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CC: Mrs Helena Viñes Fiestas, Chair, Platform on Sustainable Finance, c/o DG FISMA

Taxonomy Delegated Acts – amendments to make reporting simpler and more cost-effective for companies

Dear Mr Berrigan, dear Mr Millerot,

We would like to thank you for the opportunity to comment on your proposals to simplify the reporting requirements under the Taxonomy Regulation (Regulation (EU) 2020/852) and the delegated acts. The Accounting Standards Committee of Germany (DRSC) is the national standard setter in the area of group financial reporting in Germany. The organisation was established on 17 March 1998 as an independent and registered not-for-profit association by German Industry and is domiciled in Berlin. The DRSC had been formally acknowledged by the Ministry of Justice as the private standardisation organisation pursuant sec. 342q of the German Commercial Code.

We generally welcome the proposals for simplification, in particular the introduction of a 10% de minimis threshold and the changes to the reporting templates. However, these proposals still need a more concise approach to achieve the intended effect. We also propose improvements to the reporting of the OpEx KPI.

Unfortunately, the proposals reduce the administrative burden less than expected. The majority of efforts by undertakings for reporting the taxonomy disclosures is spent on:
1. determining taxonomy eligible and aligned activities,
2. determining the corresponding turnover, CapEx and OpEx for each activity and
3. providing documentation for the technical screening criteria and the minimum safeguards.

Undertakings direct comparably little effort to the reporting of the templates itself.

However, the draft delegated act takes a different approach. Here, the majority of the changes relate to the introduction of a 10% de minimis threshold and the amendments to the templates and not to the amendments of the technical screening criteria. That is why we consider the announced future amendments to the technical screening criteria to be particularly important for meaningfully reducing the administrative burdens (commission staff working document (SWD(2025) 80 final), page 53).

Please find our detailed comments in the appendix. If you want to discuss these issues further, please do not hesitate to contact us.

Kind regards

Georg Lanfermann	Prof Dr Sven Morich
President	*Vice President*

Appendix

Article 1 paragraph 1 of the draft delegated regulation - Introduction of a 10% de minimis threshold for non-financial undertakings

Application of the threshold to the taxonomy eligibility assessment

One of the points that is unclear is whether the threshold should eliminate the assessment of both the technical screening criteria and taxonomy eligibility, or only the assessment of the technical screening criteria. According to the explanatory memorandum (page 4): “A de minimis threshold of 10 % would therefore allow reporting companies to focus their efforts of assessing Taxonomy-compliance (e.g., **eligibility** and alignment) of those activities that represent a significant share of their revenues, capital or operational expenditures”. Moreover the commission staff working document (SWD(2025) 80 final) states that (page 48): “In particular, the amendments to Articles 2, 3, 4, 5 and 6 to Delegated Regulation 2021/2178 aim to give non-financial undertakings, asset managers, credit institutions, investment firms, as well as insurance and reinsurance undertakings the flexibility to assess **Taxonomy-eligibility** and Taxonomy-alignment only for activities that are financially material for their business.” These sections could be understood to mean that the taxonomy eligibility assessment could also be omitted.

On the contrary, the amended delegated regulation states that: “By way of derogation from paragraph 1, non-financial undertakings **may omit assessing compliance of economic activities with the technical screening criteria** set out in Delegated Regulation (EU) 2021/2139 and Delegated Regulation (EU) 2023/2486 where those activities comply with any of the following conditions in respect of the respective KPIs […]” However, since the taxonomy eligibility assessment requires the activity **descriptions** to be assessed rather than the technical screening criteria, this requirement only applies to the taxonomy alignment assessment (article 1 paragraph 5 of Delegated Regulation (EU) 2021/2178). Furthermore, we understand the provision to mean that an assessment of the minimum safeguards can also be omitted. We are seeking clarification on this issue from the European Commission, preferably directly in the legal text and not through notices.

If taxonomy eligibility assessment is no longer required, it is important to consider how undertakings should apply the threshold. This is because an activity must first be identified in order to assign corresponding thresholds to it.

