



Developing the Reporting Required by the EU Taxonomy

Case Destia Oy

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ABSTRACT

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The EU taxonomy is a classification system for sustainable economic activities created by the European Union. This thesis was commissioned by Destia Oy with the objective of developing the readiness of the company for the reporting requirements of the EU taxonomy. The purpose of this study was to research and analyse the reporting requirements of the taxonomy in the context of Destia's operating environment, ultimately identifying development needs in Destia's reporting.

The research questions were set in cooperation with the company, and a combination of current state analysis and qualitative research was utilised in the study. Documents were the main source of data, and interviews with Destia personnel were used as a confirmation tool. Development needs were identified by comparing the reporting requirements of the taxonomy and the current state of reporting done by Destia.

The key findings of the study were the reporting format of the taxonomy disclosures and the steps necessary for Destia to fulfil the requirements. The data currently collected and reported by Destia can be utilised in aligning the sustainability reporting of the company with the new legislative requirements, but further research is required to identify data gaps. Furthermore, the criteria of the taxonomy may be useful in developing Destia's activities.

Studying the sustainability reporting requirements of the EU is very topical, as new legislation has been entering into force recently and more is upcoming. It is important for companies to systematically follow the developments and in turn develop their procedures. Sustainability reporting can also be a strategic guiding tool for business operations.

Key words: EU taxonomy, sustainability reporting

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ABBREVIATIONS AND TERMS

CapEx	capital expenditure
CSDDD	Corporate Sustainability Due Diligence Directive
CSRD	Corporate Sustainability Reporting Directive
EC	European Commission
ESRS	European Sustainability Reporting Standards
EU	European Union
GHG	greenhouse gas
IFRS	International Financial Reporting Standards
KPI	key performance indicator
NFRD	Non-Financial Reporting Directive
OpEx	operating expenditure
SFDR	Sustainable Finance Disclosure Regulation
TSC	technical screening criteria
XHTML	eXtensible Hypertext Markup Language

1 INTRODUCTION

A shared, holistic understanding of environmental sustainability is needed to shift capital flows towards more sustainable economic activities. For this purpose, the European Union (EU) has been creating an EU-wide classification system for economic activities that can be considered environmentally sustainable. The basis for this classification system, the **EU taxonomy for sustainable activities** (EU taxonomy), was established with the Taxonomy Regulation 2020/852/EU. (European Commission n.d.b; Regulation 2020/852/EU.)

International climate agreements are encouraging efforts to address climate change through policies at multiple levels of governance (IPCC 2023), which is what the EU taxonomy originates from. Following the objectives of the Paris Agreement, the EU has committed to making Europe climate-neutral by 2050. To reach this climate neutrality goal, the European Commission (EC) launched a package of policy initiatives in 2019, the European Green Deal. (European Council & Council of the EU 2023.) One important policy area of the Green Deal is **sustainable finance**, which means including environmental, social and governance considerations in investment decisions. This leads to more investment in sustainable projects and activities in the long-term, supporting the aim of channelling private investment towards the transition to a climate-neutral economy. (European Commission n.d.a.)

The EU taxonomy is a cornerstone of the EU's sustainable finance framework. It is a tool in transitioning to a sustainable economy that provides a shared definition for what is 'sustainable' and improves market transparency. The taxonomy helps the EU scale up sustainable investment; it creates security for investors and protects them from greenwashing, guides companies towards climate-friendliness, and helps mitigate market fragmentation. (European Commission n.d.b.)

The EU taxonomy brings with it evolving reporting requirements for most European financial market participants and non-financial companies regarding the environmental sustainability of their business. Companies are required to report on which of their business activities are covered by the EU taxonomy (taxonomy-

eligibility) and which comply with the criteria set for these activities (taxonomy-alignment). The focus of this thesis is on the reporting requirements that the taxonomy sets for non-financial undertakings, specifically the ones that are relevant to the case company, Destia Oy. Destia is the largest infrastructure service company in Finland and part of the international Colas Group (Destia 2024a).

This thesis was commissioned by Destia with the objective of developing the company's readiness for the reporting required by the EU taxonomy. The purpose of the study is to research and analyse the taxonomy's reporting requirements in the context of Destia's operating environment. The aim is to identify development needs by comparing the requirements and the current state of reporting done by Destia. The research questions include:

- Are the taxonomy reporting requirements covered by the annual report and Colas reporting done by Destia?
- Which requirements are not met yet?
- How can Destia meet the requirements?
- What form should the reporting take?
- How and for whom is the reporting done?

