

Ohio Public Employees Retirement System

2022 Annual Report on Iran/Sudan Divestiture

(Submitted to ORSC December 5, 2022)

Market value of holdings with companies with scrutinized activities, FY 2007¹-Present (in millions):²

FY 2007	FY 2021	Change in market value
\$659	\$60	-90.94%

Market value of holdings with companies with scrutinized activities, FY 2020-2021 (in millions):

FY 2020	FY 2021	Change in market value
\$76	\$60	-21.25%

Top five holdings (directly or through active funds):

Company	Market Value (in millions)	% of total scrutinized
Schneider Electric SE	\$32.7	54.61%
Siemens Ag	\$24.4	40.73%
China Petroleum & Chemical Corp.	\$1.2	2.00%
PetroChina Company Limited	\$1.0	1.65%
Sinopec Group Overseas	\$0.6	1.01%

Comments on remaining top five holdings:

- All Active External Managers provide Exposure Rationale to OPERS twice a year.
- Summary of Responses:
- Schneider Electric SE
 - Continues to be a global leader of manufacturing power distribution and automation systems with unique opportunities to invest in energy efficiency and electrification.
 - Global distribution is hard to replicate, increasing its pricing power due to investment in growth areas such as data centers, smart grids, de-centralized power generation and automation.

¹ None of the retirement boards had an active Iran/Sudan divestment policy in 2007. 2007 serves as the baseline to measure changes.

² Holdings are as of 6/30 for the subsequent year reported.

- Siemens Ag
 - One of the largest electronics and engineering companies in the world with facilities around the world supporting a global customer base.
 - Well positioned due to higher growth businesses within automation, digitalization and energy efficient infrastructure.
- China Petroleum & Chemical Corp.
 - Major subsidiary of China Petrochemical Corporation (Sinopec Group).
 - One of the largest integrated energy and chemical companies in China.
- PetroChina Company Limited
 - Subsidiary of the state-owned China National Petroleum Corporation.
 - Largest oil & gas producer and seller in the oil and gas industry in China.
- Sinopec Group Overseas
 - Debt issuing vehicle operating as a subsidiary of China Petrochemical Corporation (Sinopec Group).
 - Sinopec Group is a state-owned Chinese petroleum and chemical company dealing in national gas, gasoline, kerosene, diesel, and petrochemical products.

Appendix

Summary of correspondences regarding scrutinized companies:

Year of Correspondence	% of Scrutinized Companies Contacted	Summary
2008	100%	Contacted 81 of 81 scrutinized companies; 25 responses
2009	100%	Contacted 98 of 98 scrutinized companies; 21 responses
2010	100%	Contacted 90 of 90 scrutinized companies; 18 responses
2011	100%	Contacted 87 of 87 scrutinized companies; 9 responses
2012	100%	Contacted 77 of 77 scrutinized companies; 21 responses
2013	100%	Contacted 62 of 62 scrutinized companies; 7 responses
2014	100%	Contacted 69 of 69 scrutinized companies; 10 responses
2015	100%	Contacted 60 of 60 scrutinized companies; 12 responses
2016	100%	Contacted 65 of 65 scrutinized companies; 14 responses
2017	100%	Contacted 67 of 67 scrutinized companies; 15 responses
2018	100%	Contacted 79 of 79 scrutinized companies; 10 responses
2019	100%	Contacted 89 of 89 scrutinized companies; 16 responses
2020	100%	Contacted 86 of 86 scrutinized companies; 11 responses
2021	100%	Contacted 86 of 86 scrutinized companies; 9 responses
2022	97.5% ³	Contacted 78 of 80 scrutinized companies; 3 responses

Summary of activity with active managers with holdings in scrutinized companies (current reporting year):

- The Board continues to monitor the positions held by active managers in Iran and Sudan.

Market value of directly held public securities that are scrutinized companies (current reporting year):

Company	Market value (in millions)
Schneider Electric SE	\$32.7
Siemens Ag	\$24.4
China Petroleum & Chemical Corp.	\$1.2
PetroChina Company Limited	\$1.0
Sinopec Group Overseas	\$0.6

³ Publicly available contact information was not found for two of the scrutinized companies.

Summary of sold, redeemed, purchased, withdrawn securities of scrutinized companies (previous three years):

Summary of Activity	2019	2020	2021
	China Oilfield Services Ltd. (P)	China Oilfield Services Ltd. (S)	China Petroleum & Chemical Corp. (P)
	Gazprom PAO (W)	China Petroleum & Chemical Corp. (P, S)	PetroChina Company Limited (P)
	Hindustan Petroleum Corp Ltd. (S)	Cnooc Ltd. (P,S)	Schneider Electric SE (P, S)
	Schneider Electric SE (P, S)	Schneider Electric SE (P, S)	Siemens AG (P, S)
	Siemens Gamesa Renewable Energy, SA (X, P)	Siemens Gamesa Renewable Energy, SA (P, S)	Siemens Gamesa Renewable Energy, SA (S)
	Siemens AG (P, S)	Siemens AG (S)	Sinopec Group Overseas (S)
	Sinopec Group Overseas (S)	Sinopec Group Overseas (P, S)	

S - Sold

R - Redeemed

P - Purchased

W - Withdrawn

X – Previously owned security added to scrutinized list in current report period