



PLATFORM ON
SUSTAINABLE FINANCE

EU Platform on Sustainable
Finance

**Platform Response to
the European
Commission
Consultation on the
Environmental and
Climate Delegated Acts**

May 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 Climate and Environmental Delegated Acts under the Taxonomy Regulation. While the Platform previously issued recommendations regarding the review of the Climate Delegated Act (though not covering all activities) as part of its prior mandate, it had not yet had the opportunity to review the Environmental Delegated Act.

In response to the Commission's request, the Platform reviewed both Delegated Acts and submitted 280 recommendations. These submissions prioritised the specific areas and issues requested by the Commission, with a focus on enhancing usability and consistency across activity descriptions, as well as clarifying the approach and rationale for establishing criteria wherever feasible. Additionally, the Platform submitted a series of minor recommendations addressing purely technical inconsistencies and typographical errors.

This briefing report outlines the methodology adopted by the Platform to conduct this review within the challenging five-week timeframe. It further explains the rationale for not commenting on certain activities or areas, primarily due to the limited duration, which precluded the necessary time for deeper analysis or broader deliberation among members and key external stakeholders. The report also identifies a select number of cross-cutting subjects involving multiple activities that the Platform deems essential for medium-term examination and intends to address during its current mandate.

Accompanying this briefing are two annexes—one for each Delegated Act—which display all recommendations submitted to the Commission, organised in the same sequence as the respective Acts. These annexes include all recommendations, excluding minor typographical corrections. Each recommendation is presented in a table aligned with the structure of the Delegated Acts: the left column displays the amended draft text presented by the European Commission for consultation, while the right column presents the Platform's recommended text, with changes highlighted: additions are in green and deletions are in strikethrough format to facilitate immediate application. As recommendations apply to specific activity descriptions, substantial contribution criteria, or DNSH criteria, the annexes outline and explain the Platform's proposed changes following each entry, detailing the rationale behind the proposed amendments.

Finally, the Platform has submitted two broad recommendations aimed at facilitating the understanding, interpretation, and application of the Taxonomy criteria, as well as the update of both Delegated Acts. These are included in the next section of this briefing.

Two broad recommendations

The Commission introduced the **Taxonomy Compass** and the Navigator tool in 2023 to assist users and stakeholders in navigating the extensive Taxonomy Delegated Acts; these initiatives were widely welcomed. Nevertheless, in light of both the recent updates to the Delegated Acts and the extraordinary advancements in digital technology, the Platform strongly recommends that the Commission upgrade and transform these resources into a truly practical instrument. This enhanced tool should significantly simplify not only the understanding of the criteria but also the access to and interpretation of the associated regulations, while ensuring real-time updates.

Such a tool could substantially aid compliance by linking each criterion directly to applicable Key Performance Indicators (KPIs)—including those referenced in relevant regulations—as well as to pertinent databases and verification sources. This would enable companies to access the relevant substance lists, emission thresholds, or permit registers directly, rather than navigating and interpreting numerous regulatory texts and indicators.

Furthermore, the tool should facilitate not only the application of EU regulations within the Union but also their adoption beyond the EU's borders. Leveraging recent digital advances and artificial intelligence, the upgrade and ongoing maintenance of such a tool should be readily achievable. The Platform stands ready to assist the Commission in developing and managing the creation or enhancement of this instrument.

The proposed tool could also incorporate, in an interactive manner, the guidance necessary to interpret and apply the relevant activities and criteria. This guidance should encompass all pertinent information currently contained in the FAQs produced by the Commission, including those developed in conjunction with the European Supervisory Authorities (ESAs) and, in some instances, with the support of the Platform. In addition, dedicated and detailed guidance is needed for the correct application of the Taxonomy Adaptation Substantial Contribution and

Do No Significant Criteria.¹ Finally, it would be helpful to provide a FAQ clarifying for operators that the regulations cited in the Taxonomy Regulation refer to the legal act together with all its amendments, and that the new requirements resulting from these amendments apply to the Taxonomy Delegated Act at the same time as specified in the referred legal act.

Furthermore, the Platform urges the Commission to undertake a comprehensive review of all **Taxonomy-related FAQs** to ensure their alignment with the updated Delegated Acts, including the amendments to the Taxonomy Disclosures Delegated Act introduced as part of the Omnibus package and its subsequent review. Many existing FAQs are no longer valid following the changes made to the various Delegated Acts, while others would benefit from further refinement. In any event, integrating these updated resources directly into the tool would significantly facilitate the implementation and reporting of the Taxonomy.

1. Platform's approach and prioritisation

1.1 Overview of the recommendations made

The Platform submitted a total of 280 substantive recommendations. In accordance with the methodology outlined, these were delivered in two batches: Batch 1 comprises 223 recommendations, while Batch 2 contains 57.

The majority of these recommendations pertain to the 'Do No Significant Harm' (DNSH) criteria, followed by those concerning 'Substantial Contribution' (SC). A smaller number of recommendations address activity descriptions, titles, or other ancillary aspects. Figure 1 illustrates this distribution.

¹ Favourable pre-conditions for the rapid development of such guidance already exist, as outlined in the PSF 2.0 report, *Advancing Sustainable Finance: Technical Criteria for New Activities & First Review of the Climate Delegated Act*, published in March 2025.

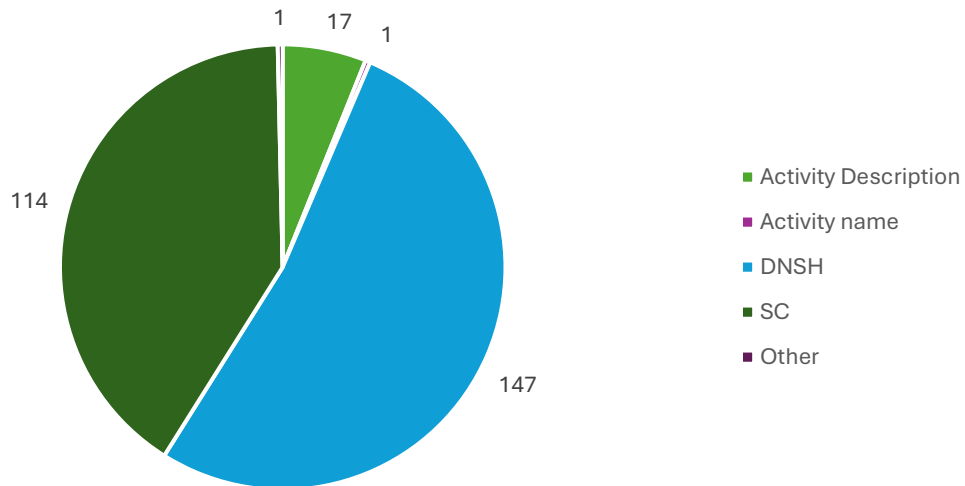


Figure 1. Split of recommendations between DNSH, SC, activity description, activity name, or other.

