

# GLOBAL ESG DISCLOSURE STANDARDS FOR INVESTMENT PRODUCTS

## SUSTAINABLE FINANCE DISCLOSURE REGULATION (SFDR) CROSS-REFERENCE

During the development of the Global ESG Disclosure Standards for Investment Products (the “Standards”), CFA Institute staff cross-referenced the provisions in the Standards with the requirements in “Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector” and the “JC 2021 50 Final Report on draft Regulatory Technical Standards” issued by the Joint Committee of the European Supervisory Authorities on 22 October 2021 (for brevity, these two documents are referred to collectively as “SFDR”). CFA Institute has chosen to provide this mapping solely as a resource to describe the similarities and differences between the Standards and SFDR. It is not intended to be used for any other purpose.

### Disclaimer

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### Introduction

The provisions in the Standards are based on proposals developed by CFA Institute’s ESG Technical Committee and ESG Working Group as well as public comments submitted in response to the Consultation Paper for the Development of the ESG Disclosure Standards for Investment Products, released in August 2020, and the Exposure Draft of the ESG Disclosure Standards for Investment Products, released in May 2021. SFDR requirements were carefully considered during the development of the Standards, but the inclusion or exclusion of a requirement in SFDR did not influence the decision to include or exclude a similar requirement in the Standards. The Standards express an independent view of the investment product ESG disclosures that investment managers should provide to investors.

This cross-reference guide explains the similarities and differences in the information required to be disclosed under SFDR versus the Standards. Substantial overlap exists in pre-contractual product-level ESG disclosures between SFDR and the Standards. Although SFDR requirements are mandatory and regional, many of the disclosure requirements are appropriate for voluntary global standards. In some cases, however, SFDR requires disclosure of information that the Standards do not, and vice versa.

It is no trivial task to define and agree upon the information that should be disclosed about an investment product's consideration of ESG issues in its objectives, investment process, and stewardship activities. Intended users of the Standards will have many differing views on what information is important and how to construct disclosure requirements. It is impossible to fully reconcile these differences of opinion, but it is possible to achieve a general consensus on the information that is needed by most investors most of the time.

### **Disclosures Required by SFDR and Not Required by the Standards**

The Standards focus solely on the consideration of ESG issues in an investment product's objectives, investment process, and stewardship activities. A decision was made to narrow the scope of the Standards to these investment product ESG considerations to address the marketplace need to more clearly distinguish between product-level information and manager-level information and to more clearly distinguish between product design information and product performance information. As a result of this decision, the entity-level disclosure requirements in Articles 3, 4, and 5 and the periodic reporting requirements in Article 11 of Regulation (EU) 2019/2088 are not required by the Standards.

The Standards contain requirements that relate to most, but not all, of the requirements in Articles 6-10 of Regulation (EU) 2019/2088. In the instances where SFDR has disclosure requirements that the Standards do not, it is generally because the Standards do not include requirements that would:

- produce lengthy and complex disclosures for information that is not commonly needed by investors,
- require investment managers to make ex-ante forecasts,
- require the disclosure of the absence of an ESG approach or an ESG-related intention,
- require certain types of investment products to disclose significantly more information than others, or
- require disclosure of information that is generic to all investment products or that is not relevant to how an investment product considers ESG issues in its objectives, investment process, or stewardship activities.

## Disclosures Required by the Standards and Not Required by SFDR

This cross-reference guide was created specifically to evaluate how certain SFDR requirements are addressed in the Standards; it is not intended to map the Standard's requirements to SFDR's requirements. Still, readers may be interested in which of the Standard's provisions require disclosure of information that is not required by SFDR. Readers should note that disclosures required by the Standards but not required by SFDR may still be required by other laws or regulations.

