



Pharma SE

Illustrative consolidated disclosures pursuant to Article 8 Taxonomy Regulation

Financial year 2021

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This publication presents the sample Art. 8 Taxonomy Regulation disclosures in the consolidated non-financial statement of a fictional EU-based listed parent undertaking, Pharma SE, as of December 31, 2021. It illustrates the disclosure requirements that would apply to such an undertaking pursuant to Art. 8 Taxonomy Regulation (Regulation (EU) 2020/852) and the corresponding delegated acts for the financial year 2021. Supporting commentary is also provided. For the purposes of this publication, the parent undertaking, Pharma SE, is a non-financial undertaking, listed on an EU-regulated financial market and the parent entity in a consolidated entity. The consolidated entity referred to as Pharma Group is considered a large group with more than 500 employees.

This publication is for illustrative purposes only and should be used in conjunction with the relevant European regulations, notably the Taxonomy Regulation and the corresponding delegated acts. It intends to illustrate the main disclosures following the simplified reporting requirements pursuant to Art. 10 (2) of the Art. 8 Delegated Act (Commission Delegated Regulation (EU) 2021/2178). The actual disclosures should be adapted by each undertaking depending on its size, complexity and nature of business. In any case, relevant interpretations and policy choices should be disclosed. This illustrative example reflects the choices made by Pharma SE, other undertakings could have made other judgments and interpretations of the legal requirements.

Please note

The Taxonomy Regulation and the corresponding delegated acts contain formulations and terms that are subject to considerable uncertainties of interpretation. During the preparation of this illustrative example¹, we have endeavoured to take into account all statements made by the European Commission to clarify the content of the new disclosure requirements under Art. 8 Taxonomy Regulation. The most recently published Commission notice on the interpretation of certain legal provisions of the Disclosures Delegated Act under Article 8 of EU Taxonomy Regulation on the reporting of eligible economic activities and assets ("European Commission's FAQs as of 2 February 2022") has thus been considered for this illustrative example. The main changes compared to the previous version² include:

- A clarification on the scope of Capex/Opex to be reported under category c according to Sect. 1.1.2.2 of Annex I to the Art. 8 Delegated Act in the context of Taxonomy-eligibility reporting (FAQ no. 11 of the European Commission's FAQs as of 2 February 2022). Consequently, Version 2 only contains one view on Capex/Opex to be reported under category c compared to the three permissible views contained in Version 1.
- The European Commission's FAQs as of 2 February 2022 contain clarifications on the definition of an economic activity and on the question under which economic activity an undertaking, that is active in several sectors within the value chain of one product, discloses. Furthermore, it is noted that no differentiation between core and non-core activities is to be made. Corresponding explanations and supplementary notes have been included in Version 2 in this regard.

It should be noted that in view of the remaining uncertainties of interpretation even after the recently published FAQs, it can be assumed that the assessment of the disclosure requirements under Art. 8 Taxonomy Regulation, in particular the assessment of Taxonomy-eligibility and Taxonomy-alignment, will require gradual adjustments over time.

¹ Version 2 as of 3 March 2022.

² Version 1 as of 28 January 2022.

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Introduction

This publication presents illustrative consolidated disclosures pursuant to Art. 8 Taxonomy Regulation for a fictitious undertaking, Pharma SE, for the financial year 2021. The consolidated disclosures comply with the simplified reporting requirements pursuant to Art. 10 (2) of the Art. 8 Delegated Act.

We have attempted to create a realistic set of consolidated disclosures for Pharma SE, parent undertaking of a group that operates in the pharmaceutical sector. Given this background, this illustrative example contains mandatory disclosures as well as voluntary information.

Optional disclosures are highlighted in grey.

Supporting commentaries are displayed in red boxes.

It should be noted that this is an illustrative example and not an exhaustive list of disclosures. For a disclosure checklist pursuant to the simplified disclosure requirements of Art. 10 (2) of the Art. 8 Delegated Act, please refer to the Appendix.

Automotive SE - Illustrative consolidated disclosures pursuant to Article 8 Taxonomy Regulation

For further insights in the Taxonomy disclosures of a group with more Taxonomy-eligible economic activities, refer to the "[Illustrative consolidated disclosures pursuant to Article 8 Taxonomy Regulation of Automotive SE](#)" which can be accessed through our Viewpoint ESG website.

