



KPMG
Sustainable
Futures

**CDP Ireland Network -
EU Taxonomy Breakfast Session**
Thursday, 6th March 2025



What's ahead...

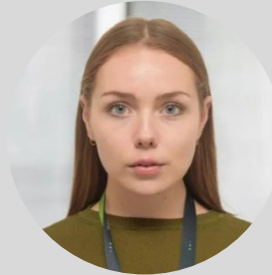
Section		Speaker	Timeline
	Networking/breakfast		09:00 – 09:30
	Opening address	Mark Bennet, Clearstream	09:30 – 09:35
1	Omnibus Update	Sarah Moran, KPMG	09:35 – 09:45
2	EUT Logic & Process	Sarah Moran, KPMG	09:45 - 10:00
	Eligibility Screening	Ellen Cunningham, KPMG	10:00 – 10:15
	Alignment Assessment	Ellen Cunningham, KPMG	10:15 - 10:30
	KPI Calculation	Ciaran O'Donnell, KPMG	10:30 - 10:45
3	Sector Focus	Sarah Moran, KPMG	10:45 - 10:55
	Closing address	Mark Bennet, Clearstream	10:55 - 11:00
	Networking/ coffee		11:00 – 11:30

With you today



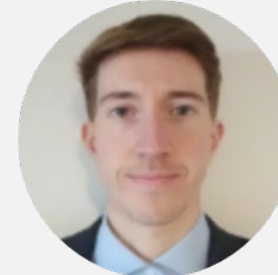
Sarah Moran

Director, ESG
Advisory Lead,
KPMG Sustainable
Futures



Ellen Cunningham

Associate Director,
KPMG Sustainable
Futures



Ciarán O'Donnell

Manager, KPMG
Sustainable Futures

The KPMG logo is positioned in the top left corner. It consists of the letters 'KPMG' in a bold, white, sans-serif font, with each letter contained within a white-outlined square. The background of the entire image is a dark blue gradient with a network of white lines and nodes, overlaid on a photograph of a road with a car. Various icons representing technology, environment, and business are scattered across the network.

KPMG

1.0

Omnibus update

ESG Reporting feels like a roller coaster ride...



Omnibus – the proposed changes

What could change?

Timing

Stop the Clock
 CSRD Wave 2 deferred
 for 2 years
 CS3D deferred for 1 year
 to July 2028

Scope

New thresholds for CSRD
 >1000 employees AND
 >€50m turnover OR >€25m assets
 EUT only mandatory if 1000
 employees AND >€450m turnover

Requirements

Revised ESRS
 (within 6 months of entry into force of
 proposal COM (2025)81)

Revised EUTDA
 (4-week consultation)

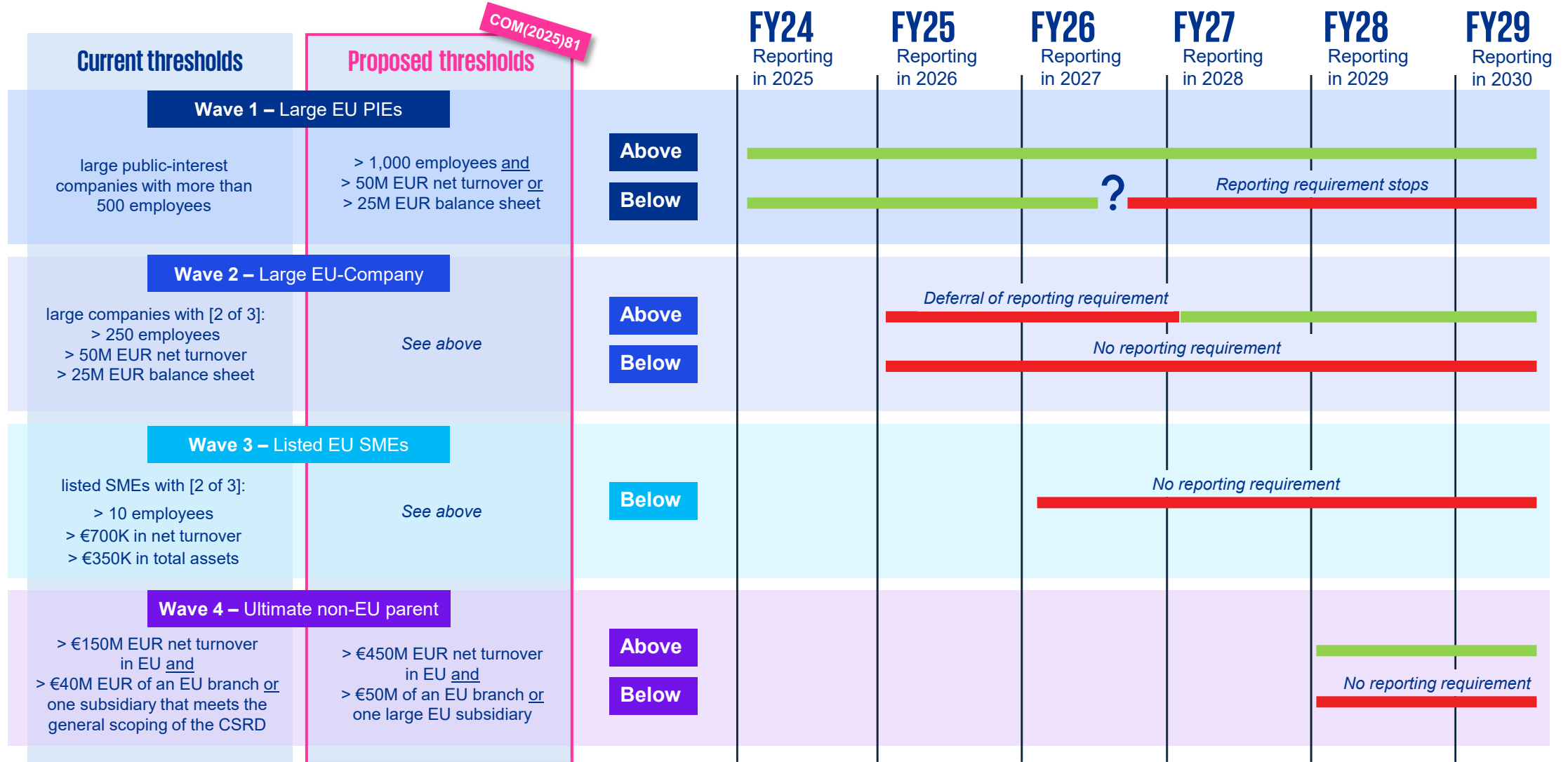
By when?

Adoption by the member states by
 the end of 2025 (“urgent procedure”)
COM(2025)80







L1 (CSRD Directive)
 EU Parliament/Council - must agree
COM(2025)81

L2 (Delegated Regulations)
 EU Parliament/Council - period to
 object only

Scoping and timeline changes



Omnibus changes also affect the CSRD beyond scoping

	Current requirements by the CSRD	Proposed key adjustments by the Commission
 Sector-specific information	Mandatory sector-specific reporting standards	Removal of mandatory sector-specific standards
 Reporting of value chain information	Companies required to obtain data from all suppliers	Cap on value chain information to avoid “trickle-down”
 ESRS	Full set of ESRS (subject to materiality)	Planned revision of ESRS: fewer data points, focus on quantitative data, data points to be made voluntary
 Standards for small and medium enterprises (SMEs)	<ul style="list-style-type: none"> – Non-official or -binding voluntary SME (VSME) standard provided by EFRAG – Listed SME standards for companies in Wave 3 	<ul style="list-style-type: none"> – Revised VSME to be adopted as a Delegated Act; Commission to issue recommendation on voluntary reporting as soon as possible – LSME standards removed
 Double materiality assessment	Required (both financial and impact materiality)	Remains required
 Assurance obligations	<ul style="list-style-type: none"> – Limited assurance required – Plans to transition to reasonable assurance – Adoption of standards for sustainability assurance by 2026 	<ul style="list-style-type: none"> – Limited assurance requirement remains – Reasonable assurance requirement removed – Targeted assurance guidelines to be provided by 2026, encompassing standards to follow

