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)

Respondent: *(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.)*	Deloitte Risk Advisory Malaysia
Stakeholder Group: *(Please select the stakeholder group with which you most closely identify.)*	Consultant or Advisor
Region: *(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.)*	Asia-Pacific
Country: *(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.)*	Malaysia
Confidentiality Preference: *(Please select your preference for whether or not your response is published on the CFA Institute website.)*	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>

   1. The sample compliant presentation is able to provide a **high level view** on the **identified ESG issues** and **risk appetite** (e.g. sector exclusions) and **overview on asset selection methodology**.
      However, unable to see:
      a. **Clear differentiation of disclosures for investment product vs. investment portfolio**
         i. Suggestion: To clearly distinguish in the paper the difference in disclosure types and how the investment product disclosures can further add value to broader investment portfolio disclosures.
      b. **How investment product disclosures can be aligned and/or integrated to any existing disclosures (e.g. existing standard disclosures, investment portfolio disclosures, local regulatory disclosures etc.)**
         i. There are currently existing disclosure standards which already touch on investment strategy e.g. TCFD
            Suggestion:
            - Clearly highlight how investment product disclosures can be aligned and/or integrated to existing disclosure standards (e.g. to disclose separately but to ensure alignment between both standards, or embed product disclosures into TCFD)
         ii. Alignment between investment product disclosures with portfolio disclosures
            Suggestion
            - Sample use case of investment product disclosure integrated with/alongside broader investment portfolio disclosures to provide reference to the reader on how this disclosure will fit in with other disclosure standards.
            - Present sample compliant presentations graphically (e.g. tables, diagrams) for ease of readers understanding to visualize implementation.
         iii. Consideration for existing local regulatory disclosures (e.g. BNM Climate Change and Principle-based Taxonomy, soon to come SC's SRI Taxonomy) and how to align and/or integrate with such regulatory disclosures
            Suggestion:
            - To develop narration and depict how this standard can be disclosed alongside or integrated into different existing regulatory disclosures
         iv. How will this investment product disclosure be different from an existing product disclosure statement (PDS)? What is the approach towards this standards disclosure vs. PDS – will it be integrated into the PDS or a separate disclosure statement? How will this benefit investors if it were a separate disclosure?
      c. **Data source and references in view that investment managers do not need to disclose details of data source/data provider – investors will be unable to validate data source to guide informed decision making**
         (Section 5.A.1: 'An investment manager may choose, but is not required to disclose the names of third party data providers when describing the sources of ESG

information.' ; 'Investment managers may choose, but are not required, to describe the ESG data provider's sources.')

   i. Suggestion: To consider disclosing source of ESG data and ESG data providers for investors' due diligence for informed decision making.

2. **Care to be exercised on direct exclusions** related to ESG issues (page 50) as these may be sensitive to different regions/demographics with different legalities economic markets.
3. While we understand the intent of the guidance on disclosures are not meant to weigh in on ESG definition and whether the products are ESG compliant, we think some parameters can be set such as list of approved external verifier, approved source of certification etc. to be included to provide the users with some form of assurance that the products are in line with ESG criteria and also to minimize the chances of greenwashing. This will also help educate end users on acceptable sources for ESG related certification/assurance/reporting/rating.

<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>

1. Yes, it would because it provides a **high level view** on clients' **ESG identified issues** and **preferences** (by exclusions or screening criteria and methodology).
   Nevertheless, samples provided can be illustrated with more detail and application in different scenarios.
2. While we understand it is meant to be a disclosure based approach rather than a prescriptive based approach, certain details can be further developed to give a clearer view to the audience on implementation expectation, particularly if the disclosure is focused on specific investment products rather than the firm's overall strategy.
3. Also point to note is that when investment managers are allowed to determine the level of detail and specific format they provide in disclosures, it leaves a very large room of subjectivity and will not provide effective comparability across different disclosures. It will also pose difficulty to independent validators to assess the quality of disclosures to enable attestation to compliance to the CFA Standards.
4. Example of BlackRock's 2020 Sustainability Disclosure:

Sustainable Investing & Stewardship

Incorporation of Environmental, Social, and Governance Factors in Investment Management & Advisory

SASB FN-AC-410a.1

Amount of assets under management, by asset class, that employ (1) integration of ESG issues, (2) sustainability themed investing, and (3) screening

Dedicated Sustainable Investments[2]

BlackRock has designed an extensive platform encompassing index and active strategies across asset classes to help clients meet their sustainability and financial objectives. BlackRock offers over 200 sustainable mutual fund and ETF options covering the spectrum of sustainable solutions, as well as customized solutions to meet clients' objectives. As of December 31, 2020, BlackRock managed $200 billion across its Dedicated Sustainable Investing platform. Dedicated Sustainable Investment strategies are categorized into the following product types: Dedicated Screened,[3] Broad ESG, Thematic, and Impact.

