

MEMO# 31045

January 22, 2018

ICI Global Response to European Commission Consultation on Asset Managers' Use of ESG Factors

[31045]

January 22, 2018 TO: ICI Members
Investment Company Directors
ICI Global Members
ICI Global Regulated Funds Committee
SEC Rules Committee
Small Funds Committee SUBJECTS: Disclosure
Fund Governance
International/Global
Investment Advisers RE: ICI Global Response to European Commission Consultation on Asset Managers' Use of ESG Factors

On January 22, ICI Global submitted a response to a consultation from the European Commission on asset managers' and institutional investors' duties to integrate environmental, social, and governance (ESG) factors into the investment process.[\[1\]](#) The response is attached and summarized briefly below.

Our response urges the Commission to avoid prescribing a uniform ESG investing mandate. We argue that this type of approach would compromise the ability of asset managers to act in the best interest of clients, stifle financial and market innovation, and drive away investment from EU asset managers and markets. We ask the Commission instead to encourage continued competition and market innovation in the realm of sustainable investment, allowing market participants to respond to growing investor demand for product offerings and investment strategies that incorporate ESG factors.

Instead of a prescriptive approach to promoting sustainable investing, we recommend that the Commission consider adopting policies that would facilitate an asset manager's ability to respond to market demand for ESG investing. We note that we would welcome an increased focus on corporate disclosure that would improve asset managers' access to information about material ESG factors.

Jennifer S. Choi

Chief Counsel - ICI Global

Linda M. French
Assistant General Counsel

[Attachment](#)

endnotes

[1] European Commission, *Consultation: Institutional investors and asset managers' duties regarding sustainability*, available at https://ec.europa.eu/info/sites/info/files/2017-investors-duties-sustainability-consultation-document_en.pdf; see also ICI Memorandum No. 30987, available at <https://www.iciglobal.org/iciglobal/pubs/memos/memo30987>.

Copyright © by the Investment Company Institute. All rights reserved. Information may be abridged and therefore incomplete. Communications from the Institute do not constitute, and should not be considered a substitute for, legal advice.