

EET presentation

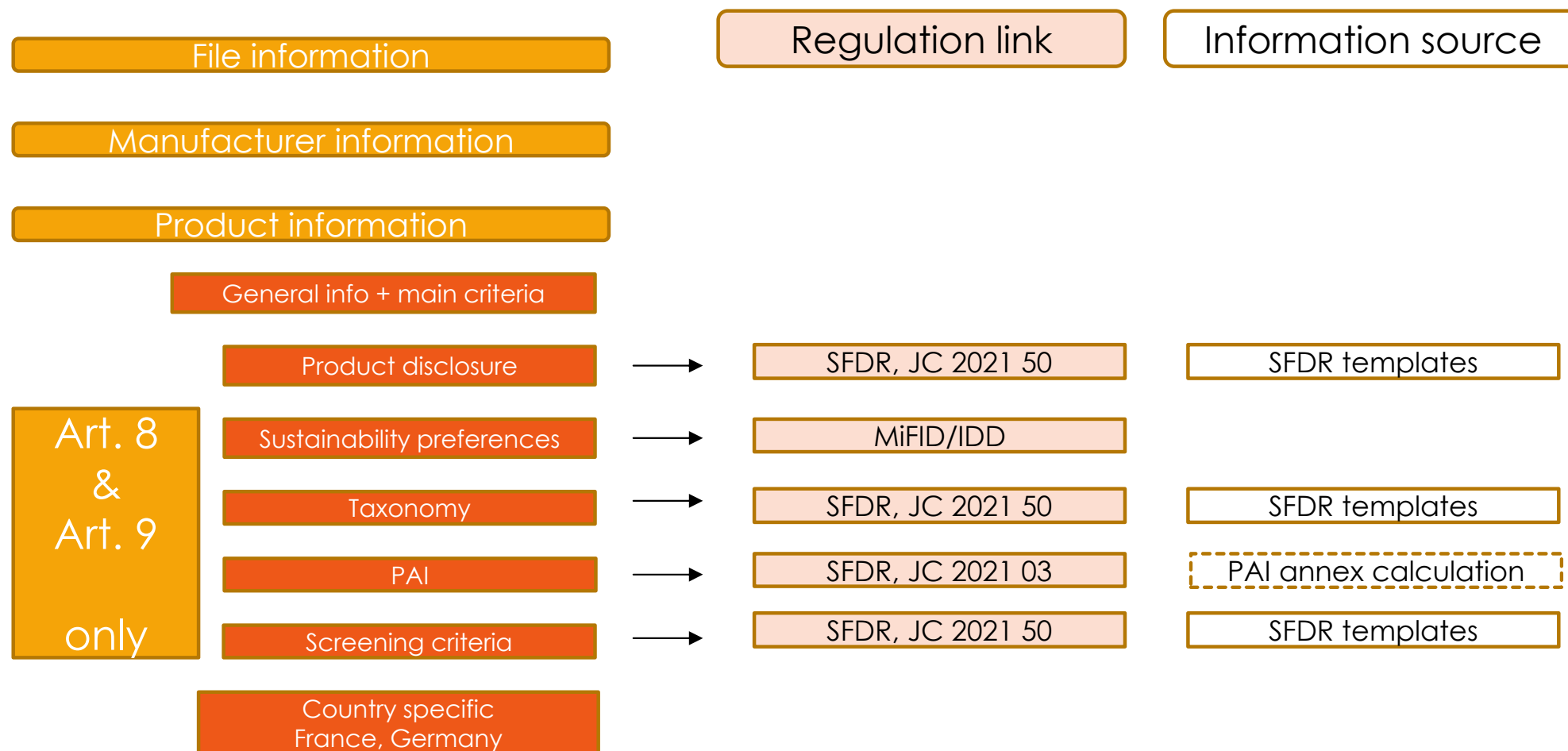
15 MARCH 2022

EET objectives

Exchange of machine readable ESG data in relation to financial products in order to:

- Allow **distributors and intermediaries** to fulfill their own requirements under **SFDR** and **MiFID2**
- Allow **insurers** to fulfill their own requirements under **SFDR** and **IDD**
- Allow **manufacturers** using underlying funds/financial products/structured products (Fund of Funds, Multi-Option Products, mandates...) to fulfill their own **SFDR** reporting requirements at products and entity level (PAI statement)

EET structure



Product disclosure – Link with SFDR templates questions

Data fields
based on
latest draft
templates

(JC 2021
50)

Product disclosure

Link to the precontractual/periodic templates

Scoping

*Scoping questions at the top of SFDR template
("Does this product have a sustainable investment objective"?)*

ESG thematic investing

"What investment strategy does this financial product follow"?

Engagement coverage

*"What actions have been taken to meet the environmental or
social characteristics during the reference period?"*

Benchmark

"Is a specific index designated as a reference benchmark"?"

Min. (planned) asset
allocation

"What is the asset allocation planned?" (Precontractual)

Last reported asset
allocation

"What was the asset allocation?" (Periodic reporting)

Art. 9 supplement

*"Does this Financial Instrument have the objective of reduction in
carbon emission"?*

Taxonomy alignment
details

*"To what extent are the sustainable investments with
environmental objectives aligned with the Taxonomy?"*

Principal Adverse Impacts (PAI)

PAI currently defined
in JC 2021 03 Annex 1
(64 indicators)

*Manufacturers subject
to PAI statement
disclosure required to
disclose mandatory PAI
+ 2 optional*

Investment in investee companies			
Mandatory indicators		Optional indicators	
Environmental	9 indicators	Environmental	16 indicators
Social	5 indicators	Social	17 indicators

Investment in sovereigns and supranationals			
Mandatory indicators		Optional indicators	
Environmental	1 indicator	Environmental	1 indicator
Social	1 indicator	Social	7 indicators

Investment in real assets			
Mandatory indicators		Optional indicators	
Environmental	2 indicators	Environmental	5 indicators
Social	-	Social	-

PAI

Data in relation with PAI

MiFID/IDD related question

1) Does the product consider this PAI →Y/N (SFDR templates + MiFID criteria)?

PAI quantification

2) PAI absolute value

3) PAI coverage * *(where data could be obtained or estimated)*

4) PAI eligible assets *

(Example: fund with 50 % government bonds and 50 % IG bonds (corporate): 60% of the corporate provide data. Eligible assets = 50% / Coverage = 30% (= 60% x 50%))

* Optional data that enable aggregation by identifying the percentage of the portfolio to which the indicator relates

“What investment strategy does this financial product follow”?

