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The European Consumer Organisation

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Press Release

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European Parliament greenlights institutional greenwashing of consumers' investments and pensions

The European Parliament has given its green light to the European Commission's plans to label nuclear energy and fossil gas as 'green investments'. For BEUC, this is unacceptable institutional greenwashing and will prevent consumers from investing sustainably.

It means that nuclear and fossil gas could be misleadingly marketed to consumers as 'green' investments, despite well-documented issues of risk and radioactive waste from the former and carbon emissions from the latter. This will mislead consumers about how sustainable their investments are. It will also increase consumers' exposure to stranded assets (e.g., gas power stations being decommissioned in future for the EU to meet its climate goals) which can significantly devalue pensions, for example.

The Commission – and now the Parliament – have completely failed to take on board EU consumers' expectations, who are increasingly looking to invest their money sustainably. A recent Eurobarometer survey shows that 93% of Europeans consider climate change a serious problem and a majority of EU citizens who do not consider nuclear and fossil gas to be green.

BEUC Director General Monique Goyens said: "This news is a disaster for consumers. It's exactly the wrong signal that the EU should be giving right now when we should be accelerating climate action and shifting away from Russian fossil fuels. Those MEPs who voted for nuclear and gas and against consumers are on the wrong side of history and are playing political games with people's futures. In practice, it means that the finance industry will be allowed to greenwash nuclear and fossil gas investments and sell them to consumers as 'green'. Despite their best intentions, consumers' hard-earned savings and pensions will be ploughed into climate-harming investments.

"The Taxonomy plan is both deceitful and risky, as investments like pensions could lose a significant chunk of their worth once fossil fuels start being phased out to meet the EU's climate objectives. When something is sold to consumers as green, they expect it to be green. This means that consumers will be left without a meaningful way to identify or compare the sustainability of financial products, a state of affairs which will last for at least several years. What's more, once consumers have invested, it's not guaranteed that they will divest, even if the Taxonomy is reviewed. What we need now is some form of science-based alternative Taxonomy to help guide consumers through this jungle of greenwashing. With the EU's sustainable finance regulation in such a shambles, this may be the only way to offer comparable and accurate information to consumers who want to invest sustainably in the coming years".

This press release is part of an activity which has received funding under an operating grant from the European Union's Consumer Programme (2014-2020).

Background
The Commission rushed its Taxonomy plans through the usual approval processes in a highly irregular way. The draft plans were leaked just before midnight on New Year's Eve last year, when the Commission thought nobody was watching. The Commission then completely ignored serious concerns from its own Platform on Sustainable Finance made up of experts from civil society and industry and failed to submit the proposal to public consultation (despite requests from MEPs). Following this vote, the Taxonomy will be submitted to review by EU national governments in the Council.

Read more

- BEUC recently wrote to European Commission President Ursula von der Leyen as part of a coalition to express grave concerns about the Taxonomy
- BEUC factsheet: 'How green is green finance? Can consumers trust the Taxonomy?'

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