The following provisions require disclosures that SFDR may not require:

- 2.A.1.e (a description of any changes made during the period covered by the ESG DISCLOSURE STATEMENT that are relevant to the applicable disclosures REQUIRED by the Global ESG Disclosure Standards for Investment Products, along with the effective dates of those changes)
- 2.A.1.f (a description of any changes made to the ESG DISCLOSURE STATEMENT within the past year to correct a significant error)
- 2.A.5 (third-party ESG-related labels and certifications with which the INVESTMENT PRODUCT complies)
- 2.A.7.a (how financially material ESG information is typically identified)
- 2.A.7.c (exceptions in which financially material ESG information is not considered in investment decisions, if any)
- 2.A.10.b (the exceptions to the application of the criteria, if any)
- 2.A.17.d (the processes and systems that support the STEWARDSHIP ACTIVITIES undertaken for the INVESTMENT PRODUCT)
- 2.A.17.b (a list of the ESG issues, if any, that are typically considered when undertaking stewardship activities and the rationale for doing so)
- 2.A.19.b (the stakeholders who will benefit from the attainment of the impact objectives)
- 2.A.19.c (the time horizon over which the impact objectives are expected to be attained)
- 2.A.19.d (how the impact objectives are related to other objectives that the INVESTMENT PRODUCT has and how the pursuit of the impact objectives could result in trade-offs with those other objectives)
- 2.A.19.e (how the attainment of the impact objectives will contribute to third-party sustainable development goals, if there is a stated intention to do so)
- 2.A.19.h (the risks that could significantly hinder the attainment of the impact objectives, should they occur)

| EU SFDR Requirements   | Standards Provision # | Explanation/Comparison   |
|--|-----------------------|--|
| <b>Article 3: Transparency of sustainability risk policies</b>   |                       |  |
| 1. Financial market participants shall publish on their websites information about their policies on the integration of sustainability risks in their investment decision-making process.  | N/A                   | Entity-level disclosures are outside the scope of the current edition of the Standards.  |
| <b>Article 4: Transparency of adverse sustainability impacts at entity level</b>   |                       |  |
| 1. Financial market participants shall publish and maintain on their websites: (a) where they consider principal adverse impacts of investment decisions on sustainability factors, a statement on due diligence policies with respect to those impacts, taking due account of their size, the nature and scale of their activities and the types of financial products they make available; or (b) where they do not consider adverse impacts of investment decisions on sustainability factors, clear reasons for why they do not do so, including, where relevant, information as to whether and when they intend to consider such adverse impacts. | N/A                   | Entity-level disclosures are outside the scope of the current edition of the Standards.  |
| <b>Article 5: Transparency of remuneration policies in relation to the integration of sustainability risks</b>   |                       |  |
| 1. Financial market participants and financial advisers shall include in their remuneration policies information on how those policies are consistent with the integration of sustainability risks, and shall publish that information on their websites.  | N/A                   | Entity-level disclosures are outside the scope of the current edition of the Standards.  |
| <b>Article 6: Transparency of the integration of sustainability risks</b>  |                       |  |
| 1. Financial market participants shall include descriptions of the following in pre-contractual disclosures:   |                       |  |
| (a) the manner in which sustainability risks are integrated into their investment decisions; and   | 2.A.8                 | Provision 2.A.8 addresses disclosure of the manner in which sustainability risks are integrated into investment decisions. SFDR defines a "sustainability risk" as "an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment." The Standards use the term "financially material ESG information." "Financially material" means the ESG information is material to the valuation, risk, or return of the investment. "ESG information" includes both ESG risks and ESG opportunities. |