For information purposes

For your information, we have listed below the main documents that form the regulatory framework for the new disclosure requirements according to Art. 8 Taxonomy Regulation and complementary information, inter alia on the further developments of the Taxonomy Regulation. We have also provided links to access these documents on the Internet:

Taxonomy Regulation

Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088

Climate Delegated Act

Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives

Art. 8 Delegated Act

Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by specifying the content and presentation of information to be disclosed by undertakings subject to Articles 19a or 29a of Directive 2013/34/EU concerning environmentally sustainable economic activities, and specifying the methodology to comply with that disclosure obligation

European Commission's FAQs as of 20 December 2021 (updated 31 January 2022)

Frequently asked questions: How should financial and non-financial undertakings report taxonomy-eligible economic activities and assets in accordance with the Taxonomy Regulation Article 8 Disclosures Delegated Act?

Platform considerations on voluntary information as of December 2021

Platform considerations on voluntary information as part of Taxonomy-eligibility reporting

European Commission's FAQs as of 2 February 2022

Draft Commission notice on the interpretation of certain legal provisions of the Disclosures Delegated Act under Article 8 of EU Taxonomy Regulation on the reporting of eligible economic activities and assets (draft has been approved in principle by the European Commission on 2 February 2022 and its formal adoption in all the official languages of the European Union will take place later on, as soon as the language versions are available)

Draft regulations, reports and proposals:

- [Draft Commission Delegated Regulation amending Delegated Regulation \(EU\) 2021/2139 as regards economic activities in certain energy sectors and Delegated Regulation \(EU\) 2021/2178 as regards specific public disclosures for those economic activities](#) (so-called Complementary Delegated Act on Nuclear and Gas; draft has been approved in principle by the European Commission on 2 February 2022 and its formal adoption in all the official languages of the European Union will take place later on, as soon as the language versions are available)
- [Draft report by the Platform on Sustainable Finance on preliminary recommendations for technical screening criteria for the other four environmental objectives](#)
- [Platform on Sustainable Finance's draft report on a social taxonomy](#)
- [Platform on Sustainable Finance's draft report on taxonomy extension options linked to environmental objectives](#)

Pharma SE – Consolidated disclosures pursuant to Art. 8 Taxonomy Regulation

Article 8 Taxonomy Regulation

The Taxonomy Regulation is a key component of the European Commission's action plan to redirect capital flows towards a more sustainable economy. It represents an important step towards achieving carbon neutrality by 2050 in line with EU climate goals as the Taxonomy is a classification system for environmentally sustainable economic activities.

In the following section, we as a non-financial parent undertaking present the share of our group turnover, capital expenditure (Capex) and operating expenditure (Opex) for the reporting period 2021, which are associated with Taxonomy-eligible economic activities related to the first two environmental objectives (climate change mitigation and climate change adaptation) in accordance with Art. 8 Taxonomy Regulation and Art. 10 (2) of the Art. 8 Delegated Act.

Our activities

Our economic activities as a pharmaceutical group – Taxonomy-non-eligible

We have examined all Taxonomy-eligible economic activities listed in the Climate Delegated Act based on our activities as a pharmaceutical group. The Climate Delegated Act focuses on those economic activities and sectors that have the greatest potential to achieve the objective of climate change mitigation – that is, the need to avoid producing greenhouse gas (GHG) emissions, to reduce such emissions or to increase GHG removals and long-term carbon storage. The sectors covered include energy, selected manufacturing activities, transport and buildings.

After a thorough review involving all relevant divisions and functions, we concluded that our pharmaceutical economic activities are not covered by the Climate Delegated Act and consequently are Taxonomy-non-eligible. It can therefore be concluded that the pharmaceutical sector has not been identified as a major source of GHG emissions.

