

**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>	CFA Member – Michelle Mathieu
<b>Stakeholder Group:</b> <i>(Please select the stakeholder group with which you most closely identify.)</i>	Consultant or Advisor
<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>	North America
<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>	United States
<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>  
ACCEPTABLE AS PROPOSED  
<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>  
ACCEPTABLE AS PROPOSED  
<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>  
ACCEPTABLE AS PROPOSED  
<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>  
ACCEPTABLE AS PROPOSED  
<QUESTION\_01\_04>

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

<QUESTION\_01\_05>  
ACCEPTABLE AS PROPOSED  
<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>  
ACCEPTABLE AS PROPOSED  
<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>  
ACCEPTABLE AS PROPOSED  
<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>  
ACCEPTABLE AS PROPOSED  
<QUESTION\_02\_03>

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

<QUESTION\_02\_04>  
ACCEPTABLE AS PROPOSED  
<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>

Yes.

<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>

Yes. It definitely would be an improvement from the heterogenous reporting we see currently.

<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>

I would like to see the compliant presentation require the name of a third-party ESG provider.

The guidelines will help us accurately and efficiently evaluate investment products with ESG-related features. It will help us demonstrate to clients how these products meet their ESG needs. The disclosure of financial objectives in the ESG disclosure section begs the question of why non-ESG products do not need to disclose financial objectives. I would like the standards to include guidelines for disclosures of "governance" criteria, not just environmental and social factors.

<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>

Yes. It will streamline and improve comparison amongst managers

<QUESTION\_03\_04>

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

<QUESTION\_03\_05>

Yes. The more consistency the better.

<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>  
ACCEPTABLE AS PROPOSED  
<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>  
ACCEPTABLE AS PROPOSED  
<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>  
ACCEPTABLE AS PROPOSED  
<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>  
ACCEPTABLE AS PROPOSED  
<QUESTION\_05\_02>

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

<QUESTION\_05\_03>  
ACCEPTABLE AS PROPOSED  
<QUESTION\_05\_03>

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

<QUESTION\_05\_04>  
ACCEPTABLE AS PROPOSED  
<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>  
ACCEPTABLE AS PROPOSED  
<QUESTION\_05\_05>

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

<QUESTION\_05\_06>  
ACCEPTABLE AS PROPOSED  
<QUESTION\_05\_06>

## GENERAL PRINCIPLES FOR INVESTMENT PRODUCT DISCLOSURES

General comments on the Principles:

<COMMENT\_00\_00>

Fair representation and full disclosure is very important. We note that these principles should apply to all investment products, not just ESG-related products

<COMMENT\_00\_00>

Comments on Principle #1:

<COMMENT\_00\_01>

<COMMENT\_00\_01>

Comments on Principle #2:

<COMMENT\_00\_02>

The consistency principle #3 should include: "information presented does not conflict with regulations, labels, and other standards."

<COMMENT\_00\_02>

Comments on Principle #3:

<COMMENT\_00\_03>

<COMMENT\_00\_03>

Comments on Principle #4:

<COMMENT\_00\_04>

<COMMENT\_00\_04>

Comments on Principle #5:

<COMMENT\_00\_05>

<COMMENT\_00\_05>

## SECTION 1: FUNDAMENTAL REQUIREMENTS AND RECOMMENDATIONS

General comments on Section 1:

<COMMENT\_01A00>  
ACCEPTABLE AS PROPOSED  
<COMMENT\_01A00>

Comments on Provision 1.A.1:

<COMMENT\_01A01>  
ACCEPTABLE AS PROPOSED  
<COMMENT\_01A01>

Comments on Provision 1.A.2:

<COMMENT\_01A02>  
ACCEPTABLE AS PROPOSED  
<COMMENT\_01A02>

Comments on Provision 1.A.3:

<COMMENT\_01A03>  
ACCEPTABLE AS PROPOSED  
<COMMENT\_01A03>

Comments on Provision 1.A.4:

<COMMENT\_01A04>  
ACCEPTABLE AS PROPOSED  
<COMMENT\_01A04>

Comments on Provision 1.A.5:

<COMMENT\_01A05>  
ACCEPTABLE AS PROPOSED  
<COMMENT\_01A05>

Comments on Provision 1.A.6:

<COMMENT\_01A06>  
ACCEPTABLE AS PROPOSED  
<COMMENT\_01A06>

Comments on Provision 1.A.7:

