



Remarks by Commissioner McGuinness at the press conference on the EU Taxonomy Complementary Climate Delegated Act

Brussels, 2 February 2022

I think today we are taking another important step in the transition to a climate neutral economy.

We do need to use all the tools at our disposal to achieve climate neutrality.

Because we have less than 30 years to get there, so we need to act now.

As governments and public authorities, we cannot do this alone. We need the private sector to play its full part.

And this is where the EU Taxonomy comes in.

The Taxonomy helps signpost the way for private investment to contribute to our climate goals.

The EU taxonomy is a tool to increase transparency in financial markets, so it is a tool for the financial sector, not energy policy.

We took a big step forward with the first Delegated Act for the Taxonomy, on activities that made a big contribution to climate.

And that first Delegated Act, just to remind us all, covered 170 economic activities, representing about 40 per cent of EU listed companies, in sectors responsible for nearly 80 per cent of direct greenhouse gas emissions in Europe.

And I'm pleased to say that the first Delegated Act has been in force now for a month.

We said when we adopted the first Delegated Act that we would return to some of the more difficult elements, and that's why we are here today.

Maybe a word here about what the EU Taxonomy is not, and then about what it is, because I think it is important to bear this in mind.

It is not an EU energy policy instrument. Member States remain fully responsible for deciding their own energy mix.

Nor does the Taxonomy mandate investments in certain sectors. It also does not prohibit investments in the sectors it covers. It does not prohibit investments in sectors. And really an important point to remember is the Taxonomy remains a voluntary tool.

It is a signpost for the private investment market on our road towards sustainability.

And we know we need to move away from particularly harmful energy sources like coal, which today still accounts for 15 percent of electricity production in Europe – and this is something we need to change.

The international commitment we made in Glasgow was to get out of coal.

And some parts of Europe are still heavily reliant on coal.

So we need to act now, and act with all the instruments available to us.

Today's complementary Delegated Act is about accelerating the move from high-carbon sources of energy to lower carbon sources.

Renewables are already included in the Taxonomy, following the adoption of the first delegated act.

Today we are setting out how gas and nuclear could make a contribution in the difficult transition to climate neutrality.

We are putting in place strict conditions for their inclusion in the taxonomy.

They are subject to clear limits and phase-out periods.

So on nuclear, the Delegated Act, if you like, rewards improvements and advanced technology in safety standards and waste management.

When it comes to gas, there are strict conditions including limits on emissions, and that facilities must replace high-emitting plants as well as being compatible with low-carbon fuels.

We are setting high standards and incentivising change in these sectors.

Alongside these strict conditions, we are adding rules on disclosure in the interests of transparency.

Investors will be able to see whether a potential investment includes nuclear or gas activities, and they will remain free to choose if they want to invest in nuclear or gas – or not.

You will know that we consulted the Platform on Sustainable Finance, Member States and of course the European Parliament on this Delegated Act.

I think it's fair to say that overall, that feedback we received showed that positions are widely divided. In all of our institutions, there are different views.

However, I believe that we have found a balance between fundamentally different opinions in supporting the road to decarbonisation. So I think that's a key point.

And then on specifics, we have taken board on some of the feedback received, including recommendations which I welcome from the Platform on Sustainable Finance to clarify the disclosure rules.

Now that the Commission has adopted the Delegated Act, it is now in the hands of the European Parliament and the Member States.

They will have four months, and possibly two more if required, to scrutinise the text, as was the case last year with the Delegated Act.

The next steps also include further Delegated Acts on the other environmental objectives of the Taxonomy: water, circular economy, pollution prevention and biodiversity.

I look forward to the expert input of the Platform on Sustainable Finance, and of course to working with Member States and the European Parliament.

So briefly and in closing, today is not the end – but today is a means to an end.

The end is a low-carbon future, powered by renewable energy.

We do not have the capacity for that yet.

But we still need to act urgently, with all the means at our disposal.

We need to move as fast as we can from the highest-carbon energy sources like coal.

During this transition, that may mean accepting imperfect solutions.

Today's Delegated Act may be imperfect, but it is a real solution. It moves us further towards our ultimate goal of carbon neutrality.

Thank you.

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