EUROPEAN CENTRAL BANK

BANKING SUPERVISION

# Template for comments

## Guide on the management and disclosure of climate-related and environmental risks

| Institution/Company |
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| Nederlandse Vereniging van Banken (NVB) - Dutch Banking Association |

### Contact person

**Mr/Ms**

**First name**

**Surname**

**Email address**

**Telephone number**

☑ Please tick here if you do not wish your personal data to be published.

**General comments**

A. Timelines
The NVB would like to stress the need for further clarification of the ECB applicability and implementation timelines of the guide.
• ECB is requested to avoid frontloading of upcoming EU legislation.
• Date of application: The ECB is requested to clarify the status of application date. Institutions are expected to face issues when compliance with all recommendations is required as from that date. A phased-in approach is suggested where prioritizing the development of common definitions and taxonomies would be particularly helpful. This will support institutions in determining data requirements, IT system changes etc.
• Implementation timelines: To accommodate alignment, ECB is requested to align the implementation of its recommendations with the implementation timelines of the regulations that the Guide is linked to (e.g. NFRD).
• The Guide refers to existing regulation, meaning it will be the legal basis used by supervisors in their review. We are still awaiting the EBA to fulfil its mandate given by CRR 2 to include ESG factors in SREP and reflect on the prudential treatment of sustainable finance assets. Such roadmap includes several mandates spread from 2020 until 2025. The inclusion of ESG factors is a new regulation field, meaning that both regulators and banks should benefit from appropriate time to integrate such requirements.
• To request significant institutions to inform ECB of any divergences of their practices from this guide, which is still on the consultation phase, as from end-2020 can be a challenging timeline. The NVB request the ECB to consider whether the timeline is feasible for the Banks to fulfil such a request. The ECB is also requested to clarify the legal status (per expectation) and how divergence from the recommendation is considered in the Supervisory Dialogue.
• The full and complete integration of climate-related and environmental risks into banks risk management framework will need robust quantification methodologies, which are still at a very early stage. The NVB proposes the Guide should explicitly reflect a) that a staged approach (phasing -in approach) will be adopted based on the outcome of the Supervisory Dialogue and b) that pending such dialogue no capital consequences will be imposed.
As confirmed by the ECB in the public hearing on 2 September 2020, the ECB is invited to explicitly state in the guide that the ECB will grant reasonable time to adapt and discuss the phasing-in of the guide's expectations on a bank-by-bank basis, while taking the specific profile of that institution into account.

B. Application & proportionality
• The NVB finds that the Guide should be applied at a consolidated level. Only if relevant, some parameters could be explored more deeply, instead of applying the Guide at a sub-consolidated level.
•To maintain a level-playing field, it is important that the Guide also applies to any inbound companies, including inbound financial institutions, hedge funds, asset managers and their global activities.
• The ECB Guide applies to significant institutions that are supervised by the Single Supervisory Mechanism, while National Competent Authorities are recommended to apply the expectations set out in this guide in their supervision of less significant institutions. The NVB would like to stress that it is important that the Guide should be equivalently applied to both Significant Institutions and Less Significant Institutions. While taking the principle of proportionality with regard to the risk profile and business model of an financial institution into account, this equivalence would ensure that -in general- the same approach with regard to monitoring climate and environmental risks in the EU banking sector is pursued.
•The NVB request the ECB to clarify on the applicability of the principle of proportionality on the side of the financial institutions as well on activity side of these institutions. With regard to the activity side, the ECB is invited to clarify on the application of the principle of proportionality by for example differentiating between market sectors, company size and emission factors. The EU taxonomy could be helpful in that differentiation.

C. Data availability
One of the main concerns regarding climate and environmental risks is the lack of (historic) data.
• More availability of corporate and retail data will be a key factor for adequate banks' risk management, for the development of new financial products and for helping consumer and businesses to transition. Available, reliable, and standardized environmental and social data (E&S) data and non-E&S data on clients are a pre-requisite for the development of quantification methodologies.
•With regard to modelling and scenario developing, the lack of (historical) data also provides challenges to test the resilience of the business model or to judge the possible impact of climate-related and environmental risks and the time horizon over which these effects are expected. The ECB is requested to provide examples and more detailed guidance on scenario developing, quantifying assumptions and analysis methodology.
• Banks should not be expected to have quantification methodologies developed until the NFRD, which will for instance support availability of such data, is finalized. With regard to requirements for modelling, scenario developing and backtesting, the NVB would like to stress that the meeting of these requirements should be aligned with the availability of relevant data.
• It would be helpful if the data availability would be improved by policy makers providing more data to financial institutions. Hence, in its response to the NFRD and European Commission's Renewed Sustainable Finance Strategy, the European banking sector has asked the

