



## Legal Opinion Letter Released by Business Climate Finance Affirms Companies' Ability to Consider ESG Factors in Employer-Sponsored Retirement Plan Selection Process

August 29, 2023 03:05 PM Eastern Daylight Time

OAKLAND, Calif.--(BUSINESS WIRE)--The Business Climate Finance Initiative ("BCF") is proud to announce the release of a legal opinion letter, crafted in collaboration with The Wagner Law Group's esteemed legal experts, that delivers guidance on integrating Environmental, Social, and Governance ("ESG") factors into corporations' investment decisions. This document sheds light on the intricacies of fiduciary duties associated with managing defined contribution ("DC") plans, including employer-sponsored 401(k) plans, within the framework of the Employee Retirement Income Security Act ("ERISA"). This development holds importance amidst ongoing discussions surrounding the role of ESG considerations in investment decision-making processes.

BCF, launched by the social impact organization Impact Experience, is on a mission to catalyze a shift of corporate cash and retirement assets to climate-friendly financial institutions. In conjunction with Mercer and the CFA Institute, BCF published a comprehensive report on the carbon emissions associated with U.S.-sponsored retirement plans in 2022.

The Wagner Law Group ERISA Opinion Letter brings a sense of assurance to companies committed to aligning their financial activities with their sustainability goals. Notably, the Opinion Letter provides affirmation of these companies' ability to consider climate-aligned investment funds, with a strong focus on ESG factors, as viable menu options for their DC retirement plans. In full alignment with ERISA Sections 404(a)(1)(A) and (B), the letter further emphasizes the fiduciaries' obligation to prioritize the financial interests of plan participants and conduct thorough risk-return assessments while making investment decisions.

By empowering companies to explore climate-related investment options as menu choices for their DC plans, the Opinion Letter, together with the Investment Policy Statement addendum, fosters a new era of responsible investing in retirement planning. This document not only reaffirms the significance of aligning retirement plans with sustainability goals but also promotes responsible investing practices. Importantly, the Opinion Letter underscores the fiduciaries' ongoing commitment to prioritizing the financial interests of plan participants while conducting comparisons with other available alternatives.

The collaborative efforts of the Business Climate Finance Initiative and The Wagner Group signify a major leap forward for companies seeking to integrate sustainability and responsible investing into their retirement planning strategies. This development lays the groundwork for more socially responsible investment choices, driving positive change in the corporate sector's approach to employer-sponsored retirement planning.

"In light of the growing discourse surrounding corporate climate action, the ERISA Opinion Letter emerges as a timely resource for companies aiming to harmonize their retirement plan selections with their sustainability values," stated Yejide Olutosin, Director of the Business Climate Finance Initiative. "By including climate-aligned funds as menu options,

employers can actively support environmental sustainability efforts through their retirement plans."

*Note to editors:*

For more information, interviews and to access the complete ERISA Opinion Letter, please visit [www.businessclimatefinance.org](http://www.businessclimatefinance.org) or contact Yejide Olutosin, Director of the Business Climate Finance Initiative at [yejide@impact-experience.com](mailto:yejide@impact-experience.com).

About Business Climate Finance

Launched during NY Climate Week 2022 with the mission of engaging US non-financial companies, Impact Experience's Business Climate Finance initiative focuses on decarbonizing corporate cash deposits and retirement accounts with a justice, equity, diversity, and inclusion (JEDI) lens by developing strategic partnerships with leading corporations to align their financial activities with their existing sustainability and equity work.

About The Wagner Group

The Wagner Group is a renowned legal firm known for its expertise in various areas of law, including environmental, corporate, and financial matters. The firm's collaboration with the Business Climate Finance Initiative on the ERISA Opinion Letter showcases its commitment to supporting environmentally conscious companies in their pursuit of sustainable and responsible investing practices.

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