



European Securities and
Markets Authority

Response form for the Consultation Paper on the Draft advice to European Commission under Article 8 of the Taxonomy Regulation



Responding to this paper

ESMA invites responses to the questions set out throughout this Consultation Paper and summarised in Annex II. Responses are most helpful if they:

- respond to the question stated and indicate the specific question to which they relate;
- contain a clear rationale; and
- describe any alternatives ESMA should consider.

ESMA will consider all comments received by **4 December 2020**.

All contributions should be submitted online at www.esma.europa.eu under the heading 'Your input - Consultations'.

Instructions

In order to facilitate analysis of responses to the Consultation Paper, respondents are requested to follow the steps below when preparing and submitting their response:

- Insert your responses to the consultation questions in the form "Response form_Consultation Paper on TR Article 8 advice", available on ESMA's website alongside the present Consultation Paper (www.esma.europa.eu → 'Your input – Open consultations' → 'Consultation on advice under Taxonomy Regulation Article 8').
- Please do not remove tags of the type <ESMA_QUESTION_TRART8_1>. Your response to each question has to be framed by the two tags corresponding to the question.
- If you do not wish to respond to a given question, please do not delete it but simply leave the text "TYPE YOUR TEXT HERE" between the tags.
- When you have drafted your response, name your response form according to the following convention: ESMA_TRART8_nameofrespondent_RESPONSEFORM. For example, for a respondent named ABCD, the response form would be entitled ESMA_TRART8_ABCD_RESPONSEFORM.
- Upload the form containing your responses, in Word format, to ESMA's website (www.esma.europa.eu under the heading 'Your input – Open consultations' → 'Consultation on advice under Taxonomy Regulation Article 8').



Publication of responses

All contributions received will be published following the close of the consultation, unless you request otherwise. If you do not wish for your response to be publicly disclosed, please clearly indicate this by ticking the appropriate box on the website submission page. A standard confidentiality statement in an email message will not be treated as a request for non-disclosure. A confidential response may be requested from us in accordance with ESMA's rules on access to documents. We may consult you if we receive such a request. Any decision we make not to disclose the response is reviewable by ESMA's Board of Appeal and the European Ombudsman.

Data protection

Information on data protection can be found at www.esma.europa.eu under the heading '[Data protection](#)'.

Who should read this paper?

This Consultation Paper may be of particular interest to non-financial undertakings and asset managers covered by Article 8 of Regulation (EU) 2020/852 (the 'Taxonomy Regulation') as well as to investors and other users of non-financial information



General information about respondent

Name of the company / organisation	FuelsEurope
Activity	Other
Are you representing an association?	<input checked="" type="checkbox"/>
Country/Region	Belgium

Introduction

Please make your introductory comments below, if any:

<ESMA_COMMENT_TRART8_1>

FuelsEurope represents with the EU institutions the interest of 40 companies operating refineries in the EU. Members account for almost 100% of EU petroleum refining capacity and more than 75% of EU motor fuel retail sales. FuelsEurope aims to promote economically and environmentally sustainable refining, supply and use of petroleum products in the EU, by providing input and expert advice to the EU institutions, Member State Governments and the wider community and thus contributing in a constructive and pro-active way to the development and implementation of EU policies and regulations.

The refining sector supports the goals of the Paris Agreement and support the Green Deal's ambition for climate neutrality in 2050 and will work with the EU institutions, Member States, and stakeholders, to help create the essential enabling policy framework. Particularly, we appreciate efforts to mobilise the financial sector in accelerating the move towards a prosperous and sustainable Europe in 2050. To achieve this, a stable and fair investment framework in Europe will be key.

The refining industry is already committed to reporting non-financial information related to sustainability issues. We believe that the Non-financial reporting directive (NFRD) and the Regulation on sustainability-related disclosures in the financial services sector (SFDR) sufficiently support the disclosure of non-financial information, for the benefit of relevant stakeholders.

