

# Decision of the European Banking Authority EBA/DC/498

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of 06 July 2023

concerning ad hoc collection by competent authorities to the EBA of institutions' ESG data and amendment of the Annex to EUCLID Decision

**The Board of Supervisors**

**Having regard to**

- (1) Regulation (EU) No 1093/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Banking Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/78/EC<sup>1</sup> (the 'EBA Regulation' and 'the EBA'), in particular Article 29(1) letter (f), Article 32 and Article 35 thereof,
- (2) Decision EBA/DC/2020/335 of 5 June 2020 on the European Centralised Infrastructure of Data, as further amended by Decision EBA/DC/2021/403 of 3 August 2021 and Decision EBA/DC/2022/448 of 10 June 2022 ('Decision on EUCLID').<sup>2</sup>

**Whereas:**

1. According to Regulation (EU) 1093/2010, EBA has, as main tasks, among others, to monitor and assess market developments in the area of its competence (Article 8(1)f), to contribute to the development of a common supervisory culture (Article 8(1)b), perform a general coordination function also by means of facilitating the exchange of information between competent authorities (Article 31), to duly consider systemic risk (Article 22(1)), assess the existence of emergency situations and take proper action (Article 18), to undertake market analyses to inform on the discharge of the EBA's functions (Article 8(1)g), conduct publications and update regularly information relating to the field of its activities (Article 8(1)k), cooperate closely with the ESRB in particular with regard to the implementation of

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<sup>1</sup> OJ L 331, 15.12.2010, p. 12–47

<sup>2</sup> [https://www.eba.europa.eu/sites/default/documents/files/document\\_library/Risk%20Analysis%20and%20Data/Reporting%20by%20Authorities/885459/Decision%20on%20the%20European%20Centralised%20Infrastructure%20of%20Data%20%28EUCLID%29.pdf](https://www.eba.europa.eu/sites/default/documents/files/document_library/Risk%20Analysis%20and%20Data/Reporting%20by%20Authorities/885459/Decision%20on%20the%20European%20Centralised%20Infrastructure%20of%20Data%20%28EUCLID%29.pdf)

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its warnings and recommendations (Article 8(1)d), and provide technical advice to the European Parliament, the Council and the Commission in the areas set out in the legislative acts referred to in Article 1(2) (Article 16a(4)).

2. The above also apply in the area of environmental, social and governance-related risks (ESG) given the increased importance of institutions' ESG focused strategies and the need to monitor the developments in this area, especially given the novelty of the topic, to ensure risks and unwanted market distortions are spotted at an early stage and to guide the development of relevant policy in the future. As such, the EBA is required, according to Article 29(1) letter (f) of Regulation (EU) No 1093/2010, to put in place a monitoring system to assess material environmental, social and governance-related risks, taking into account the Paris Agreement to the United Nations Framework Convention on Climate Change.
3. In addition, Action 3, point 3(e) of the Strategy for financing the transition to a sustainable economy, adopted by the European Commission, specifically mentions that the EBA (alongside the ECB, ESRB, other ESAs, and NCAs) is expected to contribute to the Commission's objective to systematically monitor climate-related financial stability risks, subject to the availability of data and methodologies, and expand the scope of this monitoring to include other environmental risks.<sup>3</sup>
4. According to Article 449a of the Regulation (EU) No. 575/2013<sup>4</sup>, large institutions which have issued securities that are admitted to trading on a regulated market of any Member State, as defined in Article 4(1) point (21) of Directive 2014/65/EU,<sup>5</sup> shall disclose information on ESG risks, including physical risks and transition risks, as defined in the report referred to in Article 98(8) of Directive 2013/36/EU<sup>6</sup>. The scope of application of Article 449a envisages disclosure of the information at the highest level of consolidation in the EU, as regulated in Article 13 of the Regulation (EU) No. 575/2013<sup>7</sup>. Article 18a of the Implementing Regulation (EU) 2021/637<sup>8</sup> provides for specific uniform disclosure formats and associated instructions for those disclosures.
5. As the institutions do not submit supervisory reporting data on ESG risks, quantitative ESG risk data will be available only in their Pillar 3 reports disclosed according to Articles 434 and 449a of the Regulation (EU) No. 575/2013 and Article 18a of the Implementing Regulation (EU) 2021/637.
6. While institutions already make public their Pillar 3 reports in an electronic format and in a single medium or location, according to Article 431 and Article 434 of Regulation (EU) No. 575/2013, there is currently no centralized platform that would allow EBA an easy access

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<sup>3</sup> COM/2021/390

<sup>4</sup> OJ L 176, 27.6.2013, p. 1–337

<sup>5</sup> OJ L 173, 12.6.2014, p. 349–496

<sup>6</sup> OJ L 176, 27.6.2013, p. 338–436

<sup>7</sup> The scope of application of Article 449a of Regulation (EU) No 575/2013 is further detailed in EBA Q&A [2022 6652](#)

<sup>8</sup> OJ L 136, 21.4.2021, p. 1–327

to this information. In addition, there is heterogeneity in the way institutions make available the data, and significant manual processes would need to be employed for the EBA to access the data and make it suitable for analysis. This would lead to operational errors and would require great amounts of resources and considerable amount of time in order to be fruitful, which would be disproportionate and impracticable given the need for the EBA to avail of this data by 30 June 2024, with disclosure reference date 31 December 2023, in order to carry out its tasks mentioned in recitals 2 and 3 of this Decision.