Application of the threshold

We welcome the introduction of a 10% de minimis threshold. However, its application remains unclear and should be clarified as soon as possible with concrete examples and specific numerical illustrations to facilitate implementation. We have received numerous questions regarding the practical application of this threshold.

We understand the provision to mean that an activity must exceed the threshold for the revenue KPI, the CapEx KPI **and** the OpEx KPI for the assessment of the technical screening criteria to be mandatory.

If an activity accounts for less than 10% of the revenue KPI, CapEx KPI **or** OpEx KPI, the assessment of the technical screening criteria may be omitted. Moreover, the cumulative KPIs resulting from more than one non-material activities shall be below 10% of the total turnover, CapEx **or** OpEx in order to use the de minimis threshold.

Example – An undertaking carries out Activity A, Activity B and Activity C. The activities' proportion of the respective total KPIs are as follows:

	Total Turnover	Total CapEx	Total OpEx
Activity A	4%	13%	1%
Activity B	10%	1%	7%
Activity C	2%	3%	1%

KPIs for cumulative turnover and CapEx are above 10% of the total turnover KPI and CapEx KPI. As the cumulative OpEx of the three activities are below 10% of the total OpEx KPI, the taxonomy alignment assessment can be omitted for all three activities. Alternatively, the taxonomy alignment assessment can be omitted for a combination of two activities. Undertakings thus have the option of either making full or partial use of this simplification.

<u>Reporting separately on non-material KPIs</u>

Article 2 paragraph 1a subparagraph 2 of the amended Delegated Regulation (EU) 2021/2178 states that: "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."

We propose that the following table (*filled out with examples*) is sufficient for non-material activities. No further information shall be required.

List of non-material turnover, CapEx and OpEx

Non-material KPI	*Amount*
Turnover	
CapEx	
OpEx	

However, the question arises as to whether all KPIs of all non-material activities should be included in the table, or only the respective KPIs that caused activities to become non-material. In our example in the upper table: should only OpEx be reported as non-material, or should turnover and CapEx also be included?We ask for clarification.

Recital 6 of the draft delegated regulation states that: "[…] 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." For the sake of clarity, this text could be included in the provision itself. Nevertheless, we propose deleting this text, as reporting of the content and nature of non-material activities would increase the reporting burden.

We propose that the following table (*filled out with examples*) should be sufficient, if the this text of recital 6 is included in the provision itself. No further information shall be required.

List of non-material activities

Name	Code
Construction of new buildings	*CCM 7.1., CCA 7.1., CE 3.1.*

Moreover recital 6 of the draft delegated regulation states that: "[…] In addition, it should be avoided that, within the non-material activities, undertakings include **harmful activities** that would contradict the objectives underpinning the Taxonomy Regulation. […]" Potentially, any activity that does not meet the technical screening criteria could be environmentally harmful. However, as the taxonomy does not define environmentally harmful activities, but only environmentally sustainable activities using the technical screening criteria, it is unclear how "harmful activities" should be determined. Thus, this text should either be clarified or deleted.

Section 1.2 and section 2 of annex I of Delegated Regulation (EU) 2021/2178 include further requirements regarding qualitative taxonomy disclosures. We were unable to find any more clarification as to how this separate reporting should be done. Therefore, we conclude that no further requirements should be imposed on undertakings in this regard, apart from ensuring that this separate reporting is included in the environmental section of the sustainability report (ESRS 1 paragraph 113 Delegated Regulation (EU) 2023/2772).

<u>Reporting of the OpEx-KPI</u>

We welcome the introduction of a 25% de minimis threshold. However, its application remains unclear and should be clarified as soon as possible with concrete examples and specific numerical illustrations to facilitate implementation.

Article 2 paragraph 1a subparagraph 3 of the amended Delegated Regulation (EU) 2021/2178 states that: "By way of further derogation from paragraph 1, non-financial undertakings may **omit reporting on the operational expenditure related to economic activities** where the cumulative turnover resulting from those activities is below 25% of the denominator of the turnover KPI referred to in Section 1.1.1. of Annex I to this Regulation."

