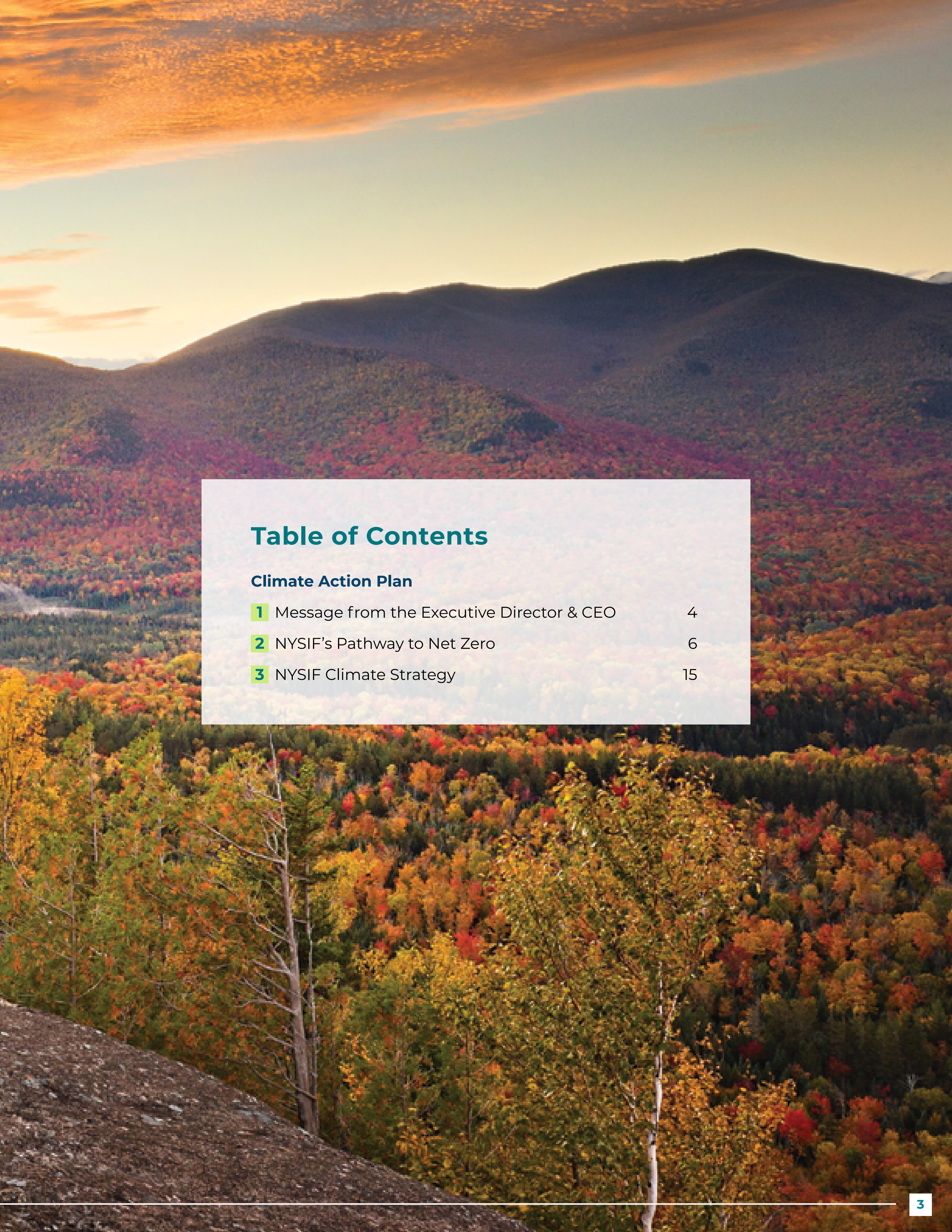
NYSIF

CLIMATE ACTION PLAN

September 2022



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1 MESSAGE FROM THE EXECUTIVE DIRECTOR & CEO

As a defining issue of our time, mitigating climate change will require substantial, collective efforts. To avoid the most devastating impacts, the Intergovernmental Panel on Climate Change (IPCC) has explained that the global community must limit temperature rise to less than 1.5° C.[1] That ambitious objective requires the global economy to achieve net zero carbon emissions by 2050 at the latest. Investors, governments, and businesses will all need to play a vital role in achieving this objective.[2]

The risks of failing to transition to a lower-carbon economy are immense, including damage to GDP growth and investment returns; increased inequality; and declining competitiveness. Successful transition, meanwhile, promises to positively impact economic development, infrastructure, and human health.

