PLATFORM ON
SUSTAINABLE FINANCE

EU Platform on Sustainable Finance

# Platform Response to the European Commission Consultation on the Taxonomy Disclosures Delegated Act

## Short Brief on ESMA's Consultation on the Commission's Call for Advice

September 2026

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*The considerations below are compiled under the aegis of the Platform on Sustainable Finance and cannot be construed as official guidance by the European Supervisory Authorities (ESAs). As a result, the views and recommendations do not purport to represent or anticipate any future official guidance and views issued by the ESAs which may differ from the contents of this report.*

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# Introduction

The EU Platform on Sustainable Finance welcomes the opportunity to provide input on the European Commission's revised Taxonomy Disclosures Delegated Act (the "Article 8 Delegated Act") under the Taxonomy Regulation. At the close of its previous mandate, the Platform published the report *Simplifying the EU Taxonomy to Foster Sustainable Finance*, which included recommendations on the review of the Disclosures Delegated Act, taking into account the Omnibus proposals.

That report drew on an extensive review of market practices, pilot projects, and stakeholder feedback from investors, banks, insurers, corporates, SMEs, auditors and consultants, developed over two years of discussion. Building on earlier work — notably the recommendations on data and usability (2022) and the compendium of market practices (2024) — it identified priority areas for improvement, including simplification, data access and regulatory coherence, and set out targeted recommendations to enhance the effectiveness of the Taxonomy while easing the reporting burden. Many of these recommendations were subsequently taken forward in the Delegated Act amending the Taxonomy Disclosures.

In line with its current mandate, the Platform is reviewing the Disclosures Delegated Act with a dual aim: to simplify where further scope remains, and to strengthen its effectiveness on the basis of industry's accumulated experience in reporting taxonomy alignment. As part of this review, and following the recently adopted simplifications, the European Commission has invited the European Supervisory Authorities (ESAs) to provide targeted technical advice in support of the revision. To inform this work, ESMA launched a consultation on 1 July 2026 — *Consultation Paper on technical advice on selected KPIs under the Taxonomy Disclosures Delegated Act* — seeking stakeholder views on proposals to make the Taxonomy reporting framework more practical, relevant and proportionate. The consultation covers four topics: revising the OpEx KPI; the voluntary use of OpEx by financial undertakings (a horizontal issue); group Taxonomy reporting (also horizontal); and additional possible simplifications.

The Platform's own review addresses primarily matters outside the scope of the call for advice, such as reporting against all environmental objectives and the simplification of reporting templates for asset managers and insurers, among others. This brief nevertheless sets out the Platform's consensual views on a number of issues it considers may be of use to the ESAs, and serves as a preamble to the full report the Platform will submit to the European Commission on the review of the Taxonomy Disclosures Delegated Act.

# 1. Operational Expenditures

The OpEx KPI is the least significant of the three Taxonomy KPIs, and the one companies find most challenging to report. The Platform has made this point repeatedly — in its February 2025 report, *Simplifying the Taxonomy*, and again in its response to the draft Taxonomy Delegated Act consultation (p. 13) — noting in particular that financial institutions are not required to use the OpEx KPI to calculate their own ratios at entity level.

From a reporting perspective, the Platform recalls that the added value of the OpEx KPI is limited compared with Turnover and CapEx. Investors appear to share this view, generally perceiving the KPI as offering little added value relative to the other two. This assessment is corroborated by the ESMA technical advice, which shows a high degree of correlation between OpEx and the other KPIs — OpEx/Turnover (90%), OpEx/CapEx (81%) and CapEx/Turnover (82%) — suggesting that OpEx does not currently provide a distinct, scalable signal for greening or transition.

Beyond the question of relevance, the KPI suffers from an interpretability problem. Because the current OpEx KPI aggregates a wide range of heterogeneous expenditures — R&D, leases, maintenance, repair. Its meaning at company and portfolio levels therefore remains unclear. Moreover, OpEx is the hardest of the KPIs to estimate, and the scope of companies that must report it is now extremely narrow. As a result, there is little to no practical use for it in portfolio construction. In practice, OpEx is simply not used as a relevant KPI at financial product level. Indeed, since October 2022 the Platform has recommended removing OpEx from the reporting requirements for financial market participants at product level.

