

DELIVERING EUROPE'S CLEAN TRANSITION

Environmental Defense Fund Europe

2024 Review



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Environmental Defense Fund Europe: 2024 Review

In 2024, Europe continued to cement its role as a global leader in driving climate action despite an increasingly challenging geopolitical landscape. Even as far right parties gained power and attention, the European Union (EU) finalised its flagship climate initiative, the European Green Deal. Now, attention is turning to implementing these Green Deal policies, which will face significant political headwinds both within Europe and internationally.

The results of the June European parliamentary elections reflect evolving political dynamics in the EU. Far right parties never quite made the breakthrough that many predicted, leaving a landscape with strong right-of-centre representation and a weakened centre-left coalition. While the precise impact on Europe's climate trajectory remains to be seen, these results show a shift in European priorities, most notably a greater focus on security, competitiveness and the cost of living.

In this context, EDF is poised to increase our impact as a trusted voice advocating for actionable, effective climate solutions in Europe. In recent years, we built a reputation as a reliable bridge between scientific experts, corporate leaders, and decision makers. We have made good progress in carving out strategic niches where we can have an outsized influence on policies. For example, EDF remains one of the few, if not the only, environmental advocacy organisations working on hydrogen emissions across the EU. Equally, we played a crucial role in putting the importance of reducing methane emissions on the agenda of EU lawmakers and improved the legislative text of the EU's first regulation to reduce methane emissions from the energy sector.

Going forward, our profile and expertise provide a unique opportunity to explore and deliver solutions that can achieve climate impacts while securing an affordable future for Europeans and ensuring competitiveness on a global scale. EDF focuses our work in Europe on four high-impact areas: (1) **energy** — specifically on reducing methane emissions and getting hydrogen right, (2) advocating for more efficient, low-emission **transportation**, (3) advancing solutions for **agriculture** that benefit farmers and the environment, and (4) improving **sustainable finance** flows that further accelerate climate action.

As you will see in this report, 2024 was a pivotal year for impact in Europe. We made significant progress in building our ecosystem of partners and the portfolio of activities delivering impact across these four areas. We look forward to 2025 with ambitions to continue to scale our impact, knowing that we build upon a strong foundation.

We are grateful, as ever, to our friends, partners, and supporters who make our work possible.



Helen Spence-Jackson

Executive Director, Europe
Environmental Defense Fund Europe



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ENERGY

REDUCING METHANE EMISSIONS

Cutting methane pollution — a highly potent greenhouse gas — offers the fastest, most cost-effective way to immediately slow the rate of global warming and avert the most catastrophic effects of climate change. As the world's largest importer of fossil fuels, the EU is particularly well positioned to drive meaningful change in this space.

After lengthy negotiations, the EU adopted its first regulation to reduce methane emissions from the energy sector this year. Now, the EU has entered the implementation phase, where all Member States are responsible for ensuring that operators and importers comply with these regulations.

EDF provides science-based expertise to policymakers in Member States and the European Commission to support ambitious implementation. Our work in this area has helped us become a credible voice and trusted partner with EU Institutions, Member State governments, and Civil Society Organisations across Europe.

Key 2024 achievements



Adoption of EU Methane Regulation

EDF's science-based advocacy played a crucial role in putting the issue of methane on the agenda of EU lawmakers and improving the legislative text. As a result, the legislation includes many of the provisions that EDF championed. Most notably, the European Parliament and Council agreed to cover emissions not only from domestic production but also emissions associated with imported oil, gas and coal.



Outreach in the EU

We bridged the science-policy gap and brought together key stakeholders by hosting events such as our first-ever Science Day in Brussels, which focused on Earth Observation, and co-hosting a policy discussion and exhibition stand at the European Sustainable Energy Week. We also hosted a high-level roundtable discussion in Italy, contributing to the increasing engagement around MethaneSAT, a satellite that EDF launched earlier this year to provide the public with a detailed view of global methane emissions, and the role of Earth Observation for climate action. Our commentary on the country's National Energy and Climate Plan received significant attention in the national media.