D. Definition of climate and environmental risks
• To establish an all-inclusive and mutually exclusive risk framework, a clear definition and positioning of climate risk, in relation to other environmental risks, is essential to avoid misunderstanding and possible double-counting of risk.
• Climate and environmental risks are being understood as a risk driver that effects known risk categories like credit, market, and operational risk. The NVB shares this opinion and think that it is the right way to consider this kind of risk as a risk driver and not a separate risk category.
• However, we feel that the application of this understanding is not well reflected throughout the guide. The NVB believes that ECB should be clearer in that respect and expectations should reflect climate risk as a risk driver and not a separate risk type.
• Since as the guide states climate and environmental risks are drivers of conventional risk types, the ECB is asked to clarify how explicit are banks expected to assign roles and responsibilities for climate-related and environmental risks within the organisation and specifically in the risk appetite. For instance, within the credit committee or in the risk appetite, there is not a list of all the specific risk drivers that need to be taken into account. For instance, concentration risk can lead to credit risk, however not all forms of concentration are spelled out at the level of buyer/supplier concentration of borrowers. The ECB is requested to clarify this further to avoid that the Guide requires parallel frameworks.

E. Prudential framework & disclosure
• The ECB expects institutions to assess the impact that climate and environmental risks will have on capital adequacy. The NVB invites the ECB to provide clearer expectations in this aspect and asks the ECB to share the expected changes to take place in the Pillar 1, Pillar 2, and Pillar 3.
• The NVB suggests that any amendments to ICAAP requirements are consistent with the EBA CRR2 mandate to include in ESG factors in SREP and reflect on the prudential treatment of sustainable finance assets, since this inclusion would have significant implications for the regulatory ratios such as Pillar 2 capital requirements, and potentially on liquidity ratios.
• The guide states that for the purposes of their regulatory disclosures, institutions are expected to publish meaningful information and key metrics on climate-related and environmental risks that they deem to be material. Currently, EBA is still working on the of the EC guidelines into Pillar 3 framework. Therefore, the NVB recommends avoiding risk of inconsistency in light of regulatory disclosures that are still under development and to align with EBA's work.

F. Further clarifications and inclusion of examples in the Guide
• The NVB has mentioned various points where the ECB requested to provide additional clarifications and illustrative examples to the expectations.

# Template for comments

## Guide on the management and disclosure of climate-related and environmental risks

**Please enter all your feedback in this list.**
**When entering feedback, please make sure that:**
- **each comment deals with a single issue only;**
- **you indicate the relevant article/chapter/paragraph, where appropriate;**
- **you indicate whether your comment is a proposed amendment, clarification or deletion.**

| **Deadline:** | 25 September 2020 |
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| ID | Chapter | Paragraph | Expectation or box number | Page | Type of comment | Detailed comment | Concise statement as to why your comment should be taken on board | Name of commenter | Personal data |
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| 1 | Chapter 2 | 2.2 | Tekst | 6 | Amendment | Significant institutions are expected to promptly start adapting their practices. Hence, the NVB would like to stress the need for further clarification of the ECB timelines.<br>Date of application: The ECB is requested to clarify the status of application date. Institutions are expected to face issues when compliance with all recommendations is required as from that date. A phased-in approach is suggested where prioritizing the development of common definitions and taxonomies would be particularly helpful. This will support institutions in determining data requirements, IT system changes etc.<br>Implementation timelines: To accommodate alignment, ECB is requested to align the implementation of its recommendations with the implementation timelines of the regulations that the Guide is linked to (e.g. NFRD).<br>Lastly, ECB is requested to avoid frontloading of EU legislation (NFRD) via SREP. | Enhance commitment by clarifying on application and implementation timelines | , | Don't publish |
| 2 | Chapter 2 | 2.2 | Tekst | 6 | Amendment | To request significant institutions to inform ECB of any divergences of their practices from this guide, which is still on the consultation phase, as from end-2020 can be a challenging timeline. Please consider whether the timeline is feasible for the Bank to fulfil such a request. In addition, the ECB is requested to clarify the legal status (per expectation) and how divergence from the recommendation is considered in the Supervisory Dialogue. | Enhance commitment by clarifying on expectations with regard to divergences of practises form the Guide's expectations. | , | Don't publish |

