

---

**FOR THE EXCLUSIVE USE OF SSTEVEN@BIZJOURNALS.COM**

---

From the Portland Business Journal:

<https://www.bizjournals.com/portland/news/2022/12/23/climate-change-is-becoming-a-big-factor.html>

# Feeling the heat: Climate change is becoming a big factor in business decision-making, risk assessment

**Sponsored Content**

Dec 23, 2022

---

*Portland Business Journal Publisher and President Candace Beeke spoke recently with PSU's Sahan Dissanayake and Jennifer Price, with Moss Adams, about the direct and indirect effects of climate change on business, along with the physical impacts and economic hazards. Here are their insights.*

**Candace Beeke: How does your work intersect with climate issues?**

**Sahan Dissanayake:** I'm an environmental economist and associate professor at Portland State University. I also direct the graduate certificate in sustainability. The main focus of my work is trying to value nature and bring conservation into the decision-making context.



I've been looking at the carbon benefits of industrial hemp. I'm also doing work on coastal resilience and climate change, thinking about sea level rise and the impacts on our coastal communities.

**Jennifer Price:** I'm an audit partner with Moss Adams, in charge of our Portland office. For us, it's both external and internal. Externally, we've been doing environmental, social and governance (ESG) work for clients for over 15 years.

In 2021, we updated our firm foundation's mission to invest in a few key areas, one of which is the environment, minimizing our own environmental footprint as well as supporting disaster relief and prevention and other areas. The climate issue is forefront both from a client standpoint as well as internally.

**Beeke: Are your clients impacted by climate change? Do they feel pressured to make changes?**

**Price:** It's very evident that climate change is impacting our clients. Many companies are requiring vendors to fill out forms, even up to certification of their practices, in order to do business with them.

Many are starting to track their carbon footprint more and are looking for help. There is pressure from a business standpoint, as well as internally. Clients say, 'We want to do something, but the economy has been tough, how do we afford it?' But this isn't a luxury; it's something we should all be doing.

Young people want to work where they can be socially responsible, environmentally friendly. We get asked about this in interviews.

Many clients say they feel pressure in their hiring or vendor process. We're not climate experts, but we can help them look at their practices and see where they can make the most impact.

**Dissanayake:** There is a report on corporate sustainability reporting done by KPMG that finds that 43% of 5,200 firms from 52 countries acknowledge climate risks in their reporting. More recently, the SEC released draft guidelines saying every firm should be looking at their climate risk. There aren't a lot of people who can figure that out. We need folks who are able to measure those impacts and risk. There are a lot of future careers there.

**Beeke: How is PSU supporting local and regional partners to address and adapt to climate change?**

**Dissanayake:** At its core, Portland State is a community-focused, urban university. So trying to tackle real issues is something it focuses on. What's unique is that we are engaging with stakeholders. We're trying to think of how to let knowledge serve. That's very important when it comes to climate. More than 60% of our students stay in the region to work and many come from this area.

At the beginning of the year, PSU President Steve Percy said that climate is going to be the focus of what we're trying to do in our academic environment. So, we are trying to train the next generation of policymakers and practitioners as a core aspect of what we do.

A student, Ginger Jensen, was doing work on the carbon benefits of industrial hemp. There's been growing (awareness) that this is a viable commodity in many industries. So Ginger did a rough carbon calculation and found it very promising. Then we got a small grant from the Bureau of Planning and Sustainability to explore this in a more systematic way.

So we had two students, a group of stakeholders, local organizations and individuals that came together to look at the carbon benefits and economic feasibility. This laid the foundation where (folks at) Bureau of Planning and Sustainability are trying to establish a hemp-based economy in this region. We're looking at how we can work with tribes, farmers, architects and builders. Faculty members are trying to train students and then work with people on the ground.

**Beeke:** Businesses and industries in our region, like wineries, are already feeling negative impacts from climate change that are affecting their businesses. What are you seeing, and should we be prepared for more?

**Price:** We've seen it the most with food and beverage industry clients for the past five or more years. Climate change is leading to changes in farming practices and the ability to farm as well as external pressure to farm more sustainably. Clients are facing a lot

of pressure. It continues to evolve, even to the investing side. Many of our clients are interested in non-fossil-fuel investments.

**Beeke:** Sahan, you mentioned coastal resilience. This is an industry that could go from how much can we sell these homes for to can we even get insurance?

**Dissanayake:** Climate change is a global, complicated issue. But in a very simple sense, it's about adding more uncertainty to our world and that's tricky to account for. For instance, wineries. One year, it was smoke; another, it was early frost. We're getting more unpredictable seasonal rainfall patterns. So that changes how practices are typically done. This is global. If you're running a factory, you can add air conditioning, but if you're in agriculture, you have fewer adaptation technologies. So we're trying to account for and know what those uncertainties are.