ESG Integrated Portfolios

BlackRock draws a clear distinction between Dedicated Sustainable Investments and ESG-integrated portfolios. BlackRock's investment conviction is that ESG-integrated portfolios can provide better risk-adjusted returns to investors. As such, all of BlackRock's active strategies, covering $2.9 trillion in assets under management ("AUM") are ESG integrated. ESG-integrated portfolios are not considered a separate product category at BlackRock and do not necessarily have an ESG objective as part of their mandates. Therefore, ESG-integrated portfolios are not included in the Dedicated Sustainable Investments figures reported below. Information about ESG Integration is provided under SASB FN-AC-410a.2.

Quantitative Metrics

Exhibit 1 provides the AUM in Dedicated Sustainable Investments and Screened Investments strategies. Screened Investments are products that BlackRock considers to sit alongside its Dedicated Sustainable Investments, but not within, as they do not apply the full set of Baseline Screen criteria applied to Dedicated Screened Investments, which are included under Dedicated Sustainable Investments.

Exhibit 1: Dedicated Sustainable Investments and Screened Investments AUM Breakdown

Asset Class / Investment Style	Dedicated Sustainable Investments ($US billions) [a]		Screened Investments ($US billions) [b]	
	2020	YoY Change*	2020	YoY Change*
Active				
Equity	$12	▲+$5	$38	▲+$8
Fixed Income	26	▲+2	178	▲+20
Index and iShares ETFs				
Equity	121	▲+65	306	▲+36
Fixed Income	15	▲+8	65	▲+2
Multi-Asset	3	▲+2	16	▲+1
Alternatives	7	▲+2	4	▲+1
Long-term	**184**	▲+84	**607**	▲+68
Cash Management	16	▲+8	9	–
Total AUM	**$200**	▲+$92	**$616**	▲+$68

Data as of December 31, 2020.

*The year over year change in this table was calculated by management using the December 31, 2020 information presented within this table and comparable December 31, 2019 information. The December 31, 2019 information used in the calculation was not subject to Deloitte's review and, accordingly, Deloitte does not express a conclusion or any form of assurance on such information.

a) BlackRock modified this category to refer to "Dedicated Sustainable Investments" from SASB's "Sustainability Themed Investing" to better reflect the types of investments included. These investments include: 1) strategies with an explicit ESG objective which may include a targeted quantifiable ESG outcome ("Broad ESG"); 2) strategies that capitalize on long-term transformative industry or societal trends through pursuit of specific E, S or G themes ("Thematic"); 3) strategies where investments are made with the intention to generate positive measurable social and environmental impact alongside financial return ("Impact") and; 4) screened strategies that incorporate BlackRock's baseline screens ("Dedicated Screened"). BlackRock's definition of impact investments is in line with the International Finance Corporation's Operating Principles for Impact Management.

b) Screened Investments are products that BlackRock considers to sit alongside its Dedicated Sustainable Investments, but not within, as they do not apply the strict criteria of Baseline Screens that BlackRock has developed for its Dedicated Screened funds. In other words, these products may provide one or more screens but do not apply the full package of screens to qualify them as Dedicated Screened products under BlackRock's definition.

BlackRock, Inc. - 2020 Sustainability Disclosure 5

<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>

1. While the sample compliant presentation examples are **useful** to understand clients' **high-level strategic plans**, it may be **insufficient** to provide detailed/comprehensive information regarding e.g.
    a. Disclosure of **data source** and **measurement methodology**
    b. Environmental impact assessments
    c. **Issues** and **rectification actions** as per identified in environmental impact assessment reports

    <u>Suggestion</u>: To include disclosure of data source, data providers, environmental impact assessments and results from such assessments, how investment product disclosure aligns to investment portfolio 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>

1. Yes it provides a high-level overview on investment product due diligence.

2. However, it **does not provide assessment** on **investment manager capabilities** as it does not provide any information of **historical/past performance** of investment manager.
3. The sample compliant presentations do not provide detailed descriptions particularly on the **mechanism** and **implementation of disclosures**.

