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European Securities and Markets Authority
201-203 rue de Bercy
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Submitted via web-portal

1 September 2020

Dear Sir or Madam,

AIMA-MFA Response to the European Supervisory Authorities' consultation on the Sustainable Finance Disclosure Regulation's draft regulatory technical standards.

The Alternative Investment Management Association Limited (AIMA)[1] and the Managed Funds Association[2] (together 'the Associations') appreciate the opportunity to provide feedback to the European Supervisory Authorities ('ESAs') regarding the draft regulatory technical standards relating to Regulation 2019/2088 (the Sustainable Finance Disclosure Regulation ('SFDR')) (the 'draft RTS').

AIMA and MFA have been actively engaging on the topic of sustainable finance with the European Commission and European policymakers to contribute to the development of an effective and impactful sustainable finance environment. Our engagement seeks to ensure that investors and

[1] AIMA, the Alternative Investment Management Association (AIMA) is the global representative of the alternative investment industry, with around 2,000 corporate members in over 60 countries. AIMA's fund manager members collectively manage more than $2 trillion in hedge fund and private credit assets. AIMA draws upon the expertise and diversity of its membership to provide leadership in industry initiatives such as advocacy, policy and regulatory engagement, educational programmes and sound practice guides. AIMA works to raise media and public awareness of the value of the industry. AIMA set up the Alternative Credit Council (ACC) to help firms focused in the private credit and direct lending space. The ACC currently represents over 170 members that manage $400 billion of private credit assets globally. AIMA is committed to developing skills and education standards and is a co-founder of the Chartered Alternative Investment Analyst designation (CAIA) – the first and only specialised educational standard for alternative investment specialists. AIMA is governed by its Council (Board of Directors). For further information, please visit AIMA's website, www.aima.org.

[2] The Managed Funds Association (MFA) represents the global alternative investment industry and its investors by advocating for sound industry practices and public policies that foster efficient, transparent, and fair capital markets. MFA, based in Washington, DC, is an advocacy, education, and communications organization established to enable hedge fund and managed futures firms in the alternative investment industry to participate in public policy discourse, share best practices and learn from peers, and communicate the industry's contributions to the global economy. MFA members help pension plans, university endowments, charitable organizations, qualified individuals and other institutional investors to diversify their investments, manage risk, and generate attractive returns over time. MFA has cultivated a global membership and actively engages with regulators and policy makers in Asia, Europe, North and South America, and many other regions where MFA members are market participants.

financial markets participants ('FMPs') have the necessary tools and data to fulfil their obligations and service their ultimate beneficiaries, and that any regulatory action takes into account the diverse nature of asset management activities.

Our main comments on the draft RTS are the following:

- **Proportionality**: We note, in the draft RTS, the absence of wording related to proportionality considerations regarding the size, nature and complexity of activities of FMPs, despite this principle being recognised in Article 4(1)(a) of the SFDR. We note that the disclosure requirements proposed by these draft RTS seem to go further that what is required in the level 1 and would be very onerous for most asset managers, in particular medium or small FMPs, especially those which are keen to opt-in for the disclosure of principal adverse impacts ('PAI'). We recommend that PAI disclosure requirements for FMPs who choose to opt-in (i.e. those with less than 500 employees) be applied taking into account proportionality considerations, together with considerations on the materiality of the proposed PAI indicators (see below). The binary choice offered by the draft RTS, which is to go from no PAI considerations to a full disclosure of 32 indicators, does not offer a transition path for asset managers wishing to start considering and engaging on such externalities with their investee companies. If the ESA's goal is to encourage more analysis and disclosure of ESG risks and factors by asset managers, then applying the allowed proportionality and establishing an initial entry point may be more effective. The proposed approach may actively discourage FMPs from engaging in ESG analysis and disclosure. In addition, we urge the ESAs to take into account the broad array of investment strategies utilised by asset managers when framing disclosure obligations and to recognise that there is no one size fits all approach. For example, it is often difficult for private debt funds to perform ESG reviews of private companies because the information might not be available when a private loan is purchased in the secondary market and when the fund does not have a direct relationship with the borrower. These considerations should be taken into account in developing a proportionate approach.

- **Timeline:** As already stated in previous communications with the European Commission, the timeline between the adoption of the final report from the ESAs with the draft RTS (now expected for end of January 2021) and the SFDR application date (10 March 2021) will be extremely short. We welcomed the longer period for consultation granted by the ESAs due to the pandemic and fully support the request made by the ESAs to the European Commission to re-visit the application deadline of the SFDR. The extremely challenging timeline risks FMPs producing poor quality disclosures and undermines the goals of the rules.