Influencing the international conversation

EDF joined a coalition of NGOs to announce the Methane Abatement Partnership Roadmap launched at COP29 by the European Commission and joined a high-level panel discussion alongside the Head of the Italian G7 delegation for Energy and Environment and Italy's Special Envoy for Climate. As a result of our engagement, language we recommended was included in the G7 outcomes to reduce methane emissions.



Launching the Civil Society Observatory on Methane Emissions

EDF and Deutsche Umwelthilfe launched the European Civil Society Observatory on Methane Emissions. The observatory will use independent data from sources such as the United Nations Environment Programme and MethaneSAT to advocate for emissions reductions and engage national and regional organisations to empower citizens and civil society to demand transparency and methane abatement from policymakers and industry.

GETTING HYDROGEN RIGHT

Hydrogen holds great promise for reducing greenhouse gas emissions, but adopting it as a fuel source creates new challenges because it is a leak-prone gas with a potent warming effect of its own. For hydrogen to be an effective climate solution, we must produce it cleanly and use it wisely. EDF is raising awareness about these challenges to help policymakers chart a path for hydrogen use in the future that can provide bountiful energy while minimising climate pollution.

EDF scientists are applying science to inform policies, such as how greenhouse gas emissions savings from hydrogen are calculated. Getting these methodologies right would significantly advance the EU's decarbonisation agenda and lay the foundation for Europe's hydrogen industry.

We prepared for the launch of an EDF hydrogen emissions measurement campaign in Europe with a newly developed hydrogen sensor. These real-world measurements will contribute critical evidence that policymakers will be able to use to further shape the regulatory framework for hydrogen development in Europe.

Key 2024 achievements



Influencing EU legislation through science-based advocacy

Multiple pieces of the EU hydrogen regulatory framework, including the EU gas market package passed in 2024, now refer to the climate impacts of hydrogen emissions. This directly reflects our science and policy advocacy in this space and will play a key role in shaping the rollout of hydrogen systems in the EU.



Awareness raising in Member States

We raised awareness about the challenges of producing, managing, and using hydrogen with policymakers in key Member States. In Germany, we helped Deutsche Umwelthilfe develop a legal opinion explaining how municipalities can rule out hydrogen as an option for home heating in the early stages of the heat planning process. The legal opinion and corresponding factsheets reached 8,000 German municipalities, and at least one municipality used the arguments from the opinion in a resolution to exclude hydrogen from heat planning. Hydrogen emissions continued to gain visibility in our other target geographies; we spoke at high-level hydrogen events in Italy and the UK and convened more than 40 key stakeholders to jointly discuss measures needed to maximise the climate benefits of hydrogen in the Netherlands. We have also made efforts to shape the relevant national policies in those countries, including by responding to public consultations.



Brand building and media engagement

We secured a coveted speaking slot at European Hydrogen Week, a major hydrogen event in Brussels, which resulted in significant interest in our forthcoming measurement campaign. Concurrently, our successful media engagement strategy helped us gain more visibility, which includes 13 mentions of EDF and quotes by our staff in media outlets such as Euronews, Euractiv, and Boersen Zeitung and an op-ed published in Hydrogen Insights.

