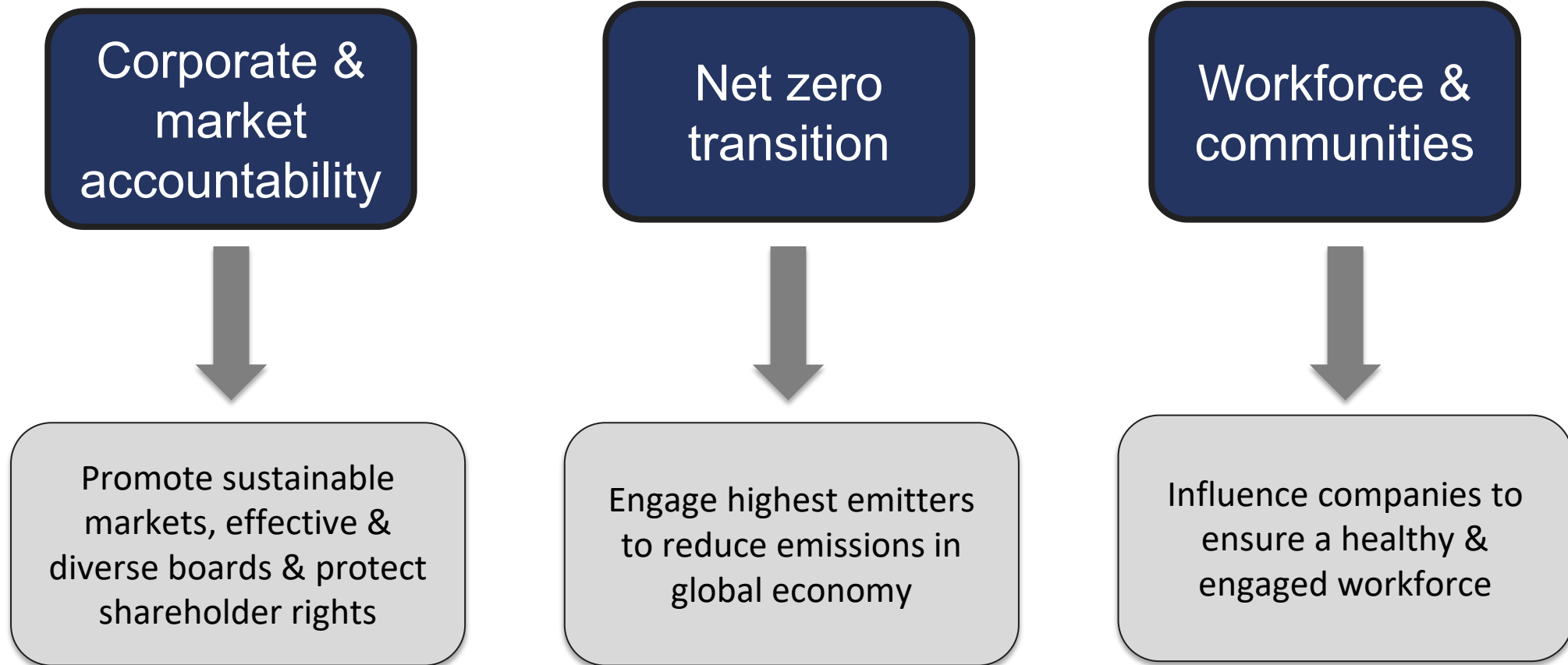


## Value of stewardship

Designed to safeguard CalSTRS ability to pay member benefits by:

