



Brussels, 20 August 2025

MR/MM

**EACB comments on
EBA draft ITS amending Commission Implementing Regulation (EU) 2024/3172,
as regards the disclosures on ESG risks, equity exposures and the aggregate
exposure to shadow banking entities**

General comments

The EACB welcomes the opportunity to comment on the EBA draft ITS amending the EBA Pillar 3 disclosures framework by incorporating the Regulation (EU) 2024/1623 (CRR 3) requirements on ESG related risks, equity exposures and the aggregate exposure to shadow banking entities and finalising the implementation of the prudential disclosure requirements. We very much appreciate the substantial work done to chart a workable way forward when it comes particularly to the disclosure of prudential ESG data.

The pragmatic approach delineated in the draft ITS will help institutions to enhance transparency and data quality, and ensure that the disclosure framework remains effective and manageable across the banking sector. We commend the emphasis placed on materiality, proportionality and risk-based reporting in line with the diversity of institutions and business models across the EU.

Ensuring that SNCIs are not overburdened by disclosure requirements will help preserve the competitiveness of locally active banks while still upholding transparency and achieving market discipline.

In addition, envisaging a clear and well staged interim period for all banks to implement new disclosure obligations will further support institutions in building up the necessary capabilities over time. Regarding the initial disclosure date for ESG risks, **we would like to point out that Article 449a (3) sentence 2 of the CRR 3 specifies that for all institutions the disclosure requirements must not exceed the reporting requirements.** We would also suggest clarifying in the draft text that the **ESG disclosure requirements for SNCIs have to be met only once the reporting system has been implemented**, in accordance with Article 433(b) of the CRR 3. In practice, this means that initial disclosure in 2026 will be unfeasible for these institutions.

Coherence of the ESG framework and the VSME standard as a reference point

We appreciate and stress the importance of ensuring coherence between key frameworks such as Pillar 3 and ESG risk management guidelines, as well as the Green Asset Ratio (GAR), the ESRS and the EU Taxonomy. In this regard, the EACB welcomes the EBA's proposal to integrate, in terms of necessary information, the so-called value chain cap that makes the VSME standard the reference point for sustainability information in the context of CSRD – for small and medium-sized enterprises. This is in line with an efficient and streamlined approach, and the cross-reference across pre-existing standards.

We also wish to highlight that the EBA's draft ITS proposals offer a welcome step toward resolving current inconsistencies between the Taxonomy Regulation and Pillar 3 obligations. The EBA proposals would help streamline these requirements, clarifying that only large institutions will be required to populate the GAR template.

Maintaining this approach going forward

Overall, we view this draft ITS as a step in the right direction for enhancing transparency and consistency of disclosures, while simplifying the process for institutions. Given the current emphasis on policy design that fosters competitiveness and strives for simplification, we believe that this ITS is a good example of how a simple, coherent and rigorous prudential framework can be designed. Clear and predictable requirements and

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expectations from regulators and supervisors allow banks to adapt their internal processes and apply the legal requirements in a timely manner, avoid unnecessary burners, and continue to support the economy.

Looking forward, the EACB encourages the EBA to continue applying the same approach as it further develops the reporting and disclosure frameworks. Aligning future obligations with ongoing EU legislative initiatives and supervisory reporting requirements will be crucial in minimising overlaps and administrative burdens, thereby facilitating coherent implementation across the financial sector. Nevertheless, we have several suggestions for technical improvements that we address in the questions below.

Answers to selected questions

Q1. Do you have any comments on the proposed set of information for Large institutions?

We particularly appreciate the EBA's proposal to establish an interim solution for the submission of information that takes into account both the current state of play and the ongoing developments under the CSRD / ESRS framework – affected by the Omnibus I legislative process.

We support the intention to coherently apply the new requirements only once the framework is expected to be clearer and complete also on the “sustainability” side of reporting.

Q2. Do you have any comments on the simplified set of information for Other listed institutions and Large subsidiaries?

In Table 1, the disclosure requirement (c) *“Current investment activities and (future) investment targets towards environmental objectives and EU Taxonomy-aligned activities”* for Other listed and Large subsidiaries should be deleted. Some of these institutions are indeed out of scope of the Taxonomy Regulation. Therefore, the current requirement will introduce a taxonomy conformity assessment obligation via a backdoor. This would be against the EBA proportionate approach that has been delineated in the draft text and envisages a full alignment with Taxonomy Regulation.

