# Climate Risk Disclosure Survey

**Governance – narrative**

1. Disclose the insurer's governance around climate-related risks and opportunities.

In disclosing the insurer's governance around climate-related risks and opportunities insurers should consider including the following:

- Identify and include any publicly stated goals on climate-related risks and opportunities.

NYSIF published its Climate Action Plan in September 2022 (available on the NYSIF website), in which NYSIF committed to be net zero by 2040. In this plan, the following goals and plans to achieve them were outlined:

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

NYSIF also stated a clear intention to be guided by these three principles:

1. The Impact on the Real Economy
2. Disclosure and Transparency
3. Support for a Just Transition

Further, in this plan, NYSIF disclosed its intention to publicly divest from all assets with 1%+ revenue from coal mining.

As a New York State agency, NYSIF complies with Executive Order 22, which directs State Agencies to lead by example by adopting a sustainability and decarbonization program. The BuildSmart 2025 program was migrated under Executive Order 22, with the goal to achieve 11 trillion BTUs of energy savings at state facilities by 2025. Executive Order 22 streamlines and expands on many of New York State's energy and sustainability goals, including BuildSmart 2025, New York State's program for pursuing energy efficiency in New York State owned and occupied buildings. BuildSmart 2025 is designed to meet statutory requirements established by the Climate Leadership and Community Protection Act (CLCPA).

NYSIF participates in the statewide State Green Procurement and Agency Sustainability Program (GreenNY Council) as required by Executive Order 22 which mandates policies and programs for New York State agencies to reduce their environmental impact. Initiatives include but are not limited to, purchasing commodities, services, and technology that meet the approved green procurement specifications, reducing paper consumption, decarbonization of fleet vehicles, sourcing recyclable materials, and reducing waste.

NYSIF's capital projects incorporate energy efficient equipment and energy reducing materials consistent with the guidance, initiatives, and goals outlined under Executive Order 22 and the Leadership in Energy and Environmental Design ("LEED"). NYSIF includes provisions in its procurements, specifically the NYS Environmental Conservation Law (ECL) section 19-0323 and Title 6 of the New York Codes Rules and Regulations, Part 248 (6 NYCRR 248) to comply with the Diesel Emission Reduction Act (DERA). These require the use of ultra low sulfur diesel and/or the best available retrofit technology that will reduce the emission of pollutants from heavy duty vehicles.

• Describe where climate-related disclosure is handled within the insurer's structure, e.g., at a group level, entity level, or a combination. If handled at the group level, describe what activities are undertaken at the company level.

NYSIF is a single entity. NYSIF climate-related disclosure occurs at the Executive and senior management levels on policy and compliance. NYSIF also provides climate risk information for policyholders to self-serve and gain information about this area. NYSIF works with individual policyholders to assist them in identifying serious risks to safety of workers. These risks may be influenced by climate changes.

A. Describe the board and/or committee responsible for the oversight of climate-related risks and opportunities.

In describing the position on the board and/or committee responsible for the oversight of managing the climate-related financial risks, insurers should consider including the following:

• Describe the position on the board and/or committee responsible for the oversight of managing the climate-related financial risks.

Oversight of climate-related financial risks is not a specifically enumerated responsibility for any Board position or committee. However, our Board oversight encompasses this responsibility as part of its overall oversight of financial risks. The Investment Committee is responsible for oversight of NYSIF investment staff and advisors with a dedicated and skilled ESG and Sustainable Investments team providing oversight of these risks. Additionally, the Board's Business Operations Committee oversees senior management working on compliance with efforts to reduce emissions, materials, and waste as detailed in this survey.

B. Describe management's role in assessing and managing climate-related risks and opportunities.

Climate-related risks are part of NYSIF's overall risk management framework. NYSIF categorizes their risks into 7 broad categories: investment risks, insurance risks, regulatory / governmental risks, strategic risks, operational risks, emerging risks, and reputational risks. Climate risks can have an impact on each of these segments.

**Governance – closed ended questions answered in addition to the narrative.**

• Does the insurer have publicly stated goals on climate-related risks and opportunities?

