Basel Committee
on Banking Supervision

A framework for the voluntary disclosure of climate-related financial risks

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1. Introduction

In November 2023, the Basel Committee on Banking Supervision published *Consultative document: Disclosure of climate-related financial risks.*[1] This formed part of the Committee's work to explore how a Pillar 3 disclosure framework would strengthen the regulation, supervision and practices of banks worldwide, with the purpose of enhancing financial stability. For each area under consideration, the Committee included draft disclosure tables and templates for illustrative purposes and to solicit stakeholder feedback on the meaningfulness and comparability of potential future disclosures. The Committee wishes to thank respondents for their feedback on the consultative document.

The Committee recognises that the accuracy, consistency and quality of climate-related data are evolving, and therefore it is necessary to incorporate a reasonable level of flexibility into the final framework. After considering the feedback from stakeholders, the Committee has amended certain elements relative to the proposals set out in the consultative document and has now finalised a voluntary climate-related financial risks disclosure framework for jurisdictions to consider. The Committee has agreed that this framework will be voluntary in nature, with jurisdictions to decide whether to implement it domestically. The Committee will monitor relevant developments, including implementation of other reporting frameworks and disclosure practices by internationally active banks in member jurisdictions, and consider whether any revisions to the framework would be warranted in future.

Given the unique and complex nature of climate-related financial risks, there is no single metric that can perfectly capture them. The Committee recognises that multiple quantitative metrics and qualitative information may be needed to form a comprehensive picture of banks' exposure to climate-related financial risks. Users need to consider the disclosures holistically, understanding the strengths and shortcomings of the disclosed information.

2. Changes relative to the consultation proposal

In addition to the voluntary nature of the full framework, the key changes to the tables and templates are outlined below:

- The term "forecasts" has been replaced with "targets" – defined as: *"where applicable and available, publicly disclosed specific, actionable portfolio objectives set by a bank to measure and manage its exposure to climate-related financial risks"* – throughout the framework where necessary.
- The phrase "regardless of materiality assessment" has been replaced with "where material" in the document to ensure consistency with the materiality principle in the Pillar 3 framework, which requires disclosure to be meaningful.
- Template CRFR5 on facilitated emissions has been removed from the framework.
- Amendments and clarifications have been made to Tables CRFRA and CRFRB. The text in Table CRFRA has been revised to focus on the processes and related policies a bank uses to respond to material climate-related financial risks.

[1] Available at www.bis.org/bcbs/publ/d560.pdf.

A framework for the voluntary disclosure of climate-related financial risks

Introduction

[1] This document sets out a disclosure framework for climate-related financial risks. Implementation of the tables and templates outlined below would only be mandatory when required by national supervisors at a jurisdictional level. They include:

1. Table CRFRA: Qualitative information on climate-related financial risks (governance, strategy and risk management).
2. Table CRFRB: Qualitative information on climate-related financial risks (transition risk, physical risk and concentration risk).
3. Template CRFR1: Transition risk – exposures and financed emissions by sector.
4. Template CRFR2: Physical risk – exposures subject to physical risks.
5. Template CRFR3: Transition risk – real estate exposures in the mortgage portfolio by energy efficiency level.
6. Template CRFR4: Transition risk – emission intensity per physical output and by sector.

Classification by sector and geographical region or location subject to transition and physical risk

[2] Sectoral split should be based on the (i) Global Industry Classification Standard (GICS) with a six- or eight-digit industry-level code for classifying counterparties if banks use GICS in any part of the bank to classify lending or investment activities at the reporting date. Banks shall use the latest version of the GICS classification system available; else, (ii) an industry-classification system that the bank or part of the bank uses for reporting climate-related financial information to meet a jurisdictional or exchange requirement; else, (iii) an industry-classification system that the bank or part of the bank uses for financial reporting to meet a jurisdictional or exchange requirement. [2] Where a bank does not use GICS, it shall disclose and explain the basis for its industry-classification system.

[3] Templates CRFR1 and CRFR4 request disclosure according to the 18 sectors defined by the Financial Stability Board's (FSB's) Task Force on Climate-related Financial Disclosures (TCFD).[3] The 18 TCFD sectors are based on the GICS.

[4] Sectoral split should be based on the principal activity of the counterparty. When a counterparty is a holding company, banks shall consider the sector of the specific obligor under the holding company (if different than the holding company itself) which receives the funding.

