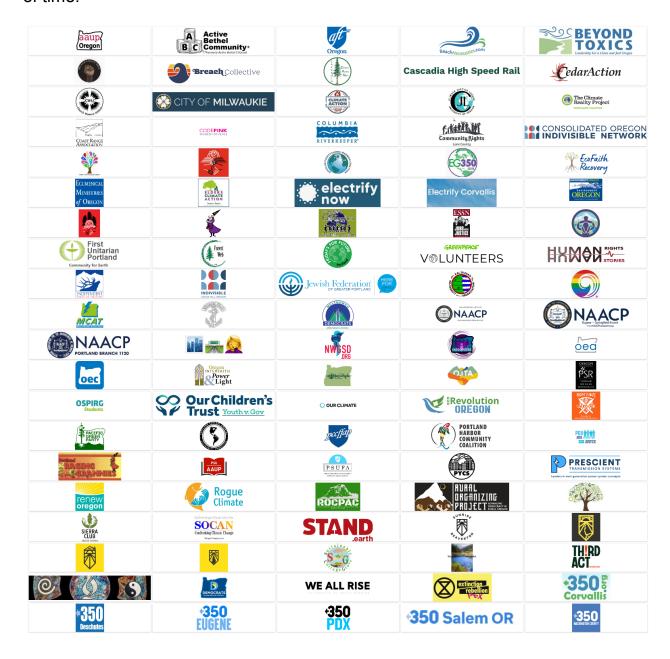
My name is Susan Palmiter, co-lead of Divest Oregon. I am expanding on points that Chris Abbruzzese and Tom Sanzillo were unable to make last week because of time.



We need this legislation because one of the preferred strategies that the Treasurer stated two weeks ago to this committee does not work. He suggested the Treasury would continue to engage with fossil fuel companies through "shareholder engagement" as a way to deal with the climate risk to the portfolio.

There is much evidence that this approach does not work to protect portfolios or the climate. I'll cite 3.

1. ABP, the EU's largest pension fund with Assets under management of \$459 billion Euros, announced that it would divest from fossil fuels because they were unable to effect - through shareholder engagement the change required for significant acceleration of the energy transition with its portfolio companies. ABP cited reports by the International Energy Agency (IEA) and the UN Climate Panel explaining that **fossil fuel investments were incompatible with their fiduciary duties.** Most importantly, they went on to say that "the fund does not expect this decision to have a negative impact on long-term returns."

- 2. Researchers at the University of Cambridge reviewed two decades' worth of research on shareholder engagement and concluded that it was an ineffective strategy for forcing the level of change needed at the pace needed in fossil fuel companies: "Shareholder resolutions are indeed largely non-binding, and results in this quarter are poor regardless; most resolutions fail, and a majority of those that pass are withdrawn or fail to be implemented.... By any threshold one one could devise as to the efficacy of a tactic for action on climate change and other social and environmental issues, it would be difficult to deem shareholder engagement a success."
- 3. ExxonMobil has been one of the top targets for climate related shareholder votes for years, but has not changed its behavior in any meaningful way. Here's one example: Exxon in recent years has widely advertised its efforts to make biofuels from algae, spending lots of money on that PR campaign. And just 2 weeks ago, after Exxon posted record profits, Bloomberg reported that the company is abandoning the project.

The lesson? Don't wait for the volatile fossil fuel market to change their ways while you're begging and pleading. Sell high.

Thank you.