

Commissioner Albuquerque,
DG FISMA,
European Commission,
Rue de la Loi 200,
1049 Brussels

26 March 2025

Dear Commissioner Albuquerque,

We appreciate the opportunity to comment on the European Commission's (EC) Delegated Acts (DA) consultation on EU Taxonomy (EUT) amendments to make reporting simpler and more cost-effective for undertakings. We have consulted with our member firms to ensure this letter represents the views of the KPMG network.

We welcome EC efforts in simplifying the requirements of the EUT legislation as they will help reduce the administrative burden of undertakings' reporting on their sustainable activities. The simplifications will also be critical in determining whether EUT delivers the cost-benefit balance expected from it.

This letter contains our key comments to the proposals and is accompanied by a more detailed appendix. In addition to our comments on the proposals, we would like to emphasize the importance of due process around the issuance of new and amended reporting requirements. This requirement relates to proposed amendments of the delegated acts as well as clarifications thereof through the issuance of Frequently Asked Questions (FAQs) in the form of commission notices. Sufficient time is needed to provide for a meaningful engagement with preparers and other stakeholders to identify potential consequences of proposed amendments. Additionally, the EC should provide for transitional reliefs when making amendments or issuing additional guidance such as commission notices where needed or allow sufficient time for implementation.

Key themes:

1. Materiality concept

We fully support the introduction of a materiality concept into the EUT as the principle of materiality is common practice throughout corporate reporting. However, we are of the opinion that it would be best to align the materiality principles for the EUT with existing reporting principles and not introduce a fixed quantitative threshold. This might create additional burden for preparers as the application of the proposed thresholds raises new questions and might obscure information from stakeholders that might otherwise have been considered relevant for their understanding of the undertaking.

If the EC were to continue with the fixed 10% threshold, we note that further explanation is required for undertakings to apply the principle consistently. For example, whether the threshold would need to be applied per activity or in aggregate, and on eligibility or alignment figures.

We also recommend that OpEx reporting is removed or made fully voluntary for all EU Taxonomy reporters without any scoping or separate materiality threshold considerations, as it requires significant effort with limited benefit to the users of the taxonomy report.

2. Simplifying the “Do No Significant Harm’ (DNSH) criteria on pollution

Undertakings in multiple sectors faced significant difficulties to demonstrate that their economic activities comply with the DNSH requirements on pollution as set out in Appendix C of the Climate and Environmental Delegated Acts. Deleting the last paragraph of Appendix C as proposed in Option 1 will help to simplify these requirements. However, in addition, it would be helpful for the EC to clarify whether the ambition level of the DNSH criteria on pollution are really intended to significantly expand existing European legislation (such as REACH) or whether compliance with existing European legislation is deemed sufficient. Our recommendation is to align the Appendix C with the current legal requirements and thus delete also paragraph (f) and allow the use of substances benefiting from exemptions under paragraphs (a), (b) and (c).

3. Proposed amendments to CSRD

The omnibus proposal introduces a scoping threshold of EUR 450 million of turnover below which undertakings may claim alignment rather than having to report alignment. We suggest making it explicit that for those undertakings, EUT reporting becomes voluntary. We also think it is important that the EC emphasises that voluntary EUT needs to meet the same requirements as mandatory reporting in order to enhance comparability across all EUT reporting.

Additionally, we suggest revisiting the group exemption paragraphs in Articles 19a paragraph 9(c) and 29a paragraph 8(c) of the Accounting Directive. Under the current proposals, subsidiaries of non-EU parents would continue to be required to report under the EUT to meet the requirements of the group exemption even if they generate less than EUR 450 million of turnover. We also consider it important that the Accounting Directive allows activities of an exempted subsidiary to be covered by the consolidated reporting of the exempting parent. However, multiple FAQs in commission notices require the inclusion of subsidiary-level KPIs of all exempted subsidiaries in the parent's consolidated report (or in their own management reports) which effectively defeats the purpose of exemption. Consequently, for financial undertakings we suggest the use of the group-level KPI instead of the subsidiary-level KPI when making an investment in a subsidiary of a group (unless where the use of proceed is known).

