



Brussels, XXX
[...] (2023) XXX draft

ANNEX 5

ANNEX

to the

COMMISSION DELEGATED REGULATION (EU) .../...

supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to the sustainable use and protection of water and marine resources, to the transition to a circular economy, to pollution prevention and control or to the protection and restoration of biodiversity and ecosystems and for determining whether that economic activity causes no significant harm to any of the other environmental objectives and amending Delegated Regulation (EU) 2021/2178 as regards specific public disclosures for those economic activities

ANNEX V

Amendments to Annexes I, II, IV, V and X to Delegated Regulation (EU) 2021/2178

(1) Annex I is amended as follows:

a) in Section 1.2.1., the second paragraph is replaced by the following:

‘For turnover and capital expenditure, non-financial undertakings shall include references to the related line items in the financial statements.’;

b) in Section 2, point (e) is replaced by the following:

‘(e) non-financial undertakings shall identify Taxonomy-non-eligible economic activities and disclose the proportion in the denominator of the turnover, CapEx and OpEx KPIs of those economic activities at the level of the undertaking or group.’;

(2) In Annex IV, section “Breakdown of the numerator of the KPI per environmental objective” the words “Transitional activities: A% (Turnover; CapEx)” are deleted from lines (2) to (6).

(3) Annex V is amended as follows:

a) the words ‘equity holdings’ are replaced by the words ‘equity instruments’;

b) in Section 1.2.1., the fifth paragraph is replaced by the following:

‘In addition to GAR, credit institutions shall disclose the percentage of their total assets that are excluded from the numerator of the GAR in accordance with Article 7(2) and (3) of this Regulation and point 1.1.2 of this Annex.’;

c) in Section 1.2.1.1., the words ‘**Of which: transitional activities**’ are deleted from the rows Climate change adaptation (CCA); Water and marine resources (WMR); Circular economy (CE); Pollution (P) and Biodiversity and Ecosystems (BE)

d) in Section 1.2.1.1., the heading of point (i) is replaced by the following:

‘(i) GAR for lending activities to non-financial undertakings (*loans and advances - GAR L&A*)’;

e) in Section 1.2.1.1., point (i), the second paragraph is replaced by the following:

‘The amount for the purpose of (1)(c) shall be calculated by using the following formula $1(c) = (1)(c)(1) + (1)(c)(2)$ where:

(1)(c)(1) represents loans and advances where the use of proceeds is known, including specialised lending as referred to in Article 147(8) of Regulation (EU) No 575/2013;

(1)(c)(2) represents loans and advances where the use of proceeds is unknown (general loans).’;

f) in Section 1.2.1.1., point (i), the third paragraph is replaced by the following:
‘For the purposes of point (1)(c)(1), credit institutions shall consider the gross carrying amount of the specialised lending exposures to the non-financial undertaking to the extent and proportion that they finance a taxonomy-aligned economic activity. The assessment of whether that requirement has been met shall be based on information provided by the counterparty on the project or activities to which the proceeds will be applied. Credit institutions shall provide information on the type of economic activity that is financed. Double counting shall not be allowed. Where the same specialised lending exposure is relevant for two environmental objectives, credit institutions shall allocate it to the most relevant objective.’;

g) in Section 1.2.1.1., point (ii), the third paragraph is replaced by the following:

‘For the purposes of point 2(c)(1), credit institutions shall consider the following:

(2)(c)(1)(a) the total gross carrying amount of exposures to environmentally sustainable bonds issued in accordance with Union legislation. Current bond issuances qualified as green bonds by issuers whose use of proceeds have to be invested in taxonomy-eligible economic activities shall be assessed depending on the level of taxonomy-alignment of economic activities in accordance with Regulation (EU) 2020/852 or of projects financed, based on specific information provided by the issuer for an issuance. Credit institutions shall provide transparency on the kind of economic activity that is being financed. Double counting is not allowed. Where the same green bond can be relevant for two environmental objectives, credit institutions shall allocate it to the most relevant objective.

