



EUROPEAN COMMISSION

Commissioner Mairead McGuinness
Financial Services, Financial Stability and Capital Markets Union

29 JAN. 2021

Brussels,
OHGnm Ares(2021)s 580830

Dear [REDACTED],

Thank you for your letter dated 17 December 2020 to the Executive Vice-President Dombrovskis, in which you express concerns relating to the technical screening criteria for the manufacturing of iron and steel under the draft delegated act of the Taxonomy Regulation. We also appreciate the participation of EUROFER in the public consultation with your feedback on this subject.

The Commission's recovery plan highlights the need to unlock investments in key clean technologies and value chains to achieve resilience and the objectives of the twin green and digital transitions. Complementing the energy policy framework and EU public finance policies, the Commission's sustainable finance strategy, and in particular the EU taxonomy, will be essential tools in achieving the objectives set out in the European Green Deal. The taxonomy will help enable this transition by providing a clear list of those activities that can substantially contribute to the achievement of the climate and environmental objectives of the Union.

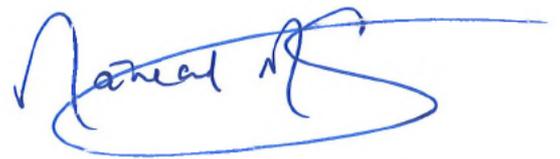
The draft delegated act sets the technical screening criteria for activities substantially contributing to climate mitigation and adaptation to be adopted under the Taxonomy Regulation and draws on the recommendations of the Technical Expert Group on sustainable finance (TEG). The TEG recommendations have provided the Commission with invaluable technical, scientifically-based input to determine the technical screening criteria for activities that would be included in the EU taxonomy. Following the advice received from the TEG, the Commission considered the feedback received from all stakeholders, with a view to ensuring that the delegated act satisfies the conditions set by the Taxonomy Regulation for eligible activities and the technical screening criteria. In particular, the criteria for economic activities to qualify should take into account any relevant existing EU legislation and build upon EU labelling and certification schemes. They should promote a high level of environmental ambition, avoid market distortion and be designed to facilitate their usability. The criteria should respect the principle of technology neutrality and take into account the life-cycle.

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In line with the Better Regulation principles, the Commission published the draft delegated act for public feedback.¹ The public consultation closed on Friday 18 December 2020 having received some 46,591 responses. The Commission is now reviewing these detailed contributions, taking account of the feedback received from stakeholders before adopting the delegated act and submitting it to the European Parliament and the Council for their scrutiny.

Finally, the discussions on how to best support the transition from environmentally harmful activities to sustainable activities will continue as part of the upcoming Renewed Sustainable Finance Strategy. Moreover, the Platform on Sustainable Finance has been tasked with advising the Commission on further developing the taxonomy including considerations for economic activities that do not have a significant impact on environmental sustainability and economic activities that significantly harm environmental sustainability, and possible further transitional activities.

Yours sincerely,



Mairead McGuinness

¹ <https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12302-Climate-change-mitigation-and-adaptation-taxonomy>