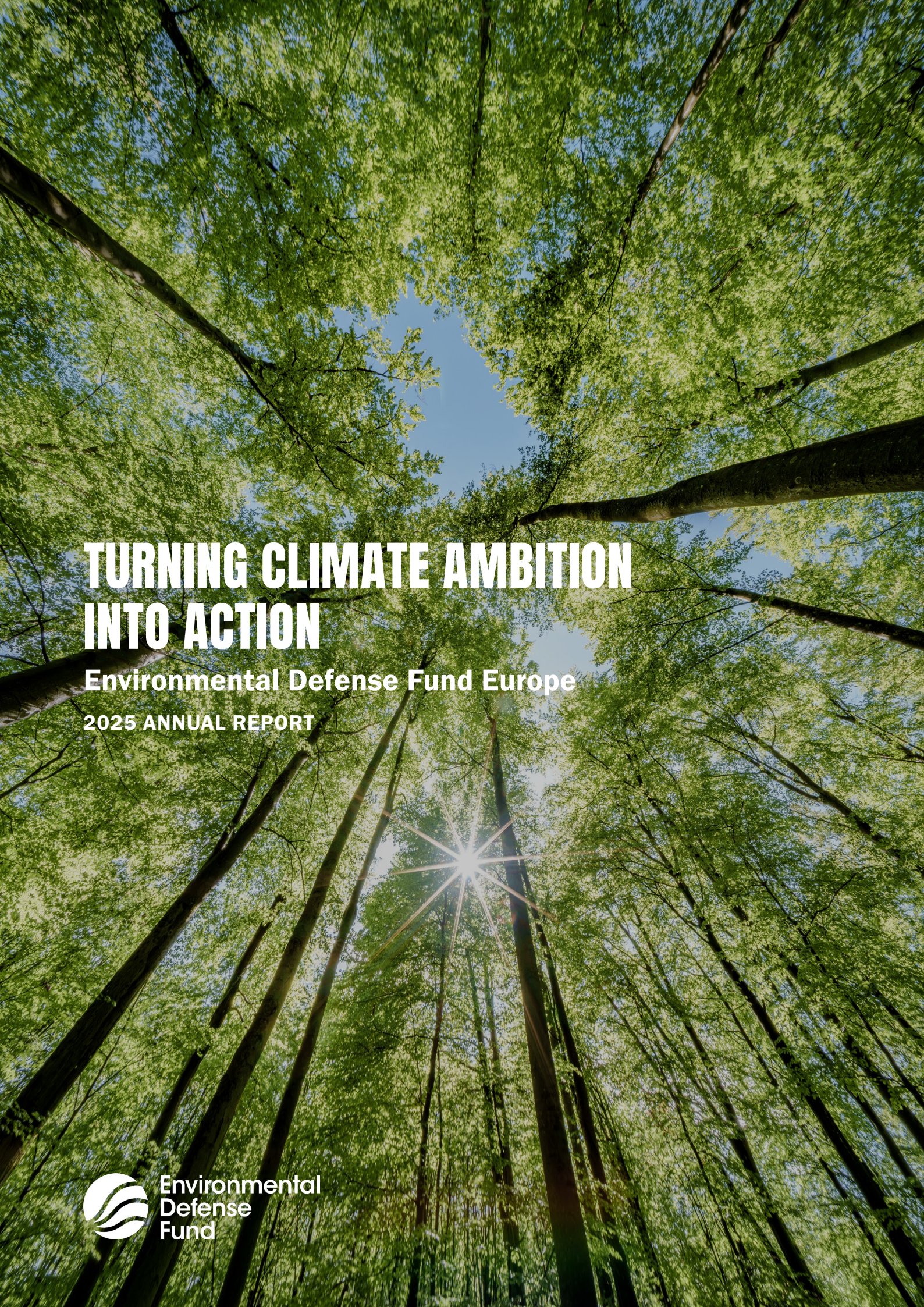
