

NEWS RELEASE

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ICI Joins Financial Services Trade Associations in Supporting Sustainable Finance Principles

Principles are consistent with ICI's earlier call for greater harmonization of global disclosure standards for climate and other ESG-related issues

Washington, DC; February 18, 2021—As part of its ongoing work of encouraging policymakers worldwide to support consistent standards for sustainable finance, the Investment Company Institute (ICI) today joined other major financial services trade associations in developing a set of principles for [Financing a US Transition to a Sustainable Low-Carbon Economy](#). The principles seek to advance a discussion with the Biden administration and Congress as the United States renews its focus on climate change and sustainable finance issues.

The principles reflect ICI's ongoing advocacy for:

- greater harmonization of terminologies to help investors understand—and compare—various sustainable assets and products;
- more robust climate risk disclosure and the creation of an international framework; and
- stronger US participation in global policy and regulatory deliberations on climate change.

“Work on climate and sustainable finance should involve all sectors of the financial services industry,” said ICI President and CEO Eric J. Pan. “For this reason, ICI is pleased to work with those associations representing broker-dealers, banks, and others on articulating high-level principles to describe the various challenges facing a US transition to a sustainable economy.”

ICI's Global Advocacy on Climate and Sustainable Finance Issues

ICI's contribution to this document is one aspect of its extensive work program on climate and environmental, social, and corporate governance (ESG) issues, which includes:

- Convening members to build consensus and engage on ESG-related issues. In 2018, ICI established an ESG Task Force to draw on the expertise and experience of its members and provide the perspective of regulated funds to policymakers in Europe, Asia, and the United States on related issues. The Institute elevated this workstream

in January 2020 when it established a board-level ESG Advisory Group. Members of the group identify and review ESG-related issues affecting the industry and build consensus around initiatives the Institute can pursue, such as the workstreams identified below.

- Promoting consistent terminology for funds. In July 2020, ICI's Board of Governors unanimously endorsed a fund industry ESG [roadmap](#)—an introduction to ESG investing strategies designed to encourage the use of consistent terminology when describing ESG integration and sustainable investing strategies.
- Encouraging enhanced corporate ESG disclosure. In December 2020, ICI's board unanimously called for [enhanced ESG disclosure](#) by corporate issuers. Specifically, the board requested that companies provide disclosure consistent with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) and the standards of the Sustainability Accounting Standards Board (SASB) to help improve the quality and quantity of comparable ESG data available to regulated funds and other investors.
- Advocating for a global minimum standard. ICI President and CEO Eric J. Pan expanded on the Institute's call for enhanced ESG disclosure with an op-ed in [MarketWatch](#), urging the US Securities and Exchange Commission to lead work on a streamlined global disclosure reporting standard using TCFD and SASB standards as a starting point for international deliberations. Pan echoed this call in commentary published in [Le Monde](#) and the [South China Morning Post](#), asking policymakers in Europe and Asia to work with the United States to achieve a global minimum standard for what sustainability information companies should disclose.