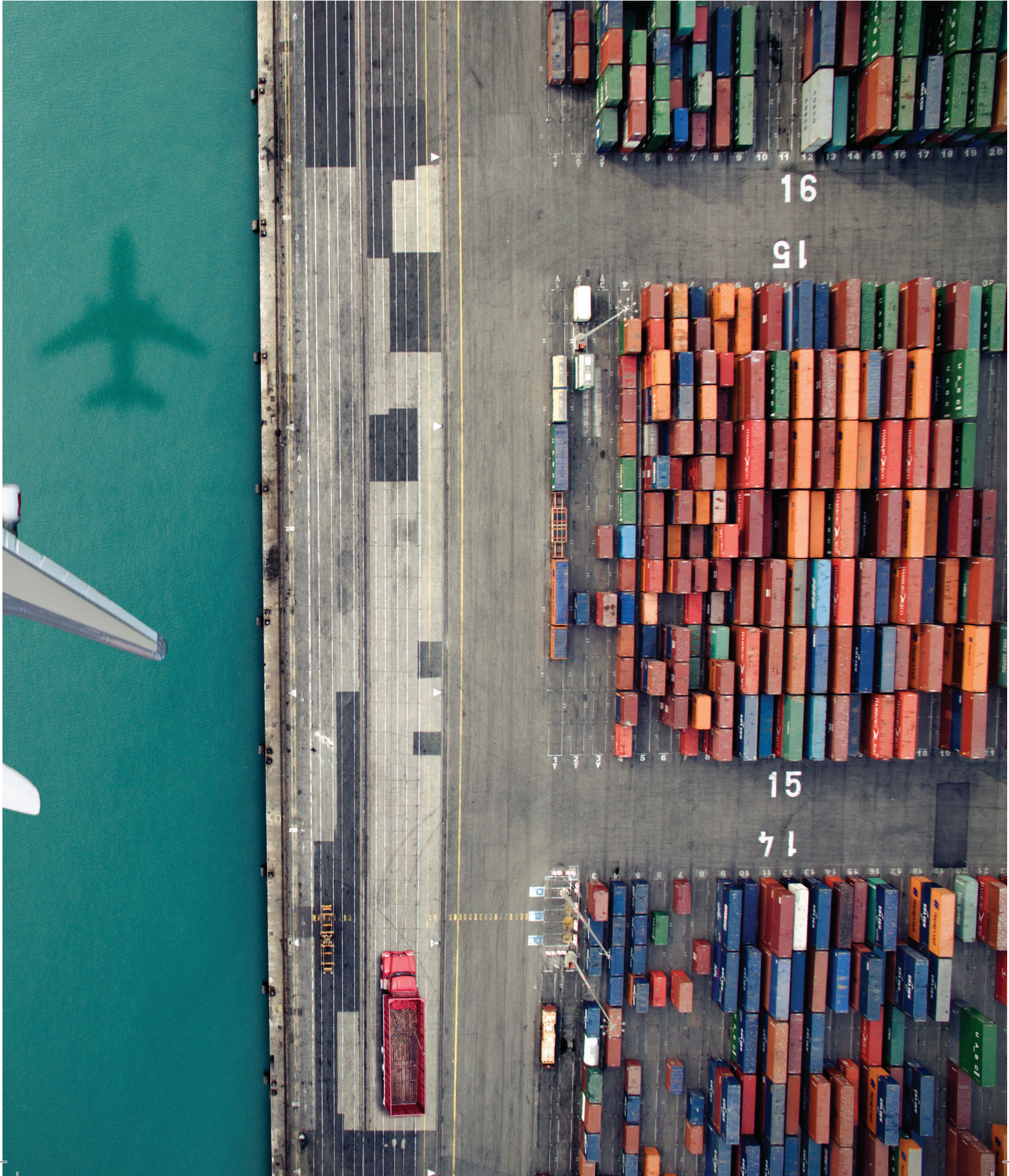
STEERING ACTION TO REDUCE EU TRANSPORT EMISSIONS

Transporting people and goods is vital for a thriving society and the European economy. Despite the increasing use of electric vehicles, the transportation sector is still one of the largest sources of greenhouse gas emissions in the EU, and emissions from international aviation and maritime shipping are projected to increase. This makes it harder for the EU to meet ambitious climate goals and perpetuates poor air quality in cities across the continent.

EDF strives to reduce the health, environmental, and climate impacts of the EU transport system, recognising the need for widespread electrification and sustainable low-carbon fuels. As the mobility sectors will share common feedstocks and energy transition pathways, we address aviation, road, and maritime issues in an integrated manner, working to define and implement sustainability guardrails for bio and hydrogen-based fuels; supporting the development of holistic regulatory frameworks and innovative financing tools, to enable and accelerate the transition.

Beyond European policy files, our work also aims to build bridges between Europe and international fora, such as the International Maritime Organization in London (IMO) or the International Civil Aviation Organization in Montreal (ICAO), where key decisions influencing these global industries are made.





