

# The State Teachers Retirement System of Ohio

## 2020 Annual Report on Iran/Sudan Divestiture

*Market value of holdings with companies with restricted activities, FY 2007<sup>1</sup>-Present (in millions):*

FY 2007	FY 2020	Change in market value
\$1,617.66	\$116.58	-92.79%

*Market value of holdings with companies with restricted activities, FY 2019-2020 (in millions):*

FY 2019	FY 2020	Change in market value
\$125.99	\$116.58	-7.47%

*Top five holdings (directly or through active funds):*

Company	Market Value (in millions)	% of total scrutinized
Schneider Electric SA	66,500,976.58	57.0%
SIEMENS AG NPV(REGD)	27,903,823.58	23.9%
CNOOC LTD HKD 0.02	5,560,967.43	4.8%
CHINA PETROLEUM + CHEMICAL H COMMON STOCK CNYL	4,206,386.48	3.6%
SINOPEC GROUP OVERSEAS DEV	3,281,258.19	2.8%

*Comments on remaining top five holdings:*

- STRS Ohio contacts each company on the restricted company list each year to solicit a formal explanation of the company’s operations in Iran and/or Sudan, and to encourage the company to cease these operations.
- STRS Ohio will continue to pursue divestment of restricted companies subject to the Board’s fiduciary responsibilities set forth in O.R.C. 3307.15 (A) and when a substitute investment with similar quality, return and safety can be identified.

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

## Appendix

### *Summary of correspondences regarding restricted companies:*

Year of Correspondence	% of Restricted Companies Contacted	Summary
2020	100%	Contacted 84 of 84 restricted companies; 42 responses
2019	100%	Contacted 87 of 87 restricted companies; 39 responses
2018	100%	Contacted 77 of 77 restricted companies; 25 responses
2017	100%	Contacted 66 of 66 restricted companies; 16 responses
2016	100%	Contacted 65 of 65 restricted companies; 14 responses
2015	100%	Contacted 67 of 67 restricted companies; 11 responses
2014	100%	Contacted 70 of 70 restricted companies; 13 responses
2013	100%	Contacted 65 of 65 restricted companies; 16 responses
2012	100%	Contacted 66 of 66 restricted companies; 17 responses
2011	100%	Contacted 95 of 95 restricted companies; 24 responses
2010	100%	Contacted 84 of 84 restricted companies; 27 responses
2009	100%	Contacted 77 of 77 restricted companies; 26 responses
2008	100%	Contacted 93 of 93 restricted companies; 40 responses

### *Summary of activity with active managers with holdings in restricted companies (current reporting year):*

- STRS Ohio provides a restricted company list to all portfolio managers affected by the Iran and Sudan Divestment Policy and Program on a semi-annual basis
- STRS Ohio requires each portfolio manager affected by the Iran and Sudan Divestment Policy and Program to confirm on a quarterly basis that they have reviewed the restricted company list and attempted to divest from any companies in which they believe a substitute of similar quality, return and safety was available.

- All purchases of securities in any company on the restricted company list must be pre-approved by the STRS Ohio Deputy Executive Director, Investments.

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

Company (as of June 30, 2020)	Market Value (millions)
BHARAT HEAVY ELECTRICALS LTD	-
CHINA PETROLEUM + CHEMICAL H COMMON STOCK CNY1.	4.2
CNOOC LTD HKD 0.02	5.6
HINDUSTAN PETROL INR10	2.1
MALAYSIA INT SHIP MYR1	1.0
OIL + NATURAL GAS CORP LTD INR 10.0	0.7
PETROCHINA CO HKD 0.1	2.3
Schneider Electric SA	66.5
SIEMENS AG NPV(REGD)	27.9
SIEMENS GAMESA RENEWABLE ENERGY	1.3
CNPC HK OVERSEAS CAP LTD	1.8
SINOPEC GROUP OVERSEAS DEV	3.3
	116.6

\*Ownership in BHARAT HEAVY ELECTRICALS LTD rounds to zero in this report due to their market value of less than \$10,000 as of June 30, 2020.

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

Summary of Activity	FY 2018		FY 2019		FY 2020	
	Company Name	Category	Company Name	Category	Company Name	Category
	<b>CHINA OILFIELD SERVICES H COMMON STOCK</b>	<b>S</b>				
	<b>CNPC GENERAL CAPITAL LIMITED</b>	<b>S</b>				
	<b>CNPC HK OVERSEAS CAPITAL LIMITED</b>	<b>X</b>				
			<b>GAZPROM OAO</b>	<b>W</b>		
			<b>GAZPROM PJSC SPON ADR-EACH REPR 2 ORD SHS</b>	<b>W</b>		
			<b>HINDUSTAN PETROL INR10</b>	<b>P</b>		
			<b>SIEMENS AG NPV(REGD)</b>	<b>X</b>		
					<b>SIEMENS GAMESA RENEWABLE ENERGY</b>	<b>X</b>
	<b>SINOPEC ENGINEERING GROUP CO LTD</b>	<b>S</b>				
	<b>SINOPEC GROUP OVERSEAS DEC 2013</b>	<b>X</b>				

- S - Sold
- R - Redeemed
- P - Purchased
- W - Withdrawn
- X – Previously owned security added to the restricted list in the current report period