Chapters 2 and 3 of this thesis present the background information relevant to the research questions, first focusing on the current state of the case company, and then on the reporting requirements of the taxonomy. Chapter 4 describes the research methods used to arrive at the results presented in chapter 5. Finally, the thesis is concluded and discussed in chapter 6.

2 DESTIA OY

2.1 Organisation and strategy

Destia is the largest infrastructure service company in Finland and had 1700 employees in 2023. Destia operates throughout Finland and has a customer base comprised of industrial enterprises and businesses, municipalities, and government organisations. Destia is part of the Colas Group, which operates in over 50 countries in the transport infrastructure construction and maintenance business. Colas is part of the Bouygues Group, which operates in the energy, media, and telecommunications businesses in addition to construction. (Destia 2024a.)

Destia has several business divisions (Figure 1) that provide a wide range of infrastructure services, such as designing, building, and maintaining electricity networks, bridges, roads, and railways. The railway services are provided by the subsidiary company Destia Rail Oy.

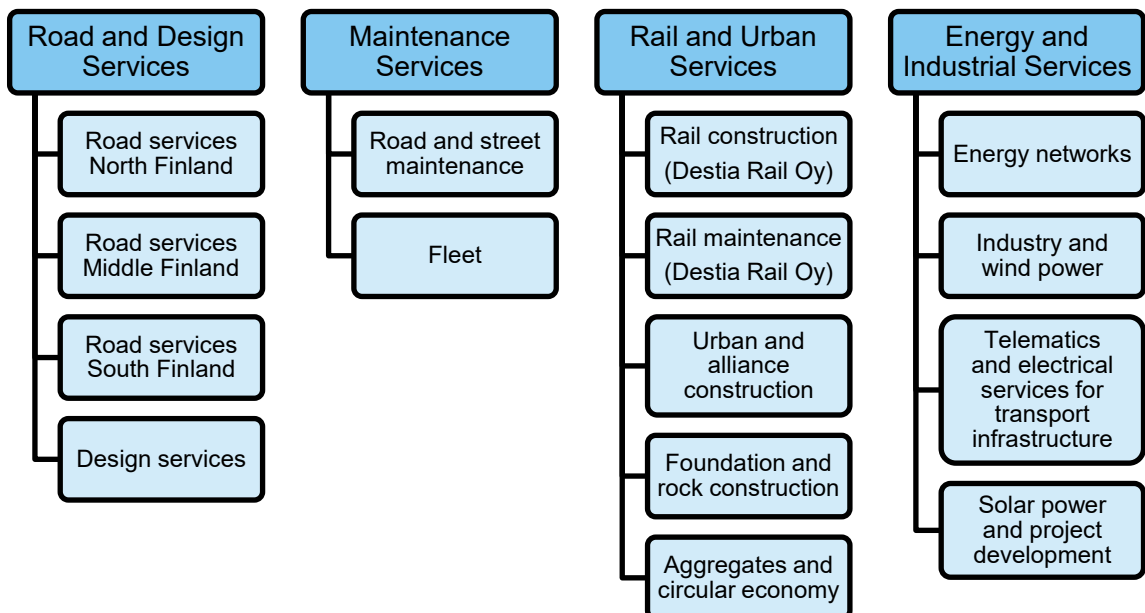


FIGURE 1. The business divisions of Destia

The megatrends particularly guiding Destia's strategy include urbanisation, digitalisation, climate change, and the depletion of natural resources. Destia has three strategic development programmes: Forerunner in productivity, Sustainable

leader, and Growth builder. Destia identifies growth markets in railway construction, urban construction, and energy and industrial services. The green transition provides significant opportunities for Destia in the energy sector. (Destia 2024a.)

2.2 Sustainability

The construction and maintenance of infrastructure environments has a significant carbon footprint, and they use up a substantial amount of natural resources during their life cycles (Destia 2023). Energy, transport and construction are among the sectors that have the greatest potential to reduce greenhouse gas (GHG) emissions and to contribute to climate change mitigation. For example, decarbonising the transport fleet and infrastructure in Europe would have a significant impact, as transport operations account for approximately 23 % of total direct GHG emissions in the EU. (Delegated Regulation 2021/2139/EU.)

