

Call for feedback on the Platform on Sustainable Finance's draft report on social taxonomy

Fields marked with * are mandatory.

Introduction

Disclaimer:

This call for feedback is part of ongoing work by the [Platform on Sustainable Finance](#), which was set up by the Commission to provide advice on the further development of the EU taxonomy framework.

This feedback process is not an official Commission consultation. The draft report produced by the Platform is not an official Commission document. Nothing in this feedback process commits the Commission nor does it preclude any policy outcomes.

In March 2018 the Commission published its [action plan: financing sustainable growth](#), based on the advice of the [High Level Expert Group \(HLEG\)](#). Action 1 of the Commission's action plan calls for the establishment of an EU classification system for sustainable activities, or taxonomy. The Commission followed through on this action by proposing a regulation for such a taxonomy. The [Taxonomy Regulation](#) was adopted by the co-legislators in June 2020. It establishes the basis for the [EU taxonomy](#) by setting out 4 overarching conditions that an economic activity has to meet in order to qualify as making a substantial contribution to environmental objectives.

Development of the EU taxonomy relies on extensive input from experts from across the economy and civil society. The [Platform on Sustainable Finance](#) plays a key role in enabling such cooperation by bringing together the best expertise on sustainability from the corporate and public sector, from industry as well as academia, civil society and the financial industry join forces.

While the work started with classifying environmentally sustainable activities, the need to better understand socially sustainable investments was acknowledged from the onset, and featured among the recommendations of the HLEG in

2 0 1 8 .

In October 2020, the Commission established the Platform for Sustainable Finance, and created with five working groups, including the [Subgroup on social taxonomy](#), which was tasked to:

1. explore the extension of the taxonomy regulation to social topics
2. elaborate potential objectives of a social taxonomy
3. work out a structure of a social taxonomy
4. identify approaches to substantial contribution and 'do no significant harm' in the field of 'social'
5. reflect on governance, business ethics, anti-bribery and tax compliance
6. consider potentially harmful activities
7. suggest a relationship between a green and a social taxonomy

On 12 July 2021, the Platform published its [first draft report on a proposal for a social taxonomy](#).

The report assesses the merits of a social taxonomy in addition to the environmental taxonomy, and explores possible avenues to complement the existing taxonomy. The report also proposes various objectives and sub-objectives for a social taxonomy, as well as possible approaches for defining "substantial contribution" and "do no significant harm" criteria. Finally, it develops two alternative models for articulating the social taxonomy with the environmental taxonomy.

Call for feedback

The Platform is inviting stakeholders to provide feedback on the draft report through this online questionnaire.

The deadline for providing feedback is Friday 27 August close of business.

In the online questionnaire, you will be asked to comment on certain aspects of the report and make suggestions.

Next steps

The Platform is still working on some important aspects of these questions and will proceed to develop its final report and final recommendations after considering the stakeholder input collected through this call for feedback.

The Platform will submit the final report with their advice to the Commission in autumn 2021. The Commission will analyse and consider the report in view of the continuous developing of the EU taxonomy, as anticipated in the new [sustainable finance strategy](#).

By the end of 2021, the Commission will publish a report on the provisions required for a social taxonomy, as required by the Taxonomy Regulation.

Please note: In order to ensure a fair and transparent consultation process **only responses received through our online questionnaire will be taken into account** and included in the report summarising the responses. Should you have a problem completing this questionnaire or if you require particular assistance, please contact fisma-platform-sf@ec.europa.eu.

More information on

- [the call for feedback document](#)
- [the draft report on a social taxonomy](#)

- Information and communication
- Real estate activities
- Professional, scientific and technical activities
- Administrative and support service activities
- Public administration and defence; compulsory social security
- Education
- Human health and social work activities
- Other
- Not applicable

* Please specify your non-financial activity (NACE) field(s)

Association de personnes physiques exerçant leur activités dans des entreprises, banques, assureurs ou sociétés de gestion principalement. Elle délivre formation en analyse financière, analyse ESG.

