

17 September 2020

Survey: Pillar 3 disclosures on ESG risks under Article 449a CRR

Notes / instructions

This survey has been prepared to support the EBA's work on the mandate included in Article 434a of Regulation (EU) No 575/2013 (CRR), which mandates the EBA to develop implementing technical standards (ITS) on the disclosure of prudential information on ESG risks by large institutions, as specified in Article 449a CRR.

The objective of the survey is to collect information on institutions' current practices regarding disclosure of information on ESG risks, on the classifications and metrics currently in use, and on their view regarding how Pillar 3 disclosures should be implemented and interact with other disclosure frameworks.

The survey is addressed to institutions that will be required to disclose prudential information on ESG risks according Article 449a CRR. The participation to the survey is voluntary.

The answers to the survey should be provided by credit institutions (or by relevant third parties on behalf of institutions) with an institution-specific focus and information. Answers can be provided on a best-effort basis, but the EBA expects that participants answers as many questions as possible in a well-founded manner. **The survey should be answered by means of the online tool that can be accessed under the following link:**

Link to the tool

This document serves as a reference that supplements the online survey. The document includes explanatory notes and instructions that will not be included in the online tool. At their discretion, competent authorities may translate this reference document into other EU languages to help institutions with preparing their answers. **The survey should be answered via the online tool and in English language.**

The answers to the survey may be used by the EBA for the performance of various tasks in the field of sustainable finance. Primarily, the feedback provided to the survey will be used to inform and support the development of the ITS on Pillar 3 disclosures on ESG risks. It will also help the EBA understand the type of actions that institutions are putting in place following the policy messages

and expectations on disclosures included in the EBA Action Plan on Sustainable Finance¹ published in December 2019, including the disclosure of a green asset ratio.

The EBA reserves the right to follow-up on the answers to the survey through the contact points indicated in the survey².

The survey is structured into the following sections:

- General questions on the current status of ESG disclosure (Part 1): in this part of the survey, the questions are set independently for ‘environmental’, ‘social’ and ‘governance’, and especially for the ‘environmental’ it sets questions in relation to several initiatives such as the EBA Action plan on sustainable finance, EU Taxonomy and Commission non-binding guidelines on reporting of climate related information.
- Questions on the interaction between Pillar 3 disclosure and policy initiatives (Part 2): the questions in this part focus on the interaction between institutions’ current practices with other policy initiatives such as non-financial reporting directive (NFRD), Commission’s non-binding guidelines on non-financial information, including the supplement on climate-related reporting, and others.
- Forward-looking questions regarding the implementation of upcoming disclosure requirements as per Article 449a of the CRR (Part 3): the questions set out in this part focus exclusively on climate change, including transition and physical risks, and cover aspects on exposure classification, metrics and data availability.

Who is answering?

<u>Institution to which the answers refer to</u>	
Entity name	
Entity code (preferably LEI)	
Entity size: Is the institution a large institution (where known to the institution based on points (145) and (146) of Article 4 (1) CRR)	Yes/No/ Don't know
Total assets as of 31 December 2019 (in thousand EUR)	
	Name

¹ https://eba.europa.eu/sites/default/documents/files/document_library//EBA%20Action%20plan%20on%20sustainable%20finance.pdf

² See specific privacy notice.

Main contact point at the institution (for a possible follow up)	Position	
	Telephone	
	Email	
Third party answering on behalf of the institutions, where relevant (organisation and main contact point)		
Organisation		
Name		
Position		
Telephone		
Email		

1. General questions on the current status of ESG disclosures

Question 1.a: To what extent do you agree or disagree with the following statements about the current status of your disclosures?

