



CEEP's response to the consultation on Commission's Draft Delegated Regulation under Article 8 of the Taxonomy Regulation (Disclosures Delegated Act)

CEEP is convinced, that the Taxonomy Regulation will play a crucial role in the EU's efforts to reach the climate neutrality by 2050. Therefore, we welcome the possibility to comment the Commission's draft Delegated Act under Article 8 of the Taxonomy Regulation, and we would like to make two important points.

1. Reporting obligations should be phased in, starting with the scope listed explicitly in the EU Taxonomy Regulation

The Taxonomy Regulation is only one of the elements in the sustainable finance ecosystem that has been created in the EU. For this reason, coherence and alignment between different EU acts is crucial. The implementation of the whole sustainable finance package (including NFRD, CSRD, SFRD, EU GBS and Ecolabel) poses a great challenge both for non-financial companies and the financial sector. Keeping in mind that the taxonomy is supposed to be a dynamic tool which will be regularly reviewed and amended, we suggest to phase-in the reporting obligations, starting with the scope listed explicitly in the EU Taxonomy Regulation article 8(1). Other elements of reporting mentioned by the Commission in the project of Disclosures Delegated Act, namely:

- CapEx plan,
- breakdown of the KPIs based on the economic activity pursued,
- specific ratio for the share of Taxonomy-eligible economic activities and the share of economic activities that are not covered by the Taxonomy,
- any qualitative information,

shall be reported on the voluntary basis, until the Delegated Act is revised and amended. This will help to reduce additional costs in collecting, organising, and disclosing taxonomy-relevant information to a minimum.

2. The EC should reconsider the proposed timeframe and give the companies more time to properly prepare for new duties.

According to the EU Taxonomy Regulation, the European Commission was supposed to publish the Delegated Act setting out technical criteria by the end of 2020. In fact, the document was issued on April 21, 2021 and the Commission has announced its plan to issue another Delegated Act defining criteria for gas, nuclear and agriculture sector later. The Commission has not set any clear deadline for this upcoming Delegated Act, which means that companies operating and investing in these sectors are held in uncertainty and cannot perform the duties stemming from the Disclosures Delegated Act, without knowing which activities will be considered sustainable on the 1st of January 2022. According to the EU Taxonomy Regulation, there shall be a year-long period between the issuance of the Delegated Act setting out technical screening criteria for climate mitigation and adaptation and the beginning of companies' obligation to report on taxonomy related activities. We call on the European Commission to respect this year-long period, adjust the proposed timeframe and consider delays, that occurred with no responsibility of the companies and financial institutions.