

# Industry Survey

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## EBA industry survey on the classification of exposures to ESG risks

### Expected EBA mandate<sup>1</sup> under recast CRR point Article 501(c), point a

**(By December 2024)** *[EBA shall assess]* **the availability and accessibility of reliable and consistent ESG data for each exposure class** determined in accordance with title II of Part III of that Regulation.

### Expected EBA mandate under recast CRR Article 501(c), point b

**(By December 2024)** In consultation with the EIOPA, *[EBA shall assess]* the feasibility of introducing a **standardised methodology to identify and qualify the exposures**, for each exposure class in accordance with title II of Part III of that Regulation, **based on a common set of principles to ESG risks classification**, using the information on **transition and physical risk indicators made available by sustainability disclosure reporting frameworks** adopted in the Union and where available internationally, the **guidance and conclusions coming from the supervisory stress-testing or scenario analysis** of climate-related financial risks conducted by the EBA or the competent authorities and if appropriately reflecting the ESG risks, the **relevant ESG score of the ECAI credit risks rating** by a nominated ECAI.

## Introduction

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### Background

The mandate under Article 501(c) of Regulation (EU) No 575/2013 requires the EBA to assess by 31 December 2024:

- a. the availability and accessibility of reliable and consistent ESG data for each exposure class determined in accordance with title II of Part III [of Regulation (EU) No 575/2013].
- b. in consultation with the EIOPA, the feasibility of introducing a standardised methodology to identify and qualify the exposures, for each exposure class in accordance with title II of Part

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<sup>1</sup> CRR, text of the provisional agreement on the regulation on supervisory powers, sanctions, third-country branches, and environmental, social and governance risks ([link](#)).

III [of Regulation (EU) No 575/2013], based on a common set of principles to ESG risks classification, using the information on transition and physical risk indicators made available by sustainability disclosure reporting frameworks adopted in the Union and where available internationally, the guidance and conclusions coming from the supervisory stress-testing or scenario analysis of climate-related financial risks conducted by the EBA or the competent authorities and if appropriately reflecting the ESG risks, the relevant ESG score of the ECAI credit risks rating by a nominated ECAI.

This survey has been prepared to support the EBA in delivering on the above-mentioned mandate. The objective of the survey is to collect qualitative input from credit institutions on their current and planned practices for the identification and qualification of exposures to ESG risks, including information on the availability and accessibility to the relevant data. In line with the mandate to the EBA, the survey focuses on the (banking book) credit exposures of the institutions in the EU/EEA jurisdiction. Exposure classes cover non-financial corporates (NFCs), retail and non-retail small and medium-sized enterprises (SMEs), and households (HHs).

The participation to the survey is voluntary. The EBA, however, strongly encourages you to take part in this important exercise.

The answers to the survey should be provided by credit institutions with an institution-specific focus and information. Answers can be provided on a best-effort basis, but the EBA expects participants to answer as many questions as possible in a well-founded manner.

The **deadline** for submitting the response is **29 March 2024**

The survey should be answered in English language and via the online tool that can be accessed under the following link:

[https://ec.europa.eu/eusurvey/runner/Classification\\_exposures\\_ESG\\_risks](https://ec.europa.eu/eusurvey/runner/Classification_exposures_ESG_risks)

The feedback provided to the questionnaire will be used to prepare the EBA final product, e.g. a report, to meet the above-mentioned mandate. The EBA reserves the right to follow-up on the answers to the questionnaire through the relevant contact points.

## Structure of the survey

The survey has **six sections**.

Section 1 covers general information about the participating credit institution such as identification of the entity.

Sections 2 covers institutions' general information on the used methodology for the identification of ESG risks and possibly the qualification of exposures subject to them.

Section 3 covers exposures to NFCs, sections 4 and 5 cover exposures to non-retail and retail SMEs, respectively, and section 6 covers exposures to households. Each section is divided in two sub-sections including questions related to (i) the identification and (ii) qualification of exposures subject to ESG risks.

Firstly, questions related to **the identification of ESG risks** aim to capture information on how credit institutions map their (banking book) credit exposures to environmental, social and governance risks and how they collect corresponding data. Questions related to the identification of ESG risks cover specifically the use of (i) ESG scores, (ii) transition and physical risk indicators made available by sustainability disclosure reporting frameworks, and (iii) guidance and conclusions coming from supervisory stress-testing or scenario analysis of climate-related financial risks; iv) additional elements such as counterparty level information and internal stress-testing.

Secondly, questions related to **the qualification of ESG risks** aim to capture information on credit institutions' approaches and methodologies to classify (banking book) credit exposures according to potential pools/levels/buckets of differing ESG risks. These potential ESG risk pools/levels/buckets should not necessarily reflect changes in prudential risk parameters such as e.g., PD, LGD.

## Instructions

Exposure classes are based on Article 112 (i.e., Exposure classes under the Standardised Approach) and Article 147 (i.e., Methodology to assign exposures to exposures classes under the IRB approach) of Regulation (EU) No 575/2013. In accordance with the mandate, the following exposure classes are considered:

- exposures to corporates
- retail exposures
- exposures secured by mortgages on immovable property.

In this survey, these exposure classes are investigated in the context of the counterparties including NFCs, SMEs and HHs with the following definitions:

- non-financial corporates (NFCs), as per the definition presented in the Table of Part 3 of Annex II to the ECB BSI Regulation. This definition is based on point (e) of paragraph 42 in Annex V of Commission Implementing Regulation (EU) 2021/451 (FINREP).
- small and medium-sized enterprises (SMEs) as defined in Commission Recommendation C (2003)/1422. This definition is based on point (i) of paragraph 5 in Annex V of Commission Implementing Regulation (EU) 2021/451 (FINREP).
- households (HHs), as per the definition presented in point (f) of paragraph 42 in Annex V of Commission implementing Regulation (EU) 2021/451 (FINREP).

ESG risks could be in line (but not necessarily) with Article 4 of Regulation (EU) No 575/2013. As per Article 4 of that Regulation, ESG risks mean the risk of any negative financial impact on the institution stemming from the current or prospective impacts of ESG factors on the institution's counterparties or invested assets.

For questions related to NACE sector classification, institutions can refer to FINREP and the Commission Implementing Regulation (EU) 2021/637 laying down implementing technical standards with regard to public disclosures by institutions of the information referred to in Titles II and III of Part Eight of Regulation (EU) No 575/2013.

'Planned practices' in the survey questions should be understood as practices that are currently under development and will be implemented by 31 December 2025.

# 1. General information

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## Question 1.1

Name of the institution

## Question 1.2

LEI code of the institution<sup>2</sup>

## Question 1.3

Country of the institution

|               |
|---------------|
| AT – Austria  |
| BE – Belgium  |
| BG – Bulgaria |

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<sup>2</sup> If LEI code is not available, please insert any other relevant type of identification code available.

|                    |
|--------------------|
| HR – Croatia       |
| CY – Cyprus        |
| CZ – Czechia       |
| DK – Denmark       |
| EE – Estonia       |
| FI – Finland       |
| FR – France        |
| DE – Germany       |
| EL – Greece        |
| HU – Hungary       |
| IS – Iceland       |
| IE – Ireland       |
| IT – Italy         |
| LV – Latvia        |
| LI – Liechtenstein |
| LT – Lithuania     |
| LU – Luxembourg    |
| MT – Malta         |
| NL – Netherlands   |

|                      |
|----------------------|
| NO – Norway          |
| PL – Poland          |
| PT – Portugal        |
| RO – Romania         |
| SK – Slovak Republic |
| SI – Slovenia        |
| ES – Spain           |
| SE – Sweden          |

## 2. General information on methodology

### Question 2.1

Indicate if you have a methodology to identify ESG risks and to possibly qualify exposures subject to them (for exposures to NFCs, non-retail SMEs, retail SMEs, HHs).<sup>3</sup>

#### *Exposures to NFCs*

|   | Yes | Planned | No |
|---|-----|---------|----|
| Environmental risks<br>(Climate-related physical risks)   |     |         |    |
| Environmental risks<br>(Climate-related transition risks) |     |         |    |

<sup>3</sup> You are expected to select one of the options ('Yes', 'Planned', 'No') for each row.

|   |  |  |  |
|---|--|--|--|
| Environmental risks<br>(Other physical risks) |  |  |  |
| Environmental (Other<br>transition risks)     |  |  |  |
| Social risks                                  |  |  |  |
| Governance risks                              |  |  |  |

**Exposures to non-retail SMEs**

|   | Yes | Planned | No |
|---|-----|---------|----|
| Environmental risks<br>(Climate-related physical risks)   |     |         |    |
| Environmental risks<br>(Climate-related transition risks) |     |         |    |
| Environmental risks<br>(Other physical risks)             |     |         |    |
| Environmental (Other<br>transition risks)                 |     |         |    |
| Social risks  |     |         |    |
| Governance risks  |     |         |    |

**Exposures to retail SMEs**

|  | Yes | Planned | No |
|--|-----|---------|----|
|  |     |         |    |

|   |  |  |  |
|---|--|--|--|
| Environmental risks<br>(Climate-related physical risks)   |  |  |  |
| Environmental risks<br>(Climate-related transition risks) |  |  |  |
| Environmental risks<br>(Other physical risks)             |  |  |  |
| Environmental (Other transition risks)                    |  |  |  |
| Social risks  |  |  |  |
| Governance risks  |  |  |  |

### ***Exposures to HHs***

|   | Yes | Planned | No |
|---|-----|---------|----|
| Environmental risks<br>(Climate-related physical risks)   |     |         |    |
| Environmental risks<br>(Climate-related transition risks) |     |         |    |
| Environmental risks<br>(Other physical risks)             |     |         |    |
| Environmental (Other transition risks)                    |     |         |    |
| Social risks  |     |         |    |



|                  |  |  |  |
|------------------|--|--|--|
| Governance risks |  |  |  |
|------------------|--|--|--|

**Question 2.2**

If 'Yes' or 'Planned' are selected in Question 2.1 for at least one of the exposure classes, describe step-by-step how you identify ESG risks and possibly qualify exposures subject to them, including differences (if any) between the exposure classes and the applied granularity levels (e.g. sectors, assets, portfolios).

|  |
|--|
|  |
|--|

## 3. Exposures to NFCs

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The scope of this section is credit institutions' exposures to NFCs (other than SMEs).

### 3.1 Identification of ESG risks

Questions 3.1 to 3.1.3.8c will focus on information sources for the identification of ESG risks. These questions correspond to point a) of the mandate.

#### Question 3.1

Indicate if you identify ESG risks to NFC exposures.<sup>4</sup>

|  | Yes | Planned | No |
|--|-----|---------|----|
| Environmental risks (Climate-related physical risks)   |     |         |    |
| Environmental risks (Climate-related transition risks) |     |         |    |
| Environmental risks (Other physical risks)             |     |         |    |
| Environmental risks (Other transition risks)           |     |         |    |
| Social risks   |     |         |    |
| Governance risks                                       |     |         |    |

Please reply to the Question 3.1.1 – Question 3.1.5 if 'Yes' or 'Planned' is selected in at least one of the rows in Question 3.1.

#### Question 3.1.1

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<sup>4</sup> You are expected to select one of the options ('Yes', 'Planned', 'No') for each row.

List the level 2 NACE codes that correspond to your five largest NFC exposures to ESG risks, being 1 the largest<sup>5</sup>.

|   | Answer |
|---|--------|
| 1 |        |
| 2 |        |
| 3 |        |
| 4 |        |
| 5 |        |

### Question 3.1.2

Which of the following three elements<sup>6</sup>, are currently used / planned to be used to identify ESG risks to NFC exposures? Select the applicable options for all three elements.<sup>7</sup>

#### **ESG score (external providers or internal)**

|  | Yes | Planned | No |
|--|-----|---------|----|
| Environmental risks (Climate-related physical risks)   |     |         |    |
| Environmental risks (Climate-related transition risks) |     |         |    |
| Environmental risks (Other physical risks)             |     |         |    |

<sup>5</sup> Ranking should be done in terms of the share of exposures to ESG risks in your credit portfolio relative to total assets.

