

# PUBLIC SUBMISSION

<b>Received:</b> December 03, 2021 <b>Tracking No.</b> kwq-xiu8-n77x <b>Comments Due:</b> December 13, 2021 <b>Submission Type:</b> Web
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**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

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## Submitter Information

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## General Comment

Dear Acting Assistant Secretary Khawar,

I am writing in support of the Department's proposed rule, Prudence and Loyalty in Selecting Plan Investments and Exercising Shareholder Rights.

As a participant in Microsoft's 401(k) plan, I value the opportunity to invest in Environmental, Social and Governance funds.

Under the prior administration, the Department enacted new rules that effectively prohibited ERISA plans from considering climate or other ESG factors in their investment selection and proxy voting. These 2020 rules left retirement savers unnecessarily exposed to the negative economic impacts of climate change, and silenced their voices on important issues of corporate governance. The Proposed Rule would fix this.

Managers of retirement plans must be free to evaluate all factors that impact plan investments. In response to the climate crisis, new regulation and changes in consumer demand will create significant market and investment opportunities. These risks and opportunities are especially relevant to retirement investors, who invest over decades.

Many professional investors recognize these risks and opportunities, and have updated their investment strategies to deal with the realities of our changing environment.

Individual investors share these concerns. Climate change and other ESG risks will be a significant driver of investment risk and return for the foreseeable future. But

because of these 2020 rules, very few American retirement savings plans are designed to protect their beneficiaries from climate risk. The Proposed Rule will allow these savings plans to better manage these and other ESG risks. In addition, the new rules will help mitigate plan participant lawsuits – which is a big fear among plan fiduciaries at companies such as Microsoft.

Sincerely,  
Sonia Jaffe