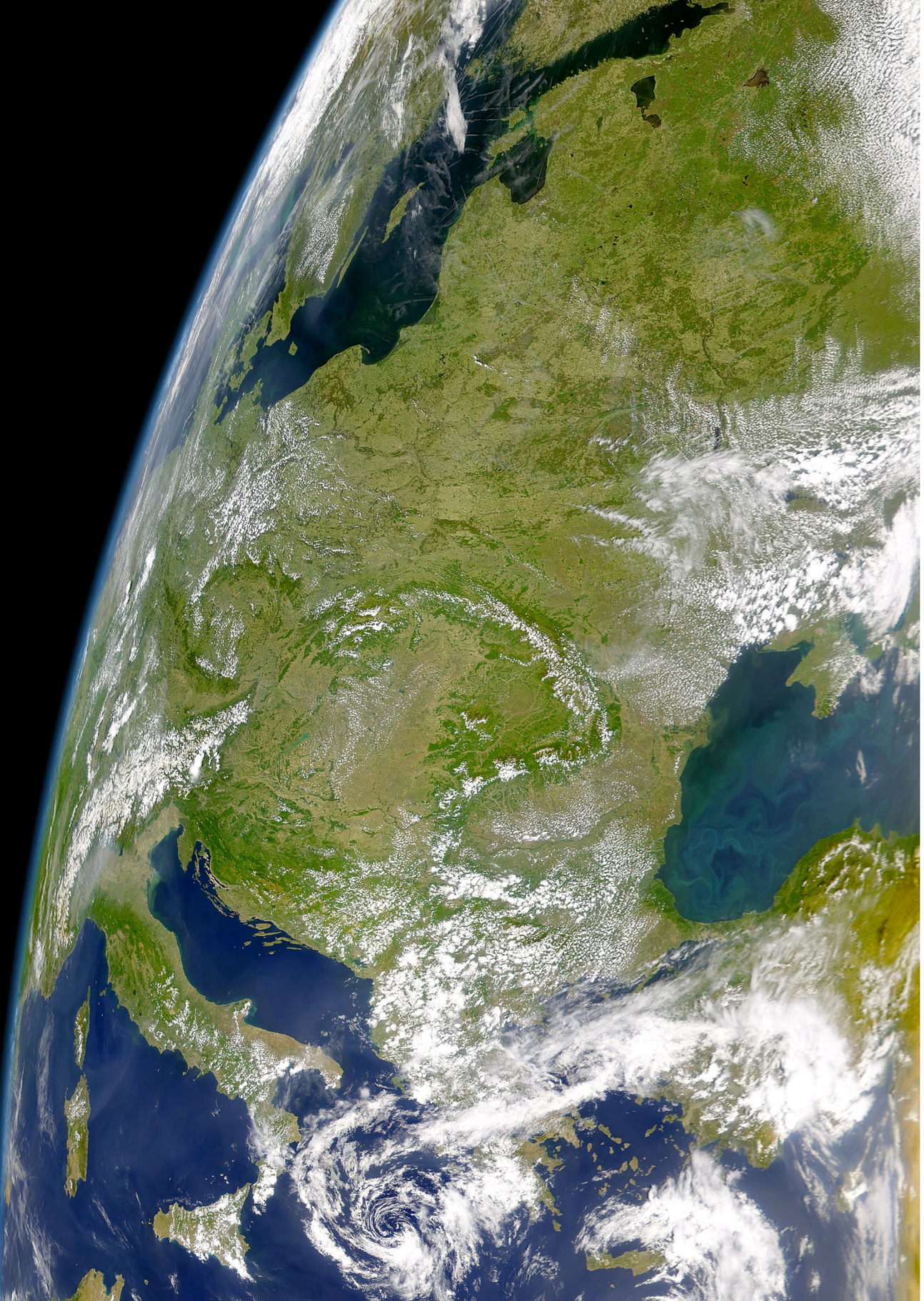


