Deutsches Rechnungslegungs Standards Committee e.V.

Accounting Standards Committee of Germany

DRSC

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Review of the Technical Screening Criteria

Dear Mr Berrigan,
Dear Mrs Sikora-Wittnebel,

We would like to thank you for the opportunity to participate on the consultation to improve the activity descriptions and the technical screening criteria set out in the Climate Delegated Act (Delegated Regulation (EU) 2021/2139) and in the Environmental Delegated Act (Delegated Regulation (EU) 2023/2486) to the Taxonomy Regulation (Regulation (EU) 2020/852).

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 initiative to improve the clarity, usability, legal certainty and cost-effectiveness of the EU Taxonomy. Currently, we see a great need for further simplification, clarification and a more consistent and efficient application across sectors. The publication of Delegated Regulation (EU) 2026/73 was a step in the right direction, even though the improvements fell short of expectations.

Please find our detailed proposals for improvements of the Climate and Environmental Delegated Act in the appendix. We have collected our feedback from companies and associations. Therefore, in some cases the feedback contains different proposals for improvement for the same issue. Nevertheless, we have included all proposals in our comment letter, as this at least highlights the need for improvement.

In addition, we have the following general comments:

- The amendments are intended to apply from 1 January 2027. According to the recitals in the draft texts, the amendments will therefore apply to reporting in 2027 for financial years beginning on or after 1 January 2026. Given the short preparation time and potential uncertainty, this poses a problem for companies. It would make more sense to include an **option** allowing companies to apply the amendments either for the 2026 or the 2027 financial year. Delegated Regulation (EU) 2026/73 contained such an option, which we would also welcome in the new delegated acts. The Commission could as well consider a **phased approach** to the eligibility and alignment assessment, similar to the mechanism applied for

first time reporting under the Taxonomy Regulation for financial year 2021. Given the significant changes to technical screening criteria across both the Climate and Environmental Delegated Act – potentially introduced late in the reporting year – a phased or deferred alignment assessment could offer companies the necessary adaptation period while avoiding compliance risks.

- Some of the changes to the technical screening criteria represent expansions or tightening of existing criteria (e.g., for activities CCM 4.1. and CCM 4.3.). These could result in facilities constructed at earlier dates being required to meet more stringent requirements. To avoid uncertainty regarding the status of investments already made, we therefore propose **grandfathering provisions** for facilities constructed in accordance with the previously applicable technical screening criteria.
- In addition to the current consultation, the ESAs were tasked by the Commission with drawing up recommendations on amendments to the reporting of taxonomy disclosures by October 2026. With regard to non-financial undertakings, ESMA is to draw up proposals concerning the OpEx KPI. **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 the 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 companies 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 expenses in R&D would enable companies 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 a company's overall transition plan.
- The review of the SFDR should be used **to assess whether the introduction of the EU Taxonomy has achieved the intended steering effect of channelling capital flows towards sustainable investments**. Furthermore, as part of the review, greater scrutiny should be applied to whether the intended effect of the disclosures under article 8 of the Taxonomy Regulation, as well as the company- and product-related reporting obligations under the SFDR, has been achieved; that is, whether investors are able to make informed decisions by gaining access to relevant information on the sustainability of investments.
- We would like to point out that the "**Table of Contents**" in the consolidated version of Delegated Regulation (EU) 2021/2139 does not include the new economic activities in Delegated Regulation (EU) 2023/2485. This should be rectified as soon as possible in order to improve user-friendliness.

If you want to discuss these issues further, please do not hesitate to contact us.

Kind regards

Georg Lanfermann
President

Delegated Regulation/ Activity Code/ Appendix	General feedback	Specific Feedback			Rationale
		Description of the activity	Substantial contribution	DNSH	
Delegated Regulation (EU) 2021/2139	Delegated Regulation (EU) 2021/2139 requires a critical review for every LCA, which can be conducted by a qualified internal or external expert. A third-party review by a panel of interested parties is only mandatory when LCA results are intended for public comparative claims, such as in marketing. Additionally, many activities or products covered by EU Taxonomy legislation already reference an EU-approved verified methodology. Some companies use LCA software that is often third-party verified. ISO allows LCAs to be calculated using such software and verified externally. In these cases, requiring individual third-party verification for each product is unnecessary. Verification of the entire system or software by a third party is sufficient and fully compliant with ISO.				The Taxonomy Regulation requires quantified life-cycle GHG emissions to be verified by an independent third party. Under the current interpretation, both the LCA assessment and third-party verification must be performed at the product level on an annual basis. For a chemical company producing thousands of Taxonomy-aligned products, this means conducting and verifying an LCA for each individual product—an approach that is highly costly and extremely time-consuming.

Delegated Regulation (EU) 2021/2139	A practical way to address usability challenges would be for the Commission to clarify through an FAQ or similar guidance that activities with Technical Screening Criteria referencing the EU ETS are considered Taxonomy-eligible when the relevant plant falls within the defined ETS system boundaries. This clarification would enable more precise and consistent reporting, improving comparability across companies and sectors. It would also align with the underlying rationale of prioritizing high-emission processes, namely those covered by the EU ETS. Furthermore, introducing a generally applicable materiality principle is essential to enhance comparability, as this is not yet consistently implemented across all companies.				The EU Taxonomy faces several usability challenges related to references to the EU Emissions Trading System (ETS). One key issue is the unequal treatment of economic activities that are Taxonomy-eligible but cannot achieve alignment because the TSC set by the regulation do not apply to those activities. For many activities, the TSC refer to EU ETS benchmarks via footnotes, such as “Reflecting the average value of the 10% most efficient installations…” or “Calculated in accordance with Regulation (EU) 2019/331.” However, not all plants or processes linked to these activities fall under the EU ETS. The ETS only covers specific high-emission processes, as detailed in Guidance Document No. 9 on the harmonized free allocation methodology for the post-2020 EU ETS. Given the complexity of the chemical industry, certain eligible activities, such as chemicals produced as by-products are outside the scope of the TSC and ETS boundaries. As a result, these activities cannot be assessed and must generally be reported as not Taxonomy-aligned. For example, soda ash production within a caprolactam network (CCM 3.12.) is excluded from the EU ETS (see Guidance Document No. 9, exemption on p. 178). Under current rules, this makes screening

					and alignment impossible, even though the activity remains eligible. This inconsistency stems from a misalignment of the TSC rather than environmental reasoning, essentially due to missing data. Similar issues affect other activities, such as CCM 3.7. (Manufacture of cement), CCM 3.12. (Manufacture of soda ash), CCM 3.14. (Manufacture of basic organic chemicals), and CCM 3.16. (Manufacture of nitric acid). Aligning the TSC more consistently with ETS benchmarks would improve the accuracy and comparability of Taxonomy reporting while reducing administrative burden.

CCM 3.3.				Transition to a circular economy: Addition of "modularity" regarding design.	The requirement is formulated too broadly, and it is unclear how compliance is expected to be demonstrated. So we do not support the inclusion of “modularity” as a design requirement in the context of the transition to a circular economy.

CCM 3.3.				Pollution Prevention and control: Inclusion of reference to the ELV.	As the End-of-Life Vehicles (ELV) legislation is currently subject to a gradual extension of scope, with obligations becoming applicable to specific vehicle categories over time, the requirement should be formulated as follows: Where vehicles are subject to the ELV legislation, the applicable ELV requirements shall be complied with. We support that, where references are made to regulatory frameworks, the applicable requirements should apply in accordance with the respective regulation.

CCM 3.3.				Appendix C - Generic criteria for DNSH to pollution prevention and control regarding use and presence of chemicals, in combination with CCM 3.3. DNSH criteria "pollution prevention and control": Concerning Section 3.3 point 5, the draft suggests implementing the following wording: "The activity complies with the criteria set out in Appendix C to this Annex. Where applicable, vehicles in scope of Directive 2000/53/EC of the European Parliament and the Council do not contain lead, mercury, hexavalent chromium and cadmium". Include derogations for the use of heavy metals under ELV: Although the reference to heavy metal restrictions in the ELV (2000/53/EC) is not new, the new wording is apparently meant to clarify that this requirement is only applicable to vehicles subject to ELV (e.g. light duty vehicles). We suggest that the text should explicitly mention that the use of the	

				above-mentioned heavy metals within the derogations applicable under ELV regulation is acceptable under the DNSH requirements. Appendix C mentions derogations under the respective material regulations explicitly, whereas ELV exemptions are not mentioned in Section 3.3. For better alignment and to avoid uncertainties about the applicability of ELV derogations under the DNSH criteria, we urge that point 5 on ELV mentions the applicable derogations as well. We would furthermore like to highlight that certain derogations for the use of lead in vehicle batteries will probably be transferred from the ELV to the EU Battery Regulation (EU/2023/1542) under the ELV revision in the near future. In this case, the derogations mentioned in the future battery regulation should be taken on board as well. We suggest the following wording: “Where applicable, vehicles in scope of Directive 2000/53/EC of the	

				European Parliament and the Council do not contain lead, mercury, hexavalent chromium and cadmium, except where the exemptions set out in Annex II of Directive 2000/53/EC [and in Regulation EU/2023/1542] apply.”	

