
NEW YORK STATE TEACHERS' RETIREMENT SYSTEM

CLIMATE WORKSHOP – OPEN SESSION



AGENDA - OPEN SESSION

- Mercer ACT Analysis
- Brisport/Kelles NYS Teacher's Fossil Fuel Divestment Act



BRISPORT/KELLES NYS TEACHER'S FOSSIL FUEL DIVESTMENT ACT



BRISPORT/KELLES DIVESTMENT ACT

“TEACHERS’ FOSSIL FUEL DIVESTMENT ACT” S4783A

- Bill seeks to amend the education law, requiring the New York State Teachers’ Retirement System to divest the retirement system of any investments in corporations or companies included on an exclusion list of coal producers and oil and gas producers.
- Bill exclusion list requirements:
 - Create an exclusion list within 6 months of the effective date and make the list publicly available.
 - Notify companies on the list informing them of their inclusion.
 - Divest from coal producers within one year of effective date.
 - Divest from oil and gas producers within two years of effective date.
 - Update the list at least every two years.

BRISPORT/KELLES DIVESTMENT ACT

“TEACHERS’ FOSSIL FUEL DIVESTMENT ACT” S4783A

- Bill defines “coal producer” as any corporation or company, or any subsidiary or parent of any corporation or company or partnership or other legal entity that:
 - Derives at least 10% of annual revenue from thermal coal production, or
 - Accounts for more than 1% of global thermal coal production, or
 - Whose reported coal reserves contain more than 0.3 gigatons of potential carbon dioxide emissions
- Bill defines “oil and gas producer” as any corporation or company, or any subsidiary or parent of any corporation or company or partnership or other legal entity that:
 - Derives at least 20% of annual revenue from oil or gas production, or
 - Accounts for more than 1% of global oil or gas production,
 - Whose reported combined oil and gas reserves contain more than 0.1 gigatons of potential carbon dioxide emissions

Note: Bill defines “oil or gas production” as exploration, extraction, drilling, production, refining, processing, or distribution activities related to oil or gas. Bill defines “thermal coal production” as mining, transport, processing, or exploration activities related to thermal coal. Our climate data vendor MSCI does not currently track coal or oil % of global production data.

TOTAL BILL EXPOSURE: REVENUE & POTENTIAL EMISSIONS

NYSTRS' Coal & Oil Exposure (Revenue & Emissions)

| NY Legislation: Revenue & Emissions | Sum of Mkt Value 9/30/21 |
|-------------------------------------|-----------------------------|
| + Coal Emissions | \$ 240,958,284 |
| + Coal Revenue | \$ 90,986,746 |
| + Oil Reserves | \$ 285,694,082 |
| + Oil Revenue | \$ 4,019,817,579 |
| Grand Total | \$ 4,637,456,691 |

NYSTRS' Coal & Oil Exposure by Asset Class (Revenue & Emissions)

| NY Legislation: Revenue & Emissions | Sum of Mkt Value 9/30/21 |
|-------------------------------------|-----------------------------|
| + Cash Equivalents | \$ 76,202,233 |
| + Domestic Equity | \$ 1,592,704,531 |
| + Domestic Fixed Income | \$ 512,299,429 |
| + Global Bonds | \$ 75,493,431 |
| + Global Equity | \$ 294,621,717 |
| + High Yield Bonds | \$ 127,867,951 |
| + International Equity | \$ 1,958,267,398 |
| Grand Total | \$ 4,637,456,691 |

Coal Exposure by Account Type & Strategy

| NY Legislation: Revenue & Emissions | Sum of Mkt Value 9/30/21 |
|-------------------------------------|-----------------------------|
| - Coal Emissions | \$ 240,958,284 |
| - Commingled | \$ 77,493,198 |
| + Active | \$ 15,431,532 |
| + Passive | \$ 62,061,666 |
| - Internal | \$ 4,913,971 |
| + Active | \$ 5,952 |
| + Passive | \$ 4,908,019 |
| - Separate Account | \$ 158,551,114 |
| + Active | \$ 90,202,325 |
| + Passive | \$ 68,348,789 |
| - Coal Revenue | \$ 90,986,746 |
| - Commingled | \$ 24,653,023 |
| + Active | \$ 8,336,672 |
| + Passive | \$ 16,316,351 |
| - Internal | \$ 1,536,377 |
| + Active | \$ 37,443 |
| + Passive | \$ 1,498,934 |
| - Separate Account | \$ 64,797,346 |
| + Active | \$ 47,911,330 |
| + Passive | \$ 16,886,017 |
| Grand Total | \$ 331,945,030 |

