Webinar Series

European Climate Foundation

Climate Bonds Initiative

EU Taxonomy Explored: Talks with TEG Experts

Usability

Thursday 28th May 15:00 Paris (14:00 London)

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Acciona

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Climate Bonds Initiative

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PGGM

Companies' disclosures

Taxonomy Regulation introduces a new disclosure requirement for companies already required to provide a non-financial statement under the Non-Financial Reporting Directive.

This disclosure should be made as part of the non-financial statement, which may be located in annual reporting or in a dedicated sustainability report.

All companies subject to this requirement will include a description of how, and to what extent, their activities are associated with Taxonomy-eligible activities.

By 1 June 2021, the European Commission will adopt a delegated act specifying how these obligations should be applied in practice. The delegated act will consider the differences between non-financial and financial companies. First disclosures are due in the course of 2022.

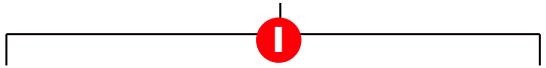
For non-financial companies, the disclosure must include:

- The proportion of turnover aligned with the taxonomy; and
- Capex and if relevant, opex aligned with taxonomy.

TEG recommends companies to disclose breakdown by environmental objective, and % on transitioning and enabling activities.

The four steps in practice

Take a look at the index of the technical annex and check if your company carries out any of these 72 activities



No

If there is no obvious area of activity

Si

ACCIONA´S CASE STUDY

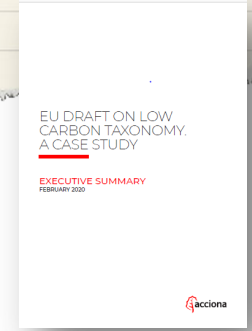
Ingredients:

- 2 people from the CFO team
- 2 people from the Sustainability team

You will need:

- Acess to the company´s cost accounting system.
- Company´s environmental data for Sustainability Reporting.

Prep.Time: 4-6 weeks
Level of difficulty: Low



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The four steps in practice

Take a look at the index of the technical annex and check if your company carries out any of these 72 activities

Transmission and Distribution of electricity

1

No

If there is no obvious area of activity

Si

Does the activity contribute substantially to climate mitigation and / or adaptation?

<100grCO2/kWh

2

No

Si

☑	Subestación De Cubillos
X	Topolobampo III
☑	UTE Bop Goya

The four steps in practice

Take a look at the index of the technical annex and check if your company carries out any of these 72 activities

Electric transportation

1

No

If there is no obvious area of activity

YES

Does the activity contribute substantially to climate mitigation and / or adaptation?

2

No

>80% of waste recycled

YES

Does the activity follow the **Do No Significant Harm** requirement with respect to any of the other 4 environmental objectives?

3

No

YES

Does the activity comply with minimum social safeguards?

4

No

YES

Taxonomy Aligned

	MM €	Revenues	EBITDA	Capex anual	Proyecto	% Reciclaje/reutilización residuos tierras y escombros	
☑	SYDNEY LIGHT RAIL	[illegible]	[illegible]		Tren ligero de Sydney	100%	
	UTE METRO DUBAI 2020	[illegible]	[illegible]	[illegible]	Metro	0%	
☑	UTE METRO DE QUITO FASE 2	[illegible]	[illegible]	[illegible]	Metro	95%	
☑	UTE FOLLO LINE PROJECT	[illegible]	[illegible]	[illegible]	Túneles ferroviarios	98%	
	U-UTE PEDRALBA - TUNEL DE PADORNELO	[illegible]	[illegible]		Túneles ferroviarios	50%	
☑	SPA AUSTRALIA JV	[illegible]	[illegible]		Línea ferroviaria y estaciones	100%	
	PLATAFORMA AVE SOTIELLO-CAMPOMANES	[illegible]	[illegible]		Ferrocarril	50%	
	U-UTE ESTRUCTURA SAGRERA AVE	[illegible]	[illegible]		Ferrocarril	0%	
	U-UTE MIV NORESTE	[illegible]	[illegible]		Ferrocarril	50%	

