

CALSTRS

Stewardship priorities annual update

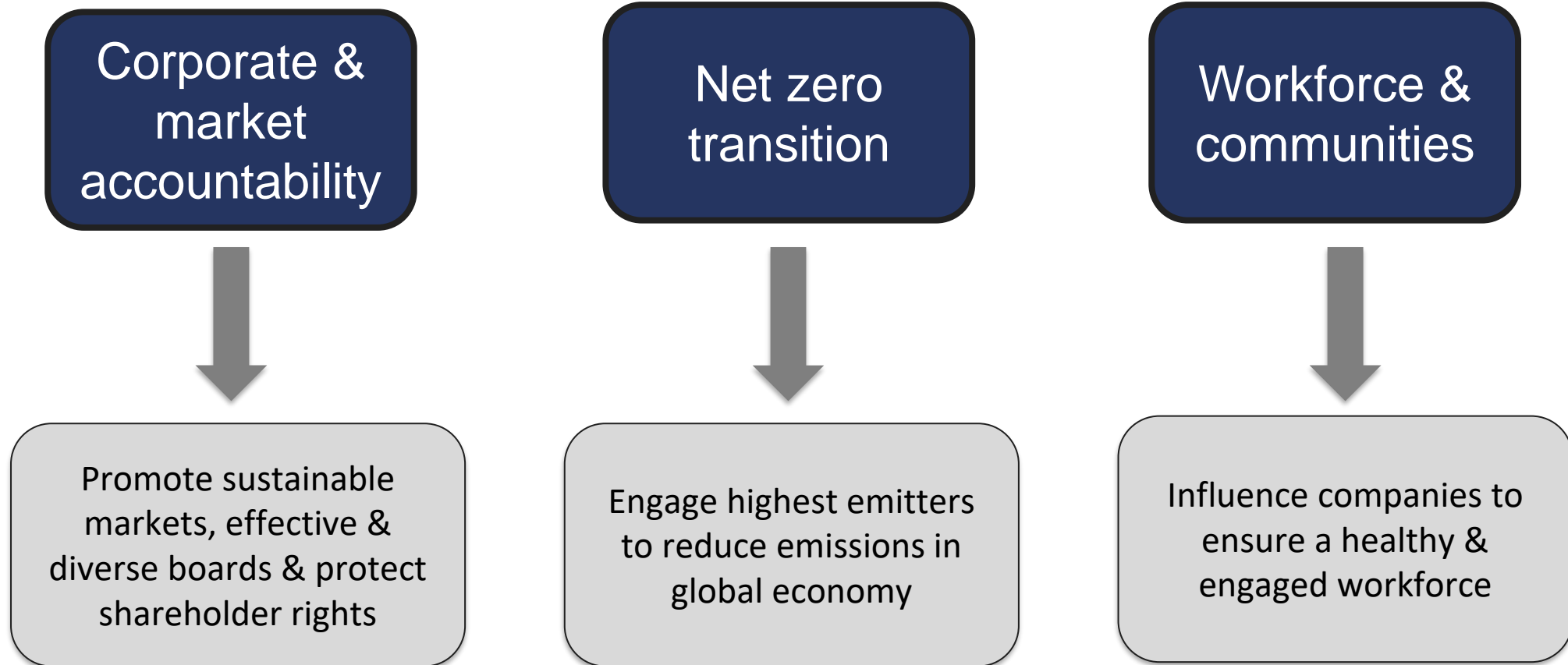


Value of stewardship

Designed to safeguard CalSTRS ability to pay member benefits by:

