



CODE OF ETHICS

AND BUSINESS CONDUCT

A message from the CEO

I am very proud that CalSTRS has a long-standing tradition of ethical standards and a deep commitment to living its core values every day. Together, we have a solemn responsibility to continue this tradition. These values are an integral part of our daily work life, in fulfilling our responsibility to our members and to one another.

Our Code of Ethics and Business Conduct is a critical component to our organization and sets the foundation of our commitment to comply with the laws, regulations, policies and standards that apply to our business.

The code is a valuable resource as we deliver quality services for our members. As a financial services organization, maintaining the trust of our members, business partners and the public is essential to our credibility. CalSTRS fosters a culture of trust, as well as collaboration, to achieve our mission and strategic goals. The code supports our efforts in conducting ourselves with integrity, compliance and high ethical standards on a daily basis.

An important role for each of us at CalSTRS is to ensure that our core values drive the work we do and how we serve our members. I appreciate your commitment to our mission and values that guide us and continue to support our success.

Sincerely,



Cassandra Lichnock, Chief Executive Officer



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Code introduction

Overview and purpose

The CalSTRS Code of Ethics and Business Conduct addresses the standard of conduct and ethics for the way we provide services to our stakeholders. It is a commitment to our core values and compliance with laws, regulations, CalSTRS policies and standards. The code helps us exercise sound personal judgment.





Applicability of the code

All who work for CalSTRS will follow the code and exercise the highest standards of ethics and business conduct. We commit to understanding and complying with the code, applicable laws, regulations and CalSTRS policies. We are also expected to carry these principles into our business relationships.

While the code guides us in many important areas of our organization's policies and applicable laws, it cannot address every situation. We must act with integrity, honesty and fairness even in situations that are not explicitly addressed in this code.

Revision and administration of the code

The code serves as a first-line resource for ethical decision-making and may be amended to reflect current rules, laws, regulations and policy. Amendments made to the code are effective immediately. For the most current edition, always refer to the online code located on the **Enterprise Compliance Services homepage**. If you have questions about how to interpret or comply with the code, contact a member of Enterprise Compliance Services.



Culture

Mission and values

Living our core values guides us in serving our members.

► Our mission

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

► Core values

The CalSTRS Core Values are a set of attitudes, beliefs and behaviors that define CalSTRS and our employees.



Customer Service

We never compromise on quality as we strive to meet or exceed the expectations of our customers.



Accountability

We operate with transparency and accept responsibility for our actions.



Leadership

We model best practices in our industry and innovate to achieve higher standards.



Strength

We ensure the strength of our system by embracing a diversity of ideas and people.



Trust

We conduct ourselves with integrity, acting ethically in every endeavor.



Respect

We respect the needs of our members, co-workers, and others, treating everyone with fairness, honesty and courtesy.



Stewardship

We recognize our fiduciary responsibility as the foundation for all decision-making.

Roles and responsibilities

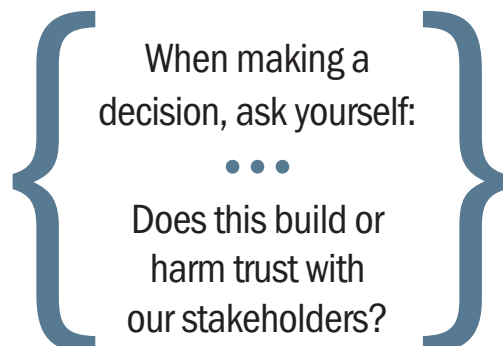
Shared responsibility

The code is our shared commitment to operate with the highest level of integrity and ethical conduct. Each year, we confirm our commitment to the code by completing the CalSTRS Annual Policy Recertification Acknowledgement. This annual attestation reminds us of our mandatory ethical and compliance responsibilities to CalSTRS. Additionally, as part of our onboarding process, new employees are provided the code to affirm understanding and commitment to our high standards of ethics and business conduct.

Employee responsibility

Our commitment to behaving ethically is critical to the success of CalSTRS and we are expected to meet the following responsibilities:

- **Live our core values:** Always act in a professional, honest and ethical manner in our daily activities. Treat others with dignity, and respect diversity of cultures, backgrounds and experiences.
- **Know the code:** Employees are expected to comply with the code.
- **Follow the law:** Understand the laws, regulations and policies that apply to the work we perform at CalSTRS. If unclear about a law or regulation, contact LegalServices@CalSTRS.com.
- **Ask questions:** If unclear about an activity, seek guidance before taking action.
- **Promptly report concerns:** Do not ignore potential or actual violations and ethical concerns.
- **Advocate and participate:** Promote a safe and ethical work environment.



