

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. 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 by 5:00 PM E.T. on 14 July 2021.**

General Information (required)

<p>Respondent: <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></p>	<p>International Finance Corporation (IFC) - a sister organization of the World Bank and member of the World Bank Group - is the largest global development institution focused exclusively on the private sector in developing countries. Note that it is difficult for the IFC to meet any one classification of the stakeholder group listed below; therefore, no one item is selected, but we did comment on some of the “Investor/Asset Owners” questions.</p>
<p>Stakeholder Group: <i>(Please select the stakeholder group with which you most closely identify.)</i></p>	<p>Choose an item.</p>
<p>Region: <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></p>	<p>Global</p>
<p>Country: <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></p>	<p>United States of America</p>
<p>Confidentiality Preference: <i>(Please select your preference for whether or not your response is published on the CFA Institute website.)</i></p>	<p>yes, my response may be published</p>

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>
ENTER RESPONSE HERE
<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>
ENTER RESPONSE HERE
<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>
ENTER RESPONSE HERE
<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>
ENTER RESPONSE HERE
<QUESTION_01_04>

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

<QUESTION_01_05>
ENTER RESPONSE HERE
<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>

Yes, we agree that a compliant presentation would help understand how and why an investment product uses ESG information or addresses ESG issues. See the response to Q2 below for suggestions for enhancing the standard and 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>

Here are specific suggestions for enhancing the Exposure Draft of the Standards and compliant presentation:

- a. Distinguish between (a) impact measurement frameworks (like IRIS+) and conceptual frameworks (like IMP 5 dimensions of impact). It is not adequate for a fund to state that it follows the five dimensions because this does not provide an investor enough information about how impact is measured; and (b) impact measurement vs assessment. In the industry, measurement refers to the quantification of impacts (e.g., how many tons of CO2 were avoided), whereas assessment refers to a judgement on whether the impact was high or low in the context of the size of the investment/size of the development challenge. It would be better for funds to be obligated to disclose how they measure impact, and whether they utilize standard indicators – and if so, from which indicator sets (IRIS+, SASB, etc.).
- b. It would be useful to investors if fund managers were to disclose when they measure impact as many only make estimates *ex ante*, others only measure *ex post*. Good practice (per the Impact Principles) requires doing both.
- c. Fund managers should disclose to whom and how often they report the impact performance of the portfolio (to investors? Publicly?)
- d. There is currently no industry standard for assurance over the data quality of impact measurement. Best practice is to have impact results audited or assured. Very few fund managers have done this to date. It would be helpful if funds were required to disclose the level of audit/assurance (negative/limited or reasonable assurance that is conducted on their impact data, and who provides the assurance (similar to how the financial statements auditor and related Audit Opinion is disclosed).
- e. What is the relationship between ESG and the UN Sustainable Development Goals (SDGs), which are increasingly the framework investors use for sustainability impact? – The current draft standard do not address the Sustainable Development Goals. In our previous commentary (Q14), we recommended that the disclosure requirements address an investment product’s intention to align with policy goals, such as the SDGs.

Ideally, this should be featured in the General Disclosure Requirements as a new provision 2.B.2.

<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>

Yes. IFC is a PRI Signatory and reports under PRI Reporting Framework; therefore, it would be quite feasible to report under the forthcoming CFA ESG Standard.

<QUESTION_02_03>

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

<QUESTION_02_04>

Yes. The Sample Compliant Presentations #1 (p. 49) and #2 (p. 55) would be helpful and provide comfort to users of such presentations and as discussed under Question_01_01, further comfort could be achieved through assurance.

In the future, it might be helpful to do samples for every type of investment product, along with a template and instructions for completion.

