July 18, 2023

Laurence Fink
Chairman & Chief Executive Officer
BlackRock, Inc.
50 Hudson Yards
New York, NY 10001

Dear Mr. Fink:

I am writing to express my concern about the significant influence and practices of asset management firms, like BlackRock, Inc. (BlackRock). Asset managers play a critical role in influencing the businesses they own on behalf of their shareholders – presumably striving to add financial value for investors. As one of the major players in the industry, your firm holds substantial voting power and possesses the ability to shape corporate decisions. When clients entrust you to manage their assets, they are relying on your fiduciary duty to maximize financial returns and act in their best interests.[1]

Given your outsized role in the industry, it is important to understand how your firm balances environmental, social, and governance (ESG) initiatives with making sound decisions on behalf of investors. Despite being labeled as a passive investor, asset management firms may be leveraging their voting power to drive environmental and social change, deviating from the primary focus of financial performance. For example, members of the Net Zero Asset Managers initiative collectively manage around $70 trillion in assets. These members have committed to achieving net-zero carbon emissions by 2050, extending this commitment to their investment portfolios. By making such commitments, investment institutions are inherently involving themselves, and their clients, in social and political matters that do not appear to directly contribute to investor returns.

To assist the Committee in understanding how your firm currently fulfills its fiduciary duty to make decisions consistent with maximizing investor returns, please provide answers to the following:

1. How does your firm ensure that its shareholder voting decisions align with maximizing investor returns?

    a. What specific metrics or indicators does your firm use to measure the financial impact of ESG initiatives in relation to investor returns?

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[1] U.S. SECURITIES AND EXCHANGE COMM'N, IA-1732, INTERPRETATION OF SECTION 206(3) OF THE INVESTMENT ADVISERS ACT OF 1940, 17 C.F.R. Part 276 (July 12, 2019).

2. Over the past two proxy seasons, what proportion of the time did your firm vote in accordance with an independent board of directors' recommendation on climate-related shareholder proposals?

    a. If your firm did not vote in line with the independent board of directors' recommendation, did your firm provide a thorough economic analysis justifying why the voting decision was warranted?

3. If your firm uses the services of proxy advisory firms, please provide a list of all firms that you interact with.

    a. For each proxy advisory firm that you rely on, please estimate, by percentage, how often you vote in line with the proxy advisory firm's recommendations.

    b. Please describe the process by which you evaluate the recommendations provided by any proxy advisory firm to ensure the recommendations are in the best economic interest of your investors.

4. Over the past five proxy seasons, please identify each instance where your own company's board recommended that BlackRock's shareholders vote against an ESG- related shareholder proposal.

    a. For each proposal identified, did your company's investment arm vote in favor of the proposal, or substantially similar proposal, at companies within your investment portfolio? If yes, please identify these instances.

5. What climate initiatives and advocacy groups is BlackRock a member of?

    a. Please provide a discussion of the underlying commitments or pledges made by these initiatives and groups.

Please provide your responses as soon as possible, but no later than, August 1, 2023. The Committee on Financial Services has jurisdiction to oversee the activities related to asset management firms and the regulation of that industry pursuant to Rule X of the Rules of the House of Representatives. Thank you for your attention to this important matter.

Sincerely,

Bill Huizenga
Chairman
Subcommittee on Oversight
and Investigations

PATRICK McHENRY, NC
CHAIRMAN

MAXINE WATERS, CA
RANKING MEMBER

United States House of Representatives
One Hundred Eighteenth Congress
Committee on Financial Services
2129 Rayburn House Office Building
Washington, DC 20515

July 18, 2023

Mortimer "Tim" J. Buckley
Chairman & Chief Executive Officer
The Vanguard Group, Inc.
100 Vanguard Boulevard
Malvern, PA 19355

Dear Mr. Buckley:

I am writing to express my concern about the significant influence and practices of asset management firms, like The Vanguard Group Inc. (Vanguard). Asset managers play a critical role in influencing the businesses they own on behalf of their shareholders – presumably striving to add financial value for investors. As one of the major players in the industry, your firm holds substantial voting power and possesses the ability to shape corporate decisions. When clients entrust you to manage their assets, they are relying on your fiduciary duty to maximize financial returns and act in their best interests.[1]

Given your outsized role in the industry, it is important to understand how your firm balances environmental, social, and governance (ESG) initiatives with making sound decisions on behalf of investors. Despite being labeled as a passive investor, asset management firms may be leveraging their voting power to drive environmental and social change, deviating from the primary focus of financial performance. For example, members of the Net Zero Asset Managers initiative collectively manage around $70 trillion in assets. These members have committed to achieving net-zero carbon emissions by 2050, extending this commitment to their investment portfolios. By making such commitments, investment institutions are inherently involving themselves, and their clients, in social and political matters that do not appear to directly contribute to investor returns.

