

EET Information Meeting

SEPTEMBER 2023



PAI

**Frequently Asked
Questions**

Completing PAI information -Q&A

Q1 Why shall I provide the PAI quantification?

A1 Many of the PAI users are required to publish PAI quantification, once a year (at least by 30 June for the previous calendar year data). In order to calculate the PAI indicators across their AUM, they need to obtain the PAI information of all products underlying their own products (MOP, mandates, funds of funds).

Q2 Why shall the PAI information be provided in the EET when the EET is about product reporting and PAI publication is an entity level requirement?

A2 The PAI information to be included in the EET is at product level, in order to support the end-user (i.e. manufacturer of a financial product using other underlying financial products) to apply look through and calculate PAI information for all assets under management for their own entity reporting requirement.

Q3 Why is the information about whether a PAI is considered optional while the quantification is mandatory? Aren't the 2 notions connected?

A3 The consideration of PAI is a product feature (typical for article 8 and article 9 products). When a product has answered yes to the question in field 20100, it is then required to specify which PAI is considered by answering yes or no for each relevant PAI. The PAI quantification is not linked to the PAI consideration in the investment decision process. Indeed, manufacturers are required to quantify and publish PAI across all their assets under management, regardless of whether the products consider or not the PAI in the investment decision.

Completing PAI information -Q&A

Q4 What if I am sure that none of the users are publishing PAI information (no distribution through insurance products, funds of funds or mandates)?

A4 In this very particular case, the product manufacturer shall indicate «no » in the field 00080. The information required only for column K is no longer mandatory, the fields linked to PAI quantification are no longer required.

EET – Mandatory Fields Logic

6	00060_EET_Data_Reporting_SFDR_Pre_Contractual	Data points refer to column J	Y / N
7	00070_EET_Data_Reporting_SFDR_Periodic	Data points refer to column I No means that there is not yet a periodic reporting. The M related fields have not to be fulfilled	Y / N
8	00080_EET_Data_Reporting_SFDR_Entity_Level	Data points refer to column K	Y / N
9	00090_EET_Data_Reporting_MiFID	Data points refer to column L & N	Y / N
10	00100_EET_Data_Reporting_IDD	Data points refer to column M & O	Y / N

Mandatory/Conditionality depends on the context of the EET!

Completing PAI information -Q&A

Q5 What if I do not have the information on a particular PAI? Shall I put zero or leave it blank?

A5 You shall leave the indicator field blank and put 0 in the coverage line (Do not put zero in the indicator field, as for many PAI indicators, zero has a meaning, like no emission for instance).

Q6 As a user of the EET, shall I accept templates where the PAI quantification is blank?

A6 This may be correct, for all the reason mentioned above in questions Q4, Q5 and Q6. Check what answer has been given to the field 00080.

Q7 My fund does not publish PAI indicators. Shall I provide information anyway?

A7 Yes, refer to Q1 answer.

Q8. Why shall I provide information about coverage, eligibility and total AUM?

A8 These information are required by the manufacturers of the top products in order to aggregate PAI data across all AUM.

Q9. I have data only for a portion of the eligible assets. Shall I extrapolate to the remainder portion?

No, the coverage field indicates to the end user the portion of the assets to which the reported indicator relate.

How to calculate PAI eligible assets and coverage?

coverage	% of the notional / AUM, which provide effectively data, or where data could be estimated	Example: fund with 50 % govies and 50 % IG bonds (corporate): 60% of the corporate provide data. Eligible assets = 50% / Coverage = 30% (= 60% x 50%)
eligible assets	% of assets (versus notional / AUM), which could provide data	