In addition, the explanatory memorandum (page 5) states: "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 expenditure, non-financial undertakings will be allowed not to report on **alignment** of operational expenditure if the cumulative turnover of their eligible activities do not exceed 25% of their total turnover."

We understand this provision as follows: This simplification only applies to the reporting of **taxonomy aligned** OpEx. **taxonomy eligible** OpEx shall be reported on an activity-level (see column 13 of table 2 of the amended annex II of Delegated Regulation (EU) 2023/2772).

Financial year (N)	Taxonomy aligned activities			Breakdown by environmental objective of Taxonomy aligned activities						Category		Taxonomy eligible activities	
Economic Activities (1)	Code (2)	Taxonomy aligned KPI (monetary value of Turnover / CapEx / OpEx) (3)	Taxonomy aligned KPI (Proportion of Taxonomy aligned Turnover, CapEx, OpEx (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Enabling (11)	Transitional activity (12)	Taxonomy eligible KPI (Proportion of Taxonomy eligible Turnover / CapEx / OpEx) (13)	Proportion of Taxonomy aligned in Taxonomy eligible (14)
Text		*(Currency)*	*%*	*% (b) (c)*	*% (b) (c)*	*% (b) (c)*	*% (b) (c)*	*% (b) (c)*	*%L (b) (c)*	*(E where applicable)*	*(T where applicable)*	%	%
Activity 1			%	%	%	%	%	%	%			%	%
Activity 2			%	%	%	%	%	%	%			%	%
Sum of alignment per objective				%	%	%	%	%	%				
Total KPI (Turnover/ CapEx / OpEx)			%	%	%	%	%	%	%	%	%	%	%

Although we welcome the proposed threshold, we are in favour of removing the requirement to report the OpEx KPI.

Should removal not be possible due to the wording in article 8 paragraph 2 of the Taxonomy Regulation, we have an alternative proposal, which aligns with suggestions from the Platform on Sustainable Finance. Its Report on Usability and Data from February 2025 (page 52) concludes that the added value of the OpEx KPI is limited compared to turnover and CapEx KPI, except in certain sub-expense categories and sectors where the other KPIs do not effectively capture transition efforts, such as R&D. The Platform suggests that the OpEx KPI should **only remain mandatory for R&D expenditures**. This would allow undertakings to assess the taxonomy alignment of R&D expenses, which are critical for the transformation of business models but cannot be captured by turnover or CapEx. Recognising R&D is essential for the transition's success, and reporting on expanses in R&D would enable undertakings to obtain green loans to finance their research and to include these expanses in any issuance under the EU Green Bond Standard. Additionally, this would facilitate the recognition of these expenditures as part of an undertaking's overall transition plan.

Definition of the OpEx-KPI

Furthermore, we propose refining the **definition of OpEx** in the Delegated Regulation (EU) 2023/2772.

We believe there is a need to define expense categories more clearly. The current OpEx definition does not capture the complete scope of relevant operating expenses for a given activity. The current definition of OpEx is not aligned with the IFRS, making computation burdensome, preventing comparability and affecting data quality. The calculation process is generally not directly reconcilable to an undertaking's software system for financial reporting, thus increasing the difficulty in data collection and workload.

Article 1 paragraphs 2 to 5 of the draft delegated regulation - Introduction of a 10% de minimis threshold for financial undertakings

We welcome the introduction of the threshold.

Article 1 paragraphs 6 of the draft delegated regulation – Calculation of the denominator of KPIs of financial undertakings

We welcome the proposal.

Article 1 paragraph 7 of the draft delegated regulation - Fees and commissions KPI & GAR for the trading portfolio

We welcome this extended transitional provision.

However, we do not see how the fees and commissions KPI and the GAR for the trading portfolio are decision-useful for users of the taxonomy disclosures. We therefore propose **omitting these KPIs**.