Q3. Do you have any comments on the simplified set of information proposed for SNCI and other non-listed institutions?

The pragmatic approach delineated in the draft ITS is an important step forward in supporting institutions to enhance transparency and data quality, and ensure that the disclosure framework remains effective and manageable across the banking sector. We commend the emphasis placed on materiality, proportionality and risk-based reporting in line with the diversity of institutions and business models across the EU.

Ensuring that SNCIs are not overburdened by disclosure requirements will help preserve the competitiveness of locally active banks while still upholding transparency and achieving market discipline. Currently, Table 1A requires a substantial amount of qualitative information and thus goes beyond the requirements of Article 449a(3). According to this, the EBA's mandate is limited to the (quantitative) information specified in Article 430 (1)(h):

(h) their exposures to ESG risks, including:

(i) their existing and new exposures to fossil fuel sector entities;

(ii) their exposures to physical risks and transition risks;

We therefore strongly advise that Table 1A be deleted.



Regarding unlisted SNCIs, they generally only have to disclose a few key parameters in accordance with Article 447 CRR. This principle should also apply to the disclosure of ESG risks. In our view, the disclosure requirements in Template 1A are therefore too far reaching.

Finally, envisaging an interim period for all banks to implement new disclosure obligations will further support institutions in building up the necessary capabilities over time.

That said, however, the question arises on the articulation and aim of the disclosure formats for SNCIs, especially in the absence of the reporting framework. As an integral part of the implementation of Basel IV in the EU, the reduction of the reporting and disclosure burden for small and non-complex institutions was prominently embedded in the CRR III. In particular, this is emphasised in Recital 53 and, according to Article 434(4) CRR III, the EBA must publish the SNCIs' disclosures on its website, based on the information reported by those institutions to the competent authorities in accordance with Article 430 of the CRR. We could thus expect that SNCIs would be exempted from preparing the disclosure templates.

We envisage the necessity to clarify this aspect and clearly include a text reference to the still missing ITS on the Pillar 3 Data Hub onboarding for SNCIs.

Q4. Do you have any comments on the proposed approach based on materiality principle to reduce the frequency (from semi-annual to annual) of specific templates (qualitative, template 3, and templates 6-10) for large listed institutions?

We believe that the frequency reduction is an appropriate step in terms of burden reduction. The qualitative information in particular is very apt for yearly submissions, as it is highly unlikely to witness unexpected massive changes in strategy and controls over the course of 6 months submissions. The same reasoning applies to the templates in question (3, 6-10).

Q5. Do you have any comments on the transitional provisions and on the overall content of section 3.5 of the consultation paper?

See Q3, Q31, and General comments.

Q6. Do you have any comments on the proposed amendments to Table 1 and Table 3?

NA

Q7. Do you have any further suggestions on Table 1A?

NA

Q8. Do you have any comments on the proposed additions and deletions to the sector breakdown?

See Question 3

Q9. Do you have any views with regards to the update of the templates to NACE 2.1?

Given that NACE 2.1 will become effective on 1 January 2026, the question of ensuring proper correspondence between the two classification frameworks arises. The concurrent maintenance of both NACE 2.0 and NACE



2.1 for reporting periods ending on 31 December 2025 and 30 June 2026 would impose a substantial operational and financial burden on reporting institutions.

Q10. Do you have any views with regards to NACE code K – Telecommunication, computer programming, consulting, computing infrastructure and other information service activities, and in particular K 63 - Computing infrastructure, data processing, hosting and other information service activities, whether these sectors should be rather allocated in the template under section Exposures towards sectors that highly contribute to climate change?

NA

Q11. Do you have any comments on the inclusion of row “Coverage of portfolio with use of proxies (according to PCAF)”?

We propose aligning the disclosure metric “coverage of portfolio with use of proxies” with the PCAF Data Quality Score, rather than relying on a percentage-based coverage indicator. While both approaches aim to reflect the extent of proxy usage, the PCAF scoring system provides more reliable granularity by accounting for the quality and reliability of the underlying data.

