

DOL Issues Final Rule on ESG Factors in Plan Investments



The U.S. Department of Labor announced a final rule that allows plan fiduciaries to consider climate change and other environmental, social and governance (ESG) factors when they select retirement investments and exercise shareholder rights, such as proxy voting.

The rule, “[Prudence and Loyalty in Selecting Plan Investments and Exercising Shareholder Rights](#),” follows Executive Order 14030, which was signed by President Biden on May 20, 2021. The order directs the federal government to identify and assess policies to protect the life savings and pensions of America’s workers and families from the threats of climate-related financial risk.

The rule will be effective 60 days after its publication in the Federal Register except for a delayed applicability until one year after publication for certain proxy voting provisions to allow fiduciaries and investment managers additional time to prepare.

[Learn more about the new rule.](#)