The vast majority of recommendations, amounting to nearly 90%, concern the Climate Delegated Act. This trend is consistent across both Batch 1 and Batch 2. Consequently, this is reflected in the distribution of recommendations by environmental objective: the majority target climate change mitigation (CCM), followed by climate change adaptation (CCA). Figure 2 illustrates this breakdown by environmental objective.

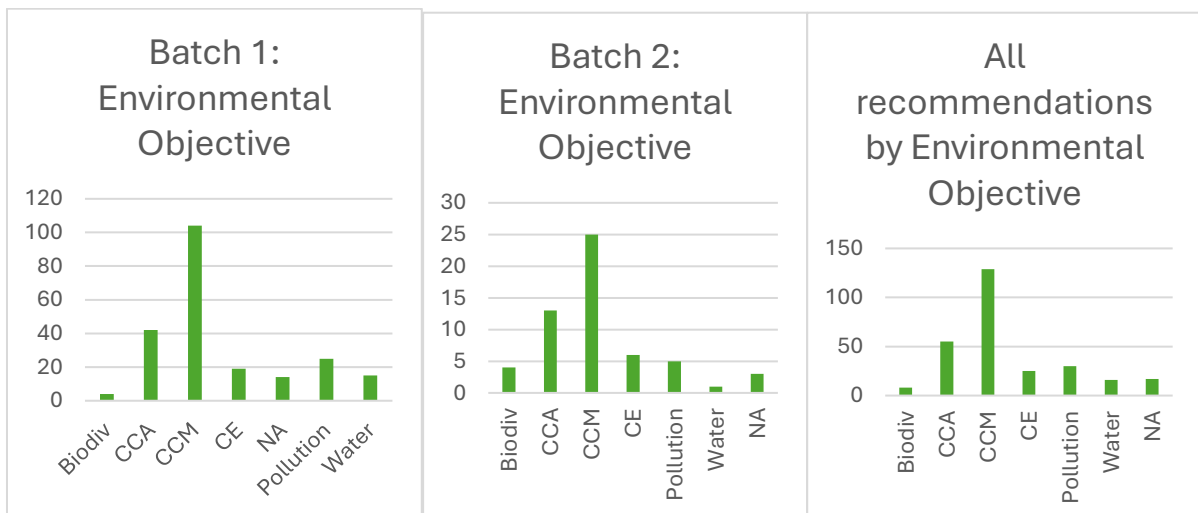
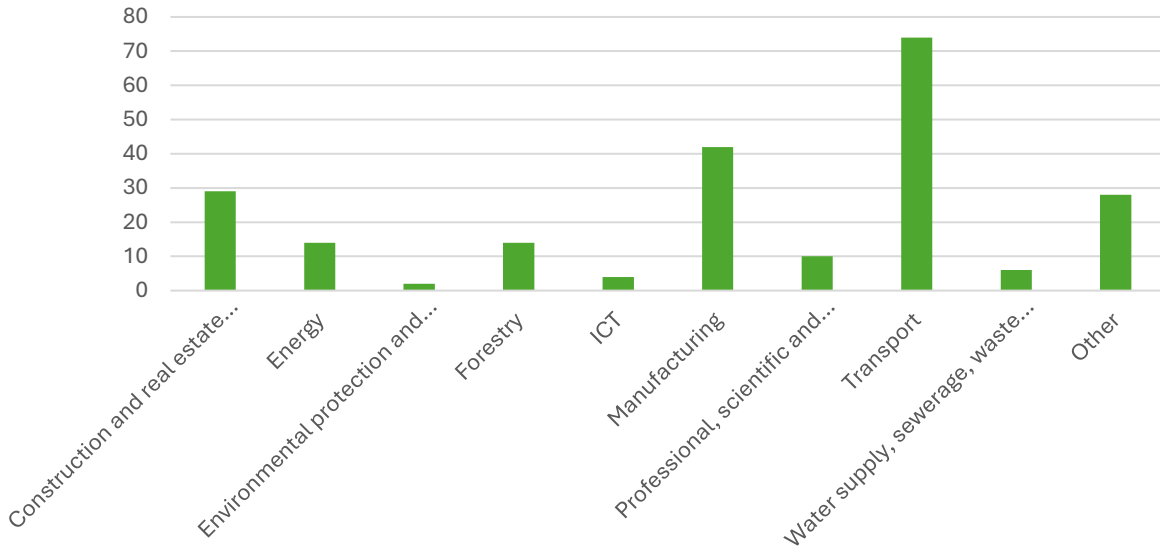


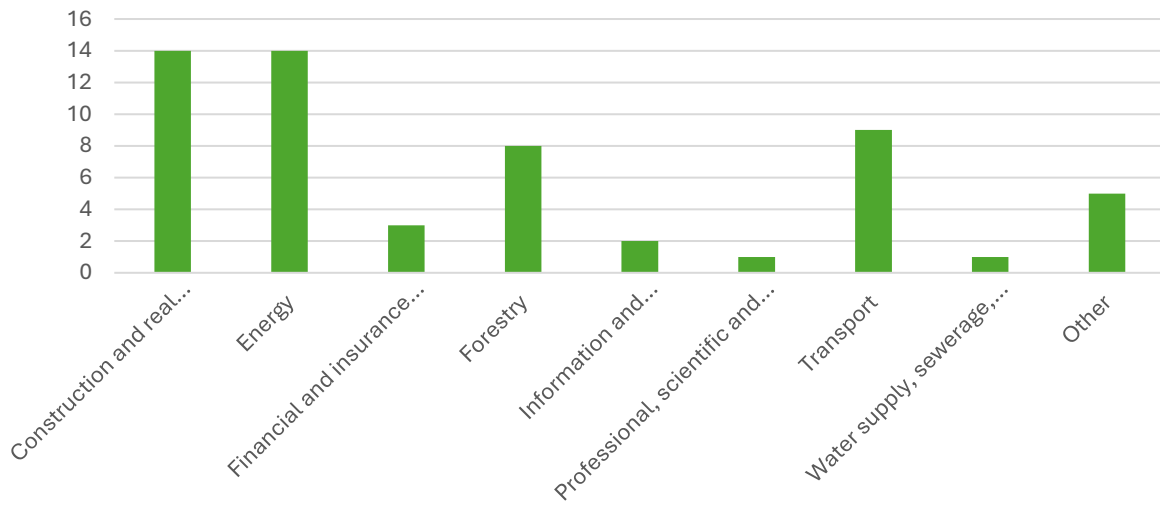
Figure 2. Recommendations split by environmental objective, for Batch 1, Batch 2, and all recommendations (equals sum of Batch 1 and Batch2).