*** Contributions received are intended for publication on the Commission's website. Do you agree to your contribution being published?**

The Commission will publish the responses to this public consultation. You can choose whether you would like your details to be made public or to remain anonymous.

- Yes, I agree to my responses being published under the name I indicate (name of your organisation/company/public authority or your name if your reply as an individual – your email address will never be published)**
- No, I do not want my response to be published**

I agree with the [personal data protection provisions](#)

Your opinion

Merits and concerns

The draft report describes the merits of a social taxonomy and potential concerns.

Question 1.1 Which in your view are the main merits of a social taxonomy?

Please select as many answers as you like

- supporting investment in social sustainability and a just transition
- responding to investors' demand for socially orientated investments
- addressing social and human rights risks and opportunities for investors

- strengthening the definition and measurement of social investment
- other
- none

Please specify to what other merit(s) you refer in your answer to question 1.1:

1000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Permet de créer un langage commun (ESG, Impact, ISR)

Question 1.2 Which in your view are the main concerns about a social taxonomy?

Please select as many answers as you like

- interference with national regulations and social partners' autonomy
- increasing administrative burden for companies
- other
- none

Please specify to what other concern(s) you refer in your answer to question 1.2:

1000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Difficultés d'avoir des définitions communes en Europe
Risque de social washing
Risque pour les petites et moyennes entreprises de les voir quitter la bourse en raison des charges administratives à supporter. Notion de proportionnalité.
Réglementation ne doit pas être un argument pour que les grandes entreprises ne participent pas financièrement à l'ensemble des audits et reportings. Mutualisation possible des audits et des réflexions et de certaines démarches.
Proposition d'une remise à jour tous les 3 ans

Structure of the social taxonomy

The draft report suggests a structure for a social taxonomy distinguishing between a vertical and a horizontal dimension. The vertical dimension would focus on directing investments to activities that make products and services for basic human needs and for basic economic infrastructure more accessible, while the horizontal dimension would focus on human rights processes.

The objective linked to the vertical dimension of the social taxonomy would be to promote adequate living standards. This includes improving the accessibility of products and services for basic human needs such as water, food, housing,

healthcare, education (including vocational training) as well as basic economic infrastructure including transport, Internet, clean electricity, financial inclusion.

The objective linked to the horizontal dimension would be to promote positive impacts and avoid and address negative impacts on affected stakeholder groups, namely by ensuring decent work, promoting consumer interests and enabling the creation of inclusive and sustainable communities.

Question 2. In your view, are there other objectives that should be considered in vertical or horizontal dimension?

- Yes
- No
- Don't know / no opinion / not applicable

Please explain your answer to question 2:

1000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

La dimension horizontale parait incomplète et et il est nécessaire d'avoir un cadre de référence de la mesure de l'impact et de la trajectoire.

Question 3. Which of the following activities should in your view be covered in the vertical dimension (social products and services)?

Please select as many answers as you like

- A1 - Crop and animal production,
- A1.1 - Growing of non-perennial crops
- A1.2 - Growing of perennial crops
- A1.4 - Animal production
- A3 - Fishing and aquaculture
- C10 - Manufacture of food products
- C10.8.2 - Manufacture of cocoa, chocolate and sugar confectionery
- C10.8.3 - Processing of tea and coffee
- C10.8.6 - Manufacture of homogenised food preparations and dietetic food
- C13 - Manufacture of textiles
- C20.1.5 - Manufacture of fertilisers and nitrogen compounds
- C20.2 - Manufacture of pesticides and other agrochemical products
- C21 - Manufacture of basic pharmaceutical products and pharmaceutical preparations