[5] Geographical regions or locations subject to climate-related physical risks are as determined by national supervisors at a jurisdictional level.

[6] Geographical split should be based on the geographical location of principal activity of the counterparty. When a counterparty is a holding company, banks shall consider the geographical

2 GICS classification is available at www.msci.com/our-solutions/indexes/gics

3 See Task Force on Climate-related Financial Disclosures, *Recommendations of the Task Force on Climate-related Financial Disclosures*, June 2017, Box 2, assets.bbhub.io/company/sites/60/2021/10/FINAL-2017-TCFD-Report.pdf. .

area of the specific obligor under the holding company (if different than the holding company itself) which receives the funding.

Table CRFRA: Qualitative information on climate-related financial risks (governance, strategy and risk management)	
Purpose: To describe the governance processes, controls and procedures used to monitor, manage and oversee material climate-related financial risks, including how these identified climate-related financial risks affect the business model, strategy and decision-making of the bank.	
Scope of application: When required by national supervisors at a jurisdictional level.	
Content: Qualitative information.	
Frequency: Annual.	
Format: Flexible.	
Banks must describe:	
1.	Governance
(a)	The governance structure responsible for oversight of material climate-related financial risks, including a breakdown of responsibilities as reflected in the terms of reference, mandates, role descriptions and other related policies.
(b)	How the board ensures that the appropriate skills and competencies are available to oversee strategies designed to respond to material climate-related financial risks.
(c)	How and how often the board and its committees are informed about material climate-related financial risks.
(d)	How the board and its committees consider material climate-related financial risks when overseeing the bank's strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the board has considered trade-offs associated with those risks.
(e)	How the board oversees the setting of targets related to material climate-related financial risks and monitors progress towards those targets, including whether and how related performance metrics are included in remuneration policies.
(f)	Management's role in the governance processes, controls and procedures used to monitor, manage and oversee material climate-related financial risks, including information about: • whether that role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and • whether management uses controls and procedures to support the oversight of material climate-related risks and, if so, how these controls and procedures are integrated with other internal functions.
2.	Strategy and risk management
(a)	The climate-related financial risks that could reasonably be expected to materially affect the bank's prospects. Specifically, the bank shall: • explain for each material climate-related financial risk that the bank has identified whether the bank considers the risk to be a climate-related physical risk or a climate-related transition risk; • specify the time horizons over which each material climate-related financial risk could reasonably be expected to occur (short term, medium term or longer term); and • explain how the bank defines "short term", "medium term" and "longer term", and how these definitions are linked to the planning horizons used for strategic decision-making.
(b)	The current and anticipated effects of climate-related financial risks on the bank's business model and risk profile. Specifically, the bank shall: • describe the current and anticipated effects of material climate-related financial risks on the bank's business model and risk profile; and • describe where within the bank's business model material climate-related risks are concentrated (for example, geographical areas, facilities and types of assets).
(c)	The effects of material climate-related financial risks on the bank's strategy and decision-making and its plans to respond to material climate-related financial risks. Specifically, the bank shall disclose: • Information about how the bank has responded to and plans to respond to material climate-related financial risks in its strategy and decision-making. The bank shall disclose information about: o current and anticipated changes to the bank's business model, including its resource allocation, to address climate-related financial risks; o current and anticipated indirect mitigation and adaptation efforts; o how the bank is resourcing and plans to resource the activities disclosed; and o quantitative and qualitative information about the progress of plans disclosed in prior reporting periods. • Any climate-related targets that the bank has voluntarily set or that the bank is required to meet by law or regulation, if those targets materially affect or are anticipated to materially affect the bank's business strategy and decision-making, including: o the objective of the target;

- the part of the bank to which the target applies (for example, whether it applies to the bank in its entirety or only to a part of the bank, such as a specific business unit or specific geographical region);
    - the period over which the target applies and the base period for which progress is measured;
    - any milestone and interim target;
    - whether the target and the methodology for setting the target have been validated by a third party;
    - actions taken or planned to achieve any material targets, including the intended use of carbon offsets; and
    - processes in place to review these targets.
- Information about the bank's transition plan, if one has been publicly disclosed voluntarily or in response to law or regulation, including information about key assumptions used in developing the plan, dependencies on which the plan relies and consistency with the bank's broader strategy and risk appetite framework.
- Whether and how the bank uses climate-related scenario analysis to inform its strategic decision-making, targets and transition plans, including:
    - the climate-related scenarios the bank used for the analysis and the sources of those scenarios;
    - whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks;
    - whether the bank used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change;
    - the time horizons the bank used in the analysis; and
    - the scope of operations the bank used in the analysis (for example, the operating locations and business units used in the analysis).

