

EU Taxonomy Sector Snapshot

Manufacturing

The EU Taxonomy is the cornerstone of the EU sustainable finance strategy. It is a classification system that defines sustainable economic activities across six environmental objectives, to scale up sustainable investment.

By offering a common methodology for evaluating the environmental impact of economic activities, the EU Taxonomy ensures that investments align with the EU's environmental objectives, ultimately enabling companies to secure funding for the necessary transition to a net-zero economy.

This report provides an overview of your sector's early implementation of the EU Taxonomy, based on companies' 2023 responses to CDP*. Additionally, CDP has curated a general list of recommendations on how to report accurate and comprehensive taxonomy data to investors through our questionnaires.

Explore the snapshots for other sectors [here](#).

Disclaimer: CDP's latest report found that companies in any given sector may have widely differing economic activities that may or may not be under the scope of the EU Taxonomy. Therefore, we recommend caution when analyzing sector averages related to Taxonomy alignment. To hold companies accountable to the same benchmark, activity-level clustering is encouraged.

*The following report has been prepared by CDP using the public responses from the CDP 2023 Climate Change questionnaire. Sectors are based on CDP's [Activity Classification System \(ACS\)](#). The sample includes companies from the EU27 + EFTA that reported information aligned with the EU Taxonomy for sustainable activities.

Alignment of spending/revenue with climate transition

Companies need to report on whether their spending and revenue support their climate transition plan.

Companies can use the EU Taxonomy to **improve their environmental performance and to attract investors**. This tool can also be used by companies to inform and add credibility to the progress being made on their commitment to mitigate and adapt to climate change.

Please refer to the [CDP Climate Transition Plan technical note](#) for more details.

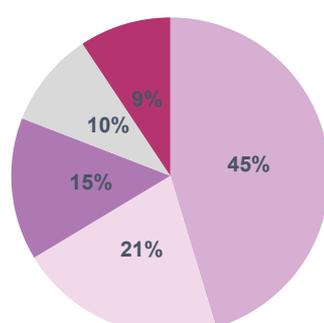
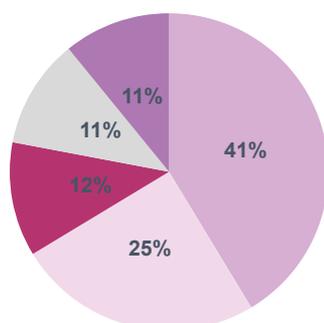
Reporting best practice

These charts show the percent of companies that reported alignment of spending and/or revenue with either a sustainable finance taxonomy or their climate transition plan, **in question C3.5**.

In 2023, companies could report on both to account for situations where they might have a large share of their activities not covered by the EU Taxonomy, but still considered their alignment to some activities covered by the Taxonomy.

All EU companies

Manufacturing companies



- No, but plan to in the next two years
- No, and do not plan to in the next two years
- Identify alignment with our climate transition plan
- Identify alignment with both
- Identify alignment with a sustainable finance taxonomy

762 companies in the Manufacturing sector responded to question C3.5

Reported level of alignment with EU Taxonomy

By focusing on the activity level, the EU Taxonomy supports companies in their climate transition – by providing incentives for companies to gradually increase their share of green economic activities to attract more investors or possibly new and different types of investors.

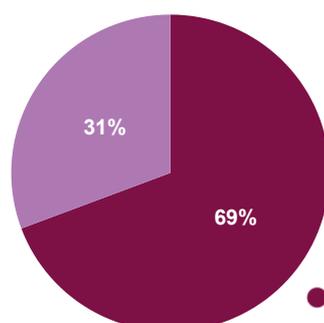
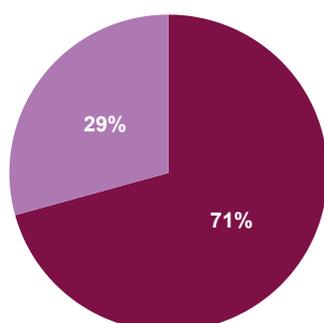
Reporting best practice

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 (see page 3).