Screening criteria

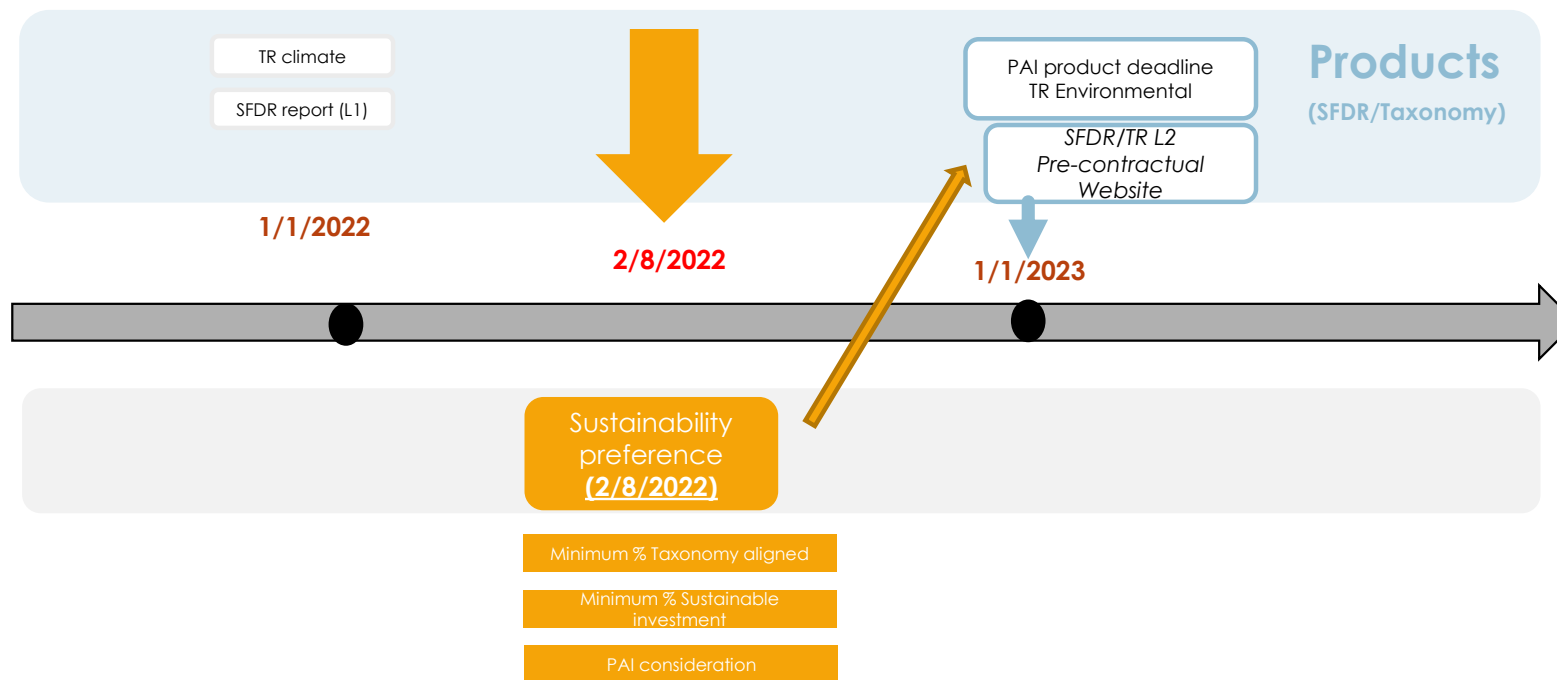
- Negative screening (all fields are optional)
 - Sectorial
 - Norm-based Sovereign

Product disclosure

- Thematic (optional fields)
- Engagement approach (optional fields)