<sup>6</sup> The three elements are: ESG score (external providers or internal); sustainability disclosure reporting frameworks (EU and internationally); guidance and conclusions from supervisory stress-testing and scenario analysis of climate-related financial risks.

<sup>7</sup> You are expected to select one of the options ('Yes', 'Planned', 'No') for each row.

|  |  |  |  |
|--|--|--|--|
| Environmental risks (Other transition risks) |  |  |  |
| Social risks                                 |  |  |  |
| Governance risks                             |  |  |  |

***Transition and physical risk indicators made available by sustainability disclosure reporting frameworks (EU and internationally)***

|  | Yes | Planned | No |
|--|-----|---------|----|
| Environmental risks (Climate-related physical risks)   |     |         |    |
| Environmental risks (Climate-related transition risks) |     |         |    |
| Environmental risks (Other physical risks)             |     |         |    |
| Environmental risks (Other transition risks)           |     |         |    |

***Guidance and conclusions from supervisory stress-testing and scenario analysis of climate-related financial risks***

|  | Yes | Planned | No |
|--|-----|---------|----|
| Environmental risks (Climate-related physical risks)   |     |         |    |
| Environmental risks (Climate-related transition risks) |     |         |    |
| Environmental risks (Other physical risks)             |     |         |    |

|  |  |  |  |
|--|--|--|--|
| Environmental risks (Other transition risks) |  |  |  |
|--|--|--|--|

### Question 3.1.3

Which of the following two additional elements<sup>8</sup> are currently used / planned to be used to identify ESG risks to NFC exposures? Select the options that apply for each of the two elements.

***Information collected from counterparties (e.g. bilaterally, in loan origination and monitoring process)***

|  | Yes | Planned | No |
|--|-----|---------|----|
| Environmental risks (Climate-related physical risks)   |     |         |    |
| Environmental risks (Climate-related transition risks) |     |         |    |
| Environmental risks (Other physical risks)             |     |         |    |
| Environmental risks (Other transition risks)           |     |         |    |
| Social risks   |     |         |    |
| Governance risks                                       |     |         |    |

***Guidance and conclusions from internal stress-testing and scenario analysis of climate-related financial risks***

|  | Yes | Planned | No |
|--|-----|---------|----|
| Environmental risks (Climate-related physical risks) |     |         |    |

<sup>8</sup> The two additional elements are: information collected from counterparties (e.g. bilaterally, in loan origination and monitoring); guidance and conclusions from internal stress-testing and scenario analysis of climate-related financial risks.

|  |  |  |  |
|--|--|--|--|
| Environmental risks (Climate-related transition risks) |  |  |  |
| Environmental risks (Other physical risks)             |  |  |  |
| Environmental risks (Other transition risks)           |  |  |  |

**Question 3.1.4**

Do you use any other source of information to identify ESG risks to NFC exposures?

|  | Yes | Planned | No |
|--|-----|---------|----|
| Environmental risks (Climate-related physical risks)   |     |         |    |
| Environmental risks (Climate-related transition risks) |     |         |    |
| Environmental risks (Other physical risks)             |     |         |    |
| Environmental risks (Other transition risks)           |     |         |    |
| Social risks   |     |         |    |
| Governance risks                                       |     |         |    |

**Question 3.1.5**

If 'Yes' or 'Planned' is selected for at least one of the rows in Question 3.1.4, specify.

**3.1.1 ESG scores**

If you ticked 'Yes' or 'Planned' for 'ESG score' in Question 3.1.2, please complete Question 3.1.1.1 to 3.1.1.3 where applicable.

#### Question 3.1.1.1

Indicate the type of ESG scores used / planned to be used to identify ESG risks to NFC exposures.

|                                       | Environmental risks (Climate-related physical risks) | Environmental risks (Climate-related transition risks) | Environmental risks (Other physical risks) | Environmental risks (Other transition risks) | Social risks | Governance risks |
|---------------------------------------|--|--|--|--|--------------|------------------|
| ESG score of a nominated ECAI         |  |  |  |  |              |                  |
| ESG score of other external providers |  |  |  |  |              |                  |
| ESG score of internal scoring model   |  |  |  |  |              |                  |

#### Question 3.1.1.2

If 'ESG score of a nominated ECAI', 'ESG score of other external providers' or 'ESG score of internal scoring model' is selected in Question 3.1.1.1, specify how ESG scores are used to identify ESG risks to NFC exposures.

|  | Answer |
|--|--------|
| Environmental risks (Climate-related physical risks)   |        |
| Environmental risks (Climate-related transition risks) |        |

|  |  |
|--|--|
| Environmental risks (Other physical risks)   |  |
| Environmental risks (Other transition risks) |  |
| Social risks                                 |  |
| Governance risks                             |  |

### Question 3.1.1.3

If 'ESG score of internal scoring model' is selected in Question 3.1.1.1, specify the methodology of the ESG scoring model, metrics<sup>9</sup> and data used<sup>10</sup> to identify ESG risks to NFC exposures.

|  | Answer |
|--|--------|
| Environmental risks (Climate-related physical risks)   |        |
| Environmental risks (Climate-related transition risks) |        |
| Environmental risks (Other physical risks)             |        |
| Environmental risks (Other transition risks)           |        |
| Social risks   |        |
| Governance risks                                       |        |

**Reply to Question 3.1.1.4 – 3.1.1.5c regardless of whether your practices include ESG scores or not.**

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<sup>9</sup> For example, metrics could include alignment metrics, client awareness indices, carbon transition metrics.

<sup>10</sup> For example, data could include emissions (including financed emissions), stranded assets, energy efficiency and/or performance of the asset.



**Question 3.1.1.4**

In your opinion, are ESG scores of nominated ECAIs a useful tool to identify ESG risks to NFC exposures?

|                     |
|---------------------|
| Very useful         |
| Somewhat useful     |
| Somewhat not useful |
| Not useful          |
| I don't know        |

**Question 3.1.1.5a**

Rank from 1 to 3 the main challenges associated with the use of ESG scores of a nominated ECAI in identifying ESG risks to NFC exposures, with 1 being the most relevant and 3 the least relevant.

|   | Environmental risks (Climate-related physical risks) | Environmental risks (Climate-related transition risks) | Environmental risks (Other physical risks) | Environmental risks (Other transition risks) | Social risks | Governance risk |
|---|--|--|--|--|--------------|-----------------|
| Availability of ESG scores by a nominated ECAI                            |  |  |  |  |              |                 |
| Accessibility of ESG scores by a nominated ECAI (e.g., due to high costs) |  |  |  |  |              |                 |
| Reliability and robustness of ESG   |  |  |  |  |              |                 |

|  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|
| scores of a nominated ECAI   |  |  |  |  |  |  |
| Comparability of ESG scores across jurisdictions and / or nominated ECAIs                                  |  |  |  |  |  |  |
| Lack of regulatory guidance on how to use ESG scores of nominated ECAIs to identify exposures to ESG risks |  |  |  |  |  |  |
| Lack of technical expertise in the use of ESG scores of nominated ECAIs to identify exposures to ESG risks |  |  |  |  |  |  |
| Other  |  |  |  |  |  |  |

**Question 3.1.1.5b**

If 'Other' is selected in Question 3.1.1.5a, please specify.

**Question 3.1.1.5c**

Explain if and how the challenges could be overcome.

**3.1.2 Transition and physical risk indicators made available by sustainability disclosure reporting frameworks**

If you ticked ‘Yes’ or ‘Planned’ for ‘Transition and physical risk indicators made available by sustainability disclosure reporting frameworks’ in Question 3.1.2, please complete Question 3.1.2.1 to 3.1.2.8 where applicable.

#### Question 3.1.2.1

List the sustainability disclosure reporting frameworks at EU and international level<sup>11</sup> used to retrieve information on transition and physical risks to NFC exposures.

|  | Answer |
|--|--------|
| Environmental risks (Climate-related physical risks)   |        |
| Environmental risks (Climate-related transition risks) |        |
| Environmental risks (Other physical risks)             |        |
| Environmental risks (Other transition risks)           |        |

#### Question 3.1.2.2

List the transition and physical risks information retrieved from the considered sustainability disclosure reporting frameworks with reference to the corresponding framework.

|  | Answer |
|--|--------|
| Environmental risks (Climate-related physical risks)   |        |
| Environmental risks (Climate-related transition risks) |        |

<sup>11</sup> Examples of current industry-led initiatives could include Carbon Disclosure Project (CDP). Examples of planned practices could refer to public disclosures under Corporate Sustainability Reporting Directive (CSRD).

|  |  |
|--|--|
| Environmental risks (Other physical risks)   |  |
| Environmental risks (Other transition risks) |  |

**Question 3.1.2.3**

List any other relevant information (if any) retrieved from sustainability disclosure reporting frameworks, used for the purpose of identifying social and governance risks to NFC exposures, with reference to the corresponding framework.

|                  | Answer |
|------------------|--------|
| Social risks     |        |
| Governance risks |        |

**Question 3.1.2.4**

Do you construct ESG risk indicators based on the information retrieved from the considered sustainability disclosure reporting frameworks?

|         |
|---------|
| Yes     |
| Planned |
| No      |

**Question 3.1.2.5**

List your ESG risk indicators based on the information retrieved from the considered sustainability disclosure reporting frameworks and specify the corresponding information on which the listed ESG risk indicators are built.

|  | Indicator | Information on which the indicator is built |
|--|-----------|---|
|  |           |   |

|   |  |  |
|---|--|--|
| Environmental risks<br>(Climate-related physical risks)   |  |  |
| Environmental risks<br>(Climate-related transition risks) |  |  |
| Environmental risks<br>(Other physical risks)             |  |  |
| Environmental risks<br>(Other transition risks)           |  |  |
| Social risks  |  |  |
| Governance risks  |  |  |

### Question 3.1.2.6

Do you construct forward-looking ESG risk indicators<sup>12</sup> to identify EGS risks for NFC exposures, based on the information retrieved from the considered sustainability disclosure reporting frameworks?

|  | Yes | Planned | No |
|--|-----|---------|----|
| Environmental risks (Climate-related physical risks)   |     |         |    |
| Environmental risks (Climate-related transition risks) |     |         |    |
| Environmental risks (Other physical risks)             |     |         |    |

<sup>12</sup> For example, KRIs linked to the alignment of portfolios with a chosen transition trajectory.

|  |  |  |  |
|--|--|--|--|
| Environmental risks (Other transition risks) |  |  |  |
| Social risks                                 |  |  |  |
| Governance risks                             |  |  |  |

### Question 3.1.2.7

If 'Yes' or 'Planned' are selected in Question 3.1.2.6, do you retrieve the information used to construct forward-looking risk indicators from transition plans<sup>13</sup>?

|  | Yes | Planned | No |
|--|-----|---------|----|
| Environmental risks (Climate-related physical risks)   |     |         |    |
| Environmental risks (Climate-related transition risks) |     |         |    |
| Environmental risks (Other physical risks)             |     |         |    |
| Environmental risks (Other transition risks)           |     |         |    |
| Social risks   |     |         |    |
| Governance risks                                       |     |         |    |

<sup>13</sup> Transition plans can be understood as those developed in accordance with Article 19 of Directive (EU) 2022/2464.

