



In association with **Greenomy**[®]



The clock is ticking to disclose the first
EU Taxonomy reports

Table of contents

The EU Taxonomy	2
Who is impacted? When is it time to act?	3
What makes it challenging?	4
Deloitte in association with Greenomy	5
Our approach	8
Benefits	9
A strong alliance	10

The EU Taxonomy

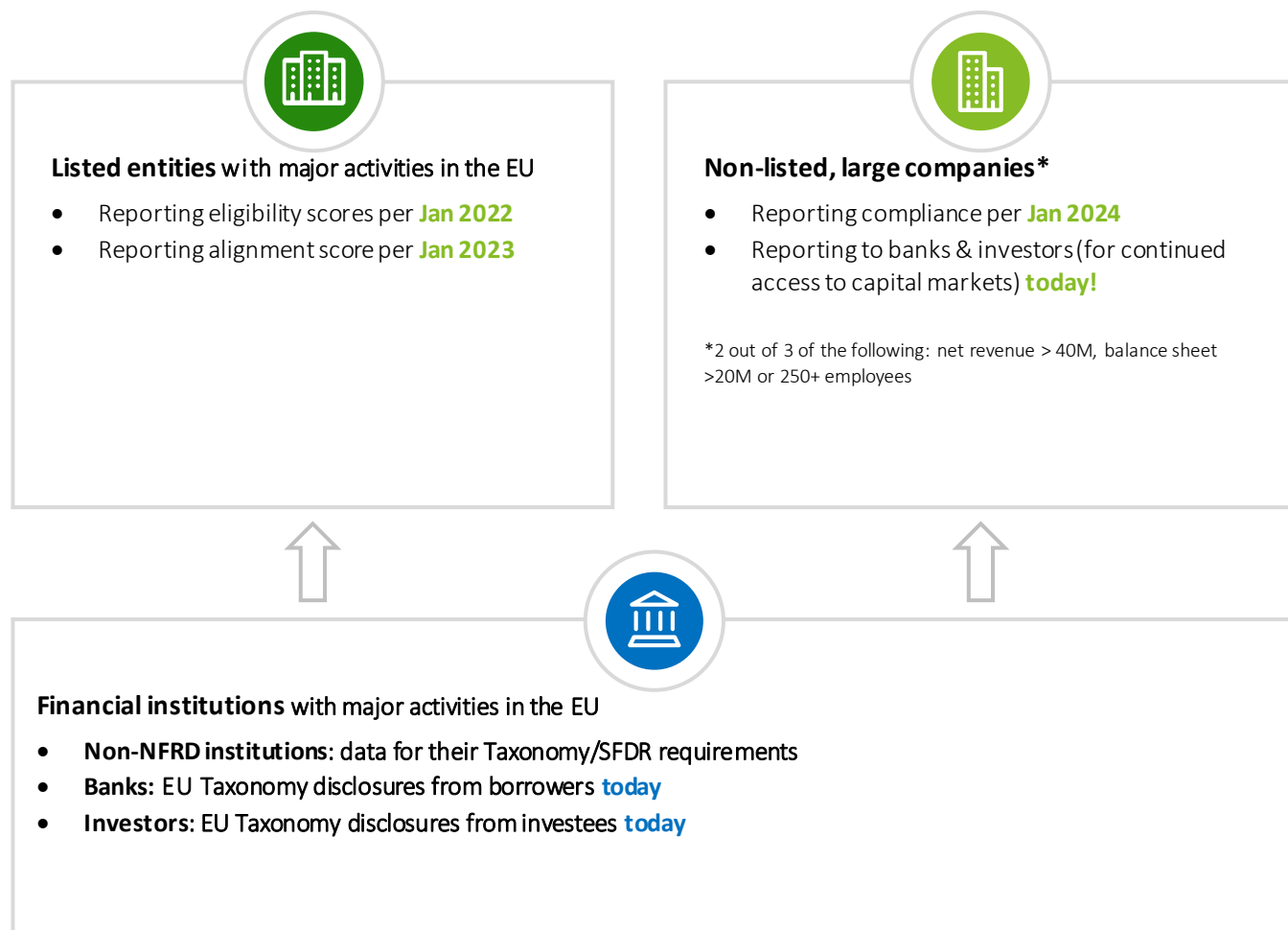
The time to act is now!

In order to meet the EU's climate and energy targets for 2030 and reach the objectives of the European green deal, it is vital that investments are directed towards sustainable projects and activities. To drive this redirection, the European Commission enacted the EU Taxonomy: a classification system, that provides companies, investors and policymakers with appropriate definitions for which economic activities can be considered environmentally sustainable.

Listed entities are required to submit the first EU Taxonomy reports by January 2022. Non-listed entities follow in 2024, however banks and investors are increasingly requiring their clients to disclose the same information for loans and investments.

