

Mr Didier Millerot
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26 March 2025

ECG comments on the proposed Commission Delegated Regulation amending Commission Delegated Regulation (EU) 2021/2178 as regards the simplification of the content and presentation of information to be disclosed concerning environmentally sustainable activities and Commission Delegated Regulations (EU) 2021/2139 and (EU) 2023/2486 as regards simplification of certain technical screening criteria for determining whether economic activities cause no significant harm to environmental objectives.

Dear Mr Millerot,

The European Contact Group (ECG)¹ is pleased to provide its feedback on the Commission's proposed amendments to the Taxonomy Disclosure Delegated Act (DDA), the Climate Delegated Act (CDA) and the Environmental Delegated Acts (EDA) ('the consultation'). We share our main comments below, with detailed comments in the enclosed appendices A (comments on the proposals and other recommendations) and B (editorial suggestions).

As providers of assurance and advisory services to companies of different sizes and sectors, we have observed the implementation of the EU Taxonomy Regulation (EUTR) and its delegated acts since its effective date in 2021. The call for its simplification, especially with respect to the detailed reporting requirements, is a valid one, because implementation is complex and can be burdensome.

These complexities and burdens are caused by several factors, including:

- (a) *The lack of a general overarching materiality principle* that would apply in implementing the EUTR, while such a materiality principle exists for financial reporting and for ESRS reporting;
- (b) *Requirements for both technical screening criteria (TSC) and reporting are insufficiently clear in some instances. The volume of application requirements provided subsequently has also added complexity.* We acknowledge the efforts of the Commission to produce guidance. However, unclear legislation has led to the guidance becoming voluminous. This has counter-productive effects and increases complexity;
- (c) *The overly stringent nature of certain TSC*, which in some cases exceed existing EU regulations for activities (e.g. for DNSH C), along with the *detailed and burdensome documentation* required to demonstrate alignment in some cases (e.g. in retail exposure of the financial sector); and
- (d) *The incomplete coverage of all business activities* by the EUTR. This has led to the publication by undertakings (non-financial and financial) of numerous pages of templates in annual reports with minimal amounts reported, whose cost/benefit analysis is challenged today.

See also Appendix A for further details on the above.

¹ The [European Contact Group](#) brings together the six largest international professional services networks in Europe (BDO, Deloitte, EY, Grant Thornton, KPMG and PwC). Transparency Register No. 0633841538-63

Accordingly, we welcome and support the Commission's goal of simplifying the EUTR and reducing the reporting burden associated with it. However, we wish to emphasize that the work effort required from companies to prepare the revised templates will not change significantly. This is because the templates have been amended to request summarised information, but the underlying information still needs to be prepared.

With respect to the Commission's proposed amendments to the EUTR reporting, we have the following comments all made with the objective of simplifying and reducing the workload for preparers:

- (a) *Materiality*: We support the introduction of a materiality concept, but we disagree with the 10% materiality quantitative thresholds proposed by the Commission. We say this because such fixed thresholds are not always helpful for identifying information that is relevant for users and will be difficult to implement. We strongly recommend the introduction of a simple overarching materiality principle, which would apply quantitatively and qualitatively in determining whether an activity or an asset/exposure should be assessed for both, EUTR eligibility and alignment assessments as well as the reporting. Undertakings would explain their materiality approach in the contextual information. Undertakings are familiar with such a general principle for the preparation of their financial and ESRS reporting, and it would enable them to use judgement to focus on important information only. (see detailed comments in Appendix A, Section 2)
- (b) *OpEx KPI*: The 25% materiality threshold - below which OpEx KPI reporting would be optional - would not necessarily help to reduce the reporting burden significantly. A better solution would be the deletion of any OpEx KPI disclosure. The financial sector only uses the turnover and CapEx KPIs for its EUTR reporting. Besides, the determination of the OpEx KPI still raises many application issues (even for the total denominator, as it is determined differently from mainstream financial reporting). If our preferred solution cannot be implemented, an alternative would be to make the OpEx KPI fully optional. (see detailed comments in Appendix A, Section 2b)
- (c) *Templates*: We generally support the proposed changes. We note the reduction of the data points presented for both the non-financial sector and financial sector, because the current information will be presented in a summarised format. However, the workload to prepare the underlying information for this summarised information will not be significantly reduced compared to today. We have included detailed comments about the templates in Appendices A and B. In particular, we recommend restoring the connectivity of EUTR reporting with the financial statements, by enabling the reconciliation of the KPIs denominators with financial statements amounts (OpEx KPI excluded, as before). We also support repealing the requirement to fill the templates 1 and 5, beyond templates 2, 3, and 4, of Annex XII of the DDA (gas and nuclear templates). Per activity information will be available in the general templates, if material (see detailed comments in Appendix A, Sections 4, 6 and 7)
- (d) *DNSH Pollution*: We support option 1, i.e. the removal of the additional paragraph after point (f) of Appendix C. We also include further suggestions to simplify the other criteria (a) to (f) and to ensure that EUTR aligns with the EU regulations dealing with pollution matters operationally. Today, EUTR goes beyond those regulations. It is a source of complexity and burden, as undertakings do not manage their operations in the way EUTR assumes. (see detailed comments in Appendix A, Section 3)
- (e) *Financial institutions' KPI denominator*: we support the removal from the denominator of exposures that relate to undertakings which are not subject to the CSRD. We also suggest excluding all assets which can never be eligible / aligned (e.g. cash, derivatives or goodwill). (see detailed comments in Appendix A, Section 2b)

Prior to the release of the Commission's Omnibus proposals, we called in a [letter to Commissioner Dombrovskis](#) for a fundamental review and simplification of EUTR. We also put forward some simplification measures that could be implemented immediately. We note that the proposed amendments to EUTR DDA, CDA and EVA do not address certain significant difficulties that we identified. Accordingly, we reiterate in Appendix A some of our important proposals for burden reduction and simplification, in particular relating to:

- (a) the application of the EU subsidiaries' exemption from the EUTR reporting (see Appendix A, Section 8.a and 8.d);
- (b) the consolidated EUTR reporting, and the templates to be used when dealing with groups with multiple activities (see Appendix A, Section 8.b and 8.c);
- (c) the simplification of certain information to be reported in the contextual information (see Appendix A, Section 8.f and 8.g); and
- (d) the suppression of certain KPIs for the financial sector (fees and commissions KPI, trading book KPI, AuM flow for credit institutions) (see Appendix A, Section 8.h and 8.i).

Furthermore, we recognise that the scope of the Taxonomy reporting is not subject of the consultation, but that it is addressed in the proposed directive amending the Accounting Directive 2013/34/EU. However, we believe that several clarifications are still needed to address practical application challenges for both preparers of information and assurance providers. They relate to the new proposed Articles 19b and 29aa of the Accounting Directive, in relation to "Optional taxonomy reporting for certain undertakings". Clarification is needed of the types or nature of "claims" that would trigger the mandatory reporting of turnover and CapEx KPIs in circumstances where an undertaking has a net turnover not exceeding 450M€ and has made "claims" of (partial) Taxonomy-alignment (paragraphs 2, 3, 4 of Articles 19b and 29aa). Similarly, clarification is needed of the scope of undertakings that could benefit from the ability to report partial alignment, noting that the delivery of the future delegated act promised by the Commission, to explain expectations in terms of reporting in those situations, will be key. (see Appendix A, Section 1)

The successful implementation of EUTR needs to be supported by the quality of its requirements, designed to meet the policy objectives. Quality requirements are supported by and result from an open, transparent and robust due process that ensures thorough consideration and reflection on the feedback received. We strongly recommend that such a process applies to all developments associated with the EUTR and its delegated acts, be it for the technical screening criteria (TSC), the reporting requirements, or the FAQs and guidance. It is of critical importance that the process to set the requirements allows sufficient time for stakeholders to express their views.

Finally, we welcome and remain available to participate in any regular dialogue that the Commission may have with stakeholders to collect field experience.

We would welcome an opportunity to exchange further views. We stand ready to provide further input and ideas as the Commission advances with its important work in this area.

Yours sincerely,



Isabelle Tracq-Sengeissen
ECG Chair

Appendix A

In this appendix, we include our comments on the proposed changes to the Climate Delegated Act, the Environmental Delegated Act, and the Disclosures Delegated Act (DDA), released on 26 February 2025. We also include further suggestions that we believe could contribute to further simplifications and reduction in the burden of preparing a Taxonomy reporting.

#	Topic	Comments	Suggestions
		<p>1. SCOPE</p> <p>In this section, we do not comment on the proposed revised scoping thresholds which have been set by the Commission. However, we do raise points where we consider the draft text of the requirements to be unclear, or where we have identified an apparent inconsistency in the proposed Directive amending Directives 2006/43/EC, 2013/34/EC, 2022/2464 and 24/1760 as regards certain corporate sustainability reporting and due diligence requirements (COM(2025) 81). We believe that it is essential that the scope of the CSRD, particularly in the application of the additional scoping in new proposed Articles 19b and 29aa, is very clear and note that this will affect not only the scope of Taxonomy reporting by undertakings, but also whether the disclosures are required to be assured by an independent assurance provider.</p> <p><u>Text reference:</u> Proposed Directive amending Directives 2006/43/EC, 2013/34/EC, 2022/2464 and 24/1760 as regards certain corporate sustainability reporting and due diligence requirements (COM(2025) 81) – Articles 19b and 29aa, unless otherwise specified.</p>	

#	Topic	Comments	Suggestions
1a	Claims of activities that are environmentally sustainable (paragraphs 2, 3, 4)	<p>Proposed Article 19b(2) sets out requirements that apply when an undertaking ‘...<i>claims that its activities are environmentally sustainable under Articles 3 and 9 of Regulation (EU) 2020/852 or with economic activities that fulfil only certain requirements of that provision...</i>’. The same text is included in Article 29aa(2).</p> <p>It is not clear what is meant by an undertaking ‘<i>claims that its activities...</i>’. For example, would an undertaking or parent undertaking be required to make a public statement of this claim and, if so, where, and in what format (noting that the scope of public statements to be considered could be quite broad – regulated information, websites, press releases, commercial notices, etc...)? Alternatively, does the publication of Taxonomy disclosures alone—perhaps implicitly—constitute the undertaking making such a claim?</p> <p>The text is also not sufficiently clear about what it means to be ‘<i>environmentally sustainable under Articles 3 and 9 of Regulation (EU) 2020/852</i>’? Our understanding is that it is only when the claim is made in respect of affirming alignment with the EU Taxonomy and its Delegated Acts. Is it correct? Or is it when the undertaking is mentioning that the activities are eligible, but not necessarily aligned?</p>	<p>We suggest that the claims’ situations that trigger mandatory disclosures of eligible and aligned activities using the future prescribed disclosure template(s) be clarified. Articles 19b and 29aa should be precise about:</p> <ul style="list-style-type: none"> a) which types of claims, and presented in which documents, would trigger the Taxonomy reporting obligations. In that respect, to be practicable, we suggest to limit the disclosure requirements to claims that are included in regulated information (e.g. claims made in management report, financial statements, sustainability reporting, green bond reports, financial products information...); and b) what does it mean to be ‘environmentally sustainable under Articles 3 and 9 of Regulation 2020/852’, and whether this is referring to a claim of alignment with the EU Taxonomy.

