Technical Note

EBA update of Pillar 3 ESG disclosure

Issued

22 June 2026

Issuing agencies

European Banking Authority (EBA)

Primary applicability

Risk, Regulatory Reporting, Sustainability and Capital

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1. **Overview**
2. Main changes
3. Work approach

A. Annexes

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In June 2026, the EBA issued the final ITS on the Pillar 3 ESG disclosure framework under CRR3, extending ESG disclosure requirements to all institutions and introducing a proportionality-based reporting approach

Proportionality and scope

Application to all institutions
The ITS introduces a **three-tier proportionality framework**[1] based on institution size and complexity:

Full set - Large listed & non-listed institutions
3 qualitative tables + 5 quantitative templates
Frequency: annual qualitative; quantitative semi-annual for large listed and annual for large non-listed, with materiality-based relief where applicable.

Simplified set - Other listed institutions & large subsidiaries
3 qualitative tables + 3 quantitative templates
Frequency: annual

Essential set - SNCIs & other non-listed.
SNCIs: 1 quantitative template
Other non-listed institutions: 1 qualitative table + 1 quantitative template
Frequency: annual

Key changes

Templates removed
Top20 exposures (template 4) and GAR & BTAR templates (Templates 6–9) removed

New templates for smaller institutions
Simplified ESG qualitative table for other non-listed institutions and simplified quantitative template EU CRFR1.1 for SNCIs and other non-listed institutions.

Changes in templates
- **EU CRFR1: climate change transition risk:** NACE Rev. 2.1 alignment, exposures to Paris-aligned benchmark exclusions deleted, GHG emissions broken down by Scope 1, 2, 3
- **EU CRFR2: climate-related physical risk**: physical risk breakdown by hazard and country-based geographical disclosure, replacing the previous NUTS 3 approach.
- **EU Template 10: Mitigating actions:** the scope is expanded to include both taxonomy-aligned and non-aligned exposures.

Calendar

Phased-implementation
The framework introduces a **proportionate phased implementation** approach aligned with CRR3:

December 2026
First reference date for large institutions, other listed institutions, large subsidiaries and other non-listed institutions.

December 2027
First reference date for SNCIs.

The EBA intends to provide an **updated mapping tool with supervisory reporting during 2026.**

1. The framework introduces a proportionate implementation across institutions and is aligned with ESRS standards, enabling interoperability and reducing duplication with CSRD reporting.

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Updated frequency and scope for ESG reporting under Pillar 3, distinguishing between qualitative and quantitative templates, with specific reporting frequencies by type of entity

Table / Template	Large institutions	Other listed & large subsidiaries	SNCIs & other non-listed institutions
Qualitative Information			
CRFRA: Environmental risk, including climate-related financial risks	Annual	Annual (N/A for large subsidiaries)	–
Table 1A: ESG risks (simplified)	–	–	Annual (N/A for SNCI)
Table 2: Social risk	Annual	Annual (N/A for large subsidiaries)	–
Table 3: Governance risk	Annual	Annual (N/A for large subsidiaries)	–
Quantitative Information			
CRFR1: Climate Change transition risk – Credit quality of exposures by sector, emissions and residual maturity	Semi-annual [1]	Annual	–
CRFR1.1: Simplified ESG information for SNCIs and other non-listed institutions covering both transition and physical risk	–	–	Annual
CRFR2: Climate-related physical risk – Exposures subject to physical risk	Semi-annual [1]	–	–
CRFR2.1: Climate-related physical risk – Exposures subject to physical risk (simplified)	–	Annual	–
CRFR3: Climate change transition risk – Loans collateralised by immovable property, energy performance of the collateral	Semi-annual [1]	Annual	–
CRFR4: Indicators of potential climate change transition risk – Emission intensity per physical output and by sector	Annual	–	–
Template 10: Mitigating actions – Exposures contributing to sustainability objectives	Annual	–	–

1. Semi-annual applies to large listed institutions. Large non-listed institutions disclose annually. Large listed institutions may reduce certain disclosures to annual where the information has not materially changed, in line with Art. 432 CRR.