- ☐ C23.3 - Manufacture of clay building materials
- ☐ C23.5 - Manufacture of cement, lime and plaster
- ☐ C25.2.1 - Manufacture of central heating radiators and boilers
- ☐ C30.1 - Building of ships and boats
- ☐ C30.2 - Manufacture of railway locomotives and rolling stock
- ☐ C30.3 - Manufacture of air and spacecraft and related machinery
- ☐ C30.9.2 - Manufacture of bicycles and invalid carriages
- ☐ C31 - Manufacture of furniture
- ☐ C32.2 - Manufacture of musical instruments
- ☐ C32.3 - Manufacture of sports goods
- ☐ C32.5 - Manufacture of medical and dental instruments and supplies
- ☐ D35.1 - Electric power generation, transmission and distribution
- ☐ D35.3 - Steam and air conditioning supply
- ☐ E - Water supply; sewerage; waste management and remediation activities
- ☐ E36 - Water collection, treatment and supply
- ☐ E37 - Sewerage
- ☐ E38 - Waste collection, treatment and disposal activities; materials recovery
- ☐ E38.3 - Materials recovery
- ☐ E39 - Remediation activities and other waste management services
- ☐ F41 - Construction of buildings
- ☐ F42.1 - Construction of roads and railways
- ☐ F42.1.2 - Construction of railways and underground railways
- ☐ F42.2.2 - Construction of utility projects for electricity and telecommunications
- ☐ F43.3 - Building completion and finishing
- ☐ G45.2 - Maintenance and repair of motor vehicles
- ☐ G46.1.6 - Agents involved in the sale of textiles, clothing, fur, footwear and leather goods
- ☐ G46.1.7 - Agents involved in the sale of food, beverages
- ☐ G47.5.1 - Retail sale of textiles in specialised stores
- ☐ H49.1 - Passenger rail transport, interurban
- ☐ H49.2 - Freight rail transport
- ☐ H49.3 - Other passenger land transport
- ☐ H49.3.1 - Urban and suburban passenger land transport
- ☐ H50.1 - Sea and coastal passenger water transport
- ☐ H50.3 - Inland passenger water transport

- H51.1 - Passenger air transport
- J58.1 - Publishing of books, periodicals and other publishing activities
- J59.1 - Motion picture, video and television programme activities
- J60 - Programming and broadcasting activities
- K - Financial and insurance activities
- L68.2 - Renting and operating of own or leased real estate
- M71 - Architectural and engineering activities; technical testing and analysis
- M72.1.1 - Research and experimental development on biotechnology
- N77.1.1 - Renting and leasing of cars and light motor vehicles
- N77.2 - Renting and leasing of personal and household goods
- N78.1 - Activities of employment placement agencies
- N78.2 - Temporary employment agency activities
- N78.3 - Other human resources provision
- O84.1.2 - Regulation of the activities of providing health care, education, cultural services and other social services, excluding social security
- O84.2 - Provision of services to the community as a whole
- O84.2.4 - Public order and safety activities
- O84.2.5 - Fire service activities
- O84.3 - Compulsory social security activities
- P85.1 - Pre-primary education
- P85.2 - Primary education
- P85.2.0 - Primary education
- P85.3 - Secondary education
- P85.3.2 - Technical and vocational secondary education
- P85.4.2 - Tertiary education
- Q - Human health and social work activities
- Q86.1 - Hospital activities
- Q86.2 - Medical and dental practice activities
- Q87 - Residential care activities
- Q88 - Social work activities without accommodation
- Q88.9.1 - Child day-care activities
- Q88.9.9 - Other social work activities without accommodation n.e.c.
- R - Arts, entertainment and recreation
- R93.1.3 - Fitness facilities
- S95 - Repair of computers and personal and household goods

S96.0.4 - Physical well-being activities

Other

Please specify to what other activity(ies) you refer in your answer to question 3:

1000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Ces activités sont légitimes dès lors qu'elles répondent à des finalités sociales
La liste intègre des activités dont la finalité sociale peut être remise en cause.
Il n'y a pas granularité identique de tous les secteurs listés.
Certaines activités regroupent des secteurs dont la finalité n'est pas partagée par tous comme la fourrure en G 46.1.6 ou le spatial C30.3

Question 4. Do you agree with the approach that the objectives in the horizontal dimension, which focusses on processes in companies such as the due diligence process for respecting human rights, would likely necessitate inclusion of criteria targeting economic entities in addition to criteria targeting economic activities?

