

**Response Form**  
for the  
***Exposure Draft of the***  
***CFA Institute ESG Disclosure Standards for Investment Products***

CFA Institute is developing voluntary, global industry standards, the CFA Institute ESG Disclosure Standards for Investment Products (the “Standards”), to establish disclosure requirements for investment products with ESG-related features. The purpose of the Standards is to provide greater transparency and consistency in ESG-related disclosures, resulting in clearer communication regarding the ESG-related features of investment products. The goal for this Exposure Draft is to elicit feedback on the proposed principles, requirements, and recommendations within the Standards. Please refer to the “Providing Feedback” guidelines for submitting comments. **All comments must be received by 14 July 2021 in order to be considered.**

**Providing Feedback**

Public commentary on the Exposure Draft will help shape the final version of the Standards, which is expected to be issued in November 2021. Comments should be provided in this Response Form, found [here](#) on the CFA Institute website, and submitted to [standards@cfainstitute.org](mailto:standards@cfainstitute.org). Designated spaces for comments appear in the Response Form in the order in which the related topic sections appear in the Exposure Draft. Questions directed toward the Standards’ intended users are posed in the Exposure Draft’s Introduction, and these questions appear first in the Response Form, followed by designated spaces for comments related to the Guiding Principles, Provisions, and Glossary. General or summary comments on the Exposure Draft may be provided in the designated section at the end of the Response Form.

Each topic section in the Response Form contains a space for providing general comments pertaining to that section as well as spaces to provide comments for each provision in the section. When providing feedback on a specific provision, it may be helpful to consider whether the meaning of the provision is clearly stated and whether the provision will add value for users of the Standards. You may provide as few or as many comments as you wish.

The deadline for providing feedback is 14 July 2021. **Comments received after 14 July 2021 will not be considered.** Unless otherwise requested, all comments will be posted on the CFA Institute website.

Guidelines for submission

Comments are most useful when they:

- directly address a specific issue or question,
- provide a rationale and support for the opinions expressed, and
- suggest alternative solutions in the event of disagreement.

Positive comments in support of a proposal are equally as helpful as those that provide constructive suggestions for improvement.

### Requirements for submission

In order for comments to be considered, please adhere to the following requirements:

- **Insert responses in the designated areas of the response form.**
- **Assign a unique file name to your response form before submitting.**
- **Provide all comments in English.**
- **Submit the response form as a Microsoft Word document.**
- **Submit the response form to [standards@cfainstitute.org](mailto:standards@cfainstitute.org) by 5:00 PM E.T. on 14 July 2021.**

## General Information (required)

<b>Respondent:</b> <i>(Please enter your full name if you are submitting as an individual or the name of the organization if you are submitting on behalf of an organization.)</i>	<b>CFA Society India/ Indian Association of Investment Professionals</b>
<b>Stakeholder Group:</b> <i>(Please select the stakeholder group with which you most closely identify.)</i>	Investment Professional
<b>Region:</b> <i>(If you are submitting as an individual, please select the region in which you live. If you are submitting on behalf of an organization and the organization has a significant presence in multiple regions, please select "Global". Otherwise, please select the region in which the organization has its main office.)</i>	Asia-Pacific
<b>Country:</b> <i>(If you are submitting as an individual, please enter the country in which you live. If you are submitting on behalf of an organization, please enter the country in which the organization has its main office.)</i>	India
<b>Confidentiality Preference:</b> <i>(Please select your preference for whether or not your response is published on the CFA Institute website.)</i>	yes, my response may be published

## QUESTIONS FOR INTENDED USERS

### Questions for Investment Managers

1. Are the draft provisions helpful in establishing or clarifying the type of information that should be included in an investment product's disclosures regarding the ESG-related aspects of the investment product's strategy?

<QUESTION\_01\_01>

No specific comments

<QUESTION\_01\_01>

2. To what extent are the draft provisions supportive of and complementary with local laws and regulations and other codes and standards? Would preparing and presenting a compliant presentation in any way hinder your ability to comply with local laws and regulation or with other codes and standards?

<QUESTION\_01\_02>

No specific comments

<QUESTION\_01\_02>

3. Do you expect it will be feasible and practical for your organization to provide the information required by the draft disclosure provisions and adhere to the draft fundamental provisions?

<QUESTION\_01\_03>

No specific comments

<QUESTION\_01\_03>

4. To what extent would a compliant presentation proactively provide to asset owners, consultants, and advisors the ESG-related information they commonly request in their Requests for Proposals (RFPs), Due Diligence Questionnaires (DDQs), and other types of questionnaires?