In the 2022 State of the State report, New York Governor Kathy Hochul directed state investment portfolios to lead on climate action, achieving net zero carbon emissions in their investments by 2040. To fully support the transition, Governor Hochul laid out the need for state investors to craft a comprehensive and concrete climate action plan, including prioritization of investment in green assets, disclosure of climate-related risks, and development of implementation plans.

The New York State Insurance Fund (NYSIF) remains guided by its mission of guaranteeing the availability of worker's compensation and disability insurance to New York State employers and employees. Achieving that mission in light of climate change now requires ensuring the long-term security of our investment portfolio through aggressive net zero action. As an insurer and asset owner, NYSIF is uniquely positioned to decarbonize investments, finance green solutions, and collaborate with business partners to drive positive change in the communities where we work.

OUR APPROACH TO ADDRESSING CLIMATE CHANGE IS GUIDED BY THREE PRINCIPLES:

1 Impact on the real economy

We want to ensure engagement, investment decisions, and related actions lead to both the decarbonization of NYSIF's portfolio and a positive impact on the real economy. To us, this means engaging with companies on climate transition plans, supporting climate solutions, and developing metrics that are fair and focused on real economic and business decarbonization.

2 Disclosure and transparency

We are committed to evaluating and steering our portfolio as comprehensively as we can, driven by available, quality data. As such, we support disclosure frameworks that incorporate Scope 3 (value chain) emissions as outlined in NYSIF's June 2022 letter to the Securities and Exchange Commission (SEC).[3] We also support analyzing private and alternative asset classes as data on company and security climate characteristics become available. This action plan focuses on NYSIF's public assets, incorporating Scope 3 where data is available and companies can be evaluated fairly, but we will continue to advocate for more expansive disclosures and work toward whole-portfolio net zero disclosures.

3 Support for a Just Transition

We believe that as the economy decarbonizes, investors will need to help ensure company transition actions positively impact workers and benefit low-income and minority communities, which will be disproportionately affected by climate-related risks. While a Just Transition increases jobs, it also ensures we balance our pace for energy security in the near term. As such, we plan to monitor our net zero plan for its social as well as environmental impacts, engage companies on Just Transition strategies, and leverage NYSIF's position to build a more equitable and prosperous future.

[1] IPCC Special Report: Global Warming of 1.5° C (www.ipcc.ch/sr15/).
[2] Net zero refers to a state where greenhouse gases emitted into the atmosphere are balanced by removal out of the atmosphere.
[3] NYSIF Supports Proposal to Standardize Disclosures (www.nysif.com/AboutNYSIF/NYSIF_News).

We believe these changes will be beneficial to NYSIF as an investor, in addition to benefiting the broader economy. The changes we are making to our portfolio are guided by the following beliefs about our climate-related investment risk and opportunity:

As a long-term investor, climate risk is highly likely to impact the asset value of our investments, and it is our responsibility to monitor and mitigate these exposures.

As equity owners and investors, we have the ability to influence company planning on climate-related issues through voting and collective influence on the cost of capital.

Responsible climate investing means evaluating exposures from a holistic perspective, including social and value chain impacts, underscored by our Just Transition and Scope 3 commitments.

Transition leaders are likely to form the bedrock of a new energy and industrial economy, creating alpha from climate solutions investment.

Unprepared businesses without transition plans are likely to be taken by surprise by the transition, inevitably becoming uncompetitive and achieving lower returns with higher volatility.

The Climate Action Plan detailed in this document lays out our net zero ambitions based on the philosophical beliefs listed above and provides a view of how we plan to support the transition through:

1. Targets for achieving portfolio and sector decarbonization using science-based scenarios
2. Collective and individual engagement with issuers on their transition strategies
3. Portfolio steering to decarbonize investments and support the growth of climate solutions
4. Partnerships to drive accelerated decarbonization in our community
5. Disclosures and governance to share our progress transparently

We hope that you will join us on this journey.

Sincerely,
Gaurav Vasisht
Executive Director & Chief Executive Officer

2 NYSIF'S PATHWAY TO NET ZERO

Defining Net Zero 2040

"Net zero" goals are informed by guidance issued by the IPCC, which states that minimizing climate change damages requires the world to limit temperature rise to 1.5° C above pre-industrial levels with limited temperature overshoot. Extensive modeling indicates that global greenhouse gas (GHG) emissions must balance removals by 2050 to achieve this goal, which is the definition of "net zero" emissions. These greenhouse gases include carbon dioxide, methane, nitrous oxide, and other climate pollutants.

