

Brussels 9 June 2021

Dear MEP,

On 21 April 2021 the European Commission announced a number of measures to support the development of sustainable finance. Without private capital and a science-based taxonomy that investors can rely on when wishing to invest sustainably, the green transition cannot happen and the European Green Deal will fail.

The Taxonomy is an essential tool to inform consumers and investors about the sustainability of the financial products they invest in and to help drive private capital to economic activities that will deliver the objectives of the European Green Deal on the ground. If it lacks a scientific basis, it contributes to greenwashing, steering consumers towards unsustainable choices, thereby also damaging those companies that have genuinely rolled out ambitious sustainable investments.

The Taxonomy is expected to provide the gold standard of environmental criteria in the industry. The proposed Climate Taxonomy Delegated Act includes several positive things, such as solar and wind power generation, or zero emission vehicles. There are however other provisions that are unacceptable or where a decision is yet to be taken.

Therefore, in its current format, the Act cannot be accepted, and that is why we ask you to suspend your judgement on the Act until the details of the next two sets of criteria and amendments to bioenergy and forestry legislation will be revealed.

Indeed, after intense negotiations, the climate Act was split in three parts. The first one was adopted on 21 April. Two others are on their way, respectively covering agriculture, and gas and nuclear. One of the big battles in the past months was striving for the exclusion of gas from the taxonomy. But the discussion on whether to include gas in the taxonomy has merely been postponed. A taxonomy that promotes the use of fossil gas as sustainable will have no credibility in the eyes of consumers, civil society and investors. Until there are assurances that fossil gas will be excluded, the European Parliament should not approve the proposed act.

Moreover, the proposed Act includes unacceptable criteria on forestry and bioenergy:

In the public consultation on the draft Act, over 45 000 respondents, representing 97% of all the respondents, asked for a science-based taxonomy. But intense lobbying by in particular Sweden and Finland as well as industry led to the destruction of science-based criteria replaced by lobby-based ones for these sectors, ignoring the recommendations provided by the Technical Expert Group. The proposed rules for forestry and bioenergy would actively mislead consumers and investors and undermine the very ambition of the EU Taxonomy - to protect consumers and pension savers against greenwashing.

The standards for forestry and bioenergy classify as “green” the burning of trees and in some cases crops, clearcutting of forests, intensive mono-species

plantations, use of chemical fertilisers and pesticides in forestry and removal of stumps. This is less ambitious than *existing* best practice in the industry. It also disregards the EU Biodiversity Strategy's goal of minimising the use of whole trees and feed crops for energy production. More fundamentally, there is no reason to accept that "business as usual" is classified "green" for such land-based sectors, while it is not the case for the sectors of industry, transport, energy and construction.

The Commission's proposed taxonomy act is largely based on existing legislation such as the Renewable Energy Directive and LULUCF regulation. Amendments to these very laws will be proposed by July 2021. We therefore ask you to suspend your judgement on the proposed act until you have analysed whether the Commission's proposed amendments meets the following requirements:

1. Ensure that the **Renewable Energy Directive (RED II)** bioenergy criteria will be made science-based and credible, by ending support for burning trees and crops in the RED III legislative proposal tabled in July 2021 as part of the 'Fit for 55' package;
2. Revise **LULUCF** (EU Regulation on the inclusion of greenhouse gas emissions and removals from land use, land use change and forestry) as part of the 'Fit for 55' package;
3. Ensure that the forest-related files will be made science-based and credible, in particular the **EU Forest Strategy** and the implementation of the **EU 2030 Biodiversity Strategy**, notably: its objective to "*strictly protect at least a third of the EU's protected areas, including all remaining EU primary and old-growth forests*", the development of 'close to nature' forestry guidelines, and the preparation of the EU nature restoration law for the end of the year;
4. On the above bases, **revise bioenergy and forestry taxonomy criteria** by the end of the year, consistently with recitals 17 and 31 of the climate Taxonomy Act.

