EU Taxonomy Solution
Methodology: Version 2.3

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Methodology Summary

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The **European Union (EU) taxonomy**[1] is a regulatory classification framework designed to identify environmentally sustainable economic activities using science-based **Technical Screening Criteria (TSC)** with the aim of facilitating sustainable investments and addressing concerns about greenwashing. **Morningstar Sustainalytics' EU Taxonomy Solution** supports users by leveraging the EU taxonomy framework to gain detailed insights into corporate disclosures of environmentally sustainable activities. It provides granular information on company-level alignment to the EU taxonomy's six environmental objectives.

Highlights

- Morningstar Sustainalytics' EU Taxonomy Solution covers the entire list of activities across all six environmental objectives of the EU taxonomy, including Nuclear and Fossil Gas Activities.
- The EU Taxonomy Solution includes Reported data from both non-financial and financial companies based on their EU taxonomy eligibility and/or alignment disclosure.
  - Data for non-financial companies is available at activity and company level across three financial metrics: revenue, capital expenditure (capex), and operational expenditure (opex).
  - Data for financial companies is available at company level for two applicable financial metrics: revenue-based and capex-based.[2]
- Beyond the reported data collected from company EU taxonomy reports, **Estimated** data for non-financial companies is provided at both activity and company level for revenue.
  - The eligibility estimates cover all activities across the six environmental objectives of the EU taxonomy, while alignment estimates are available for 20 activities under the **Climate Change Mitigation (CCM)** objective.
- The EU taxonomy data is validated according to the EU taxonomy rules.

Introduction

The EU has set ambitious goals to become climate-neutral by 2050 through the European Green Deal,[3] towards making its economy more sustainable. To achieve these targets and objectives, it is essential to finance sustainable projects and activities.

As part of the Green Deal, the EU Action Plan on Sustainable Finance[4] was developed to link finance with sustainability, with the EU taxonomy[5] being the key component. The EU taxonomy provides a clear definition of what constitutes 'sustainable' business activities and improves mandatory transparency requirements on companies, including the disclosure of their **Taxonomy-eligible** and **Taxonomy-aligned** activities and investments.

The EU taxonomy requires financial and non-financial companies in scope to disclose how and to what extent they are associated with environmentally sustainable activities. While non-financial companies are required to disclose the **Eligibility** and **Alignment** of their activities under the EU taxonomy, financial companies' reporting obligations are centered on their financial products and investment portfolios.

Alongside the EU taxonomy, the Sustainable Finance Disclosure Regulation (SFDR)[6] and the Corporate Sustainability Reporting Directive CSRD[7] (replaced the Non-Financial Reporting Directive (NFRD)[8]) play crucial roles in supporting the objectives of advancing the EU Sustainable Finance Action Plan.[9]

These three regulations are closely interrelated and work together to support direct investments towards sustainability objectives.

Purpose

Morningstar Sustainalytics' EU Taxonomy Solution supports users by leveraging the EU taxonomy framework to gain detailed insights into corporate disclosures of environmentally sustainable activities. It provides granular information on company-level alignment to the EU taxonomy's six environmental objectives.

Methodological Approach

The principles and methods applied in this solution are based strictly on the principles, criteria, and requirements defined by the EU taxonomy regulation. All assumptions, factors, and constraints are aligned with the regulatory framework, and the solution does not apply customized approaches beyond those necessary to implement the EU taxonomy criteria.

EU Taxonomy Regulatory Framework

The EU taxonomy represents a classification system, establishing a list of environmentally sustainable activities. The scope of the EU taxonomy regulation includes six environmental objectives:

- Climate Change Mitigation (CCM)
- Climate Change Adaptation (CCA)
- Sustainable Use and Protection of Water and Marine Resources (WTR)

- Transition to a Circular Economy (CE)
- Pollution Prevention and Control (PPC)
- Protection and Restoration of Biodiversity and Ecosystems (BIO)

Further granularity is provided by the 151 activities10 (including six Nuclear and Fossil Gas Activities) that have been identified to contribute to one or more of the objectives. This aligns with the 2023 publication of the Environmental Delegated Act11 and the amendments to the Climate Delegated Act.12

The content and presentation of information to be disclosed by companies concerning the environmental performance of their economic activities at both activity and company level is specified in the Disclosure Delegated Act.13

Non-Financial Companies

Non-financial companies must report on the eligibility and alignment of their economic activities. An activity is taxonomy-eligible if it is listed in the EU taxonomy.[14] If the activity is not described in the regulation, it is considered **Non – eligible**.

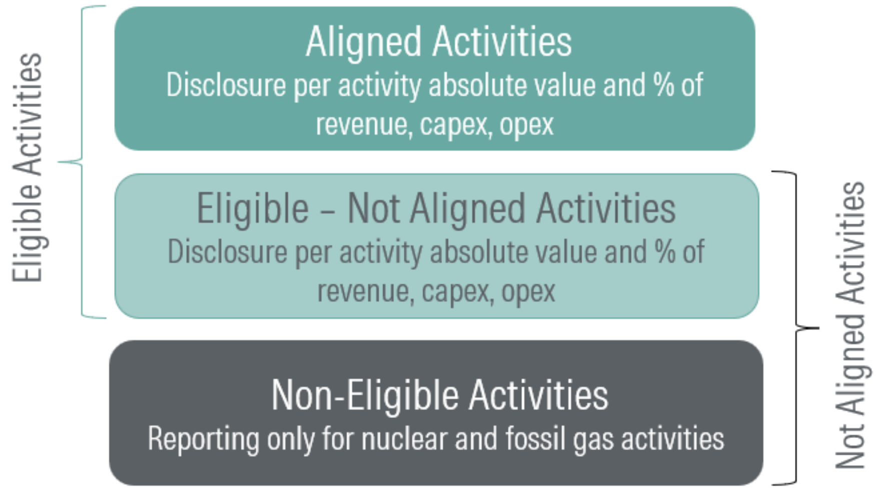
For an activity to qualify as taxonomy-aligned to one of the six environmental objectives of the EU taxonomy, a company needs to meet four criteria:

- The company must be involved in a Taxonomy-eligible activity, and
- The company's activity must meet the Technical Screening Criteria (TSC) demonstrating **Substantial Contribution (SC)** to at least one EU taxonomy environmental objective, and
- The company's activity must comply with the **Do No Significant Harm (DNSH)** for the other objectives at the activity level, and
- The company must comply with the **Minimum Safeguards (MS)** requirements that go beyond the environmental objective at hand.

The EU taxonomy requirement for non-financial companies is to identify and disclose taxonomy eligibility and alignment at both activity and company level, as shown in Exhibit 1 below.

Eligibility and alignment are to be reported for three financial metrics, referred to as **Key Performance Indicators** (KPIs) in the EU taxonomy: revenue,[15] capital expenditures (capex), and operational expenditures (opex).

Exhibit 1 Taxonomy Activity Classification



Source: Morningstar Sustainalytics

Financial Companies

Financial companies' alignment to the EU taxonomy is, in most cases, indirect and based on their assets' contributions. To incorporate this, the EU taxonomy mandates financial companies to adhere to a distinct reporting framework compared to non-financial companies. They further need to provide qualitative information to elucidate their KPIs. Typically, their KPIs represent the proportion of assets aligned with the EU taxonomy in terms of revenue or capex. In certain instances, financial companies must report their own revenue alignment from fees and premiums directly.

KPIs by financial company type are explained in Exhibit 2 below.

Exhibit 2 Key Performance Indicators (KPIs) for Financial Companies

Financial Company Type	KPI Type	KPI	Description
Asset Managers			
	Main	Proportion of investments in taxonomy-aligned economic activities	Calculated based on the taxonomy-aligned economic activities of investee undertakings, ensuring accurate environmental performance representation.
Credit Institutions			
	Main	Green Asset Ratio (GAR)	Indicates the proportion of exposures related to taxonomy-aligned activities compared to total assets, including loans, advances, debt securities, and equity holdings.
	Supporting	Proportion of fees and commission income from taxonomy-aligned activities	Ensures transparency regarding the environmental sustainability of services provided.
	Supporting	Proportion of taxonomy-aligned activities in off-balance-sheet exposures	Discloses the proportion of taxonomy-aligned activities in managed underlying assets or guaranteed obligations.
Investment Firms			
	Main	Proportion of total assets related to taxonomy-aligned activities (own account dealings)	Focuses on the firm's investments, including debt securities and equity instruments in investee companies.
	Main	Revenue from investment services and activities for clients	Expressed as fees, commissions, and other monetary benefits.
Insurance and Reinsurance			
	Main	Proportion of assets invested in taxonomy-aligned activities (investment policy)	Shows the proportion of assets invested in taxonomy-aligned activities relative to overall assets.
	Main	Proportion of non-life underwriting activities associated with climate adaptation	Indicates the proportion of non-life underwriting activities performed in accordance with the Climate Delegated Act criteria.
Financial Conglomerates			
	Main	Group-level reporting	Includes weighted averages of relevant KPIs for each component, based on the proportion of the group's total turnover.
	Supporting	Separate disclosures for each category (banking, insurance, investment services)	Must provide disclosures for each category in which they operate, ensuring transparency for all aspects of operations.

Source: Morningstar Sustainalytics

Reporting Landscape

In accordance with the Disclosure Delegated Act, financial and non-financial companies that are within the scope of the CSRD, are required to provide information about the EU taxonomy eligibility and alignment in their annual reports. Financial and non-financial companies must disclose the share of their revenue, capex and opex associated with environmentally sustainable economic activities based on the most recent regulatory templates as defined in the EU taxonomy regulation and delegated acts.[16]

The reporting obligations under the EU taxonomy are grounded in the CSRD that requires covered companies to provide mandatory non-financial reporting. In general, public interest entities and large companies[17] are in the scope of CSRD, which is defined as companies having more than 500 employees over a given fiscal year and that have either:

- A balance sheet total of more than 25 million euros; or
- A net turnover of more than 50 million euros.[18]

Designated public-interest entities are either one of the following:[19]

- Governed by the law of a European member state and whose transferable securities are admitted to trading on a regulated market of any EU member state.
- **Credit Institutions**.
- Insurance undertakings.
- Designated by European member states as public-interest entities.

CSRD applies to countries within the European Economic Area (EEA). This includes all twenty-seven EU member states as well as the three EEA European Free Trade Association (EFTA) states: Iceland, Liechtenstein, and Norway.

The requirements, set in a directive, can be implemented in a more stringent manner by EU member states. For example, each EU member state could introduce a lower threshold for the number of employees constituting a public interest entity.

As of 2024, CSRD has replaced Non-Financial Reporting Directive (NFRD). While NFRD applied only to listed companies, banks and insurance companies, CSRD initially aimed to extend the scope first to all listed EU companies, to all large non-listed EU companies, to all listed Small and Medium-Sized Enterprises (SMEs) and eventually third-country companies.[20] In April 2025, the “stop-the-clock” directive was implemented: it postpones by two years the reporting obligations of companies that did not yet start reporting.[21] This implies that those companies previously in scope of NFRD continue to be subject to reporting obligations of the EU taxonomy, while no additional companies will be scoped in for the next two years.

Scope & Limitations

Morningstar Sustainalytics’ EU Taxonomy Solution was created to better support investors in aligning with the EU taxonomy. This solution provides coverage on regulatory compliance reporting for non-financial and financial companies.

While the EU Taxonomy Solution is fully aligned with the EU taxonomy reporting requirements for non-financial companies, EU taxonomy data from financial companies is limited to compliance with the requirements for the disclosures under the SFDR.[22]

Morningstar Sustainalytics’ EU Taxonomy Solution methodology extends beyond EU taxonomy-specific disclosures to deliver data that is either directly reported by companies or derived from their disclosures.

The EU Taxonomy Solution provides data for financial and non-financial companies in the same set of data fields. The solution includes taxonomy-eligible and aligned data at the activity and company level, including reported and estimated figures (only for non-financials) and are aggregated for use in the EU Taxonomy Portfolio Solution.[23]

To collect the relevant EU taxonomy reported data and for estimates, the Morningstar Sustainalytics’ **Activity-based Research (ABR)** platform is used.

Non-Financial Company Data

Through the ABR platform, non-financial companies’ reported data is collected on EU taxonomy eligibility and alignment at activity and company level across the three financial KPIs: revenue, capex, and opex.

To address gaps in reported data, the methodology provides estimated data for taxonomy-eligible and aligned revenue at both activity and company level, focusing exclusively on the CCM objective for non-financial companies.

The involvement of companies in taxonomy-eligible activities is estimated through **Activity Involvement Research**. This research quantifies the share of a non-financial company's revenue derived from its involvement in specific business activities, then it is aggregated at the company level data on a separate platform.

ABR comprises the entire set of activities (151),[24] including six nuclear and fossil gas activities, linked with all six environmental objectives of the EU taxonomy.

Financial Company Data

For financial companies, KPIs typically represent the proportion of assets aligned with the EU taxonomy, considering these assets' alignment in terms of revenue or capex.[25] Morningstar Sustainalytics' interpretation of the EU taxonomy indicates that financial and non-financial KPIs, although distinct, are intended to be comparable and integrated. Therefore, this methodology refers to the KPIs for financial companies using the terms revenue or revenue-based and capex or capex-based interchangeably.

According to the Disclosure Delegated Act and the Third Commission Notice[26] published in 2024, a financial company in the scope of EU taxonomy will be classified in one of these six types: (1) **Asset Manager**, (2) Credit Institution, (3) **Investment Firm**, (4) **Insurance and Reinsurance Undertaking**, (5) **Financial Conglomerate**, (6) **Mixed Group**.

Mixed groups, which embody characteristics of both financial and non-financial companies, present a unique classification dilemma. The absence of definitive regulatory guidance makes it difficult to adopt a consistent approach on whether to categorize mixed groups as financial or non-financial. Morningstar Sustainalytics EU Taxonomy Solution excludes these companies.[27]

For financial companies, the solution uses only reported data—estimates are not included.

The solution focuses on the data points that directly support the SFDR disclosures, while including a selected few additional data points to ensure the functionality and coherence of the solution.

Methodology

Close Alignment with the Regulatory Framework

The EU Taxonomy Solution has close alignment with the regulatory framework with regards to the data fields captured and presented. Details of the dataset are outlined in Exhibits 6 and 7 for non-financial companies, and in Exhibit 8 for financial companies.

Reporting Scope for Non-financial and Financial Companies

Based on the templates[28] mandated in accordance with the Disclosure Delegated Act, non-financial companies are required to report at two levels:

1. At the activity level, companies must report the absolute value and share of their revenue, capex and opex that are attributed to (a) Taxonomy-aligned activities; or (b) Taxonomy-eligible but not aligned activities.
2. At the company level, companies must report the absolute value and share of their revenue, capex and opex that is eligible aligned, **Eligible – Not aligned** and non – eligible under the EU taxonomy criteria on an aggregate level.

Additionally, companies must report on their involvement in nuclear and/or gas activities as explained by the regulation through separate templates.29

Financial companies reporting requirements vary per type of undertaking based on the templates30 mandated in accordance with the Disclosure Delegated Act. This methodology defines financial companies' reporting to be comprised of three levels:

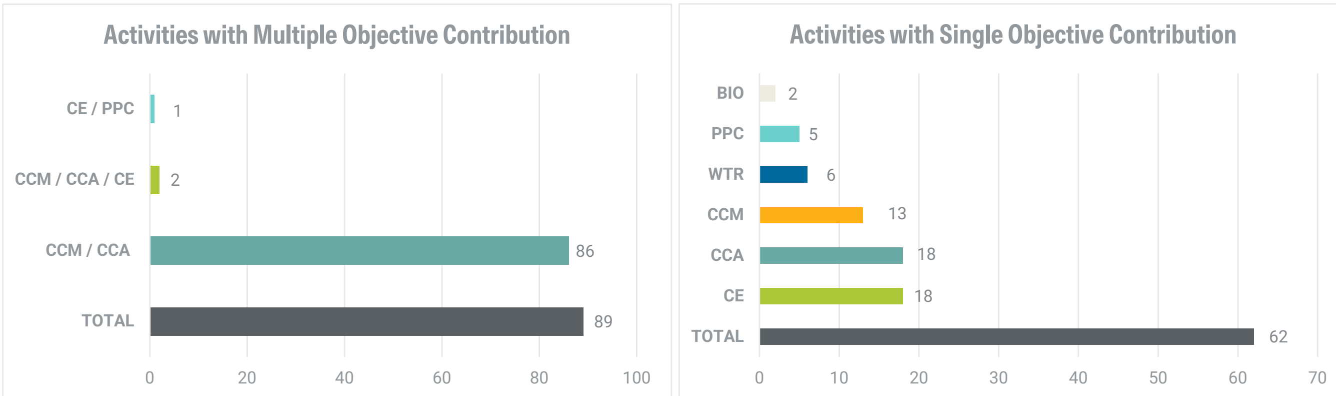
1. Company level, containing data pertaining to the whole reporting entity,
2. Asset level, containing granular data that breaks company-level reporting data down to its asset classes, asset's EU taxonomy company type or income streams and
3. Activity level, containing nuclear and fossil gas data[31].

Financial companies must report on their involvement in nuclear and/or gas activities as explained by the regulation through separate templates. SFDR Nuclear and Fossil Gas Disclosure section provides detailed information.

Activity-Level Reporting

The Environmental Delegated Act and the Climate Delegated Act define 151 activities in the EU taxonomy, most of them (89) overlap across multiple objectives, while 62 are unique to one of the six environmental objectives, as illustrated by Exhibit 3 below.

Exhibit 3 EU Taxonomy Activities – Breakdown of Objective Contribution*



*Note: Consult the EU Taxonomy Solution 'Mapping File' for the full list of EU taxonomy activities, including the details, such as objective level contribution, year of reference and scope of amendments, among others.
Source: Morningstar Sustainalytics.

Out of 151 EU taxonomy activities, six are classified as nuclear or fossil gas activity. For the full list of nuclear and fossil gas activities, including the details of objective level contribution consult Morningstar Sustainalytics EU Taxonomy Solution Mapping File.32

The data structure for the EU Taxonomy Solution is streamlined to fully adhere to the most recent regulatory templates.

There are five dedicated disclosure templates33 for companies having nuclear and fossil gas activities in their portfolio:

- Template 1: Nuclear and fossil gas related activities
- Template 2: Taxonomy – aligned economic activities (denominator)
- Template 3: Taxonomy – aligned economic activities (numerator)
- Template 4: Taxonomy – eligible but not taxonomy-aligned economic activities
- Template 5: Taxonomy non – eligible economic activities

The EU Taxonomy Solution captures all numeric data disclosure across the four main nuclear and fossil gas templates (2, 3, 4, 5).

Template 1 is used to indicate involvement in nuclear and fossil gas activities with qualitative values (i.e., yes/no). The values from Template 1 are not collected separately but instead determined using the numeric data reported in the other Templates.

Templates 2 and 3 are used to disclose the same data for nuclear and fossil gas activities, i.e., the same alignment data.

Overall and Objective Level Data

For both non-financial and financial companies, the EU Taxonomy Solution provides objective level data alongside the overall data covering all six environmental objectives introduced in the Climate Delegated Act and Environmental Delegated Act: CCM, CCA, WTR, CE, PPC, BIO.

Types of Contribution

The EU taxonomy introduced the concept of Substantial Contribution to recognize varying roles of different activities in achieving sustainability goals. There are three types of contribution recognized:

1. Enabling Substantial Contribution: Activities that create products or services that enable a substantial contribution to be made by other activities. Example: manufacture of energy efficiency equipment for buildings.
2. Transitional Substantial Contribution: Activities that are not considered 'sustainable' but are essential to the economic transition and carried out at the 'best possible' performance level. Example: manufacture of cement with GHG emissions lower than the value of the related EU Trading System benchmark.
3. Own Performance Substantial Contribution: Economic activities that either lack dedicated substantial contribution type under the regulation34 or are not reported by companies when multiple substantial contribution types apply. Note that this type of contribution was not directly named in the regulation and therefore the terminology was created by Morningstar Sustainalytics.

Transitional Activities are only defined within the CCM objective. The Enabling contribution type is defined for all six objectives and can be attributed to an economic activity if specifically defined within the regulation.

Identifying Substantial Contribution for Non-Financial Companies' activity-level reporting

The EU Taxonomy Solution 'Mapping File'[35] provides the full list of EU taxonomy activities with possible substantial contribution type per objective for 151 activities, as follows:

- 19 activities are defined as enabling activity by the regulation.
- 58 activities have either multiple substantial contributions with different objectives or substantial contribution subject to Technical Screening Criteria.
- 74 activities do not have a substantial contribution defined by the regulation; hence they are flagged as Own Performance Substantial Contribution.

Substantial contribution data reported by companies is collected only for the activities that fall under the second category, i.e. having multiple substantial contribution types or having a substantial contribution type that is subject to a TSC.

For the rest, activity substantial contribution type is **auto populated** through the mapping to the regulatory classification. See the Mapping File[36] for the activities that are mapped to one single substantial contribution type.

Avoiding Double Counting at Overall Reported Data for Non-financial Companies

Together with the **Objective Level Alignment**, the regulation requests companies to report their **Overall Alignment**, which is derived by the sum of contributions to one or multiple objectives per activity. This simple principle has a double-counting caveat stemming from the Disclosure Delegated Act: "While an activity can contribute to multiple objectives, its revenue, capex, opex shall be considered only once when aggregating across objectives".[37] Thus, when collecting the objective level data, it is ensured that the total objective level data is not higher than the reported overall data.

To avoid double counting, the **Most Relevant Objective** information is collected and used from company reports (where available) separately for each financial metric:

- Activity - Aligned Revenue - Most Relevant Objective
- Activity - Aligned Capex - Most Relevant Objective
- Activity - Aligned Opex - Most Relevant Objective

The most relevant objective is collected via two possible disclosures:

- In the regulation, it is indicated that if an economic activity contributes substantially to multiple environmental objectives, companies should indicate, in bold, the most relevant environmental objective[38]. If the reported data for a specific objective appears in bold, that objective is captured as the most relevant objective. (e.g., 'Construction of new buildings' is eligible to CCM and CE. Company reported alignment for each objective and indicated CE in bold: Activity - Aligned Revenue - Most Relevant Objective = CE)
- If a company does not indicate the most relevant objective in bold but reports the activity with multiple objectives with one objective code (e.g., for the same activity above, a company reports the code as CE 3.1. only) the objective of the reported code is considered as the most relevant one.

The most relevant objective information is included in the data collection process. If the total objective level data is higher than the reported overall data, only the data indicated as the most relevant is collected. The most relevant objective data fields are not used in any calculations; they are provided to deliver transparency in company reported data and Morningstar Sustainalytics' data collection process.

Data Sources

The EU taxonomy dataset covers three main source types (Exhibit 4): Reported, Estimated and **Explicative**, whereby reported data represents the data fields from company taxonomy reports, estimated data represents the data which is estimated by the estimation methodology based on a set of criteria and explicative data captures the information included to provide users with additional insights.

To provide a comprehensive dataset and allow users to perform better data assessments and analyses, reported data fields are divided into three source sub-types:

- **Direct Reported**: Actual data collected from the company reports.
- **Reported Calculated**: EU taxonomy data not available in company reports but calculated in internal systems using the direct reported EU taxonomy data.
- **Default Calculated**: Calculations applied to provide a comprehensive dataset beyond regulatory requirements (e.g., additional fields to provide values in USD).

