

News

Chief Investment Officer Quotes Itami on Fiduciary Rule

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Groom principal [Allison Itami](#)'s comments from a panel hosted by *Chief Investment Officer*, *PLANADVISER*, and *PLANSponsor*, "Vetting Providers' Cybersecurity Processes," were featured by *Chief Investment Officer* ("CIO") in the article, "ESG-Related Disclosure Will Inform Investors' Future Focus."

Chief Investment Officer reported that, in the panel, Itami said that "U.S. companies are likely familiar or already working with such ESG disclosures. In California, in particular, the Climate Accountability package, goes beyond Securities and Exchange Commission disclosure rules will be going into effect in 2025 that mandates corporate climate and climate-related risk disclosures."

"Companies who have a European presence, who have a California presence, are already working on this," she said. "I also think that none of these are particularly new in concept. How it's put together, how it's disclosed might be new, but investors who are already doing their due diligence are asking questions about resiliency and all of these things."

"That has fundamentally been the test for decades," she continued. "I don't expect that test to change going forward," in reference to the "all things being equal" test for ESG investments in retirement plans.

The outlet further wrote that Itami said that "what has changed is that ESG investing in retirement plans has become 'highly politicized,' including multiple lawsuits, creating risk beyond the ERISA framework."

"Even if the legal risk is very clear, that doesn't prevent someone from suing you over your decision, and it does not prevent that lawsuit from driving up costs," she added.

According to the outlet, Itami said "that litigation risk is causing 'folks to be reluctant to jump in' to implementing sustainable investing in retirement plans. For plan sponsors to feel comfortable implementing ESG investing factors, they should seek expert advice that can guide them on the legal standards that already exist under ERISA and through the 'all things being equal' test."

To read the article, [click here](#).