Finally, we recommend that the partial alignment concept is not introduced as this concept would overcomplicate taxonomy reporting. It is unclear to us how financial undertakings would incorporate this information into their own reporting. More importantly, undertakings in general can simply continue with current practice where they provide progress towards alignment in the narrative text.

4. Prior year figures for first year reporting

Article 8 paragraph 3 of the Disclosure Delegated Act (Regulation (EU) 2021/2178) states that financial undertakings and non-financial undertakings shall provide the key performance indicators covering the previous annual reporting period in their reporting. We recommend the EC take this opportunity to amend the delegated act to clarify this paragraph in line with existing FAQs so that undertakings reporting for the first time would only need to provide disclosures in respect of the current financial year.

5. Contribution to Climate Change Adaptation (CCA)

We note the CCA activities are structurally different from other activities as their objective is not about impacts a business has on the environment, but about adapting the activities of a business to be more resilient. This gives rise to various complexities, for example, most activities contributing to climate change mitigation would also be considered as eligible under climate change adaptation, even though they may not be intended to be adaptive. Complex guidance had to be developed to make CCA fit into the framework, such as turnover from adapted activities not being eligible or the concept of adapted-enabling activities. We therefore recommend that the EC reconsiders how CCA fits into the EUT framework as it currently creates significant challenges and inconsistencies with other activities.

6. Revisiting the reporting templates

We appreciate the work done to simplify the reporting templates. The EC highlights that the reporting burden will be significantly reduced through the introduction of standardized and simpler tables. However, aside from the proposed materiality threshold, the workload required to complete these tables remains largely unchanged. In order to standardize the calculation logic behind the individual disclosures in the reporting templates and thus increase the comparability of the reported KPI, we suggest clarifications for individual selected columns/rows of the templates in the appendix.

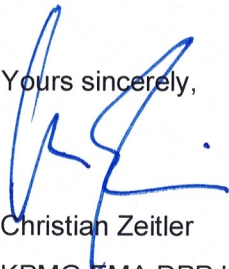
7. Nuclear and fossil gas templates

The EC proposes to delete templates 2, 3, and 4 of Annex XII to Regulation (EU) 2021/2178. We question the use of templates 1 and 5 given that the information in these templates does not provide useful information beyond what would be captured in the main template already. If templates would be retained, we would at least suggest the EC to clarify whether the concept of materiality also applies to these templates as financial undertakings currently have to report on a significant number of templates, many of which are not material.

We have provided detailed comments in the appendix where further clarification or enhancement is needed. Addressing these concerns could help improve reporting consistency and support the delivery of high-quality assurance services. Additionally, the EC should revisit their commission notices to align with amendments being done to the delegated acts and reporting templates.

Please do not hesitate to contact Ramon Jubels (Jubels.Ramon@kpmg.nl) or Jan Alexander Müller (janmueller@kpmg.com) if you wish to discuss any of the issues raised in this letter.

Yours sincerely,



Christian Zeitler

KPMG EMA DPP Limited

Appendix – Detailed comments on EC’s Omnibus simplification package on sustainability reporting and due diligence in relation to the proposals made to develop EU taxonomy legislation

