# Simplification in practice: Analyzing EU Taxonomy disclosures



# in a year of transition

Insights into the EU Taxonomy disclosures for the Financial Year 2025 of 287 European non-financial undertakings

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# Purpose of this report

Disclosing the share of turnover, capital expenditure (CapEx) and operating expenditure (OpEx) that is Taxonomy-eligible and Taxonomy-aligned has become a routine exercise for most large public-interest undertakings in the 5th EU Taxonomy reporting cycle. While the previous reporting period was characterised by an expansion of the reporting requirements, with companies having to report on Taxonomy-eligibility and Taxonomy-alignment for all six environmental objectives for the first time, financial year 2025 was shaped by the opposite development: a shift from broadening to simplifying the framework.

With Commission Delegated Regulation (EU) 2026/73 (hereinafter the "revised EU Taxonomy framework"), adopted in July 2025 and applicable since January 2026, the European Commission introduced the first phase of its simplification package for the EU Taxonomy. This includes, in particular, the introduction of a materiality threshold of 10 percent per KPI, allowing companies to disregard activities that cumulatively account for less than 10 percent of the relevant KPI denominator. In addition, the reporting templates have been simplified, reducing the number of required data points and removing the separate templates for nuclear and fossil gas activities. Application of the Commission Delegated Regulation (EU) 2026/73 only becomes mandatory from financial year 2026 onwards, but undertakings were permitted to apply it voluntarily for financial year 2025. Different from the previous reporting period, in which all companies reported on the same basis, the reports analysed within this study are therefore based on two different sets of frameworks, depending on whether a company opted for early application.

Against this background, it was particularly interesting to investigate with this year's study how many companies made use of the option to apply the Commission Delegated Regulation (EU) 2026/73 early and what effect the simplifications had in practice, for example on the number of reported activities, on the reported eligibility and alignment figures and on the correct use of the reporting templates. As in previous years, we not only looked at the disclosures of all sample companies and discussed overall developments but also dove deeper into sector-specific developments.

A further objective of this year's study is to look beyond the companies that have been reporting under the EU Taxonomy for several years.

**Complementing our benchmarking analysis with interviews and examples of early wave 2 reporters, we derive practical learnings from the experience of wave 1 companies that wave 2 companies preparing their first EU Taxonomy disclosures can build on, and we consider what the ongoing simplification of the EU Taxonomy framework may mean for them.**



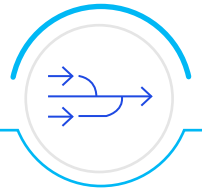
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# Executive summary



## Early application of the revised EU Taxonomy framework

Financial year 2025 was the first reporting period in which companies had the option to apply simplifications introduced by Delegated Regulation (EU) 2026/73. Two thirds of the companies in our sample opted for early application, indicating a broad willingness to adopt the simplification measures at the earliest possible point in time. The remaining third continued to report under the previous requirements, which may largely be explained by the late publication of the Regulation in the reporting cycle.



## Simplification in practice

The simplifications had a visible effect. Most companies applying the revised EU Taxonomy framework made use of the new 10 percent materiality threshold, and the average number of reported activities fell from 9.7 to 7.1 per company. Interestingly, the use of the long-standing OpEx materiality exemption, which allows companies to refrain from reporting the OpEx KPI where OpEx is not material to their business model, also increased from 21 percent to around 30 percent of the sample.

91 percent of the early appliers presented the information correctly within the new templates, a markedly higher proportion than observed for the previous templates. Hence, the simplified templates seem to have improved the quality of the disclosures. Nevertheless, uncertainties remained, in particular within the summary template regarding the new column for not assessed activities considered non-material and the presentation of the OpEx row where the OpEx materiality exemption was applied.



## Cross sector insights

Across all sectors, the quantitative KPIs remained broadly stable compared with the previous reporting period. For companies reporting eligibility greater than zero, the average eligible and aligned turnover amounted to 49 percent and 26 percent, CapEx to 51 percent and 29 percent and OpEx to 50 percent and 32 percent. Across all KPIs, companies from the Real Estate sector again recorded the highest average eligibility and companies from the Utilities sector the highest average alignment, while alignment remains considerably below eligibility across almost all industries.



## Insights from early wave 2 reporters

Based on insights from interviews with early wave 2 reporters, these companies are still at an initial stage of EU Taxonomy implementation, with current efforts primarily focused on establishing compliance and preparing for assurance. At the same time, the experience of more mature reporters shows that EU Taxonomy reporting can gradually be embedded more strongly into performance management and strategic decision-making. Successful implementation requires close collaboration between finance, sustainability and technical functions. The main challenges identified relate to the collection of robust technical evidence, the assessment of DNSH requirements and the calculation of OpEx. Early preparation and clear governance structures are key success factors for wave 2 companies.



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# Approach and scope



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# Details of our analysis

## Which companies are included in our analysis?

The basis for our benchmarking is the composition of the STOXX Europe 600 Index as of 31 December 2025. From its constituents, we selected all 287 non-financial undertakings (prior year's analysis: 275 non-financial undertakings) whose shares are traded on a stock exchange within the European Union. Like in the previous year, we have excluded undertakings with fewer than 500 employees from the sample. The resulting sample spans large, mid and small-cap undertakings from 16 European jurisdictions and thus reflects a correspondingly wide range of business models and national reporting practices. In total, 17 sectors are represented in the sample. 14 of these are examined in detail in the sector-specific subsection of this report, while the remaining sectors are considered as part of the cross-sector analysis only, as the number of undertakings attributable to them is too small to allow for meaningful sector-level conclusions.

## Which reports have we reviewed?

The review is based on the annual and integrated reports for financial year 2025, as the EU Taxonomy disclosures form part of the sustainability information published therein. In a small number of cases, undertakings presented their sustainability information in a separate report, which was reviewed accordingly.

The sample includes disclosures published between 1 January 2025 and 31 May 2025 and is limited to reports for financial years ending on 31 December 2025, thereby excluding companies with non-calendar fiscal years.

## How did we perform the analysis?

In a first step, we conducted a cross-sector assessment of the disclosed eligibility and alignment KPIs and of the accompanying qualitative disclosures. Building on this, we performed sector-specific analyses in order to identify developments that are characteristic of individual industries. Throughout the analysis, we compared our observations with the findings of last year's study in order to assess year-on-year developments. A certain level of judgment was exercised when reading the disclosures, and we have not verified the information disclosed by companies in our sample.[1]

[1] About 97 percent of companies in the sample obtained assurance on their EU Taxonomy disclosures.



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# Regulatory requirements



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## EU Taxonomy fundamentals

A key objective of the European Green Deal is to direct investments towards sustainable projects and activities. To support this objective, a common classification system was needed to define which economic activities can be considered environmentally sustainable. The EU Taxonomy Regulation, which entered into force in July 2020, provides this framework by establishing criteria for identifying environmentally sustainable economic activities. It is structured around six environmental objectives that define the areas in which economic activities may make a substantial contribution:

1. Climate change mitigation
2. Climate change adaptation
3. Sustainable use and protection of water and marine resources
4. Transition to a circular economy
5. Pollution prevention and control
6. Protection and restoration of biodiversity and ecosystems

When determining whether an economic activity can be classified as environmentally sustainable under the EU Taxonomy, a distinction is made between Taxonomy-eligibility and Taxonomy-alignment. The first step is to assess whether the activity is covered by the relevant Delegated Regulations as only activities described therein qualify as Taxonomy-eligible. In a second step, eligible activities are assessed against the applicable alignment criteria. An activity may only be considered Taxonomy-Aligned if it cumulatively meets the following three requirements:

- substantially contributing to one or more of the six defined environmental objectives;
- doing no significant harm (DNSH) to any of the other objectives;
- complying with the minimum safeguards.

The requirements for substantial contribution and DNSH are together referred to as the technical screening criteria.

The EU Taxonomy Regulation is complemented by Delegated Regulations. These provide a list of economic activities with the potential to qualify as environmentally sustainable together with the technical screening criteria and specify the content and presentation of the information to be disclosed. Together with their subsequent amendments, three Delegated Regulations form the core regulatory basis for the EU Taxonomy:

- Delegated Regulation (EU) 2021/2139 ("Climate Delegated Regulation")
- Delegated Regulation (EU) 2023/2486 ("Environmental Delegated Regulation")
- Delegated Regulation (EU) 2021/2178 ("Disclosures Delegated Regulation")

The Climate Delegated Regulation sets out the technical screening criteria for the two climate-related environmental objectives, namely climate change mitigation and climate change adaptation. The Environmental Delegated Regulation complements this framework by covering the remaining four environmental objectives. The Disclosures Delegated Regulation, in turn, specifies the content, structure and presentation of the EU Taxonomy-related information to be disclosed by undertakings in scope. These Delegated Regulations have been amended over time, for example to incorporate additional activities.



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# The Omnibus simplification package

Following the first years of implementation, the focus of regulatory developments has increasingly shifted towards simplifying the application of the EU Taxonomy framework and reducing reporting complexity for companies. In this context, and as part of the Omnibus simplification package, Commission Delegated Regulation (EU) 2026/73 was adopted in July 2025 and entered into force in January 2026. The Regulation introduces three core simplification measures for non-financial undertakings, including a materiality concept, simplified reporting templates and a revision of the DNSH criteria related to pollution prevention and control (Appendix C).

## Materiality thresholds

The central operational change introduced by the revised EU Taxonomy framework is the introduction of a 10 percent materiality threshold per EU Taxonomy KPI. Companies no longer have to assess Taxonomy eligibility and Taxonomy alignment for every single economic activity. Instead, they may disregard activities that cumulatively account for less than 10 percent of the relevant KPI denominator, that is, less than 10 percent of total turnover, total capital expenditure (CapEx) or total operating expenditure (OpEx). This narrows the assessment to the activities that actually drive the KPIs and correspondingly reduces the analytical burden for reporting entities. It is important to note that, while the Regulation provides for the omission of both the eligibility and the alignment assessment for non-material activities, an eligibility screening is still required in most cases to determine whether activities fall below the 10 percent threshold. Moreover, the revised EU Taxonomy framework also requires companies to disclose why certain activities are considered immaterial and to identify the sectors to which these activities belong.

The separate option to refrain from assessing the OpEx KPI where OpEx is not material to the business model (the "OpEx materiality exemption"), which already existed under the original Disclosures Delegated Act, remains unaffected by the newly introduced 10 percent materiality threshold and is retained. The interim proposal to introduce a separate, clearly defined OpEx materiality threshold, under which OpEx could have been classified as non-material where the KPI denominator amounted to less than 25 percent of total turnover, was not retained in the final version of the revised EU Taxonomy framework.

## Simplified reporting templates

The revised EU Taxonomy reporting framework moreover streamlines the disclosure templates originally established by Regulation (EU) 2021/2178. The objective was to reduce reporting complexity and administrative burden while maintaining the transparency and usefulness of Taxonomy-related disclosures for investors and other stakeholders.

The number of data points required in the KPI reporting templates has been notably reduced. For example, information on whether an activity is not aligned due to non-compliance with DNSH criteria or Minimum Safeguards is no longer separately reflected in the templates, as fulfilment of these requirements is inherently captured in the assessment of Taxonomy alignment. In addition, activity-level information on eligibility and alignment has been condensed into a single row, reducing the level of detail that undertakings need to present for each reported activity.

In addition, a new summary template is introduced, providing a consolidated overview of Taxonomy-eligible and Taxonomy-aligned turnover, CapEx and OpEx. The summary template incorporates the new 10 percent materiality threshold by requiring undertakings to disclose, for each KPI, the cumulative percentage of not assessed activities considered non-material. Publication of unnecessary empty templates is avoided. Where no Taxonomy-eligible or Taxonomy-aligned activities exist for a particular KPI, companies may limit disclosure to the corresponding zero value in the summary template without presenting the corresponding detailed KPI template.

The revised EU Taxonomy framework also removes the separate templates for nuclear and fossil gas activities. In addition, the templates that previously showed the percentage contribution to each environmental objective for each KPI are no longer required as separate templates, as the corresponding information is now incorporated into the respective KPI reporting templates.



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### Applicability

Although, in principle, the amendments became applicable from 1 January 2026, companies were provided with a transitional option to continue to report under the previous framework for one additional year. Consequently, reports published in 2026 for financial year 2025 reflect different reporting approaches depending on whether companies opted for early application of the simplification measures. From financial year 2026 onwards, the amended requirements introduced through Regulation (EU) 2026/73 will form the standard reporting framework for undertakings in scope of the EU Taxonomy Regulation.

## Further regulatory developments

In parallel, the European Commission published draft amendments to the technical screening criteria of the Climate Delegated Act and the Environmental Delegated Act in March 2026. The proposals aim to further simplify the assessment of Taxonomy alignment by streamlining selected technical screening criteria and reducing the complexity of certain requirements. However, unlike the amendments introduced through Regulation (EU) 2026/73, these measures have not yet been formally adopted and remain subject to the ongoing legislative process. As a result, it remains uncertain whether these proposed simplifications will be finalised in time to be applicable for financial year 2026 reporting or whether their application will be postponed to subsequent reporting periods.

Further developments can be observed in relation to the disclosure requirements. During 2026, the European Supervisory Authorities (ESAs) launched consultations on potential amendments to the Disclosure Delegated Act. The proposals under discussion include revisions to the OpEx KPI, clarifications for mixed groups and additional refinements intended to improve the usability and consistency of Taxonomy disclosures. Like the proposed amendments to the technical screening criteria, these changes are still under consultation, and their final content, timing and applicability are yet to be determined.

To conclude, the reports analysed within this study were prepared during a period of significant regulatory transition. For the first time, companies had the opportunity to voluntarily apply the simplification measures introduced by Regulation (EU) 2026/73 when reporting on financial year 2025, while more changes of the technical screening criteria and disclosure requirements are still under discussion. Consequently, the results of this study not only provide insights into current reporting practices but may also indicate how companies are adapting to a potentially simplified EU Taxonomy framework in the years ahead.



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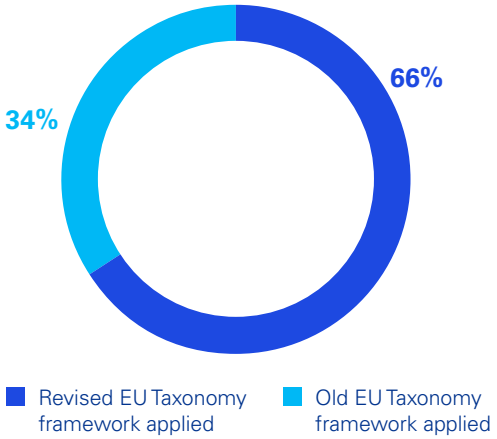
# Insights


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# Cross sector insights

## Application of the revised EU Taxonomy framework

With Delegated Regulation (EU) 2026/73 the European Commission adopted a comprehensive simplification package for the EU Taxonomy. The provisions were, in principle, applicable for financial year 2025 already. However, companies had the option to continue reporting under the previous framework for one additional year. The revised EU Taxonomy framework will therefore become mandatory for all undertakings in scope from financial year 2026 onwards.




Against this background, a central question in this year's study was whether companies chose to adopt the revised EU Taxonomy framework early. We found that 190 companies, representing 66 percent of our sample, applied the revised framework. At the same time, approximately one third of the companies in the sample continued to report under the previous requirements. This may be explained by the fact that the Regulation was published relatively late in the reporting cycle, by which time many companies had already begun preparing their disclosures under the existing rules. Although the revised EU Taxonomy framework introduces a number of simplifications, transitioning to the new requirements at a later stage may, in some cases, have resulted in additional implementation effort rather than immediate efficiency gains.

## Use of materiality thresholds

Of the 190 companies that voluntarily applied the revised EU Taxonomy framework for the 2025 financial year, 126 companies made use of the 10 percent materiality threshold and reported that they had identified immaterial activities that were excluded from their assessment. Overall, our analysis shows that there is not yet a consistent understanding of the 10 percent materiality concept, in particular regarding the requirement to apply it on a cumulative basis. The revised EU Taxonomy framework only permits activities to be classified as non-material to the extent that they do not exceed 10 percent of the relevant KPI denominator in aggregate. In individual cases, however, companies appeared to have performed the assessment on a standalone activity basis. In some reports, this also resulted in incorrectly completed reporting templates, as set out in the following chapter.

Where undertakings exclude economic activities from the assessment because they are considered non-material, they are expected to provide sufficient contextual information to make this judgement transparent. In particular, companies should indicate the sectors to which the non-material activities belong and explain why these activities were not considered material for the relevant KPI. Of the companies that applied the revised EU Taxonomy framework and made use of the option to exclude activities from the assessment on the grounds of immateriality, only approximately 72 percent provided the corresponding newly required qualitative information. This suggests that some companies have overlooked the new qualitative disclosure requirements. Incorporation of this information in future reporting periods is recommended in order to fully comply with the revised EU Taxonomy framework.



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Where companies disclosed the information, in many cases, companies went beyond naming only the sector of the immaterial activities by naming the specific activities from the EU Taxonomy catalogue. The explanations provided were generally rather high-level though, typically referring to the low share of the respective activity in the relevant KPI as the basis for concluding that it was non-material.

With regard to the OpEx materiality exemption, our analysis shows an increase in the number of companies making use of this option. Around 30 percent of all companies in the sample refrained from reporting OpEx on the basis that these expenditures were not material to their business model, compared with 21 percent in the previous year's study. This increase is particularly noteworthy given that the OpEx materiality exemption has existed since the initial application of the EU Taxonomy and therefore does not represent a new reporting option. One possible explanation is that the introduction of the new 10 percent materiality threshold has brought the concept of materiality more strongly into focus within EU Taxonomy reporting. This may have additionally been reinforced by the interim discussion around a separate, clearly defined OpEx materiality threshold, under which OpEx could have been considered non-material where the KPI denominator amounted to less than 25 percent of total turnover.

## Use of reporting templates

91 percent of the companies that voluntarily applied the revised Taxonomy framework for the 2025 financial year displayed the reporting templates correctly, which is a significantly higher proportion than what we saw for the old reporting templates in previous years' studies. This suggests that the simplifications indeed improve the practical application of the templates and, in turn, enhance the comparability of disclosures by reducing variation in reporting practices. This effect is expected to become even more pronounced from the next reporting period onwards, when all undertakings will be required to apply the revised reporting templates.

In individual cases, however, companies appeared to face challenges in interpreting how the new templates should be completed. This was particularly visible in the new column 14 of the summary template, which is intended to present "not assessed activities considered non-material". In a small number of reports, the values disclosed in this column exceeded 10 percent per KPI, while in other cases the entries corresponded to the values reported for the proportion of Taxonomy-eligible turnover, CapEx or OpEx in column 3. When applied correctly, the figure reported in each row should not exceed 10 percent and will generally differ from the percentages disclosed for Taxonomy eligibility. The correct display of the reporting tables in future reporting periods is recommended in order to fully comply with the revised EU Taxonomy framework.

Reporting practices also differed in relation to the presentation of the templates when companies made use of the OpEx materiality exemption, particularly with regard to the OpEx row and column 14 of the summary template. Some companies omitted the OpEx row entirely, while others populated it with "N/A" or zero values. Similarly, column 14 was completed in various ways, including with "0 percent", "N/A", "100 percent" or the company-specific materiality threshold used to justify why OpEx was not material to the business model. Where companies provided further context, this percentage most often referred either to the share of OpEx in total OpEx or to the share of OpEx in total turnover.

