



How Equinor navigates to meet the EU Taxonomy requirements

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17 September 2021



Setting the scene

Delegated Act on Taxonomy Disclosures (Art. 8)

2022 – Financial Year 2021

- For climate change mitigation and adaptation activities
- Disclose the **share** of Taxonomy-eligible and Taxonomy non-eligible activities in total activities and related **qualitative information**

2021	Revenue	Capex	Opex
EU Taxonomy			
Eligible activities	XX	XX	XX
Non-eligible activities	XX	XX	XX
Total	XX	XX	XX



2023 – Financial Year 2022

- All six environmental objectives
- Tabular form (template)**
- Granular information
- KPIs**
 - Turnover
 - CapEx
 - OpEx
- Disclosure accompanying KPIs
 - Accounting policy
 - Contextual information of KPIs

REVENUE



■ Aligned ■ Not aligned ■ Not categorised

CAPEX

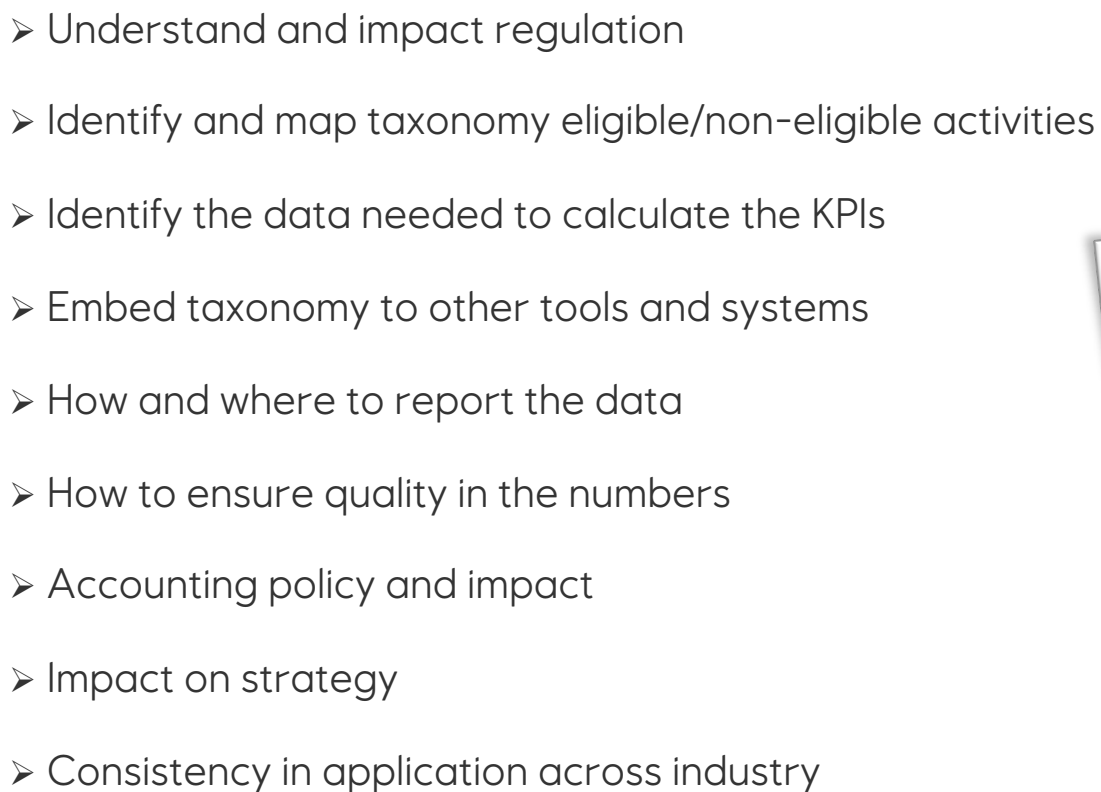


■ Aligned ■ Not aligned ■ Not categorised

OPEX



■ Aligned ■ Not aligned ■ Not categorised



3 | SBN Webinar



EU Taxonomy Steering Committee

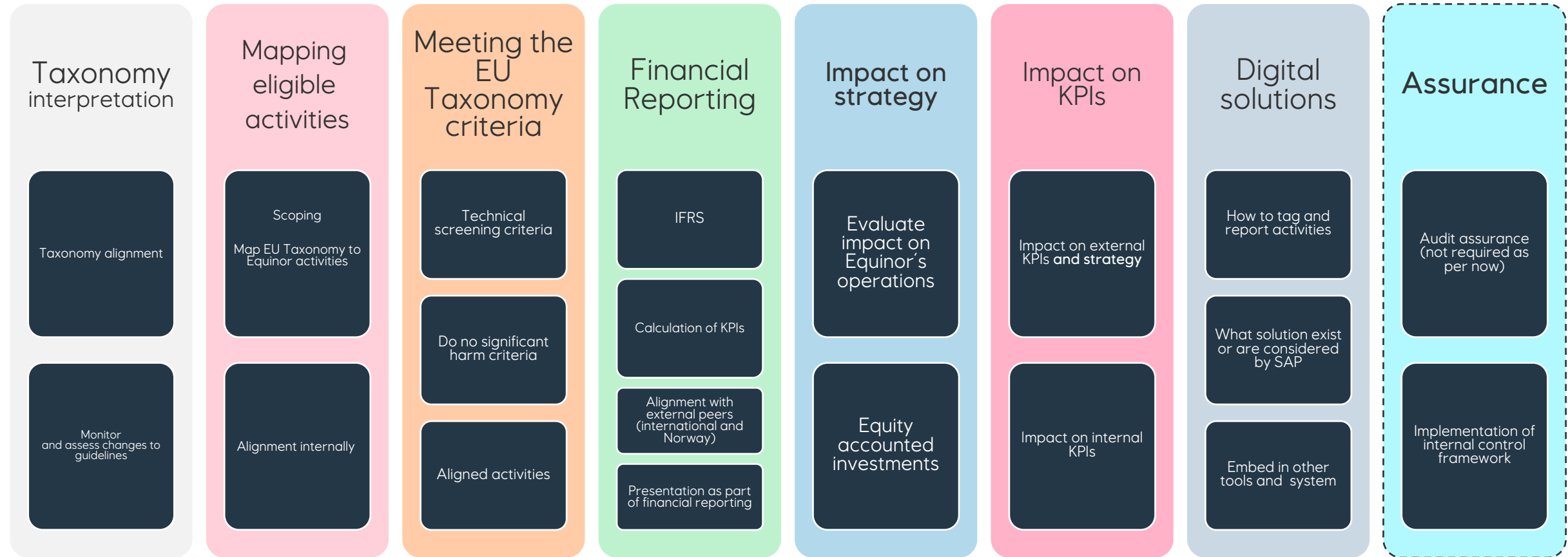
- **Why a steering committee?**