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| 3 | Chapter 2 | 2.3 | Tekst | 7 | Clarification | The NVB suggests clarifying this paragraph to avoid un-level playing field that the draft Guide's specific arrangements on SI's vs LSI's could trigger. | Avoid un-level playing field that the draft Guide's specific arrangements could trigger. | ' | Don't publish |
| 4 | Chapter 3 | 3.2 | Table 1 | 11 | Clarification | How does the ECB expect banks to account for the interaction between the climate and environmental risk drivers? In the guide, they are viewed as separate risk drivers that can be viewed independently. Water stress for instance was previously considered a climate related risk. In the guide, it is an environmental risk driver. Climate related physical risks exacerbate water scarcity but so does excessive water use or water pollution. | A clarification would help to understand the interaction between the climate and environmental risk drivers. | ' | Don't publish |
| 5 | Chapter 3 | 3.2 | Table 1 | 11 | Clarification | As the extend of transition risk impact on the market liquidity risk is not very clear from this table. Hence, the ECB is requested to clarify on this matter. For example: the deterioration of the institution's own assets due to transition risks can also have impact on the bank's liquidity position if these assets are used as collaterals to obtain funding. | A clarification would help to understand the definition and taxonomies for physical/transition risks. | ' | Don't publish |

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| 6 | Chapter 3 | 3.2 | Paragraph 3 | 12 | Clarification | How to apply this forward-looking approach in PD and LGD if loan tenors are short? Or how do these two relate to each other? This is one of the major challenges for Credit Risk and current document does not give any guidance on this matter. The ECB invited to clarify on these questions. | A clarification would help to understand one of the major challenges for Credit Risk; how to apply this forward-looking approach in PD and LGD if loan tenors are short? | ' | Don't publish |
| 7 | Chapter 4 | 4.1 | Expectation 1 | 15 | Amendment | In this stage it is not realistic to expect that institutions fully understand the impact of these risks completely, because of mindset-gap, data-gap and capabilities gap. As said in the webinar of the 17th of June and in paragraph 2.2, the ECB also acknowledges that the management and disclosure of climate-related and environmental risks, and also the methodologies and tools used to address them, are currently evolving and are expected to mature over time.<br>Proposal for amendment: Institutions are expected to investigate the impact of climate-related and environmental risks on the business environment in which they operate, in the short, medium and long term, in order to be able to make informed strategic and business decisions. | As it is in this stage not realistic to expect that institutions fully understand the impact of these risks completely, please consider reformulating the expectation. | ' | Don't publish |
| 8 | Chapter 4 | 4.1 | Expectation 1 | 15 | Clarification | It will be helpful to provide an example/observed practice like other expectations. | Providing examples or observed practises would help to understand this expectation. | ' | Don't publish |

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| 9 | Chapter 4 | 4.1 | Expectation 1.2 | 16 | Amendment | As said in the webinar of the 17th of June and in paragraph 2.2 The ECB acknowledges that the management and disclosure of climate-related and environmental risks, and also the methodologies and tools used to address them, are currently evolving and are expected to mature over time.<br>Proposal for amendment: Institutions are expected to investigate how climate-related and environmental risks affect their business environment in the short, medium and long term to inform their business strategy process. | As it is in this stage it is not realistic to expect that institutions fully understand the impact of these risks, especially the long-term impact, please consider reformulating the expectation. | , | Don't publish |
| 10 | Chapter 4 | 4.2 | Expectation 2 | 17 | Clarification | In case of transition risk there sometimes is a conflict between Financial materiality and Environmental and Social materiality (double materiality). In case of a conflict, what should be prioritised? | A clarification could help to understand how an institution should prioritise in case of double materiality. | , | Don't publish |
| 11 | Chapter 4 | 4.2 | Expectation 2.1 | 17 | Clarification | When developing a set of scenarios to test the resilience of the business model it is a challenge to judge the possible impact of climate-related and environmental risks and the time horizon over which these effects are expected, because of the lack of (historical) data. The ECB is asked to clarify how an institution is expected to develop plausible scenarios without historical and limited availability of data. Some examples and more detailed guidance on scenario developing, quantifying assumptions and analysis methodology could be helpful. These areas are specially challenging due to the fact that common definition and taxonomy for these types of risks are not very clear at this moment. | Important for developing appropriate scenarios and assumptions for analysing the impact of the risk on the business strategy. | , | Don't publish |