TURNING CLIMATE AMBITION INTO ACTION

Environmental Defense Fund Europe

2025 ANNUAL REPORT

Environmental Defense Fund



TURNING CLIMATE AMBITION INTO ACTION

Environmental Defense Fund Europe: 2025 Annual Report

Europe has long played an outsized role in the global energy transition. As a major trading bloc and an early mover on climate policy, it has shaped international markets and supply chains, while setting ambitious environmental standards that have reduced the continent's greenhouse gas emissions by nearly 20% in the past ten years.

Yet as I reflect on 2025, I am struck by a paradox: Europe continues to lead the world on climate policy, but the path forward has never been more contested or uncertain. This year brought record-breaking heatwaves, floods, and wildfires — stark reminders of what is at stake without strong global climate action. At the same time, political headwinds are gathering force. Pushback from industry and some European politicians, combined with pressure from across the Atlantic, threatens to delay or disrupt implementation of key parts of the European Green Deal — a powerful package of some of the world's most advanced climate laws that sets Europe on a legally binding path to climate neutrality by 2050.

Against the backdrop of tariff uncertainty, high energy prices and the ongoing war in Ukraine, many in EU circles are rightly focused on industrial competitiveness, energy security, and affordability. But climate progress is too often framed in opposition to these priorities rather than as essential to achieving them. This tension reveals the challenge ahead, but also the opportunity before us. Europe is uniquely positioned to show that ambitious climate action can protect communities, power resilient economies, and cut emissions at scale.

If Europe delivers, it can restore global confidence that climate action works. If the continent falls short, we risk losing momentum just when the world can least afford it. This is precisely why EDF's work in Europe is more important than ever. In a crowded field where many NGOs lead with ideology, EDF stands out for our science-based, pragmatic approach. We work tirelessly to ensure that laws on paper translate to results on the ground. We combine scientific and economic insight with a track record of delivering practical change across sectors and political divides. And while most European NGOs are focused on carbon dioxide, EDF is also at the forefront of tackling methane — a powerful superpollutant — and decarbonising the most entrenched fossil fuel-reliant industries: aviation, shipping, and heavy industry.

Your support has enabled EDF to defend hard-won progress and close the gap between ambition and results. Through partnerships with scientists, economists, businesses, and policymakers, we develop solutions that are scientifically sound, socially fair, and globally relevant. We focus on areas that are critical for Europe's credibility and its influence on global climate action: **energy, agriculture, transport, and private sector engagement.**

Below are highlights of the impact that EDF achieved in Europe in 2025. None of the progress included in this report would have been possible without our partners, allies, and donors. We are incredibly grateful to everyone who played a vital role in EDF's work to drive Europe's clean transition.

Helen Spence-Jackson
Executive Director,
Environmental Defense Fund Europe

As part of the Time for CH_4nge campaign, we produced an immersive film experience called In Plain Sight, which reveals methane's hidden role in driving climate change.

ENERGY

As Europe accelerates its clean energy transition, reducing emissions from the existing fossil energy system remains critical to limiting near-term warming. EDF focuses its European energy strategy on two areas with outsized potential to drive rapid, verifiable climate benefits: methane — a potent greenhouse gas whose reduction delivers the fastest way to slow warming — and hydrogen, which holds promise for contributing to decarbonising so called hard-to-abate industry and some heavy transport when produced and used responsibly. By combining scientific rigor, policy expertise, and broad partnerships, EDF helps ensure Europe's evolving energy policies cut emissions effectively while supporting a secure, sustainable future.

Methane

2025 was a defining year for methane action: The EU Methane Regulation, which was adopted in 2024 with key support from EDF, faced persistent challenges from political and industry actors seeking to dilute its emissions reduction requirements. In the face of this opposition, EDF mobilised civil society, policymakers, and other partners to ensure that reducing methane emissions remains a priority for the EU, demonstrating that urgent and practical climate action is both achievable and essential for lasting benefits.

PROGRESS UPDATE:

Successfully protected the EU Methane Regulation from being weakened. Working with partners across Europe, EDF issued public statements and shared policy papers with EU and Member State officials to demonstrate why strong methane rules are crucial. One EDF-supported study shows how the Regulation helps cut climate pollution while protecting European energy security by making fossil fuel supplies more transparent. Europe's dependence on imported gas carries security and energy security risks, so transparency can provide a valuable tool for helping manage any potential geopolitical pressures that EU countries may face. Because of these efforts, the EU Methane Regulation stayed strong and was not reopened in an Omnibus package this year.

Mobilised institutional investors that manage €4.85 trillion in assets to express public support for the EU Methane Regulation. As part of EDF's campaign to protect the regulation, we partnered with the Interinstitutional Investor Group on Climate Change to bring together 44 leading investors to call on European institutions to maintain and swiftly implement the EU Methane Emissions Regulation as adopted. They warned that backtracking would undermine regulatory certainty and market stability, while also slowing progress on methane reduction. This is one of few instances where an influential private sector stakeholder group has spoken out in favour of the EU Methane Regulation.

