

**EUROSIF WELCOMES THE
IMPLEMENTATION OF THE EU TAXONOMY
RULES AS OF 1ST JANUARY 2022,
PROVIDING MUCH NEEDED CLARITY TO
COMPANIES AND INVESTORS**

BRUSSELS, 9 DECEMBER 2021



Eurosif welcomes that the EU Taxonomy rules will become operational as of 1st January 2022, providing much needed clarity to companies and investors. It is essential to the application of forthcoming entity and product-level disclosures against the EU Taxonomy's climate objectives, climate change mitigation & adaptation.

Essential rules of the EU sustainable finance architecture will be implemented

Almost nine months after its publication, Member States have cleared the EU Taxonomy Climate delegated act, establishing technical criteria for the economic activities that contribute to the climate objectives [\[Link\]](#). Eurosif welcomes this long-awaited moment. As of 1st January 2022, companies will be able to start their proper reporting, thus enabling financial institutions to disclose how their financial products in the scope of the SFDR are aligning with the EU Taxonomy. This will in turn allow financial advisors to take into account and advise investors on their sustainability preferences.

An evolving tool that should always reflect the latest scientific evidence

Eurosif supports the European Commission commitment to review, on a regular basis, the technical screening criteria for listed economic sectors, to ensure they continue to take account of the latest scientific evidence. While Eurosif is broadly supportive of this Climate delegated act, it is already clear that the criteria for a number of sectors will need to be re-examined to ensure this science-based alignment.

Including natural gas and/or nuclear energy would fundamentally change the nature of the EU Taxonomy, from a "green" to a 'transition' list of activities

As Eurosif has already stated, inclusion of natural gas and nuclear energy would change the nature of the EU Taxonomy from a list of sustainable activities to a list of transitional activities. Even if these sectors may be needed in the short-term to secure energy supply, they will play a limited role in the energy transition in the longer term as pointed out by the IEA in its 2050 Net-Zero roadmap [\[Link\]](#). Therefore, our view remains that they should ideally not be included in the Taxonomy as sustainable economic activities.

Need to adjust transparency requirements to keep confidence in sustainable investment fund disclosures

The inclusion of natural gas and nuclear energy in the EU Taxonomy would carry risks of mis-selling as identified in our statement published on 24 November [\[Link\]](#). Since then, we understand from public statements by Commissioners on various occasions, it seems clear the

European Commission will propose a complementary delegated act to address the regulatory treatment of natural gas and nuclear energy in the framework of the EU Taxonomy. As we stated, we believe some modifications to the SFDR reporting rules are necessary to safeguard transparency and ensure investors understand how exposed their financial products might be to natural gas and nuclear energy. This is necessary to avoid any further loss of credibility to the EU sustainable finance agenda.

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ABOUT EUROSIF

Eurosif is the leading European association for the promotion and advancement of sustainable and responsible investment making a measurable impact in meeting long-term sustainability goals of the EU and the UN.