



Society of Actuaries in Ireland

**European ESG template for insurance
regulations IDD and SFDR**

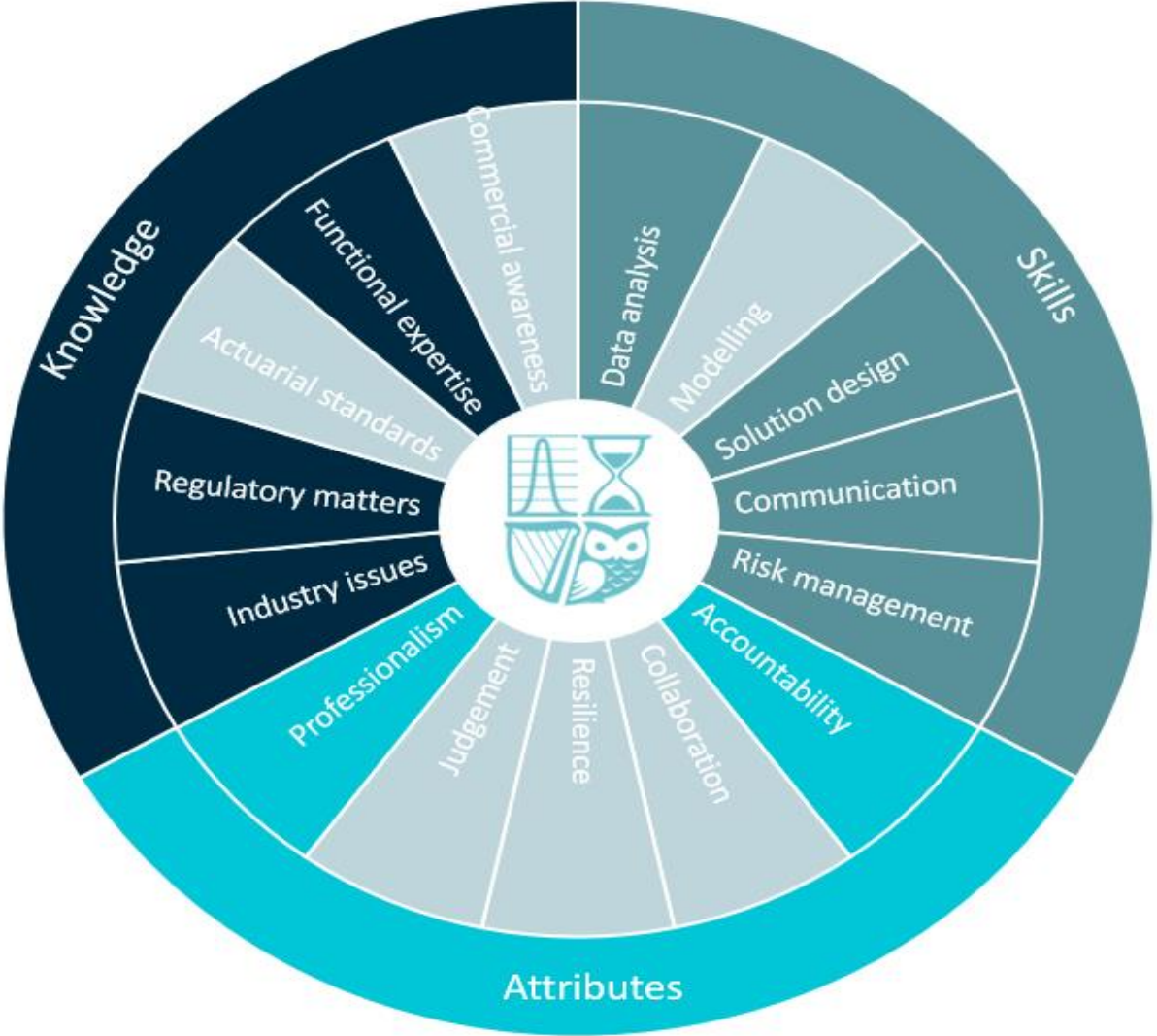
Speaker: Ghislain Perisse

27th July 2022

Disclaimer

**The views expressed in this presentation
are those of the presenter(s) and not
necessarily those of the Society of
Actuaries in Ireland or their employers.**

Competency Framework Wheel

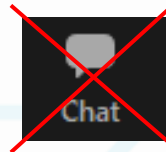
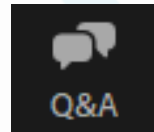


Q&A

Please click on the **'Raise Hand'** icon
to ask a question aloud
and
wait to be unmuted

or

Use the **Q&A function** to ask a question





ESG regulations: the European ESG template, towards an European harmonisation



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EET OBJECTIVES



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

Allow **manufacturers** using underlying funds/financial products (FoF, MoP, mandates...) to fulfill their own **SFDR** reporting requirements at products and entity level (PAI statement)

Allow **distributors and intermediaries** to fulfill their own requirements under **SFDR** and **MiFID2**

Allow **insurers** to fulfill their own requirements under **SFDR** and **IDD**

MIFID/IDD Suitability Assessment

Requirements to assess sustainability preferences



Consideration of client **sustainability related objectives** will be required along with mandatory assessment of **sustainability preferences**.

