

I. Submission – Climate Delegated Act (CDA)

Our organisation welcomes the European Commission's efforts to update and simplify the Climate Delegated Act, recognising the need for the Taxonomy to remain ambitious yet workable for real economy participants. Our joint submission reflects extensive analysis and concrete operational experience from Poland's largest industrial actors, including hydrogen producers, refiners, petrochemical companies, plastics manufacturers, energy system operators, CCS developers and critical raw material suppliers, as well as providers of modern transportation system such as air, rail, and road transport integrators. The position below enlists evidence-based examples and detailed technical considerations essential to ensuring the EU Taxonomy's effectiveness.

I. Mechanical and chemical recycling

This section refers to the economic activity "3.17 – Manufacture of plastics in primary form" included in Annex I of the Climate Delegated Act.

We would like to provide additional information on the current technical screening criteria for the manufacture of plastics in primary form, particularly the requirement for 100% mechanical or chemical recycled feedstock. This threshold is fundamentally incompatible with the real industrial processes. During chemical recycling, co-feeding of fossil and renewable feedstocks is technologically unavoidable to stabilise cracking processes, achieve necessary product properties and maintain operational reliability. The European definition of "recycling" under existing law prohibits free allocation ("free mass balance"), rendering 100% recycled-output production practically impossible. The binary interpretation under the CDA means that a process using 90% recycled feedstock—clearly aligned with EU circularity goals—would nonetheless be deemed non-aligned with the EU taxonomy law. This disincentivises substantial CapEx that would meaningfully increase recycled content (e.g., 60–80%), contradicting the progressive-improvement logic embedded in other EU legislation such as the Packaging and Packaging Waste Regulation (PPWR). The member companies strongly support introducing a proportionality mechanism, whereby only the recycled fraction is considered aligned or a minimum recycled content threshold is defined, following the approach used elsewhere in Taxonomy Annex I. Further, A revision of the feasibility of the TSC in this economic activity was recommended by the EU PSF in their March 2025 report¹.

II. Material recovery of non-hazardous waste using a chemical recycling process

Equally critical is the emerging need to incorporate "*Material recovery of non-hazardous waste using a chemical recycling process*" as a standalone Taxonomy activity. Current Taxonomy architecture fragments this activity across multiple categories (3.14, 3.17, and 1.1 under Annex II), failing to reflect the unique contribution of chemical recycling to circularity. Chemical

¹ Advancing Sustainable Finance: Technical Criteria for New Activities and First Review of the Climate Delegated Act, EU Platform on Sustainable Finance, March 2025.

recycling enables the recovery of high-quality secondary feedstocks from contaminated and mixed waste streams that mechanical recycling cannot process. It directly reduces environmental pressure by lowering landfilling and incineration and expanding the stock of secondary materials. Its climate benefits—including reductions of fossil feedstock use and end-of-life emissions—are well-established. Therefore, recognising this activity explicitly would align the Taxonomy with its own objectives of resource efficiency and climate mitigation.

III. Section referring to the economic activity “3.10 – Manufacture of hydrogen” included in Annex I of the Climate Delegated Act.

The CDA’s current greenhouse-gas thresholds for hydrogen production (requiring a 73.4% lifecycle GHG reduction, equivalent to 3 tCO₂e per tonne H₂) are inconsistent with broader EU legislation. RED III, the Gas Package and RFNBO rules use a 70% benchmark. Such discrepancies create operational uncertainty and could undermine investment in low-carbon hydrogen. Aligning thresholds across legal instruments is indispensable. Furthermore, attribution of downstream transport-related emissions to hydrogen producers may not be the most appropriate: producers have no control over the logistics chain, and requiring them to predetermine end-use locations would make CapEx planning technically impossible, forcing repeated restatements. The Taxonomy should clearly limit responsibility to emissions arising under the producer’s operational control.

IV. Carbon Capture and Storage (CCS)

This section refers to the economic activities related to the Carbon Capture and Storage included in Annex I of the Climate Delegated Act.