(2)(c)(1)(b) the gross carrying amount of debt securities invested in specialised lending exposures, to the extent that the activities financed are taxonomy-aligned economic activities. The assessment shall be based on specific information provided by the issuer for that issuance. Double counting is not allowed. Where the same specialised lending exposure can be relevant for two environmental objectives, credit institutions shall allocate it to the most relevant objective. Credit institutions shall provide transparency on the type of economic activity that is financed.’;

h) in Section 1.2.1.2, the fourth paragraph is replaced by the following:

‘Where the counterparty is another credit institution as defined in Article 4(1), point (1), of Regulation (EU) No 575/2013, and only for this purpose, a multilateral development bank referred to in Article 117(1), second subparagraph, or Article 117(2) of that Regulation, the turnover-based and CapEx based KPIs used shall be the gross carrying amount of debt

securities, loans and advances and equity instruments of relevant accounting portfolios weighted by the ‘Total GAR of the counterparty as defined in section’, that is gross carrying amount multiplied by ‘Total GAR’ of the counterparty.’

i) in Section 1.2.1.4, the third paragraph is replaced by the following:

‘For the financing of other activities and assets than public housing, credit institutions shall consider the gross carrying amount of the specialised lending exposures to the public authority to the extent and proportion that the lending finances a Taxonomy-aligned economic activity. The assessment of whether that requirement has been met shall be based on information provided by the public authority on the project or activities to which the proceeds will be applied. Credit institutions shall provide information on the type of economic activity that is funded. Double counting shall not be allowed. Where the same specialised lending exposure is relevant for two environmental objectives, credit institutions shall allocate it to the most relevant objective.’;

j) Section 1.2.1.6. is replaced by the following:

‘1.2.1.6. Total GAR

Credit institutions shall disclose information on the Total GAR. This shall reflect the cumulative value of the exposure-based KPIs, by including in the denominator the total on-balance assets without exposures referred to in Article 7(1) and by adding in the total numerator the numerators of environmentally sustainable exposures of the exposure-based KPIs:

- (a) total GAR for financing activities directed at financial undertakings, for all the environmental objectives.
- (b) total GAR for financing activities directed at non-financial undertakings, for all the environmental objectives.
- (c) GAR for residential real estate exposures, including house renovation loans, for the objective of climate change mitigation.
- (d) GAR for retail car loans, for the objective of climate change mitigation.
- (e) GAR for loans to local governments for house financing and other specialised lending, for all the environmental objectives.
- (f) GAR for commercial and residential repossessed real estate collateral held for sale, for all the environmental objectives.

Together with the total GAR, credit institutions shall disclose the percentage of assets that are excluded from the numerator of the GAR in accordance with Article 7 (2) and (3) and Section 1.1.2. of this Annex.’;

k) in Section 1.2.3., second paragraph, the words ‘Implementing Regulation (EU) No 680/2014’ are replaced by the words ‘Implementing Regulation (EU) No 2021/451’;

1) in Section 1.2.3., third paragraph, the words “Implementing Regulation (EU) No 680/2014” are replaced by the words ‘Implementing Regulation (EU) No 2021/451’;

(5) in Annex X, Section “Breakdown of the numerator of the KPI per environmental objective” the words “Transitional activities: A% (Turnover; CapEx)” are deleted from lines (2) to (6).

(6) in Annex II, the templates are replaced by the following: (see below)

(7) in Annexes VI and VIII, the templates are replaced by the following: (see links)

Link to Annex VI: https://finance.ec.europa.eu/document/download/fa8597e3-78e3-47b8-8f7f-15bbd34c9c62_en?filename=sustainable-finance-disclosures-environmental-delegated-regulation-annex-7_en.xlsx

Link to Annex VIII: https://finance.ec.europa.eu/document/download/33c856bc-ef6a-4ef9-af9b-7f36842a3c81_en?filename=sustainable-finance-disclosures-environmental-delegated-regulation-annex-8_en.xlsx

Economic Activities	Code (a)	Turnover	Proportion of Turnover	Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')						Minimum Safeguards	Taxonomy aligned (A.1.) or eligible (A.2.) proportion of turnover, year N-1	Category (enabling activity)	Category (transitional activity)
				Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity and ecosystems	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity and ecosystems				
Text		Currency	%	Y; N; N/A (b) (c)	Y; N; N/A (b) (c)	Y; N; N/A (b) (c)	Y; N; N/A (b) (c)	Y; N; N/A (b) (c)	Y; N; N/A (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Activity 1			%							Y	Y	Y	Y	Y	Y	Y	%		
Activity 1 (d)			%							Y	Y	Y	Y	Y	Y	Y	%	E	
Activity 2			%							Y	Y	Y	Y	Y	Y	Y	%		T
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)			%	%	%	%	%	%	%	Y	Y	Y	Y	Y	Y	Y	%		
Of which Enabling			%	%	%	%	%	%	%	Y	Y	Y	Y	Y	Y	Y	%	E	
Of which Transitional			%	%						Y	Y	Y	Y	Y	Y	Y	%		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
Activity 1 (e)			%														%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)			%	%	%	%	%	%	%								%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities			%																
TOTAL			100%																

(a) The Code constitutes the abbreviation of the relevant objective the activity make a substantial contribution to, as well as the Section number of the activity in the relevant Annex of the objective, i.e.:

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

For example, the Activity "Afforestation" would have the Code: CCM 1.1

Where activities make a substantial contribution to more than one objective, the codes for all objectives should be indicated.