**Question 3.1.2.8**

Explain how you use the ESG risk indicators listed in the questions before from sustainability disclosure reporting frameworks in your methodology for the identification of environmental risks to NFC exposures.<sup>14</sup>

|  | Answer |
|--|--------|
| Environmental risks (Climate-related physical risks)   |        |
| Environmental risks (Climate-related transition risks) |        |
| Environmental risks (Other physical risks)             |        |
| Environmental risks (Other transition risks)           |        |

**Reply to Question 3.1.2.9 – 3.1.2.10c regardless of whether your practices include transition and physical risk indicators made available by sustainability disclosure reporting frameworks or not.**

**Question 3.1.2.9**

In your opinion, are transition and physical risk indicators made available by sustainability disclosure reporting frameworks a useful tool to identify environmental risks to NFC exposures?

|                            | Very useful | Somewhat useful | Somewhat not useful | Not useful | I don't know |
|----------------------------|-------------|-----------------|---------------------|------------|--------------|
| Physical risk indicators   |             |                 |                     |            |              |
| Transition risk indicators |             |                 |                     |            |              |

**Question 3.1.2.10a**


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Rank from 1 to 3 the main challenges associated with the use of physical and transition risk indicators made available by sustainability disclosure reporting frameworks in identifying environmental risks to NFC exposures, with 1 being the most relevant and 3 the least relevant.

|   | Environmental risks (Climate-related physical risks) | Environmental risks (Climate-related transition risks) | Environmental risks (Other physical risks) | Environmental risks (Other transition risks) |
|---|--|--|--|--|
| Availability of physical and transition risk indicators at counterparty level   |  |  |  |  |
| Reliability and robustness of the information made available by sustainability disclosure reporting frameworks                        |  |  |  |  |
| Lack of technical expertise in the use of physical and transition risk indicators to identify exposures to environmental risks        |  |  |  |  |
| Comparability of data across jurisdictions where different sustainability disclosure reporting frameworks apply                       |  |  |  |  |
| Lack of regulatory guidance on how transition and physical risk indicators could be used to identify exposures to environmental risks |  |  |  |  |



|       |  |  |  |  |
|-------|--|--|--|--|
| Other |  |  |  |  |
|-------|--|--|--|--|

**Question 3.1.2.10b**

If 'Other' is selected in Question 3.1.2.10a, please specify.

**Question 3.1.2.10c**

Explain if and how the challenges could be overcome.

### 3.1.3 Guidance and conclusions from supervisory stress-testing and scenario analysis of climate-related financial risks

If you ticked 'Yes' or 'Planned' for 'Guidance and conclusions from supervisory stress-testing and scenario analysis of climate-related financial risks' in Question 3.1.2, please complete Question 3.1.3.1 to 3.1.3.6 where applicable.

**Question 3.1.3.1**

Do you currently use / plan to use the guidance and conclusions from supervisory stress-testing and scenario analysis of climate-related financial risks to identify environmental risks to NFC exposures?

|  | Yes | Planned | No |
|--|-----|---------|----|
| Environmental risks (Climate-related physical risks)   |     |         |    |
| Environmental risks (Climate-related transition risks) |     |         |    |

**Question 3.1.3.2**

If 'Yes' or 'Planned' are selected in Question 3.1.3.1, explain how the guidance and conclusions from supervisory stress-testing and scenario analysis of climate-related financial risks are currently used / planned to be used to identify environmental risks to NFC exposures.

|  | Answer |
|--|--------|
| Environmental risks (Climate-related physical risks)   |        |
| Environmental risks (Climate-related transition risks) |        |

### Question 3.1.3.3

Do you currently use / plan to use the guidance and conclusions from internal stress-testing and scenario analysis of climate-related financial risks to identify environmental risks to NFC exposures?

|  | Yes | Planned | No |
|--|-----|---------|----|
| Environmental risks (Climate-related physical risks)   |     |         |    |
| Environmental risks (Climate-related transition risks) |     |         |    |

### Question 3.1.3.4

If 'Yes' or 'Planned' are selected in Question 3.1.3.3, explain how the guidance and conclusions from internal stress-testing and scenario analysis of climate-related financial risks are currently used / planned to be used to identify environmental risks to NFC exposures.

|  | Answer |
|--|--------|
| Environmental risks (Climate-related physical risks) |        |

|  |  |
|--|--|
| Environmental risks (Climate-related transition risks) |  |
|--|--|

**Question 3.1.3.5**

To identify environmental risks to NFC exposures, do you consider as part of your internal stress-testing or scenario analysis environmental risks other than climate-related risks (e.g., biodiversity risks)?

|     |
|-----|
| Yes |
| No  |

**Question 3.1.3.6**

If 'Yes' is selected in Question 3.1.3.5, please specify which environmental risks other than climate-related risks you currently consider.

|  |
|--|
|  |
|--|

**Reply to Question 3.1.3.7 – 3.1.3.8c regardless of whether your practices include guidance and conclusions from supervisory stress-testing and scenario analysis of climate-related financial risks or not.**

**Question 3.1.3.7**

In your opinion, are the guidance and conclusions from supervisory stress-testing and scenario analysis of climate-related financial risks a useful tool to identify environmental risks to NFC exposures?

|                     |
|---------------------|
| Very useful         |
| Somewhat useful     |
| Somewhat not useful |
| Not useful          |
| I don't know        |

**Question 3.1.3.8a**

Rank from 1 to 3 the main challenges associated with the use of guidance and conclusions from supervisory stress-testing and scenario analysis of climate-related financial risks in identifying environmental risks to NFC exposures, with 1 being the most relevant and 3 the least relevant.

|   | Environmental risks (Climate-related physical risks) | Environmental risks (Climate-related transition risks) |
|---|--|--|
| Lack of technical understanding of the guidance and conclusions from supervisory stress-testing and scenario analysis of climate-related financial risks  |  |  |
| Lack of technical expertise on the use of guidance and conclusions from supervisory stress-testing and scenario analysis of climate-related financial risks   |  |  |
| Lack of regulatory and supervisory guidance on how the conclusions of supervisory stress testing and scenario analysis of climate-related financial risks should be interpreted and used for the identification of exposures to climate-related risks |  |  |
| Difficulty to use the guidance and conclusions of supervisory stress-testing and scenario analysis of climate-related financial risks due to the lack of harmonised methodologies across jurisdictions  |  |  |

|       |  |  |
|-------|--|--|
| Other |  |  |
|-------|--|--|

**Question 3.1.3.8b**

If 'Other' is selected in Question 3.1.3.8a, please specify.

**Question 3.1.3.8c**

Explain if and how the challenges could be overcome.

## 3.2 Qualification of exposures subject to ESG risks

Questions 3.2.1 to 3.2.10b correspond to point b) of the mandate.

**Question 3.2.1**

Indicate if you qualify your NFC exposures subject to ESG risks.<sup>15</sup>

|  | Yes | Planned | No |
|--|-----|---------|----|
| Environmental risks (Climate-related physical risks)   |     |         |    |
| Environmental risks (Climate-related transition risks) |     |         |    |
| Environmental risks (Other physical risks)             |     |         |    |
| Environmental risks (Other transition risks)           |     |         |    |
| Social risks   |     |         |    |

<sup>15</sup> You are expected to select one of the options ('Yes', 'Planned', 'No') for each row.

|                  |  |  |  |
|------------------|--|--|--|
| Governance risks |  |  |  |
|------------------|--|--|--|

Please reply to the Question 3.2.2 – Question 3.2.9 if ‘Yes’ or ‘Planned’ is selected in at least one of the rows in Question 3.2.1.

**Question 3.2.2**

Does your risk identification process lead to ESG risk buckets / pools / levels allowing you to qualify your NFC exposures to ESG risks?

|  | Yes | No |
|--|-----|----|
| Environmental risks (Climate-related physical risks)   |     |    |
| Environmental risks (Climate-related transition risks) |     |    |
| Environmental risks (Other physical risks)             |     |    |
| Environmental risks (Other transition risks)           |     |    |
| Social risks   |     |    |
| Governance risks                                       |     |    |

**Question 3.2.3**

If ‘Yes’ is selected in Question 3.2.2, select the methodology used to define your buckets / pools / levels of NFC exposures to ESG risks for the columns that apply.

|  | Environmental risks (Climate-related) | Environmental risks (Climate-related) | Environmental risks (Other physical risks) | Environmental risks (Other transition risks) | Social risks | Governance risks |
|--|---------------------------------------|---------------------------------------|--|--|--------------|------------------|
|  |                                       |                                       |  |  |              |                  |

|                    | physical risks) | transition risks) |  |  |  |  |
|--------------------|-----------------|-------------------|--|--|--|--|
| Scores             |                 |                   |  |  |  |  |
| Exclusion criteria |                 |                   |  |  |  |  |
| Heat mapping       |                 |                   |  |  |  |  |
| Other              |                 |                   |  |  |  |  |

**Question 3.2.4**

If 'Other' is selected in Question 3.2.3, please explain.

**Question 3.2.5**

Specify your methodology for classification. For example, if it relies on a score, explain how that score is built.

**Question 3.2.6**

Which criteria is your methodology built on?

|                    | Environmental risks (Climate-related physical risks) | Environmental risks (Climate-related transition risks) | Environmental risks (Other physical risks) | Environmental risks (Other transition risks) | Social risks | Governance risks |
|--------------------|--|--|--|--|--------------|------------------|
| Sectoral criteria  |  |  |  |  |              |                  |
| Financial criteria |  |  |  |  |              |                  |

|                     |  |  |  |  |  |  |
|---------------------|--|--|--|--|--|--|
| Geographic criteria |  |  |  |  |  |  |
| Other criteria      |  |  |  |  |  |  |

**Question 3.2.7**

Specify the criteria used.

**Question 3.2.8**

Specify the internal processes in which your ESG risks qualification methodology is used for NFC exposures.

|                    | Environmental risks (Climate-related physical risks) | Environmental risks (Climate-related transition risks) | Environmental risks (Other physical risks) | Environmental risks (Other transition risks) | Social risks | Governance risks |
|--------------------|--|--|--|--|--------------|------------------|
| Risk monitoring    |  |  |  |  |              |                  |
| Risk assessment    |  |  |  |  |              |                  |
| Regulatory capital |  |  |  |  |              |                  |
| Other              |  |  |  |  |              |                  |

**Question 3.2.9**

If 'Other' is selected in Question 3.2.8, please explain.



**Reply to Question 3.2.10a – 3.2.10b regardless of whether you qualify your NFC exposures subject to ESG risks or not.**

**Question 3.2.10a**

What are the main challenges associated with the qualification of NFC exposures subject to ESG risks?

|  | Answer |
|--|--------|
| Environmental risks (Climate-related physical risks)   |        |
| Environmental risks (Climate-related transition risks) |        |
| Environmental risks (Other physical risks)             |        |
| Environmental risks (Other transition risks)           |        |
| Social risks   |        |
| Governance risks                                       |        |

**Question 3.2.10b**

Explain if and how the challenges could be overcome.

## 4. Exposures to non-retail SMEs

---

The scope of this section is credit institutions' non-retail SMEs exposures.

### 4.1 Identification of ESG risks

Questions 4.1 to 4.1.3.8c will focus on information sources for the identification of ESG risks. These questions correspond to point a) of the mandate.

#### Question 4.1

Indicate if you identify ESG risks to non-retail SME exposures.<sup>16</sup>

|  | Yes | Planned | No |
|--|-----|---------|----|
| Environmental risks (Climate-related physical risks)   |     |         |    |
| Environmental risks (Climate-related transition risks) |     |         |    |
| Environmental risks (Other physical risks)             |     |         |    |
| Environmental risks (Other transition risks)           |     |         |    |
| Social risks   |     |         |    |
| Governance risks                                       |     |         |    |

Please reply to the Question 4.1.1 – 4.1.5 if 'Yes' or 'Planned' is selected in at least one of the rows in Question 4.1.

#### Question 4.1.1

---

<sup>16</sup> You are expected to select one of the options ('Yes', 'Planned', 'No') for each row.

