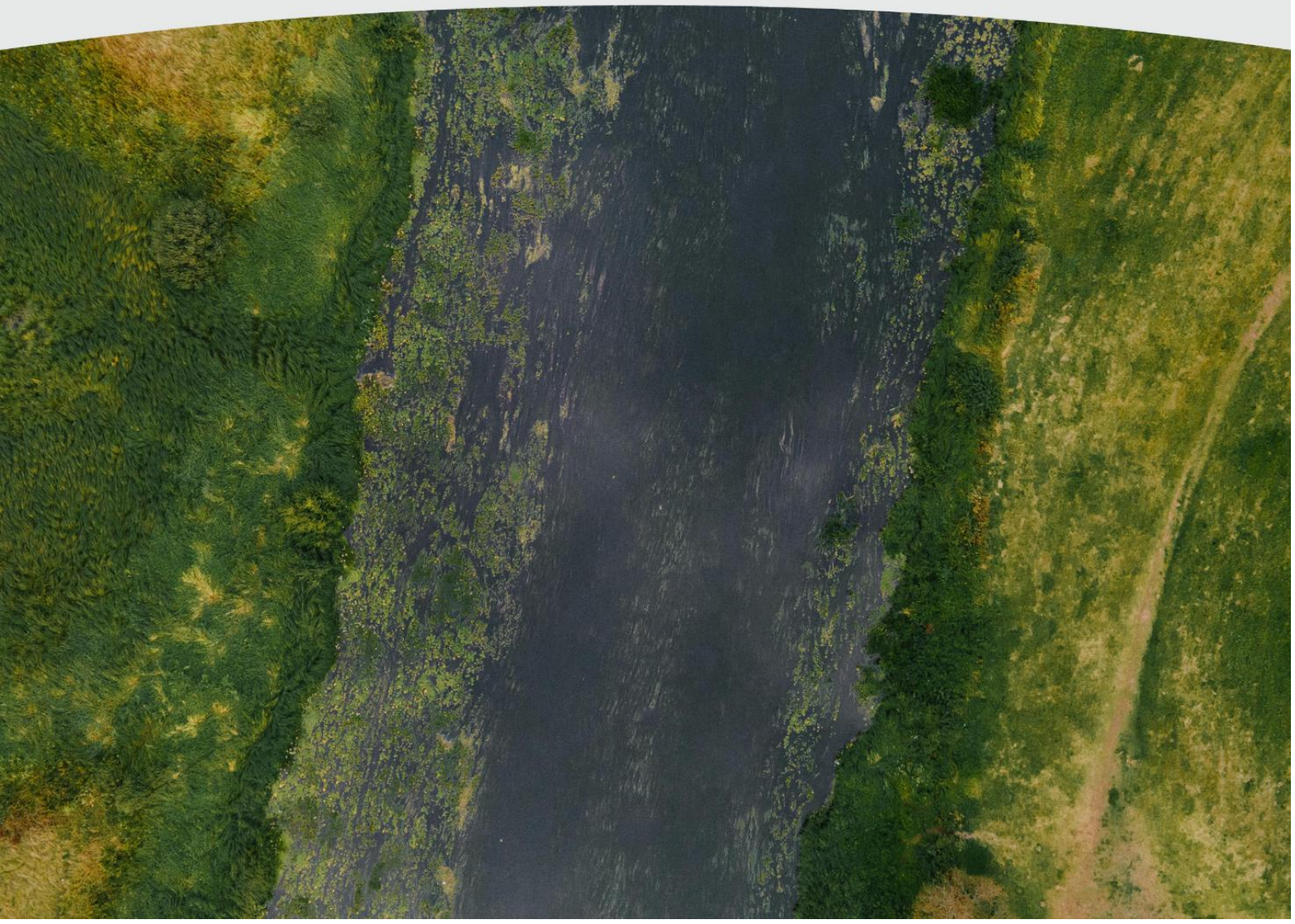


# EU Taxonomy

CDP Corporate Questionnaire



## Version

Version number	Release / Revision date	Revision summary
1.0	Released:	<ul style="list-style-type: none"><li>• Publication of the EU Taxonomy Technical Note</li></ul>
2.0	June 28, 2024	<ul style="list-style-type: none"><li>• Question numbers updated to align with the CDP Corporate Questionnaire 2024</li></ul>
3.0	March 28, 2025	<ul style="list-style-type: none"><li>• Updates to formatting in line with new branding</li></ul>

---

Copyright © CDP Worldwide 2025

All rights reserved. Copyright in this document is owned by CDP Worldwide, a registered charity number 1122330 and a company limited by guarantee, registered in England number 05013650.

