

Environmental, Social and Governance Issues

Lou Zahorak, CalPERS

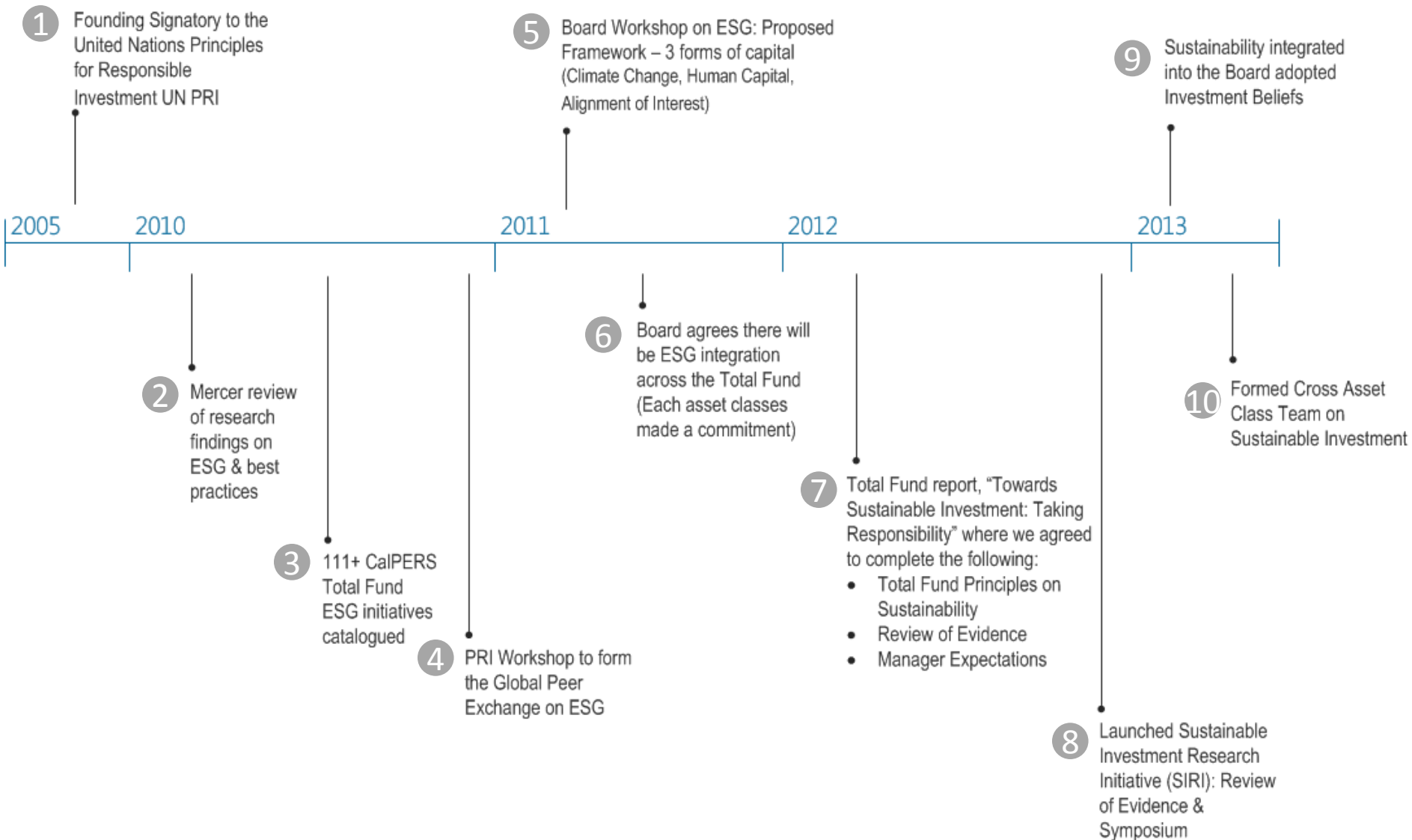
Why and How is CalPERS managing ESG
Review of ESG Survey Results

Bob Buhr, Société Générale

Incorporating ESG Analysis into a Credit Processes



ESG Investment Strategy – Milestones



SUMMARY SCORECARD

The table below presents an overview of all of your organisation's module scores.