#	Topic	Comments	Suggestions
1b	Reporting partial alignment (paragraphs 4 and 5)	<p>Proposed Articles 19b and 29aa would permit optional (full or partial) reporting in accordance with Regulation (EU) 2020/852 if the undertaking (or parent undertaking of a large group as referred to in Article 29a(1)) has net turnover on an individual or consolidated basis (as appropriate) of less than EUR 450m.</p> <p>We also note that Article 19b(1) and (2), and Article 29aa (1) and (2) refer to ‘undertakings’ and ‘undertaking’, while other paragraphs refer to ‘non-financial undertaking’ and ‘non-financial undertakings’. It is not clear whether the differences in references are intentional, nor what their intended effect is.</p> <p>If a non-financial undertaking (or a non-financial parent of a non-financial group) claims, in accordance with Article 19b(4) or Article 29aa(4), that its activities fulfil only certain of the requirements of Regulation (EU) 2020/852, it is not clear how an entity in the financial sector (such as a credit institution that has advanced funds to that undertaking) would use the partial disclosures for its own reporting in accordance with Regulation (EU) 2020/852.</p>	<p>The application of proposed Articles 19b and 29aa in relation to the scope of entities covered by those Articles to entities in the financial sector, and to undertakings and groups with mixed activities (a combination of financial and non-financial sector), needs to be clarified.</p> <p>In addition, the question of how disclosures by a non-financial undertaking (or a non-financial parent of a non-financial group) are to be used by an entity in the financial sector will need to be addressed very clearly by the forthcoming Delegated Act. Specifically, it needs to be made clear what the purpose is of the new category, how it will be defined, and how it will be used by undertakings in the financial sector.</p> <p>It is also not clear how the creation of a new category of reporting will reduce the reporting burden. There needs to be a clear explanation of how this new category will do that and how it simplifies reporting.</p> <p>Of note, those undertakings that already would like to report partial alignment can already do so today, through voluntary reporting and entity-specific non-gaap information. So, it should be clarified what is the significant benefit that the proposals would bring, without creating burden and complexity.</p>

#	Topic	Comments	Suggestions
1.c	Non-EU undertakings listed on EU regulated markets. (Paragraph 1) & (Articles 19a and 29a, paragraph 1)	For third country undertakings listed on an EU regulated market, the Transparency Directive has not been proposed to be amended to refer to proposed Articles 19b and 29aa. Would that mean that those third country undertakings would not benefit from the increased thresholds for net turnover and the number of employees?	We assume that this is an oversight and suggest that consequential amendments are made to the Transparency Directive.
<p>2. NON FINANCIAL AND FINANCIAL SECTORS - MATERIALITY THRESHOLDS – For eligibility/alignment and OpEx KPI</p> <p>We support the proposal to introduce a materiality threshold in preparing the Taxonomy reporting, as it will represent a significant step towards helping reduce the reporting burden of undertakings, enabling focusing on what is really material for the users of the information. It will also help simplify the application of the Taxonomy.</p> <p>However, we disagree that a fixed threshold be instituted. When dealing with financial reporting matters, we have experience that having fixed materiality thresholds introduce complexity in the reporting, which would be contrary to the objective of the amendments sought for.</p> <p>Instead, we suggest that the Commission allows preparers to determine their approach to materiality. Preparers are used to such an exercise already in financial reporting and sustainability (ESRS) reporting. The same should apply for Taxonomy reporting. We believe that the materiality concept should apply:</p> <ul style="list-style-type: none"> • in determining whether an activity for the non-financial sector, or an asset/exposure for the financial sector, should be assessed for eligibility and/or alignment, as well as in reporting information; • to individual items and in aggregate; and • quantitatively and qualitatively. <p>The detailed comments below highlight some of the issues that would need to be addressed if a fixed materiality threshold is introduced. We also indicate clarifications that we believe need to be provided in order to make the proposals operational.</p> <p><u>Text reference:</u> Proposed Commission Delegated Regulation amending Commission Delegated Regulation 2021/2178 as regards the simplification of the content and presentation of information to be disclosed concerning environmentally sustainable activities and Commission Delegated Regulations 2021/2139 and 2023/2486 as regards simplification of certain technical screening criteria for determining whether economic activities cause no significant harm to environmental objectives (Ares(2025)1532435 – 26/02/2025) – Article 1, paragraphs (1), (2), (3), (4), and (5).</p>			

2.a	Non-financial and financial undertakings – 10% cumulative threshold applicable to the turnover, CapEx, and OpEx, as well as asset KPIs – Article 1(1) to (5).	<p>We find that the proposals in Article 1(1) to (5) (Articles 2 to 6, paragraph 1a (and 1b) added to DA 2021/2178) are not sufficiently clear, and that they could lead to complexity.</p> <p>We have the following questions, which highlight that the proposals may create other complexity:</p> <p>a) For non-financial undertakings, does materiality apply to both the eligibility and the alignment assessment? The first sentence in new paragraph 1a does not seem to address eligibility. Still, where there are multiple immaterial activities at an undertaking that, individually and considered in aggregate, are not material, having a materiality concept that also applies at eligibility level would help reducing the reporting burden, enabling entities not to identify and quantify those immaterial eligible activities. This would also be consistent with the fact that the materiality principle would apply to eligibility assessment in the financial sector (to our understanding);</p> <p>b) Does materiality apply to the reporting (i.e., to the numbers to be presented in the templates, and not just the alignment assessment)?</p> <p>c) For non-financial undertakings, does the fact that one KPI for an activity is below the 10% threshold makes it that this activity is considered not material overall, and that it is not necessary to assess the materiality of this activity for the other two KPIs? Our question arises from our reading of the beginning of the new paragraph 1a, which states that omission</p>	<p>In order to reduce complexity and the reporting burden, see our suggestion in the introductory paragraph of this section above. We support an overarching materiality principle to be introduced for the eligibility and alignment assessment, as well as the Taxonomy reporting, without any set threshold.</p> <p>Should the Commission not follow our suggestion, we advocate that, at least:</p> <p>a) it is clarified that materiality applies to the determination of eligibility, alignment, and reporting;</p> <p>b) there should be no requirement of disaggregation per activity of activities considered non-material; and</p> <p>c) the notion of “harmful activities” is removed from Recital (6). It is not a requirement included in the proposed legislative text, and we concur with this. As these activities have been identified as not material, this means that their environmental impact should be deemed not material either.</p> <p>In addition, the level of disclosures related to non-material activities should be further clarified, and the Recital (6) should be made consistent with the proposed amendment of the text included in Article 2, which only mentions that non-material activities “<i>shall be reported separately as non-material turnover, capital, expenditure or operational expenditure</i>”. We understand that their aggregation is possible.</p>
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		<p>is possible “<i>where those activities comply with any of the following conditions...</i>”. E.g., this could be read as allowing an undertaking not to report CapEx/OpEx of an activity for which there is zero eligible turnover, despite the fact that they would be material. Alternatively, it can be read to mean that the materiality assessment of activities is made KPI by KPI, and that an activity may be material for one KPI and not for another. In such a case, the reporting will be made for the KPI where the activity is material, but omitted for the other.</p> <p>d) If a fixed cumulative threshold is set, how should an undertaking approach the situation where there are several activities (assets) that are below the 10% threshold individually but not in aggregate (cumulatively)? Is there any priority that should be given?</p> <p>e) How does the “cumulative” feature of the conditions apply?</p> <p>We find particularly unclear how this threshold works for the financial sector: The denominator seems to be clear (the total covered assets – depending on each KPI). However, the numerator needs to be clarified. Does this requirement refer to eligible and/or aligned assets? To each eligible economic activity (activity 7.1, 6.2...)? To each counterparty (individuals, each issuer, non-financial undertakings, financial undertakings...)? To each type of products (bonds, shares, loans...)?</p>	
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#	Topic	Comments	Suggestions
		<p>f) Recital (6), as from the 2nd sentence, mentions that “[...] <i>It should be avoided that, within the non-material activities, undertakings include harmful activities that would contradict the objectives underpinning the Taxonomy Regulation. Therefore, non-financial and financial undertakings should report separately non-material activities at aggregated and individual levels. The undertaking should clearly state at individual level the content and nature of the economic activities that are considered as non-material to ensure transparency on those activities.</i>”</p> <p>g) This recital looks inconsistent with the proposed amendment of Article 2(1) that only mentions that “<i>The turnover, capital expenditure and operational expenditure related to the activities to which the first subparagraph is applied shall be reported separately as non-material turnover, capital expenditure or operational expenditure</i>”.</p>	