Estimated data fields are categorized into two source sub-types, which are created to ensure traceability back to their origin, as follows:

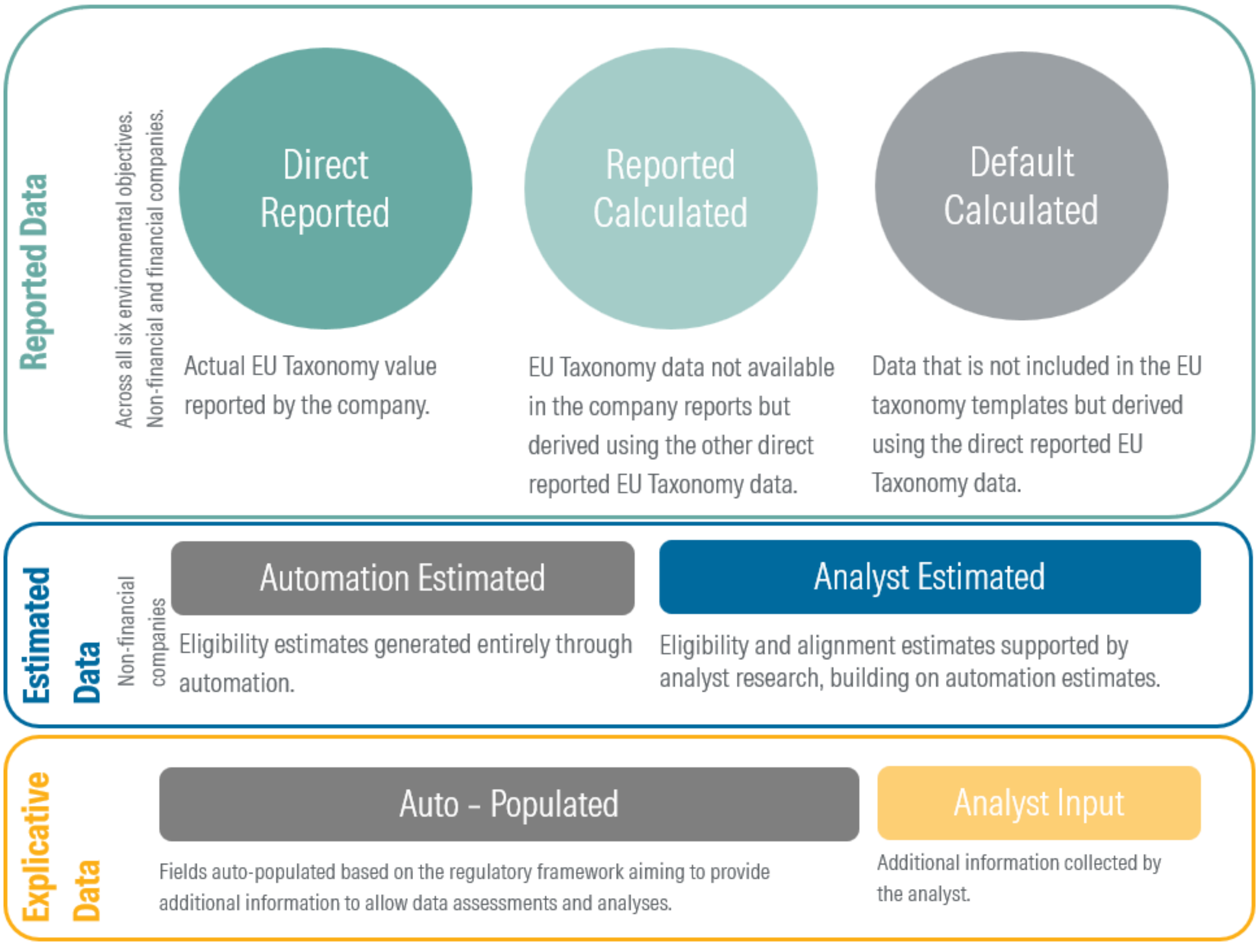
- **Automation Estimated**: Eligibility estimates generated entirely through automation, without analyst input.[39]
- **Analyst Estimated**: Eligibility and alignment estimates are supported by analyst research for accuracy and depth, building on initial automation estimates.

Explicative data fields are divided into two source sub-types, which are created to provide additional information to users on the dataset, as follows:

- Auto populated: Populated based on the regulatory framework (e.g., substantial contribution types for specific activities).
- **Analyst input**: Additional information provided on the collected EU taxonomy data (e.g., the company sources used to collect EU taxonomy data).

Once the data is collected or estimated, validation rules are applied to identify any discrepancies against the EU taxonomy disclosure assumptions, explained in the Assessment Criteria section.

Exhibit 4 EU Taxonomy Solution – Data Structure



Source: Morningstar Sustainalytics

Data Structure

Reported data are key to the EU taxonomy, as reported eligibility and alignment from companies constitute the single source of truth for investors. To address gaps in reported data, the solution provides estimates for non-financial companies. The EU Taxonomy Solution delivers standalone reported and estimated data sets, which are supported by the so-called 'explicative data' to provide additional information.

Data Source Type: Reported

Reported data refers only to data reported in accordance with the EU taxonomy reporting templates, as defined in the Annexes to the Disclosure Delegated Act, by companies falling under the obligations of the CSRD or by companies reporting voluntarily but consistently with Disclosure Delegated Act. Importantly, reported data should be the primary source used for taxonomy reporting by users looking to comply with regulations, prevailing over any estimate.

Morningstar Sustainalytics collects the reported data from companies' reports through the EU taxonomy disclosure templates, or an equivalent template tailored for company needs.

As illustrated in Exhibit 4 above, the reported data source type is divided into three source sub-type categories: (1) Direct reported; (2) reported calculated, and (3) default calculated. In the following sub-sections, the details of the source sub-types under the reported data are further addressed.

Direct Reported Source Sub-type for Non-Financial Companies

The dataset provided for non-financial companies in the EU Taxonomy Solution includes the main data fields as illustrated in Exhibit 5 below. The data categories apply to all three financial metrics: revenue, capex, opex.

Exhibit 5 EU Taxonomy Regulatory Templates - Main Data Categories

Aligned	Eligible Not-aligned	Eligible	Non-eligible	Total
Company Level				
Overall Disclosure				
Alignment total	Eligible not-aligned total	Eligibility total	Non-eligibility total	Total of financial KPI
Alignment, by objective,	Eligible not-aligned, by objective	Eligibility, by objective		
Alignment, by substantial contribution type				
Alignment, by nuclear and/or gas activity involvement	Eligible not-aligned, by nuclear and/or gas activity involvement	Eligibility, by nuclear and/or gas activity involvement	Non-eligibility, by nuclear and/or gas activity involvement	
Disclosure per Objective				
Alignment, by substantial contribution type				
Alignment, by nuclear and/or gas activity involvement	Eligible not – aligned, by nuclear and/or gas activity involvement	Eligibility, by nuclear and/or gas activity involvement	Non-eligibility, by nuclear and/or gas activity involvement	
Activity Level				
Overall Disclosure				
Alignment total	Eligible not-aligned total			
Alignment, by objective				
Alignment, by nuclear and gas activity type	Eligible not-aligned, by nuclear and gas activity type		Non-eligibility, by nuclear and/or gas activity involvement	
Disclosure per Objective				
Alignment, by nuclear and gas activity type	Eligible not-aligned, by nuclear and gas activity type			

Source: Morningstar Sustainalytics

Exhibit 6 and Exhibit 7 below provide a comprehensive summary of the data points that non-financial companies are required to disclose under the EU taxonomy reporting templates, including those specific to nuclear energy and fossil gas. They also illustrate the data fields that are captured with the EU Taxonomy Solution.

Exhibit 6 Data Collected from Non-Financial companies' EU Taxonomy Templates – Alignment*

	Company level				Activity level			
	Without Nuclear & Fossil Gas Activities		With Nuclear & Fossil Gas Activities		Without Nuclear & Fossil Gas Activities		With Nuclear & Fossil Gas Activities	
	Absolute Value	Percentage (%)	Absolute Value	Percentage (%)	Absolute Value	Percentage (%)	Absolute Value	Percentage (%)
Aligned revenue								
Overall (N)	✓	✓	✓	✓	✓	✓	✓	✓
Overall (N-1)	NA	✓	NA	✓	NA	✗	NA	✗
Objective level (N)								
CCM	NA	✓	✓	✓	✗	✓	✓	✓
CCA	NA	✓	✓	✓	✗	✓	✓	✓
WTR	NA	✓	NA	✓	✗	✓	NA	NA
CE	NA	✓	NA	✓	✗	✓	NA	NA
PPC	NA	✓	NA	✓	✗	✓	NA	NA
BIO	NA	✓	NA	✓	✗	✓	NA	NA
Overall substantial contribution type (N)								
Enabling	✓	✓	✓	✓	NA	NA	NA	NA
Transitional	✓	✓	✓	✓	NA	NA	NA	NA
Overall substantial contribution type (N-1)								
Enabling	NA	✗	NA	✗	NA	NA	NA	NA
Transitional	NA	✗	NA	✗	NA	NA	NA	NA
Substantial contribution type - objective breakdown (N)								
CCM Enabling	NA	✓	NA	✓	NA	NA	NA	NA
CCM Transitional	NA	✓	NA	✓	NA	NA	NA	NA
CCA Enabling	NA	✓	NA	✓	NA	NA	NA	NA
WTR Enabling	NA	✓	NA	✓	NA	NA	NA	NA
CE Enabling	NA	✓	NA	✓	NA	NA	NA	NA
PPC Enabling	NA	✓	NA	✓	NA	NA	NA	NA
BIO Enabling	NA	✓	NA	✓	NA	NA	NA	NA
Non-Nuclear and Fossil Gas Alignment (N)								
Overall (CCM+CCA)	NA	NA	✓	✓	NA	NA	NA	NA
CCM	NA	NA	✓	✓	NA	NA	NA	NA
CCA	NA	NA	✓	✓	NA	NA	NA	NA

* ✓: Data collected as part of EU Taxonomy Solution; ✗: Possible to report but not collected in the solution; NA: Not a data field in the EU taxonomy templates; N: Represents the reporting year; N-1: Refers to data reported in EU taxonomy templates for the previous year, collected during the same research period. It does not come from the EU Taxonomy Solution's prior-year dataset.
Source: Morningstar Sustainalytics

Exhibit 7 Data Collected from Non-Financial Companies' EU Taxonomy Templates – Eligible – Not Aligned and Non – Eligible*

	Company Level				Activity Level			
	Without Nuclear & Fossil Gas Activities		With Nuclear & Fossil Gas Activities		Without Nuclear & Fossil Gas Activities		With Nuclear & Fossil Gas Activities	
	Absolute Value	Percentage (%)	Absolute Value	Percentage (%)	Absolute Value	Percentage (%)	Absolute Value	Percentage (%)
Eligible Not-Aligned								
Overall (N)	✓	✓	✓	✓	✓	✓	✓	✓
Overall (N-1)	NA	✓	NA	✓	NA	✗	NA	✗
Objective level (N)								
CCM	NA	✗	✗	✗	NA	NA	✓	✓
CCA	NA	✗	✗	✗	NA	NA	✓	✓
WTR	NA	✗	NA	✗	NA	NA	NA	NA
CE	NA	✗	NA	✗	NA	NA	NA	NA
PPC	NA	✗	NA	✗	NA	NA	NA	NA
BIO	NA	✗	NA	✗	NA	NA	NA	NA
Non-Nuclear and Fossil Gas (N)								
CCM+CCA	NA	NA	✓	✓	NA	NA	NA	NA
CCM	NA	NA	✗	✗	NA	NA	NA	NA
CCA	NA	NA	✗	✗	NA	NA	NA	NA
Eligible (aligned + eligible not-aligned)								
Overall (N)	✓	✓	✓	✓	NA	NA	NA	NA
Objective level (N)								
CCM	NA	✗	NA	✗	NA	NA	NA	NA
CCA	NA	✗	NA	✗	NA	NA	NA	NA
WTR	NA	✗	NA	✗	NA	NA	NA	NA
CE	NA	✗	NA	✗	NA	NA	NA	NA
PPC	NA	✗	NA	✗	NA	NA	NA	NA
BIO	NA	✗	NA	✗	NA	NA	NA	NA
Non-eligible								
Overall (N)	✓	✓	✓	✓	NA	NA	✓	✓
Non-Nuclear and Fossil Gas (N)								
CCM+CCA	NA	NA	✓	✓	NA	NA	NA	NA
Total								
Overall (N)	✓	100%	✓	100%	NA	NA	NA	NA

* ✓: Data collected as part of EU Taxonomy Solution; ✗: Possible to report but not collected in the solution; NA: Not a data field in the EU taxonomy templates; N: Represents the reporting year; N-1: Refers to data reported in EU taxonomy templates for the previous year, collected during the same research period. It does not come from the EU Taxonomy Solution's prior-year dataset.
Source: Morningstar Sustainalytics

The primary goal is to identify, collect and display the reported taxonomy-eligible and taxonomy-aligned data for each company, where it meets the expectations of the EU taxonomy regulatory rules and assumptions.

While building the data collection scope, the specific use cases for each data field were considered and assessed.[40] The company-level alignment percentages for all six EU taxonomy objectives will be used at aggregated portfolio level to support SFDR reporting.

In addition to the data fields with absolute values and percentages as showcased in Exhibit 6 and Exhibit 7 above, other critical activity-level information is collected from the reported EU taxonomy templates that are relevant for further assessments of the data:

- Activity Name: Collected if it represents one of the EU taxonomy activities defined by the regulation.
- Activity Reported SC Type: Collected from the reported EU taxonomy templates if the data is in accordance with the regulatory activity definitions.
- Activity Revenue: The regulatory templates do not require disclosure of total activity revenue. This data is collected for the cases where company makes a disclosure on total activity revenue, instead of reporting aligned, eligible – not aligned and non – eligible (for nuclear and fossil gas activities) separately.
- Activity Aligned Revenue - Most Relevant Objective: To avoid double counting, the most relevant objective information is collected from company reports. The details of the methodology are discussed in the previous sections.

The last two fields are also collected for the respective capex and opex data fields separately.

Direct Reported Source Sub-type for Financial Companies

The EU Taxonomy Solution provides company-level percentages for eligibility, alignment, and alignment breakdowns by contribution type for both revenue and capex. More details on Nuclear and Fossil Gas coverage can be found in the SFDR Nuclear and Fossil Gas Disclosure section below.

The EU Taxonomy Solution's methodology addresses each category of a financial company differently to account for the particularities of their reporting. Exhibit 8 below provides a summary of the data points collected from financial companies disclosed under the EU taxonomy reporting templates, including those specific to nuclear energy and fossil gas.

A comprehensive discussion of the data points that each financial entity type is required to disclose under the EU taxonomy reporting templates – including those specific to nuclear energy and fossil gas – as well as the data collected by the EU Taxonomy Solution is available in Appendix B.

Exhibit 8 Data Collected from Financial Companies' EU Taxonomy Templates

	Company level		Activity Level
	From Financial Companies' Templates	From Nuclear & Fossil Gas Templates	From Nuclear & Fossil Gas Templates
	Percentage (%)	Percentage (%)	Percentage (%)
Aligned revenue			
Overall (N)	☑	(CI, AM, IR Li)	NA
Objective level (N)			
CCM	☑	☑	☑
CCA	☑	☑	☑
WTR	☑	NA	NA
CE	☑	NA	NA
PPC	☑	NA	NA
BIO	☑	NA	NA
Overall substantial contribution type (N)			
Enabling	(CI, AM, IR, IF)	NA	NA
Transitional	(CI, AM, IR Li, IF)	NA	NA
Substantial contribution type - objective breakdown (N)			
CCM Enabling	(AM, IR Li)	✖	NA
CCM Transitional	(AM, IR Li)	✖	NA
CCA Enabling	(AM, IR Li)	✖	NA
WTR Enabling	(AM, IR Li)	✖	NA
CE Enabling	(AM, IR Li)	✖	NA
PPC Enabling	(AM, IR Li)	✖	NA
BIO Enabling	(AM, IR Li)	✖	NA
Non-Nuclear and Fossil Gas Alignment (N)			
Overall (CCM+CCA)	NA	(CI, AM, IR)	NA
CCM	NA	✖	NA
CCA	NA	✖	NA
Eligible Not-Aligned			
Overall (N)	(AM, IR)	NA	NA
Objective level (N)			
CCM+CCA	NA	☑	☑
CCM	NA	✖	☑
CCA	NA	✖	☑
Non-Nuclear and Fossil Gas Alignment (N)			
CCM+CCA	NA	☑	NA
CCM	NA	☑	NA
CCA	NA	☑	NA
Eligible (aligned + eligible not-aligned)			
Overall (N)	(CI, AM, IR, IF)	NA	NA
Objective level (N)			
CCM	✖	✖	NA
CCA	✖	✖	NA
Non-eligible			
Overall (N)	NA	☑	☑
Total			
Overall (N)	100%	100%	NA

* ☑ : Data collected as part of EU Taxonomy Solution for all financial company categories; ✖ : Possible to report, but not collected in the solution; The information between brackets "()" indicates that the data is available for a subset of financial company categories; (AM, IR Li): indicates that the information is available for asset managers and insurance and reinsurance companies providing life insurance and is collected by the solution to generate reported calculated fields, but it is not published in its raw form; NA: Not a data field in the EU taxonomy templates; N: Represents the reporting year; AM: Represents asset Managers; CI: Represents credit institutions; IR: Represents insurance and reinsurance companies; IR Li: Represents insurance and reinsurance companies providing life insurance; IR Non-Life: Represents insurance and reinsurance companies providing non-life insurance; IF: Represents investment firms.

Source: Morningstar Sustainalytics

SFDR Nuclear and Fossil Gas Disclosure

The SFDR imposes mandatory ESG disclosure obligations for **Financial Market Participants (FMPs)**.[41] It aims to provide more transparency within financial markets and thus requires disclosure on sustainability risks, adverse sustainability impacts in investment processes, and sustainability-related information with respect to financial products. As part of the sustainability-related information of financial products, FMPs must disclose the extent to which their portfolios are exposed to nuclear and fossil gas activities that comply with the EU taxonomy.[42]

According to SFDR, the disclosure on the investments in nuclear and/or gas related activities that comply with the EU taxonomy should be made as follows:

- Taxonomy-aligned percentages of their portfolio in nuclear activities.
- Taxonomy-aligned percentages of their portfolio in fossil gas activities.
- Taxonomy-aligned percentages of their portfolio in activities that are not nuclear or fossil gas.
- Non-taxonomy-aligned percentages of their portfolio.

The solution provides activity-level and company-level EU taxonomy data which can be used by FMPs to meet the SFDR disclosures requirements.[43]

While the EU taxonomy regulation provides guidance on nuclear and fossil gas activity disclosure with designated templates, it is not fully aligned with the SFDR requirements. In fact, the disclosure of the first two components under SFDR (i.e., taxonomy-aligned nuclear, taxonomy-aligned gas) is required only at activity level under EU taxonomy templates. To provide a comprehensive company-level dataset for SFDR disclosure, the solution addresses this issue from two angles:

1. Some companies might report nuclear and/or gas activity alignment aggregated at company level, even though it is not a requirement under the EU taxonomy. The company-level nuclear and fossil gas alignment data, if it is reported separately, is identified and captured, alongside other details such as eligible–not aligned figures.
2. For those companies following the EU taxonomy templates, the aggregated company-level nuclear and fossil gas alignment is calculated using the underlying activity-level data from EU taxonomy reports. Details on the approach are noted in the following section.

Another difference between EU taxonomy templates and SFDR requirements lies with the third component of SFDR nuclear and fossil gas reporting (i.e. taxonomy-aligned investment shares in activities that are neither nuclear nor fossil gas). In the EU taxonomy, this data point is required to be reported only for non-nuclear and fossil gas activities that are contributing to CCM and CCA objectives, while SFDR requires disclosure across all six environmental objectives of the EU taxonomy.

The solution provides data separately for 'alignment percentage of non-nuclear and non-fossil gas activities contributing to CCM and CCA' and individual alignment percentages for CE, WTR, PPC and BIO objectives (that captures only non-nuclear and non-fossil gas activities). It also provides a default calculated field that aggregates all six objectives to compute 'alignment percentage of non-nuclear and non-fossil gas activities', the required data point for the SFDR use case.

The fourth component of the SFDR reporting (i.e., non-taxonomy-aligned shares) is not required to be disclosed within the EU taxonomy reporting framework. The solution captures this under the default calculated data source sub-type in the following sections.

Reported Calculated Source Sub-type

The data collection process would be relatively straightforward if companies were to report coherently with the templates provided by the EU Commission. Unfortunately, the complexity of the regulation leads to cases where reporting does not accurately follow the templates or the definitions in the delegated acts. Since a data audit is not currently mandated by the EU taxonomy, discrepancies may occur between the data reported by companies and the EU taxonomy's definitions or there might be missing data compared to the expected regulatory reporting.

The data discrepancy and incompleteness stemming from companies failing to follow the EU taxonomy's template can be mitigated to some extent. Direct reported information is complemented with internally calculated data using underlying direct reported data. These calculations are done only if the underlying EU taxonomy data is reported. This allows us to retain a full picture of the company and its business activities.

Even though some inconsistencies with the regulation may occur, Morningstar Sustainalytics does not audit companies' disclosures for eligibility or alignment. Instead, reported data is validated against the key EU taxonomy rules (see Exhibit 35 in Appendix C). Data that fail validations are not included in the deliverables as explained in detail in the Assessment Criteria section.

The reported calculated fields are mimicking the corresponding EU taxonomy fields. They are created to provide a complete dataset addressing the regulatory reporting requirements, both considering EU taxonomy and SFDR.

Direct reported data is prioritized if it is reported in accordance with the EU taxonomy rules and assumptions.

First the availability of the same level underlying data is assessed, for instance if company-level data is missing, the backfilling is done using the underlying company-level data. The same rule applies for the activity-level data.

Within the reported calculated fields, there are four categories of calculations (described in detail below), which are applicable to non-financial companies, while only the calculations for the overall fields from the second category are applicable to financial companies.

Reported Calculated - First Calculation Category

The first category is based on the percentage equation used to find the absolute value[44] or share of a value over 100%, as follows:

- If the absolute value (in local currency) data is missing, calculate it as 'the total KPI multiplied by the corresponding percentage data', for example:

[C.1]

$$\begin{aligned}&\textit{Aligned Revenue (in local currency)}\\&= \textit{Overall Taxonomy Revenue} \times \textit{Aligned Revenue Percentage}\end{aligned}$$

Aligned Revenue (in local currency) = Overall Taxonomy Revenue * Aligned Revenue Percentage

- If the percentage data is missing, calculate it as 'the corresponding monetary value divided by the total KPI', for example:

[C.2]

$$\begin{aligned}&\textit{Aligned Revenue Percentage}\\&= \textit{Aligned Revenue (in local currency) / Overall Taxonomy Revenue (in local currency)}\end{aligned}$$

Aligned Revenue Percentage = Aligned Revenue (in local currency) / Overall Taxonomy Revenue (in local currency)

Most of the reported calculated fields are classified under the first category. For the full list, see Exhibit 37 and Exhibit 38 in Appendix D.

Reported Calculated - Second Calculation Category
The second category is applied at overall company level for a limited number of data fields: eligible, eligible – not aligned and non – eligible percentages and absolute value. If a company reports on these figures alongside with the aligned percentage, the following formulas are applied to calculate the missing or incorrectly reported data:

- If the eligibility percentage is missing, calculate it as 'sum of eligible – not aligned and aligned percentages', for example:

[C.3]

$$\begin{aligned}&\textit{Eligible Revenue Percentage}\\&= \textit{Aligned Revenue Percentage}\\&+ \textit{Eligible Not Aligned Revenue Percentage}\end{aligned}$$

Eligible Revenue Percentage = Aligned Revenue Percentage + Eligible Not Aligned Revenue Percentage

- If the eligible – not aligned percentage is missing, calculate it as 'eligible percentage minus aligned percentage', for example:

[C.4]

$$\begin{aligned}&\textit{Eligible Not Aligned Revenue Percentage}\\&= \textit{Eligible Revenue Percentage} - \textit{Aligned Revenue Percentage}\end{aligned}$$

Eligible Not Aligned Revenue Percentage = Eligible Revenue Percentage - Aligned Revenue Percentage

This calculation is not applied to identify alignment percentages per objective or at overall level; hence the alignment percentages are always based on the actual alignment disclosure data.[45]

See Exhibit 9 below, for the full list of reported calculated fields under this category.

Exhibit 9 Reported Calculated Source Sub-Type – Second Calculation Category (Overall Fields)[46, 47]

Reported Calculated - Data Field*	Calculated Data Level	Calculation	Underlying Data Level	Organizations in Scope
Absolute Value (mil local currency)				
Eligible-Not Aligned Revenue	Company	Eligible Revenue minus Aligned Revenue	Company	Non-Financial
Non-Eligible Revenue	Company	Overall - Taxonomy Revenue minus Eligible Revenue	Company	Non-Financial
Percentage (of Overall Revenue)				
Eligible Revenue - Percentage	Company	Sum of Aligned Revenue - Percentage and Eligible-Not Aligned Revenue - Percentage	Company	Financial and Non-Financial
Eligible-Not Aligned Revenue - Percentage	Company	Eligible Revenue - Percentage minus Eligible Revenue - Percentage	Company	Financial and Non-Financial
Non-Eligible Revenue - Percentage	Company	100% minus Eligible Revenue - Percentage	Company	Financial and Non-Financial

*For this dataset, it is first checked if it is possible to apply the first calculation category (Exhibit 37 and Exhibit 38). If the underlying data is not available, then the second calculation category is used.
Note: Table is provided only for the revenue fields. The exact same calculations are applicable to the corresponding capex and opex fields.
Source: Morningstar Sustainalytics

Reported Calculated - Third Calculation Category

The third calculation category is only applicable to non-financial companies. It is applied to a specific activity-level data field: Total activity absolute value. As explained in the previous sections, the regulatory reporting templates do not require disclosure of total activity revenue, instead companies are expected to report on the components of activity revenue: (1) activity aligned, (2) activity eligible – not aligned; and (3) non – eligible (specifically for nuclear and fossil gas activities) values. As a rule, the activity revenue is calculated based on the listed underlying components, but the total activity revenue is also collected if it is reported separately, as illustrated in Exhibit 10.

