

Per California Code of Regulations, title 2, section 548.5, the following information will be posted to CalHR's Career Executive Assignment Action Proposals website for 30 calendar days when departments propose new CEA concepts or major revisions to existing CEA concepts. Presence of the department-submitted CEA Action Proposal information on CalHR's website does not indicate CalHR support for the proposal.

A. GENERAL INFORMATION

1. Date

May 13, 2025

2. Department

California Public Employees' Retirement System (CalPERS)

3. Organizational Placement (Division/Branch/Office Name)

Executive Office

4. CEA Position Title

Chief Diversity, Equity, and Inclusion (DEI) Officer

5. Summary of proposed position description and how it relates to the program's mission or purpose. (2-3 sentences)

CalPERS proposes to allocate the above position to the CEA category. The Chief Diversity, Equity, Inclusion (DEI) Officer is on the Executive team within CalPERS, operating under the guidance of the Chief Executive Officer (CEO). This role has oversight over the CalPERS DEI Office and the CalPERS Diversity Outreach Program (CDOP). It also serves as a critical link between the CalPERS DEI Office, the Executive team, and the CalPERS Board of Administration (Board). The Chief DEI Officer plays a pivotal role in creating, shaping, and leading the overall DEI strategies, policies, and programs directly aligned with CalPERS' mission of providing sustainable healthcare and retirement benefits to over 2.2 million members and their families. The Chief DEI Officer's responsibilities directly impact the fulfillment of this mission by ensuring the creation of equitable opportunities and improved performance to support CalPERS' overarching goals. By fostering equitable opportunities and integrating DEI principles into CalPERS' operations and investment practices, this role ensures that DEI remains central to organizational performance and contributes to advancing diversity and inclusion within the broader investment industry.

6. Reports to: (Class Title/Level)

Chief Executive Officer (CEO)

7. Relationship with Department Director (Select one)

- ☒ Member of department's Executive Management Team, and has frequent contact with director on a wide range of department-wide issues.
- ☐ Not a member of department's Executive Management Team but has frequent contact with the Executive Management Team on policy issues.

(Explain):

8. Organizational Level (Select one)

- ☐ 1st ☒ 2nd ☐ 3rd ☐ 4th ☐ 5th (mega departments only - 17,001+ allocated positions)

B. SUMMARY OF REQUEST

9. What are the duties and responsibilities of the CEA position? Be specific and provide examples.

As a part of the Executive team, and under the direction of the CalPERS CEO, the Chief DEI Officer directly interfaces with the CalPERS Board, participates as a member of the executive team, and provides critical input on all aspects of DEI at CalPERS, with significant consequences to the success of CalPERS fulfilling its mission of providing sustainable healthcare and retirement benefits to over 2.2 million members and their families. The Chief DEI Officer serves as the primary policy advisor on DEI, providing strategic leadership and guidance, developing initiatives, and ensuring the integration of equitable practices across organizational policies, programs, and processes. This role also involves fostering DEI alignment with external entities, partners, and stakeholders, promoting inclusive practices and equitable collaboration in all business engagements and relationships.

In addition to these responsibilities, the Chief DEI Officer will establish and maintain a strong presence in the investment industry, leveraging connections and partnerships to advance DEI initiatives within CalPERS' investment practices. This includes collaborating with investment groups, such as asset managers, institutional investors, and industry organizations, to promote diverse and inclusive practices across the investment landscape. The Chief DEI Officer will also serve as a thought leader and advocate, speaking to investment groups about the importance of DEI in driving sustainable and equitable outcomes in financial decision-making.

The Chief DEI Officer provides oversight of the CalPERS Diversity Outreach Program (CDOP), which coordinates and promotes diversity efforts with internal and external stakeholders, fostering an inclusive environment and raising awareness about the value of diverse perspectives, experiences, cultures, backgrounds, and abilities represented in the organization. This position also oversees Employee Resource Groups (ERGs), where team members across the enterprise actively engage in spreading awareness on DEI and disability topics in the workplace. The Chief DEI Officer will explore opportunities to introduce and create additional ERGs that align with the evolving needs of the workforce, including conducting surveys, focus groups, and consultations. The Chief DEI Officer will collaborate with existing ERGs and organizational leadership to ensure new groups are equipped with the resources, guidance, and support needed to thrive.