To assist the Committee in understanding how your firm currently fulfills its fiduciary duty to make decisions consistent with maximizing investor returns, please provide answers to the following:

1. How does your firm ensure that its shareholder voting decisions align with maximizing investor returns?

    a. What specific metrics or indicators does your firm use to measure the financial impact of ESG initiatives in relation to investor returns?

[1] U.S. SECURITIES AND EXCHANGE COMM'N, IA-1732, INTERPRETATION OF SECTION 206(3) OF THE INVESTMENT ADVISERS ACT OF 1940, 17 C.F.R. Part 276 (July 12, 2019).

2. Over the past two proxy seasons, what proportion of the time did your firm vote in accordance with an independent board of directors' recommendation on climate-related shareholder proposals?

    a. If your firm did not vote in line with the independent board of directors' recommendation, did your firm provide a thorough economic analysis justifying why the voting decision was warranted?

3. If your firm uses the services of proxy advisory firms, please provide a list of all firms that you interact with.

    a. For each proxy advisory firm that you rely on, please estimate, by percentage, how often you vote in line with the proxy advisory firm's recommendations.

    b. Please describe the process by which you evaluate the recommendations provided by any proxy advisory firm to ensure the recommendations are in the best economic interest of your investors.

4. Over the past five proxy seasons, please identify each instance where your own company's board recommended that Vanguard's shareholders vote against an ESG-related shareholder proposal.

    a. For each proposal identified, did your company's investment arm vote in favor of the proposal, or substantially similar proposal, at companies within your investment portfolio? If yes, please identify these instances.

5. What climate initiatives and advocacy groups is Vanguard a member of?

    a. Please provide a discussion of the underlying commitments or pledges made by these initiatives and groups.

Please provide your responses as soon as possible, but no later than, August 1, 2023. The Committee on Financial Services has jurisdiction to oversee the activities related to asset management firms and the regulation of that industry pursuant to Rule X of the Rules of the House of Representatives. Thank you for your attention to this important matter.

Sincerely,

Bill Huizenga
Chairman
Subcommittee on Oversight
and Investigations

PATRICK McHENRY, NC
CHAIRMAN

MAXINE WATERS, CA
RANKING MEMBER

United States House of Representatives
One Hundred Eighteenth Congress
Committee on Financial Services
2129 Rayburn House Office Building
Washington, DC 20515

July 18, 2023

Yie-Hsin Hung
President & Chief Executive Officer
State Street Global Advisors
1 Iron Street
Boston, MA 02210

Dear Ms. Hung:

I am writing to express my concern about the significant influence and practices of asset management firms, like State Street Global Advisors (State Street). Asset managers play a critical role in influencing the businesses they own on behalf of their shareholders – presumably striving to add financial value for investors. As one of the major players in the industry, your firm holds substantial voting power and possesses the ability to shape corporate decisions. When clients entrust you to manage their assets, they are relying on your fiduciary duty to maximize financial returns and act in their best interests.[1]

Given your outsized role in the industry, it is important to understand how your firm balances environmental, social, and governance (ESG) initiatives with making sound decisions on behalf of investors. Despite being labeled as a passive investor, asset management firms may be leveraging their voting power to drive environmental and social change, deviating from the primary focus of financial performance. For example, members of the Net Zero Asset Managers initiative collectively manage around $70 trillion in assets. These members have committed to achieving net-zero carbon emissions by 2050, extending this commitment to their investment portfolios. By making such commitments, investment institutions are inherently involving themselves, and their clients, in social and political matters that do not appear to directly contribute to investor returns.

To assist the Committee in understanding how your firm currently fulfills its fiduciary duty to make decisions consistent with maximizing investor returns, please provide answers to the following:

1. How does your firm ensure that its shareholder voting decisions align with maximizing investor returns?

    a. What specific metrics or indicators does your firm use to measure the financial impact of ESG initiatives in relation to investor returns?

