

SFDR Principal Adverse Impact (PAI) solution

Sustainable Finance Disclosure Regulation (SFDR) introduces various disclosure-related requirements for financial market participants and financial advisors at entity, service and product level. It aims to provide more standardization and transparency on sustainability, to prevent greenwashing, ensure comparability and thereby, offering investors greater protection when directing investments towards sustainable products and projects.

SFDR defines three categories of financial products which their manufacturers must report to investors on:

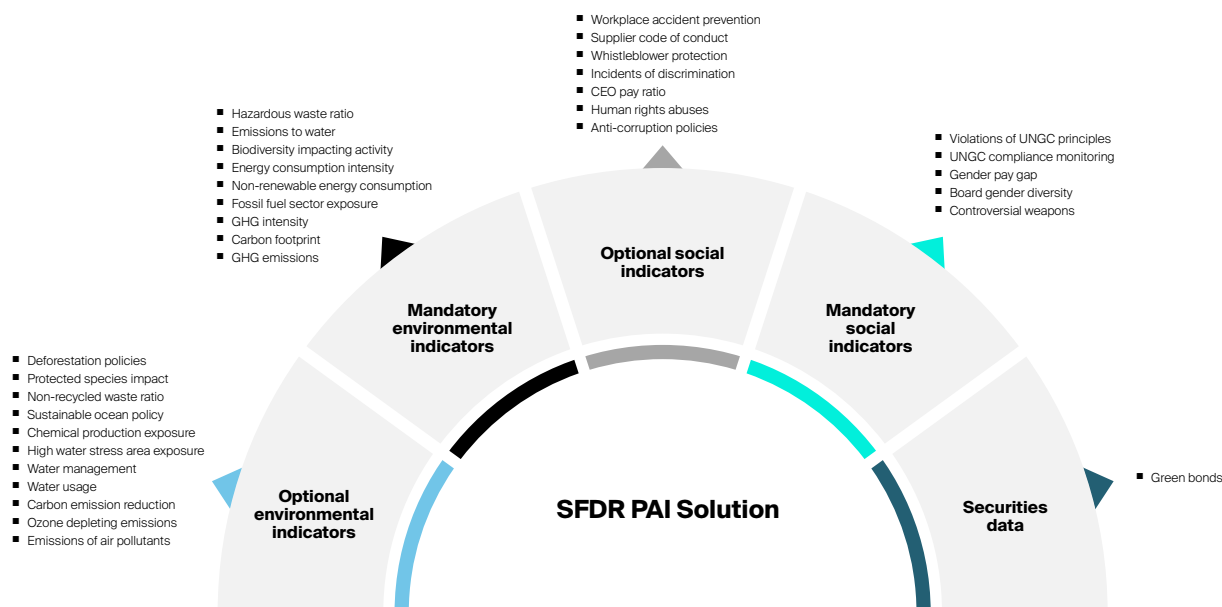
1. Financial products which have “sustainable investment” as their objective (Article 9)
2. Financial products which promote, amongst others, ESG characteristics of the investment (Article 8)
3. All other financial products – products that do not purport to promote any kind of ESG objective

For the first two categories, Financial Market Participants (FMPs) and financial advisers need to provide pre-contractual disclosures and periodic reports regarding how adverse impacts have been considered, use of suitable benchmarks and how objectives are measured. For larger FMPs, they must also publish Principal Adverse Impact Disclosures across their investment portfolios or funds.

ICE solution

To assist its clients in compliance with the SFDR Regulation, ICE offers a suite of SFDR PAI solutions. Combining company disclosures with controversy and sanctions data, ICE offers a data feed of input values for all the mandatory corporate and sovereign indicators and can provide inputs into most of the additional indicators. Weekly-updated ESG risk research systematically identifies adverse impacts required for disclosure from external news sources and non-government organizations. Leveraging our extensive global securities and established corporate hierarchy information, so that ICE’s SFDR PAI solution helps clients to link equity and fixed income security holdings to the closest disclosing corporate entity.