- New mandatory reporting requirements with short implementation timeline
- Expect disclosures to get high public attention
- Uncertainty with regards to methodology and scoping
- Uncertainty with regards to ability to get data needed to report
- Requires cross functional collaboration in order to succeed
- Can impact business strategy

Representatives in the committee:

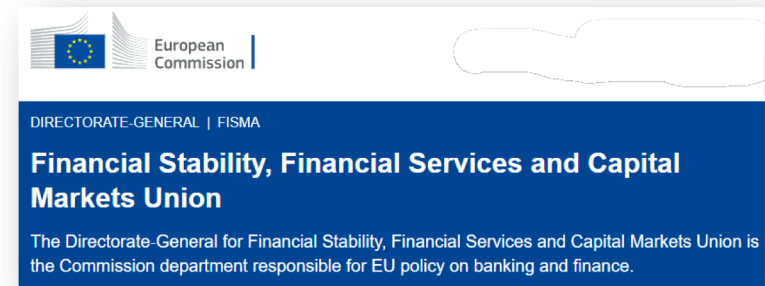
- **CFO function (leader and project owner)**
- **Legal**
- **Business area representatives**
- **Corporate climate and sustainability**
- **Corporate strategy**
- **Low carbon solutions**

Work streams



Achievements to date

- Establishment and education of project team and steering committee
- Influence towards regulators
- Information to stakeholders
- Initiated / participated in peer group working groups / discussions
- Started mapping activities



Impact assessment

Approximate magnitude of costs under CSRD/NFRD scope

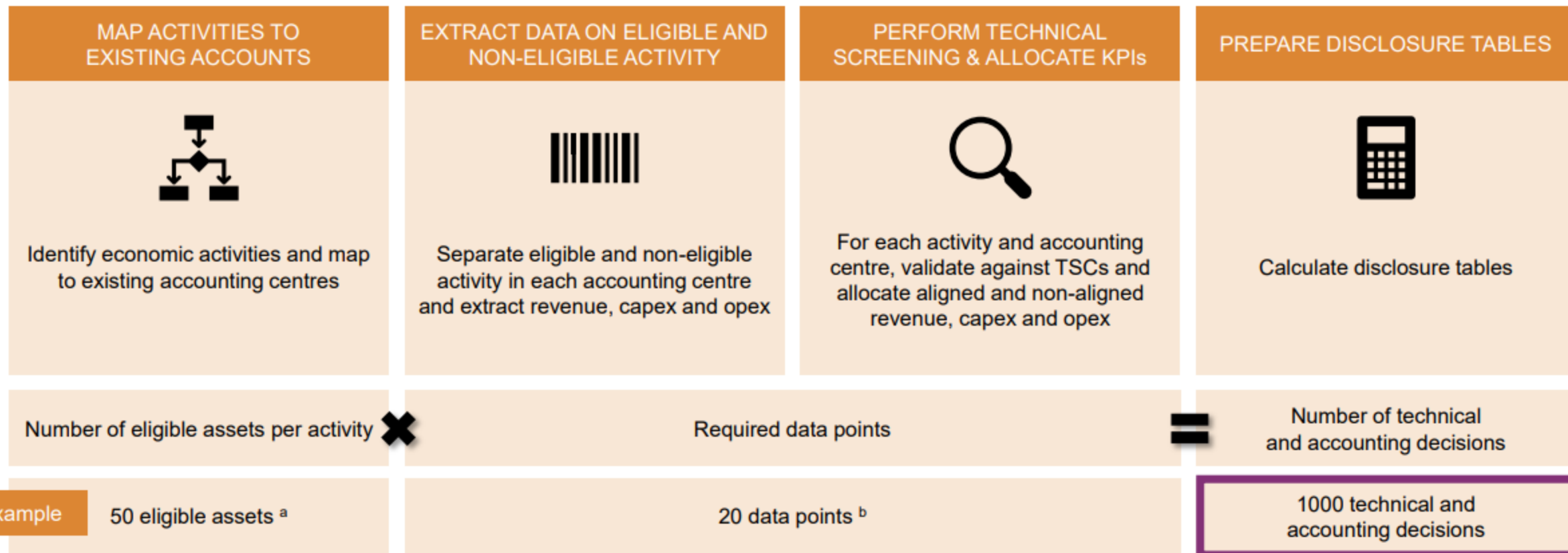
“Large companies under the scope of CSRD (former NFRD) are expected to bear administrative costs related to the EU Taxonomy.”