Consequently, companies disclosing alignment against the EU Taxonomy should be reporting information at both company and activity level, in question C3.5.

All EU Companies

Manufacturing companies



- At both the company and activity level
- At the company level only

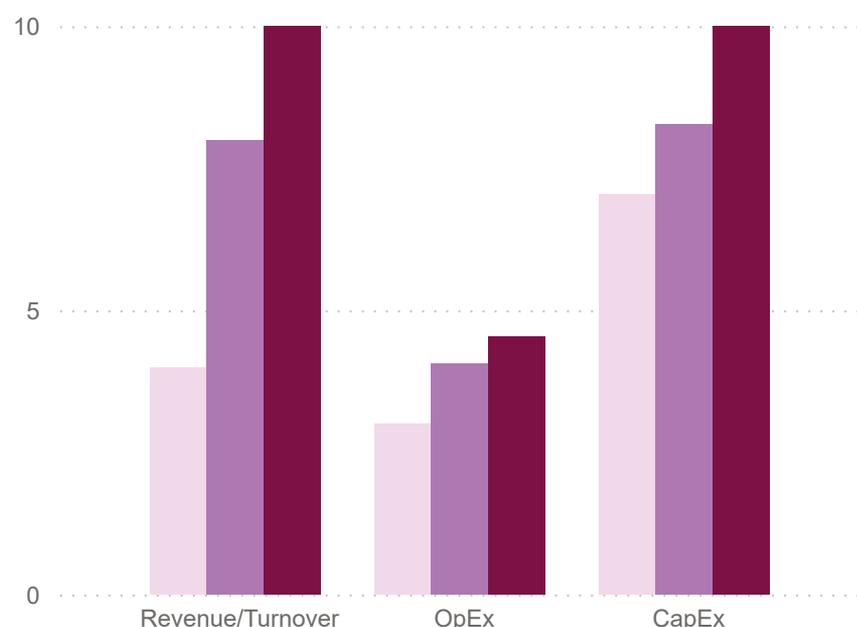
These charts show the number of companies that identify alignment with a sustainable finance taxonomy in C3.5. Of the 762 in the Manufacturing sector responding to C3.5, 127 companies reported they identify alignment with a sustainable finance taxonomy.

Spending/revenue aligned with EU Taxonomy at company level

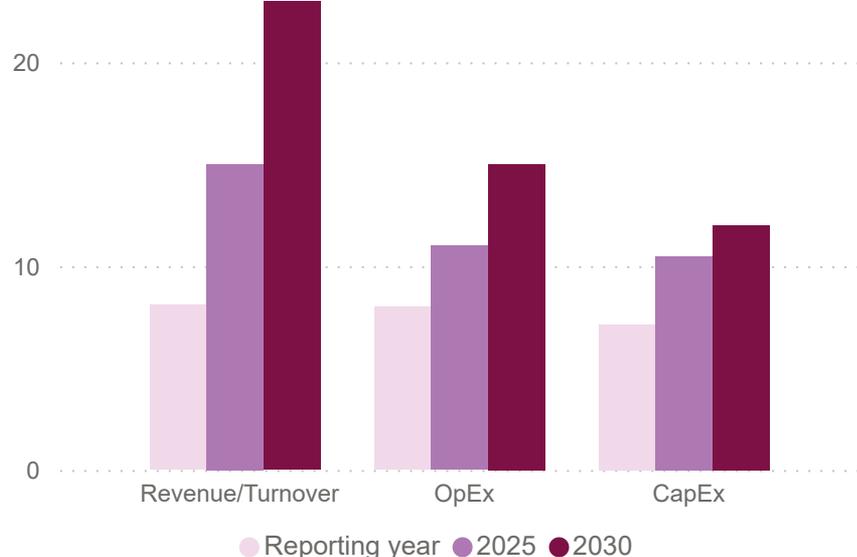
Question C3.5a requests information to be provided at the company (organizational) level. Companies that indicated alignment at both the company and activity level have the opportunity to provide activity-level information in the subsequent question, **C3.5b**.

These graphs show the median percentage share of company-wide spending and/or revenue aligned with the EU Taxonomy – for each financial metric (ie CapEx, OpEx, and revenue/turnover).

