December 13, 2021

Ali Khawar  
Acting Assistant Secretary  
US Department of Labor  
Room N-5655  
200 Constitution Avenue NW  
Washington, DC 20210

RE: Proposed rule on Prudence and Loyalty in Selecting Plan Investments and Exercising Shareholder Rights (RIN 1210-AC03)

Dear Mr. Khawar:

Thank you for the opportunity to provide comments in response to the Department of Labor’s proposed rule, “Prudence and Loyalty in Selecting Plan Investments and Exercising Shareholder Rights” (RIN 1210-AC03) (the “Proposal”).

I am writing on behalf of Green Century Capital Management, an environmentally focused investment advisory firm with over $1 billion in assets under management that serves individual investors as well as financial advisors and their clients.

I commend the Department of Labor (DOL) for proposing this rule and recognizing the importance of considering environmental, social and governance (ESG) criteria in retirement investments. Investment managers increasingly analyze ESG factors precisely because they view these factors as material to financial performance. There is no doubt that funds that use ESG criteria are consistent with long-term retirement objectives. Sustainable investing assets now account for $17.1 trillion—or 1 in 3 dollars—of the total US assets under professional management, according to the US SIF Foundation's 2020 biennial Report on US Sustainable and Impact Investing Trends. This represents a 42 percent increase over 2018.1

Another important change made in the proposal is the removal of the prohibition of ESG criteria in Qualified Default Investment Alternatives or QDIAs. DOL correctly states that if a fund meets the standards set by the QDIA regulation2, it is suitable for consideration. In terms of proxy voting and shareholder rights, paragraph (d) makes important changes from the current rule. We are pleased that the proposal returns to the long-held standard that the proxy vote is an asset of the plan and should be stewarded as such.

We believe the first paragraph of (b)(4) sufficiently addresses the breadth of criteria that can be considered: “A prudent fiduciary may consider any factor in the evaluation of an

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2 29 CFR 2550.404c-5 (Fiduciary Relief for Investments in Qualified Default Investment Alternatives)
investment…that, depending on the facts and circumstances, is material to the risk-return analysis."

Thank you for your consideration of these comments.

Sincerely,
Leslie Samuelrich, President
Green Century Capital Management, Inc.