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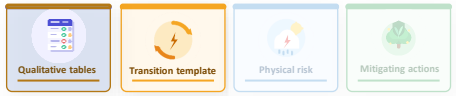

Pillar 3 ESG templates

Update of EBA requirements

Qualitative tables

- **EU CRFRA: Environmental risk, including climate-related financial risks, Table 2: Social risk and Table 3: Governance risk:**
  - **Frequency:** annual for large listed, non-listed and Other listed institutions & large subsidiaries. In case of large subsidiaries, no qualitative disclosures are required. Instead, they may briefly state that their strategy, governance, and risk management are aligned with the group, referring to the parent company's disclosures.
  - **Minor changes introduced**
- **Table 1A: ESG risks (simplified)** NEW
  - **Frequency:** annual for other non-listed institutions. Not applicable to SNCIs.

Transition template

- **EU CRFR1: Climate Change transition risk - Credit quality of exposures by sector, emissions and residual maturity**
  - **Frequency:** semi-annual for large listed institutions; annual for large non-listed institutions, other listed institutions and large subsidiaries.
  - **Main changes:**
    - The column on exposures to Paris-aligned benchmark exclusions has been deleted.
    - Taxonomy-aligned exposure column replaced by exposures considering all mitigating actions, in line with the revised Template 10.
    - Full breakdown across Scope 1, 2 and 3 financed GHG emissions is required.
    - More granular sector breakdown (agriculture, mining, electricity, wholesale & retail, transport), including sector K and "Other sectors" (NACE I, J, K, N-V).
- **EU CRFR1.1: Simplified ESG information covering both transition and physical risk** NEW
  - **Frequency:** annual for SNCIs and other non-listed institutions. First reference date for SNCIs: 31 December 2027.
  - **Main requirements:** Sectoral breakdown of high climate impact sectors combined with physical risk exposure at total and top four geographies selected for physical risk disclosures, plus other exposures where applicable.
- **EU CRFR3: Climate change transition risk - Loans collateralised by immovable property, energy performance of the collateral**
  - **Frequency:** semi-annual for large listed, annual for large non-listed and Other listed institutions & large subsidiaries.
  - **Main changes:**
    - Clarification of actual and estimated energy performance data and EPC labels, including unavailable data.
    - New energy performance bucket (>50; ≤100) within the EP score breakdown.
- **EU CRFR4: Indicators of potential climate change transition risk - Emission intensity per physical output and by sector**
  - **Frequency:** annual for large institutions.
  - **Main changes:**
    - Shift from flexible alignment metrics to standardized emission intensity metrics per physical output (tCO2-based)
    - Expanded sector granularity, with standardised sector metrics and NACE mapping in the instructions.
    - Use of the IEA net zero 2050 scenario to benchmark sector alignment, including distance-to-target metrics (short term: Y+3; long term: 2050)

Pillar 3 ESG templates

Update of EBA requirements

Physical risks

- **EU CRFR2: Climate-related physical risk - Exposures subject to physical risk**
  - **Frequency:** semi-annual for large listed institutions; annual for large non-listed institutions.
  - **Main changes:**
    - Breakdown by climate-related hazard type: temperature, wind, water and solid mass. The previous acute/chronic risk split has been removed.
    - If an exposure is subject to more than one hazard, institutions shall allocate the respective amount under each relevant hazard. The same exposure may be reported under multiple hazard categories; therefore, the sum of exposures reported across individual hazard types may exceed the total exposures subject to physical risk.
    - Breakdown by total exposures, country-by-country exposures and other EU exposures, replacing the previous NUTS 3 approach. Country-by-country information is reported where the institution has material exposures subject to physical risk.
    - Update to the NACE 2.1 categorization, including a sectoral row for "Other sectors" (NACE I, J, K, N-V).
    - Institutions shall disclose those exposures subject to physical risk in Other sectors (sectors not covered with the sectoral breakdown).
    - Institutions are expected to provide details of data sources they have used, the methodology, including key assumptions, the physical hazards considered, the geographical granularity of the assessment, the resilience measures or insurance considerations, any climate scenarios used, any materiality thresholds applied, any damage factors or functions used, and any classification or scoring systems used.
- **EU CRFR2.1: Climate-related physical risk - Exposures subject to physical risk (simplified)** NEW
  - **Frequency:** annual for other listed institutions and large subsidiaries. Large subsidiaries may voluntarily use the full EU CRFR2 template instead of the simplified version.
  - **Main requirements:** Sectoral breakdown with physical risk exposure information at total and geographical levels.