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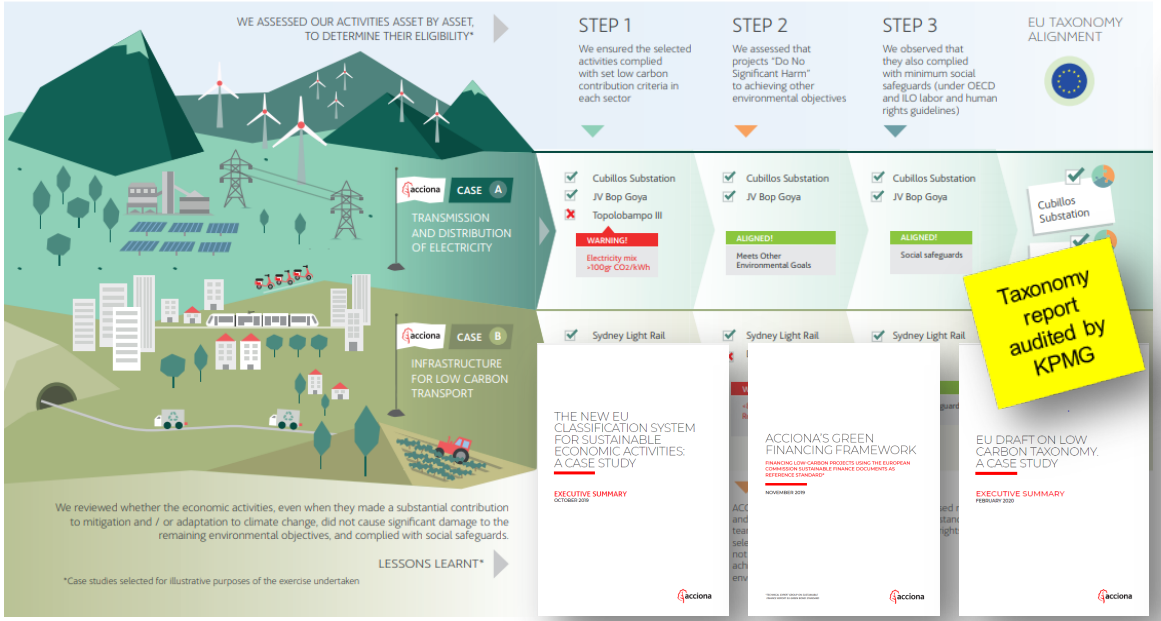
More info

How it works in practice: ACCIONA Case Study

ACCIONA is a step ahead in disclosing publicly the degree of alignment of its economic activities to the EU Taxonomy for sustainable finance. In 2019, the company undertook this exercise to assess its contribution to climate change mitigation and adaptation, to improve investors' understanding of its sustainable solutions business model.



https://www.acciona.com/sustainability/sustainable-finance/

https://accionacorp.blob.core.windows.net/media/3592171/integrated-report_2019.pdf

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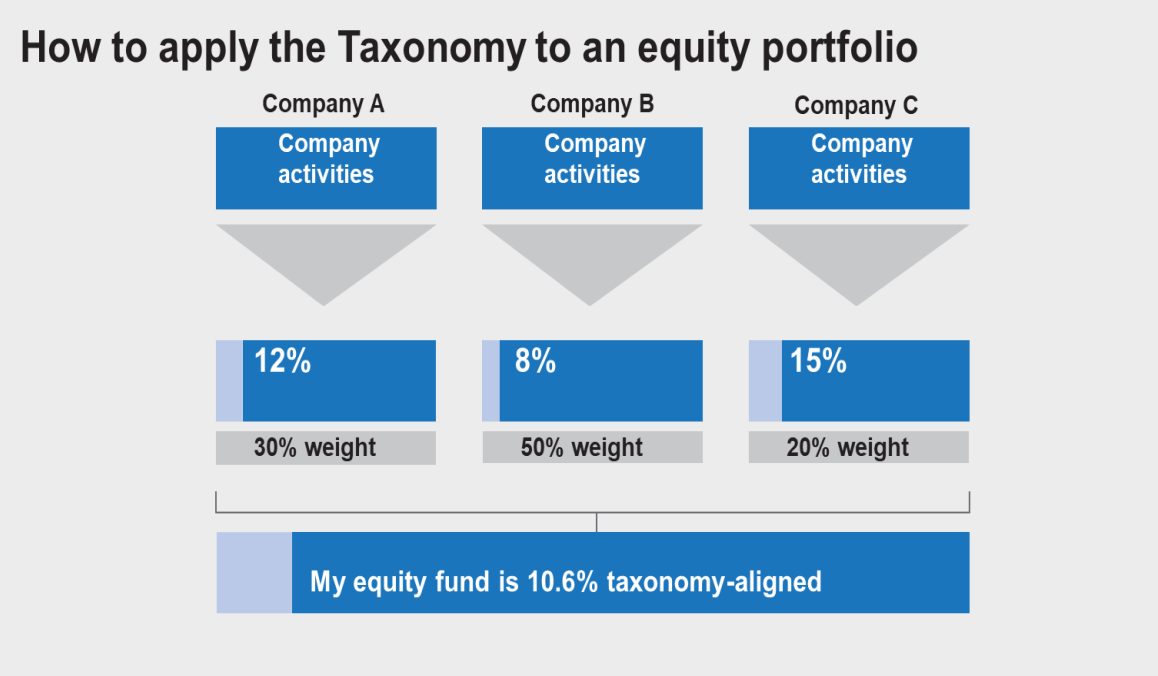
Financial market participants' disclosures



