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March 26th, 2025

IDW's comments on the Commissions Draft Delegated Regulation amending Commission Delegated Regulation (EU) 2021/2178, (EU) 2021/2139 and (EU) 2023/2486 (Ares(2025)1546172)

Dear Madam or Sir,

We thank you for the opportunity to comment on the European Commission's Draft Delegated Regulation amending Commission Delegated Regulations (EU) 2021/2178, (EU) 2021/2139 and (EU) 2023/2486.

The Institut der Wirtschaftsprüfer in Deutschland e.V. [Institute of Public Auditors in Germany, Incorporated Association] (IDW) is a privately run organisation established to serve the interests of its members who comprise both individual Wirtschaftsprüfer [German Public Auditors] and Wirtschaftsprüfungsgesellschaften [German Public Audit firms]. The IDW represents approximately 80% of all German Public Auditors. The auditing profession contributes to the green transformation, e.g. through providing high-quality assurance services on sustainability reporting. Therefore, the auditing profession has an interest in closely following ongoing developments in this regard.

Overall, we appreciate the European Commission's efforts to reduce the reporting burden for undertakings stemming from the Taxonomy Regulation and the accompanying Delegated Regulations. In the annex to this letter, we have included detailed comments regarding the specific proposals put forward by the European Commission. In addition, we would like to highlight the following:

GESCHÄFTSFÜHRENDER VORSTAND:
Melanie Sack, WP StB, Sprecherin
des Vorstands;
Dr. Torsten Moser, WP;
Dr. Daniel P. Siegel, WP StB

Amtsgericht Düsseldorf
Vereinsregister VR 3850

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As stated in our letter to Commissioner Albuquerque and Commissioner Dom-
brovskis of January 9th, 2025, the recent **Commission Notices** of the Euro-
pean Commission have presented several views that go far beyond our under-
standing of the requirements of the binding legal texts and thus represent a
further burden for reporting undertakings. To the extent that the European
Commission decides that these requirements are of essential importance or
represent shortcomings in the legal texts themselves, we see an urgent need
to include them in the Draft Delegated Regulation. As the present Draft Dele-
gated Regulation amends Delegated Regulation (EU) 2021/2178, (EU)
2021/2139 and (EU) 2023/2486 this opportunity should be used to submit
these changes for scrutiny by the European legislator. This notwithstanding
we would like to point out that legislating the views of the European Commis-
sion regarding these issues would lead to substantially higher reporting bur-
dens. Therefore, not taking up these views of the European Commission ac-
companied by the deletion or revision of the corresponding questions and an-
swers documents could alleviate the reporting burden without necessitating
major changes to legal texts.

The introduction of a “**de minimis threshold**” holds significant potential for
enabling reporting undertakings to focus on their material economic activities,
thereby reducing reporting burdens and fostering more meaningful Taxonomy
disclosures. In our view, the text of the proposed rules for introducing the dif-
ferent “de minimis thresholds” will need further clarification to achieve the sim-
plifications intended. Specifically, we are concerned that the approach pre-
scribed on how the thresholds apply in the individual circumstances will con-
tinue to entail considerable data collection efforts. We would also recommend
adding a further “de minimis threshold” for non-financial undertakings in regard
to the Taxonomy-eligibility assessment. Further, we recommend examining
whether a principles-based materiality approach that takes into account the re-
spective business models of the undertakings could be considered in finalizing
this Delegated Regulation.

We hope that you find our detailed comments in the annex to this letter helpful.
We would be happy to answer any questions you may have and would welcome
the opportunity to meet with you to discuss our views.

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Yours sincerely

Melanie Sack

Dr. Daniel P. Siegel

Annex

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Annex

1. **Article 1: Proposed amendments to Delegated Regulation (EU) 2021/2178**

- a. Article 1 (1): proposed amendments to the rules for disclosures by non-financial undertakings – “de minimis threshold” for turnover-, CapEx- and OpEx-KPI (Article 2 para. 1a subpara. 1 of Delegated Regulation (EU) 2021/2178)

Proposed Article 2 para. 1a subpara. 1 of Delegated Regulation (EU) 2021/2178 introduces a “de minimis threshold” for non-financial undertakings, which allows them to omit an assessment of compliance of their economic activities with the technical screening criteria for non-material activities.