Example portfolio

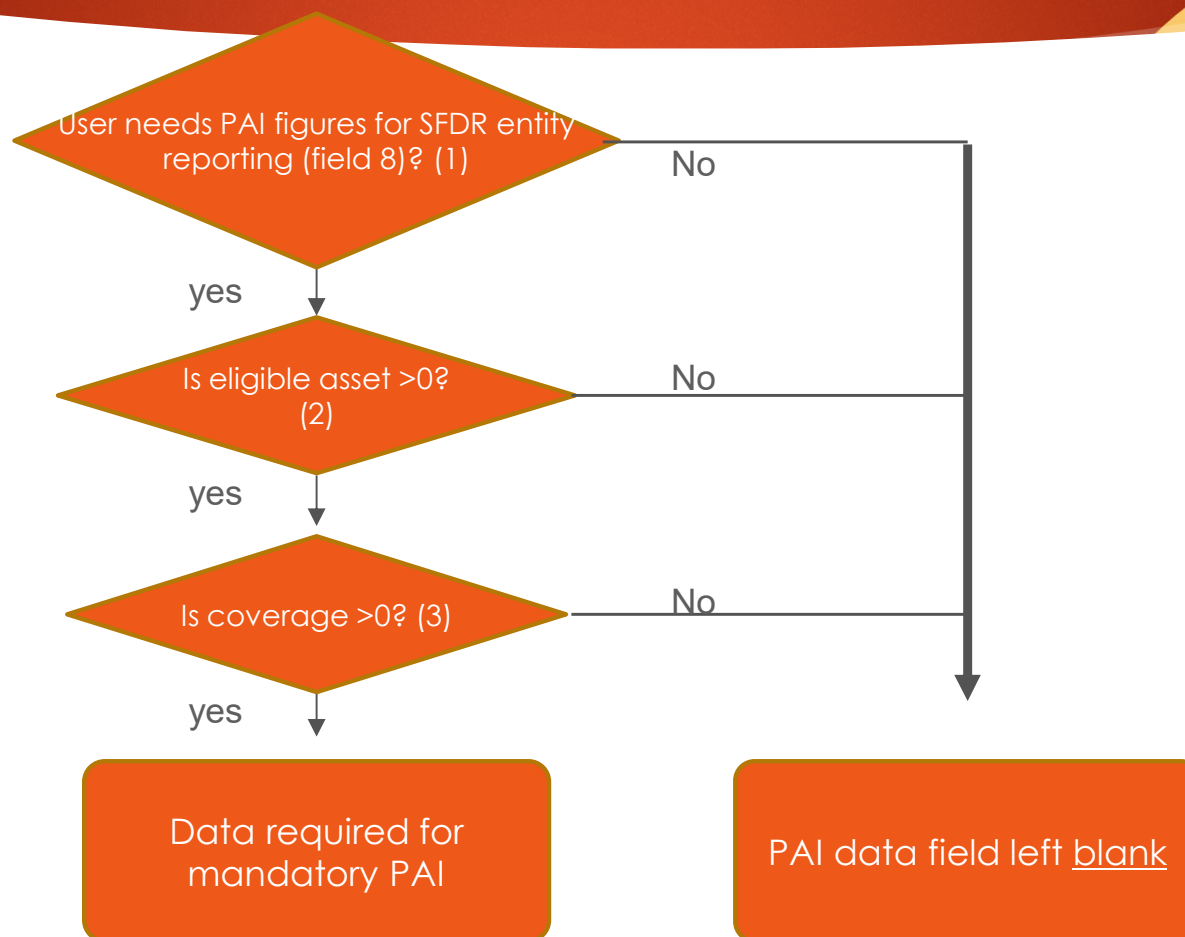
Instrument	Instrument is corporate or sovereign	Corporate indicator data provided e.g. Carbon scope 1	Sovereign indicator data provided e.g. ghg intensity of country	Portfolio weight		
corporate 1	corporate	1	0	5%	1 = Yes	
corporate 2	corporate	1	0	10%	0 = no	
corporate 3	corporate	1	0	15%		
corporate 4	corporate	1	0	10%		
corporate 5	corporate	1	0	10%		
corporate 6	corporate	1	0	20%		
corporate 7	corporate	0	0	10%		
corporate 8	corporate	0	0	5%		
Sovereign 1	sovereign	0	0	10%		
Sovereign 2	sovereign	0	1	5%		



For a corporate indicator			
eligible assets		85%	i.e. % assets within the portfolio are eligible to be considered for a corporate indicator
coverage		70%	i.e. of those assets within the portfolio, the data vendor has provided data for x% of the assets by weight for this indicator
for sovereign indicator			
eligible assets		15%	i.e. 20% of assets within the portfolio are eligible to be considered for a sovereign indicator
coverage		5%	i.e. of those assets within the portfolio, the data vendor has provided data for 10% of the assets by weight for this indicator

When is PAI quantification required?

Not linked to PAI consideration or product classification (all products under scope as they are under the scope of SFDR entity reporting)



- (1) yes in field 8 means that the preparer of the EET is including PAI quantification to enable users that publish PAI statement at entity level to compile PAI indicators
- (2) positive figure means that the portfolio include asset for which the indicator is relevant (corporate or sovereign or real estate)
- (3) positive figure means that data is available for some investments on portfolio