- **Heterogeneity of investment strategies**: Many AIMA and MFA members are fund managers involved in liquid alternative strategies which use derivatives and/or short selling in their investment process. We welcome considerations related to derivative instruments in the disclosure related to Article 8 and 9 products. As the consideration of sustainable factors in derivative instruments is a nascent trend, we welcome high-level requirements at this stage in the draft RTS and we stand ready to share expertise and views with the ESAs on how to most efficiently combine sustainability considerations and the use of derivatives. One element on which we would seek a discussion is the consideration of PAI for short positions. For fund managers, short selling can be used as a trading strategy when they believe that a financial

instrument is overpriced. Therefore, short selling is one way for a fund manager to express the view that the market has not sufficiently priced in a company's risks related to sustainability or not adequately incorporated ESG factors. In this way, short selling is a helpful tool for fund managers when considering ESG in their investment process and helps improve market transparency and price discovery with respect to ESG impacts on companies. We would therefore welcome more clarity on how our members should consider PAI of corporates on which they hold a short position. We also would welcome guidance on how managers should determine the "current value" of their investments when they have both long and short positions. Given short selling can be a method for managing sustainability risk, we encourage further consideration on the manner in which short positions are measured with respect to PAI.

Furthermore, we support the suggestion to include a separate section on information on how the use of derivatives meets each of the environmental or social characteristics or sustainable investment objectives promoted by the financial product, under Articles 19 and 28 of the RTS, as suggested by the International Swaps and Derivatives Association (ISDA). Indeed, the requirements for the graphical and narrative explanations of the investment proportions under Articles 15(2) and 24(2) appear to have been drafted with direct investments in equities or debt instruments in mind. While derivatives may be used to obtain an exposure to these instruments (and so a derivative could be included in a graphical representation in the same way as these instruments), this will not always be the case and requiring all derivatives that may be used in structuring a particular product to be represented in the same way seems likely to lead to confusion for investors.

- **Materiality of adverse impact indicators**: PAI indicators should only be taken into account depending on the sector of the company. Our view is that PAI indicators such as those listed in Table 1 of the draft RTS should be reported only where relevant and material to the activities of the company. Should some indicators be mandatorily reported, then we would recommend limiting the list to a few key indicators. Some of the indicators required are often not provided or not easily accessible by investee companies (see comments in the Table in Annex), and any reporting requirements should take this into account, especially where the indicators are not material.

  In addition, the requirements imposed by Article 7(1)(c) of the RTS, which require FMPs to disclose "a description of the methodologies to assess each principal adverse impact", seem fairly onerous when the disclosure that results from complying with this requirement is potentially unlikely to be accessible to the average end investor. It is difficult to envisage how information regarding each indicator, and for each of them, "the probability of occurrence, the severity of adverse impacts" and their "potentially irremediable character" can be provided for the 32+2 PAI metrics reported at the FMP's entity level, as each of these metrics cover many different activities, sectors and companies in which the FMP's various financial products might be invested in. For example, producing reader-friendly and meaningful information at the firm level on the "probability of occurrence" "of "untreated water discharge" for a myriad of companies to which a FMP's financial products will be exposed would likely be very burdensome and not necessarily helpful to the investor. As a result, the inclusion of this information could undermine the objective of producing user-friendly and comparable

documentation. We would therefore suggest limitations around the details being requested (beyond the reduction of the 32 mandatory indicators). We also encourage the ESAs to clarify that an FMP can provide a link to the relevant information in the adverse impact statement to keep the statement more manageable. Our proposed amendment to Article 7 (1)(c) is therefore the following:

> “(c) a **brief** description of the methodologies **used in the assessment process** to assess each principal adverse impact and, in particular, how those methodologies take into account the probability of occurrence and severity of adverse impacts, including their potentially irremediable character;“

- **Data**: For many indicators high quality, comparable, and reliable data is simply not available. We welcome the recognition by the ESAs of this issue and notably Article 7(2) of the draft RTS which reflects this. With this in mind, a “best efforts” standard, as referred to in Article 7(2), for gathering ESG data on portfolio companies would have significant implications for resources and costs, particularly for funds with a large number of investments. We would therefore encourage a “reasonable efforts” standard.

