

Institutional Investment Mandates: Anchors for Long-term Performance





A Long-term Model for Investment Mandates

Asset owners—the cornerstones of the investment ecosystem—often have very long-term investment goals, such as funding liabilities, building an endowment for perpetuity or providing for subsequent generations.

For some of these asset owners, especially pension and retirement funds, these goals reflect the long-term needs of individual plan members who rely on these institutions to safeguard and build the savings which they will rely on down the road. Ensuring assets are managed in line with these long-term horizons is critical to achieving these goals. This presents a challenge, however, because assets are often managed by asset managers, distinct from the asset owners, and they may have different time horizons, incentives, and goals.

Among the most important elements in ensuring that institutional investor partnerships fulfill long-term objectives are the investment management contracts between asset owners and asset managers, the “mandates.” The terms and conditions embodied in these mandates constitute a mutual mechanism to align the asset managers’ behaviors with the asset owners’ objectives. These contracts define the relationships between asset owners and asset managers and play a crucial role in ensuring the success of these relationships over time.

Shaping these mandates with provisions specifically oriented towards long-term goals can help build stable, lasting investment partnerships and, if designed properly, improve long-term performance.

The mandate sets parameters of the investment relationship and defines the incentives that will guide the asset manager. In doing so, it builds the foundation on which successful, long-term asset owner–asset manager relationships rely. To take full advantage of this opportunity, well-designed mandates explicitly incorporate provisions that reflect long-term objectives. FCLTGlobal’s Long-term Model for Institutional Investment Mandates can provide a starting point for negotiations and help asset owners define mandates that are in line with their long-term investment goals.

Here are a few questions for institutional investors to ask as they negotiate these mandates:

Do the incentives built into the mandate support a long-term relationship?

For example, fees that decline with the longevity of the partnership rather than with the assets under management may provide owners incentives to be more patient through periods of underperformance.

Do the ongoing communications concentrate undue attention on short-term results?

Simple changes, such as emphasizing long-term returns in performance reports, highlighting annual (or multi-year) instead of quarterly performance, and defining a rebalancing policy, may counteract the impulse to overreact to short-term events.

Is the focus on leading or lagging indicators of performance?

Disclosure of changes in the firm or team, shifts in the investment process, and results measured by key performance indicators (KPIs) may provide an owner with more insight into future performance than current or past performance does.

Do the mandate terms reward long-term investing and mitigate the common “buy-high, sell-low” pattern of chasing performance?

It is tempting to invest in managers after strong performance and terminate them after poor performance, leading owners to chase rather than capture strong returns. Contracts that renew on a long-term calendar basis and place explicit caps on manager asset capacity can support a process driven by long-term factors instead of short-term performance.

FCLTGlobal is dedicated to rebalancing investment and business decision-making towards the long-term objectives of funding economic growth and creating future savings.

FCLTGlobal is a not-for-profit organization that works to encourage a longer-term focus in business and investment decision-making by developing practical tools and approaches to support long-term behaviors across the investment value chain. We take an active approach to achieving our goals by:

- Conducting research and developing practical ideas based on solid evidence
- Engaging the world’s top asset owners, asset managers, and corporations to problem-solve and test capital allocation approaches that create long-term value
- Developing educational resources and actionable approaches that are available and applicable globally
- Generating measurable change in capital markets behavior among savers, investors, corporations and other stakeholders

Focusing Capital on the Long Term began in 2013 as an initiative of the Canada Pension Plan Investment Board and McKinsey & Company, which together with BlackRock, The Dow Chemical Company, and Tata Sons founded FCLTGlobal in July 2016. In addition to our Founders, our Member organizations from across the investment value chain, including asset owners, asset managers and corporations, are committed to accomplish long-term tangible actions to lengthen the timeframe of capital allocation decisions.

FOUNDERS



MEMBERS



Members as of December 2017

This document, *Institutional Investment Mandates: Anchors for Long-term Performance*, benefited from the insights and advice of a global working group of senior asset owner and asset management staff drawn from FCLTGlobal's Founders and Members. This final document is our own, and the views expressed here do not necessarily represent the views of FCLTGlobal's Founders and Members. We are grateful for insight from all our project collaborators:

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Additionally, our research applies many concepts framed in others' research, particularly:

Lake, R., and W. Oulton. "Taking the Long View: A Toolkit for Long-Term, Sustainable Investment Mandates," University of Cambridge Institute for Sustainability Leadership—Investment Leaders Group, May 2016: <https://www.cisl.cam.ac.uk/publications/publication-pdfs/taking-the-long-view-ilg-mandates-report.pdf>.