The Chief DEI Officer is responsible for embedding DEI principles across all departments and operations, ensuring policies and practices are equitable and inclusive, and using data and metrics to monitor and drive improvements. This role also involves building relationships with external organizations, suppliers, and community groups to promote shared DEI goals. In collaboration with internal stakeholders, the Chief DEI Officer will identify and recruit talent with expertise in DEI to support investment strategies, including proxy voting, engagement programs, human capital management, and emerging manager programs, while assessing their impacts on long-term investment returns. The Chief DEI Officer will also work with the Board Governance and Sustainability team to recruit talent with expertise in Environmental, Social, and Governance (ESG) to enhance CalPERS' ESG investment strategies and leverage data to assess risks, identify opportunities, and support informed decision-making.

This position includes conducting research on human capital, DEI, and ESG factors to identify risks and opportunities impacting the CalPERS portfolio and leading efforts to evaluate and enhance the current framework. The Chief DEI Officer will also identify talent with expertise in health equity to design initiatives that improve outcomes for members and their families, ensuring alignment with organizational goals. Additionally, the Chief DEI Officer collaborates with the Human Resources Division to implement the CalPERS DEI Framework, focusing on increasing diversity in candidate pools, retaining diverse talent, and developing workforce plans that align with CalPERS' mission of providing sustainable retirement benefits.

The Chief DEI Officer attends in-person Board meetings to provide technical consultation and guidance on DEI initiatives, prepares Board agenda materials, makes presentations to explain complex DEI issues, and ensures motions are properly drafted for Board approval. This role acts promptly on Board directives to further CalPERS' position as the nation's largest public pension fund and an industry leader in DEI. As an active member of the executive team, the Chief DEI Officer provides guidance, advice, and updates on critical DEI activities with broad consequences, while serving as a key liaison to the investment industry to promote DEI practices and foster meaningful partnerships that advance CalPERS' mission.

B. SUMMARY OF REQUEST (continued)

10. How critical is the program's mission or purpose to the department's mission as a whole? Include a description of the degree to which the program is critical to the department's mission.

- ☒ Program is directly related to department's primary mission and is critical to achieving the department's goals.
- ☐ Program is indirectly related to department's primary mission.
- ☐ Program plays a supporting role in achieving department's mission (i.e., budget, personnel, other admin functions).

Description: The role of the Chief DEI Officer is critical to the CalPERS mission and its overarching goals of providing a sustainable retirement system and health care program for those who serve or have served California. The Chief DEI Officer's policies and decisions are fundamental to this mission as they drive how the workforce carries out this vital work on a day-to-day basis. The DEI Office, under the Chief DEI Officer's leadership, provides strategic direction for the enterprise, ensuring team members are equipped to deliver effective and efficient services to CalPERS' members in ways that promote inclusivity and equity.

At CalPERS, we are committed to the people we serve, those who work here, and the larger community around us. As the nation's largest public pension fund and an organization with global impact, fostering an inclusive culture that welcomes diversity of thought, experience, and background is vital to what we do. We take our commitment to DEI seriously and have sharpened our focus through the development of the DEI Framework, which integrates DEI principles into all aspects of our organization. This framework is built on five key pillars: culture, talent management, health equity, supplier diversity, and investments. These pillars align closely with our mission, vision, and values, ensuring that DEI is embedded in our operations and decision-making processes.

The Chief DEI Officer plays a pivotal role in advancing the investment pillar of the DEI Framework, which leverages DEI principles and the Sustainable Investments Program to improve investment outcomes. This includes establishing and maintaining a strong presence in the investment industry and building connections with asset managers, institutional investors, and other stakeholders to promote diverse and inclusive practices across the investment landscape. The Chief DEI Officer will collaborate with investment groups to integrate DEI into financial decision-making and act as a thought leader, advocating for the importance of diversity, equity, and inclusion in driving sustainable and equitable investment outcomes. By embedding DEI principles into CalPERS' investment strategies, this role ensures that CalPERS remains at the forefront of advancing diversity and inclusion within the broader financial ecosystem.

In addition to guiding the investment pillar, the Chief DEI Officer is responsible for embedding DEI across all organizational policies, programs, and practices. This includes fostering an inclusive culture that increases awareness, builds mutually rewarding relationships, and strengthens collaboration across the enterprise. The Chief DEI Officer oversees initiatives to recruit, retain, and develop a high-performing, equitable, and diverse workforce, ensuring that Human Resources processes align with DEI goals. This role also leads efforts to improve health equity for members and their families, ensuring all members have the opportunity to attain the highest level of health possible. Additionally, the Chief DEI Officer drives supplier diversity initiatives to better understand and engage with the supplier community through the lens of diversity, equity, and inclusion.