When examining the recommendations by sector, the picture becomes somewhat more nuanced. In Batch 1, Transport emerged as the predominant sector, followed by Manufacturing. Conversely, Batch 2 focused primarily on Energy and Construction and Real Estate. Figure 3 illustrates this sectoral distribution.

Batch 1: Sector



Batch 2: Sector



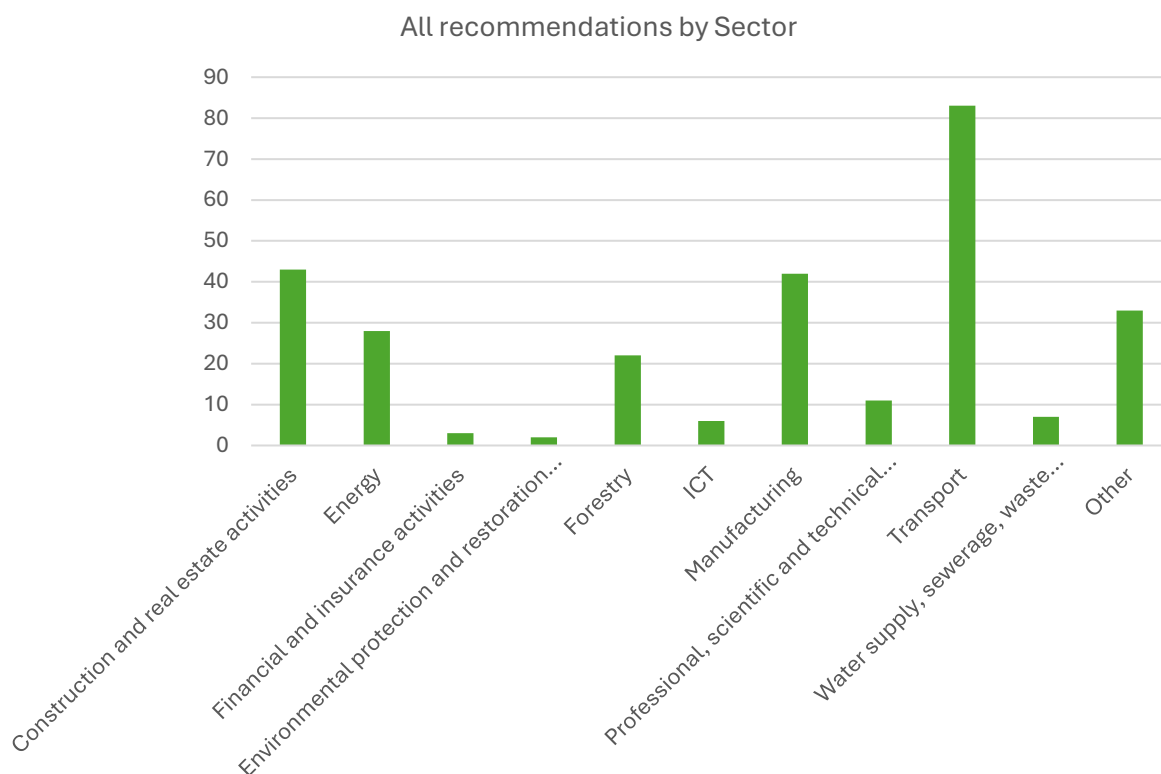


Figure 3. Recommendations split by sector, for Batch 1, Batch 2, and all recommendations (equals sum of Batch 1 and Batch 2).

1.2 Platform's approach to the Consultation

Following the European Commission's publication of the revised Climate Delegated Act (CDA) and Environmental Delegated Act (EDA) in March 2026, the Platform on Sustainable Finance was granted a five-week window to review the proposals and submit consolidated feedback. This chapter outlines the review process established by the Platform. It details the filtering logic used to determine which items warranted comment, the criteria for prioritising issues, the substantive principles applied to judge the proposed Technical Screening Criteria (TSC), and the two templates used to capture feedback.

The guidance was designed to ensure the work remained focused, evidence-based, and consistent with the recommendations of the previous Platform as well as the cumulative knowledge and positioning of the advisory group, while retaining the flexibility to raise new issues where they were sufficiently material to warrant the Commission's attention. Given the exceptionally tight timeline, combined with the integration of new Platform members, the body was compelled to exercise extreme diligence and maintain a sharp focus throughout the process.

Filtering process and scenarios

Not every change in the revised Delegated Acts warranted the same depth of engagement from the Platform. It is important to note that, during its previous mandate, the Platform had already provided detailed recommendations regarding the review of the Climate Delegated Act; consequently, many of the draft criteria released by the Commission incorporated these suggestions. However, Platform 2.0 did not issue comments on a potential review of the Environmental Delegated Act.

The filtering process distinguished five scenarios to help working groups focus on the most relevant areas. Scenarios 2 and 3 applied exclusively to the Climate Delegated Act, reflecting the extensive work already undertaken by the previous Platform. Furthermore, the European Commission sought specific advice from the Platform on certain areas and questions; these requests were prioritised accordingly.

Scenario	Recommended approach
1. Changes on which the Commission explicitly seeks the Platform's support or guidance	Prioritised by default. The Commission is expected to flag specific criteria or activities; these issues are taken up automatically.
2. Commission changes that clearly address the previous PSF's recommendations	Issue closed, except where a cross-cutting consistency or usability concern remains.
3. Commission changes that do not address, or do not fully address, the previous PSF's recommendations	Seek clarification from the Commission on why the recommendation was not adopted. Reflect on whether and which earlier recommendations should be restated, prioritising targeted recommendations over broad cross-cutting ones. Define the issue and ask whether the change fails to address the obstacle identified by PSF 2.0; if so, consider an alternative that builds on the earlier recommendation but tackles the underlying obstacle.
4. Commission changes that fall outside the scope of the previous PSF's recommendations	This covers all changes to the EDA and is likely to cover some CDA changes. Raise only those issues that are sufficiently material and well-supported under the principles set out in section 5.
5. Criteria left unchanged in the Commission proposals	Raise only material, well-supported issues. A proposal to amend an activity the Commission has not touched must be substantiated — for example, by clearly disruptive

Scenario	Recommended approach
	new technologies, market developments, or new regulation.