*The input provided in this limited exercise suggested **one-off costs approximately in the range of 40 000 – 125 000 EUR** per company , and **recurring costs in the range of 20 000 – 50 000 EUR per year**, albeit with a certain degree of uncertainty around these estimates.*



Backup

High level process for Taxonomy reporting



QUALITY ASSURANCE

^a Assumes five eligible activities with ten assets each. For large companies, the scope of the reporting will be substantially larger.

^b Data points: Outcome of SC test; outcome of 5 DNSH tests; outcome of Social Safeguard test; activity type (enabling/transitional); eligible and ineligible turnover, capex and opex; and aligned and non-aligned turnover, capex and opex.

The new template, turnover KPI example

Template: Proportion of turnover from products or services associated with Taxonomy-aligned economic activities - disclosure covering year N

				Substantial contribution criteria						DNSH criteria (‘Does Not Significantly Harm’)										
Economic activities (1)	Code(s) (2)	Absolute turnover (3) Currency	Proportion of turnover (4) %	Climate change mitigation (5) %	Climate change adaptation (6) %	Water and marine resources (7) %	Circular economy (8) %	Pollution (9) %	Biodiversity and ecosystems (10) %	Climate change mitigation (11) Y/ N	Climate change adaptation (12) Y/ N	Water and marine resources (13) Y/N	Circular economy (14) Y/ N	Pollution (15) Y/ N	Biodiversity and ecosystems (16) Y/N	Minimum safeguards (17) Y/N	Taxonomy-aligned proportion of turnover, year N (18) Percent	Taxonomy-aligned proportion of turnover, year N-1 (19) Percent	Category (enabling activity or) (20) E	Category ‘(transition activity)’ (21) T
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
Activity 1 ⁵				%	%	%	%	%	%		Y	Y	Y	Y	Y	Y	%		E	
Activity 2					%	%	%	%	%	Y	Y		Y	Y	Y	Y	%			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)				%	%	%	%	%	%								%			
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Activity 1																				
Activity 3																				
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)																				
Total (A.1 + A.2)																	%		%	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Turnover of Taxonomy-non-eligible activities (B)																				
Total (A + B)																				

FY2021

FY2022



Turnover KPI, Annex II Templates

Template: Proportion of turnover from products or services associated with Taxonomy-aligned economic activities - disclosure covering year N

				Substantial contribution criteria						DNSH criteria (‘Does Not Significantly Harm’)											
Economic activities (1)	Code(s) (2)	Absolute turnover (3) Currency	Proportion of turnover (4) %	Climate change mitigation (5) %	Climate change adaptation (6) %	Water and marine resources (7) %	Circular economy (8) %	Pollution (9) %	Biodiversity and ecosystems (10) %	Climate change mitigation (11) Y/ N	Climate change adaptation (12) Y/ N	Water and marine resources (13) Y/N	Circular economy (14) Y/ N	Pollution (15) Y/ N	Biodiversity and ecosystems (16) Y/N	Minimum safeguards (17) Y/N	Taxonomy- aligned proportion of turnover, year N (18) Percent	Taxonomy- aligned proportion of turnover, year N-1 (19) Percent	Category (enabling activity or) (20) E	Category ‘(transitio nal activity)’ (21) T	
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A.1. Environmentally sustainable activities (Taxonomy-aligned)																					
Activity 1 ³				%	%	%	%	%	%		Y	Y	Y	Y	Y	Y	%		E		
Activity 2			%	%	%	%	%	%	%	Y	Y		Y	Y	Y	Y	%				
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)			%	%	%	%	%	%	%								%				
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Total (A.1 + A.2)			%														%		%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																					
Turnover of Taxonomy-non-eligible activities (B)			%																		
Total (A + B)			%																		

The proposed KPIs

1. KPI related to turnover (turnover KPI)
2. KPI related to capital expenditure (CapEx) (CapEx KPI)
3. KPI related to operating expenditure (OpEx) (OpEx KPI)

Numerator

Denominator