<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>
ENTER RESPONSE HERE
<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>
ENTER RESPONSE HERE
<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>
ENTER RESPONSE HERE
<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>
ENTER RESPONSE HERE
<QUESTION_03_04>

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

<QUESTION_03_05>
ENTER RESPONSE HERE
<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>
ENTER RESPONSE HERE
<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>
ENTER RESPONSE HERE
<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>
ENTER RESPONSE HERE
<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>
ENTER RESPONSE HERE
<QUESTION_05_02>

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

<QUESTION_05_03>
ENTER RESPONSE HERE
<QUESTION_05_03>

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

<QUESTION_05_04>
ENTER RESPONSE HERE
<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>
ENTER RESPONSE HERE
<QUESTION_05_05>

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

<QUESTION_05_06>
ENTER RESPONSE HERE
<QUESTION_05_06>

GENERAL PRINCIPLES FOR INVESTMENT PRODUCT DISCLOSURES

General comments on the Principles:

<COMMENT_00_00>

There is need for convergence of the numerous standards. As with the history of financial reporting, there is also a need for one generally accepted global standard. The draft ESG Disclosure standard for Investment products is designed to be suitable for all markets and for all types of investment vehicles, asset classes, and ESG strategies and to address fragmentation and gaps. We agree with the overall principles as proposed.

There is currently no industry standard for assuring the data quality of impact measurement. Best practice is to have impact results audited or assured. Very few fund managers do that yet. It would be helpful if funds were required to disclose what kind of audit/assurance (if any) is conducted on their impact data, and who does it (just as they would disclose their financial auditor). Such requirement could be introduced in the general principles for investment product disclosures.

Currently, World Bank Group observes a surge in demand from regulators and stock exchanges in emerging markets for assistance in updating codes, law, and regulations to facilitate the influx of sustainable finance products. Thus, the current draft provision can serve as the basis for preparing guidance on ESG regulation.

Separate guidance for regulators and stock exchanges, based on the CFA Standard and in coordination with key stakeholders like IOSCO, World Federation of Exchanges, and the UN Sustainable Stock Exchanges Initiative, on how to integrate such provisions in local laws and regulations should be developed. Stewardship codes are particularly challenging for emerging markets players.

<COMMENT_00_00>

Comments on Principle #1:

<COMMENT_00_01>

This seems adequate.

<COMMENT_00_01>

Comments on Principle #2:

<COMMENT_00_02>

This seems adequate.

<COMMENT_00_02>

Comments on Principle #3:

<COMMENT_00_03>

This seems adequate.

<COMMENT_00_03>

Comments on Principle #4:

<COMMENT_00_04>
This seems adequate.
<COMMENT_00_04>

Comments on Principle #5:

<COMMENT_00_05>
This seems adequate.
<COMMENT_00_05>

SECTION 1: FUNDAMENTAL REQUIREMENTS AND RECOMMENDATIONS

General comments on Section 1:

<COMMENT_01A00>

This seems adequate.

<COMMENT_01A00>

Comments on Provision 1.A.1:

<COMMENT_01A01>

This seems adequate.

<COMMENT_01A01>

Comments on Provision 1.A.2:

<COMMENT_01A02>

p. 19 1.a.2 “The investment manager must choose the investment products to which it applies the CFA Institute ESG Disclosure Standards for Investment Products. The Standards apply to investment products with ESG-related features. Not all investment products have ESG-related features, and therefore, the Standards do not apply to all investment products. “

Is there a risk of an unintended consequence that the increased need for compliance will lead to investment managers choosing not to take an ESG integration approach to investments? This may be a challenge for smaller funds without dedicated in-house ESG specialists. One suggestion is to monitor the compliance burden with these standards annually and adjust requirements where necessary.

<COMMENT_01A02>

Comments on Provision 1.A.3:

<COMMENT_01A03>

Please refer to response to Q4 on p. 5.

<COMMENT_01A03>

Comments on Provision 1.A.4:

<COMMENT_01A04>

This seems adequate.

<COMMENT_01A04>

Comments on Provision 1.A.5:

<COMMENT_01A05>

This seems adequate.

<COMMENT_01A05>

Comments on Provision 1.A.6:

<COMMENT_01A06>
This seems adequate.
<COMMENT_01A06>

Comments on Provision 1.A.7:

<COMMENT_01A07>
This seems adequate.
<COMMENT_01A07>

Comments on Provision 1.A.8:

<COMMENT_01A08>
This seems adequate.
<COMMENT_01A08>

Comments on Provision 1.A.9:

<COMMENT_01A09>
This seems adequate.
<COMMENT_01A09>

Comments on Provision 1.A.10:

<COMMENT_01A10>
This seems adequate.
<COMMENT_01A10>

Comments on Provision 1.A.11:

<COMMENT_01A11>
This seems adequate.
<COMMENT_01A11>

Comments on Provision 1.A.12:

<COMMENT_01A12>
This seems adequate.
<COMMENT_01A12>

Comments on Provision 1.A.13:

<COMMENT_01A13>
This seems adequate.
<COMMENT_01A13>

Comments on Provision 1.A.14:

<COMMENT_01A14>
This seems adequate.
<COMMENT_01A14>

Comments on Provision 1.A.15:

<COMMENT_01A15>
This seems adequate.
<COMMENT_01A15>

Comments on Provision 1.A.16:

<COMMENT_01A16>
This seems adequate.
<COMMENT_01A16>

Comments on Provision 1.A.17:

<COMMENT_01A17>
This seems adequate.
<COMMENT_01A17>

Comments on Provision 1.A.18:

<COMMENT_01A18>
This seems adequate.
<COMMENT_01A18>

Comments on Provision 1.A.19:

<COMMENT_01A19>
1.A.19 Regarding the June 30 deadline for an investment manager to notify CFA Institute of its use of the CFA Institute ESG Disclosure Standards for Investment Products, a six-month notice period and consideration should be given to shortening the annual notification period to three or four months.
<COMMENT_01A19>

Comments on Provision 1.B.1:

<COMMENT_01B01>
This seems adequate.
<COMMENT_01B01>

Comments on Provision 1.B.2:

<COMMENT_01B02>
This seems adequate.

<COMMENT_01B02>

SECTION 2: GENERAL INFORMATION

General comments on Section 2:

<COMMENT_02A00>

The Exposure Draft does not address the SDGs. In our previous comments (Q14), we recommended the disclosure requirements address an investment product's intention to align with policy goals, such as the SDGs. It should be featured in the General Disclosure Requirements – Recommendations as a new provision 2.B.2.

<COMMENT_02A00>

Comments on Provision 2.A.1:

<COMMENT_02A01>

This seems adequate.

<COMMENT_02A01>

Comments on Provision 2.A.2:

<COMMENT_02A02>

ENTER RESPONSE HERE

<COMMENT_02A02>

Comments on Provision 2.A.3:

<COMMENT_02A03>

This seems adequate.

<COMMENT_02A03>

Comments on Provision 2.A.4:

<COMMENT_02A04>

This seems adequate.

<COMMENT_02A04>

Comments on Provision 2.A.5:

<COMMENT_02A05>

This seems adequate.

<COMMENT_02A05>

Comments on Provision 2.A.6:

<COMMENT_02A06>

This seems adequate.

<COMMENT_02A06>

Comments on Provision 2.A.7:

<COMMENT_02A07>
This seems adequate.
<COMMENT_02A07>

Comments on Provision 2.A.8:

<COMMENT_02A08>
This seems adequate.
<COMMENT_02A08>

Comments on Provision 2.B.1:

<COMMENT_02B01>
This seems adequate.
<COMMENT_02B01>

SECTION 3: OBJECTIVES

General comments on Section 3:

<COMMENT_03A00>
This seems adequate.
<COMMENT_03A00>

Comments on Provision 3.A.1:

<COMMENT_03A01>
This seems adequate.
<COMMENT_03A01>

Comments on Provision 3.A.2:

<COMMENT_03A02>
This seems adequate.
<COMMENT_03A02>

Comments on Provision 3.B.1:

<COMMENT_03B01>
This seems adequate.
<COMMENT_03B01>

SECTION 4: BENCHMARKS

General comments on Section 4:

<COMMENT_04A00>
This seems adequate.
<COMMENT_04A00>

Comments on Provision 4.A.1:

<COMMENT_04A01>
This seems adequate.
<COMMENT_04A01>

Comments on Provision 4.A.2:

<COMMENT_04A02>
This seems adequate.
<COMMENT_04A02>

Comments on Provision 4.A.3:

<COMMENT_04A03>
This seems adequate.
<COMMENT_04A03>

SECTION 5: SOURCES AND TYPES OF ESG INFORMATION

General comments on Section 5:

<COMMENT_05A00>
This seems adequate.
<COMMENT_05A00>

Comments on Provision 5.A.1:

<COMMENT_05A01>
This seems adequate.
<COMMENT_05A01>

Comments on Provision 5.A.2:

<COMMENT_05A02>
This seems adequate.
<COMMENT_05A02>

SECTION 6: ESG EXCLUSIONS

General comments on Section 6:

<COMMENT_06A00>

This seems adequate.

