

# Single Rulebook Q&A

<b>Question ID</b>	2023_6676
<b>Status</b>	Final Q&A
<b>Legal act</b>	Regulation (EU) No 575/2013 (CRR)
<b>Topic</b>	Transparency and Pillar 3
<b>Article</b>	449a
<b>Paragraph</b>	-
<b>Subparagraph</b>	-
<b>COM Delegated or Implementing Acts/RTS/ITS/GLs/Recommendations</b>	Regulation (EU) 2022/2453 - ITS on ESG disclosures
<b>Article/Paragraph</b>	n.a.
<b>Date of submission</b>	03/01/2023
<b>Published as Final Q&amp;A</b>	10/03/2023
<b>Disclose name of institution / entity</b>	No
<b>Type of submitter</b>	Credit institution
<b>Subject matter</b>	ESG P3 - Template 1- financed emissions to objects (PCAF-Standard) instead of counterparties
<b>Question</b>	<p>Regarding template 1 (ITS Commission Implementing Regulation (EU) 2022/2453) the "GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty)" [see Annex 1] have to be reported. With respect to Annex 2 of the Regulation, the Reporting Standard of the Financial Industry (PCAF) is referenced (page 13), that is related to the institutions ("their") scope 3 emissions.</p> <p>Therefore, regarding projekt/object finance, we are not clear if the financed emissions of the specified object or the counterparty should be reported. E.g., if a bank finances/leases a car of/to a counterparty, should the scope 1/2/3 emissions of the counterparty (e.g. the company that buy the car that is partially financed by the bank) be reported or the emissions of the car? So forth, should the attribution factor for the company or the attribution factor for the car (loan) be used?</p>
<b>Background on the question</b>	The ITS is clear in that way, that the emissions of the counterparty should be namely filled. However, this is not state of the art for object financing in the reporting standards that are referenced in annex 2 (GHG Accounting,

	PCAF, TCFD, CDP).
<b>Final answer</b>	In the instructions for Template 1, included in the Annex II of the Commission Implementing Regulation (EU) 2022/2453, in order to calculate carbon emissions, institutions are advised to follow internationally accepted standards, such as: Global GHG Accounting and Reporting Standard for the Financial Industry, developed by the Partnership for Carbon Accounting Financials, or Carbon Disclosure Project. In addition, institutions <i>shall disclose their counterparties' scope 3 emissions associated with institutions' lending and investment activities</i> . Therefore, in case of a specified project/object financing, only the exposure financed shall be considered and the relevant attribution factors for particular project/objects calculated, according to the methodology used.
<b>Link</b>	<a href="https://www.eba.europa.eu/single-rule-book-qa/qna/view/publicId/2023_6676">https://www.eba.europa.eu/single-rule-book-qa/qna/view/publicId/2023_6676</a>

European Banking Authority, 11/12/2023

[www.eba.europa.eu](http://www.eba.europa.eu)