



CLIMATE TRANSPARENCY REPORT 2020

New York State Common Retirement Fund

About the Climate-related Disclosure Indicators

Climate has been identified as a top priority for PRI signatories, with over 70% of asset owners reporting this as the most important long-term trend they are acting on.

The FSB Task Force's guidance on climate-related financial disclosure aim to create a single framework for disclosure on assessment and management of climate-related risk. The recommendations, supported by investors representing US\$22 trillion, identify four main disclosures, Governance, Strategy, Risk Management, Metrics and Targets, and include specific guidance for asset owners and managers.

As a result, the PRI introduced climate-related disclosure indicators that can be used to align with the TCFD recommendations in the 2020 PRI Reporting Framework.

About this report

This report is an export of only the climate-related indicators from the 2020 Reporting Framework response. The full Public Transparency Report is available here (<https://reporting.unpri.org/surveys/PRI-reporting-framework-2020/-4BD49910-B609-4437-9A11-228426B95F52/79894dbc337a40828d895f9402aa63de/html/2/?lang=en&a=1>). It shows the responses to all the completed climate indicators, even those you chose to keep private. It is designed for your internal review or – if you wish - to share with your stakeholders.

The PRI will not publish this report on its website if you have designated your 2020 climate reporting as “private”. Otherwise, you will be able to access the Climate Transparency Report of your organisation and that of other signatories on the [PRI website](#) and on the [Data Portal](#).

To easily locate information, there is a **Recommendation index** which summarises the indicators that signatories complete and disclose. The report presents information exactly as it was reported as per signatory preference. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory are presented in this report.

TCFD Recommendations Index

Strategy and Governance - CC			TCFD Recommendation			
Indicator	Reported	Disclosure	Governance	Strategy	Risk Management	Metrics & Targets
SG 01.6 CC	✓	Public				
SG 01.7 CC	✓	Public				
SG 01.8 CC	✓	Public				
SG 01.9 CC	✓	Public				
SG 01.10 CC	✓	Public				
SG 07.5 CC	✓	Public				
SG 07.6 CC	✓	Public				
SG 07.7 CC	✓	Public				
SG 07.8 CC	✓	Public				
SG 13.1	✓	Public				
SG 13.2	✓	Public				
SG 13.4 CC	✓	Public				
SG 13.5 CC	✓	Public				
SG 13.6 CC	✓	Public				
SG 13.7 CC	✓	Public				
SG 13.8 CC	✓	Public				
SG 14.1	✓	Public				
SG 14.2	✓	Public				
SG 14.3	✓	Public				
SG 14.6 CC	✓	Public				
SG 14.7 CC	✓	Public				
SG 14.8 CC	✓	Public				
SG 14.9 CC	✓	Public				
SG 15.1	✓	Public				
SG 15.2	✓	Public				
SG 15.3	✓	Public				

Symbol	Status
✓	The signatory has completed this sub-indicator
-	The signatory did not complete this sub-indicator.
	This indicator is relevant to the named TCFD recommendation
Within the first column "Indicator", indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.	

ORGANISATIONAL OVERVIEW

This section provides an overview of your organisation. These characteristics are used to define your peer groups.

MAIN CHARACTERISTICS	
Name	New York State Common Retirement Fund
Signatory Category	Non-corporate pension or superannuation or retirement or provident fund or plan
Signatory Type	Asset Owner
Size	US\$ > 50 billion AUM
Main Asset Class	Multi-Asset
Signed PRI Initiative	2006
Region	North America
Country	United States
Disclosure of Voluntary Indicators	50% from 38 Voluntary indicators

New York State Common Retirement Fund

Reported Information

Public version

Strategy and Governance

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Investment policy

SG 01	Mandatory	Public	Core Assessed	General
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 01.1 Indicate if you have an investment policy that covers your responsible investment approach.

SG 01 CC	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General
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SG 01.6 CC Indicate whether your organisation has identified transition and physical climate-related risks and opportunities and factored this into the investment strategies and products, within the organisation's investment time horizon.

Yes

Describe the identified transition and physical climate-related risks and opportunities and how they have been factored into the investment strategies/products.

We are integrating climate considerations into our risk assessments, investment decision making, and engagement and policy advocacy.