Adapting the latest science, net zero climate scenarios from IPCC modelers and the International Energy Agency (IEA) have helped guide investors, corporations, and economic planners on how quickly sectors and the overall economy need to decarbonize.[4] These models indicate the pathways sectors must take to reach climate goals, as well as the cost of delayed action and the transformative economic efforts required to meet a 2050 target.

As part of New York State, NYSIF understands and supports the critical mission of achieving a net zero economy and believes in the value of accelerated action to help ensure the success of global climate mitigation goals. Our goal to achieve net zero by 2040 remains guided by climate scenarios, but we aim to deliver on the ambition of balancing portfolio emissions with removals 10 years ahead of current scientific guidance.

Laying Out NYSIF's Commitment

In line with the latest guidance, we believe a successful net zero strategy should include both reduction in portfolio emissions and other investment actions that support the climate transition. In this section we outline our portfolio emissions baseline and targets, while in the subsequent section we discuss our broader climate action plan.

NYSIF's ambition is to achieve net zero carbon emissions in our investment portfolio by 2040. To set these targets, NYSIF has chosen to follow leading industry guidance (e.g., the Net Zero Asset Owner's Alliance), specifying targets at both the portfolio and sector levels. Our targets are based on emissions intensity, which is normalized for each sector's primary production activities – helping us easily compare companies, ensuring that we do not penalize growth, and aiding engagement around transition business plans. NYSIF's commitment toward a net zero future will mitigate the impact of physical risks, and as more investors follow suit, physical risks and the impacts of climate change may be mitigated economy-wide. We have focused on setting targets in the most material, high-emitting sectors in our public markets portfolio (energy and power). Our targets include Scope 3 emissions where they are most material to sector business models and where data is high quality and grounded in company-level characteristics.

To meet our net zero 2040 ambition, NYSIF is also committing to establishing interim emissions targets based on an accelerated science-based scenario. Additional sector and portfolio-level targets will follow our initial announcement. We plan to use these interim sector targets as a method to drive engagement in hard-to-abate sectors.

[4] IEA Net Zero by 2050 scenario (www.iea.org/reports/world-energy-model/net-zero-emissions-by-2050-scenario-nze).

Establishing the Portfolio Baseline[5]

Measurement and attribution of baseline investment greenhouse gas emissions is required to set appropriate net zero targets. To establish our baseline, NYSIF calculated Scope 1 and Scope 2 financed emissions and intensity for its corporate equity and bond portfolio as of year-end 2020.[6,7] This baseline evaluation exercise was guided by standards from the Task Force on Climate-Related Financial Disclosures (TCFD) and the Partnership for Carbon Accounting Financials (PCAF), widely considered the global standards for emissions reporting for financial institutions.

These standards recognize two metrics – financed emissions and weighted average carbon intensity (WACI) – as preferred for disclosures of portfolio-level emissions exposures. WACI is important to monitor over time, as a change in revenue, or enterprise value including cash (EVIC), will drive a change in WACI.

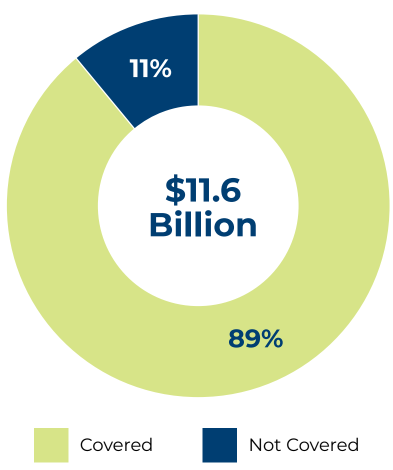
NYSIF recognizes that a commitment to net zero requires transparency and consistency when reporting baseline emissions and progress toward targets. Below, we provide details on NYSIF's portfolio baseline calculation and selected metrics.[8]

Table 1: Corporate Portfolio Baseline

Public Equity and Debt Corporate Portfolio Baseline (Scope 1 & 2)	**Financed Emissions**	**EVIC Weighted Average Carbon Intensity**	**Revenue Weighted Average Carbon Intensity**
	714,848 tons of carbon dioxide equivalent (tCO_2e)	**69** tCO_2e / $M EVIC	**279** tCO_2e / $M revenue

NYSIF will use baseline calculation standards consistently for future emission reduction targets, incorporating updates in industry guidance and data as appropriate. The baseline calculation includes available Scope 1 and 2 emissions across NYSIF's corporate equity and bond portfolio and was able to cover 89% of the in-scope portfolio by market value.[9] NYSIF's in-scope portfolio accounts for approximately 53% of the total portfolio.[10] Absolute emissions are measured in tons of CO2 equivalent (tCO2e); WACI is calculated by dividing absolute emissions by revenues or enterprise value including cash (EVIC), then weighting by portfolio market value.