We believe that Carbon Capture and Storage (CCS) also requires systematic reconsideration. The CDA currently applies a 0.5% leakage threshold for CO₂ transport, which is unrealistically low in light of industrial performance data and would exclude viable CCS projects. Moreover, the Taxonomy omits a standalone category for “Capture of CO₂,” treating it only as a sub-requirement within certain specific industrial activities. This approach restricts CCS deployment beyond those sectors enumerated in the Delegated Act, contrary to the EU’s decarbonisation ambitions. A dedicated activity should be added to Annex I so that CO₂ capture can be recognised irrespective of sector or end-use. The complete omission of Carbon Capture and Utilisation (CCU) is also at odds with the EU industrial strategy and the development of synthetic fuels and green chemicals. The members of our organisation conclude that CCU should be eligible when environmental integrity is demonstrated. Furthermore, within the category of Professional, Scientific and Technical Activities, CCS is referenced exclusively under Activity 9.2 – “Research, development and innovation for direct air capture of CO₂,” which is limited solely to DACCS technologies. This narrow scope fails to reflect the broader spectrum of CCS solutions currently available. To ensure technological neutrality and alignment with the EU’s

decarbonisation objectives, other carbon capture and storage technologies, it follows naturally that – both established and emerging technologies – should likewise be included within this activity category.

V. Electricity and heat generation from fossil gaseous fuels

This section refers to the economic activities “4.29 – Electricity generation from fossil gaseous fuels”, “4.30 – High-efficiency co-generation of heat/cool and power from fossil gaseous fuels”, “4.31 – Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system” included in Annex I of the Climate Delegated Act

The CDA’s treatment of electricity and heat generation from fossil gaseous fuels (activities 4.29–4.31) also warrants reconsideration. These installations play a critical role in ensuring energy system stability, balancing intermittent renewables and maintaining heat supply in large district systems. The mandatory requirement to fully switch to renewable or low-emission gases by 2035 is incompatible with current projections. The European Court of Auditors has already warned that the EU’s renewable hydrogen targets are likely to be missed; renewable gases will face competing demand from heavy industry and transport, leaving limited volumes for power generation. Under these circumstances, imposing an absolute deadline will jeopardise security of supply. A more appropriate approach is to require plants to be technically adapted to renewable gases and to transition as these fuels become available at scale and competitive cost.

VI. Appendix C

This section applies to both, Appendix C of the Climate and Environmental Delegated Acts.

Experts of the member companies welcome the changes introduced to Appendix C, in particular the deletion of paragraph (f) bis, as the assessment previously required was excessively broad and disproportionate to the intended purpose of the DNSH principle. Nevertheless, several important challenges remain. We would like to reiterate that compliance with the REACH Regulation should, in itself, constitute sufficient demonstration that an activity does not cause significant harm to the Pollution Prevention and Control (PPC) objective. The existing REACH framework already ensures that risks stemming from hazardous substances are adequately assessed and controlled.

In this context, the heading of the relevant section could be amended to read: *“The activity does not lead to the manufacture, placing on the market, or presence in the final product or final output of:”*

The current wording inadvertently prevents Taxonomy alignment for manufacturing activities involving certain substances—such as chemical intermediates or precursors—that are essential for the transition to a sustainable economy and that meet both the substantial contribution and DNSH requirements, but which, for technical reasons, require the temporary use of restricted substances during the production process. The substances in question are not present in, nor do they come into contact with, the final product. Moreover, any related emissions are already

regulated under the DNSH criteria for the Pollution Prevention and Control objective, which refer to BAT-AEL values and thus ensure environmental safety. As a consequence, the current formulation imposes unnecessary and duplicative restrictions that exceed the scope and purpose of the DNSH principle. To address this, we propose amending paragraph (f) as follows:

*“substances, whether on their own, or in mixtures or in an article, in a concentration above 0,1 % weight by weight (w/w), and meeting the criteria laid down in Article 57 of Regulation (EC) No 1907/2006 and that were identified in accordance with Article 59(1) of that Regulation for a period of at least 18 months, except if it is assessed and documented by the operators that no other suitable alternative substances or technologies are available on the market and ~~that they are used under controlled conditions~~ **provided procedural and controlled technologies are used to minimise emission and any resulting exposure**”.*

This amendment would ensure a proportionate and coherent approach, avoid excluding sustainable industrial processes that rely on unavoidable intermediate substances, and ensure consistency with the established regulatory framework under REACH. It would more accurately reflect the principle of preventing significant harm rather than duplicating existing regulatory requirements.