List the level 2 NACE codes that correspond to your five largest non-retail SMEs exposures to ESG risks, being 1 the largest<sup>17</sup>.

|   | Answer |
|---|--------|
| 1 |        |
| 2 |        |
| 3 |        |
| 4 |        |
| 5 |        |

#### Question 4.1.2

Which of the following three elements<sup>18</sup> are currently used / planned to be used to identify ESG risks to non-retail SME exposures? Select the applicable options for all three elements.<sup>19</sup>

#### **ESG score (external providers or internal)**

|  | Yes | Planned | No |
|--|-----|---------|----|
| Environmental risks (Climate-related physical risks)   |     |         |    |
| Environmental risks (Climate-related transition risks) |     |         |    |
| Environmental risks (Other physical risks)             |     |         |    |

<sup>17</sup> Ranking should be done in terms of the share of exposures to ESG risks in your credit portfolio relative to total assets.

<sup>18</sup> The three elements are: ESG score (external providers or internal); sustainability disclosure reporting frameworks (EU and internationally); guidance and conclusions from supervisory stress-testing and scenario analysis of climate-related financial risks.

<sup>19</sup> You are expected to select one of the options ('Yes', 'Planned', 'No') for each row.

|  |  |  |  |
|--|--|--|--|
| Environmental risks (Other transition risks) |  |  |  |
| Social risks                                 |  |  |  |
| Governance risks                             |  |  |  |

***Transition and physical risk indicators made available by sustainability disclosure reporting frameworks (EU and internationally)***

|  | Yes | Planned | No |
|--|-----|---------|----|
| Environmental risks (Climate-related physical risks)   |     |         |    |
| Environmental risks (Climate-related transition risks) |     |         |    |
| Environmental risks (Other physical risks)             |     |         |    |
| Environmental risks (Other transition risks)           |     |         |    |

***Guidance and conclusions from supervisory stress-testing and scenario analysis of climate-related financial risks***

|   | Yes | Planned | No |
|---|-----|---------|----|
| Environmental risk (Climate-related physical risks)   |     |         |    |
| Environmental risk (Climate-related transition risks) |     |         |    |
| Environmental risks (Other physical risks)            |     |         |    |

|  |  |  |  |
|--|--|--|--|
| Environmental risks (Other transition risks) |  |  |  |
|--|--|--|--|

### Question 4.1.3

Which of the following two additional elements<sup>20</sup> are currently used / planned to be used to identify ESG risks to non-retail SMEs exposures? Select the options that apply for each of the two elements.

***Information collected from counterparties (e.g. bilaterally, in loan origination and monitoring process)***

|  | Yes | Planned | No |
|--|-----|---------|----|
| Environmental risks (Climate-related physical risks)   |     |         |    |
| Environmental risks (Climate-related transition risks) |     |         |    |
| Environmental risks (Other physical risks)             |     |         |    |
| Environmental risks (Other transition risks)           |     |         |    |
| Social risks   |     |         |    |
| Governance risks                                       |     |         |    |

***Guidance and conclusions from internal stress-testing and scenario analysis of climate-related financial risks***

|  | Yes | Planned | No |
|--|-----|---------|----|
|  |     |         |    |

<sup>20</sup> The two additional elements are: information collected from counterparties (e.g. bilaterally, in loan origination and monitoring); guidance and conclusions from internal stress testing and scenario analysis of climate-related financial information.

|  |  |  |  |
|--|--|--|--|
| Environmental risks (Climate-related physical risks)   |  |  |  |
| Environmental risks (Climate-related transition risks) |  |  |  |
| Environmental risks (Other physical risks)             |  |  |  |
| Environmental risks (Other transition risks)           |  |  |  |

**Question 4.1.4**

Do you use any other source of information to identify ESG risks to NFC exposures?

|  | Yes | Planned | No |
|--|-----|---------|----|
| Environmental risks (Climate-related physical risks)   |     |         |    |
| Environmental risks (Climate-related transition risks) |     |         |    |
| Environmental risks (Other physical risks)             |     |         |    |
| Environmental risks (Other transition risks)           |     |         |    |
| Social risks   |     |         |    |
| Governance risks                                       |     |         |    |

**Question 4.1.5**

If 'Yes' or 'Planned' is selected in at least one of the rows in Question 4.1.4, specify.

**4.1.1 ESG scores**

If you ticked ‘Yes’ or ‘Planned’ for ‘ESG score’ in Question 4.1.2, please complete Questions 4.1.1.1 to 4.1.1.3 where applicable.

**Question 4.1.1.1**

Indicate the type of ESG scores used / planned to be used to identify ESG risks to non-retail SME exposures.

|                                       | Environmental risks (Climate-related physical risks) | Environmental risks (Climate-related transition risks) | Environmental risks (Other physical risks) | Environmental risks (Other transition risks) | Social risks | Governance risks |
|---------------------------------------|--|--|--|--|--------------|------------------|
| ESG score of a nominated ECAI         |  |  |  |  |              |                  |
| ESG score of other external providers |  |  |  |  |              |                  |
| ESG score of internal scoring model   |  |  |  |  |              |                  |

**Question 4.1.1.2**

If ‘ESG score of a nominated ECAI’, ‘ESG score of other external providers’ or ‘ESG score of internal scoring model’ is selected in Question 4.1.1.1, specify how ESG scores are used to identify ESG risks to non-retail SME exposures.

|  |        |
|--|--------|
|  | Answer |
|--|--------|

|  |  |
|--|--|
| Environmental risks (Climate-related physical risks)   |  |
| Environmental risks (Climate-related transition risks) |  |
| Environmental risks (Other physical risks)             |  |
| Environmental risks (Other transition risks)           |  |
| Social risks   |  |
| Governance risks                                       |  |

#### Question 4.1.1.3

If '*ESG score of internal scoring model*' is selected in Question 4.1.1.1, specify the methodology of the ESG scoring model, metrics<sup>21</sup> and data used<sup>22</sup> to identify ESG risks to non-retail SME exposures.

|  | Answer |
|--|--------|
| Environmental risks (Climate-related physical risks)   |        |
| Environmental risks (Climate-related transition risks) |        |
| Environmental risks (Other physical risks)             |        |
| Environmental risks (Other transition risks)           |        |
| Social risks   |        |
| Governance risks                                       |        |

<sup>21</sup> For example, metrics could include alignment metrics, client awareness indices, carbon transition metrics.

<sup>22</sup> For example, data could include emissions (including financed emissions), stranded assets, energy efficiency and/or performance of the asset.



**Reply to Question 4.1.1.4 – 4.1.1.5c regardless of whether your practices include ESG scores or not’.**

**Question 4.1.1.4**

In your opinion, are ESG scores of nominated ECAIs a useful tool to identify ESG risks to non-retail SME exposures?

|                     |
|---------------------|
| Very useful         |
| Somewhat useful     |
| Somewhat not useful |
| Not useful          |
| I don't know        |

**Question 4.1.1.5a**

Rank from 1 to 3 the main challenges associated with the use of ESG scores of a nominated ECAI in identifying ESG risks to non-retail SME exposures, with 1 being the most relevant and 3 the least relevant.

|   | Environmental risks (Climate-related physical risks) | Environmental risks (Climate-related transition risks) | Environmental risks (Other physical risks) | Environmental risks (Other transition risks) | Social risks | Governance risks |
|---|--|--|--|--|--------------|------------------|
| Availability of ESG scores by a nominated ECAI  |  |  |  |  |              |                  |
| Accessibility of ESG scores by a nominated ECAI |  |  |  |  |              |                  |

|  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|
| (e.g. due to high costs)   |  |  |  |  |  |  |
| Reliability and robustness of ESG scores of a nominated ECAI   |  |  |  |  |  |  |
| Comparability of ESG scores across jurisdictions and / or nominated ECAIs                                  |  |  |  |  |  |  |
| Lack of regulatory guidance in the use of ESG scores of nominated ECAIs to identify exposures to ESG risks |  |  |  |  |  |  |
| Lack of technical expertise in the use of ESG scores of nominated ECAIs to identify exposures to ESG risks |  |  |  |  |  |  |
| Other  |  |  |  |  |  |  |

**Question 4.1.1.5b**

If 'Other' is selected in Question 4.1.1.5a, please specify.

### Question 4.1.1.5c

Explain if and how the challenges could be overcome.

|  |
|--|
|  |
|--|

## 4.1.2 Transition and physical risk indicators made available by sustainability disclosure reporting frameworks

If you ticked 'Yes' or 'Planned' for 'Transition and physical risk indicators made available by sustainability disclosure reporting frameworks' in Question 4.1.2, please complete Question 4.1.2.1 to 4.1.2.8 where applicable.

### Question 4.1.2.1

List the sustainability disclosure reporting frameworks at EU and international level<sup>23</sup> used to retrieve information on transition and physical risks to non-retail SME exposures.

|  | Answer |
|--|--------|
| Environmental risks (Climate-related physical risks)   |        |
| Environmental risks (Climate-related transition risks) |        |
| Environmental risks (Other physical risks)             |        |
| Environmental risks (Other transition risks)           |        |

### Question 4.1.2.2

List the transition and physical risk information retrieved from the considered sustainability disclosure reporting frameworks with reference to the corresponding framework.

|  | Answer |
|--|--------|
|  |        |

<sup>23</sup> Examples of current industry-led initiatives could include Carbon Disclosure Project (CDP). Examples of planned practices could refer to public disclosures under Corporate Sustainability Reporting Directive (CSRD).

|  |  |
|--|--|
| Environmental risks (Climate-related physical risks)   |  |
| Environmental risks (Climate-related transition risks) |  |
| Environmental risks (Other physical risks)             |  |
| Environmental risks (Other transition risks)           |  |

**Question 4.1.2.3**

List any other relevant information (if any) retrieved from sustainability disclosure reporting frameworks, used for the purpose of identifying social and governance risks to non-retail SME exposures, with reference to the corresponding framework.

|                  | Answer |
|------------------|--------|
| Social risks     |        |
| Governance risks |        |

**Question 4.1.2.4**

Do you construct ESG risk indicators based on the information retrieved from the considered sustainability disclosure reporting frameworks?

|         |
|---------|
| Yes     |
| Planned |
| No      |

**Question 4.1.2.5**

List your ESG risk indicators based on the information retrieved from the considered sustainability disclosure reporting frameworks, and specify the corresponding information on which the listed ESG risk indicators are built.

|   | Indicator | Information on which the indicator is built |
|---|-----------|---|
| Environmental risks<br>(Climate-related physical risks)   |           |   |
| Environmental risks<br>(Climate-related transition risks) |           |   |
| Environmental risks<br>(Other physical risks)             |           |   |
| Environmental risks<br>(Other transition risks)           |           |   |
| Social risks  |           |   |
| Governance risks  |           |   |

#### Question 4.1.2.6

Do you construct forward-looking ESG risk indicators<sup>24</sup> to identify ESG risks to non-retail SME exposures, based on the information retrieved from the considered sustainability disclosure reporting frameworks?

|  | Yes | Planned | No |
|--|-----|---------|----|
| Environmental risks (Climate-related physical risks)   |     |         |    |
| Environmental risks (Climate-related transition risks) |     |         |    |

<sup>24</sup> For example, KRIs linked to the alignment of portfolios with a chosen transition trajectory.

|  |  |  |  |
|--|--|--|--|
| Environmental risks (Other physical risks)   |  |  |  |
| Environmental risks (Other transition risks) |  |  |  |
| Social risks                                 |  |  |  |
| Governance risks                             |  |  |  |

#### Question 4.1.2.7

If 'Yes' or 'Planned' are selected in Question 4.1.2.6, do you retrieve the information used to construct forward-looking risk indicators from transition plans<sup>25</sup>?

|  | Yes | Planned | No |
|--|-----|---------|----|
| Environmental risks (Climate-related physical risks)   |     |         |    |
| Environmental risks (Climate-related transition risks) |     |         |    |
| Environmental risks (Other physical risks)             |     |         |    |
| Environmental risks (Other transition risks)           |     |         |    |
| Social risks   |     |         |    |
| Governance risks                                       |     |         |    |

<sup>25</sup> Transition plans can be understood as those developed in accordance with Article 19 of Directive (EU) 2022/2464.