Our assessment of Taxonomy-eligibility is focused on economic activities defined as the combination of resources to produce specific goods or services. In this context, we, as a pharmaceutical group, generate external revenue from our products only under one activity (manufacture and sale of our pharmaceutical products), but are active in several sectors within the value chain of our products. Activities within the value chain of our products that are not revenue-generating, but that result in assets or processes that are essential for our revenue-generating activities, are not reported as Taxonomy-eligible economic activities on their own. This includes, in particular, research and development, the acquisition/construction of new buildings (for our production sites), and other investment-oriented activities such as expenditure for our fleet and data center capacities. Additionally, the transport of our pharmaceutical products to our clients is not reported as a Taxonomy-eligible activity and it is not included in our turnover KPI, because we are not generating external turnover on a standalone basis with this activity.

However, we do disclose Capex and Opex relating to the purchase of output from Taxonomy-eligible economic activities and individual measures to improve energy efficiency listed in the Climate Delegated Act (cf. Table 2 - Individually Taxonomy-eligible Capex/Opex and the corresponding economic activities).

Note

The Art. 8 Delegated Act as well as the FAQs of the European Commission do not contain a clear statement on whether undertakings have to disclose their Taxonomy-eligible economic activities exclusively under their revenue-generating activities (regardless of whether they are considered as core or non-core activities) or whether they also have to assess and disclose separately the Taxonomy-eligibility of economic activities that they carry out within their value creation process but that do not result in external revenue. In this context, it is also necessary to judge which assets and processes are considered essential for the undertaking's own revenue-generating economic activity and which are not. In the case of Pharma SE, this concerns investment activities, e.g. regarding buildings, vehicles and R&D activities. In our view, undertakings have considerable judgement in this respect and have to make a policy choice, which should be disclosed in the description of taxonomy-eligible economic activities (Sect. 1.2.2.1 (a) of Annex I to the Art. 8 Delegated Act).

Outlook on our potential for Taxonomy-eligibility (optional)**Note**

Undertakings may wish to provide further information on their Taxonomy-non-eligible economic activities with respect to the potential of these activities to become Taxonomy-eligible. This information is voluntary, and it is important that undertakings make a clear distinction between the mandatory disclosures and the additional voluntary disclosures.

As a general rule, undertakings may report voluntary information in the context of Taxonomy-eligibility reporting. Undertakings should explain the reasons for making such disclosures, and they should add:

- supporting detail setting out the basis for this voluntary disclosure,
- the methods used for its preparation and
- a clear explanation of how it differs from mandatory reporting (cf. FAQ no. 7 of the European Commission's FAQs as of 2 February 2022).

In the Taxonomy pack for feedback that was published in August 2021, the Platform on Sustainable Finance reported on activities that are considered for the upcoming delegated act on the other four environmental objectives (sustainable use and protection of water and marine resource; transition to a circular economy; pollution prevention and control; and protection and restoration of biodiversity and ecosystem). In this call for feedback, pharmaceuticals were mentioned as indicators to establish priority activities regarding the following objectives:

- sustainable use and protection of water and marine resources and
- pollution prevention and control.

Therefore, we expect to be able to report at least some of our economic activities as Taxonomy-eligible (under the activities of manufacture of chemicals or manufacture of basic pharmaceutical products and pharmaceutical preparations) in the future.

We disclose this information on a voluntary basis, because we believe that this information is helpful for users of our consolidated non-financial statement to gain a better understanding of our business activities. For the sake of clarity, our pharmaceutical activities are currently included in the proportion of Taxonomy-non-eligible economic activities within the mandatory disclosures of our total turnover, Capex and Opex for the reporting period 2021.

Individually Taxonomy-eligible Capex and Opex

Regarding Capex/Opex related to purchases and measures that we consider as individually Taxonomy-eligible, we refer to the explanations in the section “Capex KPI and Opex KPI” in the description of our accounting policies.

Our KPIs

Art. 8 (2) Taxonomy Regulation in conjunction with Art. 10 (2) of the Art. 8 Delegated Act

The key performance indicators (“KPIs”) include the turnover KPI, the Capex KPI and the Opex KPI. For the reporting period 2021, the KPIs have to be disclosed in relation to Taxonomy-eligible economic activities and Taxonomy-non-eligible economic activities (Art. 10 (2) of the Art. 8 Delegated Act).