"Long-Term Portfolio Guide," Focusing Capital on the Long Term, March 2015: [http://www.fcltglobal.org/docs/default-source/default-document-library/fclt_long-term-portfolio-guide-\(investing-for-the-future\).pdf?sfvrsn=2](http://www.fcltglobal.org/docs/default-source/default-document-library/fclt_long-term-portfolio-guide-(investing-for-the-future).pdf?sfvrsn=2).

"Long-Term Mandates: Discussion Paper," United Nations Principles for Responsible Investment, 2014: <https://www.unpri.org/group/long-term-mandates-discussion-paper-1054> (summary presentation).

"Model Contract Terms between Asset Owners and Managers," International Corporate Governance Network, March 2012: https://www.icgn.org/sites/default/files/ICGN_Model-Contract-Terms_2015.pdf.

"A Fairer Deal on Fees: Our Thoughts on Alignment of Manager Fees," Towers Watson, February 2008: <https://www.thinkingaheadinstitute.org/en/Library/Research-and-Ideas/A-Fairer-Deal-on-Fees>.

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FCLTGlobal's mission is to encourage longer-term capital allocation decisions. The relationship between the asset owner and the asset manager is vital to that long-term decision-making. Asset owners often have very long-term investment goals, such as funding liabilities many years into the future, building an endowment for perpetuity, providing for subsequent generations.

For some of these asset owners, especially pension and retirement funds, these goals reflect the long-term needs of individual plan members who depend on these institutions to safeguard and build the savings that they will rely on down the road. Ensuring assets are managed in line with these long-term horizons is critical to achieving these goals. This presents a challenge, however, because assets are often managed by asset managers that are distinct from asset owners and that may have different time horizons, incentives and goals.

Indeed, the relationship between asset owners and asset managers presents a classic time-horizon mismatch. The owner has a specific set of investment objectives that correspond to its stakeholders, liabilities, return goals and risk tolerance. The manager likely has a different set of stakeholders; the goals and internal incentives facing its portfolio managers and business leaders are likely to differ substantially from those of the asset owners whose capital it manages. Therein lies the challenge: how to ensure ongoing alignment of incentives and goals between two distinct institutions, often over a long period of time. Institutional investors' best tool in accomplishing this difficult goal is the investment mandate that governs these relationships and lays out the specific terms and parameters of their relationships.

FCLTGlobal anticipates that asset owners and managers will adapt these provisions to their own circumstances to encourage long-term behavior.

Many of these provisions are already in use in various forms today, and we would appreciate feedback on your experience in implementing these and other ideas at Research@FCLTGlobal.org.

FCLTGlobal's long-term model for institutional investment mandates responds to this challenge by providing a menu of ideas to help anchor these mandates to the long term. The asset owners and asset managers involved in the Focusing Capital on the Long Term initiative wrote in the *Long-Term Portfolio Guide* that the investment management contract is "a mutual mechanism to align the asset managers' behaviors with the objectives of the asset owner, not simply a legal contract." This project builds on that principle and offers a long-term model for investment contract terms, with the goal of providing a starting point for mandate negotiations that emphasize long-term provisions rather than short-term incentives that are all too common in today's investment contracts.

Translating long-term intentions and objectives into investment management mandates involves rethinking the primary provisions applicable to public equity investment strategies and the key performance indicators (KPIs) used to evaluate asset managers. Quarterly performance is an easy measuring stick to use, but it is unlikely to provide much information about underlying capabilities or future prospects over the duration of an investment mandate. The reasons that an owner chooses to invest with a manager can lead to the development of KPIs that may be monitored and discussed throughout the relationship, leading to a deeper understanding of the managers' strengths and weaknesses, and improving the likelihood of successful investment outcomes. While each investor will undoubtedly use different contract provisions and KPIs to fit their individual goals, and shorter-term provisions may be completely appropriate for shorter-term investment allocations, starting with a long-term mindset is more likely to lead to a mutually beneficial, long-term relationship.