Article 1 paragraph 8 of the draft delegated regulation – Amended templates for non-financial undertakings

Overall aspects

We welcome the changes to the templates in principle. However, in order to reduce the administrative burdens, it should be noted that each amendment to the templates incurs additional one-off costs. Furthermore, there is still a **lack of clarity** regarding the application of the templates, which hinders consistent and, therefore, comparable reporting.

It is unclear how the tables shall be filled out if no taxonomy eligible activities or no taxonomy aligned activities are carried out. Do the tables then need to be completed with "0" values or can these "0" entries be omitted?

Template 1

Financial year (N)	Taxonomy eligible and Taxonomy aligned activities				Breakdown by environmental objectives of Taxonomy aligned activities									
KPI (1)	Total (2) 2	Propotion of Taxonomy eligible activities(3)	Taxoomy aligned activities (4)	Proportion of Taxonomy aligned activities(5) 3	Climate Change Mitigation (6)	Climate Change Adaptation (7)	Water (8)	Pollution (9) 4	Circular Economy (10)	Biodiversity (11)	Proportion of enabling activities (12)	Proportion of transitional activityies (13)	Taxoomy aligned activities in previous reported period (N-1) (14)	Taxonomy aligned activities in previous reported period (N-1) (15)
Text	Currency	%	Currency	%	%	%	%	%	%	%	%	%	Currency	%
Turnover		%		%	%	%	%	%	%	%	%	%		%
CapEx		%		%	%	%	%	%	%	%	%	%		%
OpEx 1		%		%	%	%	%	%	%	%	%	%		%

Non-financial undertakings shall duplicate this template to disclose separately the turnover, the CapEx and the OpEx KPIs, clearly indicating in the title of each table which KPI the table refers to. 1

1. The footnote contradicts the last three lines of the template. We recommend deleting the footnote as this results in one template for all three KPIs.
2. It is unclear what column 2 refers to. As far as we understand it, the total KPIs and not the total taxonomy eligible KPIs are to be reported here. In this case, it could be considered to insert a new column "Taxonomy eligible activities (3)" in which the total taxonomy eligible KPIs have to be reported. This would be consistent with the disclosures on taxonomy aligned KPIs in column 4.
3. It is unclear what this proportion refers to. As we understand it, the proportion refers to the total KPIs and not to the total taxonomy eligible KPIs. Clarification should be included in the footnotes.
4. The listing of the environmental objectives in columns 9 and 10 does not correspond to the listing in the Taxonomy Regulation. For consistency, these two columns should be switched.

<u>Template 2</u>

Financial year (N)	Taxonomy aligned activities			Breakdown by environmental objective of Taxonomy aligned activities						Category		Taxonomy eligible activities	
Economic Activities (1)	Code (2)	Taxonomy aligned KPI (monetary value of Turnover / CapEx / OpEx) (3)	Taxonomy aligned KPI (Proportion of Taxonomy aligned Turnover / CapEx / OpEx) (4) 1	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8) 2	Circular Economy (9)	Biodiversity (10)	Enabling (11)	Transitional activity (12)	Taxonomy eligible KPI (Proportion of Taxonomy eligible Turnover / CapEx / OpEx) (13)	Proportion of Taxonomy aligned in Taxonomy eligible (14)
Text		(Currency)	%	% (b) (c)	% (b) (c)	% (b) (c)	% (b) (c)	% (b) (c) 3	%L (b) (c)	(E where applicable)	(T where applicable)	%	%
Activity 1			%	%	%	%	%	%	%			%	%
Activity 2			%	%	%	%	%	%	%		4	%	%
Sum of alignment per objective				%	%	%	%	%	%				
Total KPI (Turnover/ CapEx / OpEx)			%	%	%	%	%	%	%	%	%	%	%

1. It is unclear what this proportion refers to. As we understand it, the proportion refers to the total KPIs and not to the total taxonomy eligible KPIs. Clarification should be included in the footnotes.
2. The listing of the environmental objectives in columns 8 and 9 does not correspond to the listing in the Taxonomy Regulation. For consistency, these two columns should be switched.
3. It is unclear what letters (b) and (c) refer to.
4. Our understanding is that these cells should not be filled in if it is not a transitional or an enabling activity. In view of electronic reporting in accordance with ESEF, including a mark-up, consideration should be given to filling in these cells with a value such as “-“ or “0”.

