European ESG Template (EET)
Data Content Guide

Background

Given the extensive current and upcoming regulation on EU level requiring the exchange of environmental, social, and governance-related data between the manufacturer and distributor of financial products, the European ESG Template was created with a view to facilitate the exchange of this ESG data between market participants.

It was designed by Financial Data Exchange Templates. FinDatEx is a joint structure established by representatives of the European financial-services sector. Its mission is to support the development and use of standardised technical templates to facilitate the exchange of data between stakeholders in the application of European financial market legislation.

Definition of the Dataset

A dataset composed of data Morningstar collects from the EET.

Content

The EET contains over 500 data points relating to multiple regulations. The broad categories of these are:

- Taxonomy breakdowns (alignment, objectives)
- Product disclosures—(link to SFDR annexes)
- PAIs (Y/N and indicators)
- ESG 'themes' (Details of E, S, or G)
- Exclusions (Value Chain, Indicator, Threshold)
- SFDR Article 8/9 status and values
- Manufacturer info
- PRI/PRB Stewardship codes commitments
- Engagement information
- Product information
- SFDR stand-alone documents stored to document library (if valid link provided)

The EET has data relating to multiple regulations. This means there is some overlap with other Morningstar calculated and collected datasets. However, the EET dataset has been built to solely collect data from the EET.

Inputs/Sources/Timings

The EET does not have a designated delivery frequency. It can be delivered at the frequency the manufacturer determines, and Morningstar will process accordingly. The expected minimum is for EETs to be updated at least once per calendar year.

The EET can be delivered to Morningstar via:
Email – eetdata@morningstar.com or via FTP/SFTP accounts
Acceptable file types: *\.xlsx|.*\.xls|.*\.csv|.*\.zip in email attachment or FTP folder

Delivery can be made from the manufacturer directly or from a third party if they have outsourced.

Assumptions

Morningstar will carry out some standard validation such as formatting and content. The assumption is made that the data provided in the template by the manufacturer is correct and in line with the guidelines laid out by FinDatEx.

The EET has no free text and is therefore expected as an English-language document.

Limitations/Exceptions

If data within the EET fails validation because of incorrect formatting, Morningstar will contact the manufacturer to inform them, but data cannot be processed until a new EET is issued. We will not manually adjust any data.

Morningstar will not store the EET in the Morningstar document library.

Universes and Markets

Funds domiciled in major EU markets that Morningstar proactively covers plus UK open-end funds sold into those major EU markets.

Data Content History

Version: 1.0   19 October 2022   Original publication

MORNINGSTAR®

Glossary

PAI	Principal Adverse Impact Form—Part of the EU's Sustainable Finance Disclosure Regulation. These PAI indicators are essentially a set of environmental, social, and governance indicators and metrics, ranging from carbon emissions, water emissions, biodiversity impacts, social violations, and gender parity on the board.
SFDR	Sustainable Finance Disclosure Regulation—A European regulation introduced to improve transparency in the market for sustainable investment products, to prevent greenwashing, and to increase transparency around sustainability claims made by financial market participants.
Taxonomy	The EU taxonomy classification system of environmentally sustainable activities and large EU corporations will disclose information that indicates how aligned the company's revenue, operating expenditure, and capital expenditure are to the EU goal of being net zero by 2050.
FinDatEx	Financial Data Exchange Templates—FindDatEx is a joint structure established by representatives of the European financial-services sector. Its mission is to support the development and use of standardised technical templates to facilitate the exchange of data between stakeholders in the application of European financial market legislation. It has previously designed the European MiFID template and the Tripartie template.

MORNINGSTAR®

Frequently Asked Questions

Is the EET mandatory?

No. The EET is not a regulatory document and is not mandatory. It is completely at the asset managers' discretion if they wish to produce this template.

When will Morningstar begin to collect the EET?

Version 1 of the EET went live in June 2022. FinDatEx has now reviewed version 1, and it will be releasing version 1.1 on 1 December 2022. Morningstar will collect this version and all changes within. We expect to start processing version 1.1 from 16 January 2023.

Where should the EET be delivered for Morningstar to consume?

The EET can be emailed to eetdata@morningstar.com. It can also be sent via FTP/SFTP to euftp.morningstar.com

What is required to set up an EET delivery?

- Create a stable sender—For example, sender will always be xxx@morningstar.com
- Create a stable subject pattern—For example, subject will always be "EET – Asset Manager XYZ"
- Use stable file format—Continue to use the file format that passed the first valuation with Morningstar
- Use good data quality—Adhere to EET definitions and guidelines
- Determine frequency—Provide how often the files will be delivered: for example, monthly, quarterly, or only when changes occur
- Accept file: *\.xlsx|.*\.xls|.*\.csv|.*\.zip in email attachment or FTP folder

Can you provide a brief overview of what Morningstar will collect from the EET?

The EET comprises over 580 data points. Morningstar will collect the entire dataset barring two fields. The two fields that will not be collected are *ID* and *ID type* as we already store ISINs in our central database.

Why isn't all EET data populated?

