

ClientEarth, the WWF European Policy Office, Transport & Environment (T&E), and BUND (Friends of the Earth Germany) are today filing a case in the Court of Justice of the European Union against the European Commission's refusal to remove **fossil gas** from the EU's sustainable finance Taxonomy.

The Taxonomy's Complementary Delegated Act (CDA), adopted controversially in July 2022, classifies certain uses of gas as environmentally 'sustainable'.

The **NGOs** argue that these uses of gas cannot be considered sustainable given their negative impacts on the environment. Fossil gas is a high-carbon source of energy when burnt and, when leaked into the atmosphere, its impact on climate change is more than **80 times greater than CO2 over 20 years**.

Classifying fossil gas as 'sustainable' also risks worsening the EU's dependency on fossil gas by increasing EU demand for gas, which must then be imported. This would expose the **EU** to more volatility, dependence on producing countries and supply crises in the future - with potentially further devastating impacts on household bills.

In the court case, the NGOs hold that the CDA clashes with EU laws such as the Taxonomy Regulation itself and the European Climate Law. It also goes against the EU's obligations under the Paris Agreement. The Taxonomy Regulation requires that the classification of technologies be science-based. However, the European Commission went against the opinion of its scientific advisers when it labelled these uses of gas 'sustainable'.

The Commission also ignored the European Climate Law's requirement to assess and consider the climate impact of the CDA. An under-acknowledged issue is that the **CDA** is at odds with many financial institutions' policies on gas. The European Investment Bank's 2019 Energy Lending Policy effectively ruled out fossil gas financing, with its president asserting that "gas is over", while the global green bond market already has a common practice to exclude fossil gas.

A spokesperson for ClientEarth, the WWF European Policy Office, T&E and BUND said: **"Labelling fossil gas as 'sustainable' is as absurd as it is unlawful. It goes against the EU's own scientific advice and fundamentally undermines the credibility of the EU's climate action. Fossil gas is not clean, not cheap and not a secure source of energy.**

"The Taxonomy is meant to support the EU meeting its climate targets. Instead, this label stands to do the opposite, by channelling additional investments into this harmful energy source and away from genuinely sustainable sources of energy. We're taking the Commission to court in the hope of restoring some credibility to the Taxonomy and avoiding this huge risk to the climate and people's energy security."

EU Taxonomy: Environmental groups take EU to court over 'green' gas label

A hearing at the General Court could be held in the second half of **2024** and a judgement released in **2025**. The desired end result would be a ruling that forces the Commission to review the Complementary Delegated Act.

Source: [WWF](#)