Products must include one or more of the following to be eligible for clients with **sustainability preferences**:

- Proportion of **Taxonomy aligned sustainable investments**
and / or
- Proportion of **SFDR sustainable investments**
and / or
- Consideration of **principal adverse impacts**

Products which do not meet a client's sustainability preferences will not be eligible for recommendation.

EET TIMING



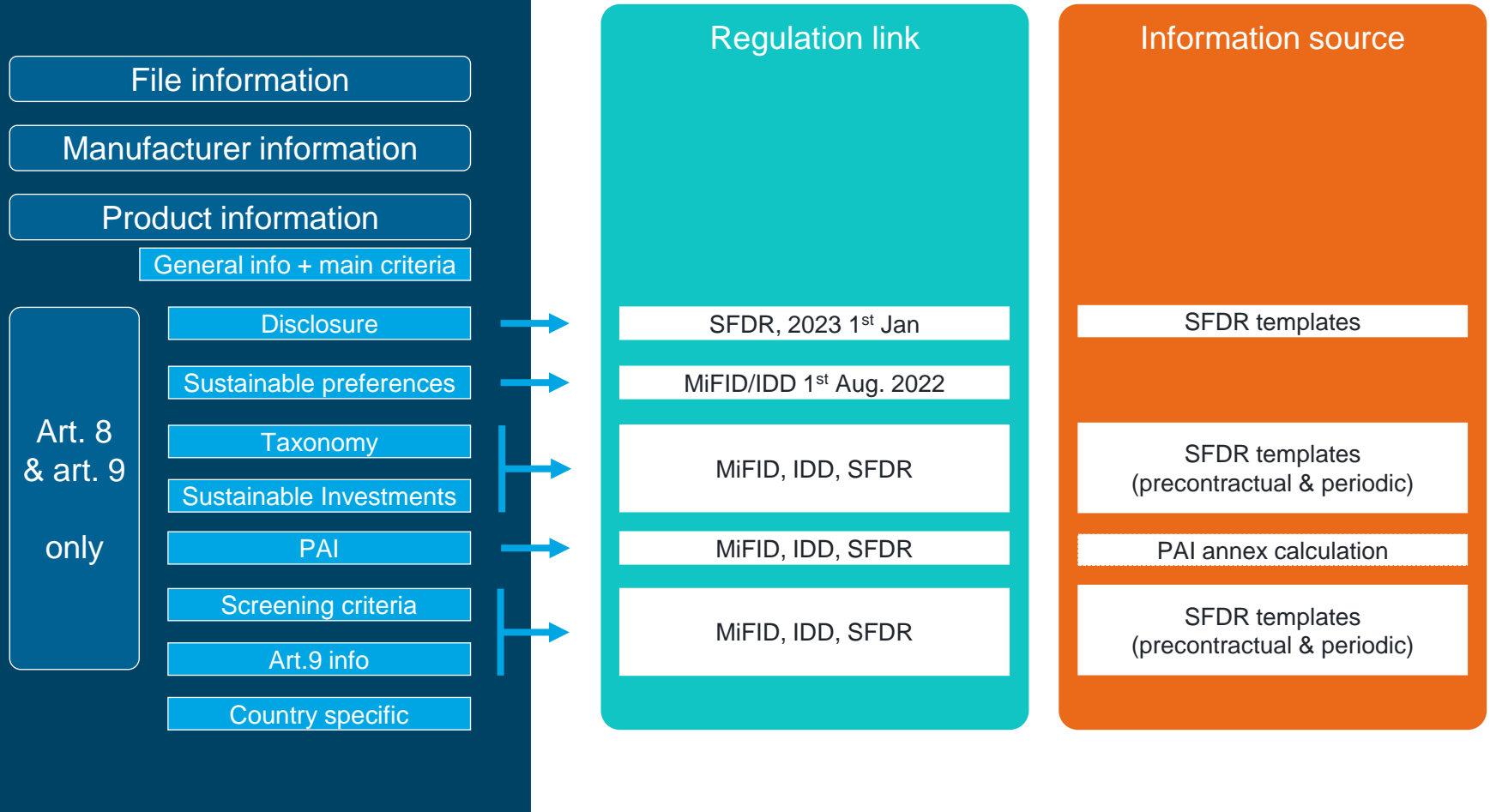
June
1st
2022

Manufacturers will have to provide the EET by June 1st to insurers and distributors for **IDD and MiFID2 (start as of 1st August) with data according to column F**