Since our economic activities as a pharmaceutical group are not covered by the Climate Delegated Act, the share of Taxonomy-eligible economic activities in our total turnover is 0% and, consequently, the related capital and operating expenditure are also 0% (cf. table 1 for our total KPIs).

Note

Alternatively, in such a case only qualitative information might be given:

“Our turnover is Taxonomy-non-eligible because our economic activities are not covered by the Climate Delegated Act to date. Consequently, the capital and operating expenditure related to these activities are Taxonomy-non-eligible (cf. table 1 for our total KPIs).”

In addition, the capital and operating expenditure to be reported also include those that are related to the purchase of output from Taxonomy-eligible economic activities and certain individual measures enabling the target activities to become low-carbon, or to lead to GHG reductions. Due to our accounting policy regarding these individually Taxonomy-eligible Capex/Opex (cf. the section “Capex KPI and Opex KPI” in the description of our accounting policies), we report our total KPIs as follows:

Table 1 - Proportion of Taxonomy-eligible and Taxonomy-non-eligible economic activities in total turnover, Capex and Opex

	Total (mEUR)	Proportion of Taxonomy-eligible economic activities (in %)	Proportion of Taxonomy-non-eligible economic activities (in %)
Turnover	100,000	0%	100%
Capital expenditure (Capex)	10,000	15%	85%
Operating expenditure (Opex)	5,000	10%	90%

Accounting Policies

The specification of the KPIs is determined in accordance with Annex I to the Art. 8 Delegated Act. We determine the Taxonomy-eligible KPIs in accordance with the legal requirements and describe our accounting policy in this regard as follows:

Turnover KPI

Definition

Sect. 1.2.1 (a), (b) of Annex I to the Art. 8 Delegated Act

The proportion of Taxonomy-eligible economic activities in our total turnover has been calculated as the part of net turnover derived from products and services associated with Taxonomy-eligible economic activities (numerator) divided by the net turnover (denominator). The denominator of the turnover KPI is based on our consolidated net turnover in accordance with IAS 1.82(a). For further details on our accounting policies regarding our consolidated net turnover, cf. page xxx of our Annual Report 2021.

With regard to the numerator, we have not identified any Taxonomy-eligible activities, as explained above.

Note

Sect. 1.1.1 of Annex I to the Art. 8 Delegated Act defines the numerator as the part of net turnover derived from products or services, including intangibles, associated with Taxonomy-aligned economic activities. This definition should be adapted to the actual turnover generating activities, e.g. if no turnover is derived from intangibles, this should be deleted from the definition.

With respect to the reference to the Annual Report, it should be noted that all mandatory Taxonomy disclosures must be part of the non-financial statement (cf. Art. 8 (1) of the Art. 8 Delegated Act). They cannot be replaced by a reference to information in the financial statements.

Sect. 1.2.1 (second sub-paragraph) of Annex I to the Art. 8 Delegated Act

Reconciliation

Our consolidated net turnover can be reconciled to our consolidated financial statements, cf. income statement on page xxx of our Annual Report 2021 (“<<name of the line item in the P&L>>”).

Capex KPI and Opex KPI

Capex KPI

Sect. 1.2.1 (a), (b) of Annex I to the Art. 8 Delegated Act

The Capex KPI is defined as Taxonomy-eligible Capex (numerator) divided by our total Capex (denominator). With regard to the numerator, we refer to our explanations below.

Total Capex consists of additions to tangible and intangible fixed assets during the financial year, before depreciation, amortisation and any re-measurements, including those resulting from revaluations and impairments, as well as excluding changes in fair value. It includes additions to fixed assets (IAS 16), intangible assets (IAS 38) and right-of-use assets (IFRS 16). Additions resulting from business combinations are also included. Goodwill is not included in Capex, because it is not defined as an intangible asset in accordance with IAS 38. For further details on our accounting policies regarding our Capex, cf. page xxx of our Annual Report 2021.

Note

The Capex definition needs to be adapted to the actual Capex, e.g. in this case investment properties (IAS 40) and biological assets (IAS 41) do not apply.

With respect to the reference to the Annual Report, it should be noted that all mandatory Taxonomy disclosures must be part of the non-financial statement (cf. Art. 8 (1) of the Art. 8 Delegated Act). They cannot be replaced by a reference to information in the financial statements.