[1] U.S. SECURITIES AND EXCHANGE COMM'N, IA-1732, INTERPRETATION OF SECTION 206(3) OF THE INVESTMENT ADVISERS ACT OF 1940, 17 C.F.R. Part 276 (July 12, 2019).

2. Over the past two proxy seasons, what proportion of the time did your firm vote in accordance with an independent board of directors' recommendation on climate-related shareholder proposals?

    a. If your firm did not vote in line with the independent board of directors' recommendation, did your firm provide a thorough economic analysis justifying why the voting decision was warranted?

3. If your firm uses the services of proxy advisory firms, please provide a list of all firms that you interact with.

    a. For each proxy advisory firm that you rely on, please estimate, by percentage, how often you vote in line with the proxy advisory firm's recommendations.

    b. Please describe the process by which you evaluate the recommendations provided by any proxy advisory firm to ensure the recommendations are in the best economic interest of your investors.

4. Over the past five proxy seasons, please identify each instance where your own company's board recommended that State Street's shareholders vote against an ESG or DEI related shareholder proposal.

    a. For each proposal identified, did your company's investment arm vote in favor of the proposal, or substantially similar proposal, at companies within your investment portfolio? If yes, please identify these instances.

5. What climate initiatives and advocacy groups is State Street a member of?

    a. Please provide a discussion of the underlying commitments or pledges made by these initiatives and groups.

Please provide your responses as soon as possible, but no later than, August 1, 2023. The Committee on Financial Services has jurisdiction to oversee the activities related to asset management firms and the regulation of that industry pursuant to Rule X of the Rules of the House of Representatives. Thank you for your attention to this important matter.

Sincerely,

Bill Huizenga
Chairman
Subcommittee on Oversight
and Investigations

July 18, 2023

Jamie Dimon
Chief Executive Officer
J.P. Morgan Chase & Co.
270 Park Avenue
New York, NY 10017

Dear Mr. Jamie Dimon:

I am writing to express my concern about the significant influence and practices of asset management firms, like J.P. Morgan Chase & Co. (J.P. Morgan). Asset managers play a critical role in influencing the businesses they own on behalf of their shareholders – presumably striving to add financial value for investors. As one of the major players in the industry, your firm holds substantial voting power and possesses the ability to shape corporate decisions. When clients entrust you to manage their assets, they are relying on your fiduciary duty to maximize financial returns and act in their best interests.[1]

Given your outsized role in the industry, it is important to understand how your firm balances environmental, social, and governance (ESG) initiatives with making sound decisions on behalf of investors. Despite being labeled as a passive investor, asset management firms may be leveraging their voting power to drive environmental and social change, deviating from the primary focus of financial performance. For example, members of the Net Zero Asset Managers initiative collectively manage around $70 trillion in assets. These members have committed to achieving net-zero carbon emissions by 2050, extending this commitment to their investment portfolios. By making such commitments, investment institutions are inherently involving themselves, and their clients, in social and political matters that do not appear to directly contribute to investor returns.

To assist the Committee in understanding how your firm currently fulfills its fiduciary duty to make decisions consistent with maximizing investor returns, please provide answers to the following:

1. How does your firm ensure that its shareholder voting decisions align with maximizing investor returns?

    a. What specific metrics or indicators does your firm use to measure the financial impact of ESG initiatives in relation to investor returns?

[1] U.S. SECURITIES AND EXCHANGE COMM'N, IA-1732, INTERPRETATION OF SECTION 206(3) OF THE INVESTMENT ADVISERS ACT OF 1940, 17 C.F.R. Part 276 (July 12, 2019).

2. Over the past two proxy seasons, what proportion of the time did your firm vote in accordance with an independent board of directors' recommendation on climate-related shareholder proposals?

    a. If your firm did not vote in line with the independent board of directors' recommendation, did your firm provide a thorough economic analysis justifying why the voting decision was warranted?

3. If your firm uses the services of proxy advisory firms, please provide a list of all firms that you interact with.

    a. For each proxy advisory firm that you rely on, please estimate, by percentage, how often you vote in line with the proxy advisory firm's recommendations.

    b. Please describe the process by which you evaluate the recommendations provided by any proxy advisory firm to ensure the recommendations are in the best economic interest of your investors.

4. Over the past five proxy seasons, please identify each instance where your own company's board recommended that J.P. Morgan's shareholders vote against an ESG-related shareholder proposal.

    a. For each proposal identified, did your company's investment arm vote in favor of the proposal, or substantially similar proposal, at companies within your investment portfolio? If yes, please identify these instances.