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| (b) the results of the assessment of the likely impacts of sustainability risks on the returns of the financial products they make available.   | N/A                   | The Standards do not require the investment manager to assess the likely impacts of sustainability risks on the returns of the financial products they make available.  |
| Where financial market participants deem sustainability risks not to be relevant, the descriptions referred to in the first subparagraph shall include a clear and concise explanation of the reasons therefor.   | N/A                   | The Standards require the investment manager to explain the ESG approaches that are used in an investment product. There is no requirement to explain why any particular ESG approach is not used in an investment product.   |
| <b>Article 7: Transparency of adverse sustainability impacts at financial product level</b>   |                       |   |
| 1. By 30 December 2022, for each financial product where a financial market participant applies point (a) of Article 4(1) or Article 4(3) or (4), the disclosures referred to in Article 6(3) shall include the following:  |                       |   |
| (a) a clear and reasoned explanation of whether, and, if so, how a financial product considers principal adverse impacts on sustainability factors;   | 2.A.8–2.A.19          | Several methods exist by which an investment product might consider principal adverse impacts on sustainability factors. The Standards require disclosure of the use of an ESG index as an investment universe (Provision 2.A.8), screening (Provisions 2.A.9–2.A.10), targets for portfolio-level ESG characteristics (Provisions 2.A.11–2.A.13), portfolio-level allocation targets (Provisions 2.A.14–2.A.15), stewardship activities (Provisions 2.A.16–2.A.18), and processes to assess, address, monitor, and manage potential negative social and environmental impacts that may occur in the course of attaining social and environmental impact objectives (Provision 2.A.19.k). |
| (b) a statement that information on principal adverse impacts on sustainability factors is available in the information to be disclosed pursuant to Article 11(2).  | N/A                   | Periodic reporting is outside the scope of the current edition of the Standards.  |
| <b>Article 8: Transparency of the promotion of environmental or social characteristics in pre-contractual disclosures</b>   |                       |   |
| 1. Where a financial product promotes, among other characteristics, environmental or social characteristics, or a combination of those characteristics, provided that the companies in which the investments are made follow good governance practices, the information to be disclosed pursuant to Article 6(1) and (3) shall include the following: |                       |   |

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| EU SFDR Requirements  | Standards Provision # | Explanation/Comparison   |
|---|-----------------------|--|
| (a) information on how those characteristics are met;   | 2.A.8–2.A.19          | Several methods exist for creating an investment product with intended ESG characteristics. The Standards require disclosure of the use of an ESG index as an investment universe (Provision 2.A.8), screening (Provisions 2.A.9–2.A.10), targets for portfolio-level ESG characteristics (Provisions 2.A.11–2.A.13), portfolio-level allocation targets (Provisions 2.A.14–2.A.15), stewardship activities (Provisions 2.A.16–2.A.18), and social and environmental impact objectives (Provision 2.A.19). |
| (b) if an index has been designated as a reference benchmark, information on whether and how this index is consistent with those characteristics.   | 2.A.8, 2.A.12         | Provision 2.A.8 requires disclosure of certain information about any ESG index that is used as an investment universe. Provision 2.A.12 requires disclosure of certain information about any ESG index that is used as a point of comparison for portfolio-level ESG characteristics.  |
| 2. Financial market participants shall include in the information to be disclosed pursuant to Article 6(1) and (3) an indication of where the methodology used for the calculation of the index referred to in paragraph 1 of this Article is to be found.  | 2.A.8, 2.A.12         | Provision 2.A.8 requires disclosure of certain information about any ESG index that is used as an investment universe. Provision 2.A.12 requires disclosure of certain information about any ESG index that is used as a point of comparison for portfolio-level ESG characteristics.  |
| <b>Final Report on Draft RTS, Article 13 (detailed further by Articles 14–19)</b>   |                       |  |
| 1. Financial market participants shall present the information disclosed in accordance with Article 8(1) to (2a) of Regulation (EU) 2019/2088 and this Section in an annex to the document referred to in Article 6(3) of Regulation (EU) 2019/2088 in accordance with the template set out in Annex II. They shall include a prominent statement in the main body of the document referred to in Article 6(3) of that Regulation that information related to environmental or social characteristics is available in that annex. |                       |  |
| 2. Financial market participants shall provide at the beginning of the annex referred to in paragraph 1 the following information:  |                       |  |

