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?
- 1st application as from 2022:
  - Reporting 2021
  - 2024 based on 2023 reporting (TBC)

Identification of eligible activities
- Listed in the delegated acts
- mains under the European NACE classification

Substantial contribution
- Contribute to at least one of the six environmental objectives

DNSH
- Do not significant harm

Respect of minimum safeguards
- Human Rights & fundamental principles and rights at work

Eligibility
- Compliance with technical criteria

Alignment with EU Taxonomy
- Sustainable activity under the EU Taxonomy

> Founding concepts and sustainable activity
- Substantial contribution
- DNSH: Do not significant harm
- Respect of minimum safeguards

> Annual publication of KPIs
- In the non-financial reporting (DPEF for France)
  - Share of “sustainable” activities
    - % of Turnover
    - % of CAPEX
    - % of OPEX
    - under the definition of the EU Taxonomy (restrictive list)
  - Specific KPIs defined for the financial undertakings (notably green asset ratio)

> 6 environmental objectives
- Climate change mitigation
- Climate change adaptation
  - January 1st, 2022 based on 2021 reporting (eligibility focus)
- Sustainable use and protection of water and marine resources
- Transition to circular economy
- Pollution prevention and control
- Protection and restoration of biodiversity and ecosystems
  - 2024 based on 2023 reporting (TBC)

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(*) 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)
The delegated act Article 8 — published on July 6, 2021 by the European Commission — complements the regulation and the Climate delegated act. 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

Implementation timetable

2022
2 “Climate” objectives
Focus Eligibility
Based on 2021 reporting
X Comparative

2023
2 “Climate” objectives
Full Reporting
Based on 2022 reporting
X Comparative

6 environmental objectives
Full Reporting
Based on 2023 reporting
✓ Comparative (Climate)

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

Not required for the 1st year

What key principles for the required KPIs?

Turnover
Sustainable activities turnover
Total Turnover

Capex
Sustainable Capex
Total Capex

Opex
Sustainable Opex
Total Opex

includes:

IFRS consolidated turnover, in accordance with:
- IFRS 15 | IFRS 16
(Other if applicable)

For the activities listed in the Annex 2 “adaptation”, Turnover included only for enabling activities
(i.e. activities that contribute to the adaptation of other activities)

includes acquisitions:
- of tangible and intangible assets before any remeasurement, depreciation, amortisation or impairment and excluding any changes in fair value
- related to business combinations

In accordance with:
- IAS 16 / IAS 38 / IFRS 16 / IAS 40 / IAS 41

3 categories of Capex et Opex to be considered:
1. Directly related to sustainable activities
2. included in a plan to expand or render an activity sustainable
3. "individually sustainable"

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

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