Leader responsibility

As leaders, we continually focus on providing a safe, secure and ethical workplace. We are expected to lead by example and are committed to the following statements:

- **Model the code and core values:** Set an example of ethical behavior through conduct and the highest standards of behavior.
- **Talk about the code:** Communicate how the code and policies apply to daily work. Look for opportunities to discuss ethics and ethically challenging situations with others.
- **Expect highest standard:** Help others practice and understand their individual responsibilities under the code.
- **Be informed:** Understand that the code may not address all situations, so know where to go for answers.
- **Promote:** Create an environment where compliance and ethics are recognized and valued. Build a culture of ethics where everyone feels comfortable asking questions. Listen and offer guidance, including providing resources for reporting.
- **Take action:** Report any misconduct. Be aware of and monitor for retaliation against those who report in good faith.

What if?

I am a manager. What if someone comes to me with an accusation involving a senior leader?

Misconduct of a senior leader observed by an employee should be reported just as any misconduct should be reported.

I am a manager. What if I observe misconduct in an area not under my supervision, am I still required to report the issue?

Yes. CalSTRS employees of all levels are required to report any misconduct or possible violation of which they become aware. As a leader, you are responsible to set this example.

Enterprise Compliance Services

Enterprise Compliance Services supports the organization in maintaining a strong ethical and compliant culture. If you have questions, ask them. Promptly report any concerns or possible violations to your supervisor or utilize other resources provided to you in the code. Our actions should reflect our commitment to living our core values every day. Sometimes the right thing to do isn't always clear and making the right decision is not always easy. When faced with a tough decision, act with integrity. CalSTRS is committed to providing you with the necessary resources to do what is right, particularly in situations where you are uncomfortable or unsure about the best course of action. If in doubt or unsure of the proper course of action, use the decision tree provided in the code to assist you in decision-making.

In any ethical dilemma, ask yourself:

Will my decision violate any laws or regulations?

1

Will my decision violate CalSTRS code, policies or core values?

2

Could my decision adversely affect, cause loss or harm to our organization or members?

3

Would I feel concerned if my decision appeared in a news headline?

4

If you answered **NO** to all questions, your decision appears appropriate.

If you answered **YES** or **NOT SURE** to any or all of these questions, do not proceed.

Seek guidance from your direct manager, other members of our management team, Human Resources, Legal or the CalSTRS Compliance and Ethics Hotline.

Diversity, Equity and Inclusion

CalSTRS is dedicated to bringing together employees with a wide variety of backgrounds, skills, cultures and beliefs. In combining this wealth of talent and resources, we create diverse and dynamic teams that drive excellence. We work better together because of our differences, not despite them. We believe our organization will best serve everyone and enrich our culture through the diverse skills, experiences and backgrounds that each of us brings to CalSTRS.

➤ Learn more about **Diversity, Equity and Inclusion** at CalSTRS.

Our core values of
strength and respect
mean that CalSTRS
is a place where:

Diversity of ideas
and people are
not only respected
but valued and
supported.

Everyone is
treated fairly.



Fair employment practices

CalSTRS provides objective, equitable and consistent employment practices across the organization. We are committed to hiring and promoting practices that are free of unlawful or inappropriate bias and conflicts.

CalSTRS commitment to equal opportunity employment:

1. We do not tolerate any discrimination based on protected characteristics in any of our employment practices.
2. Employment practices include all aspects of employment:
 - Recruitment, hiring, performance evaluations and promotions.
 - Reinstatement, layoffs, adverse action and termination.
 - Training, assignment, transfer, benefits and compensation.

Personnel actions are based strictly on individual ability, qualifications, performance, experience, achievements and demonstrated skill. We stand firm in avoiding actions influenced by personal relationships and discriminatory practices of any kind. We aim to structure a work environment that provides personal satisfaction and challenge. We are committed to these goals and our compliance with employment laws. Any form of discrimination, witnessed or experienced, must be reported immediately.

Reporting options:

- Leadership
- EEO Officer
- CalSTRS Compliance and Ethics Hotline

I will	I will not
<ul style="list-style-type: none">• Treat all colleagues, members and business partners fairly and equally.• Hire employees based solely on qualifications, ability to perform work required and business need.	<ul style="list-style-type: none">• Favor colleagues, members or business partners based on personal, social or financial relationship.• Provide or deny employment opportunity based on race, sex, age or any other protected characteristic.