- Yes
 No
 Don't know / no opinion / not applicable

Please explain your answer to question 4:

1000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Harmful activities

The report envisages harmful activities as those which are fundamentally and under all circumstances opposed to the objectives suggested in this proposal for a social taxonomy. There would be two sources on which this rationale can be build: internationally agreed conventions, e.g. on certain kinds of weapons & detrimental effects of certain activities, for example on health.

Question 5. Based on these assumptions, would you consider certain of the following activities as 'socially harmful'?

Please select as many answers as you like

- A1.1.5 - Growing of tobacco
- B5 - Mining of coal and lignite
- B7 - Mining of metal or iron ores
- B9 - Mining support service activities
- B9.1 - Support activities for petroleum and natural gas extraction
- C10.8.1 - Manufacture of sugar
- C10.8.2 - Manufacture of cocoa, chocolate and sugar confectionery
- C10.8.3 - Processing of tea and coffee
- C11.0.1 - Distilling, rectifying and blending of spirits
- C11.0.2 - Manufacture of wine from grape
- C11.0.5 - Manufacture of beer
- C11.0.7 - Manufacture of soft drinks;
- C12 - Manufacture of tobacco products
- C13 - Manufacture of textiles
- C15.2 - Manufacture of footwear
- C20.2 - Manufacture of pesticides and other agrochemical products
- C25.4 - Manufacture of weapons and ammunition
- C25.4.0 - Manufacture of weapons and ammunition
- C30.4 - Manufacture of military fighting vehicles
- G46.1.6 - Agents involved in the sale of textiles, clothing, fur, footwear and leather goods
- G46.3.5 - Wholesale of tobacco products
- G46.3.6 - Wholesale of sugar and chocolate and sugar confectionery
- G46.4.2 - Wholesale of clothing and footwear
- G47.1.1 - Retail sale tobacco predominating
- N80.1 - Private security activities
- O84.2.2 - Defence activities
- Other

Please specify to what other activity(ies) you refer in your answer to question 5:

1000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Toutes les activités peuvent avoir une dimension sociale à l'exception du charbon, du tabac et de l'armement. C'est un autre axe comme l'environnement.
On tombe dans la moralité et il est nécessaire de créer une vraie méthodologie.

Governance objectives

Question 6. Sustainability linked remuneration is already widely applied in sustainable investment. In your view, would executive remuneration linked to environmental and social factors in line with companies' own targets, therefore also be a suitable criterion in a social classification tool such as the social taxonomy?

- Yes
- No
- Don't know / no opinion / not applicable

Please explain your answer to question 6:

1000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Cela permet de limiter les déséquilibres dans la gestion de l'entreprise. Cela dilue le court termisme et de ne pas afficher que des critères financiers.

Question 7. The report envisages governance objectives and analyses a certain number of governance topics. Please select the governance topics which in your view should be covered:

Please select as many answers as you like

- Sustainability competencies in the highest governance body
- Diversity of the highest governance body (gender, skillset, experience, background), including employee participation.
- Transparent and non-aggressive tax planning
- Diversity in senior management (gender, skillset, experience, background)
- Executive remuneration linked to environmental and social factors in line with companies' own targets
- Anti-bribery and anti-corruption

- Responsible auditing
- Responsible lobbying and political engagement
- Other

Please specify to what other governance topic(s) you refer in your answer to question 7:

1000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Il manque la stratégie qui conduit à des choix sociaux et environnementaux.
 On ne parle pas de conformité réglementaire.
 Concernant l'engagement politique, ce domaine devrait être totalement exclu de la politique de l'entreprise