Global ESG Disclosure Standards for Investment Products: SFDR Cross-Reference

| EU SFDR Requirements   | Standards Provision # | Explanation/Comparison  |
|--|-----------------------|---|
| (a) whether the financial product intends to make any sustainable investments in accordance with the annex referred to in paragraph 1; and                             | 2.A.14–2.A.15, 2.A.19 | Provisions 2.A.14–2.A.15 require disclosure of portfolio-level allocation targets for investments that have specific ESG characteristics, including but not limited to investments that are designated as "sustainable investments." Provision 2.A.19 requires disclosure of social and environmental impact objectives, which may include, explicitly or implicitly, an intention to make "sustainable investments."   |
| (b) that the financial product promotes environmental or social characteristics, but does not have as its objective a sustainable investment.                          | N/A                   | The Standards require the investment manager to disclose the ESG approaches that are used in an investment product. They do not require the investment manager to disclose any particular ESG approaches that are not used in an investment product.  |
| 3. Financial market participants shall present the information referred to in paragraph 1 in summary format in the order and made up of the following sections titled: |                       | The Standards do not require disclosures to be presented in a specific format or order. However, an optional template for ESG Disclosure Statements will be developed at a future date.   |
| (a) 'What environmental and/or social characteristics are promoted by this financial product?';  | 2.A.4, 2.A.8–2.A.19   | If an investment product's objectives, investment process, or stewardship activities systematically address one or more specific ESG issues, Provision 2.A.4 requires disclosure of a summary of those specific ESG issues. Several methods exist for creating an investment product with intended ESG characteristics. The Standards require disclosure of the use of an ESG index as an investment universe (Provision 2.A.8), screening (Provisions 2.A.9–2.A.10), targets for portfolio-level ESG characteristics (Provisions 2.A.11–2.A.13), portfolio-level allocation targets (Provisions 2.A.14–2.A.15), stewardship activities (Provisions 2.A.16–2.A.18), and social and environmental impact objectives (Provision 2.A.19). Disclosures for these provisions are also expected to contain important information about the ESG characteristics of the investment product. |

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| EU SFDR Requirements   | Standards Provision # | Explanation/Comparison  |
|--|-----------------------|---|
| (b) 'Does this financial product take into account principal adverse impacts on sustainability factors?';  | 2.A.8-2.A.19          | Several methods exist by which an investment product might consider principal adverse impacts on sustainability factors. The Standards require disclosure of the use of an ESG index as an investment universe (Provision 2.A.8), screening (Provisions 2.A.9-2.A.10), targets for portfolio-level ESG characteristics (Provisions 2.A.11-2.A.13), portfolio-level allocation targets (Provisions 2.A.14-2.A.15), stewardship activities (Provisions 2.A.16-2.A.18), and processes to assess, address, monitor, and manage potential negative social and environmental impacts that may occur in the course of attaining social and environmental impact objectives (Provision 2.A.19.k). |
| (c) 'What investment strategy does this financial product follow?';  | 2.A.8-2.A.19          | Several methods exist for creating an investment product with intended ESG characteristics. The Standards require disclosure of the use of an ESG index as an investment universe (Provision 2.A.8), screening (Provisions 2.A.9-2.A.10), targets for portfolio-level ESG characteristics (Provisions 2.A.11-2.A.13), portfolio-level allocation targets (Provisions 2.A.14-2.A.15), stewardship activities (Provisions 2.A.16-2.A.18), and social and environmental impact objectives (Provision 2.A.19).  |
| (d) 'What is the asset allocation and the minimum share of sustainable investments?';  | 2.A.14-2.A.15, 2.A.19 | Provisions 2.A.14-2.A.15 require disclosure of portfolio-level allocation targets for investments that have specific ESG characteristics, including but not limited to investments that are designated as "sustainable investments." Provision 2.A.19 requires disclosure of social and environmental impact objectives, which may include, explicitly or implicitly, an intention to make "sustainable investments."   |
| (e) where an index is designated as a reference benchmark for the purpose of attaining the environmental or social characteristics promoted by the financial product, 'Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?'; and | 2.A.12                | Provision 2.A.12 requires disclosure of certain information about any ESG index that is used as a point of comparison for portfolio-level ESG characteristics.  |



