

(Sent to finance ministers of EU member countries)

1 December 2021

Dear,

I am writing to raise **concerns regarding the direction of travel of the EU Sustainable Taxonomy**. As CEO of the Principles for Responsible Investment (PRI) I to urge you to support the current climate delegated act in the upcoming Council meeting and to join the growing group of Member States that publicly support the consideration of alternative policy solutions to recognise gas-fired electricity and nuclear energy as transition activities outside of the EU Sustainable Taxonomy, as set out in our [position paper](#). To not do so would **undermine the scientific integrity of the EU Sustainable Taxonomy**, tarnishing investors' interest to use the EU Taxonomy as an instrument for driving sustainable investments, and leading to market fragmentation and risk of greenwashing.

The [PRI](#) is the world's leading proponent of responsible investment, bringing together over 4300 investors with approximately \$120 trillion in assets under management. More than 1100 PRI signatories, representing 28 trillion USD in AUM, are headquartered in EU Member States and follow very closely EU sustainable finance policy developments. PRI also co-convenes with UNEP-FI the [Net Zero Asset Owner Alliance \(AOA\)](#), an international group of 61 asset owners delivering on a commitment to transition investment portfolios to net-zero GHG emissions by 2050.

Investors need the EU Taxonomy to make informed investment decisions that are aligned with climate neutrality by 2050 and Paris Agreement objectives, and to be transparent about how they are transitioning their investments. I understand that a potential complementary climate delegated act covering nuclear energy and gas-fired power could be published in the coming weeks, adding those sectors to the list of sustainable economic activities under the EU taxonomy. This would undermine the **scientific integrity** of the EU Sustainable Taxonomy, the **consistency and credibility** of the EU's broader sustainable finance regulatory framework, and the **trust of market participants** as key contributors to implementing the EU's climate policy and sustainability goals. A weakened EU Sustainable Taxonomy could have serious knock-on effects and increase greenwashing risks in various private and public finance files such as taxonomy-related disclosures under SFDR and CSRD, the EU Green Bond Standard, Sustainability preferences of clients as expressed under MIFID, climate benchmarks, EU recovery funds, state aid, fossil fuel subsidies, etc. Policymakers must explore alternative policy solutions, that recognise the important role for nuclear energy and gas-fired power in the energy transition, **without labelling them as inherently sustainable activities under the EU Sustainable Taxonomy**.

The EU Sustainable Taxonomy is a crucial piece of legislation that has the potential to guide financial flows towards sustainable activities and cement the EU's global leadership on climate policy. The [EU Technical Expert Group on Sustainable Finance's \(TEG's\) criteria](#) for the energy sector must be maintained, to support the pathway to limiting global warming to 1.5 degrees, in line with scientific findings from the IPCC and other institutions, and to send a strong signal post COP26 at a time where global warming is progressing faster than expected.

I hope that you will consider these points and am at your disposal to discuss this topic, and sustainable finance policy reforms in the EU.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Fiona Reynolds'.

Fiona Reynolds  
CEO  
PRI

CC: Mr Max Elger, Minister for Financial markets