

**MEMO# 34047**

February 24, 2022

# ICI Global Member Call on ESG Developments and Priorities

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TO: ESG Advisory Group  
ESG Task Force  
EU ESG Disclosure Regulation Working Group  
Global Regulated Funds Committee  
Global Regulated Funds Committee - Asia RE: ICI Global Member Call on ESG Developments and Priorities

On Thursday, February 17, ICI Global held a call with members to provide an update on the global landscape of regulatory developments related to sustainable finance and discussed strategic policy priorities. Thank you to everyone who participated.

We have attached the PowerPoint presentation for your reference. Please do not share outside of your firms.

Following up on a few points raised during the meeting:

1. We briefly covered FINRA Staff Comments on Fund Sales Material, and were asked for some additional details in writing: Since May 2021, FINRA advertising review staff have undertaken a systematic and close review of fund sales material that mention ESG. We understand that the SEC's Division of Investment Management staff directed FINRA's staff to take the position that fund sales materials cannot include any discussion regarding a fund manager's consideration of ESG factors in the investment process unless the fund's prospectus contains consistent disclosure. FINRA staff confirmed that they look for consistency between ESG-related descriptions in sales materials and prospectus disclosures, including risk disclosures, and look closely at references to rankings or ratings in sales materials, particularly if they are proprietary.
2. We also discussed stewardship and engagement in an ICI Viewpoint, [Common Sense Doesn't Support Common Ownership Hypothesis](#).
3. ICI has also recently published [ESG and Funds: Frequently Asked Questions](#) and [Understanding Sustainable Funds: A Disclosure Guide](#).
4. The Disclosure Guide is a prototype of a summary prospectus, annotated to indicate where sustainability-related information about a fund can be found. It is intended to illustrate how an investor can easily find pertinent information about, among other

matters, a fund's principal investment strategies and risks.

5. We developed the FAQs to educate the public about several topics and address some misconceptions about ESG investing strategies. For example, the FAQs make clear that there is a wide variety of approaches to sustainable investing and that there is no single way (e.g., divesting from a particular sector) to implement a sustainable investing strategy. Other topics include funds' use of ESG ratings firms and proxy voting practices.
6. See [ICI Memo 34041](#).

Let us know you have any additional questions from the session.

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