



EU TAXONOMY

A common **dictionary**
for sustainable finance

European Dredging Association

Annual Conference 2022

Wednesday 23rd November

Sofitel, Brussels

The European Green Deal:

How to deliver on the
environment, the society
and the economy ?



**“The Taxonomy is like a Swiss army knife –
the more you work with it,
the more functions you discover.”**

Finance sector

SFDR:
Sustainable Finance
Disclosure Regulation



Corporate sector

CSRD:
Corporate Sustainability
Reporting Directive

EU Taxonomy “functions”



An “inventory”
for the future



A transition tool



Evidence &
science-based



Dynamic / iterative



A reporting enabler

Paris Agreement to EU Taxonomy

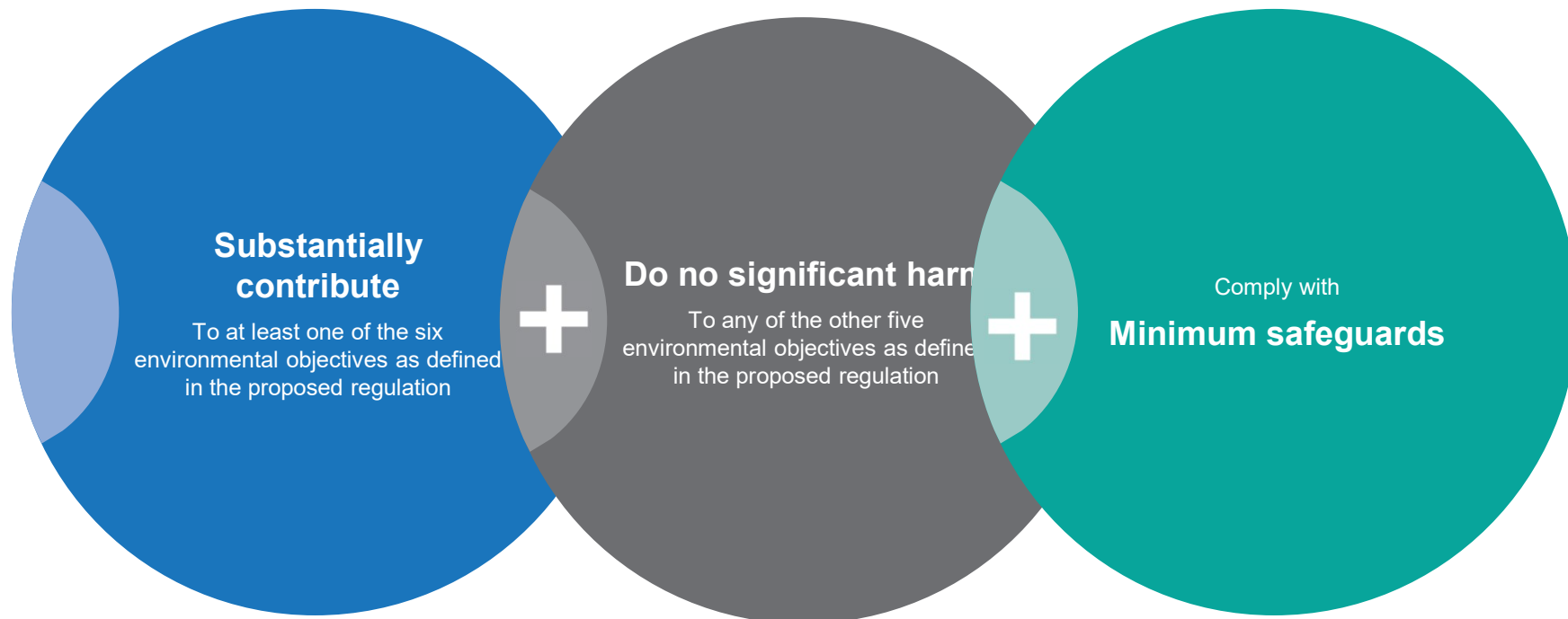


Platform on Sustainable Finance - Oct. 2022



Core concept

What is a sustainable economic activity?



