

Submission Date

01/04/2022

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Additional Information

Level 1 Regulation

Benchmarks Regulation (BMR) - Regulation 2016/1011

Topic

Climate Benchmarks

Subject Matter

ESG factors reflected in the benchmark statement and methodology (ESMA 70-145-114 QAs on BMR Q&A 10.3)

Question

What should an administrator disclose in the key elements of the methodology if it provides benchmarks that do not take into account any of the ESG factors listed in Annex II of the Delegated Regulation (EU) 2020/1816?

ESMA Answer

01-04-2022

Original language

Article 1(1) of the Delegated Regulation (EU) 2020/1817 requires administrators, when designing their benchmark methodology, to explain which of the ESG factors referred to in Annex II to the Delegated Regulation (EU) 2020/1816 they have taken into account. Further, Article 1(4) of this same regulation allows administrators to include additional ESG factors and related information.

Therefore, in case an administrator does not take into account any of the factors listed in Annex II of the Delegated Regulation (EU) 2020/1816, but takes into account other ESG factors not listed in the said Annex, then this administrator can disclose the information on these other ESG factors in the template of the Delegated Regulation (EU) 2020/1817 detailing how these factors are taken into account for the selection, weighting or exclusion of the underlying assets.

In addition, this administrator should disclose in the benchmark statement the score of these other ESG factors as referred to in Q10.5.