➤ Learn more about fair employment practices in the **Discrimination, Harassment, and Retaliation Prevention Policy**.



Work environment

A safe work environment

CalSTRS is dedicated to providing a safe, healthy and secure work environment for our employees, members, contractors and visitors. We are all responsible for maintaining a safe work environment through compliance with relevant health and safety laws and CalSTRS policies. This extends to our work outside the office, such as remote work and off-site locations. It is important that appropriate action be taken to prevent, correct or control unsafe conditions. We can only achieve our goal of a safe work environment through proactive participation and support.

Situations that may pose a health or safety hazard must be reported immediately.

Reporting options

- **Physical Security Manager**
- Human Resources
- Leadership
- **CalSTRS Compliance and Ethics Hotline**

What if?

What if I experience a work-related injury?

In the event of an accident, always dial 911 first if it is an emergency. The employee and their leader will complete a *Minor Report of Injury/Illness* form.

- Learn more about safe work environments at the **Physical Security office**.

Nonviolent work environment

CalSTRS is committed to a work environment free of violence, threats, intimidation and physical harm. Any acts or threats of

violence will not be tolerated. CalSTRS prohibits references to, or possession of any and all weapons on premises, during remote work or in work-related activities, including travel and off-site work settings. Behaviors of concern, unsafe, dangerous or violent situations must be reported immediately.

Reporting options

- 9-911
- Security Operations Center 916-414-5911
- **Physical Security Manager**
- **EEO Officer**
- **CalSTRS Compliance and Ethics Hotline**
- Leadership

- Learn more in the **Zero Tolerance Workplace Prevention Policy**.

Drug- and alcohol-free work environment

CalSTRS maintains a drug- and alcohol-free work environment where we are expected to perform our job duties safely and competently. It is our responsibility to ensure that our performance and judgment are not impaired during work hours. Employees, contractors and visitors are prohibited from possessing, distributing, manufacturing, consuming or being under the influence of alcohol, marijuana, illegal drugs or controlled substances while on CalSTRS property, during working hours, operating any CalSTRS vehicle or conducting business for CalSTRS. Situations that may violate CalSTRS policy in sustaining a drug- and alcohol-free work environment must be reported immediately.

Reporting options

- **Physical Security Manager**
- Leadership
- Human Resources
- **CalSTRS Compliance and Ethics Hotline**

- Learn more in the **CalSTRS Drug- and Alcohol-Free Workplace Policy**.

Telework

CalSTRS offers and encourages employee participation in programs that support sustainability, improve employee retention, recruitment and productivity, and assist management and employees economically and effectively accomplish the mission of CalSTRS. The CalSTRS Telework Policy is in alignment with the Statewide Telework Policy goals and is reflective of CalSTRS core values, modeling sustainable business practices while acknowledging the business, societal and personal benefits available through a carefully planned and managed telework program.

- Learn more about **CalSTRS Telework policy and procedure.**



Freedom from harassment

CalSTRS is committed to treating everyone with respect. We are all responsible for maintaining a productive work environment free of harassment and bullying. Harassment in any form, whether it be physical, sexual, verbal, nonverbal or any behavior that creates an intimidating, hostile or offensive work environment is not tolerated. Any circumstance involving harassment of any kind must be reported immediately.

Reporting options

- Leadership
- EEO Officer
- CalSTRS Compliance and Ethics Hotline

- Learn more about freedom from harassment in the **Discrimination, Harassment, and Retaliation Prevention Policy** and the **Zero Tolerance Workplace Prevention Policy.**

No retaliation

CalSTRS is committed to providing a safe environment for our employees to speak up on any compliance and ethical concerns. We understand that speaking up in the face of unethical activity can sometimes seem difficult or confusing. The CalSTRS Compliance and Ethics Hotline promises you a safe, secure, confidential and effective way to speak up, free from retaliation. CalSTRS values your decision to report and ensures you that retaliation against anyone who reports in good faith is a violation of our No Retaliation Policy, strictly prohibited and will not be tolerated. We also strictly prohibit intimidation and retaliation against anyone who assists with an inquiry or participates in an investigation. Sharing a good-faith concern, even if it turns out to be unfounded—is never an excuse for any kind of retaliation.

What is retaliation?

Retaliation is any action that would likely deter someone from reporting a concern or participating in a case review or investigation. Examples of retaliation might include demotion, firing, a reduced salary, job reassignment, threats, harassment or any other action taken against someone who raises a concern in good faith, participates in an investigation, or attempts to deter someone from unethical or non-compliant activity.

