

## European ESG Template (EET)

The European ESG Template (EET) refers to a standardized reporting format designed to help financial institutions collect and disseminate essential environmental, social, and governance (ESG) information about their investment products. It aims to improve transparency and comparability across different financial products, making it easier for investors to assess and compare their ESG characteristics.

The European ESG Template is a project developed by FinDatEx to comply with ESMA (European Securities and Markets Authority) and Financial Conduct Authority (FCA) regulations, such as the SFDR, MiFiD, and IDD, which compel greater market transparency for sustainable investments. It is a standardized template for financial services stakeholders that aims to simplify the process of exchanging ESG data between participants, making it easier to conform to legislative requirements.

The template contains upwards of 600 machine-readable ESG fields such as 'Greenhouse Gas Emissions' or 'Hazardous Waste' indicators which allow participants to easily justify a fund's ESG characteristics to potential investors. While participation with the EET is not compulsory, market pressure to conform to standards set by ESMA and FCA will make it very difficult to sell a product without the template being available.

The original version was released in April 2022, with the intention being to update the fields over time to adapt to new regulations from legislative bodies. So far, new versions 1.1 and 1.1.1 have been released with changes to accommodate the latest developments to the SFDR. Please read [here](#) for more information on the new versions. Going forward the template will be updated on a yearly basis<sup>1</sup>.

EU Taxonomy Alignment For all our Article 8 and Article 9 funds, the minimum mandatory allocation to Taxonomy-aligned sustainable investments is 0%. As an industry phenomenon, EU Taxonomy (environmental) eligibility and actual alignment are low across all markets and securities, reflecting the robustness of the EU Taxonomy technical screening criteria and the freshness of the EU Taxonomy data covered for both public and private assets. Furthermore, Taxonomy screening criteria have been ratified for just two of the six environmental objectives; climate adaptation and climate mitigation. Over time, as technical screening criteria for the remaining environmental objectives are published and data availability improves, as it will across the industry, we expect to introduce minimum Taxonomy-aligned commitments into some of our funds, where appropriate to their strategies.

More information can be found, [here](#).

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<https://www.fundipedia.com/2023/03/13/whats-new-to-the-european-esg-template-eet-version-1-1-1/>