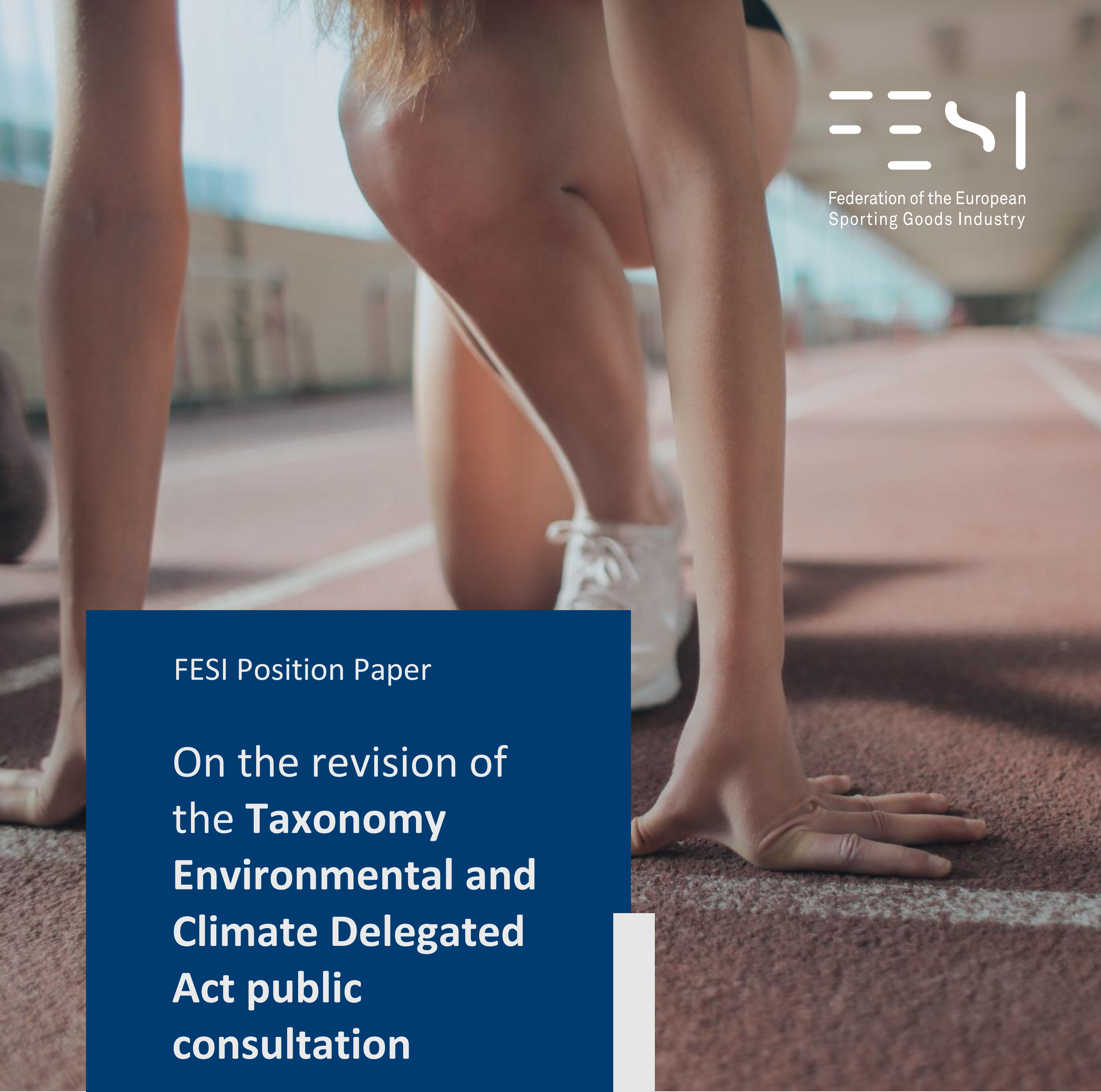

Federation of the European Sporting Goods Industry

FESI Position Paper

# On the revision of the **Taxonomy Environmental and Climate Delegated Act public consultation**

## To update and simplify technical screening criteria

March 2026

**SUMMARY**

1. **Align criteria with real business activities**
2. **Adapt criteria to global operations**
3. **Simplify the Do Not Significant Harm (DNSH) criteria**
4. **Exempt companies with minimal eligible turnover**



## Introduction

FESI welcomes the Commission's intention to revise and simplify the technical screening criteria of the Taxonomy Environmental and Delegated Acts. This revision offers an opportunity to make the Taxonomy more usable and proportionate for our sector. Currently, after four years of reporting, Taxonomy alignment in sporting goods remains close to zero, while companies face complex DNSH requirements, misaligned data needs and disproportionate reporting burdens.