SFDR PAI indicator coverage





Company sustainability indicators

To address the corporate entity indicators identified in the Delegated Act, ICE has mapped data points from its ESG Company Data service to produce PAI indicators covering all mandatory and 33 optional corporate metrics for the ~13,500 companies in ICE's universe. ICE can also supply the "look through" data underlying PAI values to give transparency into the actual reported values from investee companies.



Sovereign ESG indicators

Coverage includes the 10 indicators required for PAI reporting. Carbon Intensity values are available for a large number of countries and are taken from established sources, then aggregated and normalized, with the goal of maximizing coverage and obtaining the latest possible data.



Data derivation

The requirements defined under the Delegated Act state a specific presentation of some of the indicators which may require calculation or derivation on top of the originating company disclosure. ICE will perform these for each company in the service.



Estimated values

Where data is not disclosed by companies, ICE's inference model calculates estimated values to help customers increase coverage. The model uses ICE Entity data and company fundamental data, such as revenue and workforce breakdown to create sector averages for some data points. ICE provides identifying metadata against these estimations to retain full data lineage of disclosure inputs.

Apply principal adverse impacts indicators to your holdings

Customizable report template

Add personalized text to describe policies, strategy and actions. Upload company logos.

Portfolio weighted outputs

Upload security portfolio with weightings from each quarter end to leverage embedded calculation engine.

PAI selector

In addition to the mandatory PAI indicators, select from optional social and environmental PAIs for inclusion in reporting.

Year on year comparison

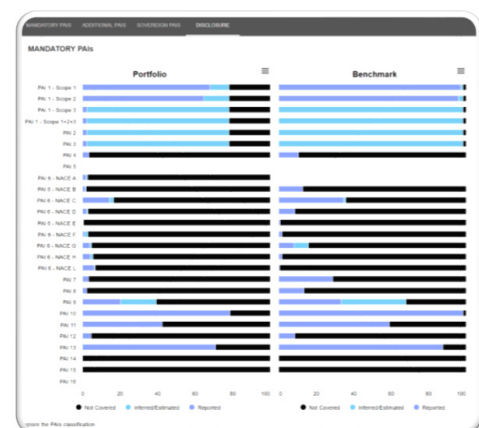
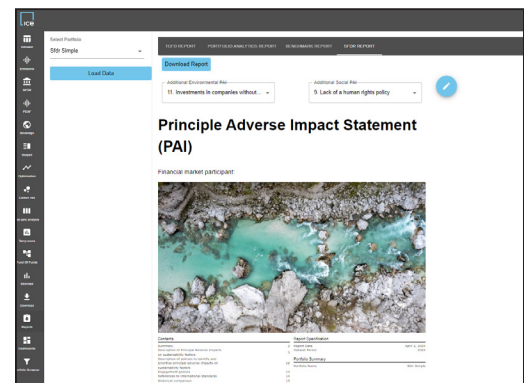
Compare Principal Adverse Impacts performance of a portfolio across reporting periods.

Coverage indicator

Illustrate portfolio coverage for reported data, estimated values or unavailable data points in a simple graphic.

Convenient, simple report generation

Quickly produce professional looking PAI statements to publish for efficient regulatory compliance search, screen and research investee companies on the ICE Data Viewer.



