

2021-22 DEVELOPING RISKS REPORT

During the 2021-22 Annual Enterprise Risk Assessment, senior leaders and executives reviewed the updated Developing Risks which includes strategic and operational risks that are not yet well understood. These risks may be fast moving and uncertain and therefore will be assessed and monitored. By tracking these potential risks, CalPERS will have a better opportunity to determine if risk mitigation strategies are warranted.

	RISK	DEFINITION
STRATEGIC	The New Working Model	With the lingering pandemic and realization that remote work can produce sound results, CalPERS faces uncertainty in balancing the transition to a hybrid environment and maintaining talent.
	Organizational Culture	The risk is that CalPERS cannot maintain its strong organizational culture within extended remote work and hybrid work environments.
OPERATIONAL	Third-Party	The risk is that CalPERS cannot protect its data, financial, and reputational interests from actions taken by vendors which may result in non-compliance, litigation, and financial loss to the organization.