



LORD ABBETT

Vanessa Countryman
Secretary
U.S. Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, D.C. 20549-0609

Re: Proposed Rule: Board Diversity and Disclosure Expectations for Listed Companies
(Rules 5605(f) and 5606); File No. SR-NASDAQ-2020-081

Dear Ms. Countryman:

Lord, Abbett & Co. LLC (“Lord Abbett”) strongly supports Nasdaq’s proposal for new board diversity and disclosure expectations for listed companies. Now more than ever, we believe that our industry needs strong and informed leadership. As a privately held asset management firm that has successfully navigated the events of the last 91 years, we understand the importance of leaders willing to take a stand on the crucial issues of our time. Today it is clear that diversity and inclusion are among those issues. We believe that every company should be on a journey, as we are, toward becoming more diverse and inclusive, and we believe it is important that the tone on this issue be set from the top. Therefore, we applaud Nasdaq’s efforts to enhance diversity through its newly proposed expectations for listed companies.

For these reasons, and as discussed further below, we urge the Securities and Exchange Commission (“SEC”) to consider approving Nasdaq’s proposals, which we believe will be a strong catalyst for meaningful change and measurable progress in improving board diversity related to race, ethnicity, sexual orientation, and gender identity.

Board Diversity

The social justice movement has caused many industries to uncover and evaluate unconscious bias. We agree that the traditional use of social networks to identify and recommend board candidates has the potential to entrench unconscious bias and may exclude candidates who are well-equipped to make valuable contributions in the best interest of investors. A range of perspectives is invaluable, particularly in businesses that seek innovation, and diversity translates into companies that are more capable of overcoming adversities and producing innovative solutions in an often volatile and complex environment. We believe that the diversity goals described in Nasdaq’s proposal are in the public’s interest and will enhance corporate governance, board decision-making, investor protections and investor confidence.

Enhanced Transparency

We cannot improve what we cannot measure, and Lord Abbett believes strongly in the value of transparency. Our industry has changed over the past 91 years – as an asset management firm in the new technological economy, information management and reliable data are central to making informed decisions. The asset management industry is looking for empirical, evidence-based, reliable data across all categories of their decision making. Information that is derived and presented in a clear, consistent manner allows asset managers to compare statistics across companies and appropriately evaluate data when making investment decisions. It is clear that there is currently an information gap and lack of transparency when attempting to objectively evaluate a public company's approach to board diversity, and we agree with Nasdaq that reporting of board diversity statistics should be consistent and widespread.

Nasdaq's proposed disclosure expectations and guidance on the presentation of board diversity data is a bold step in the right direction which will allow us, and others in the industry, to access meaningful information through new, standardized disclosures on board composition for Nasdaq-listed companies. We support Nasdaq's proposal to provide a transparent framework for listed companies to present their board composition, with the flexibility to explain why these standards cannot be met, and we believe that Nasdaq's proposed definition of diversity will improve transparency, consistency, and comparability of disclosure across companies. This reliable and consistent information can then be used to make better-informed investment decisions.

Conclusion

At Lord Abbett, our people are our greatest asset. We are committed to fostering a culture of inclusion and equity where everyone can thrive. Not only does diversity make us a better firm—it allows us to better serve our clients, and we continue to work toward our goal of further increasing our own diversity. There is no question that diverse organizations are more successful, that inclusive environments are more empowering, and that embracing differences creates more cohesion. In short, diversity is a game-changer that informs better decisions on every level. Lord Abbett believes that Nasdaq's new expectations for its listed companies will have a positive impact on corporate diversity over the long term, and the intent of its decision is a courageous step of greater importance than any questions about how best to implement these proposed requirements. For these reasons, we fully support Nasdaq in its efforts to raise the standards of our industry.

Thank you for allowing Lord Abbett the opportunity to comment on the newly proposed listing expectations for listed companies. We hope that our letter is helpful to the SEC and its staff in their review of the Nasdaq's proposed diversity rule, and we welcome the opportunity to discuss our perspectives on diversity with the SEC at your convenience.

Sincerely,

Douglas B. Sieg
Managing Partner, Lord Abbett

About Lord Abbett

Lord, Abbett & Co. LLC is an independent, privately held firm with a singular focus on the management of money. As one of the oldest money management firms in the United States, the firm has consistently provided generations of clients and their advisors with a quality investment experience since 1929. We believe our people are our greatest asset. Learn more about Lord Abbett at www.lordabbett.com.