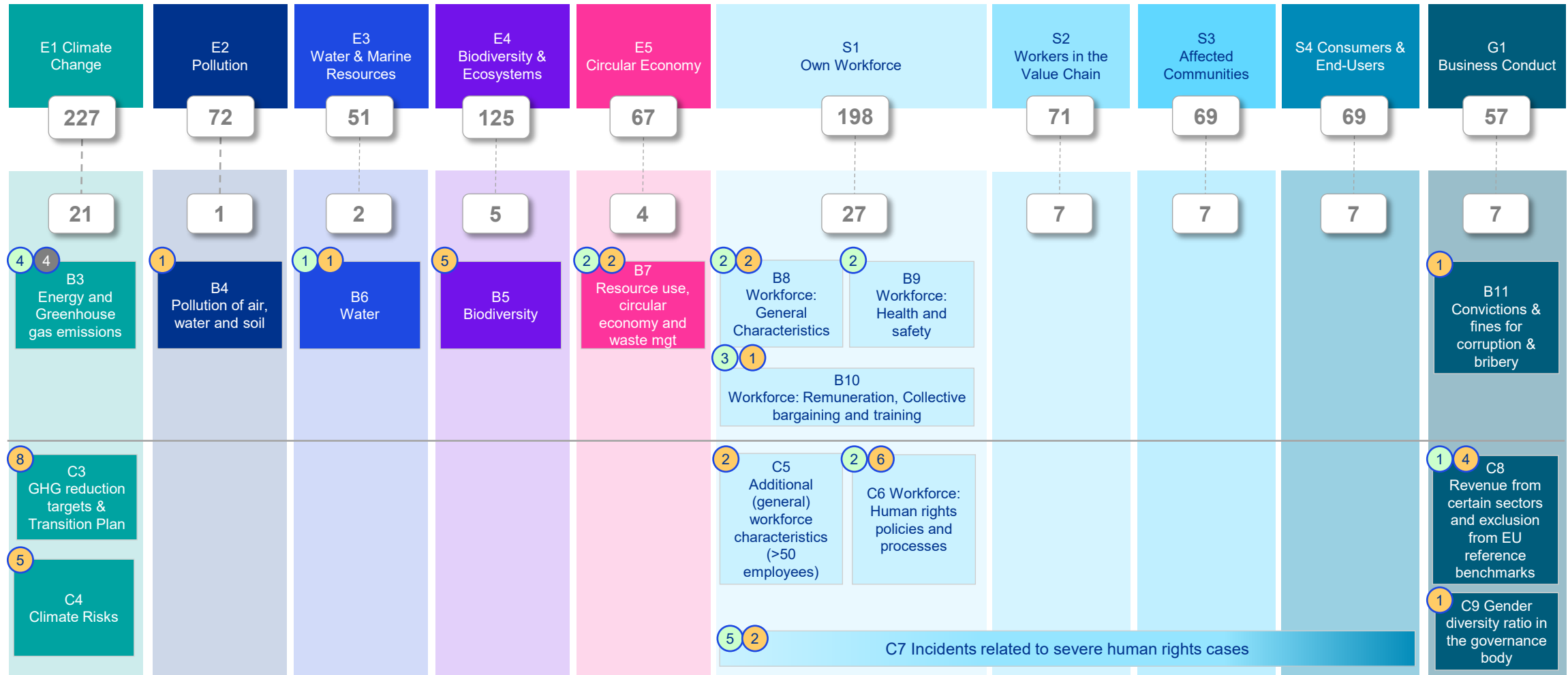
VSME on a page – from ~1000 to ~100 datapoints

Continuing your efforts in answering to information needs of internal and external stakeholders you may leverage on the VSME standard. There is an opportunity to build on the applicable reporting guidelines from both the Basic and Comprehensive module to address all information needs all together.

CSRD








VSME BASIC

VSME COMP.

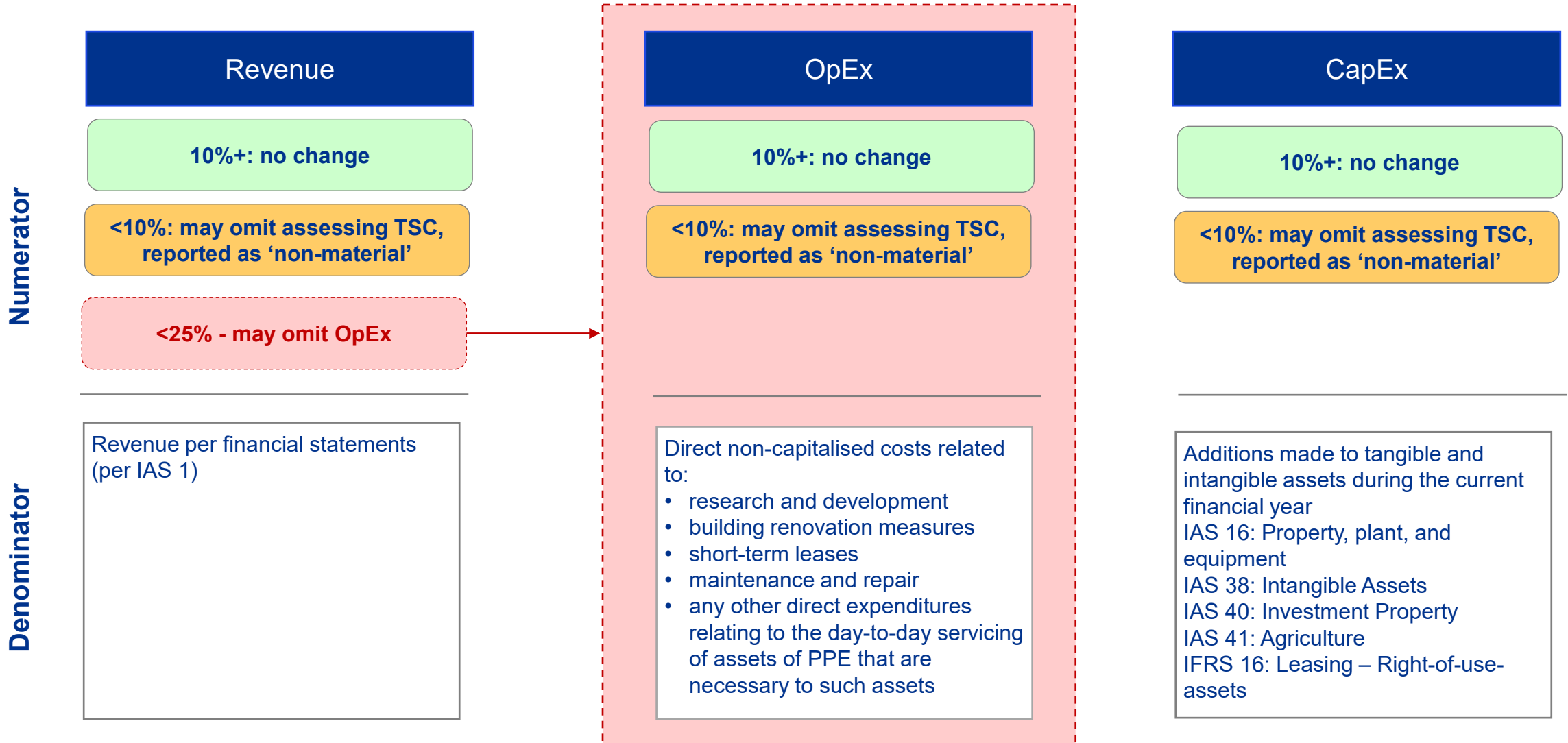


Omnibus: EU Taxonomy is affected in terms of scope and content

Proposed key adjustments by the Commission

	Scoping	<ul style="list-style-type: none"> – Full reporting: More than 1,000 employees and above €450M net revenue – Voluntary reporting: Companies in adjusted CSRD scope but below €450M net revenue that want to claim that their activities are taxonomy-aligned
	Simplification for voluntary reporters	May omit OpEx KPI altogether and report partial alignment on revenue and CapEx to demonstrate progress
	Materiality	Option to omit reporting on activities that make up less than 10% of total turnover, CapEx or OpEx
	OpEx	Optional reporting for activities that contribute less than 25% of the company's turnover
	Do-no-significant-harm criteria	Revision of DNSH criteria for pollution prevention and control
	Reporting template	Reduction of data points by around 70%
	KPI for financial institutions	<ul style="list-style-type: none"> – Exclusion from exposures to non-CSRD counterparties from GAR denominator – Postpone initial application of some reporting templates from 2025 to 2026 reporting period

EU Taxonomy Materiality Thresholds





2.0

EUT Logic & Process



What is the EU Taxonomy?

The **EU Taxonomy** is a classification system establishing a list of environmentally sustainable economic activities as a basis for additional disclosure requirements.