	1	2	3	4	5	Don't Know/ NA
The institution is including qualitative information on ESG risks in the Pillar 3 reports						
The institution is including quantitative information on ESG risks in the Pillar 3 reports						
The information included in the Pillar 3 report is aligned with the key policy messages and expectations on disclosures included in the EBA action plan on sustainable finance (section 5.2 of the action plan)						
The institution is not yet including information in the Pillar 3 reports but the information included in their non-financial report could provide a starting point for the future Pillar 3 disclosures						
The institution is disclosing information from a double materiality perspective, as defined in the non-financial						

reporting Directive 2014/95/EU ³						
The institution is not yet including information in the Pillar 3 reports nor in their non-financial reporting						

(1= totally disagree, 2= mostly disagree, 3= partially disagree and partially agree, 4= mostly agree, 5= totally agree)

Question 1.b: Please specify the disclosure reference date of the Pillar 3 report in which the institution started disclosing information on ESG risks or is planning to start including this type of information. Similar information to be provided regarding the non-financial report.

1.1 Questions on the current status of ESG disclosures – environmental risks, including climate-related risks and actions taken to meet supervisory expectations in the EBA Action Plan on Sustainable Finance

Question 2.a: If the institution is disclosing information on ESG risks (e.g. in Pillar 3 reports, annual reports, non-financial reports, sustainability reports etc.), what is the status of your disclosure of information related to environmental risks?

	1	2	3	4	Don't Know/ NA
The institution is disclosing qualitative information on environmental risks, including climate-related risks, in its Pillar 3 report					
The institution is disclosing qualitative information on environmental risks (including climate-related risks) in their non-financial report					
The institution is disclosing qualitative information on environmental risks (including climate-related risks) in other reports					
The institution is including quantitative information on environmental risks (including climate-related risks) in their Pillar 3 report					

³ OJ L 330, 15.11.2014, p. 1–9

The institution is including quantitative information on environmental risks (including climate-related risks) in their non-financial report					
The institution is including quantitative information on environmental risks (including climate-related risks) in other reports					
If the institution is disclosing information on environmental risks (including climate-related risks), it is following a classification aligned with the environmental objectives included in the EU Taxonomy regulation ⁴					
The institution is including information on environmental risks with a focus on climate change					
The institution is including information not only on climate-related but also on other environmental risks					

(1= not at all, 2= to some extent but not much, 3= to a reasonable extent, 4= to a great extent)

Question 2.b: Please explain, when relevant, the institution’s plans to disclose environmental risks in line with the objectives included in the EU taxonomy.

Question 3.a: If the institution is disclosing information on climate-related risks (e.g. in Pillar 3 reports, annual reports, non-financial reports, sustainability reports etc.), what is the status of your disclosures?

	1	2	3	4	Don't Know/ NA
The institution is including information on transition risk ⁵ in their Pillar 3 report					
The institution is including information on transition risk ⁶ in their non-financial report					
The institution is including information on transition risk ⁷ in other reports					

⁴ Regulation (EU) 2020/852

⁵ Transition risk and physical risk are defined in the Commission [Guidelines on climate-related information](#), paragraph 2.3

⁶ Transition risk and physical risk are defined in the Commission [Guidelines on climate-related information](#), paragraph 2.3

⁷ Transition risk and physical risk are defined in the Commission [Guidelines on climate-related information](#), paragraph 2.3

The institution is including information on physical risk ⁸ in their Pillar 3 report					
The institution is including information on physical risk ⁹ in their non-financial report					
The institution is including information on physical risk ¹⁰ in other reports					
In case that the institution is including information on transition risk, the institution’s information is aligned with the definition included in the Commission non-binding guidelines on reporting of climate related information					
In case that the institution is including information on physical risk, the institution’s information is aligned with the definition included in the Commission non-binding guidelines on reporting of climate related information					

(1= not at all, 2= to some extent but not much, 3= to a reasonable extent, 4= to a great extent)

Question 3.b: Please specify what definitions the institution is applying, if other than those in the Commission non-binding guidelines.

Question 4.a: If the institution is disclosing qualitative information on climate-related and/or other environmental risks, please specify what type of information is being disclosed.