Sect. 1.2.1 (second sub-paragraph) of Annex I to the Art. 8 Delegated Act

Reconciliation

Our total Capex can be reconciled to our consolidated financial statements, cf. pages xxx to xxx of our Annual Report 2021 (“<<table on changes in intangible assets, in right-of-use assets, and in PPE>>”). They are the total of the following movement types (acquisition and production costs)

- additions and
- additions from business combinations

for intangible assets, right-of-use assets and property, plant and equipment.

Note

Sect. 1.2.1 of Annex I to the Art. 8 Delegated Act requires references to the related line items in the financial statements. Therefore, a general reference to the notes is not sufficient. Rather, it must be indicated with which rows/columns the Capex can be reconciled in total. If such a reconciliation is not possible in total, e.g. because the changes in the scope of consolidation are shown netted, a reconciliation statement is required.

Sect. 1.2.1 (a), (b) of Annex I to the Art. 8 Delegated Act

Opex KPI

The Opex KPI is defined as Taxonomy-eligible Opex (numerator) divided by our total Opex (denominator). With regard to the numerator, we refer to our explanations below.

Total Opex consists of direct non-capitalised costs that relate to research and development, building renovation measures, short-term lease, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment. This includes:

- Research and development expenditure recognised as an expense during the reporting period in our income statement (cf. page xxx of our Annual Report 2021). In line with our consolidated financial statements (IAS 38.126), this includes all non-capitalised expenditure that is directly attributable to research or development activities.
- The volume of non-capitalised leases was determined in accordance with IFRS 16 and includes expenses for short-term leases and low-value leases (cf. page xxx of our Annual Report 2021). Even though low-value leases are not explicitly mentioned in the Art. 8 Delegated Act, we have interpreted the legislation as to include these leases.
- Maintenance and repair and other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment were determined based on the maintenance and repair costs allocated to our internal cost centers. The related cost items can be found in various line items in our income statement, including production costs (maintenance in operations), sales and distribution cost (maintenance logistics) and administration cost (such as maintenance of IT-systems). This also includes building renovation measures.

In general, this includes staff costs, costs for services, and material costs for daily servicing as well as for regular and unplanned maintenance and repair measures. These costs are directly allocated to our PP&E.

This does not include expenditures relating to the day-to-day operation of PP&E such as: raw materials, cost of employees operating the machinery, and electricity or fluids that are necessary to operate PP&E.

Sect. 1.2.3.3 (c) of Annex I to the Art. 8 Delegated Act

Direct costs for training and other human resources adaptation needs are excluded from the denominator and the numerator. This is because Annex I to Art. 8 Delegated Act lists these costs only for the numerator, which does not allow a mathematically meaningful calculation of the Opex KPI.

Note

With regard to the direct costs for training and other human resources adaptation needs, non-financial undertakings have a policy choice: either these costs are included in both, the denominator and the numerator, or they are not included at all.

Explanations on the numerator of the Capex KPI and the Opex KPI

Sect. 1.2.1 (a), (b) of Annex I to the Art. 8 Delegated Act

Since Pharma Group has not identified Taxonomy-eligible economic activities, we do not record Capex/Opex related to assets or processes that are associated with Taxonomy-eligible economic activities ("category a" acc. to Sect. 1.1.2.2 of Annex I to the Art. 8 Delegated Act) in the numerator of the Capex KPI and the Opex KPI. Furthermore, there are no Capex plans to upgrade a Taxonomy-eligible economic activity to become Taxonomy-aligned or to expand a Taxonomy-eligible economic activity ("category b" acc. to Sect. 1.1.2.2 of Annex I to the Art. 8 Delegated Act).