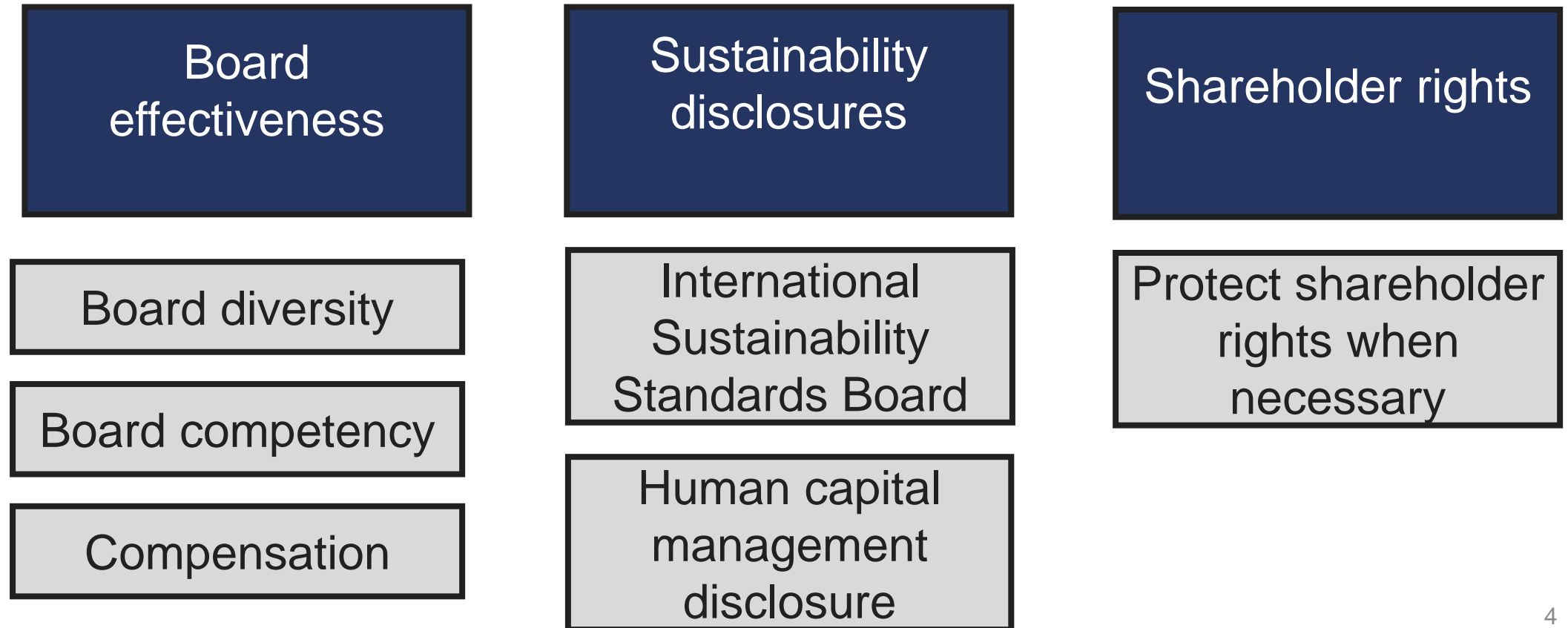
- ✓ Mitigating risk in CalSTRS portfolio
- ✓ Supporting long-term value creation
- ✓ Promoting practices that provide for a sustainable financial market

CalSTRS stewardship priorities



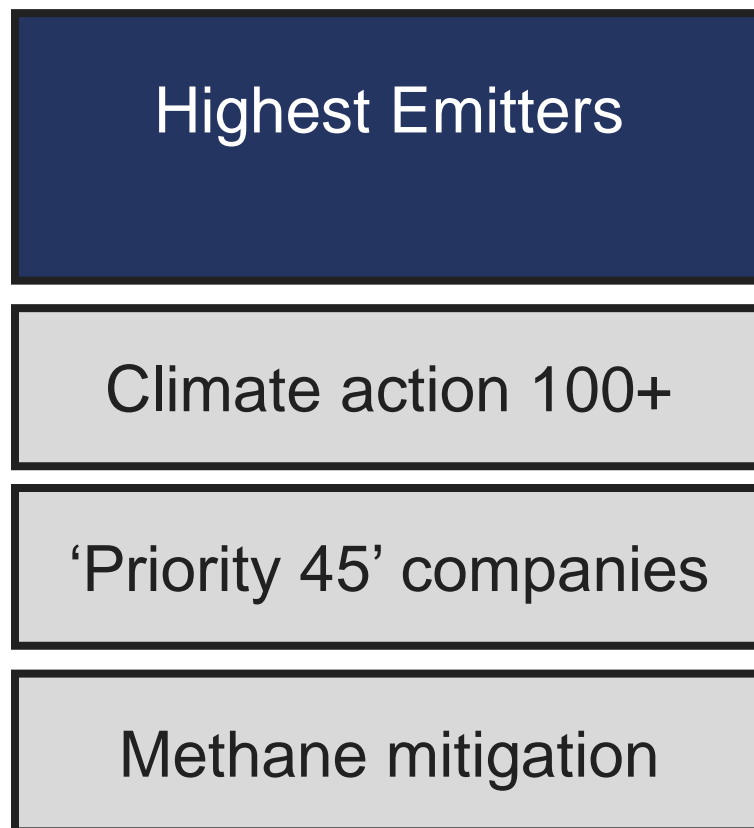
Corporate & market accountability focus areas