Exhibit 10 Reported Calculated Source Sub-Type – Third Calculation Category

Reported Calculated Data Field	Calculated Data Level	Calculation	Underlying Data Level
Absolute Value (mil local currency)			
Activity Revenue	Activity	Activity - Aligned Revenue plus Activity - Eligible-Not Aligned Revenue plus Activity - Non-Eligible Revenue*	Activity

* Activity – Non – Eligible Revenue only relevant for nuclear or gas activities. Note: Table is provided only for the revenue fields. The exact same calculations are applicable to the corresponding capex and opex fields.
Source: Morningstar Sustainalytics

Reported Calculated - Fourth Calculation Category

The fourth calculation category is only applicable to non-financial companies. It is built for the cases where the data fields at the same level are not available to run the above calculations. For the alignment and eligibility percentages listed in Exhibit 39 in Appendix D, the company-level aggregated data is calculated using the activity-level data, for example:

[C.5]

$$Aligned\ Revenue\ (percentage)\ = \sum Activity\ \text{-}\ Aligned\ Revenue\ (percentage)$$

[C.6]

$$Eligible\ Revenue\ (percentage)\ = \sum Activity\ \text{-}\ Eligible\ Revenue\ (percentage)$$

Default Calculated Source Sub-type

Another source sub-type under reported data is referred to as default calculations. These data fields are the ones that are not mandatory under the EU taxonomy reporting but included in the solution to provide a comprehensive dataset to address the most common data use cases. The reason for naming these calculations as ‘default’ is that they run automatically if there is underlying data that enables the calculations. In other words, they are not representing the data fields collected as part of the EU taxonomy reporting, hence the difference between the ‘reported calculated’ and ‘default calculated’ source sub-types.

To the default calculated fields, there are five categories of calculations.

All five categories are applicable to non-financial companies. The percentage calculations at overall company-level fields from the second category and the fourth category are also applicable to financial companies.

Default Calculated - First Calculation Category

The first category under the default calculated source sub-type is related to the foreign currency translation. The EU taxonomy data disclosure is mandated in local currency, therefore in the solution all values are collected in local currency (as reported). On the other hand, Morningstar Sustainalytics acknowledges that investment opportunities transcend geographical boundaries, which requires comparing investment opportunities in worldwide used currencies. In the solution, along with the values in local currency, data in U.S. dollars (USD) is provided considering that it is the most frequently used currency in global financial transactions and reports. As absolute values are not covered for financial companies these calculations only apply to non-financial companies.

The currency translations to USD are done automatically using the average exchange rate during the reporting period, driven from the Morningstar Sustainalytics foreign currency translation methodology,[48] which is based on commonly accepted financial accounting standards. The following steps described below are taken to determine the average exchange rate to be applied in the calculations:

- Determine the income statement fiscal year (FY) end date.
- Determine the start date of the 12-month reporting period.
- Use the average daily foreign currency rate for the period defined in steps 1 and 2 to convert values between a pair of currencies.

Default Calculated - Second Calculation Category

The second category under this source sub-type is applied to calculate the alignment in Own Performance Substantial Contribution type. As mentioned earlier, although not defined by the regulation, the solution defines the Own Performance Substantial Contribution category to identify and provide the data on taxonomy aligned activities with an ‘unknown’ or ‘not disclosed’ Substantial Contribution type, as showcased in Exhibit 11 below.

The alignment on Own Performance Substantial Contribution is calculated based on overall company-level taxonomy-alignment for enabling and transitional activities, if available, for example:

[C.7]

$$\begin{aligned}&\textit{Aligned Revenue in Own Performance Activities}\ (\textit{in local currency})\\ &\quad= \textit{Aligned Revenue}\ (\textit{in local currency})\\ &\quad- (\textit{Aligned Revenue in Enabling Activities}\\ &\quad+ \textit{Aligned Revenue in Transitional Activities}\ (\textit{in local currency}))\end{aligned}$$

All calculations in this category are applicable to non-financial companies, while only 'Aligned Revenue in Own Performance Activities' as a percentage of overall is applicable to financial companies.

Exhibit 11 Default Calculated Source Sub-Type – Second Calculation Category

Default Calculated - Data Field*	Calculated Data Level	Calculation	Underlying Data Level	Organizations in Scope
Absolute Value (mil local currency)		**Total alignment (mil local currency) minus alignment in enabling and transitional activities**		
Aligned Revenue in Own Performance Activities	Company	Aligned Revenue minus (Aligned Revenue in Enabling Activities plus Aligned Revenue in Transitional Activities)	Company	Non-Financial
Percentage (of overall revenue)		**Total alignment (percentage of overall revenue) minus alignment in enabling and transitional activities**		
Aligned Revenue in Own Performance Activities	Company	Aligned Revenue minus (Aligned Revenue in Enabling Activities plus Aligned Revenue in Transitional Activities)	Company	Financial and Non-Financial
CCM - Aligned Revenue in Own Performance Activities	Company	CCM - Aligned Revenue minus (CCM - Aligned Revenue in Enabling Activities plus CCM - Aligned Revenue in Transitional Activities)	Company	Non-Financial
CCA - Aligned Revenue in Own Performance Activities	Company	CCA - Aligned Revenue minus CCA - Aligned Revenue in Enabling Activities	Company	Non-Financial
CE - Aligned Revenue in Own Performance Activities	Company	CE - Aligned Revenue minus CE - Aligned Revenue in Enabling Activities	Company	Non-Financial
PPC - Aligned Revenue in Own Performance Activities	Company	PPC - Aligned Revenue minus PPC - Aligned Revenue in Enabling Activities	Company	Non-Financial
WTR - Aligned Revenue in Own Performance Activities	Company	WTR - Aligned Revenue minus WTR - Aligned Revenue in Enabling Activities	Company	Non-Financial
BIO - Aligned Revenue in Own Performance Activities	Company	BIO - Aligned Revenue minus BIO - Aligned Revenue in Enabling Activities	Company	Non-Financial

Note: Table is provided only for the revenue fields. The exact same calculations are applicable to the corresponding capex and opex fields.
Source: Morningstar Sustainalytics

Default Calculated - Third Calculation Category

The third default calculation is only applicable to non-financial companies. It is applied for the objective level taxonomy aligned and taxonomy eligible – not aligned absolute values for CE, PPC, WTR and BIO objectives as these are not available as direct reported data coming from the EU taxonomy templates, as Exhibit 12 shows below, for example:

[C.8]

$$\begin{aligned}&\textit{CE Aligned Revenue (in local currency)}\\ &\quad= \textit{Overall Taxonomy Revenue (in local currency)}\\ &\quad\times \textit{CE Aligned Revenue Percentage}\end{aligned}$$

Exhibit 12 Default Calculated Source Sub-Type – Third Calculation Category

Default Calculated - Data Field	Calculated Data Level	Calculation	Underlying Data Level
Absolute Value (mil local currency)		**Overall revenue multiplied with the percentage (of overall revenue)**	
CE - Aligned Revenue	Company	Overall - Taxonomy Revenue multiplied with CE - Aligned Revenue - Percentage	Company
PPC - Aligned Revenue	Company	Overall - Taxonomy Revenue multiplied with PPC - Aligned Revenue - Percentage	Company
WTR - Aligned Revenue	Company	Overall - Taxonomy Revenue multiplied with WTR - Aligned Revenue - Percentage	Company
BIO - Aligned Revenue	Company	Overall - Taxonomy Revenue multiplied with BIO - Aligned Revenue - Percentage	Company

Note: Table is provided only for the revenue fields. The exact same calculations are applicable to the corresponding capex and opex fields.
Source: Morningstar Sustainalytics

Default Calculated - Fourth Calculation Category

The fourth default calculation is to address an acknowledged misalignment between EU taxonomy and SFDR reporting requirements. The SFDR requires FMPs to disclose information on sustainable investments in their portfolio, including how their products align with EU taxonomy. Alongside with the EU taxonomy aligned investments, SFDR also mandates reporting on investments that are **Not Aligned** with the EU taxonomy. While the EU taxonomy reporting templates include information on taxonomy eligible but not aligned activities as well as non – eligible activities, the total of not aligned activities is not provided as a separate data field.

To facilitate SFDR reporting using the EU taxonomy data, the solution includes a default calculated field for taxonomy not aligned financial KPIs. The solution also includes a default calculated field for non-nuclear and fossil gas aligned financial KPIs, as showcased in Exhibit 13 below.

All calculations in this category are applicable to non-financial companies, while only the percentage ones are applicable to financial companies.

Exhibit 13 Default Calculated Source Sub-Type – Forth Calculation Category

Default Calculated - Data Field	Calculated Data Level	Calculation	Underlying Data Level	Organizations in Scope
Absolute Value (mil local currency)				
Not Aligned Revenue - Mil Local Currency	Company	Sum of Eligible-Not Aligned Revenue and Non-Eligible Revenue	Company	Non-Financial
Percentage (of overall revenue)				
Not Aligned Revenue - Percentage of Overall Revenue	Company	Sum of Eligible-Not Aligned Revenue - Percentage and Non-Eligible Revenue - Percentage	Company	Financial and Non-Financial
Non Nuclear or Gas Activities - Aligned Revenue - Percentage of Overall Revenue *	Company	Formula 1: Non Nuclear or Gas Activities - CCM and CCA - Aligned Revenue - Percentage plus CE - Aligned Revenue - Percentage plus PPC - Aligned Revenue - Percentage plus WTR - Aligned Revenue - Percentage plus BIO - Aligned Revenue - Percentage Formula 2: Aligned Revenue - Percentage minus (Nuclear Activities - Aligned Revenue - Percentage plus Gas Activities - Aligned Revenue - Percentage)	Company	Financial and Non Financial

*The calculation for Non-Nuclear or Gas Activities - Aligned Revenue – Percentage of Overall Revenue can be performed using two formulas. The first formula is used if Non Nuclear or Gas Activities - CCM and CCA - Aligned Revenue – Percentage is reported by the company, and the second formula is used in the absence of this field. Note: Table is provided only for the revenue fields. The exact same calculations are applicable to the corresponding capex and opex fields.
Source: Morningstar Sustainalytics

Default Calculated - Fifth Calculation Category

The last default calculation is done to determine the activity total metric percentage given that the EU taxonomy templates do not mandate a separate disclosure, as Exhibit 14 illustrates. This calculation category is only applicable to non-financial companies.

Exhibit 14 Default Calculated Source Sub-Type – Fifth Calculation Category

Default Calculated - Data Field	Calculated Data Level	Calculation	Underlying Data Level
Percentage (of overall revenue)		**Absolute value (mil local curency) divided by overall revenue (mil local currency)**	
Activity - Revenue	Activity	Activity - Revenue divided by Overall - Taxonomy Revenue	Activity

Note: Table is provided only for the revenue fields. The exact same calculations are applicable to the corresponding capex and opex fields.
Source: Morningstar Sustainalytics

All methodological clarifications under the “Data Source Type: Reported” section are also relevant for the relevant capex and opex data fields. Examples and illustrations are provided only for revenue fields to minimize the complexity in the methodology document.

Data Source Type: Estimated

While the EU taxonomy has a strong focus on reported data driven by the desire to tackle greenwashing, investors are also interested in advancing their EU taxonomy portfolio with proxies that are beyond pure reported data.

The estimated data in the solution includes taxonomy-eligible and taxonomy-aligned revenue at both activity and company level, considering only the CCM objective for alignment. Estimates are only available for non-financial companies.

EU Taxonomy Estimation Methodology

Morningstar Sustainalytics estimates company-level eligibility and alignment based on its methodology that estimates activity-level eligibility and alignment.

Use of Estimates

The European Commission and the European Supervisory Authorities (ESAs)[49] have clarified that investors may use estimates based on equivalent information when taxonomy-alignment data are not available. The guidance provided for the use of estimates refers to data that, although not reported under the Taxonomy framework, is sufficiently comparable to allow a reliable evaluation of whether an activity meets the Technical Screening Criteria (TSC) for Substantial Contribution, Do No Significant Harm (DNSH), and Minimum Safeguards (MS).

The criteria apply solely to the assessment of alignment (SC, DNSH, MS). It is not used to determine eligibility, which is identified directly from the estimated company involvement in an economic activity.

This approach is particularly relevant for entities which are not subject to mandatory EU taxonomy reporting (e.g., non-EU firms).

Application of the Guidance Within the EU Taxonomy Solution

The solution applies estimates on alignment data fully in accordance with the European Commission and ESAs guidance:

- Estimated data are based on company-reported sustainability information. When companies do not report EU taxonomy metrics directly, the estimation process relies on underlying disclosures from sustainability reports or other company reports.

- Where EU taxonomy reported data are unavailable, Morningstar Sustainalytics' equivalent data are mapped to the relevant Technical Screening Criteria (TSC). This ensures that all required elements — SC, DNSH, and MS—are assessed and no mandatory criterion is omitted.
- Estimates are produced using transparent and rigorous methodologies. All assumptions and data sources are documented in detail within the mapping file.[50]
- Outputs are aligned with EU taxonomy definitions and structure, enabling the resulting metrics to serve as equivalent information for regulatory assessments and portfolio-level reporting.

Steps Followed for Estimates

As outlined in the previous sections, for an activity to be taxonomy-aligned (1) it must be a taxonomy-eligible, 2) it must meet the TSC demonstrating SC to at least one EU taxonomy environmental objective, and (3) it must comply with the DNSH criteria for the other objectives at the activity-level and the company-level MS requirements.

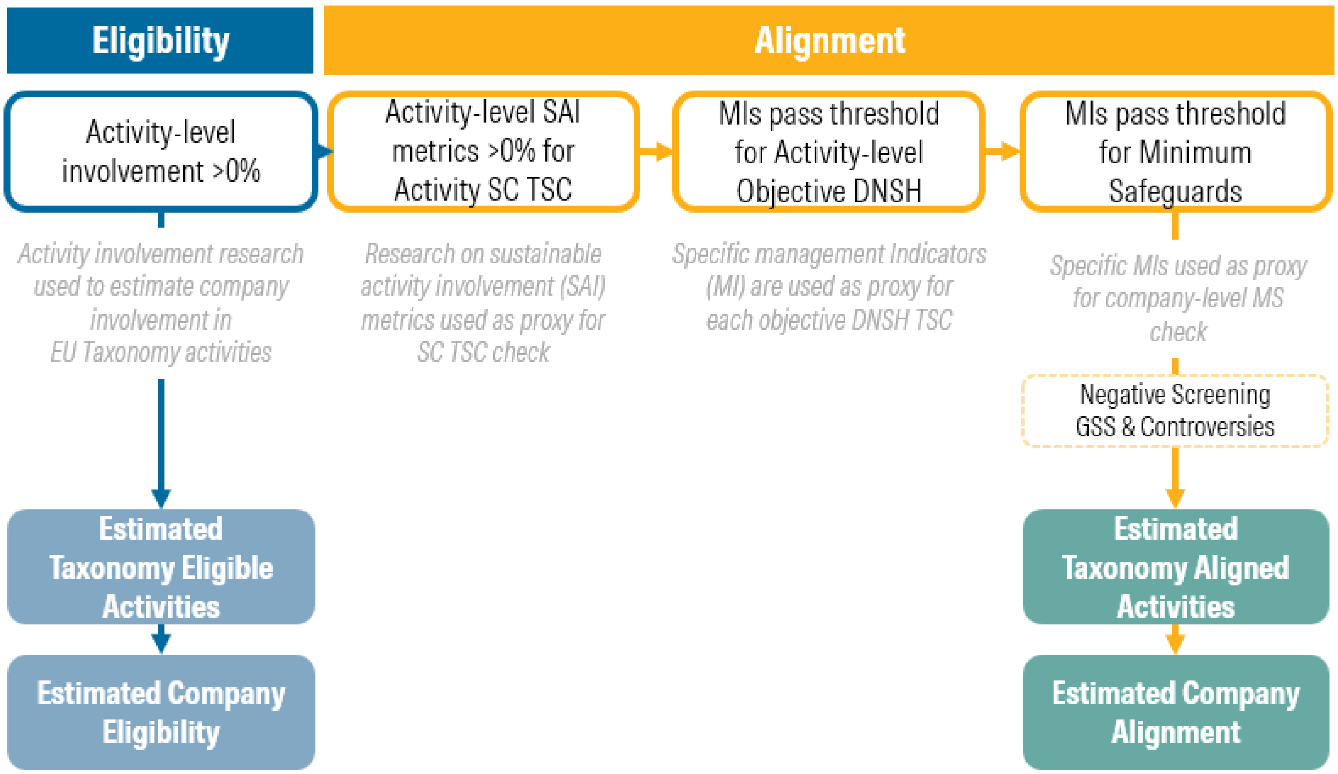
The methodology assesses these conditions through a sequence of checks that estimate alignment based on the EU taxonomy criteria. Morningstar Sustainalytics' Activity Involvement Research identifies companies with taxonomy-eligible activities and their degree of involvement. **Sustainable Activities Involvement (SAI)** research applies **Green Safeguards (GS)** checks, which are used as proxy for the TSC, demonstrating Substantial Contribution to the CCM objective. Management Indicators (MI) are then used to evaluate DNSH compliance for other objectives at the activity level and Minimum Safeguards (MS) at the company level. This is classified as first layer checks that ensures estimates are assessed against all TSC to estimate Taxonomy-alignment.

The second layer introduces additional checks beyond the EU taxonomy criteria. **Controversies** and **Global Standards Screening (GSS)** are applied as a negative screen to identify issues that could affect the final alignment outcome. These checks do not replace DNSH or MS compliance; rather, they provide an extra safeguard by flagging controversies or violations that may undermine confidence in the estimated alignment.

Estimated taxonomy-eligible and aligned activities are aggregated at company level to conclude estimated company eligibility and alignment. Exhibit 15 depicts the process.

The checks are explained in detail in the following sub-sections.

Exhibit 15 Estimating Company Eligibility and Alignment through Activity-Level Estimation



Source: Morningstar Sustainalytics

Estimating Activity Eligibility

The assessment of taxonomy alignment starts by analysing the company as a collection of activities, each linked to revenue as the financial metric. The Activity Involvement Research identifies these activities and their corresponding revenue through a two-step screening process.

First, the company's activities are classified, and all taxonomy-eligible activities are identified. The Solution encompasses the full scope of EU taxonomy activities across all objectives for eligibility estimation. A detailed list of these activities is provided in the mapping file included in client deliverables. [51]

Second, the degree of involvement in each activity is assessed based on revenue share. Several processes ensure accurate taxonomy eligibility, combining an artificial intelligence (AI) driven automation engine[52] with analyst research to identify taxonomy-eligible activities that are not reported under the EU taxonomy framework.[53] Once taxonomy-eligible activities are identified, the methodology applies the next steps to estimate taxonomy-alignment, as applicable.

A company can be involved in an EU taxonomy activity regardless of whether it conducts it in a way that contributes substantially to an environmental objective or not. For example, an involvement in the activity 'manufacture of cement' does not say anything on how the cement is manufactured or whether the manufacturing facilities are contributing to the CCM objective.

Estimating Alignment

The alignment of eligible activities with the EU taxonomy's requirements is assessed to reach a conclusion about an activity's Substantial Contribution to an environmental objective. The methodology provides clear rules for the estimation of alignment, based on the concept of a Green Safeguard (GS) which is a part of the Sustainable Activities Involvement (SAI) research.

GS represent a set of criteria for assessing the environmental sustainability of an activity and its contribution to the transition to a sustainable economy. Notably, GS are applied only where a sufficient level of environmental sustainability can be achieved and are not applied where it is not possible to define satisfactory criteria.

The methodology involves mapping several Green Safeguards (GS) to taxonomy-eligible activities (see the mapping file). The percentage of revenues passing the safeguard(s) is then leveraged and applied to revenue in the EU taxonomy to estimate SC pass revenue.[54] Activities failing the GS are estimated to be eligible but not aligned.

GS are not applied where it is not possible to define satisfactory criteria.

Activities Automatically Considered Substantial Contribution

For some activities, GS are not needed to estimate alignment, since these are regarded as providing a substantial contribution to the CCM objective, by their nature. Typical examples are renewable energy activities such as electricity generation from solar photovoltaic that naturally substantially contribute to the CCM objective by generating electricity from solar photovoltaic power.[55]

Any revenue associated with these activities is classified as contributing substantially to the relevant EU taxonomy objective. These activities are considered taxonomy-aligned only after passing DNSH and MS screening, along with the second-layer negative screening.

Assessing the DNSH and MS Requirements

To address all elements for estimation of taxonomy alignment, DNSH and MS screens are applied.

Do No Significant Harm (DNSH)

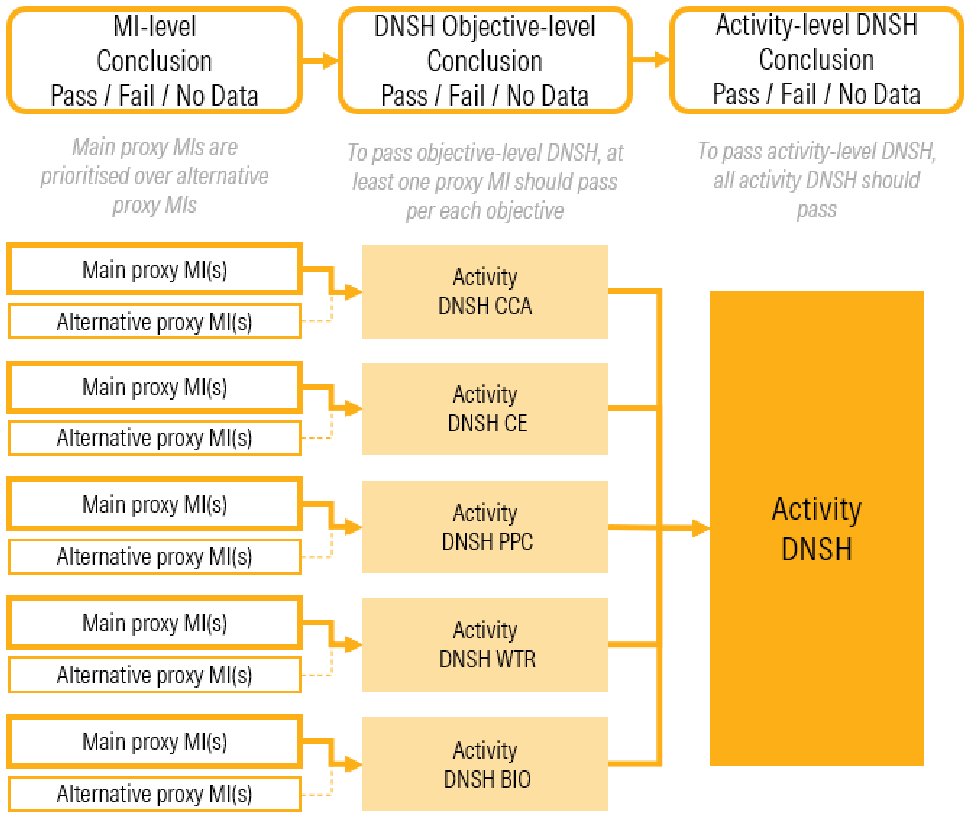
The concept of DNSH implies that for activities to contribute to one of the taxonomy's environmental objectives they should not create negative externalities regarding the other five objectives of the taxonomy. For every objective, DNSH is defined by one or more TSC. Companies are required to comprehensively assess the direct environmental impact of their activities under the criteria defined by the EU taxonomy.

The EU Taxonomy Solution estimates DNSH compliance using Morningstar Sustainalytics' existing Management Indicators (MIs)[56] that serve as equivalent measures for these criteria. Each objective-level criterion is attached to at least one main indicator. Main indicators are prioritized —if one of them fails, the DNSH check fails. Alternative indicators are assessed only when data for the main indicators is unavailable.

Management Indicator scores range from 0 to 100. The passing threshold for each indicator is set based on the strictness of the corresponding DNSH criterion: stricter criteria require higher scores. These thresholds and details are documented in the mapping file.

If one or more indicators meet the threshold for an objective, DNSH for that objective is considered passed. When all objectives pass DNSH for an activity, the activity meets the DNSH requirement (see Exhibit 16).

Exhibit 16 Rules for Do No Significant Harm Conclusion



Source: Morningstar Sustainalytics.

Minimum Safeguards

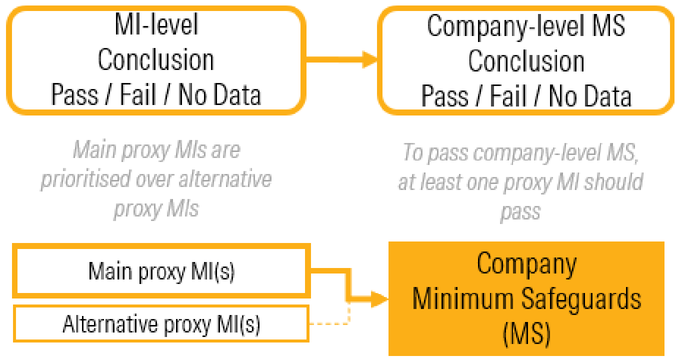
The Minimum Safeguards requirements of the EU taxonomy refer to the standards embedded in the OECD Guidelines on Multinational Enterprises (MNEs), the UN Global Compact (UNGC) and the ten UN Guiding Principles on Business and Human Rights (UNGP), with specific reference to the ILO Core Labour Conventions.[57]

Similar to DNSH assessments, the Minimum Safeguards (MS) assessment uses Morningstar Sustainalytics' Management Indicators (MIs) as proxies for MS criteria. A set of MIs is identified for company-level MS checks, each with a defined threshold to indicate compliance. Main indicators are prioritized—if they fail, the assessment fails—while alternative indicators are used only when data for the main indicator is unavailable. If one or more indicators meet the threshold, the MS requirement is considered satisfied.

These thresholds and details are documented in the mapping file.

Exhibit 17 below illustrates the outcomes of MS assessment.