STEERING ACTION TO REDUCE EU TRANSPORT EMISSIONS (CONT)

Key 2024 achievements



Aviation

- EDF joined the European Commission's Expert Group on Climate Change Policy in aviation, focusing on implementing recent changes to the EU Emissions Trading System (ETS). Key efforts of the group include the ETS-financed Sustainable Aviation Fuels Support Delegated Act and the Implementing Act, which establishes rules for monitoring, reporting, and verifying non-CO₂ emissions as a crucial stepping stone towards potential legislative measures in 2028. Other priorities include ICAO CORSIA implementation details, such as route coverage and offsetting criteria.
- We provided input to the European Commission on sustainable aviation fuels production costs, including recent data on e-fuels, and monitored discussions to inform broader strategies beyond the ETS. This includes addressing non-carbon dioxide climate impacts through jet fuel regulation to mitigate soot emissions.



Road Transport

- We published an air quality monitoring study that showed how traffic congestion in London exacerbates emissions from specific types of diesel vehicles. The study helped London authorities consider measures that could be taken to mitigate the challenge and understand its implications for the city's Ultra Low Emission Zone policy. A follow-up journal article by EDF scientists showed that particulate filters effectively controlled fine particulate matter emissions in traffic congestion but pointed to other sources of growing concern, such as high emissions from malfunctioning vehicles and construction.
- EDF published guidance for cities to set up urban freight partnerships with stakeholders to implement low-emission and last-mile freight strategies in cities across Europe. A focus group with cities in the POLIS network found a high degree of interest in the tool, and it has been distributed to cities through POLIS, EuroCities, the EU's 2030 Cities Mission, and used in university-level classes for city planners.
- In partnership with CALSTART, EDF co-hosted a workshop with all industry actors at the Reuters Sustainable Road Transport Forum 2024 to build connections across sectors and share ideas about unlocking financing for low-emission vehicles in the long-distance freight sector. We also worked with Girtaka, one of the largest long-distance freight companies in Europe, to understand and highlight their challenges and successes on the road to decarbonisation, including in a video and social media campaign.



Shipping

EDF engaged with the International Maritime Organization to advance sustainability in the European shipping sector. As part of this:

- We contributed to a thought piece analysing the implications of a universal price on emissions and showcasing how such pricing mechanisms that raise sufficient revenues can deliver on IMO targets and its vision of promoting a just and equitable transition.
- We presented the findings of our Sustainable First Mover Initiatives Tool report, leading to further engagement with key stakeholders, including the European Commission.
- EDF's hydrogen science paper was included for consideration by a newly formed expert group on lifecycle emissions accounting guidelines, and resulted in interest from various delegations in EDF's research on ports and hydrogen.
- Based on a study published with researchers from CE Delft, EDF advocated for increased transparency and accessibility to the Carbon Intensity Indicator (CII) and Data Collection System, and spearheaded an advocacy campaign for the inclusion of the CII in the Port State Control Directive, which led the European Parliament to include the CII in the Directive's review clause in its negotiating position. The full report on this issue will be published early 2025.

ADVANCING CLIMATE SMART AGRICULTURE

The European political context around farming changed drastically in 2024. Farmer protests in capital cities across the EU forced officials to rapidly reverse several environmental requirements initially mandated as part of the European Green Deal. Elections over the summer returned a new European Commission and Parliament intent on simplifying rules and conditions tied to farmer subsidies. Rather than introducing new mandatory practices or more onerous green obligations for farmers, the focus now is on new funding to finance a 'just transition' to sustainable practices in the next iteration of the Common Agricultural Policy (CAP).

The uneven impact of Green Deal policies on different parts of society has also been on our radar and looks set to increase in importance. The perception of this impact has been playing out in parts of the farming community and the politically sensitive issue of agriculture will likely remain high on the agenda in the new mandate.

EDF's work elevating the urgency of tackling agricultural methane in partnership with dairy multinationals places us as a credible EU civil society actor to influence the upcoming 'Vision for Agriculture and Food' that will frame the EU work programme for the next 5 years. Our pragmatic, farmer-centric approach is resonating with stakeholders and our work will help position us well for engaging on this topic in the new EU mandate, putting solutions for livestock emissions high on the agenda. We built connections with partners that will enable us to continue to influence EU policy and action as the role of innovation and adaptation, as well as the climate risk for farmers, comes into sharp focus in Europe.