<QUESTION\_01\_04>

No specific comments

<QUESTION\_01\_04>

5. Would it be helpful if the Standards contained a recommended format or template for compliant presentations?

<QUESTION\_01\_05>

**We feel that there should be a recommended format or standard template (can be asset class wise templates) for compliant presentations by investment managers**

<QUESTION\_01\_05>

## Questions for Investors and Asset Owners

1. After reviewing the draft provisions and the sample compliant presentations, do you think a compliant presentation would help you understand how and why an investment product uses ESG information or addresses ESG issues?

<QUESTION\_02\_01>

**Several asset owners currently seek information on ESG related issues from all investment managers, that may not be specifically tied to the investment objective or impact objective of the specific investment product in question. For e.g. carbon emissions, climate related transition risks and physical risks. Such items are currently not part of this disclosure and hence may necessitate a need for including such disclosures as well as part of the compliant presentation**

<QUESTION\_02\_01>

2. To what extent would a compliant presentation provide the ESG-related information that you typically request in your Requests for Proposals (RFPs), Due Diligence Questionnaires (DDQs), and other types of questionnaires? Is there information that you would like to see disclosed in a compliant presentation that is not required by the draft provisions? Is there information required by the draft provisions that is not necessary?

<QUESTION\_02\_02>

No specific comments

<QUESTION\_02\_02>

3. Would the provision of compliant presentations by investment managers complement, streamline, or otherwise improve any of your existing processes, e.g., due diligence, certification, or reporting?

<QUESTION\_02\_03>

**Asset owners may have ongoing requirements w.r.t need for continued support on questions related to the ESG characteristics of the fund. Hence the compliant presentation should also disclose details about investment products' ongoing staff/ resource support, either at the fund level or at the firm level, for any ESG related questions asset owners may have w.r.t the investment product.**

<QUESTION\_02\_03>

4. Would you find it helpful if the Standards contained a recommended format or template for compliant presentations?

<QUESTION\_02\_04>

No specific comments

<QUESTION\_02\_04>

## Questions for Consultants and Advisors

1. After reviewing the draft provisions and the sample compliant presentations, do you think a compliant presentation would help you understand how and why an investment product uses ESG information or addresses ESG issues?

<QUESTION\_03\_01>

No specific comments

<QUESTION\_03\_01>

2. Would a compliant presentation help facilitate client discussions regarding ESG-related needs and preferences and suitable investment products?

<QUESTION\_03\_02>

No specific comments

<QUESTION\_03\_02>

3. To what extent would a compliant presentation provide the ESG-related information that you or your clients typically request in Requests for Proposals (RFPs), Due Diligence Questionnaires (DDQs), and other types of questionnaires? Is there information that you would like to see disclosed in a compliant presentation that is not required by the draft provisions? Is there information required by the draft provisions that is not necessary?

<QUESTION\_03\_03>

No specific comments

<QUESTION\_03\_03>

4. Would the provision of compliant presentations by investment managers complement, streamline, or otherwise improve any of your existing processes, e.g., investment product due diligence or overall assessments of investment managers' capabilities?

<QUESTION\_03\_04>

No specific comments

<QUESTION\_03\_04>

5. Would you find it helpful if the Standards contained a recommended format or template for compliant presentations?

<QUESTION\_03\_05>

No specific comments

<QUESTION\_03\_05>

## Questions for Database Providers and Users

1. To what extent would a compliant presentation provide the ESG-related information that users are looking for?

<QUESTION\_04\_01>

No specific comments

<QUESTION\_04\_01>

2. Is it necessary, or would it be helpful, for compliant presentations to be in a standardized format? Would it be helpful if a machine-readable template was developed?

<QUESTION\_04\_02>

No specific comments

<QUESTION\_04\_02>

## Questions for regulators and investment professionals

1. Are the draft provisions helpful in establishing or clarifying the type of information that should be included in an investment product's disclosures regarding the ESG-related aspects of the investment product's strategy?

<QUESTION\_05\_01>

No specific comments

<QUESTION\_05\_01>

2. Is there information that you would like to see disclosed in a compliant presentation that is not required by the draft provisions? Is there information required by the draft provisions that is not necessary?

<QUESTION\_05\_02>

No specific comments

<QUESTION\_05\_02>

3. Would the Standards be helpful in maintaining a commitment to professional ethics and integrity?

<QUESTION\_05\_03>

No specific comments

<QUESTION\_05\_03>

4. Would the Standards be helpful in providing investor protection through product transparency?

<QUESTION\_05\_04>

No specific comments

<QUESTION\_05\_04>

5. Would the Standards be useful in serving as a mechanism to help investors align their ESG-related objectives with those of suitable products?