Nor can the operational challenges faced by non-financial undertakings be underestimated. These include the lack of common definitions; discrepancies between the Taxonomy OpEx KPI and conventional accounting notions of operating expenditure; difficulties in mapping eligible and aligned activities to the relevant cost items; and consistency issues with IFRS reporting requirements.

For these reasons, the Platform considers that the current mandatory reporting framework for OpEx does not strike the right balance between decision-usefulness and implementation burden. In the Platform's view, simplification efforts should therefore focus on maintaining mandatory reporting only where the information provided is clearly relevant and not adequately captured through the other Taxonomy KPIs.

R&D is the clearest case. Given the major role that basic and applied research play in the transition, the scale of R&D investment needed in Europe and elsewhere to green the economy and safeguard competitiveness, the Platform has proposed keeping the KPI mandatory for R&D expenditure only. This would allow companies to assess the Taxonomy alignment of R&D expenses, which are critical for transforming business models and developing future Taxonomy-aligned activities, yet invisible to Turnover and CapEx, while reducing implementation challenges and preserving a clear link between the KPI and companies' transition and innovation efforts.

That said, for certain sectors a non-negligeable share of greening or transition efforts is reflected through operational activities rather than capital investments. This is particularly the case for rail[1] and electricity network infrastructure, water and wastewater services, forest management, and installation, maintenance and repair services, where ongoing maintenance and operational expenditures play a critical role in delivering environmental objectives.

The Platform therefore considers that companies should remain free to report a broader OpEx KPI on a voluntary basis in a harmonised way using the current denominator. Such an approach would preserve flexibility for undertakings wishing to communicate a more complete picture of their transition efforts, while avoiding the costs associated with mandatory reporting for all companies or of developing a new KPI, even if voluntary. It would also allow companies operating in sectors with significant transition-related operational expenditure to continue demonstrating these efforts to investors and lenders.

The benefits of this targeted approach extend beyond reporting. By recognising R&D as essential to the success of the transition and also acknowledging that certain operational expenditure could constitute substantial transition-related expenditure for some companies, R&D and other reporting would enable companies to secure green loans dedicated to financing their research, include these investments in issuances under the EU Green Bond Standard, and have such expenditures recognised within their overall transition plan

The Platform therefore recommends a two-tier approach consisting of:

- a mandatory OpEx KPI limited to R&D expenditure; and
- a voluntary opt-in broader OpEx KPI based on the current denominator for companies wishing to disclose additional transition-related operational expenditure.

[1] In rail, infrastructure managers in 21 European countries spent EUR 64 billion on the network in 2024, of which 22% — roughly EUR 14 billion — was maintenance, which IRG-Rail reports separately from renewals and upgrades because it is non-capital expenditure (IRG-Rail, 14th Annual Market Monitoring Report, March 2026, Figure 7).

This approach would reduce reporting burdens while preserving flexibility and comparability where operational expenditure constitutes a meaningful component of the transition effort. Importantly, the simplification of mandatory reporting requirements should not affect the ability of companies to finance aligned operational expenditures through sustainable finance instruments, including under the EU Green Bond Standard (EU GBS), nor should it limit voluntary yet consistent disclosures by companies that consider a broader OpEx KPI useful. In fact, the relevance of the voluntary opt-in wider OpEx KPI lies in the very fact that the expenditures within the scope of its denominator are eligible to be financed via green financial instruments, namely EUGBS. This voluntary opt-in broader OpEx KPI should also be digitally tagged on the same basis as the mandatory KPIs.

In addition, the Platform suggests that future revisions consider enhanced integration of adaptation-related OpEx for vulnerable sectors as part of the voluntary opt-in broader OpEx indicator such as insurance, hazard training, staff warning systems and small-scale equipment. For the sectors most at risk, this could attract interest from investors, lenders, and insurers, potentially improving access to capital for companies that demonstrate sound climate risk management. Finally, to facilitate computation, expense items should be linked to clear definitions aligned with accounting standards, supplemented where relevant and possible by sector-specific guidance. Guidance should cover the six environmental objectives wherever relevant.