Exhibit 17 Rules for Minimum Safeguards (MS) Conclusion



Source: Morningstar Sustainalytics.

Negative Screening

To complete the estimated alignment data, we apply company-level negative screening. Companies that fail these checks remain eligible but are not considered taxonomy aligned.

This screening uses Morningstar Sustainalytics' Controversies[58] and Global Standards Screening (GSS).[59] If a company has an **Impact Event Category** with Category 4 or 5 in Controversies Research, it fails the negative screening. Likewise, if GSS concludes the company is non-compliant, it also fails the screening.

Alignment Conclusion

Exhibit 18 illustrates the outcomes of SC, DNSH, MS and negative screening assessment.

Exhibit 18 Rules for Alignment Conclusion

Overall Conclusions: Rules					
Activity-level involvement >0%	**SC TSC: Activity-level SAI metrics >0%**	**DNSH TSC: MI(s) Pass for Activity-level Objective Criteria**	**MS TSC: MI(s) Pass for Company-Level Criteria**	**Negative Screening: GSS & Contoversies Not Fail**	**Taxonomy Conclusion (Taxonomy-Eligibility; Substantial Contribution Pass; Taxonomy-Aligned)**
No	NA	NA	NA	NA	Activity Eligible Revenue % = NULL Activity Substantial Contribution Pass Revenue % = NULL Activity Aligned Revenue % = NULL
Yes	No - *Activity Not in Research Scope*	NA	NA	NA	Activity Eligible Revenue % > 0 Activity Substantial Contribution Pass Revenue % = NULL Activity Aligned Revenue % = NULL
Yes	No - *Activity in Research Scope*	NA	NA	NA	Activity Eligible Revenue % > 0 Activity Substantial Contribution Pass Revenue % = 0 Activity Aligned Revenue % = 0
Yes	Yes	Fail	NA	NA	Activity Eligible Revenue % > 0 Activity Substantial Contribution Pass Revenue % > 0 Activity Aligned Revenue % = 0
Yes	Yes	Pass	Fail	NA	Activity Eligible Revenue % > 0 Activity Substantial Contribution Pass Revenue % > 0 Activity Aligned Revenue % = 0
Yes	Yes	Pass	Pass	Fail	Activity Eligible Revenue % > 0 Activity Substantial Contribution Pass Revenue % > 0 Activity Aligned Revenue % = 0
Yes	Yes	Pass	Pass	NULL	Activity Eligible Revenue % > 0 Activity Substantial Contribution Pass Revenue % = Activity Aligned Revenue % > 0

Source: Morningstar Sustainalytics.

Company-level Eligibility and Alignment Conclusion

Finally, the estimated activity eligibility and alignment data is aggregated to conclude company-level EU taxonomy-eligibility and alignment (See Exhibit 15).

Data Source Type: Explicative

As explained earlier and illustrated in Exhibit 4 above, additional data is provided to facilitate better assessments on the EU taxonomy data that can be further used for the downstream data analysis and reporting.

Explicative data is divided into two source sub-type categories: (1) Auto-populated; (2) analyst input. In this section, further details of the source sub-types under this category are provided.

Auto-populated Source Sub-type

The main source sub-type under this category is comprised of auto-populated fields.

The EU Taxonomy Solution regional scope is defined as European and non-European companies. The **EU Flag** is a binary tool signalling whether a company is headquartered in the EU.

To facilitate the identification of companies covered by the criteria of CSRD, a dedicated **CSRD NFRD Flag**[60] is provided which applies to the current scope. Based on the CSRD criteria explained in the previous sections, this flag takes a value of 'true' if a company has more than 500 employees, meets either the balance sheet or turnover criteria, is domiciled in an EEA country and it is public, or a financial institution as defined by Morningstar Sustainalytics' subindustry. The country specific CSRD rules are also applied in the Solution.

As indicated earlier, for some countries there are still unclarities on the underlying criteria that might result in discrepancies between the list of companies flagged as in scope of CSRD and the actual universe of CSRD companies. In addition, this flag does not cover the full scope of CSRD, excluding non-EU companies listed on a regulated market in the EU. Thus, companies flagged by this data point are defined as 'likely' covered by CSRD.

As part of the generic fields, the solution also provides **Activity Taxonomy Code** and **Activity Type** details as defined by the regulation. EU taxonomy activity specific details are also captured in the EU Taxonomy Solution Mapping File.

Another purpose of using auto-populated fields is to provide flags on the presence of eligibility and alignment KPIs. These are essential markers that could be used to identify specific eligibility and alignment characteristics of the activity and company-level data within the entire dataset. They enable to quickly identify companies and activities. See Exhibit 40 in Appendix D for the full list of eligibility and alignment flags.

Auto-populated fields are also used to distinguish the reported calculated fields. Reported calculated and direct reported source sub-types are applicable to the same data fields, i.e. if company reported data is available for the same field, the solution captures the direct reported data. Otherwise, it provides the reported calculated data if the underlying data is available.

Exhibit 19 shows that the solution ensures data transparency on the reported calculated fields by adding a flag at company and activity level. If any reported calculated field takes part in a dataset for an activity or for a company, these flags will signal this information. The full list of reported calculated fields is also available up on request.

Exhibit 19 Auto-Populated Source Sub-Type – Reported Calculated Flag**

Auto-Populated Data Field	Data Level	Description	Auto-Population Logic	Organizations in Scope
Reported Calculated Sub-Source Type Flags*				
Activity - Any Reported-Calculated Flag	Activity	Denotes whether an activity has any data field that is Reported-Calculated	If the sub-source type for one or more data fields per activity is 'reported-calculated', then True. If all activity fields are 'direct reported' or 'default calculated', then False	Financial and Non-Financial
Company - Any Reported-Calculated Flag	Company	Denotes whether a company has any data field that is Reported-Calculated	If the sub-source type for one or more data fields per company is 'reported-calculated', then True. If all company fields are 'direct reported' or 'default calculated', then False	Financial and Non-Financial

*Data captured from all three financial KPIs; revenue, capex and opex.
**These flags are not applicable to estimated data since they are specific to reported calculated source sub-type of the reported source type.
Source: Morningstar Sustainalytics

Analyst Input Source Sub-type

Finally, the solution provides analyst input data under the explicative dataset. These data fields are not directly reported by a company but added by the analyst to provide additional information received during the data collection process:

- Sources: The sources (i.e., company reports) used to collect EU taxonomy company- and/or activity-level data.
- Any Do No Significant Harm (DNSH) or Minimum Safeguards (MS) Discrepancy for Aligned Metrics: a binary flag signalling if the company reported No for DNSH or MS for the aligned metrics.
- Organization type: Based on the company's chosen reporting template the analyst assigns an organizational type of either financial or non-financial institution.
- Financial entity type: Based on the company's chosen reporting template the analyst assigns a financial entity type of either Asset Manager, Credit Institution, Insurer & Reinsurer, Investment Firm, Financial Conglomerate.

According to the EU Commission, companies should report any DNSH violation by activity, company, and objective level as a Yes/No conclusion. Companies should also report any MS violation by activity and company level as a Yes/No (Pass/No Pass) conclusion. This reporting should be done only for the alignment data; hence it should be reported as Yes considering that DNSH and MS pass are prerequisite for taxonomy-alignment.

Therefore, instead of collecting DNSH and MS data as reported from companies, a discrepancy flag is provided for the cases where a company discloses DNSH and/or MS violations (indicating No) for aligned metrics.

Thus, users can identify companies disclaiming non-compliance with the DNSH and/or MS requirements even if they reported alignment data. Morningstar Sustainalytics views this as a signal for further due diligence. However, when such discrepancies occur, the data is excluded from the solution.

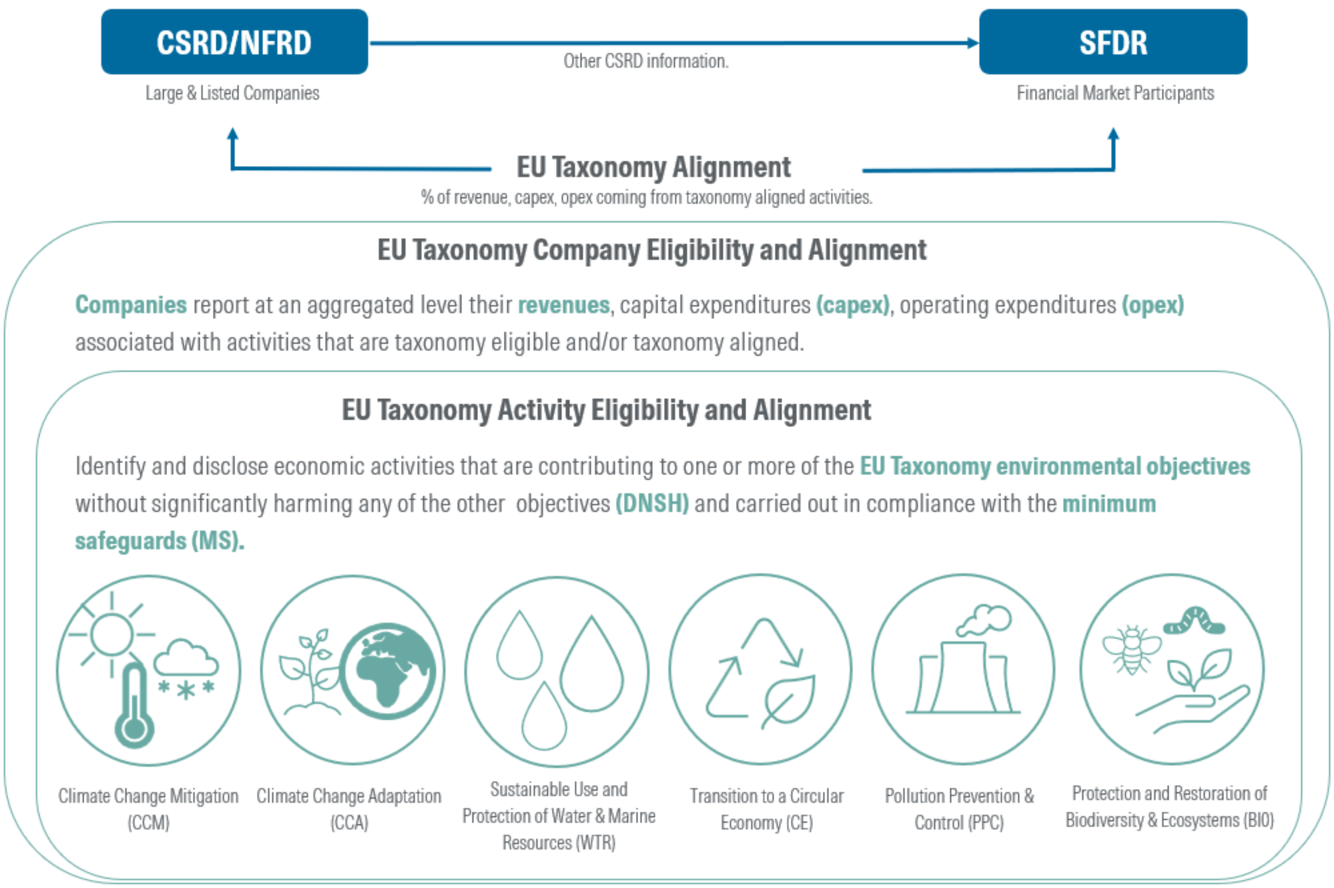
Data Coverage

Activity and Company Data

As illustrated in Exhibit 20 below, the EU taxonomy regulation captures reporting on activity and company-level eligibility and alignment data in which alignment data is used for company-level CSRD reporting and aggregated for SFDR disclosure at portfolio level.

The EU Taxonomy Solution provides taxonomy-eligible and taxonomy-aligned revenue estimates at the activity and the company level, considering only the CCM objective.

Exhibit 20 EU Taxonomy Reporting Scope and Relationship Between EU Taxonomy, CSRD and SFDR



Source: Morningstar Sustainalytics

Assessment Criteria

The EU Taxonomy Solution focuses on collecting and estimating company data. It is not subject to in-house assessment criteria.

Morningstar Sustainalytics platforms are designed to screen all companies for reported EU taxonomy data. Once reporters are identified, reported eligibility and alignment at the activity and company level are collected by analysts for revenue, capex and opex for non-financial companies and for revenue and capex-based KPIs for financial companies. The data collection is guided by the following criteria:

- The EU taxonomy data collection is a step-by-step process that captures a large volume of data. The starting point is identifying the companies within the scope of the research based on the organization type.
- Publicly reported data is collected and analyzed to inform the EU Taxonomy Solution. Automated web crawling tools are used to identify, monitor, and retrieve information from company reports.

The following sources of information are used to inform the EU Taxonomy Solution: Corporate disclosures (e.g., such as Annual Reports), sustainability reports, integrated reports, and other types of company reports or sources.

For the companies in scope, specific EU taxonomy disclosure templates are queried, or any equivalent template or information related to EU taxonomy data.

Morningstar Sustainalytics platforms are also used to provide estimations based on the information available in company reports.

Quality Assurance Mechanisms

Morningstar Sustainalytics collects EU taxonomy reported data and provides estimates, ensuring all information meets internal standards for accuracy, completeness, data consistency and timeliness. Sources must comply with internal standards for credibility and authenticity.

On top of the general data quality checks, several validations are applied to assess the accuracy and consistency of data based on the key EU taxonomy rules and assumptions. See Exhibit 35 in Appendix C, for the summary and illustration of the key EU taxonomy rules applied in **Data Validation**.

In principle, the EU Taxonomy Solution's rules and assumptions are not subject to any error acceptance. However, for the cases where the error resulted from rounding of the data in company reports, an error acceptance tolerance threshold is applied based on pre-defined rules[61] applicable to all EU taxonomy reported data.

In case company reported values do not conform with the key rules and the discrepancy is above the error acceptance tolerance thresholds, the data is not included the data in the solution.

External Stakeholder Input

Morningstar Sustainalytics invites all companies to validate and update the data compiled in accordance with the EU Taxonomy Solution methodology. Users can provide factual feedback to address any potential errors, in line with the EU taxonomy methodology, by contacting the Issuer Relations & Investor Support Team. The Issuer Relations & Investor Support Team handles all communications with companies. In exceptional circumstances and for a limited purpose, Morningstar Sustainalytics may arrange a call with a company.

Timeframe

Reported and estimated data inputs are intended to be updated on an annual basis to account for updated reporting and a changing operating environment for companies.

Revisions

The EU Taxonomy Solution undergoes a formal methodology review on an annual basis, in accordance with the established review and update procedure. Outside of the scheduled cycle, a revision may be initiated when specific conditions arise, including updates to EU taxonomy regulatory requirements, significant changes in market or sector understanding, or strategic decisions to expand the product's scope, such as assessing new organization types or activities.

Where applicable, stakeholder engagement is conducted under the product development governance framework, following defined steps for obtaining and evaluating internal and external input. All proposed revisions are subject to an impact assessment to determine the potential effects on ESG data derived from the methodology, and the revision process is supported by rigorous controls to ensure the accuracy, quality, and consistency of data and outputs throughout implementation.

Governance, Review and Market Consultation

Governance

Any material and non-material modifications to the EU Taxonomy Solution methodology can only be implemented following formal approval by the ESG Methodology Review Group. This group is comprised of senior subject matter experts from the Research & Methodology Team.

Review

Morningstar Sustainalytics conducts structured internal reviews of the EU Taxonomy Solution methodology to ensure that the methodology continues to meet the criteria established in the Methodology Development & Modification Policy. Reviews are scheduled to take place within one calendar year of the previous review but are also required whenever there is a material modification to a methodology.

Market Consultation

Market consultation for the EU Taxonomy Solution methodology may be conducted during any modification of this methodology. These consultations are subject to the External Consultation Global Procedure.

- Initial Solution Consultation. During early-stage development, clients may be consulted to assess whether preliminary methodological approaches align with intended use cases. This consultation is open to all clients that have signaled that they are interested in providing input on Morningstar Sustainalytics methodologies.
- Final Prototype Consultation. For rating methodologies, external consultation is required during the final prototype phase in the form of general market feedback. This consultation is publicly available on the Morningstar Sustainalytics website and feedback can be provided by any person or organization.
- Client consultation for the EU Taxonomy Solution 2.3 took place in early 2025 to validate the initial concept for the new estimation methodology. The consultation confirmed the need for estimated EU taxonomy data aligned with the regulation's 'use of estimates' rules.

Appendices

Appendix A: Financial Company Category Description

Asset Managers

Asset managers are required to disclose the proportion of investments in taxonomy-aligned economic activities relative to the total value of all investments they manage. This proportion is calculated based on the taxonomy-aligned economic activities of investee undertakings, as reflected in their respective key performance indicators (KPIs). This approach ensures that the environmental performance of investee companies is accurately represented in the asset managers' disclosures.

Credit Institutions

For credit institutions, the primary KPI is the Green Asset Ratio (GAR), which indicates the proportion of exposures related to EU taxonomy-aligned activities compared to the total assets of the institution. The GAR encompasses the institution's main lending and investment activities, including loans, advances, debt securities, and equity holdings, thereby reflecting the extent to which the institution finances environmentally sustainable activities.

Additionally, credit institutions must disclose the proportion of their fees and commission income derived from services and activities associated with taxonomy-aligned economic activities of their clients. This requirement ensures transparency regarding the environmental sustainability of the services provided by the institution.

For off-balance-sheet exposures, such as managed underlying assets or financial guarantees, credit institutions are obliged to disclose the proportion of EU taxonomy-aligned activities in the underlying assets they manage or in the obligations they guarantee. This comprehensive disclosure provides a holistic view of the institution's involvement in environmentally sustainable activities.

Investment Firms

Investment Firms must disclose KPIs that cover both their own account dealings and activities conducted on behalf of clients. For own account dealings, the KPI reflects the proportion of total assets composed of assets related to EU taxonomy-aligned activities, focusing on the firm's investments, including debt securities and equity instruments in investee companies. For client-related services, this KPI is based on the revenue generated from investment services and activities conducted for clients, expressed as fees, commissions, and other monetary benefits.

Insurance and Reinsurance Undertakings

Insurance and reinsurance undertakings are required to disclose KPIs that capture their non-life underwriting activities and investment policies. One KPI relates to the investment policy, showing the proportion of assets invested in taxonomy-aligned activities relative to the overall assets. Another KPI pertains to the underwriting activities, indicating the proportion of non-life underwriting activities that are associated with climate adaptation and performed in accordance with the criteria set out in the Climate Delegated Act.

Financial Conglomerates

Financial conglomerates operating across multiple financial sectors are subject to the disclosure requirements of each sector in which they operate. This means that a **Financial Conglomerate** must provide separate disclosures for its banking activities (as a credit institution), insurance activities (as an insurance undertaking), and investment services (as an investment firm or asset manager), in line with the respective KPIs and reporting obligations for each[62]. This approach ensures that all aspects of the conglomerate's operations are transparently reported concerning their alignment with environmentally sustainable economic activities.

In addition, financial conglomerates are required to report at the group level. This reporting should include the weighted averages of the relevant KPIs for each component, calculated based on the proportion of the group's total turnover that each component contributes. [63]

Appendix B: Direct Reported Source Sub-Type Detailed for Financial Companies Direct Reported Data for Financial Companies

Asset Managers

Asset managers are required to disclose the proportion of their total investments that are aligned with the EU taxonomy. There is only one template defined in the Disclosure Delegated Act.

Exhibit 21 and Exhibit 22 below provide a comprehensive summary of the data points that asset managers are required to disclose under the EU taxonomy reporting templates, including those specific to nuclear energy and fossil gas. They also illustrate the data fields that are captured with the EU Taxonomy Solution.

Exhibit 21 Data Collected from Asset Managers' EU Taxonomy Templates – Alignment*

	Company level				Asset level				Activity level			
	From Asset Managers' Templates		From Nuclear & Fossil Gas Templates		From Asset Managers' Templates		From Nuclear & Fossil Gas Templates		From Asset Managers' Templates		From Nuclear & Fossil Gas Templates	
	Absolute Value	Percentage (%)	Absolute Value	Percentage (%)	Absolute Value	Percentage (%)	Absolute Value	Percentage (%)	Absolute Value	Percentage (%)	Absolute Value	Percentage (%)
Aligned revenue												
Overall (N)	✖	☑	✖	☑	✖	✖	NA	NA	NA	NA	NA	NA
Overall (N-1)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Objective level (N)												
CCM+CCA	NA	NA	✖	☑	NA	NA	NA	NA	NA	NA	✖	☑
CCM	NA	☑	NA	NA	NA	NA	NA	NA	NA	NA	✖	☑
CCA	NA	☑	NA	NA	NA	NA	NA	NA	NA	NA	✖	☑
WTR	NA	☑	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
CE	NA	☑	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
PPC	NA	☑	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
BIO	NA	☑	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Overall substantial contribution type (N)												
Enabling	NA	☑	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Transitional	NA	☑	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Overall substantial contribution type (N-1)												
Enabling	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Transitional	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Substantial contribution type - objective breakdown (N)												
CCM Enabling	NA	✕	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
CCM Transitional	NA	✕	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
CCA Enabling	NA	✕	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
WTR Enabling	NA	✕	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
CE Enabling	NA	✕	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
PPC Enabling	NA	✕	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
BIO Enabling	NA	✕	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Non-Nuclear and Fossil Gas Alignment (N)												
Overall (CCM+CCA)	NA	NA	✖	☑	NA	NA	NA	NA	NA	NA	NA	NA
CCM	NA	NA	✖	✖	NA	NA	NA	NA	NA	NA	NA	NA
CCA	NA	NA	✖	✖	NA	NA	NA	NA	NA	NA	NA	NA

* ☑ : Data collected as part of EU Taxonomy Solution; ✖ : Possible to report, but not collected in the solution; ✕: Possible to report, collected by the solution to generate reported calculated fields, but not published in client deliverables; NA: Not a data field in the EU taxonomy templates; N: Represents the reporting year; N-1: Refers to data reported in EU taxonomy templates for the previous year, collected during the same research period. It does not come from the EU Taxonomy Solution's prior-year dataset

Source: Morningstar Sustainalytics

Exhibit 22 Data Collected from Asset Managers' EU Taxonomy Templates – Eligible – Not Aligned and Non – Eligible*

	Company level				Asset level				Activity level			
	From Asset Managers' Templates		From Nuclear & Fossil Gas Templates		From Asset Managers' Templates		From Nuclear & Fossil Gas Templates		From Asset Managers' Templates		From Nuclear & Fossil Gas Templates	
	Absolute Value	Percentage (%)	Absolute Value	Percentage (%)	Absolute Value	Percentage (%)	Absolute Value	Percentage (%)	Absolute Value	Percentage (%)	Absolute Value	Percentage (%)
Eligible Not-Aligned												
Overall (N)	✗	✓	NA	NA	NA	NA	NA	NA	NA	NA	✗	✓
Overall (N-1)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Objective level (N)												
CCM+CCA	NA	NA	✗	✓	NA	NA	NA	NA	NA	NA	✗	✓
CCM	NA	NA	✗	✗	NA	NA	NA	NA	NA	NA	✗	✓
CCA	NA	NA	✗	✗	NA	NA	NA	NA	NA	NA	✗	✓
WTR	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
CE	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
PPC	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
BIO	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Non-Nuclear and Fossil Gas Alignment (N)												
CCM+CCA	NA	NA	✗	✓	NA	NA	NA	NA	NA	NA	NA	NA
CCM	NA	NA	✗	✓	NA	NA	NA	NA	NA	NA	NA	NA
CCA	NA	NA	✗	✓	NA	NA	NA	NA	NA	NA	NA	NA
Eligible (aligned + eligible not-aligned)												
Overall (N)	✗	✓	NA	NA	✗	✗	NA	NA	NA	NA	NA	NA
Objective level (N)												
CCM	NA	✗	✗	✗	NA	NA	NA	NA	NA	NA	NA	NA
CCA	NA	✗	✗	✗	NA	NA	NA	NA	NA	NA	NA	NA
WTR	NA	✗	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
CE	NA	✗	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
PPC	NA	✗	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
BIO	NA	✗	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Non-eligible												
Overall (N)	✗	✗	✗	✓	NA	NA	NA	NA	NA	NA	✗	✓
Total												
Overall (N)	✗	100%	NA	100%	NA	NA	NA	NA	NA	NA	NA	NA

* ✓ : Data collected as part of EU Taxonomy Solution; ✗ : Possible to report but not collected in the solution; NA: Not a data field in the EU taxonomy templates; N: Represents the reporting year; N-1: Refers to data reported in EU taxonomy templates for the previous year, collected during the same research period. It does not come from the EU Taxonomy Solution's prior-year dataset.
Source: Morningstar Sustainalytics

Credit Institutions

The EU taxonomy requires credit institutions to report on their Green Asset Ratio (GAR). The main GAR considered is in most cases the GAR KPI stock. However, the company may choose the most suitable KPI. Credit institutions must clearly indicate this on their disclosure. Beyond asset-based disclosures, credit institutions also must report on off-balance-sheet exposures and on the proportion of their fees and commission income derived from services and activities linked to taxonomy-aligned activities. Credit institutions are required to provide the following templates:

- Template 0: Summary of KPIs.
- Template 1: Assets for the calculation of GAR.
- Template 2: GAR sector information.
- Template 3: GAR KPI stock.
- Template 4: GAR KPI flow.
- Template 5: KPI off-balance sheet exposures.