Investors' disclosures:

- How and to what extent the investments underlying the financial product are invested in environmentally sustainable economic activities.
- To what environmental objective(s) the investments contribute;
- and the proportion of underlying investments that are taxonomy eligible, expressed as a percentage. This should specify the breakdown between activities considered to be "enabling" and "transition".

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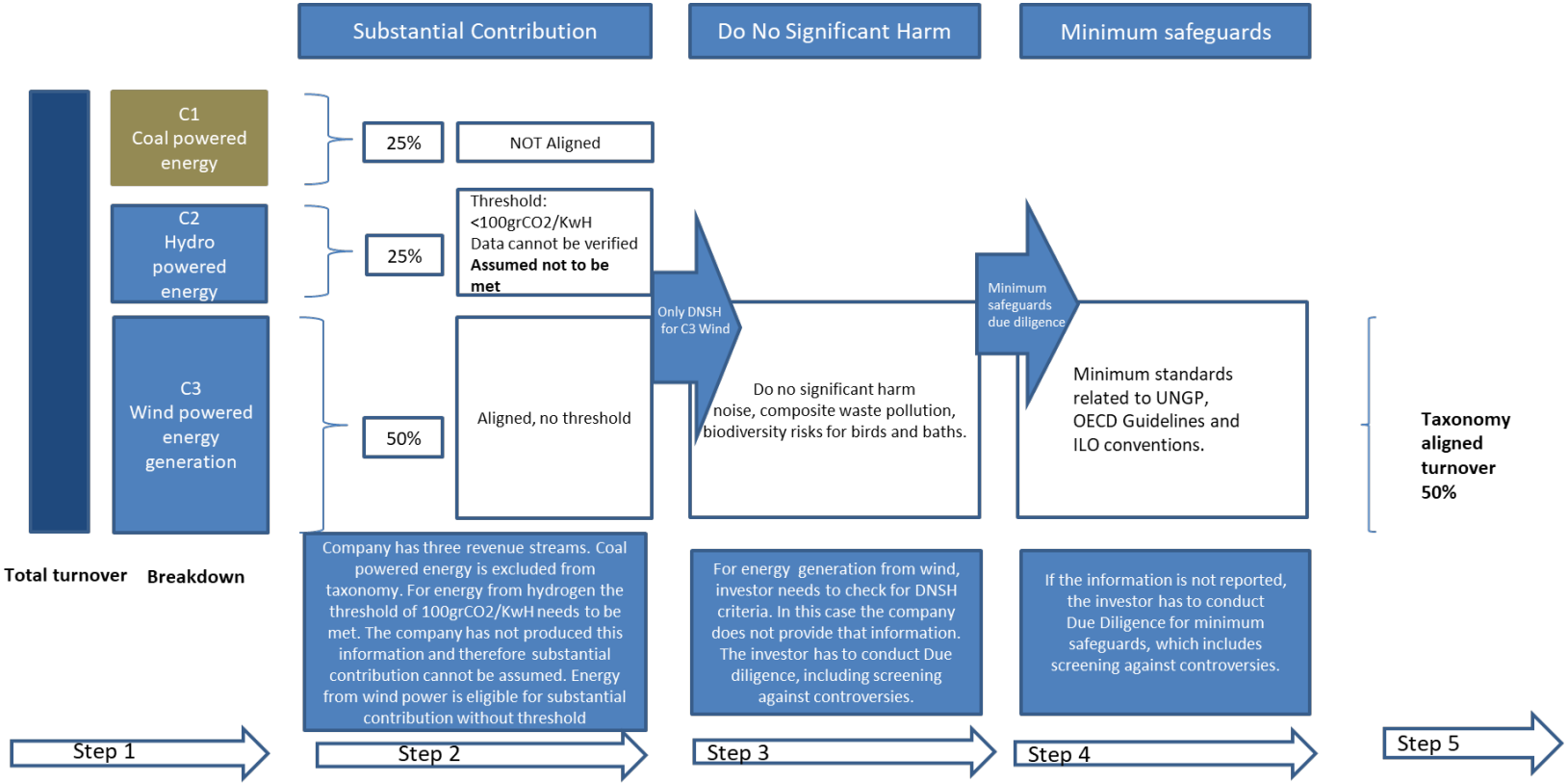
Example on an utility company



