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General Comment

Please continue to allow the use of environmental, social, and governance (ESG)-themed investments within tax-qualified retirement plans governed by the Employee Retirement Income Security Act (ERISA).

ESG investments can outperform the market, and the requirement of 'generally accepted investment theories' is vague and will lead to overly conservative and market-following behavior. As an example, prompt (ESG-based) divestment of high-carbon-emitting companies would have outperformed the market in the most recent decade. However, such a long time-horizon taking into consideration climate change is not a 'generally accepted investment theory' common amongst traditional short-term-focused advisors.

In short, ESG investments are necessary to appropriately treat material economic considerations as per:

"As the Department has recognized in its prior guidance, there may be instances where factors that sometimes are considered without regard to their pecuniary import such as environmental considerations will present an economic business risk or opportunity that corporate officers, directors, and qualified investment professionals would appropriately treat as material economic considerations under generally accepted investment theories"

We have governance boards and democratic process for these investments for a reason - let these institutions work as intended instead of removing choice.