<QUESTION\_05\_05>

No specific comments

<QUESTION\_05\_05>

6. Would the Standards be useful in serving as a mechanism to develop product labelling in your country?

<QUESTION\_05\_06>

No specific comments

<QUESTION\_05\_06>

## GENERAL PRINCIPLES FOR INVESTMENT PRODUCT DISCLOSURES

General comments on the Principles:

<COMMENT\_00\_00>

**We feel that “comparability” should also be a general principle and hence may necessitate a relook of the provisions to include a standard format for disclosures for all compliant presentations.**

<COMMENT\_00\_00>

Comments on Principle #1:

<COMMENT\_00\_01>

No specific comments

<COMMENT\_00\_01>

Comments on Principle #2:

<COMMENT\_00\_02>

No specific comments

<COMMENT\_00\_02>

Comments on Principle #3:

<COMMENT\_00\_03>

No specific comments

<COMMENT\_00\_03>

Comments on Principle #4:

<COMMENT\_00\_04>

No specific comments

<COMMENT\_00\_04>

Comments on Principle #5:

<COMMENT\_00\_05>

No specific comments

<COMMENT\_00\_05>

## SECTION 1: FUNDAMENTAL REQUIREMENTS AND RECOMMENDATIONS

General comments on Section 1:

<COMMENT\_01A00>

**We feel that there should be a specific provision which states the frequency for making compliant presentations available to existing investors and not just new investors. The provisions in this section only talk about making disclosures w.r.t the changes to compliant presentations but does not talk about how frequently it should be made available.**

<COMMENT\_01A00>

Comments on Provision 1.A.1:

<COMMENT\_01A01>

No specific comments

<COMMENT\_01A01>

Comments on Provision 1.A.2:

<COMMENT\_01A02>

No specific comments

<COMMENT\_01A02>

Comments on Provision 1.A.3:

<COMMENT\_01A03>

No specific comments

<COMMENT\_01A03>

Comments on Provision 1.A.4:

<COMMENT\_01A04>

No specific comments

<COMMENT\_01A04>

Comments on Provision 1.A.5:

<COMMENT\_01A05>

No specific comments

<COMMENT\_01A05>

Comments on Provision 1.A.6:

<COMMENT\_01A06>

No specific comments

<COMMENT\_01A06>

Comments on Provision 1.A.7:

<COMMENT\_01A07>  
No specific comments  
<COMMENT\_01A07>

Comments on Provision 1.A.8:

<COMMENT\_01A08>  
No specific comments  
<COMMENT\_01A08>

Comments on Provision 1.A.9:

<COMMENT\_01A09>  
**This can be a “recommendation” – funds may not be able to ensure records by data providers**  
<COMMENT\_01A09>

Comments on Provision 1.A.10:

<COMMENT\_01A10>  
No specific comments  
<COMMENT\_01A10>

Comments on Provision 1.A.11:

<COMMENT\_01A11>  
No specific comments  
<COMMENT\_01A11>

Comments on Provision 1.A.12:

<COMMENT\_01A12>  
No specific comments  
<COMMENT\_01A12>

Comments on Provision 1.A.13:

<COMMENT\_01A13>  
No specific comments  
<COMMENT\_01A13>

Comments on Provision 1.A.14:

<COMMENT\_01A14>  
No specific comments  
<COMMENT\_01A14>

Comments on Provision 1.A.15:

<COMMENT\_01A15>  
No specific comments  
<COMMENT\_01A15>

Comments on Provision 1.A.16:

<COMMENT\_01A16>  
No specific comments  
<COMMENT\_01A16>

Comments on Provision 1.A.17:

<COMMENT\_01A17>  
No specific comments  
<COMMENT\_01A17>

Comments on Provision 1.A.18:

<COMMENT\_01A18>  
No specific comments  
<COMMENT\_01A18>

Comments on Provision 1.A.19:

<COMMENT\_01A19>  
No specific comments  
<COMMENT\_01A19>

Comments on Provision 1.B.1:

<COMMENT\_01B01>  
No specific comments  
<COMMENT\_01B01>

Comments on Provision 1.B.2:

<COMMENT\_01B02>  
No specific comments  
<COMMENT\_01B02>

## SECTION 2: GENERAL INFORMATION

General comments on Section 2:

<COMMENT\_02A00>

**We feel that the initial intent to provide disclosures according to product features (on which the earlier draft provided definitions and alignments) vastly improves comparability, even if there were disagreements among respondents on some of them. It should be part of the provisions of the compliance presentation requirements.**