(Y/N) Y

• Does your board have a member, members, a committee, or committees responsible

for the oversight of managing the climate-related financial risk? (Y/N) Y

• Does management have a role in assessing climate-related risks and opportunities?

(Y/N) Y

• Does management have a role in managing climate-related risks and opportunities?

(Y/N) Y

**Strategy – narrative**

2. Disclose the actual and potential impacts of climate-related risks and opportunities on the insurer's businesses, strategy, and financial planning where such information is material.

In disclosing the actual and potential impacts of climate-related risks and opportunities on the insurer's businesses, strategy and financial planning, insurers should consider including the following:

• Describe the steps the insurer has taken to engage key constituencies on the topic of climate risk and resiliency.*i

Climate risks are discussed throughout NYSIF including discussions at the board level, committee level, senior staff meetings as well as individual business units.

• Describe the insurer's plan to assess, reduce, or mitigate its greenhouse gas emissions in its operations or organizations.*

Across its portfolio, NYSIF plans to reduce its emissions, ultimately to net zero by 2040, with intermediary goals along the way. Strategies for further GHG emission reductions are being developed using both engagement and divestment tactics. By 2030, NYSIF aims to reduce its energy sector physical intensity emissions (scopes 1, 2, and 3) by 27.5 $tCO_2e/MJ$, and by 37 $tCO_2e/MJ$ by 2040 to equal 0 $tCO_2e/MJ$ across the energy sector. For the power sector, NYSIF aims to reduce its physical intensity by .3 $tCO_2e/mWh$ by 2030 and .14 $tCO_2e/wMh$ by 2040 to achieve 0 $tCO_2e/wMh$. In July 2024, NYSIF engaged with a leading climate data platform to provide additional data on greenhouse gas emissions.

By participating in BuildSmart 2025, NYSIF strives to meet the goals to reduce greenhouse gas emissions. Executive Order 22 provides agencies with access to the New York Energy Manager ("NYEM") includes processes for measuring and storing energy use data and other computing-intensive programs.

Under the guidance of GreenNY Council, NYSIF participates in the statewide State Green Procurement and Agency Sustainability Program plans to reduce environmental impact. Initiatives include but are not limited to, purchasing commodities, services, and technology that meet the approved green procurement specifications, reducing paper consumption, decarbonization of fleet vehicles, sourcing recyclable materials, reducing waste, and replacing fossil fuel-based equipment with equipment that is compatible with renewable energy sources. NYSIF's capital projects incorporates energy efficient equipment, energy reducing & stainable materials, building systems designed to run off sustainable energy sources, and where feasible, replacing or eliminating equipment that require on-site fossil fuel combustion. Most recently, NYSIF's capital project in a recent renovation of its main office in New York City qualified for Silver LEED Certification.

A. Describe the climate-related risks and opportunities the insurer has identified

over the short, medium, and long term.

For all terms, considerations occurred through appropriate procurements. Further, when handling facility asset modifications, the agency put forward goals and objectives consistent with those of New York State government including but not limited to Executive Order 22, which supersedes, repeals and replaces Executive Order 4 (2008), Executive Order 18 (2009), Executive Orders 88 (2012), and Executive Order 166 (2017) as well as the conversion of vehicles to EV by 2035, BuildSmart 2025, NetZero 2040, etc.

In the Long term (10-30 years), NYSIF is committed to be net zero by 2040 and has mapped out a plan to reach that goal. To achieve its 2040 net zero goal, NYSIF set aggressive and accelerated targets each decade to reach its goals.

In describing the climate-related risks and opportunities the insurer has identified over the short, medium, and longer term, insurers should consider including the following:

• Define short, medium, and long-term, if different than 1-5years as short

term, 5-10years as medium term, and 10-30years as long term.

B. Describe the impact of climate-related risks and opportunities on the insurer's

business, strategy, and financial planning.

In describing the impact of climate-related risks and opportunities on the insurer's business, strategy, and financial planning, insurers should consider including the following:

• Discuss if and how the insurer provides products or services to support

the transition to a low carbon economy or helps customers adapt to

climate-related risk.