Importantly, the PCAF Data Quality Score is widely recognized and used across the financial sector, which would facilitate implementation and comparability across institutions. In line with the above, we also propose to replace Column K (gross carrying amount percentage of the portfolio derived from company-specific reporting) with the PCAF Data Quality Score.

Additionally, for Column K and Column I (row 75), we recommend specifying which emission scope (Scope 1, 2, or 3) the data relates to. The methodology for GHG emissions can differ between scopes, and without this clarification, the interpretation of proxy coverage and data quality may be inconsistent.

Q12. Do you have any further comments on Template 1?

It is necessary to provide additional information regarding column (b), “Of which exposures towards companies excluded from EU Paris-aligned Benchmarks”. Firstly, it should be made clear if any changes are applied to the way the metric should be disclosed, as changes are suggested in the template, while the guidelines remain unchanged. Secondly, the scope should be specified further, i.e. only listed companies or companies required to disclose under the CSRD, as it is challenging to determine if an unlisted company should be excluded.

Column (c) “Of which environmentally sustainable (CCM)” should be deleted, as otherwise institutions that will not be subject to the Taxonomy Regulation would be subject to a sort of taxonomy audit obligation. If a deletion would not be envisaged, an explanation should be provided stating that these institutions only need to prepare reports based on the KPIs disclosed by their counterparties.

Q13. Do you have any comments or alternative suggestions for SNClIs and other institutions that are not listed, regarding the sector breakdown?

NA

Q14. Do you have any additional suggestions how to adjust Template 1A for SNClIs and other institutions that are not listed?



NA

Q15. Do you have any further comments on Template 1A?

NA

Q16. Should Template 2 in addition include separate information on EPC labels estimated and about the share of EPC labels that can be estimated?

NA

Q17. Should rows 2, 3 and 4 and 7, 8 and 9 for the EP score continue to include estimates or should it only include actual information on energy consumption, akin to the same rows for EPC labels?

NA

Q18. Do you have any comments on the inclusion of information on covered bonds?

NA

Q19. Do you have any comments on the breakdown included in columns b to g on the levels of energy performance?

NA

Q20. Do you have any further comments on Template 2?

NA

Q21. Do you have any comments on Template 3?

As addressed in the consultation paper, Template 3 has led to unnecessary uncertainty and questions due to limitations and vague design. While we appreciate the EBA's aim and efforts to streamline and amend the template, we would argue that removing it would be a more straightforward approach. Even if the inherent challenges are addressed, the required information is rarely available from counterparties, making the template redundant at best, and counterproductive and confusing at worst. Template 3 would need to be designed in a way that is appropriate for use by all banks that have set climate-portfolio targets for their portfolios.

Overall, the scope should be adjusted to only include exposures to companies required to disclose under the CSRD, with a voluntary option to make use of estimates for exposures towards non-CSRD companies. In addition, it should be specified the exact location of the IEA pathways. It should be also clarified whether institutions are required to make their own pathway calculations, as the only pathway made available by the IEA¹ in their Annex A is *CO2 intensity of electricity generation*. This unit of measurement is not suitable for all

¹ [Net Zero by 2050 - A Roadmap for the Global Energy Sector](#)



sectors for which portfolio alignment calculations are required. Finally, a list of NACE codes for the 18 TCFD sub-sectors could be made available.

We also suggest aligning the headline column (d) to columns (f) and (g), amending the former as "Value of GHG intensity metric" instead of "Value of intensity metric". Regarding column (l), it seems appropriate to specify if the modality to calculate the PIT Distance is aligned with column (i) and (h), and, therefore, according to IEA NZE2050.

$$\text{Distance} = \frac{\text{Metric at reference year} - (\text{IEA scenario metric in 2030})}{(\text{IEA scenario metric in 2030})} * 100$$

Regulation EU 2022/2453 - 30 Nov 2022; Annex 2 p. 29; IT solutions of the current ITS, Annex XL p. 21

However, this methodology presents criticalities because it returns values that are difficult to interpret. Clarification on this calculation would therefore be desirable, also in light of the new fields required by the template. It should also be specified whether the reference scenarios for distance calculation must necessarily refer to those of the IEA or whether NGFS scenarios can also be referred to.

Finally, in addition to the above consideration and as anticipated, the proposed changes to Template 3 are appreciated, particularly the removal of fixed sector classifications and the opportunity for institutions to define the relevant sectors themselves. This flexibility allows for a more accurate reflection of portfolio composition and sectoral relevance in the context of transition planning.

