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Financial Factors in Selecting Plan Investments

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Submitter Information

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General Comment

Office of Regulations and Interpretations
U.S. Department of Labor
Washington, DC 20210

Attention: Proposed rule on Financial Factors in Selecting Plan Investments (RIN 1210-AB95)

To whom it may concern:
The public needs sound and prudent options for investments in their ERISA plans. By offering ESG (Environmental, Social and Governance) selections for these retirement plans, that would enhance the investment opportunities and prudent practices that is inherent in the role of the fiduciary manager who is overseeing the investment selections.
Companies that meet these strict screens, those with a strong conviction and proven adherence for investing in or having corporate practices that improve ESG guidelines are among the most successful and well-managed companies. They have proven that they can do well and do good at the same time.

These companies are doing well because they ascribe to a set of Governance practices that adhere to sound affirmative action considerations. They are excellent corporate citizens that follow hiring, promotions and pay practices that improve the diversity of their entire workforce including the executive level. They are contributors to their respective communities as well.

Companies that have strong convictions for caretaking of our Environment, are non-polluting and/ or use their resources to minimize their environmental impact (waste reduction, recycling and contributing to a safer, cleaner environment, to name a few). This is and will continue to be critically important as we face growing environmental threats. These are companies that show a proactive concern for being better stewards of our environment.

So I am requesting that the role of the fiduciary not be limited, rather it should be expanded and enhanced through the use of and access to companies that adhere to ESG standards.

I am writing to provide comments in response to the Department of Labor's proposed rule, "Financial Factors in Selecting Plan Investments," which relates to ERISA-regulated retirement plans. I believe this rule should be withdrawn, as it goes against the ethos of free and fair market principles to which the American Sustainable Business Council and Social Venture Circle subscribe. A free and fair competitive marketplace is crucial to a strong economy and strong society. Failure to allow fiduciaries to consider all material risk factors, including ESG criteria, would be to the detriment of plan participants.

Additionally, investment managers should be given the right to consider all dimensions associated with their plans, including ESG criteria. ESG criteria has been shown in numerous studies to produce investment performance superior or in line with non-ESG investments. This is because ESG criteria acts as a positive screen for superior funds and does not in any way dissuade from plan managers' pecuniary priorities. Managers should not be shut out from competitive opportunities in the marketplace.

I respectfully ask that the US Department of Labor withdraw this rule and continue to allow plan managers to operate within a free and fair marketplace.

Sincerely,

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