5. What climate initiatives and advocacy groups is J.P. Morgan a member of?

    a. Please provide a discussion of the underlying commitments or pledges made by these initiatives and groups.

Please provide your responses as soon as possible, but no later than, August 1, 2023. The Committee on Financial Services has jurisdiction to oversee the activities related to asset management firms and the regulation of that industry pursuant to Rule X of the Rules of the House of Representatives. Thank you for your attention to this important matter.

Sincerely,

Bill Huizenga
Chairman
Subcommittee on Oversight
and Investigations

PATRICK McHENRY, NC
CHAIRMAN

MAXINE WATERS, CA
RANKING MEMBER

United States House of Representatives
One Hundred Eighteenth Congress
Committee on Financial Services
2129 Rayburn House Office Building
Washington, DC 20515

July 18, 2023

Robert W. Sharps
President & Chief Executive Officer
T. Rowe Price Group, Inc.
100 East Pratt Street
Baltimore, MD 21202

Dear Mr. Sharps:

I am writing to express my concern about the significant influence and practices of asset management firms, like T. Rowe Price Group Inc. (T. Rowe Price). Asset managers play a critical role in influencing the businesses they own on behalf of their shareholders – presumably striving to add financial value for investors. As one of the major players in the industry, your firm holds substantial voting power and possesses the ability to shape corporate decisions. When clients entrust you to manage their assets, they are relying on your fiduciary duty to maximize financial returns and act in their best interests.[1]

Given your outsized role in the industry, it is important to understand how your firm balances environmental, social, and governance (ESG) initiatives with making sound decisions on behalf of investors. Despite being labeled as a passive investor, asset management firms may be leveraging their voting power to drive environmental and social change, deviating from the primary focus of financial performance. For example, members of the Net Zero Asset Managers initiative collectively manage around $70 trillion in assets. These members have committed to achieving net-zero carbon emissions by 2050, extending this commitment to their investment portfolios. By making such commitments, investment institutions are inherently involving themselves, and their clients, in social and political matters that do not appear to directly contribute to investor returns.

To assist the Committee in understanding how your firm currently fulfills its fiduciary duty to make decisions consistent with maximizing investor returns, please provide answers to the following:

1. How does your firm ensure that its shareholder voting decisions align with maximizing investor returns?

    a. What specific metrics or indicators does your firm use to measure the financial impact of ESG initiatives in relation to investor returns?

[1] U.S. SECURITIES AND EXCHANGE COMM'N, IA-1732, INTERPRETATION OF SECTION 206(3) OF THE INVESTMENT ADVISERS ACT OF 1940, 17 C.F.R. Part 276 (July 12, 2019).

2. Over the past two proxy seasons, what proportion of the time did your firm vote in accordance with an independent board of directors' recommendation on climate-related shareholder proposals?

    a. If your firm did not vote in line with the independent board of directors' recommendation, did your firm provide a thorough economic analysis justifying why the voting decision was warranted?

3. If your firm uses the services of proxy advisory firms, please provide a list of all firms that you interact with.

    a. For each proxy advisory firm that you rely on, please estimate, by percentage, how often you vote in line with the proxy advisory firm's recommendations.

    b. Please describe the process by which you evaluate the recommendations provided by any proxy advisory firm to ensure the recommendations are in the best economic interest of your investors.

4. Over the past five proxy seasons, please identify each instance where your own company's board recommended that T. Rowe Price's shareholders vote against an ESG-related shareholder proposal.

    a. For each proposal identified, did your company's investment arm vote in favor of the proposal, or substantially similar proposal, at companies within your investment portfolio? If yes, please identify these instances.

5. What climate initiatives and advocacy groups is T. Rowe Price a member of?

    a. Please provide a discussion of the underlying commitments or pledges made by these initiatives and groups.

Please provide your responses as soon as possible, but no later than, August 1, 2023. The Committee on Financial Services has jurisdiction to oversee the activities related to asset management firms and the regulation of that industry pursuant to Rule X of the Rules of the House of Representatives. Thank you for your attention to this important matter.