# Contents

<b>About this technical note.....</b>	<b>5</b>
<b>1. CDP's integration of the EU Taxonomy .....</b>	<b>5</b>
<b>1.1. Rationale.....</b>	<b>5</b>
1.1.1. Why does CDP request EU Taxonomy datapoints in the CDP Corporate Questionnaire? 5	
1.1.2. Does CDP endorse every aspect of the EU Taxonomy? .....	6
1.1.3. Will CDP incorporate the many sustainable finance taxonomies emerging globally?6	
<b>1.2. EU Taxonomy datapoints in the CDP Corporate Questionnaire .....</b>	<b>6</b>
1.2.1. Which CDP questions relate to the EU Taxonomy? .....	6
1.2.2. In which questions do companies report on their taxonomy alignment? 5.4.2 seems to be the direct question, but 7.74.1 also has the option to select 'The EU Taxonomy for environmentally sustainable economic activities' in column 2. ....	7
<b>2. Scoring of EU Taxonomy questions.....</b>	<b>7</b>
2.1. Are the taxonomy-related questions in the CDP questionnaire being scored? .....	7
<b>3. The business case .....</b>	<b>7</b>
3.1. What is the business case for EU Taxonomy compliance? .....	7
3.2. Why should non-European companies pay attention to the EU Taxonomy?.....	8
3.3. As our annual report (including EU Taxonomy reporting) is due in March, how does disclosing through CDP help with our reporting?.....	8
3.4. As a non-publicly listed organization, reporting is not mandatory until 2025. What benefits are there for disclosing this information? .....	9
3.5. Will Swiss companies be affected by the EU Taxonomy? If so, how should they be responding to 5.4.2?.....	9
3.6. If CDP's EU Taxonomy related questions are not mandatory, what benefit is there for disclosing this information? .....	9
3.7. Given the new requirement to report both on eligibility and alignment, a significant disparity appears to exist between the two. What potential consequences may arise from this for our reputation and/or access to finance in the future? .....	10
3.8. At this point, with upcoming changes including the refinement of technical screening criteria (TSC) and the addition of the remaining four objectives, do investors consider the current data to be relevant?.....	10
<b>4. Other FAQs.....</b>	<b>11</b>
4.1. In 5.4.1 why is there no longer an option to identify alignment with a "Climate Transition Plan" and/or "Sustainable finance taxonomy" in column 1 "Identification of spending/revenue..."? .....	11

4.2. In 5.4.1 in columns 8 "Percentage share... in 2025 (%)" and 9 "Percentage share... in 2030 (%)", how are companies expected to prepare forward looking statements of financial KPIs aligned with sustainable finance taxonomies or climate transition plans? .....	11
4.3. In 5.4.1, when selecting the option "Other, please specify" in column 5 "Financial metric", what are some examples of other financial metrics? .....	11
4.4. How do we distinguish between the information required in text fields within 5.4.2, and the additional information expected in 5.4.3? .....	12
4.5. In 5.4.2, column 5 "Types of substantial contribution", what is meant by the listed types of activity "Own performance", "Adapted activity", "Transitional activity", "Activity enabling mitigation" and "Activity enabling adaptation"? .....	12
4.6. In 5.4.2 what is meant by "substantial contribution" to climate change mitigation/adaptation in column 5 "Types of substantial contribution"? .....	133
4.7. What are the best practices to avoid double counting financial metrics? .....	133



# About this technical note

This technical note contains answers to frequently asked questions about the EU Taxonomy for sustainable activities. Its purpose is to inform corporates and stakeholders about the EU taxonomy, and the integration of sustainable finance taxonomy criteria into the CDP questionnaire and scoring. The information provided here will support organizations responding to the CDP Corporate Questionnaire.

## 1. CDP's integration of the EU Taxonomy

The CDP Corporate Questionnaire is key to driving strategic priorities for CDP's mission: to see a thriving economy that works for people and planet in the long term. Since 2023, questions on sustainable taxonomies in the Business Strategy module are part of the questionnaire and standard practice. Standardized disclosure processes and data collection on the use of sustainable finance taxonomies provides consistent and comparable information across regions and regulatory requirements. CDP plays a crucial role in accelerating the implementation of standards at scale. In 2024, the Business Strategy module retains the same set of questions on sustainable taxonomies from the previous year with some modifications to them, focusing in collecting data on companies' eligibility and financial accounting alignment.