All EU companies



Manufacturing companies



Revenue/Turnover, OpEx and CapEx are presented in median values. The figures exclude companies that do not use the EU Taxonomy to identify spending/revenues in line with their climate transition.

Reporting best practice

1) Reporting on all financial metrics

A high share of capital expenditure (CapEx) alignment with the EU Taxonomy is a positive signal that a company is acting to mitigate risks and address opportunities connected to the climate transition.

Incomplete answers do not allow for this important data to be accurately interpreted by investors. Companies should calculate and report on all financial metrics. **In case a number to be reported is zero, companies should insert a zero instead of leaving blank cells.**

2) Reporting alignment figures

Reporting year figures should be based on the company's financial statement for the reporting year, consistent with the organizational boundary as disclosed in question C0.5.

Forward-looking figures (2025/2030) are part of a company's ambitions to increase alignment and inform stakeholders about the planned trajectory. **This answer should be derived from the company's overall transition plan**, referencing the activities targeted for improvement within the period specified. **It is acknowledged that figures for future years will be estimates.** Assumptions underlying these estimates should also be disclosed under 'Please explain' in **question C3.5a**.

Top 3 companies in Manufacturing with highest % of Taxonomy alignment by KPI

Company	Revenue/turnover	Company	CapEx	Company	OpEx
Fastned B.V.	100.00	Fastned B.V.	100.00	Fastned B.V.	100.00
Siemens Gamesa Renewable Energy SA	99.00	LUG S.A.	89.05	LUG S.A.	75.58
Vestas Wind Systems A/S	96.00	Danieli & C Officine Meccaniche S.p.A.	85.00	AIXTRON SE	73.10

Total number of companies reporting % alignment with EU Taxonomy by KPI

Of the 127 companies in the Manufacturing sector reporting they identify alignment to a sustainable finance taxonomy in C3.5, 98 companies report actual KPI values at a company level in C3.5a. The table below gives a breakdown of how many of those companies report a value for each KPI.