FuelsEurope strongly encourages alignment between existing EU legislations (such as the Taxonomy Regulation, the NFRD and the SFRD) in order to avoid additional administrative burdens, duplication of reporting obligations and legislative overlap. For this reason, the refining sector asks both for Taxonomy Regulation and for the NFRD revision to be based on the principles of flexibility and companies' materiality to enable socially responsible investment analysis and sustainable investment decisions.

In particular, in order to ensure a smooth and proper implementation of the future rules, the time for the disclosures obligations should be extended or retain the principal of one or two pilot years (for example, for the disclosure of information on the taxonomy-compliant activities focusing on climate change mitigation & adaptation). This phased-in approach could be deployed until all delegated acts on six environmental objectives are adopted by the EU institutions. We believe this would ensure a smooth implementation of all delegated acts stemming from the Taxonomy Regulation and create robust and meaningful corporates' reports that would be useful to financial market players and other stakeholders for their decision making processes.

FuelsEurope welcomes the possibility to provide our feedback to the ESMA's proposal, while also calling for active involvement of a broad range of stakeholders for the duration of the entire legislative process.

<ESMA_COMMENT_TRART8_1>

Q1 For this KPI, do you agree with the proposed approach to defining turnover (bullet a in the draft advice)?

<ESMA_QUESTION_TRART8_1>

FuelsEurope agrees with ESMA's approach of using the existing definition of "turnover" as outlined in the Accounting Directive. As a general remark, this not only grants coherence and consistency with the current EU legislation facilitating non-financial undertakings to comply with the Taxonomy Regulation and the NFRD but also helps avoiding excessive administrative burdens.

<ESMA_QUESTION_TRART8_1>

Q2 For this KPI, do you agree with the proposed approach to when turnover can be counted (bullet b in the draft advice)?

<ESMA_QUESTION_TRART8_2>

FuelsEurope understands the complexity of Taxonomy and we remark that, because of this complexity, ESMA leaves a certain margin for interpretation which creates flexibility for reporting entities. We welcome this approach. However, it could be helpful if ESMA would add some explanatory examples on how they see things could work in practice. For example, we encourage to clarify:

- How turnover will be allocated when counting activities performing to create resources for own consumption (for example self-generated electricity for own use);
- How turnover will be allocated in case of activities which do not create revenue themselves but contribute to creating revenue

Finally, we recommend the turnover of a company to be complemented by a measure of profit (for example EBIDA) not for the turnover to have the effect of misleading figure

<ESMA_QUESTION_TRART8_2>

Q3 For this KPI, do you agree with the proposed approach to defining CapEx (bullet a in the draft advice)?

<ESMA_QUESTION_TRART8_3>

FuelsEurope welcomes the ESMA approach in building its proposals on existing definitions of CapEx.

<ESMA_QUESTION_TRART8_3>

Q4 For this KPI, do you agree with the proposed approach to when CapEx can be counted, including the definition of 'plan' (bullet b in the draft advice)?

<ESMA_QUESTION_TRART8_4>

- FuelsEurope understands the complexity of Taxonomy and we remark that, because of this complexity, ESMA leaves a certain margin for interpretation which creates flexibility for reporting entities. We welcome this approach. However, it could be helpful if ESMA would add some explanatory examples on how they see things could work in practice. For example, we encourage to clarify:
- How CapEx will be allocated for activities which are not assets in their own right but are sub-activities within assets (for example wastewater treatment);
- How CapEx will be allocated for activities performed to create resources for own consumption (for example self-generated electricity for own use)

Regarding the definition of 'plan', FuelsEurope suggests it should be extended beyond 5 years (e.g. 10-15 years) as this would better reflect the companies' investment plans. This would also take into account the TEG report' recommendations outlined in its Technical Annex.



<ESMA_QUESTION_TRART8_4>

Q5 For this KPI, do you agree with the proposed approach to defining OpEx (bullet a in the draft advice)?