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

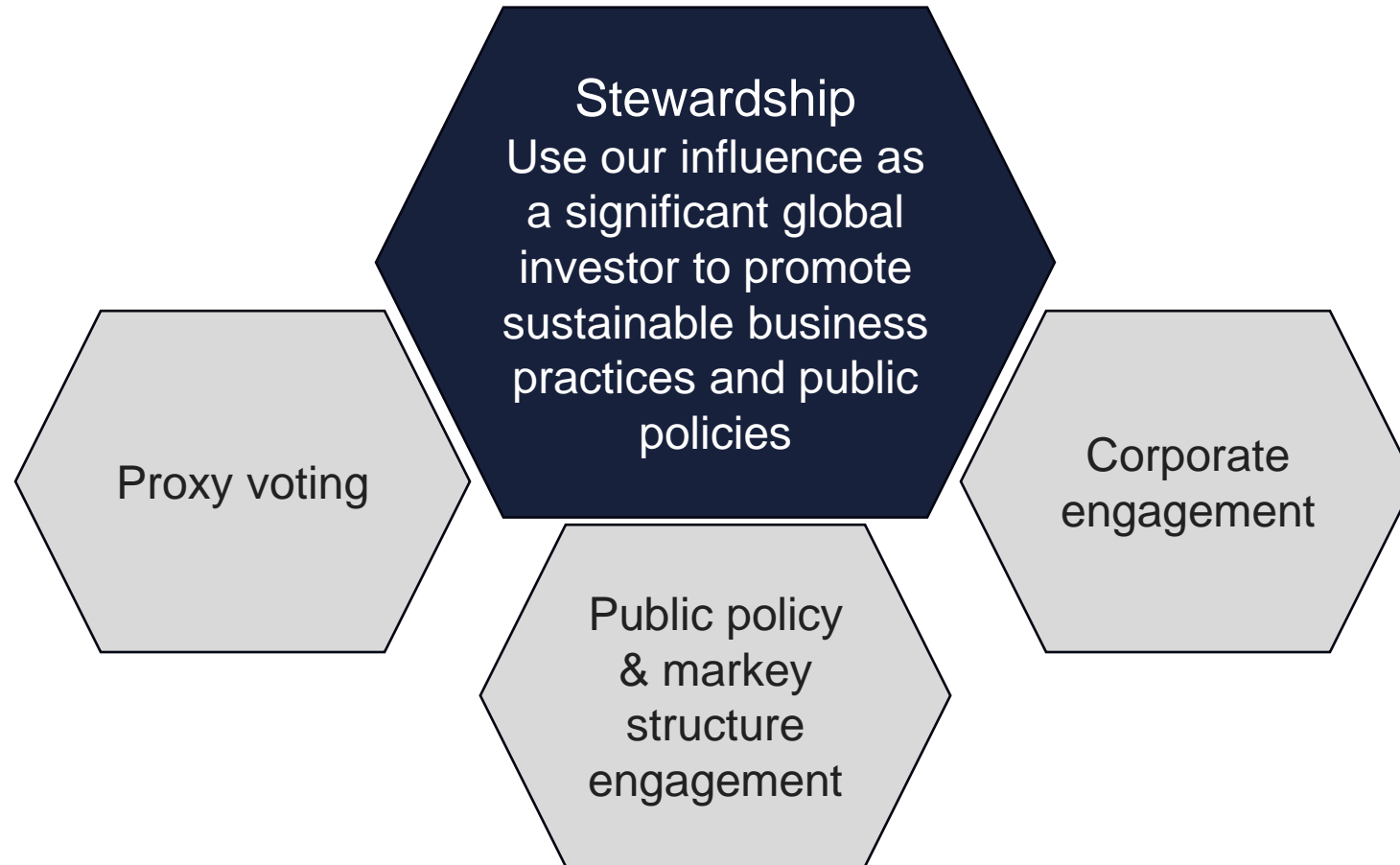
Retailers

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

