

**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>	Cascade Investment Compliance and Verification
<b>Stakeholder Group:</b> <i>(Please select the stakeholder group with which you most closely identify.)</i>	Service Provider
<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 of America
<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>

Yes. We agree with the disclosure provisions.

<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>

The draft provisions are supportive of and complementary of local laws and regulations.

<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>

<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>

<QUESTION\_01\_04>

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

<QUESTION\_01\_05>

We agree with the flexibility of providing samples rather than a template. We suggest the name of these presentations be something other than "compliant presentations" because that has been what GIPS compliant firms have used to reference GIPS Reports for more than a decade. We believe repurposing the term so soon could create confusion for firms that are compliant with both standards. Perhaps ESG Reports?<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>  
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>  
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<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:

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Comments on Principle #1:

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Comments on Principle #2:

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Comments on Principle #3:

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Comments on Principle #4:

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Comments on Principle #5:

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## SECTION 1: FUNDAMENTAL REQUIREMENTS AND RECOMMENDATIONS

General comments on Section 1:

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Comments on Provision 1.A.1:

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Comments on Provision 1.A.2:

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Comments on Provision 1.A.3:

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Comments on Provision 1.A.4:

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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:

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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.A.2:

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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.1:

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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.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.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.A.1:

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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.3:

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Comments on Provision 9.A.4:

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Comments on Provision 9.A.5:

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Comments on Provision 9.B.1:

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## SECTION 10: STEWARDSHIP

General comments on Section 10:

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Comments on Provision 10.A.2:

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Comments on Provision 10.A.3:

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Comments on Provision 10.A.4:

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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**:

<COMMENT\_11A01>  
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<COMMENT\_11A01>

Comments on **COMPLIANT PRESENTATION**:

<COMMENT\_11A02>  
We believe that the term Compliant Presentation could be confusing since the term was used recently in the GIPS Standards. We recommend changing the term Compliant Presentation to ESG Report (or another distinguished term) to better differentiate the different types of reports that an advisor would have to provide to prospects.  
<COMMENT\_11A02>

Comments on **ESG INFORMATION**:

<COMMENT\_11A03>  
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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 **INVESTOR:**

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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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