(d) The effects of material climate-related financial risks on the bank's financial position, financial performance and cash flows for the reporting period, as well as their anticipated effects on the bank's financial position, financial performance and cash flows over the short, medium and longer terms, taking into consideration how those climate-related financial risks have been factored into the bank's financial planning.

(e) The resilience of the bank's business model and its strategy to material climate-related changes, developments and uncertainties.

(f) The processes and related policies the bank uses to identify, assess, prioritise and monitor climate-related financial risks, including information about:

- the input parameters the bank uses (for example, data sources and the scope of operations covered in the processes);
- whether and how the bank uses climate-related scenario analysis to inform its identification of climate-related financial risks;
- how the bank assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the bank considers qualitative factors, quantitative thresholds or other criteria);
- whether and how the bank prioritises climate-related financial risks relative to other types of risk;
- how the bank monitors climate-related financial risks; and
- whether the bank has changed the processes it uses from the previous reporting period.

(g) The extent to which and how the processes for identifying, assessing, prioritising and monitoring climate-related financial risks are integrated into and inform the bank's overall risk management process.

Definitions:

1. Governance structure – can include a board, individual member(s), committee or equivalent body charged with governance.
2. Prospects – inter alia, the bank's cash flows, its access to finance and its cost of capital.
3. Targets – where applicable and available, specific, publicly disclosed, actionable portfolio objectives set by a bank to measure and manage its exposure to climate-related financial risks.
4. Climate scenario analysis – an analysis aimed at assessing the resilience of the bank to material climate related financial risks as described in a forward-looking projection of a range of plausible climate-related pathways.

Instructions:

In identifying climate-related risks that could reasonably be expected to affect a bank's prospects, the bank shall use all reasonable and supportable information that is available to the bank at the reporting date without undue cost or effort, including information about past events, current conditions and future conditions.

Table CRFRB: Qualitative information on climate-related financial risks (transition risk, physical risk and concentration risk)

Purpose: To describe the bank's governance processes, controls and procedures used to monitor, manage and oversee climate-related financial risks.

Scope of application: When required by national supervisors at a jurisdictional level.

Content: Qualitative information.

Frequency: Annual.

Format: Flexible.

Banks must describe:

1. Transition risk

(a) Banks are expected to provide details of the methodology used to determine which exposures are subject to the impact of material transition risk comprising:

- the underlying criteria used to determine the impact of the transition across sectors;
- the time horizons and approaches such as scenario analysis used to assess transition risks; and
- qualitative information that reflects the extent to which the bank's financing is supporting clients in climate change mitigation and adaptation.

2. Physical risk

(a) Banks are expected to provide details of the methodology used to determine which exposures are subject to the impact of material physical risk comprising:

- a description of selected material climate-related chronic and acute events, together with the motivation for selecting those particular events (eg instances of flooding, subsidence, coastal erosion, rising sea levels, hurricanes and wildfires) based on the bank's business model;
- the underlying criteria used to determine the geographical breakdown/granularity to assess the physical risk stemming from each material climate-related event;
- the sectoral considerations made in line with the bank's portfolio;
- the time horizons and scenarios used to assess the material physical risks; and
- the considerations taken to assign the exposure subject to material physical risks based on the geographical location of the activity of the counterparty.

3. Concentration risk

(a) Banks are expected to disclose:

- the potential effects of exposures to counterparties associated with material transition or physical risks on the bank's overall risk and financial performance;
- the process(es) for identifying vulnerable concentrated exposures and assessing the likelihood of and effects associated with such risks (such as the qualitative factors, quantitative indicators and other criteria used);
- whether and how they are monitoring material concentration of exposures within sectors or geolocations; and
- the effects of material climate-related concentration risks on the bank's strategy and decision-making, including how the bank is responding to and mitigating climate-related concentration risks.