No false accusations

As much as we encourage honest reporting, we do not tolerate knowingly submitting a false report. Making a false accusation can divert investigatory resources away from credible good-faith concerns and damage morale. We are committed to reporting in good faith and not to falsely accuse, lie or refuse to cooperate in an investigation.



What if?

I suspect unethical behavior involving my supervisor. I know I should report my suspicions, however, I'm concerned about retaliation.

If you witness or suspect unethical behavior, it is your duty to report it. Rest assured we will not tolerate retaliation against anyone who makes a good faith report, regardless of the type of misconduct reported. We take claims of retaliation seriously. All such claims will be thoroughly investigated and resolved. If you believe you have been retaliated against because you reported misconduct, report it immediately. We will protect the information you provide to us.

➤ Learn more in the No Retaliation Policy.

Reporting concerns

It is CalSTRS policy to conduct ourselves with integrity, comply with applicable laws, regulations, policies, standards and speak up if you know of, or suspect, non-compliant or unethical activity. If you know of, witness or suspect any irresponsible, non-compliant or unethical activity, you may discuss the situation with your direct supervisor, other members of our management team or Human Resources. If you wish to file a report anonymously and confidentially, you are encouraged to file a report with the CalSTRS Compliance and Ethics Hotline. Reporting allows us to resolve concerns and make improvements to the performance, processes and culture at CalSTRS.

Compliance and Ethics Hotline

CalSTRS Compliance and Ethics Hotline is supported by an independent third party administrator Navex- EthicsPoint. This tool supports our commitment to an ethical culture and assists CalSTRS in sustaining the trust of California's educators. The compliance and ethics hotline provides a means of confidential and anonymous reporting of any irresponsible, non-compliant or unethical behaviors and concerns. It is a safe, secure and effective way of communicating with us. By creating additional open channels of communication with the compliance and ethics hotline, we have the ability to preserve CalSTRS' culture of integrity.

How do I file a report?

Filing a report through the compliance and ethics hotline is simple. Below are the various ways you can file a report.

- Mobile: calstrsmobile.ethicspoint.com
- Online: calstrshotline.ethicspoint.com
- Phone: 844-896-9120

If you are filing a report over the phone, a professional interview specialist will document in detail any irresponsible, non-compliant or unethical activity you suspect or have witnessed. If you are filing a report online, you will complete a customized web form providing as much detail as possible in the description of your report. During this time, both over the phone and online, you will be given the option to remain anonymous. When submitting your report, you will be prompted to create a unique password and you will also be provided a report key (similar to a case number). Keep both your password and report key in a safe place as you will need them any time you wish to follow up on your report, respond to requests or provide additional information.



When can I file a report?

365 days a year, 24 hours a day. Here are a few examples of irresponsible, non-compliant and unethical behavior you are encouraged to report.

- Improper giving/receiving gifts and entertainment
- Noncompliance with financial laws, regulations and standards
- Theft
- Workplace violence and discrimination

- Disclosure of any confidential information
- Insider personal trading
- Unauthorized building access
- Policy violations

How reports are handled

The CalSTRS General Counsel and/or the Legal Ethics and Accountability attorney will review and assign reports to the appropriate individual for review and resolution. Due to confidentiality and other reasons, CalSTRS generally does not disclose specific case results, but we will communicate when a case is closed. You should know the following about how reports are handled:

- The compliance and ethics hotline is designed to protect your identity.
- The reporter has the option to identify themselves.
- All reports have the same security and confidentiality measure applied to them.
- We take every report seriously.
- Reports will be investigated thoroughly and confidentially.
- We expect everyone involved to cooperate fully and honestly.
- If it is determined a violation has occurred, appropriate action will occur in accordance with the law and applicable CalSTRS and CalHR policies.

➤ Learn more in the **Compliance and Ethics Hotline Reporting policy.**

Why should I report?

Irresponsible, non-compliant or unethical activity can negatively impact CalSTRS, employees, members and business partners. Your role as a valued employee is to speak up if you suspect a violation of any laws, regulations, policies, standards or our CalSTRS Code of Ethics and Business Conduct. Your reporting can minimize, or even prevent, potential negative impact on our organization. By working together, we can continue to promote and maintain a positive, healthy and productive work environment that is compliant with all laws, regulations and policies.



What if?

I witnessed a CalSTRS employee or contractor doing something that I think may be unethical or illegal; however, it doesn't directly affect me. Should I say anything?