<ESMA_QUESTION_TRART8_5>

FuelsEurope welcomes the ESMA approach in building its proposals on existing definitions of OpEx.

<ESMA_QUESTION_TRART8_5>

Q6 For this KPI, do you agree with the proposed approach to when OpEx can be counted, including the definition of ‘plan’ (bullet b in the draft advice)? With reference to the TEG’s inclusion of the words “if relevant” in relation to OpEx, in which situations should it be possible to count OpEx as Taxonomy-aligned?

<ESMA_QUESTION_TRART8_6>

- FuelsEurope understands the complexity of Taxonomy and we remark that, because of this complexity, ESMA leaves a certain margin for interpretation which creates flexibility for reporting entities. We welcome this approach. However, it could be helpful if ESMA would add some explanatory examples on how they see things could work in practice. For example, we encourage to clarify:
 - How OpEx will be allocated for activities which are not assets in their own right but are sub-activities within assets (for example wastewater treatment);
 - How OpEx will be allocated for activities performed to create resources for own consumption (for example self-generated electricity for own use);
 - How and if OpEx will be allocated for activities providing funding for decarbonisation efforts (i.e. forestry) carried out by others;

Similarly as explained above for CapEx count, regarding the definition of ‘plan’, FuelsEurope suggests it should be extended beyond 5 years (e.g. 10-15 years) as this would better reflect the companies’ investment plans. This would also take into account the TEG report’ recommendations outlined in its Technical Annex.

<ESMA_QUESTION_TRART8_6>

Q7 Do you believe that any of the suggested approaches covered in questions 1 to 6 above will impose additional costs on non-financial undertakings? If yes, please specify the type of those costs, including whether they are one-off or ongoing, and provide your best quantitative estimate of their size.

<ESMA_QUESTION_TRART8_7>

FuelsEurope believes that assessment is required to be carried out at economic activity level, which in many instances will not be assets in their own right but sub-activities within assets, e.g. wastewater treatment. There is currently no mechanism to identify and report sub-activities.

This will require initially significant effort and costs which are, amongst others:

1. Scanning of the technical requirements. The TSC contain both quantitative and qualitative criteria that are very comprehensive and technical. As such, having an “in-scope” activity (e.g. generation of electricity) does not automatically qualify that activity as taxonomy-aligned.
2. Understanding the impact on entity activities, i.e. technical input is required to assess whether those activities exist, and if so, whether they meet the technical screening criteria.
3. Deciding on an allocation methodology.
4. Rolling out criteria and methodology to entities.
5. Implementing systems and processes for identification of the activities.
6. Implementing systems and processes for reporting.
7. Training.

8. Creating and implementing processes to ensure quality and integrity of the data.

Finally, we would like to remark that continued time and effort will be required to maintain the above systems and processes as well as preparing the additional disclosures on yearly basis. Plus, the fact that the criteria will continue to evolve and new criteria will be added regularly, will add complexity and augment the level of effort for companies. In that regard, when it comes to data, we would like to clearly state that the basis of any reporting should be:

- The fact that the underlying accounting systems need to be prepared in order for entries to include the right data labels;
- recognising that time is needed by non-financial undertakings to prepare it;
- taking into consideration the fact that all non-financial undertakings will have to face data challenges, in different ways;
- the fact that a good degree of stability is needed to enable industries to perform reporting duties (e.g. considering that changing requirements too often might make this exercise more difficult and less effective, even in the case of minor changes).

<ESMA_QUESTION_TRART8_7>

Q8 Do you agree that sectoral specificities should not be addressed in the advice, as proposed in Section 3.2.3?

<ESMA_QUESTION_TRART8_8>

FuelsEurope would agree with such approach under condition that clear and sufficient guidance will be available taking into consideration industry specific examples.

<ESMA_QUESTION_TRART8_8>

Q9 Do you agree with the requirements for accompanying information which ESMA has proposed for the three KPIs?