Template CRFR1: Transition risk – exposures and financed emissions by sector

Purpose: To provide an overview of a bank's gross carrying values by sector, together with associated financed emissions, credit quality and maturity ladder. Provide supplementary information on off-balance sheet items by sector.

Scope of application: When required by national supervisors at a jurisdictional level.

Content: Quantitative information.

Frequency: Annual.

Format: Fixed for columns. Flexible for rows that will vary based on each bank's sectoral materiality assessment.

Accompanying narrative: Banks are expected to supplement the template with a narrative commentary to explain:

- Sectors: provide qualitative information on the materiality assessment of the sector exposures.
- Non-performing exposures: explain if they are using a definition consistent with [DIS40.2 Table CRB-A].
- Financed emissions: provide qualitative information on the methodology and sources used for the calculation of financed emissions.
- Any significant change, inter alia, in scope, sector classifications or calculation methods over the reporting period and the key drivers of such changes.

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		On-balance sheet items														Off-balance sheet items
		Gross carrying values			Allowances/impairments		Residual maturity					Greenhouse gas (GHG) financed emissions				
		Total	%	Of which: non-performing exposures	Total	Of which: non-performing exposures	<= 5 years	> 5 years <= 10 years	> 10 years <= 20 years	> 20 years	Average weighted residual maturity	Scope 1, Scope 2 and Scope 3 (MtCO2e)	Of which: Scope 3 (MtCO2e)	GHG target Scope 1, 2 and 3 (MtCO2e)	GHG target – reference year	Amount
1	**Sector**															
2	**Industry group**															
3	**Industry**															
4	Sub-industry															
…	…															
	Other sectors															
TOTAL			100													

Instructions:

- Banks shall disclose information on their exposures to non-financial corporates as per [CRE20.41]-[CRE20.62], and retail exposures to small and medium-sized enterprises (SMEs) that meet the regulatory retail criteria as per [CRE20.63(2)], including loans, debt securities and equity instruments, classified in the banking book by sector of economic activity.

- Banks are expected to disclose material sectors. The 18 TCFD sectors should be disclosed where material. Banks are encouraged to disclose further disaggregated information if needed (following the respective materiality assessment).
- Targets – where applicable and available, specific, publicly disclosed, actionable portfolio objectives set by a bank to measure and manage its exposure to climate-related financial risks.

Columns:

(a) **Gross carrying values:** as per DIS40.

(b) **Gross carrying values – %:** column (a) expressed as a percentage of the total row under column (a).

(c) **Of which: non-performing exposures:** gross carrying values of non-performing exposures using the bank's own definition of non-performing exposures as per [DIS40.2 Table CRB-A]..

(d) **Allowances/impairments:** as per [DIS40].

(e) **Of which: non-performing exposures:** accumulated impairment amount associated only with non-performing exposures, defined using the same approach as in column (c).

(j) **Average weighted residual maturity:** the obligor maturity in years weighted by gross carrying values.

(k) to (l) **Greenhouse gas (GHG) financed emissions – Scopes 1, 2 and 3:** aggregated counterparties' Scope 1, 2 and 3 financed emissions associated with a bank's lending and investment activities in column (k) and, separately, counterparties' Scope 3 financed emissions in column (l). These financed emissions should relate exclusively to the on-balance sheet exposures reported in column (a) and could include counterparty-reported emissions and proxy measures (based on physical activity-based emissions or economic activity-based emissions). The absolute gross GHG emissions generated during the reporting period shall be measured in accordance with the Greenhouse Gas Protocol Corporate Standard and should be expressed as metric tonnes of CO_2 equivalent (MtCO2e). Banks are expected to disclose GHG financed emissions for all material sectors. The 18 TCFD sectors should be disclosed where material. In instances where this information is not available for a particular sector, banks shall disclose information on their plans to implement methodologies to estimate and disclose GHG financed emissions as part of Table CRFRB.

(m) **GHG target – Scopes 1, 2 and 3 (MtCO2e):** where applicable and available, banks should disclose forward-looking absolute GHG emission targets (Scopes 1, 2 and 3).

(n) **GHG target – reference year:** reference year being the year of the bank's target for the values disclosed in column (m).

(o) **Off-balance sheet items:** full amount of the commitment expressed in the presentation currency of the bank's financial statements.