Sincerely,

Bill Huizenga
Chairman
Subcommittee on Oversight
and Investigations

PATRICK McHENRY, NC
CHAIRMAN

MAXINE WATERS, CA
RANKING MEMBER

United States House of Representatives
One Hundred Eighteenth Congress
Committee on Financial Services
2129 Rayburn House Office Building
Washington, DC 20515

July 18, 2023

Charles F. Lowrey
Chairman & Chief Executive Officer
Prudential Financial, Inc.
751 Broad Street,
Newark, NJ 07102

Dear Mr. Lowrey:

I am writing to express my concern about the significant influence and practices of asset management firms, like Prudential Financial Inc. (Prudential). Asset managers play a critical role in influencing the businesses they own on behalf of their shareholders – presumably striving to add financial value for investors. As one of the major players in the industry, your firm holds substantial voting power and possesses the ability to shape corporate decisions. When clients entrust you to manage their assets, they are relying on your fiduciary duty to maximize financial returns and act in their best interests.[1]

Given your outsized role in the industry, it is important to understand how your firm balances environmental, social, and governance (ESG) initiatives with making sound decisions on behalf of investors. Despite being labeled as a passive investor, asset management firms may be leveraging their voting power to drive environmental and social change, deviating from the primary focus of financial performance. For example, members of the Net Zero Asset Managers initiative collectively manage around $70 trillion in assets. These members have committed to achieving net-zero carbon emissions by 2050, extending this commitment to their investment portfolios. By making such commitments, investment institutions are inherently involving themselves, and their clients, in social and political matters that do not appear to directly contribute to investor returns.

To assist the Committee in understanding how your firm currently fulfills its fiduciary duty to make decisions consistent with maximizing investor returns, please provide answers to the following:

1. How does your firm ensure that its shareholder voting decisions align with maximizing investor returns?

    a. What specific metrics or indicators does your firm use to measure the financial impact of ESG initiatives in relation to investor returns?

[1] U.S. Securities and Exchange Comm'n, IA-1732, Interpretation of Section 206(3) of the Investment Advisers Act of 1940, 17 C.F.R. Part 276 (July 12, 2019).

2. Over the past two proxy seasons, what proportion of the time did your firm vote in accordance with an independent board of directors' recommendation on climate-related shareholder proposals?

    a. If your firm did not vote in line with the independent board of directors' recommendation, did your firm provide a thorough economic analysis justifying why the voting decision was warranted?

3. If your firm uses the services of proxy advisory firms, please provide a list of all firms that you interact with.

    a. For each proxy advisory firm that you rely on, please estimate, by percentage, how often you vote in line with the proxy advisory firm's recommendations.

    b. Please describe the process by which you evaluate the recommendations provided by any proxy advisory firm to ensure the recommendations are in the best economic interest of your investors.

4. Over the past five proxy seasons, please identify each instance where your own company's board recommended that Prudential's shareholders vote against an ESG-related shareholder proposal.

    a. For each proposal identified, did your company's investment arm vote in favor of the proposal, or substantially similar proposal, at companies within your investment portfolio? If yes, please identify these instances.

5. What climate initiatives and advocacy groups is Prudential a member of?

    a. Please provide a discussion of the underlying commitments or pledges made by these initiatives and groups.

Please provide your responses as soon as possible, but no later than, August 1, 2023. The Committee on Financial Services has jurisdiction to oversee the activities related to asset management firms and the regulation of that industry pursuant to Rule X of the Rules of the House of Representatives. Thank you for your attention to this important matter.

Sincerely,

Bill Huizenga
Chairman
Subcommittee on Oversight
and Investigations

PATRICK McHENRY, NC
CHAIRMAN

MAXINE WATERS, CA
RANKING MEMBER

United States House of Representatives
One Hundred Eighteenth Congress
Committee on Financial Services
2129 Rayburn House Office Building
Washington, DC 20515

July 18, 2023

David M. Solomon
Chairman & Chief Executive Officer
The Goldman Sachs Group, Inc.
200 West Street
New York, NY 10282

Dear Mr. Solomon:

I am writing to express my concern about the significant influence and practices of asset management firms, like The Goldman Sachs Group Inc. (Goldman Sachs). Asset managers play a critical role in influencing the businesses they own on behalf of their shareholders – presumably striving to add financial value for investors. As one of the major players in the industry, your firm holds substantial voting power and possesses the ability to shape corporate decisions. When clients entrust you to manage their assets, they are relying on your fiduciary duty to maximize financial returns and act in their best interests.[1]

Given your outsized role in the industry, it is important to understand how your firm balances environmental, social, and governance (ESG) initiatives with making sound decisions on behalf of investors. Despite being labeled as a passive investor, asset management firms may be leveraging their voting power to drive environmental and social change, deviating from the primary focus of financial performance. For example, members of the Net Zero Asset Managers initiative collectively manage around $70 trillion in assets. These members have committed to achieving net-zero carbon emissions by 2050, extending this commitment to their investment portfolios. By making such commitments, investment institutions are inherently involving themselves, and their clients, in social and political matters that do not appear to directly contribute to investor returns.

