

# EU Taxonomy Regulation reporting

The EU Taxonomy Regulation (EU) 2020/852 is a classification system that encompasses a standard set of definitions for sustainable activities. The aim of the Regulation is to help the EU in guiding sustainable investments by requiring companies to report on the parts of revenue\*, capital expenditures (CAPEX) and operational expenditures (OPEX), which are associated with environmentally sustainable economic activities. The defined activities are centered around six environmental objectives (climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and protection and restoration of biodiversity and ecosystems).

For 2023, all six objectives are in scope for reporting eligibility as the technical annexes for the last four environmental objectives was adopted in 2023 by the European Commission. This means that companies must assess whether they have economic activities that qualify as eligible under the Regulation (“eligible activities”) and report the proportion of revenue, CAPEX, and OPEX related to the eligible activities. For economic activities included in the two climate objectives, climate change mitigation and climate change adaptation, companies must further assess the alignment of the eligible activities to the Regulation. Alignment is deter-

mined by the technical screening criteria through “substantially contributing” to at least one of the objectives and ensuring to “do no substantial harm (DNSH)” to the remaining objectives, while also meeting the “minimum social safeguards”.

Despite the positive environmental impact of Novozymes’ biosolutions and our focus on minimizing our environmental footprint, Novozymes’ core activities do not fall within the scope of the activities defined in the EU Taxonomy. However, we have screened our non-core activities against the six environmental objectives to identify the proportion of any eligible and potentially aligned activities.

We screened the activities listed in the technical annexes under the Delegated Regulations 2021/2139 and 2023/2486, including amendments to Delegated Regulation 2021/2139 as set forth in the Delegated Regulation 2023/2485 to identify eligible and aligned activities.

## Revenue

We identified no relevant eligible revenues. Revenue is defined as revenue included in the consolidated financial statements for the year 2023, see the Note on Revenue.

## Capital expenditures (CAPEX)

We identified eligible capital expenditures of DKK 70 million, corresponding to 3.4% of total CAPEX. Of the eligible activities, DKK 33 million was assessed as Taxonomy-aligned with substantial contribution to the objective for climate change mitigation, corresponding to 1.6% of total CAPEX. The Taxonomy-eligible CAPEX includes activities related to “renewal of wastewater collection and treatment” (CCM 5.4. and CCA 5.4.) and “material recovery from non-hazardous waste” (CCM 5.9. and CCA 5.9.). CAPEX is defined as additions of tangible and intangible assets as included in the consolidated financial statements for the year 2023. Please see the Note on Property, plant, and equipment and Note on Intangible assets.

## Operational expenditures (OPEX)

We identified eligible operating expenditures of DKK 9 million, corresponding to 0.4% of total OPEX. Of the eligible activities, DKK 2 million was assessed as Taxonomy-aligned with substantial contribution to the objective for climate change mitigation, corresponding to 0.1% of total OPEX. The Taxonomy-eligible OPEX includes activities related to “close to market research, development and innovation” (CCM 9.1.), “renewal of wastewater collection and treatment” (CCM 5.4. and CCA 5.4.) and “nature-based solutions for flood and

drought risk prevention and protection” (WTR 3.3.). Operating expenditures as per the EU Taxonomy are defined as directly incurred, non-capitalizable costs in 2023 relating to research and development, building renovations, short-term leases, and the repair and maintenance of property, plant, and equipment.

## Full reporting tables

The full reporting tables as specified in Article 2 of Delegated Regulation 2021/2178 can be found in our EU Taxonomy reporting disclosure on Novozymes.com.

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On the following pages the full reporting tables can be found.