Top Ten List For Long-term Mandates

The terms and conditions that asset managers and asset owners use can drive long-term or short-term behavior. Based on a series of working groups with leading asset owners and asset managers from around the world, we offer this list of questions to anchor investment mandate negotiations in a long-term direction:

1 FEES



Do the fees and fee structures reward a long-term focus? Discounts that increase to reward longevity may strengthen owners' commitment and give managers more flexibility to make long-term investments.

6 PERFORMANCE REPORT



How will the tables and commentary address long-term priorities and future prospects? Reporting could note long-term returns first and primarily comment on annual or longer performance.

2 BENCHMARK



To what extent does benchmark-relative return capture a specific strategy's performance? Are any other metrics as important, such as absolute return or engagements with portfolio companies?

7 DISCLOSURES



Does the manager conduct business in a way that is consistent with long-term investing? Disclosing personnel or process changes may offer better leading indicators of future performance than past returns do.

3 TERM



Does the contract encourage long-term commitment and protect against overreacting to short-term events? For instance, a three- to five-year contract term may set longer-term expectations than an at-will contract and still give the owner discretion to terminate, if necessary.

8 ACTIVE OWNERSHIP



Is part of this strategy to add value through activities beyond portfolio-specific decisions? These activities may include maintaining dialogue with portfolio companies and casting proxy votes strategically.

4 REDEMPTIONS



Is the asset manager able to commit to the long-term strategy while maintaining the liquidity needed to meet permissible redemptions? Would allowing in-kind redemptions help to strike this balance?

9 EVALUATION



Does the contract establish a plan for how the owner will evaluate the manager? For instance, scheduling regular evaluations may enable more open communication than watch-listing during periods of underperformance.

5 CAPACITY



Does the investment strategy have asset capacity limits? Noting capacity limits in the contract may instill discipline and mitigate the common buy-high, sell-low pattern of asset gathering following strong performance.

10 INTEGRATION



Are the contract terms complementary and supportive of long-term investing? In particular, does the owner's commitment to the manager enable the manager to commit capital according to the strategy?

Model for Long-term Contract Provisions

In the first matrix that follows, we provide a menu of choices for key mandate provisions: fees, benchmarks, contract terms, redemption policies, asset capacity, performance reporting requirements, disclosures, expectations for active ownership, and evaluation processes.

We compare today's common standards, which tend to reflect a short-term mindset, to a longer-term starting point for negotiations. In parallel, we offer ideas on additional exploratory provisions to incorporate into long-term contracts, as appropriate.

In the second matrix, we rethink the KPIs that asset owners use to evaluate asset managers. Asset owners select managers for their investment and business characteristics and their fit into the overall portfolio. Choosing KPIs that reflect these priorities can give investors better leading indicators of performance than backward-looking returns do.

Long-term investors select mandate provisions and KPIs appropriate for the specific investment approach and relationship. They then ensure that these provisions are complementary and integrated into a cohesive package that provides the underpinnings of a long-term, mutually beneficial relationship.



Fees are often at the top of asset owners' priority lists when discussing investment mandate terms. Today's norm is for owners to pay managers a fixed percentage of assets under management (AUM), a variable performance fee, or a combination of the two.

Asset managers who use an AUM fee often offer asset owners discounts based on the size of the account. A discount based on longevity of the relationship may provide a longer-term incentive for them. An owner receives a benefit for patience and continuing commitment, while the manager benefits from the comfort of a more reliable capital commitment, both of which may help them capture long-term premia.

Owners and managers that prefer to use a performance fee can incorporate long-term incentives by calculating performance over a multi-year period, such as three to five years, and using a hurdle rate that compounds with time accordingly. Asset owners can also defer the performance fee to ensure that only long-term performance is rewarded. Deferring such a fee, rather than paying it and clawing it back in the case of future underperformance, lessens the possibility that the manager will become overly risk-averse during the later years of the contract.



The **benchmark** used to judge the success of an investment strategy understandably receives a great deal of scrutiny. We have yet to find a perfect benchmark to encourage long-term thinking. In fact, the selection of a benchmark, while important, appears secondary to many other provisions in terms of providing an incentive for long-term behavior. In other words, how the benchmark is used and its reference time frame are more important than selecting a specific benchmark.