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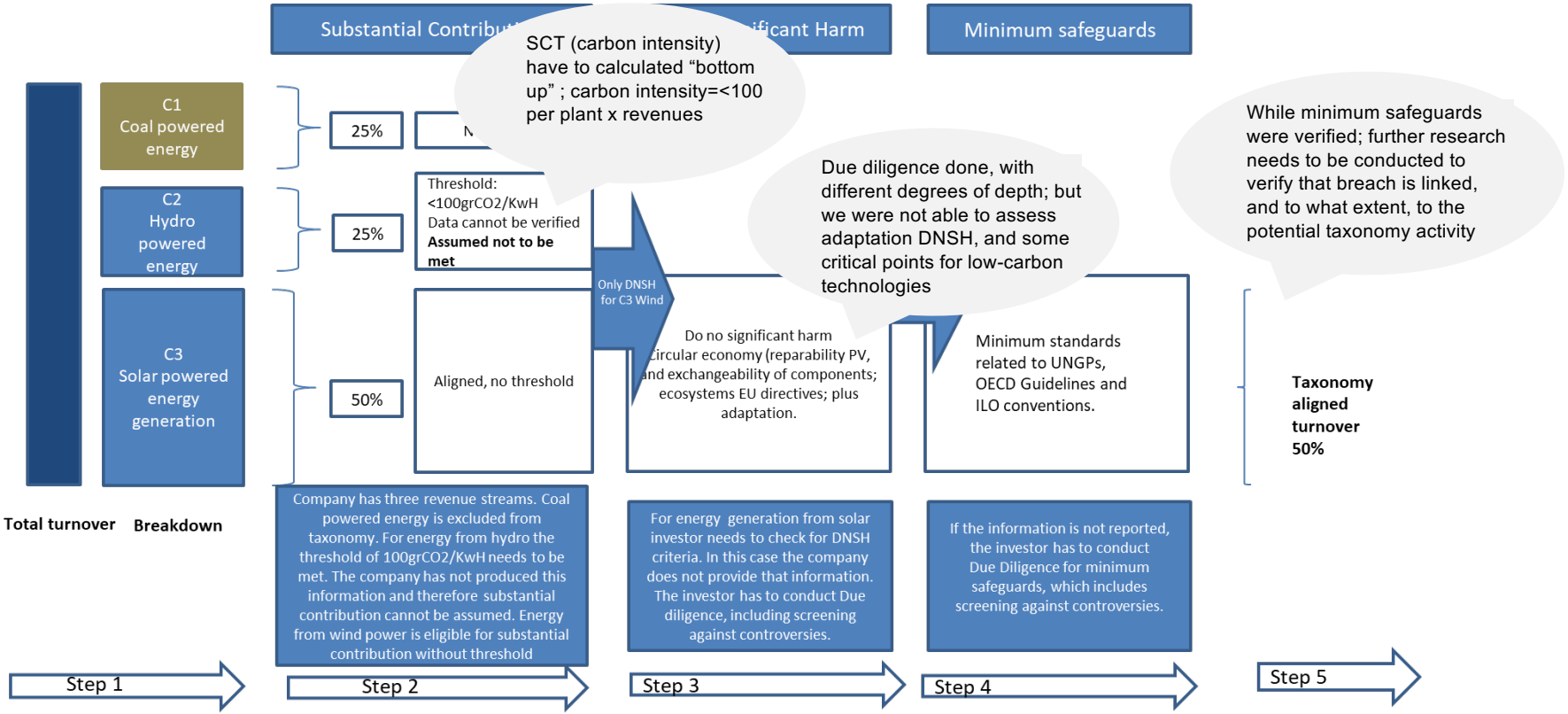