Oil Exposure by Account Type & Strategy

| NY Legislation: Revenue & Emissions | Sum of Mkt Value 9/30/21 |
|-------------------------------------|-----------------------------|
| - Oil Reserves | \$ 285,694,082 |
| - Commingled | \$ 98,886,308 |
| + Active | \$ 7,630,107 |
| + Passive | \$ 91,256,201 |
| - Internal | \$ 398,988 |
| + Passive | \$ 398,988 |
| - Separate Account | \$ 186,408,787 |
| + Active | \$ 84,862,664 |
| + Passive | \$ 101,546,123 |
| - Oil Revenue | \$ 4,019,817,579 |
| - Commingled | \$ 612,443,113 |
| + Active | \$ 59,127,363 |
| + Passive | \$ 553,315,750 |
| - Internal | \$ 2,146,788,147 |
| + Active | \$ 700,502,175 |
| + Passive | \$ 1,446,285,973 |
| - Separate Account | \$ 1,260,586,318 |
| + Active | \$ 653,601,490 |
| + Passive | \$ 606,984,828 |
| Grand Total | \$ 4,305,511,661 |

Note: MSCI Climate Solutions data as of 9/30/21. MSCI Climate Solutions does not contain coal or oil production data.



APPENDIX



DEFINITIONS

Directly Held Investments

- NYSTRS Separate Account: Portfolio of assets managed by an investment firm in which NYSTRS is the sole investor and has **direct ownership** of the assets in the portfolio.
- Internal Account: Portfolio managed by NYSTRS' internal staff in which NYSTRS has **direct ownership** of the assets in the portfolio.

Indirectly Held Investments

- Commingled Account: Pooling of multiple investor's capital into a single fund, a portion of which is owned by each contributing investor. Assets are **not directly owned** by NYSTRS.

NYSTRS' "COAL PRODUCER" EXPOSURE

- Total Coal Producer Exposure: \$331.9M | Total Positions: 44 | NYSTRS' Holds: 40
- Top 10 Exposures by 9/30/21 Market Value:

| Coal Revenues>10% or Coal Emissions>.3Gtons | | |
|---|---------------------------------------|--------------------------|
| Top 10 | Issuer Name | Sum of Mkt Value 9/30/21 |
| 1 | VALE S.A. | \$ 66,181,209 |
| 2 | ANGLO AMERICAN PLC | \$ 54,193,733 |
| 3 | ITOCHU CORPORATION | \$ 51,149,985 |
| 4 | GLENCORE PLC | \$ 36,847,478 |
| 5 | CHINA SHENHUA ENERGY COMPANY LIMITED | \$ 26,457,452 |
| 6 | SOUTH32 LIMITED | \$ 14,239,565 |
| 7 | SHAANXI COAL INDUSTRY COMPANY LIMITED | \$ 11,814,036 |
| 8 | NTPC LIMITED | \$ 8,323,784 |
| 9 | CEZ, A.S. | \$ 8,027,418 |
| 10 | PT ASTRA INTERNATIONAL TBK | \$ 6,985,634 |

Note: MSCI Climate Solutions data as of 9/30/21. MSCI Climate Solutions does not contain coal production data.

NYSTRS' "OIL & GAS PRODUCER" EXPOSURE

- Total Oil & Gas Producer Exposure: \$4.3B | Total Positions: 490 | NYSTRS' Holds: 378
- Top 10 Exposures by 9/30/21 Market Value:

| Oil Revenue>20% or Potential Oil Emissions>.1Gtons | | |
|--|-----------------------------|--------------------------|
| Top 10 | Issuer Name | Sum of Mkt Value 9/30/21 |
| 1 | EXXON MOBIL CORPORATION | \$ 407,362,570 |
| 2 | CHEVRON CORPORATION | \$ 297,606,420 |
| 3 | ROYAL DUTCH SHELL PLC | \$ 138,268,515 |
| 4 | CONOCOPHILLIPS | \$ 116,563,045 |
| 5 | TOTALENERGIES SE | \$ 109,105,407 |
| 6 | BP P.L.C. | \$ 75,754,673 |
| 7 | BHP GROUP LIMITED | \$ 69,753,887 |
| 8 | RELIANCE INDUSTRIES LIMITED | \$ 68,682,835 |
| 9 | EQUINOR ASA | \$ 65,084,084 |
| 10 | SCHLUMBERGER N.V. | \$ 64,500,760 |

Note: MSCI Climate Solutions data as of 9/30/21. MSCI Climate Solutions does not contain oil production data.