

(English version)

**Question for written answer E-003966/25
to the Commission
Beatrice Timgren (ECR), Dick Erixon (ECR)
(8 October 2025)**

Subject: Review of the EU Taxonomy Regulation

The EU Taxonomy Regulation was presented as a science-based framework to steer capital towards sustainable investment. In practice, however, it has become a symbol of regulatory overreach — complex, rigid and increasingly detached from economic reality.

The Commission's latest 'simplification' efforts merely lower thresholds and remove rules that have proven unworkable, without addressing the fundamental problems: an inflexible and centralised framework that distorts investment rather than enabling it. Further, the 'do no significant harm' principle still represents impenetrable bureaucracy for companies, especially small and medium-sized enterprises, while offering no measurable environmental benefit.

Meanwhile, Europe's competitiveness is deteriorating. Capital flows abroad, innovation is slowing down, and industries essential for the green transition — including nuclear, transitional fuels and key manufacturing sectors — face discrimination. Such prescriptive frameworks risk accelerating Europe's de-industrialisation rather than supporting its transformation.

In the light of the above, does the Commission acknowledge that piecemeal simplification is insufficient, and that a comprehensive review of the Taxonomy Regulation is needed to replace the current top-down model with a simpler, technology-neutral and evidence-based framework that genuinely supports competitiveness, investment and innovation? If not, why not?

Submitted: 8.10.2025

**Answer given by Ms Albuquerque on behalf of the European Commission
(21 November 2025)**

The EU taxonomy ⁽¹⁾ aims to provide transparency on activities that promote energy and ecological transition and ensure that greenwashing is prevented. While the EU taxonomy aims to act as a catalyst for investments into the most environmentally sustainable companies and for the transition of other companies towards environmental sustainability, it does not prevent investment in activities that are not covered by its framework.

In 2024, capital investments into Taxonomy-aligned activities have reached EUR 273 billion. This brings the total to EUR 742 billion over the financial years 2022, 2023 and 2024. This demonstrates that companies are using the Taxonomy to guide and showcase their capital investments in key sectors contributing to the green transition and more sustainable economic growth, in particular energy.

However, and notwithstanding the use of the EU Taxonomy by stakeholders, the Commission is committed to enhance its usability as part of increased focus on EU competitiveness.

The Omnibus package adopted on 26 February 2025 ⁽²⁾ represents an unprecedented simplification effort, through the reduction of reporting obligations. In addition, the Commission is currently conducting a comprehensive review of the Taxonomy criteria to simplify and enhance their usability. Particular attention is paid to simplifying the 'do no significant harm' (DNSH) criteria. The review will be evidence-based and will respect the principle of technological neutrality.

⁽¹⁾ https://finance.ec.europa.eu/sustainable-finance/tools-and-standards/eu-taxonomy-sustainable-activities_en .
⁽²⁾ https://finance.ec.europa.eu/news/omnibus-package-2025-04-01_en .