Moreover, the concept of “controlled conditions” must be aligned with the strict definitions provided under REACH Regulation (Arts. 17–18), to avoid divergent interpretations. The recent Taxonomy FAQs published by the European Commission impose excessive documentation requirements that oblige operators to provide risk assessments at global scale for every restricted substance—an obligation far exceeding what is operationally feasible and providing minimal environmental benefit. Provisions should also clarify how undertakings are expected to report situations in which resources have already been committed to substituting critical or hazardous substances, but the substitution process has not yet reached full industrial implementation at the time of reporting. In such cases, companies may have initiated research, testing, pilot-scale deployment or preparatory investment, yet suitable alternative substances or technologies are not immediately available at commercial scale. To ensure a proportionate and realistic application of the DNSH principle, the existence of a credible substitution action plan—supported by clearly allocated financial and technical resources, defined milestones and a documented timeline—should be deemed sufficient for the activity to meet the DNSH criteria during the transition period. This approach would reflect the practical constraints of industrial transformation while preserving the environmental integrity of the Taxonomy framework.

VII. New Buildings and DNSH Requirements on Biodiversity Protection (CCM 7.1)

Following a thorough technical assessment, the experts of our member companies respectfully recommend removing the DNSH requirement under Activity 7.1 CCM/CCA that states: “*The new*

construction is not built on one of the following: (a) arable land and crop land with a moderate to high level of soil fertility and below-ground biodiversity as referred to in the EU LUCAS survey.”

In our view, when a project has obtained a legally binding decision issued under Directive 2011/92/EU (EIA Directive) and a valid building permit for the construction of a new building, requiring an additional assessment of soil quality or agricultural suitability is unnecessary and disproportionate. If the competent administrative authorities have already determined—through established land-use planning and environmental assessment procedures—that the area may be lawfully converted from agricultural land to building development, a further DNSH-based soil fertility assessment provides no additional environmental protection.

In such cases, compliance with the requirements set out in Appendix D of the Delegated Regulation should be considered sufficient to demonstrate adherence to the DNSH principle. The duplication of soil-assessment obligations risks creating administrative burdens without contributing to improved biodiversity outcomes.

VIII. Construction of Railway Infrastructure (CCM 6.14)

Under the current criteria for Activity 6.14 CCM, railway infrastructure may be excluded from Taxonomy alignment if it could be used for the transport or storage of fossil fuels. The experts of our member companies kindly suggest reconsidering and removing this requirement, as it may unintentionally hinder the development of rail infrastructure that delivers clear environmental benefits and supports broader EU decarbonisation objectives.

From an operational and legal standpoint, the infrastructure provider cannot exert effective control over the specific types of goods transported by future users of the infrastructure. Imposing such responsibility on the investor exceeds the realistic scope of their operational and business capabilities and would require a degree of monitoring and enforcement that is neither feasible nor proportionate.

Furthermore, rail transport represents the most environmentally efficient and sustainable mode of freight transport currently available. When the transport of fossil fuels remains objectively necessary during the transition period, shifting this transport onto rail infrastructure minimises environmental impact compared with other available modes. Excluding such infrastructure from Taxonomy eligibility could therefore inadvertently incentivise less sustainable transport solutions, which would be inconsistent with the broader objectives and targets of the European Green Deal and EU climate policy.

IX. Metals for the twin transition

Section refers to the Platform on Sustainable Finance Draft Report².

² Platform on Sustainable Finance draft report on activities and technical screening criteria to be updated or included in the EU taxonomy, 8 January 2025.

As part of the ongoing EU initiative to review the Environmental and Climate Delegated Acts under the Taxonomy Regulation, aimed at updating and simplifying the Technical Screening Criteria (TSC), one of the key producers of copper and silver in the European Union, wishes to underscore the importance of establishing realistic and technically robust qualification criteria. We believe that these criteria should be given a chance to be informed by robust and verifiable data, and calibrated to reflect the technological capabilities and operational realities currently observed across the sector, thereby ensuring that the framework remains both scientifically sound and practically implementable.

As Europe accelerates the electrification of transport, the expansion of renewable energy generation and the reinforcement of grid infrastructure, the demand for copper, silver and other critical metals is rising sharply. Accordingly, the mining, processing, refining and recycling of these materials are essential activities and should be treated as such within the EU Taxonomy framework. Our member experts are concerned, however, that the current Taxonomy criteria proposals may not fully capture the physical, technological and operational characteristics of copper production, nor the strategic role it plays in supporting the Union's decarbonisation and environmental objectives while ensuring its industrial resilience.