Even though the introduction of a “de minimis threshold” is very much appreciated, some further clarification is needed: Proposed Article 2 para. 1a subpara. 1 of Delegated Regulation (EU) 2021/2178 states, as a condition, that the “cumulative” turnover/ CapEx/ OpEx be below 10% of the respective denominator. It would be helpful to clarify whether this “de minimis threshold” is applicable for **every single economic activity** below 10% of the respective denominator or for the **sum of economic activities** cumulating to 10% of the respective denominator. The statement on page 4 of the Draft Delegated Regulation seems to point to the applicability of the “de minimis threshold” for every single economic activity (“to reduce administrative burdens in line with the principle of proportionality, it should be permissible for non-financial and financial undertakings not to assess compliance with the EU Taxonomy of activities that are not financially material for their business” (emphasis added)) while using the term “cumulative” in the proposed Article 2 para. 1a subpara. 1 seems to point to the applicability of the “de minimis threshold” for economic activities that in total are below 10% of the respective denominator.

Furthermore, it remains unclear, whether the proposed “de minimis threshold” can be applied at the **level of an economic activity** or at the **level of the respective KPI**. On the one hand, the wording “where those activities comply with any of the following conditions in respect of the respective KPIs” (emphasis added) in Article 2 para. 1a subpara. 1 could be interpreted to mean that an economic activity which is non-material regarding one of the three KPIs can be deemed non-material on the level of the economic activity and therefore is non-material for all three KPIs (e.g. the CapEx stemming from an economic activity is below 10% of the denominator of the CapEx-KPI and the turnover stemming from this economic activity is above 10% of the denominator of the turnover-

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KPI. As the economic activity is non-material for the CapEx-KPI, this would mean that the economic activity is non-material for all three KPIs (regardless of it being above 10% of the denominator of the turnover-KPI)). On the other hand, it could be interpreted as meaning that the “de minimis threshold” has to be assessed at the level of the KPIs, so that an economic activity can be deemed non-material for one KPI but material for another KPI (e.g. the CapEx stemming from an economic activity is below 10% of the denominator of the CapEx-KPI and the turnover stemming from this economic activity is above 10% of the denominator of the turnover-KPI. This would mean that the economic activity is only non-material regarding the CapEx-KPI, but as the economic activity’s turnover is above 10% of the denominator of the turnover-KPI, the economic activity cannot be deemed non-material for the turnover-KPI). If the latter is the case, consideration needs to be given as to whether this approach is suitable for burden reduction, as this could lead to one economic activity being seen as non-material for one KPI and material for another KPI. Since the applicability of the “de minimis threshold” either at the level of an economic activity or the level of the respective KPI leads to vastly different outcomes, we believe clarification of this issue is needed within the proposed legal text.

To our understanding, the “de minimis threshold” can only be used by non-financial undertakings for the assessment of **Taxonomy-alignment** (“*may omit assessing compliance of economic activities with the technical screening criteria”, (emphasis added)*) and therefore the assessment of Taxonomy-eligibility has to be performed regardless of the materiality of the economic activity. This seems contradictory to the statement on page 4 of the Draft Delegated Regulation (“*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.*” (emphasis added)). Furthermore, this is in contrast to the “de minimis threshold” introduced for financial undertakings, which is explicitly applicable to the assessment of both Taxonomy-eligibility and Taxonomy-alignment (see 1.d).

If the intention is that the “de minimis threshold” can only be used by non-financial undertakings for the assessment of Taxonomy-alignment, we believe consideration of also introducing a “de minimis threshold” for the **Taxonomy-eligibility** assessment is warranted.