NYSIF has committed to divesting from coal mining assets. NYSIF is also developing a strategy to ensure that sustainability is a factor in selecting our investments.

• Discuss if and how the insurer makes investments to support the

transition to a low carbon economy.

NYSIF's investment department considers sustainability-related factors when assessing investments across its portfolio. The investment department has also dedicated a pool of resources to sustainable investing. These dedicated resources will be deployed in funds / assets that overtly advance NYSIF's climate goals including its net zero carbon emissions by 2040 commitment.

To achieve net zero by 2040, NYSIF is committed to transitioning to a low carbon economy while also championing return on investment.

C. Describe the resilience of the insurer's strategy, taking into consideration

different climate-related scenarios, including a 2 degree Celsius or lower

scenario.

NYSIF has performed stress tests on our investment portfolio taking into consideration a 2-degree Celsius test and lower. Our stress tests will change over time and climate change is considered as a potential factor in developing our stress tests.

**Strategy - closed ended questions answered in addition to the narrative.**

• Has the insurer taken steps to engage key constituencies on the topic of climate

risk and resiliency? (Y/N) *Y

• Does the insurer provide products or services to support the transition to a low

carbon economy or help customers adapt to climate risk? (Y/N) N

• Does the insurer make investments to support the transition to a low carbon

economy? (Y/N) Y

• Does the insurer have a plan to assess, reduce or mitigate its greenhouse gas

emissions in its operations or organizations? (Y/N)* Y

**Risk Management – narrative**

3. Disclose how the insurer identifies, assesses, and manages climate-related risks.

In disclosing how the insurer identifies, assesses, and manages climate-related risks, insurers

should consider including the following:

• Describe how the insurer considers the impact of climate related risks on its

underwriting portfolio, and how the company is managing its underwriting exposure

with respect to physical, transition and liability risk.*

NYSIF considers the impact of climate related risks on its underwriting portfolio through an understanding of an insured's business activity and an analysis of its potential loss activity.

• Describe any steps the insurer has taken to encourage policyholders to manage their potential physical and transition climate related risks, if applicable.*

Not applicable.

• Describe how the insurer has considered the impact of climate-related risks on its investment portfolio, including what investment classes have been considered.*

NYSIF selected the IEA Net Zero Emissions by 2050 Scenario (IEA NZE) as the emissions benchmark for the energy and power sectors to establish a science-based pathway to limit warming to 1.5°C above pre-industrial levels. However, this benchmark aims to achieve net zero by 2050, and NYSIF therefore accelerates the timeline of this climate-scenario by 10 years to achieve net zero by 2040. We are not anticipating this to have any adverse impact on our financial results. As such, NYSIF considers the impact of climate-related risks across investment classes.

A. Describe the insurers' processes for identifying and assessing climate-related risks.

In describing the insurers' processes for identifying and assessing climate-related risks, insurers should consider including the following:

• Discuss whether the process includes an assessment of financial implications and how frequently the process is completed.*

At each stage of NYSIF's transition to net zero across its portfolio, financial implications are assessed. With its climate data platform, NYSIF can assess its real-time emissions exposure fairly accurately. NYSIF engages in a process to identify any financially material ESG or Climate risks to the portfolio based on global standards like the TCFD, GRI, and ISSB. This assessment of financial implications will take place on an ongoing basis within NYSIF and will be presented regularly to the Investment Committee as well as to the Board of Commissioners, when necessary.

B. Describe the insurer's processes for managing climate-related risks.

Climate-related risks are part of NYSIF's overall risk management framework. NYSIF categorizes their risks into 7 broad categories: investment risks, insurance risks, regulatory / governmental risks, strategic risks, operational risks, emerging risks, and reputational risks. Climate risks can have an impact on each of these segments.

C. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the insurer's overall risk management.

In describing how processes for identifying, assessing, and managing climate-related risks are integrated into the insurer's overall risk management, insurers should consider including the following:

- Discuss whether climate-related risks are addressed through the insurer's general enterprise-risk management process or a separate process and how frequently the process is completed.

