The EU Taxonomy Regulation adopted in June 2020 is a tool that will help investors, industry and researchers to navigate the transition to a sustainable economy by providing a science-based classification system to determine whether an economic activity is environmentally sustainable.

The EU Taxonomy creates a common language that can be used to invest in projects and economic activities that have a substantial positive impact on climate and the environment.

The EU Taxonomy is one of the most significant EU policy developments to date to mobilise and guide environmentally sustainable investment and contribute to the European Green Deal objectives, transforming the EU into a resource-efficient and competitive economy where there are no net emissions of greenhouse gases in 2050 and where the environment is protected.

To do so, the EU Taxonomy will set performance thresholds (referred to as ‘technical screening criteria’) for economic activities that:

- make a substantial contribution to at least one of six environmental objectives (shown below);
- do no significant harm (DNSH) to the other five objectives, and;
- meet minimum social safeguards such as the OECD Guidelines on Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

Objectsives:
- Climate change mitigation
- Climate change adaptation
- Sustainable use and protection of water and marine resources
- Transition to a circular economy
- Pollution prevention and control
- Protection and restoration of biodiversity and ecosystems
The Delegated Act that defines the technical screening criteria for economic activities that substantially contribute to climate change mitigation and adaption has just been adopted on 21 April 2021. The next Delegated Act on Water, Circular Economy, Pollution and Biodiversity is expected by the end of 2021.

**WHY IS IT IMPORTANT FOR RESEARCH & INNOVATION?**

**Scientific evidence** is at the core of the technical screening criteria of the EU Taxonomy, defining which economic activities can be considered as environmentally sustainable. The involvement of the scientific and research community, including Commission’s scientists at the Joint Research Centre, will therefore be of critical importance in order to strengthen even more the level of ambition, robustness and impartiality of the EU Taxonomy.

Research and Innovation (R&I) produces the technologies and solutions of tomorrow and will therefore play an important role to help economic actors reach or go beyond the standards and thresholds set in the EU Taxonomy and help keep the Taxonomy criteria up to date and consistent with the European Green Deal objectives.

Moreover, R&I has been included in the Delegated Act on climate change mitigation and adaptation as an “enabling activity”, which refers to its capacity to improve the performance of another economic activity through the technologies, products or services that it provides.

The EU Taxonomy will trigger greater private investment in environmentally sustainable economic activities. As a result, R&I targeted to those economic activities will benefit from increased access to green finance needed to foster market uptake of innovative technologies and solutions.

More information on the EU Taxonomy is available [here](#).

"The EU Taxonomy offers forward-looking opportunities to our researchers and innovators to access sustainable financing for their best technologies and solutions accelerating the transition towards a greener Europe. I count on our research and scientific community to continue to bring valuable scientific expertise and strengthen even more the level of ambition and impartiality of the EU Taxonomy.”

MARIYA GABRIEL, Commissioner for Innovation, Research, Culture, Education and Youth


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