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b. Article 1 (1): proposed amendments to the rules for disclosures by non-financial undertakings – reporting on non-material activities (Article 2 para. 1a subpara. 2 of Delegated Regulation (EU) 2021/2178)

Proposed Article 2 para. 1a subpara. 2 of Delegated Regulation (EU) 2021/2178 states that the turnover, capital expenditure and operational expenditure related to the activities to which the first subparagraph (“de minimis threshold”) is applied shall be **reported separately as non-material** turnover, capital expenditure or operational expenditure. According to recital 6, undertakings should report separately non-material activities at aggregated and individual levels and should clearly state at an individual level the content and nature of the economic activities that are considered non-material to ensure transparency in those activities.

In this regard, we see the need for further clarification regarding the separate reporting of non-material turnover, capital expenditure or operational expenditure. Firstly, both the requirements to report separately on non-material activities at **aggregated and individual levels** and to clearly state at an individual level the content and nature of the economic activities that are considered non-material should not be based solely on recital 6 but instead be embedded in Article 2 itself. Secondly, clarification is needed as to how this information is to be presented (e.g. in a table, in text form etc.), whether the information has to be broken down to the level of each economic activity and whether only qualitative or also quantitative information has to be provided.

Furthermore it is unclear, to which **categories of economic activities** the non-material economic activities have to be assigned to, since this depends on whether the “de minimis threshold” for non-financial undertakings is applicable to the Taxonomy-eligibility assessment as well (see 1.a): If the “de minimis threshold” for non-financial undertakings is only applicable to the Taxonomy-alignment assessment, it would be logical to assume that the non-material economic activities are Taxonomy-eligible economic activities. If the “de minimis threshold” for non-financial undertakings is also applicable to the Taxonomy-eligibility assessment, the non-material economic activities would have to be excluded from the Taxonomy-eligible economic activities. As this potentially has a significant influence on the presentation in the templates and the sum of Taxonomy-eligible economic activities (as well as the recently introduced KPI “Proportion of Taxonomy aligned in Taxonomy eligible”), further clarification is also needed in this regard.

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- c. Article 1 (1): proposed amendments to the rules for disclosures by non-financial undertakings – separate “de minimis threshold” OpEx-KPI (Article 2 para. 1a subpara. 3 of Delegated Regulation (EU) 2021/2178)

Proposed Article 2 para. 1a subpara. 3 of Delegated Regulation (EU) 2021/2178 introduces a separate further “de minimis threshold” for the OpEx-KPI.

Even though the introduction of a further “de minimis threshold” regarding the OpEx-KPI is very much welcomed, since recital 8 of the Draft Delegated Regulation states “As it is generally considered that information on operational expenditure is of **lesser significance and decision usefulness** to assessment of the sustainability of company activities [...]” (emphasis added) and the OpEx-KPI is not needed by financial undertakings, we believe that it is critical to question, whether the mandatory reporting of the OpEx-KPI should be demanded at all. Alternatively, consideration could be given to only keeping the OpEx-KPI mandatory for expense items relevant to management (e.g. research and development (R&D) costs (as suggested by the Platform on Sustainable Finance in their report “Simplifying the EU Taxonomy to Foster Sustainable Finance”)).

Furthermore, we would recommend reassessing the approach taken. According to the proposed Article 2 para. 1a subpara. 3 of Delegated Regulation (EU) 2021/2178, a non-financial undertaking 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. As reporting of the OpEx-KPI does not necessarily depend on an economic activity generating turnover, we believe it would be helpful to reconsider whether turnover is actually a suitable reference value for the OpEx-KPI’s “de minimis threshold”.

Similar to the 10% “de minimis threshold” (see 1.a), clarification of whether the 25% “de minimis threshold” for OpEx is applicable for every single economic activity with a turnover below 25% of the denominator of the turnover-KPI or for the sum of economic activities having a cumulative turnover below 25% of the denominator of the turnover-KPI is needed.