These changes were made to better drive the nexus between an organization's climate transition planning and taxonomy reporting, as highlighted by CDP's recent report "These changes indicate a shift away from the treatment of taxonomy reporting as distinct from or unconnected with climate transition planning towards treating the former as a tool for transition planning."

### 1.1. Rationale

#### 1.1.1. Why does CDP request EU Taxonomy datapoints in the CDP Corporate Questionnaire?

Corporate reporting on the environmental impact of economic activities is becoming a business norm, leading to better insight, and driving more ambitious action. However, regulation will take time to come into effect and will vary by region and jurisdiction.

In the meantime, investors, governments, and other stakeholders will still require standardized information generated via high-quality disclosure processes that are continually improving, and that enable the tracking of progress against targets, transition plans and performance.

As the only global environmental disclosure system, CDP plays a crucial role in accelerating the implementation of standards at scale – including sustainable finance taxonomies.

By collecting data on corporates' use of sustainable finance taxonomies in one place, CDP provides organizations, investors and policymakers access to information that is consistent, comprehensive, and comparable across geographies and regulatory requirements.

CDP introduced questions on sustainable finance taxonomies in the Corporate Questionnaire in 2023 to gather data on companies' activities under the EU Taxonomy. The questions gather information on the eligibility of activities and whether their financial accounting is aligned with the taxonomy. CDP's disclosure system is adaptable to new standards and will integrate other best practice taxonomies as they are finalized. The focus is on disclosure according to the EU Taxonomy for companies subject to the EU Corporate

Sustainability Reporting Directive (CSRD), but other sustainable finance taxonomy criteria will be integrated as they emerge.

### 1.1.2. Does CDP endorse every aspect of the EU Taxonomy?

No. The EU Taxonomy is not perfect: the inclusion of activities such as nuclear power generation and natural gas, together with questions about the lack of robustness of certain forestry criteria, are areas in which CDP believes the taxonomy can be improved.

Due to the inclusion of contentious criteria in emerging taxonomies, CDP selectively integrates best practice sustainable finance taxonomy criteria, rather than endorsing whole taxonomies. This allows CDP to support the highest quality disclosure and effectively drive positive environmental impacts.

As stated in [CDP's 2021-2025 strategy](#), we aim to use our platform to implement the most influential and impactful standards, including the upcoming European Sustainability Reporting Standards (ESRS), in line with our mission to drive transparency and action to tackle the environmental crisis.

### 1.1.3. Will CDP incorporate the many sustainable finance taxonomies emerging globally?

CDP's disclosure system is designed to evolve in line with best practice and to integrate high-quality and impactful disclosure frameworks and standards as they develop. The taxonomy questions are taxonomy agnostic, to allow for the integration of other emerging taxonomies once they are finalized.

## 1.2. EU Taxonomy datapoints in the CDP Corporate Questionnaire

### 1.2.1. Which CDP questions relate to the EU Taxonomy?

Questions in CDP's Corporate Questionnaire request data on the two approved EU Taxonomy environmental objectives: climate change mitigation (CCM) and climate change adaptation (CCA).

In total there are four questions that request data relating to the EU Taxonomy included in the Business Strategy module of the CDP climate change questionnaire.

The questions on sustainable finance taxonomy are:

**(5.4)** In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's climate transition?

**(5.4.1)** Quantify the amount and percentage share of your spending/revenue that is aligned with your organization's climate transition.

**(5.4.2)** Quantify the percentage share of your spending/revenue that was associated with eligible and aligned activities under the sustainable finance taxonomy in the reporting year.

**(5.4.3)** Provide any additional contextual and/or verification/assurance information relevant to your organization's taxonomy alignment.

Questions 5.4 and 5.4.1 bring new datapoints on methodologies or frameworks used to assess the organization's alignment with the transition plan, and the percentage share of financial metrics that are taxonomy eligible.

In question 5.4.2 12 new Economic activities have been added to the dropdown list in column 1. In addition, a new dropdown "Taxonomy-eligible but alignment not assessed" is now available to organizations in column 3 "Taxonomy alignment".