Table 1. Filtering process and scenarios. Scenarios 2 to 3 apply only to the Climate Delegated Act, because the previous Platform did not review the Environmental Delegated Act.

Criteria for prioritisation

The filtering process assisted each working group in identifying candidate issues, with each group determining which matters to advance based on the following five broad criteria:

1. Usability & clarity
2. Policy coherence & consistency
3. Level of ambition
4. Resources & expertise available within the Platform
5. Likelihood to be accepted by the Commission

These criteria functioned as screening tests to decide which activities, and which specific aspects of those activities, warrant focused attention; the substantive principles subsequently governed how the resulting feedback was framed.

First, regarding **usability and clarity**, the criteria were rigorously assessed to ensure they are as simple and explicit as possible, whilst maintaining a consistent approach across all activities and Environmental Objectives. A key requirement was that they clearly defined what constitutes a valid means of objective verification.. Furthermore, the criteria must be equally usable by all types of entities and applicable to both CapEx and revenue Key Performance Indicators (KPIs), as well as to financial products and financing instruments. Crucially, they must be designed in a manner that enables the entity to control the outcome of the Technical Screening Criteria (TSC) or Do No Significant Harm (DNSH) requirements.

Second, **policy coherence and consistency** were ensured by assessing issues against a robust set of benchmarks. These included the overarching Taxonomy Regulation and the need for internal coherence within the Taxonomy itself, spanning both environmental objectives and economic activities. The assessment also considered relevant EU legislation and market consistency, such as alignment with emerging international definitions regarding nature and biodiversity finance. Where appropriate, the criteria were further evaluated against the

European Sustainability Reporting Standards (ESRS) to ensure harmonisation across the regulatory landscape.

Third, the **level of ambition** was scrutinised to ensure it remained fit for purpose. Key questions in this assessment include whether the proposed levels of ambition remained consistent with those defined in the Taxonomy Regulation and whether they were compatible with the 'headline ambition levels' for substantial contribution established by previous Platforms. Ultimately, the assessment determined whether the level of ambition adequately supports the transition towards a sustainable economy, balancing regulatory rigour with practical feasibility.

Guiding principles for the criteria

Three guiding principles shaped the substantive evaluation of the Criteria themselves: usability and clarity; consistency and coherence; and market reality, competitiveness, feasibility and a level playing field. Each of these principles unfolded into a set of specific dimensions that inform the Platform's analysis.

Usability and clarity

The overarching test was that the criteria must be clear, practical and usable for companies, public sector economic actors and financial institutions. Six specific dimensions flow from this fundamental requirement.

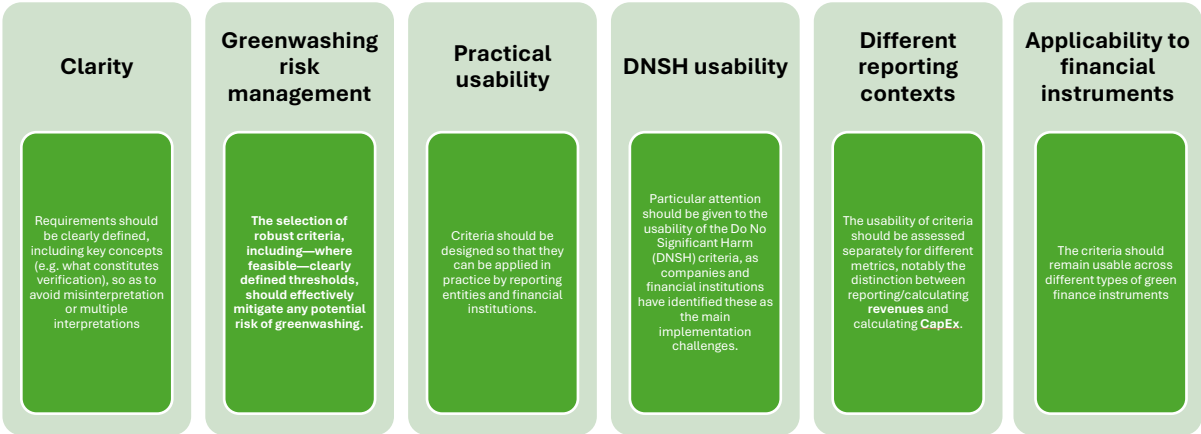


Figure 4. Usability and clarity dimensions.

Consistency and coherence

The criteria must remain consistent with the existing regulatory framework while preserving its environmental integrity. Seven specific dimensions are pertinent to this assessment.

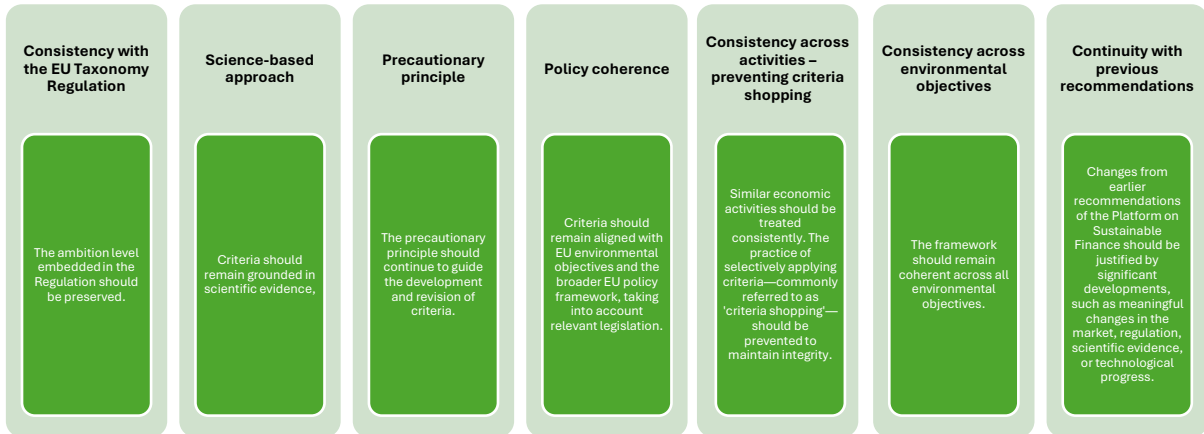


Figure 5. Consistency and coherence dimensions.