7. To this end, under the provisions of Article 35 of Regulation (EU) No 1093/2010, there is a need to have this data in specific formats, as it would be disproportionate to collect the relevant data from institutions' websites. Article 35 will ensure harmonization and consistency in the collection of the data under this decision.
8. The reporting requirements set out in this decision are therefore deemed to be the least burdensome way for ensuring the EBA carries out its tasks as set out above, also taking into account that the data required is already produced by the institutions in a uniform and harmonized way. In addition, the requirement only affects large institutions, as referred to in recital 4 of this Decision, which have issued securities that are admitted to trading on a regulated market of any Member State, as defined in Article 4(1) point (21) of Directive 2014/65/EU, while the institutions which are not in scope of Article 449a of the Regulation (EU) No 575/2013 will not be affected by this decision.
9. This approach is only an interim solution for the EBA to collect the quantitative ESG risks data from the competent authorities, as, following the amendment of Regulation (EU) No 575/2013 (CRR3), institutions will be required to report information on their exposures to ESG risks as part of the supervisory reporting framework. The ESG ad-hoc collection under this decision shall continue until this data will be available under the ITS on supervisory reporting.
10. The ad hoc collection of ESG data from competent authorities to the EBA in accordance with this decision is without prejudice and does not replace the monitoring of ESG risks by competent authorities, including through collection of relevant information from the supervised institutions, that competent authorities may already have in place. Competent authorities should ensure consistency and integration with the data in scope of this EBA decision to avoid double reporting from institutions under the scope of this decision.
11. In line with Article 433 of Regulation (EU) No 575/2013, there is a need to set out dates and define a frequency for the submissions, that are consistent with the dates and frequency applicable to Pillar 3 disclosures according to Article 18a of the Implementing Regulation (EU) 2021/637, in order to ensure limitation of the burden to institutions, as well as to allow the competent authorities to prepare the data to be reported.
12. The Decision on EUCLID should be applied to the submission of the ESG data by the competent authorities in accordance with this Decision, in order to ensure consistency

with, and interaction or comparison with other EBA data, as well as rendering it suitable for immediate analysis by ensuring a proper format and data quality, especially given the transitional nature of this exercise, as well as to allow also here the application of the standard sequential approach applied in all supervisory reporting, which has proven a more efficient way of achieving better data quality.

13. For the scope of application of this Decision, 'institutions' shall envisage the entities referred to in Article 449a of the Regulation (EU) No. 575/2013.

Has decided as follows:

### **Article 1 – Data to be reported**

1. The competent authorities shall submit to the EBA, in accordance with the provisions set out in this Decision, the quantitative data disclosed by the institutions which are subject to the disclosure requirements as provided for in Article 449a of Regulation (EU) No 575/2013 and according to Article 18a of Commission Implementing Regulation (EU) 2021/637.
2. Competent authorities shall request institutions to submit the data referred to in paragraph 1 in accordance with the data exchange formats and representations specified by the competent authorities.
3. Where the data is not available to the competent authorities, EBA may request the data from institutions and the competent authorities shall assist EBA in collecting the data.

### **Article 2 – Date and frequency of the submission**

1. The competent authorities shall submit to the EBA the data referred to in Article 1 on a semi-annual basis with reference date as of the 30 June and respectively 31 December of each year.
2. The competent authorities shall submit to the EBA the data referred to in Article 1, by 31 December for semi-annual reporting and by 30 June for annual reporting.
3. The reference date for the first annual submission is set as of 31 December 2023 and for the semi-annual, 30 June 2024.

### **Article 3 – Format and procedure of the submission**

1. The data referred to in this Decision shall be regarded as EUCLID data and shall be submitted through EUCLID. The sequential approach as provided for in the EUCLID decision shall apply.
2. The EUCLID Decision shall apply.

### **Article 4 – Amendment of EUCLID Decision**

Decision EBA/DC/2020/335 is amended as follows:

The following act setting out Data Reporting Obligation is added to the Annex: “27) Decision concerning ad hoc collection by competent authorities to the EBA of institutions’ ESG data”.

**Article 5 - Final provision**

This Decision enters into force immediately.

Done at Paris,

José Manuel Campa  
For the Board of Supervisors