



OREGON
STATE
TREASURY

Elizabeth Steiner, MD
Oregon State Treasurer

George Naughton
Deputy State Treasurer

Oregon State Treasurer Elizabeth Steiner's Statement On Responsible Investing

As Oregon's State Treasurer, my priority is to ensure the long-term growth and security of all funds under my oversight, including the retirement funds of Oregon's dedicated public employees in the Public Employee Retirement System (PERS). In partnership with the Oregon Investment Council (OIC), the Oregon State Treasury is committed to making investment decisions that uphold our fiduciary responsibility to maximize returns for beneficiaries of the state retirement system and contain contribution costs for Oregon public agencies. Nothing is more important than protecting the retirements of Oregon's public employees – and by extension – the public services they dedicated their careers to providing.

To fulfill our fiduciary obligations to beneficiaries of the Oregon Public Employees Retirement Fund (OPERF), which funds approximately 75% of PERS retirement benefits, we need to think about the future and invest responsibly. As responsible investors, we want to:

- Diversify our investment strategies for the long term, which includes reducing the risks from carbon-intensive investments, as markets transition to a cleaner energy economy.
- Promote transparency, responsible governance, and sustainable business practices by leveraging our role as a major institutional investor to actively engage with the companies we invest in.
- Recognize that our index-based approach to investing in public equities delivers efficient diversification and reduced costs by investing in the entire market, though this inherently results in holdings across all public companies.

Active ownership is a core component of our investment strategy. This involves a range of activities, including:

- **Direct engagement:** We actively engage with companies on environmental, social, and governance (ESG) issues, seeking to understand their practices and encourage improvements where needed.
- **Collaborative engagement:** We work with other investors to amplify our voice and promote responsible corporate behavior on a broader scale.
- **Proxy voting:** Proxy voting empowers us to have a direct voice in shaping corporate policies on a wide range of issues, from executive compensation and board diversity to climate change and human rights. By casting informed votes on behalf of the Oregon public, we hold companies accountable and advocate for practices that benefit our communities and the environment.

We believe that companies committed to environmental sustainability, social responsibility, and strong ethical leadership are better positioned for long-term success. By adhering to these principles of responsible stewardship and active ownership, we can generate robust financial returns for retirees and foster a more equitable and sustainable economy for all Oregonians.