### Question 4.1.2.8

Explain how you use the ESG risk indicators listed in the questions before from sustainability disclosure reporting frameworks in your methodology for the identification of environmental risks for non-retail SME exposures.<sup>26</sup>

|  | Answer |
|--|--------|
| Environmental risks (Climate-related physical risks)   |        |
| Environmental risks (Climate-related transition risks) |        |
| Environmental risks (Other physical risks)             |        |
| Environmental risks (Other transition risks)           |        |

**Reply to Question 4.1.2.9 – 4.1.2.10c regardless of whether your practices include transition and physical risk indicators made available by sustainability disclosure reporting frameworks or not.**

### Question 4.1.2.9

In your opinion, are transition and physical risk indicators made available by sustainability disclosure reporting frameworks a useful tool to identify environmental risks to non-retail SME exposures?

|                            | Very useful | Somewhat useful | Somewhat not useful | Not useful | I don't know |
|----------------------------|-------------|-----------------|---------------------|------------|--------------|
| Physical risk indicators   |             |                 |                     |            |              |
| Transition risk indicators |             |                 |                     |            |              |

### Question 4.1.2.10a

---

<sup>26</sup> For example, physical and transition risk indicators could be used to perform heat mapping, proxies, portfolio alignment assessment, sensitivity analyses.

Rank from 1 to 3 the main challenges associated with the use of physical and transition risk indicators made available by sustainability disclosure reporting frameworks in identifying environmental risks to non-retail SME exposures, with 1 being the most relevant and 3 the least relevant.

|  | Environmental risks (Climate-related physical risks) | Environmental risks (Climate-related transition risks) | Environmental risks (Other physical risks) | Environmental risks (Other transition risks) |
|--|--|--|--|--|
| Availability of physical and transition risk indicators at counterparty level  |  |  |  |  |
| Reliability and robustness of information made available by sustainability disclosure reporting frameworks                     |  |  |  |  |
| Lack of technical expertise in the use of physical and transition risk indicators to identify exposures to environmental risks |  |  |  |  |
| Comparability of data across jurisdictions where different sustainability disclosure reporting frameworks apply                |  |  |  |  |
| Lack of regulatory guidance on how transition and physical risk indicators could be used to identify                           |  |  |  |  |



|                                  |  |  |  |  |
|----------------------------------|--|--|--|--|
| exposures to environmental risks |  |  |  |  |
| Other                            |  |  |  |  |

**Question 4.1.2.10b**

If 'Other' is selected in Question 4.1.2.10a, please specify.

**Question 4.1.2.10c**

Explain if and how the challenges could be overcome.

### 4.1.3 Guidance and conclusions from supervisory stress-testing and scenario analysis of climate-related financial risks

If you ticked 'Yes' or 'Planned' for 'Guidance and conclusions from supervisory stress-testing and scenario analysis of climate-related financial risks' in Question 4.1.2, please complete Question 4.1.3.1 to 4.1.3.7 where applicable.

**Question 4.1.3.1**

Do you currently use / plan to use the guidance and conclusions from supervisory stress-testing and scenario analysis of climate-related financial risks to identify environmental risks to non-retail SMEs exposures?

|  | Yes | Planned | No |
|--|-----|---------|----|
| Environmental risks (Climate-related physical risks)   |     |         |    |
| Environmental risks (Climate-related transition risks) |     |         |    |

**Question 4.1.3.2**

If 'Yes' or 'Planned' are selected in Question 4.1.3.1, explain how the guidance and conclusions from supervisory stress-testing and scenario analysis of climate-related financial risks are currently used / planned to be used to identify environmental risks to non-retail SMEs exposures.

|  | Answer |
|--|--------|
| Environmental risks (Climate-related physical risks)   |        |
| Environmental risks (Climate-related transition risks) |        |

#### Question 4.1.3.3

Do you currently use / plan to use the guidance and conclusions from internal stress-testing and scenario analysis of climate-related financial risks to identify environmental risks to non-retail SMEs exposures?

|  | Yes | Planned | No |
|--|-----|---------|----|
| Environmental risks (Climate-related physical risks)   |     |         |    |
| Environmental risks (Climate-related transition risks) |     |         |    |

#### Question 4.1.3.4

If 'Yes' or 'Planned' are selected in Question 4.1.3.3, explain how the guidance and conclusions from internal stress-testing and scenario analysis of climate-related financial risks are currently used / planned to be used to identify environmental risks to non-retail SMEs exposures.

|  | Answer |
|--|--------|
| Environmental risks (Climate-related physical risks) |        |

|  |  |
|--|--|
| Environmental risks (Climate-related transition risks) |  |
|--|--|

**Question 4.1.3.5**

To identify environmental risks to non-retail SME exposures, do you consider as part of your internal stress-testing or scenario analysis environmental risks other than climate-related risks (e.g., biodiversity risks)?

|     |
|-----|
| Yes |
| No  |

**Question 4.1.3.6**

If 'Yes' is selected in Question 4.1.3.5, please specify which environmental risks other than climate-related risks you currently consider.

|  |
|--|
|  |
|--|

**Reply to Question 4.1.3.7 - 4.1.3.8c regardless of whether your practices include guidance and conclusions from supervisory stress-testing and scenario analysis of climate-related financial risks or not.**

**Question 4.1.3.7**

In your opinion, are the guidance and conclusions from supervisory stress-testing and scenario analysis of climate-related financial risks a useful tool to identify environmental risks to non-retail SME exposures?

|                     |
|---------------------|
| Very useful         |
| Somewhat useful     |
| Somewhat not useful |
| Not useful          |
| I don't know        |

**Question 4.1.3.8a**

Rank from 1 to 3 the main challenges associated with the use of guidance and conclusions of supervisory stress testing and scenario analysis of climate-related financial risks in identifying environmental risks to non-retail SME exposures, with 1 being the most relevant and 3 the least relevant.

|   | Environmental risks (Climate-related physical risks) | Environmental risks (Climate-related transition risks) |
|---|--|--|
| Lack of technical understanding of the guidance and conclusions from supervisory stress-testing and scenario analysis of climate-related financial risks  |  |  |
| Lack of technical expertise on the use of guidance and conclusions from supervisory stress-testing and scenario analysis of climate-related financial risks   |  |  |
| Lack of regulatory and supervisory guidance on how the conclusions of supervisory stress testing and scenario analysis of climate-related financial risks should be interpreted and used for the identification of exposures to climate-related risks |  |  |
| Difficulty to use the guidance and conclusions of supervisory stress-testing and scenario analysis of climate-related financial risks due to the lack of harmonised methodologies across jurisdictions  |  |  |

|       |  |  |
|-------|--|--|
| Other |  |  |
|-------|--|--|

**Question 4.1.3.8b**

If 'Other' is selected in Question 4.1.3.8a, please specify.

**Question 4.1.3.8c**

Explain if and how the challenges could be overcome.

## 4.2 Qualification of exposures subject to ESG risks

Questions 4.2.1 to 4.2.10b correspond to point b) of the mandate.

**Question 4.2.1**

Indicate if you qualify your non-retail SME exposures subject to ESG risks.<sup>27</sup>

|  | Yes | Planned | No |
|--|-----|---------|----|
| Environmental risks (Climate-related physical risks)   |     |         |    |
| Environmental risks (Climate-related transition risks) |     |         |    |
| Environmental risks (Other physical risks)             |     |         |    |
| Environmental risks (Other transition risks)           |     |         |    |
| Social risks   |     |         |    |

<sup>27</sup> You are expected to select one of the options ('Yes', 'Planned', 'No') for each row.

|                  |  |  |  |
|------------------|--|--|--|
| Governance risks |  |  |  |
|------------------|--|--|--|

Please reply to the Question 4.2.2 – Question 4.2.9 if ‘Yes’ or ‘Planned’ is selected in at least one of the rows in Question 4.2.1.

#### Question 4.2.2

Does your risk identification process lead to ESG risk buckets / pools / levels allowing you to qualify your non-retail SME exposures to ESG risks?

|  | Yes | No |
|--|-----|----|
| Environmental risks (Climate-related physical risks)   |     |    |
| Environmental risks (Climate-related transition risks) |     |    |
| Environmental risks (Other physical risks)             |     |    |
| Environmental risks (Other transition risks)           |     |    |
| Social risks   |     |    |
| Governance risks                                       |     |    |

#### Question 4.2.3

If 'Yes' is selected in Question 4.2.2, select the methodology used to define your buckets / pools / levels of non-retail SME exposures subject to ESG risks for the columns that apply.

|  | Environmental risks (Climate-related physical risks) | Environmental risks (Climate-related transition risks) | Environmental risks (Other physical risks) | Environmental risks (Other transition risks) | Social risks | Governance risks |
|--|--|--|--|--|--------------|------------------|
|  |  |  |  |  |              |                  |

|                    |  |  |  |  |  |  |
|--------------------|--|--|--|--|--|--|
| Scores             |  |  |  |  |  |  |
| Exclusion criteria |  |  |  |  |  |  |
| Heat mapping       |  |  |  |  |  |  |
| Other              |  |  |  |  |  |  |

**Question 4.2.4**

If 'Other' is selected in Question 4.2.3, please explain.

**Question 4.2.5**

Specify your methodology for classification. For example, if it relies on a score, explain how that score is built.

**Question 4.2.6**

Which criteria is your methodology built on?

|                    | Environmental risk (Climate-related physical risks) | Environmental risk (Climate-related transition risks) | Environmental risk (Other physical risks) | Environmental risk (Other transition risks) | Social risk | Governance risk |
|--------------------|---|---|---|---|-------------|-----------------|
| Sectorial criteria |   |   |   |   |             |                 |
| Financial criteria |   |   |   |   |             |                 |

|                       |  |  |  |  |  |  |
|-----------------------|--|--|--|--|--|--|
| Geographical criteria |  |  |  |  |  |  |
| Other criteria        |  |  |  |  |  |  |

**Question 4.2.7**

Specify the criteria used.

**Question 4.2.8**

Specify the internal processes in which your ESG risks classification methodology is used for non-retail SME exposures.

|                    | Environmental risks (Climate-related physical risks) | Environmental risks (Climate-related transition risks) | Environmental risks (Other physical risks) | Environmental risks (Other transition risks) | Social risks | Governance risks |
|--------------------|--|--|--|--|--------------|------------------|
| Risk monitoring    |  |  |  |  |              |                  |
| Risk assessment    |  |  |  |  |              |                  |
| Regulatory capital |  |  |  |  |              |                  |
| Other              |  |  |  |  |              |                  |

**Question 4.2.9**

If 'Other' is selected in Question 4.2.8, please explain.



**Reply to Question 4.2.10a – 4.2.10b regardless of whether you qualify your non-retail SME exposures subject to ESG risks or not.**

**Question 4.2.10a**

In your opinion, what are the main challenges associated with the qualification of non-retail SME exposures subject to ESG risks?

|  | Answer |
|--|--------|
| Environmental risks (Climate-related physical risks)   |        |
| Environmental risks (Climate-related transition risks) |        |
| Environmental risks (Other physical risks)             |        |
| Environmental risks (Other transition risks)           |        |
| Social risks   |        |
| Governance risks                                       |        |

**Question 4.2.10b**

Explain if and how the challenges could be overcome.