	1	2	3	4	Don't Know/ NA
The institution is disclosing information on business strategy and business model					
The institution is disclosing information on governance					
The institution is disclosing information on risk management					

⁸ Transition risk and physical risk are defined in the Commission [Guidelines on climate-related information](#), paragraph 2.3

⁹ Transition risk and physical risk are defined in the Commission [Guidelines on climate-related information](#), paragraph 2.3

¹⁰ Transition risk and physical risk are defined in the Commission [Guidelines on climate-related information](#), paragraph 2.3

The institution is disclosing other information					
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(1= not at all, 2= to some extent but not much, 3= to a reasonable extent, 4= to a great extent)

Question 4.b: Please specify where the institution is disclosing this information (Pillar 3 report, non-financial report...) and provide the link to the report and examples of such disclosures. If the institution is disclosing other information, please specify what type of information is being

disclosed.

Question 5: If the institution is disclosing quantitative information on climate change related-risks and/or other environmental risks, to what extent do you agree or disagree with the following statements?

	1	2	3	4	5	Don't know/ NA
The climate-related disclosure of the institution are aligned with the information and metrics included in the Commission non-binding guidelines on reporting of climate related information						
The climate-related disclosure of the institution are aligned with the information and metrics included in the EBA action plan on sustainable finance						
The institution is disclosing information on green asset ratios (in line with the Commission non-binding guidelines on reporting of climate related information and the EBA Action plan on sustainable finance)						
The institution is disclosing information on carbon related exposures (in line with the Commission non-binding guidelines on reporting of climate related information and the EBA Action plan on sustainable finance)						
The institution is disclosing information on scope 3 emissions						
The institution is disclosing information on classification of exposures in terms of level of						

exposition to transition risk						
The institution is disclosing information on classification of exposures in terms of level of exposition to physical risk						
The institution is disclosing information on principal adverse impacts.						

(1= totally disagree, 2= mostly disagree, 3= partially disagree and partially agree, 4= mostly agree, 5= totally agree)

Question 6.a: If the institution is disclosing information on green asset ratio, please specify what type of information it is disclosing.

	1	2	3	4	Don't know/ NA
The institution is disclosing qualitative information on how they plan to develop the green asset ratio ¹¹					
The institution is disclosing metrics and targets on green asset ratio in terms of estimates and ranges					
The institution is disclosing information on green asset ratio by portfolio for the main portfolios					
The institution is working towards the implementation of aggregate green asset ratio at institution level					
The institution's definition and disclosure of the green asset ratio is based on the EU taxonomy regulation ¹²					

(1= not at all, 2= to some extent but not much, 3= to a reasonable extent, 4= to a great extent)

Question 6.b: Please provide any comments or explanations on how you define the green asset ratio and its components, in particular, on what you would include in the numerator and the denominator of such ratio. Please also provide your comments on how the green asset ratio could be adapted to include taxonomy-related exposures.

Question 7.a: If the institution is disclosing information on brown asset ratio, please specify what

¹¹ Please refer to section 5.2 of the EBA action plan on sustainable finance, 'Expectations on disclosure', and in particular to paragraphs 43 and 44 of the action plan.

¹² Regulation (EU) 2020/852

type of information it is disclosing.

	1	2	3	4	Don't know/NA
The institution is disclosing qualitative information on how they plan to develop the brown asset ratio					
The institution is disclosing information on brown asset ratio by portfolio for the main portfolios					
The institution is working towards the implementation of aggregate brown asset ratio at institution level					

(1= not at all, 2= to some extent but not much, 3= to a reasonable extent, 4= to a great extent)

Question 7.b: Please provide any comments or explanations on how you define the brown asset ratio and its components, in particular, on what you would include in the numerator and the denominator of such ratio.

Question 8: If the institution is disclosing any information on scope 3 emissions, please specify what type of information it is disclosing (qualitative information on methodologies to measure scope 3 emissions, classification of exposures, including loans and investment portfolios, information on metrics and targets...). Specify as well where the institution is disclosing it (Pillar 3 report, non-financial report...), and provide the link to the report and examples of such disclosures.

1.2 Questions on the status of ESG disclosures – social and governance¹³ risks

Question 9: What is the status of your disclosures, regarding social risks?

	1	2	3	4	Don't know/NA
The institution is including qualitative information on social risks in their Pillar 3 report					

¹³ Governance risk in ESG refers to the governance of the counterparties (and not the governance of the credit institution).

