Open letter to:

Justin Trudeau, Prime Minister of Canada Emmanuel Macron, President of the Republic of France Olaf Scholz, Chancellor of the Federal Republic of Germany Giorgia Meloni, Prime Minister of Italy Fumio Kishida, Prime Minister of Japan Rishi Sunak, Prime Minister of the United Kingdom Joe Biden, President of the United States of America Ursula von der Leyen, President of the European Commission Charles Michel, President of the European Council Roberta Metsola, President of the European Parliament

Dear G7 and European Union leaders,

Civil society appeal to EU and G7: Plug energy sanctions loopholes and strengthen enforcement to end the war

The European Union and G7 should tighten their grip on Russia's key revenue streams from exports of fossil fuels, ban Russian LNG gas imports and close all loopholes in existing sanctions. It is good that Europe supports Ukraine financially and militarily. But it is just as important to fully end the financing of the Russian war machine through fossil fuel imports, which is still a reality, say more than 280 European, international and Ukrainian NGOs in a public appeal to leaders.

Sanctioning countries have significantly reduced their reliance on Russian fossil fuels, but more must be done to stop purchasing fuels that finance the Kremlin's war chest. Through measures such as the EU oil import ban and G7 price cap, Russia's export earnings from oil have been cut by 14%, costing them <u>EUR 34 billion</u>. However, the oil price cap's impact is far short of what could have been achieved with greater monitoring and enforcement of the policy, paired with a lower price level. Two years on, the EU and G7 have purchased EUR 202 bln of fossil fuels from Russia since Putin's full-scale invasion of Ukraine.

Over the past two years, the EU has shown a steadfast commitment to supporting Ukraine in the common struggle against the aggressor, recognising Russia's war as an onslaught on international rules-based order, democracy and human rights. We welcome the recent decision by the European Council to support Ukraine with <u>EUR 50 billion in aid</u>. However, the EU's recent aid commitment represents 27% of their total fossil fuel imports purchased from Russia since the beginning of their full-scale invasion, estimated at over EUR 185 billion. More needs to be done to support our allies and wean the EU off of the Russian fossil fuel exports that fund the war, including a complete phase-out of Russian pipeline gas.

The EU has introduced 12 consecutive sanctions packages on the Russian economy, designed to deprive the aggressor of access to finance, insurance, advanced technologies, and engineering services and to limit its export earnings. The EU and G7 have also adopted a globally applicable price cap on Russian oil in December 2022. Yet, insufficient enforcement and the lack of comprehensive sanctions against Russia's fossil fuel exports are downgrading the efficiency of the sanctions regime and undermining the overall efforts to deprive Russia of economic means for waging war.

Russia's 2024 federal budget increases to the military-industrial complex doubled compared to 2022, unprecedented military spending since Soviet times. The major shift sends a third of all governmental funding to the army, threatening regional stability and the future of democracy and security in Europe. Meanwhile, Russia expects to replenish its budget with 11.5 trillion rubles (USD 127 billion) from oil and gas sector revenues. Russia can spend so lavishly on its military mainly because of its oil and gas revenues.

The EU and G7 countries contribute to this expanding war chest by inadequately enforcing sanctions against Russian oil and gas and leaving loopholes wide open that Russia exploits daily.

In solidarity with the Ukrainian people, the groups **demand the G7 and EU** take the following actions:

- **1. Fully enforce and lower price caps on Russian crude oil and oil products** and introduce transparent and verifiable compliance mechanisms for oil traders and shippers, especially those who operate European-owned and P&I (Protection & Indemnity) insured tankers that export Russian oil. The price cap on Russian crude oil should be set much closer to its production cost (averaging USD 15 per barrel), at USD 30 per barrel, which would have slashed Russia's revenue by <u>EUR 37 bn</u> (25%).
- 2. Prevent Russia from further expanding the shadow fleet of dangerous, practically uninsured and unaccountable old tankers, operating through illegal and dubious management arrangements and lacking transparency in ownership. This is necessary not only to reduce Russia's ability to finance the war of aggression with oil money but also to prevent looming environmental catastrophes from possible major oil spills. The EU and G7 should introduce a spill insurance verification programme for vessels that travel through their waters. This could exclude 'shadow' tankers without spill insurance from travelling through their most travelled route from Baltic ports whilst reducing the risk of environmental catastrophe. If this policy banned many 'shadow' tankers from transporting oil from the Baltic and Black Sea ports, it could increase Russia's reliance on legally insured vessels and enhance the leverage of the oil price cap policy.
- 3. Close the "refining loophole", which allows EU and G7 countries to import oil products mainly diesel, jet fuel and gasoline produced from Russian oil at refineries in third countries like India, Turkey or UAE. The "refining loophole" legally allows Russian oil to be

processed and flow into the EU and G7 countries, preserving Russian export volumes and earnings.

