

Submission Date

28/05/2021

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Additional Information

Level 1 Regulation

Benchmarks Regulation (BMR) - Regulation 2016/1011

Topic

Climate Benchmarks

Subject Matter

Templates in the benchmark statement and the methodology (ESMA 70-145-114 QAs on BMR Q&A 10.10)

Question

What standards should the administrators use for the calculation of the ESG factors listed in Annex II of the Delegated Regulation (EU) 2020/1816?

ESMA Answer

28-05-2021

Original language

Pursuant to Article 2(5) of the Delegated Regulation (EU) 2020/1816, administrators shall include in the explanation provided according to the Annex of that Regulation a reference to the sources of data and standards used for the ESG factors disclosed. Further, item 8 of the Annex I of the Delegated Regulation (EU) 2020/1816 requires administrators providing the div on the ESG factors to list the supporting standards used for the reporting under item 6 and/or item 7 of that same annex.

Therefore, while the Delegated Regulation (EU) 2020/1816 leaves flexibility to the administrator and does not specify the methodology to be used for the calculation of the ESG factors, it requires administrators to disclose the standards used and the source of the data used.

ESMA believes that these standards could include, where relevant,

- the div of the key elements of the methodology used to compute the ESG factors and the main assumptions and the precautionary principles underlying the estimations;
- the international standards on which the computation is based;
- the percentage of reported vs estimated data used for the calculation;
- any specific definition used in the calculation of the ESG factors.