Destia is committed to achieving carbon neutrality in terms of its own emissions by 2030 and being climate positive by 2035. Another 2030 target of Destia is to reduce indirect emissions from third parties by 30%, using 2020 as the baseline. (Destia 2024a.) Destia has applied for Science Based Targets approval for its sustainability targets (Destia 2024b). In 2023, Destia piloted its carbon-neutral infrastructure project concept, which includes carbon footprint accounting and reporting, active reduction measures, and the offsetting of the remaining carbon footprint (Destia 2024a).

Destia's integrated management system holds the ISO certificates for quality management, environmental management, and occupational health and safety management. Destia implements sustainability development through the Colas Group's ACT programme. ACT is short for Act and Commit Together. The ACT programme comprises eight sustainability commitments:

1. We offer our customers and users solutions that meet the challenges of sustainable development in local communities.
2. We roll out a low carbon and biodiversity strategy to preserve the planet.
3. We promote circular economy solutions to preserve natural resources.
4. We reduce the impact of our activities to bolster acceptability.

5. We attract, develop and retain talent through managerial excellence.
6. We foster a stronger health and safety culture to protect lives.
7. We build a responsible supply chain rooted in sustainable performance.
8. We shape an exemplary culture of ethics and compliance. (Destia 2024a, 2024b.)

2.3 Reporting

Certain types of companies in the EU are obligated to report on their corporate social responsibility, i.e. their policies concerning the environment, their employees, social issues, human rights, and tackling corruption and bribery. As a large public-interest entity, Destia is among the companies with these reporting requirements. The legislation directing these obligations has included an element of flexibility regarding the reporting format. (Ministry of Economic Affairs and Employment of Finland n.d.) Destia has been reporting this information in two documents: the Annual Report and the Financial Statements. Destia reports financial and non-financial information as consolidated statements, i.e. comprising the parent company and its subsidiaries.

The social and environmental information reporting requirements have been based on the Non-Financial Reporting Directive 2014/95/EU (NFRD), which was transposed into the national law of all EU member states. The reporting requirements have been modernised recently, as the Corporate Sustainability Reporting Directive 2022/2464/EU (CSRD) amending them entered into force in 2023. CSRD reporting is done according to European Sustainability Reporting Standards (ESRS), the first set of which was published in December 2023. The new rules will apply for the first time for reports published in 2025 about the 2024 financial year. (European Commission n.d.d.) Destia is among the companies that this applies to (Destia 2024a). The disclosures required by the Taxonomy Regulation are part of the CSRD reporting requirements (Directive 2022/2464/EU; Delegated Regulation 2023/2772/EU).

Destia reports certain sustainability-related information to Colas through internal reporting tools, and Colas does not plan to implement new tools for CSRD reporting. The existing tools are called PYTHEOS, ECHO, E-Fleet and CeS@R. The PYTHEOS tool is used for implementing, monitoring, and reporting on the execution of the ACT programme. Destia reports to Colas about its aggregate production through the ECHO tool. The E-Fleet tool is used to collect data on Destia's machinery and vehicles, specifically whether they are electrical or equipped with telematics. Data from ECHO and E-Fleet is automatically imported to Colas' extra-financial reporting tool CeS@R. Colas' extra-financial reporting has an annual data collection period that differs from Destia's annual reporting period.

Destia collects data about its aggregate production manually, as the environmental permits of aggregate extraction areas require the operator to report to supervisory authorities on production, emissions, and impact monitoring (Laurila & Hakala 2010, 54). Destia collects data on its emissions and fuel consumption at business division level. Data on Destia's electricity consumption and fleet is currently collected at company level. Destia is working towards business division level data granularity for its electricity consumption, and there is no technical barrier to accomplishing it.

3 EU TAXONOMY FOR SUSTAINABLE ACTIVITIES

3.1 Fundamentals

The EU taxonomy establishes uniform criteria at EU level for determining whether an economic activity qualifies as environmentally sustainable. If an economic activity is described and has criteria set out in the taxonomy, it is **taxonomy-eligible**. An economic activity that makes a substantial contribution to at least one of the EU's climate and environmental objectives, while at the same time not significantly harming any of the other objectives and meeting minimum safeguards, is recognised as environmentally sustainable by the taxonomy. Thus, the activity is **taxonomy-aligned**. The six climate and environmental objectives set out by the Taxonomy Regulation are:

- climate change mitigation
- climate change adaptation
- the sustainable use and protection of water and marine resources
- the transition to a circular economy
- pollution prevention and control
- the protection and restoration of biodiversity and ecosystems. (Regulation 2020/852/EU.)