The time has come for Europe to stop destroying the natural world. Increasing the climate ambition is only good if it doesn't mean burning trees, over-exploiting our lands and destroying our nature, while deceiving consumers and investors who have a legitimate expectation towards the taxonomy to allow for robust positive contributions to a healthier planet.

Yours sincerely,

EU

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Better Finance, Guillaume Prache, Managing Director

BirdLife Europe and Central Asia, Martin Harper, Regional Director

Climate Strategy, Peter Sweatman, Chief Executive

EEB, Patrick Ten Brink, Deputy Secretary General and Director of EU Policy

ECOS, Justin Wilkes, Executive Director

European Youth Forum, Joe Elborn, Secretary General

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Greenpeace EU, Magda Stoczkiewicz, Programme Director

Naturefriends International, Andrea Lichtenecker, Executive Director

T&E, William Todts, Executive Director

WeMove Europe, Laura Sullivan, Executive Director
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Association of Ethical Shareholders Germany, Markus Dufner, Director
EuroNatur Foundation, Gabriel Schwaderer, Executive Director
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Humusz Waste Prevention Alliance, György Szabó, Zero Waste Program Manager

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Lipu BirdLife, Claudio Celada, Nature Conservation Director
Green Impact, Gaia Angelini, Italy

Ireland

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Noarc21, Colin Buick, Chairperson
An Taisce, Gary Freemantle, Interim CEO.
VOICE of Irish Concern for the Environment, Mindy O'Brien, Coordinator

Cultivate: The Sustainable Ireland Cooperative, Davie Philip, Project Coordinator
Irish Wildlife Trust, Pádraic Fogarty, Campaign Officer
Irish Peatland Conservation Council, Tristram Whyte - Conservation Policy Officer
Eco Advocacy, Suzanne Brady, Director
The Hedge Laying Association of Ireland, Shane Downer, General Manager
Forest Friends Ireland, Donna Cooney, Public Relations Officer

Latvia

Latvian Ornithological Society, Viesturs Kerus, Chairman
Green Liberty, Jānis Brizga, Chair
Pasaules Dabas Fonds, Jānis Rozītis, Director

Lithuania

VšĮ "Žiedinė ekonomika", Domantas Tracevičius, Director
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BankTrack, Johan Frijns, Director
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Consumentenbond, Sandra Molenaar, CEO
World Animal Protection Netherlands, Dirk-Jan Verdonk, Director

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SOS/BirdLife Slovakia, Miroslav Demko, Director

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Umanotera, The Slovenian Foundation for Sustainable Development, Gaja Brecelj, Director

Slovene Consumers Association (ZPS), Breda Kutin, President
Red Tree Heritage Foundation, Leon Kebe, Director

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Ecologistas en Acción, Luis Rico García Amado, General coordinator
Spanish Financial Users Association (ASUFIN), Patricia Suárez, President and Founder

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Protect the Forest Sweden, Lina Burnelius, Project leader and international coordinator
Fossil Free Sweden, Maria Hammer, Project leader
Swedish Consumers' Association, Jan Bertoft, Secretary General
Swedwatch, Jenny Haraldsson Molin, Head of Advocacy and Outreach

International

Partnership for Policy Integrity, Mary Booth, Director
Society for Responsible Design, Greg Campbell, Convenor (Australia)
AbibiNsroma Foundation, Kenneth Nana Amoateng, Director (Ghana)
Alliance for Empowering Rural Communities (AERC), Mr. Richard Matey, Executive Director (Ghana)
Rivers without Boundaries Coalition. Eugene Simonov. Coordinator (Russia)
Friends of the Siberian Forests, Andrey Laletin, Chair (Russia)
Public ecological movement "Kola Ecocenter", Yura Ivanov, Coordinator (Russia)
Crimean Republican Association Ekologiya i Mir, Andrey Artov Vice-Head (Russia)
A Well-Fed World, Dawn Moncrief, President (USA)
Socio-ecological Union International, Sviatoslav Zabelin, Coordinator (Russia)