We would also like to point out that proposed Article 2 para. 1a subpara. 3 of Delegated Regulation (EU) 2021/2178 (“may omit reporting on the operational expenditure”) can be read as implying that a non-financial undertaking can omit reporting **Taxonomy-eligibility and Taxonomy-alignment** for operational expenditure, if the condition is met. This seems to contradict page 4 of the Draft Delegated Regulation (“*non-financial undertakings will be allowed not to report*

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on alignment of operational expenditure if the cumulative turnover of their eligible activities do not exceed 25% of their total turnover” (emphasis added)).

Also, we see the need for clarification of the interaction between the new “de minimis thresholds” (both the 10% and 25%) and the existing rule of Section 1.1.3.2 (Annex I of Delegated Regulation (EU) 2021/2178) for the reporting of non-financial undertakings, where the operational expenditure is not material for the business model.

d. Article 1 (2-5): proposed amendments to the rules for disclosures by financial undertakings – “de minimis threshold” (Articles 3 to 6 of Delegated Regulation (EU) 2021/2178)

The proposed amendments to Articles 3 to 6 of Delegated Regulation (EU) 2021/2178 introduce “de minimis thresholds” for the reporting of financial undertakings, similar to that for non-financial undertakings.

Even though the introduction of a “de minimis threshold” is very much appreciated, we see the need for clarification. Regarding insurance and reinsurance undertakings (proposed Article 6 para. 1a of Delegated Regulation (EU) 2021/2178) it remains unclear, whether the denominator for assessing the “de minimis threshold” is total gross premiums written or eligible gross premiums written.

Furthermore, whether or not the proposed “de minimis thresholds” can actually lead to the desired burden reductions ought to be thoroughly questioned, because the way the thresholds are designed will still require the reporting financial undertakings to collect all underlying data in order to determine the “de minimis thresholds”. Instead, we would like to suggest examining whether a principle-based materiality approach that takes into account the respective business models of the undertakings could be considered. This would create the opportunity for financial undertakings to focus on their main lines of business and spare them the effort of assessing smaller, non-material portfolios.

This would also ensure a more proportionate reporting exercise avoiding unnecessary costs for the assessment of non-material activities.

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e. Article 1 (2-5): proposed amendments to the rules for disclosures by financial undertakings – reporting on non-material aspects (Articles 3 to 6 of Delegated Regulation (EU) 2021/2178)

The proposed amendments to Articles 3 to 6 of Delegated Regulation (EU) 2021/2178 regarding the need to report separately the reference value as non-material should be clarified further. As the reference value for determining the “de minimis threshold” is – other than with non-financial undertakings (see 1.a) – not an economic activity, the demand of recital 6 to report separately non-material activities at aggregated and individual levels and clearly state at an individual level the content and nature of the economic activities that are considered as non-material to ensure transparency in those activities, cannot be transferred to financial undertakings. It is therefore not clear which information on non-material reference values financial undertakings have to report. In this context, it is also unclear how the aim of recital 6 (“*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*”) can be achieved in this regard.

As already described regarding non-financial undertakings (see 1.b), it is unclear where the non-material portions have to be assigned to and whether they are left out only from the numerator or also the denominator of the respective KPI.

f. Article 1 (6): proposed amendments to the disclosure rules common to all financial undertakings (Article 7 para. 3 of Delegated Regulation (EU) 2021/2178)

Currently, Article 7 para. 3 of Delegated Regulation (EU) 2021/2178 states that exposures to undertakings that are not obliged to publish non-financial information pursuant to Article 19a or 29a of Directive 2013/34/EU shall be excluded from the **numerator** of key performance indicators of financial undertakings.

The proposed amendment suggests that Article 7 para. 3 be replaced by the following: Exposures to undertakings other than large undertakings which, on their balance sheet dates, exceed the average number of 1000 employees during the financial year, shall be excluded from the **denominator** of key performance indicators of financial undertakings.

According to recital 9, the amendment’s aim is to ensure the accuracy of key performance indicators of financial undertakings while avoiding that these

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undertakings become indirectly subject to stringent Taxonomy criteria in their access to sustainable finance and therefore sees a necessity **to align the numerator and the denominator** and exclude the exposures of financial institutions to those undertakings from the denominator of the applicable KPIs.