Created tools and guidance to help countries effectively implement the Methane Regulation. EDF partnered with leading think tanks to publish practical guidance for decision-makers and governments on how to put the Regulation into practice. We also launched the EU Methane Regulation Implementation Tracker — a public dashboard that monitors and reports on each Member State's progress, creating transparency and accountability.

Mobilised civil society and private sector support for methane action. EDF established the European Civil Society Observatory on Methane, bringing together more than 20 high-profile NGOs from across the EU to share strategies, monitor implementation, and coordinate advocacy to keep methane reduction a priority. The Observatory's Time for CH_4nge Campaign reached millions through social media and won a Shorty Impact Award — a top honour for social media and digital campaigns — for raising public awareness about the climate benefits of cutting methane emissions.

ENERGY

Hydrogen

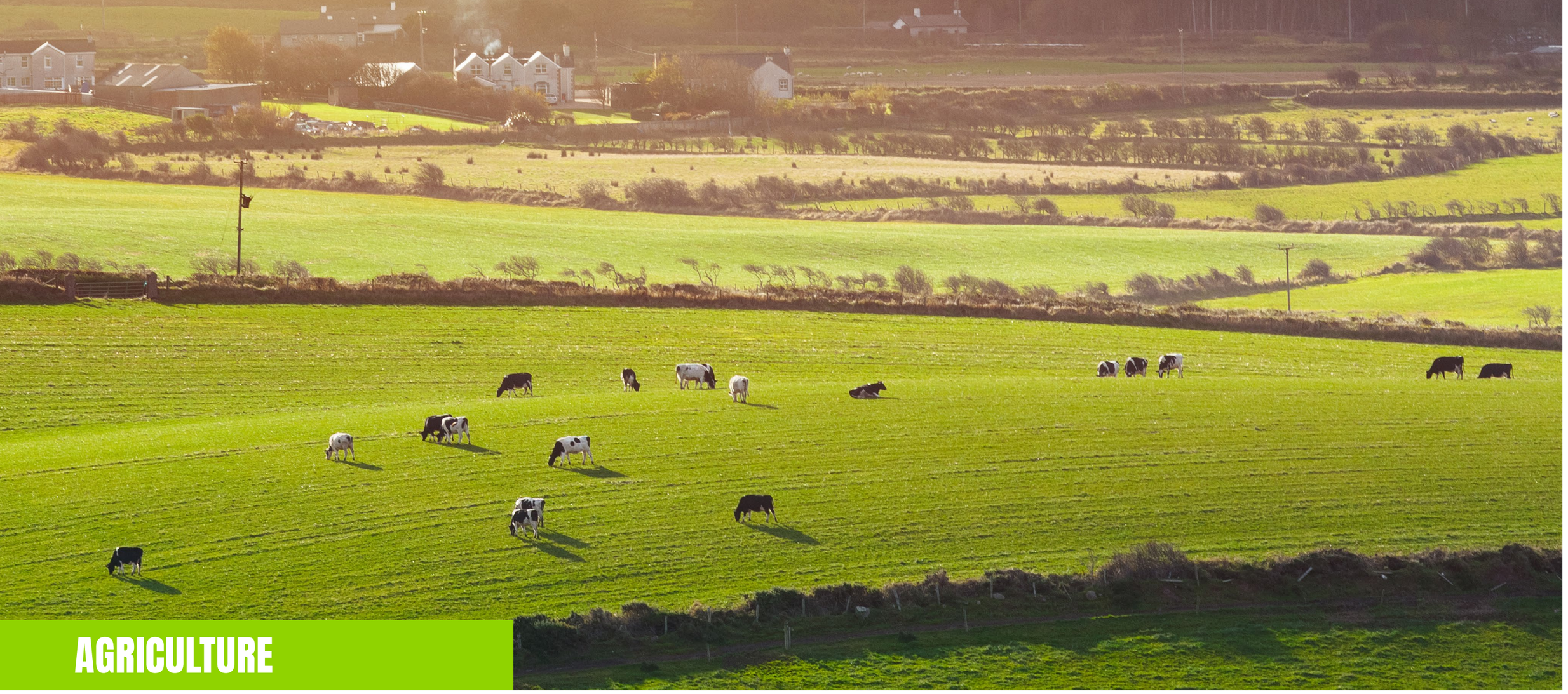
Hydrogen offers a promising avenue for decarbonising hard-to-abate industrial sectors, like steel and cement production. But hydrogen is only climate-friendly if it is produced cleanly, handled carefully, and used wisely with limited emissions along the value chain. EDF offers our expertise to help policymakers and industry to understand these principles and translate them to action. Through this work, we are contributing to a robust policy framework that enables hydrogen to support Europe's clean energy transition without causing new climate issues.