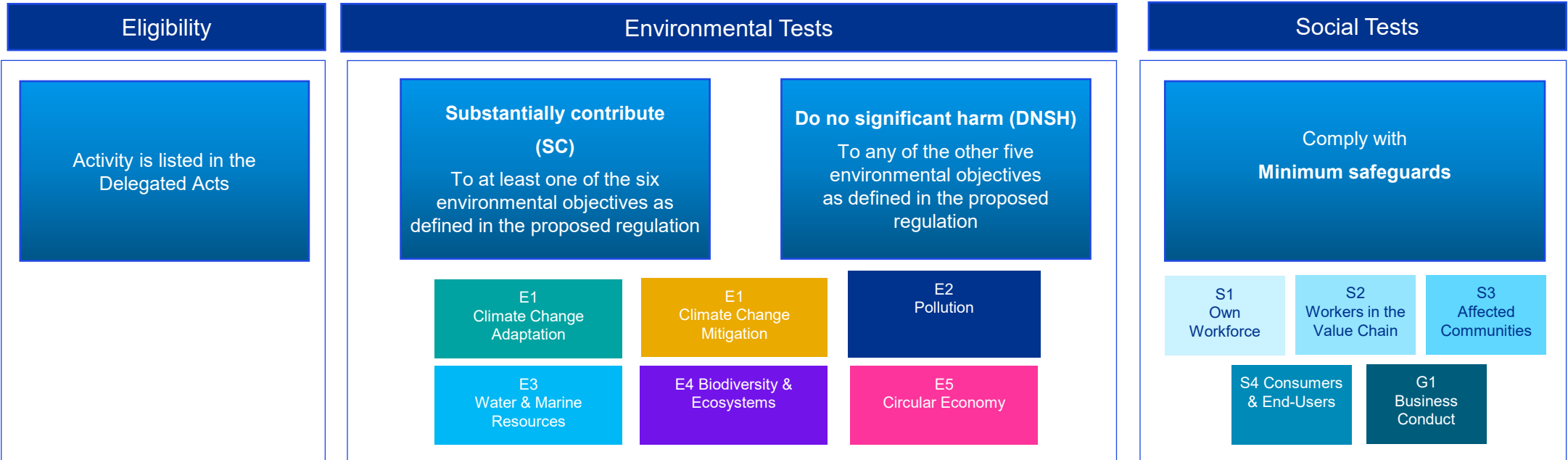


New reporting requirements under the EU Taxonomy Regulation 2020/852

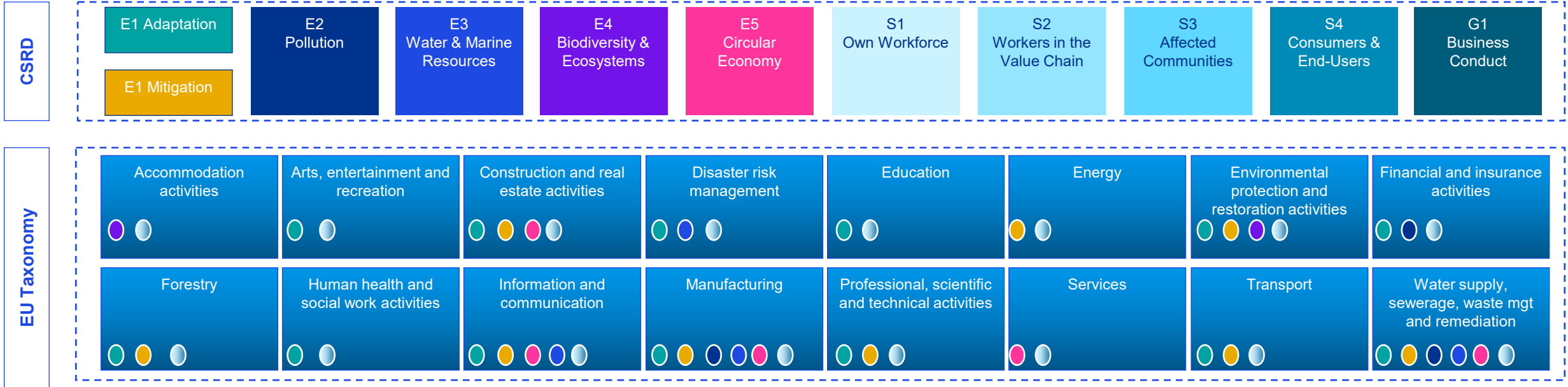
WHO?	FROM WHEN?	WHY?	WHAT?	WHERE?	HOW?
<ul style="list-style-type: none"> Since 2021, large and listed entities within scope of NFRD. From 2024, large EU companies within CSRD scope, based on total assets, net turnover and employees. Certain non-EU companies are also included from 2028. <p>Omnibus proposed changes</p>	<ul style="list-style-type: none"> On a phased in basis, depending on the type of entity, for financial periods beginning on or after 1 Jan 2024. Reporting for non-EU parents will begin from 1 Jan 2028. <p>Omnibus proposed changes</p>	<ul style="list-style-type: none"> Increase comparability of environmental sustainability between business models and assets Promote effective capital allocation for sustainable development according to the EU Action Plan 	<ul style="list-style-type: none"> Quantitative Taxonomy-KPIs: % of Turnover, CapEx and OpEx from Taxonomy-Eligible (potentially sustainable) and Taxonomy-Aligned (actually sustainable) activities Qualitative disclosures to contextualize KPIs <p>Omnibus proposed changes</p>	<ul style="list-style-type: none"> Undertakings are required to disclose information within predefined templates, within a clearly identifiable dedicated section of the management report. 	<ul style="list-style-type: none"> EU member states must incorporate the CSRD provisions in national law. Member states may add provisions but cannot eliminate or soften any of the CSRD requirements.

Functional logic of the EU Taxonomy

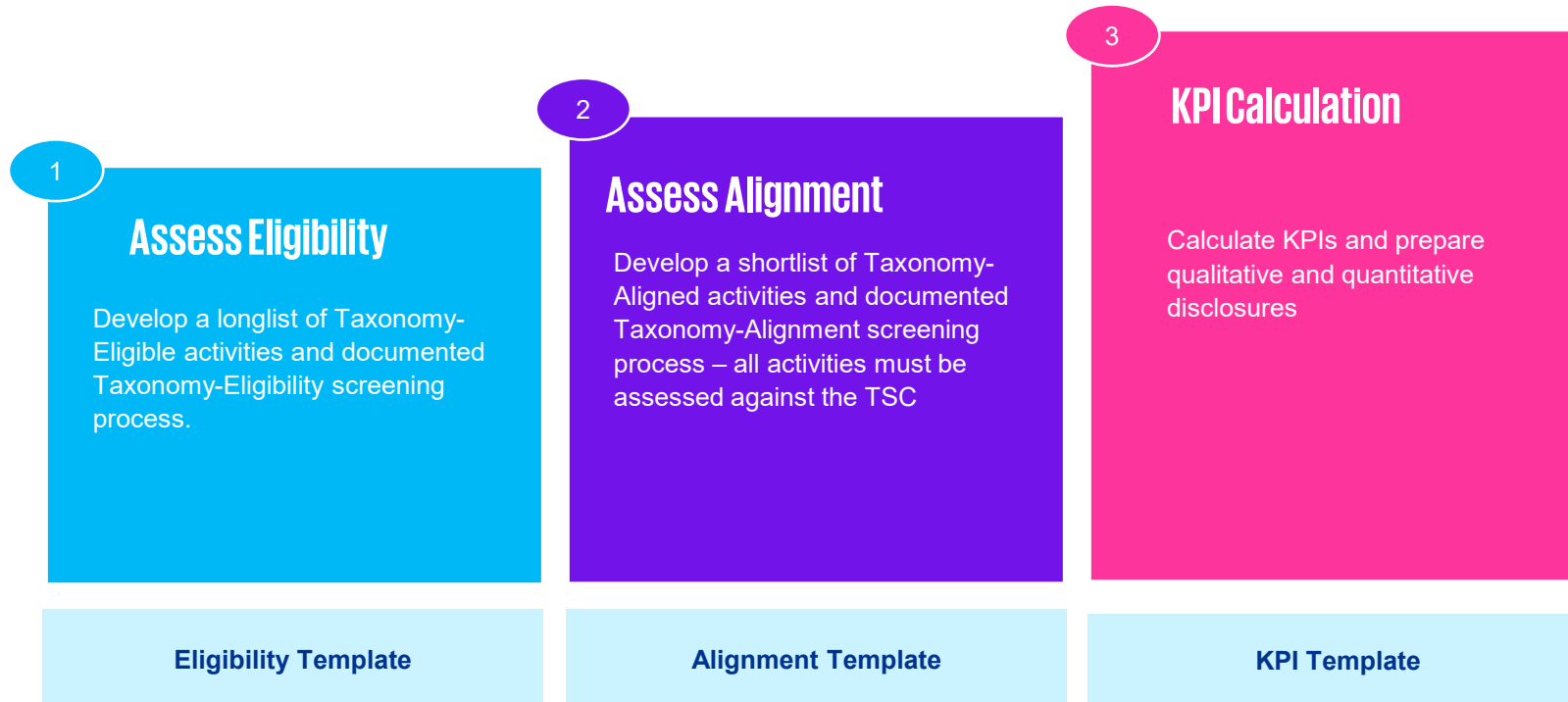
The EU Taxonomy does not require companies to make activities sustainable, instead it aims to provide **transparency** on what is and what is not sustainable, with reference to **scientific testing criteria** referred to as Technical Screening Criteria (“TSC”).



How the pieces fit together...



