

February 28, 2023

Honorable Kevin McCarthy  
Speaker of the House of Representatives  
Washington, DC 20515

Dear Mister Speaker:

The United Nations-supported Principles for Responsible Investment (PRI) writes to share our concern with the resolution, *H.J. Res. 30, providing for congressional disapproval under chapter 8 of title 5, United States Code, of the rule submitted by the Department of Labor relating to “Prudence and Loyalty in Selecting Plan Investments and Exercising Shareholder Rights”*.

The PRI is the world’s leading initiative on responsible investment. The PRI has over 5,000 global signatories (pension funds, insurers, investment managers and service providers)—including 1,000 headquartered in the US—with approximately USD \$121 trillion in assets under management.<sup>1</sup>

The day-to-day practices of professional asset managers are complex. Having been developed over more than 100 years, they continue to evolve today in constant efforts by fiduciaries to better support the goals of clients and beneficiaries. Regardless of shifts in political considerations, their work continues to be undertaken with utmost care and diligence. However, the proposal of congressional disapproval does not match the level of deliberation needed to consider these nuanced questions.

Since our founding in 2006, the PRI’s work on behalf of signatories has clearly shown that investors require the ability to consider all potentially economically relevant and decision-useful information in their investment process, as they seek to provide for clients and beneficiaries.<sup>2</sup> The Department of Labor’s “Prudence and Loyalty” rule (the Rule) provides needed clarity to regulated investors on this point: that investors can consider all factors they deem appropriate to further their goals on behalf of clients.<sup>3</sup>

Further, the Rule does not, in any way, require investors to overweight environmental, social or governance (ESG) factors, or to make investment decisions that are not in line with their well-established fiduciary duties. The Rule also followed a robust public consultation process, with the Department of Labor receiving more than 20,000 public comments.<sup>4</sup> 97 percent of all commenters supported the proposal.<sup>5</sup>

In these times of great economic and technological change, investment managers require our collective support as they seek to adapt their practices to ensure sustainable returns for clients and beneficiaries. This requires ensuring investors’ ability to utilize all available tools and information and to invest freely in US capital markets—the largest and most liquid in the world—unobstructed by confusing or contradictory regulation.

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<sup>1</sup> <https://www.unpri.org/signatories/signatory-resources/signatory-directory>

<sup>2</sup> <https://www.unpri.org/fiduciary-duty/fiduciary-duty-in-the-21st-century-final-report/4998.article>

<sup>3</sup> [https://dwtz6upkiss.cloudfront.net/Uploads/g/n/l/pricommentrin1210ac03\\_138307.pdf](https://dwtz6upkiss.cloudfront.net/Uploads/g/n/l/pricommentrin1210ac03_138307.pdf)

<sup>4</sup> <https://www.dol.gov/agencies/ebsa/laws-and-regulations/rules-and-regulations/public-comments/1210-AC03>

<sup>5</sup> <https://www.benefitspro.com/2022/03/15/analysis-of-22000-comments-on-dol-stance-on-esg-shows-majority-support-reversing-2020-rule/?sreturn=20230126154829>

The PRI encourages reconsideration of the proposal of congressional disapproval on the Department of Labor's "Prudence and Loyalty" rule. We stand ready to work with you and all members of Congress to support investment managers in the shared goal of protecting and furthering the retirement savings that millions of American families will rely on for decades to come.

Yours sincerely,

A handwritten signature in dark ink, appearing to read "David Atkin", with a stylized flourish at the end.

David Atkin

Chief Executive Officer

Principles for Responsible Investment