

ALTEO Group

Report as per EU Taxonomy for 2021



ALTEO Energiaszolgáltató Nyrt.

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Introduction

With the adoption of the **EU Taxonomy Regulation**¹ in 2020, large companies will be required to disclose the extent to which their activities are considered sustainable from 2023 onwards.

Activities that are considered sustainable, i.e. “Taxonomy-aligned” within the meaning in which it is used in the title of the regulation, must be defined according to the classification system of the EU Taxonomy Regulation (or its delegated regulations).

Delegated Regulation 2021/2139 of the EU Taxonomy defines the activities that can be potentially sustainable and the criteria for these business activities to be considered sustainable in terms of the mitigation of and adaptation to climate change. The regulation only expects a description of the proportion of sustainable, i.e. “Taxonomy-aligned” activities from 2023; in 2022 it is still sufficient to present the proportion of potentially Taxonomy-aligned, so-called “Taxonomy-eligible” activities, and to publish the calculation methodology.

In line with the EU Taxonomy expectation for 2022, we calculated the proportion of our Company’s so-called Taxonomy-eligible activities in terms of the sales revenue of all its activities and its ‘CAPEX’ and ‘OPEX’ expenditures.

Sales revenues from Taxonomy-eligible activities

The proportion of the sales revenue from Taxonomy-eligible activities was quantified by taking into account the net revenue from products or services, including intangible assets, of business activities. For electricity generation activities, sales revenue is defined according to the method of generation. The proportion of Taxonomy-eligible sales revenue was calculated based on the electricity sold to MAVIR and the guarantee of origin sold to third parties in the case of activities related to electricity generation, while the activity related to the installation of electric vehicle charging stations is a separate business within ALTEO, and as such the sales revenue statement and the sales revenue data of the waste management business were available.

CAPEX proportion of Taxonomy-eligible activities

For Taxonomy-eligible activities, direct CAPEX costs were taken into account, which exclude central management activities and the costs of the maintenance and upkeep of central office buildings. We have also taken into account investment projects that have not yet generated revenue in 2021. The CAPEX costs of Taxonomy-eligible activities include properties, machinery and equipment.

OPEX proportion of Taxonomy-eligible activities

In the case of Taxonomy-eligible electricity generation, the direct costs of the relevant power plants were taken into account, including primarily, but not exclusively, costs related to operation and scheduling, potential insurer revenues and non-income tax type charges. The activity related to the installation of electric vehicle charging stations and waste management are performed as separate businesses within ALTEO, and as such cost statements were available.

¹ 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 – <https://eur-lex.europa.eu/legal-content/HU/TXT/HTML/?uri=CELEX:32020R0852&from=EN>

Table 1 – Proportion of Taxonomy-eligible activities relative to total sales revenue, total CAPEX and total OPEX

Sales revenue	
Taxonomy-eligible activities	13.68%
Non-Taxonomy-eligible activities	86.32%
Total sales revenue	HUF 44.2 billion
CAPEX proportions	
CAPEX proportion of Taxonomy-eligible activities	29.37%
Non-Taxonomy-eligible activities	70.63%
Total CAPEX	HUF 4.2 billion
OPEX proportions	
Taxonomy-eligible activities	4.08%
Non-Taxonomy-eligible activities	95.92%
Total OPEX	HUF 31.4 billion

Table 2 – Proportion of Taxonomy-eligible activities relative to total sales revenue, total CAPEX and total OPEX; by activity

The Company's Taxonomy-eligible activities pursuant to the EU Taxonomy's Delegated Regulation 2021/2139	Proportion relative to total sales revenue	Proportion relative to total CAPEX	Proportion relative to total OPEX
Electricity generation using photovoltaic solar technology	2.29%	0.20%	0.50%
Electricity generation using wind energy	8.50%	3.35%	1.87%
Electricity generation using hydropower	0.97%	0.32%	0.53%
Separation and utilization of landfill gas	0.43%	1.23%	0.19%
Installation, maintenance and repair of charging stations for electric vehicles inside buildings (and at parking spaces belonging to buildings)	0.12%	0.00%	0.42%
Storage of electricity	0.86%	24.27%	0.00%
Collection and transportation of non-hazardous waste at source in separate fractions	0.52%	0.00%	0.57%