EUT Assessment Process





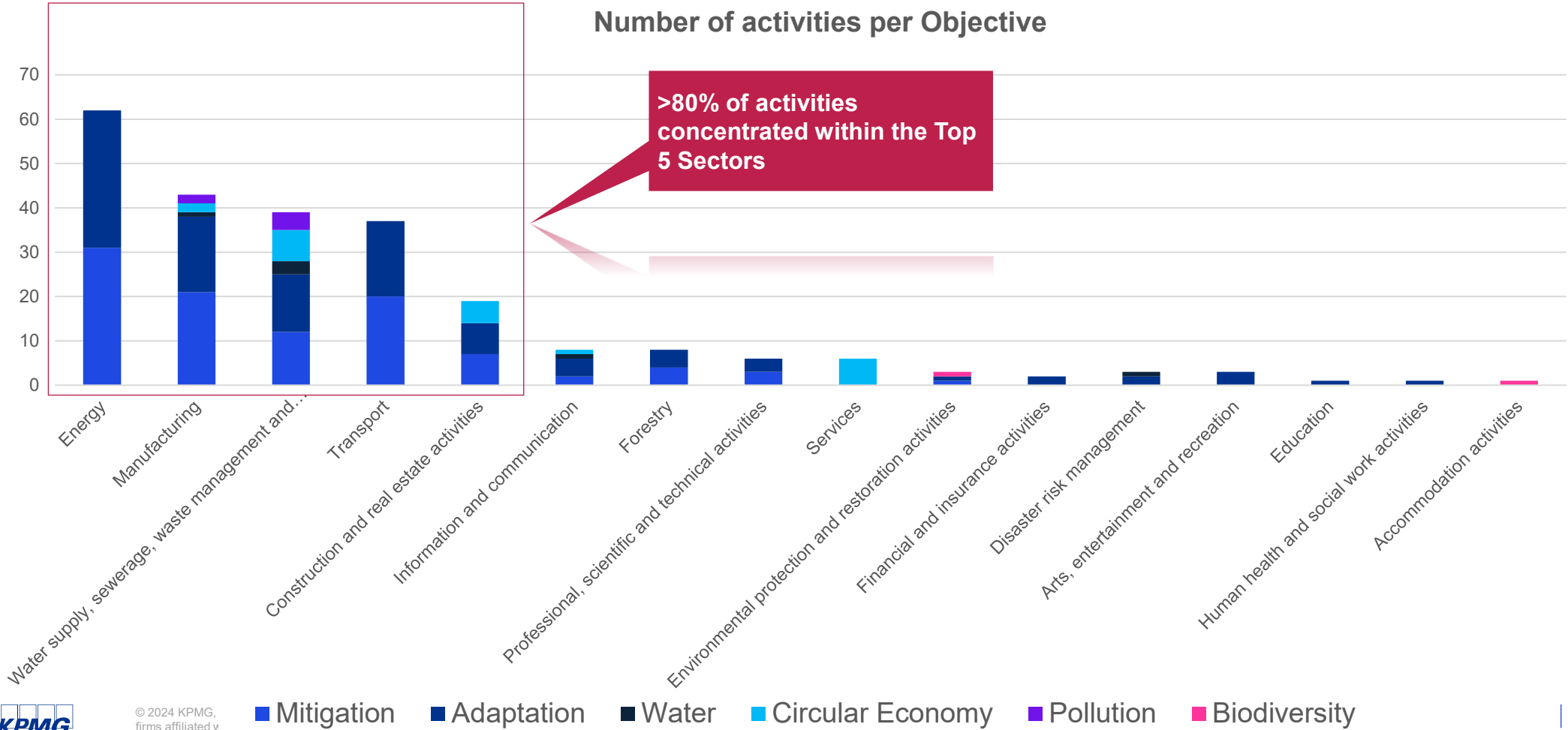
Step 1

Assess Eligibility



What activities are currently accommodated within EU Taxonomy?

Activities are categorised into sectors and distributed across each of the six environmental objectives within the EU Taxonomy. The same activity can exist within different objectives, however, different testing will apply to meet TSC.





Eligibility Assessment Template: Which activities are relevant to your business?

Does the activity meet the legislative description?

Overview economic activities

Dec-24

Columns E-J automatically display the "Potentially Eligible Results" from the worksheets. Dark grey cells indicate, that the economic activities are not part of the respective annex.

Columns L automatically display the description of Mastercard's activity from the worksheets.

Environmental Objective										
ID (climat)	Economic Activity	Potentially eligible KPMG Evaluation	Climate Change Mitigation	Climate Change Adaptation	Water and Marine Resources	Circular Economy	Pollution Prevention & Control	Biodiversity & Ecosystem	Description of company activity	
6.5	Transport by motorbikes, passenger cars and light commercial vehicles	Potentially	Potentially	Potentially	[Dark grey area]	[Yellow area]	[Dark grey area]	[Dark grey area]	[Dark grey area]	
7.2/3.2	Renovation of existing buildings	Potentially	Potentially	Potentially						
7.3	Installation, maintenance and repair of energy efficiency equipment	Potentially	Potentially	Potentially						stalls energy efficient equipment in its new buildings (Green Buildings)
	Installation, maintenance and repair of charging									

Methodology Dashboard Climate Change Mitigation Climate Change Adaptation Water & Marine Resources Circular Economy Pollution & Preventi...

ready 8 of 165 records found Accessibility: Investigate





Step 2

Assess Alignment



What are the steps towards Alignment...

Alignment Criteria		
Substantial Contribution	Meeting screening criteria relevant to the environmental objective	
DNSH – Adaptation	Climate Risk Assessment to determine resilience of activity to our already changing climate	Appendix A
DNSH – Water & Marine	Identify and address environmental degradation risks related to water quality and water stress	Appendix B
DNSH – Pollution	Activity must not involve the manufacture, market placement, or use of harmful substances	Appendix C
DNSH – Biodiversity	Conduct an Environmental Impact Assessment to determine impact and address impacts identified	Appendix D
Minimum Safeguards	Meet certain minimum governance standards and do not violate social norms, including human rights and labour rights	PSF ¹ Guidance

1. There are common DNSH tests which can typically be applied for Adaptation, Water & Marine, Pollution and Biodiversity objectives, as set out in Appendices A-D. In all other cases, activity-specific tests are applied. / 2. Platform on Sustainable Finance

Entity-level assessment: Minimum Safeguards

Guidance issued by the Platform on Sustainable Finance in July 2022 has clarified the criteria to comply with minimum safeguards as set out in the EU Taxonomy – requiring presence of an adequate HRDD process, coupled with absence of conviction or failure to engage with relevant authorities.

Current Guidance



4 core topics

- 1 Human rights (incl. labour & consumer)
- 2 Corruption
- 3 Taxation
- 4 Fair competition

2 assessment criteria

- Positive Criterion
HRDD process in place
- Negative Criterion
Certain impacts/events not to have occurred

4 indicators of non-compliance

- 1 Inadequate or non-existent corporate DD processes on human rights, including labour rights, bribery, taxation, and fair competition
- 2 Final conviction of companies in court
- 3 Lack of collaboration with a NCP²/ assessment of non-compliance with OECD guidelines by an OECDNCP
- 4 Non-response to allegations by the BHRRC³



Activity level Assessment: Do your activities pass the TSC?

Activity Ref	Name
6.5	Transport by motorbikes, passenger cars and light commercial vehicles
7.3	Installation, maintenance and repair of energy efficiency equipment
7.7	Acquisition and ownership of buildings



Step 3

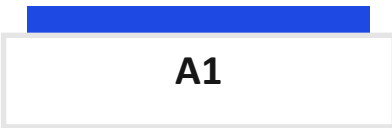
KPI Calculation



KPI Calculation Template – Start with Denominator

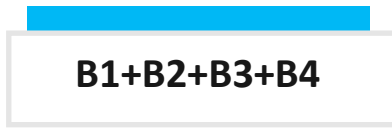
Turnover KPI

Of which Eligible?



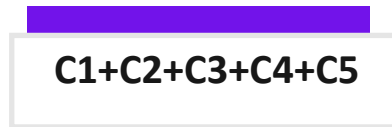
CapEx KPI

Of which Eligible?



OpEx KPI

Of which Eligible?