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| 12 | Chapter 4 | 4.2 | Box 2 | 18 | Clarification | At the webinar on 17th of June double materiality was one of the subjects. This box focuses especially on social and environmental materiality, while the focus of expectation 2.1 is on financial materiality. These KPI's focus in particular on the impact of the bank on climate and environment. The ECB is asked to clarify / give examples on KPI's for the impact of climate and environment on the bank. | A clarification or examples could help to map for KPI's for the impact of climate and environment on the bank. | , | Don't publish |
| 13 | Chapter 5 | 5.1 | Expectation 3.1 | 19 | Clarification | The ECB is asked to clarify how explicit are banks expected to assign roles and responsibilities for climate-related and environmental risks within the organisation and specifically in the risk appetite. Since as the guide states, these risks are drivers of conventional risk types (credit risk, operational risk, market risk and strategic risk). For instance, within the credit committee or in the risk appetite, there is not a list of all the specific risk drivers that need to be taken into account. For instance, concentration risk can lead to credit risk, however not all forms of concentration are spelled out at the level of buyer/supplier concentration of borrowers. | To clarify how explicit banks are expected to assign roles and responsibilities for climate-related and environmental risks within the organisation and specifically in the risk appetite. ECB is requested to clarify this further to avoid that the Guide requires parallel frameworks. | , | Don't publish |
| 14 | Chapter 5 | 5.2 | Expectation 4 | 21 | Amendment | "Institutions are expected to develop appropriate key risk indicators and set appropriate limits for climate-related and environmental risks in line with their regular monitoring and escalation arrangements". This is explained in Table 1 (page 11). Climate risk basically is a risk-driver that 'materialises' in known risk types (e.g. credit risk and operational risk). To establish an all-inclusive and mutually exclusive risk framework, a clear definition and positioning of climate risk is essential to avoid misunderstanding and possible double-counting of risk. | Avoid misunderstanding and risk double-counting. | , | Don't publish |

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| 15 | Chapter 5 | 5.3 | Expectation 5.5 | 25 | Clarification | The NVB understands and agrees to a role of the compliance function in the context of ensuring adherence to sustainability related applicable laws, rules, regulations, and standards. The NVB agrees that tasks and responsibilities need to be defined, in addition to the tasks and responsibility of the risk management function for identifying, assessing, measuring, monitoring and reporting on climate-related and environmental risks in general (see expectation 5.4). However, the reference to 'liability risks' in expectation 5.5 is not clear. In view of the NVB, the risk of non-compliance with laws, rules, regulations, and standards is not limited to a liability risk. Liability is not a primary focus of the compliance function in banks, as compliance focuses on rules and regulations and the spirit thereof. The ECB is requested to clarify on the reference to 'liability risks' in expectation 5.5. | To avoid the misunderstanding that the risk of non-compliance with laws, rules, regulations, and standards is not solely limited to a liability risk. | , | Don't publish |
| 16 | Chapter 5 | 5.4 | Expectation 6.2 | 26 | Amendment | The expectation regarding IT infrastructure and risk data aggregation capabilities and are considered reasonable but challenging. Currently, various banks are still in the risk identification stage, making this step is considered premature. The NVB requests the ECB to phase-in expectations in line with other regulations and to provide adequate time for implementation. With regard to expectation 6, the NVB specifically refers to align with the EU taxonomy and clear definitions of KPI's / KRI's as the starting point for IT and data management changes. | Align this expectation with other regulations to provide banks adequate time for implementation. | , | Don't publish |
| 17 | Chapter 6 | 6.1 | Expectation 7 | 28 | Clarification | How to apply this forward-looking approach in PD and LGD if loan tenors are short? How do these two relate to each other and how should long-termism be reconciled with short termism? This is one of the major challenges for Credit Risk and current document does not give any guidance on this matter. The ECB invited to clarify on these questions. | A clarification would help to understand one of the major challenges for Credit Risk; how to apply this forward-looking approach in PD and LGD if loan tenors are short? | , | Don't publish |

