Docket: EBSA-2021-0013
Prudence and Loyalty in Selecting Plan Investments and Exercising Shareholder Rights

Comment On: EBSA-2021-0013-0001
Prudence and Loyalty in Selecting Plan Investments and Exercising Shareholder Rights

Submitter Information

Name: Edward Kulakowski

General Comment

https://www.federalregister.gov/d/2021-22263/p-69
and to clarify that a fiduciary's duty of prudence may often require an evaluation of the effect of climate change and/or government policy changes to address climate change on investments' risks and returns.

https://www.federalregister.gov/d/2021-22263/p-86
As noted above, those examples include: (i) Climate change-related factors, such as a corporation's exposure to the real and potential economic effects of climate change, including exposure to the physical and transitional risks of climate change and the positive or negative effect of Government regulations and policies to mitigate climate change;

Comment: It is an impossible expectation that anyone, fiduciary or not, can evaluate the effects of future climate change or future government policy changes and their collateral damage. The statements quoted above are ridiculous, and this ridiculous theme is embedded throughout this proposal. A fiduciary’s responsibility is to the client’s bottom line and they need to be free to make choices they see fit to increase returns on the money they manage. Some clients have a short time horizon (fewer than 5 years), others a longer horizon. The entire theme of this proposal appears to
force plan managers to include ESG investments, whether or not they improve immediate performance and returns. The specification of a specific investment category, ESG or otherwise, is completely inappropriate for inclusion in ERISA regulations and guidance.