

Media Release

Climate Bonds Initiative welcomes the adoption of EU Taxonomy Regulation by the European Council

Brussels 09/12/2022 12:00 CET: The Council's review period for the European Union's Taxonomy for Sustainable Finance expired at midnight last night. The [Taxonomy Regulation](#) First Delegated Act on sustainable activities for climate change adaptation and mitigation will enter into force from 1 January 2022.

The Taxonomy supports sustainable investments by making it clear which economic activities contribute to meeting the EU's environmental objectives. The first Delegated Act sets the criteria for Climate Change Mitigation and Adaptation objectives in 60+ economic sectors.

Sean Kidney, CEO Climate Bonds Initiative:

"The EU Taxonomy provides a clear common language on what is a green investment. The approval of this Delegated Act brings the two vital objectives of climate mitigation and adaptation into force."

The EU Technical Expert Group (TEG) on sustainable finance, of which Sean Kidney was a member, developed recommendations for technical screening criteria for economic activities that make a substantial contribution to climate change mitigation and adaptation. The TEG proposed science-based thresholds to align the EU Taxonomy with the Paris Agreement and enable the EU to meet its 2050 net zero goal.

The adoption of many of these important thresholds into the Delegated Act have ensured the Taxonomy is seen as a credible and scientific assessment of economic activities' Paris alignment.

One of the cornerstone thresholds of the Delegated Act is the 100g CO₂e/kWh declining threshold for electricity generation. This provides clear guidance to Europe's electricity sector on how to align their activities with net zero, and has been [replicated](#) in other national taxonomies.

Maintenance of this clear definition of green electricity generation will be important for the continued scientific credibility of the EU Taxonomy.

The [Platform on sustainable finance](#) is continuing the work of the TEG and developing criteria for the remaining four objectives of the Taxonomy Regulation; water, circular economy, pollution, and biodiversity, alongside work on Taxonomy usability and extension to social criteria and significantly harmful and low impact activities.

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About Climate Bonds Initiative: is an investor-focused not-for-profit, working to mobilise global capital for climate action. It undertakes advocacy and outreach to inform and stimulate the market, provides policy models and government advice, and administers the Climate Bonds Certification Scheme. For more information, please visit www.climatebonds.net.

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