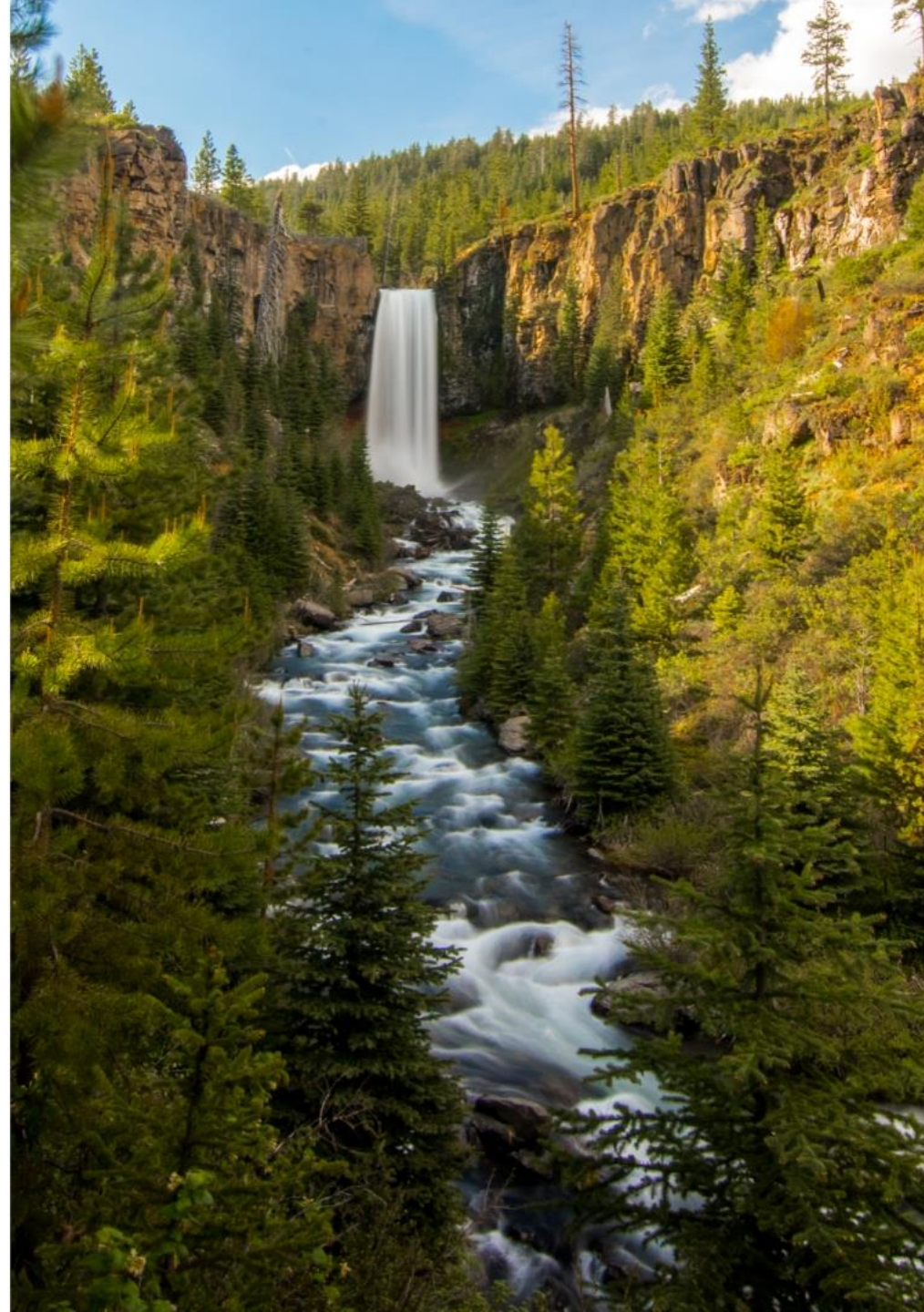


Oregon State Treasury Net-Zero Plan

Introduction To Legislature



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“Climate change is real. Planning and acting now to address the investment risks – and opportunities – of the climate crisis is a critical next step in making sure the pension fund will produce strong returns for public employees for generations to come.”