PROGRESS UPDATE:

Preserved key provisions and secured passage of legislation that promotes low-carbon hydrogen development despite strong opposition. EDF developed technical guidance showing EU decision-makers how to account for all greenhouse gas emissions — including methane leaks and hydrogen emissions that are often overlooked. Amid attempts to weaken these rules, the EU adopted an act that incorporates aspects of our guidance, largely ensuring that only top-tier blue hydrogen projects qualify as low-carbon hydrogen in the EU.

Raised awareness among experts, policymakers, and civil society about hydrogen's promise and drawbacks. EDF hosted its second annual Science Day, bringing together experts and policymakers to discuss hydrogen's role in the EU's climate strategy. The event showcased technologies such as a first-of-its-kind sensor developed by Aerodyne Research and tested in collaboration with EDF, which is capable of measuring hydrogen emissions at parts-per-billion level within seconds. Participants received first-hand experience of how EDF has used the sensor in our field studies. The event and follow-up convenings helped keep hydrogen emissions on Europe's policy agenda: the issue was taken up in a written question to the European Commission by a Member of the European Parliament with whom EDF has engaged, and it subsequently became a topic of discussion during the European Commission's July briefing to Parliament, which included experts who had attended our Science Day event.

Advocated for fair hydrogen trade partnerships between the EU and African countries. As the EU plans to import hydrogen from North African countries like Egypt, Morocco, and Tunisia, EDF worked with local partners to explore how green hydrogen can support Africa's sustainable industrialisation and inclusive growth, while helping the EU and its Member States achieve their climate goals. Our studies were cited in an op-ed in African Business and will help lend credibility in upcoming policy discussions.



AGRICULTURE

In 2025, EU agricultural policy faced major uncertainty and political resistance that put climate action at risk. EDF stepped in to keep climate-friendly agriculture solutions on the agenda by showing policymakers practical finance options and real-world, science-backed solutions that work for farmers and the environment. Through events, studies, and partnerships in several countries, EDF has demonstrated that reducing agricultural emissions is possible and beneficial — even when political conditions are unfavourable.

PROGRESS UPDATE:

Promoted soil-carbon and methane solutions that can survive political downturns and benefit people. Soils are a critical carbon sink, holding more greenhouse gases than forests or other natural ecosystems. EDF's research explored policy solutions that help soils capture more carbon and methane, maximise farmers' crop yields, and improve food security. Our message to policymakers is clear: well-designed soil and methane solutions can deliver results even during political turbulence. This work earned EDF positions on steering committees shaping the EU's future agricultural research priorities.

Influenced the next phase of EU farm policy to address livestock methane. EDF analysed the EU's Common Agriculture Policy, the massive subsidy programme that shapes EU farming, and found it does almost nothing to help farmers reduce methane emissions from livestock. We briefed European Commission officials, national authorities, and corporate partners on specific, practical ways to change this in the next policy cycle (2028-2034), including financial incentives and technical support that make methane reduction viable for farmers. This work has positioned EDF as a key convener and advisor for policymakers on the topic, allowing us to make the case for strengthening the EU's global leadership on agricultural methane reduction.

Demonstrated a scalable model for reducing dairy methane from commercial farms in Ireland. Agriculture contributes nearly 38% of Ireland's greenhouse gas emissions — four times the EU average — and about 90% of this climate pollution is from livestock. EDF partnered with Climate KIC to test methane-reducing innovations such as equipment that improves the quality of manure fertilisers by preventing most methane emissions from slurry while in storage. We also worked with farmers to determine and overcome practical and economic barriers facing deployment of this technology and measured benefits such as improved grass yields. This work demonstrates that adoption is viable if solutions are affordable, practical and backed by trusted intermediaries.