Key 2024 achievements



Putting agricultural methane emissions from livestock on the EU agenda

We concluded the first phase of a study on incentives for on-farm methane reduction within the CAP in 5 key livestock-producing Member States that will be used in our dairy corporate engagement advocacy. At the national level, we studied the financing challenges of specific on-farm methane solutions, which highlighted the need for systemic change to create the conditions for finance to be sought and deployed at scale. We also put forward a set of recommendations aimed at improving borrowers' repayment capacity, while simultaneously enhancing funders' appetite in the sector. These recommendations range from interventions targeting policy alignment to better disclosure by banks. This work will provide a valuable analytical foundation for our sustainable finance work in the context of agriculture.



Catalysing corporations to think about the agricultural methane part of their sustainability journey

In 2023, EDF and prominent dairy companies launched the Dairy Methane Action Alliance to promote transparent methane emissions measurement, disclosure, and reductions in dairy supply chains. Over the course of 2024, we partnered with EIT Food, the EU's leading food innovation initiative, Danone, and Bel Group to raise EDF's profile as a credible partner for corporate actors and stakeholders looking for solutions to address dairy methane. In December, we co-hosted a webinar that brought together leading dairy companies in the EU and academic institutions working on agricultural methane projects to explore accelerating co-financing possibilities to scale up impactful on-farm methane solutions. Raising awareness among stakeholders in EIT's broad agrifood and academia ecosystem was a first step towards exploring the possibilities for the Dairy Methane Action Alliance and other dairy multinational companies to co-create EIT co-financed large-scale projects across the EU.



Building EDF's credibility as a source of robust scientific and economic insight

As the European Commission explores potential new income streams for farmers, it is increasingly focusing on carbon farming – agricultural practices that capture and store carbon dioxide in soil, crops, and other organic materials. At the Commission's request, EDF provided expert insights on soil carbon and emissions at an official DG CLIMA stakeholder event. EDF joined the steering group of the International Soil Carbon Research Network led by INRAE, a French institute for agricultural research, to bring our perspective on soil carbon science. This exercise is building the strategic framework for the next period of financed research to aggregate standards and best practices for measuring soil carbon to inform policy for rewarding removals across programmes such as the EU's leading Carbon Removal Certification Framework.

SUSTAINABLE FINANCE



SUSTAINABLE FINANCE

The European Commission estimates that an additional €620 billion will be needed yearly to meet the European Green Deal's objectives. Significant financing shortfalls are common elsewhere — the UK needs an estimated £57 billion in additional investment by 2030. EDF's pragmatic approach to corporate engagement will be even more crucial as we move into the new mandate given the political desire to drive growth and competitiveness.

Increased sustainable finance flows are critical to advancing all EDF's priorities in Europe. We provide research and analysis to partners in the finance sector on sustainable finance topics in our key sectors and conduct meetings and convenings based on this research to drive action. We are also well connected in relevant policymaking circles and are increasingly being called on to provide advice to policymakers on key sustainable finance topics.

Europe has led considerable international momentum on sustainability disclosures to ensure greater transparency EDF has continued to advocate for strong European sustainability reporting standards via its work with the European Financial Reporting Advisory Group, for example, by providing technical input in the draft oil and gas sector standards.

Key 2024 achievements



Advocating for better sustainable finance policies

In June, EDF co-authored a joint policy brief with other UK civil society organisations — including E3G, Finance Innovation Lab, and World Wide Fund for Nature UK — calling for the new UK government to unlock sustainable finance. We also advocated for the UK government to bolster the remit letters it sends to the Bank of England and the Financial Conduct Authority. As a result of our efforts, the UK government published revised remit letters in November with strengthened references to climate change and — for the first time — references to nature. This means that the central bank and financial supervisors now have a greater duty to consider climate and nature-related risks when fulfilling their responsibilities.



