



Brussels, 20th April 2020

EACB feedback to the roadmap on the impact assessment on the delegated acts to the taxonomy regulation (climate change mitigation and adaptation)

On the development of the Delegated Acts established by the taxonomy regulation, we would like to emphasize the following points:

- We urge to ensure that the practical work with the provisions of the taxonomy will be easy, clear, reliable and efficient to avoid unnecessary and costly administrative barriers. **More details would need to be clarified, like the process for the establishment of the technical screening criteria on the climate change adaptation**, still too complex to be implemented and applied (especially for small and medium-sized companies). Indeed, the technical screening criteria (as elaborated by the TEG) for the “climate change adaptation” seem too difficult to apply in practice, also due to the lack of available data. Hence, they should be considerably simplified in the course of the adaptation of the Delegated Acts.
- Companies are not (yet) aware about the need of implementing specific additional information requested by the regulation. Undertakings (subject to the NFRD) shall include (in their non-financial statement) information on their activities associated with environmentally sustainable economic activities (% of their turnover and % of their CAPEX and/or OPEX). In our view, the timing of the new Taxonomy should be both ambitious because of the climate urgency and also realistic. This will not happen ‘over night’. In order to allow **financial companies to collect the requested information from clients a phase-in period in the implementation of the new disclosure requirements should be provided.**
- As it is **essential to have reliable and available data**, we highly recommend to give financial institutions free access to already existing environmental and social data. The Commission should consider to develop an **initiative that will allow to start collecting & providing the ESG data as already available in the market and reported by corporates in the EU in an electronic form under one of the main statistics centres in the EU**. Such a database shall be open to companies which can insert – on a voluntary basis – ESG raw data.
- On the building sector, even though the TEG proposals for “building renovation” are potentially achievable, the renewed house will not be considered as an energy efficient house after renovation, if it does not reach the general criteria for “acquisition of buildings” (cf. p.370 TEG’s technical annex EU taxonomy), which is materially impossible for older houses which are the ones most in need to renovate. The EACB

The voice of 2.800 local and retail banks, 84 million members, 209 million customers in EU

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believes that a **renovated building, whose building code might correspond to the one applied decades ago, should have lower requirements in order to be considered within the Taxonomy after renovation**. This would be the best path to incentivise renovations, which in our view are precisely the activities that may have the biggest positive impact in CO₂ emissions reductions. Moreover, concerning new constructions, the Commission should avoid a relative linkage to national NZEB since from an investor perspective this may also lead to confusing conclusions as the exact same building could be classified as green in one jurisdiction and non-green in another jurisdiction. In jurisdictions with very high energy efficiency NZEB requirements, a further 20 pct. lower energy use may be hard to obtain.

- The Commission will consider to extend the Taxonomy to social objectives. Co-operative banks in Europe are strongly committed to support the real economy at a local level. Their success depends largely on the economic, ecological and social wellbeing of their operating area. We believe that **the creation of a clear classification of socially sustainable economic activities will help co-operative banks to better show how they are advanced in fostering social sustainability and proximity**.
- The EACB believes **that the Platform should be composed of a broad range of stakeholders**. Concerning the representation of the banking sector, it is of utmost importance that co-operative banks that are a significant component of the sector (20% market share) and essential contributors are properly represented in the new Platform.

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