New response options have been added to question 5.4.3 replacing the previously open text field to collect qualitative information on specific topics. These topics include details of an organization's minimum safeguards analysis, additional contextual information to support their taxonomy reporting in the previous questions and an indication of whether they will be providing verification and/or assurance of their taxonomy data in 13.1.

1.2.2. In which questions do companies report on their taxonomy alignment? 5.4.2 seems to be the direct question, but 7.74.1 also has the option to select 'The EU Taxonomy for environmentally sustainable economic activities' in column 2.

5.4.2 is on taxonomy alignment. Taxonomy alignment reporting refers to a very specific set of financial KPI disclosures prescribed by Article 8 of the taxonomy regulation.

7.74.1 is only asking companies to select which classification system they follow to classify their low carbon products. EU Taxonomy is one such system of classification. For more information on these questions see the [reporting guidance](#) on the CDP website.

## 2. Scoring of EU Taxonomy questions

### 2.1. Are the taxonomy-related questions in the CDP questionnaire being scored?

Like last year, questions 5.4 and 5.4.1 have a light touch of scoring, with the remaining two questions not scored. Full scoring details are available in the [Scoring methodology](#) for these questions.

These questions are open to all companies completing the full version of the questionnaire. For now, the legal obligation to report under the taxonomy regulation is on companies already on the scope of the Non-Financial Reporting Directive (NFRD), which will be in 2025 replaced by the EU Corporate Sustainability Reporting Directive (CSRD).

## 3. The business case

### 3.1. What is the business case for EU Taxonomy compliance?

- Disclosing through CDP can help protect and improve an organization's reputation, allowing them to build trust through transparency and respond to rising environmental concerns among the public.
- It can help boost competitive advantage, with companies gaining an edge in performance on the stock market, access to capital and winning tenders.

- It can help companies uncover risks and opportunities that would otherwise be overlooked, to inform a data-driven strategy.
- Companies can also track and benchmark their progress against industry peers and receive yearly feedback.
- Disclosing well now can help companies get ahead of and comply with disclosure regulation which is coming in thick and fast.

### 3.2. Why should non-European companies pay attention to the EU Taxonomy?

The EU Taxonomy disclosure requirements will apply to a wider scope of companies under the CSRD from 2025..

Once the Directive becomes operational, companies operating in the EU subject to CSRD by law to disclose their taxonomy alignment in their annual reports.

A non-EU parent organization would be subject to the CSRD if it has:

- a) substantial activity in the EU i.e., it generated net turnover greater than €150 million in the EU for each of the last two consecutive years; and
- b) at least:
  - (i) one subsidiary that meets the general scope of the CSRD; or
  - (ii) one branch (in general, a physical presence) that generated net turnover greater than €40 million in the preceding year.

The globally integrated nature of economies and the applicability of ESRS to companies' entire value chains mean this regulation will have a vast global reach.

The EU is driving ambition globally by raising the standard for most companies and demonstrating leadership in adopting a disclosure approach that embraces both companies' value creation and impacts on people and the planet.

CDP's Corporate Questionnaire has a disclosure system that is designed to be flexible and adaptable to new standards, and as additional sustainable finance taxonomies are developed, CDP plans to integrate them into its system.

While the current focus is on the EU Taxonomy for companies subject to CSRD, understanding how to apply taxonomy criteria to financial metrics will increasingly be a best practice requirement relevant for companies from all regions.

Non-EU companies can stay ahead of the curve by learning how to screen their financial metrics against the EU Taxonomy. By doing so, they can prepare for when this process becomes best practice, regardless of their location.

Please refer to question 8 on page 7 in the following document for more detail on value chain reporting: [Publications Office \(europa.eu\)](https://publications-office.europa.eu).

You can find more detailed information in the [CDP Policy Explainer on CSRD and ESRS](#).

### 3.3. As our annual report (including EU Taxonomy reporting) is due in March, how does disclosing through CDP help with our reporting?



Companies subject to the EU Taxonomy must disclose the information in their annual reports. However, disclosing this data through CDP is a useful step for organizations subject to the EU Taxonomy that need to disclose taxonomy alignment in their annual filings because it ensures this information reaches decision makers, such as investors.

Disclosing on CDP's sustainable taxonomy questions means organizations will share data on their taxonomy alignment and activities directly with their stakeholders – the 700+ CDP capital market signatories with more than US\$142 trillion in assets, 330+ supply chain members, governments in [our new dashboard](#), or the wider ESG data market that relies on our data.