CCM 3.6.			A significant number of criteria remain ambiguous or open to multiple interpretations. While certain flexibility in the provisions can be beneficial, it currently results in materially different interpretations across reporting companies, even within the same sector. This undermines comparability and limits the decision-usefulness of the disclosed information – despite substantial compliance efforts of the reporting companies. An example is the requirement to use PEF or alternative methods (substantial contribution to CCM 3.6.). We believe that more precise and verifiable criteria would significantly improve the comparability and decision-usefulness of the reported information.		

CCM 3.6.			The proposed criteria to substantial contribution still remain very ambiguous and appear to contain internal inconsistencies. This is particularly the case with the TSC on substantial contribution for CCM 3.6. The criterion contains the requirement to demonstrate substantial life cycle GHG emission savings in other sectors of the economy compared with the current state of the art technology or solution available on the market. While this formulation seems, at first sight, to represent a relief compared to the existing requirement to benchmark against the best performing alternative available on the market, the same expectation is effectively reintroduced indirectly through the definition of the reference scenario to be analysed (scenario shall consider the best performing alternative available in the market). Moreover, scenario analysis is inherently associated with uncertainty, especially regarding methodological choices, assumptions, and input parameters. Designing and performing robust scenarios in a rapidly evolving global environment might in practice impose considerable difficulties on the reporting companies, and the associated assurance processes will necessarily become more complex. Furthermore, many companies within the scope of the Taxonomy Regulation have broad and diverse product portfolios. Obtaining assurance on life cycle emission savings for each individual product would lead to a disproportionate increase in reporting effort and cost. Companies might have to report multiple products under this broad activity CCM 3.6. Therefore, conducting life cycle assessments (LCAs) is inherently more complex to apply for this activity than for other activities focused on a single product (e.g. cement, aluminium, iron and steel). Indeed, LCAs must be carried out product by product and component by component. This creates a disproportionate burden for producers of finished machinery or companies with a large product portfolio. Outsourcing a standardized LCA for a single product can cost up to €20,000, rising for a full product portfolio due to harmonization needs, with third-party review adding up to €2,000 and potential delays from limited consultant availability. In the mechanical sector, a single company can market a product portfolio comprising hundreds to		

			thousands of different product references. If conducted in-house, companies still face database subscription costs of several thousand euros, and much more if specific datasets must be created. In both cases, producing a complete LCA typically takes around six months. From our perspective, a more proportionate approach would be to place assurance requirements at the level of the general calculation model rather than at the level of product specific analytical outcomes. In light of the broader policy emphasis on simplification and reducing administrative burden, we are concerned that the proposed criteria for substantial contribution may not yet strike an appropriate balance between the intended level of robustness and the effort required to achieve this goal.		

CCM 3.6.	Delegated Regulation (EU) 2023/2485 amending Delegated Regulation (EU) 2021/2139 states in Recital 10 that the activity of tyre manufacturing requires the development of dedicated TSC, taking due account of legal requirements and sector-specific best practices. Until such criteria are established, tyre manufacturing should therefore not be considered under activity 3.18., but rather remain an eligible activity under activity 3.6. Multiple industry stakeholders have highlighted that the current TSC foreseen for activity 3.6. do not adequately reflect the characteristics of tyre manufacturing and are not well suited to capture the relevant environmental aspects of this activity. Under these circumstances, the assessment of taxonomy alignment becomes largely a compliance exercise with limited decision-usefulness for the users of this information. Given that the Commission has already initiated work on developing specific TSC for tyre manufacturing, it would be important, in the interim period, not to reallocate this activity to other categories for which the existing screening criteria are knowingly not appropriate. This would help preserve coherence in the framework until activity-specific criteria are formally established.				

CCM 3.17.	The criteria should not restrict recycling technologies or the origin of recyclates. All recycling technologies – mechanical, chemical, biological and physical – as well as recyclates from non-plastic waste streams (e.g., rubber) should be permitted. The proposed subdivision into plastics and compounds should be removed as it adds complexity rather than simplification.		The current draft limits alignment to mechanically recycled post-consumer plastic waste, thereby excluding chemical, biological and physical recycling as well as recyclates from other materials such as rubber. This is inconsistent with the EU's broader circular economy objectives and creates an uneven playing field between recycling pathways. Furthermore, the proposed subdivision into plastics and compounds multiplies rather than simplifies requirements, as the criteria for compounds are already covered by those for plastics. This structural change adds an additional layer of compliance effort without any corresponding benefit.		A technology-neutral approach focused on the recycled content – regardless of its origin or the recycling technology applied – would better reflect the diversity of circular economy pathways and avoid inadvertently discouraging investment in emerging recycling technologies. Merging the criteria for plastics and compounds into a single, unified criterion would genuinely reduce the compliance burden and align with the overarching simplification objective.

CCM 3.17.	ISO-compliant methodologies, such as the TfS/cut-off approach, should be recognised as equivalent alternatives to the PEF methodology for GHG emission calculations: The exclusive reference to PEF (Commission Recommendation 2021/2279/EU) is not appropriate for a GHG-focused assessment. PEF covers approximately 16 impact categories, does not allow biogenic carbon uptake, and mandates the Circular Footprint Formula, which probably results in a worse footprint compared to the cut-off methodology. Many companies apply ISO-compliant approaches in line with the TfS PCF Guideline.				Accepting ISO-compliant methodologies as equivalent alternatives would reduce administrative burden, create a level playing field with competing countries and regions, and avoid penalising companies that already apply recognised international standards for GHG accounting.

CCM 3.18.			The TSC for substantial contribution to CCM 3.18. require that the components "...are essential for delivering and improving the environmental performance over lifetime..." of zero tail-pipe-emission vehicles. From our perspective, this criterion would benefit from further clarification due to significant ambiguities in its current formulation. Possible specifications for how "environmental performance" is to be understood in this context may include the following interpretations: a) components that are essential for the vehicle to achieve zero direct (tailpipe) CO_2 emissions, b) components that substantially improve energy consumption of a zero direct tailpipe CO_2 emission vehicle, c) components that are essential for improving the lifecycle GHG performance beyond direct tailpipe CO_2 emissions, d) components that are essential for improving the environmental performance beyond GHG emissions (which, if intended, would imply a shift towards another environmental objective). If the criterion is intended to focus only on the GHG footprint in the use phase, it remains unclear how "improvement" is to be demonstrated, as this appears to be incompatible with the definition of a zero tailpipe-emission vehicle. Different interpretations of the intended scope result in substantial divergence in reporting outcomes across companies. Given the significant practical implications, clarification of the intended interpretation would be important to ensure consistent and coherent reporting under this category.		

CCM 4.1. CCM 4.3.				DNSH CE: Components must meet requirements not only regarding durability, recyclability, and refurbishment, but also regarding ease of repair. As distributors, companies are dependent on the relevant manufacturers to meet this requirement. Particularly for existing systems, this information is not available, or this aspect has not been explicitly taken into account. Furthermore, Article 2(22) of Regulation (EU) 2024/1781 contains only vague requirements in this regard.	We advocate retaining the current requirements for DNSH CE for the following reasons: The requirements in CCM 4.1. and CCM 4.3. currently stipulate a long service life (approximately 20 to 30 years) for components. In particular, for older systems that previously met the criteria, manufacturers are now unable to provide the necessary information regarding repairability. In the case of PV (CCM 4.1.), replacing and recycling components is often preferable to repairing them, as defective parts can be substituted with more efficient ones, thereby increasing the performance of the plant over time. Requiring the use of only easily repairable components could lead to higher costs and lower efficiency, potentially slowing down the expansion of renewable energy generation. In some countries (e.g. Germany, Austria), the use of certain repaired components (e.g., rotor blades) parts of wind energy systems (CCM 4.3.) is prohibited by law. However, the majority of components and the raw materials they contain can be recycled very effectively.