2.b	OpEx KPI – Materiality based on 25% cumulative threshold of eligible Turnover	<p>We have several concerns with the proposals relating to the materiality approach for the OpEx KPI:</p> <p>a) Why is the proposed materiality threshold for OpEx omission related to the Turnover KPI? Turnover may not accurately reflect the significance of OpEx in certain activities. This may be the case, for example, of an activity with low turnover but high associated expenses (research and development, leases...), or in different industries with various cost structures, leading to inconsistent materiality assessment.</p> <p>b) It is unclear whether the materiality exemption only refers to the possibility for undertakings to omit information on aligned OpEx (still have to report on eligible OpEx) or to omit the disclosure of the OpEx KPI as a whole. We are confused by the inconsistencies in the proposals between what is stated in the Explanatory memorandum of the draft Delegated Regulation, page 5, 2nd paragraph, 2nd sentence <i>“As regards activities considered to be financially material, it is moreover appropriate to establish a graduated approach to the materiality of the different classes of information to be reported. As it is generally considered that information on operational expenditure is of lesser significance to assessment of the sustainability of company activities than that on turnover or capital</i></p>	<p>With respect to the OpEx KPI, our preference would be to delete it from the Taxonomy regulation and delegated acts. This would represent a real simplification measure, as its determination is complex (even the determination of the denominator only). Templates would be consequently further simplified too. The Commission itself acknowledges on page 6, second paragraph, of the proposed Delegated Regulation that <i>“it is generally considered that information on operational expenditure is of lesser significance to assessment of the sustainability of company activities than that on turnover or CapEx”</i>.</p> <p>This is substantiated by the fact that financial undertakings, to meet their Taxonomy reporting requirements, do not use the OpEx KPI of their counterparties.</p> <p>Alternatively, should the Commission not follow our preferred advice, we propose to make the OpEx KPI fully optional, and not just subject to materiality. Reasons are the same: it would reduce complexity and burden, with minimal information lost.</p> <p>If the Commission retains a materiality concept, our above comments on materiality thresholds apply as well– i.e. we do not support quantitative thresholds and we have provided suggestions for letting undertakings determine their materiality approach. In any case, the relevance of retaining a fixed threshold based on revenue, when dealing with operating expenditure, needs to be reconsidered.</p>
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<p>3. NON FINANCIAL SECTOR - DNSH POLLUTION - Appendix C</p>			

#	Topic	Comments	Suggestions
<p>We first comment below on the Commission’s proposed amendments and then bring further comments and proposals for reducing the burden of implementing the DNSH C.</p> <p>Overall, we support the proposed amendments but we consider that they do not go far enough in terms of simplifications. We make further suggestions to simplify the other criteria (a) to (f) and to ensure that the EUTR aligns with the EU regulations dealing with pollution matters operationally. Today, the EUTR goes beyond those regulations. It is a source of complexity and burden, as undertakings do not manage their operations accordingly.</p> <p><u>Text reference:</u> Proposed Commission Delegated Regulation amending Commission Delegated Regulation 2021/2178 as regards the simplification of the content and presentation of information to be disclosed concerning environmentally sustainable activities and Commission Delegated Regulations 2021/2139 and 2023/2486 as regards simplification of certain technical screening criteria for determining whether economic activities cause no significant harm to environmental objectives (Ares(2025)1532435 – 26/02/2025) – Annexes 6, 7, 8 and 9</p>			
3.a	Proposed clarification of point (d)	The proposed amendment is consistent with the current understanding and application in practice	We support the clarification.
3.b	Proposed options for the paragraph below point (f)	<p>Option 1: It would represent a real simplification.</p> <p>Option 2: We understand that the proposed amendments to the paragraph after point (f) lead to the simplification of certain requirements of the DNSH Pollution, by limiting the assessment of the use and presence of substances to those that have a harmonised classification and are included in the candidate list of Substances of Very High Concern for authorisation.</p> <p>We find that the amendments would still lead to burdensome tasks.</p>	<p>Option 1: We support the deletion.</p> <p>Option 2: We do not support this option, as it does not represent an alternative that really reduces the reporting burden/simplify Taxonomy reporting.</p>

3.c	Other comments	<p>Our experience demonstrates that determining whether economic activities pass the DNSH Appendix C ('DNSH C') criteria is highly complex, burdensome (because of the extremely numerous substances to be considered), impracticable for certain aspects, judgmental, and is likely to lead to diversity amongst preparers. Some would disregard certain aspects of the criteria, others would apply them literally and simplify their reporting exercise through reporting activities as 'not-aligned'.</p> <p>In particular, we have noted that the technical criteria in the DNSH C go beyond what the operational regulations (such as REACH and ROHS) require. I.e., despite the fact that undertakings are authorised to use substances of (very high) concern thanks to derogations granted, they would still be prevented from reporting their economic activities as aligned simply because of the nature of the substances they use.</p> <p>The conditions for being able to report alignment according to the EUTR, and having requirements for the EUTR that differ from the regulations that govern substances of concerns, create complexity.</p> <p>Finally, it is difficult to find the sources listing the substances that shall be assessed according to each criterion, as it requires screening several databases that are not necessarily user-friendly.</p>	<p>We suggest that the requirements of the DNSH C be simplified by accepting that compliance with the EU laws that govern pollution (such as REACH and ROHS) is sufficient evidence to demonstrate alignment– i.e., the technical criteria (a) to (f) should be revised so as not include any condition that goes beyond legislations governing pollution (e.g. it should be possible to claim having aligned activities, even when using Substances of Very High Concern for which derogations have been obtained under REACH). We believe that this would contribute to the greater consistency of EU regulations, thereby decreasing their complexity.</p> <p>We propose the following amendments:</p> <ol style="list-style-type: none"> a. Criterion (a): remove the reference to Annex II to Regulation (EU) 2019/1021 on persistent organic pollutants ("POPs Regulation") that are not prohibited but restricted under certain conditions. For Annex I, authorise at least the use of substances that benefit from derogations. b. Criterion (b): authorise exemptions mentioned in Annex III/part II (manufacturing processes subject to restrictions on use and releases of mercury and mercury compounds) of the Regulation (EU) 2017/852 c. Criterion (c): For substances listed in Annex II of Regulation (EU) 1005/2009, remove those that are not prohibited but subject to monitoring measures as defined by Regulation (EU) 2024/590 on substances that deplete the ozone layer. In particular, reference to Annex II to Regulation (EU) 2024/590 should be removed (list of substances not controlled under the protocol) d. Authorise the exemption provisions regarding substances used as intermediates in chemical
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#	Topic	Comments	Suggestions
			<p>synthesis, where alternatives are not yet available. These exemptions are put in place to maintain essential industrial processes until suitable substitutes can be found (for instance for critical applications in the pharmaceutical and chemical industries, laboratories of firefighting devices).</p> <p>e. Criterion (f): remove this criterion that goes beyond the Regulation (EU) 1907/2006 (“REACH Regulation”), such as where substances included in the candidate list (Substances of Very High Concern) are not subject to a ban or restriction and can continue to be placed on the market, i.e. without the need to demonstrate the lack of alternatives.</p> <p>f. Clarify and simplify access to the data bases where substances to be considered for compliance with the DNSH C can be found.</p>

#	Topic	Comments	Suggestions
		<p>4. FINANCIAL SECTOR – TOTAL DENOMINATOR</p> <p>We support the proposal of removing exposures that relate to undertakings which are not subject to the CSRD from the denominator. To ensure full consistency of the denominator with the numerator, we also suggest excluding all assets which can never be eligible / aligned (e.g. cash, derivative amounts and goodwill).</p> <p>Text reference: Proposed Commission Delegated Regulation amending Commission Delegated Regulation 2021/2178 as regards the simplification of the content and presentation of information to be disclosed concerning environmentally sustainable activities and Commission Delegated Regulations 2021/2139 and 2023/2486 as regards simplification of certain technical screening criteria for determining whether economic activities cause no significant harm to environmental objectives (Ares(2025)1532435 – 26/02/2025) – Article 1(6)</p>	

#	Topic	Comments	Suggestions
4.a	Exclusions from denominators	<p>In light of the Draft delegated regulation requirement stating that <i>“Exposures to undertakings other than large undertakings which, on their balance sheet dates, exceed the average number of 1000 employees during the financial year, shall be excluded from the denominator of key performance indicators of financial undertakings”</i> (amendment of Article 7(3) of the DA 2021/2178), there remains ambiguity regarding the specific components to be included in the denominators of the applicable KPIs to financial undertakings.</p>	<p>To ensure accurate representation of financial undertakings' Taxonomy KPIs and to prevent any potential understatement, we favour a common understanding that all assets currently excluded from the numerator for the KPI calculation, but included in the denominator, should also be removed from the denominator (see for example in particular lines 31 to 34 of Template 1 applicable to credit institutions).</p> <p>These assets (e.g. for credit institutions: unknown use of proceed loans to local governments, derivatives, on demand interbank loans, cash and cash-related assets, goodwill) will never qualify as Taxonomy-eligible or aligned, and their inclusion in the denominator has a major lowering effect on the reported values of the KPIs, and making the KPI less relevant.</p> <p>The corresponding templates to be used to report the Green Asset Ratio of credit institutions or the Green Investment (Asset) Ratio of insurance undertakings should be adjusted accordingly.</p> <p>It should further be clarified that the same principle for the denominator applies for all KPIs published by financial institutions, especially off-balance sheet KPIs.</p> <p>We also recommend ensuring a high degree of consistency between the Taxonomy Regulation and Pillar 3. Therefore, we suggest aligning Pillar 3 KPIs to the Taxonomy KPIs.</p>

#	Topic	Comments	Suggestions
<p>5. NON FINANCIAL SECTOR - TEMPLATES KPIS</p> <p>We generally support the proposed amendments. We consider that they will simplify the reporting. However, it should be acknowledged that they do not simplify the work effort for the preparation of the reporting, which will remain complex and burdensome.</p> <p>We have made further proposals that contribute to further simplification and reduce complexity of the information presented.</p> <p><u>Text references:</u> The comments below relate to Article 1(8) of the proposed Commission Delegated Regulation with respect to the Delegated Regulation (EU) 2021/2178 – Article 1(8) “Annex II to Regulation (EU) 2021/2178 is replaced by the text in Annex I to this Regulation” and Article 1(13) “Annex XII to Regulation (EU) 2021/2178, templates 2, 3, and 4 are deleted”.</p>			
5.a	Leaner templates	<p>We note the change to get rid of columns with limited/no value (e.g. DNSH/MS for aligned activities)</p> <p>There will be simplification by focusing on alignment information, without distinguishing Substantial Contribution (SC) or DNSH.</p> <p>Whilst there are reductions in the data points disclosed, the reporting burden does not seem affected by these changes. The required effort to calculate the KPIS/provide the required information is not changed.</p>	<p>We support the proposed changes. Reporting will be facilitated by leaner templates, but the workload to prepare information will substantially remain.</p>
5.b	Scope/application	<p>Do the templates need to always be used? Or should they only be used if there are aligned activities in year N or N-1? The titles of the templates suggest a narrow application for aligned activities only. A clarification would be welcomed if the templates are also required for activities that are only eligible, but not aligned (in year N or N-1).</p>	<p>Please clarify whether the templates (1 and 2) are also required for activities that are only eligible but not aligned (in Year N or N-1).</p>

