May 13, 2022

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

Attention: Request for Information on Possible Agency Actions to Protect Life Savings and Pensions from Threats of Climate-Related Financial Risk, Docket RIN 1210-ZA30

On behalf of Impax Asset Management LLC, we submit this letter in response to the Department of Labor's request for information on possible agency actions to protect life savings and pensions from threats of climate-related risk. We appreciate the Department of Labor seeking the views of investors and others on this topic, and we welcome the opportunity to provide our own.

1. *DOL's efforts to remove barriers to integration of sustainability factors, including climate risks in investment, are appropriate.* Climate risks of all types are material to many companies and other issuers of securities, which prudent investors and fiduciaries should always be mindful of.

2. *However, singling out climate risk for special record-keeping and tracking purposes is not appropriate.* Investors are constantly engaged in evaluating, refining, and adjusting risk and pricing models to account for both familiar and emerging risks It is the job of investment managers to understand and adapt to these new developments. But unless the Department believes that EBSA should collect information on how managers incorporate all these risk factors, it is inappropriate to single out only climate change for special scrutiny.

3. *Special record-keeping requirements for climate risk could expose investors and fiduciaries to increased risk of litigation, as well as administrative costs and burdens.* Requiring reporting on climate risks on Form 5500, for example, would place unique and undue requirements on investors that do integrate climate risks into investment processes, turning a process meant to manage and price emerging risks appropriately into one that carries additional risk solely due to administrative rules. There has been a marked increase in lawsuits over ERISA matters, and it is common for potential litigants to scour Form 5500 reporting for possible legal action. It would be unfortunate if an effort to assure that retirement plans are mindful of emerging risks turns into a new pipeline of litigation.

4. *The SEC has recently proposed a new rule governing reporting of climate-related matters that will provide investors and fiduciaries with much more information needed to respond appropriately to this emerging risk landscape.* Moreover, other institutions are also moving forward to develop better climate risk reporting standards, including the International

Sustainability Standards Board (ISSB),[1] and ongoing protocol updates by the Task Force on Climate-Related Financial Disclosure (TCFD). The staff of the SEC coordinated with representatives of the ISSB and TCFD in constructing their rule, and these efforts are likely to improve significantly the climate risk information available to investors and fiduciaries alike. The SEC is well suited to take the regulatory lead in this area because of the SEC's position as the primary regulator of registered funds and issuers.

We appreciate the well-intentioned effort of DOL to assure that fiduciaries are attentive to emerging landscape of climate related risks. We hope our feedback is useful to the Department.

Sincerely,

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[1] An initiative of the IFRS Foundation, which also oversees the International Accounting Standards Board.