<ESMA_QUESTION_TRART8_9>

FuelsEurope supports meaningful corporate reporting policies relating to disclosure of non-financial information. We believe that some degree of supplementary information (e.g. descriptive information/narrative) explaining the three KPIs would be beneficial to the users. However, a flexible approach is needed to allow non-financial undertakings to assess what is material and meaningful to explain their KPIs.

<ESMA_QUESTION_TRART8_9>

Q10 Do you consider that the requirement to refer to the relevant line item(s) in the financial statements for each KPI ensures sufficient integration between the KPIs and the financial statements?

<ESMA_QUESTION_TRART8_10>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_TRART8_10>

Q11 Do you agree with ESMA's suggestion to permit compliance by reference, so that non-financial undertakings may present the accompanying information elsewhere in the non-financial statement than in the immediate vicinity of the KPIs, as long as they provide a hyperlink to the location of the accompanying information?

<ESMA_QUESTION_TRART8_11>

Yes, FuelsEurope agrees with this suggestion as it provides an important level of flexibility

<ESMA_QUESTION_TRART8_11>

Q12 Do you consider there are additional topics that should be considered by ESMA in order to specify the content of the three KPIs? If yes, please elaborate and explain the relevance of these topics.

<ESMA_QUESTION_TRART8_12>

No, because companies should assess what is material and meaningful to explain their KPIs. Mandatory obligations would turn reporting in a “tick-box” exercise and impose excessive burden on companies. Furthermore, the Taxonomy Regulation requires non-financial undertakings to disclose information on CapEx, OpEx and turnover, therefore, only these KPIs should be considered in the upcoming delegated act.

<ESMA_QUESTION_TRART8_12>

Q13 Do you believe that providing the suggested accompanying information will impose additional costs on non-financial undertakings? If yes, please specify the type of those costs, including whether they are one-off or on-going, and provide your best quantitative estimate of their size.

<ESMA_QUESTION_TRART8_13>

FuelsEurope believes that assessment is required to be carried out at economic activity level, which in many instances will not be assets in their own right but sub-activities within assets, e.g. wastewater treatment. There is currently no mechanism to identify and report sub-activities.

This will require initially significant effort and costs which are, amongst others:

1. Scanning of the technical requirements. The TSC contain both quantitative and qualitative criteria that are very comprehensive and technical. As such, having an “in-scope” activity (e.g. generation of electricity) does not automatically qualify that activity as taxonomy-aligned.
2. Understanding the impact on entity activities, i.e. technical input is required to assess whether those activities exist, and if so, whether they meet the technical screening criteria.
3. Deciding on an allocation methodology.
4. Rolling out criteria and methodology to entities.
5. Implementing systems and processes for identification of the activities.
6. Implementing systems and processes for reporting.
7. Training.
8. Creating and implementing processes to ensure quality and integrity of the data.

Finally, we would like to remark that continued time and effort will be required to maintain the above systems and processes as well as preparing the additional disclosures on yearly basis. Plus, the fact that the criteria will continue to evolve and new criteria will be added regularly, will add complexity and augment the level of effort for companies.

<ESMA_QUESTION_TRART8_13>

Q14 Do you agree that non-financial undertakings should provide the three KPIs per economic activity and also provide a total of the three KPIs at the level of the undertaking / group? If not, please provide your reasons and address the impact of your proposal to financial market participants along the investment chain.

<ESMA_QUESTION_TRART8_14>

No, FuelsEurope believes that non-financial undertakings should disclose the KPIs only as a total across all the undertaking’s economic activities. This approach would simplify the reporting procedure for companies while providing investors with comparable and easy-to-understand KPIs. Reporting KPIs for each economic activity would create excessive burden to non-financial undertakings, which already face challenges in implementing Art. 8 obligations in very short timeline. <ESMA_QUESTION_TRART8_14>

Q15 Do you agree that where an economic activity contributes to more than one environmental objective, non-financial undertakings should explain how they allocated the turnover / CapEx / OpEx of that activity across environmental objectives and where relevant the reasons for choosing one objective over another?

