Proskauer

Growth of ESG-Related Investments & Regulatory Action

Bloomberg Law on **January 4, 2022**

The Biden administration's climate-change priorities and the Securities and Exchange Commission's increased emphasis on environmental, social, and corporate governance (ESG) have come into focus. The global impact of ESG investing continues to grow, with key implications for the asset management industry.

In the U.S., where there is no dedicated ESG-related regulatory structure, investor demand for ESG-focused strategies is driving fund managers to provide additional resources in the area. To better understand the future of ESG regulation, particularly in less-monitored areas of social and corporate governance, investors can look for guidance in past regulation of environmental-related investments—particularly concerning greenwashing—and the EU's new regime on sustainability-related disclosures in the financial sector.

This article discusses ESG regulatory trends in the U.S. and the EU, regulatory focus on the environmental aspect of ESG as opposed to the social and corporate governance components, key considerations in ESG-related private litigation, and practical tips for fund managers to comply with increased regulatory scrutiny.

Reproduced with permission. Originally published December 2021, "Growth of ESG-Related Investments & Regulatory Action," Bloomberg Law. Copyright © 2021 The Bureau of National Affairs, Inc.

Related Professionals

- **Joshua M. Newville**
  Partner
- **Jonathan M. Weiss**
  Partner