The Chief DEI Officer's leadership extends to supporting CalPERS Business Plan Initiatives (BPIs), Key Performance Indicators (KPIs), and Strategic Measures that directly align with the DEI Framework's five pillars. These initiatives have enterprise-wide reach and are integral to CalPERS' mission of serving California's diverse population, providing enduring benefits, fostering a positive employment experience, and ensuring a sustainable retirement system for all members. By integrating DEI principles into every aspect of CalPERS' operations, including its investment practices, the Chief DEI Officer ensures that CalPERS continues to lead as a global example of equity, inclusion, and sustainability.

B. SUMMARY OF REQUEST (continued)

11. Describe what has changed that makes this request necessary. Explain how the change justifies the current request. Be specific and provide examples.

The Chief DEI Officer is essential in today's rapidly evolving workplace and financial landscape as organizations strive to adapt to increasing demands for inclusivity, equity, social responsibility, and sustainable investment practices. Shifting demographics, heightened team member expectations, and the need for innovation underscore the importance of cultivating diverse and equitable environments, both within the organization and across external partnerships. The level of attention, scrutiny, and criticism of CalPERS policy actions and leadership in the financial markets has increased significantly, with issues becoming more political and complex, driving a need for a more proactive focus on DEI efforts internally, externally, and in the investment industry.

Recent developments at CalPERS have underscored the necessity for a comprehensive reevaluation of organizational priorities, with a strong emphasis on advancing DEI across the enterprise and embedding these principles into its investment strategies and practices. This focus is driven by the imperative to foster an inclusive and equitable workplace culture, transform business operations in a post-pandemic environment, and align investment practices with DEI principles to promote long-term sustainability and social responsibility. By integrating DEI into these critical areas, CalPERS can strengthen its role as a leader in equity-driven initiatives, enhance collaboration with stakeholders, and leverage its position in the investment industry to advance DEI practices across financial markets.

The Chief DEI Officer will play a pivotal role in establishing and maintaining a strong presence in the investment industry, building connections with asset managers, institutional investors, and other stakeholders to promote diverse and inclusive practices. This includes collaborating with investment groups to integrate DEI into financial decision-making, advocating for equity-driven investment strategies, and ensuring that CalPERS' investment portfolio reflects its commitment to sustainability, social responsibility, and equitable outcomes. By embedding DEI principles into its investment framework, CalPERS can drive systemic change within the financial ecosystem while aligning its investment strategies with its mission and values.

Some of the changes that necessitate this request include the recognition of DEI as a strategic and operational priority. CalPERS acknowledges the increasing calls to action for targeted strategies to address inequities, both within the organization and across its external partnerships, including its investment practices. The Chief DEI Officer will be fully immersed in strategic functions such as shaping inclusive hiring practices, developing equitable leadership pipelines, fostering a culture of belonging, aligning DEI goals with organizational objectives, and driving accountability across all levels of the enterprise. Furthermore, the Chief DEI Officer will ensure that DEI principles are embedded in CalPERS' investment strategies, including evaluating portfolios for equity-driven outcomes, supporting emerging manager programs, and collaborating with stakeholders to promote inclusive practices across the financial industry.

This proposal meaningfully aligns CalPERS with the Administration's ongoing emphasis on DEI, reflecting its clear and consistent prioritization of these efforts across all state departments. Executive Order N-16-22, issued by the Governor, underscores the state's commitment to advancing equity, sustainability, and resilience within public institutions. For CalPERS, this directive impacts its operations by emphasizing the need to integrate DEI into its core strategies, policies, and practices. Specifically, it reinforces CalPERS' obligation to align its workforce development, procurement, and investment decisions with the Governor's executive orders. This includes fostering inclusive workplace practices and ensuring that investment strategies support socially responsible and equitable outcomes. The Executive Order positions CalPERS as a key player in driving systemic change and achieving the Administration's broader equity and sustainability objectives.

Executive Order N-11-23, also issued by the Governor, reinforces California's commitment to addressing climate resilience, sustainability, and environmental equity. Its impact on CalPERS lies in its alignment with sustainable investment strategies, ensuring that the organization remains at the forefront of incorporating ESG principles into its investment decisions. This involves evaluating portfolios for climate risk, pursuing investments in clean energy, and supporting policies that promote long-term sustainability in line with the state's climate goals. Additionally, the order prompts CalPERS to deepen partnerships with other entities working toward sustainability and equity, influencing both policy development and operational practices. By integrating these elements into its strategies, CalPERS can further its mission to protect the interests of its members while fostering environmental and social accountability.