A lot of my work has been trying to model the sea level rise and what's impacted. These impacts change based on topography and are compounded by severe weather. In some areas, there's a much higher likelihood of flooding. Normally, people want to live close to the beach, so beach houses cost more, but after Hurricane Sandy, some of that changed, so having a long walk to the beach was considered a positive thing because you would be insulated. Coral reefs and other natural buffers, which previously might have been a bad thing, might now be perceived as good. There are positive aspects in nature-based solutions to mitigate some of these issues. Increasing uncertainty is going to affect everybody, and agricultural businesses probably more so.

**Beeke: What role does private business need to play in our climate change crisis? What about entrepreneurship?**

**Dissanayake:** Private businesses have to be more accepting of the uncertainty that's happening and try to be prepared or think about adaptation. Weather changes can cause supply-chain shocks. The idea of the SEC saying that firms have to acknowledge and report their climate risk is good. Private businesses have a role in trying to understand what those risks are.

Portland, Oregon, is viewed as a green, sustainable city and state. There's an opportunity to be a leader. These uncertainties won't suddenly go away; they are going to get worse. So how do we adapt and then share that broadly? That's where entrepreneurship comes in. If we can incentivize and support private firms and public entities, then there's an opportunity both in financial and social entrepreneurship.

**Price:** Everyone jumps to tax incentives or tax credits, which is great, but I think there has to be a real shift in order to drive a private company that doesn't have this internally as part of their value system.

As far as SEC proposed disclosures, I believe these items will be disclosed in financial statements one day. We're heading in that direction for public companies already. So it's a collective effort by the standard setters — the regulators, the government — to take action. Businesses care about this, and our younger generation wants to do better for the planet and the next generation. It feels daunting, but everyone has to do their part. Driving change and talking about it is the best way to keep this top of mind for everyone.

**Beeke:** How should government incentivize good behavior?

Price: Aside from tax credit incentives, the government should continue to join world leaders to sign up for carbon disclosure. It's going to take visible leaders on the world stage. Continue to have it be part of government focus and continue to incentivize people. Leading by example is huge, even at the state level.

**Dissanayake:** The government has a fundamentally important role to play. Providing information and the research for climate modeling is not a private enterprise kind of thing. Individuals and private businesses need to depend on government to support that kind of work. This is not an issue for one group. Private businesses and individuals have to step in, and then the government has to convene everyone and try to understand what those risks are.

Climate change has disproportionate impacts on the most vulnerable communities. They could be affected economically because of government regulation or climate impacts. The government has a role to try to insulate those who are affected the most. Private citizens or private firms can't do that. The government must step in.

**Beeke:** What are the most critical climate actions we should be doing in the next 10 to 20 years in the metro area?

**Dissanayake:** We need to be more resilient as communities and think about how to come together to address these issues. Even if we reduced our carbon footprint today, we're still going to see these impacts, because there's a lag. The way policy is going, we're not meeting our targets. So, individually, trying to think about what can we do, then what are the slightly bigger things we can do within our organizations, and then what can we do as a community.

**Price:** Motivating everyone to do their part, starting with the individual, and then showing leadership in our businesses — talking about it, discussing it, leading by example.

Get started; do something small. Clients reach out to us with big goals but may not be ready to tackle them. But they can tackle the low-hanging fruit — decrease paper use, look at your suppliers. The challenge will be to keep everyone motivated and focused and doing their part for the next 10 to 20 years.

### **Panelists**

*Moderator: Candace Beeke, Market president and publisher, Portland Business Journal.*

*Sahan T.M. Dissanayake, Associate Professor of Economics, Portland State University.* Sahan is an Associate Professor of Economics, a Fellow at the Institute for Sustainable Solutions, and the Director of the Graduate Certificate in Sustainability at Portland State University. Sahan does research on conservation, climate change, and ecosystem service valuation - the study of bringing nature's benefits into policy making. Some local projects Sahan has worked on include tree shade programs, urban forests and parks use, and the economic and carbon benefits of industrial hemp. As an applied economist working on policy relevant issues, Sahan regularly engages with policymakers and practitioners and is excited to participate in this PBJ roundtable. How Portland State Is Organizing For The Next Era Of Climate Action  
<https://www.pdx.edu/magazine/news/hope-starts-here>.

*Jennifer Price, Partner in Charge, Moss Adams Portland.* Jennifer is the partner in charge of Moss Adams' Portland office and has



provided professional services to a wide variety of not-for-profit clients since 1999. She leads the Oregon region's not-for-profit practice and has experience with audits of numerous not-for-profit organizations, including colleges and universities, foundations, environmental and energy organizations, associations, museums, and other not-for-profit entities.

Additionally, Jennifer has experience performing ESG audits and conducting audits in accordance with Government Auditing Standards and U.S. Office of Management and Budget Uniform Guidance, audits of states, local governments, and not-for-profit organizations. She's a member of the firm's ESG committee and serves on the board of the Moss Adams Foundation.