- **4. Fully ban liquefied natural gas (LNG) imports from Russia and its transhipment in European ports for exports to other countries**. In 2022-2023, the exports of Russian LNG to global markets were expanding, while the opposite is required to cut the Kremlin's budgetary income that funds the war of aggression and avoid the severe climate impacts of uncontrolled and unaccounted methane emissions in the Russian LNG supply chain. The EU should keep true to the commitments under the REpowerEU plan and also fully ban Russian pipeline gas imports.
- 5. Take decisive actions to reduce oil and gas consumption and end import dependency to deflate the Russian war economy. Such actions include requiring company car fleets in Europe to shift to all-electric vehicles, which would help minimise petroleum demand and oil prices. Further efforts can consist of banning the installation of gas-fired boilers in new or retrofitted buildings, facilitating the accelerated market roll-out of heat pumps, prohibiting the production of single-use plastics, adopting and implementing ambitious energy efficiency improvement plans and streamlining permitting and providing governmental support for the construction of renewable energy projects. Follow-up on implementation of widely announced decarbonisation commitments is also essential.

We underscore that tightening sanctions against Russian oil and gas exports isn't just about ending a war - it's about dismantling the foundation that enables autocracy to thrive. It's a global imperative to foster energy independence, peace, climate action and democratic resilience. We also must swiftly welcome Ukraine into the European Union.

Signatories:

| 1. | Transport & Environment | Belgium, EU |
|-----|--|-------------|
| 2. | NGO Center for Environmental Initiatives "Ecoaction" | Ukraine |
| 3. | Razom We Stand | Ukraine |
| 4. | Centre for Research on Energy and Clean Air (CREA) | Finland |
| 5. | Deutsche Umwelthilfe | Germany |
| 6. | Leave it in the Ground Initiative (LINGO) | Belgium |
| 7. | Green Transition Denmark | Denmark |
| 8. | Bond Beter Leefmilieu | Belgium |
| 9. | Ukrainian Security and Cooperation Center | Ukraine |
| 10. | Danube-Carpathian Programme Ukraine, | Ukraine |
| 11. | Climate Action for Lifelong Learners (CALL) | Canada |
| 12. | For a Better Bayou | USA |
| 13. | 2Celsius | Romania |
| 14. | VšĮ Žiedinė ekonomika | Lithuania |
| 15. | EKOenergy ecolabel | Finland |
| 16. | Net Impact The Gambia | Gambia |

| 17. | Oil and Gas Action Network | USA |
|------------|---|----------------|
| 18. | Wall of Women | USA |
| 19. | Institute of legislative ideas | Ukraine |
| 20. | Egyptian Green Party | Egypt |
| 21. | Earth Action, Inc. | USA |
| 22. | Disability Peoples Forum Uganda | Uganda |
| 23. | International Partnership for Human Rights | Belgium |
| 24. | Public Eye | Switzerland |
| 25. | Clean Air Action Group | Hungary |
| 26. | Expert Forum (EFOR) | Romania |
| 27. | ICO "Environment - People - Law" | Ukraine |
| 28. | NGO "Technology of Progress" | Ukraine |
| 29. | NGO "Open Data Association" | Ukraine |
| 30. | Milieudefensie Friends of the Earth NL | Netherlands |
| 31. | NGO Ecoclub Rivne | Ukraine |
| 32. | Transform Scotland | Scotland |
| 33. | Uplift | United Kingdom |
| 34. | NGO Sustainable Development Agency SYNERGY | Ukraine |
| 35. | NGO Social Initiative "City of the Sun" | Ukraine |
| 36. | Black Sea Women's Club | Ukraine |
| 37. | NGO Environmental Club Eremurus | Ukraine |
| 38. | Anti-corruption Headquarters | Ukraine |
| 39. | NGO Ekoltava | Ukraine |
| 40. | Institute for Social and Economic Transformation | Ukraine |
| 41. | Planet Botanical Garden | Ukraine |
| 42. | Plato NGO | Ukraine |
| 43. | Ukrainian Nature Conservation Group | Ukraine |
| 44. | Anti-Corruption Research and Education Centre | Ukraine |
| 45. | Andy Gheorghiu Consulting | Germany |
| 46. | Clean Cities Campaign Poland | Poland |
| 47. | Nordic Ukraine Forum | Sweden |
| 48. | EUROPEUM Institute for European Policy | Czech Republic |
| 49. | Formando Rutas | Germany |
| 50. | FPPE | Poland |
| 51. | Center for the Study of Democracy | Bulgaria |
| 52. | Association "Energy Efficient Cities of Ukraine" | Ukraine |
| 53. | Naturschutzbund Deutschland (NABU) e.V. | Germany |
| 54. | Rainforest Action Network | USA |
| 55. | Uppsala University | Sweden |
| 56. | Institute for Economic Research and Policy Consulting | Ukraine |
| <i>57.</i> | Eco Bucha | Ukraine |
| 58. | Deutsche Umwelthilfe e.V. | Germany |
| 59. | CEE Bankwatch Network | Romania |
| 60. | Instytut Spraw Obywatelskich | Poland |