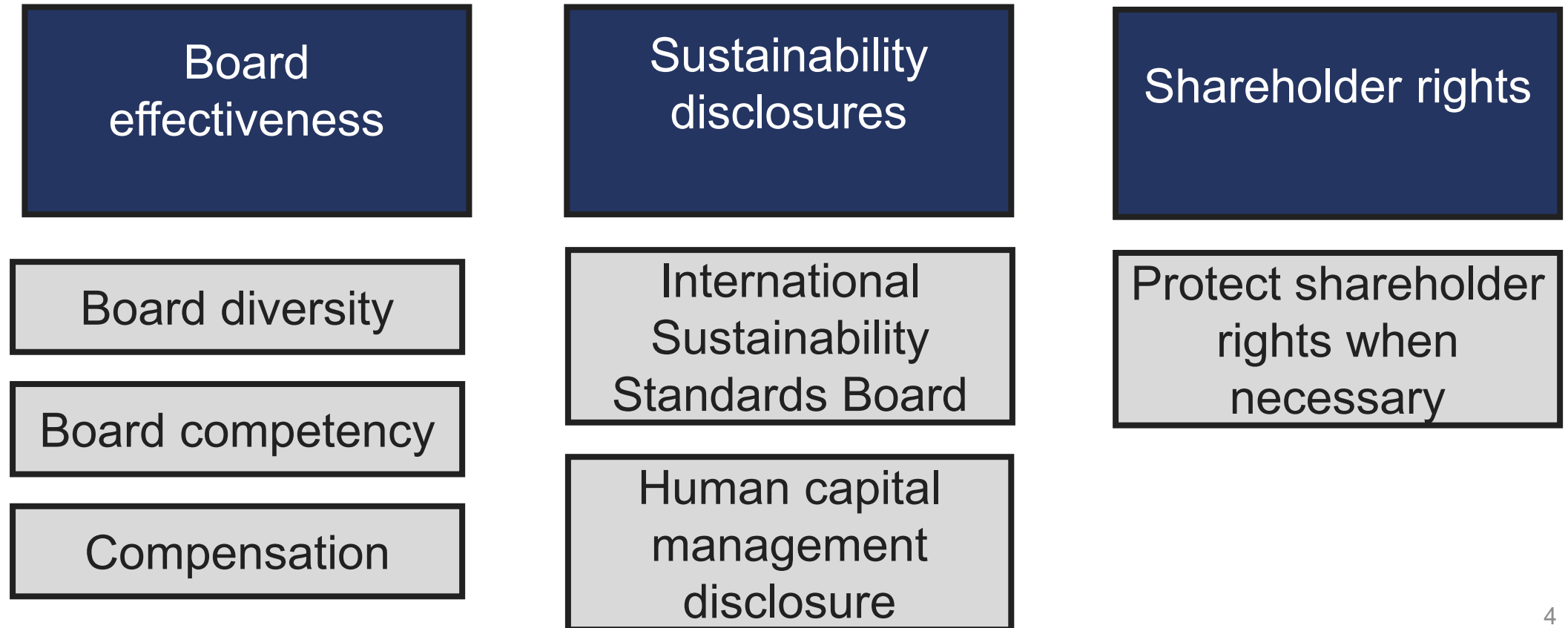
- ✓ Mitigating risk in CalSTRS portfolio
- ✓ Supporting long-term value creation
- ✓ Promoting practices that provide for a sustainable financial market

# CalSTRS stewardship priorities



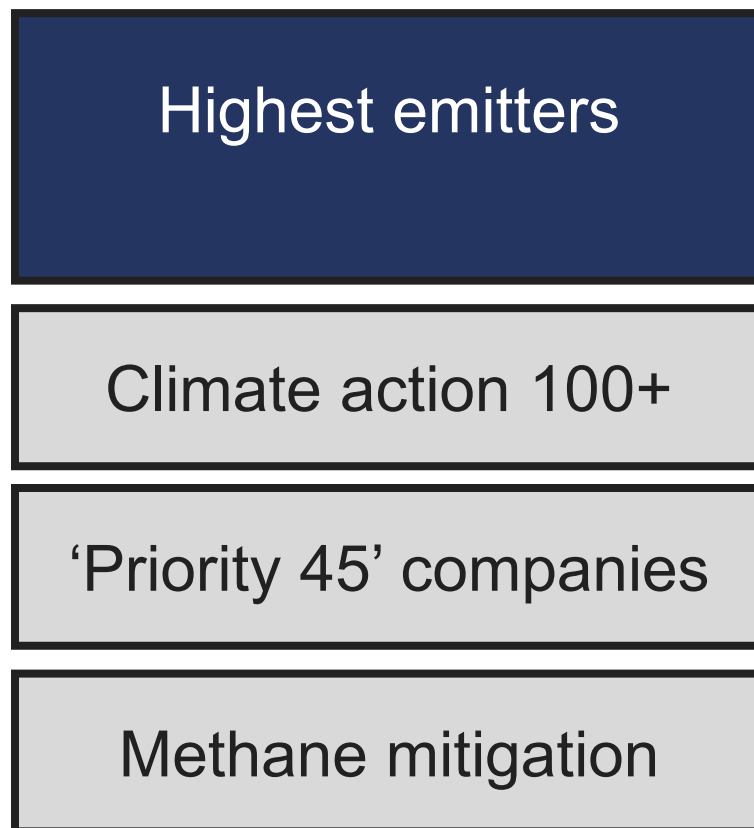
# Corporate & market accountability focus areas

*Basic governance rights & well-functioning, efficient markets are vital for CalSTRS to effectively mitigate portfolio risks*



## Net zero transition focus areas

*Climate change presents a material & significant risk to society, the economy & CalSTRS portfolio*