<COMMENT_06A00>

Comments on Provision 6.A.1:

<COMMENT_06A01>

This seems adequate.

<COMMENT_06A01>

Comments on Provision 6.A.2:

<COMMENT_06A02>

p. 35 6.A.2 Regarding the notes, namely: "When stating the rationale for an ESG exclusion in a compliant presentation, an investment manager may want to consider the following common types of exclusions and related rationale," this could lead to confusion about the possible universe of potential exclusions and how to categorize and communicate them externally. One suggestion would be to develop a standardized taxonomy of exclusions with clear definitions, so the information would be consistent and searchable across investment products. For example, some funds have developed exclusions around adverse impacts such as "products that are harmful to financial well-being" or apply codes of conduct to portfolio companies around unacceptable behaviors such as "use of spam email as a marketing technique.

<COMMENT_06A02>

Comments on Provision 6.A.3:

<COMMENT_06A03>

This seems adequate.

<COMMENT_06A03>

Comments on Provision 6.A.4:

<COMMENT_06A04>

This seems adequate.

<COMMENT_06A04>

SECTION 7: ESG INFORMATION IN FINANCIAL ANALYSIS AND VALUATION

General comments on Section 7:

<COMMENT_07A00>

This seems adequate.

<COMMENT_07A00>

Comments on Provision 7.A.1:

<COMMENT_07A01>

This seems adequate.

<COMMENT_07A01>

Comments on Provision 7.A.2:

<COMMENT_07A02>

p.37 7.A.2 Regarding "...the investment product's compliant presentation must include a description of the research and analysis undertaken to determine the ESG information that is financially material to the investment product's investments," consideration should be given to requiring disclosure of whichever source material for the materiality analysis for each investment, especially when a company is not in a traditional industry that has established financial materiality literature. For example, SASB standards only provide guidance at the level of an issue being material to 50% of companies in any industry.

Consideration should be given to providing guidance selecting the requisite industry that a company belongs to when its operations span across multiple industry categories. For example, a ride sharing platform had previously claimed that it was a 'software' company and not a 'road transportation' company – and as such should not be evaluated for ESG criteria related to performance of the vehicle fleet. One way to clarify this could be to require that the company be evaluated on material issues related to its: (1) primary industry; (2) supplier industry; and (3) consumer industry. For example, a Fitbit-interfacing digital health app could be evaluated against the SASB standards for: (1) software & IT services; (2) medical devices; and (3) managed care & health care delivery services.

Lastly, consideration should be given to other concepts of materiality. Namely, the concepts of double materiality (EU), dynamic materiality (IFRS) and climate materials issues (TCFD) instead of only singling out SASB as an example.

<COMMENT_07A02>

Comments on Provision 7.A.3:

<COMMENT_07A03>

This seems adequate.

<COMMENT_07A03>

Comments on Provision 7.A.4:

<COMMENT_07A04>
This seems adequate.
<COMMENT_07A04>

SECTION 8: PORTFOLIO-LEVEL ESG CRITERIA AND CHARACTERISTICS

General comments on Section 8:

<COMMENT_08A00>
This seems adequate.
<COMMENT_08A00>

Comments on Provision 8.A.1:

<COMMENT_08A01>
This seems adequate.
<COMMENT_08A01>

Comments on Provision 8.A.2:

<COMMENT_08A02>
ENTER RESPONSE HERE
<COMMENT_08A02>

Comments on Provision 8.B.1:

<COMMENT_08B01>
This seems adequate.
<COMMENT_08B01>

SECTION 9: PROCESS TO ACHIEVE IMPACT OBJECTIVE

General comments on Section 9:

<COMMENT_09A00>

This seems adequate.

<COMMENT_09A00>

Comments on Provision 9.A.1:

<COMMENT_09A01>

This seems adequate.

<COMMENT_09A01>

Comments on Provision 9.A.2:

<COMMENT_09A02>

This seems adequate.

<COMMENT_09A02>

Comments on Provision 9.A.3:

<COMMENT_09A03>

This seems adequate.

<COMMENT_09A03>

Comments on Provision 9.A.4:

<COMMENT_09A04>

This seems adequate.

