

# European regulation Sustainable Taxonomy


September 2021

## Key takeaways

### > Objectives

- Classify the **sustainable activities**
- **Common Language**, based on alignment % with the EU Taxonomy
- **Transparency**
- **Reorienting capital flows** towards a more sustainable economy

### > Who ?

 Companies subject to the **NFRD\***

 **Financial market participants**

Within the **EU Member States**

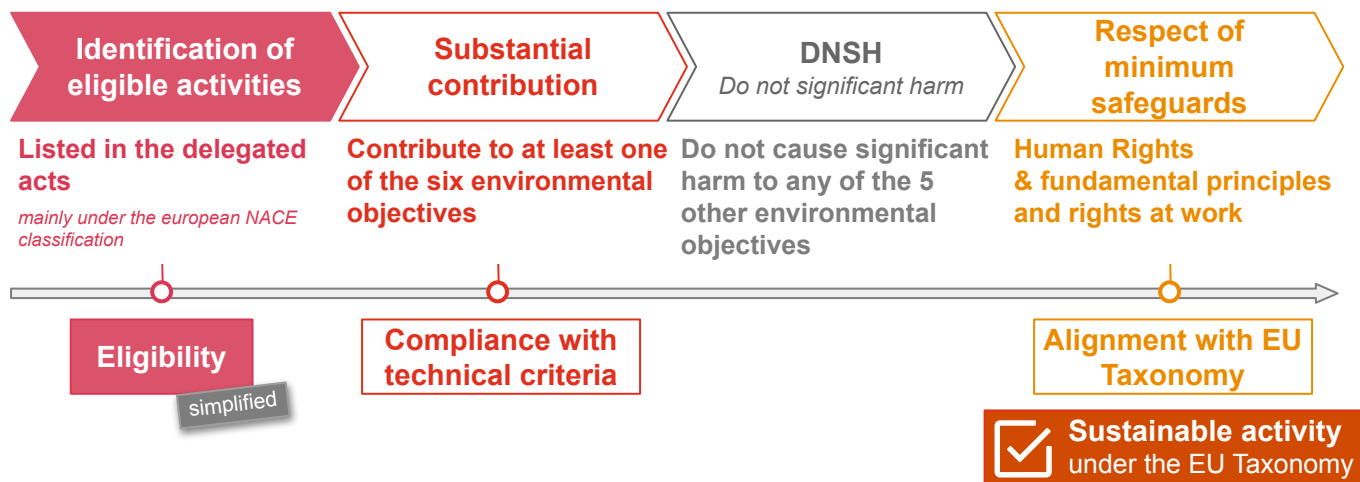
### > When ?

1<sup>st</sup> application as from 2022:

**Reporting 2021**

simplified

### > Founding concepts and sustainable activity



### > Annual publication of KPIs

In the **non-financial reporting**  
(DPEF for France)