The institution is including quantitative information on social risks in their Pillar 3 report					
The institution is disclosing information on social risks by portfolio for the main portfolios					
The institution is not including information on social risks in their Pillar 3 report, but it is including information in their non-financial report which could provide a benchmark for future Pillar 3 disclosures					
The institution is including information on social risks neither in their Pillar 3 report nor in their non-financial report					

(1= not at all, 2= to some extent but not much, 3= to a reasonable extent, 4= to a great extent)

Question 10.a: If the institution is disclosing qualitative information on social risks, please specify what type of information is being disclosed.

	1	2	3	4	Don't Know/NA
The institution is disclosing information on business strategy and business model					
The institution is disclosing information on governance					
The institution is disclosing information on risk management					
The institution is disclosing other information					

(1= not at all, 2= to some extent but not much, 3= to a reasonable extent, 4= to a great extent)

Question 10.b: Please specify where the institution is disclosing this information (Pillar 3 report, non-financial report...), provide the link to the report and examples of such disclosures. If the institution is disclosing 'other' information, please specify what type of information is being disclosed.

Question 11: If the institution is disclosing qualitative or quantitative information on social risks, please specify what particular topics are covered (community – society, like e.g. relations with local communities, social impact of products and services etc.; employees relationships/labour

standards; workplace, health and safety, diversity and gender; customer protection and product responsibility; human rights; poverty/famine; other). Please provide examples.

Question 12: If the institution is disclosing quantitative information on social risks, please specify what type of information is being disclosed (classification of exposures, targets and metrics...). Please provide examples of the metrics and other information disclosed.

Question 13: To what extent do you agree or disagree with the following statements about the status of your disclosures, regarding governance¹⁴ risks disclosures?

	1	2	3	4	Don't know /NA
The institution is including qualitative information on governance risks in their Pillar 3 report					
The institution is including quantitative information on governance risks in their Pillar 3 report					
The institution is including information on AML related risks in their Pillar 3 report					
The institution is including information on conduct related risks in their Pillar 3 report					
The institution is not including information on governance risks in their Pillar 3 report, but it is including information in their non-financial report which could provide a benchmark for future Pillar 3 disclosures					
The institution is disclosing information on governance risks by portfolio for the main portfolios					
The institution is not including information on governance risks in their Pillar 3 report nor in their non-financial report					

(1= not at all, 2= to some extent but not much, 3= to a reasonable extent, 4= to a great extent)

¹⁴ Governance risk in ESG refers to the governance of the counterparties (and not the governance of the credit institution).

Question 14.a: If the institution is disclosing qualitative information on governance risks, please specify what type of information is being disclosed.

	1	2	3	4	Don't Know/ NA
The institution is disclosing information on business strategy and business model					
The institution is disclosing information on governance					
The institution is disclosing information on risk management					
The institution is disclosing other information					

(1= not at all, 2= to some extent but not much, 3= to a reasonable extent, 4= to a great extent)

Question 14.b: Please specify where the institution is disclosing this information (Pillar 3 report, non-financial report...), provide the link to the report and examples of such disclosures. If the institution is disclosing 'other' information, please specify what type of information is being disclosed.

Question 15: If the institution is disclosing quantitative information on governance risks, please specify what type of information is being disclosed (classification of exposures, targets and metrics...). Please provide examples of the metrics and other information disclosed.

Question 16: If the institution is disclosing information on AML related risks, please specify what type of information is being disclosed.

Question 17: If the institution is disclosing information on conduct related risks, please specify what type of information is being disclosed.

2. Questions on interaction of Pillar 3 disclosures with other ESG disclosures of institutions and with other policy initiatives in the EU

Institutions are asked to disclose information on ESG issues under the NFRD, under the Commission non-binding guidelines on non-financial information (including the supplement on climate-related reporting), under Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector and the supplementing Joint Committee of the three ESAs draft RTS, with regards to financial products’ pre-contractual, website and periodic disclosures and under the future taxonomy regulation. It is important to understand the level of interaction of Pillar 3 disclosures with other ESG disclosures by the institutions in order to achieve consistency, build when necessary on common definitions and classifications, and avoid overlaps.