Six objectives to contribute to



Mitigation

Adaptation

Transition to a **circular economy**

Pollution prevention and control

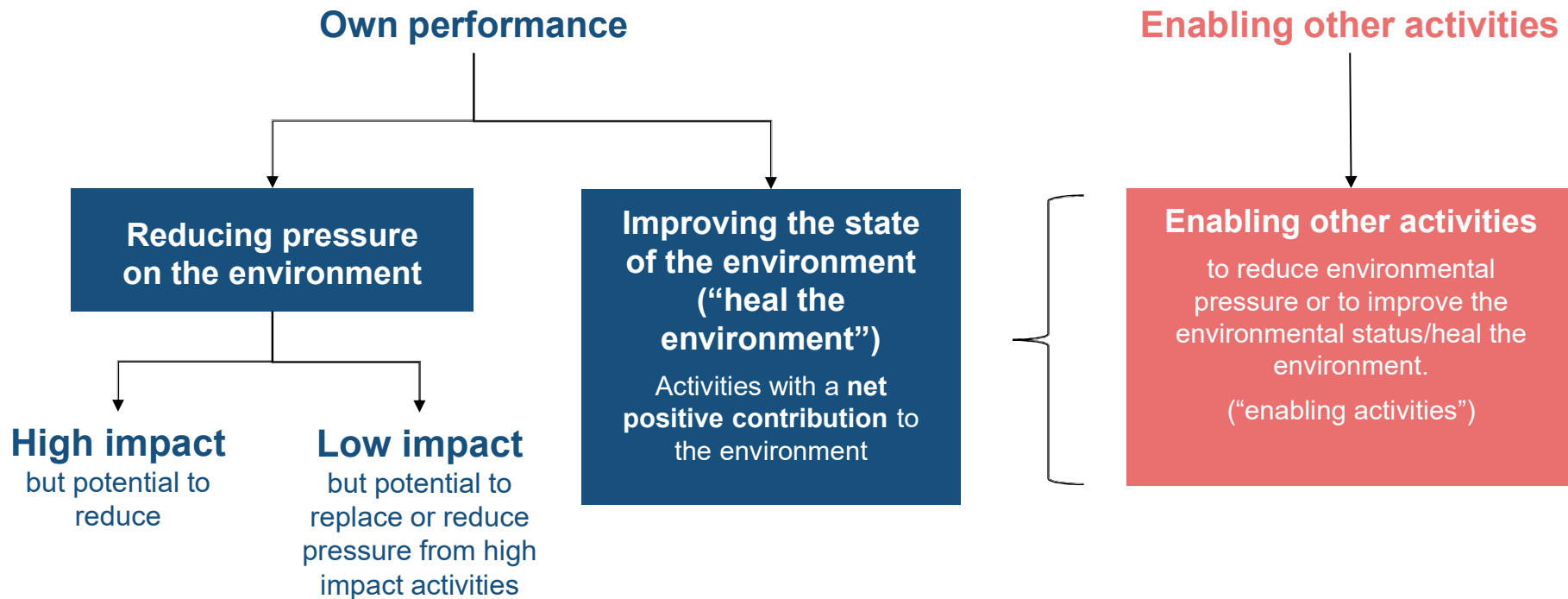
Sustainable use and protection of
water and marine resources

Protection and restoration of
biodiversity & ecosystems

*Climate Delegated Act released in December
2021- applicable since January 2022*

*Technical Screening Criteria
under development – Taxo4 report expected in Q4 2022*

Activities with substantial contribution





Financial market participants

Offering financial products in the EU, including occupational pension providers



Large companies

Close to 12 000 companies currently subject to the NFRD & close to 50 000 companies under new CSRD



The EU and Member States

Time to study

Focus on implementation, usability and feedback

Contacts

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Back-up

Entity-level disclosures		Product-level disclosures	
		Description of the characteristics and objectives, and of the methodologies for the assessment, measurement and monitoring.	<p>Special disclosures</p> <p>For products promoting environmental or social characteristics or having sustainable investment as their objective, explain how, comparison with designated index..</p> <p>In pre-contractual disclosures, on the website, and in periodic reports</p>
Publish information on the policies regarding the taking into account of sustainability risks in investment decisions/advice .	Sustainability risks	Explain how sustainability risks are integrated in investment decisions/advice, and the impact of these risks on the returns of the products . If risks are not integrated, explain why.	
Explain the due diligence policies regarding the PAIS of investment decisions/advice . Where the PAIS are not considered, explain why.	Principal Adverse Impacts on Sustainability (" PAIS ")	Explain whether, and if so how, a product considers PAIS . If PAIS are not considered, explain why.	
Explain how the remuneration policy is consistent with the integration of sustainability risks .	Remuneration		<p>Taxonomy disclosures</p> <p>Explain which environmental characteristic the product promotes or which environmental objective it has. Also explain to what extent the investments underlying the product are in activities that qualify as "environmentally sustainable" under the Taxonomy Regulation.</p> <p>In pre-contractual disclosures</p>

On the website

On the website & in pre-contractual disclosures

In pre-contractual disclosures

SFDR



“Article 8 and 9 [funds] currently represent up to **21% of total EU funds** and up to **25% of total EU fund assets.**”