We rely on our employees to report illegal or unethical behavior even if it doesn't affect the employee filing a report. Non-compliant activity or ethical violations left unreported can cause immeasurable loss or harm to CalSTRS and its employees, members and business partners. It can also lead to regulatory and legal consequences. We all have a responsibility to act in an ethical manner and assist in the prevention of misconduct. Your reporting can minimize any potential negative impact and may help identify issues that can improve the culture, processes and performance at CalSTRS.

I am not sure if what I observed or heard is illegal or involves unethical conduct; however, it just does not look right to me. What should I do?

You are encouraged to file a report. The **CalSTRS Compliance and Ethics Hotline** can help you prepare and file a report so it can be properly understood. We prefer you report a situation that may turn out to be harmless than allow possible unethical behaviors go unchecked. Even if you are unsure, report concerns of potential or actual illegal or unethical activity because the code requires it. By working together, we can maintain a healthy and productive environment.

I made a report that turns out unproven. Will I be penalized?

No, CalSTRS strictly prohibits intimidation or retaliation against anyone who makes a report in good faith. If you suspect retaliation, speak up. Available reporting options include management, Human Resources or CalSTRS Compliance and Ethics Hotline.

Information and resource safeguards

Data safeguards

CalSTRS respects the privacy rights and interests of all employees and provides data safeguards for the protection of personally identifiable information, known as PII, that is collected, held and used. We take necessary steps to ensure our information practices comply with state and federal regulations, as well as CalSTRS policies and standards. Employees with access to confidential employee information bear a special responsibility to avoid unauthorized disclosure.

Sustaining the trust of our stakeholders is essential to how we operate, and information is one of our most valuable assets. Maintaining the confidentiality of CalSTRS information is critical. We are responsible for protecting sensitive information, regardless of format (electronic, paper, audio, video, etc.) as this information is the property of CalSTRS.

Upon hire, we each sign the **CalSTRS Confidentiality, Non-Disclosure, and Acceptable Use Agreement (ISO 1949)** agreeing to protect confidential, sensitive, non-public and personally identifiable information. As part of CalSTRS’ policy recertification process, we re-sign this agreement annually or when terms in the agreement change. This agreement continues in effect even after

our employment ends, and all CalSTRS belongings including documents and other materials containing sensitive information must be returned.

- **Personally identifiable information or PII** refers to any combination of information that can be used to distinguish one person from another and used to trace a person’s identity.
- **Confidential information** is information that you acquire, receive, learn, create, access, develop or have during employment with CalSTRS and is not made readily available to the public.

I will	I will not
<ul style="list-style-type: none">• Only share CalSTRS information with those who are authorized to receive it.• Carefully guard against disclosure to people outside of CalSTRS who do not have a need to know. For example, avoid discussing matters in places where information may be overheard, with family members, business or social acquaintances.• Immediately report information security incidents to the Information Security Office.• Immediately report lost or stolen equipment to CalSTRS Service Desk.	<ul style="list-style-type: none">• Discuss confidential information in public areas where it may be overheard.• Use or share CalSTRS information in my employment with another organization.• Use information for my own benefit or the benefit of other individuals, inside or outside of CalSTRS.

- Learn more in the **CalSTRS Information Security Policy, Personally Identifiable Information Policy** or in the **Data Risk Classification Policy**.

Resources

CalSTRS provides us with many resources including supplies, equipment and information technology resources to help us perform our work successfully and to achieve our business objectives.

CalSTRS resources include, but are not limited to:

- Facilities
- Equipment
- Computers/laptops
- Telephones
- Printers
- Internet access
- Vehicles
- State-compensated time
- Supplies

It is important to understand that CalSTRS' time, facilities, equipment and supplies may not be used for private gain or advantage. We are committed to utilizing provided resources for legitimate CalSTRS business and safeguarding these resources against theft, loss, waste, abuse or cyber-related risk and attack. It is important to use good judgment and ask questions if something is not clear about the use of CalSTRS resources.

You can find more information about CalSTRS resources in the **CalSTRS Use of State Facilities and Equipment Policy**.