<u>Template 2 - Activities that contribute to several environmental objectives</u>

The footnotes explain how to fill out this template. However, we are seeking clarification on how to fill out the template when one activity contributes to several environmental objectives.

We request that the European Commission provide **pre-filled examples of templates** as soon as possible, including explanations, concrete examples and specific numerical illustrations to facilitate implementation (both for financial and non-financial undertakings).

Article 1 paragraph 10 of the draft delegated regulation – Amended templates for credit institutions

The disclosures on the breakdown of financial assets (amended template VI of Delegated Regulation (EU) 2021/2178) should be omitted as they are not useful to users of the taxonomy disclosures. We therefore propose **omitting these KPIs**.

Omnibus simplification package - Annex III to Commission Delegated Regulation (EU) 2021/2178

1. Assets for the calculation of GAR

	Stock/ Flow : Disclosure reference date/period t Million EUR	a	b	c	d	e	f	g	h	i	j	k	l
		Total [gross] carrying amount	Of which Taxonomy-eligible	Of which Taxonomy-aligned	Substantial contribution to environmental objectives						Of which Use of Proceeds	Of which transitional	Of which enabling
					Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)			
1	**GAR - Covered assets in both numerator and denominator**												
2	**Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation**												
3	**Financial undertakings**												
4	Loans and advances												
5	Debt securities, including UoP												
6	Equity instruments												
7	**Non-financial undertakings**												
8	Loans and advances												
9	Debt securities, including UoP												
10	Equity instruments												
11	**Households**												

Article 1 paragraph 13 of the draft delegated regulation – Amended templates for nuclear and fossil gas related activities

It seems questionable whether templates 1 and 5 of annex VII of Delegated Regulation (EU) 2021/2178 are of interest to users of the taxonomy disclosures, since they cover **taxonomy eligible and taxonomy non-eligible** nuclear and fossil gas related activities. Additionally, the descriptions of the activities in template 1 differs from the descriptions in the Delegated Regulation (EU) 2021/2139, which negatively affects the **reader-friendliness**.

Taxonomy **eligible** nuclear and fossil gas related activities are already reported in the normal templates and should not be reported twice in template 1. Taxonomy non-eligible nuclear and fossil gas related activities are activities outside the scope of the EU taxonomy and should therefore not be reported at all in template 1 and 5.

Articles 2 and 3 of the draft delegated regulation – DNSH-criteria

We are in favour of **option 1**.

Further comments

<u>Delegated acts</u>

1. Addition of new activities

The taxonomy is still incomplete and does not yet reflect all activities of the economy. As a result, undertakings cannot report taxonomy eligible and taxonomy aligned KPIs, which may not reflect their real sustainability performance. Therefore, we would like to strongly underline the importance of the European Commission's efforts that additional activities are swiftly included on a continuous basis.

2. Consolidation of the two delegated acts on environmental objectives

A single delegated act with all descriptions of activities and all technical screening criteria for all environmental objectives would be easier to apply.

3. Visibility of amendments between draft and final delegated acts

Amendments between drafts and final delegated acts should be made visible using a track changes version. Delegated acts usually span many pages, and it is difficult to see which amendments have been made. In addition, a consolidated version of the amended provisions could be issued when each new draft is published as part of a consultation, which would make the proposals easier to read.

4. Consistent numbering of activities

The same activities have different numbers for different environmental objectives (e.g. Construction of new buildings: CCM 7.1., CCA 7.1., CE 3.1). Consistent numbering could make the disclosures more user-friendly.