Component	FY24 Amount	Source
Total Net Sales	A1	FY Trial Balance

Component	FY24 Amount	Source
Additions to PPE	B1	FY Trial Balance / PPE Schedule
Additions to ROU Assets	B2	FY Trial Balance / Lease Schedule
Additions to Intangible Assets (excl. goodwill)	B3	FY Trial Balance
Additions to Investment Property	B4	FY Trial Balance

Component	FY24 Amount	Source
Maintenance & Repair	C1	FY Trial Balance
Short-Term Lease	C2	FY Trial Balance
Building Renovation Measures	C3	FY Trial Balance
Research & Development	C4	FY Trial Balance
Other Direct Costs	C5	FY Trial Balance

Turnover KPI definition

Key Definition of Turnover*	
Turnover	
Numerator	Net turnover derived from products or services (including intangibles), associated with Taxonomy-aligned activities.
Denominator	Total net turnover , that shall cover the revenue recognized according to IAS 1 paragraph 82 (a); Net sales

*Source: Delegated Act on article 8 (Regulation (EU) 2021/2178)



CapEx KPI definition

Key Definition of CapEx*	
CapEx	
Numerator	<p>The numerator shall include the part of the capital expenditure that is:</p> <ul style="list-style-type: none"> • related to assets or processes that are associated with taxonomy-aligned economic activities, or • part of a 'CapEx plan' within a predefined timeframe, or • Related to the purchase of output from Taxonomy-aligned economic activities
Denominator	<p>Additions made to tangible and intangible assets during the current financial year</p> <p>IAS 16: Property, plant, and equipment IAS 38: Intangible Assets IAS 40: Investment Property IAS 41: Agriculture IFRS 16: Leasing – Right-of-use-assets</p>


*Source: Delegated Act on article 8 (Regulation (EU) 2021/2178)



OpEx KPI definition

Key Definition of OpEx*	
OpEx	
Numerator	<p>Operating expenditure that is:</p> <ul style="list-style-type: none"> • related to assets or processes associated with Taxonomy-aligned activities, and direct non-capitalised costs that present research and development, or • part of the CapEx plan to expand Taxonomy-aligned economic activities or to allow Taxonomy-eligible economic activities to become Taxonomy-aligned; or • related to the purchase of output from Taxonomy-aligned activities and to individual measures enabling the target activities to become low-carbon or to lead to GHG reductions as well as individual building renovation measures.
Denominator	<p>Direct non-capitalised costs related to:</p> <ul style="list-style-type: none"> • research and development • building renovation measures • short-term leases • maintenance and repair • any other direct expenditures relating to the day-to-day servicing of assets of PPE that are necessary to such assets

*Source: Delegated Act on article 8 (Regulation (EU) 2021/2178)



Taxonomy-eligible/aligned specific
direct, non-capitalized costs

Specific direct, non-capitalized costs

OpEx KPI – in/excludes

OpEx	
Numerator	<p>Operating expenditure that is:</p> <ul style="list-style-type: none"> related to assets or processes associated with Taxonomy-aligned activities, and direct non-capitalized costs that present research and development, or part of the CapEx plan to expand Taxonomy-aligned economic activities or to allow Taxonomy-eligible economic activities to become Taxonomy-aligned; or related to the purchase of output from Taxonomy-aligned activities and to individual measures enabling the target activities to become low-carbon or to lead to GHG reductions as well as individual building renovation measures.
Denominator	<p>Direct non-capitalized costs related to:</p> <ul style="list-style-type: none"> research and development building renovation measures short-term leases maintenance and repair any other direct expenditures relating to the day-to-day servicing of assets of PPE that are necessary to such assets

EU Taxonomy OpEx KPI is not equal to the total operating expenditure in the financial statements.
Its calculation is not a straightforward exercise.



Inclusions	Exclusions ¹
Maintenance material	Overheads
Cost of employees repairing a machine	Raw materials
Cost of employees cleaning a factory	Cost of employee operating machines
IT dedicated to maintenance	Cost of managing research and development projects
	Electricity, fluids or reagents needed to operate property, plant and equipment

¹This list is non-exhaustive and provides examples of expenses that would not fit the OpEx denominator

[Commission notice on the interpretation of legal provisions of EU Taxonomy February 2022](#)



3.0

Sector Focus

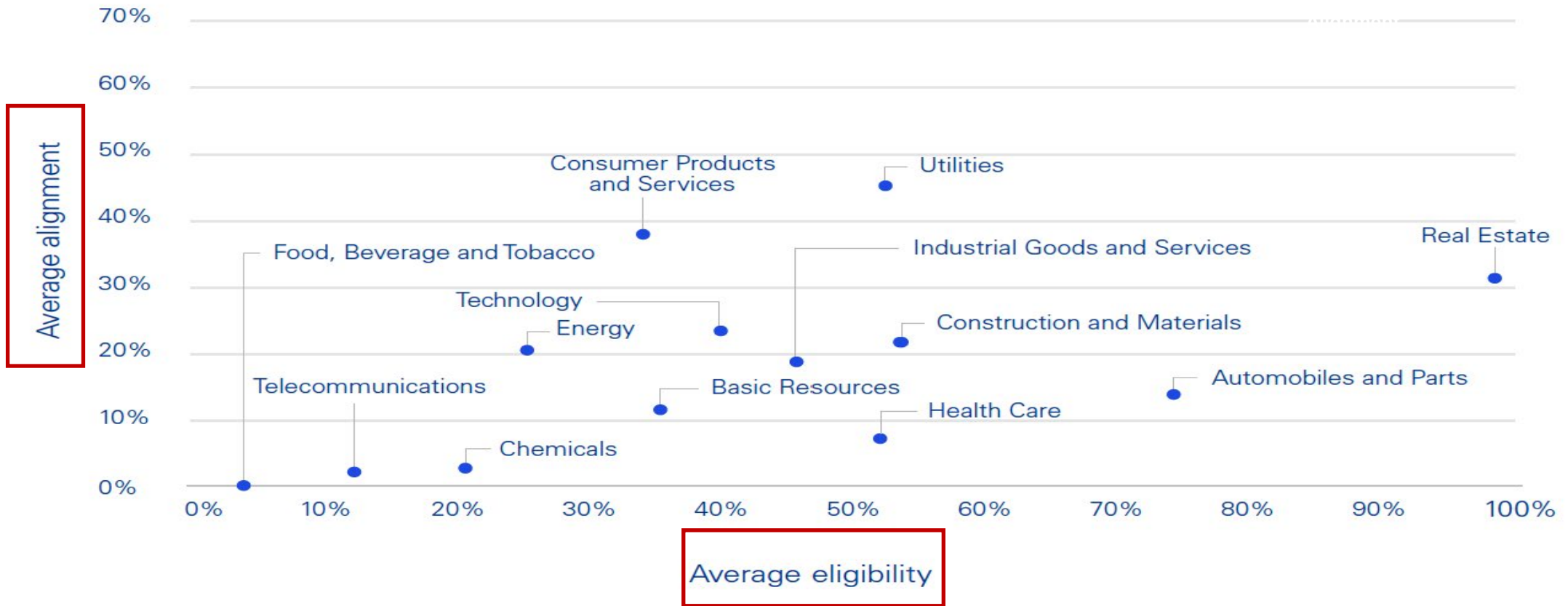


Headlines from 2023

Since 2021, large and listed entities within scope of NFRD have been reporting under the EU Taxonomy. Each year, KPMG has performed an assessment of disclosures in the market. The below graph sets out KPIs disclosed by 291 EU market actors in the recent 2023 reporting cycle.



Average turnover KPIs per industry



Top 3 sector KPIs

	Turnover		CapEx		OpEx	
	Eligible	Aligned	Eligible	Aligned	Eligible	Aligned
Real Estate	98%	32%	98%	42%	91%	28%
Automobiles & Parts	74%		81%		79%	23%
Construction & Materials	54%	21%				
Utilities		45%	85%	77%	75%	65%
Energy				30%		

Coffee...



Thank you





Appendix



Activity 6.5

Transport by motorbikes, passenger cars and light commercial vehicles

SCC

Summary

6.5 Transport by motorbikes, passenger cars and commercial vehicles

Definition

Purchase, financing, leasing and operation of vehicles designated as category M1469, N1470 both falling under the scope of Regulation (EC) No 715/2007, or L (2- and 3-wheel vehicles and quadricycles).

NACE codes

H49.32
H49.39
N77.11

Taxi operation
Other passenger land transport not elsewhere classified
Renting and leasing of cars and light motor vehicles

Technical Screening Criteria

Substantial Contribution

- For vehicles of category M1 and N1, both falling under the scope of Regulation (EC) No 715/2007:
 - until 31 December 2025, specific emissions of CO₂, as defined in Article 3(1), point (h), of Regulation (EU) 2019/631, are lower than 50 g CO₂/km (low- and zero-emission light-duty vehicles);
 - from 1 January 2026, specific emissions of CO₂, as defined in Article 3(1), point (h), of Regulation (EU) 2019/631, are zero.
- For vehicles of category L, the tailpipe CO₂ emissions equal to 0 g CO₂e/km calculated in accordance with the emission test laid down in Regulation (EU) 168/2013.

Do no significant harm ('DNSH')

Do no significant harm ('DNSH')

Climate change mitigation

N/A

Climate change adaptation

The activity complies with the criteria set out in Appendix A to this Annex.

