



European
Commission

EU Taxonomy

accelerating sustainable investments

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Complementary Climate Delegated Act on certain nuclear and gas activities



Sustainable finance is about re-orientating investment towards environmentally friendly economic activities. It is an essential part of the European Green Deal. Major private investment is needed to make our financial system sustainable and ensure Europe is climate-neutral by 2050, as public investment alone will not be enough to reach these goals.

The EU Taxonomy is a science-based transparency tool for companies and investors. The purpose of this classification system is to avoid greenwashing and to drive investments towards the transition.

EU Taxonomy: consulting experts and using science to move forward

The work on the Taxonomy has solid scientific foundations and is based on:



The reports of the EU Technical Expert Group on Sustainable Finance.



Research by the EU's Joint Research Centre.



A panel of experts from various backgrounds within the Platform on Sustainable Finance, an advisory body of the Commission.



THE TAXONOMY IS:

- a transparency tool based on a classification system translating the EU's climate and environmental objectives into criteria for specific economic activities for private investment purposes



THE TAXONOMY IS NOT:

- a mandatory list of economic activities for investors to invest in
- a mandatory requirement for public investment
- a mandatory requirement on environmental performance for companies or for financial products

What have we adopted today?



A Delegated Act defining technical screening criteria for certain gas and nuclear activities as transitional activities to facilitate the transition away from more harmful energy sources e.g. coal and towards a mostly renewables-based future. Strict conditions apply.



To improve transparency, the Commission has introduced specific disclosure requirements for companies to disclose the proportion of their activities linked to the fossil gas and nuclear activities eligible under the Taxonomy. Thanks to these disclosure obligations, investors will be able to make an informed choice.



WHICH GAS-RELATED ACTIVITIES ARE INCLUDED?

- ✓ Electricity generation from fossil gaseous fuels
- ✓ High-efficiency co-generation of heat/cool and power from fossil gaseous fuels
- ✓ Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system

Each gas-related activity must meet specific emission thresholds, should replace an existing coal facility which cannot be replaced by renewables, should achieve certain targets in terms of emissions reductions, and fully switch to renewable or low-carbon gases by 2035.



WHICH NUCLEAR-RELATED ACTIVITIES ARE INCLUDED?

- ✓ Research, development and deployment of advanced technologies ("Generation IV") that minimise waste and improve safety standards
- ✓ New nuclear plant projects with existing technologies for energy generation of electricity or heat ("Generation III+") [until 2045]
- ✓ Upgrades and modifications of existing nuclear plants for lifetime extension purposes [until 2040]

Comprehensive nuclear safety and waste management requirements apply for all nuclear activities to qualify, in full compliance with all relevant regulatory requirements and with the best technology criterion, and monitored by the Commission. Additional and stricter requirements have been foreseen on waste disposal, funding and decommissioning planning.

NEXT STEPS:

the Delegated Act will be sent to the European Parliament and Council for their scrutiny.

Which rules are already in force?



TAXONOMY

The first **Climate Delegated Act** including economic activities contributing to climate change mitigation and adaptation and the **Disclosures Delegated Act under Art.8 of the Taxonomy Regulation** apply since 1 January 2022.



TRANSPARENCY

The **Sustainable Finance Disclosure Regulation** has applied since 10 March 2021. Taxonomy-related product disclosures for the first two environmental objectives apply from 1 January 2022. It lays down transparency requirements on financial products, their manufacturers and advisers, with the objective of reducing greenwashing practices, fostering decarbonisation and environmental, social and governance (ESG) sustainable investment strategies.



STANDARDS AND INVESTMENT TOOLS

Benchmarks: according to the revised Benchmark Regulation, benchmark administrators need to disclose whether their benchmarks take ESG into account and, if so, report on a set of indicators.

Since **31 December 2021**, benchmark administrators are also required to disclose how the methodologies they use for their benchmarks align with the target of carbon emission reductions or attain the objectives of the Paris Agreement.