1. Materiality concept

<i>Reference</i>	<i>Issue</i>	<i>Suggestion for improvement</i>
Materiality threshold(s) - general Art.1 para 1-5	<p>We highly recommend introducing a materiality principle (as is common practice in corporate reporting). However, this should be an overarching principle and derived qualitatively based on user needs. This means that information would only be reportable if material, i.e. if it is able to influence user’s decisions. It would be for the reporting undertaking to assess which parts of their activities (or portfolios) are material and not material based on the specific business model and allow them omit information on immaterial areas. It would be for the assurance provider to assess whether the materiality threshold does not lead to the omission of material information.</p> <p>We do not support the proposal of a quantitative materiality threshold of 10% because of the following reasons:</p> <ul style="list-style-type: none"> • It will not achieve reporting burden reduction because non-financial undertakings will still have to assess eligibility of underlying activities in order to calculate whether they stay below the set threshold on a cumulative basis; • activities that are not considered to be material will still need to be reported separately as “non-material” items, which contradicts the concept of materiality; • it is unclear whether the threshold applies per KPI or per activity (“where those activities comply with any of the following conditions”); • it is unclear whether the threshold applies cumulatively or per activity; • The amendments relating to financial undertakings reference multiple times to ‘cumulative value of those assets’; it is unclear how this is calculated. A threshold of 10% is not meaningful where the KPIs are not about activities but about assets (e.g. GAR or GIR) because omitting up to 10% of the portfolio creates an opportunity to arbitrarily omit certain financial instruments even if information about them would be crucial for users of the report; • the proposal is inconsistent - while Article 1 (1) on non-financial undertakings introduces a materiality threshold on alignment (“may omit assessing compliance of economic activities with the TSC”), Article 1 (2) - (5) on financial undertakings introduce the concept on eligibility and alignment. 	<p>Delete Article 1 (1)-(5) of the proposal text and replace by the following:</p> <p>Article 1 Amendments to Delegated Regulation (EU) 2021/2178 Delegated Regulation (EU) 2021/2178 is amended as follows: (1) in Article 8, the following paragraph 1a is added: '1a. Non-financial undertakings may omit information on economic activities that are immaterial based on their business model. Financial undertakings may omit information on exposures or groups of exposures that are immaterial based on their business model.</p>
Materiality threshold(s) - OpEx Art.1 para 1, 3rd sub-para	<p>The OpEx KPI is often not material to users of the taxonomy report. Making the relevance of OpEx dependent on the share of turnover from that activity seems to mix up two different concepts.</p>	<p>We recommend that OpEx reporting is removed or made fully voluntary for all EU Taxonomy reporters without any scoping or separate materiality threshold considerations.</p>

2. Simplifying DNSH Criteria on Pollution - Appendix C

Reference	Issue	Suggestion for improvement
Art. 2 and Art. 3 of the proposal text	<ol style="list-style-type: none"> 1) The implementation of DNSH C has proven challenging due to the introduction of new obligations that are disproportionate and burdensome. Although the European Commission has proposed the deletion of the additional paragraph following point (f), this does not extend to paragraph (f) itself, which continues to impose additional burdens on undertakings. 2) Furthermore, the difficulty of complying with DNSH C also arises from its requirements exceeding existing legal obligations. While the European Commission has clarified the possible use of exemptions listed in Annexes III and IV for paragraph (d), no changes are proposed for paragraphs (a), (b), and (c): <ul style="list-style-type: none"> • Paragraph (a): There are no changes regarding the prohibition of substances listed in Annex II of Regulation (EU) 2019/1021, which exceed the legal requirements of this Regulation. • Paragraph (b): There are no changes regarding the prohibition of mercury and mercury compounds, regardless of the exemptions listed in Regulation (EU) 2017/852. • Paragraph (c): There are no changes regarding the prohibition of substances listed in Annex II of Regulation (EU) 2024/590, which go beyond the legal requirements of this Regulation, including those subject to exemptions in Chapter III of the Regulation. 	<ol style="list-style-type: none"> 1) From the two options presented, we recommend choosing the first option and delete the second paragraph. 2) It is recommended to delete paragraph (f) and to allow the use of substances for which exemptions are provided in relation to paragraphs (a), (b), and (c). 3) The terminologies and requirements of "manufacture, placing on the market, and use" should be adapted for each paragraph. While this terminology aligns with the REACH regulation, it may not be applicable to other elements of the first criteria of the DNSH Pollution Prevention and Control (PPC) For instance, RoHS pertains only to the placing on the market.