Market reality, competitiveness, feasibility and level playing field

The criteria must take into account market conditions, technological maturity and economic realities, all while maintaining the ambition of the framework. They should ensure a level playing field across companies and proportionately distribute the efforts and contributions towards the EU environmental objectives across sectors and value chains, thereby avoiding unintended competitive distortions. Five specific dimensions flow from this principle.

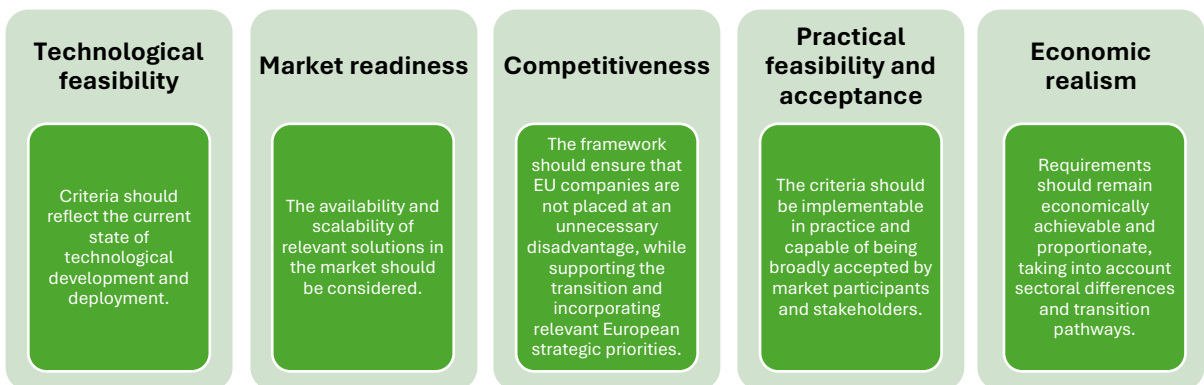


Figure 6. Market reality, competitiveness, feasibility and level playing field dimensions.

Recommendations submitted to the Commission in two batches

All recommendations formulated by the working groups were circulated to the full Plenary, affording each member the opportunity to provide comments. Plenary meetings were convened to deliberate on any emerging issues and to update members on developments. Recommendations approved by the Plenary were compiled into a first batch. A separate set of recommendations, which required further discussion and examination—due, for instance, to the need for additional data, background information, or the presence of diverging views—were allocated further time. Following this extended deliberation, these were resubmitted for Plenary approval; those for which consensus was subsequently reached were included in Batch 2. Both batches were formally submitted to the European Commission and are reproduced in the annexes to this report. To facilitate the review of these recommendations, they are grouped by Delegated Act and organised in the same activity sequence as the respective Acts.

For any recommendations where diverging viewpoints could not be reconciled, or for activities where the Platform was unable to formulate a recommendation due to time constraints, detailed explanations are provided in the following section of this briefing.

2. Unresolved issues

This section briefly outlines a number of issues that remained unresolved by the Platform due to insufficient time for detailed examination, outreach, and in-depth analysis, or owing to a lack of consensus that would have required further discussion to reach a position supported by all members. Additionally, this section lists these cross-cutting issues identified by the Platform that affect several activities and require addressing in the medium term to ensure the adequate implementation of the Taxonomy.

It is worth noting that one of these five issues relates more to the Taxonomy Disclosures Delegated Act than to the Climate and Environmental Delegated Acts. Specifically, it concerns the need to distinguish between compliance with the criteria by actors conducting the activity and the assessment of such compliance by those evaluating it (e.g., investors). There is a recognised need to simplify the assessment of criteria compliance, particularly for financial actors such as those issuing car loans, given current constraints. Consequently, this specific issue is not listed below.

2.1 A limited number of cross-cutting issues

Differentiation of Technical Screening Criteria for Financing and Operational Reporting

The Platform believes that a distinction could be considered between criteria applied at the financing stage and those used for operational reporting under Taxonomy reporting within CSRD/ESRS. At the financing stage, where assets are not yet operational, assessment relies on design specifications, which may not reliably predict actual performance regarding energy mix or cargo type during the asset's lifecycle. Conversely, once operational, verified data on actual energy consumption and cargo carried becomes available, allowing for a more precise evaluation of substantial contribution. Consequently, the potential to separate these criteria should be examined: applying design-based metrics for financing decisions and operational metrics for ongoing reporting. This approach could aim to align accountability with the information available at each stage, ensuring that financiers are assessed on design capabilities while operators are evaluated on actual performance. The same issue applies to those operating undertakings when assessing the characteristics for a future asset according to the Capex Plan requirements.

Enhancing market signalling for future thresholds

Immediate action is required to enhance the application of the Taxonomy by improving market signalling regarding future revisions to Technical Screening Criteria (TSC), including thresholds. This effort should involve identifying sectors and activities where forward-looking signals on transition pathways would be most beneficial and subsequently evaluating effective mechanisms for communicating these anticipated changes to stakeholders.

Emissions Trading System (ETS) and other TSC cross-references within the Taxonomy

Immediate work is required to address the growing misalignment between the EU Taxonomy's technical screening criteria and the market realities, where major improvements have been made in terms of GHG emissions. This specifically concerns outdated Emissions Trading System (ETS) data and related benchmarks. As the existing ETS data no longer reflects the actual greenhouse gas emission improvements achieved by industry in recent years, the current TSC criteria for substantial contribution (SC) to climate change mitigation risk inadvertently reducing the level of ambition and failing to incentivise the most efficient investments. Consequently, future efforts should focus on developing a pathway to update these benchmarks and adjust the criteria to ensure they maintain regulatory rigour and scientific ambition while accurately rewarding genuine decarbonisation progress. Additionally as industries decarbonise, and the TSC for those industries can be tightened in line with the

Taxonomy's legal requirements for transitional activities, it may be necessary to review whether the same TSC can and should be still applied across other industries, for example where currently there is a cross reference to the energy TSC, or whether other incentives are appropriate for ambitious decarbonisation transition in those other industries.