While the intended aim of the amendment is very welcome, we are concerned that the replacement of extant Article 7 para. 3 (reference to the numerator) with the proposed version (reference to the denominator) may not achieve this goal. Therefore, we recommend keeping extant Article 7 para. 3 with reference to the numerator and, rather than replacing it, adding a new subparagraph with the suggested exclusion from the denominator. We also see the need for further adjustments to the reporting templates to achieve this goal (see 1.j pp.)

Furthermore, the suggested changes to Article 7 para. 3 will not constitute a **dynamic reference** to Articles 19a or 29a of Directive 2013/34/EU but instead merely set a fixed average number of 1000 employees during the financial year for large undertakings. This seems to take into account the proposed amendments to the Directive 2013/34/EU presented by the European Commission via COM(2025)81 already. As the future version of Articles 19a or 29a of Directive 2013/34/EU and the timing of potential adjustments are unknown, we would support introducing a dynamic reference to Articles 19a or 29a of Directive 2013/34/EU (as it is the case of the extant version of Article 7 para. 3), to align the rule for financial undertakings to include exposures to other undertakings with the future scope of sustainability reporting of Articles 19a or 29a of Directive 2013/34/EU. If the European Commission chooses to keep the average number of 1000 employees during the financial year as a criterion, there needs to be clarification regarding how financial undertakings are supposed to obtain the information necessary to calculate this number.

Regarding the European Commission's proposals in COM(2025)81, Article 7 para. 3 of Delegated Regulation (EU) 2021/2178 should clarify how financial undertakings have to take into account exposures to undertakings that use a possible future "opt-in"-approach (proposed Articles 19b and 29aa of Directive 2013/34/EU) in the numerator and the denominator of their key performance indicators.

As an amendment of Article 7 para. 3 is proposed anyway, the opportunity should be used to clarify certain broader issues, that have only been dealt with in the form of non-binding Commission Notices so far. Question 13 of the Commission Notice (C/2024/6691) covers the reporting of undertakings that are not subject to Articles 19a or 29a of Directive 2013/34/EU but does not provide clarity regarding the hierarchy between the rules of Article 7 para. 3 and use of

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proceeds known loans. Furthermore, question 14 of this Commission Notice contains rules regarding the Taxonomy assessment of exposures to SPVs, which seem contradictory to the rules of Article 7 para. 3. Therefore, we see an urgent need to take this chance and use the amendment to Article 7 to clarify the hierarchy between the rules of Article 7 para. 3 and use of proceeds known loans and the clear definition of undertakings that are not subject to Articles 19a or 29a of Directive 2013/34/EU regarding Taxonomy-Reporting of financial undertakings within the binding legal texts.

g. Necessary amendments to the disclosure rules common to all financial undertakings and non-financial undertakings (Article 8 of Delegated Regulation (EU) 2021/2178)

The Draft Delegated Regulation does not propose amendments to Article 8 of Delegated Regulation (EU) 2021/2178. Article 8 para. 3 states that financial undertakings and non-financial undertakings shall provide in the non-financial statement the key performance indicators covering the **previous annual reporting period**. According to the answer to question 146 of the Commission Notice (C/2025/1373) undertakings that are required to report Taxonomy disclosures for the first time for a given financial year should provide those disclosures only for that financial year.

As the Draft Delegated Regulation proposes amendments to Delegated Regulation (EU) 2021/2178 anyway, this should be taken as an opportunity to embed the rules for first year reporting of Taxonomy disclosures within the binding legal text rather than merely in a Commission Notice.