Sustainable use and protection of water and marine resources

N/A

Transition to a circular economy

Vehicles of categories M1 and N1 are both of the following:
(a) reusable or recyclable to a minimum of 85 % by weight;
(b) reusable or recoverable to a minimum of 95 % by weight.

Measures are in place to manage waste both in the use phase (maintenance) and the end-of-life of the fleet, including through reuse and recycling of batteries and electronics (in particular critical raw materials therein), in accordance with the waste hierarchy.

Vehicles comply with the requirements of the most recent applicable stage of the Euro 6 light-duty emission type-approval (258) set out in accordance with Regulation (EC) No 715/2007.

Pollution prevention and control

Vehicles comply with the emission thresholds for clean light-duty vehicles set out in Table 2 of the Annex to Directive 2009/33/EC of the European Parliament and of the Council (259).

For road vehicles of categories M and N, tyres comply with external rolling noise requirements in the highest populated class and with Rolling Resistance Coefficient (influencing the vehicle energy efficiency) in the highest two populated classes as set out in Regulation (EU) 2020/740 and as can be verified from the European Product Registry for Energy Labelling (EPREL).

Protection and restoration of biodiversity and ecosystems

Vehicles comply with Regulation (EU) No 540/2014 of the European Parliament and of the Council (260).

N/A

Transport by motorbikes, passenger cars and light commercial vehicles

Objective Climate Change Mitigation

SC

1. For vehicles of category M1 and N1, both falling under the scope of Regulation (EC) No 715/2007:
 - until 31 December 2025, specific emissions of CO₂, as defined in Article 3(1), point (h), of Regulation (EU) 2019/631, are lower than 50 g CO₂/km (low- and zero-emission light-duty vehicles);
 - from 1 January 2026, specific emissions of CO₂, as defined in Article 3(1), point (h), of Regulation (EU) 2019/631, are zero.
2. For vehicles of category L, the tailpipe CO₂ emissions equal to 0 g CO₂e/km calculated in accordance with the emission test laid down in Regulation (EU) 168/2013.

**Alignment
Template
Questions**

1	Are you engaged in activities which include purchase, financing, leasing and operation of vehicles designated as category M1, N1 both falling under the scope of Regulation (EC) No 715/2007, or L (2- and 3-wheel vehicles and quadricycles)?
2	For vehicles of category M1 and N1, both falling under the scope of Regulation (EC) No 715/2007:
2a	Until 31 December 2025: Are specific emissions of CO ₂ , as defined in Article 3(1), point (h), of Regulation (EU) 2019/631, lower than 50 g CO ₂ /km (low- and zero-emission light-duty vehicles)?
2b	From 1 January 2026: Are specific emissions of CO ₂ , as defined in Article 3(1), point (h), of Regulation (EU) 2019/631, zero?
3	For vehicles of category L:
3a	Are the tailpipe CO ₂ emissions equal to 0 g CO ₂ e/km calculated in accordance with the emission test laid down in Regulation (EU) 168/2013 (Note 3)?

Transport by motorbikes, passenger cars and light commercial vehicles

SC-Climate Change Mitigation

1 Are you engaged in activities which include **purchase, financing, leasing and operation of vehicles** designated as category M1, N1 both falling under the scope of Regulation (EC) No 715/2007, or L (2- and 3-wheel vehicles and quadricycles)?

2 For vehicles of category M1 and N1, both falling under the scope of Regulation (EC) No 715/2007:

2a Until 31 December 2025: Are specific emissions of CO₂, as defined in Article 3(1), point (h), of Regulation (EU) 2019/631, lower than 50 g CO₂/km (low- and zero-emission light-duty vehicles)?

2b From 1 January 2026: Are specific emissions of CO₂, as defined in Article 3(1), point (h), of Regulation (EU) 2019/631, zero?

3 For vehicles of category L:

3a Are the tailpipe CO₂ emissions equal to 0 g CO₂e/km calculated in accordance with the emission test laid down in Regulation (EU) 168/2013 (Note 3)?

What?

- **M1 Category:** Vehicles designed for the carriage of passengers, with no more than eight seats in addition to the driver's seat
- **N1 Category:** Vehicles designed for the carriage of goods, with a maximum mass not exceeding 3.5 tonnes

Where?

- Vehicle type can be checked by scanning the registration plate or from receipts at time of purchase/lease/operation
- Engine type can be checked locating the VIN number. VIN can be located in a few places on the vehicle; stamped on the engine's firewall, on the driver-side dashboard, on the driver-side doorjamb and in the vehicle registration card.

Who?

- Operational staff and procurement personnel related to fleet vehicles

What?

- **L-Category Vehicles:** are two-, three- or four-wheel vehicles such as powered two-wheel vehicles, tricycles and quadricycles.
- **Emissions Test:** CO₂ (carbon dioxide) emissions shall be determined in the applicable laboratory emission test cycle by the manufacturer and reported by the manufacturer to the approval authority.

Where?

- Engine type can be checked by locating the VIN number. VIN can be located in a few places on the vehicle; stamped on the engine's firewall, on the driver-side dashboard, on the driver-side doorjamb and in the vehicle registration card.
- **The type of engine will determine if you meet 0 g CO₂e/km e.g. electric**

Who?

- Operational staff and procurement personnel related to fleet vehicles

Transport by motorbikes, passenger cars and light commercial vehicles

SC-Climate Change Mitigation

1	Are you engaged in activities which include purchase, financing, leasing and operation of vehicles designated as category M1469, N1470 both falling under the scope of Regulation (EC) No 715/2007, or L (2- and 3-wheel vehicles and quadricycles)?
2	For vehicles of category M1 and N1, both falling under the scope of Regulation (EC) No 715/2007:
2a	Until 31 December 2025: Are specific emissions of CO ₂ , as defined in Article 3(1), point (h), of Regulation (EU) 2019/631, lower than 50 g CO ₂ /km (low- and zero-emission light-duty vehicles)?
2b	From 1 January 2026: Are specific emissions of CO ₂ , as defined in Article 3(1), point (h), of Regulation (EU) 2019/631, zero?
3	For vehicles of category L:
3a	Are the tailpipe CO ₂ emissions equal to 0 g CO ₂ e/km calculated in accordance with the emission test laid down in Regulation (EU) 168/2013 (Note 3)?

What?	<ul style="list-style-type: none"> Regulation (EC) No 715/2007 relates to specific emissions of CO₂: CO₂ emissions of a passenger car or a light commercial vehicle measured in accordance with Regulation (EC) No 715/2007 and its implementing Regulations and specified as the CO₂ mass emissions (combined) in the certificate of conformity of the vehicle. Manufacturers are required to demonstrate that all new vehicles sold, registered or put into service are type approved in accordance with the requirements in Regulation (EC) No 715/2007. For passenger cars or light commercial vehicles which are not type-approved in accordance with Regulation (EC) No 715/2007, 'specific emissions of CO₂' means the CO₂ emissions measured pursuant to Regulation (EC) No 715/2007, notably in accordance with the same measurement procedure in accordance with procedures adopted by the Commission to establish the CO₂ emissions for such vehicles. 'Zero- and low-emission vehicles' means a passenger car or a light commercial vehicle with tailpipe emissions from zero up to 50 g CO₂/km. Examples: EVs ;PHEVs; FCVs; ULEVs.
Where?	<ul style="list-style-type: none"> Manufactures are required to record the CO₂ emissions of a vehicle and state it in the vehicle certificate of conformity. Manufacturers are required to demonstrate that all new vehicles sold, registered or put into service are type approved in accordance with the requirements in Regulation (EC) No 715/2007. Determining if specific emissions of CO₂ are lower than 50 g CO₂/km or 0 g CO₂/km: As part of Directive 1999/94/EC vehicles (since 2008) will be required to have and display a Fuel Economy Label for all new passenger cars. This label will include details on the fuel consumption and specific emissions of CO₂ for a given vehicle. Details included on each vehicle; estimate of fuel consumption, expressed in litres per 100 kilometres or in kilometres per litre (or in miles per gallon), and of CO₂ emissions. The label must be attached to the windscreen of all new passenger cars at the point of sale. If this can't be found there are online website that allow you to calculate a cars emissions. The Directive also requires a Fuel Economy Guide to be produced at national level at least once a year. This guide will outline the 10 most fuel-efficient new car versions in terms of their CO₂ emissions by fuel type. The guide will available at the point of sale of the dealer and from a designated body within each EU country.
Who?	<ul style="list-style-type: none"> Operational staff and procurement personnel related to fleet vehicles and the manufacturer.

7.3

Installation, maintenance and repair of energy efficiency equipment

SCC

Summary

7.3 Installation, maintenance and repair of energy efficiency equipment

Definition

Individual renovation measures consisting in installation, maintenance or repair of energy efficiency equipment.