	Aligned Revenue/Turnover	Aligned CapEx	Aligned OpEx
Manufacturing	59	47	44

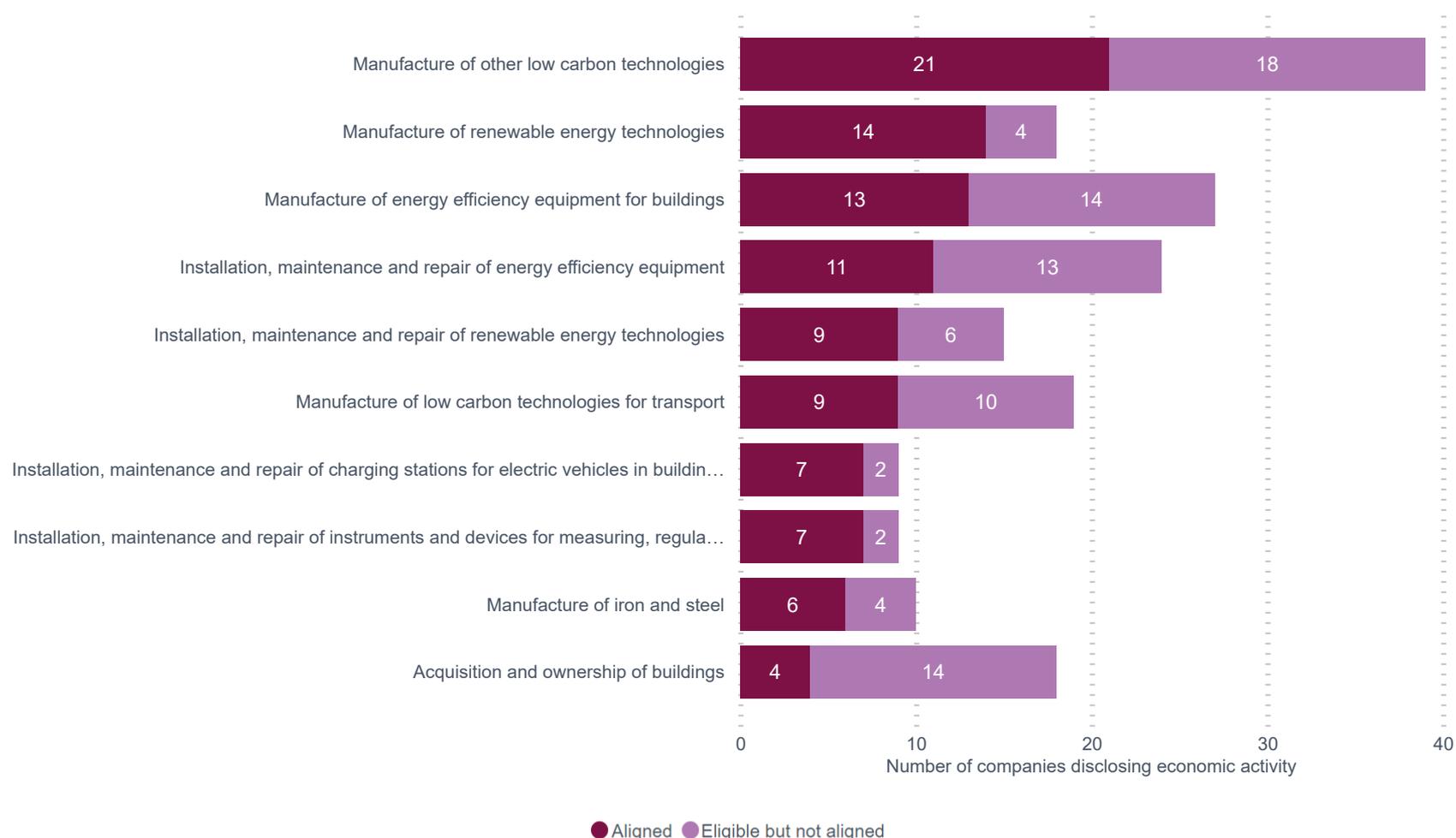
Spending/revenue aligned with EU Taxonomy at activity level

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 (see definition box below).

Companies should disclose the extent to which their spending and revenue are directed at or derived from activities defined as sustainable by the EU Taxonomy. The list of economic activities in the CDP questionnaire corresponds to the EU Taxonomy classification of environmentally sustainable economic activities on climate change mitigation or adaptation.

The graph below shows the most frequently reported economic activities in the Manufacturing sector, across all three KPIs and climate objectives.

10 most frequently reported economic activities in Manufacturing



Of the 98 companies in the Manufacturing sector that report actual KPI values at a company level in C3.5a, 53 companies report KPI values against aligned activities, and 48 companies report KPI values against eligible but not aligned activities in C3.5b.

Definition of sustainable economic activities

Economic activities are **'eligible'** if they are listed in the [Climate Delegated Act](#) to the EU Taxonomy Regulation. Eligible economic activities are considered **'aligned'** when they meet all EU Taxonomy criteria.

In other words, an activity is considered 'Taxonomy-eligible but not aligned' if an organization generates turnover or invests in capital or operating expenditure corresponding to an activity listed in the Delegated Act, but the activity fails to pass all other EU Taxonomy criteria.

Economic activities qualify as environmentally sustainable under the EU Taxonomy when they:

- ▶ Contribute substantially to one or more of the environmental objectives;
- ▶ Do not significantly harm any of the environmental objectives;
- ▶ Are carried out in compliance with the minimum safeguards; and
- ▶ Comply with technical screening criteria.

You can find further information [here](#).

Reporting best practice

Companies should **avoid double counting an activity that can be aligned with different environmental objectives** as this would inaccurately inflate their numbers.