  Climate related risks are part of the enterprise risk management process. The Risk Management Framework is reviewed and approved on an annual basis.

- Discuss the climate scenarios utilized by the insurer to analyze its underwriting risks, including which risk factors the scenarios consider, what types of scenarios are used, and what timeframes are considered.

  NYSIF has explored the impact that climate risk factors could have on some of our individual business sectors.

- Discuss the climate scenarios utilized by the insurer to analyze risks on its investments, including which risk factors are utilized, what types of scenarios are used, and what timeframes are considered.

  NYSIF selected the IEA Net Zero Emissions by 2050 Scenario (IEA NZE) as the emissions benchmark for the energy and power sectors to establish a science-based pathway to limit warming to 1.5°C above pre-industrial levels. However, this benchmark aims to achieve net zero by 2050, and NYSIF therefore accelerates the timeline of this climate-scenario by 10 years to achieve net zero by 2040. We are not anticipating this to have any adverse impact on our financial results.

**Risk Management – closed ended questions answered in addition to the narrative.**

- Does the insurer have a process for identifying climate-related risks? (Y/N) Y
  - If yes, are climate-related risks addressed through the insurer's general enterprise-risk management process? (Y/N) Y
- Does the insurer have a process for assessing climate-related risks? (Y/N) Y
  - If yes, does the process include an assessment of financial implications? (Y/N) Y
- Does the insurer have a process for managing climate-related risks? (Y/N) N
- Has the insurer considered the impact of climate-related risks on its underwriting portfolio? (Y/N/Not Applicable)* N
- Has the insurer taken steps to encourage policyholders to manage their potential

climate-related risks? (Y/N)* Y

• Has the insurer considered the impact of climate-related risks on its investment portfolio? (Y/N)* Y

• Has the insurer utilized climate scenarios to analyze their underwriting risk? (Y/N) N

• Has the insurer utilized climate scenarios to analyze their investment risk? (Y/N) Y

**Metrics and Targets – narrative**

4. Disclose the metrics and targets used to assess and manage relevant collateralized risks and opportunities where such information is material.

In disclosing the metrics and targets used to assess and manage relevant collateralized risks and opportunities where such information is material, insurers should consider including the following:

Discuss how the insurer uses catastrophe modeling to manage the climate-related risks to your business. Please specify for which climate-related risks the insurer uses catastrophe models to assess, if any.

NYSIF uses loss costs developed by NYCIRB. NYCIRB incorporates catastrophe modeling into their loss cost analysis on an annual basis.

A. Disclose the metrics used by the insurer to assess climate-related risks and opportunities in line with its strategy and risk management process.

In disclosing the metrics used by the insurer to assess climate-related risks and opportunities in line with its strategy and risk management process, insurers should consider including the following:

• In describing the metrics used by the insurer to assess and monitor climate risks, consider the amount of exposure to business lines, sectors, and geographies vulnerable to climate-related physical risks [answer in absolute amounts and percentages if possible], alignment with climate scenarios, [1 in 100 years probable maximum loss, Climate VaR, carbon intensity], and the amount of financed or underwritten carbon emissions)

The frequency of claims and the frequency of specific cause of injuries are likely to be the most relevant metrics for assessing the impact of climate change on workers' compensation.

B. Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.

NYSIF investment climate action plan was disclosed targeting a net zero by 2040.

C. Describe the targets used by the insurer to manage climate-related risks and opportunities and performance against targets.

NYSIF monitors GHG emissions and climate-scenarios to assess climate-related risks. 2040 net zero target & intermediary goals -- NYSIF also plan to expand our goals depending on progress and as time goes on.

**Metrics and Targets – closed ended questions answered in addition to the narrative.**

- Does the insurer use catastrophe modeling to manage your climate-related risks? (Y/N) N
- Does the insurer use metrics to assess and monitor climate-related risks? (Y/N) N
- Does the insurer have targets to manage climate-related risks and opportunities? (Y/N) Y
- Does the insurer have targets to manage climate-related performance? (Y/N) Y