Figure 1: In-Scope Portfolio



[5] Data Sources: CDP, GlobalData, U.S. Energy Information Administration (EIA), Network for Greening the Financial System (NGFS), RMI, Worldscope.
[6] Scope 1 emissions are direct greenhouse emissions that occur from sources that are controlled or owned by an organization. Scope 2 emissions are indirect GHG emissions associated with the purchase of electricity, steam, heat, or cooling.
[7] Financed emissions are calculated by multiplying issuer emissions by an attribution factor derived from dividing NYSIF's investment by the issuer's enterprise value including cash.
[8] Emissions calculations are the product of multiple inputs, including third-party production data and third-party emissions factors, all of which include certain assumptions and may be subject to data quality or accuracy issues, which may have an effect on resulting emissions figures. We will continue to monitor and refine our selection of data inputs as data quality and availability improves.
[9] In-scope asset classes include corporate bonds and public equities; portfolio coverage is limited by issuer data availability.
[10] Total portfolio is approximately $22B, with an additional $10.4B not accounted for in Figure 1.

Specifying Sector Targets

In addition to an emissions baseline, NYSIF has established interim emissions reduction targets for the energy and power sectors. These sectors were chosen for their high overall contribution to NYSIF's investment portfolio emissions despite limited exposure by market value, with the power and energy sectors representing 75% of Scope 1 and 2 financed emissions. Decarbonization trajectories are based on an accelerated version of the widely recognized Net Zero Emissions (NZE) scenario produced by the IEA. To align with our current sector emissions reduction targets, NYSIF has committed to fully divest from coal mining companies effective immediately.[11]

Figure 2: Financed Emissions by Sector

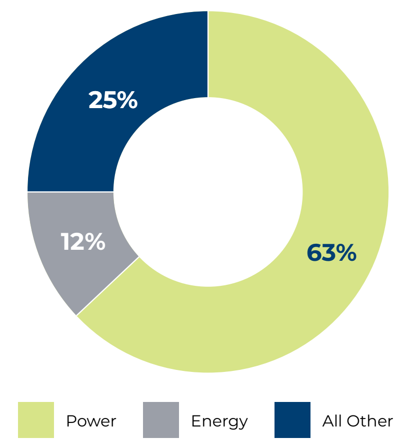


Table 2: Sector Emission Reduction Targets

Sector	Target	Sector Scope	Emissions Scope
Power	**0.11** tCO_2e per mWh A **75%** total reduction in physical intensity (compared to the 2020 scenario baseline)	· Electric Utilities · Multi-Utilities · Independent Power and Renewable Electricity Producers · Gas Utilities	**Scope 1 and Scope 3** (Category 3) (emissions from production, extraction, and transportation of fuels)[12]
Energy	**37.7** tCO_2e per MJ A **42%** total reduction in physical intensity (compared to the 2020 scenario baseline)	· Oil and Gas Exploration and Production · Coal and Consumable Fuels · Integrated Oil and Gas · Oil and Gas Refining and Marketing	**Scopes 1 and 2 and Scope 3** (Category 11) (emissions from the use of fuel sold to consumers)

Table 3: Coal Divestment Target

Coal Activity	Divestment Threshold	Timing
Mining	Issuers with **1%**+ revenues from coal mining	Immediate divestment

[11] Coal mining is defined as a company with greater than 1% of revenue from coal mining.
[12] Categorization as provided in the Greenhouse Gas Protocol.

Over the long term, NYSIF aims to achieve net zero carbon emissions for its full investment portfolio by 2040. Our initial focus on public energy, power, and coal securities is based on data availability, maturity of net zero methodologies, and established scenario pathways. Over time, NYSIF will add asset classes and sectors as data quality and availability improve and industry consensus on methodologies becomes more solidified.

For in-scope sectors, NYSIF has set emissions reduction targets using physical intensity metrics. Physical intensity divides absolute emissions by a production unit (megajoules for the energy sector and megawatt hours for the power sector). We chose physical intensity for sector target-setting to ensure:

- Company performance is fairly compared to peers based on primary economic activities.
- Inflation and volatility do not affect the portfolio and company performance against climate targets.
- Companies can continue focusing on growth while decarbonizing product lines and operations.
- Engagement with companies around transition business models is grounded in a productive and fair metric.

