

**MARYLAND STATE RETIREMENT AND PENSION SYSTEM
IMPLEMENTATION OF THE 2008 DIVESTITURE FROM IRAN AND
SUDAN ACT**

October 1, 2024 – March 31, 2025

State Retirement Agency of Maryland

April 9, 2025

**Maryland State Retirement and Pension System
Implementation of the 2008 Divestiture from Iran and Sudan Act as of April 1, 2025
State Personnel and Pensions Article, § 21-123.1**

This is the required semi-annual report for the period commencing October 1, 2024, and ending March 31, 2025 (the “Reporting Period”), and includes the following:

- 1) a summary of correspondence with companies engaged by the Board of Trustees during the Reporting Period;
 - 2) all divestment actions taken by the Board of Trustees in accordance with the Act during the Reporting Period;
 - 3) a list of companies doing business in Iran or Sudan which the Board of Trustees has determined during the Reporting Period to be ineligible for investments of net new funds under the terms of the Act; and
 - 4) other developments relevant to investment in companies doing business in Iran or Sudan.
1. A summary of correspondence with companies engaged by the Board of Trustees during the Reporting Period.

The Maryland State Retirement and Pension System (the “Retirement System”) has engaged MSCI ESG Research Inc. (“MSCI ESG”) to periodically provide a list of companies doing business in Iran and/or Sudan (“Focus List”), and to manage the engagement process for the Retirement System. MSCI ESG provided a Focus List dated as of January 1, 2025.

As of the end of the Reporting Period, the Retirement System has not engaged with any companies regarding divestment as no new companies were listed as doing business in Iran and Sudan.

2. All divestment actions taken by the Board of Trustees during the Reporting Period.

During the Reporting Period, the Board of Trustees removed the following companies from the list of restricted securities:

1. Gazprom Gazoraspredeleniye Sever AO
2. El Sewedy Cables Company

3. Companies doing business in Iran or Sudan, which the Board of Trustees has determined during the Reporting Period to be ineligible for investments of net new funds under the terms of the Act.

At its meeting on February 19, 2025, the Board of Trustees determined that the following 23 companies are not eligible for investment and directed that managers of eligible accounts be notified of the restriction.

| <u>OPERATING IN SUDAN OR IRAN</u> | <u>COMPANY NAME</u> | <u>BUSINESS ACTIVITY as defined in SPP 21- 123.1</u> | <u>COUNTRY</u> |
|--|--|---|------------------------|
| Iran and Sudan | China National Petroleum Corporation (PetroChina Co) | Oil related | China |
| Iran and Sudan | China Petrochemical Corporation | Oil related | China |
| Iran, Sudan | CNPC Global Capital Limited | Oil related | China |
| Iran and Sudan | CNPC (HK) Overseas Capital Ltd | Oil related | British Virgin Islands |
| Iran and Sudan | CNPC General Capital Limited | Oil related | British Virgin Islands |
| Iran | Gaz Capital S.A. | Oil related | Luxembourg |
| Iran | Gaz Finance PLC | Oil related | United Kingdom |
| Iran | Gazprom Capital OOO | Oil related | Russia |
| Iran | Gazprom PAO | Oil related | Russia |
| Sudan | Harbin Power Equipment Company Limited | Oil related | China |
| Sudan | Managem S.A. | Mineral extraction activities | Morocco |
| Sudan | Oil and Natural Gas Corporation Limited | Oil related | India |
| Sudan | Oil India International PTE. LTD | Oil related | Singapore |
| Sudan | Oil India Limited | Oil related | India |
| Sudan | ONGC Videsh Limited | Oil related | India |
| Sudan | Perseus Mining Limit | Mineral extraction activities | Australia |
| Sudan | Petroliam Nasional Berhad | Oil related | Malaysia |
| Sudan | Siemens Financieringsmaatschappij N.V. | Power production | Netherlands |
| Iran and Sudan | Sinopec Group Overseas Development (2013) Limited | Oil related | British Virgin Islands |
| Iran and Sudan | Sinopec Group Overseas Development (2015) Limited | Oil related | British Virgin Islands |
| Iran and Sudan | Sinopec Group Overseas Development (2016) Limited | Oil related | British Virgin Islands |
| Iran and Sudan | Sinopec Group Overseas Development (2017) Limited | Oil related | British Virgin Islands |

| <u>OPERATING IN SUDAN OR IRAN</u> | <u>COMPANY NAME</u> | <u>BUSINESS ACTIVITY as defined in SPP 21- 123.1</u> | <u>COUNTRY</u> |
|---------------------------------------|---|--|------------------------|
| Iran and Sudan | Sinopec Group Overseas Development (2018) Limited | Oil related | British Virgin Islands |

4. Other developments relevant to investments in companies doing business in Iran or Sudan.

A. In discharging their responsibilities under the Act, the Board of Trustees and its Corporate Governance and Securities Litigation Committee (“Corporate Governance Committee”) receive and review information gathered through the engagement process, as well as input from (i) the System’s vendor MSCI ESG, (ii) Meketa Investment Group, Inc., the System’s general investment consultant, (iii) legal counsel and, (iv) staff of the Investment Division.

The information presented to the Board of Trustees and its Corporate Governance Committee considers a wide array of factors, including:

1. initial and ongoing divestment costs on both an individual and aggregate level;
2. company impact on aggregate, fund-level returns and managers; and
3. representation of companies in the relevant investment benchmarks, including:
 - i. representation of companies in sectors and industries; and
 - ii. representation of companies in various investment benchmarks.

B. The Board of Trustees recognizes that it has a continuing monitoring and reporting obligation. MSCI ESG is providing ongoing monitoring services, and the general investment consultant, State Retirement Agency staff, and legal counsel will continue to assist the Corporate Governance Committee in reviewing matters regarding the Act.