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Office of Regulations and Interpretations
Employee Benefits Security Administration
Room N-5655
U.S. Department of Labor
200 Constitution Avenue NW
Washington, DC 20210

Comments on proposed rule: Prudence and Loyalty in Selecting Plan Investments and Exercising Shareholder Rights

Regulatory Identifier Number (RIN): 1210-AC03

Insight Investment manages over $1.1trn, largely on behalf of pension plans.[1] We are pleased to offer our comments on the proposed rule, which aims to clarify how pension plan fiduciaries incorporate environmental, social and governance (ESG) considerations in investment and proxy voting decisions. Insight focuses on fixed income and risk management solutions, and so our comments in this letter focus on the relevance of ESG factors in that context.

Based on our own experience, and in dialogue with issuers and other stakeholders, we believe integrating ESG considerations into our fixed income investment processes can support better investment decisions. ESG issues, such as a changing climate, demographic changes and corporate governance, are important drivers of investment value, over the short and long term. In our view, taking account of these issues in our investment research and decision-making is essential to effectively identify and manage the risks that could harm clients' investments and the opportunities that may arise from these issues.

Any developments that could affect how our clients consider ESG factors within their investment decisions is therefore a key focus for Insight, and we offer the following observations on the proposed rule.

- **We support the proposals.** We believe taking ESG risks into account within investment decision is appropriate and in line with widely agreed standards for good stewardship.

  The explicit provision of broad discretion for pension plan fiduciaries to consider climate change and other ESG factors in evaluating and selecting investments, when material to their risk-return analysis, is welcome.

[1] As of September 30, 2021. Assets under management (AUM) are represented by the value of the client's assets or liabilities Insight is asked to manage. These will primarily be the mark-to-market value of securities managed on behalf of clients, including collateral if applicable. Where a client mandate requires Insight to manage some or all of a client's liabilities (e.g. LDI strategies), AUM will be equal to the value of the client specific liability benchmark and/or the notional value of other risk exposure through the use of derivatives. Insight North America LLC (INA) is part of 'Insight' or 'Insight Investment', the corporate brand for certain asset management companies operated by Insight Investment Management Limited, including, among others, Insight Investment Management (Global) Limited, Insight Investment International Limited and Insight Investment Management (Europe) Limited. Advisory services referenced herein are available in the US primarily through INA. INA's AUM is $135bn as of September 30, 2021. Figures shown in USD. FX rates as per WM Reuters 4pm spot rates.

- **International standards and principles on integrating ESG factors within investment decisions are evolving.** We believe that as global rules on such matters progress, it will benefit pension plans if US rules are aligned with international standards. For example, we note ongoing efforts to agree international sustainability disclosure and reporting standards.

  We believe the proposed rule places US standards on a similar trajectory to approaches in other regions, such as the EU.

- **Pension plans benefit from long-term stability in rulemaking.** By indicating that ESG factors are to be considered on an even footing alongside other factors, the proposals mark a significant evolution in approach.

  In our discussions with pension plans, some plans have expressed concerns that the proposals may be subject to further change in future, resulting from political changes that may significantly alter the government's stance on how ESG matters are incorporated in investment decisions. This may lead plan fiduciaries to exercise undue caution in taking account of these rules.

In conclusion, we welcome this proposal. We expect the proposed changes will support retirement income security by enabling pension plan fiduciaries to manage risk appropriately and with greater precision.

Yours sincerely,

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