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General Comment

Many myths and misconceptions exist within the responsible, sustainable, and impact investment fields. The notion that Environmental Social Governance (ESG) factors, which are nonfinancial in nature, do not pose material risks to corporations in today's era of business is one of these. Performance disparities has been displayed by ESG investment vehicles, academic studies, and corporate behavior. This comes as part of a shift in companies' long-term strategic directions due to greater awareness of how climate change and customer/employee feedback affects a company's profitability. While this may not have existed in the past, this is more apparent now. Stellar examples include Starbucks consideration of the importance of environmental innovation to adapt to climate change. Poor examples include Facebook's lack of consideration of the importance of consumer data privacy, and Boeing's disregard for customer safety. Today we see employer governance considerations for diversity, equity, and inclusion practices in today's much needed racial/social justice climate. Uncertainty can be understood around ESG investment strategies due to the generally nascent stage of the field. Assuming ESG is not allowed, regulators should take certain approaches. If regulation disallows ESG investment strategies it is critical that this be framed with a "sunset" so that it can be reviewed again the future. If regulators provide legally-binding feedback, they need to ensure that it is explicitly framed in a way that is transparent, explaining exactly why. To give premature conclusions on ESG investment strategies' performance would be illogical. To say that regulators will wait for more data to be reviewed for a more informed decision to be made would be fair. These approaches should be considered at the very least.