Template CRFR2: Physical risk – exposures subject to physical risks

Purpose: To provide an overview of a bank's gross carrying values subject to climate change physical risks, including both chronic and acute events, split by geographical region or location subject to climate change physical risks.

Scope of application: When required by national supervisors at a jurisdictional level.

Content: Quantitative information.

Frequency: Annual.

Format: Fixed for columns. Flexible for rows.

Accompanying narrative: Banks are expected to supplement the template with a narrative commentary to explain:

- Details of the methodology used to determine which exposures are subject to the impact of climate change physical risk.
- Any significant change over the reporting period and the key drivers of such changes.

		a	b	c	d	e	f	g	h	i	j
		Gross carrying values			Allowances/impairments		Residual maturity				
		Total	%	Of which: non-performing exposures	Total	Of which: non-performing exposures	<= 5 years	> 5 years <= 10 years	> 10 years <= 20 years	> 20 years	Average weighted residual maturity
1	Geographical region or location subject to climate change physical risk										
2	Of which: corporates										
3	Of which: loans collateralised with residential or commercial immovable property										
…	…										
X	**Total geographical regions or locations subject to climate change physical risks**										
Y	Total geographical regions or locations not subject to climate change physical risks										

Z	Total geographical regions or locations where the bank is unable to judge whether or not they are subject to climate change physical risks										
	TOTAL		100								

Instructions:

- Banks shall disclose information on their exposures to: (a) non-financial corporates as per [CRE20.41]–[CRE20.62] and retail exposures to SMEs that meet the regulatory retail criteria as per [CRE20.63(2)], including loans, debt securities and equity instruments in the banking book; and (b) loans collateralised with residential or commercial immovable property as defined in [CRE20.77] and [CRE20.78].

Rows:

(1) Geographical region or location subject to climate change physical risk: as determined by national supervisors at a jurisdictional level.

(2) Of which: corporates: exposures to corporates located in a geographical region or location subject to climate change physical risks (both chronic and acute events) based on the geographical location of the activity of the counterparty, with the exception of exposures to corporates that are collateralised with immovable property that should be allocated to row 3 (loans collateralised with residential or commercial immovable property).

(3) Of which: loans collateralised with residential or commercial immovable property: loans collateralised with residential or commercial immovable property and exposures to corporates that are collateralised with immovable property located in a geographical region or location subject to climate change physical risks (both chronic and acute events).

(X) Total geographical regions or locations subject to climate change physical risks: aggregated amounts on the bank's exposures that are subject to climate change physical risks (both chronic and acute events).

(Y) Total geographical regions or locations not subject to climate change physical risks: aggregated amounts on the bank's exposures to corporates and loans collateralised with residential or commercial immovable property that are not subject to climate change physical risks. Please note this is a total row and banks are not expected to break down exposures not subject to climate change physical risks by geographical region or location.

(Z) Total geographical regions or locations where the bank is unable to judge whether or not they are subject to climate change physical risks: aggregated amounts on the bank's exposures to corporates (including those to real estate investment trusts or similar) and loans collateralised with residential or commercial immovable property where the bank is unable to judge whether or not these exposures are subject to climate change physical risks. Please note this is a total row and banks are not expected to break down exposures where the bank is unable to judge whether or not they are subject to climate change physical risks by geographical region or location.

Columns:

(a) Gross carrying values - Total: as per [DIS40].

(b) Gross carrying values – %: column (a) expressed as a percentage of the total row under column (a) (sum of rows X, Y and Z).

(c) Of which: non-performing exposures: gross carrying values of non-performing exposures using the bank's own definition of non-performing exposures as per [DIS40.2 Table CRB-A].

(d) Allowances/impairments: as per [DIS40].

(e) Of which: non-performing exposures: accumulated impairment amount of non-performing exposures, defined using the same approach as in column (c).

(j) Average weighted residual maturity: the obligor maturity in years, weighted by gross carrying values.

Template CRFR3: Transition risk – real estate exposures in the mortgage portfolio by energy efficiency level

Purpose: To break down a bank's gross carrying values by level of energy efficiency of the underlying collateral.

Scope of application: When required by national supervisors at a jurisdictional level.

Content: Quantitative information.

Frequency: Annual.

Format: Fixed for rows. Flexible for columns.