– Treasurer Tobias Read

Agenda

- **Treasury’s Role As A Responsible Investor**
- **Summary Of Stakeholder Engagement**
- **Core Components of Net-Zero Plan & Key Data**
- **What’s Next**



Treasury's Role As A Responsible Investor



**A Partner In Oregon's Pension System,
Treasury Manages Pension Investments Prudently
And In Accordance With ORS 293.721**

**The Oregon Investment Council
Establishes Investment Policies, Asset Allocation,
Risk Levels, And Targeted Returns**

**The Oregon Public Employees Retirement Fund (OPERF)
Is Invested And Managed To Deliver A Secure Retirement
To Public Employees Today And In The Future**



Stakeholder Engagement

Survey Of PERS Members On Their Preferences For How Their Retirement Funds Are Invested

Total Responses

5,823

Key Response Data

89%

Preferred Retirement Funds Are Managed To “Generate The Highest Return On Investments” Or “Manage Risks To Deliver Sustainable Returns”

67%

Preferred Treasury Encourages Companies It Invests In To Consider Effects Of Climate Change

85%

Expressed A Desire To Engage And Learn More About How Treasury Manages Their Retirement Funds



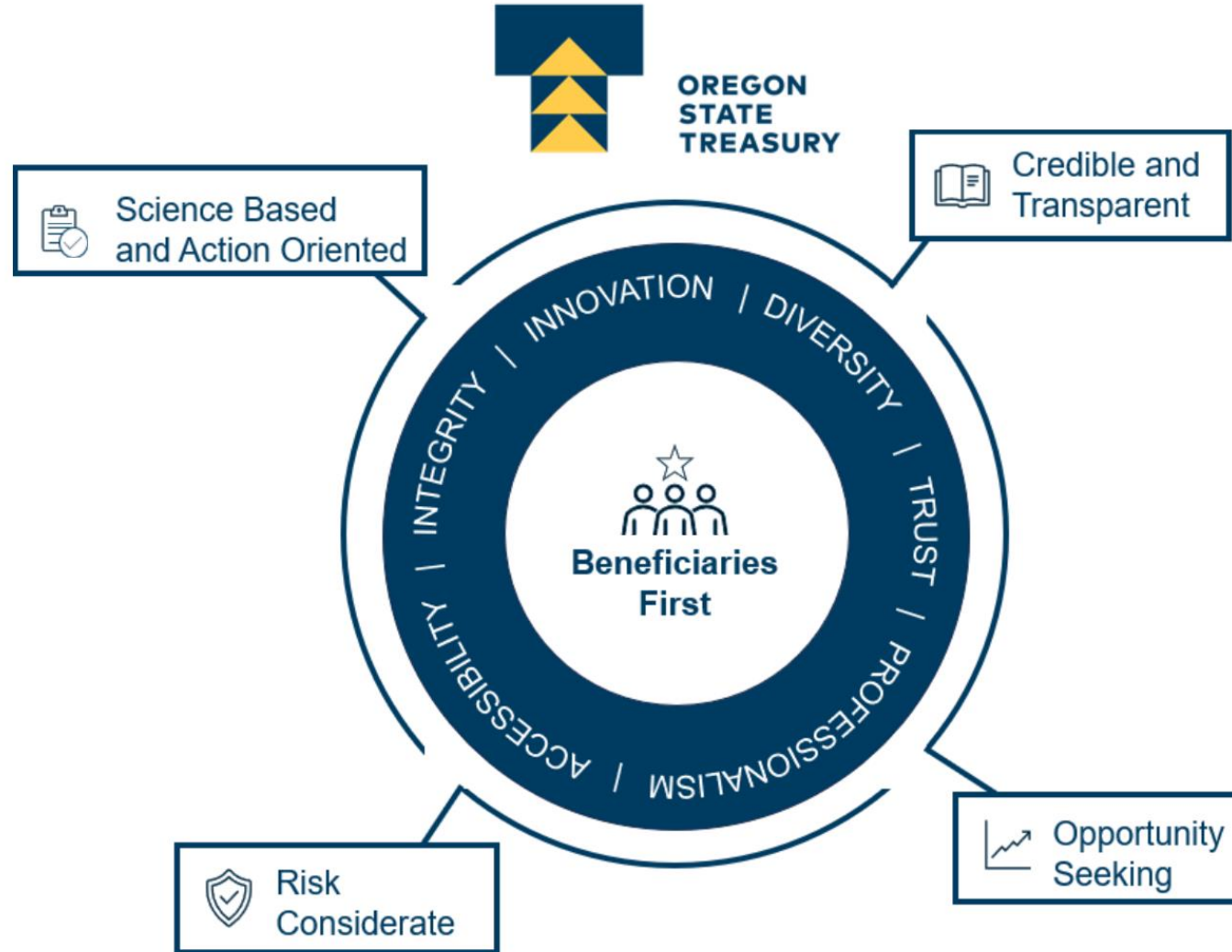
Stakeholder Engagement

Throughout The Plan's Development, Treasury Has Remained Committed To Engaging With OPERF Stakeholders:

- **PERS Employers And Beneficiaries**
- **Legislative Members**
- **Oregon Investment Council And Partners**
- **Public Employee Union Leadership**