Question 18.a: How should the Pillar 3 information interact with these frameworks? Please indicate to what extent you agree or disagree with the following statements.

	1	2	3	4	5	Don't know/ NA
Information on ESG risks to be disclosed in Pillar 3 reports is complementary with the non-financial reporting information under NFRD and Commission non-binding guidelines, with some information that could be common						
If information on ESG risks to be disclosed in Pillar 3 reports is complementary with the non-financial reporting information under NFRD and Commission non-binding guidelines, it should also follow the double materiality perspective that applies in the latter regulatory products						
Information on ESG risks to be disclosed in Pillar 3 reports is complementary with the information that institutions will have to disclose following Article 8 of the taxonomy regulation, with some information						

that could be common ¹⁵						
Information on ESG risks to be disclosed in Pillar 3 reports is complementary with the information that institutions will have to disclose under Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector and the supplementing draft ESAs, RTS on financial products' pre-contractual, website and periodic disclosures						
Information on ESG risks disclosed in different reports should include some common metrics, and quantitative and qualitative disclosures specific to the objectives of each report						
There is a need for coordination in the policy work on the different topics, building on common definitions and classifications and with specificities for each piece of regulation depending on the objectives						

(1= totally disagree, 2= mostly disagree, 3= partially disagree and partially agree, 4= mostly agree, 5= totally agree)

Question 18.b: Please provide any comments or explanations to justify your answers to Question 18.a, on the interactions of Pillar 3 disclosures with the other regulatory products mentioned in the question or with any other products or statutory disclosures, and on potential overlaps of information.

3. Questions regarding the implementation of disclosure requirements included in Article 449a CRR (focus on climate change)

3.1 Scope of Pillar 3 disclosures in terms of transition risk

¹⁵ Add link to the latest version of taxonomy before publication

The EBA is of the view that the Pillar 3 disclosures should cover all type of exposures, including ‘green’, ‘brown’ and ‘neutral’ to provide information on the institution’s exposure to ESG risks and on how the institution is mitigating these risks, e.g. by taking into account the transition to a more sustainable economy.

In addition, given the long term nature of climate-related risks in many cases (both transition and physical risks), the time horizon of these disclosures may also be longer.

Question 19.a: To what extent do you agree or disagree with the following statements related to the scope of Pillar 3 disclosures for transition risk?

	1	2	3	4	5	Don't know/ NA
An institution whose counterparties are more exposed to risks that arise from the transition to a low-carbon and climate-resilient economy is more exposed to transition risk						
An institution that helps their counterparties in the transition to a green economy is mitigating its exposition to transition risks						
An institution that aims at improving its green asset ratios is mitigating its exposition to transition risks.						
An institution that aims at reducing its brown asset ratios is mitigating its exposures to transition risks.						
Institutions’ Pillar 3 disclosures should include information not only on brown exposures but also on neutral and green exposures						
Given that climate-related transition risks may materialise in the medium and long term, prudential disclosure should include not only information on their present level of exposition to this risk but also forward-looking information, including potential impacts of ESG-related scenarios.						
Given that climate-related physical risks may materialise in the medium and long term, prudential disclosure should include not only information on their present level of exposition, including potential impacts of ESG-related scenarios but also forward looking information						

(1= totally disagree, 2= mostly disagree, 3= partially disagree and partially agree, 4= mostly agree, 5= totally agree)

Question 19.b: Please provide any explanations or relevant examples to justify your answers to Question 19.a, and information that can help in the assessment of the underlying risks.

3.2 Classification of exposures

For understanding their level of exposure to climate-related transition risk, it may be effective if institutions disclose their exposures in classification into green, neutral and brown exposures and provide metrics and forward-looking information in terms of targets and level of progress expected/achieved.

Question 20: Classification of exposures for the purpose of transition risk. Please indicate to what extent you agree or disagree with the following statements.