3. Proposed amendments to CSRD

Reference	Issue	Suggestion for improvement
<p>Voluntary reporting for those beneath the scoping thresholds</p> <p>Article 19b para 2 and Article 29 aa para 2 of the Accounting Directive</p>	<p>The introduction of a scoping threshold of EUR 450mn of turnover below which undertakings may claim alignment rather than having to report alignment.</p> <p>It is not clear from the proposed amendments to the Accounting Directive that taxonomy reporting becomes voluntary when undertakings do not claim alignment. As per Article 1 para 2 lit c of the Regulation 2020/852 all undertakings in scope of Articles 19a or 29a of the Accounting Directive are in scope of taxonomy reporting.</p>	<p>We suggest making it clear that for undertakings with a turnover below EUR 450 million that do not claim alignment, taxonomy reporting becomes voluntary. This should be done by revisiting the wording of the proposed Article 19b para 2 and Article 29 aa para 2 of the Accounting Directive</p> <p>Additionally, we would suggest revisiting the group exemption paragraphs in Articles 19a para 9 lit c and 29a para 8 lit c of the Accounting Directive. Under the current proposals, subsidiaries of non-EU parents would continue to be required to report under EU taxonomy even if they have less than EUR 450mn of turnover.</p>
<p>Articles 19a para 9 lit c and 29a para 8 lit c of the Accounting Directive</p>	<p>FAQ 12 of the Second Commission Notice and FAQs 8 and 10 of the Third Commission Notice require reporting entities that are parent of a group to include Taxonomy KPIs of exempted subsidiaries in their consolidated reporting. This requirement creates a significant reporting burden and goes beyond the requirements in the EU Taxonomy Regulation and the accompanying delegated acts.</p>	<p>We suggest amending the group exemption in Articles 19a para 9 lit c and 29a para 8 lit c of the Accounting Directive as follows:</p> <p>“[...] the disclosures laid down in Article 8 [...], covering the activities carried out by the exempted subsidiary undertaking [...], are included in the management report of the exempted subsidiary undertaking, or the parent undertaking makes available these disclosures on a consolidated level in its consolidated sustainability report.”</p>
<p>Concept of partial alignment</p> <p>Articles 19b para 4 and 29aa para 4</p>	<p>We do not think that the introduction of yet another concept will simplify the EU taxonomy and improve its acceptance in the market. The newly developed concept of partial alignment raises a lot of questions and complexities while not leading to any new information that could not already be provided in the narrative text supporting the reporting templates.</p> <p>We recommend against introducing a new partial alignment concept for the following major reasons:</p> <ul style="list-style-type: none"> the concept would allow to report a multitude of different combinations of why an activity is not fully aligned. This makes presentation complex and potentially misleading. the proposals do not seem to contain any guidance on how to present partial alignment. <ul style="list-style-type: none"> • It is unclear how this concept interacts with other concepts such as the 10% materiality threshold. • It is unclear how financial undertakings would use information on partial alignment for their reporting. 	<p>Delete articles 19b para 4 and 29aa para 4 from Omnibus I (COM 2025/81)</p>

4. Prior year figures for first year reporting

Reference	Issue	Suggestion for improvement
Prior year numbers	Article 8 (3) of the Disclosure Delegated Act currently requires comparative information for all reports after the year 2023. It was clarified in FAQ 146 (Commission Notice C/2025/1373) that this is not required if undertakings report for the first time. The paragraph should therefore be changed to reflect that.	Article 8(3) is replaced by the following: '3. Financial undertakings and non-financial undertakings shall provide in the non-financial statement the key performance indicators covering the previous annual reporting period. This does not apply to undertakings that provide a non-financial statement for the first time.'