<QUESTION_03_04>

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

<QUESTION_03_05>

1. Yes it would be helpful to provide a **recommended structure** and **format guidance** to facilitate the following:
    a. Provide a more **structured and comprehensive presentation guidance** for investment managers' implementation
    b. **Enable a quick search and view for required information** in presentation within a standard structure/format. From there, users/investors can determine the pertinent information and/or data sources to look for.

<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>

1. More guidance and meat in narration on each principle would be helpful. Reference can be made to GRI Sustainability Reporting Standards.

<COMMENT_00_00>

Comments on Principle #1:

<COMMENT_00_01>

More guidance and meat in narration on each principle would be helpful. Reference can be made to GRI Sustainability Reporting Standards.

Example: GRI Sustainability Reporting Standards for 'Completeness'

Section 1: Reporting Principles

Completeness

1.4 The report shall include coverage of material topics and their Boundaries, sufficient to reflect significant economic, environmental, and social impacts, and to enable stakeholders to assess the reporting organization's performance in the reporting period.

Guidance

Completeness primarily encompasses the following dimensions: the list of material topics covered in the report, topic Boundaries, and time.

The concept of completeness can also refer to practices in information collection (for example, ensuring that compiled data includes results from all entities where the impacts occur) and whether the presentation of information is reasonable and appropriate. These issues are also related to report quality, and are addressed in greater detail under the principles of Accuracy and Balance.

List of material topics covered in the report: Together, the topics covered in the report are expected to be sufficient to reflect the organization's significant economic, environmental and/or social impacts, and to enable stakeholders to assess the organization. In determining whether the information in the report is sufficient, the organization considers both the results of stakeholder engagement processes and broad-based societal expectations that are not identified directly through stakeholder engagement processes.

Topic Boundaries: the topic Boundary is a description of where the impacts occur for a material topic, and the organization's involvement with those impacts. Organizations might be involved with impacts either through their own activities or as a result of their business relationships with other entities. An organization preparing a report in accordance with the GRI Standards is expected to report not only on impacts it causes, but also on impacts it contributes to, and impacts that are directly linked to its activities, products or services through a business relationship.[2] See clause 2.4 of this Standard and *GRI 103: Management Approach* for more information on topic Boundaries.

Time: Time refers to the need for the selected information to be complete for the time period specified by the report. As far as practicable, activities, events, and impacts are expected to be presented for the reporting period in which they occur. This includes reporting on activities that produce minimal short-term impact, but which have a significant and reasonably foreseeable cumulative effect that can become unavoidable or irreversible in the longer-term (such as bio-accumulative or persistent pollutants).

In making estimates of future impacts (both positive and negative), the reported information is expected to be based on well-reasoned estimates that reflect the likely size and nature of impacts. Although such estimates are by nature subject to uncertainty, they provide useful information for decision-making, as long as the basis for estimates is clearly reported and the limitations of the estimates are clearly acknowledged. Disclosing the nature and likelihood of such impacts, even if they can only materialize in the future, is consistent with the goal of providing a balanced and reasonable representation of the organization's economic, environmental, and social impacts.

Tests

- The report takes into account impacts the reporting organization causes, contributes to, or is directly linked to through a business relationship, and covers and prioritizes all material information on the basis of the principles of Materiality, Sustainability Context, and Stakeholder Inclusiveness;
- The information in the report includes all significant impacts in the reporting period, and reasonable estimates of significant future impacts when those impacts are reasonably foreseeable and can become unavoidable or irreversible;
- The report does not omit relevant information that substantively influences stakeholder assessments and decisions, or that reflects significant economic, environmental, and social impacts.

<COMMENT_00_01>

Comments on Principle #2:

<COMMENT_00_02>

More guidance and meat in narration on each principle would be helpful. Reference can be made to GRI Sustainability Reporting Standards.

Example: GRI Sustainability Reporting Standards for 'Reliability'

Reliability

1.9 The reporting organization shall gather, record, compile, analyze, and report information and processes used in the preparation of the report in a way that they can be subject to examination, and that establishes the quality and materiality of the information.

Guidance

It is important that stakeholders are confident that the report can be checked to establish the veracity of its contents and the extent to which the Reporting Principles have been applied.

Individuals other than those who prepared the report are expected to be able to review internal controls or documentation that supports the information in the report. Disclosures about the reporting organization's impacts or performance that are not substantiated by evidence do not need to appear in the sustainability report unless they represent material information, and the report provides unambiguous explanations of any uncertainties associated with the information.