Watch it in action

ABC Company Inc
Energy > > Integrated Oil & Gas

10000	Mandatory - PAI 1	Scope 1 GHG Emissions (Metric Tons)	34,000,000	Stated
10000	Mandatory - PAI 2	Scope 2 GHG Emissions (Metric Tons)	2,000,000	Stated
10000	Mandatory - PAI 3	Scope 3 GHG Emissions (Metric Tons)	400,000,000	Stated
10000	Mandatory - PAI 4	Scope 3 GHG Emissions (Metric Tons)	400,000,000	Stated
10000	Mandatory - PAI 5	Scope 3 GHG Emissions (Metric Tons)	400,000,000	Stated
10000	Mandatory - PAI 6	Scope 3 GHG Emissions (Metric Tons)	400,000,000	Stated
10000	Mandatory - PAI 7	Scope 3 GHG Emissions (Metric Tons)	400,000,000	Stated
10000	Mandatory - PAI 8	Scope 3 GHG Emissions (Metric Tons)	400,000,000	Stated
10000	Mandatory - PAI 9	Scope 3 GHG Emissions (Metric Tons)	400,000,000	Stated
10000	Mandatory - PAI 10	Scope 3 GHG Emissions (Metric Tons)	400,000,000	Stated
10000	Mandatory - PAI 11	Scope 3 GHG Emissions (Metric Tons)	400,000,000	Stated
10000	Mandatory - PAI 12	Scope 3 GHG Emissions (Metric Tons)	400,000,000	Stated
10000	Mandatory - PAI 13	Scope 3 GHG Emissions (Metric Tons)	400,000,000	Stated
10000	Mandatory - PAI 14	Scope 3 GHG Emissions (Metric Tons)	400,000,000	Stated
10000	Optional Environmental - PAI 1	Scope 3 GHG Emissions (Metric Tons)	400,000,000	Stated
10000	Optional Environmental - PAI 2	Scope 3 GHG Emissions (Metric Tons)	400,000,000	Stated
10000	Optional Environmental - PAI 3	Scope 3 GHG Emissions (Metric Tons)	400,000,000	Stated
10000	Optional Environmental - PAI 4	Scope 3 GHG Emissions (Metric Tons)	400,000,000	Stated
10000	Optional Environmental - PAI 5	Scope 3 GHG Emissions (Metric Tons)	400,000,000	Stated
10000	Optional Environmental - PAI 6	Scope 3 GHG Emissions (Metric Tons)	400,000,000	Stated
10000	Optional Environmental - PAI 7	Scope 3 GHG Emissions (Metric Tons)	400,000,000	Stated
10000	Optional Environmental - PAI 8	Scope 3 GHG Emissions (Metric Tons)	400,000,000	Stated
10000	Optional Environmental - PAI 9	Scope 3 GHG Emissions (Metric Tons)	400,000,000	Stated
10000	Optional Environmental - PAI 10	Scope 3 GHG Emissions (Metric Tons)	400,000,000	Stated
10000	Optional Environmental - PAI 11	Scope 3 GHG Emissions (Metric Tons)	400,000,000	Stated
10000	Optional Environmental - PAI 12	Scope 3 GHG Emissions (Metric Tons)	400,000,000	Stated
10000	Optional Environmental - PAI 13	Scope 3 GHG Emissions (Metric Tons)	400,000,000	Stated
10000	Optional Environmental - PAI 14	Scope 3 GHG Emissions (Metric Tons)	400,000,000	Stated

Ticker or ID	Bond Ticker	Equity Ticker	Company Name	Sector	Country of Risk	ESG	Market (USD)
7922771	WFC	WFC	Wells Fargo & ...	Financials	United States	46.39	150
7922816	BK	BK	The Bank of Ne...	Financials	United States	206.4	41.79
7922892	MS	MS	Morgan Stanley	Financials	United States	172.2	115.2
7922908	JPM	JPM	JPMorgan Cha...	Financials	United States	447.3	115.2
7922959	C	C	Citigroup Inc.	Financials	United States	115.2	18.06
7922978	CCL	CCL	Carnival Corpo...	Consumer Disc...	United States	364.0	7.529
7923038	BAC	BAC	Bank of Americ...	Financials	United States	364.0	116.4
7923150	M	M	Macy's, Inc.	Consumer Disc...	United States	41.09	12.83
7923167	PLD	PLD	Prologis Inc.	Real Estate & R...	United States	116.4	118.2
7923183	KMI	KMI	Kinder Morgan...	Energy	United States	118.2	10.01
7923328	NI	NI	NiSource Inc.	Utilities	United States	116.8	7.898
7923381	GS	GS	Goldman Sach...	Financials	United States	2.245	16.71
7923423	SEE	SEE	Sealed Air Cor...	Materials	United States	7.638	40.81
7923627	IBM	IBM	International B...	Technology	United States	7.638	40.81
7923682	DXC	DXC	DXC Technolog...	Technology	United States	2.245	16.71
7923755	MSFT	MSFT	Microsoft Corp...	Technology	United States	7.638	40.81
7923807	CLX	CLX	The Clorox Co...	Consumer Sta...	United States	7.638	40.81
7923993	CACC	CACC	Credit Accepta...	Financials	United States	7.638	40.81
7924488	SYV	SYV	Sysco Corpora...	Consumer Sta...	United States	7.638	40.81