The Chief DEI Officer will serve as a critical leader in advancing these priorities, ensuring that DEI principles are embedded not only in CalPERS' internal operations but also in its external partnerships and investment strategies. By leveraging connections in the investment industry and advocating for equity-driven practices, this position will enable CalPERS to lead by example, driving meaningful change within the financial ecosystem while fulfilling its mission to provide sustainable retirement and healthcare benefits to its members. In response to the changes in the enterprise's strategic priorities, the creation of the CEA position is a critical component for CalPERS to effectively achieve its goals and fulfill its mission.

C. ROLE IN POLICY INFLUENCE

12. Provide 3-5 specific examples of policy areas over which the CEA position will be the principle policy maker. Each example should cite a policy that would have an identifiable impact. Include a description of the statewide impact of the assigned program.

The Chief DEI Officer operates with significant policy influence and engagement at the executive and senior management level, with a focus on identifying and recommending talent equipped to develop and advance proactive DEI strategies. This talent will support the adoption and implementation of impactful policies on critical issues, including sustainable investments, health care costs, and organizational governance. By leveraging diverse perspectives, these professionals will drive inclusive solutions that align with organizational goals and address complex challenges effectively. The Chief DEI Officer will serve as an expert level advisor to the Executive Team, CalPERS CEO and Board. Some of those policies include, but are not limited to:

- **Sustainable Investment Strategy** - CalPERS has committed \$100 billion aimed at investing in the global transition to a low carbon economy. The plan is designed to take advantage of the rapid growth in climate transition investment opportunities, the kind of high-quality investments that are essential in paying the retirement benefits promised to our members and their families. The CEA will play a key role in shaping talent strategies to support sustainable investment initiatives, with significant policy influence and involvement at the executive management level. This includes recommending talent-driven decisions and collaborating with key affiliated groups to implement policies that enhance sustainable- investment strategies and guide future investment opportunities. This approach will strengthen the overall Investment Office by ensuring that talent strategies are aligned with the organization's long-term goals for sustainable investments. By leveraging the expertise of key affiliated groups and fostering collaboration, the CEA can drive more informed decisions that enhance the Investment Office's ability to effectively implement sustainable investment policies. This alignment not only supports the adoption of innovative strategies but also ensures that the Investment Office is well-equipped with diverse perspectives and expertise to manage future opportunities and challenges in a dynamic investment landscape. It will also help build a more cohesive and impactful approach to achieving both financial and social outcomes for the organization.
- **Asset Allocation and Investment Return Assumptions** - CalPERS long-term return assumption target for its investment portfolio is 6.8 percent. Every four years, CalPERS undergoes an Asset Liability Management (ALM) study to evaluate all the underlying assumptions of the investment and actuarial offices. CalPERS will undergo its next ALM in 2025. CalPERS has a disciplined and vigorous process to review all its assumptions including capital market assumptions, demographics, actuarial and asset allocation. The CEA will play a key role in shaping talent strategies to support this process, with significant policy influence and involvement at the executive management level. To meet the 6.8 percent outcome, the CEA will have policy influence over ensuring that skilled professionals with investment expertise are hired and developed, enabling the organization to effectively meet expected targets. This will happen through the CEA's active engagement in designing and implementing talent strategies that align with organizational goals. By setting policies that prioritize hiring skilled professionals with specialized investment knowledge, the CEA will ensure the organization has the capacity to meet the 6.8 percent outcome. Furthermore, the CEA, in collaboration with HR, will monitor progress, adapt strategies as needed, and foster a culture of continuous learning and collaboration to sustain long-term success in achieving expected targets.
- **DEI Framework tied to the CalPERS Five-Year Strategic Plan** – CalPERS DEI Framework is reviewed and updated through an annual reporting process that evaluates progress across its five key pillars. Stakeholder feedback, leadership oversight, and collaboration ensure alignment with organizational goals and responsiveness to emerging needs. Updates are integrated into the organization's five-year strategic plan, maintaining focus on continuous improvement and accountability.

C. ROLE IN POLICY INFLUENCE (continued)

13. What is the CEA position's scope and nature of decision-making authority?

The Chief DEI Officer holds a substantial scope of decision-making authority due to their critical role in embedding DEI principles into the enterprise's strategies, policies, and practices. Beyond their specific DEI responsibilities, their influence spans broader enterprise goals, shaping initiatives that impact organizational culture, workforce engagement, investment strategies, and the overall success of the organization.