**Our analysis reveals that**

**91% of voluntary adopters correctly implemented the revised Taxonomy reporting templates.**



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## Reported activities

We also assessed how the scope of reported activities changed in financial year 2025, including the types of activities disclosed and the environmental objectives to which these activities contribute.

This year, with the introduction of a 10 percent materiality threshold per KPI, it was reasonable to expect a reduction in the average number of reported activities. Our analysis confirms this expectation: while companies reported an average of 9.7 activities for financial year 2024, this figure decreased by 2.7 to 7.0 activities reported on average per company for financial year 2025.

The decline is, as expected, mainly driven by the companies that have already applied the revised EU Taxonomy framework. For these companies, the decline is even more pronounced: the average number of reported activities fell from 10.7 to 6.9 per company. This indicates that companies are making use of the materiality threshold to exclude immaterial activities from the assessment. It also suggests that the number of reported activities may decrease further in the next reporting period, when application of the revised EU Taxonomy framework becomes mandatory for all companies. The most significant reductions were observed in the sectors Retail, Construction and Materials, and Energy.

Like in the previous reporting period, the environmental objective for 'Climate change mitigation' dominates with 90 percent of the companies in our sample reporting at least one eligible activity under this objective followed by the environmental objective for a 'Transition to a circular economy', where 41 percent of the sample companies reported at least one eligible activity.

The three most frequently reported activities across all sectors are **CCM 7.7 Acquisition and ownership of buildings, CCM 6.5 Transport by motorbikes, passenger cars and light commercial vehicles and CCM 7.3 Installation, maintenance and repair of energy efficiency equipment**.

## Quantitative disclosures

The Disclosures Delegated Act specifies both the information companies are required to disclose and the way in which this information must be presented. At the core of the EU Taxonomy analysis are three pairs of quantitative KPIs, namely the Taxonomy-eligible and Taxonomy-aligned shares of turnover, CapEx and OpEx. In the following section, these KPIs are analysed for financial year 2025 and compared with the results from the previous reporting period.

## Turnover

The table on the next page presents the average Taxonomy-eligible and Taxonomy-aligned turnover reported for financial years 2025 and 2024, including companies that disclosed zero eligibility or alignment. Across all sectors, the average Taxonomy-eligible and Taxonomy-aligned turnover reported for 2025 amounted to 34 percent and 12 percent, respectively.

**We found that across all sectors,**

**34% of turnover was Taxonomy-eligible, while 12% was Taxonomy-aligned.**



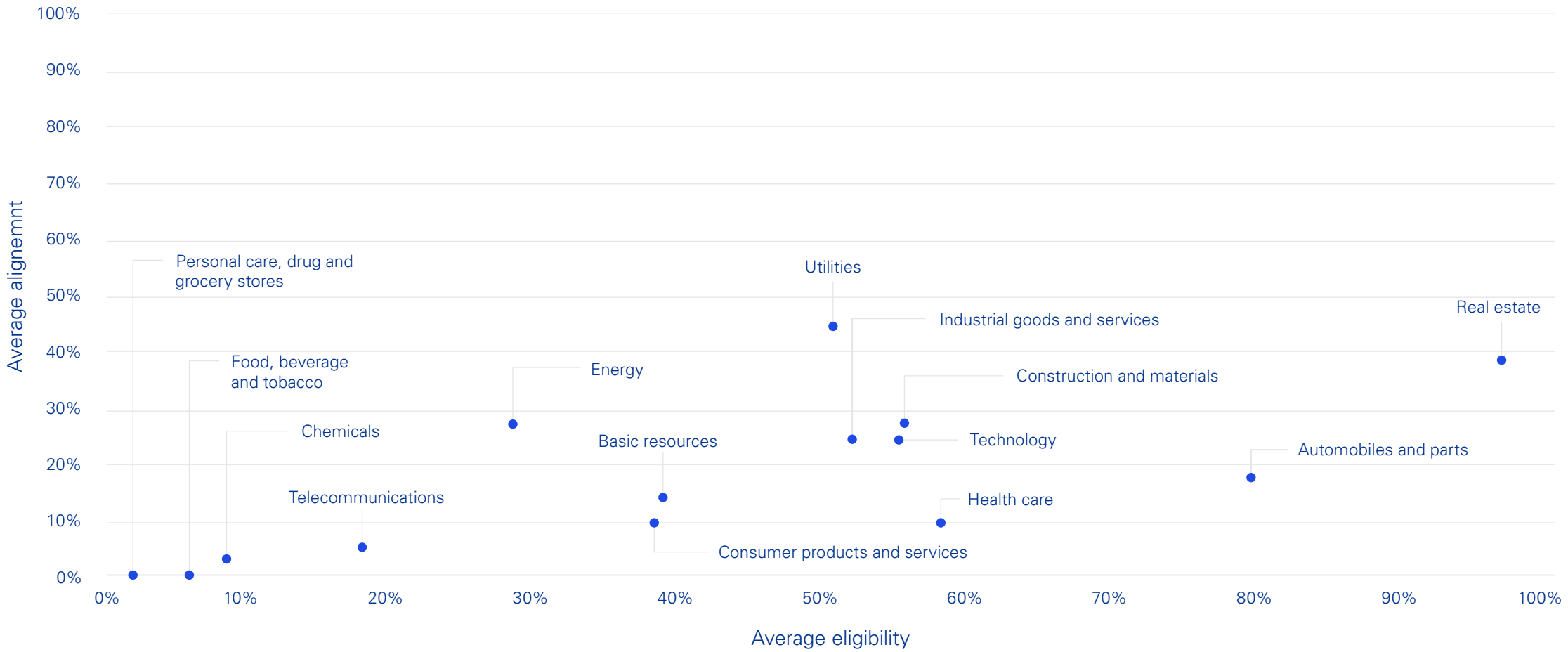
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| Industry | Average eligible turnover 2025 | Average eligible turnover 2024 | Difference between 2025 and 2024 | Average aligned Turnover 2025 | Average aligned Turnover 2024 | Difference between 2025 and 2024 |
|---|---|---|---|---|---|---|
| Automobiles and Parts | 80% | 74% | +6pp | 12% | 8% | +4pp |
| Basic Resources | 28% | 24% | +3pp | 7% | 5% | +3pp |
| Chemicals | 5% | 9% | -4pp | 1% | 1% | 0pp |
| Construction and Materials | 55% | 54% | +1pp | 23% | 22% | +2pp |
| Consumer Products and Services | 13% | 9% | +3pp | 1% | 2% | -1pp |
| Energy | 20% | 25% | -5pp | 17% | 14% | +3pp |
| Food, Beverage and Tobacco | 1% | 1% | -1pp | 0% | 0% | 0pp |
| Health Care | 50% | 48% | +2pp | 2% | 1% | +2pp |
| Industrial Goods and Services | 39% | 38% | +1pp | 13% | 12% | +1pp |
| Personal Care, Drug and Grocery Stores | 0% | 0% | 0pp | 0% | 0% | 0pp |
| Real Estate | 96% | 97% | -1pp | 38% | 33% | +5pp |
| Technology | 36% | 31% | +5pp | 6% | 2% | +3pp |
| Telecommunications | 9% | 9% | 0pp | 2% | 2% | 0pp |
| Utilities | 50% | 53% | -3pp | 44% | 47% | -3pp |



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## Average turnover KPIs per industry






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The overall industry distribution of the average turnover KPIs in 2025 remains broadly consistent with the previous year. Average eligibility continues to vary significantly across industries, reflecting the different extent to which sector-specific business models are covered by the EU Taxonomy. The highest average eligibility is again observed in Real Estate, followed by Automobiles and Parts and Construction and Materials. Average alignment remains considerably lower than eligibility across most industries. Utilities reports the highest average turnover alignment, followed by Real Estate and Construction and Materials. At the same time, the alignment ranking does not mirror the eligibility ranking: sectors with high Taxonomy-eligible turnover do not necessarily report equally high Taxonomy-aligned turnover. Several sectors, including Chemicals, Food, Beverage and Tobacco, and Personal Care, Drug and Grocery Stores, continue to show limited to no Taxonomy-aligned turnover. This is also influenced by the way the technical screening criteria are designed for the respective activities, as some criteria are inherently easier for companies to meet than others, which can result in higher or lower alignment rates irrespectively of the underlying Taxonomy-eligible turnover. Compared with the previous year, the ranking for Taxonomy-eligible as well as Taxonomy-aligned turnover remains unchanged. Automobiles and Parts showed an increase of 6 percentage points in Taxonomy-eligible turnover, Real estate showed and increase of 5 percentage points for Taxonomy-aligned turnover.

The graphic presents the average turnover KPIs for Taxonomy eligibility and alignment across the different industries. For illustrative purposes, and unlike the figures presented in the tables, the averages shown in the graphic are calculated only for KPIs with values above zero.

While turnover remains the most direct indicator of whether a company's core revenue-generating activities are covered by the EU Taxonomy, CapEx and OpEx may also reflect EU Taxonomy relevance where companies invest in or operate assets, infrastructure or measures covered by EU Taxonomy activities. These KPIs can therefore capture Taxonomy-eligible or Taxonomy-aligned investments and expenditures even for companies with little or no Taxonomy-eligible turnover.

## CapEx

The table on the next page, displays the average reported Taxonomy-eligible and Taxonomy-aligned CapEx for financial year 2025 and 2024. Companies reporting zero eligibility or alignment are included. The average Taxonomy-eligible and Taxonomy-aligned CapEx of these companies across all sectors amounted to 48 percent and 18 percent in 2025, respectively.

Compared with the previous reporting period, the largest increase in average Taxonomy-eligible CapEx was recorded in Consumer Products and Services, at 9 percentage points, followed by Basic Resources, at 7 percentage points. By contrast, Energy recorded the most pronounced decline, at 8 percentage points. Changes in average Taxonomy-aligned CapEx were more moderate, with a maximum of increase by 4 percentage points in the Construction and Materials sector.

Despite these year-on-year movements, the CapEx ranking shows a high degree of continuity compared with the previous year. The same sectors remain among the highest-ranking industries for both Taxonomy-eligible and Taxonomy-aligned CapEx with almost identical average KPIs. In descending order, Real Estate, Utilities and Automobiles and Parts lead on eligibility, while Utilities, Real Estate and Energy lead on alignment. This continuity is noteworthy, as CapEx can generally be more volatile from year to year depending on the timing and scale of companies' investments.

**Our study shows that across all sectors, Taxonomy-eligbility rose to**

**48% of CapEx and Taxonomy-alignment rose to 18% of CapEx.**



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| Industry | Average eligible CapEx 2025 | Average eligible CapEx 2024 | Difference between 2025 and 2024 | Average aligned CapEx 2025 | Average aligned CapEx 2024 | Difference between 2025 and 2024 |
|---|---|---|---|---|---|---|
| Automobiles and Parts | 84% | 83% | +1pp | 20% | 19% | +1pp |
| Basic Resources | 44% | 38% | +7pp | 17% | 14% | +3pp |
| Chemicals | 21% | 22% | -1pp | 6% | 6% | -0pp |
| Construction and Materials | 56% | 50% | +6pp | 26% | 23% | +4pp |
| Consumer Products and Services | 51% | 41% | +9pp | 7% | 8% | -1pp |
| Energy | 36% | 44% | -8pp | 28% | 30% | -3pp |
| Food, Beverage and Tobacco | 14% | 20% | -6pp | 1% | 1% | +0pp |
| Health Care | 44% | 43% | +2pp | 3% | 2% | +0pp |
| Industrial Goods and Services | 46% | 45% | +1pp | 14% | 13% | +1pp |
| Personal Care, Drug and Grocery Stores | 45% | 40% | +6pp | 4% | 3% | +1pp |
| Real Estate | 98% | 98% | -0pp | 41% | 40% | +2pp |
| Technology | 43% | 43% | -0pp | 4% | 3% | +1pp |
| Telecommunications | 9% | 11% | -1pp | 1% | 1% | -0pp |
| Utilities | 85% | 85% | +0pp | 81% | 80% | +0pp |



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## OpEx

The table on next page, presents the average Taxonomy-eligible and Taxonomy-aligned OpEx reported for financial years 2025 and 2024, including companies that disclosed zero eligibility or alignment. Across all sectors, the average Taxonomy-eligible and Taxonomy-aligned OpEx reported for 2025 amounted to 32 percent and 13 percent, respectively.

Unlike turnover and CapEx, average Taxonomy-eligible OpEx declined across nearly all industries. Technology was the only sector to record an increase by 9 percentage points. The most pronounced decrease was observed in Real Estate, followed by Basic Resources and Utilities.

One possible explanation for this development is the increased use of the OpEx materiality exemption, which was applied by approximately 30 percent of the companies in the sample, compared with 21 percent in the previous reporting period. The exemption may be applied where OpEx is not material to a company's business model. A higher number of companies making use of this exemption would conversely lead to lower average OpEx eligibility and alignment rates, as a greater number of companies reporting zero values would be included in the calculation.

For average Taxonomy-aligned OpEx only minor movements can be observed compared to the previous reporting period. The Utilities sector continued to stand out as the sector in which alignment came closest to eligibility, with average aligned OpEx of 63 percent. At the other end, several sectors, including Food, Beverage and Tobacco, Personal Care, Drug and Grocery Stores and Telecommunications, reported no aligned OpEx.

**Our findings show that across all sectors,**

**32% of OpEx was Taxonomy-eligible, while 13% was Taxonomy-aligned.**



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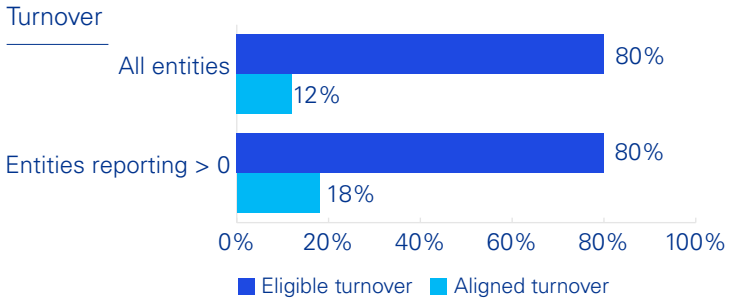
| Industry | Average eligible OpEx 2025 | Average eligible OpEx 2024 | Difference between 2025 and 2024 | Average aligned OpEx 2025 | Average aligned OpEx 2024 | Difference between 2025 and 2024 |
|---|---|---|---|---|---|---|
| Automobiles and Parts | 75% | 75% | -1pp | 21% | 22% | -1pp |
| Basic Resources | 26% | 32% | -6pp | 9% | 8% | +1pp |
| Chemicals | 14% | 15% | -1pp | 4% | 3% | +0pp |
| Construction and Materials | 30% | 31% | -1pp | 15% | 16% | -1pp |
| Consumer Products and Services | 17% | 17% | -0pp | 3% | 5% | -2pp |
| Energy | 31% | 34% | -3pp | 23% | 20% | +3pp |
| Food, Beverage and Tobacco | 4% | 6% | -2pp | 0% | 0% | +0pp |
| Health Care | 32% | 35% | -2pp | 1% | 1% | +0pp |
| Industrial Goods and Services | 26% | 31% | -5pp | 9% | 11% | -2pp |
| Personal Care, Drug and Grocery Stores | 12% | 13% | -1pp | 0% | 0% | -0pp |
| Real Estate | 66% | 77% | -11pp | 25% | 23% | +2pp |
| Technology | 39% | 30% | +9pp | 5% | 1% | +4pp |
| Telecommunications | 13% | 16% | -3pp | 0% | 0% | -0pp |
| Utilities | 68% | 74% | -6pp | 63% | 66% | -3pp |

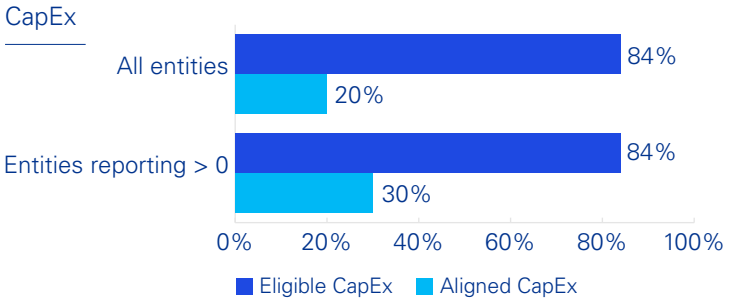


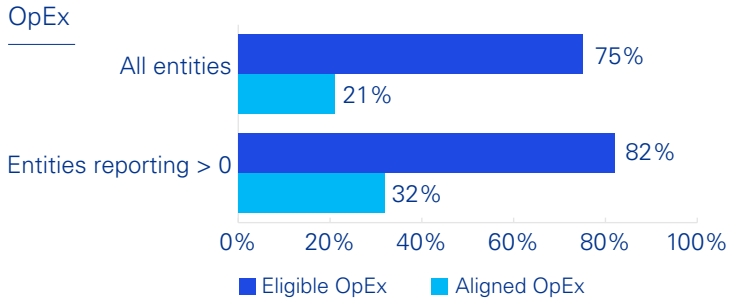
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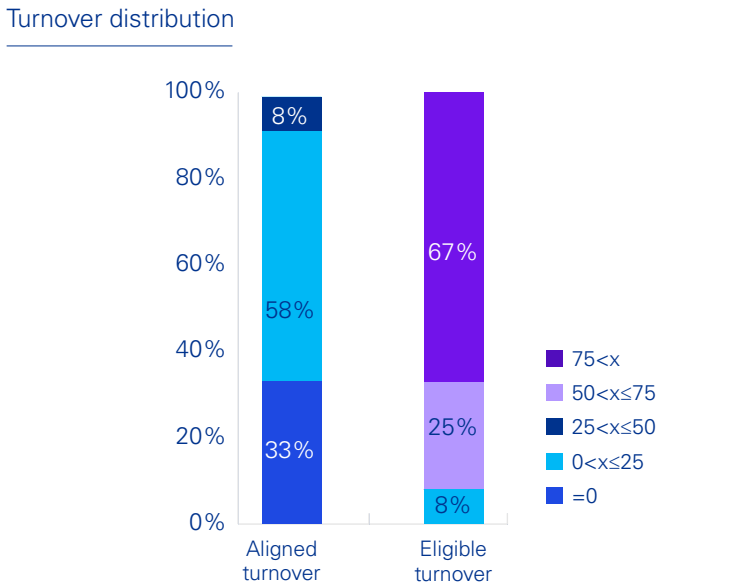
# Sector specific insights

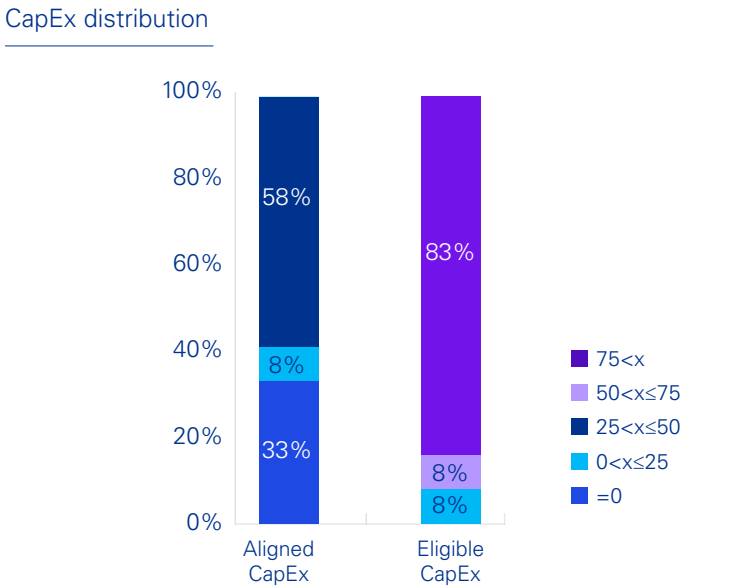
## Automobiles and parts

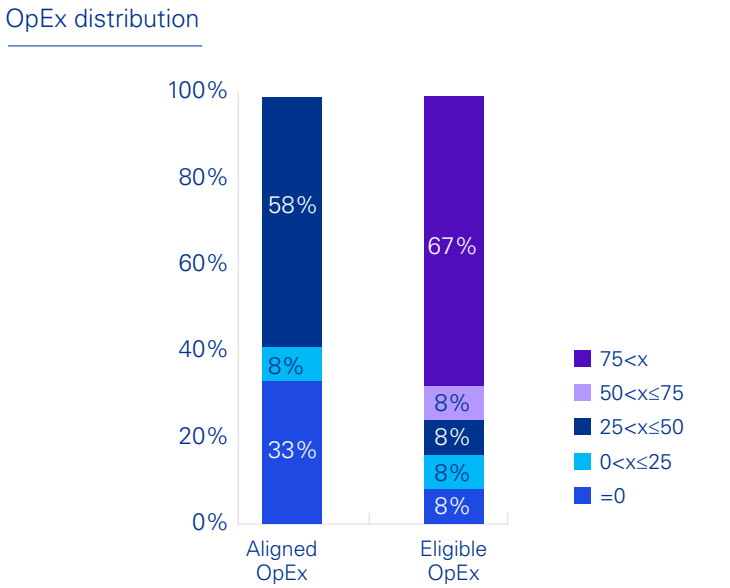



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This year's sample for the automobiles and parts sector comprises twelve undertakings, covering both original equipment manufacturers and automotive suppliers. Half of the sample (6 companies) is headquartered in Germany, while the remaining companies are based in France (3), Italy (2) and the Netherlands (1).