We therefore welcome the simplification of the framework, but also encourage the Commission to focus on criteria that reflect real business activities, and ensure that future requirements are workable for globally operating companies and SMEs.

## 1. ALIGN CRITERIA WITH REAL BUSINESS ACTIVITIES

**Current irrelevance of Taxonomy for the sporting goods sector**

Most core activities in the sporting goods sector (apparel, footwear, equipment) remain outside the scope of Taxonomy-aligned activities.

After four years of reporting, eligible turnover remains close to zero, interactions with investors have not changed, and the Taxonomy has not influenced business models or investment decisions. The framework therefore imposes disproportionate reporting obligations with limited relevance for companies in our sector.

There is growing interest in expanding the Taxonomy to new sectors, including textiles and sporting goods. Yet the current framework does not fully reflect the specific characteristics of our industry (such as durability, circular business models and material innovation) nor does it provide practical tools for SMEs, which represent the majority of our member base.

**Solution:**

The revised Delegated Acts should reflect the principal business activities and operational realities of companies, ensuring criteria focus on activities that genuinely occur in our sector. Any future expansion should be co-designed with industry experts and supported by sector-specific guidance, transition pathways and SME-friendly tools. This will ensure that the Taxonomy becomes more relevant, practical and supportive of the sporting goods sector's actual contribution to sustainability.

## 2. ADAPT CRITERIA TO GLOBAL OPERATIONS

**Misalignment of criteria and unavailable data**

Key data required under the Taxonomy is often unavailable or misaligned with how companies operate. For instance, the criteria frequently refer to EU-specific building standards, while many sporting goods companies operate internationally, making these references difficult or impossible to apply.

**Solution:**

The Commission should revise and simplify requirements so they reflect data that companies can reliably access and report. Where possible, criteria should rely on internationally used standards or allow alternative evidence that is workable for globally active companies.

## SIMPLIFY DNSH CRITERIA AND FOCUS ON WHAT COMPANIES CAN INFLUENCE

One of the biggest barriers is the "Do No Significant Harm" (DNSH) criteria, which are too complex and often concern factors companies cannot directly control. For example, a company may electrify its fleet but still fail DNSH due to highly technical tyre specifications. This undermines usability and proportionality.

**Solution:**

We strongly support revising DNSH by:

- focusing on areas companies can realistically influence (chemicals, water, energy, waste) and aligning DNSH with existing and future EU legislation (REACH, ESPR delegated acts for textiles);
- recognising established certifications (OEKO-TEX, GOTS, Better Cotton, ISO 14001) as acceptable proof of compliance;
- introducing tiered or transitional approaches to avoid penalising companies at earlier stages of progress;
- creating practical templates or checklists — especially for SMEs — to clarify what evidence is needed.

## 3. EXEMPT COMPANIES WITH MINIMAL ELIGIBLE TURNOVER

**Insufficient proportionality and unclear exemptions**

While this Delegated Act may not aim at addressing scope specifically, future revisions of the Taxonomy should consider fully exempting companies with minimal eligible turnover.

The Commission's adopted exemption for companies with less than 25% Taxonomy-eligible revenue does not sufficiently address proportionality concerns and is open to different interpretations. For companies with close-to-zero eligible turnover, the reporting burden is significant despite negligible relevance for financial markets.

**Solution:**

Companies generating minimal or no Taxonomy-eligible revenue should be fully exempt from reporting obligations. This would align with the Commission's stated aim of reducing administrative burden, improving usability, and ensuring proportionate requirements across sectors.

Founded in 1960 FESI - the Federation of the European Sporting Goods Industry represents the interests of approximately 1.800 sporting goods manufacturers (85% of the European market) through its National member Sporting Goods Industry Federations and its directly affiliated companies. 70-75% of FESI's membership is made up of Small and Medium Sized Enterprises. In total, the European Sporting Goods Industry employs over 700.000 EU citizens and has an annual turnover of some 81 billion euro.

---

**FESI – Federation of the European Sporting Goods Industry**

Rue Marie de Bourgogne 52, B-1000 Brussels

+32 (0)2 762 86 48

info@fesi-sport.org

www.fesi-sport.org