

**PRESS RELEASE**

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**CFA Institute Launches Global ESG Disclosure Standards**

*Standards mark the first global standards for ESG disclosure on investment products*

**[SYDNEY, AUSTRALIA] 3 November 2021:** CFA Institute, the global association of investment professionals, has released its [Global ESG Disclosure Standards for Investment Products](#) (“the Standards”), designed to enable investors, consultants, advisors, and distributors to better understand, compare, and evaluate ESG investment products.

The release of the new voluntary Standards follows a worldwide industry consultation to create Standards that are based on the principles of fair representation and full disclosure of environmental, social, and governance (ESG) issues within the objectives, investment process, and stewardship activities of investment products. The Standards apply to all types of investment vehicles, asset classes, and ESG approaches, and aim to support investors with information that is complete, reliable, consistent, clear, and accessible.

**Margaret Franklin, CFA, President and CEO, CFA Institute,** said the new Standards will help investors to better understand and compare ESG products. “We’re proud to release the first edition of the Standards after a multi-stage development process to ensure the result is additive, has impact, and is meaningful to the industry. The complexities of the ESG investing landscape remain vast,” Franklin said.

“We must identify ways to mitigate greenwashing and preserve the integrity of the information being shared about ESG investment products to make them more understandable and comparable to the end investor. The release of the Standards marks an important step in the broader efforts to make that a reality.”

**Lisa Carroll, CEO of CFA Societies Australia,** said the Standards, and the transparency they bring, have been welcomed by the Australian investment community given the increasing importance of ESG in asset management.

“A uniform global standard applying to disclosure on ESG-related products can help consumers make more informed investment decisions. Currently, there are differing regulations across markets on ESG matters. These standards are a critical step towards developing a harmonised, global approach to enable investor protection. The Standards meet these needs on a global scale, by facilitating important disclosures that will drive greater communication between the buyers of ESG-related investment products and product providers.

“Importantly, the Standards will help to curb ‘greenwashing,’ where product providers make questionable claims about the environmental soundness of investments products,” Carroll said.

In August 2020, CFA Institute published an initial Consultation Paper seeking industry, regulatory, and public comment on the proposed scope, structure, and design principles for the Standards. In May 2021, CFA Institute released an Exposure Draft of the Standards. Two rounds of public

consultation informed the first edition of the Standards, which have been jointly approved by CFA Institute and its ESG Technical Committee, chaired by Bruno Bertocci, Managing Director, Head of Sustainability in Active Equities, UBS Asset Management, United States. Industry leaders who have volunteered to serve on the CFA Institute ESG Technical Committee, ESG Verification Subcommittee, and ESG Working Group have also been instrumental in the development of the Standards.

To view the Global ESG Standards for Investment Products, including sample ESG Disclosure Statements, visit: [here](#).

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#### **Notes to Editors**

Materials concerning the development of the Global ESG Disclosure Standards for Investment Products, including the Consultation Paper, Exposure Draft and Comment Letters, are available [here](#).

Additional materials to be released in early 2022 include procedures for independent assurance of investment product ESG disclosures, a handbook that explains the provides interpretative guidance, and an optional template for ESG Disclosure Statements to facilitate easier comparison between products.

The Global ESG Disclosure Standards for Investment Products Standards do not address:

- corporate ESG reporting
- firm-level ESG disclosures (with an exception related to stewardship activities)
- naming, labelling, or rating of investment products, or
- the content of investment products' periodic reports

#### **About CFA Institute**

CFA Institute is the global association of investment professionals that sets the standard for professional excellence and credentials. The organization is a champion of ethical behavior in investment markets and a respected source of knowledge in the global financial community. Our aim is to create an environment where investors' interests come first, markets function at their best, and economies grow. There are more than 175,000 CFA® charterholders worldwide in more than 160 markets. CFA Institute has nine offices worldwide and 160 local societies. For more information, visit [www.cfainstitute.org](http://www.cfainstitute.org) or follow us on LinkedIn and Twitter at [@CFAINstitute](#).

#### **About CFA Societies Australia**

CFA Societies Australia is part of the worldwide network of CFA Institute member societies that lead the investment profession globally by promoting the highest standards of ethics, education and professional excellence for the ultimate benefit of society. CFA Societies Australia represents the interests of over 3000 investment professionals through advocacy, education, events, and professional development. For more information visit [www.cfas.org.au](http://www.cfas.org.au), or follow us on Twitter at [@CFASocietiesAus](#), Facebook at [facebook.com/CFASocietiesAus](https://facebook.com/CFASocietiesAus) or on LinkedIn.