**Additional comments we wanted to provide to questions, where space was not provided.**

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| FINANCIAL STABILITY RISK |  |
| **Question 86:** Following the financial crisis, the EU has developed several macro- prudential instruments, in particular for the banking sector (CRR/CRDIV), which aim to address systemic risk in the financial system. Do you consider the current macro- prudential policy toolbox for the EU financial sector sufficient to identify and address potential systemic financial stability risks related to climate change?   * Please express your view by using a scale of 1 (highly inadequate) to 5 (fully sufficient). * For scores of 1-2, what solution would you propose? Please list a maximum of three. [BOX max 2000 characters] | 4  We believe climate change considerations are currently being sufficiently considered from a macro-prudential perspective by supervisors and central banks, in particular as part of current and future stress testing – ie within Pillar 1 and 2 requirements. There is also the possibility, via the existing pillar 2 regime and resolution planning regimes, for additional capital charges to be applied to certain exposures should assessments yield findings that justify this in order to ensure resolvability and sufficient conservativism of bank balance sheets relative to risk. We believe these tools are appropriate for the moment. There is also a need to fully develop the methodologies and tools to properly assess climate-related risk – while this work is underway across the banking sector, there is much more to be done (e.g. development of acceptable scenarios, assessment methodologies). One area that should be considered is how climate-related risk should be integrated into existing risk assessment frameworks/toolbox (principal risks organised around credit, market, liquidity, operational risk and others). The design of a prudential toolbox to address climate change and related risks should reflect the interlinkages between these risk types rather than looking to provide additional, additive measures for capital and liquidity to capture such risks.  Further development of conceptual frameworks, approaches, tools, methodologies and forward looking data – and the implementation of these in practice is needed in order to confidently consider and make changes to the prudential regime designed to incentive (positively or negatively) the financing of certain activities – although this is not to say that prudential tools will not be needed in the future. |
| CREDIT RATING AGENCIES |  |
| **Question 97:** Beyond the guidelines, in your opinion, should the EU take further actions in this area?   * Yes/No/Do not know. * If yes, please specify what kind of action you consider would address the identified problems. In particular should the EU consider regulatory intervention? [BOX max. 2000 characters] | No  The EU is showing thought leadership in this space and helping to develop analysis and tools needed to measure and manage these risks. We also note that various organisations across a range of disciplines, for example rating agencies, universities, are focussing on developing analysis and tools and the EU should continue to encourage this understanding to develop and consider its insight.  It is also important that i) there exists an even regulatory playing field geographically and sectorally and ii) that a consistent approach is developed when considering the management of ESG issues and risks.  While showing thought leadership, the need exists for the EU to bring other countries along this journey, including those which may be less advanced in their understanding and management of ESG issues. This will involve close engagement with these countries, sharing best practice, and developing solutions and a consistent approach that works across the board. |