| EU SFDR Requirements   | Standards Provision # | Explanation/Comparison  |
|--|-----------------------|---|
| (f) 'Where can I find more product specific information online?'   | N/A                   | The Standards do not require investment managers to make disclosures on their websites. However, investment managers can meet the requirements of Provision 1.A.9 by posting their ESG Disclosure Statements on their websites.   |
| <b>Article 9: Transparency of sustainable investments in pre-contractual disclosures</b>   |                       |   |
| 1. Where a financial product has sustainable investment as its objective and an index has been designated as a reference benchmark, the information to be disclosed pursuant to Article 6(1) and (3) shall be accompanied by the following:                                |                       |   |
| (a) information on how the designated index is aligned with that objective;  | 2.A.8, 2.A.12         | Provision 2.A.8 requires disclosure of certain information about any ESG index that is used as an investment universe. Provision 2.A.12 requires disclosure of certain information about any ESG index that is used as a point of comparison for portfolio-level ESG characteristics.   |
| (b) an explanation as to why and how the designated index aligned with that objective differs from a broad market index.   | N/A                   | The Standards do not require the investment manager to disclose how an index that has been designated as a reference benchmark differs from a broad market index. Provisions 2.A.8 and 2.A.12 do, however, require disclosure about where additional information about any ESG indexes that are used can be found.  |
| 2. Where a financial product has sustainable investment as its objective and no index has been designated as a reference benchmark, the information to be disclosed pursuant to Article 6(1) and (3) shall include an explanation on how that objective is to be attained. | 2.A.19, 2.A.14–2.A.15 | An investment product that has certain social or environmental impact objectives might be deemed to "have sustainable investment as its objective." In this case, Provision 2.A.19 requires disclosure of those specific social and environmental impact objectives and how they are expected to be attained. An investment product that has an allocation target to "sustainable investments" might be deemed as "having sustainable investment as its objective." In this case, Provisions 2.A.14–2.A.15 require disclosure of the allocation target. |

Global ESG Disclosure Standards for Investment Products: SFDR Cross-Reference

| EU SFDR Requirements  | Standards Provision # | Explanation/Comparison  |
|---|-----------------------|---|
| 3. Where a financial product has a reduction in carbon emissions as its objective, the information to be disclosed pursuant to Article 6(1) and (3) shall include the objective of low carbon emission exposure in view of achieving the long-term global warming objectives of the Paris Agreement.  | 2.A.19                | Provision 2.A.19 requires disclosure of social and environmental impact objectives, which includes but is not limited to reduction in carbon emissions. (Note: It is assumed here that the investment product intends to, or has a strategy to, reduce carbon emissions of its investments over time and not simply replace high-emission investments with low-emission investments over time.)   |
| 4. Financial market participants shall include in the information to be disclosed pursuant to Article 6(1) and (3) an indication of where the methodology used for the calculation of the indices referred to in paragraph 1 of this Article and the benchmarks referred to in the second subparagraph of paragraph 3 of this Article are to be found.  | 2.A.8,<br>2.A.12      | Provision 2.A.8 requires disclosure of certain information about any ESG index that is used as an investment universe. Provision 2.A.12 requires disclosure of certain information about any ESG index that is used as a point of comparison for portfolio-level ESG characteristics.   |
| <b>Final Report on Draft RTS, Article 20 (detailed further by Articles 21-27)</b>   |                       |   |
| 1. Financial market participants shall present the information disclosed in accordance with Article 9(1) to (4a) of Regulation (EU) 2019/2088 and this Section in an annex to the document referred to in Article 6(3) of Regulation (EU) 2019/2088 in accordance with the template set out in Annex III. They shall include a prominent statement in the main body of the document referred to in Article 6(3) of that Regulation that information related to sustainable investment is available in that annex. |                       |   |
| 2. Financial market participants shall include a statement at the beginning of the annex referred to in paragraph 1 that the financial product has a sustainable investment objective.  | N/A                   | The Standards do not require the investment manager to explicitly state that an investment product "has a sustainable investment objective." The Standards do not require an investment manager to explicitly state "whether an index has been designated as a reference benchmark in accordance with Article 9(1) of Regulation (EU) 2019/2088 or a reference benchmark has been designated in accordance with Article 9(3) of that Regulation." |
| 3. Financial market participants shall present the information referred to in paragraph 1 in summary format in the order and made up of the following sections titled:  |                       | The Standards do not require disclosures to be presented in a specific format or order. However, an optional template for ESG Disclosure Statements will be developed at a future date.   |