- Template 6: KPI on fees and commissions income from services other than lending and asset management.
- Template 7: KPI Trading book portfolio.

Template 0 contains the main information required by the EU taxonomy. Templates 1 and 3 add more detail to the GAR KPI based on the credit institutions' stock, which is the main KPI for credit institutions. Templates 2, 4, 5, 6 and 7 present the complementary disclosure from credit institutions. The templates used by the EU Taxonomy Solution are templates 0 and 3. The remaining templates can be used if the credit institution signals on template 0 that any KPI different than stock is the most relevant.

Exhibit 23 and Exhibit 24 below provide a comprehensive summary of the data points that credit institutions are required to disclose under the EU taxonomy reporting templates, including those specific to nuclear energy and fossil gas. They also illustrate the data fields that are captured with the EU Taxonomy Solution.

Exhibit 23 Data Collected from Credit Institutions' EU Taxonomy Templates – Eligible – Alignment*

	Company level				Asset level				Activity level			
	From Credit Institutions' Templates		From Nuclear & Fossil Gas Templates		From Credit Institutions' Templates		From Nuclear & Fossil Gas Templates		From Credit Institutions' Templates		From Nuclear & Fossil Gas Templates	
	Absolute Value	Percentage (%)	Absolute Value	Percentage (%)	Absolute Value	Percentage (%)	Absolute Value	Percentage (%)	Absolute Value	Percentage (%)	Absolute Value	Percentage (%)
Aligned revenue												
Overall (N)	✗	✓	✗	✓	✗	✗	NA	NA	NA	NA	NA	NA
Overall (N-1)	✗	✗	NA	NA	✗	✗	NA	NA	NA	NA	NA	NA
Objective level (N)												
CCM+CCA	NA	NA	✗	✓	NA	NA	NA	NA	NA	NA	✗	✓
CCM	✗	✓	NA	NA	✗	✗	NA	NA	NA	NA	✗	✓
CCA	✗	✓	NA	NA	✗	✗	NA	NA	NA	NA	✗	✓
WTR	✗	✓	NA	NA	✗	✗	NA	NA	NA	NA	NA	NA
CE	✗	✓	NA	NA	✗	✗	NA	NA	NA	NA	NA	NA
PPC	✗	✓	NA	NA	✗	✗	NA	NA	NA	NA	NA	NA
BIO	✗	✓	NA	NA	✗	✗	NA	NA	NA	NA	NA	NA
Overall substantial contribution type (N)												
Enabling	✗	✓	NA	NA	✗	✗	NA	NA	NA	NA	NA	NA
Transitional	✗	✓	NA	NA	✗	✗	NA	NA	NA	NA	NA	NA
Overall substantial contribution type (N-1)												
Enabling	✗	✗	NA	✗	✗	✗	NA	NA	NA	NA	NA	NA
Transitional	✗	✗	NA	✗	✗	✗	NA	NA	NA	NA	NA	NA
Substantial contribution type - objective breakdown (N)												
CCM Enabling	✗	✗	✗	✗	✗	✗	NA	NA	NA	NA	NA	NA
CCM Transitional	✗	✗	✗	✗	✗	✗	NA	NA	NA	NA	NA	NA
CCA Enabling	✗	✗	✗	✗	✗	✗	NA	NA	NA	NA	NA	NA
WTR Enabling	✗	✗	✗	✗	✗	✗	NA	NA	NA	NA	NA	NA
CE Enabling	✗	✗	✗	✗	✗	✗	NA	NA	NA	NA	NA	NA
PPC Enabling	✗	✗	✗	✗	✗	✗	NA	NA	NA	NA	NA	NA
BIO Enabling	✗	✗	✗	✗	✗	✗	NA	NA	NA	NA	NA	NA
Non-Nuclear and Fossil Gas Alignment (N)												
Overall (CCM+CCA)	NA	NA	✗	✓	NA	NA	NA	NA	NA	NA	NA	NA
CCM	NA	NA	✗	✗	NA	NA	NA	NA	NA	NA	NA	NA
CCA	NA	NA	✗	✗	NA	NA	NA	NA	NA	NA	NA	NA

* ✓ : Data collected as part of EU Taxonomy Solution; ✗ : Possible to report but not collected in the solution; NA: Not a data field in the EU taxonomy templates; N: Represents the reporting year; N-1: Refers to data reported in EU taxonomy templates for the previous year, collected during the same research period. It does not come from the EU Taxonomy Solution's prior-year dataset.
Source: Morningstar Sustainalytics

Exhibit 24 Data Collected from Credit Institutions' EU Taxonomy Templates – Eligible – Not Aligned and Non – Eligible*

	Company level				Asset level				Activity level			
	From Credit Institutions' Templates		From Nuclear & Fossil Gas Templates		From Credit Institutions' Templates		From Nuclear & Fossil Gas Templates		From Credit Institutions' Templates		From Nuclear & Fossil Gas Templates	
	Absolute Value	Percentage (%)	Absolute Value	Percentage (%)	Absolute Value	Percentage (%)	Absolute Value	Percentage (%)	Absolute Value	Percentage (%)	Absolute Value	Percentage (%)
Eligible Not-Aligned												
Overall (N)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Overall (N-1)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Objective level (N)												
CCM+CCA	NA	NA	❌	TRUE	NA	NA	NA	NA	NA	NA	❌	✅
CCM	NA	NA	❌	❌	NA	NA	NA	NA	NA	NA	❌	✅
CCA	NA	NA	❌	❌	NA	NA	NA	NA	NA	NA	❌	✅
WTR	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
CE	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
PPC	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
BIO	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Non-Nuclear and Fossil Gas Alignment (N)												
CCM+CCA	NA	NA	❌	✅	NA	NA	NA	NA	NA	NA	NA	NA
CCM	NA	NA	❌	✅	NA	NA	NA	NA	NA	NA	NA	NA
CCA	NA	NA	❌	✅	NA	NA	NA	NA	NA	NA	NA	NA
Eligible (aligned + eligible not-aligned)												
Overall (N)	❌	✅	NA	NA	❌	❌	NA	NA	NA	NA	NA	NA
Objective level (N)												
CCM	❌	❌	❌	❌	❌	❌	NA	NA	NA	NA	NA	NA
CCA	❌	❌	❌	❌	❌	❌	NA	NA	NA	NA	NA	NA
WTR	❌	❌	NA	NA	❌	❌	NA	NA	NA	NA	NA	NA
CE	❌	❌	NA	NA	❌	❌	NA	NA	NA	NA	NA	NA
PPC	❌	❌	NA	NA	❌	❌	NA	NA	NA	NA	NA	NA
BIO	❌	❌	NA	NA	❌	❌	NA	NA	NA	NA	NA	NA
Non-eligible												
Overall (N)	NA	NA	❌	✅	NA	NA	NA	NA	NA	NA	❌	✅
Total												
Overall (N)	❌	100%	NA	100%	NA	NA	NA	NA	NA	NA	NA	NA

* ✅ : Data collected as part of EU Taxonomy Solution; ❌ : Possible to report but not collected in the solution; NA: Not a data field in the EU taxonomy templates; N: Represents the reporting year; N-1: Refers to data reported in EU taxonomy templates for the previous year, collected during the same research period. It does not come from the EU Taxonomy Solution's prior-year dataset.
Source: Morningstar Sustainalytics

Insurance and Reinsurance Undertakings

There are three different cases of reporting requirements for insurance and reinsurance undertakings depending on their business activities: (1) Companies that provide life insurance, (2) companies that provide non-life insurance, (3) companies that provide both life and non-life insurance.

First Case for Insurance and Reinsurance Undertakings

The first case regards insurance and reinsurance undertakings that provide life insurance. As life insurance primarily involves managing long-term investments, the reporting of these companies is based on the alignment of their investment portfolios. Similarly to asset managers, insurance and reinsurance undertakings in this category are required to disclose the proportion of their total investments that are aligned with the EU taxonomy.

Exhibit 25 and Exhibit 26 provide a comprehensive summary of the data points that insurance and reinsurance undertakings providing life insurance are required to disclose under the EU taxonomy reporting templates, including those specific to nuclear energy and fossil gas. They also illustrate the data fields that are captured with the EU Taxonomy Solution.

Exhibit 25 Data Collected from the EU Taxonomy Templates for Insurance and Reinsurance Undertakings that provide Life insurance – Alignment*

	Company level				Asset level				Activity level			
	From Life Insurance Templates		From Nuclear & Fossil Gas Templates		From Life Insurance Templates		From Nuclear & Fossil Gas Templates		From Life Insurance Templates		From Nuclear & Fossil Gas Templates	
	Absolute Value	Percentage (%)	Absolute Value	Percentage (%)	Absolute Value	Percentage (%)	Absolute Value	Percentage (%)	Absolute Value	Percentage (%)	Absolute Value	Percentage (%)
Aligned revenue												
Overall (N)	❌	☑	❌	☑	❌	❌	NA	NA	NA	NA	NA	NA
Overall (N-1)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Objective level (N)												
CCM+CCA	NA	NA	❌	☑	NA	NA	NA	NA	NA	NA	❌	☑
CCM	NA	☑	NA	NA	NA	NA	NA	NA	NA	NA	❌	☑
CCA	NA	☑	NA	NA	NA	NA	NA	NA	NA	NA	❌	☑
WTR	NA	☑	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
CE	NA	☑	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
PPC	NA	☑	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
BIO	NA	☑	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Overall substantial contribution type (N)												
Enabling	NA	☑	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Transitional	NA	☑	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Overall substantial contribution type (N-1)												
Enabling	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Transitional	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Substantial contribution type - objective breakdown (N)												
CCM Enabling	NA	✖	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
CCM Transitional	NA	✖	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
CCA Enabling	NA	✖	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
WTR Enabling	NA	✖	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
CE Enabling	NA	✖	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
PPC Enabling	NA	✖	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
BIO Enabling	NA	✖	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Non-Nuclear and Fossil Gas Alignment (N)												
Overall (CCM+CCA)	NA	NA	❌	☑	NA	NA	NA	NA	NA	NA	NA	NA
CCM	NA	NA	❌	❌	NA	NA	NA	NA	NA	NA	NA	NA
CCA	NA	NA	❌	❌	NA	NA	NA	NA	NA	NA	NA	NA

* ☑ : Data collected as part of EU Taxonomy Solution; ❌ : Possible to report, but not collected in the solution; ✖: Possible to report, collected by the solution to generate reported calculated fields, but not published in client deliverables; NA: Not a data field in the EU taxonomy templates; N: Represents the reporting year; N-1: Refers to data reported in EU taxonomy templates for the previous year, collected during the same research period. It does not come from the EU Taxonomy Solution's prior-year dataset.

Source: Morningstar Sustainalytics

Exhibit 26 Data Collected from the EU Taxonomy Templates for Insurance and Reinsurance Undertakings that provide Life insurance – Eligible – Not Aligned and Non – Eligible

	Company level				Asset level				Activity level			
	From Life Insurance Templates		From Nuclear & Fossil Gas Templates		From Life Insurance Templates		From Nuclear & Fossil Gas Templates		From Life Insurance Templates		From Nuclear & Fossil Gas Templates	
	Absolute Value	Percentage (%)	Absolute Value	Percentage (%)	Absolute Value	Percentage (%)	Absolute Value	Percentage (%)	Absolute Value	Percentage (%)	Absolute Value	Percentage (%)
Eligible Not-Aligned												
Overall (N)	✗	✓	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Overall (N-1)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Objective level (N)												
CCM+CCA	NA	NA	✗	✓	NA	NA	NA	NA	NA	NA	✗	✓
CCM	NA	NA	✗	✗	NA	NA	NA	NA	NA	NA	✗	✓
CCA	NA	NA	✗	✗	NA	NA	NA	NA	NA	NA	✗	✓
WTR	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
CE	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
PPC	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
BIO	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Non-Nuclear and Fossil Gas Alignment (N)												
CCM+CCA	NA	NA	✗	✓	NA	NA	NA	NA	NA	NA	NA	NA
CCM	NA	NA	✗	✓	NA	NA	NA	NA	NA	NA	NA	NA
CCA	NA	NA	✗	✓	NA	NA	NA	NA	NA	NA	NA	NA
Eligible (aligned + eligible not-aligned)												
Overall (N)	✗	✓	NA	NA	✗	✗	NA	NA	NA	NA	NA	NA
Objective level (N)												
CCM	✗	✗	✗	✗	NA	NA	NA	NA	NA	NA	NA	NA
CCA	✗	✗	✗	✗	NA	NA	NA	NA	NA	NA	NA	NA
WTR	✗	✗	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
CE	✗	✗	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
PPC	✗	✗	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
BIO	✗	✗	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Non-eligible												
Overall (N)	✗	✗	✗	✓	NA	NA	NA	NA	NA	NA	✗	✓
Total												
Overall (N)	✗	100%	NA	100%	NA	NA	NA	NA	NA	NA	NA	NA

* ✓ : Data collected as part of EU Taxonomy Solution; ✗ : Possible to report but not collected in the solution; NA: Not a data field in the EU taxonomy templates; N: Represents the reporting year; N-1: Refers to data reported in EU taxonomy templates for the previous year, collected during the same research period. It does not come from the EU Taxonomy Solution's prior-year dataset.
Source: Morningstar Sustainalytics

Second Case for Insurance and Reinsurance Undertakings

The second case regards insurance and reinsurance undertakings that provide non-life insurance. Their reporting KPI measures the alignment underwriting activities to the climate change adaptation objective. This disclosure is related to their premiums, therefore applicable only to revenue.

Insurances and reinsurance undertakings providing non-life insurance report on a template that is similar to that of non-financials. This template is simplified as there are only two eligible activities for these companies: CCA 10.1, Non-Life Insurance: Underwriting of Climate-Related Perils, and CCA 10.2, Reinsurance. These activities are defined as enabling activities and contribute to the Climate Change Adaptation objective. As happens to non-financials, the data available in the templates for insurances and reinsurance undertakings providing non-life insurance is classified as company-level and activity-level data.

In contrast to other financial companies under the EU taxonomy, the reporting scope for insurance and reinsurance undertakings offering non-life insurance is more narrowly focused, relying solely on KPIs derived directly from their revenue generated through premiums. Exhibit 27 and Exhibit 28 below provide a comprehensive summary of the data points that insurance companies providing non-life insurance are required to disclose under the EU taxonomy reporting templates, including those specific to nuclear energy and fossil gas. They also illustrate the data fields that are captured with the EU Taxonomy Solution.

Exhibit 27 Data Collected from the EU Taxonomy Templates for Insurance and Reinsurance Undertakings that provide non-Life insurance – Alignment*

	Company level				Activity level			
	From Non-Life Insurance Templates		From Nuclear & Fossil Gas Templates		From Non-Life Insurance Templates		From Nuclear & Fossil Gas Templates	
	Absolute Value	Percentage (%)	Absolute Value	Percentage (%)	Absolute Value	Percentage (%)	Absolute Value	Percentage (%)
Aligned revenue								
Overall (N)	✗	✓	NA	NA	NA	NA	✗	✓
Overall (N-1)	NA	NA	NA	NA	NA	NA	NA	NA
Objective level (N)								
CCM+CCA	NA	NA	✗	✓	NA	NA	✗	✓
CCM	✗	✓	NA	NA	✗	✗	✗	✓
CCA	✗	✓	NA	NA	✗	✗	✗	✓
WTR	✗	✓	NA	NA	✗	✗	NA	NA
CE	✗	✓	NA	NA	✗	✗	NA	NA
PPC	✗	✓	NA	NA	✗	✗	NA	NA
BIO	✗	✓	NA	NA	✗	✗	NA	NA
Overall substantial contribution type (N)								
Enabling	✗	✓	NA	NA	✗	✗	NA	NA
Transitional	NA	NA	NA	NA	NA	NA	NA	NA
Overall substantial contribution type (N-1)								
Enabling	NA	✗	NA	NA	NA	✗	NA	NA
Transitional	NA	NA	NA	NA	NA	NA	NA	NA
Substantial contribution type - objective breakdown (N)								
CCM Enabling	NA	NA	NA	NA	NA	NA	NA	NA
CCM Transitional	NA	NA	NA	NA	NA	NA	NA	NA
CCA Enabling	✗	✗	NA	NA	✗	✗	NA	NA
WTR Enabling	NA	NA	NA	NA	NA	NA	NA	NA
CE Enabling	NA	NA	NA	NA	NA	NA	NA	NA
PPC Enabling	NA	NA	NA	NA	NA	NA	NA	NA
BIO Enabling	NA	NA	NA	NA	NA	NA	NA	NA
Non-Nuclear and Fossil Gas Alignment (N)								
Overall (CCM+CCA)	NA	NA	✗	✓	NA	NA	NA	NA
CCM	NA	NA	✗	✗	NA	NA	NA	NA
CCA	NA	NA	✗	✗	NA	NA	NA	NA

* ✓: Data collected as part of EU Taxonomy Solution; ✗: Possible to report but not collected in the solution; NA: Not a data field in the EU taxonomy templates; N: Represents the reporting year; N-1: Refers to data reported in EU taxonomy templates for the previous year, collected during the same research period. It does not come from the EU Taxonomy Solution's prior-year dataset.
Source: Morningstar Sustainalytics

Exhibit 28 Data Collected from the EU Taxonomy Templates for Insurance and Reinsurance Undertakings that provide non-Life insurance – Eligible – Not Aligned and Non – Eligible

	Company level				Activity level			
	From Non-Life Insurance Templates		From Nuclear & Fossil Gas Templates		From Non-Life Insurance Templates		From Nuclear & Fossil Gas Templates	
	Absolute Value	Percentage (%)	Absolute Value	Percentage (%)	Absolute Value	Percentage (%)	Absolute Value	Percentage (%)
Eligible Not-Aligned								
Overall (N)	✗	✓	NA	NA	✗	✓	✗	✓
Overall (N-1)	NA	✗	NA	NA	NA	✗	NA	NA
Objective level (N)								
CCM+CCA	NA	NA	✗	✓	NA	NA	✗	✓
CCM	NA	NA	✗	✗	NA	NA	✗	✓
CCA	NA	NA	✗	✗	NA	NA	✗	✓
WTR	NA	NA	NA	NA	NA	NA	NA	NA
CE	NA	NA	NA	NA	NA	NA	NA	NA
PPC	NA	NA	NA	NA	NA	NA	NA	NA
BIO	NA	NA	NA	NA	NA	NA	NA	NA
Non-Nuclear and Fossil Gas Alignment (N)								
CCM+CCA	NA	NA	✗	✓	NA	NA	NA	NA
CCM	NA	NA	✗	✓	NA	NA	NA	NA
CCA	NA	NA	✗	✓	NA	NA	NA	NA
Eligible (aligned + eligible not-aligned)								
Overall (N)	NA	NA	NA	NA	NA	NA	NA	NA
Objective level (N)								
CCM	NA	NA	✗	✗	NA	NA	NA	NA
CCA	✗	✗	✗	✗	NA	NA	NA	NA
WTR	NA	NA	NA	NA	NA	NA	NA	NA
CE	NA	NA	NA	NA	NA	NA	NA	NA
PPC	NA	NA	NA	NA	NA	NA	NA	NA
BIO	NA	NA	NA	NA	NA	NA	NA	NA
Non-eligible								
Overall (N)	✗	✗	✗	✓	NA	NA	✗	✓
Total								
Overall (N)	✗	100%	NA	100%	NA	NA	NA	NA

* ✓: Data collected as part of EU Taxonomy Solution; ✗: Possible to report but not collected in the solution; NA: Not a data field in the EU taxonomy templates; N: Represents the reporting year; N-1: Refers to data reported in EU taxonomy templates for the previous year, collected during the same research period. It does not come from the EU Taxonomy Solution's prior-year dataset.
Source: Morningstar Sustainalytics

Third Case for Insurance and Reinsurance Undertakings

The third case regards insurance and reinsurance undertakings that provide both life and non-life insurances. Insurance and reinsurance undertakings in this case are treated as financial conglomerates and discussed in the Financial Conglomerates section.

Investment Firms

Similarly to insurance and reinsurance undertakings, the reporting for investment firms also comprises of three different cases of reporting requirements depending on their business activities: (1) Investment firms dealing on own account, (2) investment firms other than dealing on own account, and (3) investment firms doing both.

First Case for Investment Firms

The first case regards investment firms dealing with their own account. Investment firms in this category are required to report on the proportion of the firm's total assets that are associated with taxonomy-aligned activities, which is defined as GAR and is reported for both revenue and capex.

Exhibit 29 and Exhibit 30 below provide a comprehensive summary of the data points that investment firms dealing on own account are required to disclose under the EU taxonomy reporting templates, including those specific to nuclear energy and fossil gas. They also illustrate the data fields that are captured with the EU Taxonomy Solution.

Exhibit 29 Data Collected from the EU Taxonomy Templates for Investment Firms Dealing on Own Account – Alignment*

	Company level				Asset level				Activity level			
	From Investment Fims Own Account Templates		From Nuclear & Fossil Gas Templates		From Investment Fims Own Account Templates		From Nuclear & Fossil Gas Templates		From Investment Fims Own Account Templates		From Nuclear & Fossil Gas Templates	
	Absolute Value	Percentage (%)	Absolute Value	Percentage (%)	Absolute Value	Percentage (%)	Absolute Value	Percentage (%)	Absolute Value	Percentage (%)	Absolute Value	Percentage (%)
Aligned revenue												
Overall (N)	NA	✓	NA	NA	NA	✗	NA	NA	NA	NA	NA	NA
Overall (N-1)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Objective level (N)												
CCM+CCA	NA	NA	✗	✓	NA	NA	NA	NA	NA	NA	✗	✓
CCM	NA	✓	NA	NA	NA	✗	NA	NA	NA	NA	✗	✓
CCA	NA	✓	NA	NA	NA	✗	NA	NA	NA	NA	✗	✓
WTR	NA	✓	NA	NA	NA	✗	NA	NA	NA	NA	NA	NA
CE	NA	✓	NA	NA	NA	✗	NA	NA	NA	NA	NA	NA
PPC	NA	✓	NA	NA	NA	✗	NA	NA	NA	NA	NA	NA
BIO	NA	✓	NA	NA	NA	✗	NA	NA	NA	NA	NA	NA
Overall substantial contribution type (N)												
Enabling	NA	✓	NA	NA	NA	✗	NA	NA	NA	NA	NA	NA
Transitional	NA	✓	NA	NA	NA	✗	NA	NA	NA	NA	NA	NA
Overall substantial contribution type (N-1)												
Enabling	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Transitional	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Substantial contribution type - objective breakdown (N)												
CCM Enabling	NA	✗	NA	NA	NA	✗	NA	NA	NA	NA	NA	NA
CCM Transitional	NA	✗	NA	NA	NA	✗	NA	NA	NA	NA	NA	NA
CCA Enabling	NA	✗	NA	NA	NA	✗	NA	NA	NA	NA	NA	NA
WTR Enabling	NA	✗	NA	NA	NA	✗	NA	NA	NA	NA	NA	NA
CE Enabling	NA	✗	NA	NA	NA	✗	NA	NA	NA	NA	NA	NA
PPC Enabling	NA	✗	NA	NA	NA	✗	NA	NA	NA	NA	NA	NA
BIO Enabling	NA	✗	NA	NA	NA	✗	NA	NA	NA	NA	NA	NA
Non-Nuclear and Fossil Gas Alignment (N)												
Overall (CCM+CCA)	NA	NA	✗	✓	NA	NA	NA	NA	NA	NA	NA	NA
CCM	NA	NA	✗	✗	NA	NA	NA	NA	NA	NA	NA	NA
CCA	NA	NA	✗	✗	NA	NA	NA	NA	NA	NA	NA	NA

* ✓ : Data collected as part of EU Taxonomy Solution; ✗ : Possible to report but not collected in the solution; NA: Not a data field in the EU taxonomy templates; N: Represents the reporting year; N-1: Refers to data reported in EU taxonomy templates for the previous year, collected during the same research period. It does not come from the EU Taxonomy Solution's prior-year dataset.
Source: Morningstar Sustainalytics

Exhibit 30 Data Collected from the EU Taxonomy Templates for Investment Firms Dealing on Own Account – Eligible – Not Aligned and Non – Eligible

	Company level				Asset level				Activity level			
	From Investment Fims Own Account Templates		From Nuclear & Fossil Gas Templates		From Investment Fims Own Account Templates		From Nuclear & Fossil Gas Templates		From Investment Fims Own Account Templates		From Nuclear & Fossil Gas Templates	
	Absolute Value	Percentage (%)	Absolute Value	Percentage (%)	Absolute Value	Percentage (%)	Absolute Value	Percentage (%)	Absolute Value	Percentage (%)	Absolute Value	Percentage (%)
Eligible Not-Aligned												
Overall (N)	NA	✓	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Overall (N-1)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Objective level (N)												
CCM+CCA	NA	NA	✗	✓	NA	NA	NA	NA	NA	NA	✗	✓
CCM	NA	NA	✗	✗	NA	NA	NA	NA	NA	NA	✗	✓
CCA	NA	NA	✗	✗	NA	NA	NA	NA	NA	NA	✗	✓
WTR	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
CE	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
PPC	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
BIO	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Non-Nuclear and Fossil Gas Alignment (N)												
CCM+CCA	NA	NA	✗	✓	NA	NA	NA	NA	NA	NA	NA	NA
CCM	NA	NA	✗	✓	NA	NA	NA	NA	NA	NA	NA	NA
CCA	NA	NA	✗	✓	NA	NA	NA	NA	NA	NA	NA	NA
Eligible (aligned + eligible not-aligned)												
Overall (N)	✗	✓	NA	NA	✗	✗	NA	NA	NA	NA	NA	NA
Objective level (N)												
CCM	NA	✗	✗	✗	NA	✗	NA	NA	NA	NA	NA	NA
CCA	NA	✗	✗	✗	NA	✗	NA	NA	NA	NA	NA	NA
WTR	NA	✗	NA	NA	NA	✗	NA	NA	NA	NA	NA	NA
CE	NA	✗	NA	NA	NA	✗	NA	NA	NA	NA	NA	NA
PPC	NA	✗	NA	NA	NA	✗	NA	NA	NA	NA	NA	NA
BIO	NA	✗	NA	NA	NA	✗	NA	NA	NA	NA	NA	NA
Non-eligible												
Overall (N)	NA	NA	✗	✓	NA	NA	NA	NA	NA	NA	✗	✓
Total												
Overall (N)	✗	100%	NA	100%	NA	NA	NA	NA	NA	NA	NA	NA

* ✓ : Data collected as part of EU Taxonomy Solution; ✗ : Possible to report but not collected in the solution; NA: Not a data field in the EU taxonomy templates; N: Represents the reporting year; N-1: Refers to data reported in EU taxonomy templates for the previous year, collected during the same research period. It does not come from the EU Taxonomy Solution's prior-year dataset.
Source: Morningstar Sustainalytics

Second Case for Investment Firms

The second case regards investment firms other not dealing in their own account (such as dealing on behalf of clients). The reporting for this instance is based on the investment firms' revenue (such as fees and commissions) generated from their investment services and activities conducted for their clients, which is defined as GAR and is reported for both revenue and capex.

