

Press Release: EU Court ruling on Taxonomy sets dangerous precedent for sustainable finance and democratic oversight

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The General Court's dismissal of Austria's challenge to the inclusion of nuclear energy and fossil gas in the EU Taxonomy deals a serious blow to the credibility of Europe's sustainable finance framework and to the core principles of democratic lawmaking in the Union.

Today's [judgment in Case T-625/22](#) confirms that the European Commission acted within its delegated powers when adopting the [2022 Complementary Delegated Act](#) on climate-related screening criteria. The ruling grants the Commission broad leeway to introduce politically sensitive measures via delegated acts, even when these touch on issues of major environmental, legal and democratic significance.

"This is a blank cheque for gas and nuclear," said Dörte Fouquet, Director of EREF. "The Court has effectively endorsed a regulatory shortcut that allows the Commission to bypass both scientific standards and the proper legislative process. The result is a deeply politicised act that undermines the EU's climate credibility and sidelines the role of renewable energy."

The implications of this judgment are highly concerning. By allowing the inclusion of nuclear and fossil gas without a full lifecycle analysis, the ruling disregards the precautionary principle and the core sustainability definition set out in the 1987 Brundtland Report. It lowers the bar for what is considered "green" and opens the door to large-scale greenwashing.

Moreover, the Court declined to require the Commission to assess upstream and downstream impacts such as uranium mining, fuel transport, or the effects of droughts on nuclear power operation. It also accepted the logic that fossil gas qualifies as a transitional activity under the Taxonomy; despite the fact that the delegated act allows far weaker emissions thresholds than those originally recommended by the Commission's own [Technical Expert Group](#).

EREF warns that this ruling risks sending the wrong signal to financial markets, policy-makers, and investors at a time when the Union urgently needs to accelerate the deployment of genuinely renewable and decentralised energy solutions. It also raises fundamental questions about the balance of powers between the Commission and the EU co-legislators.

As several other legal challenges to the Taxonomy Delegated Act remain pending, EREF strongly recommends the European Parliament and the Council to reflect carefully on the use of delegated powers and to assert their full legislative role in safeguarding the integrity and usefulness of the EU's sustainability framework. "EREF is confident and hopes that Austria will appeal to the European Court of Justice," Dörte Fouquet emphasises.

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