5.c	Disclosures regarding non-material activities	<p>It is not clear how non-material activities shall be presented in the templates.</p> <p>On the one hand, proposed amendment of Article 1(1)1a mentions that <i>“The turnover, capital expenditure and operational expenditure related to the activities to which the first subparagraph is applied shall be reported separately as non-material turnover, capital expenditure or operational expenditure”</i>.</p> <p>On the other hand, Recital 6 mentions that <i>“non-financial and financial undertakings should report separately non-material activities at aggregated and individual levels”</i>.</p> <p>The proposed text does not provide any information as to the format of disclosures related to non-material activities:</p> <ul style="list-style-type: none"> a) Is any information required to be disclosed for non-material activities? We note that the revised version of templates 1 and 2 does not include any column or row dedicated to non-material activities; b) Should a specific row be created in the templates for the total of non-material activities? If so, should there be a distinction between non-material eligible activities, and material eligible but non-material aligned activities? c) Should non-material activities be presented as narrative information in the contextual information? 	<p>Clarification relating to the depth and format of the non-material activities disclosures would be welcome, keeping in mind though not to increase the complexity and burden of the reporting for immaterial items.</p>
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#	Topic	Comments	Suggestions
		d) Should the presentation of non-material activities be left to the choice of the undertakings?	
5.d	Template 1: Total in column (2)	The title of column (2) indicates “Total”. Although it is included in the “Taxonomy eligible and Taxonomy aligned activities” part of the template, it is unclear whether undertakings should report in this column the proportion of Taxonomy eligible activities (currency) or the total denominator of the KPI.	<p>We suggest clarifying the title of column (2) – see also editorial comment in Appendix B.</p> <p>Should “Total” mean to be the total of “Taxonomy eligible activities”, by analogy with what is mentioned in Column (4) for Taxonomy aligned activities, we suggest adding an additional column in order to disclose the amount of the KPIs denominator. This column would help to facilitate reconciliation with the information issued from the financial statements for external users, and assess implicitly the extent to which activities are non-eligible.</p> <p>This would be consistent with the requirement of the DA 2021/2178, paragraph 1.2.1, which states: <i>“For turnover and capital expenditure, non-financial undertakings shall include references to the related line items in the financial statements.”</i></p>

#	Topic	Comments	Suggestions
5.e	Templates 1 and 2: reconciliation of data	<p>We understand that Template 1 aims to be a “summary” of information contained in the “per activity” Templates 2.</p> <p>As such, we would have expected information disclosed in Template 1 to be in all aspects easily reconciled with information per activity provided in Template 2.</p> <p>Nonetheless, reconciling data does not appear to be simple. For example, it is unclear whether the data reported in Template 1 for the breakdown by environmental objectives (columns 6 to 11) is expected to reconcile with the ‘Sum of alignment per objectives’ OR the ‘total turnover/CapEx/KPI’ of Templates 2.</p> <p>Last, footnotes are not always worded consistently from a template to another: they do not provide a clear definition of how data should be determined, and how they reference to the different columns and rows.</p> <p>As an example, it is unclear whether double counting shall be included in Template 2 columns “Taxonomy aligned KPI (monetary value of Turnover / CapEx / OpEx) (3)” and “Taxonomy aligned KPI (Proportion of Taxonomy aligned Turnover, CapEx, OpEx (4)” when reporting on multiple objectives.</p>	<p>We suggest to provide clear guidelines on how to fill the templates and determine the data. This would contribute to an homogeneous and consistent use of templates by undertakings.</p> <p>These guidelines could take the form of footnotes:</p> <ul style="list-style-type: none"> a) Worded consistently from a template to another b) Clarifying how to assess or determine data for each relevant column or row (taking into consideration for example how activities eligible to, or contributing to, different activities are treated) c) Referenced to the columns and rows of the different templates.

#	Topic	Comments	Suggestions
6. FINANCIAL SECTOR – TEMPLATES KPIS			
General comments on financial undertaking templates			
6.a	Template simplification and reporting burden for financial undertakings	We fully support the initiative to simplify and reduce the templates that financial undertakings are required to publish. However, simplifying the templates does not necessarily lead to a reduction in the preparatory work involved in data collection, analysis, and calculation.	Besides streamlining the templates, we also suggest reducing the number of KPIS to be presented by financial undertakings, including eliminating the Trading book, the AuM Flow, and the Fees and commissions KPIS (see point 7.j below).
6.b	Comparative figures for financial undertakings' templates	<p>Article 8 (3) of DR 2021/2178 stipulates that KPIS covering the prior year shall be provided but it is not clarified how to do this for all KPIS. This creates uncertainties in whether and how financial undertakings shall provide comparative figures:</p> <ul style="list-style-type: none"> • Credit Institutions: The T-1 columns for templates 1, 3 and 6 have been removed in Annex III (Amendments of Annex VI of DR 2021/2178) • Investment Firms: No T-1 columns included in Annex IV (Amendments of Annex VIII of DR 2021/2178) • Asset Managers: No T-1 columns provided in Annex II (Amendments of Annex IV of DR 2021/2178) • Insurers/Reinsurers: T-1 columns only included for Template 1 in Annex V (Amendments of Annex X of DR 2021/2178) 	<p>We suggest that comparative figures for prior year shall only be required for summary tables, to align with requirements on comparative figures for NFS undertakings:</p> <ul style="list-style-type: none"> • Credit Institutions: Template 0 • Investment Firms: Template 0 • Asset Managers: Green Asset Ratio, e.g. duplicate row 3 and 4 for T-1 • Insurers/Reinsurers: Clarify it is columns T-1 in Template 1 and same as for Asset Managers for Template 2

#	Topic	Comments	Suggestions
6.c	Calculation logic in templates	Many templates have been developed for the financial sector. However, they do not all adopt the same logic and do not systematically allow for easy reconciliation, especially with financial statements. This leads to misunderstandings or divergences in interpretation that harm the comparability of KPIs.	We suggest creating Excel files for each template that include detailed formulas for each KPI, particularly with detailed denominator and total and sub-total formulas.
Credit institutions' templates			
6.d	Calculation logic in templates 3, 4 and 5 in Annex III amending Annex VI of DA 2021/2178	<p>The suggested denominator for several templates neutralises the proposed corresponding row approach (with denominators that exclude investments in non-CSR undertakings):</p> <ul style="list-style-type: none"> denominator in Template 3 still refers to the total covered assets denominator in Template 4 still refers to the total covered assets. In addition, using total covered assets and not new covered assets contradicts the Flow KPI logic denominator in Template 5 still refers to the total off-balance sheet assets 	<p>We suggest that formulas are added to the templates to reduce the risk of different interpretations, and to update wording to:</p> <ul style="list-style-type: none"> Template 3: "% (compared to corresponding covered assets in the denominator)" Template 4: "% (compared to corresponding new covered assets in the denominator)" Template 5: "% (compared to corresponding off-balance sheet assets in the denominator)"
6.e	Publication of additional Templates 1 Flow KPI in Annex III amending Annex VI of DR 2021/2178	Footnote 2 of Template 1 in Annex III amending Annex VI of DR 2021/2178 requires duplication of Template 1 for the Flow KPI, which is a new requirement, as credit institutions have previously not been required to publish Template 1 for the Flow KPI.	In the spirit of simplification, we suggest to not introduce this new requirement in footnote 2 to duplicate Template 1 for the Flow KPI, in addition to % reported for the Flow KPI in Template 4. If removed, the heading for Template 1 should also be adjusted to exclude Flow.

#	Topic	Comments	Suggestions
Asset manager and insurer & reinsurer (GAR – Investment KPI) templates			
6.d	<p>Annex II (Amendments of Annex IV) and Annex V (Amendments of Annex X) of DR 2021/2178</p> <p>Template for the Green Asset Ratio (Asset managers, Insurers & Reinsurers – template 2)</p> <p>Rows relating to undertakings in the scope of the revised CSRD</p>	<p>Proposed new template rows n°5/6/7/18/19/20 referring to “<i>undertakings subject to Article 19a and 29a of Directive 2012/34/EU</i>” are not consistent with the change in the Taxonomy Regulation scope. They do not coincide anymore as the scope of the EU Taxonomy Regulation (EUTR) is more restricted than that of the Accounting Directive.</p>	<p>Proposed new template row 5: Considering non-aligned thresholds between CSRD and Taxonomy Regulation scopes, it could be more relevant to refer here to “<i>undertakings subject to Taxonomy Regulation reporting</i>”.</p> <p>This balance could potentially also include those EUTR information of undertaking in the scope of the CSRD (because above 1,000 employees), but not in the scope of the EUTR (because 50M€ < turnover < 450M€), that shall provide a Taxonomy reporting according to the new articles 19b and 29aa, paragraphs 2 to 4, of the Accounting Directive 2013/34 2021/2178 (because they have made claims to have activities that are fully or partially Taxonomy-aligned).</p>
6.e	<p>Annex II (Amendments of Annex IV) and Annex 5 (Amendments of Annex X) of DR 2021/2178</p> <p>Template for the Green Asset Ratio (Asset managers, Insurers & Reinsurers – template 2)</p> <p>Rows relating to undertakings out of the scope of the revised CSRD</p>	<p>Proposed new template rows n°21/22/23 “Undertakings not subject to <i>Article 19a and 29a of Directive 2012/34/EU</i>” (in the breakdown of covered assets) is not consistent anymore with the new definition of covered assets (Article 1(6): amendment of article 7(3) of DR 2021/2178).</p>	<p>Proposed new template rows n°21/22/23 should be removed, to be consistent with the way the new denominator for financial KPIs is determined.</p>