  We also believe it is important that an FMP can meet a “reasonable efforts” standard through various means, including through the use of third-party providers. Databases providing ESG-related information can be an important source of data, compared to each investor reaching out independently for confirmation of certain points by the portfolio company (particularly with listed companies outside of the EU). Such data providers may also be used by FMPs because they may build in a verification function. We therefore do not recommend requiring FMPs to have to obtain the information independently before making use of a third-party provider and suggest the following amendments:

  > “(2) where, despite best **reasonable** efforts **and taking into consideration the principles of materiality and proportionality**, the information cannot be obtained directly from investee companies, the best **reasonable** efforts used to assess the adverse impacts, including a description of any reasonable assumptions used, additional research carried out, cooperation with third party data providers or use of external expert”.

- **Differentiation between Article 7 and 8 products:** Some fund managers utilise exclusionary screens to omit or create fund “side pockets”[3] for certain sectors (such as controversial weapons or tobacco) to accommodate the specific preferences of investors, rather than as a core part of a fund’s investment strategy. These negative screens are an important tool for meeting individual investor preferences, but alone they typically do not signify that the financial product is promoting an environmental or social characteristic (as per Article 8 of the SFDR), even if such screening policy is disclosed in mandatory investors’ disclosure. We understand this is not the spirit of SFDR’s Article 8 products. As such, we would recommend amending Recital 21 of the draft RTS:

[3] A fund may use a side pocket to allocate specific investments only to certain investors. In this way, individual investor preferences can be accommodated within a pooled fund where most investments are allocated among all investors.

> "Financial products with environmental or social characteristics should be considered to be promoting, among other characteristics, environmental or social characteristics, or a combination thereof, when information provided to clients**,** in marketing communications **or in mandatory investor disclosures** or as part of a process of automatic enrolment in an IORP, **clearly promotes and** references sustainability factors that are taken in consideration when allocating the capital invested of the product."

- **Reference to EU concepts**: Many concepts that will have to be disclosed to investors by FMPs according to the draft RTS refer to EU definitions, but might have another meaning for non-EU investors. We would therefore recommend clarifying that the use of prescribed expressions such as "no consideration of principal adverse impacts" or "no sustainable investment objectives" in Article 11 and 16 of the draft RTS should explicitly state that such expressions refer to the EU definitions of these concepts. As such, the Article 11 disclaimer should read as:

  > "no consideration of principal adverse impact **as referred to in Article 4(1) of the EU SFDR**" and the Article 16 disclaimer should refer to "no sustainable investment objective **with the meaning of Article (2)(17) of the EU SFDR**".

  Indeed, the concepts of "principal adverse impact" and "sustainable investment objective" could mean different impacts or objectives depending on the geographical or cultural origin of a fund's investor. Clarifying the meaning of these broad concepts would help EU FMPs in their marketing endeavours outside of the EU.

We hope our comments are helpful and we remain available for any further questions or comments you might have. For further information please contact Marie-Adelaide de Nicolay, Head of Brussels Office (madenicolay@aima.org) or Ben Allensworth, Managing Director and Counsel, Tax and Finance (ballensworth@managedfunds.org).

Yours faithfully,

/s/ Jiří Król

Jiří Król
Deputy CEO
Global Head of Government Affairs

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Managed Funds Association

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Annex

Question 1: Do you agree with the approach proposed in Chapter II and Annex I – where the indicators in Table 1 always lead to principal adverse impacts irrespective of the value of the metrics, requiring consistent disclosure, and the indicators in Table 2 and 3 are subject to an "opt- in" regime for disclosure?

While some of the indicators in Table 1 can automatically lead to PAI irrespective of the value of the metrics, we believe many of the metrics are not automatically indicators of principal adverse impacts. For instance, not having a deforestation policy does not necessarily entail poor forestry management, especially if the relevant company has very little or no exposure to forestry. Similarly, some ratio metrics could actually be a positive indicator of sustainability when very low (such as the gender pay gap or the CEO/executive pay ratio), and would therefore not be indicators of adverse impacts. We have commented on a few other indicators in the Table below.

Question 2: Does the approach laid out in Chapter II and Annex I, take sufficiently into account the size, nature, and scale of financial market participants activities and the type of products they make available?

We believe that the approach to the disclosure of PAI does not sufficiently take into account proportionality considerations. The binary choice offered by the draft RTS which is to go from no PAI considerations, to a full disclosure of 32 indicators, does not offer a transition path for many smaller asset managers wishing to start considering and engaging on such factors with their investee companies.