We understand that the EU Taxonomy is intended to guide and support sustainable economic activities within the European Union, thereby strengthening the Union's capacity to advance the green transition. It is therefore important to ensure that the framework does not inadvertently create incentives favouring imports from outside the EU, where production may be subject to different environmental standards, potentially increasing the risk of carbon leakage and diverting investment capital from EU-based operations, while reducing the level of quality and regulatory oversight. We would therefore kindly encourage further consideration of these aspects within the ongoing review.

Furthermore, we would like to highlight that, under the Critical Raw Materials Act (CRMA), copper has been unequivocally designated as a strategic raw material, with a secure and resilient supply recognised as fundamental to the European Union's energy, digital and industrial security, as well as its overall economic stability. The CRMA clearly emphasises the need for Europe to reinforce its capacities in the extraction, processing and refining of strategic metals in order to achieve the objectives of the energy transition and to reduce dependence on external suppliers. In this context, both the mining of copper ore and the metallurgical production of copper represent indispensable and interdependent components of the strategic value chain. Without these activities, the effective implementation of the CRMA's goals would not be feasible. We therefore respectfully submit that copper mining and copper smelting should be recognised as Taxonomy-aligned activities, as they underpin Europe's raw-materials security and are essential to the successful delivery of the Union's green transition objectives.

- a. Adjustment of the proposed GHG intensity indicator (significant contribution threshold)

Based on operational realities and the available industrial data, the currently proposed benchmark of 2.31 tCO₂e per tonne of contained copper (100%) does not reflect achievable performance under real-world conditions. We respectfully recommend aligning the reference value with empirically validated lifecycle assessment (LCA) results published by the International Copper Association (ICA). According to the *Copper Environmental Profile*, the global average GHG intensity for copper concentrate is 3.788 tCO₂e per tonne of 100% contained copper in concentrate. In light of this evidence, we consider that this value would provide a more appropriate and technically robust basis for the development of the Technical Screening Criteria (TSC).

b. Inclusion of polymetallic concentrates within the eligibility methodology

A GHG intensity indicator calculated solely on the basis of copper content results in the automatic exclusion of polymetallic concentrates, which naturally contain lower copper percentages while simultaneously providing other strategically important metals such as silver, gold and various critical raw materials. We respectfully recommend that the assessment methodology be adjusted to account for the specific characteristics of polymetallic concentrates, thereby ensuring that these essential materials are not inadvertently or unfairly disqualified from Taxonomy eligibility.

c. Use of full lifecycle assessment (LCA) as the methodological basis

The proposed indicators consider only Scope 1 and Scope 2 emissions, which does not accurately reflect the full carbon footprint associated with the production of copper concentrate. We therefore respectfully recommend the application of a comprehensive lifecycle assessment (LCA) methodology that encompasses the entire lifecycle of the product, in line with internationally recognised environmental datasets and established industry best practices.

d. Revision of the reference product definition from “copper ore” to “copper concentrate”

The current reference to copper ore is not aligned with the operational and material flow realities of the copper production value chain. Copper concentrate is the primary commercial product of the mining and processing sector, and it is for this product that carbon-footprint calculations and comprehensive environmental analyses are systematically conducted. We therefore respectfully recommend that the Technical Screening Criteria (TSC) refer exclusively to copper concentrate rather than to copper ore. This adjustment would ensure that environmental performance is assessed on the basis of reliable, widely used and market-relevant data, thereby enhancing the technical accuracy and practical applicability of the criteria.

e. Revision of the DNSH provision on water and marine resources

The current wording in Annex I, which considers an activity to be non-compliant with the DNSH requirement if its permit is based on a derogation granted under Directive 2000/60/EC (Water Framework Directive) or Directive 2008/56/EC (Marine Strategy Framework Directive), would in practice prevent compliance for operators acting fully within the scope of lawfully granted derogations. This concerns, in particular, installations operating under temporary derogations or under less stringent environmental objectives established due to specific natural or hydrological conditions, such as saline water inflows.

Such an approach does not take into account the compensatory and mitigation measures implemented by operators, nor does it reflect the legally recognised role of derogations within the EU environmental acquis. Derogations are an integral part of the regulatory framework and are designed to accommodate site-specific environmental realities. The current formulation therefore extends beyond the intended purpose of the DNSH principle, which is to prevent significant harm, not to penalise activities that comply with environmental permits and assessments issued by the competent European authorities.