### **3.4. As a non-publicly listed organization, reporting is not mandatory until 2025. What benefits are there for disclosing this information?**

Voluntary reporting against the EU Taxonomy provides an opportunity to get ahead of the regulations and gain valuable insights ahead of mandatory reporting. The resulting data and learnings from assessing the eligibility and alignment against the EU Taxonomy early on can help companies to adjust their business strategy to protect against climate and nature-related risks, while improving internal data collection processes can help prepare for more complete and coherent reporting later down the line.

### **3.5. Will Swiss companies be affected by the EU Taxonomy? If so, how should they be responding to 5.4.2?**

Yes, Swiss companies will be affected by the EU Taxonomy, either directly or indirectly.

Directly:

- If they have subsidiaries within the EU that individually meet the criteria of public interest entities (except micro undertakings), or;
- If they act as a parent of a large public interest group.

Indirectly:

- Swiss financial institutions may be approached by EU financial institutions to collect taxonomy related information;
- EU investors (pension funds, insurance companies etc.) directly under the Taxonomy Regulation scope may approach their Swiss fund managers or managers of segregated portfolios, or;
- Swiss fund managers performing portfolio management on behalf of an EU Management Company (ManCo) or Alternative Investment Fund Manager (AIFM).

Swiss companies should be responding to 5.4.2 if they are directly affected by the taxonomy regulation, i.e. they meet either of the two criteria above.

### **3.6. If CDP's EU Taxonomy related questions are not mandatory, what benefit is there for disclosing this information?**

Disclosure is increasingly demanded by capital markets and customers and in 2023, a record 23,000+ companies disclosed through CDP.. Disclosure offers an organization a structured way to avoid the

accusation of greenwashing and simultaneously gives them the confidence to communicate their work on climate and nature by providing a universal framework to measure commitments.

- With mandatory disclosure fast approaching, companies must get up to speed or risk falling victim to more aggressive legislation or market trends. Disclosing through CDP remains vital as a standardized, global, and comparable data platform.
- By disclosing to CDP, companies share their progress directly with investors and confirm they are doing more than just making commitments. Getting better data on their portfolio companies helps investors measure and manage their environmental risk and assists them with mandatory regulation such as the Sustainable Finance Disclosure Regulation (SFDR).

### **3.7. Given the new requirement to report both on eligibility and alignment, a significant disparity appears to exist between the two. What potential consequences may arise from this for our reputation and/or access to finance in the future?**

The EU Taxonomy is an evolving classification system establishing a list of environmentally sustainable economic activities, providing a legal framework for green finance rules. It is also an opportunity for companies to measure their climate-related operational risks and make informed adjustments to future-proof their business strategy.

Low levels of alignment are expected at this stage; disclosure is an opportunity to demonstrate progress year on year, supporting the transition to carbon neutrality by 2050.

Supporting information provided by companies in their response can provide context and justifications for the data provided and the potential [traffic light system](#) can help to provide more transparency and opportunities for stakeholders.

### **3.8. At this point, with upcoming changes including the refinement of technical screening criteria (TSC) and the addition of the remaining four objectives, do investors consider the current data to be relevant?**

- **For financial products:** investors that manage and market financial products in the European Union fall under Sustainable Financial Disclosure Regulation (SFDR). Since 2022, they must report any targets and minimum investments in taxonomy-aligned economic activities for each financial product. Since January 2023, regardless of any commitment to taxonomy-related objectives, products that promote environmental and social characteristics (from ESG) or have sustainable objectives must report on their percentage of taxonomy-aligned investment periodically.
- **For financial institutions as entities:** under the taxonomy regulation, from 2024, financial institutions will, as any organization that falls under the scope of NFRD, report on taxonomy eligibility and alignment. The data reported in 2024 should cover the financial year 2023, hence the need for corporate data to be disclosed now.

## 4. Other FAQs

### **4.1. In 5.4.1 why is there no longer an option to identify alignment with a “Climate Transition Plan” and/or “Sustainable finance taxonomy” in column 1 “Identification of spending/revenue...”?**

The drop-down options in column 1 “Identification of spending/revenue that is aligned with your organization’s climate transition” have been modified. Where previously there were three “Yes” options indicating alignment with a) an organization’s climate transition plan, b) a sustainable finance taxonomy and c) both transition plan and taxonomy, these have been condensed to one single “Yes” option through which an organization can simply indicate that it has identified spending/revenue that is aligned with its climate transition.