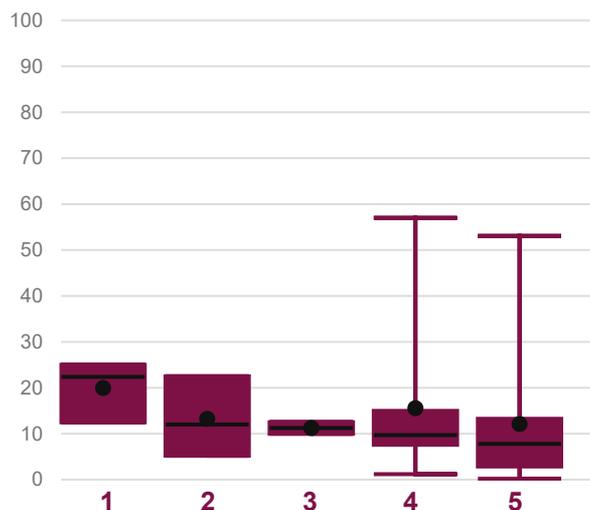
For further information on how to avoid double counting, please refer to the EU Commission's guidance ([EU Commission FAQs, p. 15-17](#)).

Taxonomy aligned economic activities

The EU Taxonomy list of sustainable activities will continue to expand over the years. Policymakers have started by including the activities with the highest potential to contribute to the transition to a net-zero economy. You can see examples of activities for your sector in the [EU Taxonomy Compass](#).

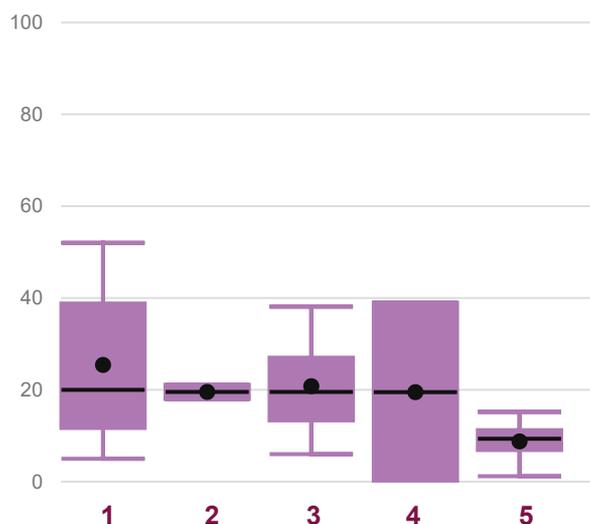
The charts below show **Taxonomy-aligned activities within Manufacturing**, ranked by the highest revenue/spending using the **median values**. The averages are illustrated with black dots on the charts, and median values with black lines. Maximum and minimum reported percentages are depicted with coloured lines. The length of the coloured box depicts the interquartile range.

Top 5 economic activities in Manufacturing ranked by highest median % Taxonomy aligned revenue/turnover



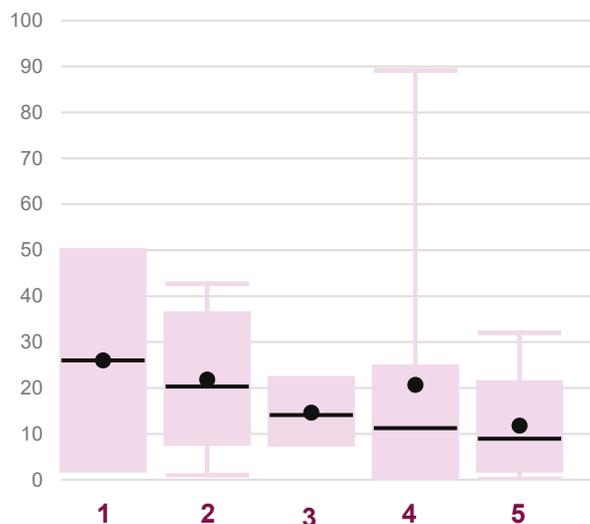
Economic activity	Max of reported % of total turnover	Company
1 Installation, maintenance and repair of renewable energy technologies	25.00	Vestas Wind Systems A/S
2 Transmission and distribution of electricity	22.50	Eitel AB
3 Manufacture of iron and steel	12.50	SCHOELLER BLECKMANN OILFIELD EQUIPMENT (SBO)
4 Manufacture of low carbon technologies for transport	57.00	Alstom
5 Manufacture of other low carbon technologies	53.07	LUG S.A.