Technical Screening Criteria

The activity consists in one of the following individual measures provided that they comply with minimum requirements set for individual components and systems in the applicable national measures implementing Directive 2010/31/EU and, where applicable, are rated in the highest two populated classes of energy efficiency in accordance with Regulation (EU) 2017/1369 and delegated acts adopted under that Regulation:

Substantial Contribution

- a) addition of insulation to existing envelope components, such as external walls (including green walls), roofs (including green roofs), lofts, basements and ground floors (including measures to ensure air-tightness, measures to reduce the effects of thermal bridges and scaffolding) and products for the application of the insulation to the building envelope (including mechanical fixings and adhesive);
- b) replacement of existing windows with new energy efficient windows;
- c) replacement of existing external doors with new energy efficient doors;
- d) installation and replacement of energy efficient light sources;
- e) installation, replacement, maintenance and repair of heating, ventilation and air-conditioning (HVAC) and water heating systems, including equipment related to district heating services, with highly efficient technologies;
- f) installation of low water and energy using kitchen and sanitary water fittings which comply with technical specifications set out in Appendix E to this Annex and, in case of shower solutions, mixer showers, shower outlets and taps, have a max water flow of 6 L/min or less attested by an existing label in the Union market.

Do no significant harm ('DNSH')

Do no significant harm ('DNSH')

Climate change mitigation	N/A
Climate change adaptation	The activity complies with the criteria set out in Appendix A to this Annex.
Sustainable use and protection of water and marine resources	N/A
Transition to a circular economy	N/A
Pollution prevention and control	Building components and materials comply with the criteria set out in Appendix C to this Annex. In case of addition of thermal insulation to an existing building envelope, a building survey is carried out in accordance with national law by a competent specialist with training in asbestos surveying. Any stripping of lagging that contains or is likely to contain asbestos, breaking or mechanical drilling or screwing or removal of insulation board, tiles and other asbestos containing materials is carried out by appropriately trained personnel, with health monitoring before, during and after the works, in accordance with national law.
Protection and restoration of biodiversity and ecosystems	N/A

Installation, maintenance and repair of energy efficiency equipment

Objective	Climate Change Mitigation										
SC – Climate Change Mitigation	<p>The activity consists in one of the following individual measures provided that they comply with minimum requirements set for individual components and systems in the applicable national measures implementing Directive 2010/31/EU and, where applicable, are rated in the highest two populated classes of energy efficiency in accordance with Regulation (EU) 2017/1369 and delegated acts adopted under that Regulation:</p> <p>a) addition of insulation to existing envelope components, such as external walls (including green walls), roofs (including green roofs), lofts, basements and ground floors (including measures to ensure air-tightness, measures to reduce the effects of thermal bridges and scaffolding) and products for the application of the insulation to the building envelope (including mechanical fixings and adhesive);</p> <p>b) replacement of existing windows with new energy efficient windows;</p> <p>c) replacement of existing external doors with new energy efficient doors;</p> <p>d) installation and replacement of energy efficient light sources;</p> <p>e) installation, replacement, maintenance and repair of heating, ventilation and air-conditioning (HVAC) and water heating systems, including equipment related to district heating services, with highly efficient technologies;</p> <p>f) installation of low water and energy using kitchen and sanitary water fittings which comply with technical specifications set out in Appendix E to this Annex and, in case of shower solutions, mixer showers, shower outlets and taps, have a max water flow of 6 L/min or less attested by an existing label in the Union market.</p>										
Alignment Template Questions	<table border="1"> <tr> <td data-bbox="351 893 453 929">1</td> <td data-bbox="453 893 2443 929">Do the measures include replacement of existing windows with energy efficient window?</td> </tr> <tr> <td data-bbox="351 929 453 965">2</td> <td data-bbox="453 929 2443 965">Do the measures include replacement of existing external doors with new energy efficient doors?</td> </tr> <tr> <td data-bbox="351 965 453 1001">3</td> <td data-bbox="453 965 2443 1001">Do the measures include installation and replacement of energy efficient light sources?</td> </tr> <tr> <td data-bbox="351 1001 453 1036">4</td> <td data-bbox="453 1001 2443 1036">Do the measures include installation , replacement, maintenance and repair of heating, ventilation and air conditioning (HVAC) and water heating systems, including requirement related to district heating services, with highly efficient technologies?</td> </tr> <tr> <td data-bbox="351 1036 453 1072">5</td> <td data-bbox="453 1036 2443 1072">Do the measures include the installation of low water and energy using kitchen and sanitary water fittings?</td> </tr> </table>	1	Do the measures include replacement of existing windows with energy efficient window?	2	Do the measures include replacement of existing external doors with new energy efficient doors?	3	Do the measures include installation and replacement of energy efficient light sources?	4	Do the measures include installation , replacement, maintenance and repair of heating, ventilation and air conditioning (HVAC) and water heating systems, including requirement related to district heating services, with highly efficient technologies?	5	Do the measures include the installation of low water and energy using kitchen and sanitary water fittings?
1	Do the measures include replacement of existing windows with energy efficient window?										
2	Do the measures include replacement of existing external doors with new energy efficient doors?										
3	Do the measures include installation and replacement of energy efficient light sources?										
4	Do the measures include installation , replacement, maintenance and repair of heating, ventilation and air conditioning (HVAC) and water heating systems, including requirement related to district heating services, with highly efficient technologies?										
5	Do the measures include the installation of low water and energy using kitchen and sanitary water fittings?										

Installation, maintenance and repair of energy efficiency equipment

SC- Climate Change Mitigation

1	Do the measures include replacement of existing windows with energy efficient window?
2	Do the measures include replacement of existing external doors with new energy efficient doors?
3	Do the measures include installation and replacement of energy efficient light sources?
4	Do the measures include installation , replacement, maintenance and repair of heating, ventilation and air conditioning (HVAC) and water heating systems, including requirement related to district heating services, with highly efficient technologies?
5	Do the measures include the installation of low water and energy using kitchen and sanitary water fittings?

What?	<ul style="list-style-type: none"> The activity consists in one of the following individual measures provided that they comply with minimum requirements set for individual components and systems in the applicable national measures implementing Directive 2010/31/EU and, where applicable, are rated in the highest two populated classes of energy efficiency in accordance with Regulation (EU) 2017/1369 and delegated acts adopted under that Regulation. Q103 Commission Notice October 2023 confirms that technical specifications of energy efficient windows, doors, light sources, and highly efficient HVAC technologies referred to in points (b) to (e) of the activity 'Installation, maintenance and repair of energy efficiency equipment' in Section 7.3 are not defined at a national level.
Where?	<ul style="list-style-type: none"> Q41 Commission Notice Oct 23 The requirement targets the two highest classes of energy efficiency that are populated, in which at least some products are on the market. To understand which classes are the highest populated in which at least some products are on the market, an overview of the available products on the market (based on official data) is provided by a reference database named EPREL (European Product Database for Energy Labelling). Q62 Draft Commission Notice November 2024 confirms that operators should follow accounting rules to determine whether to report expenditures on the services of installation, maintenance, and repair as CapEx or OpEx. The expenditure on the <u>acquisiton</u> of respective products and equipment, to which the installation, maintenance and repair services activities in Sections 7.3. refer, should be assessed against the respective criteria for the manufacturing of those products and equipment
Who?	<ul style="list-style-type: none"> Facilities staff and CBRE representatives – All financial information pertaining to installation, maintenance and repair of the above measures within the reporting year.

Installation, maintenance and repair of energy efficiency equipment

SC- Climate Change Mitigation

1	Do the measures include replacement of existing windows with energy efficient window?
2	Do the measures include replacement of existing external doors with new energy efficient doors?
3	Do the measures include installation and replacement of energy efficient light sources?
4	Do the measures include installation , replacement, maintenance and repair of heating, ventilation and air conditioning (HVAC) and water heating systems, including requirement related to district heating services, with highly efficient technologies?
5	Do the measures include the installation of low water and energy using kitchen and sanitary water fittings?

What?	<ul style="list-style-type: none"> Installation of low water and energy using kitchen and sanitary water fittings which comply with technical specifications set out in Appendix E to this Annex and, in case of shower solutions, mixer showers, shower outlets and taps, have a max water flow of 6 L/min or less attested by an existing label in the Union market.
Where?	<ul style="list-style-type: none"> Labels of those measures installed in the Union market will show required information. Cost information pertaining to maintenance and repair of those measures in the reporting year.
Who?	<ul style="list-style-type: none"> Facilities staff and CBRE representatives

Activity 7.7

Acquisition and ownership of buildings

SCC; DNSH

Summary

7.7 Acquisition and ownership of buildings

Definition

Buying real estate and exercising ownership of that real estate.