<COMMENT_09A04>

Comments on Provision 9.A.5:

<COMMENT_09A05>

This seems adequate.

<COMMENT_09A05>

Comments on Provision 9.B.1:

<COMMENT_09B01>

This seems adequate.

<COMMENT_09B01>

SECTION 10: STEWARDSHIP

General comments on Section 10:

<COMMENT_10A00>
This seems adequate.
<COMMENT_10A00>

Comments on Provision 10.A.1:

<COMMENT_10A01>
This seems adequate.
<COMMENT_10A01>

Comments on Provision 10.A.2:

<COMMENT_10A02>
This seems adequate.
<COMMENT_10A02>

Comments on Provision 10.A.3:

<COMMENT_10A03>
This seems adequate.
<COMMENT_10A03>

Comments on Provision 10.A.4:

<COMMENT_10A04>
This seems adequate.
<COMMENT_10A04>

Comments on Provision 10.B.1:

<COMMENT_10B01>
This seems adequate.
<COMMENT_10B01>

GLOSSARY

General comments on Glossary:

<COMMENT_11A00>

Consideration should be given to refining the following terms:

“ESG-RELATED FEATURE” is well-defined but the term is not intuitive so as you read the remainder of the document (and eventually the Standard).

“ESG” Abbreviation for “environmental, social, or governance” - “ESG” should be defined further. Suggestions for areas to clarify within this definition:

- The use of the word “or” used instead of “and” creates confusion. Typically, “ESG” means all three concepts and is why the term is powerful. Achieving progress on just one or two of the terms is inadequate to achieve progress in ESG.
- The relationship between ESG and the SDGs, which is increasingly included in frameworks, which investors use for sustainability impact should be discussed.
- There is confusion in the marketplace as to the meaning of the “G” in ESG – whether this is general corporate governance or more narrowly governance of E&S issues. We advocate for the former and suggest consideration of the IFC Corporate Governance Methodology and other frameworks such as the OECD G20 Corporate Governance Principles and the ICGN CG Principles as references.

“ESG INFORMATION” - environmental, social, or governance information used in an investment product’s investment process or stewardship activities, including but not limited to observations, measurements, statistics, estimates, forecasts, model scores, ratings, and analyses.

“ESG ISSUE” - An important environmental, social, or governance challenge, concern, or matter.

- Consider expanding the definition of ESG and integrating the terms ESG issue and ESG information under the general concept of ESG.

<COMMENT_11A00>

Comments on **BENCHMARK**:

<COMMENT_11A01>

This seems adequate.

<COMMENT_11A01>

Comments on **COMPLIANT PRESENTATION**:

<COMMENT_11A02>

This seems adequate.

<COMMENT_11A02>

Comments on **ESG INFORMATION:**

<COMMENT_11A03>
This seems adequate.
<COMMENT_11A03>

Comments on **ESG ISSUE:**

<COMMENT_11A04>
This seems adequate.
<COMMENT_11A04>

Comments on **EXCLUSION:**

<COMMENT_11A05>
This seems adequate.
<COMMENT_11A05>

Comments on **FINANCIAL OBJECTIVE:**

<COMMENT_11A06>
This seems adequate.
<COMMENT_11A06>

Comments on **IMPACT OBJECTIVE:**

<COMMENT_11A07>
This seems adequate.
<COMMENT_11A07>

Comments on **INVESTMENT MANAGER:**

<COMMENT_11A08>
This seems adequate.
<COMMENT_11A08>

Comments on **INVESTMENT PRODUCT:**

<COMMENT_11A09>
This seems adequate.
<COMMENT_11A09>

Comments on **INVESTOR:**

<COMMENT_11A10>
This seems adequate.
<COMMENT_11A10>

Comments on **STEWARDSHIP**:

<COMMENT_11A11>
This seems adequate.
<COMMENT_11A11>

Comments on **STEWARDSHIP ACTIVITY**:

<COMMENT_11A12>
This seems adequate.
<COMMENT_11A12>

GENERAL COMMENTS

General comments on Exposure Draft:

<COMMENT_12A00>

Overall, the Exposure Draft is a significant improvement from the previous version. Incorporating the above comments as well as those from other commentors would enhance the quality and general acceptance of the Standards.

<COMMENT_12A00>