



June 3, 2021

The Honorable Gary Gensler
Chair, U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Re: March 15, 2021 Commissioner Lee's Statement Welcoming Public Input on Climate Change Disclosures

Dear Chair Gensler:

I am writing on behalf of the Oregon State Treasury and submit this comment in response to the U.S. Securities and Exchange Commission (SEC) request for public input on climate change disclosures. I appreciate the opportunity to share my views.

As Treasurer, I am the custodian of state funds, responsible for protecting the state's credit ratings, and responsible for overseeing public investing, banking, bonding, and financial empowerment programs. I also serve as the investment officer for the Oregon Investment Council (OIC), which sets policy for the investment management of over \$100 billion in state assets and public trust fund portfolios. On the OIC, I sit as an ex officio voting member and as such, have a fiduciary duty over the assets managed on behalf of fund beneficiaries. At my direction, Staff within the Oregon State Treasury perform a variety of daily investment management functions in accordance with policies and investment beliefs¹ set by the OIC.

In September 2020, the OIC approved additional language within the statement of investment beliefs, expressing:

The integration of Environmental, Social and Governance (ESG) factors, similar to other investment factors, may have a beneficial impact on the economic outcome of an investment and aid in the assessment of risks associated with that investment.

- A. *The consideration of ESG factors within the investment decision-making framework is important in understanding the near-term and long-term impacts of investment decisions.*
 - *The OIC believes that understanding how social and environmental factors impact investments is an important step towards building a more sustainable portfolio.*
- B. *Over time, there has been an evolution of multi-factor, or more holistic approaches, to identify opportunities and remediate risks, in a large globally-diversified investment portfolio.*

¹ <https://www.oregon.gov/treasury/invested-for-oregon/Documents/Invested-for-OR-OIC-INV/INV-1201-Statement-of-OIC-Investment-and-Management-Beliefs.pdf>



- *ESG data collection aligns our ability to prudently measure and monitor risks and returns. Once identified, ESG risk mitigation strategies can be implemented and proactive ESG transition strategies pursued, subject to statutory fiduciary obligations.*

In September 2020, we joined CDP's Science-Based Targets campaign², a corporate engagement initiative reaching out to approximately 1,900 high impact companies in an effort to adopt, set and implement science-based targets as part of their forward-looking analysis with respect to environmental and sustainability performance. The aim is to strengthen the global corporate disclosure framework and encourage companies to publicly commit to meet specific emissions reduction targets.

We are also members of the Sustainability Accounting Standards Board (SASB) Investor Advisory Group³, a global group of leading asset owners and managers committed to improving sustainability-related disclosure to investors.

These actions demonstrate our commitment to ensuring that we, as investors, have access to relevant, material, and decision-useful ESG data that will help us assess their impact on the financial performance of our investments.

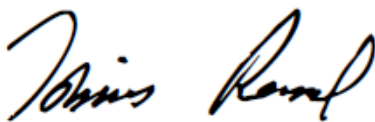
This aligns with the SEC's efforts to ensure that financial market participants broadly have the information required to make informed decisions about their investments. To that end, with respect to this request for input, I assert that:

- Current climate-change-related disclosures are insufficient – greater disclosure of the impacts of climate change on corporations is important, and given the timeframe we have to meet global climate change objectives, action to grant access to this information must be swift.
- I believe these disclosures should be held to the same standards of control and board governance as other audited financial disclosures.
- I believe that these climate-change-related disclosures should be part of an ultimate goal of greater ESG disclosures overall.
- I am an advocate for work toward a singular, global disclosure standard. I applaud the SEC's leadership on the International Organization of Securities Commissions (IOSCO) Technical Expert Group under the Sustainable Finance Task Force⁴ and its efforts to improve the consistency, comparability, and reliability of sustainability-related disclosures across jurisdictions.

While it will always be incumbent upon investors to parse all available information, it is only with access to a complete set of data that investors can make fully informed decisions. With more data, investors will have more insight into the relevance and materiality of various ESG criteria; and will have the basis for a time series of performance data based on such criteria.

Thank you for your attention to this important matter, and for this opportunity to share my thoughts.

Sincerely,



Tobias Read

² <https://www.cdp.net/en/investor/engage-with-companies/cdp-science-based-targets-campaign>

³ <https://www.sasb.org/investor-use/supporters/>

⁴ <https://www.iosco.org/news/pdf/IOSCONEWS599.pdf>