Another key component of a relationship is the **contract term**. Asset owners can usually terminate their relationships at will and without cause. While asset owners may appreciate maximum flexibility, at-will contract terms present several challenges. Owners may make shorter-term commitments to their managers than they expect their managers to make with their capital. They often "re-underwrite" relationships in response to short-term events, leading asset managers to over react to such events.

Furthermore, when there is staff turnover due to departures or internal rotations, there may be no champion of an existing relationship, leading to mandate churn.

Setting a three- to five-year term with automatic renewals—provided that the asset manager continues to act in the best interests of the asset owners—may build the relationship with a long-term timeframe in mind, shifting the onus from reacting to short-term performance to evaluating progress towards long-term goals. These contracts may still offer wide discretion for termination, in contrast to strict lock-ups, so that asset owners can make the decision to terminate if circumstances warrant.



A manager's opportunity to **redeem in-kind** (in securities instead of cash) can also affect their ability to pursue long-term opportunities. It is challenging for a manager to undertake a long-term investment strategy, such as investing in a turn-around situation, if redemptions may require shorter-term liquidity than the underlying investments provide. The owners' ability to invest with a long-term outlook is similarly undercut if other investors in the strategy or fund can redeem prematurely. Clarifying in-kind redemption provisions and understanding their impact, if any, on the manager's strategy can improve alignment of long-term goals.



Discipline is a critical component of long-term investment-management relationships, including the discipline to keep assets under management within the boundaries of an investment strategy's **capacity**. It is tempting for managers to grow assets in high-performing strategies beyond the level at which they can expect to achieve long-term outperformance. Contracts can specify a strategy's capacity, in absolute terms or as a percentage of investable market capitalization, to help managers maintain that discipline over time.



Long-term investors use the mandate discussions to anticipate the ways that the asset owner will monitor the manager's progress. Rather than focusing on quarterly performance, long-term owners and managers will want

performance reports to draw attention to the long term. Minor changes to standard reporting templates can help reframe the discussion, such as reporting long-term returns on the left of the page and short-term returns on the right. Focusing written commentary on long-term results, rather than on events of the quarter, and being transparent about trading and operational costs can also encourage discussion of issues that drive long-term success.



Disclosures beyond performance also can play an important role in building a long-term relationship. Asset owners identify the most important components of the manager's investment and business operations in the due diligence process. Monitoring these factors for changes and defining relevant KPIs can deepen the long-term relationship and avoid unwanted surprises. Changes in firm ownership or the composition of the portfolio management, research, trading and business management teams may be leading indicators of future investment performance. The mandate can provide a framework for owners and managers to commit to the operational and business KPIs to disclose.



Active ownership or engagement with investee companies is important to many long-term investors. As part of the mandate process, owners can ask managers to detail their current practices for engaging with portfolio companies and for casting proxy votes. In doing so, they can ensure these policies are long-term in nature and match their own long-term goals.



Finally, delineating the **evaluation process** at the outset of the relationship can help asset owners better manage their own decision-making processes over the long term. For example, documenting and monitoring the reasons for hiring a manager beyond portfolio performance; meeting with managers routinely, rather than just in reaction to underperformance; and measuring expected transition costs before making a termination decision can all lead to better long-term decisions.

EXPLORATORY PROVISIONS

Our work generated several further questions for asset owners and managers that would like to explore additional ways to promote long-term thinking, including:

- Could built-in rebalancing mechanisms counteract the typical performance-chasing cycle of fund flows?
- Would having a manager continue to report performance to the owner for three years after termination counteract owners' tendency to terminate managers after poor performance only to have performance rebound as it reverts to the mean?
- Would alternate benchmarks that explicitly incorporate long-term thinking, such as the S&P Long Term Value Creation Index or the asset owner's discount rate, be effective in encouraging long-term behavior?
- How can asset owners and managers generate constructive dialogue on portfolio managers' personal incentives, circumstances and succession planning?
- Should performance reporting consider the economic indicators of companies in the portfolio in addition to financial return?
- Should the asset owner define expectations of the manager's engagement with companies as part of the mandate, and then monitor and reward such engagement?

NEXT STEPS

Our expectation is that long-term asset owners and asset managers will use these ideas to put significant assets to work in longer-term mandates that support their stated desire to focus on the long term, and that their long-term behavior can translate across the investment value chain to influence corporations' business and capital allocation decisions. Ultimately, a shift towards the long term across the investment value chain can help foster improved economic growth.

