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Sustainability Blog

By PwC Deutschland | 26 May 2025

Good things take time: The EBA publishes ITS on Step 2 disclosure, which sets out the requirements for the disclosure of ESG risks for all institutions

Are You Ready for the Next Wave of ESG Disclosures?

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On May 22, 2025, the EBA published its long-anticipated Draft ITS on ESG disclosures, marking a pivotal step in expanding sustainability reporting obligations under CRR III. With enhanced requirements that apply to all CRR institutions, including SNCIs and large subsidiaries, the new framework demands strategic adaptation, granular ESG data, and alignment with updated templates and tables. The first disclosure deadline: December 31, 2026.

Is your institution ready to meet the challenge? Dive into our latest blog to understand what's changing—and how we can help you navigate the road ahead.

On May 22, 2025, the EBA published its**Draft ITS on disclosure for ESG risks, equity exposures and the aggregate exposure to shadow banking entities** (EBA/CP/2025/07) and thus supplements the disclosure requirements set out in Regulation (EU) 2024/3172, introducing requirements that go beyond the Basel III framework. The draft ITS specifies the new requirements for the implementation of Articles 449a, 449b and 438, which have been newly added or revised by CRR III. This marks a major step forward in the implementation of Step 2 of the Pillar 3 disclosure framework, extending ESG-related disclosure obligations to **all CRR institutions**, (whose existing disclosure requirements are also being revised and expanded). The proposed ITS will also apply to:

- large non-listed institutions,
- other institutions,
- small and non-complex institutions (SNCIs) and
- large subsidiaries.

The EBA proposes a proportionate approach for ESG disclosure that reflects the size and complexity of institutions.

- **Large listed and non-listed institutions** will be required to disclose the full set of templates, largely based on the templates already applicable under the existing Pillar 3 ITS – with clarifications and a wide range of additions and adjustments within almost every template.
- A simplified set of templates must be disclosed by **Other listed institutions** and **large subsidiaries**
- **Small and non-complex institutions (SNCIs)** – whether listed or not – as well as **other non-listed institutions**, will only be required to disclose a reduced and essential set of information.

Furthermore, the EBA proposes to address proportionality for **large institutions** by allowing them to **reduce the frequency** for certain qualitative and quantitative disclosures to an **annual basis**, where materiality does not justify more frequent disclosure. The table below shows the disclosure requirements for ESG risks depending on the size and complexity of the institution.

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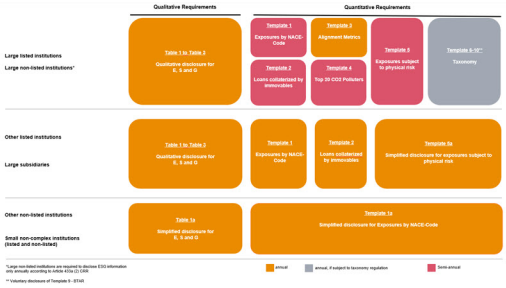


Table 1: Overview of proportionality of ESG disclosure requirements (Source: PwC)

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The first reference date for the ESG disclosure will be the **31 December 2026**. According to the timeline presented in the draft, more than one year remains for the institutions to adapt their current disclosures or implement any new requirements arising from this EBA draft ITS.

Transitional provisions for **Large, listed institutions:** The institutions which are under the scope of the existing ITS shall apply these amending Draft ITS with reference date as of 31 December 2026. For the transitional period, they shall continue preparing their disclosure requirements in accordance with Regulation (EU) 2024/3172, with the **exception of the templates** related to the Green Asset Ratio (GAR) and Taxonomy Regulation (**templates 6 - 10**), for which the disclosure obligations are suspended until end 2026.

The existing 10 templates have been extensively revised in the draft ITS. In some cases, new rows and columns have been added. Particularly noteworthy are the following:

- Updated sector classification using new NACE Rev. 2.1 nomenclature (e.g. template 1 and 5),
- New disclosure of covered bonds and the EPC label (template 2),
- New disclosure requirements for alignment metrics in template 3 as value of the intensity metric at the baseline year, revised focus on 2030 targets emission intensity metrics and additional targets beyond 2030 (if applicable)
- New definition of four specific climate hazards for the physical risks, replacing the acute/chronic distinction in template 5
- Harmonisation of templates 7 and 8 with those of the Taxonomy Regulation and
- a completely revised template 10 for risk-mitigating measures.

With the new EBA Draft ITS on disclosure, institutions now have clarity on the timing and scope of ESG-related disclosures required under Article 449a CRR as amended by CRR III. However, the revised tables and templates require institutions to have a highly granular and consistent ESG data infrastructure in order to be able to meet both regulatory expectations and stakeholder needs. Even for large institutions with

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mature ESG reporting, the EBA's revised ITS represents a substantial evolution. The name of the game is strategic adaptation: integrating clarifications, anticipating future requirements, and harmonizing across overlapping frameworks.

The draft ITS is currently under **consultation until 22 August 2025**. It will then be finalized and submitted to the European Commission for adoption, with the amended Commission Implementing Regulation (EU) 2024/3172 expected in the **fourth quarter of 2025**.

Is your institution prepared for the next stage of ESG disclosure? Contact us! We leverage our in-depth expertise to support you through the implementation process. Let's tackle the complexity of CRR III together – with practical solutions and proven expertise.

Further links:

- Focus on sustainability: The ESG Pillar 3 Disclosure Study 2024
- Point of View: Portfolio-Alignment mit den Klimazielen
- Regulatorische Anforderungen an Net-Zero-Transitionspläne: CSRD, CRR, CSDDD und EBA-Leitlinien zum ESG-Risikomanagement
- PwC Associated Emissions Calculation and Management Tool zur Berechnung finanzierter und versicherungsbezogener Treibhausgasemissionen

Get ongoing updates on the topic via regulatory horizon scanning in our research application, PwC Plus. Read more in our "**Services and Offerings**" section.

To further PwC Blogs

Keywords

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