The EC establishes and updates **technical screening criteria** (TSC) for what constitutes 'substantial contribution' and 'significant harm' to the aforementioned objectives in delegated acts (Regulation 2020/852/EU). Delegated acts are typically used when EU law must be regularly amended to take account of technical and scientific progress (Publications Office of the European Union 2021).

3.2 Taxonomy-eligibility

An economic activity is taxonomy-eligible if it is described in the delegated acts of the Taxonomy Regulation, regardless of whether the activity meets any of the TSC set in those delegated acts (Delegated Regulation 2021/2178/EU). Table 1 summarises the location of the activity descriptions in the current delegated acts.

TABLE 1. The delegated acts containing descriptions of activities

Delegated act	Annexes containing activity descriptions
Climate Delegated Act 2021/2139/EU (Amended by Delegated Regulations 2022/1214/EU and 2023/2485/EU)	I, II
Environmental Delegated Act 2023/2486/EU	I, II, III, IV

There are three types of taxonomy-eligible activities: ones that directly contribute to an environmental objective, ones that enable other activities that contribute directly, and ones that are transitional. Transitional activities do not have feasible low-carbon alternatives but support the transition to a climate-neutral economy; such activities may qualify as contributing to the climate change mitigation objective under certain conditions. (Regulation 2020/852/EU.)

Currently, the taxonomy covers various activities in the following sectors: forestry; environmental protection and restoration; manufacturing; energy; water supply, sewerage, waste management and remediation; transport; construction and real estate; information and communication; professional, scientific and technical activities; finance and insurance; education; human health and social work; arts, entertainment and recreation; disaster risk management; services; and accommodation. Some sectors and activities are associated with multiple of the environmental objectives, while some are related to only one. (Delegated Regulation 2021/2139/EU; Delegated Regulation 2023/2486/EU.)

3.3 Taxonomy-alignment

An economic activity is taxonomy-aligned if it complies with the requirements summarised in Figure 2. An eligible activity is assessed against TSC to determine if it **contributes substantially** to at least one environmental objective and **does not significantly harm** any of the other five environmental objectives (Regulation 2020/852/EU). TSC for the first two objectives, climate change mitigation and climate change adaptation, were set in the Climate Delegated Act 2021/2139/EU and the Complementary Climate Delegated Act 2022/1214/EU, which have been

applicable since January 2022 and January 2023, respectively. The Complementary Climate Delegated Act covers certain transitional gas and nuclear activities. TSC for the remaining non-climate environmental objectives were published in the Environmental Delegated Act 2023/2486/EU, applying as of January 2024. Amendments to the TSC covering the climate objectives were also adopted as of January 2024 in the Delegated Regulation 2023/2485/EU. (European Commission n.d.c.)