	1	2	3	4	5	Don't know/ NA
Disclosure of classification of exposures should be specific and separate for the banking book and the trading book						
Disclosure of classification of exposures should be specific within the banking book, for the different lending portfolios (corporate exposures, retail exposures, real estate, consumer loans, project finance...)						
The methodology proposed in the taxonomy regulation is appropriate for the identification of 'green activities' in the corporate lending portfolio						
Identification of 'brown activities' under a brown taxonomy classification complementing the current framework would be useful						
For residential real estate exposures, a classification based on the energy performance certificate of the collateral is the most appropriate						
The methodology proposed in the taxonomy regulation is appropriate for the identification of 'green collateral' in the real estate portfolio						
Similarly for 'car loans', a classification based on the energy performance certificate of the vehicle is the						

most appropriate						
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(1= totally disagree, 2= mostly disagree, 3= partially disagree and partially agree, 4= mostly agree, 5= totally agree)

The following questions should help understand the institutions’ current practices regarding the classification of exposures from the point of view of transition risks and on the level of implementation of the taxonomy.

Question 21.a: Please indicate to what extent you agree or disagree with the following statements, regarding the current practices by institutions in terms of classification of exposures from the point of view of transition risk.

	Yes	No	Don’t know/NA
The institution is applying internal methodologies for the classification of exposures into ‘green’, ‘brown’ and ‘neutral’			
The institution is applying external methodologies for the classification of exposures into ‘green’, ‘brown’ and ‘neutral’			
The classification system is based in the NACE code sectorial classification (4 digits)			
The institution has developed and is applying a mapping of classification of the exposures into ‘green’, ‘brown’ and ‘neutral’ corresponding to risk category and level, e.g. credit risk, market risk etc.			

Question 21.b: Please provide any comments or explanations to justify your answers to Question 21.a, on the type of classifications applied by the institution.

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Question 22.a: Degree of implementation of the taxonomy by the institution. Please indicate to what extent the institution has started with the implementation of the taxonomy.

	1	2	3	4	Don’t know/NA
Degree of implementation of the taxonomy for the purpose of the identification of environmentally sustainable exposures, contributing to climate change					

mitigation					
Degree of implementation of the taxonomy for the purpose of the identification of environmentally sustainable exposures, contributing to climate change adaptation					

(1= not at all implemented, 2= implemented to some extent but not much, 3= implemented to a reasonable extent, 4= implemented to a great extent)

Question 22.b: Please provide any comments or indicate if the institution is using other standards for the purpose of the identification of environmentally sustainable exposures.

Question 23: Classification of brown exposures by the institution. Please indicate to what extent you agree or disagree with the following statements.

	1	2	3	4	5	Don't know/ NA
The institution is using the significant contribution thresholds of the EU Taxonomy to determine brown assets (i.e. activities that fail to meet the thresholds to a certain extent)						
The institution is using the do-no-significant-harm-criteria of the EU Taxonomy to determine brown assets						
The institution is using a market-based classification system for brown assets						
The institution is using a proprietary classification system for brown assets						

(1= totally disagree, 2= mostly disagree, 3= partially disagree and partially agree, 4= mostly agree, 5= totally agree)

Question 24: Please explain in the box below the approach followed by the institution for the identification of carbon-related exposures and for the classification of those exposures, and if there is any existing standard that could be applied as a common classification system until there is a 'brown' taxonomy in the EU (examples of non-financial reporting standards could be Global Reporting Initiative, Sustainability Accounting Standards Board, Task Force on Climate-related Financial Disclosures etc.).

Question 25.a: Neutral exposures. Please indicate to what extent you agree or disagree with the following statements.

	1	2	3	4	5	Don't know/ NA
All the exposures in the relevant portfolios that are not classified as 'green' or 'brown' by the bank should be considered as neutral						

(1= totally disagree, 2= mostly disagree, 3= partially disagree and partially agree, 4= mostly agree, 5= totally agree)

Question 25.b: Please provide any comments or explanations to support your answer.

Question 26.a: Classification of exposures in terms of level of exposition to physical risk. Please indicate to what extent you agree or disagree with the following statements.