The following table sets out the economic activities most frequently reported within the automobiles and parts sector, ranked by the number of companies disclosing them.

| Rank | Activities most frequently reported within this sector |
|---|---|
| 1 | **CCM 3.18** Manufacture of automotive and mobility components |
| 2 | **CCM 3.3** Manufacture of low carbon technologies for transport |
| 3 | **CCM 3.6** Manufacture of other low carbon technologies |

Turnover eligibility is disclosed by every company in the sample, with the sector average reaching 80 percent. Alignment, however, follows at a considerable distance: At an average of 12 percent, only around one seventh of the eligible turnover ultimately meets the alignment criteria. The turnover distribution shows that most companies report at least 50 percent taxonomy-eligible turnover. In contrast, the majority report taxonomy-aligned turnover of no more than 25 percent, with only a small number of companies exceeding this threshold.

The CapEx KPI follows a comparable pattern. Eligibility is reported by all twelve companies and amounts to 84 percent on average, whereas average alignment across the full sample remains at 20 percent. Narrowing the perspective to the eight companies disclosing aligned CapEx above 0 percent lifts this figure to 30 percent. Within this group, one company remains in between the zero and 25 percent mark, while seven report aligned CapEx in the range between 25 percent and 50 percent.

For OpEx, the sector discloses an average eligibility of 75 percent and an average alignment of 21 percent. Eleven of the twelve companies (92 percent) identified eligible OpEx above 0 percent, which raises the corresponding average to 82 percent; among the eight companies reporting alignment above 0 percent, the average amounts to 32 percent. The materiality exemption for OpEx was applied by a single company only.

Compared to last year's study, the movements remain moderate. The clearest development can be observed for turnover, where eligibility rose by 6 percentage points and alignment by 4 percentage points. CapEx gained one percentage point in both eligibility and alignment, while OpEx eligibility remained unchanged. Overall, the sector therefore continues to combine high coverage by the EU Taxonomy with alignment rates that are advancing only gradually.

**Eligibility is reported by all twelve companies and amounts to 84 percent on average, whereas average alignment across the full sample remains at 20 percent. Narrowing the perspective to the eight companies disclosing aligned CapEx above 0 percent lifts this figure to**

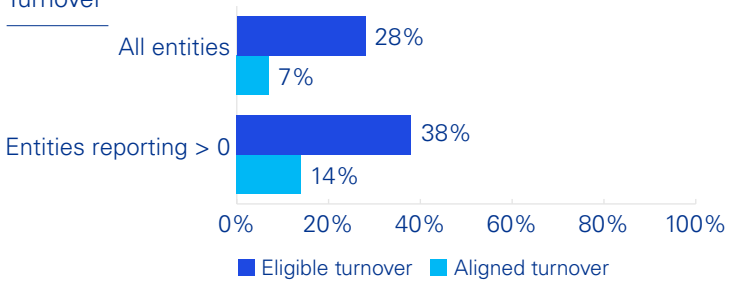
**30%**



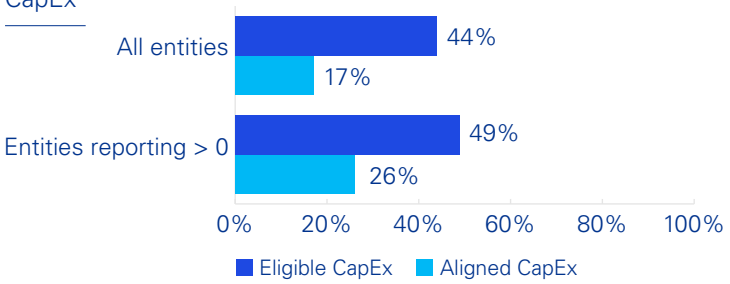
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## Basic resources

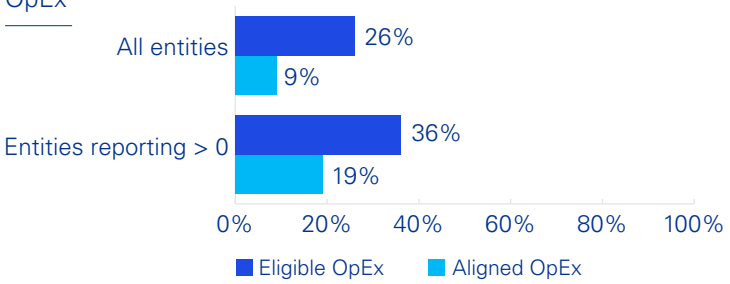
Turnover



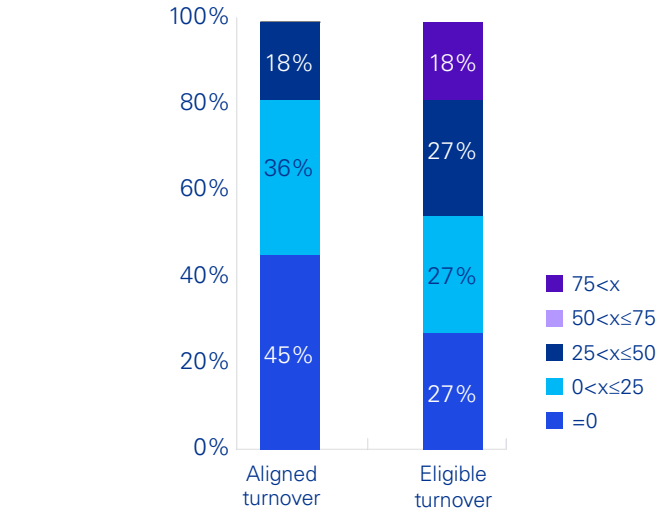

CapEx



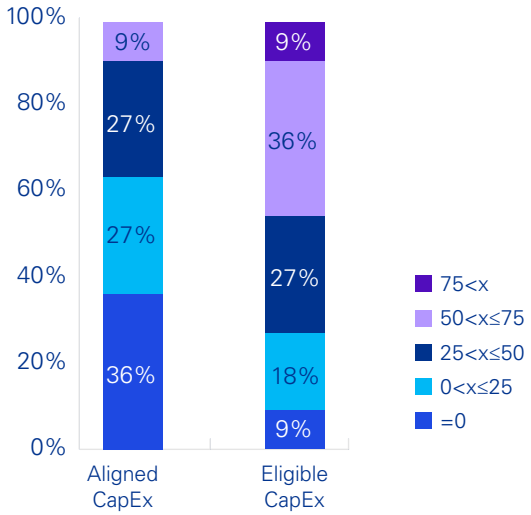

OpEx



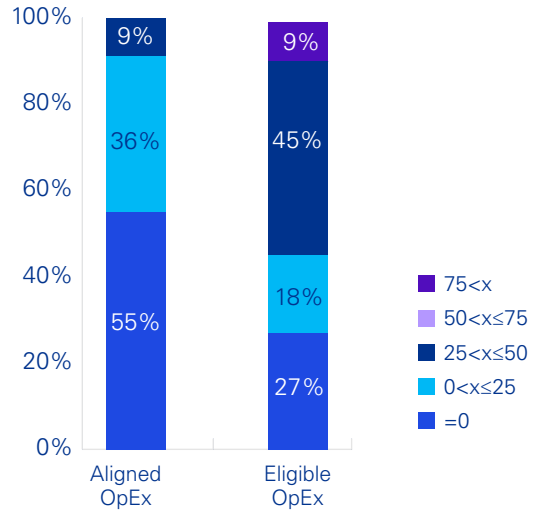

Turnover distribution




CapEx distribution




OpEx distribution




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The basic resources sector is represented by eleven companies in this year's sample, six of which are allocated to the industrial metals and mining subsector and five to industrial materials. Sweden accounts for the largest share with five companies, followed by Finland with two, while Belgium, Luxembourg, Norway and Poland are each represented by one company.

The following table sets out the economic activities most frequently reported within the basic resources sector, ranked by the number of companies disclosing them.

| Rank | Activities most frequently reported within this sector |
|---|---|
| 1 | **CCM 1.3** Forest management |
| 2 | **CCM 4.5** Electricity generation from hydropower |
| 3 | **CCM 3.5** Manufacture of energy efficiency equipment for buildings |

Average eligible turnover across the sector amounts to 28 percent, while average aligned turnover stands at 7 percent. Eligibility above 0 percent was disclosed by eight of the eleven companies, which raises the corresponding average to 38 percent. Alignment above 0 percent was reported by six companies and results in an average of 14 percent, six percentage points more than in the previous reporting period. The spread within this group remains narrow: four companies stay below the 25 percent mark, two report aligned turnover between 25 percent and 50 percent, and none exceeds this range.

For CapEx, the sector reports an average eligibility of 44 percent and an average alignment of 17 percent. Ten of the eleven companies disclosed eligible CapEx above 0 percent, corresponding to an average of 49 percent. Within this group, four companies report eligibility between 50 percent and 75 percent, three between 25 percent and 50 percent and two below 25 percent, while one company even exceeds the 75 percent mark. Aligned CapEx above 0 percent was disclosed by seven companies and averages 26 percent, with three companies each remaining below 25 percent and falling into the range between 25 percent and 50 percent; one company reports alignment between 50 percent and 75 percent.

OpEx remains the weakest of the three indicators in this sector, with an average eligibility of 26 percent and an average alignment of 9 percent. Eight companies identified eligible OpEx above 0 percent, leading to an average of 36 percent, whereas five companies (45 percent) disclosed alignment above 0 percent and reach an average of 19 percent. Only one of them exceeds the 25 percent mark. The OpEx materiality exemption was applied by a single company.

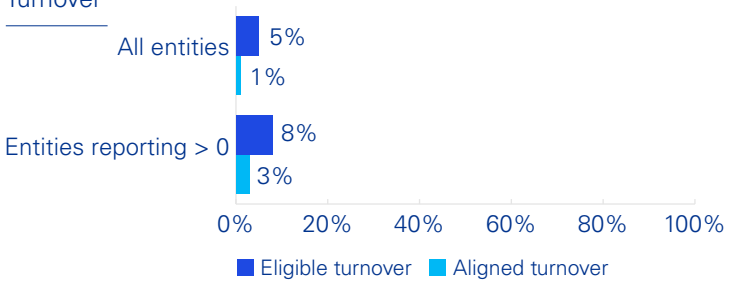
Compared with the previous reporting period, the picture is mixed. Average eligibility and alignment increased slightly for both turnover and CapEx, which suggests that the technical screening criteria could be met more frequently than a year ago. The number of companies disclosing CapEx above 0 percent remained unchanged, while one company fewer reported eligible turnover. The clearest movement can be observed for OpEx: whereas ten of the eleven companies still disclosed eligible OpEx in the previous year, only eight did so this time, even though the corresponding average remained stable. One company fewer reported aligned OpEx as well; among those disclosing values above 0 percent, however, the average alignment rose from 15 percent to 19 percent.



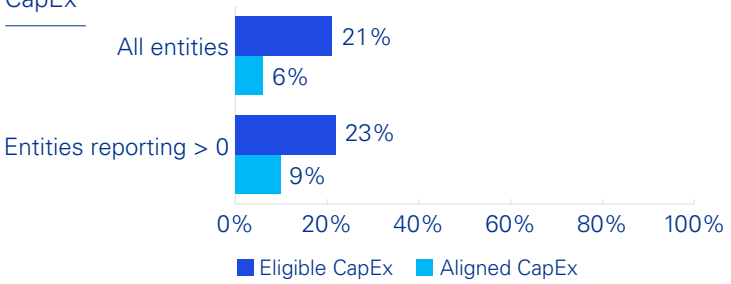
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## Chemicals

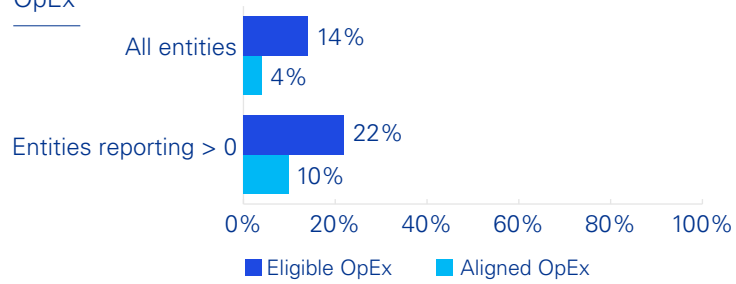
Turnover



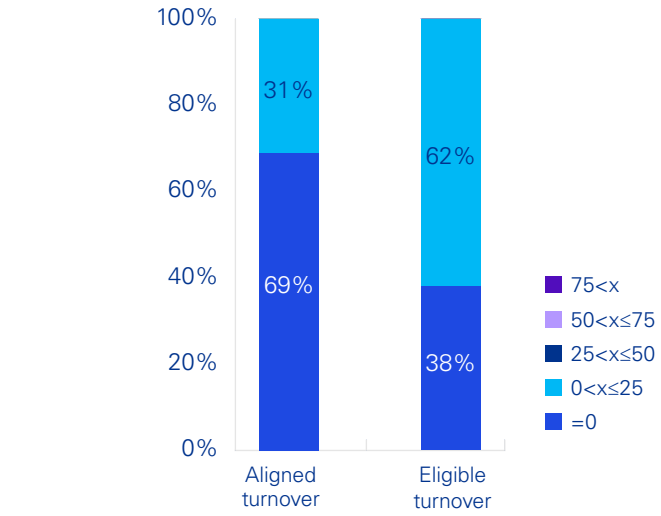

CapEx



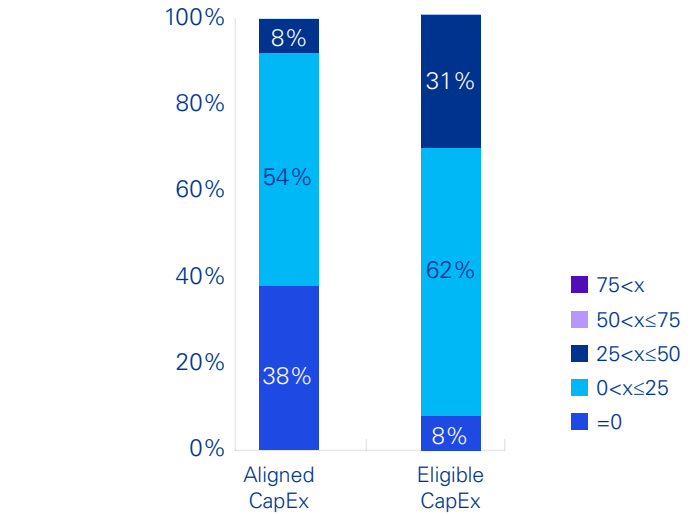

OpEx



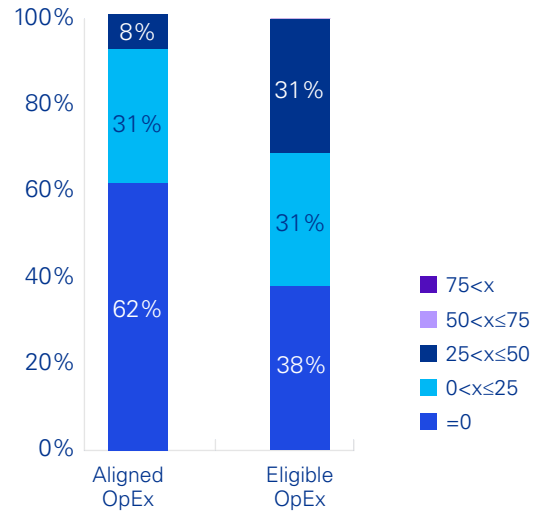

Turnover distribution




CapEx distribution




OpEx distribution




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Thirteen companies form the sample of the chemicals sector this year. Germany accounts for the largest share with six companies, followed by France and the Netherlands with two companies each, while Belgium, Finland and Norway are each represented by one company.

The following table sets out the economic activities most frequently reported within the chemicals sector, ranked by the number of companies disclosing them.

| Rank | Activities most frequently reported within this sector |
|---|---|
| 1 | **CCM 6.5** Transport by motorbikes, passenger cars and light commercial vehicles |
| 2 | **CCM 7.7** Acquisition and ownership of buildings |
| 3 | **CCM 7.6** Installation, maintenance and repair of renewable energy technologies |

Turnover is the weakest KPI across the sector, with an average eligibility of 5 percent and an average alignment of 1 percent. Eight of the 13 companies disclosed eligible turnover above 0 percent, lifting the average to 8 percent. Alignment above 0 percent was reported by only four companies (31 percent), compared with 53 percent in the previous reporting period; their average amounts to 3 percent. The highest alignment rate observed in the sector remains 6 percent and is therefore unchanged compared to last year.

CapEx figures are noticeably higher, with an average eligibility of 21 percent and an average alignment of 6 percent. All companies but one disclosed eligible CapEx above 0 percent, whereas aligned CapEx above 0 percent was reported by eight companies (62 percent) and corresponds to an average of 9 percent. Seven of them (54 percent) remain below the 25 percent mark, while one company reports aligned CapEx of more than 50 percent.

For OpEx, the sector discloses an average eligibility of 14 percent and an average alignment of 4 percent. Eight companies (62 percent) identified eligible OpEx above 0 percent, resulting in an average of 22 percent, and five companies (43 percent) reported alignment above 0 percent with an average of 10 percent. Only one company within this group exceeds the 25 percent mark. Five companies made use of the OpEx materiality exemption.