Global ESG Disclosure Standards for Investment Products: SFDR Cross-Reference

| EU SFDR Requirements  | Standards Provision # | Explanation/Comparison  |
|---|-----------------------|---|
| (a) 'What is the sustainable investment objective of this financial product?';                            | 2.A.19, 2.A.14–2.A.15 | An investment product that has certain social or environmental impact objectives might be deemed to "have sustainable investment as its objective." In this case, Provision 2.A.19 requires disclosure of those specific social and environmental impact objectives and how they are expected to be attained. An investment product that has an allocation target to "sustainable investments" might be deemed as "having sustainable investment as its objective." In this case, Provisions 2.A.14–2.A.15 require disclosure of the allocation target.   |
| (b) 'Does this financial product take into account principal adverse impacts on sustainability factors?'; | 2.A.8–2.A.19          | Several methods exist by which an investment product might consider principal adverse impacts on sustainability factors. The Standards require disclosure of the use of an ESG index as an investment universe (Provision 2.A.8), screening (Provisions 2.A.9–2.A.10), targets for portfolio-level ESG characteristics (Provisions 2.A.11–2.A.13), portfolio-level allocation targets (Provisions 2.A.14–2.A.15), stewardship activities (Provisions 2.A.16–2.A.18), and processes to assess, address, monitor, and manage potential negative social and environmental impacts that may occur in the course of attaining social and environmental impact objectives (Provision 2.A.19.k). |
| (c) 'What investment strategy does this financial product follow?';                                       | 2.A.19, 2.A.14–2.A.15 | An investment product that has certain social or environmental impact objectives might be deemed to "have sustainable investment as its objective." In this case, Provision 2.A.19 requires disclosure of those specific social and environmental impact objectives and how they are expected to be attained. An investment product that has an allocation target to "sustainable investments" might be deemed as "having sustainable investment as its objective." In this case, Provisions 2.A.14–2.A.15 require disclosure of the allocation target.   |
| (d) 'What is the asset allocation and the minimum share of sustainable investments?';                     | 2.A.14–2.A.15, 2.A.19 | Provisions 2.A.14–2.A.15 require disclosure of portfolio-level allocation targets. Provision 2.A.19 requires disclosure of the proportion of the portfolio committed to generating social and environmental impact.   |

## Global ESG Disclosure Standards for Investment Products: SFDR Cross-Reference

| EU SFDR Requirements  | Standards Provision # | Explanation/Comparison  |
|---|-----------------------|---|
| (e) for a financial product referred to in Article 9(1) of Regulation (EU) 2019/2088, 'Is a specific index designated as a reference benchmark to meet the sustainable investment objective?'; and  | 2.A.12                | Provision 2.A.12 requires disclosure of certain information about any ESG index that is used as a point of comparison for portfolio-level ESG characteristics.  |
| (f) 'Where can I find more product specific information online?'  | N/A                   | The Standards do not require investment managers to make disclosures on their websites. However, investment managers can meet the requirements of Provision 1.A.9 by posting their ESG Disclosure Statements on their websites. |
| <b>Article 10: Transparency of the promotion of environmental or social characteristics and of sustainable investments on websites</b>  |                       |   |
| 1. Financial market participants shall publish and maintain on their websites the following information for each financial product referred to in Article 8(1) and Article 9(1), (2) and (3):   |                       | The Standards do not require investment managers to make disclosures on their websites. However, investment managers can meet the requirements of Provision 1.A.9 by posting their ESG Disclosure Statements on their websites. |
| (a) a description of the environmental or social characteristics or the sustainable investment objective;   |                       | See comparison to Articles 8 and 9.   |
| (b) information on the methodologies used to assess, measure and monitor the environmental or social characteristics or the impact of the sustainable investments selected for the financial product, including its data sources, screening criteria for the underlying assets and the relevant sustainability indicators used to measure the environmental or social characteristics or the overall sustainable impact of the financial product; |                       | See comparison to Articles 8 and 9.   |
| (c) the information referred to in Articles 8 and 9;  |                       | See comparison to Articles 8 and 9.   |
| (d) the information referred to in Article 11.  |                       | See comparison to Article 11.   |
| <b>Final Report on Draft RTS, Article 32 and 45 (detailed further by Articles 33–44 and 46–57). Note that this section only contains those articles which require disclosure of information not already addressed by a previous article.</b>  |                       |   |
| For financial products referred to in Article 8(1) of Regulation (EU) 2019/2088, financial market participants shall publish the information referred to in Article 10(1) of that Regulation and Articles 33 to 44 in the order and made up of the following sections titled:   |                       | The Standards do not require disclosures to be presented in a specific format or order. However, an optional template for ESG Disclosure Statements will be developed at a future date.   |

