



10 February 2023

Taxonomy Article 8 reporting: publication of Frequently Asked Questions by the European Commission

The European Commission has published two new Frequently Asked Questions (FAQs) with more than 200 questions and answers on the interpretation and application of the "Article 8" and "Climate" Taxonomy delegated acts. In order to help companies in implementing the Taxonomy regulation, the AMF presents the objectives and content of these FAQs and invites companies to refer to these documents for a consistent application of these reporting obligations.

What is the EU Taxonomy?

The Taxonomy regulation is a key measure of the European Green Deal's sustainable finance strategy. It is a classification system, common to the European Union, which permits to identify the economic activities that are considered "sustainable" from the environmental viewpoint. The aim of this initiative is to stimulate funding of the ecological transition by facilitating the orientation of financial capital flows towards more sustainable activities and technologies.

The EU Taxonomy sets out conditions and criteria to assess the sustainability of economic activities. An activity that is listed in the delegated act by the Commission (an "eligible activity") is considered environmentally sustainable according to the Taxonomy (i.e an "aligned activity") if it meets the following three requirements:

- contributes substantially to one of the six environmental objectives:

- contributes substantially to one of the six environmental objectives;
- does no significant harm to any other objective ;
- complies with minimum safeguards.

Some of these technical criteria are described in the so-called Taxonomy “Climate” delegated act.

The Taxonomy also defines specific reporting obligations for non-financial companies and financial companies that are required to publish sustainability indicators (KPIs) in their non-financial statement, in accordance with article 8 of the Taxonomy Regulation. These indicators measure the extent of the companies’ activities, investments, and operational expenditure that are eligible to and aligned with the Taxonomy. These reporting requirements are detailed in the so-called "Article 8" delegated act.

- To find out more about the companies covered by these obligations and the timing of their application, please refer to our [In-depth page on Taxonomy regulation – Article 8](#).
- For further information on these disclosure requirements, companies may also refer to the AMF’s 2022 report [insights into the first taxonomy Taxonomy reporting by listed companies](#) as well as ESMA's 2022 recommendations on sustainability reporting.

Objectives of the Commission’s FAQs on the EU Taxonomy

European Commission

Since December 2021, to help companies with their Taxonomy reporting obligations, the European Commission has published a number of FAQs to provide implementation guidance on the existing provisions of the regulation and its delegated acts. These publications are intended to support stakeholders, but do not extend the rights and obligations under the legislation and do not introduce any additional requirements - as clarified by the Commission.

These European guidance documents are necessary for consistent and coherent application of the regulation and ensure the disclosure of high-quality and comparable information. The AMF therefore calls on companies to make their best efforts to take account of the Commission's clarifications when preparing their Taxonomy disclosures.

Content of the FAQs published in December 2022

The FAQs published on 19 December 2022 supplement the previous FAQs on the EU Taxonomy published by the Commission in December 2021 and February 2022.

A [first FAQ document with 187 questions](#) URL =

[<https://ec.europa.eu/finance/docs/law/221219-draft-commission-notice-eu-taxonomy-climate.pdf>] and answers covers cross-cutting and sectoral issues on the application of the substantial contribution criteria related to the two climate objectives and of the do no significant harm (DNSH) criteria. This document therefore provides elements on the interpretation and implementation of certain legal provisions of the Taxonomy "Climate" delegated act.

A [second FAQ document with 34 questions](#) URL =

[<https://ec.europa.eu/finance/docs/law/221219-draft-commission-notice-disclosures-delegated-act-article-8.pdf>] and answers deals with the interpretation and implementation of certain legal provisions of the "Article 8" delegated act related to reporting obligations. It covers both general topics (e.g. timing and scope) and more specific issues. For instance, it clarifies how to define the eligibility KPIs, required since 1 January 2022, as well as the alignment KPIs, required since 1 January 2023 for non-financial companies.

Overview of the European Commission's FAQs on the EU Taxonomy


To help companies navigate between the different legislative texts and Commission's guidance on the Taxonomy, the AMF presents below a table with the main relevant documents that are applicable:

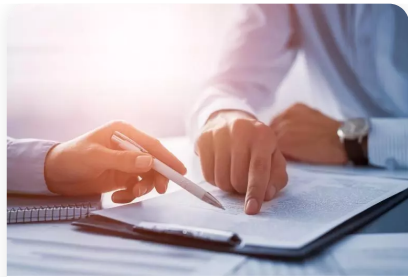
Date of publication	Nature of the document	Link
December 2021 (updated in January 2022)	<p>FAQs on article 8 reporting : focus on eligibility KPIs.</p> <p>For financial and non-financial companies.</p>	Link
February 2022 (published in the EU official journal in October 2022)	<p>FAQs on article 8 reporting : focus on eligibility KPIs.</p> <p>For financial and non-financial companies.</p>	Link
December 2022	<p>FAQs on article 8 reporting : focus on alignment and eligibility KPIs.</p> <p>For non-financial companies.</p>	Link
December 2022	<p>FAQs on Climate delegated act: focus on “DNSH” and substantial contribution technical criteria.</p> <p>For financial and non-financial companies.</p>	Link

Keywords

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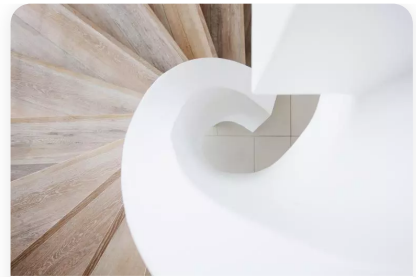


NEWS

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ARTICLE

AMF ACTIVITY

21 December 2022

Climate and Sustainable Finance Commission



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