The movements compared to the previous reporting period are largely attributable to the smaller number of companies disclosing figures above 0 percent. For turnover, eight companies disclosed eligibility above 0 percent with an average of 8 percent, whereas eleven companies and an average of 12 percent were recorded in the previous period; the share of companies reporting aligned turnover fell from 53 percent to 31 percent accordingly. A comparable development can be observed for OpEx, where the number of companies disclosing eligibility decreased from eleven to eight. The CapEx KPIs, by contrast, remain largely in line with the previous reporting period.

**All companies but one disclosed eligible CapEx above 0 percent, whereas aligned CapEx above 0 percent was reported by eight companies (62 percent) and corresponds to an average of 9 percent. Seven of them (54 percent) remain below the 25 percent mark, while one company reports aligned CapEx of more than**

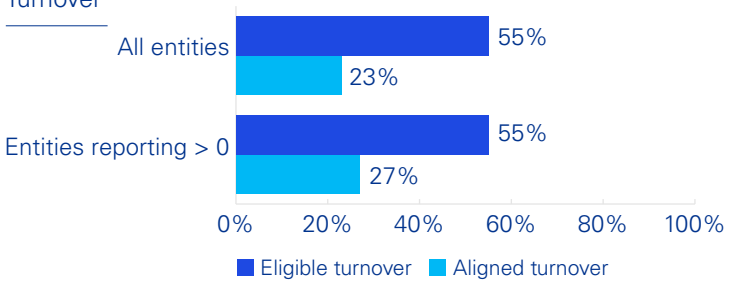
**50%**



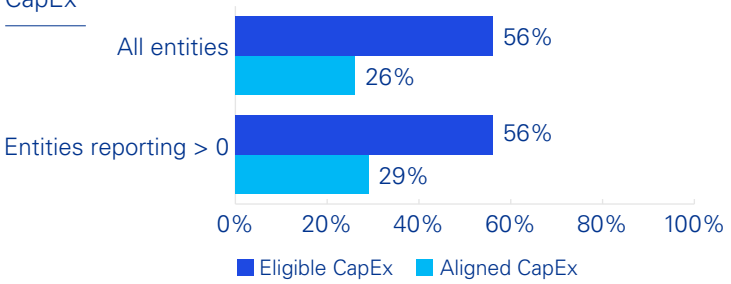
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## Construction and materials

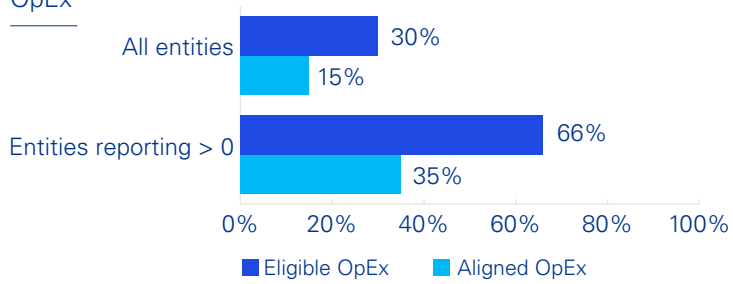
Turnover



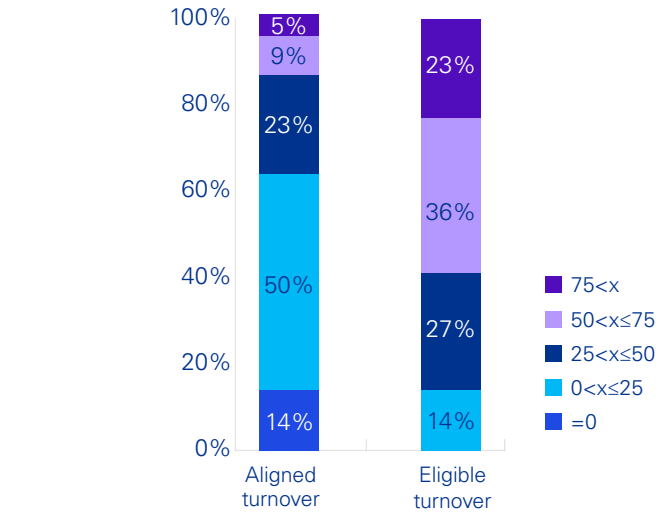

CapEx



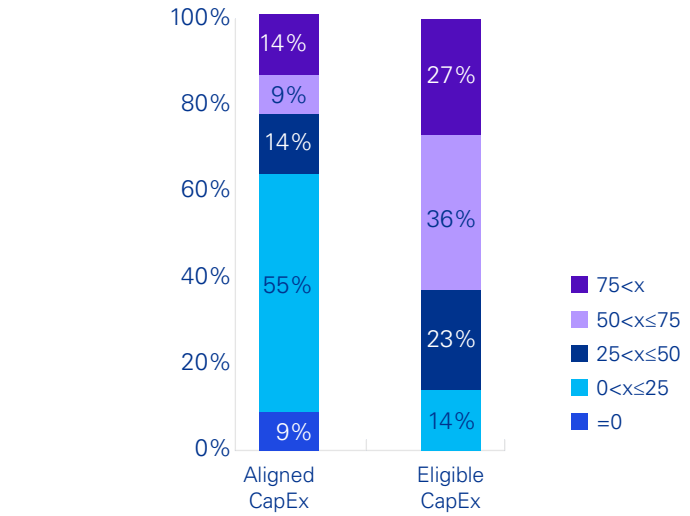

OpEx



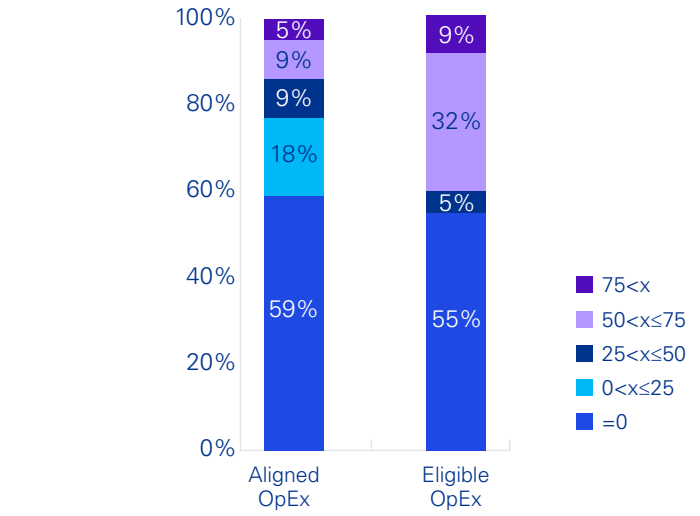

Turnover distribution




CapEx distribution




OpEx distribution




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The construction and materials sector is represented by 22 companies in this year's study, for which no breakdown into subsectors was performed. France and Sweden account for the largest shares with five companies each, followed by Spain with three and Denmark, Germany and the Netherlands with two companies each.

The following table sets out the economic activities most frequently reported within the construction and materials sector, ranked by the number of companies disclosing them.

| Rank | Activities most frequently reported within this sector |
|---|---|
| 1 | **CCM 6.5** Transport by motorbikes, passenger cars and light commercial vehicles |
| 2 | **CCM 7.7** Acquisition and ownership of buildings |
| 3 | **CCM 6.14** Infrastructure for rail transport |

Eligible turnover is disclosed by every company in the sector, resulting in an average of 55 percent, while average aligned turnover amounts to 23 percent. Alignment above 0 percent was reported by 86 percent of the companies, and half of the sector records aligned turnover in the range between 25 percent and 50 percent.

CapEx develops largely in parallel with turnover, reaching an average eligibility of 56 percent and an average alignment of 26 percent. Here, too, all companies identified eligible activities, while 91 percent, or 20 companies, disclosed alignment above 0 percent, which lifts the average within this group to 29 percent. Notably, 3 companies in the sector even report aligned CapEx of more than 75 percent.

As in the previous reporting period, OpEx remains the indicator with the lowest figures in this sector, averaging 30 percent for eligibility and 15 percent for alignment. Only 45 percent of the companies disclosed eligible OpEx above 0 percent and 41 percent reported alignment above 0 percent, with the values within this group varying considerably. One reason for the comparatively low figures lies in the OpEx materiality exemption, which was applied by ten companies.

One Danish company stands out across all three KPIs, disclosing aligned turnover, CapEx and OpEx of more than 80 percent. With 84 percent for turnover and 82 percent for CapEx, it records the highest alignment rates within the sector for both indicators, while the highest aligned OpEx of 97 percent was reported by a company headquartered in the Netherlands.

Compared with 2025, turnover eligibility increased by 1 percentage point, whereas alignment declined by 1 percentage point. The most pronounced development can be observed for CapEx, where eligibility rose by 6 percentage points and alignment by 3 percentage points. OpEx eligibility and alignment also decreased by 1 percentage point.

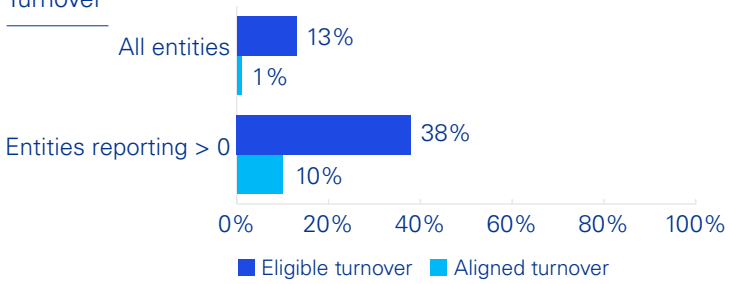
**OpEx remains the indicator with the lowest figures in this sector, averaging 30% for eligibility and 15 percent for alignment. Only 45 percent of the companies disclosed eligible OpEx above 0 percent and 41 percent reported alignment above 0 percent.**



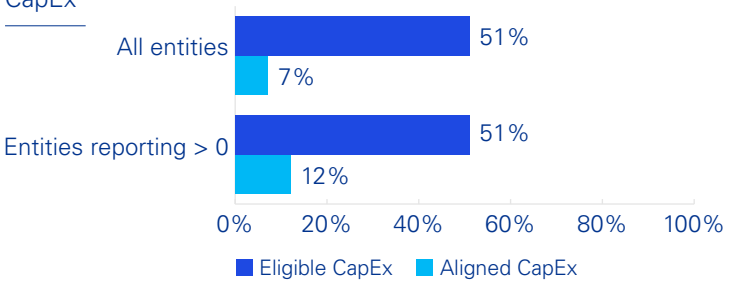
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## Consumer products and services

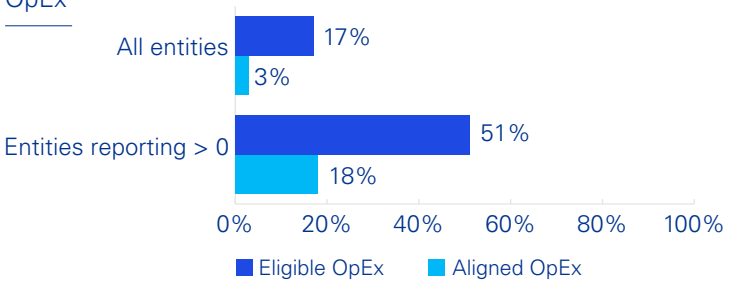
Turnover



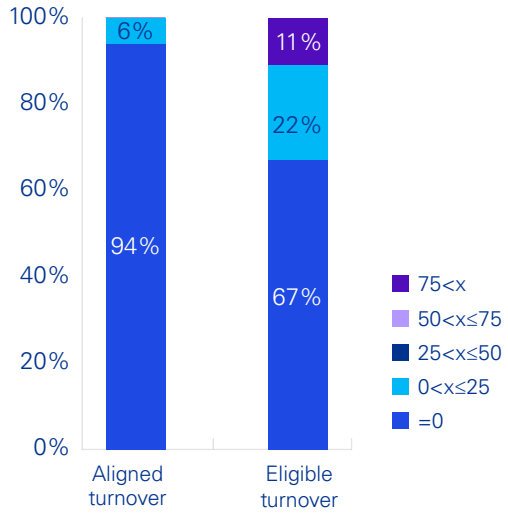

CapEx



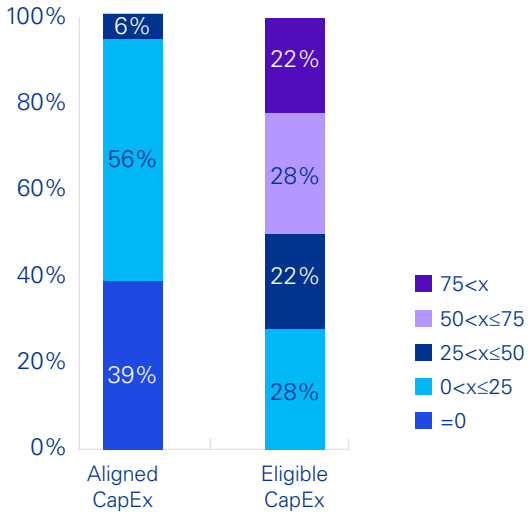

OpEx



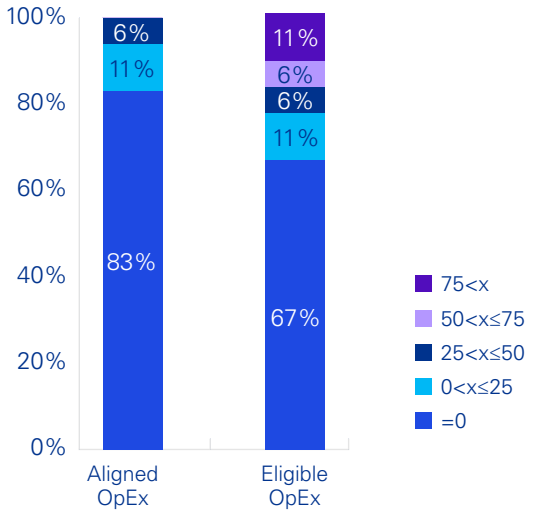

Turnover distribution




CapEx distribution




OpEx distribution




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In this year's study the consumer products and services sample consists of 18 companies, spread widely across Europe, with France contributing five companies and Germany four. Personal goods is by far the largest subsector with 11 companies, ahead of consumer services with three, while household goods and home construction as well as leisure goods each account for two.

The consumer products and services sector is represented by 18 companies in this year's study that are spread across Europe, 5 companies are from France and 4 from Germany.

The sector comprises a diverse range of subsectors, with 11 companies belonging to the personal goods category, three companies to consumer services, and two companies each to household goods and home construction as well as leisure goods.

The following table sets out the economic activities most frequently reported within the consumer products and services sector, ranked by the number of companies disclosing them.

| Rank | Activities most frequently reported within this sector |
|---|---|
| 1 | **CCM 7.7** Acquisition and ownership of buildings |
| 2 | **CCM 6.5** Transport by motorbikes, passenger cars and light commercial vehicles |
| 3 | **CCM 7.3** Installation, maintenance and repair of energy efficiency equipment |

Taxonomy-eligible turnover amounted to 13 percent on average across the full sample, while average aligned turnover amounted to 1 percent. Six of the 18 companies (33 percent) reported eligible turnover above 0 percent, corresponding to an average of 38 percent. Of these companies, four reported eligible turnover below 25 percent and two reported eligible turnover above 75 percent. Alignment above 0 percent was disclosed by one company and amounted to 10 percent.

In 2025, the analysis' results for the consumer products and services sector show an average eligible turnover of 13 percent, with aligned turnover averaging 1 percent. Out of the total, only six companies (33 percent) reported eligible turnover above 0 percent, leading to an average of 38 percent. In terms of alignment, only one company reported any aligned turnover. This single company reported a turnover of 10 percent.

For CapEx, all 18 companies reported eligible activities, so that the sector average of 51 percent covered the entire sample, while average alignment amounted to 7 percent. Eleven companies reported eligibility above 50 percent, four of which exceeded 75 percent. Aligned CapEx above 0 percent was disclosed by eleven companies and corresponded to an average of 12 percent; all but one of these companies reported values below 25 percent.

For OpEx, the sector reported an average eligibility of 17 percent and an average alignment of 3 percent. Six companies (33 percent) identified eligible OpEx above 0 percent, corresponding to an average of 51 percent, and 3 of them (17 percent) also disclosed alignment above 0 percent, resulting in an average of 18 percent. Two of these three companies reported values below 25 percent, while one company reported alignment between 25 percent and 50 percent. 10 of the 18 companies applied the OpEx materiality exemption.

Compared with the previous reporting period, the developments differed slightly across the three KPIs. For turnover, one company fewer disclosed eligibility above 0 percent, while the average within this group increased from 22 percent to 38 percent. CapEx eligibility was reported by all companies and increased by 10 percentage points on average, while aligned CapEx above 25 percent was disclosed by fewer companies than in the previous reporting period. For OpEx, the number of reporting companies and the average eligibility remained unchanged, whereas alignment decreased by 2 percentage points.

**Eleven companies reported eligibility above 50 percent, four of which exceeded 75 percent. Aligned CapEx above 0 percent was disclosed by eleven companies and corresponded to an average of 12 percent; all but one of these companies reported values below**

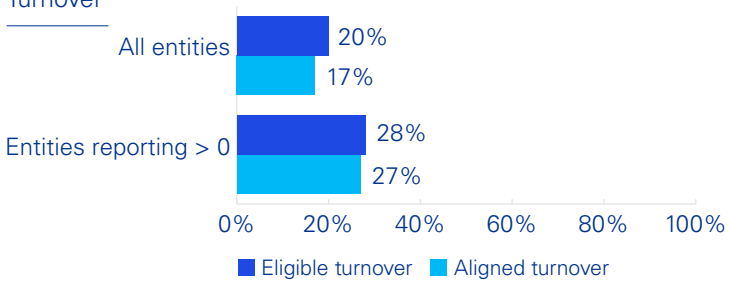
**25%**



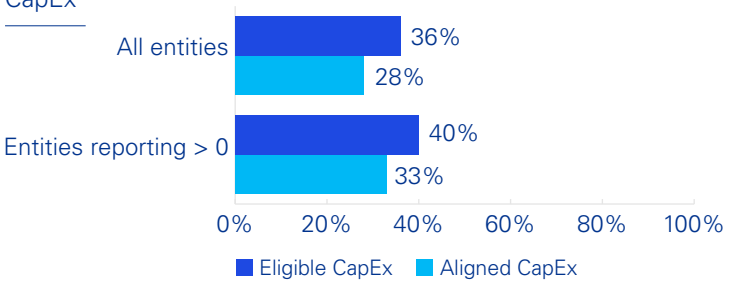
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## Energy

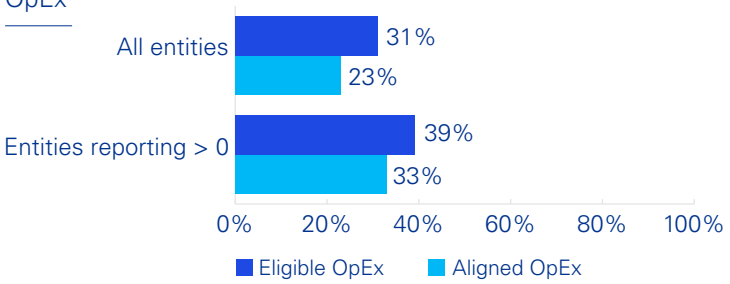
### Turnover



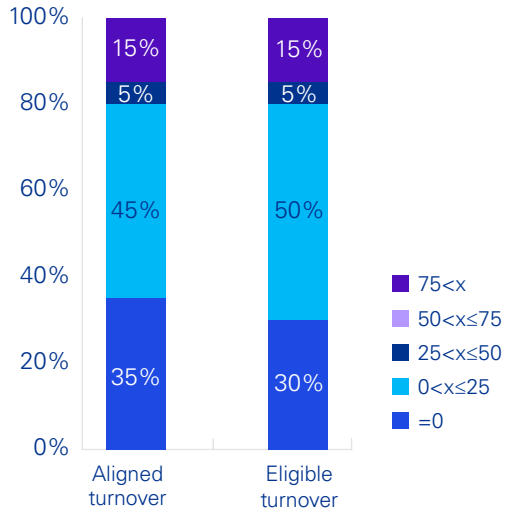

### CapEx



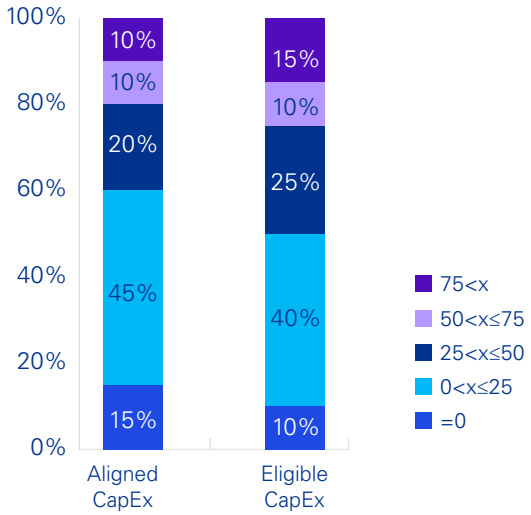

### OpEx



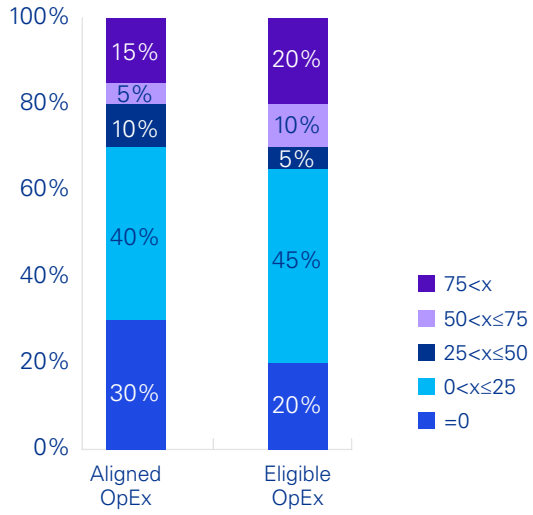

### Turnover distribution




### CapEx distribution




### OpEx distribution




Note: Percentages may not total 100 due to rounding.