#	Topic	Comments	Suggestions
6.f	<p>Annex II (Amendments of Annex IV) and Annex 5 (Amendments of Annex X) of DR 2021/2178</p> <p>Template 2 for the Green Asset Ratio (Asset managers, Insurers & Reinsurers)</p> <p>Row relating to “Other counterparties and assets”</p>	<p>It is unclear what types of assets should be included in the template row n°24 referring to “<i>Other counterparties and assets</i>”.</p> <p>In particular, shall exposures to assets without available data be reported here or should this row only includes other counterparties like investment funds? Does the sum of rows 17 to 24 equal to the total of covered assets disclosed in row 2?</p> <p>In the same spirit, should the sum of lines 5 & 8 equal line 4?</p>	<p>We suggest explicitly specifying where the exposures to covered assets, for which there is no data available, should be reported. I.e. whether they should be reported as “<i>other counterparties and assets</i>” or not reported in the denominator breakdown at all.</p> <p>A new row to the template for the purpose of reconciliation with financial statements purpose would be useful to avoid different interpretations.</p> <p>More generally, we suggest specifying the expected subtotals.</p> <p>This comment is also relevant for Template 2: GAR KPI for non-life insurance and reinsurance.</p>
6.g	<p>Annex V (Amendments of Annex X) of DR 2021/2178</p> <p>Template 2: GAR KPI for non-life insurance and reinsurance</p>	<p>Proposed new Template 2 for Insurers, rows 9 and 26, refers to assets other than unit-link assets, but it is unclear whether the other assets disclosed (row 5 to 8) already include unit linked assets or not.</p> <p>Is this distinction needed for a user?</p> <p>Which lines among lines 5 to 9 should be summed up to equal row 4? Should rows 10 & 11 equal row 4 as well?</p>	<p>Please, provide clarification to our questions.</p>

#	Topic	Comments	Suggestions
Insurer/Reinsurer templates – Underwriting KPI			
6.j	Annex V (Amendment of Annex X of DR 2021/2178) Template on the Green Underwriting Ratio (Non-life insurers or reinsurers) Template 1	The row ‘Total’ in Template 1 is unclear as the sum of taxonomy-aligned activities and taxonomy-eligible activities cannot be 100%. The 100% are inconsistent with the KPI’s denominator (as described in the Annex IX of DR 2021/2178), because the non-eligible premiums are missing. Or should this ‘Total’ be interpreted as the ‘Total denominator amount’?	We suggest clarifying what balances are expected to be included in the ‘total row’, to avoid misunderstanding. Alternatively, as the 100% disclosed in the row ‘Total’ is inconsistent with the KPI’s denominator (described in the Annex IX of DR 2021/2178), which is the total gross written premiums or revenue, a new row should be added to disclose non-eligible gross written premiums or revenues.
Investment firm templates			
6.k	Annex 4 (Amendments of Annex VIII of DR 2021/2178) Template for the KPIs of Investment firms and Template 2 “Other services”	The Revenue KPI is consistent with the Fees & Commissions’ GAR for credit institutions, which determination has been postponed to 2027.	A mentioned in points 6a and 7j, in order to reduce the reporting burden, we suggest removing the Fees & Commissions GAR for credit institutions and Revenue KPI for Investment firms as they are similar KPIs. If maintained, we suggest postponing the determination of the Revenue KPI on to 2027, as for credit institutions.
6.l	Annex 4 (Amendments of Annex VIII of DR 2021/2178) Template for the KPIs of Investment firms and Template 2 “Other services”	It is questionable whether the breakdowns by investment services is being used by users.	We suggest the Commission to consider removing the breakdown of the Revenue KPI, as a further simplification measure.

#	Topic	Comments	Suggestions
6.m	<p>Annex 4 (Amendments of Annex VIII of DR 2021/2178)</p> <p>Template 1 “KPIs IF - Dealing on own account services”</p>	<p>This KPI is consistent with the Green Investment (Asset) Ratio published by Asset Managers and Insurers. Therefore, the non-alignment between templates is confusing.</p>	<p>As the KPI for Investment firms dealing on own account is consistent with the Green Investment (Asset) Ratio published by Asset managers and Insurers/Reinsurers, the templates could be aligned to be a unique template. Potentially, specifically for Investment firms, a row could be added to distinguish assets dealt on own account and assets dealt on behalf of clients (or to distinguish between on-balance sheet and off-balance sheet assets).</p>
6.n	<p>Annex IV amending Annex VIII DDA</p> <p>1. KPI IF - Dealing on own account services</p>	<p>Total assets invested under investment firms' activities dealing on own account are broken down in the template between assets invested “on own behalf” and assets invested “on behalf of clients”. It is not clear from Annex VII DDA what should be reported under the heading “on behalf of clients”. Annex VII DDA paragraph 2.1 refers to assets of the investment firm. Paragraph 2.4 further explains that “For the denominator, total assets shall include all assets invested by investment firms on own account.”</p>	<p>Assets invested “on behalf of clients” should not be mentioned in template 1 as it covers specifically investments made by the investment firm “on own account”.</p> <p>We also suggest to ensure a similar treatment for off-balance sheet assets for investment firms, banks and asset managers.</p>

#	Topic	Comments	Suggestions
7. NON-FINANCIAL AND FINANCIAL SECTOR – TEMPLATES KPis (for Gas & Nuclear templates)			
7a	Gas and nuclear (G&N) templates (Annex XII to Regulation (EU) 2021/2178)	<p>We wonder why is Template 5 of Annex XII not deleted, too? If so, is Template 1 (then) still necessary?</p> <p>As an example, for the non-financial sector, it could be noted that template 5 provides information relating to non-eligible activities whereas information relating to non-eligible activities has been removed from the general Templates 1 and 2. Keeping Template 5 would lead to reinstating some information that was proposed to be deleted, and so it would not contribute to reducing the reporting burden.</p> <p>Information relating to all activities, including per nuclear and gas activities if material, should be disclosed consistently in the generic templates.</p>	<p>We suggest to delete Templates 1 and 5 of Annex XII of delegated regulation (EU) 2021/2178 (and FAQ 29 of C/2024/6691). In particular, Template 5 is not considered contributing to reducing the reporting burden.</p> <p>Without any further templates on G&N, the information gathered by Template 1 is not useful, as any material (G&N) activities will be reported in the “main” templates anyway.</p>
8. ADDITIONAL MATTERS (Critical ECG prior proposals to the Commission still not addressed)			
<p>We have identified some additional important areas of high complexity that we suggest be addressed in the Omnibus simplification package, as they raise many interpretation and implementation issues.</p> <p>We would like to reiterate as part of this consultation the comments and recommendations that we have shared with the Commission’s staff previously, as we believe that they are instrumental to achieve the goal of the omnibus simplification package.</p>			

8.a	EU Subsidiaries' Taxonomy reporting exemption	<p>We have been informed that one reading of the EU Taxonomy Regulation, combined with the CSRD requirements, would lead to the view that the respective KPIs of an EU subsidiary (or an intermediate parent), in the scope of the CSRD, shall always be determined and be presented in the consolidated Taxonomy reporting of their parent, for example in the contextual information (if the Taxonomy reporting is not presented at the EU sub level). This would be supported by FAQ 10 published in November 2024 in C/2024/6691.</p> <p>We understand that the purpose would be to enable the financial sector to access the precise KPI information in relation to investments they may have at the level of an EU subsidiary, to enable them to satisfy their own Taxonomy reporting obligations.</p> <p>The above approach is not supported by ECG, which observes that:</p> <ul style="list-style-type: none"> a. De facto, the approach would require the determination of a Taxonomy reporting at the level of each individual EU subs in the scope of articles 19a and 29a. b. This raises questions with respect to: <ul style="list-style-type: none"> i. The basic principles of what it means to prepare consolidated information. ii. The decision of the co-legislators, at the time of the development of the CSRD, of reducing the reporting burden of subsidiaries. c. It is not how FAQ 11 of C/2023/305 has been understood and applied so far – today, the 	<p>We suggest revisiting holistically the subsidiaries' EUTR reporting exemption:</p> <ul style="list-style-type: none"> a. Clarify and confirm that an EU subsidiary's exemption for EUTR reporting works similarly to that for ESRS reporting, regardless of whether the EU subsidiary is controlled by an ultimate EU or non-EU company, or included in "artificial consolidated" EUTR reporting prepared in accordance with Article 48i of the Accounting Directive b. This clarification would result in the following outcomes: <ul style="list-style-type: none"> i. regardless of whether the EU subsidiary is controlled by an ultimate EU or non-EU company (i.e., if the non-EU company prepares a fully consolidated EU Taxonomy reporting at the global level, its EU subsidiaries should benefit from the EU Taxonomy reporting exemption as well); ii. as long as a parent prepares a consolidated EU Taxonomy reporting, including for the situations where an "artificial consolidated" Taxonomy reporting is prepared by a non-EU group for all its EU subsidiaries – cf. Article 48(i) of the CSRD; the EU subsidiaries could benefit from the exemption of preparing, disclosing, and having assured an EU Taxonomy reporting at their level. c. In conjunction with a. above, where general purpose loans are written to exempted subsidiaries, allow the use by financial institutions of the subs' group level KPIs in determining their KPIs, where: <ul style="list-style-type: none"> i. The subsidiaries' KPIs are not directly available to the financial institution (e.g. some financial institutions may have collected the information
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		<p>practice is that, as long as the financial information for the EU subs is part of the consolidated financial information (and therefore also part of the consolidated sustainability reporting), the condition for the EU subs exemption is considered to be met.</p> <p>Application of FAQ 10 of C/2024/6691 would create a significant change and reporting burden for groups compared to what they have been preparing for, as part of their CSRD project:</p> <ol style="list-style-type: none"> 1. the information at the EU subsidiary level cannot be extracted immediately from the consolidated taxonomy reporting – it would require the mobilisation of additional resources (people and systems) at the individual subs level to prepare the individual taxonomy reporting; 2. for pan-European groups, the financial information at the subs level is likely prepared using accounting principles (e.g. FR GAAP) that differ from the accounting principles used for the group (e.g. IFRS). Besides, the information relating to subs in the consolidated reporting has been subject to consolidation procedures, that would have to be unwound if the reporting shall reflect the financial/taxonomy information at the EU subs levels only. Also, the EU subs are unlikely to be competent and equipped for preparing such a reporting, which is complex. 	<p>bilaterally – although this should not be a requirement); and</p> <ol style="list-style-type: none"> ii. The subsidiaries’ KPIs cannot be estimated through other means – e.g. thanks to the detailed information provided by economic activities in the group’s consolidated EU Taxonomy reporting.
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#	Topic	Comments	Suggestions
		<p>3. an assurance provider would need to be appointed by the general assembly to provide the limited assurance on that individual taxonomy reporting – no such procedures have taken place so far.</p> <p>The ECG urges the Commission to mirror the EU Taxonomy reporting exemptions for CSRD scoped-in EU subsidiaries with those applicable for the ESRS reporting.</p>	

