



#oneshot#4#eutaxonomy



EU TAXONOMY

Use Case : Total Energies

“The EU taxonomy is an important milestone to provide clarity on the definition of sustainability and can contribute to the further growth of sustainable finance”

ECB published a letter in which the President Christine Lagarde answered questions, from a Member of the European Parliament

THE EUROPEAN ACTION PLAN, TO REORIENT CAPITAL FLOWS TOWARDS SUSTAINABLE GROWTH

What is the European Commission Action Plan ?

In March 2018, the **European Commission published its action plan on « Finance for sustainable Growth »**. The 2018 Action Plan aims to mobilise private flows towards economic activities that enable to reach a carbon-neutral economy by 2050 while avoiding green-washing.

What are the 3 objectives of the European Action Plan?

1

Reorient capital flows towards sustainable investment, in order to achieve sustainable and inclusive growth

2

Integrating sustainability into risk management in a systemic manner

3

Foster transparency and long-termism in financial and economic activity

main
regulation packages

SUSTAINABILITY
FINANCIAL DISCLOSURE
REGULATION (SFDR)

CORPORATE SUSTAINABILITY
REPORTING DIRECTIVE
(CSRD)

LOW CARBON
BENCHMARK
REGULATION

**EU TAXONOMY
REGULATION**

The EU Taxonomy serves as a reference for regulations and tools regarding finance and Environmental, Social & Governance criteria. The taxonomy is based on the General Classification of Economic Activities in the European Communities (NACE) and covers the large majority of economic activities in 7 macro-sectors: Agriculture and Forestry, Industry, Electricity, Gas, Steam and Air Conditioning, Water, Transport, Information and Communication Technologies, Building.

THE EU TAXONOMY, A CLASSIFICATION FOR SUSTAINABLE ACTIVITIES

What is the objective of EU Taxonomy?

A classification system for sustainable activities based on 6 environmental objectives.

What are the 6 environmental objectives of the taxonomy?

- 1 CLIMATE CHANGE MITIGATION
- 2 CLIMATE CHANGE ADAPTATION
- 3 SUSTAINABLE USE AND PROTECTION OF HYDROLOGICAL MARINE RESOURCES
- 4 TRANSITION TO A CIRCULAR ECONOMY, INCLUDING WASTE PREVENTION AND RECYCLING
- 5 PREVENTION AND POLLUTION CONTROL
- 6 PROTECTION AND RESTORATION OF BIODIVERSITY AND ECOSYSTEMS

How the sustainable activities are classified ?

ELIGIBLE AND ALIGNED ACTIVITIES

Example : :
renewable energy generation from solar and wind

ENABLING ACTIVITIES

Example : :
manufacture of low carbon products

TRANSITIONAL ACTIVITIES

Example : : rail transport

CONTRIBUTE SUBSTANTIALLY AT LEAST ONE OF THE 6 ENVIRONMENTAL OBJECTIVES

DO NOT SIGNIFICANTLY HARM ANY OF THE 5 OTHER ENVIRONMENTAL OBJECTIVES

BE CONDUCTED IN COMPLIANCE WITH MINIMUM SOCIAL AND GOVERNANCE STANDARDS

COMPLIES WITH TECHNICAL SCREENING CRITERIA

ENABLE OTHER ACTIVITIES TO MAKE A SUBSTANTIAL CONTRIBUTION TO ONE OR MORE ENVIRONMENTAL OBJECTIVES

TRANSITIONAL ACTIVITIES ARE THOSE ACTIVITIES FOR WHICH THERE IS NO ECONOMICALLY OR TECHNOLOGICALLY VIABLE LOW-CARBON ALTERNATIVE, AND CAN BE CONSIDERED TO MAKE A SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE MITIGATION

TOTAL ENERGIES USE CASE

• 3 main eligible activities :

- ✓ Renewables and electricity
- ✓ Refining and chemicals
- ✓ Other eligible activities (e.g. : manufacture of biogas)



→ **2021 - TOTAL ELIGIBLE :**
11% of Revenue and 27% of Capex

→ **2021 - TOTAL NON ELIGIBLE:**
89% of revenue and 73% of Capex

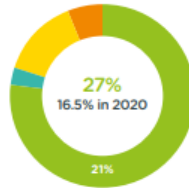


→ **2021 - TOTAL ALIGNED :**
2% of Revenue and 23% of Capex

→ **2021 - TOTAL NON ALIGNED:**
98% of revenue and 77% of Capex

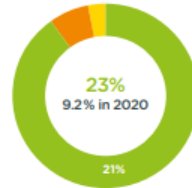
TAXONOMY

2021 Eligible CapEx²



• Renewables & Electricity
• Power generation from natural gas³

2021 Aligned CapEx²



• Biofuels and chemicals
• Other eligible activities

Controlled scope	Eligible activities		Aligned activities	
	Revenue	CapEx	Revenue	CapEx
Renewables and electricity	2.4%	8.9%	1.3%	8.0%
of which electricity generation from natural gas ⁴	1.1%	0.9%	0.0%	0.0%
Refining and chemicals	7.4%	2.7%	0.1%	0.3%
Other eligible activities	0.1%	1.8%	0.1%	1.8%
TOTAL 2021	9.9%	13.4%	1.5%	10.1%
TOTAL 2020	9.4%	13.1%	2.1%	5.1%

Proportional view	Eligible activities		Aligned activities	
	Revenue	CapEx	Revenue	CapEx
Renewables and electricity	2.6%	21.7%	1.6%	21.1%
of which electricity generation from natural gas ⁴	1.0%	0.6%	0.0%	0.0%
Refining and chemicals	8.4%	4.1%	0.2%	0.5%
Other eligible activities	0.1%	1.6%	0.1%	1.6%
TOTAL 2021	11.2%	27.4%	1.9%	23.2%
TOTAL 2020	11.2%	16.5%	2.4%	9.2%

THE EU TAXONOMY, A CORNESTONE

How the EU Taxonomy is linked to other regulations?

CSRD

Disclosure of Taxonomy eligibility and alignment KPIs

SFDR

Funds classification Article 8 and 9 notably based on Taxonomy

Pillar 3

Credit institutions report their Green Asset Ratio, which shows the proportion of exposures related to Taxonomy-aligned activities compared to their total asset

SOURCES



Sustainability & Climate 2022 Progress Report

ENGLISH VERSION



March 2022

EU TECHNICAL EXPERT GROUP ON
SUSTAINABLE FINANCE

FINANCING A SUSTAINABLE
EUROPEAN ECONOMY

TECHNICAL REPORT

Taxonomy: Final report of the Technical Expert
Group on Sustainable Finance

March 2020



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