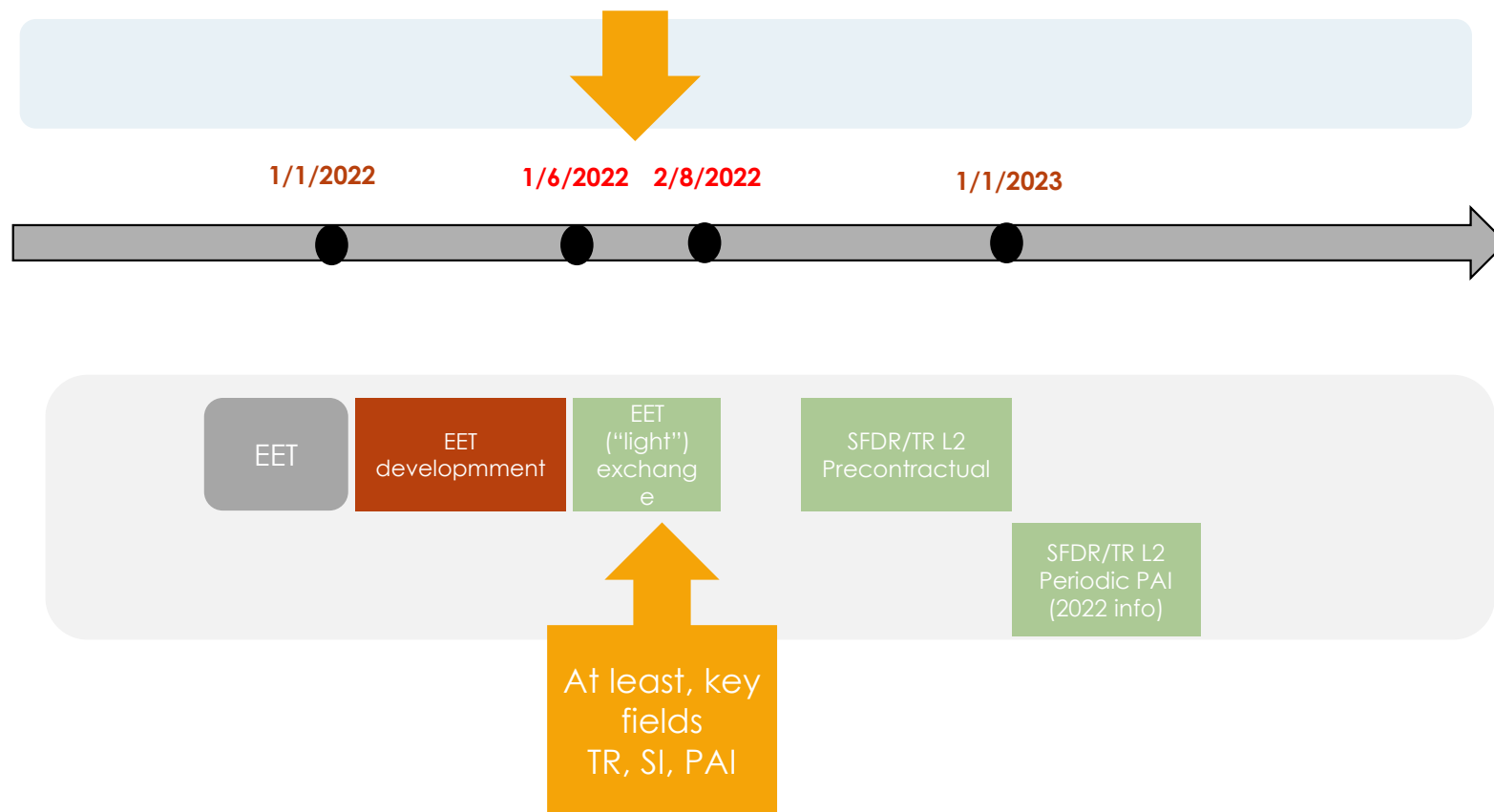
SFDR templates requires a description of the investment strategy and investment process + actions undertaken (engagement) -> covered in several (optional) data points of the template

SFDR L2 postponed to January 2023 But information required for MiFID/IDD in August



Distributors and insurers will require key data ahead of 2023

In order to address MiFID/IID, a reduced version of the template to be used as from 1 June 2022



1 June 2022, an EET “light”...

Column F
defines the
fields for 1
June 2022

Sustainability
preferences

Preparer, Manufacturer and Product Identification

SFDR status (Financial Product) or SFDR like status
(Financial Instruments subject to MiFID but not SFDR)

Does it consider PAI?

Minimum Taxonomy alignment

Minimum Sustainable Investment

Summary

Who?

The template has been built so that it can be filled in by any financial product subject to SFDR or any structure producer financial instrument subject to MiFID, The template is to be filled in at share class level (consistent with other FinDatEx templates).

What?

Information required under SFDR (precontractual and periodic reporting templates), IDD and MiFID (Sustainability Preferences). The first version (EET "Light") focuses on data required under MiFID and IDD.

When?

The first version (EET "light") is planned to be exchanged as from 1 June 2022 (ahead of MiFID/IDD deadline of August 2022). Next version to coincide with SFDR templates. Regular updates foreseen to include periodic information or when changes to precontractual information.

Next?

Next version of EET to be adapted to regulatory changes, such as final SFDR RTS/templates for instance.

Questions?

For any question, please contact first your association, then the FinDatEx coordinators: esg@findatex.eu (Joakim Alpius, Nathalie Dogniez, Ghislain Perisse, Michael Pilous) or the secretariat of the EET working group: esg.secretariat@findatex.eu (Boris Bartels).