8.b	Groups with mixed activities – Determination of the consolidated KPIs	<p>ECG understands that, for groups with mixed activities (e.g. banking, insurance/reinsurance, asset management, investment firm, and non-financial), FAQs 7 and 9, and Appendix II, of C/2024/6691, assume that, for the purposes of the determination of the consolidated KPIs, groups:</p> <ol style="list-style-type: none"> 1. Distinguish the different activities laid out in the Regulation 2021/2178 – (i) non-financial sector, (ii) asset managers, (iii) credit institutions, (iv) investment firms, (v) insurance and reinsurance undertakings. 2. For each of these different activities, determine the (consolidated) KPIs using the respective Annexes and templates for each of them. 3. Determine the consolidated KPIs by making a weighted average of the different activities, as illustrated in Annex II of C/2024/6691. 4. Report the consolidated KPIs in the contextual disclosures. <p>ECG notes that:</p> <ol style="list-style-type: none"> a. the legal text of DR 2021/2178 does not address the computation methodology of the consolidated KPIs; and b. the parent company that publishes the consolidated KPIs most likely is not an investment firm. <p>So far, groups with mixed activities have not been preparing their consolidated KPIs using this methodology. The basis for the preparation of the</p>	<p>We strongly recommend revising the approach for determining the consolidated KPIs of groups with mixed activities, in particular what is described in FAQ 7 and 9 and Appendix II of Commission Notice C/2024/6691. They should be based on the financial consolidation (prudential reporting for credit institutions).</p>
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		<p>consolidated KPIs has been the consolidated financial statements (prudential reporting, for certain undertakings in the financial sector, such as credit institutions). This methodology is consistent with the determination of financial information on a consolidated basis.</p> <p>For credit institutions, the methodology would result in double-counting as, in the prudential consolidation, investments in subsidiaries outside of the scope of prudential consolidation (i.e. insurance and non-financial subsidiaries, as they are equity accounted for) are already included in the determination of the GAR (as equity accounted investments are treated similarly to any other type of investments). Weighting separate KPIs for such subsidiaries (insurance companies and non-financial subsidiaries) and the GAR, which already includes them as investments, may distort the resulting weighted KPIs.</p> <p>Practically, it is unclear how the methodology can be applied for non-financial conglomerates having financial sector activities (credit institutions, etc.). Annex II of C/2024/6691 is not clear enough.</p> <p>Also, it is arguable how the disclosure of a single consolidated KPI (average) as stated in C/2024/6691, could be useful if it is not split per objective.</p> <p>Of note: the preparation of consolidated financial statements follows accounting rules, including the elimination of intercompany transactions between the different sets of activities. The methodology</p>	
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#	Topic	Comments	Suggestions
		outlined in FAQ 7 would require determining the KPIs before elimination of intercompany transactions and consolidation entries, which would seem strange if referring to consolidated financial data.	

8.c	<p>Templates to be presented for groups with mixed activities</p>	<p>ECG has been informed that, for the purposes of its consolidated Taxonomy reporting, the parent entity would be expected to publish:</p> <ul style="list-style-type: none"> a. The sets of templates relevant to each of its different activities (e.g. for its non-financial sector activities => templates of Annex II, for its credit institution activities => templates of Annex VI, for its insurance activities => templates of Annex X...) b. The consolidated KPIs (see above), in the contextual notes. <p>ECG notes that this approach is not consistent with the way consolidated financial information is prepared, ie for consolidated amounts, there is a single set of statements that is being prepared according to the predominant nature of the mixed group.</p> <p>As indicated above, practice so far, and understanding of the requirements for the consolidated data, since implementation of the Taxonomy regulation as from 2021, has been to select and prepare a single set of templates (Annexes II, IV, VI, VIII, X) reflecting the consolidated financial data for the entire group (on a consolidated accounting basis or consolidated prudential basis, depending on whether the requirement is for reporting on a prudential basis or not).</p> <p>Practically, preparing all the templates for the different sets of activities:</p> <ul style="list-style-type: none"> a. could be extremely burdensome and costly to prepare, 	<p>We suggest revisiting the presentation of the EUTR reporting of groups with mixed activities</p> <ul style="list-style-type: none"> a. The consolidated taxonomy reporting should be presented using the templates reflecting the predominant nature of the group – e.g. non-financial group, or credit institution group, or insurance group, etc... <p>The contextual information accompanying the consolidated taxonomy reporting could include, in a summarised format, the main KPIs determined at the level of the main different sectors of that group (banking, insurance, asset management, investment firm, and non-financial activities), following the requirements applicable to those sectors KPIs – to the extent that such sectors are material within the group and this would lead to the presentation of material differences in the level of alignment for the KPIs presented. However, there should be no expectation created that a complete set of templates for each of the sectors of groups with mixed activities (non-financial, credit institutions, insurance, asset management and investment firms) should be included.</p>
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#	Topic	Comments	Suggestions
		<p>b. would result in voluminous information that would be hard to digest by readers (e.g. credit institutions taxonomy reporting usually amount to the presentation of 40 pages of templates). As the Taxonomy reporting is required to be included in the environmental section of the sustainability statement, there is a risk of obscuring the understanding of the sustainability statement having such a voluminous information included in it.</p>	

8.d	Granularity at which KPIs should be disaggregated within a group	<p>ECG observes that:</p> <ol style="list-style-type: none"> 1. FAQ 12 from C/2023/305 may be read as promoting further disaggregation of subsidiaries' KPIs and templates beyond the five main sector activities identified in the EUTR (non-financial sector, credit institutions, insurance and reinsurance, asset management, and investment firms) 2. Granularity, at the level of the EU subs, is not required by the CSRD – Article 29a§4 only mandates disaggregation of information in situations where there are “<i>significant differences between the risks for, or impacts of, the group and the risks for, or impacts of, one or more of its subsidiary undertakings</i>”. FAQ 8 of C/2024/6691 seems to override the subsidiaries' exemption embedded in the law, by requiring producing disclosures on a level that is explicitly excluded from the requirements of the Accounting Directive. In addition, it looks inconsistent with what is required for the ESRS reporting. 3. Today, in practice, we are not aware of companies preparing themselves to report KPIs determined at the level of each EU subs. 4. Today, in practice, when lending to a CSRD scoped-in EU subsidiary, financial institutions mostly use the subsidiary's group KPIs for determining the GAR, as the information is not available at the level of the EU subsidiary, unless obtained on a bilateral basis. 5. For investments in equity and bonds that are listed on a regulated market, ECG notes that 	<p>We suggest to clarify that FAQ 12 from C/2023/305 does not mean requiring further disaggregation of subsidiaries' KPIs and templates beyond the five main sector activities identified in the EUTR (non-financial sector, credit institutions, insurance and reinsurance, asset management, and investment firms).</p>
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		<p>the KPIs will be directly available, as there is no subsidiary exemption available from publishing a sustainability statement including the EU Taxonomy KPIs.</p> <p>6. ECG notes that a requirement to disclose the KPIs of EU CSRD scoped-in entities, either at their level or presented in the consolidated taxonomy KPIs, would create a layer of reporting that would be difficult to be reconciled with financial reporting. This is because the individual financial statements are prepared under local GAAP, which may differ from the GAAP used to prepare consolidated financial statements. Besides, this information is determined before any entries that take place during consolidation. Today, the preparation of the consolidated taxonomy reporting is not the sum of the preparation of the taxonomy reporting at the level of the EU subsidiaries. Information is extracted from the consolidation systems directly, which may differ from the reporting at a subsidiary level (because of differences in GAAP and consolidation entries).</p> <p>ECG notes that preparing the information at the subsidiary level would represent significant additional burden and costs (including assurance cost).</p> <p>ECG also questions the full relevance of reporting on the separate legal entity level for <u>all</u> EU CSRD scoped-in entities, particularly where specific group structures are utilised (i.e. where there are extensive intercompany</p>	
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#	Topic	Comments	Suggestions
		<p>operations, cross-guarantees, etc.). This is because, in many cases, separate lending to subsidiaries takes place through group financing entities that lend onwards in the group. The group KPIs would then likely be most representative KPIs, especially if such group financing entities are guaranteed by the group (parent).</p> <p>In addition, banks are generally able to obtain bilateral info, where needed. This is the case for the analysis of loans that are use-of-proceeds loans.</p>	
8.e	CapEx and OpEx of “type (c)” – Regulation (EU) 2021/2178, paragraphs 1.1.2.2. and 1.1.3.2.	<p>CapEx and OpEx of “Type (c)” are required to be disclosed by the Disclosures DR (EU) 2021/2178, § 1.1.2.2 and 1.1.3.2. They include expenditure for the purchase of output from Taxonomy-aligned activities of suppliers.</p> <p>Based on what we currently see in practice, we observe that assessing eligibility and alignment of <u>all</u> CapEx/OpEx of Type c) for the six environmental objectives can be very burdensome, especially for certain activities that can have a very broad spectrum (such as CE 1.2 <i>Manufacture of electrical and electronic equipment</i> or 3.2 <i>Renovation of existing buildings</i>).</p>	<p>As a further simplification measure to reduce reporting burden, further to the application of the new materiality principle, we propose that the reporting of CapEx and OpEx KPIs of “Type (c)” is made optional, allowing undertakings to report ‘non-aligned’ even if an economic activity is eligible (i.e. allow nil alignment reporting rather than forcing to declare alignment).</p> <p>Accordingly, the reporting will be made voluntarily by those undertakings that wish to show how their material individual purchases and measures, which do not relate to (future) aligned activities (CapEx and OpEx of “Type (a)” and “Type (b)”), comply with the EU Taxonomy.</p>