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| 18 | Chapter 6 | 6.1 | Expectation 7.5 | 31 | Clarification | The ECB expects institutions to assess the impact that climate and environmental risks will have on capital adequacy. The NVB invites the ECB to provide clearer expectations in this aspect. Specifically, what would be the expected changes to take place in the Pillar 1, Pillar 2 and Pillar 3? In this light of expectation 7, the NVB suggests that any amendments to ICAAP requirements should be consistent with the EBA CRR2 mandate to include in ESG factors in SREP and reflect on the prudential treatment of sustainable finance assets. This inclusion of ESG factors would have significant implications for the regulatory ratios such as Pillar 2 capital requirements, and potentially on liquidity ratios. | A clarification would help to understand the interaction to Pillar 1, 2 and 3. Aligning changes with ongoing EBA mandates would avoiding inconsistencies. | ' | Don't publish |
| 19 | Chapter 6 | 6.2 | Expectation 8.1 | 32 | Clarification | Climate-related and environmental risks are expected to be included in all relevant stages of the credit-granting process and credit processing. The NVB would like to stress that it is unclear what ECB expects. In case of short tenor loans, impact on PD and LGD will be unlikely. Is this where forward-looking approach is expected? | A clarification would help to understand one of the major challenges for Credit Risk; how to apply this forward-looking approach in PD and LGD if loan tenors are short? | ' | Don't publish |
| 20 | Chapter 6 | 6.2 | Expectation 8.1 | 32 | Clarification | The ECB expects institutions to form an opinion on how a borrower's defaults risk will be influenced by climate and environmental risks. Guidance on the how should be made more explicit. Current regulatory frameworks emphasize the interpretability of the models used for credit risk. However, climate risk introduces considerable of uncertainty in estimations and could make use a many different risk drivers which could be considered "main drivers". This could make interpretability subjective. To avoid this, the regulator should make clear what would fall under the domain of relevant risk drivers or the criteria used to identify these risk drivers. Further, physical risk has a long-term element which is difficult to reconcile with current credit risk frameworks as they focus on a shorter horizon. Combining these two frameworks (long term and short term) could lead to climate risks becoming essentially insignificant as these effects are overwhelmed by the effects of other risk drivers which dictate in the shorter term. Margins of conservatism could be used instead to make sure that the short-term magnitudes do not overwhelm the longer-term magnitudes. However, frameworks on margins of conservatism from the regulator should also explicitly address the treatment of climate and environmental risks. | Clarification on guidance for integration of climate risks in credit risk framework. | ' | Don't publish |

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| 21 | Chapter 6 | 6.2 | Expectation 8.3 | 33 | Clarification | Can the link between the CRR and the expectations in relation to collateral valuation be clarified? Is the document referring to "market value, within the meaning of the CRR"? | Clarification is needed on whether the expectation to consider climate-related and environmental risks in the valuation of the collateral refers to the market value within CRR meaning or rather than just "value", as obviously these two cannot be in conflict. | ' | Don't publish |
| 22 | Chapter 6 | 6.2 | Expectation 8.5 | 33 | Amendment | Proposal for amendment: After the prerequisite steps related to the qualitative and quantitative assessment of risks from climate-related and environmental factors, Institutions are expected to investigate how loan pricing frameworks can reflect their credit risk appetite and business strategy with regard to climate-related and environmental factors. | NVB agrees that the pricing framework is expected to support the chosen risk perspective and strategy. However, this expectation is considered premature in the sense that a (forward looking) quantification of climate-related and environmental risks is necessary prior to pricing framework adjustments. This, for example, by differentiating the loan prices for exposures according to their energy efficiency or by including a sector/client-specific charge. Additionally, some banks do not (currently) support cross-subsidies in its pricing, which is what is suggested when providing interest rate discounts to sustainable loans since these need to be compensated by other loans. This is mainly due to the specific nature of those banks that provide financing to support the public sector to achieve socially relevant objectives which could all be | ' | Don't publish |
| 23 | Chapter 6 | 6.2 | Expectation 8.6 | 34 | Amendment | This expectation is considered premature. Various banks are currently still in the risk identification stage, including initial climate stress tests to support the identification of material risks at a portfolio level. Further quantification of these risks is necessarily followed by a data project to ensure available data at client level before any costs driven by climate- related and environmental risks can be reflected in the pricing.<br>Proposal for amendment: After the prerequisite steps related to the qualitative and quantitative assessment of risks from climate-related and environmental factors, Institutions are expected to investigate how the different costs driven by climate-related and environmental risks can be reflected in loan pricing. | Amendment is requested as further quantification of these risks and data is necessary to ensure available data at client level before any costs driven by climate-related and environmental risks can be reflected in the pricing. | ' | Don't publish |