To assist the Committee in understanding how your firm currently fulfills its fiduciary duty to make decisions consistent with maximizing investor returns, please provide answers to the following:

1. How does your firm ensure that its shareholder voting decisions align with maximizing investor returns?

    a. What specific metrics or indicators does your firm use to measure the financial impact of ESG initiatives in relation to investor returns?

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[1] U.S. SECURITIES AND EXCHANGE COMM'N, IA-1732, INTERPRETATION OF SECTION 206(3) OF THE INVESTMENT ADVISERS ACT OF 1940, 17 C.F.R. Part 276 (July 12, 2019).

2. Over the past two proxy seasons, what proportion of the time did your firm vote in accordance with an independent board of directors' recommendation on climate-related shareholder proposals?

    a. If your firm did not vote in line with the independent board of directors' recommendation, did your firm provide a thorough economic analysis justifying why the voting decision was warranted?

3. If your firm uses the services of proxy advisory firms, please provide a list of all firms that you interact with.

    a. For each proxy advisory firm that you rely on, please estimate, by percentage, how often you vote in line with the proxy advisory firm's recommendations.

    b. Please describe the process by which you evaluate the recommendations provided by any proxy advisory firm to ensure the recommendations are in the best economic interest of your investors.

4. Over the past five proxy seasons, please identify each instance where your own company's board recommended that Goldman Sachs' shareholders vote against an ESG or DEI related shareholder proposal.

    a. For each proposal identified, did your company's investment arm vote in favor of the proposal, or substantially similar proposal, at companies within your investment portfolio? If yes, please identify these instances.

5. What climate initiatives and advocacy groups is Goldman Sachs a member of?

    a. Please provide a discussion of the underlying commitments or pledges made by these initiatives and groups.

Please provide your responses as soon as possible, but no later than, August 1, 2023. The Committee on Financial Services has jurisdiction to oversee the activities related to asset management firms and the regulation of that industry pursuant to Rule X of the Rules of the House of Representatives. Thank you for your attention to this important matter.

Sincerely,

Bill Huizenga
Chairman
Subcommittee on Oversight
and Investigations

July 18, 2023

Abigail Johnson
Chairman & Chief Executive Officer
Fidelity Investments
245 Summer Street
Boston, MA 02210

Dear Ms. Johnson:

I am writing to express my concern about the significant influence and practices of asset management firms, like Fidelity Investments (Fidelity). Asset managers play a critical role in influencing the businesses they own on behalf of their shareholders – presumably striving to add financial value for investors. As one of the major players in the industry, your firm holds substantial voting power and possesses the ability to shape corporate decisions. When clients entrust you to manage their assets, they are relying on your fiduciary duty to maximize financial returns and act in their best interests.[1]

Given your outsized role in the industry, it is important to understand how your firm balances environmental, social, and governance (ESG) initiatives with making sound decisions on behalf of investors. Despite being labeled as a passive investor, asset management firms may be leveraging their voting power to drive environmental and social change, deviating from the primary focus of financial performance. For example, members of the Net Zero Asset Managers initiative collectively manage around $70 trillion in assets. These members have committed to achieving net-zero carbon emissions by 2050, extending this commitment to their investment portfolios. By making such commitments, investment institutions are inherently involving themselves, and their clients, in social and political matters that do not appear to directly contribute to investor returns.

To assist the Committee in understanding how your firm currently fulfills its fiduciary duty to make decisions consistent with maximizing investor returns, please provide answers to the following:

1. How does your firm ensure that its shareholder voting decisions align with maximizing investor returns?

    a. What specific metrics or indicators does your firm use to measure the financial impact of ESG initiatives in relation to investor returns?

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[1] U.S. SECURITIES AND EXCHANGE COMM'N, IA-1732, INTERPRETATION OF SECTION 206(3) OF THE INVESTMENT ADVISERS ACT OF 1940, 17 C.F.R. Part 276 (July 12, 2019).