<ESMA_QUESTION_TRART8_15>

While the refining sector understands the need of differentiating economic activities contribution to different environmental objectives, we recommend not to ask non-financial undertakings to explain how they allocated turnover, CapEx or OpEx across single environmental objectives and why. In fact, that distinction will be automatically visible through the disclosure per environmental objective (on the total not per economic activity level)

<ESMA_QUESTION_TRART8_15>

Q16 Do you agree that non-financial undertakings should provide information on enabling and transitional activities?

<ESMA_QUESTION_TRART8_16>

Yes, FuelsEurope has been strongly advocating for the important role of transitional activities that should be properly outlined in the Taxonomy Regulation delegated act. Transitional activities have a great potential towards a climate neutrality and the refining industry would be very satisfied not only for them to be Taxonomy eligible, but also if it was given the opportunity to better communicate its transitional efforts in a way that would not create excessive administrative burdens for both the industry and the EU Commission.

<ESMA_QUESTION_TRART8_16>

Q17 Do you agree that the three KPIs should be provided per environmental objective as well as a total at undertaking or group level across all objectives? If not, please provide your reasons and address the impact of your proposal to financial market participants along the investment chain.

<ESMA_QUESTION_TRART8_17>

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<ESMA_QUESTION_TRART8_17>

Q18 Do you agree that non-financial undertakings should be required to provide the three KPIs for economic activities which are covered by the Taxonomy, economic activities which are covered by the Taxonomy but for which the relevant criteria are not met and therefore are not Taxonomy-aligned as well as for economic activities which are not covered by the Taxonomy?

<ESMA_QUESTION_TRART8_18>

FuelsEurope recommends that non-financial undertakings should be required to provide the three KPIs only for economic activities which are covered by the Taxonomy.

Speaking of activities covered by Taxonomy, FuelsEurope is very closely following the implementation process, in particular how technical screening criteria in the delegated acts are being set. We would like to take this occasion to reiterate the need of technical screening criteria to be inclusive and technology neutral and to allow all low-carbon activities with a potential to contribute to the climate transition to be Taxonomy eligible.

<ESMA_QUESTION_TRART8_18>

Q19 Do you agree with the proposal not to require retroactive disclosure concerning the four environmental objectives relating to the financial year 2021?



<ESMA_QUESTION_TRART8_19>

Yes, FuelsEurope agrees with the proposal not to require retroactive disclosure concerning the four environmental objectives relating to the financial year 2021.

<ESMA_QUESTION_TRART8_19>

Q20 Do you consider that there are specific elements in ESMA’s draft advice which are not in line with the information needed by financial market participants in order to comply with their own obligations under the Taxonomy Regulation and the SFDR? If yes, please specify in your answer.

<ESMA_QUESTION_TRART8_20>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_TRART8_20>

Q21 Are there points that should be addressed in ESMA’s advice in order to facilitate compliance of financial market participants across the investment chain? If yes, please specify.

<ESMA_QUESTION_TRART8_21>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_TRART8_21>

Q22 Do you believe that ESMA’s detailed proposals under Section 3.3 will impose additional costs on non-financial undertakings? If yes, please specify the type of those costs, to which specific proposal they relate including whether they are one-off or on-going, and provide your best quantitative estimate of their size.

<ESMA_QUESTION_TRART8_22>

FuelsEurope believes that assessment is required to be carried out at economic activity level, which in many instances will not be assets in their own right but sub-activities within assets, e.g. wastewater treatment. There is currently no mechanism to identify and report sub-activities.