Who is impacted?

When is it time to act?



What makes it challenging?

Constantly evolving regulation

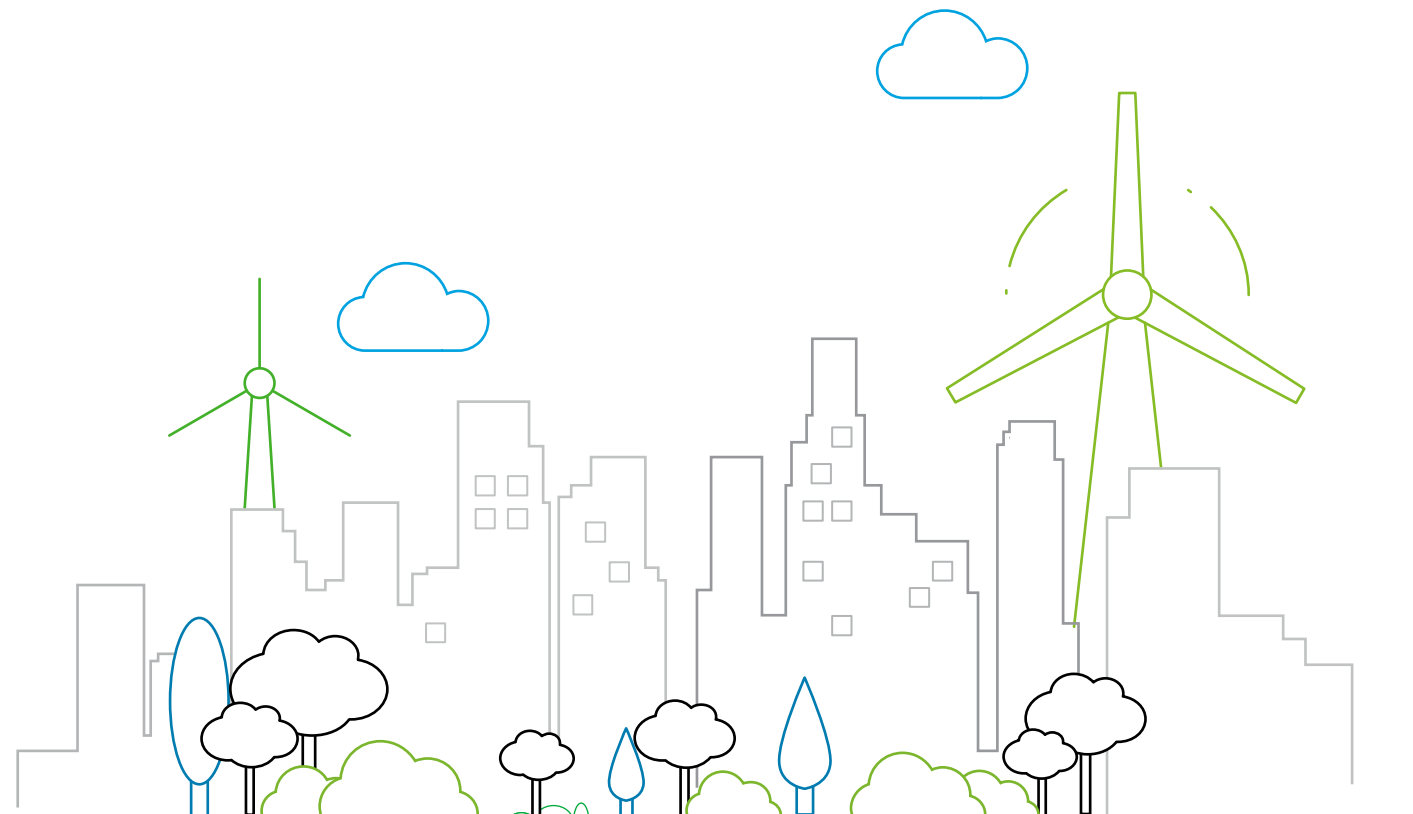
The EU Taxonomy and related regulations consist of thousands of pages and are being updated every few months. For example, currently only 2 environmental objectives are defined, and 4 additional objectives will be published in 2022. And sustainability and Regulatory experts to help translate the regulation into actions are scarce.

No structured approach available

The data and information you need is often not readily available and needs to be collected in various systems and departments. Organizations that attempt to establish the reporting in Excel typically run into miscommunication, outdated information, and lack of collaboration. The regulation does not provide a structured approach to generate the disclosures and tackle these challenges.

Robust data, governance and processes are required

Sustainability-related data, governance and processes need to be robust – eventually requiring reasonable assurance by an auditor – with implications for 2nd and 3rd lines of defense (e.g., control governance framework).



