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May 16, 2022

Office of Regulations and Interpretations
U.S. Department of Labor
Employee Benefits Security Administration
200 Constitution Ave NW
Washington, DC 20210

Re: ***Request for Information on Possible Agency Actions to Protect Life Savings and Pensions from Threats of Climate-Related Financial Risk (RIN 1210-ZA30)***

Dear Acting Assistant Secretary Ali Khawar:

AllianceBernstein L.P. ("AB" or "we") provides research, diversified investment management and related services to diverse clients globally, including retirement plans. Our global team of research professionals, with disciplines including economic, fundamental equity and fixed income and quantitative analysis, deliver high-quality, in-depth research. It's the foundation of our business, and we believe that it gives us a competitive advantage in achieving investment success for our clients.

Responsible investing is part of who we are. We're a responsible firm with a deep research culture that integrates environmental, social and governance (ESG) considerations throughout our investing and proxy voting processes. As an investment adviser, we have a fiduciary duty to make investment decisions that are in our clients' best interests. We believe ESG factors can be material financial factors in the investment-decision making process for our clients. We also believe that AB has an important role to play in engaging with regulators on ESG issues and we view opportunities to comment on emerging regulations as critical in our stewardship activities as asset manager for our clients.

AB would like to thank the Department of Labor (the "Department") for the opportunity to provide input on the agency's future work relating to retirement savings and climate change-related financial risks. Our views are based on our extensive experience with integrating climate issues, data and information into our investment processes. Climate change poses a pervasive, significant risk to both capital markets and issuers. These include physical risks to real assets and supply chains from severe weather and transition risks from litigation and regulatory, technology, economic changes as economies strive to meet "Net Zero," which means aligning global activities with a temperature increase below 1.5C as prescribed by the Paris Agreement. These risks are often non-linear and subject to unexpected feedback loops that can create disruptive impacts on asset valuations, global financial markets and economic stability.

We strongly support the Department's efforts in examining the impact of climate-related financial risk on retirement security for US workers. AB believes that the most effective, and appropriate, step the Department can take is to finalize its October 2021 proposed rule on "Prudence and Loyalty in Selecting Plan Investments and Exercising Shareholder Rights" (the "October 2021 proposed rule"). The finalization of this rule would allow the Department to deliver a consistent message on ESG and clarify the way ERISA fiduciaries may incorporate ESG factors in their investment decisions.

AB is affiliated with several organizations which are preparing responses to this request for information including the Securities Industry and Financial Markets Association and the Investment Company Institute. We are particularly supportive of comments issued by the Defined Contribution Institutional Investment Association. While we generally support and highly encourage the Department to consider these organizations' responses, this letter highlights AB's experience and perspective on climate change-related risk and disclosure.

I. *AB believes the Department's approach to ESG, including climate change-related risks, should follow its principles-based approach to fiduciary duties.*

As we indicated in our comment letter to the Department on the October 2021 proposed rule, we believe fiduciary decision-making should continue to be guided by long-standing principles of prudence of loyalty and caution against singling out climate change for unique treatment.[1] This may unintentionally signal higher importance than other ESG factors and would be inconsistent with a principles-based approach.

To be clear, AB views the risks and opportunities associated with climate change as fundamental financial factors that impact company cash flows and the valuation investors attribute to those cash flows. Regulatory changes, physical risks, and changing consumer decision criteria and preferences are all factors that asset managers need to understand and integrate into their investment processes to make optimal investment decisions on behalf of their clients.

II. *We encourage efforts to enhanced access to reliable, consistent and comparable metrics and information about climate change and ERISA plan investing.*

To function effectively, capital markets participants need transparent and comprehensive, decision-useful data from all enterprises facing material climate change risks. AB believes the Department should work in coordination with the Securities and Exchange Commission (the "SEC") and other regulators domestically and internationally on its efforts to improve ESG disclosure. Additional reporting burden should not be placed on ERISA plans through Form 5500, as this could expose plans to increased litigation risk, increase costs and lead to the unintended consequence of aversion of plan adoption.

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[1] Comment letter submitted by AB in response to the Notice of Proposed Rulemaking on Prudence and Loyalty in Selecting Plan Investments and Exercising Shareholder Rights (RIN 1210-AC03) (https://www.alliancebernstein.com/content/dam/corporate/corporate-pdfs/DOL-Comment-Letter-from-AB.pdf)

The SEC's proposed rulemaking on climate risk reporting would provide fund managers with more information on climate-related risks and the Department can leverage the reporting under this rulemaking to ensure that necessary information is available for ERISA plans. AB has offered its recommendations to the SEC on climate change disclosure in June 2021 and will be issuing public comment on the draft rule prior to June 17, 2022.[2]

III. Education and creation of industry consensus on climate-related financial risks is critical.

AB understands that the market is still coalescing on standards for climate-related financial risk, and we believe that the Department can play a role in raising the knowledge of plan participants and beneficiaries. While we would caution against placing greater importance on any one ESG topic in offering educational materials, we encourage the Department to create guidance for plan participants about climate-related financial risks, similar to the resources it has developed on cybersecurity.[3]

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AB appreciates the Department's consideration of our perspectives and applauds the efforts undertaken thus far. Please feel free to reach out to Michelle Dunstan at Michelle.Dunstan@alliancebernstein.com or 212.823.2961 or Jennifer DeLong at Jennifer.DeLong@alliancebernstein.com or 212.969.6689.

Sincerely,

Michelle Dunstan
SVP, Global Head of Responsible Investment

Jennifer DeLong
SVP, Head of Defined Contribution

[2] Comment letter submitted by AB in response to the SEC's request for public input on climate change disclosure (https://www.alliancebernstein.com/content/dam/corporate/corporate-pdfs/SEC-Public-Input-Climate-Change-Disclosure..pdf)

[3] US Department of Labor Announced New Cybersecurity Guidance for Plan Sponsors, Plan Fiduciaries, Record-Keepers, Plan Participants, April 2021 (https://www.dol.gov/newsroom/releases/ebsa/ebsa20210414)