Only "category c" Capex and Opex can therefore qualify as Taxonomy-eligible, i.e. Capex/Opex related to the purchase of output from Taxonomy-eligible economic activities and individual measures enabling the target activities (our non-eligible activities) to become low-carbon or to lead to greenhouse gas reductions (Sect. 1.1.2.2. (c) of Annex I to the Art. 8 Delegated Act). These individual measures correspond to economic activities listed in the delegated acts supplementing the Taxonomy Regulation (as of today, the Climate Delegated Act) and must be implemented and operational within 18 months. The related Capex/Opex is Taxonomy-eligible if it qualifies as the purchase of an output of a Taxonomy-eligible activity or as an individual measure to improve energy efficiency that meets the description of its corresponding economic activity in the Climate Delegated Act.

We have identified the following purchased outputs and individual measures that correspond to eligible economic activities and, thus, result in Taxonomy-eligible Capex/Opex:

Table 2 - Individually Taxonomy-eligible Capex/Opex and the corresponding economic activities

Description of the individually Taxonomy-eligible purchased output/measure	Corresponding economic activity (Annex I to Climate Delegated Act)
All our vehicle fleet (leasing) including maintenance and repair	6.5 Transport by motorbikes, passenger cars and light commercial vehicles
All renovation measures of our existing buildings	7.2 Renovation of existing buildings
Maintenance and repair of the energy efficiency equipment in our existing buildings	7.3 Installation, maintenance and repair of energy efficiency equipment
Our acquisition and ownership of buildings (i.e. eligibility of all buildings, taking into account the legal or economic ownership, including the right of use from a lease of a building)	7.7 Acquisition and ownership of buildings
Leasing of data centre resources from external service providers (non-capitalised lease costs)	8.1 Data processing, hosting and related activities

Sect. 1.2.2.1 (c) of Annex I to the Art. 8 Delegated Act

For the allocation of Capex and Opex we have identified the relevant purchases and measures, and we have identified the primary related economic activity in the Climate Delegated Act. In this way, we ensure that no Capex or Opex is considered more than once.

FAQ no. 7 of the European Commission's FAQs as of 2 February 2022

With regard to the mandatory disclosures on Taxonomy-aligned KPIs in the next reporting period, we point out that, according to our current assessment, we expect that only 10-20% of our investments in buildings and building renovation measures might meet the respective technical screening criteria and, thus, might also qualify as Taxonomy-aligned. With regard to our vehicle fleet, we considered all leased vehicles as Taxonomy-eligible, and we expect almost the same share for Taxonomy-alignment, because we only have electric vehicles in our fleet.

This is a voluntary disclosure based on a preliminary assessment of the technical screening criteria. Our assessment might change in the future. We provide this information for transparency purposes only.

Note

It should be noted that the information above about Taxonomy-alignment is not required for the reporting period 2021, but it could be useful to meet the expectations of users.

Appendix

In this appendix, we provide a checklist that contains all the disclosure requirements accompanying the KPIs of non-financial undertakings pursuant to Sect. 1.2 of Annex I to the Art. 8 Delegated Act to show which of these requirements are in principle applicable for the reporting period 2021.

From 1 January 2022 until 31 December 2022, i.e. for the reporting period 2021, non-financial undertakings only disclose the qualitative information referred to in Sect. 1.2 of Annex I to the Art. 8 Delegated Act that is relevant for the reportable KPIs. We have marked in the right-hand column all disclosures that are in principle eligible for fulfilling these simplified reporting requirements pursuant to Art. 10 (2) of the Art. 8 Delegated Act. This information therefore does not refer to a specific non-financial undertaking and not to the illustrative example of Pharma SE. It is the responsibility of each non-financial undertaking to check which disclosure requirements have to be fulfilled in order to comply with the simplified reporting obligations.

Legend

✓	Applicable for the simplified reporting (reporting period 2021)
n/a	Not applicable for the simplified reporting, e.g. because it is a quantitative disclosure or the disclosure is aimed at Taxonomy-alignment or requires a comparison with the previous year

References in the checklist below refer to Annex I to the Art. 8 Delegated Act.