The decision-making processes underlying the report are to be documented in a manner that allows for the examination of key decisions, such as processes for determining the report content and topic Boundaries, or stakeholder engagement. If the organization designs information systems for its reporting, it is expected to anticipate that the systems can be examined as part of an external assurance process.

Tests

- The scope and extent of external assurance is identified;
- The organization can identify the original sources of the information in the report;
- The organization can provide reliable evidence to support assumptions or complex calculations;
- Representation is available from the original data or information owners, attesting to its accuracy within acceptable margins of error.

<COMMENT_00_02>

Comments on Principle #3:

<COMMENT_00_03>
More guidance and meat in narration on each principle would be helpful. Reference can be made to GRI Sustainability Reporting Standards.

Example: GRI Sustainability Reporting Standards for 'Comparability'

Comparability

1.8 The reporting organization shall select, compile, and report information consistently. The reported information shall be presented in a manner that enables stakeholders to analyze changes in the organization's performance over time, and that could support analysis relative to other organizations.

Guidance

Comparability is necessary for evaluating performance. It is important that stakeholders are able to compare information on the organization's current economic, environmental, and social performance against the organization's past performance, its objectives, and, to the degree possible, against the performance of other organizations.

Consistency allows internal and external parties to benchmark performance and assess progress as part of rating activities, investment decisions, advocacy programs, and other activities. Comparisons between organizations require sensitivity to factors such as the organizations' size, geographic influences, and other considerations that can affect the relative performance of an organization. When necessary, it is important to provide context that helps report users understand the factors that can contribute to differences in impacts or performance between organizations.

To facilitate comparability over time, it is important to maintain consistency in the methods used to calculate data, the layout of the report, and explanations of methods and assumptions used to prepare information. As the importance of a topic to an organization and its stakeholders can change over time, the content of reports can also evolve.

However, within the confines of the Materiality principle, the organization is expected to aim for consistency in its reports over time. The organization is expected to include total numbers (that is, absolute data, such as tons of waste) as well as ratios (that is, normalized data, such as waste per unit of production) to enable analytical comparisons.

Changes can occur with respect to material topics, topic Boundaries, the length of the reporting period, or information, including the design, definitions, and use of disclosures in the report. When this happens, the reporting organization is expected to present current disclosures alongside restatements of historic data, or vice versa. This can ensure that information and comparisons are reliable and meaningful over time. When such restatements are not provided, the organization is expected to give sufficient explanations for interpreting current disclosures.

<COMMENT_00_03>

Comments on Principle #4:

<COMMENT_00_04>
More guidance and meat in narration on each principle would be helpful. Reference can be made to GRI Sustainability Reporting Standards.

Example: GRI Sustainability Reporting Standards for 'Clarity

Clarity

1.7 The reporting organization shall make information available in a manner that is understandable and accessible to stakeholders using that information.

Guidance

The report is expected to present information in a way that is understandable, accessible, and usable by the organization's range of stakeholders, whether in print form or through other channels.

It is important that stakeholders are able to find the information they want without unreasonable effort. Information is expected to be presented in a manner that is comprehensible to stakeholders who have a reasonable understanding of the organization and its activities.

Graphics and consolidated data tables can help to make information in the report accessible and understandable. The level of aggregation of information can also affect the clarity of the report, if it is more or less detailed than stakeholders expect.

Tests

- The report contains the level of information required by stakeholders, but avoids excessive and unnecessary detail;
- Stakeholders can find the specific information they want without unreasonable effort through tables of contents, maps, links, or other aids;
- The report avoids technical terms, acronyms, jargon, or other content likely to be unfamiliar to stakeholders, and includes explanations (where necessary) in the relevant section or in a glossary;
- The information in the report is available to stakeholders, including those with particular accessibility needs, such as differing abilities, language, or technology.

<COMMENT_00_04>

Comments on Principle #5:

<COMMENT_00_05>
More guidance and meat in narration on each principle would be helpful. Reference can be made to GRI Sustainability Reporting Standards.
<COMMENT_00_05>

SECTION 1: FUNDAMENTAL REQUIREMENTS AND RECOMMENDATIONS

General comments on Section 1:

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Comments on Provision 1.A.1:

<COMMENT_01A01>
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<COMMENT_01A01>

Comments on Provision 1.A.2:

<COMMENT_01A02>

1. How will this standard be integrated alongside reporting of other relevant local/international regulatory regime?
2. How will disclosure for investment products be integrated with disclosures for overall investment portfolio?
3. How will this product disclosure be different from a product disclosure statement (PDS)? Will it be integrated into a PDS or issued as a separate disclosure statement? If it were to be issued separately, how will this benefit investors?

