

Review Investment Policy Statements for ESG Investment Compliance

August 5, 2020

The DOL recently updated its “investment duties” regulation to provide further guidance in light of recent trends in environmental, social, and governance (“**ESG**”) investing, which we previously posted on our blog [here](#). As the DOL increases its investigations and inquiries into ESG investments held by retirement plans, plan fiduciaries should review their plan investments and policies to: (i) determine if their retirement plans hold any ESG-type investments, and (ii) if they do hold such investments, (a) review their investment policy statements (“**IPS**”) and evaluate whether such policies comply with the current rules for ESG investments (and will comply going forward with the DOL’s guidance), and (b) confirm whether such investments remain appropriate for the plan. Plan fiduciaries may need to consult with their financial/plan advisors to determine if ESG-type investments are currently held by their plan. If a plan holds ESG investments and the IPS does not address such investments, immediate action is needed to update such policies and to determine whether such investments remain appropriate for the plan.