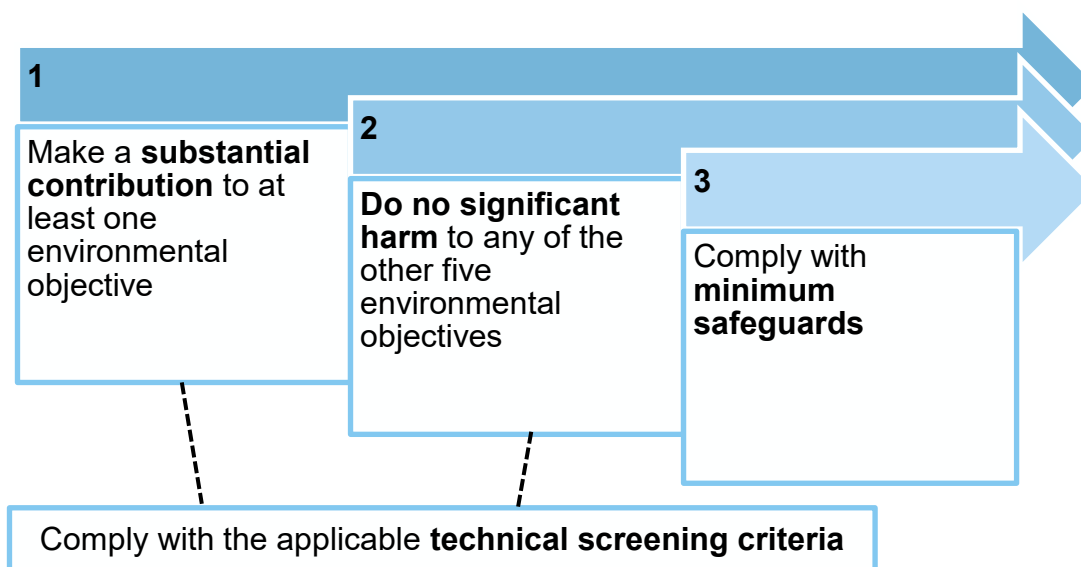


FIGURE 2. The requirements of taxonomy-alignment

Minimum safeguards are procedures ensuring that economic activities are carried out in compliance with international minimum human and labour rights and standards. The Taxonomy Regulation specifies that undertakings must implement these procedures in alignment with

- the OECD Guidelines for Multinational Enterprises
- the UN Guiding Principles on Business and Human Rights
- the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work
- the International Bill of Human Rights. (Regulation 2020/852/EU.)

The Platform on Sustainable Finance is an advisory body whose main purpose is to advise the EC on the implementation and usability of the EU taxonomy and the sustainable finance framework more broadly (European Commission n.d.e). The Platform provides advice on the application of minimum safeguards in the Final Report on Minimum Safeguards. Based on the standards listed above, the

report identifies that compliance with minimum safeguards should be defined for human rights, corruption, taxation, and fair competition. Minimum safeguards are linked to existing and upcoming EU legislation: the Sustainable Finance Disclosure Regulation (SFDR), the CSRD, and the Corporate Sustainability Due Diligence Directive (CSDDD). The CSRD has entered into force since the publication of the report, but the CSDDD is not finalised yet. Therefore, some uncertainty remains about the implementation of the regulation. (Platform on Sustainable Finance 2022.)

3.4 Reporting format

The CSRD requires companies to prepare their sustainability reporting, including taxonomy disclosures, in the electronic reporting format XHTML (Delegated Regulation 2019/815/EU; Directive 2022/2464/EU). In accordance with the CSRD, taxonomy reporting is included in the environmental section of the ESRS sustainability statement (Delegated Regulation 2023/2772/EU). The reporting requirements of the Taxonomy Regulation are laid down in the Disclosures Delegated Act 2021/2178/EU, specifying the methodology and the content and presentation of the information to be disclosed. The reporting is done annually, with the disclosed information covering the previous calendar year. The reporting enables investors and the public to assess what proportion of a company's economic activities are environmentally sustainable, i.e. taxonomy-aligned. (Delegated Regulation 2021/2178/EU.)

Companies are required to report on the taxonomy-eligibility and taxonomy-alignment of their activities via three **key performance indicators** (KPIs): turnover, capital expenditure (CapEx) and operating expenditure (OpEx). Eligible and aligned economic activities are expressed as percentages of the KPIs. This information is presented in tabular form using the templates provided in Annex II of the Disclosures Delegated Act. Additionally, Annex XII of the same regulation provides separate templates for presenting information about activities related to nuclear energy and fossil gas. Besides the KPIs, the reporting includes disclosing

the accounting policy, an assessment of compliance with the Taxonomy Regulation, and certain contextual information about the KPIs as specified in Annex I of the Disclosures Delegated Act. (Delegated Regulation 2021/2178/EU.)

The **turnover KPI** is calculated by dividing the net turnover derived from taxonomy-aligned economic activities (products or services, including intangibles) with the net turnover. Net turnover is defined as the amounts derived from the sale of products and the provision of services after deducting sales rebates and value added tax and other taxes directly linked to turnover. (Delegated Regulation 2021/2178/EU.)

The **CapEx KPI** covers additions to tangible and intangible assets during the financial year considered before depreciation, amortisation, and any re-measurements. The taxonomy refers to certain International Financial Reporting Standards (IFRS) regarding what costs the CapEx covers. When calculating the CapEx KPI, the numerator equals the capital expenditure that is any of the following:

- related to assets or processes associated with taxonomy-aligned economic activities
- part of a plan to expand taxonomy-aligned economic activities or to allow taxonomy-eligible economic activities to become taxonomy-aligned
- related to the purchase of output from taxonomy-aligned economic activities and measures enabling the target activities to become low-carbon or to lead to GHG reductions. (Delegated Regulation 2021/2178/EU.)

