



August 15, 2022

Via Electronic Mail

Ms. Vanessa A. Countryman, Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549-1090

Re: Comment Submission on Securities and Exchange Commission Proposed Rule, File Number S7-16-22: Investment Company Names

Deed is providing comments to the Securities and Exchange Commission (SEC) regarding proposed rule “Investment Company Names,” File Number S7-16-22, (“The Names Rule”). We are a social impact and employee engagement technology platform used by over one million people and two million nonprofit organizations worldwide. Our clients include Fortune 500s and fast-growing tech companies, alike in their commitment to environmental, social, and corporate governance (ESG). We hope to bring Chairman Gary Gensler and the Commission valuable context from the corporate social responsibility (CSR) practitioner’s perspective in their efforts to establish much-needed consistency and comparability across our industry.

Commitment to Transparency as Regards Investment in Environmental, Social, and Corporate Governance (ESG)

We applaud Chairman Gensler’s stated aim for the proposed amendment to “modernize the Names Rule—,” which has not been amended since its adoption in 2001, “—for today’s markets.”^{1 2} We also commend the SEC’s formal acknowledgment of the materiality of each aspect of ESG to investment decisions, evidenced by its attention to funds with names including not just terms like “growth,” “value,” and “income,” but also “socially responsible investing,” “sustainable,” “green,” “ethical,” “impact,” “good governance,” and more.³

Perspective: The Data and Projections Suggest This Proposal is Common-Sense Policy

¹ Gensler, G., (2022). “Statement on Proposed Updates to Names Rule”, *U.S. Securities and Exchange Commission*

<https://www.sec.gov/news/statement/gensler-statement-proposed-updates-names-rule-052522>

² Houlihan, M. B., Green, B., and Marcinkus, D., (2022). “Long-Awaited ESG Rules”, *Harvard Law School Forum on Corporate Governance*

<https://corpgov.law.harvard.edu/2022/06/26/long-awaited-esg-rules/#4b>

³ Investment Company Names, Release No. IC-34593; File No. S7-16-22 (May 25, 2022), p. 19–27





The widespread discrepancy between word and deed regarding ESG is made clear by recent studies. For instance, 80 percent of executives say their companies are above-average on ESG, while 66 percent simultaneously question their efforts' authenticity.⁴ In the U.S., 72 percent even admit to “greenwashing,” or overstating their sustainability efforts.⁵

This is despite the fact that the overwhelming majority of employees believe companies must lead with purpose, and that business must benefit all stakeholders, including shareholders, customers, and communities.⁶ We believe that employees' active participation in companies' ESG efforts are crucial to success; that their thorough understanding of ESG would tangibly impact companies' climate initiatives;⁷ and that their assent would bolster confidence in the long-term viability of virtually any security.⁸

Conclusion

Deed welcomes the modernization and increased sustainability of the SEC's approach to market fairness, efficiency, and national capital formation that would follow this rule's adoption.

We are grateful for the leadership of Chairman Gensler and the Commission on this issue, and appreciate the opportunity to contribute to what will doubtless prove a broadly influential and historic regulatory framework. Our hope is that, by establishing common-sense standards, the SEC will generate ever-broader support for ESG and help responsible companies continue working to solve the world's most pressing issues.

Respectfully,

Deed (Go Deed, Inc.)

⁴ Google Cloud, and The Harris Poll, (2022). “CEOs are Ready to Fund a Sustainable Transformation” p. 5, 11

https://services.google.com/fh/files/misc/google_cloud_cxo_sustainability_survey_final.pdf

⁵Ibid, p. 5.

⁶ Porter Novelli, (2020). “PN Purpose Tracker: Employee Perspectives on Responsible Leadership During Crisis”, p. 3

https://www.porternovelli.com/wp-content/uploads/2021/01/02_Porter-Novelli-Tracker-Wave-X-Employee-Perspectives-on-Responsible-Leadership-During-Crisis.pdf

⁷ Boffo, R., and R. Patalano, (2020). “ESG Investing: Practices, Progress and Challenges”, *OECD Paris*, p. 33.

<https://www.oecd.org/finance/ESG-Investing-Practices-Progress-Challenges.pdf>

⁸ Ibid, p. 63-67.