Column 2 “Methodology or framework used to assess alignment with your organization’s climate transition” was added to allow organizations to then indicate what methodology/frameworks they use to assess alignment with their climate transition (i.e.: a sustainable finance taxonomy or any other bespoke framework).

The context for the following changes was to better drive the nexus between an organization’s climate transition planning and taxonomy reporting, as highlighted by CDP’s recent report “ These changes indicate a shift away from the treatment of taxonomy reporting as distinct from or unconnected with climate transition planning towards treating the former as a tool for transition planning.

### **4.2. In 5.4.1 in columns 8 “Percentage share... in 2025 (%)” and 9 “Percentage share... in 2030 (%)”, how are companies expected to prepare forward looking statements of financial KPIs aligned with sustainable finance taxonomies or climate transition plans?**

These responses form part of a organization’s ambitions to increase alignment and provide stakeholders with the planned trajectory. This answer should be derived from the organization’s overall transition plan, with reference to the activities targeted for improvement within the period specified.

It is acknowledged that figures for future years will be estimates. Assumptions underlying these estimates should be disclosed in column 12 “Details of the methodology or framework used to assess alignment with your organization’s climate transition”.

### **4.3. In 5.4.1, when selecting the option “Other, please specify” in column 5 “Financial metric”, what are some examples of other financial metrics?**

Organizations also use 5.4.1 to report against their transition plan and may want to break down alignment using other metrics, e.g., specific categories of CAPEX/OPEX or R&D, which can be a combination of OPEX & CAPEX.

An organization can make its answer more granular by adding multiple rows and selecting “Other, please specify.” For example, if in addition to total OPEX, an organization wishes to report several distinct categories of OPEX (e.g., utilities, business travel, R&D expenses) separately, it may do so by adding multiple rows and using “Other, please specify” to specify the relevant OPEX category.

#### 4.4. How do we distinguish between the information required in text fields within 5.4.2, and the additional information expected in 5.4.3?

Question 5.4.2 provides text fields to break down the specific process/reasoning used at each assessment stage while 5.4.3 provides a space to discuss underlying assumptions, the tools and proxies used in calculations and whether the data has been verified externally. Question 5.4.3 was modified in 2024 and new response options have been added, replacing the previous version with an open text field in order to collect qualitative information on specific topics. Disclosers can provide details of an organization's minimum safeguards analysis, additional contextual information to support their taxonomy reporting in the previous questions and an indication of whether they will be providing verification and/or assurance of their taxonomy data in 13.1. This change was done to improve the quality and specificity of information being reported to this question.

For more details, please refer to the accompanying [reporting guidance](#) for 5.4.2.

#### 4.5. In 5.4.2, column 5 “Types of substantial contribution”, what is meant by the listed types of activity “Own performance”, “Adapted activity”, “Transitional activity”, “Activity enabling mitigation” and “Activity enabling adaptation”?

Please refer to the [reporting guidance](#) for 5.4.2, which states:

**Own performance:** the activity is being performed in a way that it itself contributes substantially by making a positive impact or removing a negative impact on climate change mitigation. For example, where the activity is already low-carbon. If you are disclosing alignment against the EU Taxonomy for Sustainable Activities, note that activities are considered substantially contributing through own performance if they meet the corresponding technical screening criteria established by the [Climate Delegated Act](#) (Annexe I- pg 12- 140).

**Adapted activity:** the activity is being performed in a way that it itself contributes substantially by making a positive impact or removing a negative impact on climate change adaptation. For example, where the activity adopts adaptation solutions. If you are disclosing alignment against the EU Taxonomy for Sustainable Activities, note that activities may qualify as substantially contributing through own performance if they meet the corresponding technical screening criteria established by the [Climate Delegated Act](#) (Annexe II- pg 146- 346).

**Transitional activity:** the activity does not have a technologically or economically feasible low-carbon alternative, but substantially contributes to climate change mitigation by supporting the transition to a net-zero carbon economy consistent with a pathway to limit the temperature increase to 1.5C above preindustrial levels.

**Activity enabling climate change mitigation:** the activity enables a substantial contribution to be made to climate change mitigation in other activities. For example, the activity enables other activities to achieve emissions reductions.