| 61. | Center for international cooperation and project implementation | Ukraine |
|------------|--|--------------------------|
| 62. | 350.org | France |
| 63. | Kyiv Municipal League of Public Organizations of People with Dis | abilities Ukraine |
| 64. | National Ecological Center of Ukraine | Ukraine |
| 65. | Center for International Environmental Law | France |
| 66. | Ecosense, NGO | Ukraine |
| 67. | U-Cycle (NGO Kyiv Cyclists' Association) | Ukraine |
| 68. | Earth Action, Inc. | USA |
| 69. | Aid Organization | Bangladesh |
| 70. | Net Impact The Gambia | Gambia |
| 71. | Agency for sustainable development of the Carpathian region "FC | DRZA" Ukraine |
| 72. | Women Engage for a Common Future - WECF | Netherlands |
| 73. | Africa Bureau For Climate stories-ABOS | Kenya |
| 74. | TRAFFED-RDC AMIS D'AROCHA | DRC |
| <i>75.</i> | Asociación Con Ucrania | Spain |
| 76. | Climate Action Campaign, Humboldt Unitarian Universalist Fellow | • |
| 77. | Adarsha Samajik Progoti Sangstha | Bangladesh |
| 78. | Green 13 | Canada |
| 79. | Associazione Cristiana degli Ucraini in Italia | Italy |
| 80. | Rozviy, Youth Climate Initiative | Ukraine |
| 81. | Minerva Ventures | USA |
| 82. | NGO "Green World" | Ukraine |
| 83. | UWEC Work Group | Georgia |
| 84. | Gower Street | United Kingdom |
| 85. | GDU Project Helmholtz Center Berlin | Germany |
| 86. | VCS Verkehrs-Club der Schweiz | Switzerland |
| 87. | NGO Plato | Ukraine |
| 88. | Chaloupky o.p.s. | Czech Republic |
| 89. | Just Finance International | Europe |
| 90. | Promote Ukraine | Belgium |
| 91. | Bellona Europa | Belgium |
| 92. | Estonian Green Movement | Estonia |
| 93. | Social Justice Committee, St. Andrew's United Church of Canada | |
| 94. | Grandmothers Act to Save the Planet (GASP) | Canada |
| 95. | The Secretariat of the Steering Committee of the Eastern Pa | artnership Civil Society |
| Forur | - | Belgium |
| 96. | 198 methods | USA |
| 97. | Global Witness | United Kingdom |
| 98. | Atlantic Energy | United Kingdom |
| 99. | Zero Waste Society | Ireland |
| 100. | Canopea | Belgium |
| 101. | Limity jsme my | Czech republic |
| 102. | Earthsight | United Kingdom |
| 103. | Businesses for a Livable Climate | USA |
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| 104. | Call to Action Colorado | USA |
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| 105. | CatholicNetwork US | USA |
| 106. | Colorado Businesses for a Livable Climate | USA |
| 107. | Community for Sustainable Energy | USA |
| 108. | Greater New Orleans Housing Alliance | USA |
| 109. | Green House Connection Center | USA |
| 110. | Indivisible Ambassadors | USA |
| 111. | Interstate 70 Citizens Advisory Group | USA |
| 112. | Larimer Alliance for Health, Safety, & Environment | USA |
| 113. | Littleton Business Alliance | USA |
| 114. | Mayfair Park Neighborhood Association | USA |
| 115. | Mental Health & Inclusion Ministries | USA |
| 116. | Mind's Eye Productions | USA |
| 117. | Montbello Neighborhood Improvement Association | USA |
| 118. | North Range Concerned Citizens | USA |
| 119. | Our Sacred Earth | USA |
| 120. | RapidShift Network | USA |
| 121. | Save the Environmental Protection Agency | USA |
| 122. | Small Business Alliance | USA |
| 123. | Southwest Organization for Sustainability | USA |
| 124. | Spirit of the Sun | USA |
| 125. | System Change Not Climate Change | USA |
| 126. | Texas Campaign for the Environment | USA |
| 127. | Unite North Metro Denver | USA |
| 128. | Wall of Women | USA |
| 129. | Western Slope Businesses for a Livable Climate | USA |
| 130. | Womxn from the Mountain | USA |
| 131. | Working for Racial Equity | USA |
| 132. | | India |
| 133. | ZERO – Association for the Earth System Sustainability | Portugal |
| 134. | Association of Ethical Shareholders | Germany |
| 135. | Ukrainian Network of Integrity and Compliance (UNIC) | Ukraine |
| 136. | NGO "Unique Planet" | Ukraine |
| 137. | NGO Green Liberty | Ukraine |
| 138. | NGO SaveDnipro | Ukraine |
| 139. | NGO "Office for the Environment" | Ukraine |
| 140. | NGO "Green Generation" | Ukraine |
| 141. | Center for Liberal Modernity (LibMod) | Germany |
| | 31. Business for Ukraine Coalition. on behalf of 89 international and | - |

142-231. Business for Ukraine Coalition, on behalf of 89 international and Ukrainian members

232-241. Energy Transition Coalition, uniting 10 Ukrainian organizations.

242-280+. RISE Ukraine Coalition, uniting more than 50 organizations.