This will require initially significant effort and costs which are, amongst others:

1. Scanning of the technical requirements. The TSC contain both quantitative and qualitative criteria that are very comprehensive and technical. As such, having an “in-scope” activity (e.g. generation of electricity) does not automatically qualify that activity as taxonomy-aligned.
2. Understanding the impact on entity activities, i.e. technical input is required to assess whether those activities exist, and if so, whether they meet the technical screening criteria.
3. Deciding on an allocation methodology.
4. Rolling out criteria and methodology to entities.
5. Implementing systems and processes for identification of the activities.
6. Implementing systems and processes for reporting.
7. Training.
8. Creating and implementing processes to ensure quality and integrity of the data.

Finally, we would like to remark that continued time and effort will be required to maintain the above systems and processes as well as preparing the additional disclosures on yearly basis. Plus, the fact that the criteria will continue to evolve and new criteria will be added regularly, will add complexity and augment the level of effort for companies. <ESMA_QUESTION_TRART8_22>

Q23 Do you consider there are additional topics that should be considered by ESMA in order to specify the methodology that non-financial undertakings should follow? If yes, please elaborate and explain the relevance of these topics.



<ESMA_QUESTION_TRART8_23>

No, non-financial undertakings should have some degree of flexibility in the methodology applied when preparing their KPIs. <ESMA_QUESTION_TRART8_23>

Q24 Do you agree that in order to ensure the comparability of the information disclosed under Article 8(2) of the Taxonomy Regulation and as such facilitate its usage, ESMA should propose the use of a standardised table?

<ESMA_QUESTION_TRART8_24>

FuelsEurope understand the issue of lack of comparability of the non-financial information reported by companies due to the proliferation of reporting standards. In addition, companies operating globally may face additional challenges resulting from reporting requirements in the European Union differing from those of other non-EU countries which may potentially increase the lack of comparability. This is why we can preliminarily welcome a proposal for a standardised table that could serve as an **example** for non-financial undertakings

<ESMA_QUESTION_TRART8_24>

Q25 Do you consider that the standard table provided in Annex III of this Consultation Paper is fit for purpose? Do you think the standard table provides the right information, taking into account the burden on non-financial undertakings of compiling the data versus the benefit to users of receiving the data? If not, please explain and provide alternative suggestions to promote the standardisation of the disclosure obligations pursuant to Article 8 of the Taxonomy Regulation.

<ESMA_QUESTION_TRART8_25>

No, FuelsEurope does not think that the provided table is fit for purpose for the Taxonomy reporting. . Non-financial undertakings should not provide the KPIs for economic activities which are covered by the Taxonomy but for which the relevant criteria are not met and therefore are not taxonomy-aligned.

<ESMA_QUESTION_TRART8_25>

Q26 Do you agree that the disclosure in the three standard tables should comply with the formatting rules mentioned in Table 5?

<ESMA_QUESTION_TRART8_26>

When it comes to formatting rules, FuelsEurope recommends that Flexibility in formatting is required to ensure consistency with the rest of corporates' Annual Report disclosures.

<ESMA_QUESTION_TRART8_26>

Q27 Do you believe that ESMA's detailed proposals under Section 3.4 will impose additional costs on non-financial undertakings? If yes, please specify the type of those costs, to which specific proposal they relate including whether they are one-off or on-going, and provide your best quantitative estimate of their size.

<ESMA_QUESTION_TRART8_27>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_TRART8_27>

Q28 Do you agree that a share of investments is an appropriate KPI for asset managers? If you do not, what other KPI could be appropriate, please justify.



<ESMA_QUESTION_TRART8_28>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_TRART8_28>

Q29 This advice focuses on the collective portfolio management activities of asset managers. Should this advice also cover potentially any other activities that asset managers may have a license for, such as individual portfolio management, investment advice, safekeeping and administration or reception and transmission of orders ('RTO')?

<ESMA_QUESTION_TRART8_29>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_TRART8_29>

Q30 Do you agree that for the numerator of the KPI the asset manager should consider a weighted average of the investments exposed to investee companies based on the share of turnover derived from Taxonomy-aligned activities of the investee companies? If not please propose and justify an alternative.

