

Subject: Recommendations on Criteria and Future Development of the EU Taxonomy

Dear Members of the Platform on Sustainable Finance,

We welcome the recent Draft Report on Activities and Technical Screening Criteria to be Updated or Included in the EU Taxonomy and appreciate the opportunity to contribute through public consultation. As a coalition of civil society organisations, we highlight the importance of aligning financial flows with the EU's sustainability objectives. We provide here key recommendations on the inclusion of mining activities and other considerations regarding the Platform on Sustainable Finance (PSF) Draft Report.

1. Mining: Recommendations for Criteria Strengthening

If mining is included in the Taxonomy, it should be subject to strict sustainability conditions:

- **Stronger 'Do No Significant Harm' (DNSH) requirements:** Align with the highest international standards, including the Global Industry Standard for Tailings Management (GISTM) and the Safety First Guidelines.
- **No mining in protected areas:** Prohibit mining in UNESCO sites, IUCN protected areas (I-IV), national parks, and buffer zones.
- **No seabed mining**
- **Robust social safeguards:** Ensure full and fair implementation of Free, Prior, and Informed Consent (FPIC) for Indigenous and local communities and compliance with core International Labour Organisation (ILO) conventions.
- **Circular economy measures:** Strengthen requirements for water recovery, closed-loop systems, and stringent pollution control and waste management mechanisms.
- **Exploration of alternatives:** The PSF should explore pathways for recovering minerals through recycling to reduce reliance on primary extraction and exploring substitute materials that may be more sustainable and less environmentally detrimental.
- **Mining activity (limited to lithium, nickel, and copper) should be classified as transitional and be subject to review every three years¹.** This ensures mining does not receive indefinite green credentials but must continuously improve its sustainability performance.
- **Manufacturing of lithium and nickel:** We support the thresholds set for the manufacturing of nickel and lithium and the commitment to carbon neutrality by 2050. The recommendations should require the adoption of widely recognised greenhouse gas reporting standards, such as the GHG Protocol Corporate Standard or GRI 305.

¹ The Taxonomy Regulation does not limit an activity to be classified as both transitional and enabling. For purposes of reporting against the Disclosure Delegated Act and for the enabling / transitional breakdown in the template, the activity can stay as enabling.

Additionally, the Taxonomy should correctly define cleaner low-emission nickel refining and processing routes to stimulate investment and commercialisation of hydrometallurgy-based cleaner technologies like bioheap leaching and pressure oxidation. An activity covering the **recovery and processing of recycled lithium and nickel** for sustainable technologies should also be included under this taxonomy activity or as a separate activity.

2. Other Key Considerations in the PSF Draft Report

- **Energy thresholds:** We welcome the proposed thresholds as they enhance ambition. However, these should also apply to gas-fired power to ensure consistency.
- **Building sector:** We support the recommendations but recommend clarifications on references to the Energy Performance of Buildings Directive (EPBD) recast.
- **Manufacturing activities:** The updated thresholds are a step forward in aligning manufacturing with energy-related criteria. However, concerns remain regarding the inclusion of primary plastic production.
- **Bioenergy:** We do not support the current recommendations, as the sustainability criteria remain insufficiently stringent. We urge the adoption of the stricter CSO recommendations submitted in the public consultation.
- **Review of appendices:** We broadly support the review but stress the need for further clarification on the pollution appendix, particularly regarding the inclusion of PFAS chemicals in Appendix C.
- **Minimum Social Safeguards:** The current criteria are outdated and require revision. Stronger international references should be integrated, ensuring alignment with best practices on human rights, labour, and community engagement. Additionally, safeguards should be more sector-specific.

For further analysis of sustainable activities, we refer the PSF to the Independent Science Based Taxonomy (ISBT): science-based-taxo.org.

3. Next steps

We commend the PSF for its thorough work in assessing activities for inclusion in the EU Taxonomy. As the process moves forward, we encourage the PSF to establish a clear priority list of activities to be worked on in the next PSF mandate. This should include not only new sustainable activities but also the **decommissioning of harmful activities**, which is already taking place across various sectors (e.g. coal-fired power).

Additionally, we urge the finalisation of the work started by the PSF in its first mandate: drafted criteria for **manufacturing of food and beverages, textiles, leather, furniture, chemicals and other activities**, which remain absent from the EU Taxonomy framework, should be finalised and published. This required much PSF work and must have a use.

We also recognise the significance of agriculture as a key sector, which requires a comprehensive approach. While we acknowledge the relevance of classifying agriculture under substantial contribution to climate adaptation for food security, it is crucial to develop substantial technical

screening criteria that address all six environmental objectives. For example, in livestock production, we refer to expert recommendations from the [ISBT Recommendations on Livestock Production](#).

We appreciate the PSF's efforts and encourage continued scientific rigour and transparency in shaping the EU Taxonomy. Thank you for your work and consideration of our recommendations.

Yours sincerely,

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