

Vote NO on Extreme House Republicans' H.R. 5339

Trust professionals bound by law – not extreme House Republicans – to make decisions about Americans retirement savings

Background on Environmental, Social, and Governance (ESG) Factors

Workers should be able to invest in a way that reflects their values—whether combating climate change or promoting health and labor standards—without sacrificing investment returns. Environmental, social, and governance (ESG) factors allow workers to be informed about potential risks and opportunities when evaluating their investment portfolio and planning for the future.

The financial services industry recognizes the importance of considering ESG factors. [State Street Global Advisors](#) noted that, as a fiduciary, they have “*a duty to act prudently and in the best interests of their clients, which, increasingly, includes consideration of environmental, social, and governance factors relevant to the performance of the companies in which our clients invest.*”

In 2022, the Biden-Harris Administration finalized a [rule](#) clarifying that ESG factors may be relevant in a risk-return analysis of a retirement savings investment and do not need to be treated differently than other relevant investment factors. The Department of Labor’s (DOL) rule does not change the fiduciary duty standard to which professionals making investment decisions for retirement plans are bound. They must still prioritize the interests of retirement plan participants and cannot sacrifice investment returns to pursue ESG goals.

About H.R. 5339, the so-called *Protecting Americans’ Investments from Woke Policies Act*

This measure combines four Republican bills that perpetuate a misguided attack on ESG investing and undermine retirement professionals’ abilities to make investment decisions on behalf of workers.

These four bills include:

- The *Retirement Proxy Protection Act* (H.R. 5337) codifies a Trump Administration regulation regarding proxy voting and shareholder rights. The Trump-era rule perpetuated a bias against ESG investing and sought to disenfranchise retirement plan fiduciaries from exercising their shareholder rights on behalf of workers.
- The *No Discrimination in My Benefits Act* (H.R. 5338) prohibits selecting specified retirement plan professionals based on race, color, religion, sex, or national origin, thus undermining worthwhile efforts to increase diversity in the asset management industry.
- The *Roll Back ESG to Increase Retirement Earnings (RETIRE) Act* (H.R. 5339) codifies another Trump-era regulation imposing needless barriers and first-of-its-kind paperwork requirements related to ESG investing in retirement plans.
- The *Providing Complete Information to Retirement Investors Act* (H.R. 5340) requires a notice be sent to retirement plan participants when they make certain investments and exists only to perpetuate House Republicans’ curious and misguided agenda against ESG investing.