



# The EU Taxonomy

## About the EU Taxonomy

The EU Taxonomy is a common **classification of economic activities contributing significantly** to environmental objectives using science-based criteria. Created by the European Commission in 2020 as part of the implementation of the EU Green Deal, it is a way to showcase whether a company, asset, project, product or service is contributing substantially **to a sustainable economy**. The classification is done according to the six environmental objectives.

## Why should small and medium-sized companies care?

Currently, only large and publicly listed companies as well as the financial market participants are required to report on the EU Taxonomy. Companies need to disclose how and to what extent their operations and investments are associated with environmentally sustainable economic activities.

For non-listed small and medium-sized companies (SMEs), reporting is still voluntary. However, knowing how the company's economic activities are related to the EU Taxonomy can:

- a) speed up access to finance
- b) create a competitive advantage when the company is looking to work as a supplier for a large and listed company
- c) assist in planning a transition to green and setting ambitious sustainability targets



## Environmental objectives of the EU Taxonomy



Climate change mitigation



Climate change adaptation



Sustainable use of water and  
marine resources



Transition to a circular economy



Pollution prevention and control



Protection and restoration of  
biodiversity and ecosystems



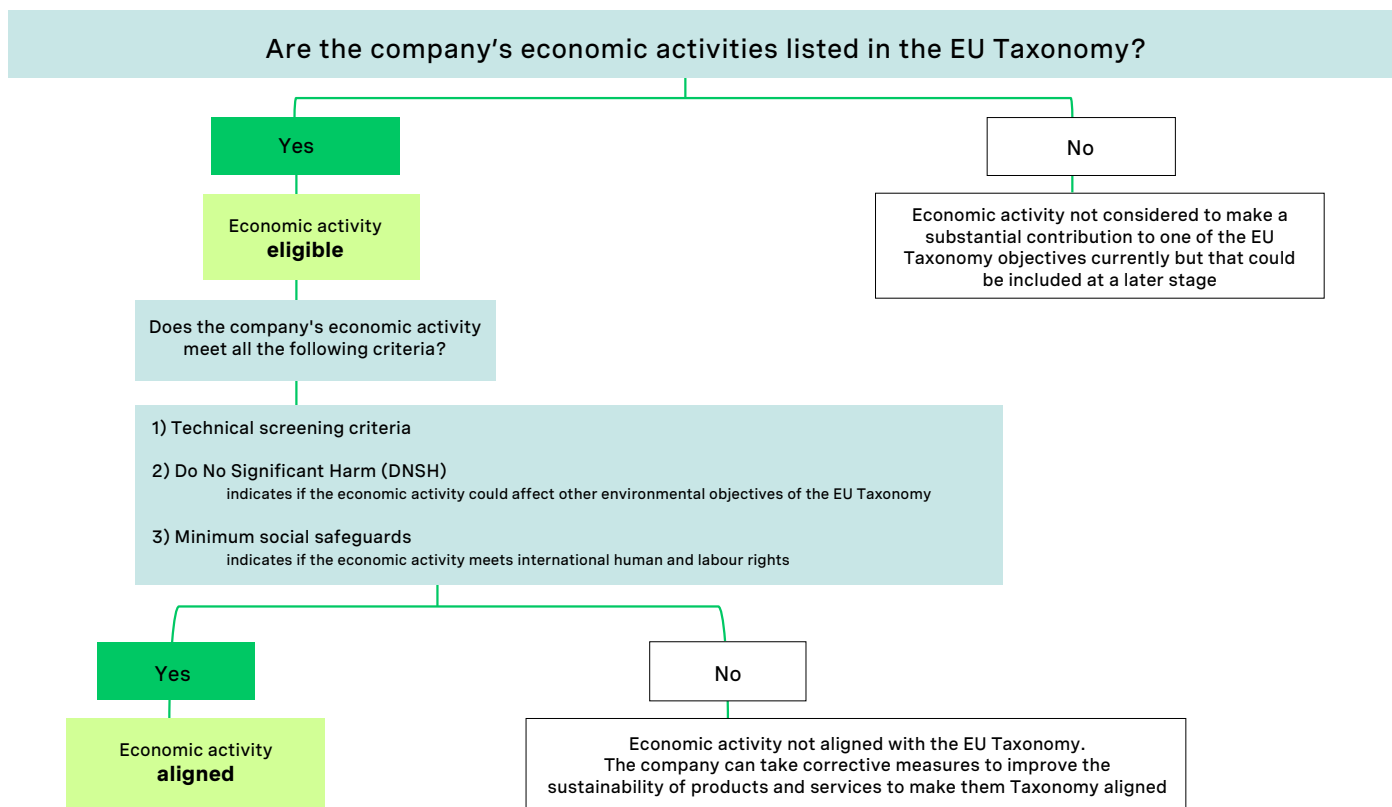
## How Nefco works with the EU Taxonomy

Nefco has classified its financing activities according to the EU Taxonomy since 2021. In addition, green impact is evaluated against the Sustainable Development Goals and Nefco's own environmental and sustainability criteria. There are also sectors that are not yet covered by the EU Taxonomy Regulation, but we can see that many of these projects are still worth implementing due to their direct or indirect positive impact on the environment and climate.

For Nefco, the EU Taxonomy is:

- a primary classification system to identify projects that are considered environmentally sustainable and eligible for financing
- a tool for helping our clients identify areas where further positive environmental impacts can be achieved

## Classifying economic activities according to the EU Taxonomy



## Let's get started!

Some simple steps to help you get started with the EU Taxonomy:

- 1) Check if your economic activity is listed in the EU Taxonomy. You can search your activity in the [EU Taxonomy Compass](#).
- 2) If your company's economic activity is not covered by the EU Taxonomy but it is innovative, mature enough and offers a sustainable solution to environmental challenges, we will be happy to help you scale up your solution. Contact us for more information and assistance: [nefco.int/our-impact](https://nefco.int/our-impact)

## Contact us!

Nordic Environment  
Finance Corporation

Visit: Fabianinkatu 34, Helsinki, Finland  
Mail: P.O Box 241, FI-00171 Helsinki, Finland

Tel: +358 (0)10 618 003  
Web: [www.nefco.int](https://www.nefco.int)