#	Topic	Comments	Suggestions
8.f	Non-financial sector, Adjusted KPIs in the contextual notes	<p><i>a. With respect to the adjusted Revenue and CapEx KPIs to be provided in the contextual information, where environmentally sustainable bonds or debt securities with the purpose of financing specific identified Taxonomy-aligned activities have been issued (“green instruments”)</i></p> <p>§ 1.2.3.1 and 1.2.3.2 of the Disclosures DR 2021/2178, Annex I, require that non-financial undertakings that have issued sustainable “green instruments” for the purpose of financing specific identified Taxonomy aligned activities shall also disclose the related adjusted revenue/CapEx KPI, so as to avoid double counting by the financial sector, in determining their own KPIs.</p> <p>FAQ 16 of Commission notice (C/2023/305) attempts to clarify the application requirements. We observe that the determination of those adjusted KPIs remains complex and leads to diversity in practice (e.g. what shall be done when “green” projects are not financed solely through “green instruments”?). Determining what portion of turnover has been generated thanks to the issuance of a green bond is almost impossible. We also note that publishing the adjusted CapEx KPI (which is easier to determine) without publishing the adjusted Revenue KPI does not seem to be relevant and useful, especially for the financial sector, hence why we suggest deleting the requirement for such adjusted KPIs.</p>	<p>We suggest eliminating the following disclosure required to be provided in the contextual information (§1.2.3, Annex I, of the Disclosures DR):</p> <p>a. The adjusted Revenue and CapEx KPIs, where “green financing” is issued.</p> <p>Should the above suggestion be adopted, please also consider removing FAQ 16 (C/2023/305) as a consequence.</p>

#	Topic	Comments	Suggestions
8.g	Taxonomy-aligned activities pursued for non-financial undertakings' own internal consumption (Turnover KPI)	<p>b.§ 1.2.3.1 of the Regulation (EU) 2021/2178, Annex I, requires information about the amounts related to Taxonomy-aligned activities pursued for non-financial undertakings' own internal consumption.</p> <p>This disclosure is difficult to determine as it is not precise. A simplification measure would be to delete the requirement.</p>	<p>We suggest eliminating the following disclosure required to be provided in the contextual information (§1.2.3, Annex I, of the Disclosures DR):</p> <p>a. Turnover KPI: The amounts related to Taxonomy-aligned activities pursued for non-financial undertakings' own internal consumption.</p> <p>Should the above suggestion be adopted, please consider removing FAQ 21 (C/2023/305) as a consequence. Draft FAQs 11 and 13 in the draft Commission Notice published on November 2024 would need to be reconsidered as well.</p>

8.h	<p>Determining the alignment for retail exposures – credit institutions and documentary evidence on investee compliance for minimum safeguards</p>	<p>Credit institutions face significant challenges in assessing technical screening criteria, including for DNSH and minimum safeguards (MS) for retail loans.</p> <p>In many cases they cannot demonstrate full alignment but have to go through burdensome procedures to get there.</p> <p>In addition, FAQ 37 in the third Commission Notice (C/2024/6691) is creating significant practical concerns. It suggests that the financial sector shall investigate the compliance to the EU Taxonomy of the funds lent to retail customers, in particular with respect to Minimum Safeguards (MS) (eg whether the suppliers chosen by the retail customers for their projects meet the MS).</p> <p>This would imply collecting and keeping evidence for thousands of investees, which is burdensome and hardly practicable. Especially, we concur with the PSF that expresses <i>“audited statements on Taxonomy alignment can be used as sufficient documentary evidence for known-UoP loan assessments in the GAR”</i> and suggests relieving <i>“credit institutions of MS assessments on their retail exposures”</i>. FAQ 37 is particularly problematic, with respect to the demonstration that retail clients respect minimum safeguards as they use their loans’ proceeds.</p> <p>Whereas credit institutions can implement due diligence procedures, collecting evidence for every single loan is highly burdensome leading those institutions either ignoring this FAQ or reporting non-alignment of their portfolio.</p>	<p>We propose that the reporting of retail exposures is made optional, allowing undertakings to report ‘non-aligned’ (i.e. allow nil alignment reporting rather than forcing to make assessments).</p> <p>We suggest changing the language in section 1.2.1.3. of Annex V to the DR 2021/2178 "Green asset ratio for retail exposures" from "shall" to "may". This would allow credit institutions to treat the retail portfolio as eligible but not aligned, unless they decide to collect all necessary evidence.</p> <p>Alternatively, we suggest simplifying the application of the DNSH and MS requirements for this specific category of loans.</p> <p>In particular, as a simplification measure, we suggest to not impose requiring the demonstration of the compliance of the use of proceeds by retail customers with MS, for determining alignment. At a minimum:</p> <ol style="list-style-type: none"> a. e.g. revisit FAQ 37 of C/2024/6691 accordingly b. relieve credit institutions of MS assessment on retail loans, as suggested by PSF.
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#	Topic	Comments	Suggestions
8.i	<p>Financial sector – Further simplification suggestions –</p> <p>Deletion of further KPIs</p>	<p>We suggest the Commission to revisit the relevance of maintaining certain of the required KPIs to be presented by the financial undertakings. We have observed that they are complex and burdensome to implement, and that there are questions about how this information is being used.</p> <p><i>a. With respect to the Fee and Commissions KPI</i> This KPI does not describe “financed” taxonomy-aligned activities (for credit institutions or investment firms). It is based on a completely different approach from other KPIs in relation to “financed” taxonomy-aligned activities. It is difficult to understand how it is a relevant and useful KPI that helps investors redirect cash flows towards sustainable investments.</p> <p><i>b. With respect to the Trading book KPI</i> The Trading book portfolio only finances very short-term investments (for credit institutions). The relevance of the KPIs is questionable</p> <p><i>c. With respect to the AuM Flow KPI (for credit institutions)</i> We observe that this KPI is only required for banks. Why is it relevant for banks only, and not asset managers? As asset managers are not required to provide this information, it should not be required for banks either.</p>	<p>Consider whether to:</p> <ul style="list-style-type: none"> a. Delete the KPI for fees and commissions b. Delete the KPI for trading book c. Delete the AuM Flow KPI (for credit institutions)

Appendix B – Editorial comments

We include thereafter comments of an editorial nature.

#	Topic	Comments	Suggestions
1	<p>Recital (6) in conjunction with the proposed amendments of Article 2 (1) of the Delegated Regulation (EU) 2021/2178</p> <p>Application of the materiality thresholds – harmful activities</p>	<p>Recital (6) mentions that <i>“it should be avoided that, within the non-material activities, undertakings include harmful activities that would contradict the objectives underpinning the Taxonomy Regulation. Therefore, non-financial and financial undertakings should report separately non-material activities at aggregated and individual levels. The undertaking should clearly state at individual level the content and nature of the economic activities that are considered as non-material to ensure transparency on those activities”</i></p> <p>This recital is inconsistent with the proposed amendment of Article 2(1) that only mentions that <i>“The turnover, capital expenditure and operational expenditure related to the activities to which the first subparagraph is applied shall be reported separately as non-material turnover, capital expenditure or operational expenditure”.</i></p>	<p>Refer to our earlier comments in Appendix A, point 2a.</p> <p>We suggest removing from the Recital (6) the notion of “harmful activities” that is not a requirement included in the legislative text. As these activities are not material, their environmental impact should be deemed to be insignificant.</p> <p>In addition, the level of disclosures related to non-material activities should be further clarified, as the recital is inconsistent with the proposed amendment of the text included in Article 2 that only mentions that non-material activities <i>“shall be reported separately as non-material turnover, capital, expenditure or operational expenditure”</i>.</p>

#	Topic	Comments	Suggestions
2	Templates for the KPIs of non-financial undertakings – Template 1 (proposed changes to Annex II of the Delegated regulation (EU) 2021/2178)	Template 1 provides an overview of all three KPIs. Yet, below the table, it says that this template should be duplicated for each KPI. We do not understand why, as Template 1 already includes information on all KPIs.	We consider that there is an editorial mistake to be corrected: delete the requirement to duplicate Template 1.
3	Templates for the KPIs of non-financial undertakings – Template 1 (proposed changes to Annex II of the Delegated regulation (EU) 2021/2178)	We noted the following typos in the titles of the template such as: <ul style="list-style-type: none"> - column 3: Proportion of ... - Column 4: Taxonomy aligned... - Column 13: transitional activities - Column 14: Taxonomy aligned... 	
4	Templates for the KPIs of non-financial undertakings – Template 2 (proposed changes to Annex II of the Delegated regulation (EU) 2021/2178)	We noted the following precisions to be added in the titles of the template for clarity: <ul style="list-style-type: none"> - Column 11: add “activities” after “enabling” - Column 14: add “Turnover/CapEx/OpEx” after “eligible” 	
5	Templates for the KPIs of non-financial undertakings – Template 2 (proposed changes to Annex II of the Delegated regulation (EU) 2021/2178)	Column (5) to (10) include a reference to footnotes (b) and (c) but there are no such footnotes under template 2. In the current Disclosure Delegated Act, reference (c) relates to reporting on multiple objectives and reference (b) describes abbreviations Y; N; N/EL.	We suggest removing references to (b) and (c).

#	Topic	Comments	Suggestions
6	Template for the KPIs of non-financial undertakings – Template 2 (proposed changes to Annex II of the Delegated regulation (EU) 2021/2178)	<p>The deletion of cells to indicate the enabling nature of activities in percent in Template 2 can be problematic in cases where an activity is only partially considered enabling.</p> <p>As percentages are required in Template 1 on KPI-level, the same requirement could be implemented into Template 2 so that the two templates can be reconciled.</p>	We suggest to harmonise the level of information to be displayed by undertakings in Template 2 (per activity templates) for enabling and transitional information, to facilitate the reconciliation of information between Templates 1 and 2.