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The energy sector is represented by 20 companies in this year's sample, of which two are allocated to the alternative energy subsector and the remaining 18 to the oil, gas and coal subsector. The companies are headquartered across 12 European countries.

The following table sets out the economic activities most frequently reported within the energy sector, ranked by the number of companies disclosing them.

| Rank | Activities most frequently reported within this sector |
|---|---|
| 1 | **CCM 4.3** Electricity generation from wind power |
| 2 | **CCM 4.1** Electricity generation using solar photovoltaic technology |
| 3 | **CCM 4.13** Manufacture of biogas and biofuels for use in transport and of bioliquids |

For turnover, the sector reported an average eligibility of 20 percent and an average alignment of 17 percent. 14 of the 20 companies disclosed eligible turnover above 0 percent, corresponding to an average of 28 percent within this group, while 13 companies reported alignment above 0 percent, resulting in an average aligned turnover of 27 percent. Within the latter group, three companies reported alignment above 75 percent, two of which disclosed 99 percent and 100 percent respectively.

For CapEx, the sector reported an average eligibility of 36 percent and an average alignment of 28 percent. Eligible CapEx above 0 percent was disclosed by 18 of the 20 companies, and 17 companies reported aligned CapEx above 0 percent. Within the sample, three companies reported eligibility above 75 percent and two companies reported alignment above 75 percent, while the values between 0 percent and 75 percent were distributed comparatively evenly across both indicators.

For OpEx, the sector reported an average eligibility of 31 percent and an average alignment of 23 percent. 16 companies identified eligible OpEx above 0 percent, corresponding to an average of 39 percent, and 14 companies disclosed alignment above 0 percent, resulting in an average of 33 percent. Within these groups, nine companies reported eligible OpEx and eight companies reported aligned OpEx below 25 percent. The OpEx materiality exemption was applied by two companies, which disclosed thresholds of 1.5 percent and 8.6 percent.

**For OpEx, the sector reported an average eligibility of**

**31%**

**and an average alignment of 23 percent. 16 companies identified eligible OpEx above 0 percent, corresponding to an average of 39 percent, and 14 companies disclosed alignment above 0 percent, resulting in an average of 33 percent. Within these groups, nine companies reported eligible OpEx and eight companies reported aligned OpEx below 25 percent.**

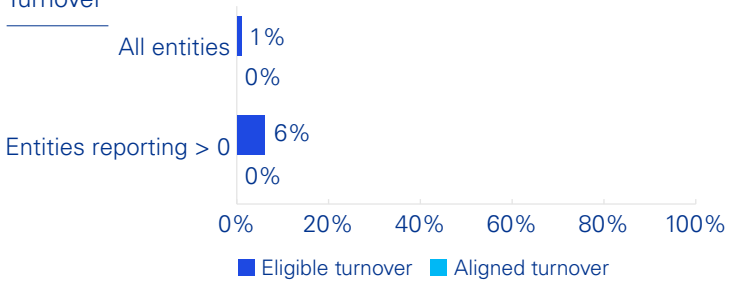
Compared with the previous reporting period, the size of the sector sample increased, which should be considered when interpreting the development compared to last year. Average alignment increased for all three KPIs. At the same time, a larger number of companies reported eligibility or alignment of 0 percent. As in the previous reporting period, the level of eligibility and alignment continued to differ considerably between the individual companies and across the three KPI's.



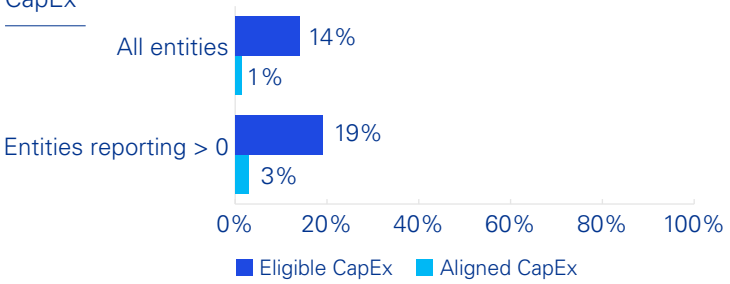
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## Food, beverage and tobacco

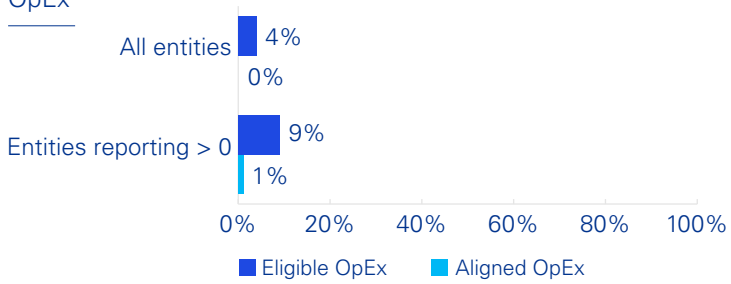
Turnover



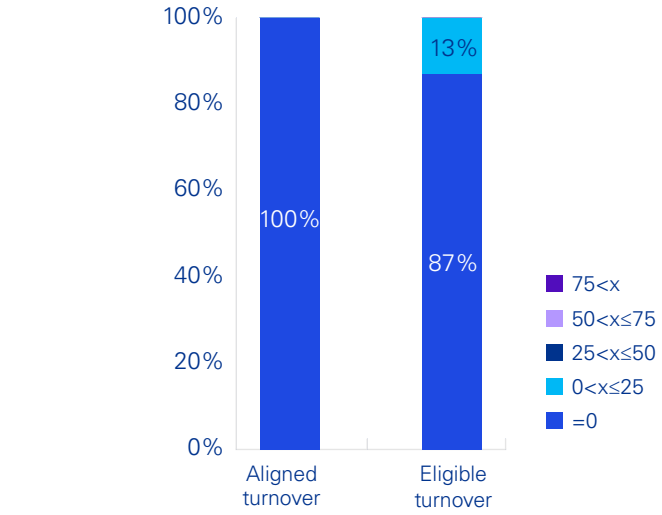

CapEx



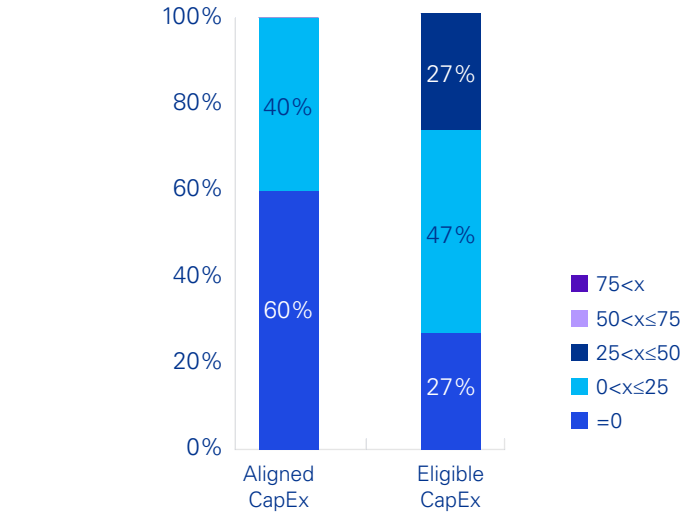

OpEx



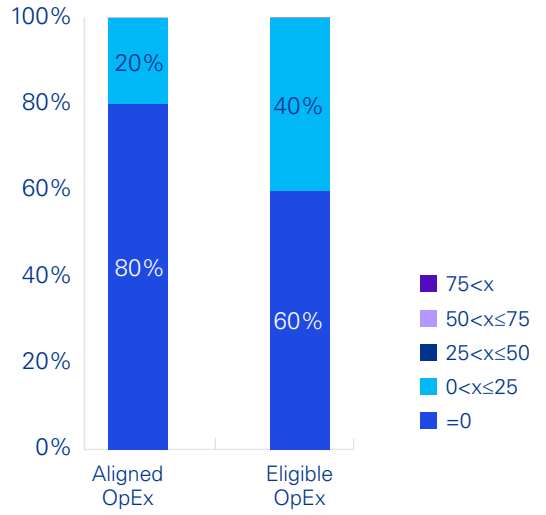

Turnover distribution




CapEx distribution




OpEx distribution




Note: Percentages may not total 100 due to rounding.



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The sample of the food, beverage and tobacco' sector included 15 companies distributed across eight European countries. Included subsectors comprise food producers (10 companies) and beverages (5 companies).

The following table sets out the economic activities most frequently reported within the food, beverage and tobacco sector, ranked by the number of companies disclosing them.

| Rank | Activities most frequently reported within this sector |
|---|---|
| 1 | **CCM 7.7** Acquisition and ownership of buildings |
| 2 | **CCM 7.3** Installation, maintenance and repair of energy efficiency equipment |
| 3 | **CCM 5.3** Construction, extension and operation of waste water collection and treatment |

Turnover is the indicator with the lowest figures in this sector, showing an average eligibility of 1 percent, while none of the companies disclosed any aligned turnover. Only two of the 15 companies reported eligible turnover above 0 percent, corresponding to an average of 6 percent within this group. One of them recorded eligibility above 10 percent, whereas the value disclosed by the other remained below 1 percent.

For CapEx, the sector reported an average eligibility of 14 percent and an average alignment of 1 percent. Eligible CapEx above 0 percent was disclosed by eleven companies, which lifted the corresponding average to 19 percent; seven of them reported values below 25 percent and four companies reported values between 25 percent and 50 percent. Alignment above 0 percent was disclosed by six companies (40 percent), all of which remained below the 25 percent mark, resulting in an average of 3 percent, while the remaining nine companies (60 percent) did not report any aligned CapEx.

For OpEx, the sector reported an average eligibility of 4 percent and an average alignment of 0 percent. 6 companies identified eligible OpEx above 0 percent, corresponding to an average of 9 percent within this group. Of these, half also disclosed alignment above 0 percent, resulting in an average of 1 percent.

Compared with the previous reporting period, the alignment figures remained at a comparable level for Turnover, CapEx and OpEx. Among the companies reporting values above 0 percent, eligibility increased by 3 percentage points for turnover, by 1 percentage point for CapEx and by 0.8 percentage points for OpEx.

**For OpEx, the sector reported an average eligibility of**

**4%**

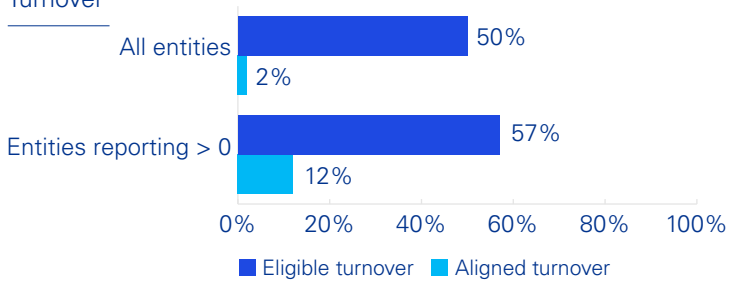
**and an average alignment of 0 percent. 6 companies identified eligible OpEx above 0 percent, corresponding to an average of 9 percent within this group.**



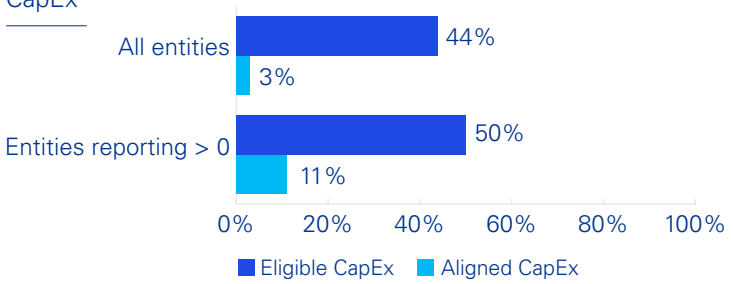
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## Health care

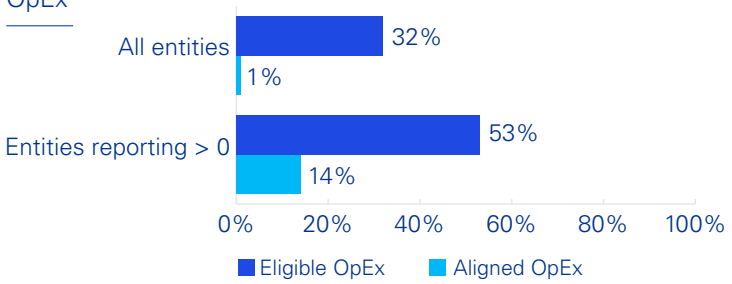
Turnover



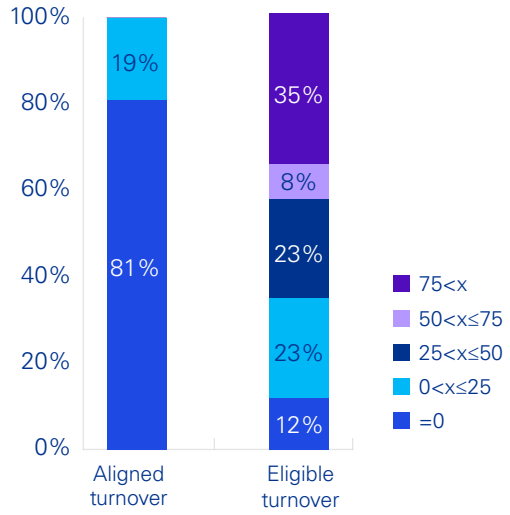

CapEx



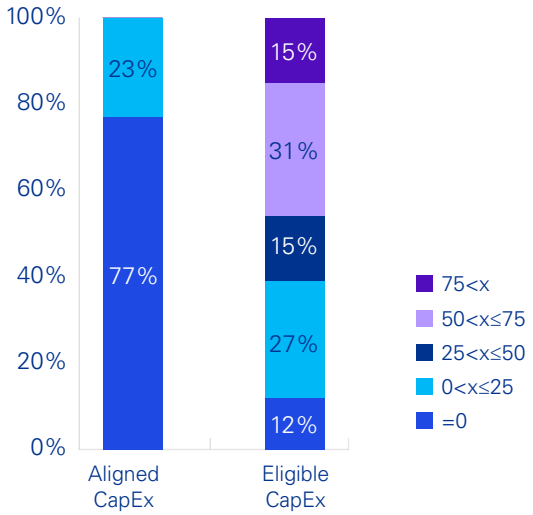

OpEx



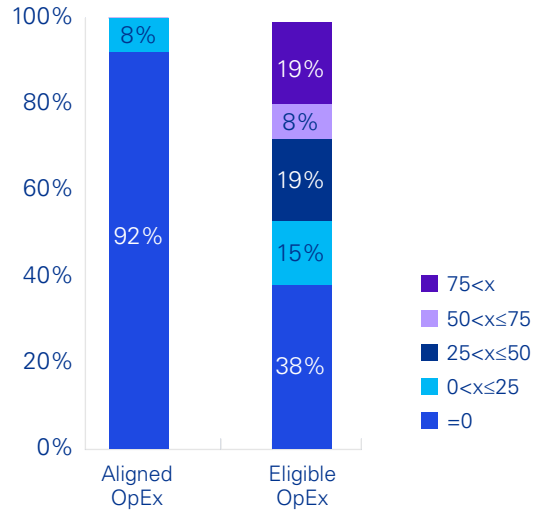

Turnover distribution




CapEx distribution




OpEx distribution




Note: Percentages may not total 100 due to rounding.



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The health care sector is represented by 26 companies in this year's sample, of which 15 are allocated to the pharmaceuticals and biotechnology subsector, nine to medical equipment and services and two to health care providers. The companies are spread across Europe, with Denmark and France accounting for six companies each, followed by Germany with five.

The following table sets out the economic activities most frequently reported within the health sector, ranked by the number of companies disclosing them.

| Rank | Activities most frequently reported within this sector |
|---|---|
| 1 | **PPC 1.2** Manufacture of medicinal products |
| 2 | **CCM 7.7** Acquisition and ownership of buildings |
| 3 | **CE 1.2** Manufacture of electrical and electronic equipment |

Average eligible turnover across the sector amounts to 50 percent, while average aligned turnover remains at 2 percent. Eligibility above 0 percent was disclosed by 88 percent of the companies, which lifts the corresponding average to 57 percent. Nine companies (35 percent) even report eligible turnover of more than 75 percent. Alignment above 0 percent, by contrast, was reported by only five companies (19 percent), resulting in an average alignment of 12 percent within this group.

For CapEx, the sector reports an average eligibility of 44 percent and an average alignment of 3 percent. As for turnover, 88 percent of the companies disclosed eligible CapEx above 0 percent, four of which (15 percent) exceed the 75 percent mark. Aligned CapEx above 0 percent was reported by only six companies (23 percent) and corresponds to an average of 11 percent.