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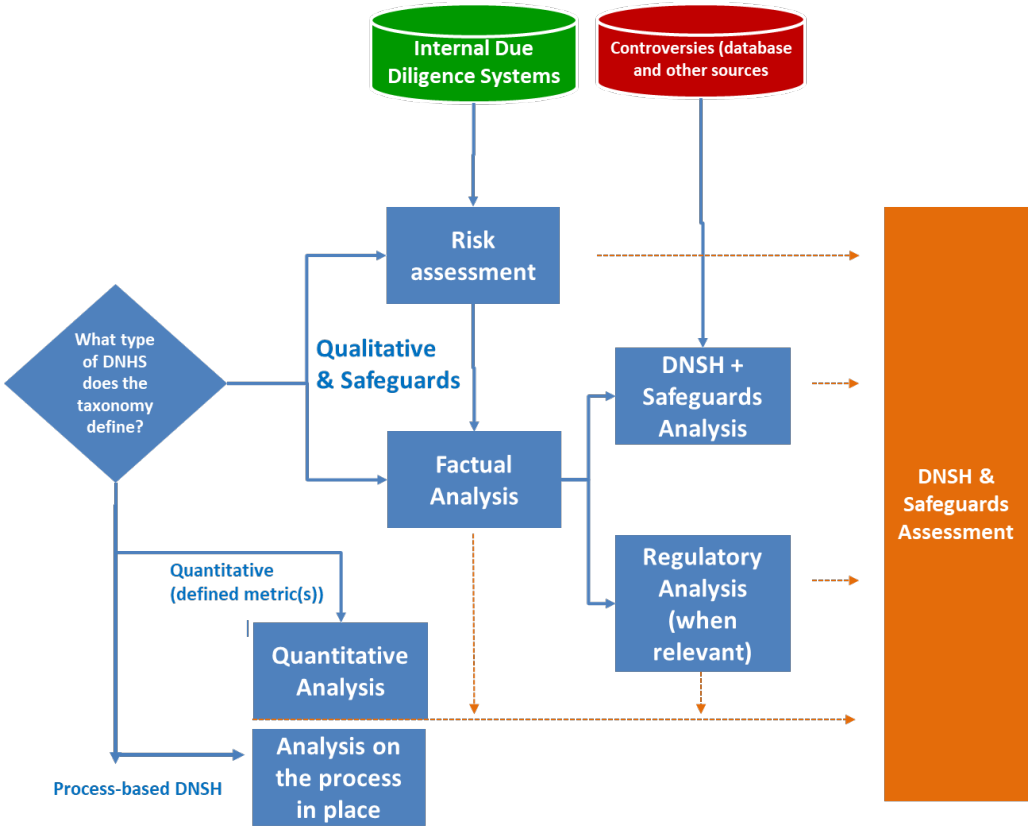
DNSH and minimum safeguards



Download the report

https://ec.europa.eu/info/publications/sustainable-finance-teg-taxonomy_en

Summary Report

- Guidance for investors and companies

Technical Annex

- Detailed criteria with detailed rationale

Taxonomy spreadsheet

- Tables for economic classification systems

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Twitter: **@SustainableFinanceEU @ClimateBonds**

YouTube: **@Climate Bonds Initiative**

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