

CANDIDATE STATEMENT, BIOGRAPHY, SIGNATORY AND COMPARATIVE INFORMATION FORM

Full name: **Sharon Hendricks**

Job title: **CalSTRS Board Vice Chair**

Signatory organisation name: **CalSTRS**

Signatory organisation seconding your candidacy: **ABP**



CANDIDATE STATEMENT

I'm Sharon Hendricks, Vice-Chair of the California State Teachers Retirement System (CalSTRS) Teacher's Retirement Board and I'm running for re-election to the PRI Board of Directors for a second term. I've served on the CalSTRS board for over 10 years, leading as both Chair and currently Vice Chair for the past 6 years.

As the world's largest educator only asset owner, CalSTRS serves close to 1 million members and manages a portfolio in excess of \$300 billion currently. As a community college educator and labor-elected trustee, I take my fiduciary duty and the responsibility I'm entrusted with by California's educators seriously.

I believe that, by working collaboratively with other U.S. based and international stakeholders, we can actively drive long-term value and mitigate risk through engagement on sustainable investment strategies.

During my tenure on the CalSTRS board, I have led many of our responsible investment efforts including the development and approval of Investment Beliefs, including specific language related to climate and ESG risks.

As part of my continued commitment to PRI, I will continue to bring my years of experience with CalSTRS and our trusted reputation and best practices implementing effective board governance and responsible investing strategies.

I am committed in my second term on the PRI board, to strengthen the influence of PRI and its 10-year blueprint through my established trustee leadership network and especially among the U.S. asset owner and investor community. Specifically, to provide oversight on the retooling of the PRI reporting framework and the selection of the next CEO of PRI.

There is much work to do and I am eager to roll up my sleeves, partner with PRI board colleagues and signatories to get this work done.

Sharon Hendricks
Vice-Chair, CalSTRS
PRI Board member, candidate for re-election

BIOGRAPHY

I've served as a public community college instructor in Southern California for the past 17 years. I was elected in 2011 as the Community College representative on the CalSTRS board and am currently serving my third term. I am currently completing my first term on the PRI board.

Leadership roles on the CalSTRS board include Chair of the board and currently Vice-Chair of the board as well as chairing the Governance and Benefits and Services Committees. While on the board I have advocated for the development of investment beliefs, transparency on investment fees, and managing environmental, social and governance risks like climate, corporate board diversity and fair labor practices.

In addition, I lead faculty as the Treasurer and Retirement Liaison for the 5,000 full and part-time faculty members of the Los Angeles College Faculty Guild, AFT 1521.

I am active in the Community College Council of the California Federation of Teachers and serve as co-chair of the Trustee Council for the American Federation of Teachers at the national level. I am passionate about partnering with trustees of other asset owners to collaborate on sustainable investment initiatives and working through how we put ESG principles into practice as universal owners.

While serving on the CalSTRS board, I also serve as part of a working group for the Trustee Leadership Forum for Retirement Security at Harvard University – getting trustees from around the world to come together to consider strategies to engage on sustainable investment issues such as human capital management and climate risk mitigation.

When I'm not working on sustainable investment strategies at CalSTRS, PRI and with partners, I like trail running with my dogs on the mountain trails of southern California.

Sharon Hendricks
Vice-Chair, CalSTRS

SIGNATORY ORGANISATION INFORMATION

The California State Teachers' Retirement System was established by law in 1913 to provide retirement benefits to California's public school educators from prekindergarten through community college.

Today, CalSTRS is the largest educator-only pension fund in the world, and the second largest pension fund in the U.S.

The market value of the CalSTRS investment portfolio was approximately \$308.6 billion as of June 30, 2021.

Our mission

Securing the financial future and sustaining the trust of California's educators

CalSTRS administers a hybrid retirement system consisting of a traditional defined

benefit plan (Defined Benefit Program), cash balance plans (Defined Benefit Supplement Program and Cash Balance Benefit Program) and a voluntary defined contribution plan (CalSTRS Pension2) for California's public school educators prekindergarten to community college. We also provide disability and survivor benefits. CalSTRS is governed by the Teachers' Retirement Law, part of the California Education Code.

To increase members' understanding of their benefits and their shared role in securing their financial futures, we offer benefits planning services, including self-service resources, workshops, videos and publications specific to key career stages. We also offer a speakers bureau for our stakeholder groups.

Key facts

- Largest educator-only pension fund in the world
- Second largest U.S. public pension fund
- 975,000 members and beneficiaries
- \$308.6 billion portfolio as of June 30, 2021
- Eight member service centers, as well as multiple satellite offices

SPECIFIC EXPERTISE

LEADERSHIP AND GOVERNANCE EXPERIENCE

Since I began my career in education, I have been involved in leading teams towards strategic goals. As a labor leader for educators, I have negotiated labor contracts, developed organizational leadership curriculum and engaged with administration to achieve student success in the classroom.

I have served as leadership of the board in the last 7 of my 10 years of service. I have led as board Chair and am currently partnering with the current Chair as Vice-Chair of the CalSTRS board. We work collaboratively together and strive to incorporate the skills and leadership of our colleagues on the board to achieve board initiatives.

Some of the current work I've been leading includes:

- **Succession planning** – co-led the board through a successful process to hire the new CEO for CalSTRS – the first woman to lead the organization in its 100+ year history.

- **Strategic planning** – leading conversations about how our large IT projects, funding plan, headquarters expansion, changing nature of education and other projects can add value and pose potential risk to achieving our mission at CalSTRS as an organization.
- **Board Governance** – bringing in strategic thinkers to educate the board about best practices in governance related to work from home and the transition back to work during the COVID crisis.
- **Policy work** – engaged with our board and staff to revise investment policies to incorporate sustainability/ESG factors across all asset classes.

GENERAL

DEMONSTRATED LEADERSHIP WITHIN RESPONSIBLE INVESTMENT, ESG EXPERTISE AND OTHER EXPERIENCE RELEVANT TO THE LONG-TERM SUCCESS OF THE PRI.

At CalSTRS, I have demonstrated leadership in responsible investing since coming on the board 10 years ago.

- Led the board in developing **investment beliefs** that include the management of environmental, social and governance (ESG) factors and a specific belief focused on investment risks associated with climate change and the related economic transition.
- Supported our efforts to take a more activist investor role in our engagement with Exxon, leading to electing 3 new members to the Exxon board who will influence the company to diversify its efforts and develop a long-term strategy for a responsible transition to a low carbon economy.
- Worked on our Low-Carbon transition work plan – which seeks to reduce climate-related risk and identify opportunities to invest in solutions for maximum benefit to our members.
- Diversity, Equity and inclusion – I’ve been active in having difficult conversations about race and social injustice and how these issues impact human capital, board governance and enterprise culture both at CalSTRS and with the companies that we invest in.

On the PRI board, I have focused on adding value by:

- Developing new U.S. and N. American Asset Owner PRI signatories – encouraging engagement on PRI principles and responsible investing.
- We need to get our reporting process right. As a board member, I’ve been

willing to support take time to retool how we improve and streamline the reporting framework so that it not only offers accountability to a high standard of sustainable investing principles but is more efficient and easier to complete and adds more value to signatories completing it.

- I am currently serving on the Governance and Policy committees. I've worked with PRI staff to engage with US policy makers to drive more meaningful engagement on climate recommit to the goals in the Paris Agreement.