



The Forum for Sustainable and Responsible Investment

January XX, 2021 (post inauguration)

Dear President Biden:

Addressing the coronavirus pandemic, racial injustice, economic inequality and climate change are key priorities for the incoming Administration. These significant challenges require urgent action by the federal government and meaningful responses from the private sector.

The undersigned organizations and investors, with XX in assets under management, urge your Administration to advance the policy proposals included in US SIF's [Toward a Just and Sustainable Economy](#). These recommendations will help achieve a more just and sustainable economy and provide a framework through which the private sector can contribute alongside the government's leadership.

For decades, sustainable and impact investors have addressed environmental, social and governance (ESG) issues in their investments. At \$17.1 trillion, sustainable investments now comprise 33% of all professionally managed assets in the US. Sustainable investors were among the early voices urging companies to take action on climate change and engage with companies to improve policies on issues ranging from human rights and diversity to sustainable agriculture. They have invested in green bonds and are aligning investments to contribute to the attainment of the UN Sustainable Development Goals. They have also been long-term investors in community banks, credit unions and loan funds, institutions that are addressing economic and racial inequality in urban, rural and Indigenous communities.

Today, ninety percent of S&P 500 companies publish sustainability reports, up from twenty percent in 2011. Companies are being urged to transition from a shareholder primacy model to one focused on multiple stakeholders, including employees, customers, communities, the environment and shareholders. This is often referred to as stakeholder capitalism. In a July speech, President Biden noted that "it's way past time to put an end to shareholder capitalism," and we agree that this shift is overdue.

We urge the Biden Administration to advance the following policies, which will enhance the private sector's engagement on critical social and environmental issues through supporting sustainable investment and accelerating the shift to stakeholder management of companies.

CREATE A WHITE HOUSE OFFICE OF SUSTAINABLE FINANCE AND BUSINESS

A White House Office of Sustainable Finance and Business would create a focal point to advance sustainable investment in the private and public sectors and accelerate the shift to stakeholder capitalism, both of which will contribute to the fulfillment of your pledge to "build back better." The office would work with government agencies, field-building institutions, investors and academics to establish a national strategy for US leadership in sustainable finance and convene companies and advocates to advance stakeholder capitalism.

APPOINT LEADERSHIP AT THE SEC AND DOL WITH KNOWLEDGE OF SUSTAINABLE INVESTMENT

Filling key positions with individuals who have experience with sustainable investment, use of

environmental, social and governance data and the evolving nature of fiduciary duty will allow these agencies to more quickly reverse current harmful rulemakings and move forward a pro-active agenda.

ADVANCE CORPORATE TRANSPARENCY ON ESG ISSUES AND PROTECT SHAREHOLDER RIGHTS

Public companies should be required to report on environmental, social and governance (ESG) issues, and the SEC should reverse the rulemaking that constricted shareholder rights.

ENHANCE RETIREMENT SECURITY BY ALLOWING SUSTAINABLE INVESTMENT OPTIONS

DOL should roll back two recent rules that discourage sustainable investment options and proxy voting in retirement plans. The Federal Thrift Savings Plan should implement a mutual fund window that includes sustainable investment options.

ASSERT GLOBAL LEADERSHIP AND TAKE ACTION ON CLIMATE CHANGE

We applaud the appointment of a climate envoy and czar and the commitment to rejoining the Paris Agreement. We support accelerating clean energy growth, ending fossil fuel subsidies and reversing changes made to environmental regulations under the previous Administration.

ADDRESS ECONOMIC INEQUALITY

The U.S. workforce should not be dependent on successful shareholder initiatives or their employer's benevolence in order to have core protections. We support a minimum wage of at least \$15 per hour and paid sick leave for employees, as well as greater funding for the Community Development Financial Institutions (CDFI) Fund.

We look forward to working with your Administration to achieve a more just and sustainable economy and to engaging the private sector in achieving this goal.

Sincerely,

A handwritten signature in black ink that reads "Lisa N. Woll". The signature is written in a cursive, flowing style.

Lisa Woll
CEO

[signatories]