While Morningstar will collect the full scope of the EET, the majority of these data points will not be mandatory. Therefore, there will be fields that are left unpopulated by the manufacturer. There are also many fields in the EET that will reference multiple regulations, some of which have not yet been implemented in full, such as Taxonomy, SFDR, and PAI disclosures. These fields are expected to be populated at a later stage by the manufacturer.

How does Morningstar treat null values?

Where a null value is provided in the EET, we will store this with the relevant effective date.

Will Morningstar modify any data within the EET?

Morningstar will not change the content of the EET. Morningstar will store the codification as per the recommendations within the EET from FinDatEx. Exception: Numerical values will be converted to a % where applicable. For example, percentages are to be populated as 0.5 within the template as per the EET guidelines; this will covert to 50%.

What validation does Morningstar carry out on the EET data provided?

Morningstar will check that content is correct, numerical fields are used where numerical fields should be, and text is used where text should be. Morningstar will check that % values do not exceed upper or lower limitations. It will check that options provided are within the permissible values of the EET. It will check that mandatory fields are populated. Morningstar will check the identifier code mapping to Morningstar investment ID. It will check that no future data is stored. It will check no duplicate file generation date and time for the same effective date has been provided.

What is the process if the EET fails validation?

The team will check the reason for the failure. If it is able to revise the delivery configuration to correct this, it will. If the issue is with the data, it will contact the sender.

Why are some names in Morningstar different from the corresponding data point names in the EET?

Names have been created to the Morningstar standards. Please note that if there are errors in the names within the EET, these will addressed by FinDatEx in its reviews.

What is the scope of Morningstar's collection of the EET?

Our collection teams will be proactively reaching out to collect the EET for open-end funds, exchange-traded funds, and closed-end funds domiciled in major EU markets that Morningstar proactively covers plus UK open-end funds sold into those major EU markets.

How often do we expect companies to send the EET?

There is no set frequency for the EET; however, we are expecting to receive at least one EET per calendar year. We also expect to receive updated EETs if there have been any changes to the fund's mandate. As with the EMT, the frequency delivered will be at the discretion of the asset manager.

Why do different datasets have different dates within the EET?

The EET has multiple sections. Some sections — such as in PAI and Asset Allocations — have a date included that will act as the effective date. Sections without a date will refer to the general reference date as the effective date. The file generation date is effective across the entire EET, as a reference date of when the EET was created.

Will we store EET as a document in Morningstar document library?

No.

MORNINGSTAR®

Will you collect documents via the EET?

We will only collect the stand-alone SFDR annexes from the EET. The links to these annexes will be stored as one data point. The documents from those links will be stored in the Morningstar document library only if they are SFDR stand-alone annexes.

We will also store prospectuses and annual reports that include SFDR annexes under our standard document collection process.

What are the new Document Types created for the SFDR links from EET?

Pre-Contractual SFDR annex and Periodic SFDR annex.

Will we process all EETs delivered to us?

If the EET is delivered in the correct format and passes the validation, it will be processed. If the EET is delivered in a format that cannot be processed, the sender will be notified that it cannot be processed. If the EET contains data that has failed validation, all the data within that table that has failed will be held back until confirmed/corrected, and the sender will need to issue a new EET with the corrected data. All of the data in any other table that has passed will be processed.

Why are you storing EET data on a share class level when ESG data is on a fund level?

We have created the data fields within Morningstar in line with the design of the EET. This was created and designed to be at the share level. We will therefore not roll up the data to a fund level.

Can you provide details on how to populate the EET?

No. Morningstar can assist with delivery to Morningstar and our clients. We can advise on the formatting that we require. The definitions are provided in the templates, along with the comments. We can simply interpret the definitions the same as groups. Contact FinDatEx directly if more information is needed.

Should there be an EET per fund?

Morningstar expects to receive one EET for multiple classes/ranges of funds.

What languages are available within the EET?

FinDatEx has created the template to be single-language (English). It does not contain any free text fields.

Are the EET data points uniquely sourced?

Yes. EET data can only be sourced from the EET. There is overlap within the EET from other ESG datasets such as SFDR, Taxonomy, and MiFID. These will be collected and stored within their own Morningstar datasets. As an example, we collect Article 8/9 data from the prospectus for SFDR and from the EMT for MiFID, but they are stored individually from their unique sources.

How is Morningstar handling the ESG data points that will move from the EMT V4 to the EET?

The data points will be moved over and created to show the EET as the unique source. The EMT versions in time will be retired.

Will Morningstar be producing and disseminating the EET on behalf of manufacturers?

Yes. Morningstar will also be producing the EET via MPS. For further details on this, reach out to the product teams.

Will MPS be able to access PAI and Taxonomy datasets calculated by Morningstar Sustainalytics?

Yes. MPS has access to fund-level PAI calculations and Taxonomy (from fourth-quarter 2022). Clients must have read and agreed with our Taxonomy methodology. We do not cover all PAIs. Please refer to Morningstar Direct for coverage information.

Will Morningstar Direct host the EET Data?

Yes. Direct will have all EET data fields available.

Whom do we contact if we see issues with the EET data on display in Morningstar?

You should raise a request via the support channels you currently use. Our support team will then triage to the data team.

MORNINGSTAR®