5. Contribution to Climate Change Adaptation (CCA)

Reference	Issue	Suggestion for improvement
Contribution to Climate Change Adaptation (CCA)	As the environmental objective of climate change adaptation is about adapting the activities of a business (while all other objectives are about the impacts a business has on the environment), the activities are structurally different. There are various complexities arising from this, for example that most activities contributing to climate change mitigation would also be considered as eligible under climate change adaptation, even though they might not be intended to be adaptive. Complex guidance had to be developed to make CCA fit into the framework, such as turnover from adapted activities not being eligible or the concept of adapted-enabling activities.	We recommend revisiting the economic activities contributing to the environmental objective of the CCA and reducing them to those activities that are actually contributing and used by undertakings, for example the enabling and adaptive-enabling activities. Current complexities and inconsistencies with other regulation of EU Taxonomy framework should be addressed.

6. Financial Sector related comments

Reference	Issue	Suggestion for improvement
Exclusion of non-CSR D exposures from the denominator Article 1 para 6	We welcome the proposal to exclude non-CSR D exposures from the denominator. We recommend to also consider the following items: <ul style="list-style-type: none"> • Exclusion is also required from the numerator (aligned with the wording in article 7 para 1 of the DDA). • It should be clarified whether article 7 para 3 or 4 take precedence over one another. It is currently unclear whether 7 para 3 would lead to mandatory exclusion of aligned use-of-proceed known loans to non-CSR D undertakings. 	Replace article 1 para 6 of the proposal with the following: Article 7 para 3 is replaced by the following: '3. Without prejudice to paragraph 4, exposures to undertakings that do not make available Taxonomy KPIs or that are part of a group that does not make available Taxonomy KPIs, <u>may</u> be excluded from the <u>numerator and denominator</u> of key performance indicators of financial undertakings.'

Reference	Issue	Suggestion for improvement
	<ul style="list-style-type: none"> The reporting templates need to be amended accordingly, for example for credit institutions, template 1 of Annex VI to the DDA: the line on non-CSR D exposures (line 21) needs to be moved into the section below 'Total GAR assets'. <p>Consequential amendments are required in Annexes III (section 1.2), V (section 1.1.2) and IX (section 1, para 3) of the DDA. Currently, only exclusions from the denominator according to article 7 para 1 of the DDA are mentioned there.</p>	
Counterparty KPI to be used	<p>Various FAQs to the EU Taxonomy require groups to provide KPIs not only on consolidated level but also on subsidiary level. The rationale behind this is the need of financial undertakings to have subsidiary-level KPIs where they finance individual subsidiaries. Providing information on subsidiary-level is complex and leads to granular disclosures. We therefore recommend allowing financial undertakings the use of group-level KPIs where subsidiary-level KPIs are not available. Financial undertakings would then assess in three steps 1) whether use of proceeds is known (in which case asset-level KPIs are used), 2) whether the counterparty makes available taxonomy KPIs (in which case the counterparty-KPI is used), or 3) whether the counterparty is part of a group (in which case the general purpose financing will benefit the entire group and therefore group-level KPIs are appropriate).</p>	<p>Article 8 para 4 2nd sub-para of the DDA is amended as follows:</p> <p>'Financial undertakings shall use the most recently available data and key performance indicators of their counterparties to calculate their own key performance indicators. Where the counterparty does not make available key performance indicators, key performance indicators of a parent undertaking reporting on group level, to which the counterparty is a part of, shall be used.</p> <p>FAQ 10 of the third commission notice and FAQ 12 of the second commission notice should be withdrawn.</p>
Nuclear and Fossil Gas Templates Article 1 para 13	<p>In Annex XII DDA, templates 2, 3 and 4 are deleted.</p> <p>FAQ 29 of the third commission notice (C/2024/6691) currently leads to a significant number of templates for financial sector undertakings, many of which are not material.</p>	<p>If reporting templates were to be retained, we would at least suggest deleting or rephrasing FAQ 29 of the third commission notice (C/2024/6691). We suggest to only require templates which are material.</p>
Article 1 para 3 point (f)	<p>"1f. By way of derogation from paragraph 1, and without prejudice to the third paragraph of section 1.2.4 of Annex V to this Regulation, a credit institution may omit reporting the KPIs referred to in Annex V where the cumulative value of the turnover generated by the activities covered by those KPIs is below 10% of the total turnover of the credit institution."</p> <p>This section might result confusing because credit institutions are reporting KPIs for their assets and not their turnover. It is not clear whether the paragraph only refer to the reporting of fees & commissions.</p>	<p>We suggest clarifying by adding a reference that this point only relates to fees & commissions.</p>
Delay of certain banking templates by one year Article 1 para 7	<p>In the footnote to table 0 in the Annex III amending Annex VI DDA, the application is not updated for Fee and Commission (sheet 6) and Trading Book (sheet 7) KPIs as it states it shall only apply starting 2026. However, in the Draft delegated regulation (Ares (2025)1546172) amending article 10 para 5 DDA it is stated that sections 1.2.3 and 1.2.4 of Annex V shall apply from 1 January 2027.</p>	<p>Align footnote under template 0 to article 10 para 5, i.e. update to:</p> <p>Note 2: Fee and Commission (sheet 6) and Trading Book (sheet 7) KPIs shall only apply starting 2027.</p>