## 5. Exposures to retail SMEs

---

The scope of this section is credit institutions' retail SME exposures.

### 5.1 Identification of environmental risks

Questions 5.1 to 5.1.3.5c will focus on information sources for the identification of ESG risks. These questions correspond to point a) of the mandate.

#### Question 5.1

Indicate if you identify environmental risks to retail SME exposures.<sup>28</sup>

|  | Yes | Planned | No |
|--|-----|---------|----|
| Environmental risks (Climate-related physical risks)   |     |         |    |
| Environmental risks (Climate-related transition risks) |     |         |    |
| Environmental risks (Other physical risks)             |     |         |    |
| Environmental risks (Other transition risks)           |     |         |    |

Please reply to Question 5.1.1 and 5.1.2 if 'Yes' or 'Planned' is selected in at least one of the rows in Question 5.1.

#### Question 5.1.1

---

<sup>28</sup> You are expected to select one of the options ('Yes', 'Planned', 'No') for each row.

Which of the following four elements<sup>29</sup> are currently used / planned to be used to identify environmental risks to retail SME exposures? Select the applicable options for all four elements.<sup>30</sup>

***Environmental scores (internal scoring model)***

|  | Yes | Planned | No |
|--|-----|---------|----|
| Environmental risks (Climate-related physical risks)   |     |         |    |
| Environmental risks (Climate-related transition risks) |     |         |    |
| Environmental risks (Other physical risks)             |     |         |    |
| Environmental risks (Other transition risks)           |     |         |    |

***Transition and physical risk indicators***

|  | Yes | Planned | No |
|--|-----|---------|----|
| Environmental risks (Climate-related physical risks)   |     |         |    |
| Environmental risks (Climate-related transition risks) |     |         |    |
| Environmental risks (Other physical risks)             |     |         |    |

<sup>29</sup> The four elements are: environmental scores (internal scoring model); sustainability disclosure reporting frameworks (EU and internationally); guidance and conclusions from (supervisory and internal) stress-testing and scenario analysis of climate-related financial risks; other.

<sup>30</sup> You are expected to select one of the options ('Yes', 'Planned', 'No') for each row.

|  |  |  |  |
|--|--|--|--|
| Environmental risks (Other transition risks) |  |  |  |
|--|--|--|--|

***Guidance and conclusions from (supervisory and internal) stress-testing and scenario analysis of climate-related financial risks***

|  | Yes | Planned | No |
|--|-----|---------|----|
| Environmental risks (Climate-related physical risks)   |     |         |    |
| Environmental risks (Climate-related transition risks) |     |         |    |
| Environmental risks (Other physical risks)             |     |         |    |
| Environmental risks (Other transition risks)           |     |         |    |

***Other***

|  | Yes | Planned | No |
|--|-----|---------|----|
| Environmental risks (Climate-related physical risks)   |     |         |    |
| Environmental risks (Climate-related transition risks) |     |         |    |
| Environmental risks (Other physical risks)             |     |         |    |

|  |  |  |  |
|--|--|--|--|
| Environmental risks (Other transition risks) |  |  |  |
|--|--|--|--|

**Question 5.1.2**

If 'Other' is selected in Question 5.1.1, please specify.

|  |
|--|
|  |
|--|

### 5.1.1 Environmental scores (internal scoring model)

If you ticked 'Yes' or 'Planned' for 'Environmental scores (internal scoring model)' in Question 5.1.1, please complete Question 5.1.1.1 to 5.1.1.2 where applicable.

**Question 5.1.1.1**

Specify how environmental scores are used / planned to be used to identify environmental risks to retail SME exposures.

|  | Answer |
|--|--------|
| Environmental risks (Climate-related physical risks)   |        |
| Environmental risks (Climate-related transition risks) |        |
| Environmental risks (Other physical risks)             |        |
| Environmental risks (Other transition risks)           |        |

**Question 5.1.1.2**

Specify the methodology of the environmental scoring model, metrics<sup>31</sup> and data used<sup>32</sup> to identify environmental risks to retail SME exposures.

---

<sup>31</sup> For example, metrics could include alignment metrics, client awareness indices.

<sup>32</sup> For example, data could include building materials for real estate, stranded assets, energy efficiency of buildings and/or performance of the asset (e.g. CO2 emissions of vehicles).

|  | Answer |
|--|--------|
| Environmental risks (Climate-related physical risks)   |        |
| Environmental risks (Climate-related transition risks) |        |
| Environmental risks (Other physical risks)             |        |
| Environmental risks (Other transition risks)           |        |

**Reply to Question 5.1.1.3 – 5.1.1.4c regardless of whether your practices include environmental scores or not.**

#### **Question 5.1.1.3**

In your opinion, are environmental scores of internal scoring models a useful tool to identify environmental risks to retail SME exposures?

|                     |
|---------------------|
| Very useful         |
| Somewhat useful     |
| Somewhat not useful |
| Not useful          |
| I don't know        |

#### **Question 5.1.1.4a**

Rank from 1 to 3 the main challenges associated with the use of environmental scores of internal scoring models in identifying environmental risks to retail SME exposures, with 1 being the most relevant and 3 the least relevant.

|  | Environmental risks (Climate-related physical risks) | Environmental risks (Climate-related transition risks) | Environmental risks (Other physical risks) | Environmental risks (Other transition risks) |
|--|--|--|--|--|
| Availability of environment-related data and metrics at counterparty level to calibrate the scoring model    |  |  |  |  |
| Accessibility of environment-related data and metrics at counterparty level to calibrate the scoring model   |  |  |  |  |
| Reliability and robustness of environmental scores   |  |  |  |  |
| Comparability of environment-related data at counterparty level across jurisdictions and / or data providers |  |  |  |  |
| Lack of regulatory guidance on how to identify environment-related exposures                                 |  |  |  |  |
| Lack of technical expertise  |  |  |  |  |

|   |  |  |  |  |
|---|--|--|--|--|
| Costs associated with the development of environmental scoring models |  |  |  |  |
| Other   |  |  |  |  |

**Question 5.1.1.4b**

If 'Other' is selected in Question 5.1.1.4a, please specify.

**Question 5.1.1.4c**

Explain if and how the challenges could be overcome.

## 5.1.2 Transition and physical risk indicators

If you ticked 'Yes' or 'Planned' for 'Transition and physical risk indicators' in Question 5.1.1, please complete Questions 5.1.2.1 to 5.1.2.10 where applicable.

**Question 5.1.2.1**

What information are you currently using / planning to use to identify physical risks to retail SME exposures? Select those that apply.

|   | Environmental risks (Climate-related physical risks) | Environmental risks (Other physical risks) |
|---|--|--|
| Geographical location data (e.g. postal code)                   |  |  |
| Observed natural hazards (e.g. droughts, wildfires, hurricanes) |  |  |



|   |  |  |
|---|--|--|
| Statistical models to estimate the probability of occurrence of natural hazard (e.g. droughts, wildfires, hurricanes) |  |  |
| Insurance schemes   |  |  |
| Government protection schemes (e.g. natural catastrophes)   |  |  |
| Other   |  |  |

**Question 5.1.2.2**

If 'Other' is selected in Question 5.1.2.1, please specify.

**Question 5.1.2.3**

For each of the options selected in Question 5.1.2.1, specify the data and the data sources (e.g., counterparties, external data providers, public registers) used / planned to be used to identify physical risks to retail SME exposures.

|  | Answer |
|--|--------|
| Environmental risks (Climate-related physical risks) |        |
| Environmental risks (Other physical risks)           |        |

**Question 5.1.2.4**

Considering your reply to Questions 5.1.2.1 to 5.1.2.3, specify the methodology in use / planned to be used to identify physical risks to retail SME exposures.

|  | Answers |
|--|---------|
|  |         |

|  |  |
|--|--|
| Environmental risks (Climate-related physical risks) |  |
| Environmental risks (Other physical risks)           |  |

**Question 5.1.2.5**

What information are you currently using / planning to use to identify transition risks to retail SME exposures? Select those that apply.

|  | Answer |
|--|--------|
| Environmental risks (Climate-related transition risks) |        |
| Environmental risks (Other transition risks)           |        |

**Question 5.1.2.6**

For each of the options selected in Question 5.1.2.5, specify the data and the data sources (e.g. counterparties, external data providers, public registers) used / planned to be used to identify transition risks to retail SME exposures.

|  | Answer |
|--|--------|
| Environmental risks (Climate-related transition risks) |        |
| Environmental risks (Other transition risks)           |        |

**Question 5.1.2.7**

Considering your reply to the Question 5.1.2.5 to 5.1.2.6, specify the methodology in use / planned to be used to identify transition risks to retail SME exposures.

|  | Answer |
|--|--------|
| Environmental risks (Climate-related transition risks) |        |

|  |  |
|--|--|
| Environmental risks (Other transition risks) |  |
|--|--|

**Question 5.1.2.8**

Do you use / plan to use forward-looking transition and physical risk indicators to identify environmental risks to retail SME exposures?

|  | Yes | Planned | No |
|--|-----|---------|----|
| Environmental risks (Climate-related physical risks)   |     |         |    |
| Environmental risks (Climate-related transition risks) |     |         |    |
| Environmental risks (Other physical risks)             |     |         |    |
| Environmental risks (Other transition risks)           |     |         |    |

**Question 5.1.2.9**

Do you identify social and governance risks to retail SME exposures?

|         |
|---------|
| Yes     |
| Planned |
| No      |

**Question 5.1.2.10**

If 'Yes' or 'Planned' are selected in Question 5.1.2.9, please specify data and methodologies used.

|  |
|--|
|  |
|--|

**Reply to Question 5.1.2.11 – 5.1.2.12c regardless of whether your practices include transition and physical risk indicators or not.**

**Question 5.1.2.11**

In your opinion, are transition and physical risk indicators a useful tool to identify environmental risks to retail SME exposures?

|                            | Very useful | Somewhat useful | Somewhat not useful | Not useful | I don't know |
|----------------------------|-------------|-----------------|---------------------|------------|--------------|
| Physical risk indicators   |             |                 |                     |            |              |
| Transition risk indicators |             |                 |                     |            |              |

**Question 5.1.2.12a**

Rank from 1 to 3 the main challenges associated with the use of physical and transition risk indicators in identifying environmental risks to retail SME exposures, with 1 being the most relevant and 3 the least relevant.

|   | Environmental risks (Climate-related physical risks) | Environmental risks (Climate-related transition risks) | Environmental risks (Other physical risks) | Environmental risks (Other transition risks) |
|---|--|--|--|--|
| Availability of physical and transition risk indicators at counterparty level |  |  |  |  |
| Reliability and robustness of data  |  |  |  |  |
| Lack of technical expertise   |  |  |  |  |

|   |  |  |  |  |
|---|--|--|--|--|
| Comparability of data across jurisdictions and / or data providers  |  |  |  |  |
| Accessibility of physical and transition risk indicators at counterparty level  |  |  |  |  |
| Costs associated with the collection of data referring to physical and transition risk indicators at counterparty level |  |  |  |  |
| Other   |  |  |  |  |

**Question 5.1.2.12b**

If 'Other' is selected in Question 5.1.2.12a, please specify.

**Question 5.1.2.12c**

Explain if and how the challenges could be overcome.

### 5.1.3 Guidance and conclusions from (supervisory and internal) stress-testing and scenario analysis of climate-related financial risks

If you ticked 'Yes' or 'Planned' for 'Guidance and conclusions from (supervisory and internal) stress-testing and scenario analysis of climate-related financial risks' in Question 5.1.1, please complete Question 5.1.3.1 to 5.1.3.3 where applicable.