<COMMENT\_01A07>  
ACCEPTABLE AS PROPOSED

<COMMENT\_01A07>

Comments on Provision 1.A.8:

<COMMENT\_01A08>  
ACCEPTABLE AS PROPOSED  
<COMMENT\_01A08>

Comments on Provision 1.A.9:

<COMMENT\_01A09>  
ACCEPTABLE AS PROPOSED  
<COMMENT\_01A09>

Comments on Provision 1.A.10:

<COMMENT\_01A10>  
ACCEPTABLE AS PROPOSED  
<COMMENT\_01A10>

Comments on Provision 1.A.11:

<COMMENT\_01A11>  
ACCEPTABLE AS PROPOSED  
<COMMENT\_01A11>

Comments on Provision 1.A.12:

<COMMENT\_01A12>  
ACCEPTABLE AS PROPOSED  
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Comments on Provision 1.A.13:

<COMMENT\_01A13>  
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Comments on Provision 1.A.14:

<COMMENT\_01A14>  
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Comments on Provision 1.A.15:

<COMMENT\_01A15>  
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<COMMENT\_01A15>

Comments on Provision 1.A.16:

<COMMENT\_01A16>  
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<COMMENT\_01A16>

Comments on Provision 1.A.17:

<COMMENT\_01A17>  
ACCEPTABLE AS PROPOSED  
<COMMENT\_01A17>

Comments on Provision 1.A.18:

<COMMENT\_01A18>  
ACCEPTABLE AS PROPOSED  
<COMMENT\_01A18>

Comments on Provision 1.A.19:

<COMMENT\_01A19>  
This provision is overly vague and could be problematic. Please add specifics about the content of the annual notification.  
<COMMENT\_01A19>

Comments on Provision 1.B.1:

<COMMENT\_01B01>  
ACCEPTABLE AS PROPOSED  
<COMMENT\_01B01>

Comments on Provision 1.B.2:

<COMMENT\_01B02>  
ACCEPTABLE AS PROPOSED  
<COMMENT\_01B02>

## SECTION 2: GENERAL INFORMATION

General comments on Section 2:

<COMMENT\_02A00>  
ACCEPTABLE AS PROPOSED  
<COMMENT\_02A00>

Comments on Provision 2.A.1:

<COMMENT\_02A01>  
ACCEPTABLE AS PROPOSED  
<COMMENT\_02A01>

Comments on Provision 2.A.2:

<COMMENT\_02A02>  
ACCEPTABLE AS PROPOSED  
<COMMENT\_02A02>

Comments on Provision 2.A.3:

<COMMENT\_02A03>  
ACCEPTABLE AS PROPOSED  
<COMMENT\_02A03>

Comments on Provision 2.A.4:

<COMMENT\_02A04>  
ACCEPTABLE AS PROPOSED  
<COMMENT\_02A04>

Comments on Provision 2.A.5:

<COMMENT\_02A05>  
This section is not relevant to the purpose of the disclosure standards. Investors should not be informed about the asset classes that are included in the product in the ESG disclosures. This is of course important information for an investor, but the ESG disclosures is the wrong place for this. The term "asset classes" is ambiguous and may change over time.  
<COMMENT\_02A05>

Comments on Provision 2.A.6:

<COMMENT\_02A06>  
ACCEPTABLE AS PROPOSED  
<COMMENT\_02A06>

Comments on Provision 2.A.7:

<COMMENT\_02A07>  
ACCEPTABLE AS PROPOSED  
<COMMENT\_02A07>

Comments on Provision 2.A.8:

<COMMENT\_02A08>  
ACCEPTABLE AS PROPOSED  
<COMMENT\_02A08>

Comments on Provision 2.B.1:

<COMMENT\_02B01>  
ACCEPTABLE AS PROPOSED  
<COMMENT\_02B01>

### SECTION 3: OBJECTIVES

General comments on Section 3:

<COMMENT\_03A00>  
ACCEPTABLE AS PROPOSED  
<COMMENT\_03A00>

Comments on Provision 3.A.1:

<COMMENT\_03A01>  
This section is not relevant to the purpose of the disclosure standards. Investors should not be informed about the financial objectives for the product in the ESG disclosures. This is of course important information for an investor, but the ESG disclosures is the wrong place for this. ES(G) disclosures should only relate to the environmental and social impact objectives. (We note the G in ESG is not included in the draft provisions.) The disclosure of financial objectives in the ESG disclosure section begs the question of why non-ESG products do not need to disclose financial objectives.  
<COMMENT\_03A01>