Reference	Issue	Suggestion for improvement
Retail portfolio	Collecting evidence from retail clients to support the alignment of retail exposures in determining the (banking) GAR is very burdensome, especially for the Minimum Safeguards (MS) criteria. This is also highlighted by the EU Platform on Sustainable Finance Report on Simplifying the EU Taxonomy published in February 2025 suggestions 5, 6 and 7 for the Green Asset Ratio (GAR).	In section 1.2.1.3 of Annex V to the DDA, replace all instances of "shall be calculated" by "may be included by calculating it"
Amendments to Annex X DDA Article 1 para 12	The header changed to 'Green Asset Ratio KPI for non-life insurance and reinsurance undertakings'. In Annex IX reference is made to 'Investments KPI' and not 'GAR', also, in the FAQ reference is made to 'GIR' instead of 'GAR'. Therefore, heading is confusing. Explanation could be that total assets need to be reported - resulting in denominator of the KPI being not limited to investments. However, if that is the case, Annex IX needs to be amended accordingly.	We suggest changing the header of the table to GIR or amending Annex IX to clarify the scope of the denominator of the applicable KPI.

7. Revisiting the reporting templates – Non-financial Undertakings

Reference	Issue	Suggestion for improvement
Simplified templates bring no changes to calculation process	The Commission highlights that the reporting burden has been significantly reduced through the introduction of standardised tables. However, aside from the proposed materiality threshold, the workload required to complete these tables remains largely unchanged.	A more in-depth review of the technical screening criteria appears necessary to ensure a meaningful simplification of the reporting process.