For the power sector, NYSIF established targets that focus on Scope 1 and Scope 3 (Category 3) emissions, reflecting the main economic activity of these companies, which receive revenue from electricity sales from owned generation or through the purchase and redistribution of electricity produced by others (Scope 3 (Category 3)). Physical production for the sector is therefore defined as all purchased electricity and direct electricity production in megawatt hours:

$$\sum_{i=1}^{n} \frac{MV_i}{MV_{pf}} \times \frac{\text{Scope 1 Emissions}_i + \text{Scope 3 (Category 3) Emissions}_i}{\text{Purchased Electricity}_i + \text{Power Production}_i}$$

i= issuer *n*= Number of issuers *MV*= Market Value *pf*= in scope power portfolio

For the energy sector, NYSIF targets include Scope 1, Scope 2, and Scope 3 (Category 11) emissions, since the majority of sector emissions occur from sales of fuel that will ultimately be combusted downstream for energy (Scope 3 (Category 11)). Physical production is defined as all energy distributed from fossil and renewable fuels:

$$\sum_{i=1}^{n} \frac{MV_i}{MV_{pf}} \times \frac{\text{Scope 1 Emissions}_i + \text{Scope 2 Emissions}_i + \text{Scope 3 (Category 3) Emissions}_i}{\text{Joules of Distributed Energy}_i}$$

i= issuer *n*= Number of issuers *MV*= Market Value *pf*= in scope power portfolio

NYSIF believes evaluating Scope 3 emissions is critical for the investment process. As quality data and methodologies become available, we will aim to include them in net zero targets. We have recommended that the SEC make Scope 3 disclosures more uniform and comprehensive across corporates. This will help prevent underreporting and assist in broader market adoption of the full emissions value chain in net zero disclosures and reporting.

Establishing a Science-Based Pathway

Climate scenarios summarize the emissions pathways required by sectors to limit warming to 1.5° C above pre-industrial levels, as referenced in the Paris Agreement. To conduct our target-setting analysis, the widely recognized IEA Net Zero Emissions by 2050 Scenario (IEA NZE) was selected as the emissions benchmark for the power and energy sectors. The IEA scenario is not a prediction of what will happen in the future, but rather a potential pathway based on the required trajectory to achieve 1.5° C.

As the IEA NZE scenario aims to achieve net zero by 2050, NYSIF brings forward the entire timeline for portfolio-level targets to reflect a net zero by 2040 timeline.

For sector-level targets, NYSIF leverages the Sectoral Decarbonization Approach (SDA) convergence method, a scientifically informed method to set decarbonization targets on a sector-by-sector basis. For the energy sector, NYSIF has accelerated the sector timeline, while for power the timeline remains as is. The sector-specific targets are calibrated to ensure the sector reaches net zero by 2040.

Sector-Specific Scenario Pathways

As part of its model, IEA NZE requires emissions in the power sector to reach net zero by 2040 as the sector adopts lower-cost renewable generation, battery storage, and closes high-carbon generation facilities. NYSIF has chosen to adopt the pathway as is aligned with NYSIF's net zero 2040 ambition as shown in Figure 3.