CCM 4.1. CCM 4.3.	The EU Taxonomy was originally introduced with the aim of directing capital flows towards economic activities that support and accelerate the green transition, primarily by increasing transparency and establishing uniform reporting standards — particularly for customers and investors. In the area of capital investment, financial institutions and insurers possess a significant lever to effectively advance this transition through financing and equity participation. In practical application, however, it is becoming increasingly apparent that the current framework of the TSC undermines this central objective. In many areas, the criteria are overly complex, excessively detailed, and insufficiently practicable for operational implementation. In numerous cases, the information and data points required for a taxonomy-aligned assessment are not available or can only be collected with disproportionate effort — resulting in significant costs and processes that are difficult to automate. In addition, investors often lack the necessary influence over many assets — particularly in the debt segment — to meet certain requirements (e.g. internal circular-economy policies). A key point of criticism concerns infrastructure assets that make a clear and direct contribution to the green transition. This includes in particular:			Despite their high contribution to transformation, financial institutions that invest more heavily in such infrastructure are currently unable to distinguish themselves meaningfully in their reported taxonomy alignment ratios from institutions that invest less in these areas. While the requirements for demonstrating a substantial contribution are generally achievable, the DNSH criteria, by contrast, impose very high and in some cases difficult to fulfil hurdles. The DNSH criterion on biodiversity is especially problematic, as it frequently requires additional data collection even though similar information is already available through PAI or CSRD reporting. Greater recognition of these existing data sources could significantly improve both practicality and consistency of the requirements. The DNSH requirement relating to the circular economy for infrastructure assets such as wind	We encourage that the ongoing and future revisions of the TSC give stronger consideration to ensuring that infrastructure assets with a clear and substantial contribution to the green transition can be classified as taxonomy-aligned more easily and based on more realistic requirements. This would better serve the original intention of the EU Taxonomy — namely, to guide capital towards sustainable activities — and would accelerate the transformation process in Europe.

	- renewable energy generation facilities (e.g., wind and solar parks), - energy efficient technologies, - and clean mobility solutions.			and solar parks should be fundamentally reconsidered. In its current form, the requirement leads to disproportionate obligations that do not adequately reflect the transformation benefits of these assets.	

CCM 4.5.			TSC continue to require proof of life-cycle emissions of less than 100 g CO_2e/kWh from this activity. According to official figures, life-cycle emissions from run-of-river hydropower plants in the EU range between 6 and 3 g CO_2e/kWh, depending on the location.	DNSH WTR: DNSH now explicitly requires the "good status" of the water body as defined by the Water Framework Directive (2000/60/EC), rather than merely compliance with the objectives of the directive. This represents a significant tightening of requirements, as the "good status" of water bodies is not the sole responsibility of power plant operators but also of other stakeholders (e.g., riparian residents or shipping companies).	For geothermal energy (CCM 4.6.), the proposal has been made to remove the life-cycle emissions requirement due to its low threshold (38 g CO_2e/kWh). In the interest of ensuring equal treatment across renewable energy sources, we recommend removing the substantial contribution criterion and retaining the requirement that the facility comply with the Water Framework Directive (2000/60/EC) for DNSH WTR.

CCM 4.5.	In order to provide more consistency for the Taxonomy-alignment of hydropower assets, some definitions should be clarified in the final TSC: - Please define “artificial reservoir”. For RoR, there is very often a pondage to gain hydraulic head. It should be made clear that this is not meant by “artificial reservoir”. This is an unclarity in the existing TSCs as well. - Please define “impounded area”. The impounded area can vary significantly throughout a year, depending on the (multi-purpose) usage, regulations, and the current water supply. In addition, we think that the chosen methodology is difficult in practical terms. It is far too cumbersome and gives a false impression of accuracy, applying relations from laboratory conditions to in situ situations with many necessarily rough estimates. We refer to a study of the German Federal Environment Agency UBA of 20261, which accounted the emissions of Run-of-River-Plants at 2.66 g CO2-eq/kWh and of Storage Plants and Pumped Storage plants with natural inflow of 23.46 g CO2-eq/kWh. Given this evidence, we call on the Commission to exempt hydropower from the obligation to calculate lifecycle emissions, as it is the case for wind and solar.			(3) Sustainable use and protection of water and marine resources 1.: "The activity complies with the achievement of good status or good ecological potential of water bodies in the sense of Directive 2000/60/ EC." For the sake of consistency and to avoid misunderstandings, the Commission should copy the wording of point two: “The activity does not permanently compromise the achievement of good status/potential in any of the water bodies in the sense of Directive 2000/60/EC.” The demand for “all technically feasible … mitigation measures” is too far-reaching, as there are many measures that are technically feasible in principle, but whose effort is disproportionate to their costs, making the operation of the plants highly uneconomical. It would be more appropriate to refer to “all economically viable/reasonable mitigation measures” instead.	

CCM 4.7.	We welcome, that an alignment with the RED and its delegated acts is foreseen by the Commission. However, we think that blending with fossil fuels should be allowed, especially in the transitional phase with limited availability of RFNBOs				

CCM 4.8. CCM 4.20.	We do not understand the second paragraph in the technical screening criteria (1) (same paragraph is found in 4.20. cogeneration of power and heat with bioenergy, and 4.24. generation of heat with bioenergy): "High indirect land-use change-risk bioliquids, solid biomass fuels and biogas produced from food and feed crops for which a significant expansion of the production area into land with high-carbon stock is observed shall not be used under this activity, unless they are certified to be low indirect land-use change-risk bioliquids, solid biomass fuels and biogas in line with the criteria for certification of low indirect land-use change-risk biofuels, bioliquids and biomass fuels laid down in Delegated Regulation (EU) 2019/807. " The used definitions are unclear and ambiguous. A reference to the rules in the RED should be sufficient.			In the DNSH criteria for circularity the language on industrial grade roundwood is ambiguous (e.g., varies by market, not clearly defined). We would suggest removing this ambiguous requirement and focus on alignment with same principle directly in the RED for clarity instead	

CCM 4.12. CCM 4.14.	Both hydrogen storage (CCM 4.12.) and transmission (CCM 4.14.) have become more restrictive to “high grade purity hydrogen” only. This is ambiguous, and inconsistent with how hydrogen is considered in closely related sections (e.g., CCM 3.10., CCM 4.7., CCM 4.19. which are now aligned with the Renewable Energy Directive’s definition of low carbon). It also explicitly excludes blending with fossil fuels and other renewable fuels such as biomethane, which is important to help the existing ecosystem and network transition. We would therefore call on the Commission to align the sections CCM 4.12. and CCM 4.14. with the RED provisions as well.				

CCM 4.14.	Activity was not merely updated, but changed to a new one.		Grid infrastructure must now be designated exclusively for the transport of specific hydrogen molecules. The previous demonstration that investments would enable the networks to accommodate hydrogen molecules—either in their pure form or as a blend with other gaseous molecules (natural gas, biogas)—would therefore no longer be sufficient.		We advise against restricting CCM 4.14. to hydrogen, as natural gas and biogas play an important role as transitional technologies in the decarbonisation of energy and heat supply. Although gas grids were originally designed for fossil natural gas, they already enable the transport of a wide range of gaseous energy carriers and can therefore be considered “neutral” in this regard. Given the uncertain availability of hydrogen, it is essential for gas grid operators to be able to classify related investments as taxonomy-aligned. Otherwise, there is a risk that the expansion of hydrogen and other low-carbon gases will be delayed due to insufficient infrastructure. As gas grid operators primarily implement regulated, demand-driven projects, restricting taxonomy alignment could slow down the development of the necessary infrastructure and negatively affect security of supply.

CCM 4.15.				DNSH PPC: The requirements not to increase the use of fossil fuels, to use specific components (e.g. variable speed drives), and the condition that the activity should go beyond the requirements for "efficient district heating and cooling networks" as defined in Article 24(6) of Regulation (EU) 2023/1791.	We recommend removing DNSH PPC at this stage, as DNSH criteria should focus on preventing harm to other environmental objectives rather than effectively tightening the substantial contribution criterion for climate change mitigation, especially given the lack of a clear link to pollution prevention and control.

CCM 4.29. CCM 4.30.	In the Technical screening criteria 1 (b) (v)/(vi) the fixed date for power plants to switch from natural gas to decarbonized fuels by 2035 should be removed. A specific date is counterproductive, as no power plant operator can foresee and control, at what time a switch will be possible. In principle: Inclusion of gas as a “transitional activity” was justified to accelerate coal phaseout – but current criteria risk undermining that purpose. The taxonomy currently underplays gas’s importance for system stability and coal exit acceleration, despite acknowledging its transitional role. Overly strict criteria paradoxically slow down decarbonisation by: - discouraging investment in modern, efficient gas capacity, - delaying retirement of older, higher emission coal units, - obstructing gas’s critical role in security of supply. This is especially important to maintain a reliable electricity system in Europe as the share of variable renewable energy increases. The criteria are so restrictive that no energy company can report on taxonomy-aligned gas investments. The only companies reporting have classified gas as “taxonomy eligible”. This is a clear signal that the existing criteria do not meet the intended objectives.				