Reference	Issue	Suggestion for improvement
Template 1 (Annex II of Disclosure Delegated Act (2021/2178))	<p>The general reporting template has been shortened and simplified. However, there is some wording in the draft Annex I amending Annex II of the Disclosure Delegated Act (DDA) that should be clarified.</p> <p>The Template 1 requires additional clarification with regard to the following items:</p> <ul style="list-style-type: none"> • The name of the template 1 refers only to aligned activities. However, non-financial undertakings could have material non-aligned but eligible activities that should also be disclosed. • The proposed version of the reporting template 1 contains a footnote stating “Non-financial undertakings shall duplicate this template to disclose separately the turnover, the CapEx and the OpEx KPIs, clearly indicating in the title of each table which KPI the table refers to”. However,, this footnote is only relevant for the Template 2 as template 1 is a summary containing turnover, CapEx and OpEx. • It is unclear whether the column “total (2)” in Template 1 should contain the total of Turnover, CapEx, OpeX or the total of taxonomy eligible activities. • It is unclear whether the percentage to be presented in column (5) of the new Template 1 allows double counting or if it should correspond to the proportion of the amount presented in column (4) divided by the total turnover/CapEx/OpEx. • It is unclear if the proportion of enabling activities (12) allows double counting. 	<p>We recommend the modification & correction of the following points:</p> <p>In Template 1:</p> <ul style="list-style-type: none"> • The template should be renamed “Proportion of turnover, CapEx, OpEx from products or services associated with Taxonomy-eligible and aligned economic activities – disclosure covering year (N)” • Amend existing footnote to Template 1 as follows: “Columns (4) and (6) to (11) to avoid double counting: if the total figure under column (4) contributes to more than one environmental objective at the same time, the figure should be indicated under multiple environmental objectives in columns (6) to (11), but should not be double counted in the total amount in column (4) <u>nor in the percentage in column (5)</u>.” • “Total (2)” should be replaced with “Taxonomy eligible activities (2)” if it is intended to be about eligible activities only. If column (2) is really about the total of turnover/CapEx/OpEx, this could be clarified by adding the following sentence to the footnote below the table: “Column (5) corresponds to the amount presented in column (4) divided by the total amount in column (2).” • It should be considered to include a total column into the template that can be reconciled to the financial statements. • Typos in column (4) “<u>Taxonomy</u> aligned activities (4)”, column (13) “Proportion of transitional <u>activities</u> (13)”, and column (14) “<u>Taxonomy</u> aligned activities in previous reported period (N-1) (14)” • The footnote stating that “Non-financial undertakings shall duplicate this template to disclose separately the turnover, the CapEx, and the OpEx KPIs, clearly indicating in the title of each table which KPI the table refers to” should be deleted • Suggest clarifying in a footnote for column (12) that double counting is not allowed for enabling activities. • Suggest specifying that percentage of “enabling” (column 12) and “transitional” (column 13) activities are for alignment.

Reference	Issue	Suggestion for improvement
Template 2 (Annex II of Disclosure Delegated Act (2021/2178))	<p>The general reporting template has been shortened and simplified. However, there is some wording in the draft Annex I amending Annex II DDA that should be clarified.</p> <p>The Template 2 requires additional clarification with regard to the following items:</p> <ul style="list-style-type: none"> • It should be clarified whether the proposed version of the reporting template 2 has to be reported, if the reporting undertaking does not have Taxonomy-aligned economic activities. • There is no information about N-1 values on alignment and eligibility for Template 2. It would be helpful to have prior year comparisons on an activity level, considering the information already needs to be collected for template 1. ; • In the case of contribution to multiple objectives, it is unclear whether columns (3) and (4) allow for double counting; • It is unclear how to fill in column (2) (code) and column (13) (Taxonomy eligible KPI) when economic activities partially overlap. In other words, when the description of economic activities under multiple objectives is equal for some (but not all) of their content. (For example: CCM 5.5 Collection and transport of non-hazardous waste in source segregated fractions, PPC 2.1 Collection and transport of hazardous waste and CE 2.3 2.3. Collection and transport of non-hazardous and hazardous waste); 	<p>We recommend modify & correcting the following points:</p> <ul style="list-style-type: none"> • Add a footnote to clarify whether eligible but non-aligned activities should be included. • Delete references to non-existent footnotes (b) and (c) in columns (5)-(10). • Add columns for prior year information to Template 2. • Include a footnote to indicate that, in case of contribution to multiple objectives, columns (3) and (4) should not consider double counting. • Suggest adding the following text in the footnote to Template 2: "Column (2): (...) Where activities are eligible to make a substantial contribution to more than one objective, the codes for all objectives should be indicated, to the extent that undertaking's activity fully meets the description of multiple objectives In addition, the taxonomy eligible KPI (column 13) should reflect the extent to which undertaking's activity fully meets the description of multiple activities. • Suggest specifying that percentage of "enabling" (column 11) and "transitional" (column 12) activities are for alignment

