

From: [Amy Roe](#)
To: [Office State Actuary, WA](#)
Subject: Public Comment for Oct. 21, 2025 meeting: fiduciary duty
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Dear WISB Members:

We appreciate that fiduciary duty to fund participants and beneficiaries is your core responsibility as Members of the Washington State Investment Board. As beneficiaries, we thank you for your careful stewardship of the fund.

We want to make sure you are aware of the rising conversation about fiduciary duty. Traditionally construed as the pursuit of maximum short-term financial returns, fiduciary duty is evolving to incorporate long-term systemic risks, notably climate change.

The evolution of fiduciary duty represents a necessary response to changing financial, environmental, and social realities. It recognizes that the health of investments is inextricably linked to the health of the systems in which they operate. And it demonstrates growing awareness that investors cannot fulfill their obligations to beneficiaries without factoring how climate change threatens the stability of the global economy and, by extension, long-term investment returns across all asset classes.

Increasingly, it is understood that pension funds, university endowments, and sovereign wealth funds can be considered “universal owners” due to their interest in the long-term performance of the financial system as a whole. Universal owners are unable to diversify away from systemic risks such as climate change and can only counter whole system threats by [effecting change in the real economy](#).

For this reason, regulators in Europe and the UK are requiring asset managers to conduct “[double materiality assessments](#),” which consider the impact of the asset allocation and management on climate and nature, and not only the impact of climate and nature crises on investments.

Throughout the United States, there is evidence that a contemporary definition of fiduciary duty is taking hold.

The New York City pension fund expressly recognizes a “fiduciary duty to mitigate the systemic and company-specific risks” that climate change poses to its portfolio. New York City’s pension fund, one of the nation’s largest, requires asset managers to submit credible net zero transition plans or be dismissed and replaced.

Likewise, in Oregon, the Oregon Net Zero plan acknowledges that climate risk is a financial risk to the Oregon Public Employee Retiree Fund and takes steps to address it, including emissions caused by the fund’s private investments.

Moreover, when financial officers from 26 states asserted in a [letter](#) to leaders of some of the world’s largest banks that these financial institutions should define fiduciary duty only in the narrowest terms, treasurers from states around the nation (including Washington) [clapped back](#).

“Fiduciary duty, as properly understood, requires—not prohibits—investor consideration of material risks and long-horizon opportunities,” they wrote.

What it means to act in the best interests of beneficiaries is changing. How institutional investors define fiduciary duty today will have profound effects on the lives of beneficiaries for generations to come. We invite you to join the conversation.

Sincerely,

Amy Roe

[Divest-Washington](#)

Seattle, WA

Please see the following sources:

https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3638217

<https://www.efrag.org/sites/default/files/sites/webpublishing/SiteAssets/Draft%20EFRAG%20IG%201%20MAIG%20231222.pdf>

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