**Activity enabling climate change adaptation:** the activity enables a substantial contribution to be made to climate change adaptation in other activities. For example, the activity is developing adaptation solutions.

If you are disclosing against the EU Taxonomy for Sustainable Activities, you are encouraged to use the [EU Taxonomy Navigator](#), a website offering online tools to better understand the EU Taxonomy, and the [EU Taxonomy Compass](#) tool developed by the EU Commission, to determine whether an activity is enabling or transitional.

If the activity substantially contributes to both climate change mitigation and climate change adaptation, select all types of substantial contribution across both objectives. For example, an activity may contribute substantially to climate change mitigation based on its own performance, and also enable climate change adaptation.

#### 4.6. In 5.4.2 what is meant by "substantial contribution" to climate change mitigation/adaptation in column 5 "Types of substantial contribution"?

The specific criteria differ between the two environmental objectives.

A breakdown of criteria for both climate change mitigation and adaptation can be found in Articles 10 and 11 of the EU Taxonomy [regulation](#).

#### 4.7. What are the best practices to avoid double counting financial metrics?

If an economic activity contributes to several environmental objectives, the organization should disclose the turnover, CAPEX and OPEX from that activity as contributing to several environmental objectives depending on the nature of the activity.

Refer below for different cases of reporting financial metrics against multiple objectives, taken from the Commission's [FAQ](#) on Article 8. For further information on how to avoid double counting, please refer to the EU Commission's guidance on the matter ([EU Commission FAQs, p. 15-17](#)).

- **Case I - Where possible to distinguish CCM-related and CCA-related CAPEX/OPEX:** Where an activity contributes substantially to CCM and is also adapted to climate change, CAPEX/OPEX associated with the solution which makes the activity adapted may be assessed for CCA if it is possible to clearly distinguish it from CAPEX/OPEX that is associated with the activity's substantial contribution to CCM. E.g. In the case of an onshore wind farm that is being assessed for substantial contribution to CCM, CAPEX/OPEX associated with protecting the windfarm from sea level rise or erosion may be assessed for CCA.
- **Case II - Where not possible to distinguish CCM-related and CCA-related CAPEX/OPEX:** If the adaptation solution is an inherent part of the design of an asset that is CCM aligned, it may be difficult to distinguish the CAPEX/OPEX associated with the activity's substantial contribution to CCA from the CAPEX/OPEX associated with the activity's substantial contribution to CCM. E.g. In order to be CCM aligned, a new offshore windfarm would have to be designed to be resilient against sea level rise, (in order to meet a DNSH to CCA criterion). In such cases, CAPEX/OPEX should be assessed for CCM alignment only, as this CAPEX/OPEX will also cover the inherent adaptation solution.
- **Case III - CAPEX/OPEX incurred to meet DNSH criteria for non-climate objectives:** Where an activity contributes substantially to CCM and CAPEX/OPEX is incurred to meet the DNSH criteria for non-climate environmental objectives, even if the CAPEX/OPEX is distinguishable, it should be reported under the CCM objective. E.g. A car manufacturing organization producing electric cars may incur CAPEX/OPEX to meet the DNSH criteria for the circular economy or pollution prevention objectives, in order to be taxonomy-aligned for CCM. This CAPEX/OPEX should not be reported under the circular economy/ pollution prevention objectives since DNSH criteria are not the same as TSC, and TSC have



not yet been established for these objectives. Instead, it should be reported under CCM because it was incurred in the context of making an activity aligned to CCM.

**Turnover-specific guidance for adapted activities:** Turnover generated from an adapted activity cannot be counted except in one of the following two cases:

- **Case I: Where the adapted activity is also aligned with CCM or any non-climate obj.** E.g. Turnover from an offshore wind farm that is adapted to climate change can be counted if the wind farm is taxonomy-aligned with respect to CCM, but the turnover should be reported only under the CCM objective.
- **Case II: Where the adapted activity also enables CCA.** E.g. If an organization is afforesting a drought prone area with drought resistant trees (adapted activity), the turnover from selling drought resistant seeds/saplings can be counted towards CCA (with an 'E' (enabling) tag). In this case, if the afforestation is also CCM-aligned, turnover can be reported under CCM

Therefore, turnover from an activity that is only adapted to CC cannot be counted.



With the contribution  
of the LIFE Programme  
of the European Union.