Identifying barriers and pathways in sustainable shipping finance

EDF produced a report on the key barriers impeding the flow of sustainable shipping finance and the challenges and pathways to address them. We established our credibility through our high-quality research and through extensive networking with key individuals in the industry. As a result, more than 160 attendees registered to attend the report launch webinar. In partnership with Lloyd's Register Maritime Decarbonisation Hub, we co-hosted an in-person workshop at the IMO with more than 30 senior-level participants from the financial sector, shipping companies and policymakers to discuss key issues and to collaborate to develop solutions.



Leveraging MethaneSAT data for investors

We held an event in London to engage the finance community on how MethaneSAT brings radical transparency to the oil and gas sector and what the data means for the financial sector. We also discussed the findings of our Missing Methane report, which highlights the gaps in banks' understanding of methane emissions in their oil and gas portfolios. Additionally, we were invited by the Net Zero Banking Alliance (a UN-convened grouping of banks) to host a webinar on our methane-related work, which attracted more than 70 attendees. These events allowed us to convey how banks should consider methane in their oil and gas portfolios and to raise the profile of MethaneSAT with a large global audience of banks.



Shaping the hydrogen economy

As a member of the European Commission's European Clean Hydrogen Alliance, we worked with the Hydrogen team to help shape the alliance's learnbook on hydrogen infrastructure financing. We also responded to the European Commission's EU Hydrogen Bank consultation on its terms and conditions for its next auction round to ensure that the criteria for selecting future hydrogen projects for investment were scientifically robust. We held meetings with banks who were members of the Hydrogen Council — a global CEO-led initiative that aims to accelerate the pace of hydrogen take up including by setting standards — to influence their thinking around the draft global hydrogen standards for greenhouse gas emissions reductions.



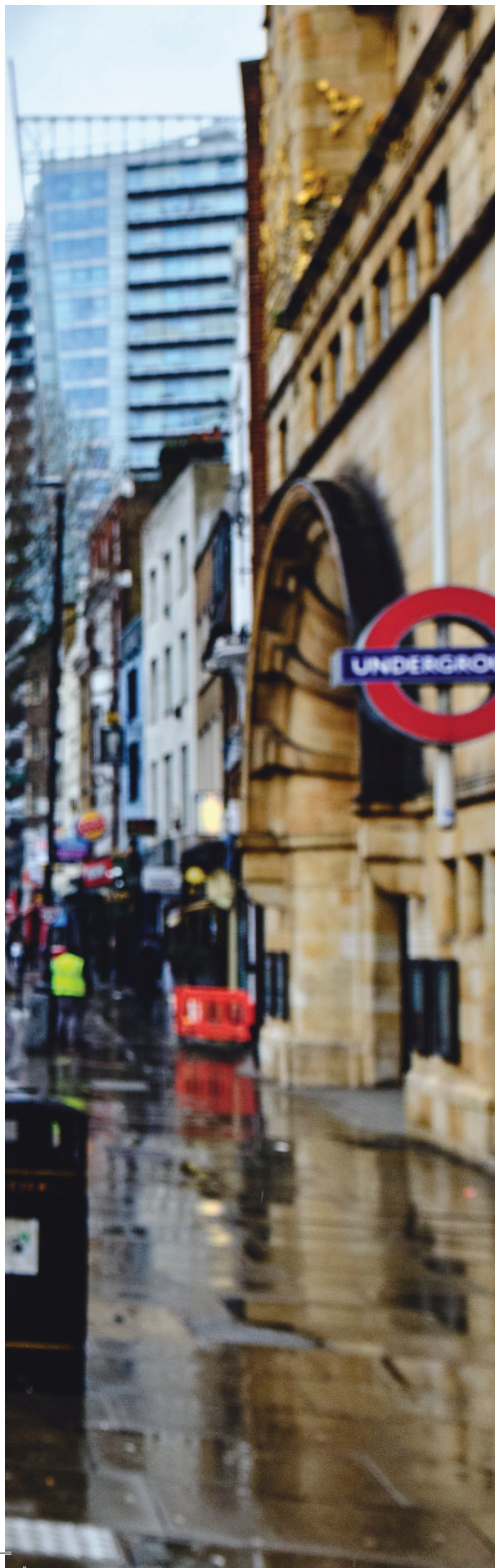
**POLLUTION
ZONE**



Breathing kills

**People of colour are
more likely to live in
an area with illegal
air pollution levels**

Clean air for all



STRENGTHENING OUR IMPACT

Environmental Justice

We interviewed more than 100 stakeholders in the EU to analyse the state of just transition policies, politics, and main actors at European level and in seven key Member States. The analysis includes key risks and opportunities for EDF to engage in this area of policy and will help us position ourselves to engage in effective climate policy across all our focus sectors.