Climate risks and opportunities identified include:

Transition risks and opportunities such as regulatory risks in light of the Paris Agreement, technological advancement, and shifts in consumer demand.

Physical risks including extreme weather events, floods and droughts, and sea level rise are expected to be incorporated into our investment analysis when more decision-useful data is available.

No

SG 01.7 CC Indicate whether the organisation has assessed the likelihood and impact of these climate risks?

Yes

Describe the associated timescales linked to these risks and opportunities.

We believe that regulatory risk in developed markets is one of the most pressing short-term risks.

Although technological advancement and shifts in consumer demand may pose risks for specific industries and companies, there will also be opportunities to invest in climate solutions over the short, medium, and long terms.

Extreme weather events pose threats to various investment in our portfolio, but measuring risks is challenging due to data limitations. We expect to see greater physical risks in the long run if the world fails to limit a temperature rise.

No

**SG 01.8
CC**

Indicate whether the organisation publicly supports the TCFD?

- Yes
- No

**SG 01.9
CC**

Indicate whether there is an organisation-wide strategy in place to identify and manage material climate-related risks and opportunities.

- Yes

Describe

Our Climate Action Plan includes:

Formally integrating climate considerations into risk assessments, investment decision making, and engagement and advocacy

Enhancing climate risk assessments by identifying decision-useful metrics and data

Establishing minimum standards to evaluate companies' transition readiness in high impact sectors defined by TCFD.

Committing \$20 billion to Sustainable Investment- Climate Solutions program

Engaging with companies asking them to disclose and address climate risk and opportunities

- No

**SG 1.10
CC**

Indicate the documents and/or communications the organisation uses to publish TCFD disclosures.

- Public PRI Climate Transparency Report
- Annual financial filings
- Regular client reporting
- Member communications
- Other
- We currently do not publish TCFD disclosures

Governance and human resources

SG 07 CC

Mandatory to Report Voluntary to Disclose

Public

Descriptive

General

**SG 07.5
CC**

Indicate the roles in the organisation that have oversight, accountability and/or management responsibilities for climate-related issues.

Board members or trustees

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Risk Officer (CRO), Investment Committee

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Other Chief-level staff or heads of departments

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Portfolio managers

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Investment analysts

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Dedicated responsible investment staff

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

External managers or service providers

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

SG 07.6
CC

For board-level roles that have climate-related issue oversight/accountability or implementation responsibilities, indicate how these responsibilities are executed.

Comptroller DiNapoli, as the Trustee of the NYS Common Retirement Fund (Fund), has ultimate responsibility for its investments on behalf of the more than one million members, retirees, and beneficiaries. The Comptroller adopts climate investment strategies with advice from the Fund's senior management, in-house and external counsel, consultants, and managers. Additionally, the Decarbonization Advisory Panel, consisting of external climate experts and established in 2018, provided its recommendations for additional climate investment strategies to the Comptroller for his consideration upon conclusion of its work.

**SG 07.7
CC**

For management-level roles that assess and manage climate-related issues, provide further information on the structure and processes involved.

The Chief Investment Officer (appointed by the Comptroller) recommends to the Comptroller the Fund's overall investment strategy, including climate-related strategy, with the assistance of Investment and Corporate Governance staff, the Investment Risk Management team, and relevant consultants and managers.

The Corporate Governance staff along with other relevant staff members develop a strategic plan for addressing climate risks and opportunities regarding portfolio companies, active ownership, and public policy initiatives.

**SG 07.8
CC**

Indicate how your organisation engages external investment managers and/or service providers on the TCFD recommendations and their implementation.

- Request that external managers and/or service providers incorporate TCFD into mainstream financial filings (annual financial reports, other regulatory reporting or similar)
- Request incorporation of TCFD into regular client reporting
- Request that external managers complete PRI climate indicator reporting
- Request responses to TCFD Fund Manager questions in the PRI Asset Owner Guide
- Other
- We do not engage with external managers and/or service providers on the TCFD recommendations and their implementation

ESG issues in asset allocation

SG 13

Mandatory

Public

Descriptive

PRI 1

SG 13.1

Indicate whether the organisation carries out scenario analysis and/or modelling, and if it does, provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).