### Question 5.1.3.1

Explain how guidance and conclusion from (supervisory and internal) stress-testing and scenario analysis of climate-related financial risks are currently used / are planned to be used to identify climate-related risks to retail SME exposures.

|  | Answer |
|--|--------|
| Environmental risks (Climate-related physical risks)   |        |
| Environmental risks (Climate-related transition risks) |        |

### Question 5.1.3.2

To identify environmental risks to retail SME exposures, do you consider as part of your internal stress-testing or scenario analysis environmental risks other than climate-related risks (e.g., biodiversity risks)?

|     |
|-----|
| Yes |
| No  |

### Question 5.1.3.3

If 'Yes' is selected in Question 5.1.3.2, specify which environmental risks other than climate-related risks you currently consider.

|  |
|--|
|  |
|--|

**Reply to Question 5.1.3.4 – 5.1.3.5c regardless of whether your practices include guidance and conclusions from supervisory stress-testing and scenario analysis of climate-related financial risks or not.**

### Question 5.1.3.4

In your opinion, are the guidance and conclusions from supervisory stress-testing and scenario analysis of climate-related financial risks a useful tool to identify environmental risks to retail SME exposures?

|                     |
|---------------------|
| Very useful         |
| Somewhat useful     |
| Somewhat not useful |
| Not useful          |
| I don't know        |

### Question 5.1.3.5a

Rank from 1 to 3 the main challenges associated with the use of guidance and conclusions from supervisory stress-testing and scenario analysis of climate-related financial risks in identifying environmental risks to retail SME exposures, with 1 being the most relevant and 3 the least relevant.

|  | Environmental risks (Climate-related physical risks) | Environmental risks (Climate-related transition risks) | Environmental risks (Other physical risks) | Environmental risks (Other transition risks) |
|--|--|--|--|--|
| Reliability and robustness of guidance and conclusions   |  |  |  |  |
| Lack of technical expertise  |  |  |  |  |
| Comparability of climate-related information at counterparty-level across jurisdictions and / or data providers (e.g., data on energy consumption) |  |  |  |  |

|  |  |  |  |  |
|--|--|--|--|--|
| Comparability of methodologies across jurisdictions                |  |  |  |  |
| Accessibility of climate-related information at counterparty level |  |  |  |  |
| Other  |  |  |  |  |

**Question 5.1.3.5b**

If 'Other' is selected in Question 5.1.3.5a, please specify.

**Question 5.1.3.5c**

Explain if and how the challenges could be overcome.

## 5.2 Qualification of exposures subject to environmental risks

Questions 5.2.1 to 5.2.10b correspond to point b) of the mandate.

**Question 5.2.1**

Indicate if you qualify your retail SME exposures subject to environmental risks.<sup>33</sup>

|  | Yes | Planned | No |
|--|-----|---------|----|
| Environmental risks (Climate-related physical risks) |     |         |    |

<sup>33</sup> You are expected to select one of the options ('Yes', 'Planned', 'No') for each row.



|  |  |  |  |
|--|--|--|--|
| Environmental risks (Climate-related transition risks) |  |  |  |
| Environmental risks (Other physical risks)             |  |  |  |
| Environmental risks (Other transition risks)           |  |  |  |

Please reply to the Question 5.2.2 – Question 5.2.9 if ‘Yes’ or ‘Planned’ is selected in at least one of the rows in Question 5.2.1.

**Question 5.2.2** Does your risk identification process lead to environmental risk buckets / pools / levels allowing you to qualify your retail SME exposures to environmental risks?

|  | Yes | No |
|--|-----|----|
| Environmental risks (Climate-related physical risks)   |     |    |
| Environmental risks (Climate-related transition risks) |     |    |
| Environmental risks (Other physical risks)             |     |    |
| Environmental risks (Other transition risks)           |     |    |

### Question 5.2.3

If ‘Yes’ is selected in Question 5.2.2, select the methodology used to define your buckets / pools / levels of retail SME exposures to environmental risks for the columns that apply.

|        | Environmental risks (Climate-related physical risks) | Environmental risks (Climate-related transition risks) | Environmental risks (Other physical risks) | Environmental risks (Other transition risks) |
|--------|--|--|--|--|
| Scores |  |  |  |  |

|                    |  |  |  |  |
|--------------------|--|--|--|--|
| Exclusion criteria |  |  |  |  |
| Heat mapping       |  |  |  |  |
| Other              |  |  |  |  |

**Question 5.2.4**

If 'Other' is selected in Question 5.2.3, please explain.

**Question 5.2.5**

Specify your methodology for classification. For example, if it relies on a score, explain how that score is built.

**Question 5.2.6**

Which criteria is your methodology built on?

|                       | Environmental risks (Climate-related physical risks) | Environmental risks (Climate-related transition risks) | Environmental risks (Other physical risks) | Environmental risks (Other transition risks) |
|-----------------------|--|--|--|--|
| Sectoral criteria     |  |  |  |  |
| Financial criteria    |  |  |  |  |
| Geographical criteria |  |  |  |  |
| Other criteria        |  |  |  |  |

**Question 5.2.7**

Specify the criteria used.

|  |
|--|
|  |
|--|

**Question 5.2.8**

Specify the internal processes in which your environmental risks classification methodology is used for retail SME exposures.

|                    | Environmental risks (Climate-related physical risks) | Environmental risks (Climate-related transition risks) | Environmental risks (Other physical risks) | Environmental risks (Other transition risks) |
|--------------------|--|--|--|--|
| Risk monitoring    |  |  |  |  |
| Risk assessment    |  |  |  |  |
| Regulatory capital |  |  |  |  |
| Other              |  |  |  |  |

**Question 5.2.9**

If 'Other' is selected in Question 5.2.8, please explain.

|  |
|--|
|  |
|--|

**Reply to Question 5.2.10a – 5.2.10b regardless of whether you qualify your retail SME exposures subject to ESG risks or not.**

**Question 5.2.10a**

What are the main challenges associated with the qualification of retail SME exposures subject to environmental risks?

|  | Answer |
|--|--------|
| Environmental risks (Climate-related physical risks) |        |

|  |  |
|--|--|
| Environmental risks (Climate-related transition risks) |  |
| Environmental risks (Other physical risks)             |  |
| Environmental risks (Other transition risks)           |  |

**Question 5.2.10b**

Explain if and how the challenges could be overcome.

## 6. Exposures to households

---

The scope of this section is credit institutions' exposures to households (HHs).

### 6.1 Identification of environmental risks

Questions 6.1 to 6.1.3.5c will focus on information sources for the identification of ESG risks. These questions correspond to point a) of the mandate.

#### Question 6.1

Indicate if you identify environmental risks to HH exposures.<sup>34</sup>

|  | Yes | Planned | No |
|--|-----|---------|----|
| Environmental risks (Climate-related physical risks)   |     |         |    |
| Environmental risks (Climate-related transition risks) |     |         |    |
| Environmental risks (Other physical risks)             |     |         |    |
| Environmental risks (Other transition risks)           |     |         |    |

Please reply to Questions 6.1.1 and 6.1.2 if 'Yes' or 'Planned' is selected in at least one of the rows in Question 6.1.

#### Question 6.1.1

---

<sup>34</sup> You are expected to select one of the options ('Yes', 'Planned', 'No') for each row.

Which of the following four elements<sup>35</sup> are currently used / planned to be used to identify environmental risks to households? Select the applicable options for all four elements.<sup>36</sup>

***Environmental scores (internal scoring model)***

|  | Yes | Planned | No |
|--|-----|---------|----|
| Environmental risks (Climate-related physical risks)   |     |         |    |
| Environmental risks (Climate-related transition risks) |     |         |    |
| Environmental risks (Other physical risks)             |     |         |    |
| Environmental risks (Other transition risks)           |     |         |    |

***Transition and physical risk indicators***

|  | Yes | Planned | No |
|--|-----|---------|----|
| Environmental risks (Climate-related physical risks)   |     |         |    |
| Environmental risks (Climate-related transition risks) |     |         |    |
| Environmental risks (Other physical risks)             |     |         |    |

<sup>35</sup> The four elements are: environmental scores (internal scoring model); sustainability disclosure reporting frameworks (EU and internationally); guidance and conclusions from (supervisory and internal) stress-testing and scenario analysis of climate-related financial risks; other.

<sup>36</sup> You are expected to select one of the options ('Yes', 'Planned', 'No') for each row.

|  |  |  |  |
|--|--|--|--|
| Environmental risks (Other transition risks) |  |  |  |
|--|--|--|--|

***Guidance and conclusions from (supervisory and internal) stress-testing and scenario analysis of climate-related financial risks***

|  | Yes | Planned | No |
|--|-----|---------|----|
| Environmental risks (Climate-related physical risks)   |     |         |    |
| Environmental risks (Climate-related transition risks) |     |         |    |
| Environmental risks (Other physical risks)             |     |         |    |
| Environmental risks (Other transition risks)           |     |         |    |

***Other***

|  | Yes | Planned | No |
|--|-----|---------|----|
| Environmental risks (Climate-related physical risks)   |     |         |    |
| Environmental risks (Climate-related transition risks) |     |         |    |
| Environmental risks (Other physical risks)             |     |         |    |

|  |  |  |  |
|--|--|--|--|
| Environmental risks (Other transition risks) |  |  |  |
|--|--|--|--|

### Question 6.1.2

If 'Other' is selected in Question 6.1.1, please specify.

|  |
|--|
|  |
|--|

### 6.1.1 Environmental scores (internal scoring model)

If you ticked 'Yes' or 'Planned' for 'Environmental scores (internal scoring model)' in Question 6.1.1, please complete Question 6.1.1.1 to 6.1.1.2 where applicable.

#### Question 6.1.1.1

Specify how environmental scores are used / planned to be used to identify environmental risks to HH exposures.

|  | Answer |
|--|--------|
| Environmental risks (Climate-related physical risks)   |        |
| Environmental risks (Climate-related transition risks) |        |
| Environmental risks (Other physical risks)             |        |
| Environmental risks (Other transition risks)           |        |

#### Question 6.1.1.2

Specify the methodology of the environmental scoring model, metrics<sup>37</sup> and data used<sup>38</sup> to identify environmental risks to HH exposures.

---

<sup>37</sup> For example, metrics could include alignment metrics, client awareness indices.

<sup>38</sup> For example, data could include building materials for real estate, stranded assets, energy efficiency of buildings and/or performance of the asset (e.g. CO<sub>2</sub> emissions of vehicles).



|  | Answer |
|--|--------|
| Environmental risks (Climate-related physical risks)   |        |
| Environmental risks (Climate-related transition risks) |        |
| Environmental risks (Other physical risks)             |        |
| Environmental risks (Other transition risks)           |        |

**Reply to Question 6.1.1.3 - 6.1.1.4c regardless of whether your practices include environmental scores or not.**

#### **Question 6.1.1.3**

In your opinion, are environmental scores of internal scoring models a useful tool to identify environmental risks to HH exposures?

|                     |
|---------------------|
| Very useful         |
| Somewhat useful     |
| Somewhat not useful |
| Not useful          |
| I don't know        |

#### **Question 6.1.1.4a**

Rank from 1 to 3 the main challenges associated with the use of environmental scores of internal scoring models in identifying environmental risks to HH exposures, with 1 being the most relevant and 3 the least relevant.

|  | Environmental risks (Climate-related physical risks) | Environmental risks (Climate-related transition risks) | Environmental risks (Other physical risks) | Environmental risks (Other transition risks) |
|--|--|--|--|--|
| Availability of environment-related data and metrics at counterparty level to calibrate the scoring model    |  |  |  |  |
| Accessibility of environment-related data and metrics at counterparty level to calibrate the scoring model   |  |  |  |  |
| Reliability and robustness of environmental scores   |  |  |  |  |
| Comparability of environment-related data at counterparty level across jurisdictions and / or data providers |  |  |  |  |
| Lack of regulatory guidance on how to identify environmental-related exposures                               |  |  |  |  |
| Lack of technical expertise  |  |  |  |  |
| Costs associated with the development of   |  |  |  |  |

|                              |  |  |  |  |
|------------------------------|--|--|--|--|
| environmental scoring models |  |  |  |  |
| Other                        |  |  |  |  |

**Question 6.1.1.4b**

If 'Other' is selected in Question 6.1.1.4a, please specify.

