

MEMO# 33821

October 13, 2021

ICI Board Statement on Financing the Transition to Net Zero; ICI to Attend COP26

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TO: ICI Members
Investment Company Directors
ICI Global Members
ESG Advisory Group
ESG Task Force
EU ESG Disclosure Regulation Working Group
EU Sustainable Finance Strategy Working Group
Proxy Working Group
SEC Rules Committee SUBJECTS: Disclosure
ESG
Intermediary Oversight RE: ICI Board Statement on Financing the Transition to Net Zero; ICI to Attend COP26

ICI's Board of Governors unanimously approved a statement on "Financing the Transition to Net Zero," identifying specific actions the industry can take to facilitate the economic transition to net zero emissions and meet investors' objectives.[\[1\]](#)

The statement recognizes that each fund and/or its adviser must decide for itself the steps it can take to facilitate the transition to net zero, consistent with a fund's investment objectives and strategies, investors' interests, and a fund manager's fiduciary obligations. ICI's Board, however, has identified and set forth a variety of ways that a fund and/or its adviser may choose to help facilitate the transition to a net-zero emissions economy. The statement notes, among other things, that investors are increasingly seeking sustainable investing opportunities and that fund managers serve as fiduciaries to funds and their investors.

ICI's Board stated that, to facilitate the transition to net zero and meet investors' objectives, and to the extent permitted by law and fund managers' fiduciary obligations, it supports industry efforts to take the following actions:

1. Promote transparent and useful climate disclosure that facilitates informed

investment decision-making.

2. Incorporate climate-related factors into funds' investment analyses based on their stated investment objectives and strategies.
3. Engage in climate-related stewardship activities that are consistent with funds' investment objectives and strategies and investors' interests.
4. Create and offer funds with climate-related objectives and strategies to meet investor demand for products that align with the goal of net zero emissions by 2050 or sooner.
5. For funds with climate-related objectives and strategies, periodically make available to investors information about the fund's climate characteristics.

ICI also announced that, in line with its work in recent years in leading the regulated fund industry conversation on environmental, social, and governance (ESG) issues, it has been granted official permission by the UN Climate Change Secretariat (UNFCCC) to attend the 26th session of the Conference of Parties (COP26). ICI President and CEO Eric J. Pan will lead a delegation to COP26 in Glasgow, Scotland, between October 31 and November 12, 2021, to represent the industry and its investors, sharing ICI's perspective on the transition to net zero with government officials, nongovernmental organizations (NGOs), industry participants, and other leaders attending the conference.

Annette Capretta
Associate General Counsel

endnotes

[1] The press release is *available at* <https://www.ici.org/news-release/21-news-finnetzero>.
The Board statement is *available at* <https://www.ici.org/system/files/2021-10/finnetzero.pdf>.

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