For example, if the operator reports that the activity "Construction of new buildings" makes a substantial contribution to climate change mitigation and circular economy, the code would be: CCM 7.1. / CE 3.1.

- (b) Y - Yes, Taxonomy eligible and aligned activity with the relevant objective
N - No, Taxonomy eligible but not aligned activity with the relevant objective
N/A - not applicable, Taxonomy non-eligible activity for the relevant objective

(c) In their respective KPIs, financial undertakings shall compute the economic activities contributing to multiple environmental objectives under the environmental objective that is reported in bold in this template. An environmental objective may only be reported in bold once in one row.

(d) The same activity may align with only one or more objectives

(e) The same activity may be eligible and not aligned with the relevant objectives

- (f) EL - Taxonomy eligible activity for the relevant objective
N/EL - Taxonomy non-eligible activity for the relevant objective



Economic Activities	Code (a)	CapEx	Proportion of CapEx	Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')						Minimum Safeguards	Taxonomy aligned (A.1.) or eligible (A.2.) proportion of CapEx, year N-1	Category (enabling activity)	Category (transitional activity)
				Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity and ecosystems	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity and ecosystems				
Text		Currency	%	Y; N; N/A (b) (c)	Y; N; N/A (b) (c)	Y; N; N/A (b) (c)	Y; N; N/A (b) (c)	Y; N; N/A (b) (c)	Y; N; N/A (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Activity 1			%							Y	Y	Y	Y	Y	Y	Y	%		
Activity 1 (d)			%							Y	Y	Y	Y	Y	Y	Y	%	E	
Activity 2			%							Y	Y	Y	Y	Y	Y	Y	%		T
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)			%	%	%	%	%	%	%	Y	Y	Y	Y	Y	Y	Y	%		
Of which Enabling			%	%	%	%	%	%	%	Y	Y	Y	Y	Y	Y	Y	%	E	
Of which Transitional			%	%						Y	Y	Y	Y	Y	Y	Y	%		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
Activity 1 (e)			%														%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)			%	%	%	%	%	%	%								%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities			%																

TOTAL	100%
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(a) The Code constitutes the abbreviation of the relevant objective the activity make a substantial contribution to, as well as the Section number of the activity in the relevant Annex of the objective, i.e.:

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For example, the Activity "Afforestation" would have the Code: CCM 1.1

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For example, if the operator reports that the activity "Construction of new buildings" makes a substantial contribution to climate change mitigation and circular economy, the code would be: CCM 7.1. / CE 3.1.

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Economic Activities	Code (a)	OpEx	Proportion of OpEx	Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')						Minimum Safeguards	Taxonomy aligned (A.1.) or eligible (A.2.) proportion of OpEx, year N-1	Category (enabling activity)	Category (transitional activity)
				Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity and ecosystems	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity and ecosystems				
<i>Text</i>		<i>Currency</i>	%	Y; N; N/A (b) (c)	Y; N; N/A (b) (c)	Y; N; N/A (b) (c)	Y; N; N/A (b) (c)	Y; N; N/A (b) (c)	Y; N; N/A (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Activity 1			%							Y	Y	Y	Y	Y	Y	Y	%		
Activity 1 (d)			%							Y	Y	Y	Y	Y	Y	Y	%	E	
Activity 2			%							Y	Y	Y	Y	Y	Y	Y	%		T
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)			%	%	%	%	%	%	%	Y	Y	Y	Y	Y	Y	Y	%		
Of which Enabling			%	%	%	%	%	%	%	Y	Y	Y	Y	Y	Y	Y	%	E	
Of which Transitional			%	%						Y	Y	Y	Y	Y	Y	Y	%		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
Activity 1 (e)			%														%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)			%	%	%	%	%	%	%								%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities			%																
TOTAL			100%																

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N/EL - Taxonomy non-eligible activity for the relevant objective