	A specific date is not necessary for decarbonisation reasons as the EU ETS will steer the decarbonisation of all power generation assets in the EU in an effective way reflecting ecosystem readiness and feasibility. In addition, the taxonomy sets an emissions budget, which ensures that power plants must decarbonize in order to meet this budget. The 2035 switching date is specifically not feasible for the following reasons: - Fully transitioning to low-carbon gasses requires transforming a complex ecosystem, of which power plant operators are a single player. Significant infrastructure investments linking supply and demand are crucial, but can take decades. The current transition date is not possible, given delays in the supporting ecosystem. Hydrogen-ready power plants are an important part of creating flexible and scalable hydrogen demand, and policy should not artificially dis-incentivize their construction with unachievable deadlines. - Current thresholds are technically unrealistic for most gas plants: thresholds should reflect real-world technological maturity, not theoretical best cases. Propose gradual tightening instead of fixed, unrealistic thresholds. - Hydrogen readiness and cofiring requirements exceed				

	technological feasibility: realistic hydrogen integration milestones that match grid availability, supply chains, and turbine readiness. - The 2035 full switch to renewable or low carbon gases is economically and infrastructurally risky: We advocate for a phased transition period beyond 2035, linked to measurable infrastructure and market maturity indicators.				

CCM 6.4. CCM 6.5. CCM 6.6. CCM 6.19.	For activities subcontracted to suppliers, screening for taxonomy alignment is usually not possible due to insufficient information. Consequently, these assets can only be assessed for alignment by the suppliers themselves, who must confirm compliance. Furthermore, determining the taxonomy alignment of revenues from outsourced economic activities is complicated by the fact that many suppliers are currently not subject to the EU Taxonomy reporting requirements.				The Commission should clarify that audited information from a supplier can be used in a customer's reporting. Confirmations of taxonomy alignment issued by a supplier should be accepted by the customer's auditor, and additional evidence or data available only to the supplier should not be required. Compliance is ensured because the alignment status is confirmed by the supplier, either using data from the previous reporting period or, where timelines permit, from the current reporting period.

CCM 6.5. CCM 6.6.				DNSH PPC - Tyre criterion Reassess the criterion regarding its added value. We propose excluding this criterion for given rationale. It reduces the transparency of companies' environmental performance when using EVs in their operations. Consequently, it weakens comparability between companies, particularly between EU and non-EU operations, rendering taxonomy disclosures less meaningful for investors.	(1) EU labels are unavailable for tyres in many countries outside EU. Local standards use different criteria and cannot easily be mapped. (2) Screening of tyres from thousands of EVs, which are frequently changed due to local business and safety requirements (e.g. flat tire) is a continuous costly effort. (3) Application of rolling-noise criterion for EVs which themselves need to run noise generators (AVAS) as they are too silent at large share of their operations is paradox. (4) EPREL database: The draft delegated act indicates that there is a specific "taxonomy filter" in the EPREL database. Currently it is unclear how this filter will be designed and whether it directly marks taxonomy-aligned tyres. If this is planned, this is a risk for companies as they have one methodology to derive the aligned tyres from EPREL based on the description of the PPC criteria. Please provide a information whether there will be a change in EPREL to introduce a specific "taxonomy filter" as described in the proposed delegated act.

CCM 6.5. CE 5.4.				DNSH PPC The criterion referring to Euro 6 light-duty emission type-approval should be deleted, as these requirements are not relevant for zero-emission vehicles. Given the limitation to zero-emission vehicles in the substantial contribution technical screening criteria, the criterion is thus obsolete.	

CCM 6.5. CE 5.4.				DNSH PPC We support the extension of the scope to the two “highest two populated classes” for external rolling noise which could potentially lead to high taxonomy-alignment of our battery-electric vehicles. To clarify the applicability of the DNSH criterion, we propose to delete “or replacement”. An OEM has only decision power for tyre mounting upfront to the handover of the car to the customer: “This criterion applies to the phase where the relevant actor has the decision power for tyre mounting or replacement.”	

CCM 6.5.	Delegated Regulation (EU) 2021/2139 (Annex I, Section 6.5 (c) (ii)) defines the specific DNSH criteria for the activity CCM 6.5. The practical application of some of these criteria generates disproportionate administrative burden and raises verification feasibility issues for fleet operators subject to taxonomy alignment reporting.			I. Deletion of criteria (1) and (2) due to redundancy and geographic inadequacy Points (1) (euro 6 compliance) and (2) (clean vehicles directive thresholds) of the specific DNSH pollution criteria are deemed redundant with the TSC and present geographic limitations. 1. Redundancy with TSC: vehicles eligible for CCM 6.5. must already meet extremely strict CO2 emission thresholds. For these vehicles, compliance with Euro 6 standards is intrinsically secured or largely surpassed. Maintaining this dual requirement creates an unnecessary administrative and documentation burden. 2. Geographic limitation: since the Euro 6 standard is a EU type-approval standard, the formal requirement to comply with it de facto prevents the alignment of fleets using non-EU vehicles, even if these vehicles comply with equivalent international environmental performance standards (e.g., US or Chinese standards). This	The revision of DNSH criteria (1), (2), and (3) is essential to ensure that the EU Taxonomy remains a credible and applicable tool without imposing disproportionate regulatory burdens. We request immediate action to delete the redundant criteria (1) and (2) and to make the tyre criteria (3) verifiable by phase-in period or deleted. Such revision will incentivize sustainable investments worldwide and strengthen confidence in the EU's broader sustainable finance agenda.

				hinders the harmonization of alignment for global or third country-based fleets. Proposal: deleting points (1) and (2) of the DNSH pollution criteria for CCM 6.5. alignment with air pollution prevention should be deemed covered by the adherence to the very strict performance threshold of the TSC on CO2 emissions. II. Revision of Criterion (3) Pertaining to Tyres (Rolling Resistance and Noise) The tyre criterion is practically unfeasible for fleet operators due to supply chain complexity and regulatory conflicts and therefore hinders corporates to show alignment for their CCM 6.5. investments. 1. Impossible data reliability and collection: the criterion requires unit-by-unit proof (via EPREL) for millions of tyres. Fleet operators (CCM 6.5.) do not have access to composition data because manufacturers are not subject to the same reporting obligation.	

				Alignment proof is therefore blocked by the lack of reliable and accessible data. 2. Market and safety inconsistency: the requirement for strict rolling resistance coefficient (RRC) classes creates a direct conflict with safety requirements for certain tyre types. Tyres required for winter conditions (mandatory road safety) must maximise grip, which, from a technical perspective, often conflicts with optimisation for low rolling resistance (Source: Studies on EU Tyre Labelling, UNECE). The TSC thus penalises fleets operating in regions that mandate winter safety measures. Proposals: • Option 1 (Ideal): Delete point (3) of the DNSH Pollution for activity 6.5. • Option 2 (Alternative – Phase-in): Introduce an adapted and targeted phase-in period: o Safety tyre exemption: explicitly exempt winter or all-season tyres (with the snowflake/3PMSF pictogram) from the strict rolling resistance coefficient (RRC)	

				requirements. o Aggregated proof: accept alignment proof based on a sample or an annual aggregated average of replacement tyre purchases, instead of a tedious unit-by-unit inventory.	

CCM 6.6.			Low-emission heavy-duty vehicle criterion Reassess the criterion which in praxis only allows electric or hydrogen heavy-duty vehicles to be taxonomy-aligned.		Heavy-duty vehicles that run on sustainable fuels (HVO, Bio-CNG, Bio-LNG) are not fulfilling the "low-emission heavy duty vehicle criterion". For linehaul decarbonization currently no other large-scale technologically and economically feasible solution available.
CCM 6.15.				Noise criterion Exclude criterion from DNSH if third countries did not publish noise maps on national/local level.	Noise maps and respective actions plans are generally not available outside of the EU (partially even not available within the EU).