Models for linking an environmental and a social taxonomy

The report suggests two models for linking an environmental and a social taxonomy

- **Model 1:** The social and an environmental taxonomy would only be related through social and environmental minimum safeguards with governance safeguards being valid for both. The [UN guiding principles](#) would serve as minimum safeguards for the environmental part, while the environmental part of the [OECD guidelines](#) would serve as environmental minimum safeguards for the social part. The downside would be thin social and environmental criteria in the respective other part of the taxonomy
- **Model 2:** There would be one taxonomy with a list of social and environmental objectives and DNSH criteria. It would essentially be one system with the same detailed 'do no significant harm' criteria for the social and environmental objectives. The downside would be that there would be fewer activities that would meet both social and environmental 'do no significant harm' criteria

Question 8. Which model for extending the taxonomy to social objectives do you prefer?

- Model 1
- Model 2
- Don't know / no opinion / not applicable

Please explain your answer to question 8:

1000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

En courte période de transition, on peut retenir le modèle 1 mais l'objectif à terme est de retenir le modèle 2.

General expectation from the social taxonomy

Question 9. What do you expect from a social taxonomy?

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including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Faciliter l'accès à un modèle d'affaires durable par la définition d'un cadre clair et uniforme des mesures d'impact.

La SFAF considère que les intentions décrites dans le projet sont louables et que la direction prise est la bonne. La taxonomie sociale doit être cohérente et avoir un niveau de simplicité.

Mais il sera difficile de le mettre en oeuvre en raison des interactions entre l'horizontal et le vertical qui seront présentes, Quid d'un secteur de l'entité qui s'éloigne des droits de l'homme alors que d'autres y satisfont? Comment conclure au niveau de l'entreprise pour l'investisseur ?

L'investisseur veut quelque chose qui soit relié au reporting de l'entreprise.

Alors que la taxonomie sociale n'existait pas, des clauses minimales de sauvegarde avaient été intégrées dans la taxonomie environnementale. Ce sujet doit être réapprécié au regard de ce texte.

Additional information

Should you wish to provide additional information (e.g. a position paper, report) or raise specific points not covered by the questionnaire, you can upload your additional document(s) below. **Please make sure you do not include any personal data in the file you upload if you want to remain anonymous.**

The maximum file size is 1 MB.

You can upload several files.

Only files of the type pdf,txt,doc,docx,odt,rtf are allowed

Useful links

[Call for feedback document \(https://ec.europa.eu/info/files/2021-social-taxonomy-report-call-for-feedback-document_en\)](https://ec.europa.eu/info/files/2021-social-taxonomy-report-call-for-feedback-document_en)

[Draft report on a social taxonomy \(https://ec.europa.eu/info/files/210712-sustainable-finance-platform-report-social-taxonomy_en\)](https://ec.europa.eu/info/files/210712-sustainable-finance-platform-report-social-taxonomy_en)

[More on the publication of the 2 draft reports \(https://ec.europa.eu/info/publications/210712-sustainable-finance-platform-draft-reports_en\)](https://ec.europa.eu/info/publications/210712-sustainable-finance-platform-draft-reports_en)

[More on sustainable finance \(https://ec.europa.eu/info/business-economy-euro/banking-and-finance/sustainable-finance_en\)](https://ec.europa.eu/info/business-economy-euro/banking-and-finance/sustainable-finance_en)

[Platform on Sustainable Finance \(https://ec.europa.eu/info/business-economy-euro/banking-and-finance/sustainable-finance/overview-sustainable-finance/platform-sustainable-finance_en\)](https://ec.europa.eu/info/business-economy-euro/banking-and-finance/sustainable-finance/overview-sustainable-finance/platform-sustainable-finance_en)

[Specific privacy statement \(https://ec.europa.eu/info/files/2021-social-taxonomy-report-specific-privacy-statement_en\)](https://ec.europa.eu/info/files/2021-social-taxonomy-report-specific-privacy-statement_en)

Contact

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