## Workforce & communities focus areas

*Corporate boards play an active role in overseeing human capital management & ensuring investors have adequate disclosures to understand workforce-related risks & opportunities*

Workforce culture  
& engagement

Workforce  
composition data

Diversity, equity, &  
inclusion

Just transition in  
utility sector

Board-level  
oversight of  
workers &  
communities

Responsible  
firearms

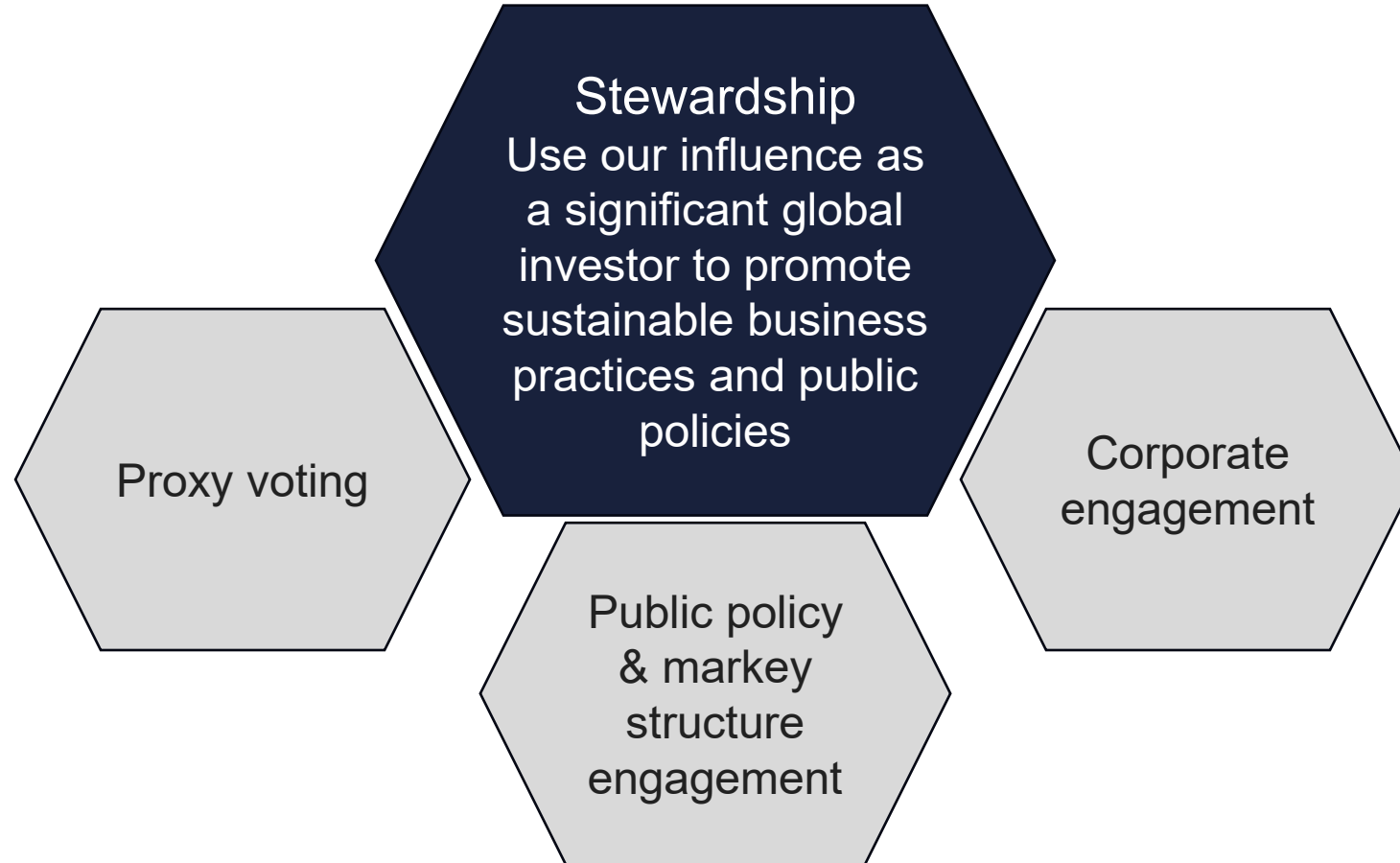
Retailers

Finance

## 2025 engagement spotlights

- Artificial intelligence – touches all three stewardship priorities
- Biodiversity and nature – engagements focus on net zero and communities
- Protecting rights and gains
  - Universal Corporate Sustainability Disclosure
  - Shareholder rights
  - DEI rollbacks

# CalSTRS approach to stewardship





# Stewardship tools and tactics