The gap between eligibility and alignment is most pronounced for OpEx, where average eligibility amounts to 32 percent and average alignment to 1 percent. Sixteen companies (62 percent) identified eligible OpEx above 0 percent, corresponding to an average of 53 percent, whereas only two companies (8 percent) disclosed alignment above 0 percent, which results in an average of 14 percent within this small group. The OpEx materiality exemption was applied by five companies.

Compared with the previous reporting period, the overall picture remains largely unchanged. Average eligible turnover increased by 2 percentage points and average aligned turnover by 1.6 percentage points, leaving alignment at a consistently low level. For CapEx, the number of companies disclosing alignment above 0 percent decreased from eleven (38 percent) to six (23 percent), while the average within this group rose by 4 percentage points. Average OpEx eligibility declined by around 3 percentage points and alignment remained at 1 percent. At the same time, 16 instead of 22 companies reported eligible OpEx and only two instead of five companies disclosed aligned OpEx.

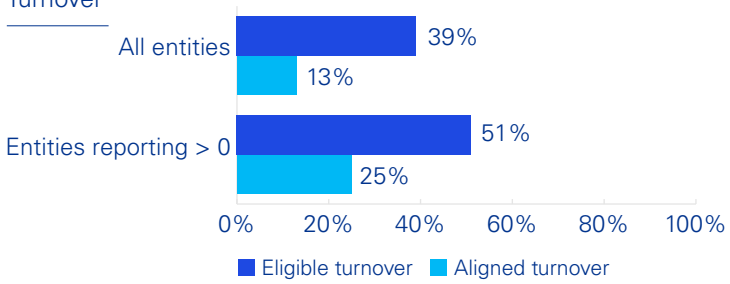
**Average eligible turnover increased by 2 percentage points and average aligned turnover by 1.6% points, leaving alignment at a consistently low level. For CapEx, the number of companies disclosing alignment above 0 percent decreased from eleven (38 percent) to six (23 percent), while the average within this group rose by 4 percentage points.**



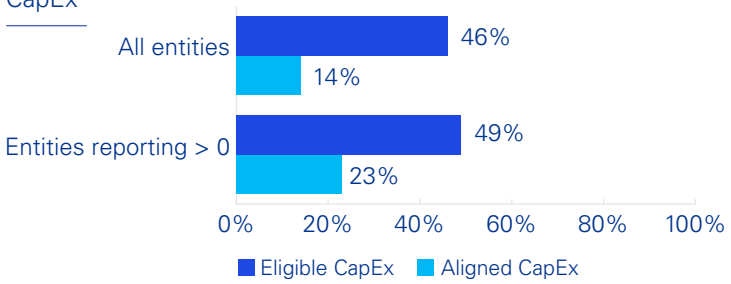
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## Industrial goods and services

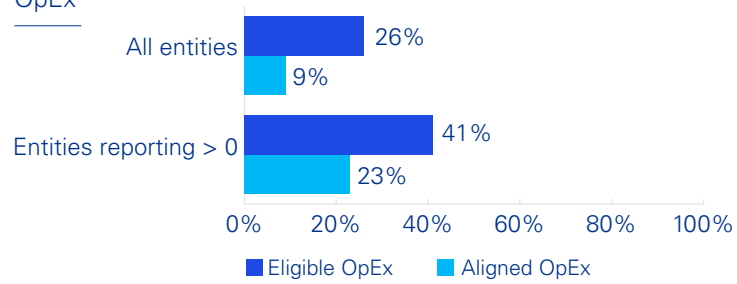
Turnover



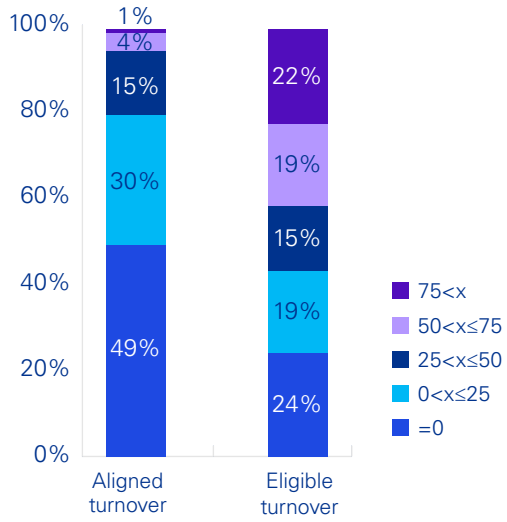

CapEx



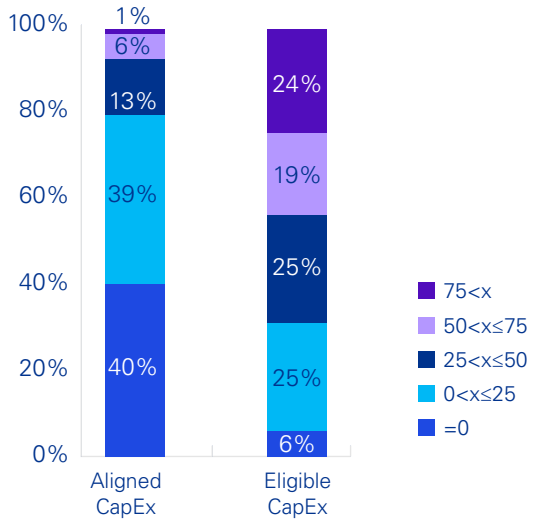

OpEx



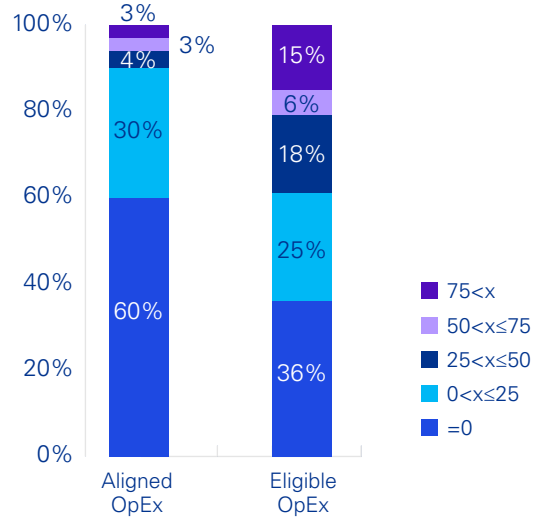

Turnover distribution




CapEx distribution




OpEx distribution




Note: Percentages may not total 100 due to rounding.



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With 67 companies, industrial goods and services is once again the largest sector in this year's study, covering a broad range of subsectors and companies headquartered in 13 European countries. Industrial engineering accounts for 15 companies and industrial transportation for 14, followed by industrial support services with 12, aerospace and defence with 11, electronic and electrical equipment with nine and general industrials with six companies.

The following table sets out the economic activities most frequently reported within the industrial goods and services sector, ranked by the number of companies disclosing them.

| Rank | Activities most frequently reported within this sector |
|---|---|
| 1 | **CCM 7.7** Acquisition and ownership of buildings |
| 2 | **CCM 6.5** Transport by motorbikes, passenger cars and light commercial vehicles |
| 3 | **CCM 7.3** Installation, maintenance and repair of energy efficiency equipment |

Average eligible turnover across the sector amounts to 39 percent, while average aligned turnover stands at 13 percent. Eligibility above 0 percent was disclosed by 51 companies (76 percent), corresponding to an average of 51 percent within this group. Alignment above 0 percent was reported by 34 companies (51 percent) and results in an average of 25 percent. The distribution remains broad: 30 percent of the companies in the sector report aligned turnover of up to 25 percent, 15 percent between 25 percent and 50 percent, and one company exceeds the 75 percent mark.

For CapEx, the sector reports an average eligibility of 46 percent and an average alignment of 14 percent. Almost all companies (63 out of 67) disclosed eligible CapEx above 0 percent, whereas aligned CapEx above 0 percent was reported by 40 companies (60 percent), which lifts the corresponding average to 23 percent.

OpEx remains the weakest of the three indicators in this sector, with an average eligibility of 26 percent and an average alignment of 9 percent. Eligible OpEx above 0 percent was identified by 43 companies (64 percent), corresponding to an average of 41 percent, while 27 companies (40 percent) disclosed alignment above 0 percent and reach an average of 23 percent. Within this group, 20 companies remain below the 25 percent mark, three report values between 25 percent and 50 percent, two between 50 percent and 75 percent and a further two exceed 75 percent. The OpEx materiality exemption was applied by 20 companies, or 30 percent of the sector sample.

Compared with the previous reporting period, the movements remain moderate. Average eligibility and average alignment each increased by 1 percentage point for turnover and CapEx. The development becomes more visible when only companies reporting values above 0 percent are considered: within this group, average turnover eligibility rose by 6 percentage points and average CapEx eligibility by 4 percentage points. For OpEx, average eligibility increased as well, whereas average alignment declined by 2 percentage points and 11 percent fewer companies disclosed eligible OpEx than in the previous year.

**OpEx remains the weakest of the three indicators in this sector, with an average eligibility of 26 percent and an average alignment of 9 percent. Eligible OpEx above 0 percent was identified by 43 companies (64 percent), corresponding to an average of 41 percent, while 27 companies (40 percent) disclosed alignment above 0 percent and reach an average of**

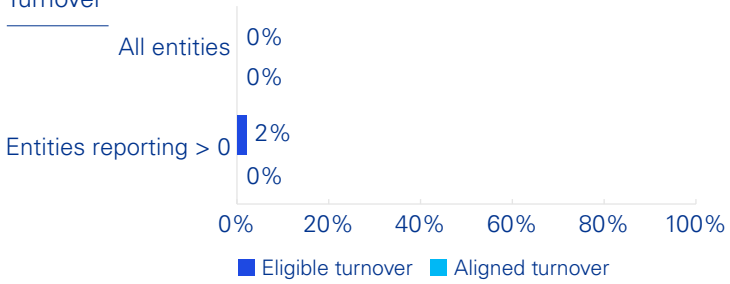
**23%**



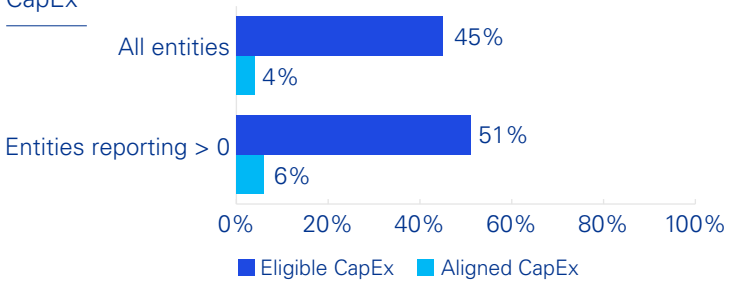
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## Personal care, drug and grocery stores

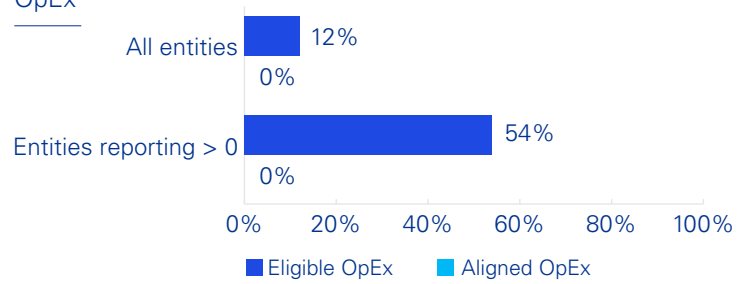
Turnover



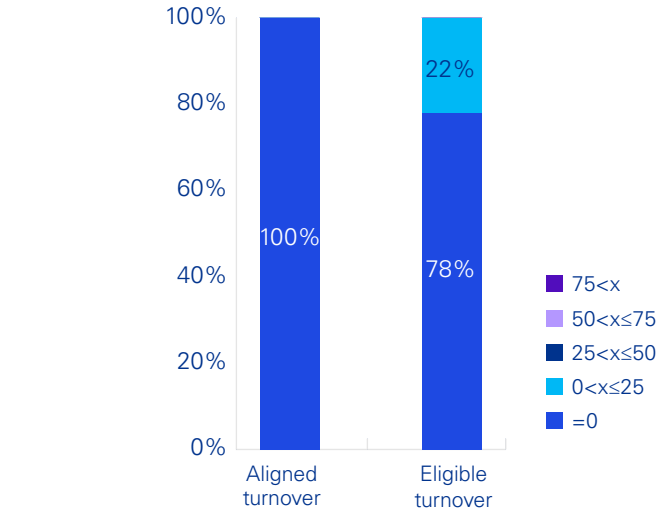

CapEx



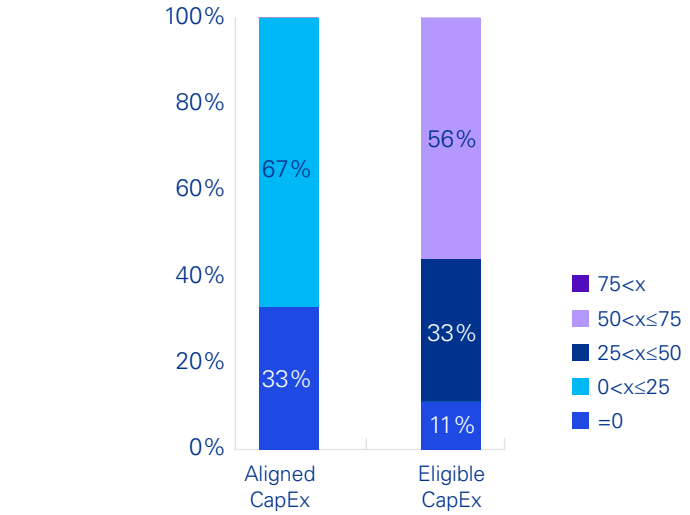

OpEx



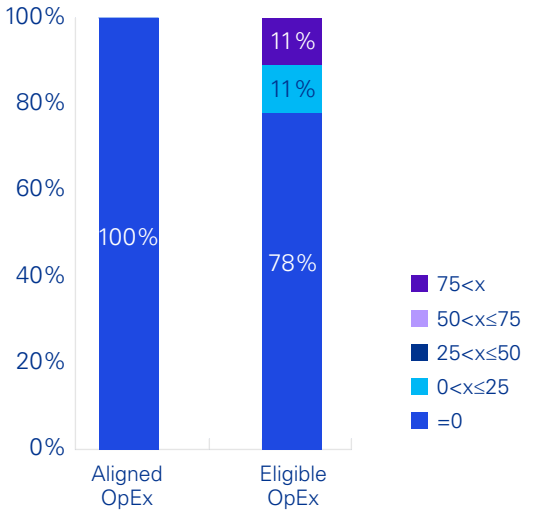

Turnover distribution




CapEx distribution




OpEx distribution




Note: Percentages may not total 100 due to rounding.



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The personal care, drug and grocery stores sector is represented by nine companies in this year's sample, headquartered across eight European countries. For this sector, no breakdown into subsectors was performed.

The following table sets out the economic activities most frequently reported within the personal care, drug and grocery stores sector, ranked by the number of companies disclosing them.

| Rank | Activities most frequently reported within this sector |
|---|---|
| 1 | **CCM 6.5** Transport by motorbikes, passenger cars and light commercial vehicles |
| 2 | **CCM 7.5** Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings |
| 3 | **CCM 7.7** Acquisition and ownership of buildings |

Turnover is by far the weakest indicator in this sector. Only two of the nine companies disclosed eligible turnover above 0 percent, with the highest value reaching 3.5 percent, while none of the companies reported any aligned turnover.

CapEx is the strongest of the three KPIs in this sector, with an average eligibility of 45 percent and an average alignment of 4 percent. Eligible CapEx above 0 percent was disclosed by eight of the nine companies, and 67 percent of the sector reported alignment above 0 percent. The alignment figures nevertheless remain at a low level, with the highest value amounting to 14.2 percent.

For OpEx, only two companies disclosed eligibility above 0 percent, one reporting 7 percent and the other 100 percent, while none of them reported any aligned OpEx. The narrow reporting base is largely explained by the OpEx materiality exemption, which was applied by five of the nine companies.

A comparison with the previous reporting period is not possible for this sector, as it was not part of last year's study. The figures presented therefore serve as a baseline against which future reporting periods can be assessed.

**CapEx is the strongest of the three KPIs in this sector, with an average eligibility of**

**45%**

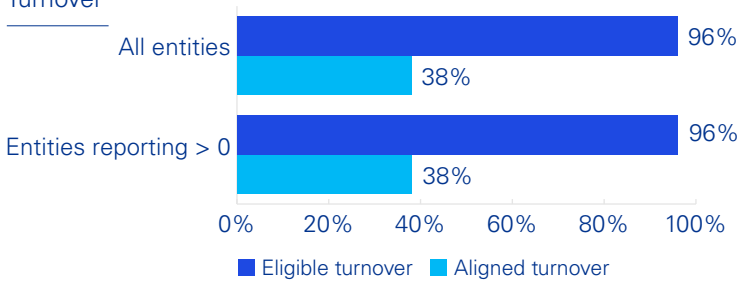
**and an average alignment of 4 percent. Eligible CapEx above 0 percent was disclosed by eight of the nine companies, and 67 percent of the sector reported alignment above 0 percent.**



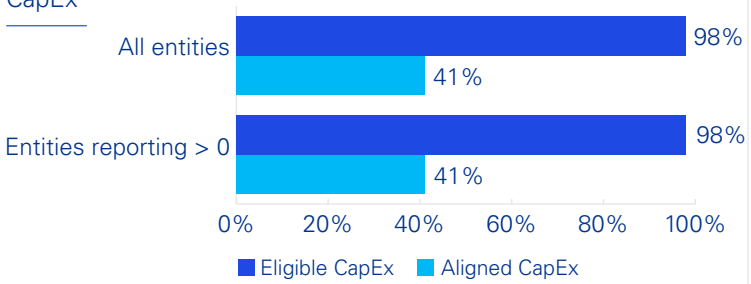
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## Real estate

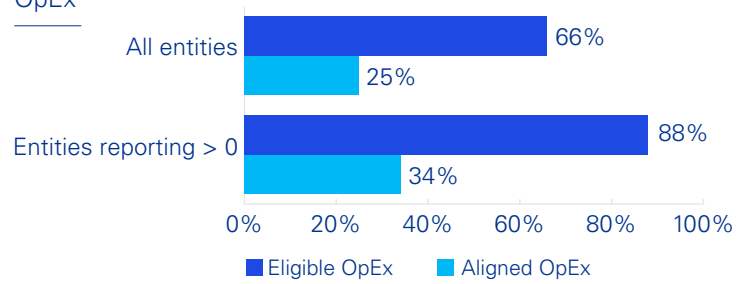
Turnover



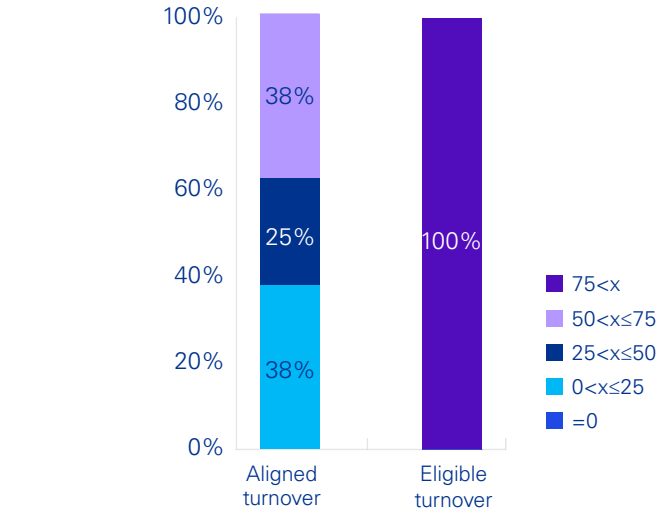

CapEx



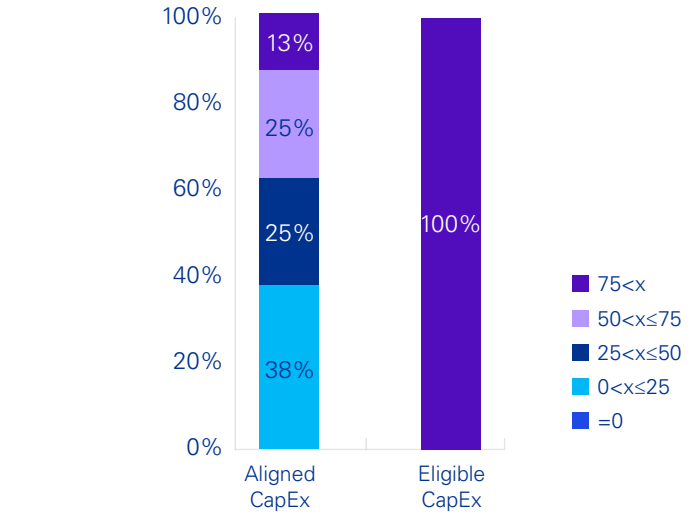

OpEx



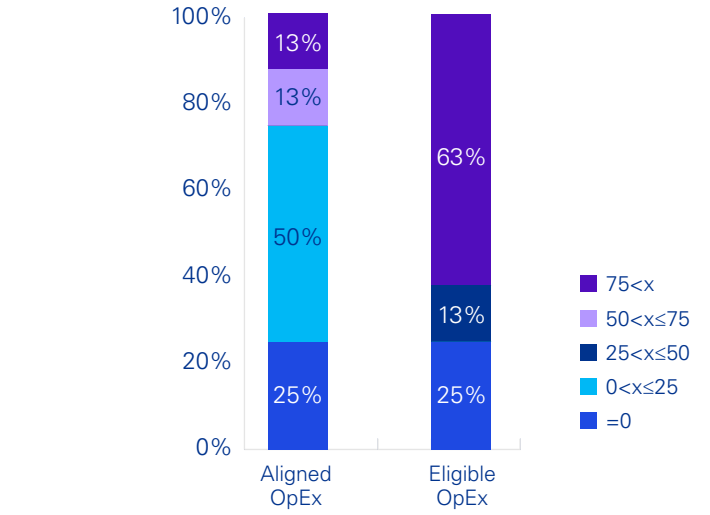

Turnover distribution




CapEx distribution




OpEx distribution




Note: Percentages may not total 100 due to rounding.