TRANSPORT

Transporting people and goods is a critical element of Europe's society and economy, and transportation is the only sector in the EU where emissions have grown since 1990. EDF and our partners are working to reverse this emissions growth in two key ways: decarbonising European shipping and aviation. These areas allow us to leverage our international footprint and draw on the expertise EDF has accumulated over many years around liquid fuels.

Shipping

Maritime shipping is the backbone of global trade and modern life, carrying over 90% of traded goods by volume. Despite being the most efficient way to move goods, the industry is responsible for approximately 3% of global climate pollution and remains almost entirely dependent on fossil fuels. In 2025, EDF assumed a proactive strategic role in International Maritime Organisation (IMO) — the UN's shipping agency — negotiations, helping maintain momentum despite opposition from countries seeking to delay or dilute progress. EDF provided significant technical and scientific expertise to ensure that environmental integrity and just transition principles remained central to the IMO's climate agenda. Additionally, EDF explored financial mechanisms to support shipping decarbonization and communicated its efforts to various stakeholders, including during London International Shipping Week.

PROGRESS UPDATE:

Advanced global climate negotiations. EDF collaborated with leading nations and NGOs to advocate for the adoption of the Net Zero Framework — which mandates a reduction in greenhouse gas emissions intensity for marine fuels and establishes a carbon pricing scheme — at the IMO. At the same time, we engaged with external governmental authorities and industry leaders to emphasise the framework's economic and political merits. EDF shared timely insights with key stakeholders during negotiations, countering attempts to weaken the deal. By stressing procedural fairness and an equitable transition, we helped align the priorities of small island nations, Latin American countries, and European governments, and connected shipping talks to broader climate and trade issues. The Framework was formally approved in April 2025 and, despite opposition that postponed final adoption until Autumn 2026, negotiations remain alive and central to the global shipping agenda.

Shaped international rules on transparency, equity, and fuels. EDF developed a proposal for how the IMO Greenhouse Gas Fuel Intensity Registry should be detailed and designed, which was widely supported by Member States as a key reference in deciding how to proceed with the design of the Registry. Alongside this, EDF collaborated with other organisations to promote strong governance for the upcoming Registry, so it delivers high transparency and accountability when new climate and fuel policies for shipping are rolled out. EDF and partners carried out technical and policy analysis on sustainability standards for alternative marine fuels, looking at full life cycle emissions, land-use impacts, and effects on people and communities. We used these insights to brief governments, industry, and civil society. This effort is ensuring that transparency and environmental integrity are central to the new set of international rules that will affect investment and fuel selection for ships worldwide.

Defined high-integrity marine fuels. As global shipping shifts from fossil fuels, EDF aims to ensure that new marine fuels provide real climate benefits, without introducing unintended harms. This requires a thorough evaluation of each fuel's climate, environmental, and social impacts across the value chain, including various emissions and ecological effects. Over the past year, EDF published research on ammonia's direct and indirect climate impact as a marine fuel, and an article outlining alternative maritime fuels, their production methods, and potential value chain impacts. The article offers recommendations for better fuel assessments and safeguards, such as best practices and supportive policies.

Helped unlock capital for the shipping sector's decarbonisation. In partnership with Lloyd's Register Maritime Decarbonisation Hub, EDF convened industry experts to identify barriers facing capital deployment toward energy efficiency, cleaner ships, and low-carbon maritime fuels, and to develop practical pathways to address these challenges. Based on our findings, we released a report that lays out implementable and impactful options that stakeholders and financiers can use to advance maritime decarbonisation efforts.

TRANSPORT

Aviation

Air travel is expected to double by 2050, and without strong action, its pollution could reach as high as three times current levels. EDF and its partners are leading efforts to reduce aviation's climate impact even as the industry grows, by scaling up the use of sustainable aviation fuels (SAF) and strengthening EU policies to cut harmful climate pollution and improve air quality.

PROGRESS UPDATE:

Worked to protect the policy framework needed to scale up SAF. EDF engaged EU member states to prevent the misinterpretation of the ReFuelEU Aviation Regulation — specifically, a risk that SAF could be counted for flights outside Europe. This misstep would make SAF used within the EU ineligible for inclusion in Europe's carbon market, thus weakening incentives for early producers. In parallel, EDF continued advocating to close policy loopholes that would ensure that EU rules properly reward fuels based on their full lifecycle emissions performance.