Top 5 economic activities in Manufacturing ranked by highest median % Taxonomy aligned CapEx



Economic activity	Max of reported % of total CapEx	Company
1 Manufacture of low carbon technologies for transport	52.00	Alstom
2 Manufacture of iron and steel	21.10	SCHOELLER BLECKMANN OILFIELD EQUIPMENT (SBO)
3 Transmission and distribution of electricity	38.12	Nexans
4 Cogeneration of heat/cool and power from bioenergy	39.00	Metsä Board Corporation
5 Acquisition and ownership of buildings	15.20	Dürr Aktiengesellschaft

Top 5 economic activities in Manufacturing ranked by highest median % Taxonomy aligned OpEx



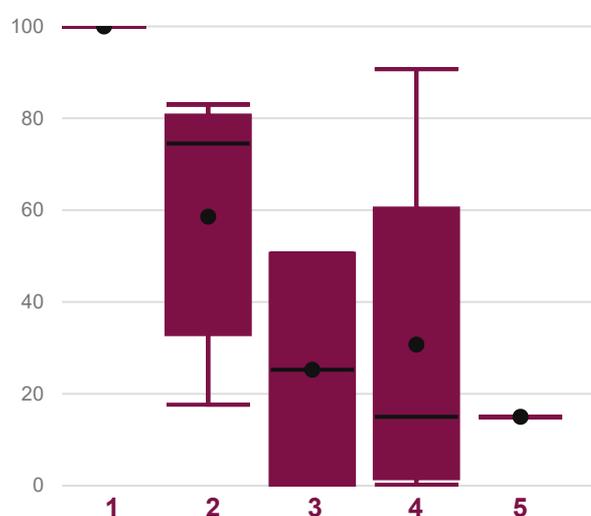
Economic activity	Max of reported % of total OpEx	Company
1 Computer programming, consultancy and related activities	50.00	LUG S.A.
2 Manufacture of low carbon technologies for transport	42.70	Volkswagen AG
3 Transmission and distribution of electricity	22.10	Eitel AB
4 Manufacture of renewable energy technologies	89.11	Siemens Gamesa Renewable Energy SA
5 Manufacture of other low carbon technologies	32.00	Metso Corporation

Taxonomy eligible but not-aligned economic activities

The EU Taxonomy list of sustainable activities will continue to expand over the years. Policymakers have started by including the activities with the highest potential to contribute to the transition to a net-zero economy. You can see examples of activities for your sector in the [EU Taxonomy Compass](#).

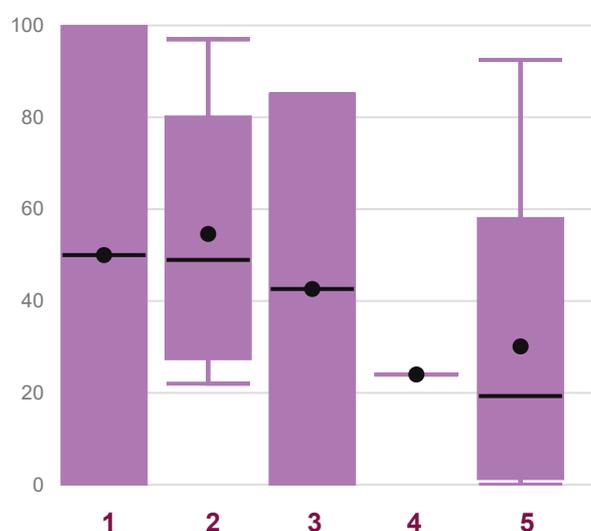
The chart below show **Taxonomy eligible but not aligned activities within Manufacturing**, ranked by the highest revenue/spending using the **median values**. The averages are illustrated with black dots on the charts, and median values with black lines. Maximum and minimum reported percentages are depicted with coloured lines. The length of the coloured box depicts the interquartile range.