CCM 6.15.				DNSH CE - Construction and Demolition Waste criterion (1) Accept national waste regulation and national statistics as evidence for the 70% criterion. (2) Provide mapping of third country national waste regulation or international standards that prove the waste criterion.	(1) National waste statistics () show that for most EU countries way more than the required 70% of construction and demolition waste is prepared for reuse, recycling and other material recovery which proves that the EU Construction and Demolition Waste Management Protocol is applied. Providing individual evidence on site level causes costly bureaucratic effort. (2) EU waste regulation is only applicable within the EU. Analysing and comparing waste laws of hundreds of countries is a huge burden for global companies.

CCM 6.15.	We welcome the increased focus of the activity on e-mobility, especially charging-infrastructure. However, the broad focus on infrastructure continues to result in impractical criteria (e.g., mitigation measures to prevent collisions with wildlife). We welcome a focus on the construction and operation of charging infrastructure for e-mobility, including criteria tailored to this purpose.			DNSH CE: The requirement to demonstrate that at least 70% of excavated material is prepared for reuse in EV charging infrastructure construction leads to distortions between different site types. In practice, a distinction is made between hub locations (e.g., near highways) and retail locations (e.g., public parking areas in cooperation with shops). The criterion, including the clarification in Commission Notice C/2023/267 (Question 102) that quotas must be met, disproportionately disadvantages retail locations, even though these are also publicly accessible charging stations and not covered by CCM 7.5. We therefore recommend avoiding a fixed threshold and instead promoting recyclability in line with the waste hierarchy.	We propose waiving the 70% requirement under DNSH CE and replacing it with an obligation for general contractors to comply with the waste hierarchy and promote recycling. Alternatively, it should be clarified that the 70% requirement is considered fulfilled when excavated material is handed over by the general contractor to a waste and recycling company that is itself obliged to comply with the waste hierarchy. Retail locations are typically developed on existing paved areas rather than on greenfield sites. As a result, less excavated soil is generated compared to hub locations; however, due to its composition, this material is generally not suitable for reuse. In practice, construction is carried out by general contractors, who are also responsible for disposal. More generally, we advise against fixed quotas as a criterion within DNSH CE, as they tend to increase the complexity of verification without improving transparency.

CCM 6.19.			Point d) - Scraping rule We recommend reassessing the criterion in terms of its added value and propose excluding this screening criterion for cargo airlines.		It takes an average of 15 years from the first generation of passenger aircraft to the first production or conversion for freight transport. By the time a cargo operator gains access to a new type of aircraft, passenger aircraft technology has already advanced again, meaning cargo operators are at best a generation behind passenger aircraft.

CCM 6.19.			SAF criterion (point g) We propose removing the reference to ReFuelEU Aviation legislation and instead allowing also CORSIA certified fuel and - in addition - any fuel which feedstock is aligned to the Renewable Energy Directive, Annex IX.		The criteria of CCM 6.19. point g) require SAF to be aligned with RefuelEU, which excludes any uplifts from airlines certified under CORSIA or voluntary schemes such as ISCC Plus - even if the SAF itself fulfils the requirements from ReFuelEU, in line with the Renewable Energy Directive.
CCM 7.1. CCM 7.2. CCA 7.1. CCA 7.2.	Differences within the DNSH criteria in different activities. CCM7.1., CCM7.2. and CCA 7.1. have threshold of 85% and CCA 7.2. has a threshold of 70%			The uplift in recycled threshold is seen critically, as it does not fit the national regulation für circular economy in Germany. (Kreislaufwirtschaftsgesetz)	That would give entities an competitive disadvantage, if they would need to set the burdens higher for the disposal companies and is linked with additional administrative burdens. Nowadays a certification for the German law is used as evidence for fulfilling the DNSH criteria.

CCM 7.1.			Technical Screening Criterion 1.: For new buildings, the technical screening criterion requires compliance with the zero-emission building requirements in Article 11 of Directive 2024/1275 to comply with substantial contribution to climate change mitigation. However, what constitutes a zero-emission building is not well defined in the Energy Performance of Buildings Directive (Directive 2024/1275) and often subject to the EU member state's national implementation. Zero-emission buildings should hence be defined overarchingly and consistently before this change to Technical Screening Criterion 1 is made.		

CCM 7.2.	Still high requirements and little practicable TSC		For renovation measures, the core situation remains: at least 30% PED reduction or “major renovation” according to the national definition, which is not adequately operationalized for Germany	Tightened DNSH requirements, including significantly increased requirements for recycling rates under waste/circular-economy provisions. From our point of view, this does not result in any material relief, but in some aspects further tightening. This is particularly problematic for the retail and volume business: A large share of realistically financeable renovation measures in the residential sector cannot be mapped into a formally clean CCM 7.2. taxonomy schema (e.g. step by step refurbishments, individual measures over several years). - Evidencing DNSH criteria on a case by case basis is disproportionately costly in mass business; the relevant data is typically not available. - As a result, disincentives remain: it is often easier for institutions not to classify exposure as CCM 7.2. aligned than to actively finance small scale renovations and report them under the EU Taxonomy – even though such renovations are	From our perspective, this runs counter to the goal of supporting the transformation of the building stock – especially in the private residential segment – through the financial sector. Key recommendation: - Simplified, standardized forms of evidence for typical residential renovation projects (e.g. recognized standard packages of measures such as KfW (Kreditanstalt für Wiederaufbau) support programs instead of individual 30% calculations), - Removal of barriers – in particular DNSH criteria – which currently prevent energetically meaningful refurbishments from being reflected as taxonomy aligned.

				sensible from an energy economics perspective and politically desired.	

CCM 7.7.			Technical Screening Criterion 1.(b): For buildings built before 31 December 2020, the technical screening criterion requires the building to be within the top 15 % of the national or regional building stock expressed as operational Primary Energy Demand (PED) and demonstrated by adequate evidence to comply with substantial contribution to climate change mitigation. It should be clarified if the benchmark has to be "restricted" to buildings built before 31 December 2020 or if a "unrestricted" benchmark across all buildings may be used until such a "restricted" benchmark is developed.		
CCM 7.7.			Technical Screening Criterion 3.: For buildings that are large non-residential buildings, the technical screening criterion requires an efficient operation through energy performance monitoring and assessment to comply with substantial contribution to climate change mitigation. As with the current version of the Annex, it is unclear what constitutes a large non-residential building. It could be read as a large non-residential building is characterized by an effective rated output for heating systems, systems for combined space heating and ventilation, air-conditioning systems or systems for combined air-conditioning and ventilation of over 290 kW. However, in other economic activities related to real estate, the criterion defining large is often the floor space. It should be clarified what "large non-residential" means in this case.		

CCM 7.7.	CCM 7.7. requires that existing buildings (constructed before December 31, 2020) be certified as EPC A (Energy Performance Certificate, class A) or fall within the top 15% of the best-performing buildings at national or regional level. This requirement is crucial for ensuring a substantial contribution to climate change mitigation, as it targets buildings whose primary energy consumption aligns with nearly zero-energy building (nZEB) standards. However, the EPC is a EU standard. The strict application of this rule to assets located outside the EU creates operational difficulties and limits the ability of green investment to expand into global markets, despite the existence of equally, or even more, energy-efficient buildings certified by rigorous international labels. These problems increase the administrative burden for companies, raising compliance risks and costs and disincentivizing sustainable investments.		We propose amending the substantial contribution criterion for CCM 7.7. to accept equivalencies based on globally recognized green building certifications, provided these certifications demonstrate a maximum level of energy performance comparable to EPC A. Proposal: The building must achieve EPC class A (if applicable) or provide evidence of alignment with an international green building certification standard, as defined below, ensuring energy performance equivalent to or better than EPC class A via third-party verification. To ensure alignment with the ambition of EPC A (very low primary energy consumption), only the maximum performance levels of the most exhaustive and rigorous certification systems should be accepted. - EPC: A (EU; Class A is the target nZEB performance threshold) - BREEAM: Outstanding (>85%) (International; highest level, demands superior energy performance) - LEED: Platinum (>80 pts) (International; exceptional energy efficiency aligned with high performance threshold) - Green Star: 6 Star (World Leadership) (Australia & NZ; stringent GHG reduction requirements) - Green Globes: 4 Globes (Outstanding) (Canada & US; rigorous, verifiable energy performance) - EDGE: Zero Carbon (International; requires operational net zero carbon, aligned with nZEB ambition) The inclusion of these equivalencies is justified by two principles: the requirement for comprehensive scope and the verification of energy performance. 1. Focus on Climate Change Mitigation: EPC A is a purely energy-based criterion. The Platinum/Outstanding/Zero Carbon levels of the cited labels require the best energy performance in their respective markets (often exceeding local regulations), which is the intent of the CCM 7.7 criterion. 2. Rigour and third-party verification: These labels, at their highest levels, ensure rigorous third-party verification of building performance data, guaranteeing the reliability of energy outcomes even in the absence of the EPC (International;		The adoption of the proposed equivalencies, limited to the maximum performance tiers of the cited international labels, would allow the EU Taxonomy to be consistently applied across global markets, mobilize international green capital, and maintain the ambition threshold set by EPC A for energy performance. We recommend the integration of this list of equivalencies into the Commission's guidance on the application of the Climate Delegated Act, to incentivize sustainable investments and strengthen confidence in the EU's broader sustainable finance agenda.

			requires operational net zero carbon, aligned with nZEB ambition).		

