Accountancy Europe welcomes the opportunity to provide the accountancy profession's input to the European Commission's (EC) call for evidence on the EU Taxonomy Climate and Environmental Delegated Acts' technical screening criteria's practical implementation, including the Do No Significant Harm (DNSH) criteria.

We support the Taxonomy's objectives and recognise its key role in improving the consistency and reliability of sustainability information to allocate capital to more sustainable economic activities. Based on our engagement with preparers and assurance providers, we see several areas where clearer guidance would make the DNSH criteria easier to use, obtain assurance on and less burdensome for stakeholders.

We encourage the EC to link the DNSH ambition more clearly to existing EU environmental law. In some cases, DNSH provisions require documentation or assessments that go beyond current legal obligations e.g. additional requirements under REACH (Regulation No 1907/2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals) or the Environmental Impact Assessment (EIA) Directive (Directive 2011/92/EU on the assessment of the effects of certain public and private projects on the environment) and related provisions). Aligning DNSH expectations with established legal frameworks would support proportionality, reduce interpretation differences, and improve consistency across activities. In our view, such an approach would not undermine the high threshold and ambition level, already established by the 'substantial contribution' criteria for taxonomy alignment, as companies complying with EU environmental law should be considered not to be significantly harming any of the six environmental objectives.

Another fundamental issue concerns the scope and depth of climate risk and vulnerability assessments (CRVA). While the Climate DA Appendix A sets out the conceptual framework, preparers still face uncertainty about how far assessments should go, e.g. across locations, assets, or value-chain elements, and how to determine the relevant unit of account, particularly for service-based activities. Clearer guidance or illustrative examples in the binding legal text on the scope, depth and procedures of the analysis would help foster a common understanding.

Where DNSH criteria refer to EU directives, e.g. the Climate DA Appendices B and D, preparers often lack clarity on the specific evidence expected, especially when an EIA is not legally required. More specific references in the binding legal text and, where possible, relevant data sources would improve the operationalisation and assurance of these criteria.

Guidance is also needed on how the DNSH criteria that are based on EU law are to be applied outside the EU. Large multinational groups need a coherent approach for non-EU operations; recognised international certifications could support equivalence assessments.

Some DNSH criteria require verification of matters outside the reporting entity's control, such as how manufactured equipment is used by customers. We suggest focusing DNSH requirements on attributes that entities can directly demonstrate, such as technical specifications within the boundaries of the entities' control.

Finally, several DNSH criteria still contain ambiguous or open-ended terms, which lead to divergent interpretations and complicate assurance (see a few examples in the table below; the list is not exhaustive). Targeted clarifications in the binding legal text, without altering the underlying policy intent, would materially strengthen the reliability, comparability and, not least, verifiability of Taxonomy information.

Activity No.	**Activity Name**	**DNSH Objective**	**Short DNSH Excerpt**	**Why It Is Vague for Assurance**	**Legal Citation**

3,5	Manufacture of energy-efficiency equipment for buildings	Circular economy	"Assesses availability of and, where feasible, adopts techniques…"	"Assesses" and "where feasible" undefined; no threshold for reuse/recyclability	Annex I, 3.5, DNSH (4)
4,1	Solar PV electricity generation	Circular economy	"Uses components of high durability and recyclability… easy to dismantle."	Undefined "high durability", "easy", "feasible"	Annex I, 4.1, DNSH (4)
4,3	Wind power	Water	"Does not hamper environmental status" (MSFD)	"Hamper" undefined; depends on external MSFD descriptors	Annex I, 4.3, DNSH (3)