

Question ID	2023_6678
Status	Final Q&A
Legal act	Regulation (EU) No 575/2013 (CRR)
Topic	Transparency and Pillar 3
Article	449a
Paragraph	-
Subparagraph	-
COM Delegated or Implementing Acts/RTS/ITS/GLs/Recommendations	Regulation (EU) 2022/2453 - ITS on ESG disclosures
Article/Paragraph	n.a.
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Disclose name of institution / entity	No
Type of submitter	Credit institution
Subject matter	ESG P3 - Template 1- Attribution factor for financed emissions
Question	<p>In Template 1 of the final ITS, Commission Implementing Regulation (EU) 2022/2453 the GHG financed emissions should be reported in column i. With reference to the Annex 2 of the Regulation, institutions should "taking into account their exposures [...] compared to total liabilities (accounting liabilities and shareholders' equity)". This expression refers to an attribution factor that is similarly used in the GHG/PCAF-standard (EVIC, i.e. debt and equity). According to the expression, the attribution factor only applies for the "scope 3 emissions per sector" and is not explicitly named in column j for the "Of which Scope 3 financed emissions". Does the CRR-449a-attribution factor in column i and j apply for scope 1/2/3 of the counterparty? Does the attribution factor deviate from the GHG/PCAF-standard?</p>
Background on the question	While getting more and more involved in GHG Accounting, we have the feeling that the definitions are not always clear in the annex. Therefore, we ask to have this clear here.
Final answer	According to the instructions in Annex II of Regulation (EU) No. 2022/2453 of 30 November 2022 (ITS on ESG disclosures), institutions shall start disclosing information on scope 1, 2 and 3 emissions of their counterparties,

	<p>if already available, including qualitative information in the narrative accompanying this template on the methodology and sources used for the calculation of those emissions.</p> <p>When institutions are in a position to estimate the scope 3 emissions of their counterparties, they shall disclose those emissions both:</p> <ul style="list-style-type: none"> - in column i as part of the total scope 1, scope 2 and scope 3 financed emissions; - In column j as scope 3 financed emissions. <p>It therefore follows that the methodology used to report “scope 3 financed emissions” (column j) should be the same as the one used to report the total GHG financed emissions (column i).</p>
Link	https://www.eba.europa.eu/single-rule-book-qa/qna/view/publicId/2023_6678

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