MODULE	D	C	B	A
Overarching Approach				A
Median Score				

EXTERNALLY MANAGED

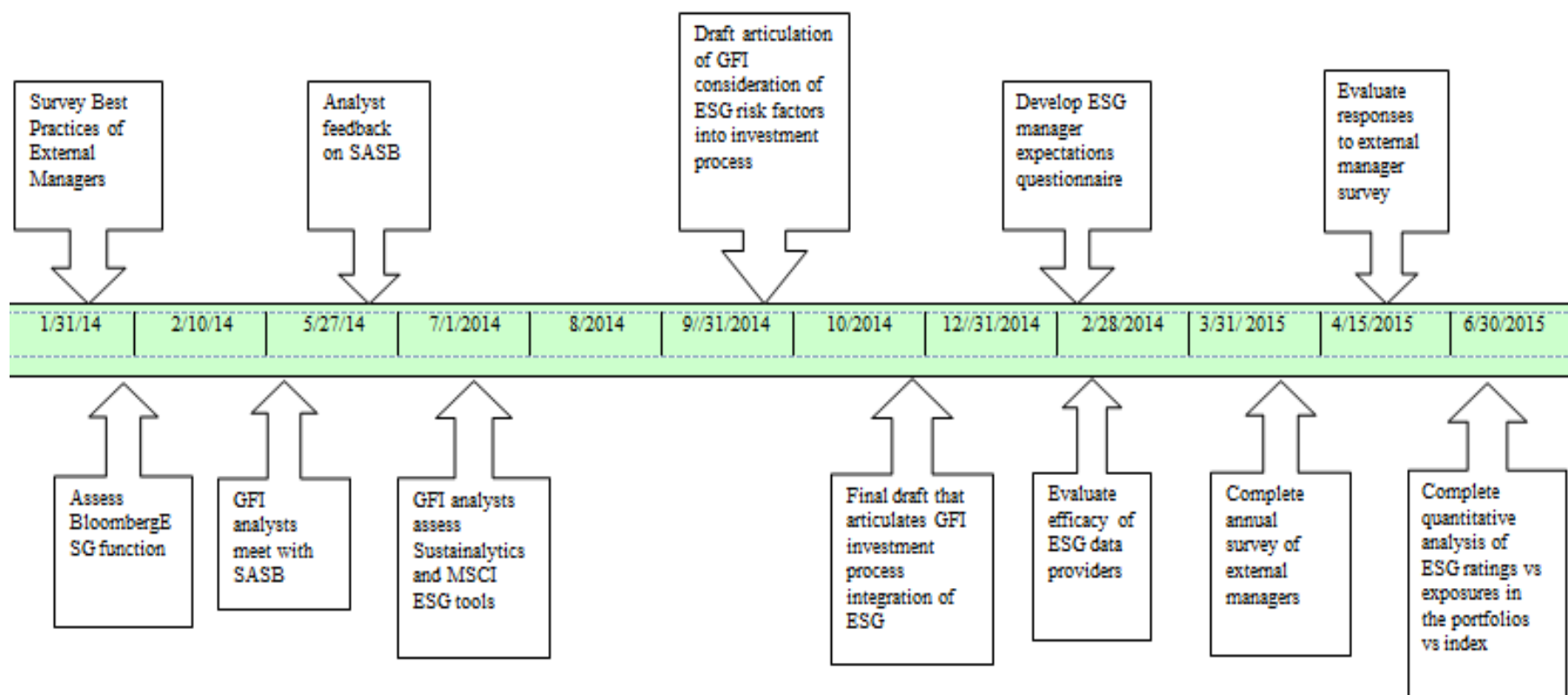
Listed Equity				A
Median Score				
Private Equity			B	
Median Score				
Property			B	
Median Score				
Infrastructure			B	
Median Score				

INTERNALLY MANAGED

Listed Equity - Incorporation				A
Median Score				
Listed Equity - Active Ownership				A
Median Score				
Engagement				A
Median Score				
(Proxy) Voting				A
Median Score				
Fixed Income - Corporate		C		
Median Score				
Fixed Income - Government		C		
Median Score				
Private Equity		C		
Median Score				

 Your Score  Median Score

Global Fixed Income ESG Integration Timeline (Manager Expectations)



CalPERS Fixed Income - Manager Questionnaire - 2015

- 1) Is your firm a signatory to UN PRI ?
- 2) How is your firm integrating ESG across all Asset Classes?
- 3) Does your firm have dedicated resources to integrate ESG across Asset Classes?
- 4) What vendors are you using for ESG data and analysis?
- 5) How are the risk/return tradeoffs of ESG risks assessed in your investment process?
- 6) How does your investment process determine the materiality of ESG risks?
- 7) Describe surveillance of existing portfolios for ESG factor risks?
- 8) Do your analysts think that Credit Rating agencies help identify and quantify ESG Risks?
- 10 Do your analysts think that better standardization and transparency of reporting is needed to evaluate ESG risks?
- 11) Provide examples of where your analysts identified a material ESG risk in a sector or issuer?