Mitigating actions

- **EU Template 10: Mitigating actions – Exposures contributing to sustainability objectives**
  - **Frequency:** annual for large listed and large non-listed institutions.
  - **Main changes:**
    - It includes all exposures that mitigate climate-related and environmental risks, regardless of their alignment with the EU Taxonomy.
    - Inclusion of equity instruments within the scope of the template.
    - A new breakdown for SMEs is added under non-financial corporations.
    - Breakdown by exposures that mitigate transition and physical risks and exposures financing activities that contribute to the transition.
    - Expansion of mitigating actions: *Climate change mitigation, climate change adaptation and Other environmental objectives* (including nature and biodiversity protection).

NEW New template

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A proposed work approach structured around entity classification under the revised Pillar 3 ESG proportionality framework

1 Gap analysis & entity impact

- Inventory of all Pillar 3 ESG templates currently disclosed
- **Entity classification** (Part 1/2/3) **and applicable template** set per legal entity
- **Template-by-template gap vs. ITS 2026** (new rows, columns, definitions)
- **Data availability assessment** per new data point (NACE, GHG Scope 1/2/3, EPC, physical risk by hazards)
- Identification of **impacted processes and systems**

▶ **Gap & impact report by entity type**

2 Remediation design

- Definition of **target disclosure model** per template and entity tier
- **Data lineage mapping**: new data points to source systems and owners
- **Update of calculation methodologies** (NACE mapping, GHG Scope 1/2/3, hazard taxonomy)
- **Updated instructions and internal disclosure policy** aligned to ITS 2026
- **Revised template pack** (Excel / IT system) with new rows and columns

▶ **Target operating model & updated template pack**

3 Implementation & dry run

- **IT / data pipeline build or configuration** for new data points
- **Parallel dry run** on prior-period data to validate new templates
- **Internal review by Risk, Finance and Sustainability**; reconciliation checks
- Training for disclosure teams on new requirements and procedures
- **Sign-off by senior management ahead of first reference date**