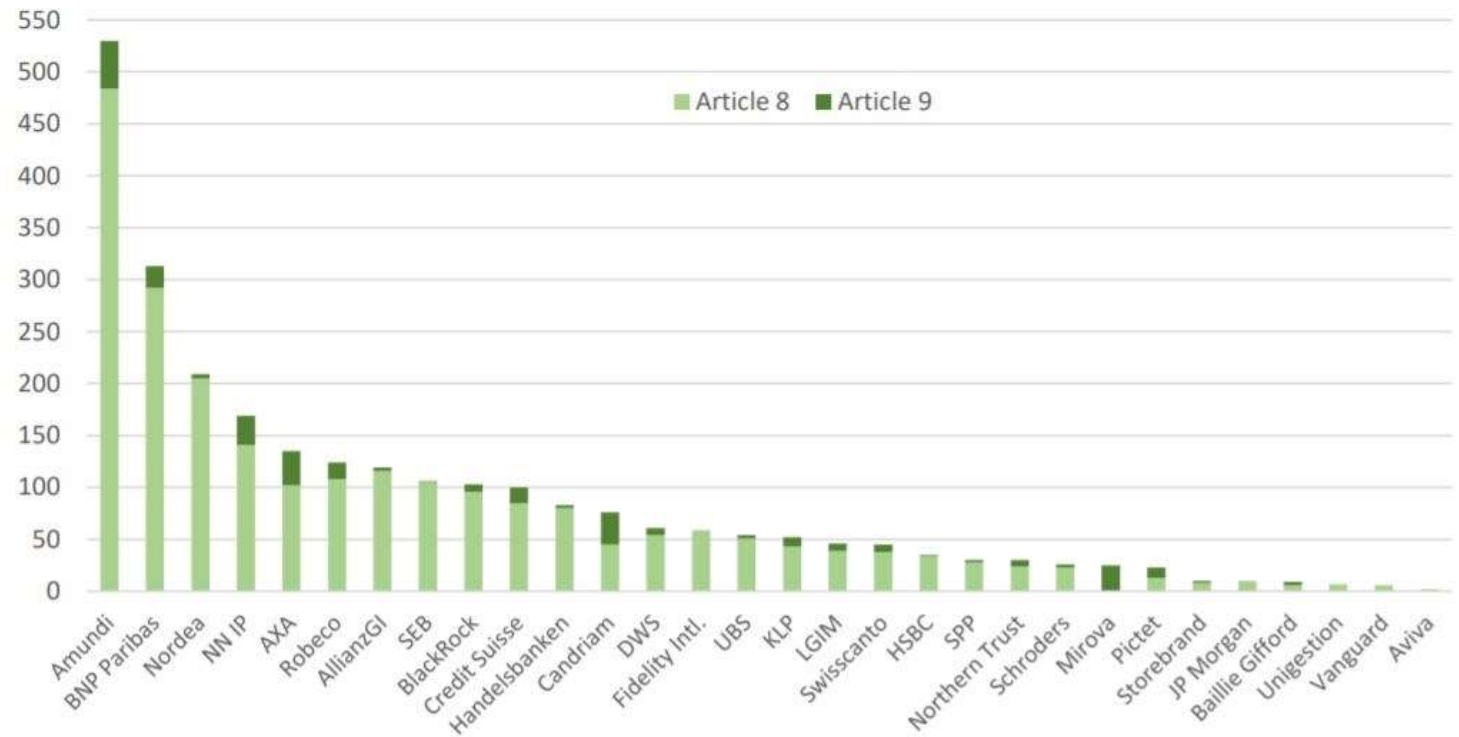


Source: Morningstar Direct, Morningstar Research. Data as of December 2020.

SFDR

“Article 8 and 9 [funds] currently represent up to **21% of total EU funds** and up to **25% of total EU fund assets.**”

Exhibit 2 Number of Article 8 and Article 9 Funds of 30 Surveyed Asset Managers



Source: Asset Managers. Data as of March 2021. Nordea's Article 8 fund number has been updated in this version.

<https://www.morningstar.co.uk/uk/news/211061/finding-esg-funds-just-got-easier.aspx>

EU Parliament adopted CSRD on 10 November 2022

- ❑ From 1 January **2024** for large public-interest companies (with over 500 employees) already subject to the non-financial reporting directive, with reports due in 2025;
- ❑ From 1 January **2025** for large companies that are not presently subject to the non-financial reporting directive (with more than 250 employees and/or €40 million in turnover and/or €20 million in total assets), with reports due in 2026;
- ❑ From 1 January **2026** for listed SMEs and other undertakings, with reports due in 2027. SMEs can opt-out until 2028.