CCM 7.7.	The increase in the level of ambition through the current provisions of the EPBD (Energy Performance of Buildings Directive) – in particular the redefinition of EPC class A as a zero-emission building (ZEB) and the recalibration of the scale to A–G – is understandable in terms of climate policy. At the same time, the close linkage to the EU Taxonomy in the buildings sector leads to significant market distortions which, in our view, cannot be the intended outcome: - de facto tightening of the TSC for EU Taxonomy alignment for all years of construction without any physical deterioration in building quality, - high uncertainty and complexity during the transition phase (old and new EPC scales in parallel), - resulting decline in the reportable taxonomy-alignment ratios for CCM 7.7., - no material relief for CCM 7.2., and, in combination with stricter recycling quotas, continued non-practicable TSC and a lack of incentives.		The dependence of CCM 7.7. on EPC labels and top 15% benchmarks is fundamentally tightened by the EPBD recalibration: The new class A (ZEB) represents only a very small, highest-quality segment of the building stock. The old scale (A+–H) is expected to continue in Germany in parallel for "a number of years", while the EU Taxonomy already switches to the new logic (A–G, A = ZEB, G = worst ~15%). a) Buildings with year of construction up to 2021 For existing buildings with a year of construction up to 2021, Taxonomy alignment can be achieved via EPC A or top 15% (primary energy, PED). - By linking "A" to the ZEB standard, the EPC criterion for existing buildings would in effect be massively tightened; a large proportion of buildings currently classified as EPC A would no longer be CCM 7.7. aligned, even though their energy performance has not changed - The top 15% approaches must also be based on an altered EPC distribution and new benchmarks; existing studies and reference values (in particular the well established vdp/DreSo basis in Germany) must be adjusted. There is a risk of an extended period without reliable, practical benchmarks. b) Buildings with year of construction after 2020 The situation also becomes more ambitious for newer buildings: - More recent properties must in practice meet the higher ZEB requirement for CCM 7.7., and the requirements are increased retroactively without a transition phase / shift in year of construction classes (previously 10% below NZEB standard). Buildings that have so far been considered efficient under national law (GEG compliance, possibly KfW standard) would not be immediately EU Taxonomy compliant.		Consequence: Institutions that currently cover CCM 7.7. mainly via EPC A and/or top 15% criteria based on energy classes will lose a significant share of their previously aligned portfolios. CCM 7.7. alignment ratios will visibly decline, without any deterioration in the underlying building stock being responsible for this. The newly envisaged option of demonstrating a 60% improvement in primary energy demand (PED) within 10 years is in practice hardly feasible in lending business – particularly in the retail segment. It requires additional, long term data collection and monitoring, bases on uncertain renovation plans, and it cannot be reflected in contractual, legal and operational terms with reasonable effort. Without appropriate adjustments and significant relief, there is a risk that the combination of the EPBD reform and the EU Taxonomy will, in effect, significantly increase uncertainty and complexity, and will not support but rather further impede the transformation of the buildings sector. This clearly contradicts the stated ambition to make sustainability requirements more transparent, understandable and manageable.

					Key recommendations 1.Clear transition and grandfathering rules for CCM 7.7.: - Clear determination of the date from which EPC references relate to the new scale, - Protection of exposures already classified as aligned from purely definitional “downgrades” over an appropriate period. 2.Practicable design of CCM 7.7.: - Realistic criteria for existing buildings (year of construction ≤ 2021) that do not aim at ZEB level, - Review of the 60% PED option with regard to practicability – in particular in retail banking, - Adjustment/introduction of a new year of construction class (e.g. from 2028) that first allows for a national introduction of the ZEB standard.

CCM 8.2.	No changes to CCM 8.2.				We consider CCM 8.2. to be an example of avoidable complexity. Commission Notice C/2023/267 (question 159) clarified that the mere provision of infrastructure cannot be reported under this activity. However, uncertainties remain regarding the extent to which broadband expansion can be classified under CCM 8.2., as a demonstrable link to GHG emissions reduction is required, yet no practical guidance is provided on how such a link can be established. This leads to inconsistent reporting practices, which the EU Taxonomy was originally intended to prevent.

CCA 3.6.		We regret that the activity description still requires compliance with the TSC for substantial contribution under CCM 3.6. This effectively introduces two things: TSC within the activity description (instead of having an activity description and then TSCs) and a mitigation prerequisite for achieving alignment under the climate adaptation objective. This approach appears inconsistent, as mitigation and adaptation are defined as distinct objectives within the taxonomy framework. Remove the requirement in the activity description to “comply with the technical screening criteria for substantial contribution specified in Section 3.6 of Annex I”. The activity definition should instead provide a clear and concise description, consistent with the approach adopted for other taxonomy activities, without embedding TSC requirements. Furthermore, the criteria for substantial contribution to mitigation and adaptation should remain clearly independent.			

CCA 7.1. CCA 7.7.	Ambiguity still exists on what may be considered sufficient to claim a substantial contribution to climate change adaptation, most of all for those buildings not exposed to significant risks. Consideration of this criterion would need substantial clarifications in FAQs.				
CE 1.1.			We note that proposed SC criterion 4 is based on the definition of Substances of Concern (SoC) set out in Article 2(27) of the Ecodesign for Sustainable Products Regulation (ESPR). However, according to the ESPR FAQs published in September 2024 (Ref. Ares(2024)6780548, FAQ 107), thresholds and exemptions for SoCs are foreseen. These thresholds and exemptions are expected to vary across product groups and will be defined through product-specific delegated acts. Accordingly, the SC criteria should take into account the thresholds and exemptions applicable to plastic packaging products. A wide range of chemical activities, such as chemical recycling, which are essential for the transformation, are currently not included.		Aligning the SC criteria with the thresholds and exemptions foreseen under the ESPR ensures regulatory consistency. We support the inclusion of activities, such as chemical recycling, which are essential for the transformation.
CE 2.4.		Positive: Removal of the priveous restriction in the description of the activity "*other than metals or metal compounds*"		Positive: removal and simplification of the DNSH requirements	The deletion of the previous limitation "other than metals or metal compounds;" as well as the removal and simplification of the specific DNSH criteria is highly appreciated and should definitely be retained

CE 2.4.		The term "recovery" could be added here alongside "recycling" and "reclamation"			The addition of the term “recovery” would also allow activities in the field of recovery to be taken into account
CE 2.4.		Further amendment compared with the currently valid Environmental Delegated Act: Description of the activity, paragraph 4: Removal of the exclusion of “*inorganic materials from incineration processes, such as ashes, slags or dust*”			The treatment and recovery of hazardous waste from incineration make a significant contribution to sustainable development and the management of waste streams in Germany and the EU. The alternative would be to dispose of such waste in landfills – which would be contrary to both the waste hierarchy and the principles of sustainability.

CE 5.1.		Regarding the amendments related to CE 5.1., the revised description, in particular the inclusion of NACE code C29, meaningfully extends the scope of the activity.	With respect to the substantial contribution to the transition to a circular economy, the additions concerning the extension of the functional lifetime are considered appropriate. At the same time, the removal of the requirements related to contracts represents a reasonable simplification.	Climate Change mitigation: The removal of the requirement that direct greenhouse gas emissions of the activity must be below 270 gCO_2e/kWh is viewed positively, as it avoids the application of a rigid threshold that may not be appropriate across all relevant activities. Pollution prevention and control: Appendix C only have to be considered regarding "manufacturing".	

