



## Preserving the EU Taxonomy's sustainable purpose

**How including aviation is putting the taxonomy's credibility at risk for sustainable investors.**

The EU Taxonomy promotes transparency over activities which support the bloc's climate and environmental goals. As the foundation of the EU's Sustainable Finance framework, it sets the bar for the EU's ambition on climate action. Investors need to be able to rely on the Taxonomy to align portfolios with net zero and reorient capital towards climate solutions.

As investors we strongly oppose lobbying efforts that undermine the Taxonomy's credibility and scientific integrity. This includes the aviation industry's attempts to classify the manufacture of fuel efficient aircrafts running on fossil fuels as 'green' and compatible with EU climate goals. **Fossil fuel powered aircrafts cannot make a substantial contribution to climate mitigation.**

**As such, we ask that aeronautics in all its dimensions should not be included as a specific activity eligible under the EU Taxonomy.**

The collective recognises the need for the aeronautics sector to adapt and transition. However, it is important to us that the taxonomy remains a positive tool to enable capital to be channelled towards economic activities that are fully compatible with the EU's commitment to climate neutrality by 2050.

As noted by the Platform on Sustainable Finance, while transitional activities may be part of an economy in transition, not all activities that are part of an economy in transition are transitional activities. Transitional activities in the context of the Taxonomy are clearly defined as those for which there are no technologically or economically feasible alternatives, but which demonstrate best-in-class emissions performance, do not lock-in carbon, and do not hamper the development and deployment of low-carbon alternatives. Transitional activities must also remain compatible with the goals of the Paris Agreement. The concept is not intended to cover or account for the broad spectrum of activities which sectors will need to undertake to support the transition to net zero.

Including the manufacture of more fuel efficient aircrafts running on fossil fuels does not meet these criteria.

Any new aircrafts that comes on the market today represent **locked-in emissions** for more than 20 years. Whether more efficient or not, such aircrafts will add absolute emissions and cannot make a substantial contribution to climate mitigation. This holds particularly true as air traffic is set to increase.

Further, including the manufacture of such fuel efficient aircrafts in the Taxonomy allows the continuation of business-as-usual in the sector and supports the growth of aeronautics in a way that is not compatible with the European Union's climate objectives. This will slow down the real transition efforts that are needed by **hampering the development and deployment of low-carbon alternatives.**

Here, the Taxonomy is already supporting some of the sector's efforts:



ACTEURS DE LA  
FINANCE RESPONSABLE

- Expenditure and income related to the development of sustainable airports are already [eligible](#).
- For airlines, OpEx in sustainable aviation fuel is also [eligible](#). As with all other sectors, CapEx and OpEx in energy, real estate, aircraft materials (steel, aluminium) and electronics are also recognised in the Taxonomy.

In addition, efficiency gains do not need to be promoted by the Taxonomy because they are already profitable for the companies through fuel savings. Many aerospace companies are already on track to realising such efficiency gains. Including such activities in the EU Taxonomy would classify those actions as “green”, supporting high-emissions business-as-usual, but lead to no additional climate benefit or substantial contribution to climate mitigation in practice.

**Most importantly, non-inclusion of the aviation sector in the Taxonomy does not equate to a ban on financing. The Taxonomy is a specific tool to identify and classify economic activities that are compatible with climate and environmental objectives. It does not impose obligations for firms to invest exclusively in such activities.**

The credibility of the Taxonomy has already been [weakened](#). The Taxonomy is designed to eradicate greenwashing, not give opportunities to increase it. As investors we remain supportive of re-orientating capital in line with net zero.

**Hence, we ask for the removal of aeronautics in all its dimensions as a specific activity eligible under the EU Taxonomy.**

Signatories on the 13rd of June 2023

**OFI Invest Asset Manager**



**Mirova**



**Degroofpetercam**



**Ruffer LLP**





ACTEURS DE LA  
FINANCE RESPONSABLE

**CCLA**



**Northern Ireland Local  
Government Officers'  
Superannuation Committee  
(NILGOSC)**



**La Financière de l'échiquier**



**Triodos IM**

Triodos  Investment Management