The information available in the template for investment firms dealing on own account is classified in this methodology in three categories.: 1) Company-level data, which includes data for overall company disclosures on EU taxonomy, 2) Asset-level data, encompassing granular details on the eligibility and alignment derived from assets invested in their own behalf or assets invested on behalf of their clients; 3) Activity-level data, which includes activity alignment information from the nuclear and fossil gas templates. To ensure consistency with the descriptions of other financial companies, this methodology retains the same three labels previously used. However, in this case, investment firms report not on assets but on the alignment of their revenues, derived from the revenue and capex KPIs of their clients.

Exhibit 31 and Exhibit 32 provide a comprehensive summary of the data points that investment firms other than dealing on own account are required to disclose under the EU taxonomy reporting templates, including those specific to nuclear energy and fossil gas. They also illustrate the data fields that are captured with the EU Taxonomy Solution.

Exhibit 31 Data Collected from the EU Taxonomy Templates for Investment Firms other than Dealing on Own Account (OTDOA) – Alignment*

	Company level				Asset level				Activity level			
	From Investment Fims OTDOA Templates		From Nuclear & Fossil Gas Templates		From Investment Fims OTDOA Templates		From Nuclear & Fossil Gas Templates		From Investment Fims OTDOA Templates		From Nuclear & Fossil Gas Templates	
	Absolute Value	Percentage (%)	Absolute Value	Percentage (%)	Absolute Value	Percentage (%)	Absolute Value	Percentage (%)	Absolute Value	Percentage (%)	Absolute Value	Percentage (%)
Aligned revenue												
Overall (N)	✗	☑	NA	NA	NA	✗	NA	NA	NA	NA	NA	NA
Overall (N-1)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Objective level (N)												
CCM+CCA	NA	NA	✗	☑	NA	NA	NA	NA	NA	NA	✗	☑
CCM	NA	☑	NA	NA	NA	✗	NA	NA	NA	NA	✗	☑
CCA	NA	☑	NA	NA	NA	✗	NA	NA	NA	NA	✗	☑
WTR	NA	☑	NA	NA	NA	✗	NA	NA	NA	NA	NA	NA
CE	NA	☑	NA	NA	NA	✗	NA	NA	NA	NA	NA	NA
PPC	NA	☑	NA	NA	NA	✗	NA	NA	NA	NA	NA	NA
BIO	NA	☑	NA	NA	NA	✗	NA	NA	NA	NA	NA	NA
Overall substantial contribution type (N)												
Enabling	NA	☑	NA	NA	NA	✗	NA	NA	NA	NA	NA	NA
Transitional	NA	☑	NA	NA	NA	✗	NA	NA	NA	NA	NA	NA
Overall substantial contribution type (N-1)												
Enabling	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Transitional	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Substantial contribution type - objective breakdown (N)												
CCM Enabling	NA	✗	NA	NA	NA	✗	NA	NA	NA	NA	NA	NA
CCM Transitional	NA	✗	NA	NA	NA	✗	NA	NA	NA	NA	NA	NA
CCA Enabling	NA	✗	NA	NA	NA	✗	NA	NA	NA	NA	NA	NA
WTR Enabling	NA	✗	NA	NA	NA	✗	NA	NA	NA	NA	NA	NA
CE Enabling	NA	✗	NA	NA	NA	✗	NA	NA	NA	NA	NA	NA
PPC Enabling	NA	✗	NA	NA	NA	✗	NA	NA	NA	NA	NA	NA
BIO Enabling	NA	✗	NA	NA	NA	✗	NA	NA	NA	NA	NA	NA
Non-Nuclear and Fossil Gas Alignment (N)												
Overall (CCM+CCA)	NA	NA	✗	☑	NA	NA	NA	NA	NA	NA	NA	NA
CCM	NA	NA	✗	✗	NA	NA	NA	NA	NA	NA	NA	NA
CCA	NA	NA	✗	✗	NA	NA	NA	NA	NA	NA	NA	NA

* ☑ : Data collected as part of EU Taxonomy Solution; ✗ : Possible to report but not collected in the solution; NA: Not a data field in the EU taxonomy templates; N: Represents the reporting year; N-1: Refers to data reported in EU taxonomy templates for the previous year, collected during the same research period. It does not come from the EU Taxonomy Solution's prior-year dataset.

Source: Morningstar Sustainalytics

Exhibit 32 Data Collected from the EU Taxonomy Templates for Investment Firms other than dealing with Own Account (OTDOA) – Eligible – Not Aligned and Non – Eligible

	Company level				Asset level				Activity level			
	From Investment Fims OTDOA Templates		From Nuclear & Fossil Gas Templates		From Investment Fims OTDOA Templates		From Nuclear & Fossil Gas Templates		From Investment Fims OTDOA Templates		From Nuclear & Fossil Gas Templates	
	Absolute Value	Percentage (%)	Absolute Value	Percentage (%)	Absolute Value	Percentage (%)	Absolute Value	Percentage (%)	Absolute Value	Percentage (%)	Absolute Value	Percentage (%)
Eligible Not-Aligned												
Overall (N)	NA	✓	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Overall (N-1)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Objective level (N)												
CCM+CCA	NA	NA	✗	✓	NA	NA	NA	NA	NA	NA	✗	✓
CCM	NA	NA	✗	✗	NA	NA	NA	NA	NA	NA	✗	✓
CCA	NA	NA	✗	✗	NA	NA	NA	NA	NA	NA	✗	✓
WTR	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
CE	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
PPC	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
BIO	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Non-Nuclear and Fossil Gas Alignment (N)												
CCM+CCA	NA	NA	✗	✓	NA	NA	NA	NA	NA	NA	NA	NA
CCM	NA	NA	✗	✓	NA	NA	NA	NA	NA	NA	NA	NA
CCA	NA	NA	✗	✓	NA	NA	NA	NA	NA	NA	NA	NA
Eligible (aligned + eligible not-aligned)												
Overall (N)	✗	✓	NA	NA	✗	✗	NA	NA	NA	NA	NA	NA
Objective level (N)												
CCM	✗	✗	✗	✗	✗	✗	NA	NA	NA	NA	NA	NA
CCA	✗	✗	✗	✗	✗	✗	NA	NA	NA	NA	NA	NA
WTR	✗	✗	NA	NA	✗	✗	NA	NA	NA	NA	NA	NA
CE	✗	✗	NA	NA	✗	✗	NA	NA	NA	NA	NA	NA
PPC	✗	✗	NA	NA	✗	✗	NA	NA	NA	NA	NA	NA
BIO	✗	✗	NA	NA	✗	✗	NA	NA	NA	NA	NA	NA
Non-eligible												
Overall (N)	NA	NA	✗	✓	NA	NA	✓	✓	NA	NA	✗	✓
Total												
Overall (N)	✗	100%	NA	100%	NA	NA	NA	NA	NA	NA	NA	NA

* ✓ : Data collected as part of EU Taxonomy Solution; ✗ : Possible to report but not collected in the solution; NA: Not a data field in the EU taxonomy templates; N: Represents the reporting year; N-1: Refers to data reported in EU taxonomy templates for the previous year, collected during the same research period. It does not come from the EU Taxonomy Solution's prior-year dataset.
Source: Morningstar Sustainalytics

Third Case for Investment Firms

The third case regards investment firms that both deal with their own account and provide services to clients. Investment firms in this case are treated as financial conglomerates and discussed in the Financial Conglomerates section.

Financial Conglomerates

Financial conglomerates are required to disclose Taxonomy alignment separately for each financial sector in which they operate, ensuring detailed reporting for their diverse activities. In addition to sector-specific disclosures, financial conglomerates must provide a group-level summary of their Taxonomy alignment.

ABR collects data from the group-level summary only. Therefore, the only data point available for financial conglomerates is group-level alignment on both revenue and capex.

ABR also gathers data on nuclear and fossil gas activities if the financial conglomerate includes these in its consolidated reporting, adhering to the same weighted average methodology prescribed by the regulation for alignment calculations.

The consolidation requirements for financial conglomerates equally apply to investment firms that both deal with own accounts or provide other services, as well as to insurance and reinsurance undertakings offering a combination of life and non-life products.

The templates available for these cases will depend on the number of companies and their respective financial categories. At least the summary template must be present for ABR to collect the data. To ensure consistency with the descriptions of other financial companies, the information available in these templates for is classified in this methodology in three categories.: 1) Company-level data, which includes data for overall group disclosures on EU taxonomy, 2) Asset-level data, encompassing the data contained in all individual templates applicable to the companies integrating the group as outlined in the sections above. 3) Activity-level data, which includes activity alignment information from the nuclear and fossil gas templates consolidated at the group level. Nuclear and fossil gas data for individual components of the group reporting are not covered by the EU Taxonomy Solution.

Exhibit 33 and Exhibit 34 below provide a comprehensive summary of the data points that financial conglomerates are required to disclose under the EU taxonomy reporting templates, including those specific to nuclear energy and fossil gas. They also illustrate the data fields that are captured with the EU Taxonomy Solution.

Exhibit 33 Data Collected from the EU Taxonomy Templates for Financial Conglomerates – Alignment*

	Company level				Asset level				Activity level			
	From Fin. Conglomerates' Templates		From Nuclear & Fossil Gas Templates		From Fin. Conglomerates' Templates		From Nuclear & Fossil Gas Templates		From Fin. Conglomerates' Templates		From Nuclear & Fossil Gas Templates	
	Absolute Value	Percentage (%)	Absolute Value	Percentage (%)	Absolute Value	Percentage (%)	Absolute Value	Percentage (%)	Absolute Value	Percentage (%)	Absolute Value	Percentage (%)
Aligned revenue												
Overall (N)	NA	✓	NA	NA	✗	✗	NA	NA	NA	NA	NA	NA
Overall (N-1)	NA	NA	NA	NA	✗	✗	NA	NA	NA	NA	NA	NA
Objective level (N)												
CCM+CCA	NA	NA	✗	✓	NA	NA	✗	✗	NA	NA	✗	✓
CCM	NA	NA	NA	NA	✗	✗	NA	NA	NA	NA	✗	✓
CCA	NA	NA	NA	NA	✗	✗	NA	NA	NA	NA	✗	✓
WTR	NA	NA	NA	NA	✗	✗	NA	NA	NA	NA	NA	NA
CE	NA	NA	NA	NA	✗	✗	NA	NA	NA	NA	NA	NA
PPC	NA	NA	NA	NA	✗	✗	NA	NA	NA	NA	NA	NA
BIO	NA	NA	NA	NA	✗	✗	NA	NA	NA	NA	NA	NA
Overall substantial contribution type (N)												
Enabling	NA	NA	NA	NA	✗	✗	NA	NA	NA	NA	NA	NA
Transitional	NA	NA	NA	NA	✗	✗	NA	NA	NA	NA	NA	NA
Overall substantial contribution type (N-1)												
Enabling	NA	NA	NA	✗	✗	✗	NA	NA	NA	NA	NA	NA
Transitional	NA	NA	NA	✗	✗	✗	NA	NA	NA	NA	NA	NA
Substantial contribution type - objective breakdown (N)												
CCM Enabling	NA	NA	NA	NA	✗	✗	NA	NA	NA	NA	NA	NA
CCM Transitional	NA	NA	NA	NA	✗	✗	NA	NA	NA	NA	NA	NA
CCA Enabling	NA	NA	NA	NA	✗	✗	NA	NA	NA	NA	NA	NA
WTR Enabling	NA	NA	NA	NA	✗	✗	NA	NA	NA	NA	NA	NA
CE Enabling	NA	NA	NA	NA	✗	✗	NA	NA	NA	NA	NA	NA
PPC Enabling	NA	NA	NA	NA	✗	✗	NA	NA	NA	NA	NA	NA
BIO Enabling	NA	NA	NA	NA	✗	✗	NA	NA	NA	NA	NA	NA
Non-Nuclear and Fossil Gas Alignment (N)												
Overall (CCM+CCA)	NA	NA	NA	NA	NA	NA	✗	✗	NA	NA	NA	NA
CCM	NA	NA	NA	NA	NA	NA	✗	✗	NA	NA	NA	NA
CCA	NA	NA	NA	NA	NA	NA	✗	✗	NA	NA	NA	NA

* ✓ : Data collected as part of EU Taxonomy Solution; ✗ : Possible to report but not collected in the solution; NA: Not a data field in the EU taxonomy templates; N: Represents the reporting year; N-1: Refers to data reported in EU taxonomy templates for the previous year, collected during the same research period. It does not come from the EU Taxonomy Solution's prior-year dataset.

Source: Morningstar Sustainalytics

Exhibit 34 Data Collected from the EU Taxonomy Templates for Financial Conglomerates – Eligible – Not Aligned and Non – Eligible

	Company level				Asset level				Activity level			
	From Fin. Conglomerates' Templates		From Nuclear & Fossil Gas Templates		From Fin. Conglomerates' Templates		From Nuclear & Fossil Gas Templates		From Fin. Conglomerates' Templates		From Nuclear & Fossil Gas Templates	
	Absolute Value	Percentage (%)	Absolute Value	Percentage (%)	Absolute Value	Percentage (%)	Absolute Value	Percentage (%)	Absolute Value	Percentage (%)	Absolute Value	Percentage (%)
Eligible Not-Aligned												
Overall (N)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Overall (N-1)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Objective level (N)												
CCM+CCA	NA	NA	✖	☑	NA	NA	✖	✖	NA	NA	✖	☑
CCM	NA	NA	✖	✖	NA	NA	NA	NA	NA	NA	✖	☑
CCA	NA	NA	✖	✖	NA	NA	NA	NA	NA	NA	✖	☑
WTR	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
CE	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
PPC	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
BIO	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Non-Nuclear and Fossil Gas Alignment (N)												
CCM+CCA	NA	NA	✖	☑	NA	NA	✖	✖	NA	NA	NA	NA
CCM	NA	NA	✖	☑	NA	NA	✖	✖	NA	NA	NA	NA
CCA	NA	NA	✖	☑	NA	NA	✖	✖	NA	NA	NA	NA
Eligible (aligned + eligible not-aligned)												
Overall (N)	NA	NA	NA	NA	✖	✖	NA	NA	NA	NA	NA	NA
Objective level (N)												
CCM	NA	NA	NA	✖	✖	✖	✖	✖	NA	NA	NA	NA
CCA	NA	NA	NA	✖	✖	✖	✖	✖	NA	NA	NA	NA
WTR	NA	NA	NA	NA	✖	✖	NA	NA	NA	NA	NA	NA
CE	NA	NA	NA	NA	✖	✖	NA	NA	NA	NA	NA	NA
PPC	NA	NA	NA	NA	✖	✖	NA	NA	NA	NA	NA	NA
BIO	NA	NA	NA	NA	✖	✖	NA	NA	NA	NA	NA	NA
Non-eligible												
Overall (N)	NA	NA	✖	☑	NA	NA	✖	✖	NA	NA	✖	☑
Total												
Overall (N)	✖	100%	NA	100%	✖	✖	NA	NA	NA	NA	NA	NA

* ☑ : Data collected as part of EU Taxonomy Solution; ✖ : Possible to report but not collected in the solution; NA: Not a data field in the EU taxonomy templates; N: Represents the reporting year; N-1: Refers to data reported in EU taxonomy templates for the previous year, collected during the same research period. It does not come from the EU Taxonomy Solution's prior-year dataset.
Source: Morningstar Sustainalytics

Appendix C: Additional Calculations

Exhibit 35 The Key EU Taxonomy Rules Applied in Data Validation

- Share of taxonomy-aligned (AL) revenue / capex / opex will always be less than or equal to the share of taxonomy-eligible (EL) revenue / capex / opex. (At both company and activity level).

[C.9]

$$AL\ revenue\ /\ capex\ /\ opex\ <=\ EL\ revenue\ /\ capex\ /\ opex$$

- Overall percentage of alignment (AL) should never be more than 100% of revenue / capex / opex. Same rule applies for eligibility (EL). (At company level).

[C.10]

$$Overall\ Company\ Level\ AL\ revenue\ /\ capex\ /\ opex\ <\ 100\%\ revenue\ /\ capex\ /\ opex$$

[C.11]

$$Overall\ Company\ Level\ EL\ revenue\ /\ capex\ /\ opex\ <\ 100\%\ revenue\ /\ capex\ /\ opex$$

- Taxonomy eligible (EL) and non – eligible (N/EL) revenue / capex / opex should always be equal to total revenue / capex / opex. (At company level).

[C.12]

$$EL\ +\ N/EL\ revenue\ /\ capex\ /\ opex\ =\ Total\ revenue\ /\ capex\ /\ opex$$

- Taxonomy aligned (AL) and eligible - not aligned (EL/NAL) revenue/capex/opex should always be equal to eligible (EL) revenue/capex/opex. (At both company and activity level).

[C.13]

$$AL\ +\ EL/NAL\ revenue\ /\ capex\ /\ opex\ =\ EL\ revenue\ /\ capex\ /\ opex$$

- Total of objective level alignment (AL) should be equal to total alignment. (At both company and activity level).

[C.14]

$$Total\ of\ Objective\ Level\ AL\ revenue\ /\ capex\ /\ opex\ =\ Total\ AL\ revenue\ /\ capex\ /\ opex$$

- Total of nuclear, fossil gas and non-nuclear or non-fossil gas alignment (AL) should be equal to total alignment. (At company level).

[C.15]

$$\begin{aligned} &Nuclear\ Activity\ AL\ revenue\ /\ capex\ /\ opex\ +\ Fossil\ Gas\ Activity\ AL\ revenue\ /\ capex\ /\ opex\ +\ Non \\ &-\ Nuclear\ and\ Non\ -\ Fossil\ Gas\ Activity\ AL\ revenue\ /\ capex\ /\ opex \\ &=\ Total\ Company\ EL\ revenue\ /\ capex\ /\ opex \end{aligned}$$

[C.16]

$$\begin{aligned} &Nuclear\ Activity\ EL\ revenue\ /\ capex\ /\ opex\ +\ Fossil\ Gas\ Activity\ EL\ revenue\ /\ capex\ /\ opex\ +\ Non \\ &-\ Nuclear\ and\ Non\ -\ Fossil\ Gas\ Activity\ AL\ revenue\ /\ capex\ /\ opex \\ &=\ Total\ Company\ AL\ revenue\ /\ capex\ /\ opex \end{aligned}$$

- Total of substantial contribution type alignment (AL) should be equal to total alignment. (At company level).

[C.17]

$$\begin{aligned} &Enabling\ Activity\ AL\ revenue\ /\ capex\ /\ opex\ +\ Transitional\ Activity\ AL\ revenue\ /\ capex\ /\ opex \\ &+\ Own\ Performance\ Activity\ AL\ revenue\ /\ capex\ /\ opex\ =\ Total\ AL\ revenue\ /\ capex\ /\ opex \end{aligned}$$

- Total activity alignment should be equal to total company alignment. Same rule applies for eligibility.

Source: Morningstar Sustainalytics

Exhibit 36 Specific Calculations for Financial Companies

- Alignment (AL) in Enabling and Transitional activities for Asset Managers and Insurance and Reinsurance companies is calculated by summing up each objective-level alignment in Enabling and Transitional activities.

[C.18]

$$
\begin{aligned}
&Enabling\ Activity\ AL\ revenue/capex \\
&\quad = CCM\ Enabling\ Activity\ AL\ revenue\ /\ capex \\
&\quad + CCA\ Enabling\ Activity\ AL\ revenue\ /\ capex + CE\ Enabling\ Activity\ AL\ revenue\ /\ capex \\
&\quad + PPC\ Enabling\ Activity\ AL\ revenue\ /\ capex \\
&\quad + WTR\ Enabling\ Activity\ AL\ revenue\ /\ capex \\
&\quad + BIO\ Enabling\ Activity\ AL\ revenue\ /\ capex
\end{aligned}
$$

[C.19]

$$Transitional\ Activity\ AL\ revenue/capex \ = CCM\ Transitional\ Activity\ AL\ revenue\ /\ capex$$

Source: Morningstar Sustainalytics

Appendix D: Reference Tables

Exhibit 37 Reported Calculated Source Sub-Type – First Calculation Category (Absolute Values)

Reported Calculated - Data Field	Calculated Data Level	Calculation	Underlying Data Level
Absolute Value (mil local currency)		**Overall revenue multiplied with the percentage (of overall revenue)**	
Activity - Aligned Revenue	Activity	Overall - Taxonomy Revenue multiplied with Activity - Aligned Revenue - Percentage	Activity
Activity - Eligible-Not Aligned Revenue	Activity	Overall - Taxonomy Revenue multiplied with Activity - Eligible-Not Aligned Revenue - Percentage	Activity
Activity - Nuclear Gas - Non-Eligible Revenue	Activity	Overall - Taxonomy Revenue multiplied with Activity - Nuclear Gas - Non-Eligible Revenue - Percentage	Activity
Aligned Revenue	Company	Overall - Taxonomy Revenue multiplied with Aligned Revenue - Percentage	Company
Aligned Revenue in Enabling Activities	Company	Overall - Taxonomy Revenue multiplied with Aligned Revenue in Enabling Activities - Percentage	Company
Aligned Revenue in Transitional Activities	Company	Overall - Taxonomy Revenue multiplied with Aligned Revenue in Transitional Activities - Percentage	Company
Eligible-Not Aligned Revenue	Company	Overall - Taxonomy Revenue multiplied with Eligible-Not Aligned Revenue - Percentage	Company
Eligible Revenue	Company	Overall - Taxonomy Revenue multiplied with Eligible Revenue - Percentage	Company
Non-Eligible Revenue	Company	Overall - Taxonomy Revenue multiplied with Non-Eligible Revenue - Percentage	Company
Non Nuclear or Gas Activities - CCM and CCA - Aligned Revenue	Company	Overall - Taxonomy Revenue multiplied with Non Nuclear or Gas Activities - CCM and CCA - Aligned Revenue - Percentage	Company
Non Nuclear or Gas Activities CCM and CCA - Eligible-Not Aligned Revenue	Company	Overall - Taxonomy Revenue multiplied with Non Nuclear or Gas Activities - CCM and CCA - Eligible-Not Aligned Revenue - Percentage	Company
Non Nuclear or Gas Activities - Non-Eligible Revenue	Company	Overall - Taxonomy Revenue multiplied with Non Nuclear or Gas Activities - Non-Eligible Revenue - Percentage	Company
Non Nuclear or Gas Activities - CCM - Aligned Revenue	Company	Overall - Taxonomy Revenue multiplied with Non Nuclear or Gas Activities - CCM - Aligned Revenue - Percentage	Company
Non Nuclear or Gas Activities - CCM - Eligible-Not Aligned Revenue	Company	Overall - Taxonomy Revenue multiplied with Non Nuclear or Gas Activities - CCM - Eligible Not Aligned Revenue - Percentage	Company
Non Nuclear or Gas Activities - CCA - Aligned Revenue	Company	Overall - Taxonomy Revenue multiplied with Non Nuclear or Gas Activities - CCA - Aligned Revenue - Percentage	Company
Non Nuclear or Gas Activities - CCA - Eligible-Not Aligned Revenue	Company	Overall - Taxonomy Revenue multiplied with Non Nuclear or Gas Activities - CCA - Eligible Not Aligned Revenue - Percentage	Company
CCM - Aligned Revenue	Company	Overall - Taxonomy Revenue multiplied with CCM - Aligned Revenue - Percentage	Company
CCA - Aligned Revenue	Company	Overall - Taxonomy Revenue multiplied with CCA - Aligned Revenue - Percentage	Company