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|---|------------------------|--|
| Articles 33 and 46 (Summaries)  | 2.A.3–2.A.4            | Provision 2.A.3 requires disclosure of a summary description of the ESG approaches used in an investment product. If an investment product's investment process, stewardship activities, or objectives systematically address one or more specific ESG issues, Provision 2.A.4 requires disclosure of a summary description of those specific ESG issues.  |
| Articles 38 and 51 (Monitoring of Environmental or Social Characteristics/Sustainable Investment Objective)   | 2.A.13, 2.A.15, 2.A.19 | If the investment product has targets for portfolio-level ESG characteristics, Provision 2.A.13 requires disclosure of how progress toward, or attainment of, those targets is reported to investors. If the investment product has portfolio-level allocation targets for investments that have specific ESG characteristics, Provision 2.A.15 requires disclosure of how progress toward, or attainment of, those targets is reported to investors. If an investment product has social or environmental impact objectives, Provision 2.A.19 requires how progress toward, or attainment of, the impact objectives is reported to investors. |
| Articles 40 and 53 (Data Sources)   | 2.A.6                  | Provision 2.A.6 requires disclosure of certain information about the sources and types of ESG information used by an investment product.   |
| Articles 41 and 54 (Limitations to Methodologies and Data)  | 2.A.6                  | Provision 2.A.6 requires disclosure of the risks and limitations of the ESG information used by an investment product.   |
| Article 42 and 55 (Due Diligence)   | N/A                    | The Standards do not require a description of the due diligence carried out on the underlying assets of the financial product, including the internal and external controls on that due diligence.   |
| Articles 43 and 56 (Engagement Policies)  | 2.A.16                 | Provision 2.A.16 requires disclosure of how an investor can obtain a complete and current copy of all of the policies that govern the investment product's stewardship activities.   |
| <b>Article 11: Transparency of the promotion of environmental or social characteristics and of sustainable investments in periodic reports</b>  |                        |  |
| 1. Where financial market participants make available a financial product as referred to in Article 8(1) or in Article 9(1), (2) or (3), they shall include a description of the following in periodic reports: |                        | Periodic reporting is outside the scope of the current edition of the Standards.   |

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| EU SFDR Requirements   | Standards Provision # | Explanation/Comparison  |
|--|-----------------------|---|
| (a) for a financial product as referred to in Article 8(1), the extent to which environmental or social characteristics are met;   | N/A                   | Periodic reporting is outside the scope of the current edition of the Standards.  |
| (b) for a financial product as referred to in Article 9(1), (2) or (3):  | N/A                   | Periodic reporting is outside the scope of the current edition of the Standards.  |
| (i) the overall sustainability-related impact of the financial product by means of relevant sustainability indicators; or  | N/A                   | Periodic reporting is outside the scope of the current edition of the Standards.  |
| (ii) where an index has been designated as a reference benchmark, a comparison between the overall sustainability-related impact of the financial product with the impacts of the designated index and of a broad market index through sustainability indicators.  | N/A                   | Periodic reporting is outside the scope of the current edition of the Standards.  |
| <b>Article 12: Review of disclosures</b>   |                       |   |
| 1. Financial market participants shall ensure that any information published in accordance with Article 3, 5 or 10 is kept up to date. Where a financial market participant amends such information, a clear explanation of such amendment shall be published on the same website.   | 1.A.10,<br>2.A.1      | Provision 1.A.10 requires ESG Disclosure Statements to be updated when certain events occur. Provision 2.A.1 requires disclosure of certain information when changes are made to an ESG Disclosure Statement.                                 |
| <b>Article 13 Marketing communications</b>   |                       |   |
| 1. Without prejudice to stricter sectoral legislation, in particular Directives 2009/65/EC, 2014/65/EU and (EU) 2016/97 and Regulation (EU) No 1286/2014, financial market participants and financial advisers shall ensure that their marketing communications do not contradict the information disclosed pursuant to this Regulation. | 1.A.4                 | Provision 1.A.4 prohibits the investment manager from making disclosures in an ESG Disclosure Statement (which may be considered marketing communications) that contradict disclosures made in the investment product's regulatory documents. |