

My name is Sravya Tadepalli and I am an Oregonian, a current Master's in Public Policy student at the Harvard Kennedy School, and board member of Hindus for Human Rights, a nonprofit that works to advocate for human rights from a Hindu faith perspective. I am writing in support of SB 541 to require that the Oregon State Treasury adopt a human rights risk analysis policy.

Last year, reporting from The Guardian revealed that Oregon is the largest indirect investor in NSO Group, whose Pegasus spyware has been used by several authoritarian governments to surveil and arrest activists, journalists, and union members. Furthermore, the reporting showed that Treasury staff [encouraged acquisition of NSO Group](#) even when human rights issues concerning the company were widely known. After the Biden administration blacklisted NSO Group for its usage by several authoritarian governments, the value of NSO spiraled. Moody's [downgraded NSO](#) eight levels below investment grade, citing low revenue, ongoing lawsuits against the company, and severe risk of default.

Oregon ended up having a \$233 million stake in an extremely poor investment fund because it did not account for the human rights risk when making and advocating for investments. In light of this, [public sector unions across the state](#) representing pensioners organized to urge the adoption of a human rights risk assessment process for future investments. This legislation aims to avoid Oregon's complicity in gross human rights violations while minimizing losses to the PERS fund due to human rights risk.

Investors face reputational, financial, and legal risks when companies they have invested in gain attention for violating human rights. States that invested in Russia contributed to the harm in Eastern Europe while failing to reap any financial benefit. When the Oregon public pension fund invested in NSO Group, it contributed to the continuation of surveillance while global disrepute and sanctions sunk the company's value. High-return investments and social responsibility are not mutually exclusive. They go hand in hand—and thinking about investment in the context of environmental and social risk factors can help pension funds improve their gains and curb losses.

This bill **does not** reduce the investment opportunities of the Oregon Public Employee Retirement Fund or mandate that the Oregon State Treasury divest from or avoid making investments in companies that are culpable in human rights violations. What this legislation does is ensure that the Treasury has a clear, transparent, publicly-listed policy for how it accounts for human rights related risk in investment decisions, mitigating the chances of an NSO-like situation happening again. Appointing a human rights risk consultant (the same way there is an [environmental risk consultant](#)) could help with implementation, but this should be able to be done with current staffing levels considering that Treasury already has an ESG policy. Clarifying the human rights standards can only make the ESG policy more robust without extra cost to OST. Finally, this can only improve the OST's performance by ensuring that the state does not incur losses due to a lack of accounting for human rights and foreign policy-related risk. We know that the Treasury has a fiduciary responsibility to retirees—we only ask that OST do a better job of caring for retirees by accounting for human rights risk when making investments.