The **OpEx KPI** covers direct non-capitalised costs related to research and development, building renovation measures, short-term lease, maintenance and repair, and any other direct expenditures. The OpEx KPI is calculated similarly to the CapEx KPI but concerning operating expenditure. OpEx related to assets or processes associated with taxonomy-aligned economic activities include human resources adaptation needs and direct non-capitalised costs that represent research and development. (Delegated Regulation 2021/2178/EU.)

3.5 Summary of key terms

The Corporate Sustainability Reporting Directive (CSRD) updates requirements of the social and environmental information that companies must report. It broadens the set of companies that are required to report on sustainability. It entered into force on 5 January 2023. (European Commission n.d.d.)

European Sustainability Reporting Standards (ESRS) are standards according to which companies subject to the CSRD must report. The first set of ESRS was published on 22 December 2023. (European Commission n.d.d.)

The EU taxonomy an EU-wide classification system for sustainable economic activities. The Taxonomy Regulation establishes the basis for the EU taxonomy by setting out the conditions that an economic activity must meet to qualify as environmentally sustainable. It entered into force on 12 July 2020. The list of activities, technical screening criteria (TSC), and specifications on the reporting requirements are set and updated in delegated acts. (European Commission n.d.b.) Activities covered by the EU taxonomy are 'taxonomy-eligible' and activities that comply with the criteria set for them are 'taxonomy-aligned'.

Key performance indicators (KPIs) are information that certain companies must report as required by the EU taxonomy. They are information on the proportion of the turnover, capital expenditure (CapEx) and operating expenditure (OpEx) of the companies that is associated with environmentally sustainable economic activities. (Regulation 2020/852/EU.)

4 METHODOLOGY

This thesis was commissioned by Destia with the objective of developing the company's readiness for the reporting required by the EU taxonomy. The purpose of the study is to research and analyse the taxonomy's reporting requirements in the context of Destia's operating environment, ultimately identifying development needs in Destia's reporting. The research questions include:

- Are the taxonomy reporting requirements covered by the annual report and Colas reporting done by Destia?
- Which requirements are not met yet?
- How can Destia meet the requirements?
- What form should the reporting take?
- How and for whom is the reporting done?

This study answers the research questions through a combination of current state analysis and qualitative research. Using documents as the main source of data, information is collected about the current state of Destia's reporting and about the reporting requirements of the taxonomy. Conclusions about development needs are then drawn by cross comparing the two sets of information.

Information about the current state of Destia's reporting is collected from reports published on Destia's website and from internal documents about Destia's reporting processes. Internal information is also gathered and confirmed through open interviews with Destia personnel, mainly the Environmental Manager Hanna Haukilahti. The interviews are held through Microsoft Teams.

A literature review based on systematic information retrieval is conducted to research the reporting requirements of the EU taxonomy and to analyse their relevance to the case company. The qualitative data, i.e. text describing the requirements, is collected primarily from the relevant legislation and official web sources of the EU. Recent research publications, news articles, and expert webinars are utilized as secondary sources to gain an understanding of the context of the legislation and its current interpretation and adoption in the construction sector.

This study uses words as data, which makes the research qualitative by its most basic definition (Braun & Clarke 2013, 3). Merriam and Tisdell (2016, 15) identify four major characteristics of qualitative research: the focus is on process, understanding, and meaning; the researcher is the primary instrument of data collection and analysis; the process is inductive; and the product is richly descriptive. A qualitative case study can be defined as “an in-depth description and analysis of a bounded system” (Merriam & Tisdell 2016, 39). The boundary of this study is the commissioner company as the definite unit of analysis, therefore classifying it as a case study.

In this study, data analysis is conducted simultaneously with data collection, as is the case in qualitative research in general (Merriam & Tisdell 2016, 191). As the reporting requirements of the EU taxonomy are researched, their relevance to Destia is constantly analysed. Development needs are identified by comparing the requirements and the current state of reporting done by Destia. The research process is summarised in Figure 3.