Intellectual property

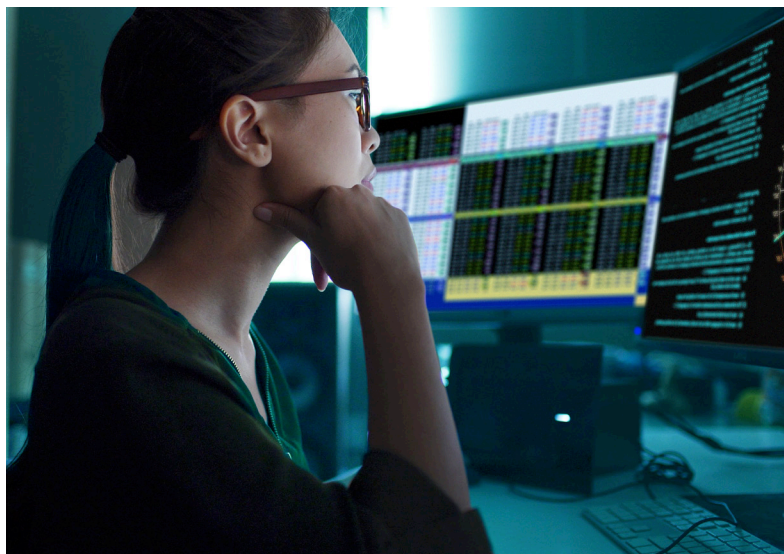
We are each responsible for protecting CalSTRS intellectual property assets and using them with care. Intellectual property can include, but is not limited to, ideas, trademarks, copyrights, patents and other proprietary information owned by CalSTRS. Information we create, send, receive, download or store on our equipment and systems is considered CalSTRS property. We also respect the business value of information of others. Protecting information, whether our own or those of others, aligns with our core values and builds our reputation as a trustworthy partner.

- **Intellectual property** are intangible assets created for, or licensed to, our company by employees, vendors, independent contractors or other third parties. Examples are patents, trademarks, copyrights, trade secrets, software, business methods, designs, technical data, business know-how, company manuals and other inventions.

Information security

We are committed to keeping CalSTRS information secure, whether in paper or electronic format. We handle data and the electronic devices used to conduct business with integrity and confidentiality. We are all responsible for keeping passwords secure, not sharing them with others and immediately reporting any unauthorized access or loss of information to the Information Security Office. ISO assists the organization in monitoring and protecting our information systems that hold our data.

Learn more in the **CalSTRS Confidentiality, Non-Disclosure, and Acceptable Use Agreement (ISO 1949)** and the **CalSTRS Information Security Policy**.



Conflicts of interest and incompatible activities

Conflicts of interest

A conflict of interest may occur when our private interests (personal activities, financial interest or relationships) intersect with our objectivity in doing what is best for CalSTRS and our members. It is our responsibility to make sound and ethical decisions in the best interest of CalSTRS every day. Conflicts of interest may be actual or a matter of perception.

If you are unsure as to whether a conflict exists or concerned that a situation appears as a conflict, ask yourself:

- Would public disclosure of my action or relationship cause me or CalSTRS embarrassment?
- Would the action or relationship lead an outsider to believe a conflict may exist even if it doesn't?

If you are still not sure, reach out to your manager or the Office of Legal Ethics and Accountability Attorney to assist you with the best way to address the concern.

Examples of conflicts of interest:

- Participation in any government decision in which we may have a financial interest.
- Making a decision on any contracts in which we have a financial interest.
- Engagement in outside employment or activity that presents a conflict with the CalSTRS organization.
- Acceptance by you of gifts or other benefits greater than nominal value could be a conflict of interest.
- Personal relationships may create a perceived conflict of interest. You should disclose any personal relationship with colleagues or external stakeholders.

A conflict of interest may include:

- An actual conflict of interest refers to a conflict situation that has occurred or is ongoing.
- An apparent conflict of interest refers to a time where an employee appears to be in a conflict situation. While there may not be an actual conflict, it is a matter of considering how the public might perceive the situation.
- A potential conflict of interest is a situation where a conflict of interest does not yet exist but is reasonably likely to occur.

Personal relationships

In making decisions about employment or transactions with members or third parties, we need to avoid situations that may inappropriately affect our judgment. Personal relationships, such as family, friends or a romantic partner may influence or appear to influence business decisions, and thus, create a conflict of interest. We are required to disclose the existence of any personal relationship(s) so that it may be determined if an actual, perceived or potential conflict of interest exists. If so, appropriate steps will be taken to address the situation.

Such situations that create actual, perceived or potential conflicts may include, but are not limited to:

- Working in a small unit in close association.
- Reporting to the same supervisor.
- Having direct or indirect supervisor/subordinate relations.
- Being in a position to grant special privileges to the other person or to influence the appointment, promotion or work of the other person.



CalSTRS will not select, recommend or retain third parties or set terms of transactions with members with whom we have a personal relationship. CalSTRS also requires any prospective employees and third parties to disclose personal relationships with current CalSTRS employees and contractors through our background investigation process.