	1	2	3	4	5	Don't know/ NA
Classification of exposures in terms of level of exposition to physical risk should also follow criteria based on the geographical location of the exposure and the identification of those geographies more exposed to physical risk						
Classification of exposures in terms of level of exposition to physical risk should also consider insurance coverage						
Classification of exposures in terms of level of exposition to physical risk should also consider other criteria						

(1= totally disagree, 2= mostly disagree, 3= partially disagree and partially agree, 4= mostly agree, 5= totally agree)

Question 26.b: Please provide any comments or explanations to support your answers to Question 26, particularly if you consider that there are other criteria for each portfolio relevant to the classification of exposures in terms of physical risk.

3.3 Metrics and information to be disclosed

Question 27.a: Please indicate to what extent you agree or disagree with the following

statements, regarding the calculation of a green asset ratio and the metrics proposed in the EBA action plan on sustainable finance and the Commission Guidelines on climate-related reporting

	1	2	3	4	5	Don't know/ NA
The following metric, volume of financial assets funding sustainable economic activities contributing substantially to climate mitigation and/or adaptation, is appropriate to estimate the green asset ratio for corporate exposures						
The following metric, volume of collaterals related to assets or activities in climate change mitigating sectors (classified based on the energy performance certificate level), is appropriate to estimate the green asset ratio for residential real estate portfolios						
The following metric, total amount of the fixed income portfolios invested in green bonds, is appropriate to estimate the green asset ratio for bonds portfolios						
The following metric, total amount of 'green' car loans, to total car loans, based on the energy performance certificate classification, is appropriate to estimate the green asset ratio for consumer loans portfolios						
There should be specific metrics to disclose the green asset ratio for the trading portfolio						
There are other metrics that work better in order to calculate the green asset ratio of the institutions' portfolios						
The ITS should define an aggregate metric that provides an overview of the green asset ratio for all the institution's balance sheet						

(1= totally disagree, 2= mostly disagree, 3= partially disagree and partially agree, 4= mostly agree, 5= totally agree)

Question 27.b: Please provide any comments or explanations to justify your answers to Question 27.a particularly if you suggest that there should be specific metrics for the trading book, or if you think that there are other metrics that may work better than those suggested in the EBA Action plan on sustainable finance, or if you think that the ITS should define an aggregate metric to reflect the green asset ratio of the institutions' balance sheet (provide explanations on the potential metrics).

Question 28.a: Please indicate to what extent you agree or disagree with the following statements, regarding the calculation of metrics on brown assets.

	1	2	3	4	5	Don't know/ NA
The metrics included in the Commission non-binding guidelines on climate change reporting ¹⁶ , Annex I (further guidance for banks and insurance companies), related to brown assets are appropriate						
Metrics reflecting concentration risk on brown assets are appropriate						
A metric based on volume of assets with brown collaterals compared to total assets, based on the energy performance certificate would be appropriate						
The following metric, total amount of 'brown' car loans, to total car loans, based on the energy performance certificate classification, is appropriate to estimate the brown asset ratio for consumer loans portfolios						
There should be specific metrics on brown assets for the trading portfolio						
The indicators on principal adverse impacts proposed in the ESAs' consultation document on ESG disclosures are appropriate						
There are other metrics that work better						
The ITS should define an aggregate metric that provides an overview of brown assets for all the institution's balance sheet						

(1= totally disagree, 2= mostly disagree, 3= partially disagree and partially agree, 4= mostly agree, 5= totally agree)

Question 28.b: Please provide any comments or explanations to justify your answers to Question 28.a particularly if you suggest that there should be specific metrics for the trading book, if you think that there are other metrics that may work better than those suggested in the table, or if you think that the ITS should define an aggregate metric that would provide an overview of

¹⁶ https://ec.europa.eu/finance/docs/policy/190618-climate-related-information-reporting-guidelines_en.pdf

brown assets for all the institution’s balance sheet (provide explanations on the potential metrics).

Question 29.a: Scope 3 emissions by the institution. Please indicate to what extent you agree or disagree with the following statements.