After completing a scoping of environmental and climate justice and just transition issues in Europe in June 2024, the team began scoping funding opportunities and developing project ideas resulting from that work and developing materials for internal dissemination of the results.

Net Zero Accelerator

We worked with European companies to publish a collection of case studies highlighting their efforts to decarbonise while building successful businesses, including creating videos for three key businesses. These stories show that there are no trade-offs between climate action and business success. We also held a roundtable with policymakers, influencers, and business leaders ahead of the next European Commission mandate to build bridges and learn policy lessons from their successes and challenges.

Innovation/Industrial Decarbonisation

We collaborated on a major research report by Reform Institute and Climate Strategies, *Race to the Top for Climate: Transatlantic Cooperation for a Globally Inter-operable Industrial Transition*. It provides an exhaustive analysis of current and expected gaps and opportunities for EU-US engagement in industrial decarbonisation. This work aims to inform future engagement between EU and U.S. decision-makers and stakeholders, and to help identify the most productive avenues for transatlantic cooperation towards a clean economy transition while avoiding destructive competition and protectionism.

OUTLOOK FOR 2025

As the United States government steps back from the multilateral rules-based order, and turns its back on climate action, we will be watching closely for opportunities where Europe can step up to show leadership.

Following the elections to the European Parliament, European Commission President Ursula von der Leyen has been reappointed for another five years by the EU's Member States. With the key architect of the Green Deal still at the helm of the European Commission, a degree of continuity is therefore expected.

However, the deregulatory agenda that is in full swing in the United States has also sent ripples across the Atlantic. There are indications of pushback from more conservative parts of the EPP group and beyond, such as requests for delays in implementing the EU Deforestation regulation. In addition, there are challenging elections in several Member States, potentially resulting in delays, disruption and unpredictability.

Against this background, Environmental Defense Fund will help protect and implement the EU's ambitious Green Deal. The need to start implementing EU Green Deal legislation on the ground offers us an opportunity to demonstrate our pragmatic and solutions-oriented approach, for example, by helping to implement the Methane Regulation by sharing MethaneSAT data with policymakers. The focus on growth and competitiveness also offers us an opportunity to work with our sustainable finance colleagues to unlock private finance to drive net zero and nature-positive growth.

In addition, there are new areas to explore, such as adaptation and resilience, which draw on EDF's value proposition and could resonate well in the new political climate. Equally, with the US stepping back from climate diplomacy, Europe, India and the Asia Pacific region will need to drive the international policy agenda for climate, nature and environmental justice. This could present an opportunity for EDF in Europe to act as a bridge, working also with our colleagues in India and Asia Pacific to support that agenda in the years ahead.





We have strategic initiatives and partnerships in more than 30 countries.

Environmental Defense Fund is sharply focused on addressing the climate crisis and achieving our vision of a vital Earth for everyone. We work with a wide array of partners and allies worldwide to spark innovative solutions to stabilise the climate, strengthen the ability of people and nature to thrive, and support people's health. Our staff are located in 30 countries and we most specifically focus on four geographies — Europe, India, China and the United States — which, together, produce about half of the world's climate pollution.

Stichting Environmental Defense Fund Europe is a foundation registered in the Netherlands (Dutch trade registry number 72607440). On October 1st 2023, it registered a branch in Belgium (Belgian registry number 0770.948.080).

Environmental Defense Fund UK is a charitable company limited by guarantee registered in England and Wales (UK company registry number 09217493, charity registry number 1164661).

Stichting Environmental Defense Fund Europe and Environmental Defense Fund UK are collectively referred to as Environmental Defense Fund Europe.

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