Figure 3: Power Sector Benchmark

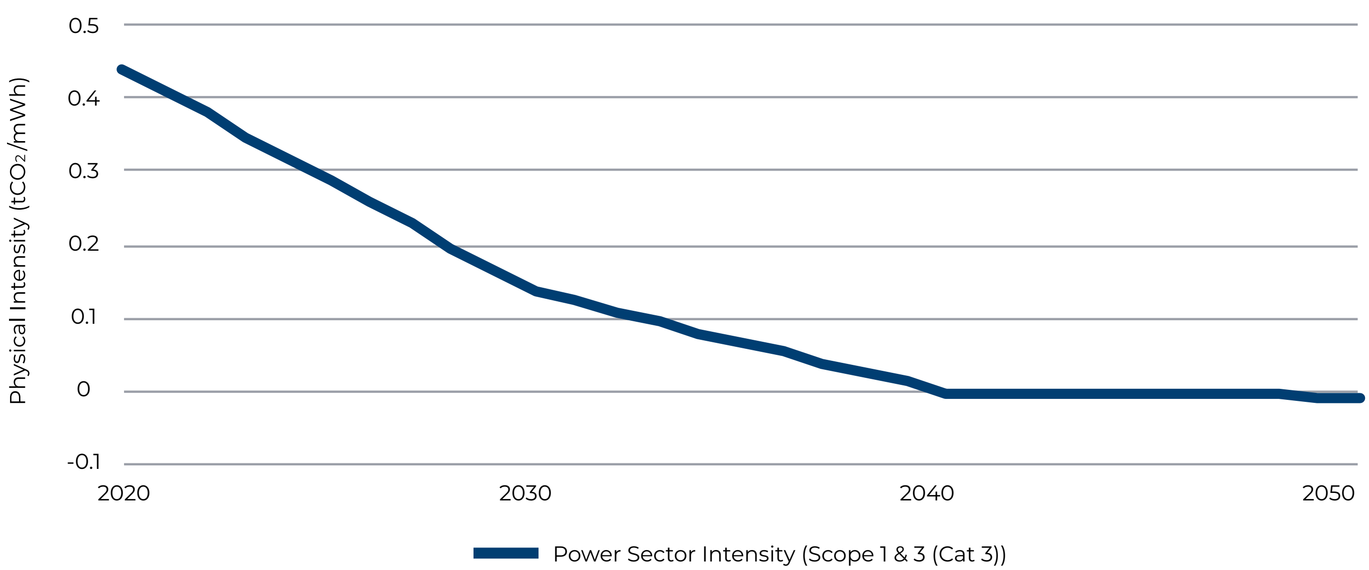


Table 4: Power Sector Benchmark

Metric	2020	2030	2040	2050
Power Sector Physical Intensity (tCO_2e/mWh)[13]	**0.44**	**0.14**	**(0.00)**	**(0.01)**

[13] IEA NZE - Scope 1 and Scope 3 (Category 3).

In the energy sector, the IEA NZE scenario assumes a sharp decline in energy demand, no new approval for oil and gas fields or coal mines, a significant shift toward renewables, and major innovation to bring new clean energy technologies to market.

NYSIF has defined the energy sector net zero pathway to include future emissions and energy produced from the use of fossil and renewable fuels. This definition is intended to include all activities potentially in the scope of immediate energy company transition opportunities, while excluding wind, solar, hydro, nuclear, and geothermal sources, which are primarily used to directly produce electricity. If energy companies take steps to acquire significant exposure to power businesses, their businesses may be evaluated in the future using our power pathway in a manner that does not overlap with energy targets.

The IEA NZE scenario assumes the energy sector will achieve net zero, but only through the expanded use of renewable fuels and development of scalable carbon capture technology (e.g., bioenergy with carbon capture and storage). To set a 2040 target, the NZE scenario pathway was accelerated to occur 10 years earlier. NYSIF recognizes that its target to achieve net zero by 2040 for energy is inherently aggressive, requiring continued analysis and monitoring as well as issuer engagement and portfolio steering. Currently, few if any energy businesses meet our 2030 physical intensity threshold given limited technology availability. Our intensity target is grounded in the belief, however, that energy companies will be critical to the transition through innovation in carbon capture and renewable fuel production, making an intensity target incorporating these factors more appropriate than an absolute reduction target.

The IEA NZE intensity for Scope 1, Scope 2, and Scope 3 (Category 11) emissions of the energy sector follows the trajectory shown in Figure 4 below.