2. Over the past two proxy seasons, what proportion of the time did your firm vote in accordance with an independent board of directors' recommendation on climate-related shareholder proposals?

    a. If your firm did not vote in line with the independent board of directors' recommendation, did your firm provide a thorough economic analysis justifying why the voting decision was warranted?

3. If your firm uses the services of proxy advisory firms, please provide a list of all firms that you interact with.

    a. For each proxy advisory firm that you rely on, please estimate, by percentage, how often you vote in line with the proxy advisory firm's recommendations.

    b. Please describe the process by which you evaluate the recommendations provided by any proxy advisory firm to ensure the recommendations are in the best economic interest of your investors.

4. Over the past five proxy seasons, please identify each instance where your own company's board recommended that Fidelity's shareholders vote against an ESG-related shareholder proposal.

    a. For each proposal identified, did your company's investment arm vote in favor of the proposal, or substantially similar proposal, at companies within your investment portfolio? If yes, please identify these instances.

5. What climate initiatives and advocacy groups is Fidelity a member of?

    a. Please provide a discussion of the underlying commitments or pledges made by these initiatives and groups.

Please provide your responses as soon as possible, but no later than, August 1, 2023. The Committee on Financial Services has jurisdiction to oversee the activities related to asset management firms and the regulation of that industry pursuant to Rule X of the Rules of the House of Representatives. Thank you for your attention to this important matter.

Sincerely,

Bill Huizenga
Chairman
Subcommittee on Oversight
and Investigations

PATRICK McHENRY, NC
CHAIRMAN

MAXINE WATERS, CA
RANKING MEMBER

United States House of Representatives
One Hundred Eighteenth Congress
Committee on Financial Services
2129 Rayburn House Office Building
Washington, DC 20515

July 18, 2023

Timothy D. Armour
Chairman & Chief Executive Officer
The Capital Group Companies, Inc.
333 S. Hope Street, 53rd Floor
Los Angeles, CA 90071

Dear Mr. Armour:

I am writing to express my concern about the significant influence and practices of asset management firms, like The Capital Group Companies Inc. (Capital Group). Asset managers play a critical role in influencing the businesses they own on behalf of their shareholders – presumably striving to add financial value for investors. As one of the major players in the industry, your firm holds substantial voting power and possesses the ability to shape corporate decisions. When clients entrust you to manage their assets, they are relying on your fiduciary duty to maximize financial returns and act in their best interests.[1]

Given your outsized role in the industry, it is important to understand how your firm balances environmental, social, and governance (ESG) initiatives with making sound decisions on behalf of investors. Despite being labeled as a passive investor, asset management firms may be leveraging their voting power to drive environmental and social change, deviating from the primary focus of financial performance. For example, members of the Net Zero Asset Managers initiative collectively manage around $70 trillion in assets. These members have committed to achieving net-zero carbon emissions by 2050, extending this commitment to their investment portfolios. By making such commitments, investment institutions are inherently involving themselves, and their clients, in social and political matters that do not appear to directly contribute to investor returns.

To assist the Committee in understanding how your firm currently fulfills its fiduciary duty to make decisions consistent with maximizing investor returns, please provide answers to the following:

1. How does your firm ensure that its shareholder voting decisions align with maximizing investor returns?

    a. What specific metrics or indicators does your firm use to measure the financial impact of ESG initiatives in relation to investor returns?

[1] U.S. SECURITIES AND EXCHANGE COMM'N, IA-1732, INTERPRETATION OF SECTION 206(3) OF THE INVESTMENT ADVISERS ACT OF 1940, 17 C.F.R. Part 276 (July 12, 2019).

2. Over the past two proxy seasons, what proportion of the time did your firm vote in accordance with an independent board of directors' recommendation on climate-related shareholder proposals?

    a. If your firm did not vote in line with the independent board of directors' recommendation, did your firm provide a thorough economic analysis justifying why the voting decision was warranted?

3. If your firm uses the services of proxy advisory firms, please provide a list of all firms that you interact with.

    a. For each proxy advisory firm that you rely on, please estimate, by percentage, how often you vote in line with the proxy advisory firm's recommendations.

    b. Please describe the process by which you evaluate the recommendations provided by any proxy advisory firm to ensure the recommendations are in the best economic interest of your investors.