Our next steps are to refine and support the implementation of these mandate terms and learn from the experience of the institutional investors implementing them. We will support FCLTGlobal Members as they integrate these ideas into their own mandates. We will then share information about their experience with these ideas, as appropriate, to encourage asset owners and managers from beyond our membership to act on these ideas as well. FCLTGlobal welcomes such conversations and appreciates all outreach. (Please contact us at research@fcltglobal.org.)

Conclusion

The mandate sets parameters of the investment relationship and defines the incentives that will guide the asset owner and manager. Well-designed mandates explicitly integrate provisions that reflect long-term objectives.

By incorporating long-term objectives into the initial contract itself, owners and managers can help ensure fruitful investment partnerships that both satisfy their needs and support the productive long-term allocation of capital across the investment value chain. FCLTGlobal's Long-term Model for Institutional Investment Mandates provides a starting point for negotiations and helps investors define mandates that are in line with their long-term goals.

Method And Scope

Many institutional investors agree that long-term relationships are more productive, but they struggle to implement and maintain these relationships.

FCLTGlobal invited nine global investors—five asset owners and four managers—to meet in Amsterdam in May 2017 to reflect on the terms commonly used in investment contracts. This group grew to seven owners and five managers by the time they reconvened in Toronto two months later. The depth of their experience and expertise with mandate strategy and negotiation is unique.

Our purpose in convening this working group and developing this paper has been to re-anchor the status quo from contract provisions that favor the short term to provisions that support and encourage long-term investment behavior.

Using longer-term investment contract provisions can support asset owners' and asset managers' stated desire to focus on the long term, and their long-term behavior can translate across the investment value chain to influence corporations' business and capital allocation decisions. Ultimately, a shift toward the long term across the investment value chain can help foster improved economic growth.

The group agreed to keep three fundamental ideas in mind throughout the conversations:

- Institutional investors could typically implement these ideas without regulatory change.
- Both owners and managers would generally view the terms as in their best interests and, therefore, be able to agree to them.
- Institutional investors beyond our membership would be able to adopt these terms as well.



Contract Provisions

	Status Quo	Long-term Model	Exploratory
Fees	<ul style="list-style-type: none"> Asset based fee (often declining with size) —Or— Performance fees 	<ul style="list-style-type: none"> Discount AUM fee for mandate longevity Discount AUM fee for relationship longevity Calculate performance fee over at least three to five years with deferrals rather than clawbacks Use compounding hurdle rate 	<ul style="list-style-type: none"> Discount fee for strategy-level AUM in engagement mandates GP to invest deferred performance fees in fund LP to co-invest in the GP Use retainer fee to access investment ideas Pay fixed-dollar fee
Benchmark	<ul style="list-style-type: none"> Cap-weighted reference index 	<ul style="list-style-type: none"> Cap-weighted or custom reference index, as appropriate 	<ul style="list-style-type: none"> Alternate index that includes long-term metrics (e.g., S&P LTVC Global Index) Absolute return with capital call/return Owner’s liability discount rate or LIBOR+/CPI+ Scenario- or projection-based
Contract Term	<ul style="list-style-type: none"> At-will 	<ul style="list-style-type: none"> Set three- to five-year contract term with wide discretion to terminate Continue contract at renewal points unless either party elects to terminate 	<ul style="list-style-type: none"> Narrow the discretion to terminate to focus on process discipline Lock-ups for public equity mandates
Redemptions	<ul style="list-style-type: none"> Limited ability to redeem in-kind 	<ul style="list-style-type: none"> Consider investment impact of manager’s ability to redeem in kind 	<ul style="list-style-type: none"> Permit in-kind redemption for any long-term mandates
Manager or Strategy Capacity	<ul style="list-style-type: none"> Not contractually managed 	<ul style="list-style-type: none"> Cap strategy-level AUM for liquidity-constrained mandates in absolute terms or as a percentage of investable market capitalization 	<ul style="list-style-type: none"> Build in rebalancing mechanism to enable countercyclical investment flows, regardless of a fund’s closed status