As part of the executive team, the Chief DEI Officer's role extends beyond traditional DEI matters. They play a pivotal role in advising on and influencing key business initiatives and policies, ensuring equity and inclusion are central to all enterprise strategies. This includes integrating DEI principles into CalPERS' investment practices, where the Chief DEI Officer collaborates with the Investment Office to align investment strategies with equity-driven outcomes. By fostering connections with asset managers, institutional investors, and other financial stakeholders, the Chief DEI Officer ensures that CalPERS remains at the forefront of advancing DEI practices within the investment industry. Their presence in the financial sector promotes inclusive practices across investment decision-making, enhances collaboration with external partners, and strengthens CalPERS' commitment to long-term sustainability and social responsibility.

The Chief DEI Officer is directly responsible for designing and overseeing enterprise-wide DEI programs that address systemic inequities and align with organizational goals. These programs require collaboration with executive leadership, external partners, and governing boards, often involving complex planning, stakeholder engagement, and nuanced policy design to address challenging and sensitive topics. In addition, the Chief DEI Officer works closely with the Human Resources Division to develop inclusive recruitment and retention strategies that attract and retain a diverse workforce across all levels of the organization. This includes cultivating relationships with diversity-focused recruitment firms, implementing equitable hiring practices, and creating initiatives that ensure retention and professional growth for team members from all backgrounds.

The Chief DEI Officer also serves as a dedicated consultant to enterprise teams, such as the Investment Office, to align DEI objectives with unique departmental needs. This includes advising on equitable compensation practices, inclusive leadership development, and creating customized DEI training programs that address specific challenges while fostering a culture of belonging and innovation. In the investment space, the Chief DEI Officer works to embed DEI principles into CalPERS' portfolio strategies, including evaluating investments for equity-driven outcomes, supporting emerging manager programs, and collaborating with stakeholders to promote inclusive practices across the financial ecosystem. By leveraging their expertise and connections in the investment industry, the Chief DEI Officer drives systemic change, ensuring CalPERS' investment practices reflect its commitment to equity, inclusion, and sustainability.

These responsibilities demand extensive collaboration with internal and external stakeholders, requiring the Chief DEI Officer to operate at the highest levels of leadership while addressing complex and often sensitive issues. Their work is integral to ensuring the organization not only meets but exceeds its DEI goals, positioning itself as a leader in equitable and inclusive practices both within the workplace and across the investment industry.

14. Will the CEA position be developing and implementing new policy, or interpreting and implementing existing policy? How?

The CEA position will encompass both the development and implementation of new policies as well as the interpretation and implementation of existing policies. The role's responsibilities are multifaceted and involve proactive policy creation as well as ensuring compliance and effective application of established policies and practices, specifically from a DEI perspective.

Developing and Implementing New Policy:

Regular Policy Review: The CEA will, in collaboration with internal stakeholders and policy owners, periodically review existing policies to ensure they align with current laws, regulations, and best practices. This review process involves identifying areas for improvement, updating policies as needed, and ensuring they remain effective and compliant.

Addressing New Business Initiatives:

The CEA will develop new policies to support emerging business plan initiatives. For instance, with new recruitment strategies, such as Recruitment Events and Campaigns and Diversity, Equity, and Inclusion efforts, the CEA will formulate a recruitment strategy policy that promotes inclusive hiring practices around those new strategies. Additionally, this role will be responsible for developing and overseeing organizational policies and practices that uphold integrity, mitigate risks, and promote equitable outcomes. Key areas of focus include policies related to risk assessment and response strategies, pre-employment screening processes, compliance with legal and regulatory requirements (such as I-9 verification), and equitable hiring practices, including those involving work visas. The CEA will interpret and implement these policies across the organization, ensuring they align with broader organizational values of equity, inclusion, and accountability. This involves addressing complex legal, ethical, and cultural considerations while fostering a workplace environment that prioritizes fairness, transparency, and the consistent application of policies.

Adapting to Regulatory Changes: As new laws, rules, and regulations come into effect, the CEA will create policies to ensure the enterprise's compliance. This includes developing policies in response to regulatory shifts that affect workplace diversity, equity, and inclusion initiatives, such as pay equity, anti-discrimination measures, accessibility standards, and equitable hiring practices. The CEA will ensure that these policies not only meet legal requirements but also promote a culture of fairness and belonging. By proactively addressing regulatory changes, the role will help the organization remain a leader in fostering an inclusive environment while mitigating legal and reputational risks.

In summary, the CEA position requires a dynamic approach to developing and implementing policies that align with strategic initiatives and adapt to regulatory changes. This includes interpreting existing policies and creating new ones to promote enterprise compliance while fostering an equitable,