

MEMO# 33958

December 15, 2021

SEC Commissioner Crenshaw Speech on Net-Zero Pledges and Company Disclosures

[33958]

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TO: ICI Members
ICI Global Members
ESG Advisory Group
ESG Task Force
SEC Rules Committee SUBJECTS: Disclosure
ESG RE: SEC Commissioner Crenshaw Speech on Net-Zero Pledges and Company Disclosures

SEC Commissioner Caroline Crenshaw, in recent remarks, discussed climate-related public company disclosure and the private markets.[\[1\]](#) She observed that many companies have made net-zero pledges but that it is sometimes unclear how they will achieve these goals. She stated that the net-zero emissions pledges underscore the calls for decision-useful metrics - metrics calculated using reliable and comparable methodologies that enable investors to decide whether the companies mean what they say.

Commissioner Crenshaw stated that net-zero pledges implicate several other important issues, such as political spending. She asserted that, without disclosures on political spending, executives may spend shareholder money in ways that contradict their public commitments and statements, offering as an example a company that goes on the record in support of the Paris Climate Accords but continues to make political contributions that support opposition to the Accords. She added that accurate and reliable climate metrics also is critical for assessing fundamental and traditional corporate governance matters, like executive compensation that is linked to sustainability performance. She stated that she is pleased the SEC currently has a climate change disclosure rulemaking on its regulatory agenda and encouraged public engagement.

She also observed that the lack of similar information in the private markets poses its own obstacles and that the SEC should consider the tools at its disposal to address these concerns.

Annette Capretta
Associate General Counsel

endnotes

[1] See SEC Commissioner Caroline A. Crenshaw, Virtual Remarks at the Center for American Progress and Sierra Club: Down the Rabbit Hole of Climate Pledges (Dec. 14, 2021), *available at* <https://www.sec.gov/news/speech/crenshaw-cap-sierra-club-20211214>.

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