▶ **Validated disclosure-ready templates**

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Change	Previous version	Final EBA version
SNCIs	Qualitative simplified Table 1A + quantitative simplified template EU CRFR1.1.	SNCIs are no longer required to disclose qualitative information; only EU CRFR1.1 applies. First reference date: 31 December 2027.
Other non-listed institutions	Included in the reduced approach together with SNCIs.	Table 1A applies to other non-listed institutions, together with EU CRFR1.1. First reference date: 31 December 2026.
Large subsidiaries	Simplified set with potential qualitative disclosures.	No mandatory qualitative disclosures. They may include a short reference to group-level disclosures and may voluntarily use full templates where appropriate.
GAR / BTAR templates	Taxonomy-related templates and/or cross-references were considered.	Templates 6–9 on GAR and BTAR are removed, and no Taxonomy cross-references are included.
Top 20 carbon-intensive firms	Template 4 was retained, with potential methodological improvements.	Template 4 is removed due to limited usefulness, methodological challenges and overlaps with other disclosures.
EU CRFR1 – transition risk	Sectoral, emissions and transition-risk information were retained with proposed updates.	NACE Rev. 2.1 alignment, deletion of Paris-aligned benchmark exclusions, full Scope 1, 2 and 3 financed emissions breakdown, and more granular fossil fuel / climate-relevant sectors.
EU CRFR2 – physical risk	NUTS 3 geographical breakdown and acute/chronic risk split.	Country-by-country and other EU exposures breakdown, with four hazard categories: temperature, wind, water and solid mass.
EU CRFR3 – real estate / energy performance	Energy performance and EPC information included, with concerns around estimates and data availability.	Clarifications on actual, estimated and unavailable energy performance data / EPC labels, plus a new 50–100 energy performance bucket.
EU CRFR4 – emission intensity	More flexible alignment metrics.	Standardised emission intensity metrics per physical output, expanded sector granularity and short-/long-term targets.
EU Template 10 – mitigating actions	Linked to the GAR / Taxonomy framework.	Covers exposures mitigating climate-related and environmental risks, regardless of EU Taxonomy alignment.
Shadow banking	New disclosure on aggregate exposure to shadow banking entities proposed, with discussion on granularity.	Aggregate exposure disclosure confirmed, without a granular breakdown by type of shadow banking entity for now.
Equity exposures	EU CR10.5 to be adapted to CRR3 changes.	EU CR10.5 simplified to disclose the total amount of equity exposures under the Standardised Approach and CRR3 transitional provisions.
Implementation timeline	Transitional arrangements under discussion.	General first reference date: 31 December 2026. SNCIs: 31 December 2027.

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The EBA uses the climate-related hazard classification set out in Commission Delegated Regulation (EU) 2023/2486 to structure the physical risk disclosures under EU CRFR2

	Temperature-related	Wind-related	Water-related	Solid mass-related
Chronic	Changing temperature (air, freshwater, marine water)	Changing wind patterns	Changing precipitation patterns and types (rain, hail, snow/ice)	Coastal erosion
	Heat stress	—	Precipitation or hydrological variability	Soil degradation
	Temperature variability	—	Ocean acidification	Soil erosion
	Permafrost thawing	—	Saline intrusion	Solifluction
	—	—	Sea level rise	—
Acute	—	—	Water stress	—
	Heat wave	Cyclone, hurricane, typhoon	Drought	Avalanche
	Cold wave / frost	Storm (including blizzards, dust and sandstorms)	Heavy precipitation (rain, hail, snow/ice)	Landslide
	Wildfire	Tornado	Flood (coastal, fluvial, pluvial, ground water)	Subsidence
	—	—	Glacial lake outburst	—

Source: Commission Delegated Regulation (EU) 2023/2486 of 27 June 2023. Classification used by the EBA in EU CRFR2 to structure the four climate-related hazard columns.

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Abbreviation	Meaning
AI	Artificial Intelligence
BCBS	Basel Committee on Banking Supervision
BTAR	Banking Book Taxonomy Alignment Ratio
CRFR	Climate-related Financial Risk
CRR	Capital Requirements Regulation
CSRD	Corporate Sustainability Reporting Directive
DPM	Data Point Model
EBA	European Banking Authority
ECB	European Central Bank
EPC	Energy Performance Certificate
EP score	Energy Performance score
ESG	Environmental, Social and Governance
ESRS	European Sustainability Reporting Standards
EU	European Union
GAR	Green Asset Ratio

Abbreviation	Meaning
GHG	Greenhouse Gas
ICAAP	Internal Capital Adequacy Assessment Process
IEA	International Energy Agency
IMI	Internal Model Investigation
ITS	Implementing Technical Standards
NACE	Statistical Classification of Economic Activities in the European Community
NPE	Non-performing exposure
NUTS	Nomenclature of Territorial Units for Statistics
OSI	On-Site Inspection
Pillar 3	Market discipline disclosure framework under the Capital Requirements Regulation
SME	Small and Medium-sized Enterprise
SNCIs	Small and non-complex institutions
XBRL	eXtensible Business Reporting Language

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