**Non financial undertakings<sup>(\*)</sup>**

□ Share of “sustainable” activities

- **% of Turnover**
- **% of CAPEX**
- **% of OPEX**

*under the definition of the EU Taxonomy (restrictive list)*

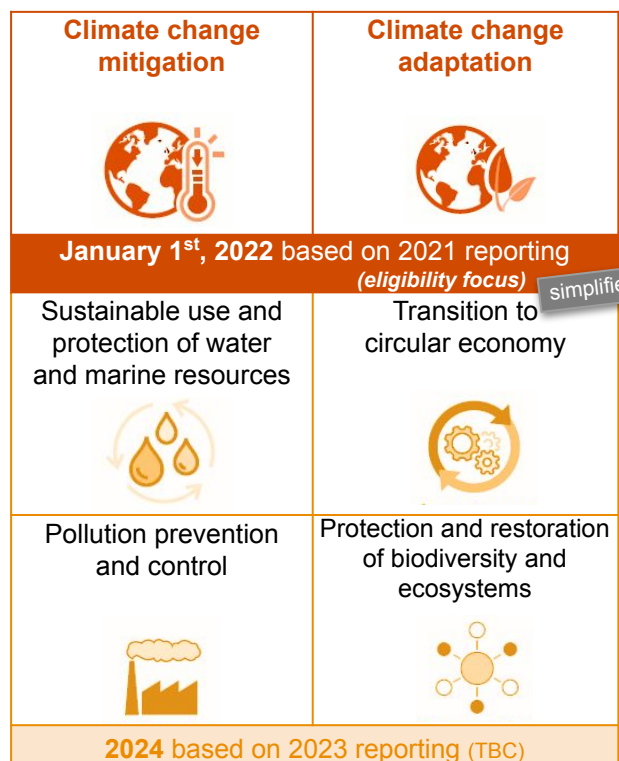


**Financial undertakings**

□ **Specific KPIs** defined for the financial undertakings (notably green asset ratio)

<sup>(\*)</sup> Certain large undertakings required to publish non financial information in compliance with article 19 bis or article 29 bis of the 2013/34/UE directive (scope NFRD, French definition of EIP)

### > 6 environmental objectives



### Contact us

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The **delegated act Article 8** — published on July 6, 2021 by the European Commission — complements the regulation and the Climate delegated act<sup>(1)</sup>. It defines **the content and presentation of the reporting on Taxonomy** and clarifies **the simplification measures** for the 2021 reporting.

### > What obligations for the future reportings ?

- 3 KPIs

% Turnover, Capex, Opex
- +

**qualitative information**
  - Applied policies and practices
  - Comments on the published indicators



**Presentation : Template** provided in the Annex II of the Article 8 delegated act

i Not required for the 1<sup>st</sup> year

### > What key principles for the required KPIs ?

Turnover	Capex	Opex
<div> <div>Sustainable activities turnover<sup>(2)</sup></div> <div>Total Turnover</div> </div> <div> <div>✓ includes :</div> <div>IFRS consolidated turnover, in accordance with:</div> <div>IFRS 15   IFRS 16</div> <div>(Other if applicable)</div> <div> <div>⚠</div> <div>For the activities listed in the Annex 2 “adaptation”, Turnover included only for enabling activities</div> <div>( i.e. activities that contribute to the adaptation of other activities)</div> </div> </div>	<div> <div>Sustainable Capex</div> <div>Total Capex</div> </div> <div> <div>✓ includes acquisitions:</div> <div>- of tangible and intangible assets before any remeasurement, depreciation, amortisation or impairment and excluding any changes in fair value</div> <div>- related to business combinations</div> <div>In accordance with :</div> <div>IAS 16 / IAS 38 / IFRS 16 / IAS 40 / IAS 41</div> <div> <div>3 categories</div> <div>of Capex et Opex<sup>(3)</sup> to be considered:</div> <div> <div>1. Directly related to sustainable activities<sup>(2)</sup>, or</div> <div>2. included in a plan to expand or render an activity sustainable<sup>(2)</sup>, or</div> <div>3. “individually sustainable”</div> </div> </div> </div>	<div> <div>Sustainable Opex<sup>(3)</sup></div> <div>Total Opex<sup>(3)</sup></div> </div> <div> <div>✓ limited to specific non-capitalised indirects costs, such as: R&amp;D costs, repairs and maintenance, etc.</div> <div> <div>⚠</div> <div>Difficulties raised by the current definition — Ongoing discussions and expected clarification</div> </div> </div>

i

Option to disclose **additional KPIs** (optional), notably including the equity affiliates
For instance: Turnover, Capex and Opex after joint-ventures or other “non-GAAP” indicators

<sup>(1)</sup> The European Taxonomy Regulation, released on 18 June 2020, provides the regulatory framework and the Climate delegated act, released on 21 april 2021, details the full list of retained technical criteria and DNSH, for the 2 “climate” objectives, in its annexes 1 and 2.

<sup>(2)</sup> Substantially contribute to one or several environmental objectives and comply with the DNSH criteria and minimum safeguards.

<sup>(3)</sup> Under the Taxonomy definition, i.e. restrictive list disclosed in the annexe I of the Article 8 delegated act.

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