

**MEMO# 33883**

November 4, 2021

## Recent ESG Developments

[33883]

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TO: ICI Members  
ICI Global Members  
ESG Advisory Group  
ESG Task Force  
SEC Rules Committee SUBJECTS: Disclosure  
ESG RE: Recent ESG Developments

Summarized briefly below are several recent ESG-related developments that we bring to your attention. A brief description with links to the relevant documents are provided below. We will provide more fulsome memoranda describing these developments in the near future.

### 1. IFRS Foundation

On November 3, at COP26 in Glasgow, the IFRS Foundation announced:

- The formation of a new International Sustainability Standards Board (ISSB) to develop a comprehensive global baseline of high-quality sustainability disclosure standards to meet investors' information needs;
- A commitment by leading investor-focused sustainability disclosure organisations to consolidate into the ISSB. The IFRS Foundation will complete consolidation of the Climate Disclosure Standards Board (CDSB—an initiative of CDP) and the Value Reporting Foundation (VRF—which houses the Integrated Reporting Framework and the SASB Standards) by June 2022; and
- The publication of prototype climate and general disclosure requirements developed by the Technical Readiness Working Group (TRWG), a group formed by the IFRS Foundation Trustees to undertake preparatory work for the ISSB.
  - [Press Release](#)
  - [TRWG Prototype Reports](#)
  - [ICI Statement](#)

### 2. IOSCO

On November 2, IOSCO published a set of recommendations about sustainability-related practices, policies, procedures and disclosures in the asset management industry. The

report cites challenges associated with the growth of ESG investing and sustainability related products in recent years (including the risk of greenwashing) and a greater need for consistent, comparable, and decision-useful information.

- [Press Release](#)
- [IOSCO Recommendations](#)

### **3. SFDR RTS**

On October 22, the European Supervisory Authorities (ESAs) published their final report on the Regulatory Technical Standards (RTS) under the Sustainable Finance Disclosure Regulation (SFDR). The European Commission intends to combine all the SFDR RTS, including those published on February 4 and October 22, 2021, into a single delegated act, with an expected application date of July 1, 2022. The European Commission can now choose to adopt the text, which would kick off the three-month scrutiny period by the European Parliament and Council.

- [Press Release](#)
- [Report](#)

### **4. UK Government Roadmap**

On October 18, HM Treasury published *Greening Finance: A Roadmap to Sustainable Investing*. The Roadmap represents the UK Government's strategy to deliver decision-useful information on sustainability from corporates to financial market participants. It introduces an economy-wide sustainable disclosure regime and reveals further developments in relation to the UK Green Taxonomy.

- [Report](#)

### **5. UK FCA Sustainable Investing Labels**

On November 3, the FCA published a Discussion Paper on Sustainability Disclosure Requirements (SDR) and investment labels. The input received will inform the development of policy proposals for consultation in Spring 2022.

Alongside the Discussion Paper the FCA published *A strategy for positive change: our ESG priorities*, which sets out the FCA's future priorities in this area.

- [Discussion Paper 21/04](#)
- [FCA ESG Priorities paper](#)

### **6. CFA Institute**

On November 1, the CFA Institute released its *Global ESG Disclosure Standards for Investment Products*, which it describes as the first global voluntary standards for disclosing how an investment product considers ESG issues in its objectives, investment strategy, and stewardship activities. The CFA Institute announced that it expects to release procedures for independent assurance of ESG disclosures by investment products in early 2022.

- [Press release](#)
- [Standards](#)

### **7. SEC Staff Legal Bulletin on Shareholder Proposals**

On November 3, the SEC's Division of Corporation Finance issued Shareholder Proposals: Staff Legal Bulletin No. 14L, which rescinded previous legal bulletins and announced that the staff will no longer focus on determining the nexus between a policy issue and the company, but will instead focus on the social policy significance of the issue that is the subject of the shareholder proposal. In making this determination, the staff will consider whether the proposal raises issues with a broad societal impact, such that they transcend the ordinary business of the company.

- [Shareholder Proposals: Staff Legal Bulletin No. 14L](#)
- [Chair Gensler Statement](#)
- [Commissioners Peirce and Roisman Statement](#)
- [ICI Memorandum](#)

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