Question 3: If you do not agree with the approach in Chapter II and Annex I, is there another way to ensure sufficiently comparable disclosure against key indicators?

We recommend that PAI disclosure requirements for FMP who choose to opt-in (i.e. those with less than 500 employees) be applied taking into account proportionality considerations, together with considerations on the materiality of the proposed PAI indicators (see below).

Question 4: Do you have any views on the reporting template provided in Table 1 of Annex I?

Question 5: Do you agree with the indicators? Would you recommend any other indicators? Do you see merit in including forward-looking indicators such as emission reduction pathways, or scope 4 emissions (saving other companies´ GHG emissions)?

We do not have strong views on this matter but in the absence of disclosure of such data by investee companies, forward-looking indicators will be difficult to integrate by asset managers in their disclosures.

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Question 6: In addition to the proposed indicators on carbon emissions in Annex I, do you see merit in also requesting a) a relative measure of carbon emissions relative to the EU 2030 climate and energy framework target and b) a relative measure of carbon emissions relative to the prevailing carbon price?

While some of our members see some merit in adding these indicators, they are still very much dependent on the investee company disclosure.

Question 7: The ESAs saw merit in requiring measurement of both (1) the share of the investments in companies without a particular issue required by the indicator and (2) the share of all companies in the investments without that issue. Do you have any feedback on this proposal?

Question 8: Would you see merit in including more advanced indicators or metrics to allow financial market participants to capture activities by investee companies to reduce GHG emissions? If yes, how would such advanced metrics capture adverse impacts?

Question 9: Do you agree with the goal of trying to deliver indicators for social and employee matters, respect for human rights, anti-corruption and anti-bribery matters at the same time as the environmental indicators?

Yes. We believe however that the social indicators provided in Table 1 are not all necessarily resulting in adverse impact and so would not make them mandatory (see more detailed comments in the Table 1 below).

Question 10: Do you agree with the proposal that financial market participants should provide a historical comparison of principal adverse impact disclosures up to ten years? If not, what timespan would you suggest?

We do not have a view on the duration of the timespan but would recommend that if a 10 years historical comparison is required, this should be required only for material indicators. The extra-resources engaged to provide a historical comparison should indeed be justified by the materiality of the relevant indicators.

Question 11: Are there any ways to discourage potential "window dressing" techniques in the principal adverse impact reporting? Should the ESAs consider harmonising the methodology and timing of reporting across the reference period, e.g. on what dates the composition of investments must be taken into account? If not, what alternative would you suggest to curtail window dressing techniques?

Question 15: Do you agree with the balance of information between pre-contractual and website information requirements? Apart from the items listed under Questions 25 and 26, is there anything you would add or subtract from these proposals?

Question 16: Do you think the differences between Article 8 and Article 9 products are sufficiently well captured by the proposed provisions? If not, please suggest how the disclosures could be further distinguished.

Question 17: Do the graphical and narrative descriptions of investment proportions capture indirect investments sufficiently?

Question 18: The draft RTS require in Article 15(2) that for Article 8 products graphical representations illustrate the proportion of investments screened against the environmental or social characteristics of the financial product. However, as characteristics can widely vary from product to product do you think using the same graphical representation for very different types of products could be misleading to end-investors? If yes, how should such graphic representation be adapted?

Question 19: Do you agree with always disclosing exposure to solid fossil-fuel sectors? Are there other sectors that should be captured in such a way, such as nuclear energy?

Question 20: Do the product disclosure rules take sufficient account of the differences between products, such as multi-option products or portfolio management products?

As a general principle, we would encourage product disclosure rules to take into account the differences between products tailored to professional investors and those tailored to retail investors. The institutional investors that allocate to our members' funds frequently engage with fund managers to discuss in detail the investor's sustainability preferences or objectives to ensure a fund's strategy is aligned with the investor's objectives. Professional investors will often have a unique set of preferences or objectives regarding sustainability, and unlike retail investors, they are able to engage directly with prospective or existing managers to ensure that the professional investor is investing in products that align with their ESG preferences. We would therefore recommend disclosure requirements for products targeted to professional investors not be overly standardized or rigid so that managers and their investors can tailor their discussions to meet investor expectations.