4. Over the past five proxy seasons, please identify each instance where your own company's board recommended that Capital Group's shareholders vote against an ESG-related shareholder proposal.

    a. For each proposal identified, did your company's investment arm vote in favor of the proposal, or substantially similar proposal, at companies within your investment portfolio? If yes, please identify these instances.

5. What climate initiatives and advocacy groups is Capital Group a member of?

    a. Please provide a discussion of the underlying commitments or pledges made by these initiatives and groups.

Please provide your responses as soon as possible, but no later than, August 1, 2023. The Committee on Financial Services has jurisdiction to oversee the activities related to asset management firms and the regulation of that industry pursuant to Rule X of the Rules of the House of Representatives. Thank you for your attention to this important matter.

Sincerely,

Bill Huizenga
Chairman
Subcommittee on Oversight
and Investigations

PATRICK McHENRY, NC
CHAIRMAN

MAXINE WATERS, CA
RANKING MEMBER

United States House of Representatives
One Hundred Eighteenth Congress
Committee on Financial Services
2129 Rayburn House Office Building
Washington, DC 20515

July 18, 2023

Robin Vince
President & Chief Executive Officer
The Bank of New York Mellon Corp.
240 Greenwich Street
New York, NY 10286

Dear Mr. Vince:

I am writing to express my concern about the significant influence and practices of asset management firms, like The Bank of New York Mellon Corp. (BNY Mellon). Asset managers play a critical role in influencing the businesses they own on behalf of their shareholders – presumably striving to add financial value for investors. As one of the major players in the industry, your firm holds substantial voting power and possesses the ability to shape corporate decisions. When clients entrust you to manage their assets, they are relying on your fiduciary duty to maximize financial returns and act in their best interests.[1]

Given your outsized role in the industry, it is important to understand how your firm balances environmental, social, and governance (ESG) initiatives with making sound decisions on behalf of investors. Despite being labeled as a passive investor, asset management firms may be leveraging their voting power to drive environmental and social change, deviating from the primary focus of financial performance. For example, members of the Net Zero Asset Managers initiative collectively manage around $70 trillion in assets. These members have committed to achieving net-zero carbon emissions by 2050, extending this commitment to their investment portfolios. By making such commitments, investment institutions are inherently involving themselves, and their clients, in social and political matters that do not appear to directly contribute to investor returns.

To assist the Committee in understanding how your firm currently fulfills its fiduciary duty to make decisions consistent with maximizing investor returns, please provide answers to the following:

1. How does your firm ensure that its shareholder voting decisions align with maximizing investor returns?

    a. What specific metrics or indicators does your firm use to measure the financial impact of ESG initiatives in relation to investor returns?

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[1] U.S. SECURITIES AND EXCHANGE COMM'N, IA-1732, INTERPRETATION OF SECTION 206(3) OF THE INVESTMENT ADVISERS ACT OF 1940, 17 C.F.R. Part 276 (July 12, 2019).

2. Over the past two proxy seasons, what proportion of the time did your firm vote in accordance with an independent board of directors' recommendation on climate-related shareholder proposals?

    a. If your firm did not vote in line with the independent board of directors' recommendation, did your firm provide a thorough economic analysis justifying why the voting decision was warranted?

3. If your firm uses the services of proxy advisory firms, please provide a list of all firms that you interact with.

    a. For each proxy advisory firm that you rely on, please estimate, by percentage, how often you vote in line with the proxy advisory firm's recommendations.

    b. Please describe the process by which you evaluate the recommendations provided by any proxy advisory firm to ensure the recommendations are in the best economic interest of your investors.

4. Over the past five proxy seasons, please identify each instance where your own company's board recommended that BNY Mellon's shareholders vote against an ESG-related shareholder proposal.

    a. For each proposal identified, did your company's investment arm vote in favor of the proposal, or substantially similar proposal, at companies within your investment portfolio? If yes, please identify these instances.

5. What climate initiatives and advocacy groups is BNY Mellon a member of?

    a. Please provide a discussion of the underlying commitments or pledges made by these initiatives and groups.

Please provide your responses as soon as possible, but no later than, August 1, 2023. The Committee on Financial Services has jurisdiction to oversee the activities related to asset management firms and the regulation of that industry pursuant to Rule X of the Rules of the House of Representatives. Thank you for your attention to this important matter.

Sincerely,

Bill Huizenga
Chairman
Subcommittee on Oversight
and Investigations