



# ESBG's answer to the Commission consultation on developing or revising technical screening criteria for a given economic activity of the EU Taxonomy.

## Executive summary

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**The Commission invited stakeholders to provide input regarding the possibility to developing or revising technical screening criteria for a given economic activity of the EU Taxonomy. Therefore, ESBG seizes this opportunity to stress some points.**

### ESBG'S POSITION

Overall, regarding Disclosures Delegated Act (Commission Delegated Regulation (EU) 2021/2178 and its subsequent amendments) the lack of clear guidance and specifications on how to populate the Taxonomy templates included in Annex V and XII is causing financial undertakings (i) legal uncertainty and unnecessary implementation effort, (ii) lack of comparability on the Taxonomy information disclosed. This could be solved by the publication of (i) formulas to calculate each datapoint of the quantitative templates, (ii) validation rules. An additional helpful approach would be to publish a minimum set of guidance documents as the EBA (European Banking Authority) does for FINREP and COREP reporting. The publication of the templates, validation rules, arithmetic calculations, relationships between the datapoints in the templates and with the datapoints included in other templates is of great utility to financial undertakings.

ESBG would also like to point out the issue of legal fragmentation. GAR (Green Asset Ratio) KPIs (Key Performance Indicators) are being developed by two different regulators: the European Commission (management report) and the EBA (Pillar 3 report). This situation generates overlaps, inconsistencies and coordination challenges for two set of reporting requirements that in essence should be identical. The publication of Q&A by each regulator will increase the divergencies between these two sets.

Additionally, on guidance, as banks, we find ourselves financing projects related to, for example water, where the clients encounter difficulties, such as the lack of information on energy consumption or the inability to calculate certain impact metrics, which prevent them from financing themselves under the umbrella of the Taxonomy [we have identified few examples thereof].