

# EU Taxonomy Manager is our SaaS solution to guide you on your journey through the complex EU Taxonomy.

The EU Taxonomy is a European ESG regulation which requires listed companies to categorise their environment-related economic activities as "eligible" or "aligned". It also requires the extension of non-financial reporting to include three central KPIs: green turnover, CapEx and OpEx.

A recent PwC study on the EU Taxonomy¹ found that most of our clients rely on manual processes to meet these demands, making the work very time-consuming and prone to error. Around 64% of companies said that they use spreadsheet solutions for EU Taxonomy reporting.

Under the EU Taxonomy, more new requirements and objectives related to ESG will be introduced over the next few years. On top of this, the EU Taxonomy will be part of the overall reporting regime under the CSR Directive, extending the target group of these regulations from just 450 companies in Germany to 15,000 companies.

Getting to grips with these new regulations will require automated solutions – such as our EU Taxonomy Manager.

EU Taxonomy Manager has been developed for companies in the industrial sector to:

- help companies categorise their economic activities as "eligible" or "aligned",
- provide a central data and evidence management system, and
- determine KPIs to simplify the categorisation process and automate calculation.

The solution is primarily based on the state-of-the-art SAP cloud stack, and includes standard connectors to SAP Business Warehouse and SAP-based ERP systems (R/3 or S/4 HANA). Being cloud-based allows the solution to be implemented rapidly – getting your company ready for the EU Taxonomy as fast as possible.

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<sup>1</sup> PwC study "EU-Taxonomie – Nichtfinanzielle Berichterstattung im Wandel", February 2022; www.pwc.de/de/im-fokus/accounting-reporting/eu-taxonomie-nichtfinanzielle-berichterstattung-imwandel.html

#### Challenges

The EU Taxonomy is extremely complex, so implementation is likely to run into some technical challenges:

- Availability, quality and robustness of new data sources may fall short of requirements.
- Classifying products into Taxonomy-eligible or Taxonomyaligned is complex and based on multiple criteria.
- Currently, most KPIs are manually calculated largely using spreadsheet solutions.
- Additional process documentation and internal controls are required for reasonable assurance.

#### Solution

EU Taxonomy Manager enables you to work more efficiently and reduce complexity by using just one SAP technology stack and one platform. The solution offers:

- automated KPI calculation using SAP Analytics Cloud (SAC), HANA Cloud, UI5 and Data Warehouse Cloud (DWC);
- · tools to support eligibility/alignment assessment;
- preset dashboards for EU Taxonomy reporting, data flows and management analytics; and
- interfaces for integration with SAP sustainability applications.

The solution offers comprehensive and guided analytical functions to make data processing more efficient – all with a user-friendly interface. The data model and dashboards also allow you to make deep dives into the data and gain meaningful insights to support fact-based decision-making. Once you've processed and analysed your data, the results can be exported to disclosure management tools, using the EU template, to comply with the EU Taxonomy.

#### **Benefits**

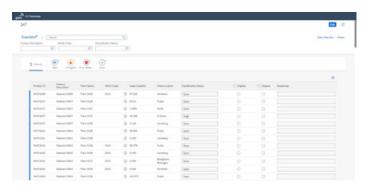
The EU Taxonomy Manager solution is built on our comprehensive knowledge of sustainability and technology, delivering end-to-end support from classification to final disclosure. EU Taxonomy Manager offers you:

- Guidance get your company on the road to ESG compliance.
- Transparency open sustainability metrics and reporting to create trust among stakeholders.
- Competitive advantage respond more accurately and efficiently, and reassure customers, investors and regulators.
- Future readiness ensure compliance with evergrowing regulations.

## Our E2E EU Taxonomy solution



#### Eligibility/alignment classification



The web app supports classification of economic activities as "eligible" or "aligned", and provides an up-to-date list of Taxonomy legal texts.

#### **KPI** reporting



Deep-dive analysis pages leverage the full power of our comprehensive data model to drive fact-based decision-making.



The exportable EU template for each KPI ensures that you deliver the right data in the right format.

#### All relevant information in one platform

- Comprehensive data model
- E2E guidance
- Faster compliance with the Taxonomy

