

WHAT IS EU TAXONOMY

The EU Taxonomy provides a **common classification framework for economic activities and their sustainability** to help mobilize private capital and the **transition to a net-zero economy**.

TAXONOMY IS MEANT TO

Classify

sustainable economic activities

Support transition

to net-zero economy and transform polluting sectors

Enhance transparency

by publishing information on the sustainability of economic activities and enabling investors to make sustainable investment choices

TAXONOMY APPLIES TO

Financial market actors

reporting on the environmental goals to which they contribute and on the volume of their investments compliant with the taxonomy

Large companies

obliged to submit non-financial reporting

EU and Member States

voluntarily setting out measures on standards or labels for green financial products

- ✓ The EU Taxonomy **is** primarily a classification system, which is regularly updated. It is technology neutral.
- ✗ The EU Taxonomy **is not** a mandatory list to invest in and it does not evaluate the financial performance of investments.

6 TAXONOMY OBJECTIVES



Climate change
mitigation



Climate change
adaptation



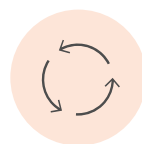
Protection &
restoration of
**biodiversity
& ecosystems**



Protection of
**water & marine
resources**



Pollution
prevention &
control



Transition to
**circular
economy**

3 BASIC CONDITIONS

to meet the Taxonomy Regulation

- 1 Substantially contribute**
to at least one of the six taxonomy objectives
- 2 Do no significant harm**
to any of the other objectives
- 3 Comply with minimum safeguards**
i.e. act responsibly in other areas of business – say a clear NO to corruption, child labour, workplace discrimination, unreasonably low wages, etc.

Sustainable economic activities are clearly defined in *Delegated Acts (DAs)*. Activities that are not defined in the DAs are not included in the taxonomy.