

## **Open letter to MEPs on the Taxonomy regulation**

27 March 2019

Dear Members of the European Parliament,

Tomorrow, on 28 March the Plenary will vote on amendments to the Commission's legislative proposal for the establishment of an EU-wide framework on sustainable investments (so-called "taxonomy"). This is a crucial vote where the Parliament will decide to vote or not for a framework which reflects the ambition of the Paris agreement and the United Nations 2030 Sustainable Development Goals.

We, the undersigned NGOs, urge you to ensure that the EU's Taxonomy and definition of "sustainable investments" provides a meaningful framework enabling to reorient finance flows from unsustainable to sustainable economic activities by ensuring that we have a scale for defining the degree of environmental performance, and strong social safeguards to ensure that human rights are respected.

Given the recent climate marches that have taken place across the globe, the eyes of the public will be on Parliament for this vote, and European citizens will be looking to MEPs for a clear sign that policy makers are taking their concerns on climate change and social issues seriously.

Ahead of the Plenary vote, political groups have tabled the amendments outlined below to strengthen the draft Committee report. We urge MEPs to support them in order to respond to the public outcry to address increasing environmental and social concerns.

In particular, we urge you to vote in favour of amendments that will guarantee the framework's application to a wide range of economic activities and show, on a scale, how sustainable or not they are. In addition, we urge you to require strong social safeguards to be complied with - to ensure that no investment can be considered "sustainable" whilst harming human rights, for example through land grabbing.

It is vital that MEPs vote for these amendments, which ensure that Environmental, Social and Governance Factors are properly covered in sustainable investments. Without these properly accounted for, they risk giving a green stamp to those investments which may be environmentally friendly on the face of it, but which can result in land grabs and attacks on indigenous people who provide extremely effective environmental safeguards.

Should the Parliament fail to produce a progressive and ambitious outcome, there is a risk that it may lose its current reputation as a global leader in tackling climate change and human rights, and be accused of ignoring the will of European citizens.

With European elections in two months, we trust you to listen to the voices in the streets calling for determined action to protect our planet and our societies. We urge you to carry people's voice to the EU arena and ensure that this legislative proposal is as ambitious, comprehensive and forward-looking as possible.

What follows is a full list of the amendments we believe MEPs should support, along with the articles they seek to amend:

| Topic                                    | Article              | Amendment Number      |
|--|----------------------|-----------------------|
| Extending the Scope                      | art 1.1              | 85, 96cp1             |
| All products                             | art 1.2a             | 86, 96cp2             |
| Fully-fledged taxonomy                   | art 3                | 62, 98, 63            |
| Fully-fledged taxonomy                   | art 4.2              | 64                    |
| Social Taxonomy                          | after art 11         | 67, 90, 100           |
| Do No Harm Principle                     | art 12.1 intro       | 68, 101cp1            |
| Strengthening EU Pillar of Social Rights | art 12, after pgf. 1 | 91, 69, 101cp5, 92    |
| Social Safeguards                        | art 13               | 102, 70. 71, 72, 93   |
| Social Taxonomy Review Clause            | art 17.1c            | 76                    |
| Social Taxonomy Review Clause            | art 17 after pgf. 1  | 77                    |
| Non-Financial Reporting Directive        | after art 17         | 78, 106, annex-1, 103 |

Yours sincerely,

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**Global Witness** - Rachel Owens, Head of EU Advocacy

**ShareAction** - Eleni Choidas, Manager - European Policy

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**E3G** - Tom Jess, Policy Advisor