Furthermore, some of the proposed new reporting templates do not contain a column for reporting on the previous annual reporting period (anymore). Clarification is needed of how those previous year information should be presented by undertakings who have been subject to a reporting obligation in the previous year if the templates will now not contain columns for previous year information.

h. Article 1 (7): proposed delay for reporting F&C KPI and GAR for the trading portfolio (Article 10 para. 5 subpara. 2 of Delegated Regulation (EU) 2021/2178)

Proposed Article 10 para. 5 subpara. 2 of Delegated Regulation (EU) 2021/2178 delays reporting of the F&C KPI (Section 1.2.3 of Annex V) and GAR for the trading portfolio (Annex 1.2.4 of Annex V) by one year. With regard to the

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statement on page 5 of the Draft Delegated Regulation (*“Finally, given the limited relevance and decision usefulness of the Trading Book KPI, and Fees and Commission KPI for certain financial institutions, the application of these KPIs is postponed until 2027”* (emphasis added)) we believe it is also necessary to question whether the reporting of both those KPIs should be mandatory in the first place. Doing so should take into account that, per definition, the trading book portfolio consists of exposures with very short holding periods. Alternatively, consideration could be given to limiting the mandatory reporting of the Trading Book KPI to financial undertakings with specialized business models.

i. Article 1 (8): proposed amendments to the templates of non-financial undertakings (Annex II of Delegated Regulation (EU) 2021/2178)

The proposed version of the reporting **template 1** “Proportion of turnover, CapEx, OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year (N)” (Annex II of Delegated Regulation (EU) 2021/2178) contains a footnote stating *“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”*. This demand to duplicate the template contradicts the “Context of the Delegated Act”, which states that *“For non-financial undertakings, this Regulation introduces one static template for summary information, which will merge in one template instead of three, the summary KPIs presented according to current rules in ‘per activity information’* (emphasis added, see page 5 of the Draft Delegated Act). We further suggest consideration be given to reinserting the category of “non-eligible” economic activities as this would enable reconciliation to the financial statements.

We also suggest clarifying whether the proposed version of the reporting **template 2** “Proportion of turnover, CapEx, OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year (N) (activity breakdown)” (Annex II of Delegated Regulation (EU) 2021/2178) has to be reported when the reporting undertaking does not have Taxonomy-aligned economic activities. Regarding the content of template 2, it would be helpful to clarify how the rows “Sum of alignment per objective” and “Total KPI (Turnover/CapEx/OpEx)” should be filled out, especially in cases where an economic activity contributes to more than one environmental objective. Furthermore, the proposed version of the reporting template 2 in the third row demands information on „% (b) (c)“. As there is no definition of (b) and (c) we see the need for further clarification.

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Overall, we welcome the significant streamlining of the reporting templates but would like to point out that streamlined presentation alone does not reduce the burden as long as undertakings are still obliged to collect the same underlying data.

j. Article 1 (9): proposed amendments to the templates of asset managers (Annex IV of Delegated Regulation (EU) 2021/2178)

The proposed version of the reporting template for asset managers (Annex IV of Delegated Regulation (EU) 2021/2178) requires information about “Undertakings not subject to Article 19a and 29a of Directive 2013/34/EU”. This seems to contradict the suggested amendments to Article 7 para. 3 of Delegated Regulation (EU) 2021/2178 (see 1.f)

k. Article 1 (10): proposed amendments to the templates of credit institutions (Annex VI of Delegated Regulation (EU) 2021/2178)

The proposed version of the reporting template 1 “Assets for the calculation of GAR” for credit institutions” (Annex VI of Delegated Regulation (EU) 2021/2178) requires information about “Assets excluded from the numerator for GAR calculation (covered in the denominator)”. This seems to contradict the proposed amendments to Article 7 para. 3 of Delegated Regulation (EU) 2021/2178 (see 1.f)

l. Article 1 (12): proposed amendments to the templates of insurance and reinsurance undertakings (Annex X of Delegated Regulation (EU) 2021/2178)

The proposed version of the reporting template 2 “Green Asset Ratio KPI for non-life insurance and reinsurance undertakings” (Annex X of Delegated Regulation (EU) 2021/2178) requires information about “Undertakings not subject to Article 19a and 29a of Directive 2013/34/EU”. This seems to contradict the suggested amendments to Article 7 para. 3 of Delegated Regulation (EU) 2021/2178 (see 1.f)

