

# ENVIRONMENT

PROPOSAL FOR A DELEGATED  
REGULATION COMPLEMENTING THE  
EUROPEAN TAXONOMY REGULATION

VdA EXPERTISE



April 2023



**Proposal for a Delegated EU Regulation complementing the Taxonomy Regulation, by establishing the technical screening criteria for determining the conditions under which an economic activity contributes substantially to the four environmental Taxonomy objectives not yet regulated.**

The EU Commission has presented on the 5<sup>th</sup> of April 2023 its awaited Proposal for a Delegated Regulation complementing the Taxonomy Regulation (the “Taxonomy Environmental Delegated Regulation”), by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to the four so far unregulated environmental objectives:

- 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

Additionally, the Proposed Delegated Regulation establishes the criteria for determining whether that economic activity causes no significant harm to any of the environmental objectives.

As the Climate Delegated Act, which regulates the first two climate objectives (mitigation and adaptation to climate change) is already in force, the adoption of this Delegated Regulation will render European Taxonomy fully operational.

It should be noted that the activities foreseen as Taxonomy eligible in the Proposed Delegated

Regulation are not fully coincident with the activities foreseen in the Climate Delegated Act, therefore new eligibility exercises might need to be carried out. This relates to the need to prioritise the activities that in regard to these four environmental objectives, on the one hand, have the greatest potential to contribute and, on the other hand, present the greatest risk of harm.

After the adoption of the Delegated Regulation, a complete alignment exercise with Taxonomy will be possible, as there will be technical screening criteria for all six the environmental objectives foreseen in the Taxonomy Regulation.

It is expected that the provisions of the Delegated Regulation will be applicable from the 1<sup>st</sup> of January 2024.

Foreseeably, between the 1<sup>st</sup> of January 2024 and the 31<sup>st</sup> of December 2024, companies should carry out, when applicable, eligibility exercises for the new activities envisaged. From the 1<sup>st</sup> of January 2025, the environmental objectives regulated Proposed Delegated Regulation by the should be considered by companies in their reporting.

The Proposed Delegated Regulation is currently under public consultation and open for feedback until the 3<sup>rd</sup> of May.

# Contacts



**ASSUNÇÃO CRISTAS**  
ACR@VDA.PT



**CAROLINA VAZA**  
CVS@VDA.PT



**MARIANA CATALÃO**  
MNC@VDA.PT