

Statement by Nathan Fabian, Chair of the Platform on Sustainable Finance

The Taxonomy is an extraordinary intervention in the EU financial markets — a common language to describe investments that substantially contribute to achieving a sustainable Europe.

All investors and large corporations in Europe will be required from 2022 to report on the sustainable portion of their portfolios and activities; citizens will have the means to compare which companies are doing more than others to address climate change and environmental objectives.

The announcement of the first delegated act for adoption under the Taxonomy Regulation, delivering the first set of technical screening criteria is a welcome and critical step for the implementation of the EU Taxonomy. Financial market participants and corporate issuers can now get on with their preparing for their disclosures.

The delegated act includes of criteria for almost 80 climate change mitigation activities and almost 100 climate change adaptation activities, including do-no-significant-harm criteria across six environmental objectives. This is a significant achievement for the Commission and the technical experts from the public, private and civil society sectors who have contributed to their development.

Recent challenges to the scientific basis of the Taxonomy had threatened to put its credibility at risk. The Platform will study the adopted criteria to understand where they deviate from expert recommendations, and the evidence used to support these changes. Where the Platform finds that scientific evidence does not support certain criteria it will make recommendations to revise them, in keeping with its mandate.

Further, the Platform has sought the agreement of the European Commission to review the governance and transparency of decision making on Taxonomy criteria, to ensure that the role of evidence and technical input is protected and respected.

The Platform will now continue its important role to support implementation of the Taxonomy with advice on data and usability for financial market participants and issuers with disclosure obligations.

The Platform also has a full program of activities coming up with advising the European Commission on extending the Taxonomy to new categories of environmental performance and to social objectives and advising on criteria for further environmental objectives. The next recommendations from the Platform are due in the middle of this year.

The Taxonomy is a critical tool to finance the low carbon transition. It will underpin EU leadership and enrich international dialogue on sustainable finance. A robust Taxonomy will support European and global environmental goals and help to create a sustainable future for coming generations.

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