Top 5 economic activities in Manufacturing ranked by highest median % taxonomy eligible not aligned revenue/turnover



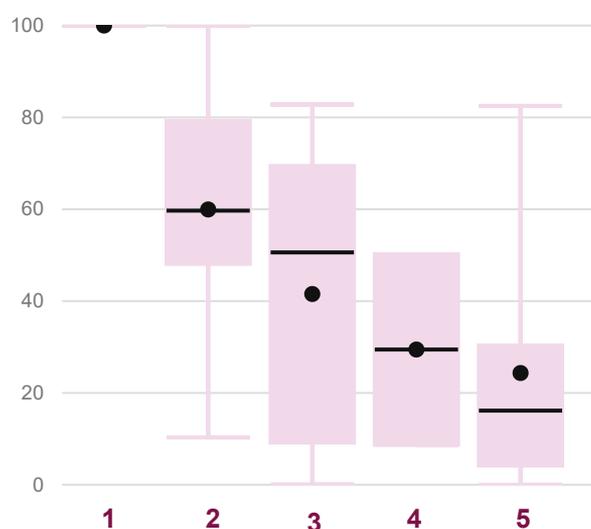
Economic activity	Max of reported % of total turnover	Company
1 Infrastructure enabling low-carbon road transport and public transport	100.00	Fastned B.V.
2 Manufacture of low carbon technologies for transport	83.00	Ferrari
3 Manufacture of iron and steel	50.50	Danieli & C Officine Meccaniche S.p.A.
4 Manufacture of energy efficiency equipment for buildings	90.70	Recticel N.V.
5 Transport by motorbikes, passenger cars and light commercial vehicles	15.00	Mercedes-Benz Group AG

Top 5 economic activities in Manufacturing ranked by highest median % taxonomy eligible not aligned CapEx



Economic activity	Max of reported % of total CapEx	Company
1 Infrastructure enabling low-carbon road transport and public transport	100.00	Fastned B.V.
2 Manufacture of low carbon technologies for transport	97.00	Ferrari
3 Manufacture of iron and steel	85.00	Danieli & C Officine Meccaniche S.p.A.
4 Forest management	24.00	Corticeira Amorim SGPS SA
5 Manufacture of energy efficiency equipment for buildings	92.50	Recticel N.V.

Top 5 economic activities in Manufacturing ranked by highest median % taxonomy eligible not aligned OpEx

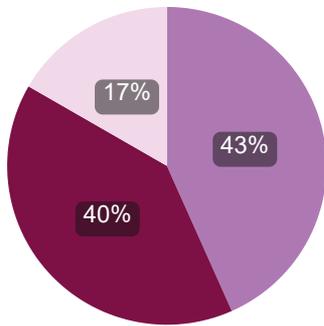


Economic activity	Max of reported % of total OpEx	Company
1 Infrastructure enabling low-carbon road transport and public transport	100.00	Fastned B.V.
2 Manufacture of low carbon technologies for transport	100.00	Ferrari
3 Manufacture of energy efficiency equipment for buildings	82.80	Recticel N.V.
4 Manufacture of iron and steel	50.20	Danieli & C Officine Meccaniche S.p.A.
5 Manufacture of other low carbon technologies	82.50	KION GROUP AG

EU Taxonomy Technical Screening Criteria

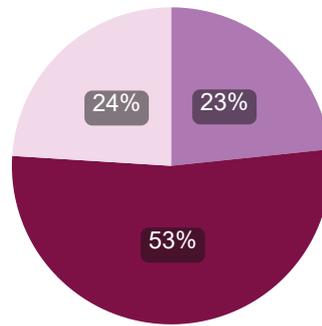
The graphs below show the activities reported as eligible but not aligned across all KPIs (CapEx, OpEx, and Turnover/Revenue) for your sector. In **question C3.5b** companies were asked to disclose if the activity reported meets the technical screening criteria for Substantial Contribution (SC) to climate change mitigation and/or climate change adaptation, if it does not significantly harm other environmental objectives (DNSH), and whether it complies with the minimum safeguards required.