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The real estate sector is represented by eight companies in this year's sample, headquartered across three European countries: France and Germany account for three companies each, and Sweden with two. The sample is further broken down into two subsectors, namely real estate investment trusts and real estate investment and services development.

The following table sets out the economic activities most frequently reported within the real estate sector, ranked by the number of companies disclosing them.

| Rank | Activities most frequently reported within this sector |
|---|---|
| 1 | **CCM 7.7** Acquisition and ownership of buildings |
| 2 | **CCM 7.1/CE 3.1** Construction of new buildings |
| 3 | **CCM 4.1** Electricity generation using solar photovoltaic technology |

With an average eligibility of 96 percent, the real estate sector once again records by far the highest turnover coverage of all industries analysed, and every company in the sample discloses eligible turnover of more than 75 percent. Average aligned turnover amounts to 38 percent and therefore remains considerably below eligibility. Out of the companies reporting alignment, three companies report aligned turnover of up to 25 percent, two companies between 25 percent and 50 percent and a further three companies between 50 percent and 75 percent.

CapEx follows the same pattern at an even higher level, with an average eligibility of 98 percent and an average alignment of 40 percent. As for turnover, all companies disclosed eligible CapEx above 75 percent, and every company in the sample also reported aligned CapEx above 0 percent. Within this group, three companies remain below the 25 percent mark, two report alignment between 25 percent and 50 percent, two between 50 percent and 75 percent and one company exceeds 75 percent.

For OpEx, the sector discloses an average eligibility of 66 percent and an average alignment of 25 percent across the full sample. Six of the companies (75 percent) reported eligibility and alignment above 0 percent, which lifts the corresponding averages to 88 percent and 34 percent respectively. Within this group, five companies (62.5 percent) identified eligible OpEx of more than 75 percent. One company exceeds 75 percent, another reports alignment between 50 percent and 75 percent and the remaining companies stay below 21 percent. The two companies without eligible OpEx made use of the OpEx materiality exemption.

Compared with the previous reporting period, the overall picture remains remarkably stable. As in the prior year, all companies in the sector disclosed turnover and CapEx eligibility of more than 75 percent, while for OpEx the share of companies exceeding this mark decreased from 73 percent to 63 percent. The average turnover and CapEx figures are likewise broadly in line with last year's results. The clearest movement can again be observed for OpEx, where average alignment increased slightly, whereas average eligibility declined by 11 percentage points.

**For OpEx, the sector discloses an average eligibility of 66 percent and an average alignment of 25 percent across the full sample. Six of the companies (75 percent) reported eligibility and alignment above 0 percent, which lifts the corresponding averages to 88 percent and 34 percent respectively. Within this group, five companies (62.5 percent) identified eligible OpEx of more than**

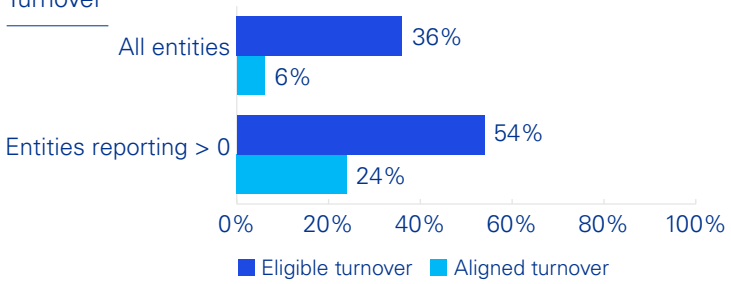
**75%**



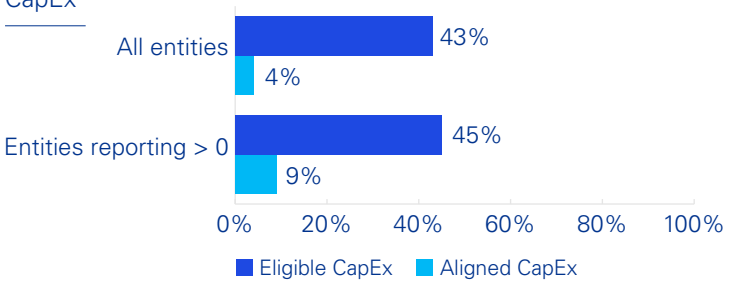
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## Technology

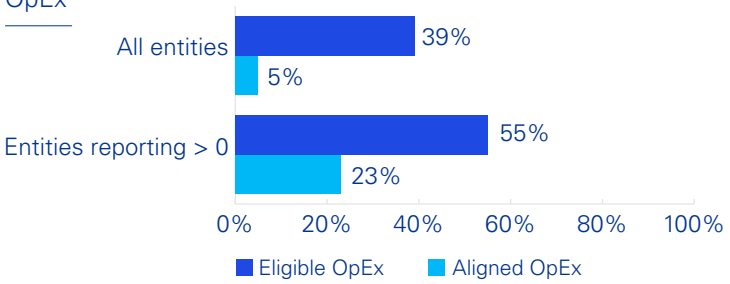
Turnover



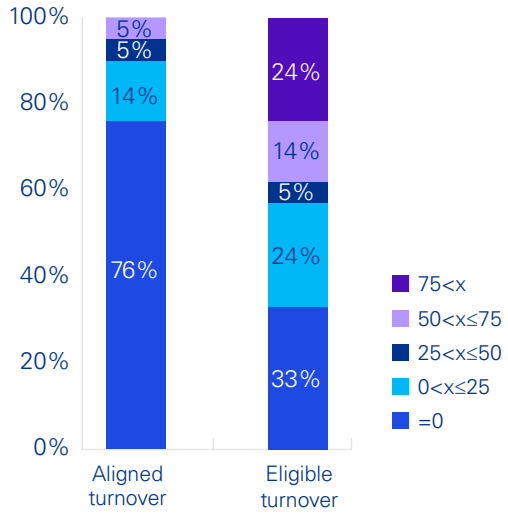

CapEx



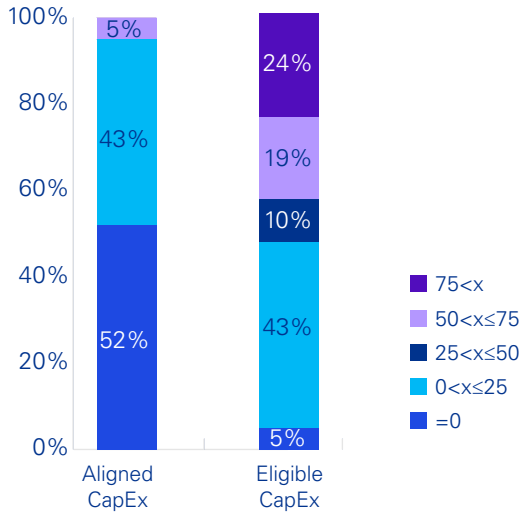

OpEx



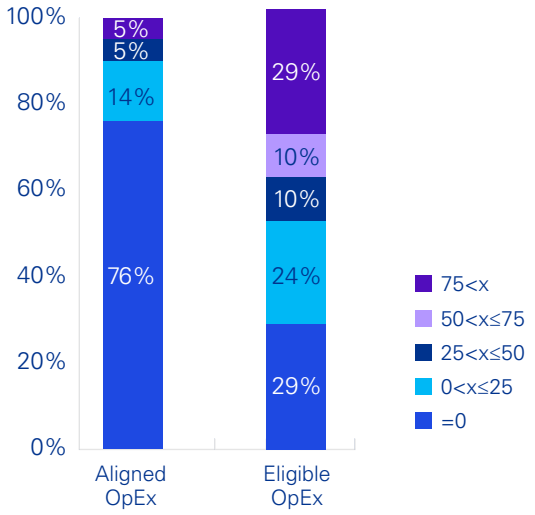

Turnover distribution




CapEx distribution




OpEx distribution




Note: Percentages may not total 100 due to rounding.



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The technology sector is represented by 21 companies in this year's sample, of which 13 are allocated to the software and computer services subsector and eight to technology hardware and equipment. The companies are headquartered across eight European countries, most in Germany (5) and the Netherlands (4), followed by France, Italy, Norway, Poland, Spain and Sweden.

The following table sets out the economic activities most frequently reported within the technology sector, ranked by the number of companies disclosing them.

| Rank | Activities most frequently reported within this sector |
|---|---|
| 1 | **CCM 7.7** Acquisition and ownership of buildings |
| 2 | **CCM 6.5** Transport by motorbikes, passenger cars and light commercial vehicles |
| 3 | **CE 1.2** Manufacture of electrical and electronic equipment |

Average eligible turnover across the sector amounts to 36 percent, while average aligned turnover remains at 6 percent. Eligibility above 0 percent was disclosed by 14 companies (67 percent), with the values spread across the entire range: five companies report up to 25 percent, one company between 25 percent and 50 percent, three companies between 50 percent and 75 percent and five companies more than 75 percent. Alignment above 0 percent, by contrast, was reached by only five companies (24 percent), three of which remain below the 25 percent mark, while one company each reports alignment between 25 percent and 50 percent and between 50 percent and 75 percent.

For CapEx, the sector reported an average eligibility of 43 percent and an average alignment of 4 percent. Nearly all companies (20 out of 21, or 95 percent) disclosed eligible CapEx above 0 percent, of which nine report values of up to 25 percent, two between 25 percent and 50 percent, four between 50 percent and 75 percent and five more than 75 percent. Aligned CapEx above 0 percent was reported by ten companies (48 percent); nine of them remain below the 25 percent mark, whereas one company stands out with an alignment rate of 62 percent.

For OpEx, the sector disclosed an average eligibility of 41 percent and an average alignment of 6 percent. Fifteen companies (71 percent) identified eligible OpEx above 0 percent, with five reporting values of up to 25 percent, whereas six even more than 75 percent reported. Alignment above 0 percent was disclosed by only five companies (24 percent), three of which remain below 25 percent, while one company each reported between 25 percent and 50 percent and between 50 percent and 75 percent. The OpEx materiality exemption was applied by two companies.

Compared with the previous reporting period, average turnover eligibility and average turnover alignment each increased by 4 to 5 percentage points, while the distribution of the turnover figures remains comparable to last year. CapEx eligibility stayed unchanged and alignment increased by 1 percentage point. The most pronounced development can be observed for OpEx: in contrast to most other sectors, average eligibility increased by 11 percentage points and average alignment by 5 percentage points.

**Aligned CapEx above 0 percent was reported by ten companies (48 percent); nine of them remain below the 25 percent mark, whereas one company stands out with an alignment rate of**

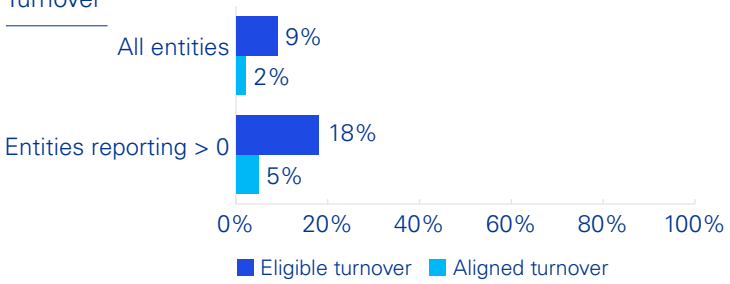
**62%**



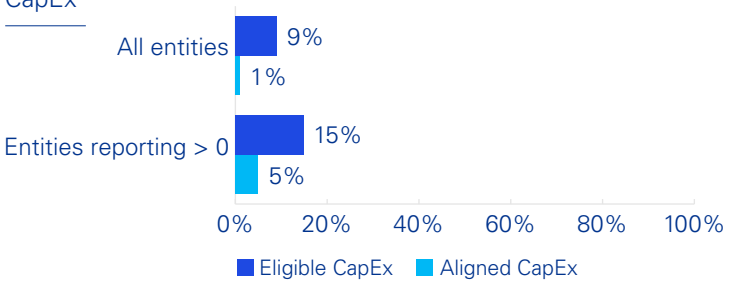
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## Telecommunications

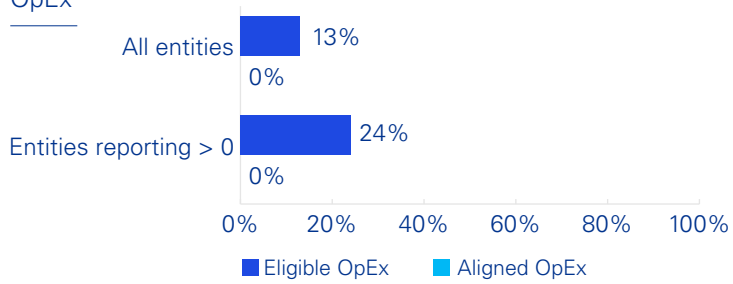
Turnover



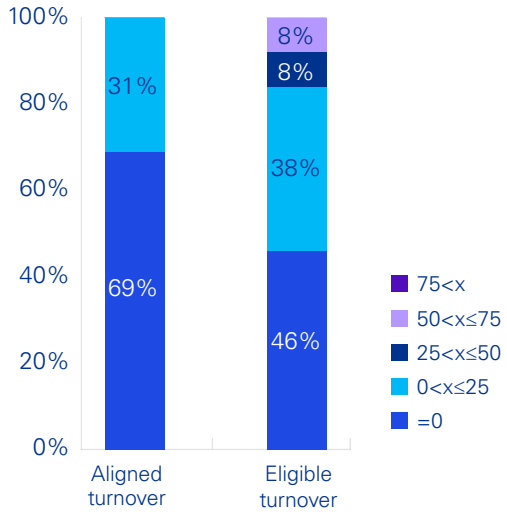

CapEx



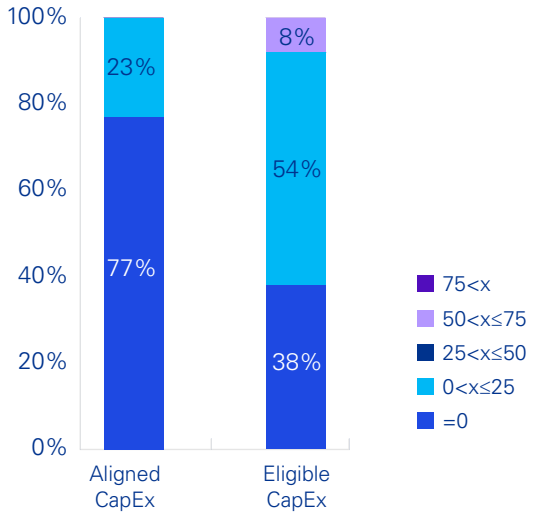

OpEx



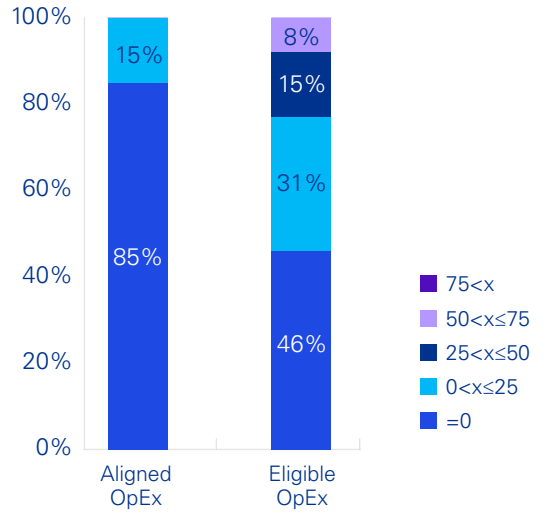

Turnover distribution




CapEx distribution




OpEx distribution




Note: Percentages may not total 100 due to rounding.



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This year's sample for the telecommunications sector comprises 13 companies, of which two belong to the telecommunications equipment subsector and eleven to the telecommunications service providers subsector. The companies are headquartered across eight European countries, including Sweden, Finland, Germany, Spain, France, Italy, Norway and the Netherlands.

The following table sets out the economic activities most frequently reported within the telecommunications sector, ranked by the number of companies disclosing them.

| Rank | Activities most frequently reported within this sector |
|---|---|
| 1 | **CCM 8.1**<br>Data processing, hosting and related activities |
| 2 | **CCM 8.2**<br>Data-driven solutions for GHG emissions reductions |
| 3 | **CE 5.5**<br>Product-as-a-service and other circular use- and result-oriented service models |

For turnover, the sector reported an average eligibility of 9 percent, while average alignment stood at 2 percent. Seven of the 13 companies (54 percent) disclosed eligible turnover above 0 percent, which lifts the corresponding average to 18 percent. Within this group, four companies also reported aligned turnover, resulting in an average alignment of 5 percent.

For CapEx, the sector reported an average eligibility of 9 percent and an average alignment of 1 percent. Seven companies (54 percent) disclosed eligible CapEx above 0 percent but below 25 percent, with only one company exceeding this range at 68 percent; within this group, the average eligibility amounts to 15 percent. Three companies (23 percent) reported aligned CapEx greater than 0 percent, resulting in an average of 5 percent.