Critical Raw Materials (CRMs) and circularity in the Taxonomy

Critical Raw Materials (CRMs) are essential for the EU's green and digital transitions, making their recovery and circularity at their highest value a priority for sustainable economic resilience. The Platform believes that further work needs to be conducted in the immediate future to assess how to enhance the coherence and integration of data regarding CRMs across the EU Taxonomy, ensuring that existing criteria effectively support substantial contribution and Do No Significant Harm criteria for CRM from a circular economy objective perspective. In addition, as CRM circularity is inherently a value chain challenge — spanning product design through to recovery — the review will also assess whether additional activities need to be included to enhance coverage across the value chain.

While previous recommendations on specific recovery measures were not adopted due to usability concerns, the Platform is interested in exploring whether it makes sense to broaden the scope beyond electrical and electronic equipment to include components and materials, balancing environmental benefits with economic competitiveness and legal feasibility.

At the same time, it is recognised that specific measures will be thoroughly assessed and considered under upcoming secondary legislation, such as those under the Ecodesign for Sustainable Products Regulation (ESPR), and the potential to address CRMs within Ecodesign regulations for various products, including enterprise servers.

As a note, it is the Commission's responsibility under Regulation (EU) 2019/424 to evaluate the inclusion of additional CRMs (such as tantalum, gallium, dysprosium, and palladium) in information requirements.

Furthermore, the analysis could explore if and how specific activities and criteria under the EU Taxonomy could help moving towards the benchmarks set by the Critical Raw Materials Act (EU) 2024/1252, which sets that recycled Strategic Raw Materials should constitute at least 25% of the EU's annual consumption — treating this as a baseline from which more ambitious circular design and material efficiency measures can build.

Finally, the Platform also recognises the need to actively involve in the conversation the relevant economic operators of the sectors in scope to ensure a comprehensive and accurate analysis.

2.2 Pending issues arising from diverging views

CCM 6.16. Infrastructure enabling low carbon water transport

The Platform considered whether "Dredging of waterways" should be included in the EU Taxonomy. While dredging of waterways is currently excluded from the activity "Infrastructure enabling low carbon water transport" due to its significant environmental footprint, members held differing views on whether it could be included under specific, stringent conditions.

Position A: Exclusion Due to Irreversible Environmental Impact One group of members argues that dredging should remain excluded from the Taxonomy. They contend that the direct and indirect environmental impacts of dredging are too profound to be adequately managed through standard Environmental Impact Assessments (EIAs). Direct impacts include suspended sediment plumes, the burial of benthic communities, and the release of contaminants. Furthermore, they highlight that EIAs often fail to capture indirect, long-term consequences such as the alteration of sediment continuity, chronic hydro-morphological regime shifts, the mobilisation of legacy nutrients leading to delayed eutrophication, and the remobilisation of microplastics and blue carbon.

Proponents of this view assert that for high-impact activities, the "Do No Significant Harm" (DNSH) principle requires criteria that go beyond generic permitting. They argue that the cumulative and permanent nature of dredging—often necessitating repeated maintenance dredging—creates effects that extend beyond the scope of a single EIA. Consequently, they believe that including dredging, even with activity-specific DNSH criteria, risks undermining the environmental integrity of the Taxonomy, as the EIA framework alone does not guarantee that no significant harm occurs, but merely that harm is limited to a level permitting authorisation.

Position B: Conditional Inclusion via Activity-Specific DNSH Criteria Conversely, other members argue that dredging is a necessary technical intervention for critical infrastructure, including navigability, flood risk management, coastal protection, and the deployment of offshore wind farms. They note that dredging is already governed by a comprehensive EU regulatory framework, including the Water Framework Directive, the Marine Strategy

Framework Directive, and the EIA Directive, which ensure rigorous planning and authorisation processes.

This group posits that rather than exclusion, dredging should be included in the Taxonomy subject to robust, activity-specific DNSH criteria that go beyond the generic requirements. They argue that a proper analysis can define the necessary safeguards to mitigate the specific risks identified, such as sediment disposal and contaminant release. By establishing clear, stringent criteria, the Taxonomy could support sustainable dredging activities that are essential for the green transition (e.g., port expansion for renewable energy logistics) while ensuring that environmental impacts are minimised on a case-by-case basis. They emphasise that excluding dredging entirely ignores its role in maintaining essential infrastructure and that the existing EU permitting regime, when strengthened with specific Taxonomy criteria, is sufficient to manage the risks.

The core divergence lies in whether the existing regulatory framework and the potential for activity-specific DNSH criteria are sufficient to guarantee "No Significant Harm" for such a high-impact activity, or whether the inherent and cumulative nature of dredging's environmental effects necessitates its continued exclusion from the Taxonomy.

CCM 3.21. Manufacturing of aircraft

Following the Commission's proposal to revise the deadlines for Activity 3.21 regarding the manufacturing of aircraft, the Platform members expressed divergent views. The proposal sought to defer the implementation of efficiency criteria for new aircraft (Criterion c) from 2027 to 2029, and the readiness criteria for sustainable aviation fuels (Criterion d) from 2028 to 2030.

Position A: Maintaining Original Deadlines A portion of the Platform argues that the proposed delays would undermine the ambition of the EU Taxonomy. These members contend that the aircraft industry has made substantial progress since the criteria were first published in 2023. Consequently, extending the deadlines would result in a weakening of the "substantial contribution" threshold for climate change mitigation, creating an inconsistency with the ambition levels applied to other sectors. Furthermore, they warn that such a move risks penalising first movers and investors who have already committed capital based on the 2023 framework. There is a broader concern that adjusting deadlines due to slower-than-expected technological adoption could set a precedent that the Taxonomy is flexible based on industrial

pace, potentially eroding the regulatory certainty required by Article 10 of the EU Taxonomy Regulation.

Position B: Aligning with Industrial Realities Conversely, other members argue that the current 2032 cut-off date for conventional aircraft eligibility is misaligned with the sector's long-term fleet transition timelines and industrial realities. They posit that maintaining this strict deadline creates a financing and regulatory gap that threatens the sector's financial sustainability, thereby hindering rather than facilitating decarbonisation. In turn, maintaining the current 2032 cut-off date could be seen as running counter to the logic set out in Article 10(2) of the EU Taxonomy Regulation regarding transitional activities for which no technologically and economically feasible alternatives yet exist.

Proponents of this view emphasise that a premature exclusion of conventional aircraft contradicts the practical maturation timeline required for Sustainable Aviation Fuel (SAF) supply chains and the scaling of refineries. They advocate for extending eligibility for conventional aircraft capable of operating on 100% SAF beyond 2032 to bridge this interim period. This approach aims to support the financial health of operators, enabling them to fund both the acquisition of efficient conventional assets and the necessary R&D for next-generation aircraft.

