

Секція 1. АГРОІНЖЕНЕРІЯ AGROENGINEERING

TAXONOMY?

Iryna Horetska, Master in Energy

Supervisor: Sc.D. in Engineerig, Institute of Mechanical Engineering **Szymon Glowacki**

Warsaw University of Life Sciences – SGGW, Warsaw, Poland.

This teza out the role and importance of sustainable finance in Europe from a policy and investment perspective, the rationale for the development of an EU Taxonomy (EU classification system for environmentally sustainable economic activities), the draft regulation and the mandate of the TEG (Technical Expert Group on Sustainable Finance).

In committing to the SDGs and climate-related goals through the Paris Agreement, the EU and its Member States endorsed a direction for sustainable growth. These goals provide signals to corporations and investors about future economic trends, investment opportunities and risks, but it is only the alignment of public policies to the goals that will encourage capital markets to re-orient capital flows.

Through financing or investments and through the stewardship of investments, investors will influence the decisions taken by corporations and other entities. This chain of influence requires translation of policy goals into frameworks that the investors and managers of capital can respond to.

The EU Taxonomy is one example of such a framework: a list of economic activities assessed and classified based on their contribution to EU sustainability related policy objectives.

The EU Taxonomy is an implementation tool that can enable capital markets to identify and respond to investment opportunities that contribute to environmental policy objectives. Decisions by investors to allocate capital or influence company activities will be making a substantial contribution to climate goals and to the related SDGs.

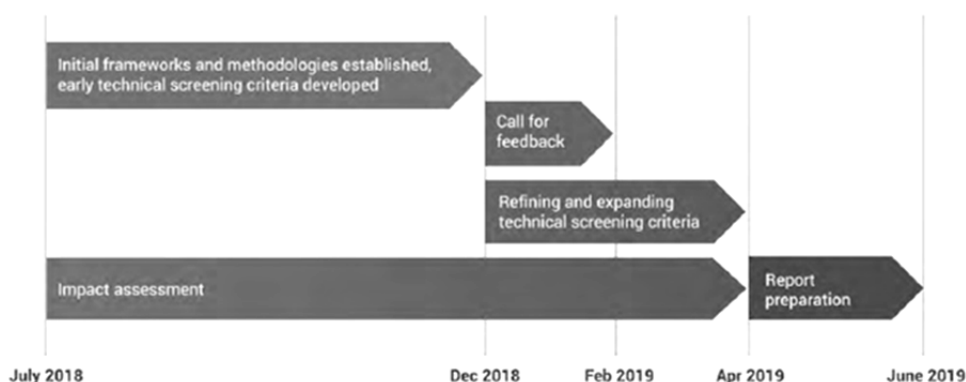


Figure 1 Timeline for taxonomy development (to June 2019)

This report provides the basis for the EU Taxonomy. It presents a list of economic activities which can make a substantial contribution to climate change mitigation and criteria to do no significant harm to other environmental objectives. It also presents a framework for evaluating substantial contribution to climate change adaptation. The list of economic activities covered in this report is not exhaustive and additional activities should be added to the Taxonomy in future.

The Taxonomy proposed in this report is readily useful to investors, but the benefits of widespread use of the Taxonomy as a common language and reference point for markets, requires transparency by investors and companies alike. There is an important role for practical, disclosure-based regulation to help inform financial decision making and enable market participants to respond to the EU's goals for financing sustainable growth.