8. Revisiting the reporting templates – Financial Sector Undertakings

Reference	Issue	Suggestion for improvement
Amendments to Annex VI DDA Article 1 para 10	<p>In table 0. Summary of KPIs, the distinction between Turnover-based and CapEx based was added. Since this distinction is added in the table between Turnover and CapEx, notes for **** and ***** (KPI column) are irrelevant.</p>	<p>We suggest removing **** and ***** including related footnotes.</p>
Amendments to Annex VI DDA Article 1 para 10	<p>In the following tables the breakdown of financial undertakings and alignment columns are simplified: Table 1. Covered assets Table 3. GAR KPIs stock Table 4. GAR KPIs flow Table 5. FinGAR, AuM KPIs Table 6. F&C KPI Table 7. Trading KPI Headers column d to i are not clear. In the header reference is made to substantial contribution only, this may imply that eligible but not aligned amounts could be reported in these columns (when substantial contribution is met).</p>	<p>We suggest clarifying the header of columns d to i.</p>

Reference	Issue	Suggestion for improvement
Amendments to Annex VI DDA Article 1 para 10	In table 1. Covered assets, old footnotes 1, 3 and 4 were removed while new footnotes 2 and 3 are added. The aim of the Omnibus was the simplification of reporting templates. However, by adding footnote 2, an additional template (GAR flow amounts) would need to be disclosed compared to current GAR tables.	We suggest reconsidering the addition of footnote 2.
Amendments to Annex VI DDA Article 1 para 10	In table 2. GAR - Sector information, amounts to be reported in columns e to j are not clear. Header only contains the reference to the environmental objective without references to eligibility nor alignment.	We suggest adding overarching header called 'of which environmentally sustainable' for columns e to j, in line with wording in previous template.
Amendments to Annex VI DDA Article 1 para 10	T-1 columns were removed in: Table 1. Covered assets Table 3. GAR KPIs stock Due to removal of T-1 templates/columns and without adding clarifying footnotes, it is unclear for credit institutions for which templates T-1 information needs to be disclosed and in which format.	We suggest adding clarification in templates or footnotes for T-1 reporting.
Amendments to Annex X DDA Article 1 para 12	Underwriting table simplified by: - Removing SC and DNSH columns - Removing reinsurance and non-eligible rows The table misses the row 'non-eligible premiums'. Based on the table it is assumed all gross written premiums are either eligible or aligned, which would be incorrect.	We suggest adding a row to the template to report non-eligible premiums.

9. Nuclear and Fossil Gas Templates

Reference	Issue	Suggestion for improvement
<p>Art. 1 (13)</p> <p>In Annex XII to Regulation (EU) 2021/2178, templates 2, 3 and 4 are deleted.</p>	<p>1) The proposed Deletion of templates 2, 3 and 4 of Annex XII of the DDA is welcomed.</p> <p>2) Regarding template 1 of Annex XII of the DDA:</p> <ul style="list-style-type: none"> • Specifically for non-financial undertakings, template 1 would become redundant and therefore could be deleted if the proposed "Template 2" for non-financial undertakings (as per Annex I amending Annex II DDA) would require entities to report on taxonomy-eligible but not aligned activities. Template 2 would already indicate that the entity is engaged in nuclear and gas activities, unless such activities are deemed non-material (in which case, it would not be relevant to report). • If template 1 is maintained, to simplify the presentation of information in relation to nuclear and gas activities, in circumstances where an undertaking does not carry out, funds or have exposures to nuclear and gas related activities, we would recommend that the template is omitted and replaced by a statement disclosing this fact. • If template 1 is maintained, clarity should be provided on whether the template should be completed by financial undertakings in the case of indirect exposures (i.e., financial undertaking which has an exposure to another financial undertaking that finances Nuclear & gas activities). • It should be clarified whether templates are really required "for each applicable KPI" as Annex XII indicates or only for the main KPIs. <p>3) Regarding template 5, we would suggest the deletion of this template. Considering the proposed simplification logic, it is questionable what is the relevance and decision usefulness of requiring information on "Taxonomy non-eligible economic activities".</p>	<p>Replace Art. 1(13) of the proposal with the following: 'in Annex XII to Regulation (EU) 2021/2178, all the templates (1, 2, 3, 4 and 5) are deleted.'</p> <p>Article 8 para (6) to (8) in the DDA should be deleted.</p>