Note: The table is provided only for the revenue fields. Exact same calculations are applicable to the corresponding capex and opex fields. These calculations are only applicable to non-financial companies.
Source: Morningstar Sustainalytics

Exhibit 38 Reported Calculated Source Sub-Type – First Calculation Category (Percentages)

Reported Calculated - Data Field	Calculated Data Level	Calculation	Underlying Data Level	Organizations in Scope
Percentage (of overall revenue)		**Absolute Value (mil local curency) divided by overall revenue (mil local currency)**		
Activity - Aligned Revenue - Percentage	Activity	Activity - Aligned Revenue divided by Overall - Taxonomy Revenue	Activity	Financial and Non-Financial
Activity - Eligible-Not Aligned Revenue - Percentage	Activity	Activity - Eligible-Not Aligned Revenue divided by Overall - Taxonomy Revenue	Activity	Financial and Non-Financial
Activity - Nuclear Gas - Non-Eligible Revenue - Percentage	Activity	Activity - Nuclear Gas - Non-Eligible Revenue divided by Overall - Taxonomy Revenue	Activity	Financial and Non-Financial
Aligned Revenue - Percentage	Company	Aligned Revenue divided by Overall - Taxonomy Revenue	Company	Financial and Non-Financial
Aligned Revenue in Enabling Activities - Percentage *	Company	Aligned Revenue in Enabling Activities divided by Overall - Taxonomy Revenue	Company	Financial and Non-Financial
Aligned Revenue in Transitional Activities - Percentage *	Company	Aligned Revenue in Transitional Activities divided by Overall - Taxonomy Revenue	Company	Financial and Non-Financial
Eligible-Not Aligned Revenue - Percentage	Company	Eligible-Not Aligned Revenue divided by Overall - Taxonomy Revenue	Company	Financial and Non-Financial
Eligible Revenue - Percentage	Company	Eligible Revenue divided by Overall - Taxonomy Revenue	Company	Financial and Non-Financial
Non-Eligible Revenue - Percentage	Company	Non-Eligible Revenue divided by Overall - Taxonomy Revenue	Company	Financial and Non-Financial
Non Nuclear or Gas Activities - CCM and CCA - Aligned Revenue - Percentage	Company	Non Nuclear or Gas Activities - CCM and CCA - Aligned Revenue divided by Overall - Taxonomy Revenue	Company	Financial and Non-Financial
Non Nuclear or Gas Activities - CCM and CCA - Eligible-Not Aligned Revenue - Percentage	Company	Non Nuclear or Gas Activities - CCM and CCA - Eligible-Not Aligned Revenue divided by Overall - Taxonomy Revenue	Company	Financial and Non-Financial
Non Nuclear or Gas Activities - Non-Eligible Revenue - Percentage	Company	Non Nuclear or Gas Activities - Non-Eligible Revenue divided by Overall - Taxonomy Revenue	Company	Financial and Non-Financial
Non Nuclear or Gas Activities - CCM - Aligned Revenue - Percentage	Company	Non Nuclear or Gas Activities - CCM - Aligned Revenue divided by Overall - Taxonomy Revenue	Company	Financial and Non-Financial
Non Nuclear or Gas Activities - CCM - Eligible Not Aligned Revenue - Percentage	Company	Non Nuclear or Gas Activities - CCM - Eligible-Not Aligned Revenue divided by Overall - Taxonomy Revenue	Company	Financial and Non-Financial
Non Nuclear or Gas Activities - CCA - Aligned Revenue - Percentage	Company	Non Nuclear or Gas Activities - CCA - Aligned Revenue divided by Overall - Taxonomy Revenue	Company	Financial and Non-Financial
Non Nuclear or Gas Activities - CCA - Eligible Not Aligned Revenue - Percentage	Company	Non Nuclear or Gas Activities - CCA - Eligible-Not Aligned Revenue divided by Overall - Taxonomy Revenue	Company	Financial and Non-Financial
CCM - Aligned Revenue - Percentage	Company	CCM - Aligned Revenue divided by Overall - Taxonomy Revenue	Company	Financial andNon-Financial
CCA - Aligned Revenue - Percentage	Company	CCA - Aligned Revenue divided by Overall - Taxonomy Revenue	Company	Financial andNon-Financial

* The calculations for Aligned Revenue in Enabling Activities - Percentage and Aligned Revenue in Transitional Activities – Percentage differs for Asset Managers and Insurance and Reinsurance Undertakings. Note: The table is provided only for the revenue fields. Exact same calculations are applicable to the corresponding capex and opex fields.
Source: Morningstar Sustainalytics

Exhibit 39 Reported Calculated Source Sub-Type – Fourth Calculation Category

Reported Calculated Data Field	Calculated Data Level	Calculation	Underlying Data Level	Organizations in Scope
Absolute Value (mil local currency)				
Aligned Revenue*	Company	Sum of Activity - Aligned Revenue	Activity	Non-Financial
Aligned Revenue in Enabling Activities*	Company	Sum of Activity - Aligned Revenue, if Activity - Substantial Contribution Type equals to Enabling	Activity	Non-Financial
Aligned Revenue in Transitional Activities*	Company	Sum of Activity - Aligned Revenue, if Activity - Substantial Contribution Type equals to Transitional	Activity	Non-Financial
Percentage (of overall revenue)				
Aligned Revenue - Percentage*	Company	Sum of Activity - Aligned Revenue - Percentage	Activity	Financial and Non-Financial
Aligned Revenue in Enabling Activities - Percentage*	Company	Sum of Activity - Aligned Revenue - Percentage, if Activity - Substantial Contribution Type equal to Enabling	Activity	Financial and Non-Financial
Aligned Revenue in Transitional Activities - Percentage*	Company	Sum of Activity - Aligned Revenue - Percentage, if Activity - Substantial Contribution Type equal to Transitional	Activity	Financial and Non-Financial
Nuclear Activities - Aligned Revenue - Percentage	Company	Sum of Activity - Aligned Revenue - Percentage, if Activity Type - Nuclear, Fossil Gas or Other equals to Nuclear	Activity	Financial and Non-Financial
Eligible Revenue - Percentage	Company	Sum of Activity - Eligible Revenue - Percentage	Activity	Non-Financial
Nuclear Activities - Eligible-Not Aligned Revenue - Percentage	Company	Sum of Activity - Eligible-Not Aligned Revenue - Percentage, if Activity Type - Nuclear, Fossil Gas or Other equals to Nuclear	Activity	Financial and Non-Financial
Nuclear Activities - Non-Eligible Revenue - Percentage	Company	Sum of Activity - Nuclear Gas - Non-Eligible Revenue - Percentage, if Activity Type - Nuclear, Fossil Gas or Other equals to Nuclear	Activity	Financial and Non-Financial
Gas Activities - Aligned Revenue - Percentage	Company	Sum of Activity - Aligned Revenue - Percentage, if Activity Type - Nuclear, Fossil Gas or Other equals to Fossil Gas	Activity	Financial and Non-Financial
Gas Activities - Eligible-Not Aligned Revenue	Company	Sum of Activity - Eligible-Not Aligned Revenue - Percentage, if Activity Type - Nuclear, Fossil Gas or Other equals to Fossil Gas	Activity	Financial and Non-Financial
Gas Activities - Non-Eligible Revenue	Company	Sum of Activity - Nuclear Gas - Non-Eligible Revenue - Percentage, if Activity Type - Nuclear, Fossil Gas or Other equals to Fossil Gas	Activity	Financial and Non-Financial
CCM - Aligned Revenue - Percentage*	Company	Sum of Activity - CCM Aligned Revenue - Percentage	Activity	Financial and Non-Financial
CCM - Aligned Revenue in Enabling Activities - Percentage	Company	Sum of Activity - CCM Aligned Revenue - Percentage, if Activity - Substantial Contribution Type equals to Enabling	Activity	Non-Financial
CCM - Aligned Revenue in Transitional Activities - Percentage	Company	Sum of Activity - CCM Aligned Revenue - Percentage, if Activity - Substantial Contribution Type equals to Transitional	Activity	Non-Financial
CCA - Aligned Revenue - Percentage*	Company	Sum of Activity - CCA Aligned Revenue - Percentage	Activity	Financial and Non-Financial
CCA - Aligned Revenue in Enabling Activities - Percentage	Company	Sum of Activity - CCA Aligned Revenue - Percentage, if Activity - Substantial Contribution Type equals to Enabling	Activity	Non-Financial
WTR - Aligned Revenue - Percentage	Company	Sum of Activity - WTR Aligned Revenue - Percentage	Activity	Financial and Non-Financial
WTR - Aligned Revenue in Enabling Activities - Percentage	Company	Sum of Activity - WTR Aligned Revenue - Percentage, if Activity - Substantial Contribution Type equals to Enabling	Activity	Non-Financial
CE - Aligned Revenue - Percentage	Company	Sum of Activity - CE Aligned Revenue - Percentage	Activity	Financial and Non-Financial
CE - Aligned Revenue in Enabling Activities - Percentage	Company	Sum of Activity - CE Aligned Revenue - Percentage, if Activity - Substantial Contribution Type equals to Enabling	Activity	Non-Financial
PPC - Aligned Revenue - Percentage	Company	Sum of Activity - PPC Aligned Revenue - Percentage	Activity	Financial and Non-Financial
PPC - Aligned Revenue in Enabling Activities - Percentage	Company	Sum of Activity - PPC Aligned Revenue - Percentage, if Activity - Substantial Contribution Type equals to Enabling	Activity	Non-Financial
BIO - Aligned Revenue - Percentage	Company	Sum of Activity - BIO Aligned Revenue - Percentage	Activity	Financial and Non-Financial
BIO - Aligned Revenue in Enabling Activities - Percentage	Company	Sum of Activity - BIO Aligned Revenue - Percentage, if Activity - Substantial Contribution Type equals to Enabling	Activity	Non-Financial

*For the identified data fields, it is first checked if it is possible to apply the first calculation category (Exhibit 37 and Exhibit 38). If the underlying data is not available, then the second calculation category is used. Note: Table is provided only for the revenue fields. The exact same calculations are applicable to the corresponding capex and opex fields.
Source: Morningstar Sustainalytics

Exhibit 40 Auto-Populated Source Sub-Type – Second Category*

Auto-populated - Data Field	Data Level	Description	Auto-population Logic	Organizations in Scope
Evidence of Involvement Flag**				
Activity - No Evidence of Involvement - Revenue*****	Activity	Denotes whether an activity has no revenue reported under EU taxonomy	If activities listed but without revenue data (or =0), then True. If activities listed and with revenue data, then False.	Financial and Non-Financial
Company - No Evidence of Involvement - Revenue	Company	Denotes whether a company has no eligible revenue reported under EU taxonomy.	If companies listed but without eligible revenue data (or =0), then True. If companies listed and with eligible revenue data, then False. ****	Financial and Non-Financial
Activity Objective Alignment Flag**				
Activity – CCM Aligned - Revenue - Flag	Activity	Denotes whether an activity has aligned revenue contributing to CCM	If Activity - CCM Aligned Revenue - Percentage is greater than 0, then True. Else False.	Financial and Non-Financial
Activity – CCA Aligned - Revenue - Flag	Activity	Denotes whether an activity has aligned revenue contributing to CCA	If Activity - CCA Aligned Revenue - Percentage is greater than 0, then True. Else False.	Financial and Non-Financial
Activity – CE Aligned - Revenue - Flag	Activity	Denotes whether an activity has aligned revenue contributing to CE	If Activity - CE Aligned Revenue - Percentage is greater than 0, then True. Else False.	Non-Financial
Activity – PPC Aligned - Revenue - Flag	Activity	Denotes whether an activity has aligned revenue contributing to PPC	If Activity - PPC Aligned Revenue - Percentage is greater than 0, then True. Else False.	Non-Financial
Activity – WTR Aligned - Revenue - Flag	Activity	Denotes whether an activity has aligned revenue contributing to WTR	If Activity - WTR Aligned Revenue - Percentage is greater than 0, then True. Else False.	Non-Financial
Activity – BIO Aligned - Revenue - Flag	Activity	Denotes whether an activity has aligned revenue contributing to BIO	If Activity - BIO Aligned Revenue - Percentage is greater than 0, then True. Else False.	Non-Financial
Company Eligibility and Alignment Flags*				
Company - Any Eligibility Flag	Company	Denotes whether a company has any eligibility metric reported under EU Taxonomy.	If any eligibility and/or alignment revenue, capex, opex percentage is greater than 0, then True. Else False.	Financial and Non-Financial
Company - Any Alignment Flag	Company	Denotes whether a company has any alignment metric reported under EU Taxonomy.	If any alignment revenue, capex, opex percentage is greater than 0, then True. Else False.	Financial and Non-Financial
Company - Nuclear Gas - Any Alignment Flag***	Company	Denotes whether a company has any Nuclear and/or Gas activity alignment metric reported under EU Taxonomy.	If any alignment revenue, capex, opex percentage in nuclear or gas activities is greater than 0, then True. Else False.	Financial and Non-Financial
Company - Nuclear Gas - Any Eligibility Flag***	Company	Denotes whether a company has any Nuclear and/or Gas activity eligibility metric reported under EU Taxonomy.	If any eligibility and/or alignment revenue, capex, opex percentage in nuclear or gas activities is greater than 0, then True. Else False.	Financial and Non-Financial
Underlying Activity Data Flags*				
Number of Eligible Activities	Company	The number of eligible activities where a company is involved in.	Count the number of unique activities listed under Activity Name per company.	Non-Financial
Number of Eligible Nuclear Gas Activities***	Company	The number of eligible Nuclear and Fossil Gas activities where a company is involved in.	Count the number of unique activities listed under Activity Name per company, if Activity Type - Nuclear, Fossil Gas or Other = Nuclear or Fossil Gas.	Financial and Non-Financial
Number of Aligned Activities	Company	The number of eligible activities where a company has alignment.	Count the number of unique activities listed under Activity Name per company, if there is alignment KPI.	Non-Financial
Number of Aligned Nuclear Gas Activities***	Company	The number of eligible Nuclear and Gas activities where a company has alignment.	Count the number of unique activities listed under EUT35 per company, if there is alignment KPI and Activity Type - Nuclear, Fossil Gas or Other = Nuclear or Fossil Gas.	Financial and Non-Financial
Eligible Activities	Company	The list of eligible activities where a company is involved in.	List unique taxonomy eligible activity names under Activity Name per company.	Non-Financial
Eligible Nuclear Gas Activities***	Company	The list of eligible Nuclear and Fossil Gas activities where a company is involved in.	List unique taxonomy eligible activity names under Activity Name per company, if Activity Type - Nuclear, Fossil Gas or Other = Nuclear or Fossil Gas.	Financial and Non-Financial
Aligned Activities	Company	The list of eligible activities where a company has alignment.	List unique taxonomy aligned activity names under Activity Name per company.	Non-Financial
Aligned Nuclear Gas Activities***	Company	The list of eligible Nuclear and Fossil Gas activities where a company has alignment.	List unique taxonomy aligned activity names under Activity Name per company, if Activity Type - Nuclear, Fossil Gas or Other = Nuclear or Fossil Gas.	Financial and Non-Financial

*Data captured from all three financial KPIs; revenue, capex and opex. **These fields are provided separately for revenue, capex and opex. In this table, only the revenue fields are illustrated. The exact same auto-population logics are applicable to the corresponding capex and opex fields. ***These fields are not applicable to the estimated data since the estimated data does not capture nuclear and gas activities. **** For financial companies, the flag is False if the company is listed, and it has either eligible revenue data or aligned revenue data; the same is applicable for capex. ***** Companies are considered to be involved in nuclear and fossil gas activities if the activity reported eligibility is higher than zero.
Source: Morningstar Sustainalytics

Glossary of Terms

Activity-based Research (ABR)	A unique type of research of Morningstar Sustainalytics that aims to provide assessments on companies' involvement in various economic activities by looking at relevant financial metrics: revenues, capex and opex. For EU Taxonomy Solution, the ABR platform is used to collect, assess, and store EU taxonomy reported and estimated data. It also is used by other products as a research platform to identify the specific business activities of a given company.
Activity Involvement Research	The involvement assessment in ABR that, quantifies the percentage of a company's revenue, derived from its involvement in a specific business activity.
Activity Taxonomy Code	The activity codes as defined by the EU taxonomy regulation. The codes constitute the abbreviation of the relevant objective to which the economic activity is eligible to make a substantial contribution, as well as the Section number of the activity in the relevant Annex covering the objective. For example, the Activity 'Afforestation' would have the Code: CCM 1.1.
Activity Type	The flag used to identify whether an activity is classified as Nuclear, Fossil Gas or Not Nuclear and Fossil Gas by the regulation.
Alignment, Aligned, Taxonomy - aligned	Revenues, capex and/or opex associated with an activity that is: i) included in the EU taxonomy; ii) compliant with Substantial Contribution criteria; iii) passing DNSH and MS screening. The EU taxonomy criteria are defined at the level of economic activities. Therefore, assessing the degree of alignment of a company with the EU taxonomy requires checking the performance of its activities against the criteria.
Analyst Estimated (Source Sub-type)	Eligibility and alignment estimates are supported by analyst research for accuracy and depth, building on initial automation estimates.
Analyst Input (Source Sub-type)	Source sub-type used to provide additional information on the collected EU taxonomy data (e.g. the company sources used to collect EU taxonomy data).
Asset Manager (Financial Entity Type)	Entities managing portfolios of investments on behalf of clients, including collective investment undertakings and their management companies, as well as alternative investment fund managers (AIFMs).
Automation Estimated (Source Sub-type)	Eligibility estimates generated entirely through automation, without analyst input.
Auto-populated (Source Sub-type)	Source sub-type used to classify the data fields that are auto - populated based on the regulatory framework aiming to provide additional information to allow data assessments and analyses.
Climate Change Adaptation (CCA)	The process of adjustment to actual and expected climate change and its impacts.
Climate Change Mitigation (CCM)	The process of holding the increase in the global average temperature to well below 2 °C and pursuing efforts to limit it to 1,5 °C above pre-industrial levels, as laid down in the Paris Agreement.
Credit Institutions (Financial Entity Type)	Undertakings whose business is to receive deposits or other repayable funds from the public and to grant credits for their own account.
CSRD NFRD Flag	A binary flag signalling whether a company is likely subject to the Corporate Sustainability Reporting Directive and Non-Financial Reporting Disclosure Regulation.
Data Validation	Data checks to reduce or eliminate occurrences of data quality defects before publishing to client systems. The solution is based on the specific quality attributes to ensure completeness, accuracy, consistency, and timeliness of the EU taxonomy reported data.
Default Calculated (Source Sub-type)	A Source sub-type used to classify the data that is not included in the EU taxonomy templates but derived using the direct reported EU taxonomy data, to provide a comprehensive dataset.
Direct Reported (Source Sub-type)	A Source sub-type used to classify the EU taxonomy data that are based on the actual EU taxonomy value reported by the company

Do No Significant Harm (DNSH)	DNSH means that an economic activity which contributes substantially to one of the six environmental objectives shall also not significantly harm any of the other five environmental objectives. Technical criteria for DNSH for each activity is referred to, where relevant, in the EU taxonomy regulation.
Eligibility, Eligible, Taxonomy-eligible	Revenues, capex and/or opex associated with an activity that is included in the EU taxonomy. The methodology is based on the EU taxonomy-eligible activities as defined by the latest Climate and Environmental Delegated Acts. The detailed list of activities covered is provided in the mapping file that is part of the client deliverables.
Eligible – not Aligned	Revenues, capex and/or opex for associated with an activity that is i) included in the EU taxonomy for Substantial Contribution to one of the six environmental objectives; ii) not passing TSC, DNSH and/or MS screenings.
Estimated (Source Type)	Source type used to represent the data that is estimated to be eligible or aligned with the EU taxonomy, based on the criteria defined in the EU Taxonomy Solution methodology.
EU Flag	A binary flag signalling whether a company is domiciled in a member state of the European Union.
EU Taxonomy	The EU taxonomy is a science-based classification system that allows financial and non-financial companies to share a common definition of sustainability, when determining the investment choices. It is established to clarify which economic activities are environmentally sustainable, in the context of the European Green Deal.
Explicative (Source Type)	Source type used to provide information on the dataset to enable data analysis. Explicative source type includes two Source sub-types; auto - populated and analyst input.
Financial Conglomerate (Financial Entity Type)	Groups of companies composed of distinct types of financial companies reporting together.
Financial Market Participants (FMP)	Financial Market Participants are defined in the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector, Article 2(1).
Global Standards Screening (GSS)	The Global Standard Screening (GSS) product assesses the impact that companies have on stakeholders and the extent to which companies cause, contribute, or are linked to violations of international norms and standards. Specifically, GSS provides Morningstar Sustainalytics' opinion as to whether a company is violating, or is at risk of violating, a principle(s) of the United Nations Global Compact.
Green Safeguards (GS)	A Green Safeguard (GS) represents a set of criteria for assessing the environmental sustainability of an activity and its contribution to the transition of the economy. While not being as stringent as the EU taxonomy Technical Screening Criteria (TSC), GS assure that a given activity is performed at a best-in-class level. If the requirements of a GS are met, an activity gets incorporated under the 'estimated aligned' category only.
Impact Event Categories	An Event Indicator is a thematic area under which incidents concerning the thematic area are collected. Impact Event Categories reflect the materiality of incidents under each Event Indicator where the company is involved in activities with negative stakeholder or environmental impact. Categories are Category 1 (low); Category 2 (moderate); Category 3 (significant); Category 4 (high); and Category 5 (severe).
Investment Firms (Financial Entity Type)	Firms providing investment services and/or performing investment activities as defined in the EU Taxonomy Regulation.
Insurance and Reinsurance Undertakings (Financial Entity Type)	Companies authorized to conduct insurance or reinsurance business, as defined in Article 13(1) and (4) of Directive 2009/138/EC (Solvency II).
Management Indicator (MI)	An indicator that provides a signal about how effectively a company is managing (a part of) its exposure to a material ESG issue through policies, programs, or quantitative performance, for example. Management indicators comprise a set of Outcome Categories with one being selected to determine the final Indicator Score. The score ranges between 0 (indicating no management) and 100 (indicating best practice).
Minimum Safeguards (MS)	Principles under the EU taxonomy covering minimum requirements in terms of human and labour rights, etc., to be met in business conduct.
Mixed Group	Groups of companies composed by financial and non-financial companies reporting together

Morningstar Sustainalytics EU Taxonomy Solution	Morningstar Sustainalytics' solution to help users leverage the EU taxonomy framework to gain detailed insights about the involvement of companies in environmentally sustainable activities as defined by the EU taxonomy. It provides reported and estimated data on company-level alignment to the EU taxonomy's six environmental objectives.
Most Relevant Objective	The most relevant objective that companies should indicate in bold where an economic activity contributes substantially to multiple environmental objectives, for the purpose of avoiding double counting.
Not Aligned	Share of revenues, capex and/or opex for a given activity that are reported by companies to be 'not aligned' with the EU taxonomy.
Non – eligible	Share of revenues, capex and/or opex that are not covered by taxonomy-eligible activities.
Nuclear and Fossil Gas Activities	Specific nuclear and fossil gas activities scoped in the EU taxonomy regulation that are substantially contributing to climate change mitigation and climate change adaptation objectives.
Objective Level Eligibility/Alignment	Share of eligible/aligned revenues, capex and/or opex per each taxonomy objective.
Overall Eligibility/Alignment	Overall is used in field names to indicate that the information represents company-level information across all taxonomy objectives. Overall Eligibility/Alignment indicates the share of eligible/aligned revenues, capex and/or opex across all taxonomy objectives.
Own Performance Substantial Contribution	To identify the substantial contribution of those activities that are not categorized under one of the regulatory substantial contribution types or not disclosed properly by companies, Morningstar Sustainalytics defines this category type.
Protection and Restoration of Biodiversity and Ecosystems (BIO)	Protecting, conserving, or restoring biodiversity or to achieving the good condition of ecosystems, or to protecting ecosystems that are already in good condition.
Pollution Prevention and Control (PPC)	The process of environmental protection from the direct or indirect introduction of pollutants into air, water, or land because of human activity.
Reported (Source Type)	Source type used to represent the data that is collected from company reports.
Reported Calculated (Source Sub-type)	Source sub-type used to classify the EU taxonomy data that are not available in company reports but derived using the other EU taxonomy data reported by the company.
Substantial Contribution (SC)	Substantial contribution is a term used in EU taxonomy to describe an economic activity that contributes to one or more of the environmental objectives set out in the taxonomy.
Sustainable Activities Involvement (SAI)	Morningstar Sustainalytics Sustainable Activities Involvement research measures companies' level of involvement in economic activities that contribute to achieving a more just and sustainable world.
Sustainable Use and Protection of Water and Marine Resources (WTR)	Achieving the good status of bodies of water, including bodies of surface water and groundwater or to preventing the deterioration of bodies of water that already have good status, or contributes substantially to achieving the good environmental status of marine waters or to preventing the deterioration of marine waters that are already in good environmental status.
Technical Screening Criteria (TSC)	Science-based criteria defined for the EU taxonomy activities which is used to evaluate whether an activity can be considered environmentally sustainable. The term Technical Requirements is used synonymously at times.
Transition to a Circular Economy (CE)	Transition to an economic system whereby the value of products, materials and other resources in the economy is maintained for as long as possible, enhancing their efficient use in production and consumption, thereby reducing the environmental impact of their use, minimising waste, and the release of hazardous substances at all stages of their life cycle, including through the application of the waste hierarchy

Abbreviations

ABR	Activity-based Research
BIO	Protection and Restoration of Biodiversity and Ecosystems
Capex	Capital Expenditures
CCA	Climate Change Adaptation
CCM	Climate Change Mitigation
CE	Transition to a Circular Economy
CSRD	Corporate Sustainability Reporting Directive
DNSH	Do No Significant Harm
EEA	European Economic Area
EFTA	European Free Trade Association
EU	European Union
GAR	Green Asset Ratio
GS	Green Safeguards
GSS	Global Standards Screening
KPI	Key Performance Indicator
MI	Management Indicator
MS	Minimum Safeguards
NFRD	Non-Financial Reporting Directive
Opex	Operational Expenditures
PPC	Pollution Prevention and Control
SAI	Sustainable Activities Involvement
SC	Substantial Contribution
SFDR	Sustainable Finance Disclosure Regulation
SMEs	Small and Medium-Sized Enterprises
TSC	Technical Screening Criteria
WTR	Sustainable Use and Protection of Water and Marine Resources

Endnotes

1 Text that is highlighted in bold gray indicates a term that is explained in the Glossary of terms in the Appendix.

2 For financial companies, KPIs typically represent the proportion of assets aligned with the EU taxonomy, considering these assets' alignment in terms of revenue or capex. In certain cases, financial companies must report the direct alignment of their own fees and premiums. In these instances, the methodology also employs the term revenue. This methodology refers to KPIs for financial companies using the terms revenue or revenue-based and capex or capex-based interchangeably.

