

MEMO# 32045

November 8, 2019

SEC Chairman Statement on ESG at Investor Advisory Committee Meeting

[32045]

November 8, 2019 TO: ICI Members

ICI Global Members

ESG Task Force

SEC Rules Committee SUBJECTS: Compliance

Disclosure

International/Global

Investment Advisers RE: SEC Chairman Statement on ESG at Investor Advisory Committee Meeting

The SEC Investor Advisory Committee meeting on November 7 featured a discussion with panelists from several asset managers on whether investors use environmental, social, and governance (ESG) data in investment decisions.[\[1\]](#)

Chairman Clayton published remarks to the Committee, expressing his interest in “(1) what data [] companies use to make decisions and (2) what data [] investors use to make investment decisions.”[\[2\]](#) He also highlighted the complexities of disclosure regulation given that “(1) not all companies in the same sector use the same or comparable data in their decision making and (2) investor analysis also varies widely.”

Clayton further emphasized the Commission’s longstanding approach to disclosure and the importance of materiality. He also posed several questions on asset managers’ use of ESG data and indicated that answering these questions would assist the SEC’s efforts to foster the production of “‘decision-useful’ (aka ‘material’) information.”

Clayton also mentioned having a “very constructive meeting” with Valdis Dombrovskis (Executive Vice President of the European Commission) and attending a recent Financial Stability Board (FSB) meeting. He noted that both meetings had a significant focus on ESG disclosure.

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endnotes

[1] The SEC Investor Advisory Committee November 7, 2019 meeting agenda is *available at* <https://www.sec.gov/spotlight/investor-advisory-committee-2012/iac110719-agenda.htm>. More information about the Committee is *available at* <https://www.sec.gov/spotlight/investor-advisory-committee.shtml>.

[2] Chairman Clayton's remarks are *available at* <https://www.sec.gov/news/public-statement/clayton-remarks-investor-advisory-committee-110719>.

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