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| 24 | Chapter 6 | 6.3 | Expectation 9.2 | 35 | Clarification | The ECB expects institutions to consider the impact that an institution itself can have on the climate and the environment. A large part of the guideline focuses on risks to the institution and thus the effect that the outside world (climate and the environment) can have on its financial wellbeing.<br>Impact to the outside environment does not necessarily need to be classified as risks itself (even though such events can have reputational consequences or liability). Therefore, the question arises: Does the ECB expect institutions only to consider impact to the environment only from a reputational and liability perspective? Or also from a principle perspective as taken on other regulatory papers such as the “Do Not Significant Harm” principle? This, in relation to potential pricing differentiation and supporting factors both through negative and positive discrimination according to the climate and related profile. | The ECB is invited to make a clear distinction between what is expected in terms of reputational risk and in terms of impact to the external environment. | , | Don't publish |
| 25 | Chapter 6 | 6.5 | Expectation 11 | 37 | Clarification | Institutions are expected to consider adopting a longer time horizon. How realistic and plausible are these scenario's for longer time horizons (20-30 years)? | To clarify on how realistic and plausible these scenarios are for longer time horizons. | , | Don't publish |
| 26 | Chapter 6 | 6.5 | Expectation 11 | 37,38 | Clarification | The ECB is invited to provide their expectations regarding the trade off on scenarios which give different weights on different time horizons. Using a short versus a long-term horizon will result in different prioritizations in terms of the risks being considered and the inputs being used. Furthermore, long term horizons introduce significant uncertainty in results (not to mention difference in strain on resources). It would be welcomed when the ECB would address this in terms of the regulatory and prudential expectations. | Clarification with regards to trade between long- and short-term horizon for scenario analysis. | , | Don't publish |

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| 27 | Chapter 6 | 6.6 | Expectation 12 | 38 | Clarification | Does the institution need to incorporate material climate related and environmental risks in their ILAAP liquidity stress testing? Any detailed guidance similar to the ones provided for ICAAP stress testing (page 37 to 38)? In this light, the EBA CRR2 mandate to include in ESG factors in SREP and reflect on the prudential treatment of sustainable finance assets is also of particular interest is. This inclusion of ESG factors has significant implications for the regulatory ratios such as Pillar 2 capital requirements, and potentially on liquidity ratios. Hence, the NVB suggests that any amendments to ICAAP requirements are consistent with this mandate. | Detailed guidance would be needed for ILAAP stress testing. Aligning with EBA mandate would avoid inconsistencies. | , | Don't publish |
| 28 | Chapter 7 | 7 | Expectation 13 | 40 | Clarification | The NVB would appreciate when the ECB could clarify regulatory disclosures, by stating whether expectation 13 refers to Pillar 3. | Avoiding misunderstanding and clarifying regulatory disclosures. | , | Don't publish |
| 29 | Chapter 7 | 7 | Expectation 13 | 40 | Clarification | At this moment Pillar 3 does not describe climate risks. Is this the reason why expectation 13 refers to 'European Commission's Guidelines on non-financial reporting: supplement climate related information'?<br>At the moment, EBA is planning to incorporate the EC guidelines into Pillar 3 framework. Does this mean that this expectation is the supervisor's interpretation of regulatory disclosures that are still under development? The NVB would like a clarification on this matter as it could lead to a risk of inconsistency. | Avoiding risk of inconsistency in light of regulatory disclosures that are still under development. | , | Don't publish |

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| 30 | Chapter 7 | 7 | Expectation 13.5 | 43 | Clarification | Institutions are expected to disclose the institution’s Scope 1, 2 and 3 GHG emissions for the whole group.  Firstly, the NVB would like to stress that banks are currently lacking comprehensive climate related data from clients – at least for a large portion of portfolios.<br>Second, the NVB would like mention that that different possibilities exist to meet expectation 13.5, such as PCAF and PACTA.PCAF facilitates data collection, as it makes use of existing climate data registers as much as possible and identifies gaps where more effort is needed to produce relevant information. The PACTA approach focuses on the technology indicators that can be acted upon for any possible transition pathways as long as there is a scenario/technology data available. The PCAF and PACTA methodologies focus on different aspects of a bank’s portfolio and utilise different metrics for measurement. It should be up to the individual banks to decide if and where a methodology can be more appropriately used. | Clarify on institution’s Scope 1, 2 and 3 GHG emissions. | , | Don't publish |
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