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EBA Proposes Amendments to ESG Reporting Requirements for Banks

Blog Eye on ESG

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On 22 May 2025, the EU banking supervisor The European Banking Authority (EBA) announced the release of several proposed amendments to its Pillar 3 disclosure requirements, previously contemplated under the CRR3 banking package. These amendments clarify ESG risk-related reporting for small and medium-sized banks, as well as expand on the guidelines for larger institutions. Feedback from the public consultation on these proposals is due by August 22, 2025. Below is a table summarising the simplified approach to be taken by the various institution types. The full consultation paper can be accessed here.

		Simplified approach	
Table/Template	**Large institutions**	**Other listed institutions + Large subsidiaries**	**SNCI + Other non-listed institutions**
Qualitative information			
Table 1: Environmental risk, including climate-related financial risks	Annual	Annual	-
Table 2: Social risk	Annual	Annual	-
Table 3: Governance risk	Annual	Annual	-
Table 1A: Simplified ESG information	-	-	Annual
Quantitative information			
Template 1: Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Semi-annual	Annual	-
Template 1A: Transition and physical risk for SNCI	-	-	Annual
Template 2: Climate change transition risk: Loans collateralised by immovable property - Energy performance of the collateral	Semi-annual	Annual	-
Template 3: Indicators of potential climate change transition risk: emission intensity per physical output and by sector	Annual	-	-
Template 4: Climate change transition risk: Exposures to top 20 carbon-intensive firms	Semi-annual	-	-
Template 5: Climate change physical risk: Exposures subject to physical risk	Semi-annual	-	-
Template 5A: Climate change physical risk: Exposures subject to physical risk	-	Annual	-
Template 6: Summary of GAR KPIs	Annual*	-	-
Template 7: Assets for the calculation of GAR *(as per the Delegated Regulation 2021/2178)*	Annual*	-	-
Template 8: GAR KPI flow *(as per the Delegated Regulation 2021/2178)*	Annual*	-	-
Template 9: Mitigating actions: BTAR	Annual* (voluntary)	-	-
Template 10: Other climate change mitigating actions that are not covered in the EU Taxonomy	Annual*	-	-

**Applicable only for large institutions subject to Article 8 of the Taxonomy Regulation*

As illustrated above, the EBA is introducing a more streamlined approach to ESG risk disclosures, adjusting the level of detail required based on the size and complexity of each institution. Smaller, non-complex institutions (SNCIs) need only report their most essential ESG risk information, such as their exposure to physical and transition risks and involvement with fossil fuel sectors. Larger institutions and subsidiaries will also benefit from a proportionate approach, with requirements scaled to their specific circumstances. The EBA is not introducing new disclosure obligations for large, listed institutions, but is instead clarifying and improving the existing requirements based on feedback and questions received about the current Pillar 3 ESG framework. The goal is to ensure that the rules are easier to understand and apply, without significantly changing the core information that must be disclosed. To make compliance easier and ensure consistency, the

EBA will directly link Pillar 3 disclosure templates to the EU Taxonomy Regulation, meaning that any updates to the Taxonomy Regulation will automatically be reflected in the Pillar 3 templates, which will ensure that the information disclosed under both frameworks remains identical and eliminating the need for separate regulatory updates.

The EBA is also providing transitional measures to give institutions enough time and certainty to adapt to the new ESG disclosure requirements. This will be a phased implementation where large, listed institutions should comply with the current rules until the end of 2026, except for certain templates related to the Green Asset Ratio and Taxonomy Regulation, in which disclosure requirements are suspended until then. Institutions newly covered by the updated regulations (CRR3) will start applying the new rules from the same date. During the transition period, the EBA encourages regulators to allow institutions the flexibility outlined in the transitional provisions. If institutions choose to follow the new approach early, regulators should support this and avoid asking for additional disclosures. This is intended to reduce operational burdens, provide clarity, and ensure a consistent and proportionate rollout of the new requirements across all affected institutions. Please read our previous blog posts on the EBA's ESG reporting requirements here and here.

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