Accompanying narrative: Banks are expected to supplement the template with a narrative commentary to explain:

- The jurisdictional coverage of the information and whether there are legal requirements to measure the energy efficiency of buildings in each of the jurisdictions in which the bank operates.
- Available information regarding the sources used. In particular, a bank must disclose whether internal information, information provided by vendors and modelled information was used. For the modelled information, a bank must provide a description of the variables, sources and assumptions used.
- Any significant change over the reporting period and the key drivers of such changes.

		a	b	c	d	e	f	g	h
		Gross carrying values	Level of energy efficiency						Without energy efficiency measurement
			0; <= 100	> 100; <= 200	> 200; <= 300	> 300; <= 400	> 400; <= 500	> 500	
1	Loans collateralised with residential immovable property								
2	Loans collateralised with commercial immovable property								
3	Collateral obtained by taking possession: residential and commercial immovable properties								
4	**Total**								
5	Of which: level of energy efficiency estimated								

Instructions:

- If necessary, banks may provide separate tables for relevant jurisdictions.

Rows:

(1) Loans collateralised with residential immovable property: loans that meet the definition of regulatory residential real estate exposures as per [CRE20.77].

(2) Loans collateralised with commercial immovable property: loans that meet the definition of regulatory commercial real estate exposures as per [CRE20.78].

(3) Collateral obtained by taking possession: residential and commercial immovable properties: collaterals (residential and commercial) obtained by taking possession where the bank is the owner of the foreclosed assets.

(4) Total: sum of rows 1, 2 and 3.

(5) **Of which: level of energy efficiency estimated:** gross carrying value for which the information on rows 1 to 3 is based on estimates/internal calculations but has not been collected directly from the counterparty.

Columns:

(a) **Gross carrying values:** carrying values of loans collateralised with commercial and residential immovable property and of repossessed real estate collaterals as per [DIS40].

(b) to (g) Level of energy efficiency (eg in kWh/property area (eg m^2) of collateral): gross carrying values by energy efficiency bucket, based on the specific energy consumption of the collateral (eg kWh/property area (eg m^2)).

Total gross carrying value should be split into level of energy efficiency buckets in columns (b) to (g). Where the bank is not able to collect or estimate the energy efficiency level, the corresponding gross carrying values should be placed under column (h). Therefore, column (a) equals the sum of columns (b) to (h).

This information could be gathered from the counterparty or estimated by the bank in the absence of counterparty-level information. For those exposures linked to more than one immovable property, the energy efficiency information shall be split and disclosed separately under the energy efficiency levels corresponding to the energy efficiency of each collateral.

More specifically, a bank shall calculate the share of each collateral in the gross carrying values of exposure based on the value of the collateral and disclose it under the energy efficiency bucket linked to each collateral. For example, a bank that has a loan with a gross carrying value of MU 100,000 collateralised with two properties: property A and property B. Property A has a collateral value of MU 80,000 and energy efficiency bucket of 0; <= 100, while property B has a collateral value of MU 70,000 and energy efficiency bucket of > 500. In this example, the bank should disclose MU 53,333 (that is MU 100,000 * [80,000 / (80,000 + 70,000)]) under the energy efficiency bucket of 0; <= 100 and MU 46,667 (that is MU 100,000 * [70,000 / (80,000 + 70,000)]) under the energy efficiency bucket of > 500.

(h) **Without energy efficiency measurement:** gross carrying values for which the bank has not been able to collect or estimate the energy efficiency level.

Template CRFR4: Transition risk – emission intensity per physical output and by sector

Purpose: To provide information on a bank's financed GHG emission intensity per physical output for those sectors where the bank has set targets.

Scope of application: When required by national supervisors at a jurisdictional level.

Content: Quantitative information.

Frequency: Annual.

Format: Flexible for rows. Fixed for columns.

Accompanying narrative: Banks are expected to supplement the template with a narrative commentary to explain:

- Sectors: provide qualitative information on the materiality assessment of the sector exposures.
- Banks that have not set intensity metric targets shall disclose information on their plans, if applicable and material, to implement methodologies to estimate and disclose this information.
- For each intensity metric:
  - Methodology: the methodology used to attribute absolute emissions and/or emission intensity to a bank's financing. This should include specific and clear references to which exposure amounts are used. The description should cover the scopes (Scope 1, Scope 2 and Scope 3 of the portfolio) covered by the GHG intensity metrics. A bank's chosen metrics shall include its clients' Scope 1, Scope 2 and Scope 3 emissions where material and where data allow.
  - Geographies and subsectors: description of geographies covered by the GHG intensity metrics in columns (c), (e) and (g) and description of the sub-sectors covered by the GHG intensity metrics.
- Any significant change over the reporting period and the key drivers of such changes.