Question 21: While Article 8 SFDR suggests investee companies should have "good governance practices", Article 2(17) SFDR includes specific details for good governance practices for sustainable investment investee companies including "sound management structures, employee relations, remuneration of staff and tax compliance". Should the requirements in the RTS for good governance practices for Article 8 products also capture these elements, bearing in mind Article 8 products may not be undertaking sustainable investments?

Question 22: What are your views on the preliminary proposals on "do not significantly harm" principle disclosures in line with the new empowerment under the taxonomy regulation, which can be found in Recital (33), Articles 16(2), 25, 34(3), 35(3), 38 and 45 in the draft RTS?

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Question 23: Do you see merit in the ESAs defining widely used ESG investment strategies (such as best-in-class, best-in-universe, exclusions, etc.) and giving financial market participants an opportunity to disclose the use of such strategies, where relevant? If yes, how would you define such widely used strategies?

Question 24: Do you agree with the approach on the disclosure of financial products' top investments in periodic disclosures as currently set out in Articles 39 and 46 of the draft RTS?

Question 25: For each of the following four elements, please indicate whether you believe it is better to include the item in the pre-contractual or the website disclosures for financial products? Please explain your reasoning.

a) an indication of any commitment of a minimum reduction rate of the investments (sometimes referred to as the "investable universe") considered prior to the application of the investment strategy – in the draft RTS below it is in the pre-contractual disclosure Articles 17(b) and 26(b);

b) a short description of the policy to assess good governance practices of the investee companies – in the draft RTS below it is in pre-contractual disclosure Articles 17(c) and 26(c);

c) a description of the limitations to (1) methodologies and (2) data sources and how such limitations do not affect the attainment of any environmental or social characteristics or sustainable investment objective of the financial product – in the draft RTS below it is in the website disclosure under Article 34(1)(k) and Article 35(1)(k); and

d) a reference to whether data sources are external or internal and in what proportions – not currently reflected in the draft RTS but could complement the pre-contractual disclosures under Article 17.

Question 26: Is it better to include a separate section on information on how the use of derivatives meets each of the environmental or social characteristics or sustainable investment objectives promoted by the financial product, as in the below draft RTS under Article 19 and article 28, or would it be better to integrate this section with the graphical and narrative explanation of the investment proportions under Article 15(2) and 24(2)?

Annex II

Adverse sustainability indicator			
	CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS		**AIMA/MFA comments**
	1.Greenhouse gas emissions	1. Carbon emissions (broken down by scope 1, 2 and 3 carbon emissions - including agriculture, forestry and other land use (AFOLU) emissions - and in total)	"Scope 3' emissions—emissions created by a company's entire value chain—are not generally included in carbon footprints, since they tend to be difficult to obtain (especially those emissions created at several steps removed from the company in question). Gathering such data for all but the largest of corporations can be a challenge.
	2. Carbon footprint		
	3. Weighted average carbon intensity		
	4. Solid fossil fuel sector exposure	Share of investments in solid fossil fuel sectors	
	Energy performance		
	5. Total energy consumption from non-renewable sources and share of non-renewable energy consumption	1. Total energy consumption of investee companies from non-renewable energy sources (in GWh), expressed as a weighted average 2. Share of non-renewable energy consumption of investee companies	

		from non-renewable energy sources compared to renewable energy sources, expressed as a percentage	
	6. Breakdown of energy consumption by type of non- renewable sources of energy	Share of energy from non-renewable sources used by investee companies broken down by each non-renewable energy source	
	7. Energy consumption intensity	Energy consumption of investee companies per million EUR of revenue of those companies (in GWh), expressed as a weighted average	
	8. Energy consumption intensity per sector	Energy consumption intensity per million EUR of revenue of investee companies, per NACE sector (in GWh), expressed as a weighted average	
	Biodiversity		
	9. Biodiversity and ecosystem preservation practices	1. Share of all investments in investee companies that do not assess, monitor or control the pressures corresponding to the indirect and direct drivers of biodiversity and ecosystem change 2. Share of all investee companies that that do not assess, monitor or	Such monitoring should be related to the company's activity (-ies) only, and conducted only if relevant to the activity.

		control the pressures corresponding to the indirect and direct drivers of biodiversity and ecosystem change	
	10. Natural species and protected areas	1.Share of investments invested in investee companies whose operations affect IUCN Red List species and/or national conservation list species 2.Share of investments in investee companies with operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Same as above
	11. Deforestation	1. Share of investments in entities without a deforestation policy 2. Share of investee companies without a deforestation policy	Not having a deforestation policy does not necessarily entail poor forestry management for a company with little or no exposure to forestry
	Water		
	12. Water emissions	Weight in tonnes of water emissions generated by investee companies per million EUR invested, expressed	

