

COMMON INVESTMENT MEETING Public Session



THE CITY OF NEW YORK OFFICE OF THE COMPTROLLER

October 18, 2017

TRUCOST Consultant Presentation

Carbon Footprint of the Public Equity Portfolios



NYCERS
Police Pension Fund
Fire Pension Fund
BERS

October 18, 2017



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Agenda

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Purpose

- Scope of Work and Context
- **3** Summary of Findings
 - **Discussion and Questions**

Scope of Work



Trucost analyzed the carbon footprint of the public equity holdings of four New York City Retirement Systems:

- New York City Employees' Retirement System (NYCERS)
- New York City Police Pension Fund (Police)
- New York City Fire Pension Fund (Fire)
- New York City Board of Education Retirement System (BERS)

Scope of Work



Trucost analyzed the carbon footprint for scope 1 and scope 2 carbon emissions.

Scope 1 Emissions

Direct emissions resulting from a company's own operations and include GHG emissions from boilers, company owned vehicles, emissions from any manufacturing operations, and waste produced. Scope 2 Emissions

Indirect emissions from consumption of purchased electricity, heat, or steam by the company.

Scope of Work



Key measures

Total carbon emissions:

Each system's total carbon emissions were apportioned on an 'ownership' basis:

Owning 1% of a company's shares means also owning 1% of that company's emissions

Carbon intensity:

System Carbon Intensity = $\frac{Portfolio \ total \ carbon \ emissions}{Portfolio \ total \ revenue}$

Context – Carbon Footprinting





Sweden threatens carbon-reporting law if pension funds fail to act

26 NOVEMBER 2015 BY RACHEL FIXSEN

Reprint Email Share O Comment



Swedish Systems must disclose portfolio's climate impact or face regulation - Johan Hultberg, MP The Swedish government has told the country's con the swedish government has told the country's con the swedish for the swedis

Per Bolund, minister for financial markets and consumer affairs and Green Party member, yesterday met with 20 pension and investment funds and insurers including Alecta, AMF, Folksam and its subsidiary KPA Pension to discuss the issue

Fondbolagens förening

SWEDISH INVESTMENT FUND ASSOCIATION

Guidance for fund management companies' reporting of funds' carbon footprints

Adopted by the Board of Directors of the Swedish Investment Fund Association in May 2016



Article 173 of the French Energy Transition Law: Mandates climate disclosure by investors



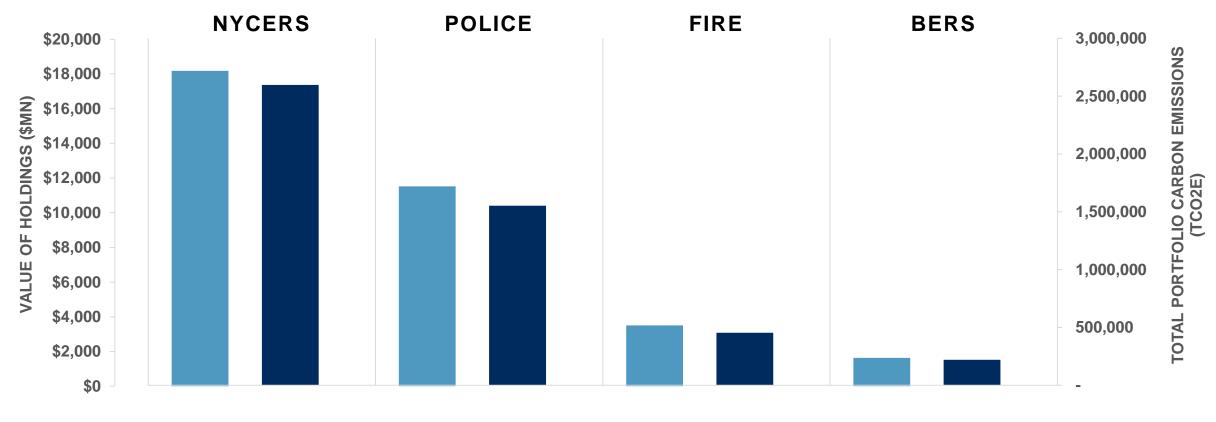
The Montreal Pledge, which commits investors to measuring and disclosing the carbon footprint of their portfolios on an annual basis, has attracted **120 signatories representing just over \$10trn in assets under management**. The Portfolio Decarbonization Coalition, formed to help cut greenhouse gas emissions by mobilizing institutional investors committed to decarbonizing their portfolios, smashed through its initial target of \$100bn, and is now overseeing the decarbonisation of **\$230bn in assets under management**.

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Summary of Findings

Absolute carbon emissions of the systems are in line with the relative size of the systems. The largest system has the greatest absolute emissions and the smallest system has the smallest absolute emissions.

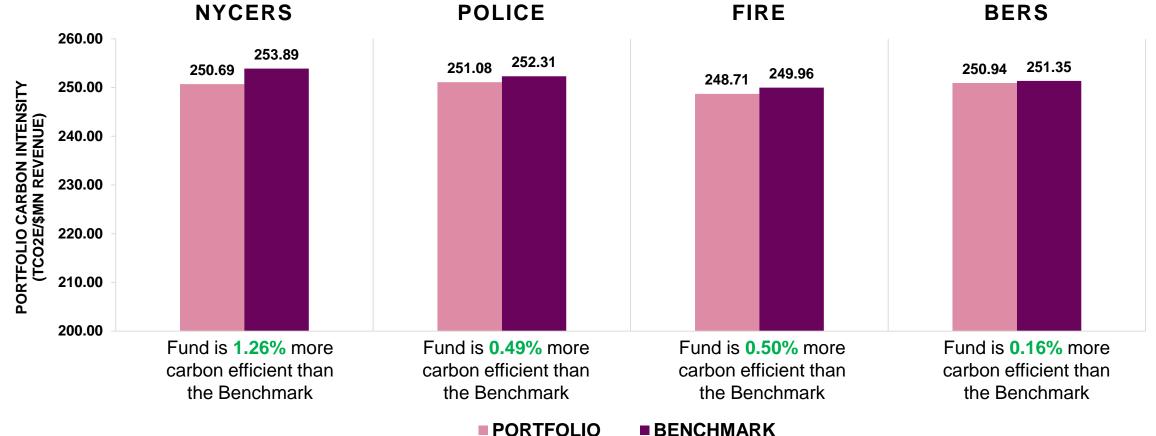


VALUE OF HOLDINGS CARBON EMISSIONS

Summary of Findings: Relative to Benchmark



All of the systems have slightly lower carbon intensities than their benchmark, making them more carbon efficient than their benchmarks.



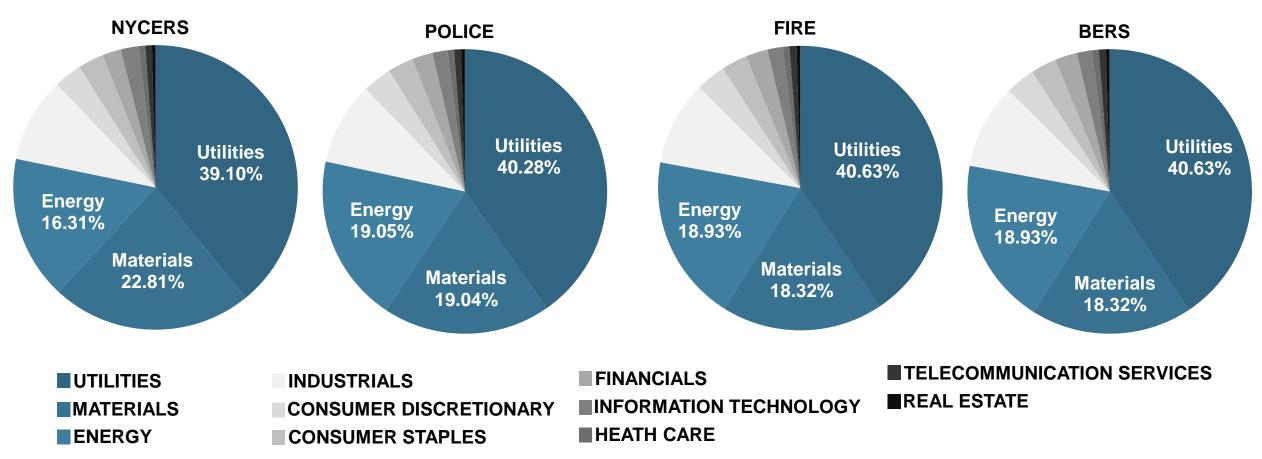
PORTFOLIO

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Summary of Findings: Sector Breakdown



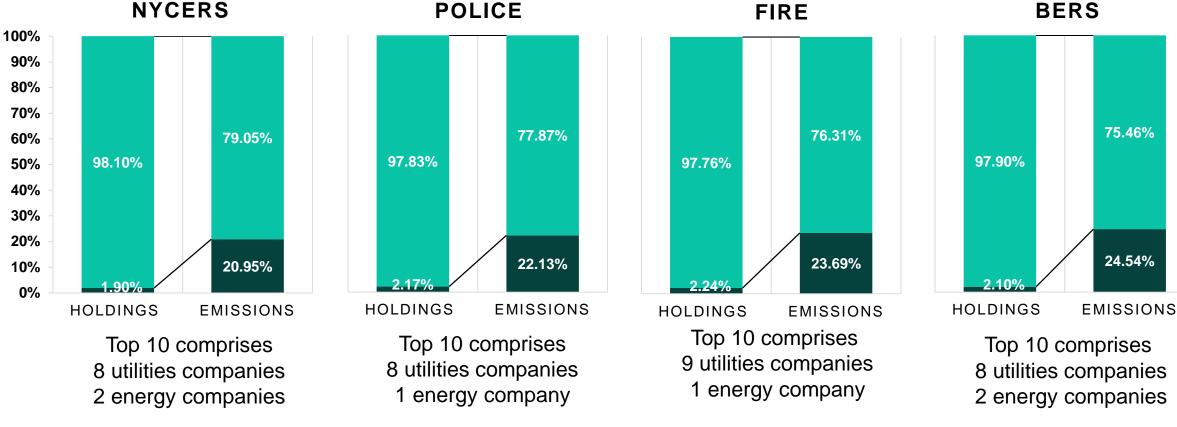
Across each of the systems, three sectors—utilities, materials, and energy—account for the majority (77%+) of the absolute emissions. The remaining emissions are spread across 8 other sectors.



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Summary of Findings: Top Contributors

The top 10 contributors in all 4 systems account for only around 2% of holdings value but over 20% of total emissions.



TOP 10 COMPANIES REMAINING COMPANIES

Trucost by S&P Dow Jones Indices ESG Analysis

Discussion and Questions





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Questions?