<ESMA_QUESTION_TRART8_30>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_TRART8_30>

Q31 Do you agree that in addition to a main turnover-derived Taxonomy-alignment KPI, there is merit in requiring the disclosure of CapEx and OpEx-derived figures for Taxonomy-alignment of an asset managers' investments?

<ESMA_QUESTION_TRART8_31>
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<ESMA_QUESTION_TRART8_31>

Q32 Do you think sovereign exposures, such as sovereign bonds (but excluding green bonds complying with the EU Green Bond Standard) should be considered eligible investments and if so under what methodology?

<ESMA_QUESTION_TRART8_32>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_TRART8_32>

Q33 Do you agree that the denominator should consist of the value of eligible investments in the funds managed by the asset manager or should it be simply the value of all assets in the funds managed by the asset manager?

<ESMA_QUESTION_TRART8_33>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_TRART8_33>

Q34 Do you support restricting the denominator to funds managed by the asset manager with sustainability characteristics or objectives (i.e. governed by Article 8 or 9 of Regulation (EU) 2019/2088)? What are the benefits and drawbacks of such an approach?



<ESMA_QUESTION_TRART8_34>
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<ESMA_QUESTION_TRART8_34>

Q35 Is it appropriate to combine equity and fixed income investments in the KPI, bearing in mind that these funding tools are used for different purposes by investee companies? If not, what alternative would you propose?

<ESMA_QUESTION_TRART8_35>
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<ESMA_QUESTION_TRART8_35>

Q36 Do you believe the proposed advice will impose additional costs on asset managers? Please specify the type of those costs, to which specific proposal they relate including whether they are one-off or on-going, and provide your best quantitative estimate of their size.

<ESMA_QUESTION_TRART8_36>
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<ESMA_QUESTION_TRART8_36>

Q37 What are the benefits and drawbacks of limiting Taxonomy-aligned activities to those reported by Non-Financial Reporting Directive companies?

<ESMA_QUESTION_TRART8_37>
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<ESMA_QUESTION_TRART8_37>

Q38 Do you agree with ESMA's recommendation that the Commission develop a methodology to allow a sector-coefficient to be assigned for non-reporting investee companies?

<ESMA_QUESTION_TRART8_38>
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<ESMA_QUESTION_TRART8_38>

Q39 Should netting be allowed, on the lines of Article 3 of the Short-Selling Regulation?

<ESMA_QUESTION_TRART8_39>
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<ESMA_QUESTION_TRART8_39>

Q40 How should derivatives be treated for the calculation purposes? Should futures be considered as potential Taxonomy-aligned investments?

<ESMA_QUESTION_TRART8_40>
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<ESMA_QUESTION_TRART8_40>

Q41 What are the costs and benefits associated with the different options for non-reported activity coverage, netting and derivatives treatment presented above? Please provide a quantitative estimate for each option, distinguishing between one-off and on-going costs.



<ESMA_QUESTION_TRART8_41>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_TRART8_41>

Q42 Do you have any views on the proposed advice recommending a standardised table for presentation of the KPI for asset managers in Annex IV?

<ESMA_QUESTION_TRART8_42>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_TRART8_42>

Q43 Do you agree with presenting accompanying information in the vicinity of the standard table?

<ESMA_QUESTION_TRART8_43>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_TRART8_43>

Q44 Do you agree that there would be merit in including in the accompanying information a link, if relevant, to an asset managers' entity-level disclosures on principal adverse impacts of investment decisions on sustainability factors?

<ESMA_QUESTION_TRART8_44>
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<ESMA_QUESTION_TRART8_44>

Q45 Do you agree with adopting the same formatting criteria as presented in Section 3.4.2 for the asset manager KPI disclosure?

<ESMA_QUESTION_TRART8_45>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_TRART8_45>

Q46 What are the one-off and on-going costs of setting up the reporting and disclosure under this obligation? Please clarify the type of costs incurred and provide a quantitative estimation where possible.

<ESMA_QUESTION_TRART8_46>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_TRART8_46>