- Yes, in order to assess future ESG factors
- Yes, in order to assess future climate-related risks and opportunities

Describe

The Fund participated in Mercer's 2015 scenario study, which assessed the impact of climate change on the total portfolio under different climate change scenarios.

- No, our organisation does not currently carry out scenario analysis and/or modelling

SG 13.2

Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.

We do the following

- Allocation between asset classes
- Determining fixed income duration
- Allocation of assets between geographic markets
- Sector weightings
- Other, specify
- We do not consider ESG issues in strategic asset allocation

SG 13.4 CC	Describe how your organisation is using scenario analysis to manage climate-related risks and opportunities, including how the analysis has been interpreted, its results, and any future plans.
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- Initial assessment

	Describe
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Mercer's analysis found that the impact of climate change on the total portfolio is potentially significant. Our public equity allocations were heavily weighted toward developed markets, which are expected to suffer most in the event of swift/strong policy action such as a 2 degree scenario. This finding led to the development of our low emissions index.

- Incorporation into investment analysis

	Describe
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Various scenarios, including multiple temperature rise, regulatory and policy, and technological advancement scenarios, inform the Fund's Climate Action Plan, which provides for the assessment of climate risks and opportunities across the portfolio, including analysis of new investments, as well as utilizing minimum standards to assess portfolio companies' readiness for the transition to a low carbon economy.

- Inform active ownership

	Describe
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Scenario analysis informs our active ownership activities-we ask companies to develop robust risk assessments and business planning under different scenarios. For example, we ask utilities to undertake a robust climate scenario analysis including the latest IPCC's 1.5 degree scenario to inform their resource planning.

- Other

SG 13.5 CC	Indicate who uses this analysis.
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- Board members, trustees, C-level roles, Investment Committee
- Portfolio managers
- Dedicated responsible investment staff
- External managers
- Investment consultants/actuaries
- Other

SG 13.6 CC	Indicate whether your organisation has evaluated the potential impact of climate-related risks, beyond the investment time horizon, on its investment strategy.
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- Yes
- No

Please explain the rationale

The Fund's investment time horizon is long term and perpetual. The Mercer study focused on a 35 year timeframe from 2015 through 2050, which is within the Fund's investment time horizon.

SG 13.7
CC

Indicate whether a range of climate scenarios is used.

- Analysis based on a 2°C or lower scenario
- Analysis based on an abrupt transition, consistent with the Inevitable Policy Response
- Analysis based on a 4°C or higher scenario
- No, a range is not used

SG 13.8
CC

Indicate the climate scenarios your organisation uses.

Provider	Scenario used	
IEA	<input checked="" type="checkbox"/> Beyond 2 Degrees Scenario (B2DS)	
IEA	<input type="checkbox"/> Energy Technology Perspectives (ETP) 2 Degrees scenario	
IEA	<input checked="" type="checkbox"/> Sustainable Development Scenario (SDS)	
IEA	<input checked="" type="checkbox"/> New Policy Scenario (NPS)	
IEA	<input type="checkbox"/> Current Policy Scenario (CPS)	
IRENA	<input type="checkbox"/> RE Map	
Greenpeace	<input type="checkbox"/> Advanced Energy [R]evolution	
Institute for Sustainable Development	<input type="checkbox"/> Deep Decarbonisation Pathway Project (DDPP)	
Bloomberg	<input type="checkbox"/> BNEF reference scenario	
IPCC	<input checked="" type="checkbox"/> Representative Concentration Pathway (RCP) 8.5	
IPCC	<input type="checkbox"/> RPC 6	
IPCC	<input type="checkbox"/> RPC 4.5	
IPCC	<input type="checkbox"/> RPC 2.6	
Other	<input checked="" type="checkbox"/> Other (1)	<div style="background-color: #0070C0; color: white; padding: 2px;">Other (1) please specify:</div> Mercer's proprietary climate scenarios
Other	<input type="checkbox"/> Other (2)	
Other	<input type="checkbox"/> Other (3)	

SG 14	Mandatory to Report Voluntary to Disclose	Public	Additional Assessed	PRI 1
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SG 14.1

Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following are considered.