NACE codes

L68

Real estate activities

Technical Screening Criteria

Substantial Contribution

1. For buildings built before 31 December 2020, the building has at least an Energy Performance Certificate (EPC) class A. As an alternative, the building is within the top 15% of the national or regional building stock expressed as operational Primary Energy Demand (PED) and demonstrated by adequate evidence, which at least compares the performance of the relevant asset to the performance of the national or regional stock built before 31 December 2020 and at least distinguishes between residential and non-residential buildings.
2. For buildings built after 31 December 2020, the building meets the criteria specified in Section 7.1 of this Annex that are relevant at the time of the acquisition.
3. Where the building is a large non-residential building (with an effective rated output for heating systems, systems for combined space heating and ventilation, air-conditioning systems or systems for combined air-conditioning and ventilation of over 290 kW) it is efficiently operated through energy performance monitoring and assessment(375)This can be demonstrated, for example, through the presence of an Energy Performance Contract or a building automation and control system in accordance with Article 14 (4) and Article 15 (4), of Directive 2010/31/EU.

Do no significant harm ('DNSH')

Do no significant harm ('DNSH')

Climate change mitigation	N/A
Climate change adaptation	The activity complies with the criteria set out in Appendix A to this Annex.
Sustainable use and protection of water and marine resources	N/A
Transition to a circular economy	N/A
Pollution prevention and control	N/A
Protection and restoration of biodiversity and ecosystems	N/A

7.7 Acquisition and ownership of buildings

Objective	Climate Change Mitigation	
SC	<p>1. For buildings built before 31 December 2020, the building has at least an Energy Performance Certificate (EPC) class A. As an alternative, the building is within the top 15% of the national or regional building stock expressed as operational Primary Energy Demand (PED) and demonstrated by adequate evidence, which at least compares the performance of the relevant asset to the performance of the national or regional stock built before 31 December 2020 and at least distinguishes between residential and non-residential buildings.</p> <p>2. For buildings built after 31 December 2020, the building meets the criteria specified in Section 7.1 of this Annex that are relevant at the time of the acquisition.</p> <p>3. Where the building is a large non-residential building (with an effective rated output for heating systems, systems for combined space heating and ventilation, air-conditioning systems or systems for combined air-conditioning and ventilation of over 290 kW) it is efficiently operated through energy performance monitoring and assessment(375)This can be demonstrated, for example, through the presence of an Energy Performance Contract or a building automation and control system in accordance with Article 14 (4) and Article 15 (4), of Directive 2010/31/EU..</p>	
Alignment Template Questions	1	Please provide a breakdown of owned and leased property across the group, including year of construction
	2	For buildings built before 31 December 2020
	3	Does the building have at least an Energy Performance Certificate (EPC) class A?
	4	Is the building within the top 15% of the national or regional building stock expressed as operational Primary Energy Demand (PED) and demonstrated by adequate evidence, which at least compares the performance of the relevant asset to the performance of the national or regional stock built before 31December 2020 and at least distinguishes between residential and non-residential buildings? (Note 1)
	5	For buildings built after 31 December 2020 – See Substantial Contribution Criteria for Activity 7.1
	6	Is the building is a large non-residential building (with an effective rated output for heating systems, systems for combined space heating and ventilation, air-conditioning systems or systems for combined air-conditioning and ventilation of over 290 kW)?
	7	If yes to question 4, it is efficiently operated through energy performance monitoring and assessment?
	7	This can be demonstrated, for example, through the presence of an Energy Performance Contract or a building automation and control system in accordance with Article 14 (4) and Article 15 (4), of Directive 2010/31/EU..

Acquisition and ownership of buildings – SCC (1/2)

SC- Climate Change Mitigation

1	Please provide a breakdown of owned and leased property across the group, including year of construction
2	For buildings built before 31 December 2020
3	Does the building have at least an Energy Performance Certificate (EPC) class A?
4	Is the building within the top 15% of the national or regional building stock expressed as operational Primary Energy Demand (PED) and demonstrated by adequate evidence, which at least compares the performance of the relevant asset to the performance of the national or regional stock built before 31 December 2020 and at least distinguishes between residential and non-residential buildings? (Note 1)
5	For buildings built after 31 December 2020 – See Substantial Contribution Criteria for Activity 7.1
6	Is the building is a large non-residential building (with an effective rated output for heating systems, systems for combined space heating and ventilation, air-conditioning systems or systems for combined air-conditioning and ventilation of over 290 kW)?
7	If yes to question 4, it is efficiently operated through energy performance monitoring and assessment? This can be demonstrated, for example, through the presence of an Energy Performance Contract or a building automation and control system in accordance with Article 14 (4) and Article 15 (4), of Directive 2010/31/EU.

	Screening Criteria for Activity 7.1 (for acquisition of buildings that were built after 31/12/2020)
SC 1	Constructions of new buildings for which: The Primary Energy Demand (PED)(343), defining the energy performance of the building resulting from the construction, is at least 10 % lower than the threshold set for the nearly zero-energy building (NZEB) requirements in national measures implementing Directive 2010/31/EU of the European Parliament and of the Council(344). The energy performance is certified using an as built Energy Performance Certificate (EPC).
SC 2	For buildings larger than 5000 m ² (345), upon completion, the building resulting from the construction undergoes testing for air-tightness and thermal integrity(346), and any deviation in the levels of performance set at the design stage or defects in the building envelope are disclosed to investors and clients. As an alternative; where robust and traceable quality control processes are in place during the construction process this is acceptable as an alternative to thermal integrity testing.
SC 3	3. For buildings larger than 5000 m ² (347), the life-cycle Global Warming Potential (GWP)(348) of the building resulting from the construction has been calculated for each stage in the life cycle and is disclosed to investors and clients on demand.



SC- Climate Change Mitigation

- **Question 149 C/2023/267: What are the rules for defining the top 15 % and top 30 % benchmarks of the national market (with a distinction between residential and commercial) as referenced in the technical screening criteria of the activity ‘Acquisition and ownership of buildings’ in Section 7.7? What should be done if there is no Energy Performance Certificate (EPC) nor any data to determine whether a building belongs to the best 15 % of the national building stock?**

For determining Taxonomy-alignment, it should be demonstrated that a building is within the top 15 % (or 30 % for climate change adaptation) of the national or regional building stock, by adequate evidence. There are no specific rules for defining the top 15 % or 30 % of the building stock, beyond the requirements of referring to the national or regional building stock expressed as operational Primary Energy Demand (PED), and distinguishing at least between residential and non-residential buildings.

In the absence of a relevant EPC, a technical study can be done to estimate the relevant threshold for the top 15 % of the national (or regional) building stock for that category of building. There may be information available from national databases or studies produced by certain organisations (e.g. World Green Building Council).

Whenever there is such a study publicly available, it can be used. When there is no study available, it has to be conducted. It can be expected that e.g. interested market actors or associations/institutes/public authorities could be willing to conduct or commission such studies and make them public, so that other entities (in particular smaller ones) could use them afterwards.

The EPC remains the simplest option, in the EU, as it can easily be obtained for most buildings, and it is also a mandatory when a building is sold.

The revision of the Energy Performance of Buildings Directive is considering how to address the availability of information on energy performance as well as databases on energy performance certificates.

C/2023/267











- **Question 141, C/2023/267 141: The substantial contribution criteria of the activity ‘Acquisition and ownership of buildings’ in Section 7.7 state that ‘For buildings built after 31 December 2020, the building meets the criteria specified in Section 7.1 of this Annex that are relevant at the time of the acquisition’. Does this refer both to the substantial contribution and DNSH criteria of Section 7.1 (‘Construction of new buildings’)?**

As this text is included under the substantial contribution criteria, and there are specific criteria listed below for DNSH, the text refers only to the relevant criteria specified in Section 7.1 for substantial contribution to climate change mitigation. **Where the DNSH criteria under Section 7.7 indicate N/A it means there are no specific requirements for the respective environmental objective.**

C/2023/267

Proposed changes of CSDDD are significant in nature

Proposed key adjustments by the Commission

	Initial application	Delay of first application by one year to July 2028 (only two instead of three waves)	 Part of „Stop the clock“ proposal
	Chain of activities	Limitation of due diligence obligations and in-depth assessments to tier 1 business partners, as a general rule. Due diligence on indirect business partners subject to plausible information suggesting adverse impacts	
	Civil liability	Removal of harmonized civil liability regime in favor of national law	
	Penalties	Removal of explicit link of penalties to worldwide turnover (deletion of 5% minimum cap)	
	Guidelines	General guidelines advanced by six months to July 2026, timing of detailed and sector-specific guidelines unchanged (January – July 2027)	
	“SME shield”	Information requests to companies with fewer than 500 employees limited to VSME standards	
	Termination of business	Suspension rather than termination of business relationship as measure of last resort	
	Stakeholder engagement	Limitation of definition to workers, their representatives and individuals/communities who could be affected by company, its subsidiaries or business partners. Focus of consultations with “relevant” stakeholders	
	Frequency of assessments	Periodic assessments to be performed every five years (reduced from yearly)	



The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

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