Net-Zero Plan Guiding Principles



Core Components of Net-Zero Plan

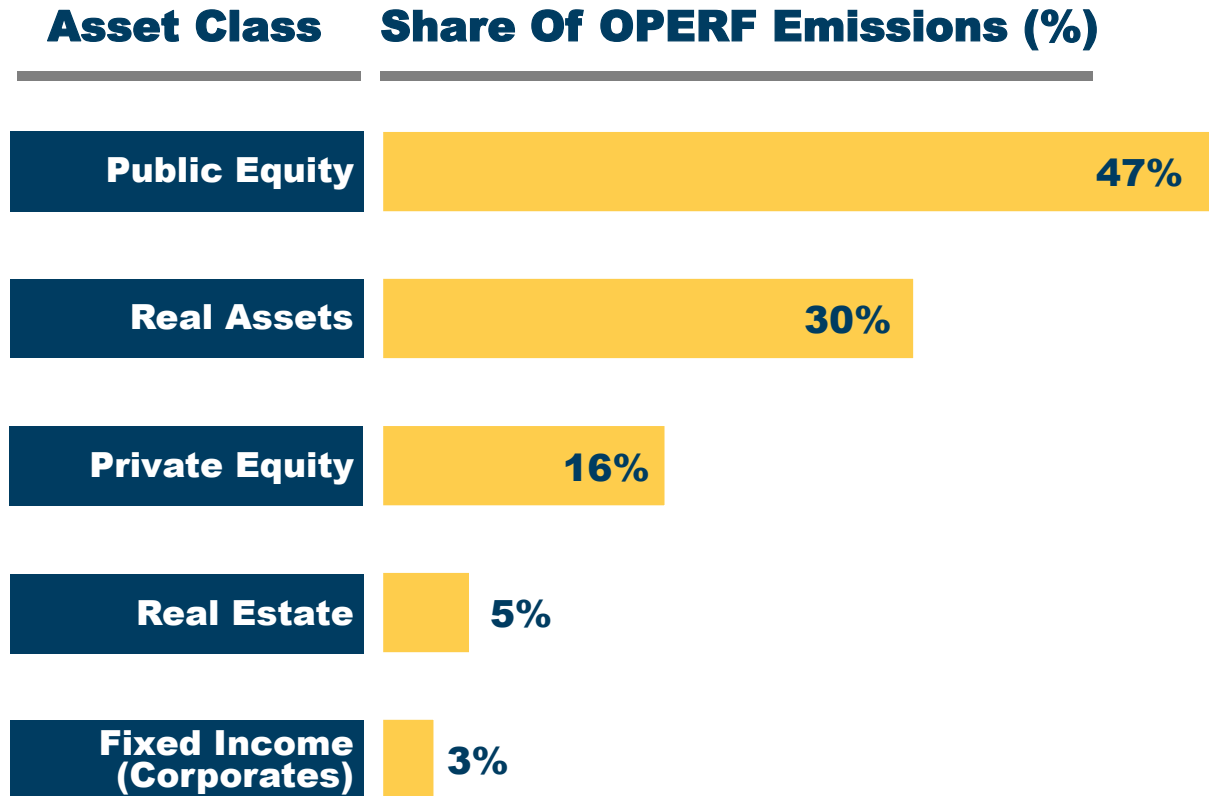
The Net-Zero Plan Is Built Around Four Components:

- **A Pledge To Achieve Net-Zero Carbon Emissions By No Later Than 2050, Plus Strategies For Achieving That Goal**
- **Baseline Emissions Measurements, Interim Target(s), And Opportunities For Expanded Investments In Climate Solutions**
- **Methodologies For Tracking Progress And Timeline For Review Of Investments In Carbon Intensive Activities**
- **Recommendations For Transparent Reporting Mechanisms**



Baseline Emissions Data – By Asset Class

Calculations Based On OPERF Data From 12/31/2022*



*Excludes Cash, Diversifying Strategies, Risk Parity, Overlay, Asset-Backed Securities, Short-Positions And Sovereigns



Emission Reduction Strategies Of Net-Zero Plans

Asset Classes Face Different Challenges In Reducing Emissions Due To The Nature Of Investments And The Way In Which Treasury Invests



Increase Net-Zero Investments



Increase Shareholder Engagement



Finance Climate Solutions



**Track Portfolio Transition
And
Consider Restrictions**



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What's Next

2023: Enable

2024-2028: Action

2028+: Scale

- **Present Net-Zero Plan To Oregon Investment Council – February 2024**
- **Rollout Net-Zero Plan**
- **Build Organizational Capacity To Accomplish Transition**
- **Implement Emission Reduction Strategies While Maintaining Target Returns And Avoiding Portfolio Disruption**





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