HOW DOES THE EU TAXONOMY FIT WITHIN THE SUSTAINABLE FINANCE FRAMEWORK?

Two examples when the taxonomy will be used:
in disclosures of financial products and reporting by large companies and listed companies

Proposed CSRD (Corporate Sustainability Reporting Directive):
reporting done by large companies and listed companies on their sustainability risks and impacts
i.e. impact of their business on the climate and impact of climate change on their business

Other CSRD information on environmental, social and governance issues
Companies to report the % of their current revenues coming from activities aligned with
and % of their future revenues (capital expenditure) coming from activities aligned with

% of activities aligned with

% of activities aligned with

Other end users
(civil society, customers...)

SFDR (Sustainable Finance Disclosure Regulation):
disclosure when selling sustainable financial products

Products with environmental or social characteristics
may partially pursue ‘sustainable investment’ as objective – the ‘light green’ products

Products with ‘sustainable investment’ objective
Activities aligned with are included in the definition of ‘sustainable investment’ (investment contributing to an environmental or social objective)

WHAT IS THE EU TAXONOMY?

EU Taxonomy: a common classification of economic activities significantly contributing to environmental objectives, using science-based criteria