For OpEx, the sector reported an average eligibility of 13 percent. Seven companies (54 percent) disclosed eligible OpEx above 0 percent, corresponding to an average of 24 percent. Only two companies reported aligned OpEx above 0 percent, resulting in an average alignment of 0.2 percent. The OpEx materiality exemption was applied by five companies.

**Seven of the 13 companies (54 percent) disclosed eligible turnover above 0 percent, which lifts the corresponding average to 18 percent. Within this group, four companies also reported aligned turnover, resulting in an average alignment of**

**5%**

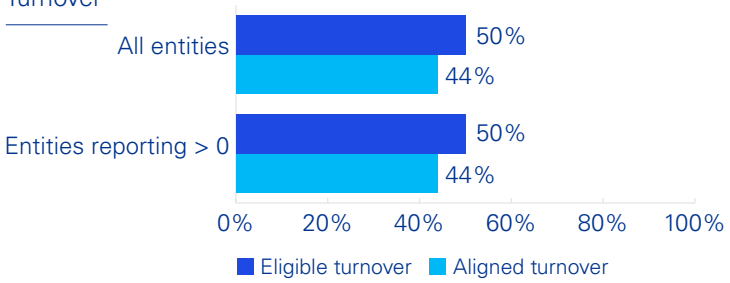
Compared with the previous reporting period, considerably fewer companies disclosed eligible turnover, CapEx and OpEx, which reduces the corresponding average eligibility rates. Among companies reporting values above 0 percent, alignment rates for turnover and CapEx remained stable or improved slightly. The number of companies disclosing eligible OpEx above 0 percent fell from eleven out of 14 (79 percent) in the previous year to seven out of 13 (54 percent) this year.



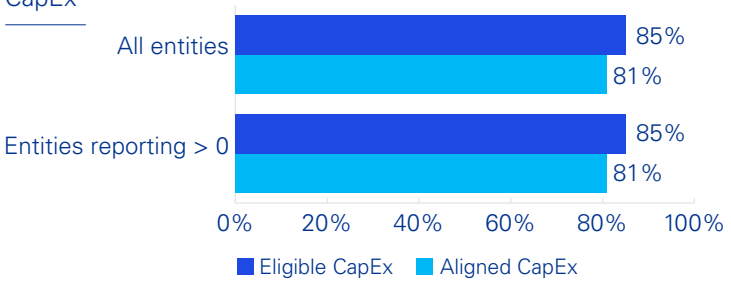
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## Utilities

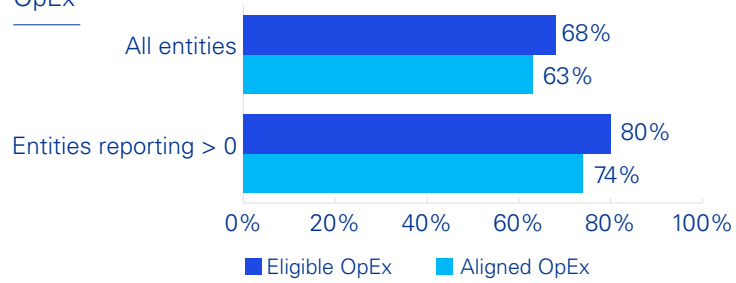
Turnover



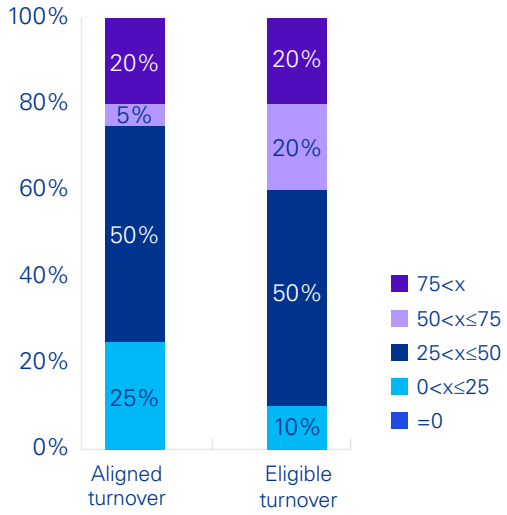

CapEx



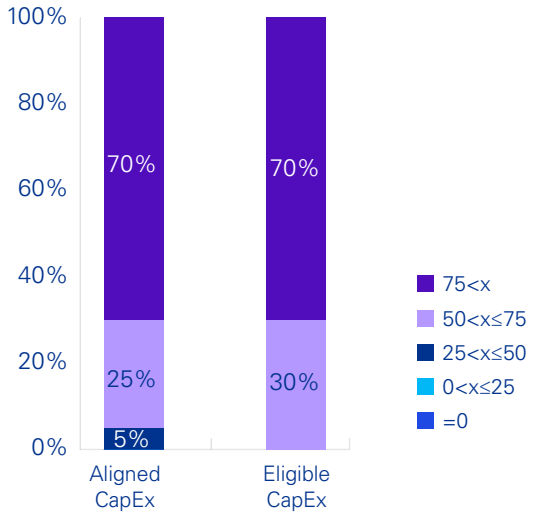

OpEx



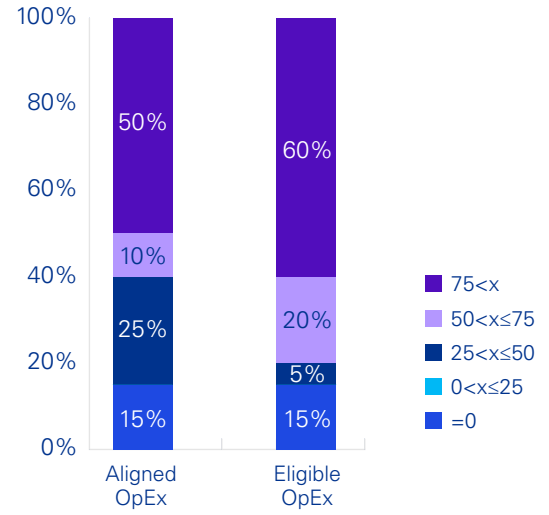

Turnover distribution




CapEx distribution




OpEx distribution




Note: Percentages may not total 100 due to rounding.



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The utilities sector is represented by 20 companies in this year's sample, of which 13 belong to the electricity subsector and seven to the gas, water and multi-utilities subsector. The companies are headquartered across Europe, with the largest shares located in Italy (5) and Spain (4), followed by France, Germany and Portugal with two companies each.

The following table sets out the economic activities most frequently reported within the utilities sector, ranked by the number of companies disclosing them.

| Rank | Activities most frequently reported within this sector |
|---|---|
| 1 | **CCM 4.1** Electricity generation using solar photovoltaic technology |
| 2 | **CCM 4.3** Electricity generation from wind power |
| 3 | **CCM 7.6** Installation, maintenance and repair of renewable energy technologies |

All companies in the sector reported eligible and aligned turnover above 0 percent, resulting in a sector average of 50 percent eligible turnover and 44 percent aligned turnover, both figures declining by 3 percentage points compared with the previous reporting period. Half of the companies reported eligible as well as aligned turnover between 25 percent and 50 percent, and a fifth of the companies reported eligibility and alignment between 75 percent and 100 percent.

For CapEx, all companies likewise reported eligibility and alignment above 0 percent, resulting in an average of 85 percent eligible CapEx and 81 percent aligned CapEx. Seventy percent of the companies reported eligibility and alignment above 75 percent, and nearly all remaining companies still reported figures above 50 percent.

For OpEx, the sector reported an average eligibility of 68 percent and an average alignment of 63 percent. Three companies did not report any eligible or aligned OpEx, whereas 12 companies reported eligibility above 75 percent and a further four companies between 50 percent and 75 percent. Half of the companies even reported alignment above 75 percent.

Consistent with prior years, no other sector in the study achieves comparably high alignment rates, confirming utilities' position at the top of the ranking. Because every company in the sample reports eligibility and alignment greater than zero for all three KPIs, the "all entities" figures are identical to those calculated only for "entities reporting above 0 percent". Three companies made use of the OpEx materiality exemption.

As in the previous reporting period, all companies in the sector reported eligibility and alignment above 0 percent for turnover and CapEx. For CapEx, average eligibility remained unchanged compared with the previous year, while average alignment declined by 1 percentage point. For OpEx, average eligibility decreased by 6 percentage points and average alignment by 3 percentage points. In addition, three companies in this year's sample did not report any OpEx, whereas all companies had done so in the previous reporting period.

**Three companies did not report any eligible or aligned OpEx, whereas 12 companies reported eligibility above 75 percent and a further four companies between 50 percent and 75 percent. Half of the companies even reported alignment above**

**75%**



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# Client interviews

To better understand how companies are approaching EU Taxonomy implementation in practice, a series of interviews was conducted with eight respondents from three countries, covering different sectors and varying levels of reporting maturity. All of them are non-financial undertakings. Most of them are wave 2 companies that are preparing for their first reporting cycle and have already started to engage with the EU Taxonomy at an early stage, assessing data availability, setting up governance structures and working towards assurance readiness. The discussions explored how the EU Taxonomy is perceived beyond compliance and which governance models and data management processes underpin implementation. The insights gathered provide a practical perspective on current market practices and offer valuable benchmarks for companies seeking to strengthen their own EU Taxonomy journey.

## Key findings from the interviews

The interviews reveal two broad levels of maturity. Some respondents already connect the EU Taxonomy with performance management and investment planning, whereas others are still prioritizing compliance and assurance-readiness. Implementation is consistently cross-functional, with sustainability and finance typically leading the process. However, successful Taxonomy-alignment assessments also depend on input from technical teams, which provide the operational expertise and supporting evidence. The main challenge is often not the financial data itself, but the fulfilment of the numerous and, in some cases, highly ambitious alignment criteria. These criteria are derived from EU regulation and frequently still need to be translated into the company's own technical and operational context, in particular where activities are carried out outside the EU or where the underlying regulatory references have no direct equivalent.

Beyond these structural differences, several common messages stand out. OpEx is frequently described as the most difficult KPI, as its Taxonomy definition departs from the definition used in financial reporting. Automation remains only partial: while ERP and consolidation systems can supply most of the financial data, some other data collection as well as the collection of evidence still call for manual work.

Most respondents also do not pursue a high Taxonomy-alignment score as an end in itself. Ambition tends to rise where Taxonomy reporting supports an existing investment or financing strategy, and it remains low where the technical criteria are demanding and the business case stays unclear in the absence of stakeholder pressure.

## From compliance to strategic use

Compliance remains the starting point for most respondents, who currently regard the EU Taxonomy primarily as a reporting obligation rather than a strategic management tool. Their immediate priorities are to complete the Taxonomy-alignment assessment and to establish repeatable controls for assurance. Other respondents already treat the framework as more than a reporting requirement and are beginning to integrate it into strategic decision-making, for example by incorporating Taxonomy KPIs into performance management or by using them to inform investment decisions. One respondent described an intermediate position, in which compliance provides the necessary basis while strategic considerations are increasingly taken into account in connection with operational activities.



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## Governance and implementation maturity

No respondent assigns implementation to a single function. Finance-related functions typically calculate and validate the KPIs, while sustainability functions or the CSO define the methodology and coordinate reporting. Technical teams assess substantial contribution and DNSH criteria, whereas compliance or central sustainability functions oversee minimum safeguards. One respondent noted that sustainability and Finance are co-leading the efforts, supported by subject-matter experts.

Implementation status ranges from established group-wide reporting processes to first-time Taxonomy-alignment assessments. While some respondents already identify Taxonomy-eligible activities early and embed Taxonomy requirements in their business processes, several wave 2 respondents have completed their Taxonomy-eligibility assessments but are still working through substantial contribution and DNSH. A key learning across the interviews is the importance of starting early.

> A key learning has been that effective Taxonomy implementation requires early integration into investment planning, project design and technical assessments, rather than being treated as a reporting exercise at year-end.
>
> **ASTM Group**

## Data and automation

A clear distinction needs to be drawn between the availability of financial data and the evidence required to demonstrate Taxonomy-alignment. Turnover is often accessible from existing systems, whereas CapEx becomes demanding where many entities or long project cycles are involved. OpEx is repeatedly considered the most difficult KPI because the regulatory definition is narrower than the conventional accounting view. Respondents cite vague or demanding criteria and documentation gaps, particularly where EU requirements are applied in other jurisdictions. Minimum safeguards are often more established, since companies can build on existing compliance systems and due diligence processes. Sector-specific issues nevertheless remain significant: one respondent described the difficulty of tracing substances of concern throughout a vehicle's full lifecycle, while another highlighted requirements that may be difficult to achieve with current technologies.

Automation is only partially achieved, with significant parts of the process still performed manually. Financial data is often extracted from ERP or consolidation systems, while Taxonomy-alignment and DNSH assessments require additional manual analysis, and several respondents still rely on spreadsheets for at least part of the reporting cycle. The main automation gap therefore lies less in the extraction of financial data than in the structured capture and retention of the underlying technical evidence.

> Preparers face significant challenges conveying their actual decarbonization progress under the EU Taxonomy, as the binary classification excludes critical transitional technologies, while cross-activity criteria inconsistencies complicate end-to-end reporting for identical underlying assets.
>
> Global automotive company

> Collecting OpEx data is particularly challenging because the Taxonomy definition does not align well with existing financial reporting structures.
>
> Global producer of industrial metals (US)



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## Ambition and opportunities

Only a small number of respondents reported explicit objectives to increase Taxonomy-alignment, typically through strategic planning or investment-related measures with corresponding KPI monitoring. Others merely monitor the development of their KPIs over time and expect Taxonomy-alignment to evolve in line with the underlying business strategy rather than through standalone Taxonomy targets. Most respondents have no formal targets at all and continue to focus on compliance and assurance-readiness. The barriers are consistent: demanding technical criteria and regulatory uncertainty set against an unclear external reward. One US respondent explained that executive leadership does not yet see the added value in a higher ambition score, as a return on investment is difficult to calculate and investors are not yet asking for higher Taxonomy-alignment. It must be taken into account, however, that a low level of ambition does not remove the need for an assessment. Even a deliberate zero-alignment result is subject to assurance and must be substantiated by a high-level check of which alignment criteria are not met.

External stakeholder feedback appears to be limited so far, in several cases simply because Taxonomy-alignment figures have not yet been published. Where feedback has been received, it tends to come from the assurance provider rather than from the market: A German mid-sized wave 2 company, for example,found that the early and regular exchanges with assurance providers were very valuable. ASTM Group has reported more concrete investor interest, in particular in connection with green bonds and loans.

Opportunities also vary with implementation maturity. Several respondents highlighted green financing instruments and the integration of sustainability considerations into investment decisions. Direct commercial benefits have not yet materialized for all organizations, but many respondents reported clear improvements in governance and in their internal understanding of Taxonomy-relevant activities.

> “From an operational perspective, the reporting process has created an opportunity to strengthen cross-functional data management and coordination across technical, sustainability, and finance functions.”
>
> **Fincantieri**

## Learnings for wave 2 companies from wave 1

The interviews reveal that respondents, regardless of their reporting maturity, face many of the same implementation challenges when applying the EU Taxonomy. Based on their practical experiences, six key lessons emerge that can help wave 2 companies improve implementation efficiency and unlock greater value from EU Taxonomy reporting beyond compliance.

### Start EU Taxonomy implementation early

Avoid treating Taxonomy reporting as a year-end compliance exercise. Begin Taxonomy-eligibility and Taxonomy-alignment well in advance and integrate Taxonomy considerations into investment planning and project design. For wave 2 companies, data collection needs to start on 1 January 2027, postponing it increases the risk of missing information and of issues with the assurance provider.

### Define a clear governance structure

Establish a governance model that clearly defines roles, responsibilities and escalation paths across all relevant functions. Strong cross-functional governance enhances accountability and supports a consistent application of Taxonomy requirements.

### Application of materiality

A cascading approach helps to avoid an unnecessarily granular assessment. Determining the denominator first provides the basis for applying materiality considerations in a targeted manner and for deciding to what level of detail the calculation needs to be performed. The 10 percent threshold and the OpEx exemption offer particular scope for efficiency in this context.

### Build assurance readiness from the outset

Systematic evidence management and early dialogue with the assurance provider go hand in hand. Documenting evidence on technical screening criteria centrally makes the reporting auditable, while early external feedback surfaces methodological gaps in time. Together, they reduce manual effort and the risk of rework shortly before the reporting deadline.



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# Conclusion and outlook


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Financial year 2025 was marked by a transition within EU Taxonomy reporting. Many companies in this year's sample decided to apply a newly introduced revised EU Taxonomy framework, containing several simplification measures. These simplifications had a measurable effect on the scope of reporting. The new 10 percent materiality threshold was widely used, the average number of reported activities decreased noticeably, and the revised templates were applied correctly by a significantly higher share of companies than the previous templates.

At the same time, the reported KPIs themselves remained broadly stable: eligibility and alignment levels, the ranking of the leading sectors and the persistent gap between eligible and aligned figures indicating the challenges to comply with alignment criteria are largely unchanged compared with the previous reporting period. The simplification therefore appears to reduce the effort required to prepare the disclosures rather than effecting the substance of what is reported.

Nevertheless, the first year of application also revealed areas in which practice is still developing. Some uncertainties in completing the new summary template and regarding the application of the 10 percent materiality threshold, diverging approaches to presenting the OpEx row where the OpEx materiality exemption was applied and partially missing qualitative explanations of non-material activities show that the interpretation of the revised requirements has not yet fully settled. As the materiality threshold shifts part of the assessment into the qualitative disclosures, the quality of these explanations will be decisive for the transparency and comparability of future EU Taxonomy reporting.

From financial year 2026 onwards, the revised framework becomes mandatory for all undertakings in scope. As a result, the effects observed in this study are likely to become more pronounced: the number of reported activities may decline further, materiality may further evolve to an established concept for EU Taxonomy reporting, and the comparability of disclosures should improve once all companies apply the same templates.

Further changes are already on the horizon. The draft amendments to the technical screening criteria of the Climate and Environmental Delegated Acts published in March 2026, as well as the consultations launched by the European Supervisory Authorities (ESAs) on the Disclosures Delegated Act, including possible revisions to the OpEx KPI, aim to simplify the EU Taxonomy framework further. Their final content, timing and applicability, however, are yet to be determined, so that companies will need to continue monitoring these developments closely.

At the same time, the group of reporting companies is changing. Wave 2 companies currently preparing their first EU Taxonomy disclosures enter the framework at a point at which it is less complex than it was for wave 1 companies, and they can build on several reporting cycles of practical experience. Whether the simplification of the EU Taxonomy ultimately translates into more meaningful disclosures that can support the ultimate goal of channelling financial investments into sustainable business activities will depend less on the number of data points reported than on how consistently companies apply the EU Taxonomy framework.

Early wave 2 adopters show that successful EU Taxonomy implementation requires moving beyond a year-end reporting exercise and embedding EU Taxonomy requirements into core business processes. Key learnings for companies preparing their implementation journey include starting early, establishing clear governance and assigning responsibilities to the right functions to ensure EU Taxonomy requirements are embedded efficiently across the organization. Equally important are robust evidence management processes and the early involvement of assurance providers to strengthen reporting quality and minimize rework. As reporting practices mature, companies that move beyond compliance and integrate the EU Taxonomy requirements into their core processes can improve reporting efficiency, enhance decision-making and capture value through better investment planning and sustainable financing opportunities.



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