Substantial contribution (SC) criteria met



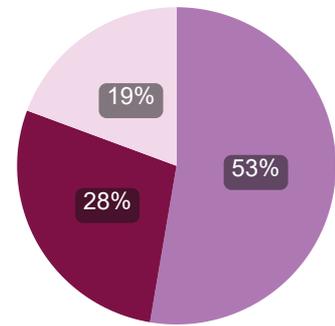
● Yes ● No ● Did not report if met

Do no significant harm (DNSH) criteria met



● Yes ● No ● Did not report if met

Minimum safeguards compliance criteria met



● Yes ● No ● Did not report if met

Of the 98 companies in the Manufacturing sector that report actual KPI values at a company level in C3.5a, 48 companies report KPI values against eligible but not aligned activities in C3.5b.

Reporting best practice

Below are general recommendations we encourage companies to consider when reporting EU Taxonomy data through the CDP questionnaire.

- ▼ **Disclose information at both company and activity level.** Companies reporting on their EU Taxonomy KPIs are encouraged to disclose the totals aggregated at the company level, **as well as providing the details at economic activity level.** This information is key for stakeholders to understand companies' specific context and transition journey.
- ▼ **Sum of economic activity level KPIs should match the entity level KPIs.** The percentage of aligned KPIs is to be calculated based on the total KPI of the company – meaning all the revenues generated by a company, not just the subset of the revenues that are eligible under the EU Taxonomy. Similarly, the sum of aligned and eligible but not aligned KPIs for a specific economic activity contributing to one of the objectives should be equal to the total revenues that the company generates from this specific activity.
- ▼ **Companies should be consistent in their disclosures of aligned and eligible but not aligned Taxonomy KPIs** when providing details at the economic activity level. Reporting zeros over blank values is a good reporting practice and makes the information usable for stakeholders. For example, if a company has 40% of revenues derived from an economic activity that is aligned, it should indicate if it also generates revenues for the same economic activity that is eligible but not aligned.
- ▼ **Aligned activities should satisfy both the criteria for SC and DNSH.** Only eligible but not aligned activities can either fail one of the two or the two. It can be considered best practice to disclose which of the criteria the economic activity is failing, as it is essential to signal companies that are making progress towards alignment at least by going above DNSH levels, even if the SC threshold is not reached yet.
- ▼ **DNSH criteria are activity-based**, while minimum safeguards should be evaluated at the entity level. Companies should disclose how they assessed that a specific activity is meeting the relevant criteria, as opposed to giving information on a general approach followed by the company to assess DNSH.
- ▼ **Best practice for EU Taxonomy KPI disclosure is disclosing on all 3 KPIs** (revenue, CapEx, and OpEx) and on both **climate change mitigation and adaptation objectives.** The latter are not optional disclosures but regulatory requirements.

For further information

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With the contribution of the LIFE Programme of the European Union. The content of this report is the sole responsibility of the author and can under no circumstances be regarded as reflecting the position of the European Union.

About CDP

CDP is a global non-profit that runs the world's environmental disclosure system for companies, cities, states and regions. Founded in 2000 and working with more than 740 financial institutions with over \$130 trillion in assets, CDP pioneered using capital markets and corporate procurement to motivate companies to disclose their environmental impacts, and to reduce greenhouse gas emissions, safeguard water resources and protect forests. Over 25,000 organizations around the world disclosed data through CDP in 2023, including more than 23,000 companies – including listed companies worth two thirds global market capitalization - and over 1,100 cities, states and regions. Fully TCFD aligned, CDP holds the largest environmental database in the world, and CDP scores are widely used to drive investment and procurement decisions towards a zero carbon, sustainable and resilient economy. CDP is a founding member of the Science Based Targets initiative, We Mean Business Coalition, The Investor Agenda and the Net Zero Asset Managers initiative. Visit cdp.net or follow us @CDP to find out more.

CDP FinACTION Project

Under the EU-funded [FinACTION project](#), CDP leverages EU LIFE funding to drive market uptake and scale EU ambition and best practice globally through the CDP system while engaging and enabling companies to disclose and act on their environmental impacts in line with ambitious European regulatory requirements and a science-based transition to a net-zero and nature-positive economy.

Important Notice

This document constitutes a non-legal and non-exhaustive guide to regulatory requirements and how reporting through CDP can help CDP stakeholders meet some of these requirements.

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