

May 16, 2025

To: House Committee on Revenue

From: The Very Rev. Kirsten Snow Spalding, VP Investor Network, Ceres

Re: Support of House Bill HB 2081A

Ceres, a nonprofit sustainability advocacy organization, strongly supports House Bill 2081A, which directs the Oregon Investment Council and the State Treasurer to take certain actions to manage the risks of climate change to the Public Employees Retirement Fund.

Ceres' Investor Network comprises institutional investors advancing responsible investment practices and policies that improve long-term portfolio value and build a cleaner, more resilient economy. These financial leaders operate with the understanding that climate change is a material financial risk to their portfolios. Our research has shown that 37 of the 48 largest and most influential institutional investors in North America have made commitments to align their investing and portfolios with a net zero emissions future and have developed elements of Investor Climate Action Plans, or ICAPs, to show how they will deliver on them. Our analysis is based on the public climate disclosures of these 48 investors, who manage \$60 trillion in assets or more than half of the global GDP.¹

House Bill 2081A will legislate what is already recognized as the standard of practice for public pension funds and their managers who must meet their fiduciary duties to pension participants and beneficiaries.

The financial implications of climate-related disasters are apparent, posing risks to supply chains, threatening property and transportation infrastructure, and disrupting commodity markets. A study by S&P Global revealed that for the world's largest companies in the S&P Global 1200, climate physical risks are projected to cost \$1.2 trillion a year by 2050. Left

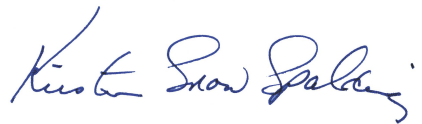
¹Spalding, K., & Bhujwala, D. (2024, August). *Investor Climate Action Plans are Becoming a Norm*. <https://www.ceres.org/resources/reports/investor-climate-action-plans-are-becoming-a-norm>. Retrieved May 16, 2025, from <https://www.ceres.org/resources/reports/investor-climate-action-plans-are-becoming-a-norm>

unmanaged, climate risks could lead to significant loss in asset values. It's not a question of if climate change will affect investments, but how.

Simultaneously, global efforts to mitigate and adapt to climate change are presenting investment opportunities in sectors such as renewable energy, energy and water efficiency and other sustainable infrastructure. A 2022 report from the International Energy Agency indicated that renewable energy resources are set to account for over 90% of global electricity expansion over the next five years. Fiduciaries should be integrating these variables and considerations as part of their risk-return analyses.

Climate change is dramatically shifting the investment landscape for many investors, and the consideration of practical realities affecting market trends and conditions is part of prudent investment decision-making. The Oregon Investment Council and the State Treasurer have the fiduciary duty to proactively manage these risks and invest in opportunities to produce long term benefits to pension beneficiaries.

For these reasons, we strongly support HB 2081 A and ask that it is passed by the Senate Committee on Finance and Revenue, and future committees that consider it. Thank you for your consideration.



Kirsten Spalding

Vice President, Investor Network, Ceres