Lastly, the Platform recognises that the Taxonomy's current coverage of R&D is limited and therefore reiterates the urgent need to expand its scope, including extending coverage to basic research. Until such expansion, an R&D-only KPI would apply to a very narrow population of expenditures. The Platform stresses the need for R&D coverage to be expanded in the next update to the technical screening criteria, with both implementation and reporting, prioritised at the earliest opportunity.

### 1.1 Financial Institutions

From an entity-level reporting perspective, voluntary use of the OpEx KPI by financial undertakings would not provide meaningful additional information. Financial undertakings already rely on counterparties' Turnover and CapEx KPIs when assessing the Taxonomy alignment of non-dedicated exposures. Introducing an additional OpEx-based assessment would therefore add complexity and operational burden while contributing little incremental insight.

This is particularly true given that the OpEx KPI itself is widely regarded as having limited decision-usefulness, is often deemed immaterial by non-financial undertakings in practice and is the hardest of the KPIs to estimate. As a result, the availability and comparability of the underlying data are likely to be weaker than for Turnover and CapEx, further undermining the reliability of any OpEx-based assessment. Should the Commission nevertheless retain a voluntary option, it should be subject to clear transparency conditions: disclosure of whether the option has been used, of the split between CapEx-based and OpEx-based amounts within the resulting figure, consistent application across the whole portfolio, and use of counterparty-reported figures only.

# 2. Group reporting

The Platform has not identified a clear demand from users or preparers for a single KPI summarising the overall Taxonomy profile of mixed groups (i.e. those including both financial and non-financial activities) or financial conglomerates. This is consistent with ESMA's preliminary assessment that a consolidated KPI resulting from the aggregation of different Taxonomy KPIs would not provide meaningful information.

Taxonomy reporting requirements were designed to reflect the specificities of different types of undertakings, especially financial versus non-financial, and therefore rest on fundamentally different concepts, methodologies and denominators. Combining these KPIs into a single metric would merge measures of a different nature and risk reducing the transparency and interpretability of the information provided. As highlighted by ESMA, a weighted-average approach may combine KPIs calculated on different bases and carrying different economic meanings, raising questions as to the relevance, reliability and understandability of the resulting indicator.

The Platform therefore supports the removal of the weighted-average consolidated KPI. Where a single KPI is nevertheless required, the KPI arising from the group's main reporting regime should be used. That regime should be determined on the basis of the group's prevalent activity, taking into account its business model, economic substance and the relative importance of its different activities — not solely the legal status or regulatory classification of the parent undertaking. Since such a determination inevitably requires judgement, groups should disclose transparently the rationale for their selected reporting regime and why it offers the most representative view of their economic reality. The selected regime should be applied consistently over time, and any change should be explained and accompanied by restated comparative figures for the preceding reporting period.

# 3. Adaptation

The eligibility and alignment rules applicable to the climate change adaptation (CCA) objective differ from those applicable to the other five environmental objectives. However, these rules are currently set out only in the European Commission's FAQs. The Platform therefore supports ESMA's proposal to incorporate the CCA clarifications directly into the Disclosures Delegated Act, in order to reduce the risk of divergent interpretations arising from the non-binding nature of the Commission's FAQs. In doing so, the incorporation should preserve the distinction between adaptation-enabling activities, which may be reflected in the Turnover KPI, and adapted activities, which are reflected only in CapEx and OpEx; and the condition that adaptation CapEx relate to assets covered by an adaptation plan should be specified so that it disciplines rather than excludes genuine adaptation expenditure.

The Platform is currently working on the interpretation and application of the climate change adaptation objective, including the review of existing adaptation-related FAQs. This work may help determine which clarifications are suitable for incorporation into the Disclosures Delegated Act and which would be more appropriately addressed through adaptation-specific guidance.

# 4. Capex C

CapEx type C plays an important role in recognising and incentivising sustainable investments, including in undertakings whose own activities are not Taxonomy-aligned. Furthermore, the existing materiality concept already allows non-financial undertakings to exclude non-material CapEx type C from their assessment, limiting any unnecessary reporting burden. In addition, the Platform is currently working to include in the Taxonomy Environmental Delegated Act an allowance for investments made in individual circular economy, water, pollution or biodiversity measures to be recognised as Taxonomy-eligible. These investments will fall under CapEx type C. The Platform therefore strongly opposes the proposition of making CapEx type C optional.