- Changing demographics
- Climate change
- Resource scarcity
- Technological developments
- Other, specify(1)
- Other, specify(2)
- None of the above

SG 14.2

Indicate which of the following activities you have undertaken to respond to climate change risk and opportunity

- Established a climate change sensitive or climate change integrated asset allocation strategy
- Targeted low carbon or climate resilient investments

Specify the AUM invested in low carbon and climate resilient portfolios, funds, strategies or asset classes.

	trillions	billions	millions	thousands	hundreds
Total AUM		8	500	000	000
Currency	USD				
Assets in USD		8	500	000	000

Specify the framework or taxonomy used.

Sustainable Investment and Climate Solutions Program

The New York State Common Retirement Fund actively seeks out managers that integrate ESG considerations in their investment process, and offer large-scale sustainable investment opportunities around the globe that meet its risk, return and thematic requirements, with a particular focus on climate solutions.

CRF Sustainability Themes

Resources and Environment

Climate and environment - Reducing the effects of climate change through low carbon initiatives.

Resource efficiency - Making the most of available natural resources.

Pollution and waste management - Minimizing pollution and improving conditions for local communities.

Human Rights & Social Inclusion

Education - Improving the quality of and access to education, particularly for underserved groups.

Demographic empowerment - Ensuring access for diverse groups among critical decision-making bodies.

Health and wellbeing - Improving conditions to support human health, nutrition, and quality of life.

Economic Development

Financial inclusion - Expanding access to banking, credit, and other vital financial services.

Sustainable infrastructure - Funding infrastructure that expands economic opportunity and meets standards for environmental management.

Affordable housing - Creating equal housing opportunity for low-income families and communities that are chronically underserved.

- Phase out your investments in your fossil fuel holdings
- Reduced portfolio exposure to emissions intensive or fossil fuel holdings
- Used emissions data or analysis to inform investment decision making
- Sought climate change integration by companies
- Sought climate supportive policy from governments
- Other, specify
- None of the above

SG 14.3

Indicate which of the following tools the organisation uses to manage climate-related risks and opportunities.

- Scenario analysis
- Disclosures on emissions risks to clients/trustees/management/beneficiaries
- Climate-related targets
- Encouraging internal and/or external portfolio managers to monitor emissions risks
- Emissions-risk monitoring and reporting are formalised into contracts when appointing managers
- Weighted average carbon intensity
- Carbon footprint (scope 1 and 2)
- Portfolio carbon footprint
- Total carbon emissions
- Carbon intensity
- Exposure to carbon-related assets
- Other emissions metrics
- Other, specify

other description

Minimum Standards to measure company's transition readiness

- None of the above

SG 14 CC	Voluntary	Public		General
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SG 14.6 CC	Provide further details on the key metric(s) used to assess climate-related risks and opportunities.
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Metric Type	Coverage	Purpose	Metric Unit	Metric Methodology
Climate-related targets	<input checked="" type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	To identify low carbon opportunities	US\$	Capital allocation to the Sustainable-Investment Climate Solutions program
Weighted average carbon intensity	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	To inform investment decision, active ownership program	Tons CO2e / US\$ Market Cap	Scope 1 and Scope 2 GHG emissions are allocated based on portfolio weights
Carbon footprint (scope 1 and 2)	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	To inform investment decision, active ownership program	Tons CO2e / US\$ Market Cap	Scope 1 and Scope 2 GHG emissions are allocated based on portfolio weights
Portfolio carbon footprint	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	To inform investment decision, active ownership program	Tons CO2e / US\$ Market Cap	Scope 1 and Scope 2 GHG emissions are allocated based on portfolio weights
Exposure to carbon-related assets	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	To inform investment decision, active ownership program	US\$ and % of investments in carbon related-assets	US\$ and % of investments in carbon related-assets US \$

SG 14.7
CC

Describe in further detail the key targets.

Targettype	Baseline year	Target year	Description	Attachments
<input type="checkbox"/> Absolute target <input checked="" type="checkbox"/> Intensity target	2019	2019	Low Emissions Index's 70% reduction of portfolio emission intensity compared to the benchmark	File 1:NY State Comptroller DiNapoli Doubles Low Emissions Index Investment to \$4 Billion.pdf
<input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target				
<input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target				
<input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target				
<input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target				

**SG 14.8
CC** Indicate whether climate-related risks are integrated into overall risk management and explain the risk management processes used for identifying, assessing and managing climate-related risks.

- Processes for climate-related risks are integrated into overall risk management

Please describe

We review climate science, investment research, and regulatory trends on a regular basis, which informs our views on climate change.

We measure the majority of our portfolio's carbon emissions annually, and are developing transition assessments and minimum standards to measure a company's transition readiness in the high impact sectors defined by TCFD.

We also conduct manager evaluations and ESG assessments for all new investments managers, which includes assessing climate risk management capabilities, and engaging with existing managers on TCFD reporting and enhanced climate risk management.

- Processes for climate-related risks are not integrated into overall risk management

**SG 14.9
CC** Indicate whether your organisation, and/or external investment manager or service providers acting on your behalf, undertake active ownership activities to encourage TCFD adoption.

- Yes

Please describe

We actively engage with companies in the high impact sectors defined by TCFD on transition strategies, enhanced disclosures including two degree and below two degree scenario analysis and GHG emissions

reduction targets, recommended by the TCFD. We filed a number of shareholder resolutions related to climate disclosure in line with TCFD. We have been the lead investor of the Climate Action 100+ investor engagement groups, asking Exxon, American Electric Power, and Martin Marietta to adopt the TCFD recommendations

No, we do not undertake active ownership activities.

No, we do not undertake active ownership activities to encourage TCFD adoption.

SG 15	Mandatory to Report Voluntary to Disclose	Public	Descriptive	PRI 1
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SG 15.1	Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.
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Yes

SG 15.2	Indicate the percentage of your total AUM invested in environmental and social themed areas.
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	%
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4.25

SG 15.3	Specify which thematic area(s) you invest in, indicate the percentage of your AUM in the particular asset class and provide a brief description.
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	Area
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Energy efficiency / Clean technology

	Asset class invested
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- Listed equity
- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity

	Percentage of AUM (+/-5%) per asset class invested in the area
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1

- Property
- Hedge funds
- Cash
- Other (1)

	Brief description and measures of investment
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CAFR

https://www.osc.state.ny.us/retire/word_and_pdf_documents/publications/cafr/cafr_19.pdf

Press Release

<https://www.osc.state.ny.us/press/releases/feb20/021320.htm>

<https://www.osc.state.ny.us/press/releases/jan18/013118.htm>

<https://www.osc.state.ny.us/press/releases/dec15/120415.htm>

Renewable energy

Green buildings

Asset class invested

- Listed equity
- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity
- Property

Percentage of AUM (+/-5%) per asset class invested in the area

1

- Hedge funds
- Cash
- Other (1)

Brief description and measures of investment

CAFR

https://www.osc.state.ny.us/retire/word_and_pdf_documents/publications/cafr/cafr_19.pdf

Press Release

<https://www.osc.state.ny.us/press/releases/feb20/021320.htm>

<https://www.osc.state.ny.us/press/releases/jan18/013118.htm>

<https://www.osc.state.ny.us/press/releases/dec15/120415.htm>

- Sustainable forestry
- Sustainable agriculture
- Microfinance
- SME financing
- Social enterprise / community investing
- Affordable housing

Asset class invested

- Listed equity
- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity
- Property

Percentage of AUM (+/-5%) per asset class invested in the area

1

- Hedge funds
- Cash
- Other (1)

Brief description and measures of investment

CAFR

https://www.osc.state.ny.us/retire/word_and_pdf_documents/publications/cafr/cafr_19.pdf

Press Release

<https://www.osc.state.ny.us/press/releases/feb20/021320.htm>

<https://www.osc.state.ny.us/press/releases/jan18/013118.htm>

<https://www.osc.state.ny.us/press/releases/dec15/120415.htm>

- Education
- Global health
- Water
- Other area, specify

Low Carbon

Asset class invested

- Listed equity

Percentage of AUM (+/-5%) per asset class invested in the area

2

- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity
- Property
- Hedge funds
- Cash
- Other (1)

Brief description and measures of investment

CAFR

https://www.osc.state.ny.us/retire/word_and_pdf_documents/publications/cafr/cafr_19.pdf

Press Release

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<https://www.osc.state.ny.us/press/releases/jan18/013118.htm>

<https://www.osc.state.ny.us/press/releases/dec15/120415.htm>

No