	Status Quo	Long-term Model	Exploratory
Performance Reporting	<ul style="list-style-type: none"> • Commentary and reporting focused on events of recent quarter • Yearly and annualized reporting available 	<ul style="list-style-type: none"> • Focus commentary and reporting on events of recent year and have quarterly reporting secondary • Provide commentary more prominently than performance data • Present data from longest period on left to shortest period on right (see FCLTGlobal Long-term Reporting Template) • Report transaction and operational costs/rebates clearly 	<ul style="list-style-type: none"> • Provide commentary only on rolling annual or longer data (no quarterly commentary) • Report short-term performance less prominently (e.g., only through separate hyperlink) • Report on economic parameters (e.g., aggregate revenue, earnings, or portfolio modeled as a business)
Active Ownership	<ul style="list-style-type: none"> • No consideration 	<ul style="list-style-type: none"> • Manager details current engagement practice • Manager details proxy voting practices 	<ul style="list-style-type: none"> • Asset owner defines specific engagement expectation • Asset owner defines proxy voting practices
Other Disclosure	<ul style="list-style-type: none"> • Major changes in firm ownership or portfolio team 	<ul style="list-style-type: none"> • Changes in firm ownership levels, portfolio or relationship team • Delineate KPIs and changes to them (see FCLTGlobal Key Performance Indicator Template, pg. 14-15) 	<ul style="list-style-type: none"> • PM investment in fund • Relationship team compensation structure • Key person succession and compensation • Open dialogue about key person's personal circumstances (e.g., health, marital status, personal residence, outside activities)
Evaluation Process	<ul style="list-style-type: none"> • Terminate based on short-term underperformance 	<ul style="list-style-type: none"> • Document and monitor hiring reasons • Meet with managers on a predetermined schedule • Measure transition costs before terminating 	<ul style="list-style-type: none"> • Concede one-year management fee for termination outside of process • Continue reporting and monitoring manager performance for three years after termination and evaluate decision

Key Performance Indicators

In addition to monitoring performance, long-term asset owners monitor the way that asset managers manage portfolios and their businesses. Specifying KPIs that may be leading indicators of performance can provide structure for that monitoring. Institutional investors select among these disclosure terms based on their investment strategy and are unlikely to use all of them in one mandate.

KPI	Description	KPIs could include	Other discussion items could include
Portfolio	Stating investment beliefs and having metrics for them will allow an asset owner to determine if a manager is implementing the strategy consistently over the long term.	<ul style="list-style-type: none"> • Portfolio statistics on valuation, dividends, cash flow or growth • Turnover • Drawdowns • Leverage ratios • Active Share 	
Business and Personnel	Evaluating an asset manager’s business structure and culture will help an asset owner determine if it is durable for the long term.	<p>KPIs could include</p> <ul style="list-style-type: none"> • Personnel turnover (internal and external) • Service level • Client concentration • Data and systems integrity issues • Trusted relationships with third-party providers 	<ul style="list-style-type: none"> • Succession planning • Time element of compensation and promotion practices • Integration of long-term beliefs into research, trading, operations, legal, management, client service and other staff responsibilities
Operations	Asset owners need confidence that asset managers can implement their investment strategy consistently over the long term.	<p>KPIs could include</p> <ul style="list-style-type: none"> • Trading effectiveness (e.g., implementation shortfall, market impact) • Trade routing & venue performance • Mapping of issue priorities to proxy votes and their outcomes • Proxy vote assurance, including evaluation of missed or miscast proxy votes • Securities lending practices 	

KPI	Description
Engagement	<p>Being an active and engaged owner can be a critical part of long-term investing.</p> <p>KPIs could include</p> <ul style="list-style-type: none"> • Frequency and number of company interactions, potentially including: <ul style="list-style-type: none"> – Asset-weighting engagements – Method (e.g., letter, call, in-person meeting, site visit) – Organized individually, collaboratively or by third-party – Principal interlocutor (e.g., Lead Independent Director, Committee Chair, CEO, Secretary, IR, etc.) – Principal lead (e.g., PM, analyst, corporate governance, etc.) • Counts of proxy votes supporting or opposing significant corporate actions, director’s nominations, capital proposals or executive compensation • Sponsorship of proxy resolutions and vote outcome <p>Other discussion items could include</p> <ul style="list-style-type: none"> • Method for choosing engagement priorities
Impact	<p>Long-term investors may evaluate managers on the broader impact of the investment.</p> <p>KPIs could include</p> <ul style="list-style-type: none"> • Stimulus to home market • Level of CO2 emissions • Advancement of Sustainable Development Goals

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