Deloitte in association with Greenomy

This cloud-based platform facilitates automated interaction and coordination between all stakeholders to ensure the EU Taxonomy aligned data you need is created, certified and disseminated quickly and efficiently.

The platform consists of multiple portals, of which the first one is designed for companies to establish their own EU Taxonomy reporting.





COMPANY PORTAL FOR COMPANIES



EU Taxonomy

Compute mandatory KPIs

Easily identify and screen eligible company's activities according to the EU Taxonomy

Generate a certified EU Taxonomy report

Generate a machine-readable non-financial report compliant with legislative requirements

Disseminate your data to stakeholders

Allows automation of report distribution

EU Green Bond Standard

Screen your debt instruments

Easily screen debt instruments according to the EU Taxonomy

Generate the required reports

Generate multiple reports pre-issuance and post-issuance

Align with the new EU Green Bond Standard

Verify eligibility to issue a EU Green Bond

The next portal is designed for investment managers, to provide their investees with an efficient interface to transform their proprietary ESG data into SFDR/EU Taxonomy aligned data. This also helps their investees to prepare for their own future reporting requirements through the company portal.



INVESTOR PORTAL FOR INVESTORS



EU Taxonomy

Collect company Taxonomy data

Direct access to certified EU Taxonomy aligned data

Portfolio screening & analysis

Detailed and consolidated reporting of EU Taxonomy data at financial product and entity levels

Report generation

Automated and standardized sustainability disclosure reports

SFDR

Evaluate portfolio alignment

Retrieve the EU Taxonomy alignment of each financial product

Collect principal adverse impact (PAI)

Automatically collect the information from underlying companies and external data providers

Generate PAI assessment

Generate structured PAI reports and meeting regulatory requirements at product and entity levels

The lender portal provides an automated interface to corporate borrowers to create and deliver taxonomy aligned data. This also helps their clients to prepare for their own future reporting requirements through the company portal.



LENDER PORTAL FOR CREDIT INSTITUTIONS



EU Taxonomy – Green Asset Ratio

Evaluate your loan book's sustainability

Direct access to certified EU Taxonomy aligned data on debt instruments

Engage & empower corporate borrowers

Incentivize borrowers to produce the necessary EU Taxonomy data

Generate your Green Asset Ratio

Automatically compute your Green Asset Ratio and its requirements breakdowns

EU Taxonomy – Supporting KPIs

Analyse your entire set of banking services

Generate your supporting KPIs related to banking services other than lending

Incorporate data in management system

Improve sustainable risk modeling with up to 2500 digitally tagged data points

Report generation

Generate your machine-readable sustainability report meeting regulatory requirements

Our approach

The solution provides a structured and efficient platform to manage your sustainability reporting requirements. Human judgement and action are however still required, and we are here to support you with a pragmatic and hands-on approach to address your current needs while preparing for future requirements.

1. Action plan for regulatory compliance

- Providing the timeline and insights of relevant EU Taxonomy reporting requirements for your organization
- Assessing preliminary material eligible activities that are applicable
- Drafting an action plan and set governance & team and identify 'who we need'
- Determining how to transfer knowledge from Deloitte to your organization
- Creating awareness and mobilize stakeholders for action
- Formulating a final actionable plan with key stakeholders

2. Eligible activities assessment

- Identifying economic activities for your organization
- Analyzing applicable delegated acts and agree upon NACE codes
- Performing mapping of EU Taxonomy eligible economic activities based on materiality related to revenue, capex and opex with support where needed on interpretation from EU Taxonomy expertise from Deloitte
- Socializing preliminary outcomes with relevant stakeholders

3. Substantiate share of eligibility

- Determining and document methodology to calculate eligibility per activity
- Identifying the required data per activity
- Gathering the supporting data (using tooling) from relevant stakeholders
- Assessing data controls and prepare for audit readiness
- Assessing the eligibility of preliminary activities through the supporting data
- Calculating the share of the eligible activities for FY21 for revenue, Capex/Opex, and communicate results