	1	2	3	4	5	Don't know/ NA
The institution is able to disclose information on the weighted average carbon intensity of each portfolio						
The institution is able to disclose information on the methodologies that they are developing to measure the carbon intensity of each portfolio, and to eventually estimate a weighted average carbon intensity metric						

(1= totally disagree, 2= mostly disagree, 3= partially disagree and partially agree, 4= mostly agree, 5= totally agree)

Question 29.b: Please provide any comments and explanations to justify your answer to Question 29.a particularly in relation to methodologies in use or under development to measure the weighted average carbon intensity of institutions’ portfolios.

3.3.1 Metrics and information to be disclosed – With reference to the NFRD and Article 8 of the Taxonomy Regulation

Question 30: What information should institutions subject to the NFRD disclose (e.g. as part of their prudential and/or broader ESG disclosures, including their non-financial reports) to indicate how their financial or broader commercial activities align with economic activities identified as environmentally sustainable in the EU taxonomy, whether carried out in-house or performed by third parties? Which financial or commercial activities should be included/excluded?

Question 31: Article 8 of the Taxonomy Regulation will require non-financial undertakings under the NFRD to report the proportion of their turnover, capital expenditures (CapEx) and operating expenditures (OpEx) associated with environmentally sustainable economic activities, as per the EU taxonomy. If turnover, operating expenditures (OPEX) and capital expenditures (CAPEX) are not appropriate, what alternative indicators achieve the same purpose? What key performance indicators (KPIs) are best suited to disclose information identified in **Question 30**? What should constitute the numerator and the denominator for a

specific KPI for institutions (banks and investment firms)?

3.4 Availability of relevant and meaningful information

The EBA understands that one of the main challenges for institutions when disclosing information on ESG risks is the availability of relevant and meaningful information from their counterparties. The following questions are related to this topic.

Question 32.a: On the status of available information. Please indicate to what extent you agree or disagree with the following statements.

	1	2	3	4	5	Don't know/ NA
It is challenging for institutions to have access to the information that they need from their counterparties in order to prepare their own disclosures						
In the case of corporates, the non-financial reports that they have to publish under the NFRD is a main source of information						
Information collected on a bilateral basis when granting the facilities or in the monitoring process is a main source of information in the case of corporates.						
Information collected on a bilateral basis when granting the facilities or in the monitoring process is a main source of information in the case of SMEs.						
Information collected on a bilateral basis when granting the facilities or in the monitoring process is a main source of information in the case of retail.						
Information provided by third parties is a main source of information in the case of corporates.						
Information provided by third parties is a main source of information in the case of SMEs.						
Information provided by third parties is a main source of information in the case of retail.						
Institutions have to use other sources of information, different from the ones mentioned in this question, in order to collect the information that they need from						

their counterparties						
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(1= totally disagree, 2= mostly disagree, 3= partially disagree and partially agree, 4= mostly agree, 5= totally agree)

Question 32.b: Please provide any comments or explanations to justify your answers to Question 32.a, particularly in relation to other potential sources of relevant information.

Question 33.a: On the way forward in terms of improving the access by institution to relevant and meaningful information. Please indicate to what extent you agree or disagree with the following statements.

	1	2	3	4	5	Don't know/ NA
The NFRD review should provide a very good basis to address the lack of available information from institutions' counterparties						
The implementation of the EBA Guidelines on loan origination and monitoring ¹⁷ should help institutions get the information that they need on a bilateral basis and to address relevant ESG risks						
Information that market participants will have to disclose regarding their investment products under the SFDR and the RTS of the joint committee of the three ESAs should facilitate the access by institution to relevant information in their investment portfolio						
Geolocation software should help to get very relevant information on the exposures and assets with high level of exposition to physical risk						
Relevant information should be facilitated by other solutions						

(1= totally disagree, 2= mostly disagree, 3= partially disagree and partially agree, 4= mostly agree, 5= totally agree)

Question 33.b: Please provide any comments or explanations to justify your answers to Question 33.a, particularly in relation to other potential sources of relevant information.

¹⁷ https://eba.europa.eu/sites/default/documents/files/document_library/Publications/Guidelines/2020/Guidelines%20on%20loan%20origination%20and%20monitoring/884283/EBA%20GL%202020%2006%20Final%20Report%20on%20GL%20on%20loan%20origination%20and%20monitoring.pdf