Advanced research and advocacy to support the uptake of e-SAF (made with renewable electricity and captured carbon). EDF is undertaking analysis for the European market that positions e-SAF production as a strategic source of flexible electricity demand that can support the energy transition of both the European power sector and the broader transportation sector. Using Spain as an initial case-study due to its rapidly expanding solar and wind capacity and growing levels of renewable curtailment, EDF carried out the first phase of research that shows how e-fuel production can unlock synergies between aviation decarbonisation and power sector flexibility, reinforcing the rationale for industrial deployment in Europe.

Built support for cleaner conventional jet fuels. Even as new fuels scale up, most planes will still run on conventional fuels for years to come. EDF began to work with the European Commission and the European Union Aviation Safety Agency to shape future rules to improve the quality of conventional fuels, so they burn cleaner, release fewer harmful particles, and reduce heat-trapping "contrails." To bolster these efforts ahead of the EU's next legislative cycle with forthcoming revisions of both the EU ETS Directive and the ReFuelEU Aviation Regulation, we assembled a coalition of environmental groups to align advocacy strategies that can cut both climate pollution and health-harming emissions.

Across Berlin, the Recup pilot project is testing how reusable takeaway cups can be returned just as easily as deposit bottles in supermarkets.

PRIVATE SECTOR ENGAGEMENT

Europe's ability to meet its climate targets ultimately rests on the private sector. Businesses possess the capital, innovation capacity, and operational scale necessary to drive the energy transition at the speed and scope required — to deploy clean technologies and reshape supply chains across the continent.

Europe remains the global leader in sustainable finance, but political and economic challenges are slowing progress toward scaling green projects to meet climate goals. EDF is helping to overcome these obstacles by working closely with financial institutions and companies, developing practical tools for clean energy, and actively shaping policies to keep climate action moving forward.

PROGRESS UPDATE:

Developed recommendations that are informing the revision of the EU's Corporate Sustainability Reporting Directive. EDF conducted interviews with 23 financial institutions and corporations working in various sectors — including energy, construction, agri-food, chemicals and financial services — across Europe. Our findings, which received media attention and have been well received by EU decision makers, aim to ensure that the Directive is updated in a way that maximises long-term impact while minimising the reporting burden on businesses.

Piloted a reusable food packaging system in Berlin. Businesses across Europe will be required to implement reusable packaging systems by 2028. This past year, EDF's Net Zero Action Accelerator began to support local cafes, restaurants, and supermarket chains to implement a practical, reusable, and returnable food and beverage packaging system using the existing bottle return infrastructure in supermarkets. Lessons learned will be used to help scale up the system, with the ambition to make it nationwide in Germany.

PRIORITIES FOR 2026

AS WE LOOK TO THE YEAR AHEAD, EDF PLANS TO FOCUS ON:

Methane

- Keeping political pressure on EU leaders and Member States to defend and fully implement the Methane Regulation so it delivers substantial emissions reductions.
- Expanding and strengthening the European Civil Society Observatory on Methane to build skills, coordination, and influence across key Member States.
- Galvanising public, private, and government backing for rapid methane emissions reduction through the Time for CH_4nge campaign

Hydrogen

- Continuing to press EU decision-makers to curb the climate impacts of hydrogen emissions and lock in strong safeguards to ensure green hydrogen development uses clean power and is produced nearby, at the same time it is needed.
- Working with African partners to shape a fair, realistic EU hydrogen import plan that shares benefits fairly between the EU and producing countries.
- Seizing new opportunities to work with companies to turn these safeguards into real projects that drive industry-wide decarbonisation.

Agriculture

- Using insights from our policy research, work with farmers, food companies, and local authorities to design stronger, practical livestock methane reduction measures into the next Common Agriculture Policy (2028-2034).
- Extending our climate adaptation work within Poland's top cattle and swine regions, helping companies and farmers to use innovative tools that benefit productivity and the planet.
- Finalising the first comparative assessment of how large-scale EU-level finance can support methane reduction on-the-ground and engaging with policy-makers and other stakeholders to advocate for ways that the European Investment Bank can better drive action.

Sustainable Finance

- Continuing to develop incentives, tools and strategies that accelerate investment in maritime decarbonisation.
- Identifying and sharing best practices for insurers to encourage greater climate adaptation and resilience and for banks and insurers to improve cross-sector climate risk management.
- Clarifying how banks and investors can accelerate aviation decarbonisation by identifying key financing barriers and unlocking new decarbonisation opportunities.

