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## **Sustaining a strong and healthy European food industry**

*Adopted at the YEPP Council Meeting in Helsinki, 18.02.2023*

Recognising that:

1. The European Green Deal intends to make Europe the first climate-neutral continent by 2050. This endeavour is one of the biggest structural changes the member states of the European Union have attempted so far. One important part to achieve the goal of climate-neutrality is to implement the taxonomy regulation, which sets a framework for sustainable investing and European green finances in general to direct investments towards sustainable projects and activities.
2. The taxonomy regulation is a unique opportunity for companies to access financial advantages within the capital market as a reward for sustainable economic activities. It will reward companies and front runners in their sustainability efforts. On the flipside, there is a high risk of unfairly disadvantaging companies that are still in the transitioning process to becoming more sustainable, raising the risks of them being left behind.
3. The taxonomy regulation is an effective way to close the investment gap of 260 billion EUR annually that are considered to be necessary to reach the climate and energy targets that are part of the Green Deal. Therefore, it is important that the taxonomy regulation helps to transfer money to the appropriate economic activities.

Acknowledging that:

1. In many cases, companies have an intrinsic, economical motivation to be part of the sustainable ecological change that intends Europe to be the first climate-neutral continent. It is what the consumers seem to be demanding, hence there is a direct link to profitability and sustainability. In order to get as many producers on board as possible, it is important to focus on the benefits rather than artificially creating disadvantages for those who are still in the process of transitioning or who are affected by circumstances that make it impossible to produce sustainably just yet.<sup>1</sup>

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<sup>1</sup> Vgl. Schindecker, Strauss und Darnhofer (2014): Biolandbau in Salzburg: Warum so erfolgreich?  
[https://boku.ac.at/fileadmin/data/H03000/H73000/H73300/PJ/rethink/Schindecker\\_et\\_al\\_OEGA\\_2014.pdf](https://boku.ac.at/fileadmin/data/H03000/H73000/H73300/PJ/rethink/Schindecker_et_al_OEGA_2014.pdf)

2. Especially within the sector of food production, but also in other economic sectors, there still happens to be a huge lack of data concerning the greenhouse gas emissions (and other sustainability factors) of different food groups. As this data is the deciding factor within the Green Deal to differentiate between those economic activities that support the climate-neutral-goal and those that do not, the most important step for green finance regulations is to invest in a reliable data base. <sup>2</sup>
3. To be able to execute sustainability reporting and consequently to be able to profit from the opportunities, which are implied in the taxonomy, companies have to deal with high levels of bureaucratic requirements. Especially SME are struggling because of that.<sup>3</sup>

#### YEPP Calls on:

1. The European Union and EU member states to ensure food security within Europe by supporting the stability of companies in the food industry that are still in the transitioning process to still be able to produce without any financial disadvantage within a grace period.
2. The EU and EU member states to provide realistic technical criteria, rules on transitioning and enabling activities for the food production, to make sure that as many producers as possible are incentivised to be part of the change for a more sustainable food system.
3. The EU member states to provide clear and transparent guidelines for companies, especially SME, to be able to fulfil the requirements on sustainability and taxonomy reporting without having to access external consultants. This ensures a level playing field for those companies who do not have the financial resources to get external know-how.
4. The European Union and EU member states to ensure that regulations published by different institutions are not conflicting within its set of rules (CSRD, taxonomy regulations etc.).

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<sup>2</sup> Vgl. BDI (2019): Product Environmental Footprint (PEF): Methodik noch nicht anwendungsreif <https://bdi.eu/artikel/news/product-environmental-footprint-pef-methodik-noch-nicht-anwendungsreif/>

<sup>3</sup> Vgl. PwC (2022): EU-Taxonomie 2022: Nachhaltigkeitsberichterstattung im Wandel <https://pages.pwc.de/content-form?qs=dc7fcb176550eb1a6d1e950e3a1ac396b5c08c8064100f9d7340ba2417c51ff729ead2ec6a819a82828b04991d53e0fd58f9ca0807827ef21dff927e1b93ffad5fe2fb6ca0a12d57550527e9f4229096>