<COMMENT\_02A00>

Comments on Provision 2.A.1:

<COMMENT\_02A01>

**Disagree. We feel that investment products having different investment objectives and /or impact objectives should have separate compliant presentations for the specific investment product**

<COMMENT\_02A01>

Comments on Provision 2.A.2:

<COMMENT\_02A02>

No specific comments

<COMMENT\_02A02>

Comments on Provision 2.A.3:

<COMMENT\_02A03>

No specific comments

<COMMENT\_02A03>

Comments on Provision 2.A.4:

<COMMENT\_02A04>

No specific comments

<COMMENT\_02A04>

Comments on Provision 2.A.5:

<COMMENT\_02A05>

E No specific comments

<COMMENT\_02A05>

Comments on Provision 2.A.6:

<COMMENT\_02A06>

No specific comments

<COMMENT\_02A06>

Comments on Provision 2.A.7:

<COMMENT\_02A07>  
No specific comments  
<COMMENT\_02A07>

Comments on Provision 2.A.8:

<COMMENT\_02A08>  
No specific comments  
<COMMENT\_02A08>

Comments on Provision 2.B.1:

<COMMENT\_02B01>  
No specific comments  
<COMMENT\_02B01>

## SECTION 3: OBJECTIVES

General comments on Section 3:

<COMMENT\_03A00>  
No specific comments  
<COMMENT\_03A00>

Comments on Provision 3.A.1:

<COMMENT\_03A01>  
No specific comments  
<COMMENT\_03A01>

Comments on Provision 3.A.2:

<COMMENT\_03A02>  
No specific comments  
<COMMENT\_03A02>

Comments on Provision 3.B.1:

<COMMENT\_03B01>  
No specific comments  
<COMMENT\_03B01>

## SECTION 4: BENCHMARKS

General comments on Section 4:

<COMMENT\_04A00>

**If the investment product has impact objective specific benchmarks, then, do we need any additional disclosures. For e.g. if the fund chooses to have one benchmark for financial objective and another benchmark for impact objective, then do we need further disclosures?**

<COMMENT\_04A00>

Comments on Provision 4.A.1:

<COMMENT\_04A01>

No specific comments

<COMMENT\_04A01>

Comments on Provision 4.A.2:

<COMMENT\_04A02>

No specific comments

<COMMENT\_04A02>

Comments on Provision 4.A.3:

<COMMENT\_04A03>

No specific comments

<COMMENT\_04A03>

## SECTION 5: SOURCES AND TYPES OF ESG INFORMATION

General comments on Section 5:

<COMMENT\_05A00>

**The investment manager should separately disclose the process and maintenance of records of any ESG related data collected internally and not through an external data provider**

<COMMENT\_05A00>

Comments on Provision 5.A.1:

<COMMENT\_05A01>

No specific comments

<COMMENT\_05A01>

Comments on Provision 5.A.2:

<COMMENT\_05A02>

No specific comments

<COMMENT\_05A02>

## SECTION 6: ESG EXCLUSIONS

General comments on Section 6:

<COMMENT\_06A00>  
No specific comments  
<COMMENT\_06A00>

Comments on Provision 6.A.1:

<COMMENT\_06A01>  
No specific comments  
<COMMENT\_06A01>

Comments on Provision 6.A.2:

<COMMENT\_06A02>  
No specific comments  
<COMMENT\_06A02>

Comments on Provision 6.A.3:

<COMMENT\_06A03>  
No specific comments  
<COMMENT\_06A03>

Comments on Provision 6.A.4:

<COMMENT\_06A04>  
No specific comments  
<COMMENT\_06A04>

## SECTION 7: ESG INFORMATION IN FINANCIAL ANALYSIS AND VALUATION

General comments on Section 7:

<COMMENT\_07A00>  
No specific comments  
<COMMENT\_07A00>

Comments on Provision 7.A.1:

<COMMENT\_07A01>  
No specific comments  
<COMMENT\_07A01>

Comments on Provision 7.A.2:

<COMMENT\_07A02>  
No specific comments  
<COMMENT\_07A02>

Comments on Provision 7.A.3:

<COMMENT\_07A03>  
No specific comments  
<COMMENT\_07A03>

Comments on Provision 7.A.4:

<COMMENT\_07A04>  
No specific comments  
<COMMENT\_07A04>

## SECTION 8: PORTFOLIO-LEVEL ESG CRITERIA AND CHARACTERISTICS

General comments on Section 8:

<COMMENT\_08A00>

No specific comments

<COMMENT\_08A00>

Comments on Provision 8.A.1:

<COMMENT\_08A01>

**Portfolio level ESG characteristics can also include – “Security level ESG scores provided by ratings agencies”**

<COMMENT\_08A01>

Comments on Provision 8.A.2:

<COMMENT\_08A02>

No specific comments

<COMMENT\_08A02>

Comments on Provision 8.B.1:

<COMMENT\_08B01>

No specific comments

<COMMENT\_08B01>

## SECTION 9: PROCESS TO ACHIEVE IMPACT OBJECTIVE

General comments on Section 9:

<COMMENT\_09A00>  
No specific comments  
<COMMENT\_09A00>

Comments on Provision 9.A.1:

<COMMENT\_09A01>  
No specific comments  
<COMMENT\_09A01>

Comments on Provision 9.A.2:

<COMMENT\_09A02>  
No specific comments  
<COMMENT\_09A02>

Comments on Provision 9.A.3:

<COMMENT\_09A03>  
**The investment manager should also disclose the alignment of impact objective with any goals/ definitions from multilateral organizations. For e.g. how the impact objective aligns to SDGs.**  
<COMMENT\_09A03>

Comments on Provision 9.A.4:

<COMMENT\_09A04>  
No specific comments  
<COMMENT\_09A04>

Comments on Provision 9.A.5:

<COMMENT\_09A05>  
No specific comments  
<COMMENT\_09A05>

Comments on Provision 9.B.1:

<COMMENT\_09B01>  
No specific comments  
<COMMENT\_09B01>

## SECTION 10: STEWARDSHIP

General comments on Section 10:

<COMMENT\_10A00>

**The investment manager should disclose if they are having a specific activist shareholder approach towards achieving ESG or impact objectives.**

<COMMENT\_10A00>

Comments on Provision 10.A.1:

<COMMENT\_10A01>

No specific comments

<COMMENT\_10A01>

Comments on Provision 10.A.2:

<COMMENT\_10A02>

No specific comments

<COMMENT\_10A02>

Comments on Provision 10.A.3:

<COMMENT\_10A03>

No specific comments

<COMMENT\_10A03>

Comments on Provision 10.A.4:

<COMMENT\_10A04>

No specific comments

<COMMENT\_10A04>

Comments on Provision 10.B.1:

<COMMENT\_10B01>

**Recommendation: The investment manager can choose to disclose a description of the engagement outcomes from active stewardship by the fund manager over time on the fund's underlying investments. Fund managers can also choose to disclose comparable scores from third party agencies such as proxy advisors on their stewardship activities.**

<COMMENT\_10B01>

## GLOSSARY

General comments on Glossary:

<COMMENT\_11A00>  
No specific comments  
<COMMENT\_11A00>

Comments on **BENCHMARK**:

<COMMENT\_11A01>  
No specific comments  
<COMMENT\_11A01>

Comments on **COMPLIANT PRESENTATION**:

<COMMENT\_11A02>  
No specific comments  
<COMMENT\_11A02>

Comments on **ESG INFORMATION**:

<COMMENT\_11A03>  
No specific comments  
<COMMENT\_11A03>

Comments on **ESG ISSUE**:

<COMMENT\_11A04>  
No specific comments  
<COMMENT\_11A04>

Comments on **EXCLUSION**:

<COMMENT\_11A05>  
No specific comments  
<COMMENT\_11A05>

Comments on **FINANCIAL OBJECTIVE**:

<COMMENT\_11A06>  
No specific comments  
<COMMENT\_11A06>

Comments on **IMPACT OBJECTIVE**:

<COMMENT\_11A07>

No specific comments  
<COMMENT\_11A07>

Comments on **INVESTMENT MANAGER:**

<COMMENT\_11A08>  
No specific comments  
<COMMENT\_11A08>

Comments on **INVESTMENT PRODUCT:**

<COMMENT\_11A09>  
No specific comments  
<COMMENT\_11A09>

Comments on **INVESTOR:**

<COMMENT\_11A10>  
No specific comments  
<COMMENT\_11A10>

Comments on **STEWARDSHIP:**

<COMMENT\_11A11>  
No specific comments  
<COMMENT\_11A11>

Comments on **STEWARDSHIP ACTIVITY:**

<COMMENT\_11A12>  
No specific comments  
<COMMENT\_11A12>

## GENERAL COMMENTS

General comments on Exposure Draft:

<COMMENT\_12A00>

**We feel that the initial intent to provide disclosures according to product features (on which the earlier draft provided definitions and alignments) vastly improves comparability, even if there were disagreements among respondents on some of them. It should be part of the provisions of the compliance presentation requirements.**

<COMMENT\_12A00>