Figure 4: Energy Sector Benchmark

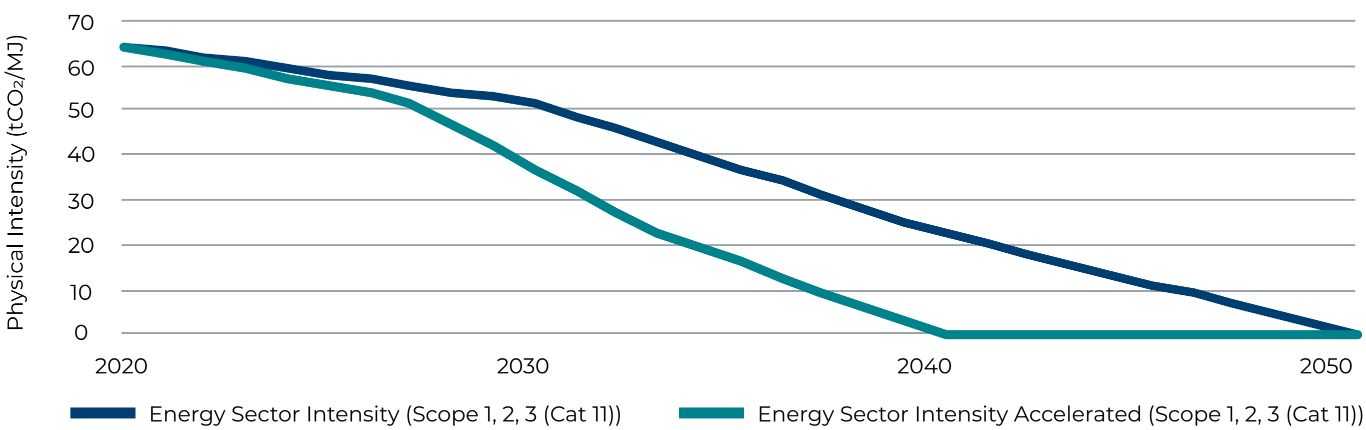


Table 5: Energy Sector Benchmark

Metric	2020	2030	2040	2050
Energy Sector Physical Intensity (Excludes Zero Carbon Electricity Sources) (tCO_2e/MJ)[14]	**64.5**	**51.7**	**22.3**	**0.0**
Energy Sector Physical Intensity – Accelerated (Excludes Zero Carbon Electricity Sources) (tCO_2e/MJ)[15]	**64.5**	**37.0**	**0.0**	**0.0**

[14] IEA NZE - Scope 1, Scope 2, and Scope 3 (Category 11).
[15] IEA NZE - Scope 1, Scope 2, and Scope 3 (Category 11).

Expanding NYSIF's Commitment

While the baseline emissions disclosure and sector targets provide the foundation for our net zero ambition, we plan to expand our commitment over time to provide comprehensive coverage.

As noted previously, with improving data availability, NYSIF intends to expand disclosures to include Scope 3 emissions as well as additional asset classes in portfolio calculations, namely sovereign, supranational, and agency (SSA) bonds where industry consensus on footprinting methodologies is growing. NYSIF will continue to analyze the feasibility of targets for additional high-emitting sectors, such as materials or transportation, in addition to interim targets for portfolio emissions. NYSIF will continue to monitor disclosure guidance and requirements as they evolve and will aim to continue to provide disclosures in line with industry guidance as well as participate in industry groups where guidance is being developed.

3 NYSIF CLIMATE STRATEGY

Figure 5: NYSIF Climate Strategy

Our NYSIF Climate Strategy spans four key categories to holistically support the climate transition and meet our net zero ambitions. Below, we lay out our action plan, consisting of four key actions:

1. **Engagement:** Collective and individual engagement with issuers and managers on their transition strategies

2. **Portfolio Steering:** Actions to decarbonize the investment portfolio and support the growth of climate solutions

3. **Policy, Advocacy, and Partnerships:** Partnerships to accelerate decarbonization in our community

4. **Monitoring, Reporting, and Governance:** Commitments to share and govern our progress transparently

1. Engagement

NYSIF recognizes the importance of engagement with companies – directly and in collaboration with others – to promote the transition to a net zero economy. Our view is informed by our investment principles, which hold NYSIF as an influencer on climate transition through our equity ownership and investment positions. As such, NYSIF is committed to the following actions to support engagement with issuers:

- **Participate in collaborative engagement.** NYSIF will join other investors in collaborative engagements to drive decarbonization planning with high-emitting issuers. We believe that collaborative engagement will more effectively coordinate investor voices on the transition and accelerate transition planning faster than we can achieve alone.
- **Drive bilateral engagement.** Beyond our collaborative actions, NYSIF intends to develop and implement a framework for bilateral engagement with high-emitting issuers in the energy and power sectors, which contribute 75% of total portfolio Scope 1 & 2 emissions.
  - a. NYSIF anticipates using the following criteria as a basis for issuer engagement and evaluation:
    - i. Ehanced disclosures of critical climate-related information, aligned with our disclosure principles
    - ii. Targets for achieving net zero by 2050, including interim targets aligned with 2030 net zero goals
    - iii. Development and disclosure of sound transition plans (e.g., wind-down of coal assets, development of alternative fuels, and incorporation of Just Transition principles)
  - b. NYSIF anticipates engaging with select issuers over a three-year engagement period, after which failure to meet specific criteria and/or show sufficient progress toward transition plans would result in addition to a watchlist and/or portfolio divestment

In addition to direct bilateral engagement, NYSIF intends to develop a framework to inform investment stewardship actions, including proxy voting and other shareholder actions.