**Question 6.1.1.4c**

Explain if and how the challenges could be overcome.

## 6.1.2 Transition and physical risk indicators

If you ticked 'Yes' or 'Planned' for '*Transition and physical risk indicators*' in Question 6.1.1, please complete Question 6.1.2.1 to 6.1.2.10 where applicable.

**Question 6.1.2.1**

What information are you currently using / planning to use to identify physical risks to HH exposures? Select those that apply.

|   | Environmental risks (Climate-related physical risks) | Environmental risks (Other physical risks) |
|---|--|--|
| Geographical location data (e.g., postal code)  |  |  |
| Observed natural hazards (e.g., droughts, wildfires, hurricanes)                      |  |  |
| Statistical models to estimate the probability of occurrence of natural hazard (e.g., |  |  |

|  |  |  |
|--|--|--|
| droughts, wildfires, hurricanes)                           |  |  |
| Insurance schemes  |  |  |
| Government protection schemes (e.g., natural catastrophes) |  |  |
| Other  |  |  |

**Question 6.1.2.2**

If 'Other' is selected in Question 6.1.2.1, please specify.

**Question 6.1.2.3**

For each of the options selected in Question 6.1.2.1, specify the data and the data sources (e.g., counterparties, external data providers, public registers...) used / planned to be used to identify physical risks to HH exposures.

|  | Answer |
|--|--------|
| Environmental risks (Climate-related physical risks) |        |
| Environmental risks (Other physical risks)           |        |

**Question 6.1.2.4**

Considering your reply to Questions 6.1.2.1 to 6.1.2.3, specify the methodology in use / planned to be used to identify physical risks to HH exposures.

|  | Answer |
|--|--------|
| Environmental risks (Climate-related physical risks) |        |

|  |  |
|--|--|
| Environmental risks (Other physical risks) |  |
|--|--|

**Question 6.1.2.5**

What information are you currently using / planning to use to identify transition risks to HH exposures? Select those that apply.

|  | Answer |
|--|--------|
| Environmental risks (Climate-related transition risks) |        |
| Environmental risks (Other transition risks)           |        |

**Question 6.1.2.6**

For each of the options selected in Question 6.1.2.5, specify the data and the data sources (counterparties, external data providers, public registers...) used / planned to be used to identify transition risks to HH exposures.

|  | Answer |
|--|--------|
| Environmental risks (Climate-related transition risks) |        |
| Environmental risks (Other transition risks)           |        |

**Question 6.1.2.7**

Considering your reply to the Question 6.1.2.5 to 6.1.2.6, specify the methodology in use / planned to be used to identify transition risks to HH exposures.

|  | Answer |
|--|--------|
| Environmental risks (Climate-related transition risks) |        |
| Environmental risks (Other transition risks)           |        |

**Question 6.1.2.8**

Do you use / plan to use forward-looking transition and physical risk indicators to identify environmental risks?

|  | Yes | Planned | No |
|--|-----|---------|----|
| Environmental risks (Climate-related physical risks)   |     |         |    |
| Environmental risks (Climate-related transition risks) |     |         |    |
| Environmental risks (Other physical risks)             |     |         |    |
| Environmental risks (Other transition risks)           |     |         |    |

**Question 6.1.2.9**

Do you identify social and governance risks to HH exposures?

|         |
|---------|
| Yes     |
| Planned |
| No      |

**Question 6.1.2.10**

If 'Yes' or 'Planned' are selected in Question 6.1.2.9, specify data and methodologies used.

|  |
|--|
|  |
|--|

**Reply to Question 6.1.2.11 - 6.1.2.12c regardless of whether your practices include transition and physical risk indicators or not.**

**Question 6.1.2.11**

In your opinion, are transition and physical risk indicators a useful tool to identify environmental risks to HH exposures?

|                            | Very useful | Somewhat useful | Somewhat not useful | Not useful | I don't know |
|----------------------------|-------------|-----------------|---------------------|------------|--------------|
| Physical risk indicators   |             |                 |                     |            |              |
| Transition risk indicators |             |                 |                     |            |              |

**Question 6.1.2.12a**

Rank from 1 to 3 the main challenges associated with the use of physical and transition risk indicators in identifying environmental risks to HH exposures, with 1 being the most relevant and 3 the least relevant.

|   | Environmental risks (Climate-related physical risks) | Environmental risks (Climate-related transition risks) | Environmental risks (Other physical risks) | Environmental risks (Other transition risks) |
|---|--|--|--|--|
| Availability of data (e.g., GHGs emissions or EPC labels) |  |  |  |  |
| Accessibility of data (e.g., due to high costs)           |  |  |  |  |
| Reliability and robustness of data                        |  |  |  |  |
| Lack of technical expertise                               |  |  |  |  |
| Comparability of data across jurisdictions                |  |  |  |  |

|                         |  |  |  |  |
|-------------------------|--|--|--|--|
| and / or data providers |  |  |  |  |
| Other                   |  |  |  |  |

**Question 6.1.2.12b**

If 'Other' is selected in Question 6.1.2.12a, please specify.

**Question 6.1.2.12c**

Explain if and how the challenges could be overcome.

**6.1.3 Guidance and conclusions from (supervisory and internal) stress-testing and scenario analysis of climate-related financial risks**

If you ticked 'Yes' or 'Planned' for 'Guidance and conclusions from (supervisory and internal) stress-testing and scenario analysis of climate-related financial risks' in Question 6.1.1, please complete Question 6.1.3.1 to 6.1.3.3 where applicable.

**Question 6.1.3.1**

Explain how guidance and conclusion from (supervisory and internal) stress-testing and scenario analysis of climate-related financial risks are currently used / are planned to be used to identify climate-related risks to HH exposures.

|  | Answer |
|--|--------|
| Environment (Climate-related physical risks)   |        |
| Environment (Climate-related transition risks) |        |

**Question 6.1.3.2**

To identify environmental risks to HH exposures, do you consider as part of your internal stress-testing or scenario analysis environmental risks other than climate-related risks (e.g. biodiversity risks)?



|     |
|-----|
| Yes |
| No  |

**Question 6.1.3.3**

If 'Yes' is selected in Question 6.1.3.2, specify which environmental risks other than climate-related risks you currently consider.

|  |
|--|
|  |
|--|

**Reply to Question 6.1.3.4 - 6.1.3.5c regardless of whether your practices include guidance and conclusions from supervisory stress-testing and scenario analysis of climate-related financial risks or not.**

**Question 6.1.3.4**

In your opinion, are the guidance and conclusions from supervisory stress-testing and scenario analysis of climate-related financial risks a useful tool to identify environmental risks to HH exposures?

|                     |
|---------------------|
| Very useful         |
| Somewhat useful     |
| Somewhat not useful |
| Not useful          |
| I don't know        |

**Question 6.1.3.5a**

Rank from 1 to 3 the main challenges associated with the use of guidance and conclusions from supervisory stress-testing and scenario analysis of climate-related financial risks in identifying environmental risks to HH exposures, with 1 being the most relevant and 3 the least relevant.

|  | Environmental risks (Climate-related physical risks) | Environmental risks (Climate-related transition risks) | Environmental risks (Other physical risks) | Environmental risks (Other transition risks) |
|--|--|--|--|--|
| Reliability and robustness of guidance and conclusions   |  |  |  |  |
| Lack of technical expertise  |  |  |  |  |
| Comparability of climate-related information at counterparty-level across jurisdictions and / or data providers (e.g., data on energy consumption) |  |  |  |  |
| Comparability of methodologies across jurisdictions  |  |  |  |  |
| Accessibility of climate-related information at counterparty level   |  |  |  |  |
| Other  |  |  |  |  |

### Question 6.1.3.5b

If 'Other' is selected in Question 6.1.3.5a, please specify.

**Question 6.1.3.5c**

Explain if and how the challenges could be overcome.

## 6.2 Qualification of exposures subject to environmental risks

Questions 6.2.1 to 6.2.10b correspond to point b) of the mandate.

**Question 6.2.1**

Indicate if you qualify your HH exposures subject to environmental risks.<sup>39</sup>

|  | Yes | Planned | No |
|--|-----|---------|----|
| Environmental risks (Climate-related physical risks)   |     |         |    |
| Environmental risks (Climate-related transition risks) |     |         |    |
| Environmental risks (Other physical risks)             |     |         |    |
| Environmental risks (Other transition risks)           |     |         |    |

**Please reply to the Question 6.2.2 – Question 6.2.9 if ‘Yes’ or ‘Planned’ is selected in at least one of the rows in Question 6.2.1.**

**Question 6.2.2**

Does your risk identification process lead to environmental risk buckets / pools / levels allowing you to qualify your HH exposures to environmental risks?

|  | Yes | No |
|--|-----|----|
| Environmental risks (Climate-related physical risks) |     |    |

<sup>39</sup> You are expected to select one of the options (‘Yes’, ‘Planned’, ‘No’) for each row.

|  |  |  |
|--|--|--|
| Environmental risks (Climate-related transition risks) |  |  |
| Environmental risks (Other physical risks)             |  |  |
| Environmental risks (Other transition risks)           |  |  |

**Question 6.2.3**

If 'Yes' is selected in Question 6.2.2, select the methodology used to define your buckets / pools / levels of HH exposures to environmental risks for the columns that apply.

|                    | Environmental risks (Climate-related physical risks) | Environmental risks (Climate-related transition risks) | Environmental risks (Other physical risks) | Environmental risks (Other transition risks) |
|--------------------|--|--|--|--|
| Scores             |  |  |  |  |
| Exclusion criteria |  |  |  |  |
| Heat mapping       |  |  |  |  |
| Other              |  |  |  |  |

**Question 6.2.4**

If 'Other' is selected in Question 6.2.3, please specify.

**Question 6.2.5**

Specify your methodology for classification. For example, if it relies on a score, please elaborate on how that score is built.

**Question 6.2.6**

Which criteria is your methodology built on?

|                       | Environmental risks (Climate-related physical risks) | Environmental risks (Climate-related transition risks) | Environmental risks (Other physical risks) | Environmental risks (Other transition risks) |
|-----------------------|--|--|--|--|
| Financial criteria    |  |  |  |  |
| Geographical criteria |  |  |  |  |
| Other criteria        |  |  |  |  |

**Question 6.2.7**

Specify the criteria used.

**Question 6.2.8**

Specify the internal processes in which your environmental risks classification methodology is used for HH exposures.

|                    | Environmental risks (Climate-related physical risks) | Environmental risks (Climate-related transition risks) | Environmental risks (Other physical risks) | Environmental risks (Other transition risks) |
|--------------------|--|--|--|--|
| Risk monitoring    |  |  |  |  |
| Risk assessment    |  |  |  |  |
| Regulatory capital |  |  |  |  |
| Other              |  |  |  |  |

**Question 6.2.9**

If 'Other' is selected in Question 6.2.8, please specify.

**Reply to Question 6.2.10a – 6.2.10b regardless of whether you qualify your HH exposures subject to ESG risks or not.**

**Question 6.2.10a**

What are the main challenges associated with the qualification of HH exposures subject to environmental risks?

|  | Answer |
|--|--------|
| Environmental risks (Climate-related physical risks)   |        |
| Environmental risks (Climate-related transition risks) |        |
| Environmental risks (Other physical risks)             |        |
| Environmental risks (Other transition risks)           |        |

**Question 6.2.10b**

Explain if and how the challenges could be overcome.