To further enhance the usefulness of the template, we would also suggest adding a link with Template 1, specifically by indicating how much of the exposure towards high-emitting sectors is covered by a climate-related target. For example by including the percentage of the total portfolio that is covered by such targets (next to only total exposures), to provide a broader view of the institution's overall transition strategy and ambition level.

Also, while the template seems to imply that only the IEA NZE2050 pathway can be used, the accompanying guidance states that other transition pathways may also be applied. Therefore, we propose to remove the specific reference to IEA NZE2050 from the column headers, to avoid confusion and ensure consistency with the broader guidance.

Q22. Do you have any comments with the proposals on Template 4 and the instructions?

NA

Q23. Do you have any views on whether this template could be improved with some more granular information in the rows, by requesting e.g. split by sector of counterparty or other?

We would refrain from adding more granular information in Template 4, such as a split by sector of counterparty or similar breakdowns. Increasing the level of detail in this template could lead to situations where disclosed data becomes too easily attributable to individual companies, especially in cases where portfolios are concentrated or contain unique exposures. Maintaining a balance between transparency and data protection is essential. Therefore, we recommend keeping Template 4 at its current level of aggregation to avoid unintended breaches of confidentiality.



Q24. Do you have any further comments on Template 4?

Some members suggest to work with a single, standardized list of the top 20 emitters, rather than allowing banks to select their own list. This approach would significantly enhance the comparability and uniformity of the data provided across institutions.

Q25. Do you have any comments on the proposal using NUTS level 3 breakdown for Large institutions and NUTS level 2 for Other listed institutions and Large subsidiaries? Would NUTS level 2 breakdown be sufficient for Large institutions as well?

NA

Q26. Do you have any comments on the instructions for the accompanying narrative and on whether they are comprehensive and clear?

NA

Q27. Do you have any further comments on Template 5 and on its simplified version Template 5A?

To promote transparency and market discipline in the EU banking sector, the P3DH should provide a representation of the risk to which banks are exposed and enable comparisons between the risk levels of different institutions. A necessary condition for this to happen is that the data, reported correctly, reflect the actual underlying risk exposure, are easy to understand, and are genuinely comparable (i.e. prepared according to consistent criteria and logic across all institutions), as also indicated in par. 71 (*"it is essential to have a harmonized approach to disclose regional exposures in order to have comparable and meaningful information and prescribing the level of granularity is very helpful in that regard."*).

To improve data quality and avoid misalignment among banks, the EBA should elaborate precise and coherent guidance for populating the template. In specific:

- **It seems appropriate to elaborate materiality thresholds** to define which exposure should be considered "subject to physical risk", and indeed, included in the template (e.g., for NFCs: physical risk economic impact/shareholders' equity; delta PD due to physical risk; etc.; for real estate: % impact of physical risk on property fair value; delta LGD due to physical risk; etc.). Without consistent criteria across financial institutions, comparison of template data is not possible, and its interpretation may be misleading. For instance, institutions that set very low thresholds might appear more exposed to physical risk than others that use higher thresholds, regardless of the actual level of physical risk exposure (however measured) of the underlying.
- **It should be specified which time horizon** is to be considered for estimating the materiality of physical risk impacts. Different choices of reference climate scenarios or time horizons can significantly affect the representation of data in Pillar 3 Template 5, i.e. which exposures are included or excluded.
- **It should be clearly stated the reference climate scenario** to be used for estimating the materiality of physical risk impacts.

Regarding exposures secured by real estate, assets are effectively exposed to physical risks based on their **geographic location** (in addition to other resilience factors such as construction features). However, the degree of exposure of a property to a specific physical hazard depends on its precise geographic coordinates and can vary significantly even over short distances. Therefore, providing a breakdown by NUTS 3 or NUTS 2 would not yield a coherent indication of underlying risk. A more consistent (though simplified) geographic



representation of physical risk could instead be based on the distribution of properties/exposures across **physical risk zones** (using classifications by public agencies that assess territory-level risk and distinguishing between different hazards; e.g., P1, P2, P3, etc.).

