



California State Treasurer Fiona Ma, CPA

News Release

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State Treasurer Fiona Ma Joins Assault Victims, Pension Trustees, Urges Investors to Adopt Safe Workplace Principles

Sexual harassment, misconduct continues to harm companies, workers and investors

SACRAMENTO – State Treasurer Fiona Ma joined workers victimized by sexual assault on the job and pension trustees Wednesday in urging other trustees, institutional investors and asset managers nationwide to adopt tougher, new workplace principles to stem workplace sexual harassment and misconduct and better protect workers.

The coalition, called Trustees United, is demanding that fiduciaries who invest the public's money do a better job of monitoring and reducing incidents of sexual harassment, assault, and misconduct. They are asking investors to adopt four principles, including following California's lead by eliminating non-disclosure agreements in claims of sexual assault, harassment or discrimination based on sex.

"These principles are needed because we have learned from courageous workers and the #MeToo movement that sexual harassment, sexual assault and misconduct are still a persistent and painful reality for far too many employees," said Treasurer Fiona Ma. "A company that fails to prevent unacceptable behavior can face dire consequences. As consumers lose confidence in its reputation, it may lose sales, see its stock price decline, and experience poor morale, and more rapid employee turnover."

A single incident can jeopardize a company's ability to create and sustain value. Here are some examples:

- Allegations that former Uber Chief Executive Officer Travis Kalanick tolerated a toxic work environment harmed his company's reputation, slowed its growth, and helped its ride-hailing rival, Lyft, record dramatic growth, according to eMarketer, a research firm.
- At Google, revelations that the company mishandled serious allegations of sexual misconduct against top executives sparked a one-day walkout.

- When allegations of sexual misconduct against former Wynn Casinos Chairman Steve Wynn became public the company's stock price plummeted. Similarly, numerous allegations of sexual assault against Harvey Weinstein led to his firm's bankruptcy.

Institutional investors have an obligation to seek long-term value from the companies they own so they can maximize and maintain returns for their constituencies, the group says.

"As fiduciaries we must insist that companies create safe work environments and cultures that allow their employees to be productive, their companies to thrive and our portfolios to grow," said Ma. "We know that safe business is our business."

A survey by FTI Consulting and Mine the Gap last year found that nearly half of professional women would not buy a product or stock from a company with high profile allegations of misconduct or tolerance of misconduct against them. In addition, 55 percent of professional women would not seek a job at such companies.

Trustees United, which has just begun to organize, has been joined by pension trustees, institutional investors and asset managers across California and the nation, including from two largest pensions in the nation, the California Public Retirement System (CalPERS) and the California State Teachers Retirement System. (CalSTRS). Ma is a member of both boards.

"As trustees and investors, we cannot let the adverse impacts of sexual harassment and misconduct destroy opportunities to promote and enhance long-term value creation," said Theresa Taylor, Vice President of the CalPERS Board of Administration. "Our principles help guide investors to manage risk, ensure a safe corporate culture free of sexual harassment, and protect all employees. I commend Treasurer Ma for joining Trustees United and encourage other trustees around the world to stand with us."

Trustees United is calling on fellow trustees, institutional investors and asset managers to adopt the four following principles and ensure the companies they own follow them. They are:

- Supporting the rights of all employees, including temporary workers and subcontractors to safely bring forward claims of sexual harassment and assault, and publicly share that process.
- Eliminating non-disclosure agreements and forced arbitration that hide settlements and perpetuate a culture of secrecy.
- Seeking diversity in the boards of directors, management and the workforce to help companies thrive and become more aware of misconduct and discrimination.
- Pursuing policies, including collective bargaining agreements, which reduce the power imbalances that often facilitate abuse, harassment and discrimination.

CalSTRS Board President Dana Dillon said: “As a trustee from the world’s largest educator pension fund, I am focused on the opportunities to create long-term value that have been missed because of the damaging impact that sexual harassment, misconduct and violence in the workplace have on all levels of any corporation.

These principles are meant to act as a catalyst to stimulate productive conversations and ongoing engagement. It’s time for us to take a stand to promote safe workplaces for men and women alike. Working together, we can build and leverage solid relationships as we make progress toward reducing risks and promoting positive change in companies across our investment portfolios and beyond.”

Fiona Ma is California’s 34th State Treasurer. She was elected November 6, 2018 with more votes (7,825,587) than any other candidate for treasurer in the state's history. She is the first woman of color and the first woman Certified Public Accountant elected to the position. California is the world’s fifth-largest economy and Treasurer Ma serves as its head banker, providing transparency and oversight for the government’s investment portfolio and accounts as well as managing \$92 billion in financial assets. The State Treasurer’s Office (STO) provides financing for schools, roads, housing, levees, public facilities, and other crucial infrastructure projects that better the lives of all Californians. The STO manages cash receipts and bond issuances for the State and oversees programs that fund schools, hospitals, environmental improvements, and affordable housing and small businesses. The STO also manages three savings programs that benefit individuals with disabilities, families planning for higher education, and private-sector employees working toward retirement.

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