<COMMENT_01A02>

Comments on Provision 1.A.3:

<COMMENT_01A03>

1. What is the expectation for disclosure of each investment product? Given the volume of investment products that may make up into an investment portfolio, are these investment product disclosures expected to be included in investment portfolio disclosures? (link to item 2 in comment above).

<COMMENT_01A03>

Comments on Provision 1.A.4:

<COMMENT_01A04>
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Comments on Provision 1.A.5:

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Comments on Provision 1.A.6:

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Comments on Provision 1.A.7:

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Comments on Provision 1.A.8:

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Comments on Provision 1.A.19:

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Comments on Provision 1.B.1:

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Comments on Provision 1.B.2:

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SECTION 2: GENERAL INFORMATION

General comments on Section 2:

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Comments on Provision 2.A.1:

<COMMENT_02A01>
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Comments on Provision 2.A.2:

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Comments on Provision 2.A.3:

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Comments on Provision 2.A.4:

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Comments on Provision 2.A.5:

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Comments on Provision 2.A.6:

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Comments on Provision 2.A.7:

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Comments on Provision 2.A.8:

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Comments on Provision 2.B.1:

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SECTION 3: OBJECTIVES

General comments on Section 3:

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Comments on Provision 3.A.1:

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Comments on Provision 3.B.1:

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SECTION 4: BENCHMARKS

General comments on Section 4:

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Comments on Provision 4.A.3:

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SECTION 5: SOURCES AND TYPES OF ESG INFORMATION

General comments on Section 5:

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Comments on Provision 5.A.2:

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SECTION 6: ESG EXCLUSIONS

General comments on Section 6:

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Comments on Provision 6.A.1:

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1. Unclear on this requirement:
   Statement on page 35 "*The investment manager does not have to state that the investment product has exclusions, but it must apply the provisions in Section 6 when preparing a compliant presentation for the investment product*."
   Question: The earlier part of 6.A.1, it states that the '*investment product's compliant presentation must include a description of all exclusion criteria that are based on ESG information or ESG issues.'*, however at the bottom part of the section it states that it is not required to state that the investment product has exclusions. These statements appear to be contradictory.
2. What does it mean by "*Portfolio-level criteria are not exclusions"* (page 35)?
   How is this differentiated from exclusions? Suggest to provide clear examples.
   Does this mean the exclusion criteria is only applicable to product features?

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Comments on Provision 6.A.2:

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Comments on Provision 6.A.3:

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Comments on Provision 6.A.4:

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SECTION 7: ESG INFORMATION IN FINANCIAL ANALYSIS AND VALUATION

General comments on Section 7:

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Comments on Provision 7.A.1:

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Comments on Provision 7.A.3:

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Comments on Provision 7.A.4:

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SECTION 8: PORTFOLIO-LEVEL ESG CRITERIA AND CHARACTERISTICS

General comments on Section 8:

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Comments on Provision 8.B.1:

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SECTION 9: PROCESS TO ACHIEVE IMPACT OBJECTIVE

General comments on Section 9:

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Comments on Provision 9.A.1:

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Comments on Provision 9.A.5:

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Comments on Provision 9.B.1:

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1. Unclear on what this means:
   "*If the investment product has an impact objective, the investment product's compliant presentation should include instructions for how an investor can obtain, if such exists, the* ***most recent report*** *describing the progress toward the achievement of the impact objective over a period of time".*

What does ‘the most recent report’ refer to? Is this referring to the compliant presentation disclosure report itself, or another type of report?

What other type of reports may provide the latest progress update on achievement of impact objective other than the compliant presentation disclosure itself? Suggest to specify or provide examples.

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SECTION 10: STEWARDSHIP

General comments on Section 10:

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Comments on Provision 10.B.1:

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GLOSSARY

General comments on Glossary:

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Comments on **BENCHMARK**:

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Comments on **COMPLIANT PRESENTATION**:

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Comments on **ESG INFORMATION**:

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Comments on **ESG ISSUE**:

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Comments on **EXCLUSION**:

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Comments on **FINANCIAL OBJECTIVE**:

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Comments on **IMPACT OBJECTIVE**:

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Comments on **INVESTMENT MANAGER**:

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Comments on **INVESTMENT PRODUCT**:

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Comments on **STEWARDSHIP**:

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Comments on **STEWARDSHIP ACTIVITY**:

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GENERAL COMMENTS

General comments on Exposure Draft:

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