



Dear Commissioner McGuinness,

8 April 2021

The Taxonomy Regulation was heralded as a 'gold standard' for sustainable economic activities. Based on the level 1 text, only activities fully in line with the transition to a sustainable economy and the EU goal to become climate neutral by 2050 are to be considered environmentally sustainable. Having seen the latest draft Delegated Acts under Taxonomy, we wanted to convey our concerns regarding certain specific aspects where we believe these acts risk to fail to live up to this science-based gold-standard .

Firstly, we are particularly worried that classifying investments in certain gas-powered heat and power plants as taxonomy compliant is not in line with the idea of a science-based gold standard. Given that gas plants built now will remain operational until 2050, there is a significant risk of them becoming stranded assets. Enabling these plants to run on hydrogen might not provide an adequate solution given the need to use green hydrogen for transport and heavy industry, while other solutions should be found for carbon-neutral energy production. As such we urge you to reconsider the classification of the construction of gas-plants in the Delegated Acts, in particular with regard to the assessment of the conditions foreseen for their inclusion among the transitional activities.

Secondly, the criteria for bioenergy risk being outdated. They are currently based on Renewable Energy Directive II, while its review will take place this year still. It is more suitable to await the updating of the RED to ensure the taxonomy standards are in line with the latest scientific standards and legislative ambition. Similarly, a lack of ambition in the section on forestry means many unsustainable current practices, including the use of fertilizers or the destruction of carbon-storing soils, may continue under the sustainability label. We therefore propose to postpone these two aspects of the Delegated Acts to allow further discussion.

Lastly, we want to raise our concerns related to recent lobbying moves to include nuclear under the taxonomy. Aside from questions regarding the legitimacy of nuclear energy in general, we deeply fear that including it as sustainable under the taxonomy would significantly undermine public trust in this standard and limit its adoption by sustainability-minded investors.

To ensure a broad and environmentally-conscious majority in the European Parliament for these Delegated Acts, it is essential that the final proposal is in line with scientific evidence and the EU Green Deal, and does justice to the level 1 text by creating a science-based gold standard for sustainable investments.

We remain at your disposal for further discussion.

With kind regards,

Simona Bonafè  
Paul Tang