

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").

The London Stock Exchange Group ("LSEG") is a diversified global financial markets infrastructure and data business. Our role in the global capital markets places LSEG in a strong position to integrate sustainable and green solutions into both investment and capital raising. Across our diversified business model, we have been supporting investors and issuers in the transition to a low-carbon and sustainable economy for over a decade, developing innovative products and services in close collaboration with clients and thought leaders.

Our sustainable finance offering is focused on two key areas: green financing for issuers (both debt and equity) and data and analytics, including indices that enable investors to incorporate climate and sustainability considerations into their investment process. Our data and analytics business, Refinitiv, has been delivering ESG data and solutions for over 15 years and offers one of the richest ESG databases in the industry. This includes standardized ESG data points and analytics for 80% of global market cap based on publicly reported company data. Our global benchmark and index business, FTSE Russell, serves institutional and retail investors globally, with approximately \$18 trillion being benchmarked to its indices, and has been providing ESG indices for over 20 years, including the recently launched Russell US ESG Indices and the Russell 1000 TPI Climate Transition Index.<sup>1</sup>

We commend the Department of Labor (DOL) for proposing this rule and enabling investor choice to consider environmental, social, and governance (ESG) criteria in retirement plan investments. FTSE Russell's 2021 global asset owner survey found that the top two reasons for investors in North America to consider sustainable investment considerations in investment strategy are mitigating long-

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<sup>1</sup> NYS Pension Fund Commits \$2 Billion to Climate Transition Index:

<https://www.osc.state.ny.us/press/releases/2021/12/nys-pension-fund-commits-2-billion-climate-transition-index>

term investment risk and achieving better risk-adjusted performance.<sup>2</sup> These two reasons are related to investment returns. North American asset owners cited social themes as their top priority focus, other factors considered are climate/carbon and governance.

In particular, we welcome the DOL's list of examples of factors that a fiduciary may consider in evaluating an investment if material, to clarify that fiduciaries can consider factors such as climate change, governance, and workforce practices. 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.<sup>3</sup>

Another important change made in the proposal is the removal of the prohibition of ESG criteria in Qualified Default Investment Alternatives or QDIAs.

Thank you for your consideration of these comments. We would be pleased to provide any further information or respond to any questions that you or your staff may have.

Sincerely,



Claire O'Dea  
Director, Government Relations and Regulatory Strategy, Americas  
London Stock Exchange Group

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<sup>2</sup> Sustainable Investment: 2021 global survey findings from asset owners:

<https://www.ftserussell.com/index/spotlight/sustainable-investment-2021-global-survey-findings-asset-owners>

<sup>3</sup> Report on US Sustainable and Impact Investing Trends 2020: <http://www.ussif.org/trends>