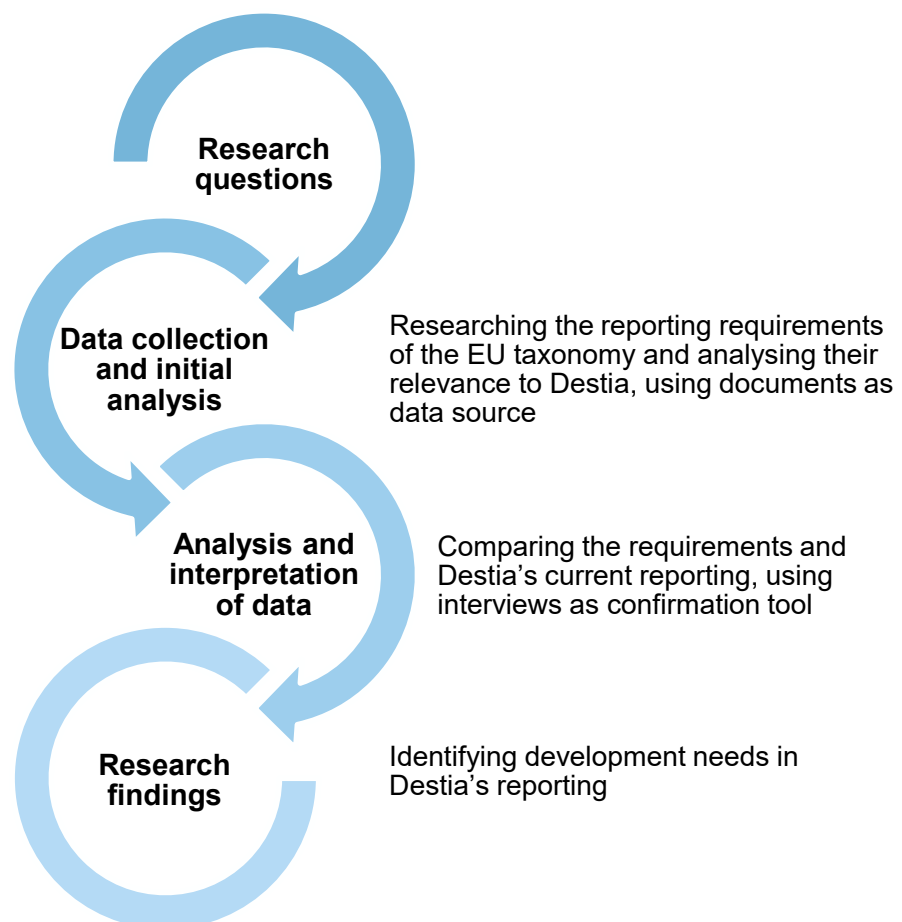


FIGURE 3. The research process

5 RESULTS

5.1 Format of taxonomy disclosures

The CSRD sets specific requirements for sustainability reporting that Destia must align its reporting practices with, and these reporting requirements include the disclosures required by the Taxonomy Regulation. Starting from 2025 and covering the 2024 financial year, a management report must be prepared according to ESRS. The management report is published in the electronic reporting format XHTML and contains a dedicated section that presents information about sustainability matters: the sustainability statement. The sustainability statement consists of four parts: general information, environmental information, social information, and governance information. Taxonomy disclosures are presented in the environmental section of the sustainability statement.

Taxonomy disclosures enable investors and the public to assess what proportion of a company's economic activities are environmentally sustainable, i.e. taxonomy-aligned. Taxonomy-eligible and taxonomy-aligned economic activities are expressed as percentages of three KPIs: turnover, CapEx and OpEx. This information is presented in tabular form using the templates provided in Annex II of the Disclosures Delegated Act. Besides the KPIs, the reporting includes disclosing the accounting policy, an assessment of compliance with the Taxonomy Regulation, and certain contextual information about the KPIs as specified in Annex I of the Disclosures Delegated Act.

5.2 Fulfilling the requirements

The following steps are necessary for Destia to fulfil the reporting requirements of the EU taxonomy:

1. Identify which economic activities of Destia are described in the Climate Delegated Act and the Environmental Delegated Act, i.e. identify Destia's taxonomy-eligible activities.