		Reporting year			Targets					
		a	b	c	d	e	f	g	h	i
		Gross carrying values	GHG intensity metric per physical output – selected unit of reference	GHG intensity metric per physical output value	GHG intensity metric per physical output (year A)	GHG intensity metric per physical output value (year A)	GHG intensity metric per physical output (year B)	GHG intensity metric per physical output value (year B)	PiT distance	PiT distance reference year
1	**Sector**									
2	**Industry group**									
3	**Industry**									

4	Sub-industry									
…	…									
	TOTAL									

Instructions:

- Banks shall disclose information on their exposures to non-financial corporates as per [CRE20.41]–[CRE20.62] and retail exposures to SMEs that meet the regulatory retail criteria as per [CRE20.63(2)].
- For loans for which the use of proceeds is unknown, the gross carrying value of the exposure shall be allocated to the relevant sector and alignment metric based on the counterparties' activity distribution, eg by counterparties' turnover by activity.
- Banks are expected to disclose GHG intensity metrics for sectors within the 18 sub-industries identified by TCFD where material. Additionally, banks are expected to disclose any other material sector for the bank not covered within the 18 TCFD sectors. See the illustrative example of sectors and related metrics below.
- Banks can disclose several metrics for each sector that are relevant to their financing activity. Banks shall add a row in the template for each relevant combination of sector and GHG intensity metric included in column (b).
- Targets – where applicable and available, specific, publicly disclosed, actionable portfolio objectives set by a bank to measure and manage its exposure to climate-related financial risks.

Columns:

(a) **Gross carrying values:** as per [DIS40].

(b) **GHG intensity metric per physical output – selected unit of reference:** description of the unit(s) of reference chosen for columns (c), (e) and (g), expressed in MtCO2e per physical output relevant for the chosen sector (see examples of metrics below). The denominators for intensity metrics should be physical metrics (eg CO2e/kWh, CO2e/passenger km, CO2e/tonne of product). To allocate multiple counterparties' climate indicators at portfolio level, banks should apply a portfolio weight approach, which is an average of the counterparties' own intensity metrics weighted by their loan size.

(c) **GHG intensity metric per physical output value:** metric(s) value(s) at the year of reference. This is the weighted intensity metric per physical output for each counterparty by the gross carrying value of the relevant sector.

(d) **GHG intensity metric per physical output (year A):** reference year (eg 2030, 2050 or other) being the year A in which the bank has set a target to achieve the MtCO2e per physical output relevant for the chosen sector target/target disclosed in column (e).

(e) **GHG intensity metric per physical output value (year A):** value of the target, if any, applied by the bank to be achieved before year A, expressed in tCO2e per physical output relevant for the chosen sector.

(f) **GHG intensity metric per physical output (year B):** reference year (eg 2030, 2050 or other) being the year B in which the bank has set a target to achieve the tCO2e per physical output relevant for the chosen sector target/target disclosed in column (g).

(g) **GHG intensity metric per physical output value (year B):** value of the target, if any, applied by the bank to be achieved before year B, expressed in tCO2e per physical output relevant for the chosen sector.

(h) **PiT distance to year A or year B target:** the point-in-time distance of the column (c) metric to the year A or year B GHG intensity metric target, expressed in percentage points. This distance shall be expressed as the difference between the indicator in column (c) and the target in column (e) or (g), divided by the same target in column (e) or (g):

$$PiT\ distance\ to\ target = 100 * \frac{\text{Metric at reporting year (column (c))} - \text{Target(column (e) or (g))}}{\text{Target (column (e) or (g))}}$$

(i) PiT distance reference year*:* reference year (column (d) or (f)) for which the PiT distance is calculated.

Illustrative example of sectors and related metrics:

Oil and gas	Tons of CO2e per gigajoule
Passenger air transportation	Tonnes of CO_2 per passenger distance
Maritime transportation	Tonnes of CO_2 per passenger distance
Chemicals	CO_2 per tonne of output