Furthermore, the title of the proposed template 2 “Green Asset Ratio KPI for non-life insurance and reinsurance undertakings” (emphasis added) seems misleading, as this “KPI related to investments” (Section 1 of Annex IX of Delegated

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Regulation (EU) 2021/2178) has to be disclosed by all insurance and reinsurance undertakings (the limitation of the disclosure obligation to non-life insurance and reinsurance undertakings is only made with regard to the KPI related to underwriting activities in Section 2 of Annex IX).

m. Article 1 (13): proposed amendments to the templates for nuclear and fossil gas related activities (Annex XII of Delegated Regulation (EU) 2021/2178)

The proposed deletion of templates 2, 3 and 4 is to be welcomed. Regarding the remaining **template 1** it would be helpful to clarify whether, and how, this template has to be reported by undertakings without any nuclear and fossil gas related activities. As according to recital 10, the aim of the deletion of templates for nuclear and fossil gas related activities is to avoid duplication with information disclosed in the templates provided in the other Annexes, we suggest examining, whether template 1 needs to be kept, since all nuclear and fossil gas related activities have to be reported in the respective other templates as well.

Regarding **template 5** (“Taxonomy non-eligible economic activities”), we believe that questioning whether the information provided is of relevance and decision usefulness, is needed to justify whether to keep this template and if it is to be kept, an explanation of how the template is to be completed, as there is no uniform understanding in practice.

n. Further necessary amendments to the Delegated Regulation (EU) 2021/2178

As we stated in our letter to Commissioner Albuquerque and Commissioner Dombrovskis of January 9th, 2025, Delegated Regulation (EU) 2021/2178 contains only few rules regarding reporting in accordance with Article 8 of the Taxonomy-Regulation on a **consolidated basis**. Specifically, the requirements that the European Commission formulated in its answers to questions 11 and 12 of the Commission Notice (C/2023/305) (i.e., to provide subsidiary level Taxonomy KPIs in the contextual information of a consolidated Taxonomy-Reporting) and in its answers to questions 7 to 9 of the Commission Notice (C/2024/6691) (i.e., to report group-level KPIs in the form of a weighted average) should be questioned once again. To the extent that the European Commission decides that these requirements are of essential importance or represent shortcomings in the legal texts themselves, we see an urgent need to

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include them in the Draft Delegated Regulation and to submit them to the scrutiny of the European legislator.

2. Article 2 and 3: Amendments to Delegated Regulation (EU) 2021/2139 and (EU) 2023/2486

The proposed amendments to Annexes I and II of Delegated Regulation (EU) 2021/2139 and Annexes I, II and IV of Delegated Regulation (EU) 2023/2486 are aimed at increasing legal clarity and the consistency of certain elements of the generic criteria by clarifying the application of certain exemptions based on Union law as referenced in Appendix C (recital 13).

Two options are presented in the proposed amendments to Appendices C of the Annexes to the Delegated Regulation (EU) 2021/2139 and (EU) 2023/2486: The first option is to delete the second paragraph, and the second option is to amend the second paragraph. As the second option, from our perspective, represents the way Appendix C is already read and used by reporting undertakings currently, it would not lead to a reduction in reporting burdens. Consequently, the first option should be chosen if a reduction in bureaucratic burdens is to be achieved. We would like to point out that even after deleting the second paragraph (first option), Appendix C still represents a very ambitious DNSH criterium, requiring a high level of effort by the undertakings. We therefore welcome the revision of all DNSH criteria recently announced.

3. Article 4: Entry into force and application

Proposed Article 4 states that the new rules shall apply from 1 January 2026.

We suggest clarifying whether this means that the new rules must be applied for reporting published as of 1 January 2026 pertaining to an earlier reporting period (e.g. a reporting period from 1 January 2025 to 31 December 2025), or for a reporting period starting on or after 1 January 2026 (e.g. a reporting period from 1 January 2026 to 31 December 2026).