Supporters of this position highlight several structural factors:

- **Supply Chain Maturity:** While regulations like ReFuelEU Aviation mandate a ramp-up to 70% SAF by 2050, advanced biofuels and synthetic fuels currently face significant scaling challenges and remain largely at the demonstration stage, with lengthy approval processes.²
- **Technological Timelines:** Low-emission aircraft capable of meaningful commercial service are not expected to scale before 2040.³ Early deployments of electric and hybrid-electric aircraft are projected to be limited to short, regional routes and specific non-commercial operations, serving a niche market compared to the mainline fleet, which requires load capacities and ranges that cannot be served by such early deployments.⁴

² <https://www.easa.europa.eu/en/domains/environment/sustainable-aviation-fuels-saf>

³ <https://www.eurocontrol.int/publication/eurocontrol-forecast-2024-2050>

⁴ Based on EUROCONTROL's Long Term Forecast <https://www.eurocontrol.int/publication/eurocontrol-forecast-2024-2050> the first electric or hybrid aircraft will come at a scale and size that it will not be possible to serve the required traffic which will deliver a significant impact on decarbonisation.

- **Market Segmentation:** Conventional best-in-class aircraft and zero-emission/hybrid aircraft entering the market before the late 2030s are expected to serve fundamentally different market segments, with distinct R&D objectives, supply chains, and certification standards. Extending eligibility for best-in-class aircraft is viewed by the industry as a necessary measure to ensure tangible decarbonisation of the mainline fleet, which accounts for the vast majority of European flights, while low-emission technologies continue to mature for the regional segment.⁵

Ultimately, this perspective suggests that a combined deployment strategy—supporting efficient best-in-class aircraft alongside the development of low-emission alternatives—is essential to achieve long-term decarbonisation goals without disrupting the financial viability of the aviation sector.

Adaptation SC criteria in Annex II for activities CCA7.1, CCA7.2, CCA7.7, CCA6.13, CCA6.14, CCA6.15, CCA6.16, CCA6.17

The current SC criteria for these activities refer to “the activity” without explicitly clarifying whether the scope of assessment covers (i) the operational processes of the activity, (ii) its physical output, or (iii) both.

While this wording is consistent with the general approach across adaptation activities in the Taxonomy—where “activity” is typically interpreted broadly—and with established sector practice in infrastructure and buildings (where criteria have generally been applied to the physical asset), it has nevertheless led to diverging interpretations. This is particularly evident in legal interpretations suggesting that the criteria should apply to the economic operator itself, especially in the case of construction activities (e.g. “construction of buildings”).

These differing interpretations have resulted in inconsistent application of the Taxonomy criteria.

The Platform discussed this issue during its previous mandate and again in the context of the current review of the proposed amendments to the Delegated Act. While Members agreed on the need to address the issue, no common position was reached on an immediate approach. Members also agreed that this issue goes beyond the adaptation objective and reflects a

⁵ <https://www.eurocontrol.int/publication/eurocontrol-data-snapshot-53-charting-growth-market-share-new-generation-narrow-and>

broader question regarding whether SC criteria should apply to operational processes, physical outputs, or both across multiple environmental objectives. This requires further in-depth analysis.

Accordingly, two alternative views are presented below.

Position A: the adaptation investments may relate both to the physical output and to the operational resilience of the activity itself. This would explicitly recognise both dimensions of the activity and could increase the scope of reported taxonomy-aligned CapEx and OpEx, thereby supporting the financing of adaptation investments. The approach would seem consistent with Article 11(1)(a) of the Taxonomy Regulation, under which these activities contribute substantially to climate change adaptation and are not subject to an enabling criterion. It reflects the interpretation of “economic activity” in the EU Taxonomy framework, which encompasses input, process, and output dimensions. Given the specific characteristics of the infrastructure and buildings sectors, proponents highlight the importance of asset resilience as a central element of adaptation. It further ensures intra-objective consistency across the 101 adapted and adapted-enabling activities under Annex II of the Climate Delegated Act.

Opinion A also highlight the fact that SC criteria are defined independently for each environmental objective, based on what is appropriate for that objective, and are not required to mirror the structure of criteria under other objectives. In this context, harmonisation across objectives is not always appropriate or intended. The SC and DNSH criteria are deliberately designed with different scopes, where DNSH establishes a minimum level of resilience focused on the physical asset, while SC goes further by also considering risks to the operational processes of the activity. This tiered structure reflects the higher level of ambition associated with SC. At the same time, the proportionality mechanism embedded in Appendix A ensures that where no material physical climate risk is identified at screening level, no further assessment is required. Finally, the proposed approach includes clarification that financial institutions financing infrastructure may rely on asset-level assessment and are not required to assess operational processes.

Opinion B: the criteria should apply to the physical asset. The priority should be to avoid making interim interpretative changes without a comprehensive assessment of their implications, in order to prevent market confusion. This opinion believes that, for these activities, the SC criteria should apply to the physical asset, namely buildings and infrastructure, in line with the original design of the Taxonomy and with the approach taken

under the Climate Change Mitigation SC criteria for the same activities. The SC criterion should therefore focus on the long-term climate resilience of physical assets, which are the primary determinant of climate-related risk over their lifecycle.

This approach, proponents sustain that it also ensures consistency with DNSH, with both criteria focusing on the physical asset. It provides a clear and operationally straightforward reference point for financial market participants, for whom the physical asset is the natural unit of assessment in infrastructure and buildings finance. It further ensures consistent application across different operators and across the lifecycle of the same asset. Under this option, the exclusion of operational process resilience from the scope of SC is considered a matter that should be addressed only in the context of a broader, system-wide review of the Taxonomy framework, including the definition of activities and the overall structure of SC and DNSH criteria.

The question of whether SC and DNSH criteria under climate change adaptation should apply to the resilience of the physical output of the activity, i.e. buildings and infrastructure, and/or to the operational processes of the economic activity, such as construction sites and related processes, is complex and cross-cutting. It affects multiple activities and environmental objectives across the Taxonomy. It therefore requires a coherent, system-wide review of activity definitions, typologies, and the structure of SC and DNSH criteria across objectives. Such a review should be undertaken as soon as possible and with sufficient analytical depth. As an interim step, a targeted amendment to SC criteria for CCA activities 6.13 to 6.17 is proposed.

