

MEMO# 31199

May 7, 2018

Creation of ESG Task Force - Initial Call on May 17

[31199]

May 7, 2018 TO: ICI Global Regulated Funds Committee
SEC Rules Committee

Small Funds Committee RE: Creation of ESG Task Force - Initial Call on May 17

We are forming an ESG Task Force that will focus on responding to EU policymaking activity around sustainable investing. Please RSVP to jodom@ici.org to be added to the ESG Task Force list for future communications. We would appreciate if you could pass this information on to the appropriate contacts in your organization.

The ESG Task Force will have its first conference call on **Thursday, May 17, from 11:00-12:00 p.m. ET.**

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This call will focus on how we can engage constructively with EU policymakers as they move forward with proposed legislation around sustainable finance. We expect the European Commission to issue a package of legislative proposals on May 23 focusing on 1) duties of institutional investors and asset managers to incorporate sustainability considerations into their investing process and 2) green labels for financial products such as green bonds or green investment funds.

These upcoming legislative proposals are expected to be the European Commission's first step in implementing its comprehensive Action Plan on sustainable finance.^[1] This Action Plan outlines several policy actions aimed at achieving a financial system that supports the European Union's climate and sustainable development agenda. Key features of the Action Plan include the following:

- Establishing a unified EU taxonomy to define what is sustainable;
- Creating EU labels for green financial products;
- Clarifying the duty of asset managers and institutional investors to take sustainability into account in the investment process and enhance disclosure requirements;
- Requiring insurance and investment firms to advise clients on the basis of their preferences on sustainability;
- Incorporating sustainability in prudential requirements; and

- Enhancing transparency in corporate reporting.

These policy actions build on prior recommendations from the European Commission's High-Level Expert Group.^[2]

We will circulate an agenda prior to the call. Thank you in advance for your participation, and we look forward to speaking with you then.

Linda M. French
Assistant General Counsel

Jennifer S. Choi
Chief Counsel - ICI Global

endnotes

[1] European Commission, Capital Markets Union Action Plan on Sustainable Finance (8 Mar. 2018), *available at* https://ec.europa.eu/info/publications/180308-action-plan-sustainable-growth_en.

[2] See ICI Memorandum No. 31078, *available at* https://www.ici.org/my_ici/memorandum/memo31078.

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