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Answer given by Ms McGuinness  
on behalf of the European Commission  
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The EU taxonomy is not a mandatory framework that pre-determines all future investment, it is a voluntary tool that translates the EU's green objectives of climate-neutrality, restoring environmental sustainability and reducing emissions into criteria for investment purposes. The agriculture sector can make a significant contribution to combat climate change.

The taxonomy criteria largely follow the recommendations of the Technical Expert Group (TEG) on Sustainable Finance, which are based on latest scientific evidence and have been subject to public scrutiny. For agriculture, the criteria draw from the common agricultural policy (CAP), and go further than the existing legal requirements, because they aim to recognise the best practices that are fully in line with the EU's climate and environmental objectives, including the Green Deal.

The role agriculture can play in the transition is recognised in the taxonomy, allowing for considerable flexibility in how the criteria can be met, recognising climatic variations and existing national laws and practices.

Furthermore, farmers are not subject to any new mandatory performance criteria and farmers who do not fall under the scope of the Non-Financial Reporting Directive<sup>1</sup> are not subject to any mandatory disclosure requirements.

The taxonomy fully recognises the contribution of forestry and bioenergy to meeting the Union's climate and energy objectives, building on national best practices and the recast Renewable Energy Directive<sup>2</sup>. The taxonomy criteria go beyond specific aspects of the Directive, in order to meet the requirements in Article 19 of the Taxonomy Regulation<sup>3</sup> agreed by co-legislators in a balanced and effective way.

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<sup>1</sup> Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014 amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups. *OJ L 330, 15.11.2014, p. 1–9.*

*The directive applies only to large public-interest companies with more than 500 employees, which include listed companies, banks, insurance companies and other companies designated by national authorities as public-interest entities.*

<sup>2</sup> Directive 2009/28/EC of the European Parliament and of the Council of 23 April 2009 on the promotion of the use of energy from renewable sources and amending and subsequently repealing Directives 2001/77/EC and 2003/30/EC. *OJ L 140, 5.6.2009, p. 16–62*

<sup>3</sup> Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088. *OJ L 198, 22.6.2020, p. 13–43*