Comments on Provision 3.A.2:

<COMMENT\_03A02>  
ACCEPTABLE AS PROPOSED  
<COMMENT\_03A02>

Comments on Provision 3.B.1:

<COMMENT\_03B01>  
ACCEPTABLE AS PROPOSED  
<COMMENT\_03B01>



## SECTION 4: BENCHMARKS

General comments on Section 4:

<COMMENT\_04A00>

Specificity is key. There must be assurance that the data is apples to apples between the portfolio and the benchmark.

<COMMENT\_04A00>

Comments on Provision 4.A.1:

<COMMENT\_04A01>

ACCEPTABLE AS PROPOSED

<COMMENT\_04A01>

Comments on Provision 4.A.2:

<COMMENT\_04A02>

ACCEPTABLE AS PROPOSED

<COMMENT\_04A02>

Comments on Provision 4.A.3:

<COMMENT\_04A03>

Specificity is key. There must be assurance that the data is apples to apples between the portfolio and the benchmark

<COMMENT\_04A03>

## SECTION 5: SOURCES AND TYPES OF ESG INFORMATION

General comments on Section 5:

<COMMENT\_05A00>

The goal here should be to provide the investor full transparency on the ESG data

<COMMENT\_05A00>

Comments on Provision 5.A.1:

<COMMENT\_05A01>

Manager “should” provide the name of the third-party provider as many have conflicting datasets. Not providing ESG data provider sources is fine. It would add another layer of complexity and detail that could simply be addressed by having the requirement to state the name of the third-party provider.

<COMMENT\_05A01>

Comments on Provision 5.A.2:

<COMMENT\_05A02>

Very important. Adding a timeframe to this – i.e. evaluated quarterly, annually may be helpful as well.

<COMMENT\_05A02>

## SECTION 6: ESG EXCLUSIONS

General comments on Section 6:

<COMMENT\_06A00>  
ACCEPTABLE AS PROPOSED  
<COMMENT\_06A00>

Comments on Provision 6.A.1:

<COMMENT\_06A01>  
ACCEPTABLE AS PROPOSED  
<COMMENT\_06A01>

Comments on Provision 6.A.2:

<COMMENT\_06A02>  
ACCEPTABLE AS PROPOSED  
<COMMENT\_06A02>

Comments on Provision 6.A.3:

<COMMENT\_06A03>  
ACCEPTABLE AS PROPOSED  
<COMMENT\_06A03>

Comments on Provision 6.A.4:

<COMMENT\_06A04>  
ACCEPTABLE AS PROPOSED  
<COMMENT\_06A04>

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

General comments on Section 7:

<COMMENT\_07A00>  
Acceptable as proposed  
<COMMENT\_07A00>

Comments on Provision 7.A.1:

<COMMENT\_07A01>  
Acceptable as proposed  
<COMMENT\_07A01>

Comments on Provision 7.A.2:

<COMMENT\_07A02>  
Acceptable as proposed  
<COMMENT\_07A02>

Comments on Provision 7.A.3:

<COMMENT\_07A03>  
Acceptable as proposed  
<COMMENT\_07A03>

Comments on Provision 7.A.4:

<COMMENT\_07A04>  
Acceptable as proposed  
<COMMENT\_07A04>

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

General comments on Section 8:

<COMMENT\_08A00>  
Acceptable as proposed  
<COMMENT\_08A00>

Comments on Provision 8.A.1:

<COMMENT\_08A01>  
Require disclosure of the calculation methodology for the specific portfolio-level criteria and the calculation methodology for measuring the portfolio exposure to the portfolio-level criteria. Disclosing data sources should also be required.  
<COMMENT\_08A01>

Comments on Provision 8.A.2:

<COMMENT\_08A02>  
Acceptable as proposed  
<COMMENT\_08A02>

Comments on Provision 8.B.1:

<COMMENT\_08B01>  
Acceptable as proposed  
<COMMENT\_08B01>

## SECTION 9: PROCESS TO ACHIEVE IMPACT OBJECTIVE

General comments on Section 9:

<COMMENT\_09A00>  
ACCEPTABLE AS PROPOSED  
<COMMENT\_09A00>

Comments on Provision 9.A.1:

<COMMENT\_09A01>  
ACCEPTABLE AS PROPOSED  
<COMMENT\_09A01>

Comments on Provision 9.A.2:

<COMMENT\_09A02>  
ACCEPTABLE AS PROPOSED  
<COMMENT\_09A02>

Comments on Provision 9.A.3:

<COMMENT\_09A03>  
ACCEPTABLE AS PROPOSED  
<COMMENT\_09A03>

Comments on Provision 9.A.4:

<COMMENT\_09A04>  
ACCEPTABLE AS PROPOSED  
<COMMENT\_09A04>

Comments on Provision 9.A.5:

<COMMENT\_09A05>  
ACCEPTABLE AS PROPOSED  
<COMMENT\_09A05>

Comments on Provision 9.B.1:

<COMMENT\_09B01>  
ACCEPTABLE AS PROPOSED  
<COMMENT\_09B01>

## SECTION 10: STEWARDSHIP

General comments on Section 10:

<COMMENT\_10A00>  
ACCEPTABLE AS PROPOSED  
<COMMENT\_10A00>

Comments on Provision 10.A.1:

<COMMENT\_10A01>  
ACCEPTABLE AS PROPOSED  
<COMMENT\_10A01>

Comments on Provision 10.A.2:

<COMMENT\_10A02>  
ACCEPTABLE AS PROPOSED  
<COMMENT\_10A02>

Comments on Provision 10.A.3:

<COMMENT\_10A03>  
ACCEPTABLE AS PROPOSED  
<COMMENT\_10A03>

Comments on Provision 10.A.4:

<COMMENT\_10A04>  
ACCEPTABLE AS PROPOSED  
<COMMENT\_10A04>

Comments on Provision 10.B.1:

<COMMENT\_10B01>  
ACCEPTABLE AS PROPOSED  
<COMMENT\_10B01>

## GLOSSARY

General comments on Glossary:

<COMMENT\_11A00>  
ACCEPTABLE AS PROPOSED  
<COMMENT\_11A00>

Comments on **BENCHMARK**:

<COMMENT\_11A01>  
ACCEPTABLE AS PROPOSED  
<COMMENT\_11A01>

Comments on **COMPLIANT PRESENTATION**:

<COMMENT\_11A02>  
ACCEPTABLE AS PROPOSED  
<COMMENT\_11A02>

Comments on **ESG INFORMATION**:

<COMMENT\_11A03>  
ACCEPTABLE AS PROPOSED  
<COMMENT\_11A03>

Comments on **ESG ISSUE**:

<COMMENT\_11A04>  
ACCEPTABLE AS PROPOSED  
<COMMENT\_11A04>

Comments on **EXCLUSION**:

<COMMENT\_11A05>  
ACCEPTABLE AS PROPOSED  
<COMMENT\_11A05>

Comments on **FINANCIAL OBJECTIVE**:

<COMMENT\_11A06>  
Investors should not be informed about the financial objectives for the product in the ESG disclosures. This is of course important information for an investor, but the ESG disclosures is the wrong place for this. ESG disclosures should only relate to the ESG objectives. The disclosure of financial objectives in the ESG disclosure section begs the question of why non-ESG products do not need to disclose financial objectives.  
<COMMENT\_11A06>



Comments on **IMPACT OBJECTIVE:**

<COMMENT\_11A07>  
ACCEPTABLE AS PROPOSED  
<COMMENT\_11A07>

Comments on **INVESTMENT MANAGER:**

<COMMENT\_11A08>  
ACCEPTABLE AS PROPOSED  
<COMMENT\_11A08>

Comments on **INVESTMENT PRODUCT:**

<COMMENT\_11A09>  
ACCEPTABLE AS PROPOSED  
<COMMENT\_11A09>

Comments on **INVESTOR:**

<COMMENT\_11A10>  
ACCEPTABLE AS PROPOSED  
<COMMENT\_11A10>

Comments on **STEWARDSHIP:**

<COMMENT\_11A11>  
ACCEPTABLE AS PROPOSED  
<COMMENT\_11A11>

Comments on **STEWARDSHIP ACTIVITY:**

<COMMENT\_11A12>  
ACCEPTABLE AS PROPOSED  
<COMMENT\_11A12>

## GENERAL COMMENTS

General comments on Exposure Draft:

<COMMENT\_12A00>  
ACCEPTABLE AS PROPOSED  
<COMMENT\_12A00>