2.3 Unresolved issues resulting from time constraints

There were several areas that the Platform had prioritised but, regrettably, for which it lacked time to draft robust recommendations. This was due to the high level of complexity involved, the need for additional data, the necessity of consulting external experts, or the requirement to conduct thorough analysis.

Nevertheless, the Platform maintains that the following activities deserve warrant review:

BIO 2.1. Hotels, holiday and camping grounds, and similar accommodation

Evidence and details regarding its uptake within the Taxonomy are still being gathered, given that the Environmental Delegated Act entered into force just over two years ago. Available

information suggests that uptake has been modest to date. As the Platform did not have sufficient time to conduct a comprehensive review, it notes, however, that there appears to be significant potential for this activity to support investments in the protection and restoration of biodiversity. Consequently, it recommends close monitoring of its uptake and, in accordance with future findings and where appropriate, consideration of: (i) exploring opportunities to simplify the criteria; and (ii) reviewing the 50-employee threshold set out in point 3.2., including clarifying its application to large accommodation chains and group structures.

CCM 3.8 Manufacture of aluminium

Regarding the manufacture of aluminium, the Platform acknowledges the challenge of balancing the difficulties faced by the industry in meeting the criteria, given that it does not generate power itself, with the need to align the activity with the goals set out in the Paris Agreement and European climate and environmental objectives. The Platform notes that future revisions may benefit from an assessment of the global competitive dimension to evaluate the implications for European producers concerning the 100 g CO₂e/kWh threshold for electricity, highlighting that the aluminium industry does not engage in power generation and that the energy volumes required exceed the capacity of on-site renewable installations. Additionally, the interaction between the 270 g threshold and manufacturing activities was noted, specifically where emissions levels are influenced by factors external to the production process, suggesting a need for further analysis of how these criteria apply to sectors dependent on grid electricity.

Conversely, there is a recognised necessity to align the manufacture of aluminium with the European Net Zero goal by 2050 and the objectives set out in the Paris Agreement, ensuring consistency with the specific provisions of the Taxonomy Regulation for transitional activities and coherence among economic activities within the EU Taxonomy. In order to achieve a decarbonised economy, declining thresholds are considered necessary. Therefore, a broader discussion is needed on how to ensure the necessary investments to supply the required renewable capacity on-site and support manufacturers meet the criteria.

CCM 3.17 Manufacture of plastics in primary form

Some members raised questions regarding the inclusion of the manufacture of plastics within the Taxonomy, referencing planetary boundary assessments (Eunomia/Zero Waste Europe, 2022). It was argued that, should the activity remain within the framework, eligibility should be restricted exclusively to the manufacture of plastics derived entirely from recycled content and

destined solely for reuse. Conversely, other members emphasised that, as a contribution to achieving the EU's climate goals, it is necessary to render the production of all relevant sources of plastics sustainable. While the recycling of plastics is essential and already covered by the Taxonomy, the production of plastics in primary form continues to occur, generating significant greenhouse gas emissions that must be minimised. Therefore, the argument was made that the framework should address the decarbonisation of primary plastic production rather than excluding it entirely.

CCM 7.1 Construction of new buildings

With regard to activity CCM 7.1. construction of new buildings, and in line with previous Platform recommendations, the Platform considers that lifecycle global warming potential (GWP) thresholds should be included. It also recommends that the Commission state in the accompanying Staff Working Document that this requirement will be incorporated into the EU Taxonomy by 2030 at the latest. This signalling would provide market actors with clarity and enable timely preparation.

The Platform has not proposed specific thresholds at this stage, as the transposition of the 2024 Energy Performance of Buildings Directive (EPBD) is expected to result in national lifecycle GWP thresholds. The Platform notes that EU Taxonomy reporting of lifecycle GWP disclosures for new buildings above 5,000 m², and for all new buildings as of January 2027, could inform the target-setting exercise.

CCM 7.7 Acquisition and ownership of buildings

Structural issues between economic activities 7.1, 7.2 and 7.7, identified in the previous Platform review of the Climate Delegated Act, have not yet been addressed: “These structural clarifications and potential improvement in the activity descriptions, with appropriate guidance, are an essential first step before any thorough criteria review can be finalised”.⁶

The Platform attempted to further refine the description of this economic activity; however, the limited timeframe did not allow for a sufficient assessment of the potential implications for current EU Taxonomy reporting practices. As a result, the Platform does not make a recommendation within the scope of this report.

⁶ [Advancing Sustainable Finance: Technical Criteria for New Activities & First Review of the Climate Delegated Act, March 2025](#), p.110.

The Platform reiterates the need for guidance to support market actors in reporting against the criteria set out in Chapter 7: a. The guidance should be tailored to different actor types and financial instrument categories, including developers, owners/clients, funders, investors and tenants (where they are not the building owner); b. It should specify how each category of market actor can influence compliance with the criteria and how they are expected to report against them, taking into account their respective roles and degrees of control across the asset lifecycle; c. It should clearly set out the underlying principles of the Technical Screening Criteria (TSC) and associated reporting requirements, in order to support consistent interpretation, informed decision-making, and robust verification practices.⁷

Moreover, the Platform reiterates its previous recommendation to consider introducing forward-looking greenhouse gas emissions pathways to incentivise the active decarbonisation of building portfolios. Due to time constraints, the Platform was not in a position to develop a detailed proposal in this regard. The Platform had previously recommended establishing absolute thresholds for energy and carbon emissions reflecting the performance of the top 15% of the national building stock. As such thresholds are not yet clearly defined by national authorities across Member States, the Platform recommends anchoring the 15% benchmark to building stock data for the period 2023–2026 as an initial step towards their development. Translating this 15% benchmark into absolute energy performance values would provide a baseline for the development of decarbonisation pathways. The Platform further recommends that these thresholds be progressively tightened every five years to align with a trajectory towards net-zero operational carbon by 2050.

⁷ Idem p.115.

Annex I – Recommendations regarding the Climate Delegated Act

Annex II – Recommendations regarding the Environmental Delegated Act

Annex III – Platform members and observers and Acknowledgments

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The work contained in the annexes of this report, which outline the Platform's recommendations to the European Commission regarding the review of the CDA and the EDA, has greatly benefited from the contributions of additional representatives of the Platform's permanent members, as well as from the work of the sherpas supporting members and observers not listed as main representatives. Their work has been invaluable.

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