- **Incorporate climate considerations into manager selection and engagement.** NYSIF intends to develop and implement a framework for asset manager selection and engagement. Our framework for manager engagement intends to socialize our investment philosophy with others and leverage our relationships to expand good investment practices on the climate transition. Our approach to capital allocation and position sizes will balance both portfolio diversification as well as issuer transition plans.

  a. NYSIF anticipates using the following criteria as a basis for engagement and evaluation:

     i. Development of manager-led engagement frameworks and voting policies aligned with NYSIF goals

     ii. Implementation of fossil fuel-related exclusion policies (e.g., coal mining)

     iii. Integration of climate considerations across key business processes, including investment research, monitoring/reporting, risk management, and control mechanisms, etc.

     iv. Disclosures related to net zero and/or other climate-specific targets

  b. Manager selection and ongoing evaluation will be achieved through the implementation of the following process integrations:

     i. Incorporation of climate-related considerations into all outgoing RFIs

     ii. Sustainability-focused due diligence questionnaire

     iii. Annual review of managers' climate-related policies and processes

  c. As part of a broader manager selection and engagement framework, NYSIF will develop policies for escalation, exclusion, and/or removal of managers which do not meet NYSIF's criteria for climate integration and disclosures

2. Portfolio Steering

NYSIF recognizes that climate risk is investment risk, and that the impacts of climate change will create investment opportunity in line with our climate investment principles. To that end, NYSIF will formally integrate climate considerations into risk assessment, investment policy, and portfolio construction. NYSIF is committed to the following actions:

- **Immediate divestment from coal mining exposures.**[16] To achieve net zero, coal usage must rapidly wind down across the developed world. In order to align with our commitment, NYSIF plans to divest immediately from investments in companies that receive greater than 1% of their revenue from coal.
- **Create a formal climate and transition solutions investing program.** NYSIF will develop an investment program to actively support the growth of climate solutions required to help high-emitting companies decarbonize. To this end, NYSIF plans to explore potential investments across a range of strategies aligned with our philosophy of providing aligned capital to transitioning companies, benefiting from transition winners, and creating an on-ramp for heavy-emitting industries to decarbonize. Our potential investment approaches may include:
  a. Transition acceleration: Deployment of capital to transform carbon-intensive companies. Investments may include green or sustainability-linked bonds, climate-relevant infrastructure, or green-to-brown buyout strategies.
  b. Climate solutions: Investment in new technologies and businesses necessary for a net zero economy. Investments may include late-stage venture capital or growth equity funds to support the scaling of transformational investments and technology solutions across key sectors, including energy, industry, mobility, and buildings.

NYSIF's climate solutions investment program will be supported by dedicated staff to guide the identification and monitoring of potential investments and the deployment of capital to climate solutions investing strategies.

3. Policy, Advocacy, and Partnerships

A supportive policy and regulatory environment is integral to achieving net zero emissions. NYSIF intends to use its relationships and positioning to drive advancement toward a net zero economy. NYSIF is committed to the following policy advocacy actions and partnerships:

- **Join investor networks to influence policy.** NYSIF is exploring membership with investor groups and is focused on participation in advocacy efforts that promote a just and inclusive transition toward a sustainable future.
- **Seek partnerships to ensure a Just Transition.** NYSIF is committed to limiting the impact of climate-related risks on workers and low-income, minority communities, which are often disproportionately impacted by climate change and whose well-being is inextricably linked to a Just Transition.

[16] Coal mining is defined as a company with greater than 1% of revenue from coal mining.

4. Monitoring, Reporting, and Governance

While setting targets represents a necessary first step on the path to net zero, tracking and governing progress is equally critical. NYSIF is committed to monitoring and reporting on progress toward its emissions targets. Further, NYSIF intends to continue to re-evaluate and update targets over time. NYSIF will report in-line with TCFD disclosure recommendations related to governance, strategy, metrics, targets, and risk management.

- **Develop a framework for internal assessment and monitoring.** NYSIF intends to establish portfolio management strategies, policies, and risk controls to ensure progress against and achievement of net zero targets. Specific actions in support of these goals will include:
  a. Conducting an analysis of top greenhouse gas contributors on an ongoing basis
  b. Codifying temperature alignment and net zero goals, and related portfolio re-allocation requirements (e.g., divestments, exclusions, etc.) within our investment policy statement
  c. Establishing risk processes, including control procedures, to ensure that net zero-related policies are implemented
  d. Developing an internal reporting framework to inform key stakeholder audiences of net zero progress, challenges, and key decisions on a regular basis
- **Disclose progress against net zero targets.** NYSIF further intends to publicly disclose progress toward net zero targets at least every five years, and in future reports provide an update to the firm's calculations and ambitions incorporating changes to data availability, measurement methodology, and industry guidelines.
- **Establish a governance structure.** NYSIF plans to drive accountability for its strategy through its risk, investment, and operational organization, including through the creation of a sustainability working group that will report to the board of directors to support governance and implementation of our net zero strategy.

NYSIF

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New York State Insurance Fund