

The State Teachers Retirement System of Ohio

2021 Annual Report on Iran/Sudan Divestiture

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

FY 2007	FY 2021	Change in market value
\$1,617.66	\$153.64	-90.50%

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

FY 2020	FY 2021	Change in market value
\$116.58	\$153.64	31.79%

Top five holdings (directly or through active funds):

Company	Market Value (in millions)	% of total scrutinized
Schneider Electric SA	77.4	50.4%
SIEMENS AG NPV(REGD)	56.7	36.9%
CHINA PETROLEUM + CHEMICAL H COMMON STOCK CNY1.	9.7	6.3%
CNOOC LTD HKD 0.02	4.5	3.0%
PETROCHINA CO HKD 0.1	3.4	2.2%

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.

¹ 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
2021	100%	Contacted 82 of 82 restricted companies; 41 responses
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, 2021)	Market Value (millions)
Schneider Electric SA	77.4
SIEMENS AG NPV(REGD)	56.7
CHINA PETROLEUM + CHEMICAL H COMMON STOCK CNY1.	9.7
CNOOC LTD HKD 0.02	4.5
PETROCHINA CO HKD 0.1	3.4
OIL + NATURAL GAS CORP LTD INR 10.0	1.0
MALAYSIA INT SHIP MYR1	0.9
BHARAT HEAVY ELECTRICALS LTD	0.0
	153.6

*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, 2021.