Net Zero Action Accelerator

- Engaging businesses and consumers on the promises and pitfalls of "green" claims from the private sector, in order to curb greenwashing and build trust among consumers and businesses to invest in truly green solutions.
- Working closely with industrial companies and deploying our fuels and feedstocks expertise to speed up decarbonization from heavy-polluting sectors.

Shipping

- Supporting the adoption of the IMO Net Zero Framework in Autumn 2026, including clear rules for the Fuel Intensity Registry and Net-Zero Fund that ensure transparency and a just, equitable transition.
- Stepping up our technical and diplomatic work on sustainable fuels, finance, and just transition so the shipping sector's path to decarbonisation is both ambitious and fair for developing countries and frontline communities and informing policy accordingly.
- Studying the broader environment and health impacts of alternative fuels such as ammonia and biofuels to provide the scientific basis for strong international regulations.

Aviation

- Strengthening EU policies and incentives that help to secure final investment decisions in e-SAF production plants during 2026,
- Advancing a regulatory proposal for upgraded conventional jet fuel and creating a corporate coalition that champions the uptake of this cleaner fuel across Europe as a low-cost way to dramatically cut aviation's climate and air quality impacts in the short-term
- Delivering technical research to inform the European Commissions' financial support proposals designed to reduce the green premium for SAF and incentivise cleaner jet fuel

Global and cross-cutting work

- Continuing to advance a just transition across diverse sectors worldwide, from gathering data on social vulnerabilities, to supporting fair agricultural change in Europe and an equitable and just energy transition in Africa, so climate solutions are inclusive and people-centred.
- Planning a series of policy papers and forums on the EU's planned import of international carbon credits, focusing on governance, funding, and robust quality standards to ensure that credit purchases move forward and advance projects that genuinely contribute to climate mitigation.

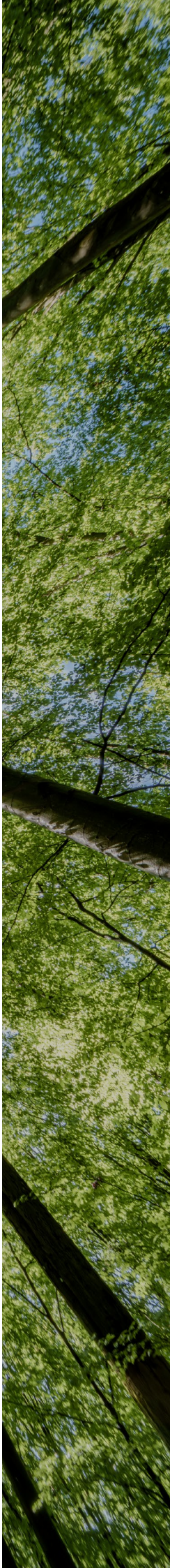
EDF'S GLOBAL IMPACT

EDF's mission is to build a vital Earth — for everyone. We deliver bold, game-changing climate and environmental solutions in China, Europe, India, the United States and other regions of the world. Here's how we're making a difference:

In **India,** EDF partnered with ITC — India's largest food company — to advise 5,000 farmers on optimizing fertilizer application to reduce input costs without decreasing yields. This work is creating a foundation to help ITC reach its target of enhancing the incomes of 10 million farmers in India by 2030.

EDF advanced major progress in several states in the **United States.** In Pennsylvania, we partnered with the Governor's administration to identify hundreds of hidden orphan oil and gas wells that represent a risk to climate and to public health and safety. In California, we helped advance legislation to improve electricity reliability and affordability and to advance grid-enhancing technologies. In New York, congestion pricing went into effect after more than 15 years of EDF advocacy, bringing less traffic and cleaner air to the largest city in the country.

In April, after more than 12 years of research on carbon pricing by EDF and partners, **China** announced the expansion of its National Carbon Emission Trading Market (ETS) to include the cement, steel and electrolytic aluminium industries. This means that the national ETS will cover 60% of China's total carbon emissions — equal to 18% of global emissions — enhancing China's capacity to govern climate pollution and incentivise large-scale decarbonisation effectively.



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.

Please read more about our work at edfeurope.org

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