Reporting on partial alignment

The commission staff working document (SWD(2025) 80 final) states that (page 49): "The draft amendments furthermore introduce the option to additionally report on their activities which fulfil only certain requirements of Articles 3 and 9 of the Taxonomy Regulation (**partial Taxonomy-alignment**) for large undertakings referred to in Article 19a(1) of the Accounting Directive, which have a net turnover exceeding EUR 450 million. Such reporting on partial alignment would provide additional flexibility and foster a gradual environmental transition of activities overtime, in line with the aim to scale up transition finance." This text relates to the proposals for Articles 19b and 29aa of the amended Accounting Directive (Directive 2013/34/EU) according to the proposal COM(2025) 81 final.

However, we could not find any proposals for this in the draft delegated regulation. We propose introducing a special template similar to the ones used so far, where "yes" and "no" disclosures can be used to indicate which technical screening criteria (significant contribution, DNSH) are met for which environmental objective and whether the minimum safeguards are met.

Longer public consultations

Drafts of new delegated acts should be subject to public consultation for more than a month. In particular, consultation on technical screening criteria is a time-consuming process that requires additional time.

Publication of clarifications by the European Commission in the form of notices

The European Commission issued several clarifications in the form of various notices. We propose the following:

1. Consolidation of clarifications into a single notice

It is difficult for undertakings, auditors and consultants to keep track of the various documents. Today, there are four main notices (Notice 2022/C 385/01, C/2023/305, C/2024/6691 and C/2025/1373) and several other notices to consider (in particular Notice 2023/C 211/01 and C/2024/6792).

2. Public consultation of the draft notices

A public consultation should improve the quality of the clarifications, thus increasing their added value and acceptance.

3. Do not issue notices and draft notices in the last or first quarter of a year

A significant proportion of undertakings adopt a calendar-based reporting year and typically prepare their sustainability reports between the last quarter of the year and the first quarter of the following year. Additionally, several time-intensive procedures (like an audit of the disclosure) fall within this period.

Until now, (draft) clarifications have usually been issued at the end of the year, directly impacting the preparation of the taxonomy disclosures for that specific reporting year. Although clarifications are not legally binding, they are taken into account by auditors and supervisory authorities and thus have a significant impact. We propose avoiding such unforeseen impacts on undertakings, as they lead to unnecessary and high administrative burdens.

4. Visibility of amendments between draft and final notices

Amendments between drafts and final notices should be made visible using a track changes version. Notices usually span many pages, and it is difficult to see which amendments have been made.

Stakeholder Request Mechanism

The Stakeholder Request Mechanism should be expanded to become a central entry point for all interpretation requests regarding the taxonomy regulation, similar to the EFRAG's Q&A platform.

Electronic Reporting

In view of the current public consultation on the amendment of the ESEF RTS and with the objective of reducing the administrative burdens, there is still a lack of clarity regarding the marking up of the templates, which impairs consistent and thus comparable reporting.

EFRAG, ESMA or the European Commission could support preparers by providing fully marked up model sustainability reports (and taxonomy templates). With the help of such marked up model reports, preparers would not have to mark up their sustainability reports themselves but could instead insert their respective information into the provided model reports. The templates for taxonomy disclosures are particularly suitable for this purpose, as they are highly standardised.

Technical Screening Criteria

We recommend amending the technical screening criteria to provide clear "yes" or "no" requirements that are easier to test. Additionally, we propose including the contents of references directly within the technical screening criteria, as this would reduce the need to switch between different regulations, frameworks, and standards. Furthermore, we suggest internationalising the requirements in the technical screening criteria, similar to the IFRS Foundation's project to internationalise the sector-specific SASB standards. This will enhance the consistency of the EU taxonomy with other global taxonomies. The technical screening criteria have so far been too closely aligned with EU regulations, which complicates taxonomy alignment assessments.

Until now, transitional provisions have typically been granted only for new technical screening criteria. However, for amended technical screening criteria, no transitional provisions have been provided, or they have been insufficient (particularly with regard to the amended criteria in Delegated Regulation (EU) 2023/2485). That is why we are also seeking transitional provisions for amended technical screening criteria in the future.