Jan.
1st
2023

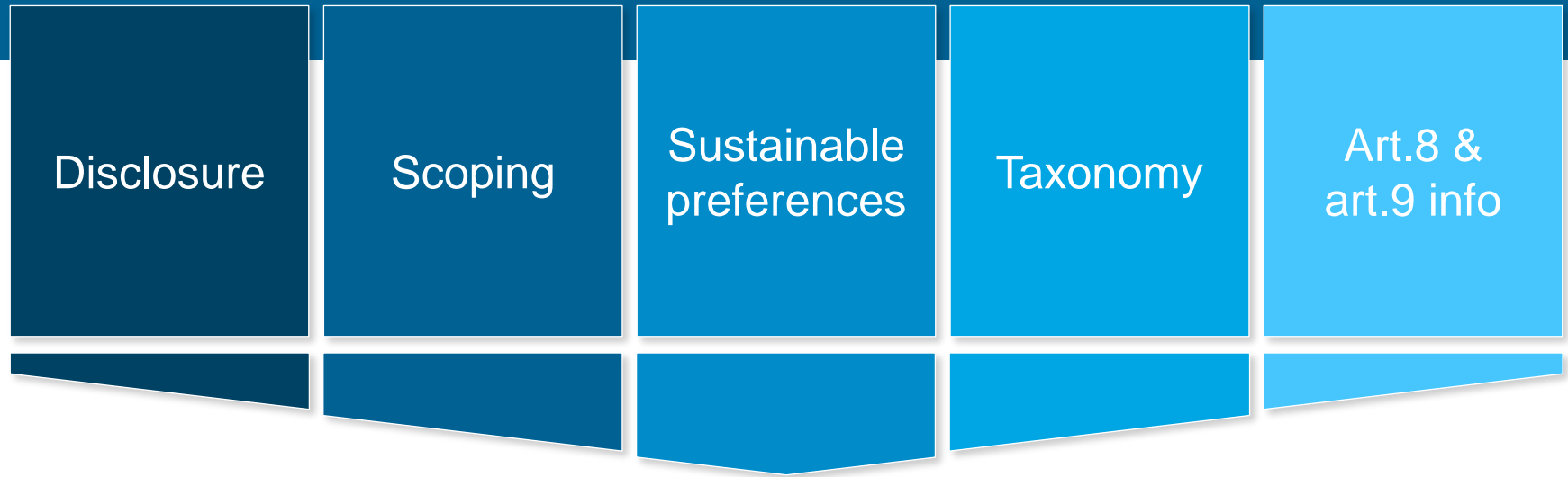
For **SFDR** (1st jan 2023), FinDatEx ESG wg will meet in September to better specify the fields (defined according column G)

EET STRUCTURE



SFDR

Templates related sections



Data fields based on latest templates
(JC 2021 50)

PAI statement

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

Investment
in investee companies

Mandatory indicators	
Environmental	9 indicators
Social	5 indicators

Optional indicators	
Environmental	16 indicators
Social	17 indicators

Investment in sovereigns
and supranationals

Mandatory indicators	
Environmental	1 indicators
Social	1 indicators

Optional indicators	
Environmental	1 indicators
Social	7 indicators

Investment in real assets

Mandatory indicators	
Environmental	2 indicators
Social	-

Optional indicators	
Environmental	5 indicators
Social	-

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

PAI statement

Data in relation with PAI

MiFID/IDD related question

1. Does the product consider this PAI : Yes / No
2. SFDR templates
3. MiFID criteria

PAI quantification

1. PAI absolute value
2. PAI coverage (where data could be obtained or estimated)
3. PAI eligible assets
(Example: fund with 50 % govies and 50 % IG bonds (corporate): 60% of the corporate provide data. Eligible assets = 50% / Coverage = 30% (= 60% x 50%))

Screening criteria

Investment strategy expressed in machine readable criteria

Negative screening

Thematic
(optional fields)

Engagement approach
(optional fields)

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

SFDR templates requires a description of the investment strategy and investment process + actions undertaken (engagement)