4. Disclosure note in report

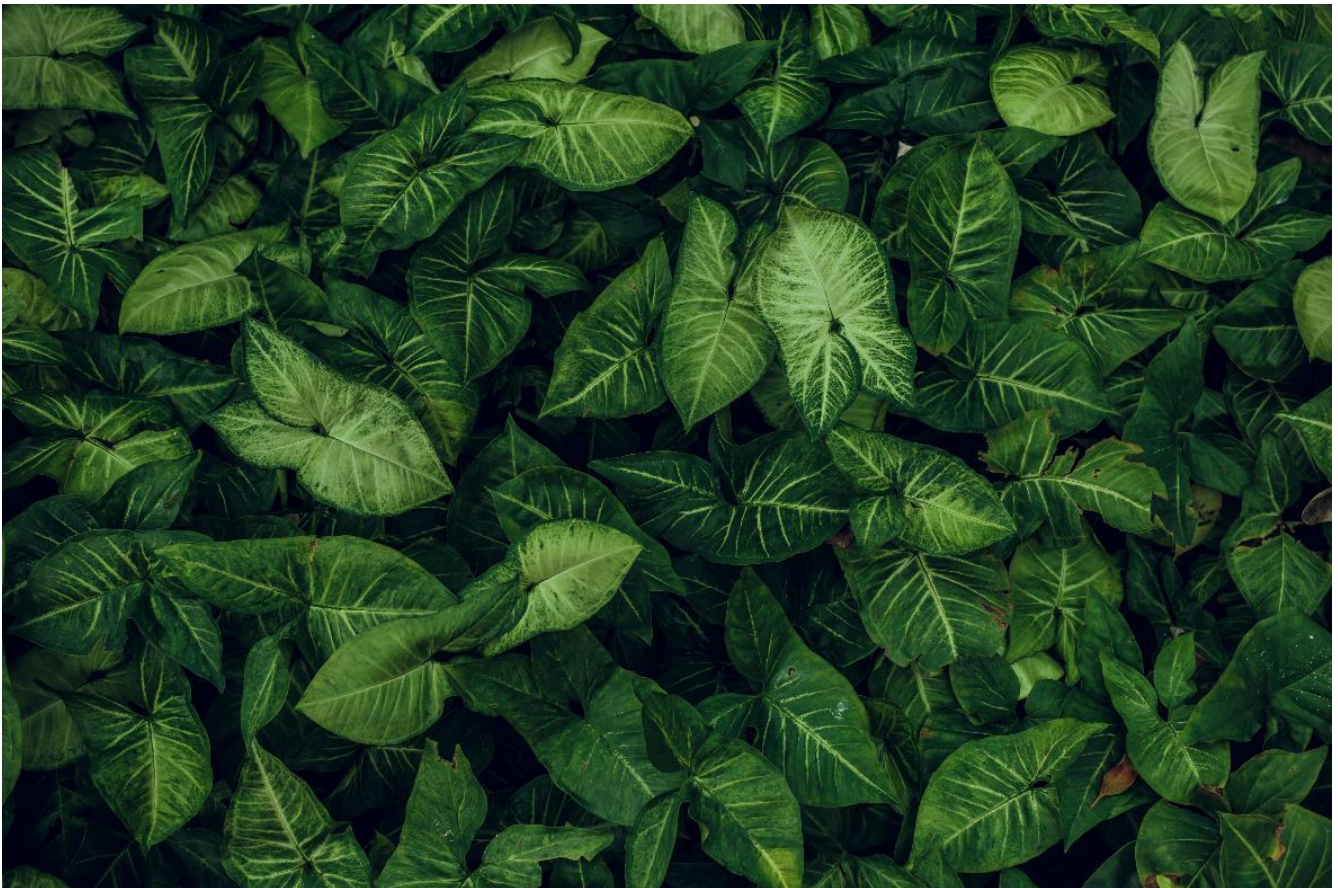
- Supporting you with the draft disclosure including the qualitative information
- Alignment with all stakeholders, incl. the auditor
- Finalizing disclosure and communicate within the annual report

5. Ready for FY22 reporting

- Based on the foundation, getting ready for future reporting requirements
- Preparing for FY22 alignment assessment based on technical screening, do no significant harm & minimum social safeguards criteria
- Additionally preparing for reporting on the four additional environmental objectives - water, circularity, pollution, biodiversity & ecosystems

Benefits

- **Kickstart hands-on approach** enabling you to focus on real complexities and judgement areas
- Built-in **audit trail** to enable auditors in providing assurance
- Building a **consistent green equity narrative** substantiated with data
- Focusing on **senior stakeholder alignment** and onboarding
- Bringing thorough **industry knowledge** as crucial for EU Taxonomy interpretations
- Early identifying 2022 and beyond **alignment opportunities**



A strong alliance

Deloitte and Greenomy have entered into an alliance to guide our clients along the path of the transition to the EU Taxonomy. The combination of the Deloitte expertise, resources and technologies with the Greenomy solution creates unique benefits and support for our clients in this new area. The solution is being utilized by our clients across the EU.

Data & Technology accelerators

As Deloitte we have extensive technology solutions and data expertise available, which complement the Greenomy solution. In our alliance with Greenomy, we use the platform developed by Greenomy to meet all future sustainability data & reporting requirements.

Expert Services

- Technical and functional validation of (final) reports
- Support and expertise in client outreach
- Support for clients in providing all required EU Taxonomy data and regulatory interpretations with our Centre of Excellence for Regulatory Reporting
- Alignment with overall the ESG strategy

“The most advanced and mature solution in the market for EU Taxonomy Screening”

Head of Sustainability, Global Oil & Energy company

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