Disclosure Checklist	Applicable for the simplified reporting (reporting period 2021)
1.2.1. Accounting policy	
Non-financial undertakings shall explain:	
1 (a) how turnover was determined and allocated to the numerator;	✓
(b) the basis on which the turnover was calculated, including any assessment in the allocation of revenues or expenditures to different economic activities.	✓
2 (a) how capital expenditure was determined and allocated to the numerator;	✓
(b) the basis on which the capital expenditure was calculated, including any assessment in the allocation of revenues or expenditures to different economic activities.	✓
3 (a) how operating expenditure was determined and allocated to the numerator;	✓
(b) the basis on which the operating expenditure was calculated, including any assessment in the allocation of revenues or expenditures to different economic activities.	✓
4 For turnover, non-financial undertakings shall include references to the related line items in the financial statements;	✓

5	For capital expenditure, non-financial undertakings shall include references to the related line items in the financial statements;	✓
6	Where the application of any calculations has changed since the previous reporting period, non-financial undertakings shall explain why those changes result in more reliable and relevant information and provide for restated comparative figures.	n/a
Non-financial undertakings shall disclose any material changes that have occurred during the reporting period in relation to the implementation of the CapEx plans as disclosed in accordance with point 1.1.2 of this Annex. Non-financial undertakings shall disclose all of the following:		
7	(a) the material changes that have occurred in the CapEx plan and the reasons underlying those changes;	n/a
8	(b) the impact of such changes on the potential for the economic activities of the undertaking to become Taxonomy-aligned and on the period of time in which this change is expected to take place;	n/a
9	c) the restatement of the CapEx for each past reporting year covered by the plan whenever changes to the plan had an impact on those KPIs	n/a
10	c) the restatement of the OpEx KPI for each past reporting year covered by the plan whenever changes to the plan had an impact on those KPIs	n/a
1.2.2. Assessment of compliance with Regulation (EU) 2020/852		
1.2.2.1. Information on assessment of compliance with Regulation (EU) 2020/852:		
Non-financial undertakings shall:		
11	(a) describe the nature of their Taxonomy-eligible economic activities, by referring to the delegated acts adopted pursuant to Article 10(3), Article 11(3), Article 12(2), Article 13(2), Article 14(2) and Article 15(2) of Regulation (EU) 2020/852;	✓
12	(a) describe the nature of their Taxonomy-aligned economic activities, by referring to the delegated acts adopted pursuant to Article 10(3), Article 11(3), Article 12(2), Article 13(2), Article 14(2) and Article 15(2) of Regulation (EU) 2020/852;	n/a
13	(b) explain how they assessed compliance with the criteria set out in Article 3 of Regulation (EU) 2020/852 and the associated technical screening criteria included in the delegated acts referred to in point (a)	n/a
14	(c) explain how they avoided any double counting in the allocation in the numerator of turnover, CapEx and OpEx KPIs across economic activities.	✓

1.2.2.2. Contribution to multiple objectives		
Where an economic activity contributes to several environmental objectives, non-financial undertakings shall:		
15	(a) demonstrate compliance with the criteria set out in Article 3 of Regulation (EU) 2020/852, in particular with the technical screening criteria with respect to several environmental objectives;	n/a
16	(b) disclose the turnover from that activity as contributing to several environmental objectives;	n/a
17	(b) disclose the CapEx from that activity as contributing to several environmental objectives;	n/a
18	(b) disclose the OpEx from that activity as contributing to several environmental objectives;	n/a
19	(c) only count once the turnover from that activity in the numerator of the KPIs in point 1.1 of this Annex to avoid double counting.	✓ (no specific disclosure)
1.2.2.3. Disaggregation of KPIs		
Where the KPIs for an economic activity are to be disaggregated, in particular where production facilities are used in an integrated manner, non-financial undertakings shall ensure that:		
20	(a) any disaggregation is based on criteria that are appropriate for the production process being implemented and reflects the technical specificities of that process;	✓ (no specific disclosure)
21	(b) appropriate information accompanying the KPIs about the basis of such disaggregation is provided.	✓ (if applicable)
1.2.3. Contextual information		
Non-financial undertakings shall explain the figures of each KPI and the reasons for any changes in those figures in the reporting period.		
22	Non-financial undertakings may disclose additional KPIs (based on turnover, Capex, Opex) that include investments in equity accounted in joint ventures, pursuant to IFRS 11 or IAS 28, on a pro rata basis corresponding to their share in the equity of the joint venture.	optional disclosure
1.2.3.1. Contextual information about turnover KPI for non-financial undertakings shall provide all of the following:		
23	(a) a quantitative breakdown of the numerator in order to illustrate the key drivers of change in the turnover KPI during the reporting period, such as revenue from contracts with customers, lease revenue or other sources of income;	n/a
24	(b) information about the amounts related to Taxonomy-aligned activities pursued for non-financial undertakings' own internal consumption;	n/a

