

ABOUT THE CIFSC RESPONSIBLE INVESTMENT IDENTIFICATION FRAMEWORK FOR INVESTMENT FUNDS



WHO IS CIFSC?

The Canadian Investment Funds Standards Committee (CIFSC) is comprised of Canada's major investment fund data and research firms and investment fund associations. CIFSC's mandate is to standardize the classifications of Canadian investment funds and provide investors with a consistent set of investment fund classifications. IFIC is a non-voting member of CIFSC. The full list of members can be found [here](#).



WHAT IS RESPONSIBLE INVESTING?

Responsible investing (RI) is an investment approach that incorporates environmental, social and governance (ESG) factors into investment decision-making and active ownership processes, in combination with traditional fundamental financial research. CIFSC considers responsible investing to be an umbrella term that encompasses sustainable investing, ESG investing and other related terms.



WHAT IS THE CIFSC RI FRAMEWORK?

CIFSC has developed and implemented a [Responsible Investment Identification Framework](#) for Canadian investment funds. This means that for the first time, Canadian investors, advisors and other users can look to an independent third-party for a list of Canadian-domiciled funds using a recognized approach to responsible investing. See the full list of RI funds [here](#).



HOW DOES THE FRAMEWORK WORK?

The CIFSC RI framework is disclosure-based and relies on what is stated by investment fund manufacturers in regulatory filings such as prospectuses. To be considered an RI fund, a fund must meet two conditions. First, it must have an RI/ESG investment mandate stated in the investment objectives of its prospectus (or similar offering documents) and secondly, the fund's stated RI approach must meet the criteria of at least one of the six RI approaches listed by the framework. These include:

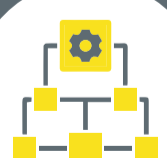
- ESG Integration and Evaluation
- ESG Thematic Investing
- ESG Exclusions
- Impact Investing
- ESG Related Engagement and Stewardship Activities
- ESG Best in Class

The definitions for the six approaches listed above are provided in the CIFSC RI Framework document. The voting members of CIFSC use the Framework to identify and "flag" Canadian funds that meet the RI conditions and this information is made available on CIFSC's website. The RI Framework is separate from, but serves as an overlay or additional flag to, CIFSC's asset class classification framework.



IS THE CIFSC FRAMEWORK A CERTIFICATION OR AUDITING FRAMEWORK?

No. As stated by CIFSC, the identification of RI funds relies on what is stated by investment fund manufacturers in regulatory filings or other documents. As such, the Framework is not meant to evaluate the performance or quality of funds. Investors and their advisors are encouraged to conduct their own research on investment products to determine if they are suitable for their specific investment objectives and to gain an understanding of whether a fund is meeting its stated RI objectives.



IS THE CIFSC FRAMEWORK PART OF A REGULATORY FRAMEWORK?

No. Investment funds in Canada are subject to detailed rules affecting all aspects of disclosure, including the prospectus, Fund Facts and ETF Facts, annual information forms, financial statements, sales communication, proxy voting records, and management reports on fund performance. These rules are designed to ensure that disclosure is complete, accurate, and comprehensible.

While the CIFSC RI Framework is not part of a regulatory standard, it is aligned with the [CSA Guidance on ESG Disclosure](#) that was released in early 2022.