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		as a weighted average	
	13. Exposure to areas of high water stress	1. Share of investments in investee companies with sites located in areas of high water stress 2. Share of investee companies with sites located in areas of high water stress	
	14. Untreated discharged waste water	Total amount in cubic meters of untreated waste water discharged by the investee companies expressed as a weighted average	
	Waste		
	15. Hazardous waste ratio	Weight in tonnes of hazardous waste generated by investee companies per million EUR invested, expressed as a weighted average Weight in tonnes of non- recycled waste generated by investee companies per million EUR invested, expressed as a weighted average	
	16. Non-recycled waste ratio		
SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS			
	Social and employee matters		

	17. Implementation of fundamental ILO Conventions	1. Share of investments in entities without due diligence policies on issues addressed by the fundamental ILO Conventions 1 to 8 2. Share of investee companies without due diligence policies on issues addressed by the fundamental ILO Conventions 1 to 8	
	18. Gender pay gap	Average gender pay gap of investee companies	
	19. Excessive CEO pay ratio	Average ratio within investee companies of the annual total compensation for the highest compensated individual to the median annual total compensation for all employees (excluding the highest-compensated individual)	The CEO pay ratio might be low and therefore be a positive indicator, rather than adverse
	20. Board gender diversity	Average ratio of female to male board members in investee companies	
	21. Insufficient whistleblower protection	1. Share of investments in entities without policies on the protection of whistleblowers 2. Share of investee companies without	

		policies on the protection of whistleblowers	
	22. Investment in investee companies without workplace accident prevention policies	1. Share of investments in investee companies without a workplace accident prevention policy 2. Share of investee companies without a workplace accident prevention policy	
	Human rights		
	23. Human rights policy	1. Share of investments in entities without a human rights policy 2. Share of investee companies without a human rights policy	Not having a human rights policy does not necessarily entail poor treatment of the company's stakeholders, especially in SMEs.
	24. Due diligence	1. Share of investments in entities without a due diligence process to identify, prevent, mitigate and address adverse human rights impacts 2. Share of investee companies without a due diligence process to identify, prevent, mitigate and address adverse human rights impacts	Same comment as above (23)
	25. Processes and measures for preventing trafficking in human beings	1. Share of investments in investee companies without policies	Same comment as above (23)

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		against trafficking in human beings 2. Share of all investments exposed to entities without international framework agreements combating trafficking in human beings	
	26. Operations and suppliers at significant risk of incidents of child labour	2. Share of investee companies exposed to operations and suppliers at significant risk for incidents of child labour exposed to hazardous work in terms of geographic areas or type of operation	
	27. Operations and suppliers at significant risk of incidents of forced or compulsory labour	1. Share of the investments in investee companies exposed to operations and suppliers at significant risk of incidents of forced or compulsory labour in terms in terms of geographic areas and/or the type of operation 2. Share of investee companies exposed to operations and suppliers at significant risk of incidents of forced or compulsory labour in terms in	

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		terms of geographic areas and/or the type of operation	
	28. Number and nature of identified cases of severe human rights issues and incidents	Number and nature of cases of severe human rights issues and incidents connected to investee companies	
	29. Exposure to controversial weapons (land mines and cluster bombs)	Any investment in entities involved in the manufacture or selling of controversial weapons (land mines and cluster bombs)	
	Anti- corruption and anti-bribery		
	30. Anti-corruption and anti-bribery policies	1. Share of investments in entities without policies on anti-corruption and anti-bribery consistent with the United Nations Convention against Corruption 2. Share of investee companies without policies on anti-corruption and bribery consistent with the United Nations Convention against Corruption	
	31. Cases of insufficient action taken to address breaches of standards of anti-corruption and anti- bribery	1. Share of investments in investee companies with identified insufficiencies in actions taken to address breaches in procedures and standards of anti-	How should such inefficiencies be assessed, what do they cover, who will assess them?

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		corruption and anti-bribery 2. Share of investee companies with insufficiencies in actions taken to address breaches in procedures and standards of anti-corruption and anti-bribery	
	32. Number of convictions and amount of fines for violation of anti-corruption and anti-bribery laws	Numbers of convictions and amount of fines for violations of anti-corruption and anti-bribery laws by investee companies	