25	(c) a qualitative explanation of key elements of change in the turnover KPI during the reporting period.	n/a
26	Non-financial undertakings that have issued environmentally sustainable bonds or debt securities with the purpose of financing specific identified Taxonomy-aligned activities shall also disclose the turnover KPI adjusted to avoid double counting.	n/a
1.2.3.2. Contextual information about CapEx KPI		
Non-financial undertakings shall provide a quantitative breakdown at the economic activity aggregated level of the amounts included in the numerator and qualitative explanation of the key elements of change in CapEx KPI during the reporting period. Such breakdown shall disclose all of the following:		
27	(a) an aggregation of additions to property, plant and equipment, to internally generated intangible assets, including in a business combination or acquired, to investment properties acquired or recognised in the carrying amount and, where applicable, to capitalised right-of-use assets;	n/a
28	(b) an aggregation of additions related to acquisitions through business combinations;	n/a
29	(c) an aggregation of expenses incurred in relation to Taxonomy-aligned economic activities and expenses incurred as part of a CapEx plan referred to in point 1.1.2. of this Annex.	n/a
Non-financial undertakings shall disclose the key information about each of their CapEx plans referred to in point 1.1.2. of this Annex, including all of the following:		
30	(a) the environmental objectives pursued;	✓ (if applicable*)
31	(b) the economic activities concerned;	✓ (if applicable*)
32	(c) research, development and innovation activities concerned, where relevant;	✓ (if applicable*)
33	(d) the period of time whereby each Taxonomy-aligned economic activity is expected to be expanded or whereby each economic activity is expected to become Taxonomy-aligned, including, where the period in which the economic activity is expected to become Taxonomy-aligned exceeds five years, an objective justification of such longer period, based on the specific features of the economic activity and the upgrade concerned;	✓ (if applicable*)

34	(e) the total capital expense expected to be incurred during the reporting period and during the period of time of the CapEx plans	✓ (if applicable*)
35	Non-financial undertakings that have issued environmentally sustainable bonds or debt securities with the purpose of financing specific identified Taxonomy-aligned activities shall also disclose the CapEx KPI adjusted for the Taxonomy-aligned capital expenditure financed by such bonds or debt securities.	n/a
1.2.3.3. Contextual information about the OpEx KPI		
Non-financial undertakings shall provide all of the following:		
36	(a) a quantitative breakdown of the numerator (operating expenditure determined in accordance with point 1.1.3.2 of this Annex) to illustrate the key elements of change in the OpEx KPI during the reporting period;	n/a
37	(b) a qualitative explanation of the key elements of change in OpEx KPI during the reporting period;	n/a
38	(c) an explanation of the other expenditures relating to the day-to-day servicing of items of property plant and equipment that are included in the calculation of OpEx for both the numerator and denominator.	✓
39	Where OpEx is part of a CapEx plan as referred to in points 1.1.2.2. and 1.1.3.2. of this Annex, non-financial undertakings shall disclose the key information about each of their CapEx plans in line with the requirements of point 1.2.3.2. of this Annex.	✓ (if applicable*)

***Note**

According to FAQ no. 11 of the European Commission's FAQs as of 2 February 2022 Taxonomy-eligible Capex includes "CapEx that is part of a plan to expand Taxonomy-eligible economic activities or enable Taxonomy-eligible economic activities to become Taxonomy-aligned". That FAQ remains silent on the requirements of an upgrade or expansion plan in the context of Taxonomy-eligibility reporting. This applies in particular to the question of whether such a plan must meet the conditions specified in the second subparagraph of Sect. 1.1.2.2 of Annex I to the Art. 8 Delegated Act analogously with respect to Taxonomy-eligibility (e.g. disclosure of the plan).

In our view, undertakings have considerable judgement in this respect and must make a policy choice, which should be made transparent.

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