- Learn more about personal relationships in the **Employee Relationship Disclosure Policy and Standards for Background Investigations**.

Financial conflicts

To sustain the trust of our members and maintain our ethical standards, we must be diligent to avoid any financial conflicts of interest and we must remove ourselves from any activity, transaction or business decision where an actual or perceived conflict exists. It is our responsibility

to understand those statutes and regulations applicable to us, such as the *Political Reform Act of 1974*, *Government Code* and the *Public Contract Code*.

Insider trading

In performance of our work, we may have access and knowledge of material non-public information, referred to as MNPI. Buying or selling securities based on this knowledge is known as “insider trading” and is prohibited by law and CalSTRS policy. Sharing MNPI with others who may buy or sell securities (known as “tipping”) is also prohibited and illegal. The punishment for violations of the insider trading laws is severe and can include civil and/or criminal fines and penalties.

How do you know if information is non-public? The best practice is to consider all information to be non-public unless there is a legitimate need to share (or communicate) for purposes of carrying out CalSTRS business.

There are many laws and regulations that prohibit insider trading. We have policies and procedures designed to address our ethical duties and compliance.

We will not

- Buy or sell securities in our own account or any account over which we exercise control (either alone or with others, including shareholder accounts), when in possession of material non-public information relating to those securities.
- Pass along material non-public information or tip anyone to buy or sell securities while in possession of information relating to those securities.

If you need additional clarification or have questions, contact **CalSTRS General Counsel**.

Learn more in the **Policy Prohibiting Insider Trading**.

How do we know if the information is material, non-public information or inside information? The best practice is to consider any information about CalSTRS investment activities or financial results that have not been publicly disclosed as insider information.

Investments

The CalSTRS Investments Branch demonstrates its commitment to the CalSTRS Core Values and Code of Ethics and Business Conduct by removing themselves from decision-making related to any potential or actual conflict and appropriately disclosing it. Annually, our Investments team signs an ethical pledge to conduct CalSTRS business professionally and honestly.

- Learn more in the policy **Prohibiting Insider Trading, Personal Trading Policy** or the **Investments Pledge**.

Business opportunities

Through our normal course of work, we may learn about business or investment opportunities. We have a duty to advance our organization's interest and not use information gained through employment for our own personal gain. We will be proactive in obtaining any necessary approvals or clearances from CalSTRS' **Office of Legal Ethics and Accountability**. We understand that we may be required to discontinue and recuse ourselves from an activity where a conflict exists.

Gifts, travel and entertainment

We do not accept or offer gifts, entertainment or any other item of value if it impacts, or creates an appearance of impacting, our business judgment, or if the intent is to influence a business decision. We pride ourselves in making unbiased and uncompromised business decisions to serve our members with the utmost care. Any interactions with persons or companies who have business dealings with CalSTRS requires us to act in the best interest of our organization transparently and ethically. Giving or receiving any payment or gift in the nature of a bribe or kickback is absolutely prohibited.

Hospitality, or token gifts, offered as a common courtesy must be reasonable, within accepted business practices, and comply with CalSTRS policy. Many of our business partners abide by their own policies pertaining to gifts; therefore, we must be careful and considerate.

It is essential for CalSTRS to be in compliance with laws that govern giving and receiving gifts including meals, entertainment, transportation and lodging. We will not provide gifts, or anything of value, to government officials, employees or their related family members in connection with CalSTRS business without prior written approval from the Office of Legal Ethics and Accountability.

We maintain high ethical standards

- We develop positive relationships free of corruption and bribery.
- We do not solicit gifts, hospitality or travel from third parties or put them in a position where they feel obligated to provide something in order to do business with us.
- We do not give or receive gifts that may compromise, or that may be perceived to compromise, our business judgment.
- We do not ask a representative, like a partner, or supplier to give gifts, hospitality or travel on our behalf.

➤ Get more information in the **CalSTRS Gift Policy, Political Reform Act** or in **Government Code Sections 89503**.

Political contribution and activities

CalSTRS does not use its funds, assets, services or facilities in support of a political party, candidate or campaign. CalSTRS will not pay for any time spent running for public office, serving as an elected official, or campaigning for a political candidate. In addition, CalSTRS does not compensate or reimburse employees, in any form, for political contributions.