2. Identify which of the eligible activities are taxonomy-aligned by assessing their compliance with the criteria summarised in Figure 2. This entails
 - a. assessing each eligible activity's compliance with the relevant TSC set in the Climate Delegated Act and the Environmental Delegated Act
 - b. ensuring that Destia carries out its activities in compliance with the minimum safeguards.
3. Assess the allocation of revenues and expenditures to different economic activities.
4. Calculate the KPIs according to Annex I of the Disclosures Delegated Act.
5. Fill out the templates provided in Annex II of the Disclosures Delegated Act.
6. Publish the taxonomy disclosures as a part of an annual management report prepared according to ESRS. The taxonomy disclosures are presented in the environmental section of the ESRS sustainability statement and include
 - a. the filled-out templates mentioned in step 5
 - b. the accounting policy, an assessment of compliance with the Taxonomy Regulation, and certain contextual information about the KPIs as specified in Annex I of the Disclosures Delegated Act.

6 CONCLUSIONS AND DISCUSSION

The key findings of this study were the reporting format of the taxonomy disclosures and the steps necessary for Destia to fulfil the requirements. In summary, the next annual report of Destia must be prepared according to ESRS, which includes presenting the taxonomy disclosures. To achieve this, Destia must identify its taxonomy-eligible and taxonomy-aligned economic activities, calculate the KPIs, fill out the templates provided in the Disclosures Delegated Act, and present the filled-out templates and certain accompanying information in a management report published in the electronic reporting format XHTML. Taxonomy disclosures are meant to enable investors and the public to assess what proportion of a company's economic activities are environmentally sustainable, i.e. taxonomy-aligned. While green finance may not have a large role in Destia's business currently, it may become increasingly significant in the entire value chain and affect the demands of projects. Furthermore, the criteria of the EU taxonomy may be useful in further development of Destia's carbon-neutral infrastructure project concept.

Destia already collects data and reports on a range of sustainability matters in the current format of its annual report, as well as to Colas, and in maintaining its certified management system. This can be utilised in aligning Destia's sustainability reporting to the new requirements of EU legislation, including the EU taxonomy. Specifically, the data already collected by Destia may be applicable in assessing the taxonomy-alignment of its economic activities. Once the eligible activities are identified, a data gap analysis can identify if the current state of Destia's data collection is sufficient to assess compliance with the alignment criteria. However, data granularity may pose a challenge in assessing an activity's eligibility and alignment, as well as in calculating the KPIs. Environmental data, revenues and expenditures need to be allocated at the level of a specific economic activity – this may be difficult when even projects involve many different activities. The frameworks of different project contract types may also affect the implementation of the taxonomy. The EC's EU Taxonomy Navigator and RATEKO's Kriteerit-työkalu can support the implementation of the taxonomy.

The objective of this thesis was to develop Destia's readiness for the reporting required by the EU taxonomy, which was achieved by successfully answering the research questions set in cooperation with the company. This study utilised a combination of current state analysis and qualitative research to identify development needs in Destia's reporting in regard to the EU taxonomy. The principles of research integrity were adhered to in all phases of the study. Reliability is a key characteristic of scientific knowledge; in qualitative research, reliability is often addressed through the concept of confirmability. This involves the researcher convincing the scientific community of the validity of the research by making the choices and interpretations regarding the research visible; the material and the argumentation based on it must be presented as openly as possible. In development activity, reliability means above all usability. (Toikko & Rantanen 2009, 121–123.) The context and implementation of the research conducted in this thesis is presented transparently, and the results have novelty and application value to the commissioner and to other companies that are in a similar position. Therefore, this study can be considered reliable.

The reporting requirements of the Taxonomy Regulation have been implemented in phases starting from 2022. Some infrastructure service companies operating in Finland have reported taxonomy disclosures in recent years, for example NCC AB and NRC Group. The sooner a company adopts the reporting requirements of the Taxonomy Regulation and the CSRD, the easier it will be to adapt to changes as the requirements evolve. For example, the first set of ESRS published in 2023 is to be supplemented by sector-specific ESRS in 2026 (European Commission 2024). Destia's operations are also governed by its owner Colas, and some uncertainty remains regarding how they will proceed with the CSRD requirements.

Studying the reporting requirements of the EU taxonomy is very topical; it is one part of the sustainability reporting legislation that has been entering into force recently, and more is upcoming. Naturally, experience on the practical implementation of the legislation is lacking at present and interpretations are still evolving. It is important for companies to systematically follow the developments and in turn develop their procedures. Sustainability reporting should also be understood as strategic activity; it can be a guiding tool for business operations (Vuorinen

2024). Ultimately, it remains to be seen how the financial sector adopts the EU taxonomy and how impactful it will be. Nonetheless, climate change is the defining issue of our time, and efforts to address it will only increase, including through increasingly demanding regulation.

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