

LACERA Supplemental Manager Due Diligence Regarding Diversity and Inclusion

Section II of this Due Diligence Questionnaire is voluntary

LACERA values diversity and inclusion, and believes that effectively accessing and managing diverse talent—inclusive of varied backgrounds, age, experience, race, sexual orientation, gender, ethnicity, and culture—leads to improved outcomes. LACERA expects external asset managers, investment consultants, and other third party providers to respect and reflect LACERA’s value of diversity and inclusion. LACERA’s ongoing investment monitoring incorporates an assessment of vendors’ commitment to, adherence with, and track record of accessing and retaining diverse and inclusive workforces.

Section I

I. Policy

1. Describe your firm’s approach to workplace diversity and inclusion and how it relates to your business model.
2. Does your firm have a written policy addressing workplace diversity and inclusion (“Policy”)? A Policy defines the firm’s commitment, policies, and practices regarding equal employment opportunity, including the recruitment, development, retention and promotion of a diverse and inclusive workforce and non-discrimination based on gender, race, ethnicity, sexual orientation, age, veteran’s status, and other legally protected categories. A Policy may be a standalone document or part of a larger firm document.

Please provide a copy of your firm’s Policy.

3. Does your Policy address sexual harassment in the workplace? If not, please explain.
4. If your firm does not have a written policy, do you commit to promptly adopting and providing a copy of such a Policy?

II. Oversight

5. Who is responsible for overseeing the Policy’s implementation? Please provide name and title. What processes are employed to implement and enforce the firm’s Policy?
6. Who is responsible for overseeing compliance with the Policy? Please provide name and title. What processes are employed to promote compliance with the Policy?
7. Please describe the oversight and monitoring, if any, exercised by the firm’s board and/or executive team regarding the firm’s diversity and inclusion policy and efforts.
8. What data, trends, or analysis does the firm’s board or oversight committee receive regarding the firm’s effectiveness in adhering to the Policy and/or allegations of non-compliance?

9. Under what circumstances would an alleged incident of non-compliance with the Policy prompt notification to and/or consideration by the firm's board and/or executive committee?

III. Track Record

10. Please complete the charts in **Section II** regarding your firm's workplace composition by gender and race/ethnicity as defined by the Equal Employment Opportunity Commission categories for employees of your firm's U.S. operations. We also request completion of similar information for non-U.S. employees, absent any applicable legal or regulatory restrictions.
11. Does your firm commit to providing the firm's workforce composition in a format similar to **Section II** on a periodic basis?
12. Has your firm been subject to any judicial, regulatory, or other legal finding, formal action, or claims related to equal employment opportunity, workplace discrimination, or sexual harassment during the past twelve years? Please describe.
13. Please identify the number of confidential settlements and/or non-disclosure agreements related to workplace discrimination and/or sexual harassment entered into by your firm during the past twelve years. Please describe the nature of each settlement within the terms of the confidential settlement.

IV. Incentives and Risk Mitigation Strategies

14. Does your firm integrate diversity and inclusion into executives' performance reviews and/or incentive pay objectives? If so, please describe.
15. Does your firm conduct a compensation or pay disparity analysis to discern any pay disparities by gender, race, or ethnicity? Please describe or explain why not.
16. Does your firm have a clawback or recoupment policy in place by which workplace misconduct, such as sexual harassment, may trigger recoupment of incentive pay, awards, bonuses, or other compensation?
17. Please explain any other incentives or risk mitigation strategies your firm employs to promote compliance with your workplace diversity and inclusion and sexual harassment policies.
18. Describe any efforts, organizations, or leadership positions related to workplace diversity and inclusion in the financial services industry with which your firm is involved.

V. Portfolio Strategies

19. Please describe the policies and procedures your firm has in place, if any, to monitor and address diversity and inclusion, including mitigating the risk of workplace discrimination and harassment, in fund managers, portfolio companies, property managers, or other applicable third-party service providers domiciled in the U.S.

20. In the spirit of questions 1 through 18, please describe your firm's practices, if any, to evaluate workplace diversity and inclusion, inclusive of non-harassment, for fund managers, portfolio companies, property managers, or other applicable third-party service providers. Please describe how you assess the policies that fund managers have in place, fund managers'/portfolio companies' track records, and incentives and risk mitigation strategies to promote adherence to established policies and standards regarding diversity and inclusion.

Section II

Section II of this Due Diligence Questionnaire is voluntary

General Instructions

The categories have the same definitions as the diversity categories used by the United States Equal Employment Commission (EEOC) in its Employer Report EEO-1. See www.eeoc.gov/employers/eeo1survey/index.cfm for further information.

Please complete all columns in Table 1 and Table 2 (optional) by entering in the number of employees for each category (not percentage of employees). Blank cells will be interpreted as having a value of zero.

Job Categories:

- Board of directors, and CEO, CFO & COO: This row includes all members of the firm's governing board (or executive committee), as well as CEO, CFO, COO or equivalent positions.
- Investment professionals: All professionals who have a role in investment decision making at the firm, such as consultants, portfolio managers, analysts, and traders.
- If an employee is both a member of the board of directors or occupies the position of CEO, CFO or COO, as well as serves as a member of the investment staff, the individual may be counted in both rows.

Total compensation figures should be provided for all investment professionals in each category reported in Row 2 as a percentage of total compensation of all investment professionals (not total personnel of the firm).

Your firm may elect to provide information on additional diversity categories. If you choose to do so, please provide such information on additional sheets.