We respectfully propose revising this criterion so that activities operating under a legally granted derogation are considered DNSH-compliant where environmental and chemical status assessments demonstrate no deterioration status of the relevant water bodies.

In light of the above, we kindly request that the Commission take these considerations into account and incorporate the proposed amendment into the Technical Screening Criteria and the corresponding DNSH assessment framework.

These adjustments are essential to ensure that the EU Taxonomy adequately reflects the strategic role of mining in supplying the critical materials required for Europe's decarbonisation, while simultaneously upholding environmental integrity and maintaining coherence with the wider EU regulatory framework.

X. Other general comments

Section refers to both, Climate and Environmental Delegated Acts.

Greater flexibility in the application of technical screening criteria is essential to ensure that the EU Taxonomy can be implemented in a pragmatic and operationally feasible manner. The criteria should account for the characteristics of entire value chains, cost efficiency considerations and the role of transitional technologies that support decarbonisation while remaining technologically or economically indispensable. A more flexible approach—allowing, for example, technical requirements that reflect progressive environmental performance improvements—would broaden the practical applicability of the Taxonomy and enhance its relevance both within and beyond the EU.

It is worth considering whether the scope of eligible economic activities should also be expanded to include activities with substantial decarbonisation potential, particularly within the oil and gas processing sector. Oil and gas will continue to form part of the EU energy mix for decades, and natural gas is explicitly recognised as a transitional fuel in EU legislation. Properly reflecting this reality in the Taxonomy would support genuine circularity and emissions reduction efforts already underway in the sector. Broader eligibility would reduce barriers to investment, encourage innovation and ensure that the transition progresses in a technologically realistic and economically rational manner.

At the same time, the ongoing updates to the Taxonomy and its delegated acts should not impose stricter requirements on technologies that directly contribute to decarbonisation, particularly those at early stages of market maturity. This includes low-emission and renewable hydrogen production—especially electrolysis—as well as the manufacture of hydrogen-related equipment and hydrogen storage infrastructure. Increasing the stringency of the criteria risks raising costs for Taxonomy-aligned technologies, slowing their deployment and delaying their ability to replace carbon-intensive alternatives. The same caution applies to activities supporting clean hydrogen development, such as the extraction and processing of metals essential for producing electrolyzers and fuel cells. Overly restrictive criteria for these enabling activities could undermine the EU’s hydrogen and industrial decarbonisation strategies.

In relation to Appendix A, it is important to introduce the possibility of grouping assets when assessing physical climate risks. Allowing collective analysis of homogeneous asset classes—taking into account their geographical characteristics—would improve consistency, reduce administrative burden and reflect established risk assessment practices.

More broadly, we would like to encourage the European Commission to assess whether analyses required under Appendices A, B, C and D should not be conducted at an appropriate level of materiality. Highly detailed assessments should not be mandatory where they offer limited additional value relative to their cost and administrative effort. Focusing on the most significant aspects, or the largest and most material components of an activity, would ensure proportionality. Introducing a “*comply or explain*” mechanism for these assessments could further enhance practicality while maintaining environmental integrity.

It is also necessary to clarify the principles governing the validity and renewal of specialist documentation required to demonstrate compliance with technical criteria, such as lifecycle greenhouse gas emissions verified by independent entities. In most cases, the underlying technologies, processes and raw materials remain stable over time; requiring frequent updates of such documentation imposes unnecessary burdens without delivering corresponding environmental benefits.

Finally, it is important to highlight that, based on practical experience with the EU Taxonomy in recent years, its contribution to transforming the economy towards greater competitiveness and environmental sustainability, we sadly conclude, remains limited. For many companies, the administrative burden and resource requirements associated with demonstrating Taxonomy

alignment significantly outweigh the financial benefits, which often amount to only marginal improvements in financing conditions. The uncertainty surrounding tangible economic incentives for alignment reduces the motivation for companies and investors to pursue Taxonomy-compliant pathways. It could be considered whether allowing partial compliance—particularly where demonstrating certain DNSH criteria is technically infeasible or disproportionate—could be an important step towards simplifying the regulatory framework and enhancing its practical relevance and uptake.

Through these detailed recommendations, our organisation seeks to support the European Commission in ensuring that the revised Climate Delegated Act remains environmentally ambitious while firmly grounded in technological feasibility and economic practicality. A balanced and realistic framework is essential to enable industry to mobilise the substantial investments needed for Europe’s climate transition and to do so at the earliest feasible stage.