#	Topic	Comments	Suggestions
7	Template 1 and 2: Impact of the revised data on the provisions of the (EU) regulation 2021/2178	<p>According to the revised templates 1 and 2 for non-financial undertakings, it is not required to disclose the proportion of Taxonomy eligible not-aligned activities or the proportion of non-eligible activities. Still, new data is now required in Template 2 with the proportion of Taxonomy aligned activities in eligible amount.</p> <p>These amendments have not been reflected throughout the (EU) regulation 2021/2178.</p> <p>For example, Annex 1 §2 of the (EU) regulation 2021/2139 still provides that:</p> <p><i>(d) non-financial undertakings shall identify the proportion of the Taxonomy-aligned economic activities and the proportion of the Taxonomy-eligible economic activities that do not meet technical screening criteria. Within a Taxonomy-eligible economic activity, non-financial undertakings shall identify the proportion of that activity that is Taxonomy-aligned;</i></p> <p><i>(e) non-financial undertakings shall identify Taxonomy-non-eligible economic activities and disclose the proportion in the denominator of the turnover KPI of those economic activities at the level of the undertaking or group;</i></p> <p>Shouldn't the provisions of the (EU) regulation 2021/2178 be adapted to mirror the proposed simplification measures made to the templates?</p>	We suggest reviewing for consistency the provisions of the (EU) regulation 2021/2178 in light of the final changes that will be made by the Commission to the templates.

#	Topic	Comments	Suggestions
8	Contradicting application date for Annex III amending Annex VI DDA	In the footnote to Template 0 in the Annex III amending Annex VI of DR 2021/2178, the effective date is not updated for Fee and Commission (sheet 6) and Trading Book (sheet 7) KPIs as it states it shall only apply starting 2026 . However, in the Draft delegated regulation (Ares(2025)1546172) amending Article 10, paragraph 5, of the Delegated Regulation (EU) 2021/2178, it is stated that sections 1.2.3 and 1.2.4 of Annex V shall apply from 1 January 2027 .	Align footnote under Template 0 to Article 10, paragraph 5, i.e. update to: <i>Note 2: Fee and Commission (sheet 6) and Trading Book (sheet 7) KPIs shall only apply starting 2027.</i>
9	Annex V (Amendments of Annex X) of DR 2021/2178 Template 2: GAR KPI for non-life insurance and reinsurance	The title of the new template 2 for insurers refers only to non-life insurance and reinsurance undertakings. It is unclear whether this template also applies to life insurers.	We suggest clarifying in the title that template 2 applies to both non-life <u>and life insurance</u> and reinsurance undertakings.
10	Annex V (Amendment of Annex X of DR 2021/2178) Template on the Green Underwriting Ratio (Non-life insurers or reinsurers) Template 1	In the first comment, the term “turnover” is used. This term is not the one referred to in Annex IX, which refers to gross premiums written (GPW) or revenue.	In the first comment, change the word “turnover” for “revenue”.

#	Topic	Comments	Suggestions
11	Annex V (Amendment of Annex X of DR 2021/2178) Template on the Green Underwriting Ratio (Non-life insurers or reinsurers) Template 1	As non-life insurance or reinsurance activities are only eligible for the Climate Change Adaptation objective, the new template removed references to taxonomy objectives. However, it is no longer consistent with Annex IX.	We suggest removing in Annex IX, point 2, the paragraph <i>“The disclosures shall be broken down by environmental objective in percentage terms and monetary units, where available.”</i> , as this requirement is not relevant anymore, since there is no more information per environmental objective in the revised templates.
12	Annex V (Amendments of Annex X of DR 2021/2178) Template 2: GAR KPI for non-life insurance and reinsurance	Template 2 includes twice a row n°25.	We suggest correcting the editorial mistake, the second row n°25 should be identified as row n°26.
13	Annex IV (Amendments of Annex VIII of DR 2021/2178) – Investment firms, first page	Editorial mistake in the first column to be corrected <i>“Templ̄ate”</i> and not <i>“Tempate”</i> .	Please correct.
14	<i>Inconsistency between proposed amendments in the DDA and the application template</i> <u>Credit Institution Templates</u>	Template 1 includes non-CSR D counterparties in the denominator (rows 21 and 27), whereas the DDA amended wording suggests excluding them.	We suggest to remove these lines from Template 1.

#	Topic	Comments	Suggestions
15	<p><i>Inconsistency between existing DDA wording and the application template</i></p> <p><u>CI Templates</u></p> <p>Template 1 : Off-balance sheet exposures (stock) to Undertakings subject to CSRD disclosure obligations and local governments</p>	<p>Off-balance sheet KPI - Local governments have been included as counterparties for Finguar and AuM KPIs calculation in Template 1.</p> <p>The DDA mentions 'the green ratio for financial guarantees to undertakings' and 'assets under management (equity, debt instruments, and real estate) from undertakings.' However, it is unclear whether a local government can be classified as an undertaking.</p> <p>In the context of legal and financial terminology, "undertakings" typically refers to businesses or enterprises that engage in commercial or economic activities. A local government body, on the other hand, is generally considered a public sector entity that provides government services and regulations rather than engaging in commercial activities for profit.</p>	N/A (inconsistency to be solved in the final text)

#	Topic	Comments	Suggestions
16	<p><i>Small edit in proposed Template is needed</i></p> <p><u>CI Templates</u></p> <p>Template 1 : Off-balance sheet exposures (stock) to Undertakings subject to CSRD disclosure obligations and local governments</p> <p>Template 5, footnote 2: 2. Institutions shall duplicate this template to disclose stock and flow KPIs for off-balance sheet exposures</p>	<p>Off-balance sheet KPI - In Template 1, which should be duplicated for the calculation of flow KPIs, "Finguar" and "AuM" are currently referred to as stock figures. This may be an error, as for flow KPIs, the reporting entity should modify the template to include flow data.</p>	N/A ("error" to be solved in the final text)
17	<p><i>Inconsistency between proposed amendments in the DDA to delete N&G templates and N&G reporting requirements in article 8</i></p> <p><u>N&G Templates</u></p> <p>(13) in Annex XII to Regulation (EU) 2021/2178, templates 2, 3 and 4 are deleted.</p>	<p>DDA Article 8 (6 and 7) still requires reporting the numerator and denominator for N&G activities, however Templates 1 and 5 do not provide these ratios, indicating whether the financial entity has exposures to the N&G economic activities and the non-taxonomy-eligible portions of these economic activities.</p>	N/A (inconsistency to be solved in the final text)

#	Topic	Comments	Suggestions
18	<p><i>Inconsistency between the proposed amendments in the DDA and the old version of the DDA and FAQ</i></p> <p><u>All templates</u></p> <p>Article 7(3) is replaced by the following: '3. Exposures to undertakings other than large undertakings which, on their balance sheet dates, exceed the average number of 1000 employees during the financial year, shall be excluded from the denominator of key performance indicators of financial undertakings.'</p>	<p>Debt securities - According to Article 7(4) and FAQ 16 of the TCN, financial undertakings should include in the numerator of their KPIs the proceeds from environmentally sustainable bonds and debt securities. This applies regardless of whether the issuer is subject to sustainability reporting under Articles 19a or 29a of the Accounting Directive. However, proposed amendments to the DDA suggest that such exposures should be excluded from the denominator. This creates uncertainty about how to handle debt securities where the counterparties are large undertakings that, on their balance sheet dates, exceed an average of 1,000 employees. - It seems that current guidance requires these to be included in the numerator but excluded from the denominator.</p>	N/A (inconsistency to be solved in the final text)
19	<p><u>Template "5. KPI off-balance-sheet exposures"</u>, headline % (compared to corresponding total off-balance sheet assets in the denominator)</p>	<p>Which reference value(s) should be used in the denominator for disclosure of the % values for credit institutions? Instead of "total eligible off-balance sheet assets"</p>	We suggest to update the wording to "% (compared to corresponding off-balance sheet assets in the denominator)".

#	Topic	Comments	Suggestions
20	<p><u>Template “4.GAR KPIs Flow”, headline</u></p> <p>% (compared to corresponding total covered assets in the denominator)</p>	<p>Which reference value(s) should be used in the denominator for disclosure of the % values for credit institutions? Instead of "total eligible assets"</p>	<p>We suggest to update the wording to “% (compared to corresponding new covered assets in the denominator)”.</p>
21	<p><u>Template “4.GAR KPIs Flow”, footnote 1</u></p> <p>Flow of new loans and advances, debt securities, equity instruments, and repossessed collateral during the financial year prior to the disclosure reference date calculated based on the data disclosed in template 1, on covered assets</p>	<p>How to interpret the term “new loan”? Instead of "new loans on a net basis"</p>	<p>Propose to add a clear definition for the term "new loan" in the DDA, and develop a methodology for including assets in the numerator and denominator.</p>
22	<p><u>Template “3.GAR KPIs Stock”, headline</u></p> <p>% (compared to corresponding total covered assets in the denominator)</p>	<p>Which reference value(s) should be used in the denominator for disclosure of the % values for credit institutions? Instead of "total covered assets in the denominator"</p>	<p>We suggest to update the wording to “% (compared to corresponding covered assets in the denominator).”.</p>

#	Topic	Comments	Suggestions
23	Annex IV amending Annex VIII DDA 1. KPI IF Other services	Footnotes to the template 2 refer to: * % of Taxonomy-eligible assets over covered assets ** % of Taxonomy aligned assets over covered assets However, Annex VII DDA paragraphs 3.1 and 3.3 refer to revenue, and not to assets.	Footnotes to the template 2 should instead refer to: * % of revenue from services and activities associated with Taxonomy-eligible economic activities within revenue covered by the KPI ** % of revenue from services and activities associated with Taxonomy-aligned economic activities within revenue covered by the KPI
24	Impact of the simplification measures on the published FAQs	Simplification measures proposed by the draft delegated regulation, or additional amendments considered as part of this letter, are likely to impact the FAQs published by the EC so far, in order to interpret or implement some provisions contained in the (EU) regulations 2021/2178. Some of these FAQs might become not applicable because the underlying requirement has been removed. It is unclear what process will be put in place by the Commission to update those FAQs.	We would recommend: a) reviewing the list of FAQs published in the various Commission Notices published so far in light of the final amendments that will be adopted; and b) updating the Commission Notices accordingly.