CE 5.2.		Regarding the amendments related to CE 5.2., the revised description, in particular the inclusion of NACE code C29, meaningfully extends the scope of the activity.	The clarification that sold spare parts are also to be taken into account where the existing part is damaged or has reached the end of its service life is a meaningful and appropriate addition. Furthermore, replacing the previous requirements related to customer deliveries and packaging specifications (e.g. recycled content thresholds) with a clearer requirement to reduce packaging to the necessary minimum and to comply with Regulation (EU) 2025/40 on packaging and packaging waste represents a well-targeted and coherent approach.	Climate Change mitigation: The removal of the requirement that direct greenhouse gas emissions of the activity must be below 270 gCO_2e/kWh is viewed positively, as it avoids the application of a rigid threshold that may not be appropriate across all relevant activities. Pollution prevention and control: The removal of the reference to compliance with Appendix C is considered appropriate. Instead, the clearer and more direct alignment with the explicitly listed regulatory frameworks (e.g. REACH, RoHS) provides greater legal clarity and consistency.	

CE 5.3.			The removal of the requirement that sold parts must be subject to a purchase contract, including related provisions on product conformity where applicable, is considered a well-targeted simplification. Likewise, the deletion of references to ISO 14001 and ISO 9001 (quality management systems) in relation to the requirements for the "preparation for re-use of waste" appropriately sharpens the focus on relevant criteria.	Climate Change mitigation: The removal of the requirement that direct greenhouse gas emissions of the activity must be below 270 gCO_2e/kWh is viewed positively, as it avoids the application of a rigid threshold that may not be appropriate across all relevant activities. Pollution prevention and control: The deletion of the requirement to comply with Appendix C enhances clarity. At the same time, the clarification under occupational health and safety that no Appendix C substances shall be used during the "preparation for re-use of products and components at the end of life" is a meaningful and relevant specification.	

CE 5.4.		The amended description appropriately extends the scope to also cover “second-hand goods […] for demonstration or testing purposes”. In addition, the clarification that “the activity does not cover the re-sale of returned products” improves scoping clarity.	The removal of the requirement that sold parts must be subject to a purchase contract, including related product conformity provisions where applicable, represents a well-balanced simplification. Moreover, replacing the former customer delivery and packaging requirements (e.g. recycled content thresholds) with a clearer obligation to reduce packaging to the necessary minimum and to comply with Regulation (EU) 2025/40 on packaging and packaging waste appropriately focuses on relevant and enforceable requirements.	Climate change mitigation: The deletion of the requirement that direct greenhouse gas emissions of the activity must be below 270 gCO_2e/kWh is considered appropriate, as it avoids imposing a rigid threshold that may not reflect the diversity of relevant activities. Pollution prevention and control: The removal of the generic requirement to comply with Appendix C, combined with a clearer obligation for products to comply with restrictions on hazardous substances under Regulation (EC) No 1907/2006 (REACH), Directive 2011/65/EU (RoHS), and Directive (EU)2017/2102 amending RoHS, improves legal clarity and practical applicability. The adjustment of the external rolling noise criterion, allowing compliance with the two highest performance classes, is appropriate. The reference to the new EU Taxonomy filter in the EPREL database	

				provides a pragmatic and verifiable means of compliance assessment. Finally, restricting the applicability of this criterion to phases where the relevant actor has decision-making power regarding tyre mounting or replacement is a necessary and proportionate clarification.	

PPC 1.1.	We support the deletion.				
PPC 1.2.	We support the deletion.				

Appendix A - D	DNSH should be based on compliance with existing EU legislation, which provides a well developed and implemented framework to assess impacts and implement solutions to mitigate potential harm.				While "substantial contribution" in the logic of the EU Taxonomy requires a performance level that is better than the industry average, DNSH does not fulfil the same purpose and should not go beyond what is already required under the existing EU legislation. DNSH criteria should be limited to preventing negative trade-off between the substantial contribution and the other environmental objectives and not implicitly demanding additional contribution to the other objectives with their own requirements.

Appendix A - Generic criteria for DNSH to climate change adaptation	The requirements set out in Appendix A appear disproportionately burdensome and may be difficult to fulfil in practice in many cases. This is particularly the case with respect to the requirement to perform a climate risk analysis over the lifetime of the activity. In practice, this term can be interpreted as the period during which a company expects to carry out a given activity. Conducting a climate risk analysis over an indefinite or open-ended timeframe does not appear meaningful and is unlikely to yield sufficiently robust or decision-useful outcomes. A more practicable alternative could be to base the analysis on the expected lifetime of the relevant assets, although this approach also entails methodological challenges. In addition, proposed amendments to the EU Taxonomy framework implicitly require companies to develop an adaptation plan. In the context of the Omnibus I-revision process on the CSDDD, the Commission explicitly decided to remove the obligation to adopt a transition plan in CSDDD. Introducing a comparable requirement through the EU Taxonomy instead de-facto eliminates the simplification effect that was achieved through Omnibus I-revision. In line with the broader policy objective of simplification and burden reduction, we would encourage				

	consideration of whether this requirement remains appropriate. Alternatively, companies that already disclose information under the ESRS, in particular with regard to the resilience analysis and transition plan under ESRS E1, could be deemed to meet the requirements of Appendix A of the EU Taxonomy. Such an approach would avoid duplication or possible misalignment, and reduce the administrative burden.				

Appendix A - Generic criteria for DNSH to climate change adaptation	1. Lack of a Clear and Operational Definition of “Significant Risks” The draft legal text refers to the presence of “significant risks” from physical climate hazards without providing a sufficiently precise or operational definition. In its current form, the term remains open to broad interpretation, particularly with regard to: - Is significant risk based on climate-risk or shall it be based on financial or operational impacts - applicable risk thresholds and metrics - level of risk dimension (risk on site-level or on Group level) This lack of clarity creates substantial legal and implementation uncertainty for economic operators, as it is unclear under which conditions physical climate risks should be classified as “significant” and therefore trigger specific compliance obligations. Without harmonised criteria or reference benchmarks, there is a risk of inconsistent application across sectors, Member States, and supervisory practices, undermining comparability and legal certainty. We recommend using the following definition for “Significant physical climate risks”: “Significant physical climate risks” means physical climate related hazards or chronic climate trends which, based on a forward looking, enterprise wide risk assessment consistent with				

	established enterprise risk management practices, are reasonably likely to result in financial impacts exceeding a defined viability threshold, such that the continuity or solvency of the undertaking as a whole would be endangered over the relevant time horizon. Risks shall be considered significant only where their aggregated financial effects at the level of the undertaking cannot be reduced below the viability threshold through existing or credibly planned adaptation measures implemented within a reasonable timeframe. Site specific or localised risks that do not exceed this threshold at undertaking level shall not be regarded as significant. 2. Disproportionate Burden and Unclear Timing for Adaptation Measures Requiring adaptation plans for all assets with identified climate risks, would impose a disproportionate administrative and financial burden, particularly for organisations with large portfolios. This is compounded by the lack of clarity on when measures for future climate risks must be specified, creating uncertainty as to whether concrete actions are expected today for risks that may materialize only in the longer term. 3. Consideration of nature based solutions and green or blue				

	infrastructure The revised draft places stronger emphasis on the consideration of nature based solutions and green or blue infrastructure. Suggested refinement: Clarify that nature based solutions should be considered where relevant and feasible, without creating a presumption of suitability for all asset types, locations or activities. 4. Documentation requirements for climate risk screening, materiality assessment and adaptation measure selection The revised draft significantly increases the level of documentation required for climate risk screening, materiality assessment and adaptation measure selection. Suggested refinement: Provide clear guidance on minimum documentation expectations, including examples of concise and acceptable justifications, to ensure consistent application while avoiding unnecessary complexity.				

Appendix B - Generic criteria for DNSH to sustainable use and protection of water and marine resources	Amendment No. 1, sentence 1: Deletion of the reference to being in good condition: "[...] *with the aim of contributing to achieving good water status and good ecological potential as defined in Article 2, points (22) and (23), of Regulation (EU) 2020/852 of all affected water bodies,"*				For DNSH, the decisive factor should be that all activities consistent with the Water Framework Directive (WFD) meet these criteria. Otherwise, this would imply that EU water law permits massive damage to water bodies. This is not the case. In addition to the objective of good status or good ecological potential, the WFD also includes other options, such as alternative management objectives, etc., which are not taken into account in the wording of the aforementioned draft delegated act.