Incompatible activities

To protect the reputation of CalSTRS and maintain the trust of our members and stakeholders, we must ensure that our outside activities are compatible and align with our professional activities or workplace obligations. If we engage or plan to engage in any outside employment activity that may be incompatible with our duties as a CalSTRS employee, we must consult with the **Office of Legal Ethics and Accountability**. Each year, we renew our commitment to not engage in employment or activities that are inconsistent, incompatible or in conflict with our CalSTRS duties by signing the CalSTRS *Incompatible Activities Acknowledgement* form.

Examples of activities that may be prohibited include, but are not limited to:

- Accepting employment or work which adversely affects the performance of the employee or officer in their position in CalSTRS, or which brings discredit on the State of California or the Teachers' Retirement Board.
- Providing any services at city, county and school district institutes or workshops in California for compensation other than state salary.
- Using state postage or stamping facilities for personal use, even if the state is reimbursed before or after use.
- Using a state telephone for personal toll calls or extended local calls, even if the call is at no special charge to the state, or the state is reimbursed before or after use.
- Using a state vehicle for personal use, even if the state is reimbursed before or after use.

Ethical business practices

CalSTRS values and relies on our third-party relationships to meet our strategic and business goals. To maintain objectivity and compliance with laws, regulations and policies, we do not interact with potential third parties during the procurement solicitation process. CalSTRS has a No Contact Policy that prohibits communications with applicants and bidders until the procurement process has been completed.

Get more information about ethical business practices in the **No Contact Policy**.

Business records

Financial records

CalSTRS is committed to creating and managing CalSTRS records and data in a timely, transparent and compliant manner. Our financial systems and processes are designed to comply with generally accepted accounting principles as published by the Governmental Accounting Standards Board. We properly account for our assets and liabilities to accurately reflect CalSTRS transactions. We exercise internal controls over our financial processes to fulfill CalSTRS' mission and to fulfill our financial, legal and business obligations. False records, documents or entries are not allowed for any reason. Proper disclosure of our financial activities strengthens our system and trust with our members and stakeholders.

In instances when there is a concern over potential non-compliance with laws, accounting standards or policies, disregard of internal controls over financial reporting, or falsification of records, we must report the concerns immediately.

Reporting options

- Leadership
- Human Resources
- **CalSTRS Compliance and Ethics Hotline**



Records management

Properly maintaining and managing our business records is vital to the successful operation of CalSTRS and to fulfilling our legal, regulatory and business requirements. In the course of business, CalSTRS produces, receives and stores large numbers of records.

Numerous laws require CalSTRS to manage records throughout their life cycle, from the time of creation or inscription to their eventual disposition. This includes identifying, classifying, storing, securing, retrieving, tracking and destroying or permanently preserving records in accordance with business need and in compliance with applicable laws and regulations. Our policy is to identify, maintain, safeguard and destroy, or retain all records in our possession on a systematic and regular basis. We manage our records and information responsibly and in accordance with CalSTRS records management procedures.

Record and data type examples

- | | |
|-----------------|--------------------------|
| • Electronic | • Calendaring |
| • Paper | • Email |
| • Microfilm | • Recordings |
| • Microfiche | • Incoming calls |
| • Exchange data | • Outgoing calls |
| • Notes | • Physical security data |
| • Journal | |

- Learn more about records management in the **CalSTRS Records Retention Policy** and the **Enterprise Data Management Framework**.

Communication

In support of our core values and CalSTRS culture, we encourage communication among our employees, stakeholders, members and business partners to stimulate conversation and discussion. We are also committed to making sure that communications regarding CalSTRS and its business are accurate, reflect our organization’s values and views, and are made by employees who are authorized to speak on behalf of CalSTRS. In addition, we recognize our obligation to comply with regulatory requirements regarding various types of communication and to protect the confidentiality of our business and customer information.



As representatives of CalSTRS, we will only communicate on social media, online forums, blogs, newsletters, broadcasts, online or printed publications when authorized. CalSTRS has designated spokespersons from the General Counsel and Public Affairs Branch that have the knowledge and responsibility to communicate on behalf of CalSTRS.

I will	I will not
<ul style="list-style-type: none">• Refer any media inquiries to Newsroom@CalSTRS.com.• Always receive approval at the division level, consult with Media Relations and the communications director.• Obtain written authorization from Media Relations and division leadership.	<ul style="list-style-type: none">• Contact, respond to, or speak publicly to the media without approval from Media Relations, the communications director and my division leader.• Communicate through social media or any online forums on behalf of CalSTRS.• Create account names or social media handles that appear to represent a speaker of CalSTRS (ex: @Name_CalSTRS).

➤ Learn more in the **CalSTRS Media Contact Policy** and the **CalSTRS Social Media Use Policy**.

