

**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>	auctusESG LLP
<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>	Global
<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>  
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>  
ENTER RESPONSE HERE  
<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>  
ENTER RESPONSE HERE  
<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>  
ENTER RESPONSE HERE  
<QUESTION\_02\_03>

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

<QUESTION\_02\_04>  
ENTER RESPONSE HERE  
<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>

This question is partially answered. Section 5 of the Draft provisions clearly spells out the sources and types of ESG information. Therefore, it explains **how** the investment manager uses ESG information. However, there is no explicit requirement which explains **why** an investment product uses ESG information.

<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. The Standards require that investment managers must not omit material information related to ESG features of the product. Since all information is required to be included, the Compliant Presentation will help in facilitating and addressing specific ESG related needs of clients. The client may also take an intelligent decision on suitable investment products, based on disclosures in the Compliant Presentation.

<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>

The Compliant Presentation will serve to answer product level ESG related information; but will not reveal information pertaining to entity level disclosures.

<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, the provision of disclosures in Compliant Presentations by investment managers will help in complementing and streamlining existing processes of due diligences. However, this will not help in determining investment manager's capabilities completely, as firm level / entity level metrics are not disclosed.

<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. It will be helpful if Compliant Presentations contained a recommended format or template. At the end of the format, there could be an option to include any additional information which has not been covered in the format.

<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>

Investment product disclosures should be simple and straight-forward. They should be self-explanatory and cater to all investor types.

<COMMENT\_00\_00>

Comments on Principle #1:

<COMMENT\_00\_01>

ENTER RESPONSE HERE

<COMMENT\_00\_01>

Comments on Principle #2:

<COMMENT\_00\_02>

ENTER RESPONSE HERE

<COMMENT\_00\_02>

Comments on Principle #3:

<COMMENT\_00\_03>

ENTER RESPONSE HERE

<COMMENT\_00\_03>

Comments on Principle #4:

<COMMENT\_00\_04>

ENTER RESPONSE HERE

<COMMENT\_00\_04>

Comments on Principle #5:

<COMMENT\_00\_05>

ENTER RESPONSE HERE

<COMMENT\_00\_05>

## SECTION 1: FUNDAMENTAL REQUIREMENTS AND RECOMMENDATIONS

General comments on Section 1:

<COMMENT\_01A00>  
ENTER RESPONSE HERE  
<COMMENT\_01A00>

Comments on Provision 1.A.1:

<COMMENT\_01A01>  
ENTER RESPONSE HERE  
<COMMENT\_01A01>

Comments on Provision 1.A.2:

<COMMENT\_01A02>  
Investment manager may also explain the rationale behind choosing particular investment products to which the Standards are applied.  
<COMMENT\_01A02>

Comments on Provision 1.A.3:

<COMMENT\_01A03>  
ENTER RESPONSE HERE  
<COMMENT\_01A03>

Comments on Provision 1.A.4:

<COMMENT\_01A04>  
ENTER RESPONSE HERE  
<COMMENT\_01A04>

Comments on Provision 1.A.5:

<COMMENT\_01A05>  
ENTER RESPONSE HERE  
<COMMENT\_01A05>

Comments on Provision 1.A.6:

<COMMENT\_01A06>  
ENTER RESPONSE HERE  
<COMMENT\_01A06>

Comments on Provision 1.A.7:

<COMMENT\_01A07>

ENTER RESPONSE HERE  
<COMMENT\_01A07>

Comments on Provision 1.A.8:

<COMMENT\_01A08>  
ENTER RESPONSE HERE  
<COMMENT\_01A08>

Comments on Provision 1.A.9:

<COMMENT\_01A09>  
There may be a clear disclosure that the investment manager relies on a third party for any information and the reference of this third party may be given.  
<COMMENT\_01A09>

Comments on Provision 1.A.10:

<COMMENT\_01A10>  
ENTER RESPONSE HERE  
<COMMENT\_01A10>

Comments on Provision 1.A.11:

<COMMENT\_01A11>  
ENTER RESPONSE HERE  
<COMMENT\_01A11>

Comments on Provision 1.A.12:

<COMMENT\_01A12>  
ENTER RESPONSE HERE  
<COMMENT\_01A12>

Comments on Provision 1.A.13:

<COMMENT\_01A13>  
ENTER RESPONSE HERE  
<COMMENT\_01A13>

Comments on Provision 1.A.14:

<COMMENT\_01A14>  
In addition to taking care of conflict of interest, an investment manager may also disclose the verifier's details and the scope of examination.  
<COMMENT\_01A14>

Comments on Provision 1.A.15:

<COMMENT\_01A15>

If the incorrect compliant presentation was uploaded on the website earlier, the corrected version needs to be uploaded along with an explanation of the material error.

<COMMENT\_01A15>

Comments on Provision 1.A.16:

<COMMENT\_01A16>

ENTER RESPONSE HERE

<COMMENT\_01A16>

Comments on Provision 1.A.17:

<COMMENT\_01A17>

ENTER RESPONSE HERE

<COMMENT\_01A17>

Comments on Provision 1.A.18:

<COMMENT\_01A18>

The investment manager may also explicitly state the applicable requirement of the Standards which have not been met/fulfilled.

<COMMENT\_01A18>

Comments on Provision 1.A.19:

<COMMENT\_01A19>

Ideally, the investment manager should make the Compliant Presentation public, only after receiving approval from the CFA Institute. The requirement of 'only submission' is a grey area and sometimes may be mis-interpreted (eg: if the investment manager has submitted the form, but for some reason the CFA institute does not receive the submission)

<COMMENT\_01A19>

Comments on Provision 1.B.1:

<COMMENT\_01B01>

ENTER RESPONSE HERE

<COMMENT\_01B01>

Comments on Provision 1.B.2:

<COMMENT\_01B02>

ENTER RESPONSE HERE

<COMMENT\_01B02>

## SECTION 2: GENERAL INFORMATION

General comments on Section 2:

<COMMENT\_02A00>  
ENTER RESPONSE HERE  
<COMMENT\_02A00>

Comments on Provision 2.A.1:

<COMMENT\_02A01>  
ENTER RESPONSE HERE  
<COMMENT\_02A01>

Comments on Provision 2.A.2:

<COMMENT\_02A02>  
ENTER RESPONSE HERE  
<COMMENT\_02A02>

Comments on Provision 2.A.3:

<COMMENT\_02A03>  
ENTER RESPONSE HERE  
<COMMENT\_02A03>

Comments on Provision 2.A.4:

<COMMENT\_02A04>  
Any updated Compliant Presentation (either due to correction of material error or for any changes in the Investment product) should also include the 'as of' date.  
<COMMENT\_02A04>

Comments on Provision 2.A.5:

<COMMENT\_02A05>  
ENTER RESPONSE HERE  
<COMMENT\_02A05>

Comments on Provision 2.A.6:

<COMMENT\_02A06>  
ENTER RESPONSE HERE  
<COMMENT\_02A06>

Comments on Provision 2.A.7:

<COMMENT\_02A07>

ENTER RESPONSE HERE  
<COMMENT\_02A07>

Comments on Provision 2.A.8:

<COMMENT\_02A08>  
ENTER RESPONSE HERE  
<COMMENT\_02A08>

Comments on Provision 2.B.1:

<COMMENT\_02B01>  
ENTER RESPONSE HERE  
<COMMENT\_02B01>

## SECTION 3: OBJECTIVES

General comments on Section 3:

<COMMENT\_03A00>  
ENTER RESPONSE HERE  
<COMMENT\_03A00>

Comments on Provision 3.A.1:

<COMMENT\_03A01>  
ENTER RESPONSE HERE  
<COMMENT\_03A01>

Comments on Provision 3.A.2:

<COMMENT\_03A02>  
In addition to mentioning trade-offs, investment managers may also disclose if choosing one objective harms another objective in any scenario.  
<COMMENT\_03A02>

Comments on Provision 3.B.1:

<COMMENT\_03B01>  
ENTER RESPONSE HERE  
<COMMENT\_03B01>



## SECTION 4: BENCHMARKS

General comments on Section 4:

<COMMENT\_04A00>  
ENTER RESPONSE HERE  
<COMMENT\_04A00>

Comments on Provision 4.A.1:

<COMMENT\_04A01>  
ENTER RESPONSE HERE  
<COMMENT\_04A01>

Comments on Provision 4.A.2:

<COMMENT\_04A02>  
ENTER RESPONSE HERE  
<COMMENT\_04A02>

Comments on Provision 4.A.3:

<COMMENT\_04A03>  
ENTER RESPONSE HERE  
<COMMENT\_04A03>

## SECTION 5: SOURCES AND TYPES OF ESG INFORMATION

General comments on Section 5:

<COMMENT\_05A00>  
ENTER RESPONSE HERE  
<COMMENT\_05A00>

Comments on Provision 5.A.1:

<COMMENT\_05A01>  
Ideally the names of 3rd party data providers should be mandatory and not voluntary; this will ensure credibility of the data disclosed.  
<COMMENT\_05A01>

Comments on Provision 5.A.2:

<COMMENT\_05A02>  
ENTER RESPONSE HERE  
<COMMENT\_05A02>

## SECTION 6: ESG EXCLUSIONS

General comments on Section 6:

<COMMENT\_06A00>  
ENTER RESPONSE HERE  
<COMMENT\_06A00>

Comments on Provision 6.A.1:

<COMMENT\_06A01>  
ENTER RESPONSE HERE  
<COMMENT\_06A01>

Comments on Provision 6.A.2:

<COMMENT\_06A02>  
ENTER RESPONSE HERE  
<COMMENT\_06A02>

Comments on Provision 6.A.3:

<COMMENT\_06A03>  
In addition to the existing disclosure, investment manager may also include the rationale why exclusions are not applied to all investments.  
<COMMENT\_06A03>

Comments on Provision 6.A.4:

<COMMENT\_06A04>  
ENTER RESPONSE HERE  
<COMMENT\_06A04>

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

General comments on Section 7:

<COMMENT\_07A00>  
ENTER RESPONSE HERE  
<COMMENT\_07A00>

Comments on Provision 7.A.1:

<COMMENT\_07A01>  
ENTER RESPONSE HERE  
<COMMENT\_07A01>

Comments on Provision 7.A.2:

<COMMENT\_07A02>  
ENTER RESPONSE HERE  
<COMMENT\_07A02>

Comments on Provision 7.A.3:

<COMMENT\_07A03>  
ENTER RESPONSE HERE  
<COMMENT\_07A03>

Comments on Provision 7.A.4:

<COMMENT\_07A04>  
ENTER RESPONSE HERE  
<COMMENT\_07A04>

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

General comments on Section 8:

<COMMENT\_08A00>  
ENTER RESPONSE HERE  
<COMMENT\_08A00>

Comments on Provision 8.A.1:

<COMMENT\_08A01>  
The description may also include the process for establishing the portfolio level criteria based on  
ESG Information / ESG issues  
<COMMENT\_08A01>

Comments on Provision 8.A.2:

<COMMENT\_08A02>  
ENTER RESPONSE HERE  
<COMMENT\_08A02>

Comments on Provision 8.B.1:

<COMMENT\_08B01>  
ENTER RESPONSE HERE  
<COMMENT\_08B01>

## SECTION 9: PROCESS TO ACHIEVE IMPACT OBJECTIVE

General comments on Section 9:

<COMMENT\_09A00>  
ENTER RESPONSE HERE  
<COMMENT\_09A00>

Comments on Provision 9.A.1:

<COMMENT\_09A01>  
The investment manager may also provide the rationale of why the investment manager chooses not to have impact objective on some investments.  
<COMMENT\_09A01>

Comments on Provision 9.A.2:

<COMMENT\_09A02>  
ENTER RESPONSE HERE  
<COMMENT\_09A02>

Comments on Provision 9.A.3:

<COMMENT\_09A03>  
ENTER RESPONSE HERE  
<COMMENT\_09A03>

Comments on Provision 9.A.4:

<COMMENT\_09A04>  
ENTER RESPONSE HERE  
<COMMENT\_09A04>

Comments on Provision 9.A.5:

<COMMENT\_09A05>  
The compliant presentation may also include details of mitigants of these risks.  
<COMMENT\_09A05>

Comments on Provision 9.B.1:

<COMMENT\_09B01>  
ENTER RESPONSE HERE  
<COMMENT\_09B01>

## SECTION 10: STEWARDSHIP

General comments on Section 10:

<COMMENT\_10A00>  
ENTER RESPONSE HERE  
<COMMENT\_10A00>

Comments on Provision 10.A.1:

<COMMENT\_10A01>  
The Compliant Presentation may also include changes in stewardship policies and reasons for such changes, over time.  
<COMMENT\_10A01>

Comments on Provision 10.A.2:

<COMMENT\_10A02>  
ENTER RESPONSE HERE  
<COMMENT\_10A02>

Comments on Provision 10.A.3:

<COMMENT\_10A03>  
ENTER RESPONSE HERE  
<COMMENT\_10A03>

Comments on Provision 10.A.4:

<COMMENT\_10A04>  
ENTER RESPONSE HERE  
<COMMENT\_10A04>

Comments on Provision 10.B.1:

<COMMENT\_10B01>  
ENTER RESPONSE HERE  
<COMMENT\_10B01>

## GLOSSARY

General comments on Glossary:

<COMMENT\_11A00>  
None  
<COMMENT\_11A00>

Comments on **BENCHMARK**:

<COMMENT\_11A01>  
ENTER RESPONSE HERE  
<COMMENT\_11A01>

Comments on **COMPLIANT PRESENTATION**:

<COMMENT\_11A02>  
ENTER RESPONSE HERE  
<COMMENT\_11A02>

Comments on **ESG INFORMATION**:

<COMMENT\_11A03>  
ENTER RESPONSE HERE  
<COMMENT\_11A03>

Comments on **ESG ISSUE**:

<COMMENT\_11A04>  
ENTER RESPONSE HERE  
<COMMENT\_11A04>

Comments on **EXCLUSION**:

<COMMENT\_11A05>  
ENTER RESPONSE HERE  
<COMMENT\_11A05>

Comments on **FINANCIAL OBJECTIVE**:

<COMMENT\_11A06>  
ENTER RESPONSE HERE  
<COMMENT\_11A06>

Comments on **IMPACT OBJECTIVE**:

<COMMENT\_11A07>



ENTER RESPONSE HERE  
<COMMENT\_11A07>

Comments on **INVESTMENT MANAGER:**

<COMMENT\_11A08>  
ENTER RESPONSE HERE  
<COMMENT\_11A08>

Comments on **INVESTMENT PRODUCT:**

<COMMENT\_11A09>  
ENTER RESPONSE HERE  
<COMMENT\_11A09>

Comments on **INVESTOR:**

<COMMENT\_11A10>  
ENTER RESPONSE HERE  
<COMMENT\_11A10>

Comments on **STEWARDSHIP:**

<COMMENT\_11A11>  
ENTER RESPONSE HERE  
<COMMENT\_11A11>

Comments on **STEWARDSHIP ACTIVITY:**

<COMMENT\_11A12>  
ENTER RESPONSE HERE  
<COMMENT\_11A12>

## GENERAL COMMENTS

General comments on Exposure Draft:

<COMMENT\_12A00>

None

<COMMENT\_12A00>