

MEMO# 32967

December 7, 2020

ICI Board of Governors Encourages US Public Companies to Provide Disclosure Consistent with TCFD Recommendations and SASB Framework

[32967]

December 7, 2020 TO: ICI Members

ICI Global Members

ESG Advisory Group

ESG Task Force

EU ESG Disclosure Regulation Working Group

SEC Rules Committee SUBJECTS: ESG

Fund Governance

Investment Advisers

Unit Investment Trusts (UITs)

Variable Insurance Products RE: ICI Board of Governors Encourages US Public Companies to Provide Disclosure Consistent with TCFD Recommendations and SASB Framework

We are pleased to announce that the Investment Company Institute's Board of Governors formally resolved to encourage US public companies to provide disclosure consistent with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD)[\[1\]](#) and the standards of the Sustainability Accounting Standards Board (SASB).[\[2\]](#)

The Board of Governors determined to take this action to promote fund managers' access to company ESG-related information for conducting strategy-related analysis and making informed investment and proxy voting decisions on behalf of fund shareholders.

The fundamental principles that underpin the resolution are provided immediately below.

- The importance of fund managers having access to accurate, comparable, and timely financially material company ESG-related information.
- The benefits associated with increasing the use of widely accepted disclosure frameworks which produce ESG data that is scalable across multiple industries.
- The importance of the ongoing development of disclosure standards that provide a meaningful opportunity for companies, investors, and other stakeholders to provide input.
- The benefit of amplifying the emerging global consensus around companies following

TCFD recommendations and SASB standards.

In addition, the Board of Governors recognized that support for private sector standard setting initiatives is the most appropriate and timely step to take, recognizing that ESG-related reporting is rapidly evolving, a characteristic which advises careful and deliberate assessment prior to considering ensconcing requirements in a regulatory framework.

You may contact Dorothy Donohue, Deputy General Counsel – Securities Regulation, at ddonohue@ici.org to assist with any questions regarding the resolution and find additional ESG-related resources on ICI's [ESG Investing Resource Center](#).

Eric J. Pan
President & CEO

endnotes

[1] The TCFD recognized investor demand for material climate-related disclosures for financial decision making and recommended that companies provide disclosure related to: (i) governance around climate-related risks and opportunities; (ii) the actual and potential impacts of climate-related risks and opportunities on the company's businesses, strategy and financial planning, where such information is material; (iii) how the organization identifies, assesses, and manages climate-related risks and how these are integrated into an overall risk management framework; and (iv) the metrics and targets used to assess and manage relevant climate-related risk and opportunities, where such information is material.

[2] SASB published a set of 77 industry-specific standards which identify the minimal set of financially material sustainability topics and their associated metrics for the typical company in an industry.