Data Viewer - SFDR module

- User friendly, customizable dashboard
- Entity view of PAI indicators with historical data
- Cross compare companies and sectors on a filtered or uploaded list
- Look through to underlying disclosure
- Trace data back to source documentation
- Downloadable data by entity or list

Solutions summary

Data Viewer - SFDR module

- Search and analyze PAI indicators on individual companies or compare across a range of companies
- View any underlying reported data which was transformed to create a PAI value in alignment with the Annex I requirements
- Upload your security identifiers and have them automatically linked to the closest reporting entity's sustainability profile

SFDR reporting tool

- Comply with regulatory requirements at the entity level by generating a straightforward PAI statement
- Enhance transparency for your clients by choosing optional PAIs
- Customize explanations and upload logos
- Utilize this tool at both the entity and product levels; simply choose the portfolios

SFDR analysis module

- Assess the performance of your portfolio or entity across all Mandatory PAIs and wide range of Additional PAIs
- Test your portfolio's PAIs against other portfolios or benchmark
- Identify your portfolio's strengths across the entire range of PAIs

Data delivery options include flat files or XML via (s)FTP or via web-based user interface, analytics and reporting module with download capabilities.

 For more information: ice.com/sustainable-finance-data

This presentation contains information that is confidential and proprietary property and/or trade secret of the ICE Group, is not to be published, reproduced, copied, disclosed or used without the express written consent of Intercontinental Exchange, Inc. and/or its affiliates (the "ICE Group").

This presentation is provided for informational purposes only. The information contained herein is subject to change without notice and does not constitute any form of warranty, representation, or undertaking. Nothing herein should in any way be deemed to alter the legal rights and obligations contained in agreements between ICE Group and its respective clients relating to any of the products or services described herein. Nothing herein is intended to constitute legal, tax, accounting or other professional advice. Clients should consult with an attorney, tax, or accounting professional regarding any specific legal, tax, or accounting situation.

ICE Group are not registered as nationally registered statistical rating organizations, nor should this information be construed to constitute an assessment of the creditworthiness of any company or financial instrument.

GHG emissions information available is either compiled from publicly reported information or estimated, as indicated in the applicable product and services.

Fixed income evaluations, continuous evaluated pricing, end-of-day evaluations, evaluated curves, model-based curves, market sentiment scores and Fair Value Information Services related to securities are provided in the US through ICE Data Pricing & Reference Data, LLC and internationally through ICE Data Services entities in Europe and Asia Pacific. ICE Data Pricing & Reference Data, LLC is a registered investment adviser with the US Securities and Exchange Commission. Additional information about ICE Data Pricing & Reference Data, LLC is available on the SEC's website at [adviserinfo.sec.gov](https://www.adviserinfo.sec.gov). A copy of ICE Data Pricing & Reference Data, LLC's Form ADV is available upon request.

Trademarks of the ICE Group include: Intercontinental Exchange, ICE, ICE block design, NYSE, ICE Data Services, and New York Stock Exchange. Information regarding additional trademarks and intellectual property rights of Intercontinental Exchange, Inc. and/or its affiliates is located at ice.com/terms-of-use. Other products, services, or company names mentioned herein are the property of, and may be the service mark or trademark of, their respective owners.