The following form organizes investor comments to the World Federation of Exchanges’ (WFE) recently launched **Exchange Guidance & Recommendations** (referred to here as WFE Guidance), issued by its Sustainability Working Group of 22 stock exchanges. In order to provide useful commentary to the WFE on this guidance for listed companies, and how the guidance can drive improvements in the quality and consistency of sustainability reporting, Ceres is overseeing an institutional investor consultation on the WFE Guidance. Please use this form when possible to provide feedback. We also accept comments in the Excel spreadsheet attached to this consultation, if that is more feasible.

**Please submit comments to:** **Sophia Showalter,** [**showalter@ceres.org**](mailto:showalter@ceres.org)**.** Ceres accepts text, Word or PDF comments, as well as edits to the Excel file.To discuss the WFE guidance before submitting your comments, please contact Tracey Rembert at [rembert@ceres.org](mailto:rembert@ceres.org) or +1-617-247-0700 x 106.

The Consultation Questions below are organized to elicit feedback on specific and general aspects of the WFE’s Guidance. The Guidance includes a table of 33 Key Performance Indicators (KPI) on sustainability matters, and a separate table of dozens of ESG (Environmental, Social & Governance) reporting recommendations for both exchanges and companies. The WFE Guidance is three pages in total. The two-page table of recommendations follows the order of principles (column B) mentioned in another set of guidance--the [*UN Model Guidance on Reporting ESG Information to Investors*](http://www.sseinitiative.org/wp-content/uploads/2015/09/SSE-Model-Guidance-on-Reporting-ESG.pdf), which launched in September 2015, and which instructs exchanges on how to better communicate with companies on ESG reporting expectations.

**DEADLINE for comments**: March 25, 2016.

The WFE Guidance, in Excel form, is attached to the consultation email. Each KPI and Recommendation is numbered, to easily reference it in your comments.

**World Federation of Exchanges’ ESG Reporting Guidance**

**Investor Comment Period**

**Deadline: March 25, 2016**

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**Section 1: CONTACT INFORMATION**

**Name:**

**Organization/Company:**

**Title:**

**Phone Number with Country Code:**

**Email:**

**Do you want to keep your comments confidential, and your identifying information redacted (Y/N)?**

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**Section 2: BASIC QUESTIONS ON THE WFE GUIDANCE**

**Q1.** The WFE has issued guidance in two parts--a list of 33 KPIs, and a table of broader recommendations for exchanges, and for listed companies. At a high level, which aspects of the guidance seem most important to you?

**Q2.** Are the number of recommendations and KPIs too much to incorporate into guidance at one time (Y/N)? How might the WFE better organize the two types of guidance to be more digestible by companies?

**Q3.** What are the two biggest deficiencies, in your opinion, in the Guidance?

**Q4.** The WFE did not have a stance on the definition of *materiality* (leaving it up to each individual exchange and the company to define). Do you agree with this strategy? Why or why not?

**Q5.** The WFE did not recommend a specific reporting framework be used by companies for overall sustainability reporting (though it does recommend certain frameworks for specific aspects of reporting). Do you agree with this strategy? Why or why not?

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**Section 3: QUESTIONS ON THE KPIs**

**Q6.** Which KPIs are most critical on this list to you?

**Q7.** Which KPI *Metrics* need more clarification or rewording in the *Measurement* description to be more useful to you?

**Q8.** Several of the KPIs ask “yes or no” questions, and do not stipulate a company to link to the policy or disclosure referred to. Feedback from investors so far has been strongly supportive of companies linking to the policies/initiatives in question. Do you agree?

**Q9.** The KPIs, while covering a few aspects of governance, do not cover board oversight and accountability of sustainability matters. Do you believe such KPIs should be added? If so, please suggest possible indicators.

**Q10.** While the Recommendations mention stakeholder engagement, the KPIs do not cover the issue. Should that topic be added to the KPIs? If so, please suggest a possible indicator.

**Q11.** In 2013-2014, investors highlighted 10 issues (in a Ceres-led consultation) they felt KPIs should be developed for, by stock exchanges, to give companies more clarity on reporting. Two issues--**Communities and Community Relations** (indigenous peoples impacts, community engagement, economic development) and **Product and Service Impact and Integrity** (recalls, data breaches, product safety, life cycle issues) were not covered by the KPIs. Is it critical for those two issues to be incorporated (Y/N)? If so, why?

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**Section 4: QUESTIONS ON THE TABLE OF RECOMMENDATIONS**

**I. RECOMMENDATIONS FOR EXCHANGES**

**Q12.** The investor consultation on ESG reporting, led by Ceres in 2013-2014, clearly highlighted the need for more robust discussion by companies on their ESG materiality process, and the outcomes thereof. The WFE list of recommendations, while mentioning this topic (#46), does not prioritize the materiality assessment within companies over other recommendations or indicators. Did the WFE cover this issue adequately in your opinion, or should it be made more explicit in the KPIs or Recommendations?

**II. RECOMMENDATIONS FOR LISTED COMPANIES**

**Q13.** Are there any Company Recommendations that you disagree with? Please list Item # and describe why.

**Q14.** There are several recommendations to companies on stakeholder engagement. Is the Guidance missing anything on this critical issue?

**Q15.** What are your views on the recommendation for companies to have their data assured by a third party?

**Q16.** What 3-4 recommendations for companies are most critical for exchanges to ensure are accomplished?

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**Section 5: CONCLUDING THOUGHTS ON THE WFE GUIDANCE & ESG REPORTING**

**Q17.** The WFE Guidance is exactly that--voluntary guidance. Do you support exchanges creating mandatory listing rules on ESG reporting, or working with the securities regulator or government to do so--or is voluntary reporting guidance enough to create consistency and broad uptake by issuers?

**Q18.** Is there any other supporting material or documents you believe should be created by the WFE to assist companies in developing higher-quality reporting on ESG issues?

**Q19.** Should the guidance apply to small-cap companies? Why or why not?

**Q20.** Other comments, questions or criticisms you would like to add?