3 More details about the EU Green Deal are available here (accessed 01.12.2025): https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal_en. More details about the EU Green Deal are available here (accessed 01.12.2025): https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal_en.

4 More details about the EU Action Plan on Sustainable Finance are available here (accessed 01.12.2025): https://ec.europa.eu/info/publications/sustainable-finance-renewed-strategy_en.

5 Regulation (EU) 2020/852 of the European Parliament and of the Council, referred to also as "Taxonomy Regulation". See also accessed (01.12.2025) at: Regulation - 2020/852 - EN - taxonomy regulation - EUR-Lex (europa.eu).

6 The EU Sustainable Finance Disclosure Regulation (SFDR) is an EU regulation that defines a set of rules to improve sustainability disclosure of financial market participants. See at (accessed 01.12.2025): Regulation - 2019/2088 - EN - sfdr - EUR-Lex (europa.eu).

7 The Corporate Sustainability Reporting Directive (CSRD) is amending the Non-Financial Reporting Directive (NFRD) and expanding its scope. More details are available at (accessed 01.12.2025): https://finance.ec.europa.eu/capital-markets-union-and-financial-markets/company-reporting-and-auditing/company-reporting/corporate-sustainability-reporting_en.

8 The Non-Financial Reporting Directive is a directive adopted by the EU in 2014 that requires certain companies to provide non-financial disclosure. See at (accessed 01.12.2025): Directive - 2014/95 - EN - NFRD - EUR-Lex (europa.eu).

9 More details about the EU Action Plan on Sustainable Finance are available here (accessed 01.12.2025): https://ec.europa.eu/info/publications/sustainable-finance-renewed-strategy_en.

10 To make it easier to use the EU Taxonomy, the Commission launched an IT tool on the EU taxonomy for sustainable activities: EU Taxonomy Compass. See at (accessed 01.12.2025): EU Taxonomy Compass (europa.eu) The tool allows users to navigate easily through the contents of the Climate Delegated Act and Environmental Delegated Act.

For more details on the activities contributing to CCM and/or CCA objectives, refer to the Commission Delegated Regulation (EU) 2021/2139 (see at Delegated regulation - 2021/2139 - EN - EUR-Lex (europa.eu)) and the Commission Delegated Regulation (EU) 2023/2485 amending Delegated Regulation (EU) 2021/2139 (see at Delegated regulation - EU - 2023/2485 - EN - EUR-Lex (europa.eu)).

For more details on the activities contributing to WTR, CE, PPC and/or BIO objectives, refer to the Commission Delegated Regulation (EU) 2023/2486 (see at Delegated regulation - EU - 2023/2486 - EN - EUR-Lex (europa.eu)).

For more details on the Nuclear and Fossil Gas activities, refer to the Commission Delegated Regulation (EU) 2022/1214 (see at Delegated regulation - 2022/1214 - EN - EUR-Lex (europa.eu)).

11 See the Commission Delegated Regulation (EU) 2023/2486 (see at Delegated regulation - EU - 2023/2486 - EN - EUR-Lex (europa.eu)).

12 See the Commission Delegated Regulation (EU) 2023/2485 amending Delegated Regulation (EU) 2021/2139 (see at Delegated regulation - EU - 2023/2485 - EN - EUR-Lex (europa.eu)).

13 More details about the EU Taxonomy Disclosures Delegated Act are available here (accessed 01.12.2025): Taxonomy Regulation - European Commission (europa.eu).

14 To make it easier to use the EU Taxonomy, the Commission launched an IT tool on the EU taxonomy for sustainable activities: EU Taxonomy Compass. See at (accessed 01.12.2025): EU Taxonomy Compass (europa.eu) The tool allows users to navigate easily through the contents of the Climate Delegated Act and Environmental Delegated Act.

15 The EU taxonomy regulation requires reporting on turnover. The word 'revenue' is used as a proxy in the EU Taxonomy Solution.

16 Implemented and delegated acts form the EU taxonomy. See at (accessed 01.12.2025) Taxonomy Regulation - European Commission.

17 Accounting Directive (2013/34/EU), available at (accessed: 01.12.2025): Directive - 2013/34 - EN - ifrs - EUR-Lex (europa.eu).

18 In 2023, the European Commission adopted a Delegated Directive amending the Accounting Directive to adjust the monetary size criteria (balance sheet total being increased from 20 million euros to 25 million euros and net turnover being increased from 40 million euros to 50 million euros). See at (accessed: 01.12.2025): Register of Commission Documents - C(2023)7020 (europa.eu).

19 Implemented and delegated acts form the EU taxonomy. See at (accessed 01.12.2025) Taxonomy Regulation - European Commission

19 Directive 2013/34/EU (Accounting Directive), Article 2, Comma (1).

20 For the exact details on undertakings in scope of CSRD, please refer to Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards corporate sustainability reporting. See at (accessed 01.12.2025): Directive - Corporate Sustainability Reporting Directive.

21 Stop-the-clock directive was published on 16 April 2025 and postpones the application date of CSRD for certain categories of companies. See at (accessed 27.11.2025): Directive (EU) 2025/794 of the European Parliament and of the Council of 14 April 2025.

22 The Commission Delegated Regulation (EU) 2022/1288 supplements the Sustainable Finance Disclosure Regulation (SFDR) and defines how financial market participants must present pre-contractual information to be disclosed pursuant to Article 8(1), (2) and (2a) of Regulation (EU) 2019/2088a. Annex II of the document outlines a template for reporting that includes data points to be collected from companies reporting under the EU Taxonomy. See at (accessed 01.12.2025): EUR-Lex - 32022R1288R(01) - EN - EUR-Lex (europa.eu).

23 Morningstar Sustainalytics EU Taxonomy Portfolio Solution provides aggregated EU taxonomy data. For more details, please request "Morningstar Sustainalytics EU Taxonomy Metrics for Portfolio_Oct 2025" document to your client advisor.

24 To make it easier to use the EU Taxonomy, the Commission launched an IT tool on the EU taxonomy for sustainable activities: EU Taxonomy Compass. See at (accessed 01.12.2025): EU Taxonomy Compass (europa.eu) The tool allows users to navigate easily through the contents of the Climate Delegated Act and Environmental Delegated Act. For more details on the activities contributing to CCM and/or CCA

objectives, refer to the Commission Delegated Regulation (EU) 2021/2139 (see at Delegated regulation - 2021/2139 - EN - EUR-Lex (europa.eu)) and the Commission Delegated Regulation (EU) 2023/2485 amending Delegated Regulation (EU) 2021/2139 (see at Delegated regulation - EU - 2023/2485 - EN - EUR-Lex (europa.eu)). For more details on the activities contributing to WTR, CE, PPC and/or BIO objectives, refer to the Commission Delegated Regulation (EU) 2023/2486 (see at Delegated regulation - EU - 2023/2486 - EN - EUR-Lex (europa.eu)). For more details on the Nuclear and Fossil Gas activities, refer to the Commission Delegated Regulation (EU) 2022/1214 (see at Delegated regulation - 2022/1214 - EN - EUR-Lex (europa.eu)).

[25] In certain cases, financial companies must report the direct alignment of their own fees and premiums. In these instances, the methodology also employs the term revenue.

[26] Commission Notice on the interpretation and implementation of certain legal provisions of the Disclosures Delegated Act under Article 8 of the EU Taxonomy Regulation on the reporting of taxonomy-eligible and taxonomy-aligned economic activities and assets (third Commission Notice). See at (accessed 01.12.2025): EUR-Lex - 52024XC06691 - EN - EUR-Lex (europa.eu).

[27] Under the EU Taxonomy Regulation, entities comprising both financial and non-financial operations are classified as mixed groups. Although currently out of scope, the qualitative nature of this classification has prompted the development of materiality-based rules to capture and interpret disclosures from such entities, enhancing data consistency and coverage. If the company is a mixed group and provides a mixed group template, EU Taxonomy Solution considers if the smaller business segment exceeds 5% of consolidated financial metrics. If it does, the company is classified as a mixed group and not included in the solution.

[28] For the EU taxonomy reporting templates for non-financial companies, refer to the Commission Delegated Regulation (EU) 2023/2486 Supplementing Regulation (EU) (EU) 2020/852 and Amending the Delegated Regulation (EU) 2021/2178. See at (accessed 01.12.2025): Delegated regulation - EU - 2023/2486 - EN - EUR-Lex (europa.eu).

[29] For EU taxonomy reporting requirements for Nuclear and Fossil Gas activities, refer to the Commission Delegated Regulation (EU) 2022/1214. See at (accessed 01.12.2025): Delegated regulation - 2022/1214 - EN - EUR-Lex (europa.eu)).

[30] For the EU taxonomy reporting templates for non-financial companies, refer to the Commission Delegated Regulation (EU) 2023/2486 Supplementing Regulation (EU) (EU) 2020/852 and Amending the Delegated Regulation (EU) 2021/2178. See at (accessed 01.12.2025): Delegated regulation - EU - 2023/2486 - EN - EUR-Lex (europa.eu).

[31] Investment and reinvestment undertakings offering non-life products only do not have asset-level reporting. Instead, their reporting is closer related to non-financial companies and its activity-level reporting includes insurance activities.

[32] Morningstar Sustainalytics “EU Taxonomy Solution Methodology - Version 2.3 - Mapping File_Dec 2025”. Please request the document to your client advisor.

[33] For EU taxonomy reporting requirements for Nuclear and Fossil Gas activities, refer to the Commission Delegated Regulation (EU) 2022/1214. See at (accessed 01.12.2025): Delegated regulation - 2022/1214 - EN - EUR-Lex (europa.eu)).

[34] Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088. See at (accessed 01.12.2025) http://data.europa.eu/eli/reg/2020/852/oj.

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[37] See Annex 5 (3) in Commission Delegated Regulation (EU) 2023/2486, Supplementing Regulation (EU) (EU) 2020/852 and Amending the Delegated Regulation (EU) 2021/2178 (accessed 01.12.2025): Delegated regulation - EU - 2023/2486 - EN - EUR-Lex (europa.eu).

[38] See Annex 5 (3) in Commission Delegated Regulation (EU) 2023/2486, Supplementing Regulation (EU) (EU) 2020/852 and Amending the Delegated Regulation (EU) 2021/2178 (accessed 01.12.2025): Delegated regulation - EU - 2023/2486 - EN - EUR-Lex (europa.eu).

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however, the automation engine's output is published without this review. The mapping file specifies which activities fall into each category. For further details, please contact your client advisor.

[54] SAI research currently provides revenues only.

[55] EU Taxonomy Climate Delegated Act (accessed 01.12.2025): Taxonomy Regulation - European Commission (europa.eu).

[56] Management Indicators (MI) are part of the ESG Data Product of Morningstar Sustainalytics. Please contact your client advisor for more information on Morningstar Sustainalytics ESG Data Product.

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[59] See "Morningstar Sustainalytics Global Standards Screening Methodology, Version 2.4", December 2024.

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[62] Financial Conglomerate is a company that operates across multiple financial sectors—such as banking, insurance, and asset management—and meets specific thresholds for size or cross-sectoral activity, including €6 billion in balance sheet total per sector or 10% of consolidated financial metrics. If a company has multiple activities that meet the thresholds, the EU Taxonomy Solution classifies it as a financial conglomerate (FC); otherwise, apply the single template of disclosure if available. See the definition of financial conglomerate at (accessed 01.12.2025): EUR-Lex CELEX:32002L0087 – EN- EUR-Lex (europa.eu).

[63] Commission Notice on the interpretation and implementation of certain legal provisions of the Disclosures Delegated Act under Article 8 of the EU Taxonomy Regulation on the reporting of taxonomy-eligible and taxonomy-aligned economic activities and assets (third Commission Notice). See at (accessed 01.12.2025): EUR-Lex - 52024XC06691 - EN - EUR-Lex (europa.eu).

Change Log

Version	Date	Initiator	Main items that changed	Rationale
1.0	01.09.2020	MPA	N/A	N/A
1.1 (formerly 2.0) *	01.07.2021	Impact & Compliance MPA	Updated methodology.	Updated product release.
1.2 (formerly 2.1) *	01.02.2022	Impact & Compliance MPA	N/A	N/A
1.3 (formerly 3.0) *	01.10.2022	Impact & Compliance MPA	Updated methodology for several innovations, including: ▸ Climate change adaptation objective ▸ Cross-objective ▸ Coefficient estimations ▸ SAI-based green safeguard	▸ Updated product release.
1.4 (formerly 3.1) *	10.11.2023	Impact & Compliance MPA	Updated ABR methodology to reflect the switch from involvement models to automated estimation. Updated the document preamble. Exhibits 20.1, 21.2, 21.3 updated.	Release of ABR estimation models and general document update.
2.0	04.09.2024	R&M, Regulatory Product Excellence & Oversight	The EU Taxonomy Solution enhanced: ▸ Inclusion of the remaining 4 objectives (Water, Pollution, Circular Economy, and Biodiversity) and their defined activities. ▸ Decommission of estimation models. ▸ Hierarchical decoupling of data levels.	To provide standalone reported data capturing the latest regulatory reporting requirements for non-financial companies.
2.1	01.10.2024	R&M, Regulatory Product Excellence & Oversight	The product scope is expanded with estimated data from 1.4. product version: ▸ Includes estimates at company level. ▸ Only CCM objective. ▸ Static data up to and including FY2022. The sections that discussed the EU taxonomy limitations, and the data statistics are removed from the methodology document.	To provide estimated data that is used in EU Taxonomy Portfolio Aggregation. To keep the focus on the methodology of the EU Taxonomy Solution.
2.2	20.12.2024	R&M, Regulatory Product Excellence & Oversight	The product scope is expanded with reported data from financial institutions.	To provide standalone reported data capturing the latest regulatory reporting requirements for financial companies.

Version	Date	Initiator	Main items that changed	Rationale
2.3	06.02.2026	R&M, Regulatory Product Excellence & Oversight	i. Product scope was expanded for eligibility estimates, and methodology was enhanced for alignment estimates, resulting in a decrease in alignment activity scope. ii. Reported data simplified by removing company objective-level fields for "eligible" and "eligible - not aligned" data. iii. Added objective-level alignment research for financial companies. iv. CSRD NFRD flag updated to align with the latest regulatory definitions.	i. To align eligibility estimates for non-financial companies with the EU taxonomy activity scope, and to enhance the alignment methodology to meet and exceed the regulatory "use of estimates" guidance. ii. To avoid confusion on objective double counting, as substantial contribution at the objective level is more relevant for alignment. iii. New research for financial company data to provide the breakdown for objective level alignment. iv. To align with the latest large undertaking definition for CSRD NFRD flag; balance sheet threshold increased from 20 to 25 million euros, and net turnover from 40 to 50 million euros.

* The version numbering system was adapted in 2024 so that the methodology document version matches the product release version. As a result, some previous versions of the methodology document may denote a version according to the old system and it is recommended to consider the date of the document to avoid any confusion about the version of the document.

About Morningstar Sustainalytics

Morningstar Sustainalytics is a leading ESG research, ratings, and data firm that supports investors around the world with the development and implementation of responsible investment strategies. For 30 years, the firm has been at the forefront of developing high-quality, innovative solutions to meet the evolving needs of global investors. Today, Morningstar Sustainalytics works with hundreds of the world's leading asset managers and pension funds who incorporate ESG and corporate governance information and assessments into their investment processes. The firm also works with hundreds of companies and their financial intermediaries to help them consider ESG Risk in policies, practices, and capital projects. For more information, visit www.sustainalytics.com.

Endnotes

[1] Text that is highlighted in bold gray indicates a term that is explained in the Glossary of terms in the Appendix.

[2] For financial companies, KPIs typically represent the proportion of assets aligned with the EU taxonomy, considering these assets' alignment in terms of revenue or capex. In certain cases, financial companies must report the direct alignment of their own fees and premiums. In these instances, the methodology also employs the term revenue. This methodology refers to KPIs for financial companies using the terms revenue or revenue-based and capex or capex-based interchangeably.

[3] More details about the EU Green Deal are available here (accessed 01.12.2025): https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal_en. More details about the EU Green Deal are available here (accessed 01.12.2025): https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal_en.

[4] More details about the EU Action Plan on Sustainable Finance are available here (accessed 01.12.2025): https://ec.europa.eu/info/publications/sustainable-finance-renewed-strategy_en.

[5] Regulation (EU) 2020/852 of the European Parliament and of the Council, referred to also as "Taxonomy Regulation". See also accessed (01.12.2025) at: Regulation - 2020/852 - EN - taxonomy regulation - EUR-Lex (europa.eu).

[6] The EU Sustainable Finance Disclosure Regulation (SFDR) is an EU regulation that defines a set of rules to improve sustainability disclosure of financial market participants. See at (accessed 01.12.2025): Regulation - 2019/2088 - EN - sfdr - EUR-Lex (europa.eu).

[7] The Corporate Sustainability Reporting Directive (CSRD) is amending the Non-Financial Reporting Directive (NFRD) and expanding its scope. More details are available at (accessed 01.12.2025): https://finance.ec.europa.eu/capital-markets-union-and-financial-markets/company-reporting-and-auditing/company-reporting/corporate-sustainability-reporting_en.

[8] The Non-Financial Reporting Directive is a directive adopted by the EU in 2014 that requires certain companies to provide non-financial disclosure. See at (accessed 01.12.2025): Directive - 2014/95 - EN - NFRD - EUR-Lex (europa.eu).

[9] More details about the EU Action Plan on Sustainable Finance are available here (accessed 01.12.2025): https://ec.europa.eu/info/publications/sustainable-finance-renewed-strategy_en.

[10] To make it easier to use the EU Taxonomy, the Commission launched an IT tool on the EU taxonomy for sustainable activities: EU Taxonomy Compass. See at (accessed 01.12.2025): EU Taxonomy Compass (europa.eu) The tool allows users to navigate easily through the contents of the Climate Delegated Act and Environmental Delegated Act.

For more details on the activities contributing to CCM and/or CCA objectives, refer to the Commission Delegated Regulation (EU) 2021/2139 (see at Delegated regulation - 2021/2139 - EN - EUR-Lex (europa.eu)) and the

Commission Delegated Regulation (EU) 2023/2485 amending Delegated Regulation (EU) 2021/2139 (see at Delegated regulation - EU - 2023/2485 - EN - EUR-Lex (europa.eu)).

For more details on the activities contributing to WTR, CE, PPC and/or BIO objectives, refer to the Commission Delegated Regulation (EU) 2023/2486 (see at Delegated regulation - EU - 2023/2486 - EN - EUR-Lex (europa.eu)).

For more details on the Nuclear and Fossil Gas activities, refer to the Commission Delegated Regulation (EU) 2022/1214 (see at Delegated regulation - 2022/1214 - EN - EUR-Lex (europa.eu)).

[11] See the Commission Delegated Regulation (EU) 2023/2486 (see at Delegated regulation - EU - 2023/2486 - EN - EUR-Lex (europa.eu)).

[12] See the Commission Delegated Regulation (EU) 2023/2485 amending Delegated Regulation (EU) 2021/2139 (see at Delegated regulation - EU - 2023/2485 - EN - EUR-Lex (europa.eu)).

[13] More details about the EU Taxonomy Disclosures Delegated Act are available here (accessed 01.12.2025): Taxonomy Regulation - European Commission (europa.eu).

[14] To make it easier to use the EU Taxonomy, the Commission launched an IT tool on the EU taxonomy for sustainable activities: EU Taxonomy Compass. See at (accessed 01.12.2025): EU Taxonomy Compass (europa.eu) The tool allows users to navigate easily through the contents of the Climate Delegated Act and Environmental Delegated Act.

[15] The EU taxonomy regulation requires reporting on turnover. The word 'revenue' is used as a proxy in the EU Taxonomy Solution.

[16] Implemented and delegated acts form the EU taxonomy. See at (accessed 01.12.2025) Taxonomy Regulation - European Commission.

[17] Accounting Directive (2013/34/EU), available at (accessed: 01.12.2025): Directive - 2013/34 - EN - ifrs - EUR-Lex (europa.eu).

[18] In 2023, the European Commission adopted a Delegated Directive amending the Accounting Directive to adjust the monetary size criteria (balance sheet total being increased from 20 million euros to 25 million euros and net turnover being increased from 40 million euros to 50 million euros). See at (accessed: 01.12.2025): Register of Commission Documents - C(2023)7020 (europa.eu).

[19] Directive 2013/34/EU (Accounting Directive), Article 2, Comma (1).

[20] For the exact details on undertakings in scope of CSRD, please refer to Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards corporate sustainability reporting. See at (accessed 01.12.2025): Directive - Corporate Sustainability Reporting Directive.

[21] Stop-the-clock directive was published on 16 April 2025 and postpones the application date of CSRD for certain categories of companies. See at (accessed 27.11.2025): Directive (EU) 2025/794 of the European Parliament and of the Council of 14 April 2025.

[22] The Commission Delegated Regulation (EU) 2022/1288 supplements the Sustainable Finance Disclosure Regulation (SFDR) and defines how financial market participants must present pre-contractual information to be disclosed pursuant to Article 8(1), (2) and (2a) of Regulation (EU) 2019/2088a. Annex II of the document outlines a template for reporting that includes data points to be collected from companies reporting under the EU Taxonomy. See at (accessed 01.12.2025): EUR-Lex - 32022R1288R(01) - EN - EUR-Lex (europa.eu).

[23] Morningstar Sustainalytics EU Taxonomy Portfolio Solution provides aggregated EU taxonomy data. For more details, please request "Morningstar Sustainalytics EU Taxonomy Metrics for Portfolio_Oct 2025" document to your client advisor.

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[27] Under the EU Taxonomy Regulation, entities comprising both financial and non-financial operations are classified as mixed groups. Although currently out of scope, the qualitative nature of this classification has prompted the development of materiality-based rules to capture and interpret disclosures from such entities, enhancing data consistency and coverage. If the company is a mixed group and provides a mixed group template, EU Taxonomy Solution considers if the smaller business segment exceeds 5% of consolidated financial metrics. If it does, the company is classified as a mixed group and not included in the solution.

[28] For the EU taxonomy reporting templates for non-financial companies, refer to the Commission Delegated Regulation (EU) 2023/2486 Supplementing Regulation (EU) (EU) 2020/852 and Amending the Delegated Regulation (EU) 2021/2178. See at (accessed 01.12.2025): Delegated regulation - EU - 2023/2486 - EN - EUR-Lex (europa.eu).

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[31] Investment and reinvestment undertakings offering non-life products only do not have asset-level reporting. Instead, their reporting is closer related to non-financial companies and its activity-level reporting includes insurance activities.

[32] Morningstar Sustainalytics "EU Taxonomy Solution Methodology - Version 2.3 - Mapping File_Dec 2025". Please request the document to your client advisor.

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[63]Commission Notice on the interpretation and implementation of certain legal provisions of the Disclosures Delegated Act under Article 8 of the EU Taxonomy Regulation on the reporting of taxonomy-eligible and taxonomy-aligned economic activities and assets (third Commission Notice). See at (accessed 01.12.2025): EUR-Lex - 52024XC06691 - EN - EUR-Lex (europa.eu).