Appendix B - Generic criteria for DNSH to sustainable use and protection of water and marine resources	"good water status and good ecological potential" The wording "Good water status" lacks clarity. It can be interpreted differently and can be defined differently at the local level. It should be ensured that "Good water status" is defined clearly. The current wording does not represent clear threshold values, definitions, or the enforcement of national laws "water and protection management plan" The obligation to provide evidence should be ensured through local approval documents and procedures. If a company is certified along well-established environmental protection or ISO norms/standards (e.g. ISO 14001 or EMAS) this should serve as proof of DNSH criteria fulfilment. In the context of third-country activities, it is important that the EU Taxonomy does not override established local legislation. Where national laws or international standards provide equivalent regulatory outcomes, compliance should be recognized accordingly				

Appendix C - Generic criteria for DNSH to pollution prevention and control regarding use and presence of chemicals	Consider non-applicability of EU environmental and occupational safety in non-EU countries. The proposed delegated act would implicate major changes in Appendix C in Annex 1. In particular, the current paragraph (f) on Substances of very high concern (SVHC) would be transferred into a new paragraph 7. The new wording would specify the definition of “use under controlled conditions” as use under the applicable EU chemical legislation acquis that ensures measures are in place to minimize exposures and emissions as far as practically possible. Although this criterion can be applied very well to the use of substances in the European Union, difficulties will arise when considering uses in foreign countries. For example, a European company manufacturing articles in the US has to verify whether the DNSH criteria are fulfilled for the articles manufactured in the US. However, EU chemical legislation on emission control and occupational safety cannot be applied in the US or in other foreign states. Environmental and occupational safety regulations are inherently linked with the actual site of production and are typically embedded in a framework of national regulations and standards. Trying to superimpose EU regulations on existing non-EU safety and environmental regulations will make compliance with paragraph 7. very difficult and cause massive legal				

	uncertainties. Furthermore, the environmental and occupational safety acquis mentioned in this paragraph typically requires extensive monitoring and documentation, so Appendix C should not superimpose an additional assessment and documentation obligation on top of what is already in place. For this reason, we suggest changing the text as follows: "7. (...) not covered by paragraph 6, except if ~~it is assessed and documented by the operator that~~ they are manufactured or respectively used under the controlled conditions that are prescribed **– where applicable –** in the EU chemicals legislation acquis..." Focus on controlled use of SVHCs The new wording of paragraph 7. does not require a substitution assessment for the use of SVHC in articles anymore but introduces the implementation of measures that are proportionate to the operators' size and complexity and serve to avoid or minimize the use of SVHCs at the design stage of products. This requirement changes the focus of side-conditions applicable to the use of SVHC, however, it is still lacking a clear definition which will lead to heterogeneous and arbitrary reporting of compliance and make comparisons between companies very difficult. In a previous consultation on the DNSH criteria				

	some companies already stated that SVHC are tightly regulated under other regulations (e.g. EU CMR directive, REACH Annex XVII Entry 28-30). Those regulations appear much more effective and targeted since they are risk-based, addressing the actual use of chemicals and put pressure on all economic players to comply with these requirements. The regulation of hazardous substances should preferably be achieved through appropriate and well-established chemical regulations such as REACH. We thus suggest that paragraph 7. should focus on the use of SVHC under controlled conditions and avoid imposing additional requirements which lack a clear scope and definition. The paragraph "The operator assesses and implements practicable possibilities that are proportionate to the operator's size and complexity, at the design stage of products, to avoid or minimise the use of SVHCs." should thus be removed from the text: "7. The activity does not consist in the manufacture, placing on the market or use of substances, whether on their own or in mixtures or in an article in a concentration above 0,1 % weight by weight, that were identified in accordance with Article 59(1) of Regulation (EC) No 1907/2006 for a period of at least 18 months and are not covered by paragraph 6, except if ~~it is assessed and documented by the~~				

	~~operator that~~ they are manufactured or respectively used under the controlled conditions that are prescribed **– where applicable –** in the EU chemicals legislation acquis that is applicable to the use of the substances and that ensures that measures are in place to minimise exposures and emissions as far as practically possible. ~~The operator assesses and implements practicable possibilities that are proportionate to the operator's size and complexity, at the design stage of products, to avoid or minimise the use of SVHCs~~.				

Appendix C - Generic criteria for DNSH to pollution prevention and control regarding use and presence of chemicals	A higher degree of alignment with existing EU legislation on chemicals and pollutants is an important step forward. At the same time, further refinement of the EU Taxonomy criteria should be considered to better reflect parts of companies' operations conducted outside the EU. Currently, Appendix C refers to chemicals-related regulations that are applicable in the EU. Where companies operate globally and adhere to other regulatory frameworks outside the EU, compliance with the TSC can, under the current framework, only be assessed for the EU-based part of their activities. This approach may limit the ability of corporate disclosures to capture companies' activities in a holistic manner. Allowing companies to take proper account of their global operations for EU Taxonomy reporting purposes could therefore better support the objective of transparency at the level of the undertaking as a whole. One possible approach could be to extend the scope of applicable references to include equivalent regulatory regimes outside the EU, for example by allowing compliance with "EU Regulation X or equivalent non-EU regulation with a comparable level of ambition".				

Appendix C - Generic criteria for DNSH to pollution prevention and control regarding use and presence of chemicals	Several detailed formulations lack clarity and consistency. REACH Annex XVII currently refers only to substances and no longer to mixtures or articles, while REACH Annex XIV provides for additional, well-established exemptions, such as for the import of articles containing Annex XIV substances. As a result, it becomes unclear which elements are within scope, as references alternately apply only to substances or also to articles. A more coherent approach would be to require overall compliance with REACH Annex XIV and Annex XVII as applicable. Accordingly, and consistent with the approach used for the heavy metals criterion, the requirement could be in essence formulated as follows: Where vehicles are subject to the respective legislation, the applicable requirements shall be complied with. In general, we support that, where references are made to regulatory frameworks, the applicable requirements apply in accordance with the respective regulation.				

Appendix D - Generic criteria for DNSH to protection and restoration of biodiversity and ecosystems	Deletion No. 2, sentence 2: "*Activities that require compensatory measures to offset significant negative impacts on habitats or species identified in the assessment (*6) do not comply with Appendix D (*7)";* Consequential amendment: deletion of the corresponding footnotes, in particular footnote *7: *"Compensatory measures offset significant deterioration that could not be avoided by mitigation measures and are therefore not compliant with the do-no-significant-harm principle. More information in relation to mitigation and compensatory measures can be found in the guidance document "Managing Natura 2000 sites - The provisions of Article 6 of the 'Habitats' Directive 92/43/EEC"*				A massive tightening of the current legal framework. It is incomprehensible that interventions in Natura 2000 sites should be deemed to cause damage if full compensation is provided. Companies that are site-bound and must encroach upon such protected areas immediately adjacent to their site in order to continue developing can nevertheless make significant contributions to sustainable development. This is all the more true given that in Germany, FFH areas have been designated in the immediate vicinity of sites, even though the affected companies drew attention to the implications for their sites well in advance of the designation – implications which were, however, ignored.

Appendix D - Generic criteria for DNSH to protection and restoration of biodiversity and ecosystems	For biodiversity sensitive areas (e.g., Natura 2000) those projects which impacts cannot be fully mitigated, but also need compensation measures shall be deemed not compliant with "DNSH" requirement for biodiversity and Ecosystems. This addition to Appendix D should be deleted. Alternatively, a qualified requirement for compensation measures could be added e.g., if compensation measures are required, activities need to demonstrate a "net positive contribution" to biodiversity and ecosystems. Though be accepted that mitigation measures are preferable, the proposal is not reasonable if proper compensation measures are implemented which provide an equivalent improvement for ecosystems or biodiversity. It may also set a negative precedent for the acceptance of compensation measures in other contexts. In addition, it should be clarified, that projects in Renewable Acceleration Areas are exempted from Environmental Impact Assessments, as foreseen as well in the RED. An indicative wording proposal could be: "For activities situated in Renewable Acceleration Areas which are – under the defined conditions – completely exempted from the requirement of Environmental Assessment, the requirement of Appendix D is also met."				

Appendix D - Generic criteria for DNSH to protection and restoration of biodiversity and ecosystems	The DNSH requirements under the EU Taxonomy for "Protection and restoration of biodiversity and ecosystems" largely reference the EU Environmental Impact Assessment (EIA) Directive for new construction projects. While Paragraph 1 of Appendix D appears to cover standard cases without proximity to protected areas, Paragraph 2 raises potential issues where projects may affect nearby protected areas, as it seems to exclude compensation measures under the DNSH criterion. This may conflict with established EIA practice, where compensation measures are an integral part of approved environmental impact assessments for certain projects. Clarification is therefore needed on whether projects that are near protected areas and have received EIA approval including compensation measures would be considered non compliant with DNSH, as this could contradict existing legislation and legally granted permits. In this context, a clearer distinction between mitigation and compensation measures would be helpful. Further clarification would also be beneficial on whether DNSH compliance is assessed on a project year basis or at site level, and on alignment with ESRS and the materiality assessment to ensure				

	consistency across reporting frameworks.				