On a different note, the Platform would like to point out that the current definition gives rise to significant interpretative challenges. The Platform is currently working on a definition aimed at clarifying the scope and application of CapEx Type C, to be proposed to the European Commission, covering the concepts of individual measures and purchase of output, as well as its applicability across the different environmental objectives.

# Annex III – Platform members and observers

### a. Chair

| Organisation | Name |
|---|---|
| Comisión Nacional del Mercado de Valores (CNMV) | Helena Viñes Fiestas |

### b. Sherpas to the Chair

| Organisation | Name |
|---|---|
| Senior Sherpa | Fabiola Schneider |
| Junior Sherpa | Ioana Birlan |

### c. Members

| Organisation | Name |
|---|---|
| A2A SpA | Manuela Baudana |
| Accountancy Europe | Imran Raja |
| Agent Green | Theodor Cojoianu |
| Assicurazioni Generali S.p.A | Massimo Romano |
| Bio-Based Industries Consortium | Marco Rupp |
| The European Chemical Industry Council (CEFIC) | Carlos Bravo Navarro |
| Climate & Company | Ingmar Juergens |
| Covea | Elena Canale |
| Deutsche Bank AG | Viktoriya Brand |
| European Metals | Christos Kavalopoulos |
| European Construction Industry Federation (FIEC) | Maria Luisa Carrasco Martinez |
| International Sustainable Finance Centre | Linda Zeilina |
| Mirova | Mathilde Dufour |
| Morningstar Inc (Sustainalytics) | Catalina Secreteanu |

| | |
|---|---|
| Natural Resources Institute Finland (LUKE) | Esa-Jussi Viitala |
| PricewaterhouseCoopers (PWC) | Deirdre Timmons |
| RISE Research Institute of Sweden | Carolina Andrén Lejoncor |
| Skandinaviska Enskilda Banken (SEB) | Karl-Oskar Olming |
| Siemens Healthineers AG | Anna Schisani |
| SMEUnited | Gerhard Huemer |
| World Green Building Council | Julie Emmrich |
| World Wildlife Fund (WWF) | Sebastien Godinot |
| Type B | Laura Fernández Cavas |
| Type A | Agnieszka Slomka-Golebiowska |
| Type A | Andreas Hoepner |
| Type A | Jan-Henrik Hübner |
| Type A | Linda Romanovska |
| Type A | Tsvetelina Kuzmanova |

### d. Directly appointed members

| Organisation | Name |
|---|---|
| EU Agency for Fundamental Rights (FRA) | Adrianna Bochenek |
| European Investment Bank (EIB) | Aldo Romani |
| European Banking Authority (EBA) | Ali Erbilgic |
| European Environment Agency (EEA) | Andreas Barkman |
| European Securities and Markets Authority (ESMA) | Angeliki Vogiatzi |
| European Investment Fund (EIF) | Diana Patrascu |
| European Insurance and Occupational Pensions Authority (EIOPA) | Sergio Delgado Cuello |

### e. Observers

| Organisation | Name |
|---|---|
| Bloomberg L.P. | Nadia Humphreys |
| BusinessEurope | Lucio Vinhas de Souza |

| | |
|---|---|
| European Bank for Reconstruction and Development (EBRD) | Russel Bishop |
| European Central Bank (ECB) | Matthias Rau-Goehring |
| European Financial Reporting Advisory Group (EFRAG) | Anna Dauteuil |
| Ellen Mac Arthur Foundation | Alasdair Hedger |
| Network of the Heads of European Environmental Protection Agencies (EPA Network) | Natalie Glas |
| European Stability Mechanism (ESM) | Carlos Martins |
| EU Agency for the Space Programme | Leila Ajjabou |
| Eurocontrol | Konstantinos Papoutsis |
| Eurosif – The European Sustainable Investment Forum | Aleksandra Palinska |
| Luxembourg Sustainable Finance Initiative | Nicoletta Centofanti |
| Organisation for Economic Co-operation and Development (OECD) | Jolien Noels |
| ShareAction | Richard Gardiner |
| Principles for Responsible Investment (PRI) | Elise Attal |
| United Nations Development Programme (UNDP) | Thede Ruest |
| United Nations Environment Programme Finance Initiative (UNEP FI) | Elodie Feller |

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