Similarly, the exposures to non-financial corporates, the geographic breakdown raises two key issues:

- The assignment of a specific NUTS area to an NFC, especially in cases (often involving significant exposures) of large companies with production sites and operations spread across wide national and international territories might be a burdensome and arbitrary process. Indeed, the legal address of a NFC cannot be considered a valid option, as it is poorly correlated with the company's underlying physical risk.
- Geographic location of a company's facilities (even when limited to a specific NUTS 3 area) is subject to the same concerns raised for real estate and only allows for identifying **direct** physical risk impacts (e.g., physical damage to production facilities from extreme weather events). However, this provides no insight into **indirect** impacts from physical risks – such as those affecting the supply chain or critical infrastructure on which the company's production and commercial operations depend. These indirect impacts are often more significant than direct ones and are unrelated to the geographic location of the company's production sites.

Ultimately, the proposal to classify these types of exposures geographically – both for real estate and for NFCs – would impose an unnecessary additional cost on financial institutions, without providing the public with any corresponding increase in meaningful information. On the contrary, it could lead to greater complexity and potentially misleading interpretations, for the reasons discussed above.

Limiting the reporting to a single version of the template, without requiring the geographical breakdown (currently foreseen for Large Institutions and Other Listed Institutions) could be a solution.

Q28. Do you have any comments on the proposal to fully align templates on the GAR, that is, templates 7 and 8, with those under the Taxonomy delegated act by replacing the templates with a direct cross reference to the delegated act?

NA

Q29. Do you have any comments on the proposal related the BTAR and to keep it voluntary?

NA

Q30. Do you have any comments regarding the adjustments to template 10?

NA

Q31. Do you have any further comments on the Consultation Paper Pillar 3 disclosures requirements on ESG risk?

We appreciate the effort to finally align the scope of Pillar 3 and the EU-taxonomy disclosure requirements, but we do not see a purpose in disclosing the same information twice. Therefore, we encourage the EBA to review the disclosure requirements of Templates 6 to 10, or at least make them voluntary. In this vein, we appreciate and support the EBA's effort to provide clarity as per the non-action letter (EBA-2025-D-5275).



With regard to the first-time disclosure date for ESG risks, we would like to point out that Art. 449a (3) sentence 2 CRR stipulates that the disclosure requirements may not go beyond the reporting requirements. We therefore request clarification that the ESG disclosure requirements for new affected institutions only apply once the corresponding reporting system has been implemented. However, as the reporting system is the basis for disclosure, particularly for SNCIs, no technical implementation and therefore no disclosure by SNCIs can take place without final reporting requirements. Against the background of a consultation on the ESG reporting requirements taking place at a later date and an implementation period of at least 12 months (from the final draft to the start of the reporting period), an initial reporting as of December 31, 2026 therefore does not appear realistic, meaning that an initial disclosure in 2026 would hardly be feasible. It is also essential that the draft ITS on ESG reporting requirements is both internally consistent and aligned with other EU regulations.

The consultation paper on the reporting requirements should only be published after the feedback from the disclosure consultation has been evaluated and taken into account and consistency between the two sets of obligations should be ensured. We also refer to the amending regulation to the EU taxonomy already published in the context of the Omnibus I legislative procedure, according to which significantly fewer institutions are obliged to collect data for the calculation of the Green Asset Ratio (GAR) and a suspension for two years (financial years 2025 and 2026) is made possible. In order to give all other non-GAR reporting institutions the opportunity to make internal process adjustments for the necessary data collection for ESG disclosure and to implement a harmonised timetable for ESG reporting in its entirety, we advocate postponing the first-time disclosure and reporting of ESG requirements to the reporting date of 31.12.2027.

Q32. Are the new template EU SB 1 and the related instructions clear to the respondents? If no, please motivate your response.

NA

Q33. Do the respondents agree that the new template EU SB 1 and the related instructions fit the purpose and meet the requirements set out in the underlying regulation?

NA

Q34. Are the amended template EU CR 10.5 and the related instructions clear to the respondents? If no, please motivate your response.

NA

Q35. Do the respondents agree that the amended template EU CR 10.5 and the related instructions fit the purpose and meet the requirements set out in the underlying regulation?

NA

Q36. Do the respondents consider that the “mapping tool” appropriately reflects the mapping of the quantitative disclosure templates with supervisory reporting templates?

NA