



Council of the  
European Union

Brussels, 26 September 2019  
(OR. de, en)

12527/19

CLIMA 257  
ENV 804  
ECOFIN 834  
SUSTDEV 132

**NOTE**

---

From:	General Secretariat of the Council
To:	Delegations
Subject:	Classification system for sustainable economic activities (Taxonomy) – Information from the German, Luxembourg and Austrian delegations

---

Delegations will find in the Annex an information note by the German, Luxembourg and Austrian delegations on the above subject, to be dealt with under 'Any other business' at the Council (Environment) meeting on 4 October 2019.

**Classification system for sustainable economic activities ('Taxonomy')****Information from the German, Luxembourg and Austrian delegations**

In May 2018, as part of its action plan on sustainable finance, <sup>1</sup> the European Commission published a draft Regulation on a classification system for sustainable economic activities ('Taxonomy'). The criteria are the six environmental objectives of climate change mitigation, climate change adaptation, protection of water and marine resources, circular economy, pollution prevention and protection of ecosystems.

According to the draft Regulation, an economic activity will be considered as sustainable if it

1. makes a substantial contribution to one of the environmental objectives,
2. does not significantly harm another environmental objective,
3. complies with minimum social standards and
4. meets the minimum screening criteria and thresholds fixed by the European Commission.

The Regulation lays down the framework and the definitions of the environmental objectives; the actual criteria for evaluating sustainability will follow.

The taxonomy should have effect beyond its direct scope of application and be the cornerstone for further measures. For example, it will provide the basis for the EU Ecolabel for sustainable financial products. Furthermore, the European Investment Bank's proposed new energy lending policy will take account of the taxonomy.

---

<sup>1</sup> 9355/18

Germany, Luxembourg and Austria support the development of a credible taxonomy.

Environmental policy issues also play a significant part in the discussions. The questions of taking nuclear energy into account and how to take into consideration the energy recovery of waste are currently under discussion.

The discussions in the trilogue are likely to begin soon. ECOFIN is the lead Council formation.

---