

Template for providing your feedback on the EU Taxonomy Delegated Acts

TYPE OF RESPONDENT: Non-governmental organisation (NGO)	TRANSPARENCY REGISTER NUMBER:
COUNTRY: Belgium	SECTOR OF ACTIVITY: Banking
ORGANISATION: Finance Watch	ORGANISATION SIZE: Small (< 50 employees)
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The Delegated Acts presented in this call for feedback include several activities spanning over various economic sectors substantially contributing to all six environmental objectives of the Taxonomy Regulation, however only some of these activities may be of relevance to you. To facilitate your feedback process, find an overview of included activities per sector and environmental objective on the [EU Taxonomy website](#).

Stakeholders are asked to limit their feedback only to the content of the drafts Delegated Acts subject to this call for feedback. Any other comments, including suggestions to add new activities will not be considered. A specific mechanism to channel these requests will be made available on the Commission website in the future.

When replying to this call for feedback, please clearly signal which activities in the draft Delegated Regulation(s) your comments relate to. For example, if referring to activity 3.19 regarding the manufacture of rail constituents in the draft amending Delegated Regulation regarding the objective of climate change mitigation (CCM), please mention the activity reference number (3.19) and the objective (CCM) clearly in your submission. The objectives should be abbreviated as follows:

- Climate Change Mitigation: CCM
- Climate Change Adaptation: CCA
- Water: WTR
- Circular Economy: CE
- Pollution Prevention and Control: PPC
- Biodiversity and ecosystems: BIO

If referring to the amendments to Delegated Regulation (EU) 2021/2178 regarding disclosures under the Taxonomy (Art. 8), please also clearly highlight the relevant Section or Annex your reply refers to.

In line with the taxonomy's guiding principle of establishing robust, science-based criteria, the call for feedback puts emphasis on providing a **clear scientific and technical explanation and rationale** as well as **supporting evidence** (including links to published journals and articles) for any comments made with respect to the proposed technical screening criteria.

For more information on the EU Taxonomy and activities already covered in the Taxonomy Climate Delegated Act, please visit:

https://finance.ec.europa.eu/sustainable-finance/tools-and-standards/eu-taxonomy-sustainable-activities_en.

Please copy/paste the below comment table for each activity that you would like to provide comments to. In addition, please name the file using your organisation's or first and last name: e.g. Company X or John_Smith.

COMMENT

Delegated Act: Taxonomy Environmental Delegated Act

Annex: N/A Choose an item.

ACTIVITY (e.g. CCM 3.19 Manufacture of rail constituents): N/A

GENERAL COMMENT (incl. comments on corrections of technical mistakes in Climate Delegated Act and Article 8 Delegated Act):

We welcome the European Commission's consultation for the adoption of delegated acts aiming at identifying environmentally sustainable economic activities for the four remaining environmental objectives.

We support the progressive application of amendments to the Taxonomy with a first publication of the proportion of eligible economic activities and a second publication of the proportion of economic activities aligned with the taxonomy. We also support the application of the publication of alignment with the Taxonomy for financial undertakings one year after non-financial undertakings.

However, we believe that the new paragraph 7 of Article 10 of delegated regulation 2021/2178 should be adapted as follows: "**7. From 1 January 2024 until 31 December ~~2024~~ 2025, financial undertakings shall only disclose: (...)**" given that the disclosure on Taxonomy alignment for the new economic activities needs to be performed, for financial undertakings, from 1 January 2026.

COMMENT ON THE ACTIVITY DESCRIPTION:

COMMENT ON THE ACTIVITY SUBSTANTIAL CONTRIBUTION CRITERIA:

COMMENT ON THE ACTIVITY DO NO SIGNIFICANT HARM CRITERIA:

COMMENT

Delegated Act: Taxonomy Environmental Delegated Act

Annex: Annex IV to Environmental Delegated Act (BIO)

ACTIVITY (e.g. CCM 3.19 Manufacture of rail constituents): N/A

GENERAL COMMENT (incl. comments on corrections of technical mistakes in Climate Delegated Act and Article 8 Delegated Act):

We recognize the complexity of defining priority sectors for identifying eligible activities according to the four remaining taxonomy objectives, due to:

- The diversity of objectives and the need to aggregate multiple non-comparable factors to reach a list of priority sectors and economic activities. We recognize in particular that, unlike the CCM objective, it will not be possible to rely on the use of a single factor (e.g. CO2 equivalent gram) given the heterogeneity of impacts.
- The difficulty of obtaining data on the entire value chain and not just on activities, in particular to assess the potential for improvement of sectors.

In this context, we support a progressive construction of the Taxonomy to ensure that it is built on the basis of a detailed analysis of the value chain, reliable and sufficient data, and the potential of activities to achieve alignment in the future.

While we understand that this consultation focuses on the content of the environmental delegated act subject to this call, we would like to react on the explanatory memorandum stating the following: *“For certain sectors and activities, such as agriculture, forestry or fishing, as well as certain manufacturing activities, a further assessment and calibration of criteria will be needed”*. However, we are concerned that the **agriculture, forestry, and fishing sectors** – which are arguably the most important from the perspective of environmental objectives being consulted on - are not yet included in the eligible activities and that there is currently no clear timeline to do so. This is despite the fact that the report of the Platform on Sustainable Finance of March 2022 included these sectors. We would like to stress that intensive agricultural and farming practices, such as use of pesticides, expansion of monocultures, and deforestation for agriculture, have significant impacts on biodiversity by degrading natural habitats of species.

Today, it seems contradictory that activities related to sustainable agriculture, aiming at protecting biodiversity and reducing water and soil pollution, cannot be considered environmentally sustainable while a company engaged in air transport ground handling could argue being taxonomy aligned (subject to compliance with TSCs). Therefore, **we urge the Commission to accelerate the assessment and calibration of criteria for activities related to agriculture, forestry, livestock, or fisheries** in order to be able to bring into force the complementary delegated acts at the same time as the draft delegated act and annexes which are subject to this consultation (so that reporting on alignment for the above mentioned sectors is not further delayed).

COMMENT ON THE ACTIVITY DESCRIPTION:

COMMENT ON THE ACTIVITY SUBSTANTIAL CONTRIBUTION CRITERIA:

COMMENT ON THE ACTIVITY DO NO SIGNIFICANT HARM CRITERIA:
