OPINION

European Economic and Social Committee

Renewed sustainable finance strategy

Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions – Strategy for Financing the Transition to a Sustainable Economy
[COM(2021) 390 final]

ECO/559

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Referral	European Commission, 10/08/2021
Legal basis	Article 304 of the Treaty on the Functioning of the European Union
Section responsible	Economic and Monetary Union and Economic and Social Cohesion
Adopted in section	23/11/2021
Adopted at plenary	08/12/2021
Plenary session No	565
Outcome of vote (for/against/abstentions)	123/1/2

1. **Conclusions and recommendations**

1.1 The EU's economic policy should align itself with both the objectives set out in Article 3 of the EU Treaty and the UN Sustainable Development Goals (SDGs). *Sustainable* finance should therefore also follow a multidimensional approach that encompasses environmental and social goals. Unfortunately, many of the measures mentioned in the Communication disregard social sustainability. Combining sustainability policies with digital and COVID-19 policies can give EU policy more weight. Environmental policy must go hand in hand with a stronger EU economy and the creation of good jobs. Synergies between the Capital Markets Union and the sustainable finance strategy should be exploited. For example, transparency increases market efficiency while at the same time providing a basis for access to sustainable finance.

1.2 The EESC strongly supports the goal of redirecting investments in such a way that they contribute to the EU's transition to a sustainable economy. Most of the measures set out in the Communication are logical, but often appear hesitant given the pressing need for action. In climate policy in particular, time is of the essence. A consistent and well sequenced set of rules is needed to avoid excessive complexity so that the strategy works in practice. Now is the time for measures, not striving for perfection. Deceptive "sustainability-washing" deserves extra attention. All in all, the sustainable finance strategy will only deliver the desired steering effects if it is part of an overall economic policy geared towards sustainability. Regulation and public investment have a crucial role to play.

1.3 The European Economic and Social Committee (EESC) appreciates the Commission's commitment to launching the transition to a sustainable EU economy and calls on the Council and the European Parliament to support these endeavours. The EESC calls for the social partners and civil society to be brought on board in the design and implementation of sustainable finance. They must be sufficiently represented in both the Platform on Sustainable Finance and the European Financial Reporting Advisory Group (EFRAG). When it comes, for instance, to ESG criteria[1] – and hence also matters impinging on the world of work –, the relevant social partner organisations must also be consulted directly. The EESC is generally critical of the practice of using delegated acts excessively to regulate important matters relating to the strategy.

1.4 The EU taxonomy must reflect a higher level of ambition than EU legislation provides. Its success depends on its broad acceptance. The activities in it must not jeopardise environmental goals or social standards and must comply with the precautionary principle. Large sections of EU civil society have grave doubts as to whether this applies, for example, to nuclear energy or natural gas. Therefore, the EESC instead believes that these kinds of controversial economic activities, which still may play a useful role during the transition period, could possibly better be dealt with separately from the EU taxonomy itself. Furthermore, the EESC should consider undertaking a separate initiative on this matter. The EESC supports the incorporation of the remaining environmental objectives and the extension to economic activities with an intermediate level of environmental performance and to economic activities with no significant impact on environmental sustainability and those that significantly harm environmental

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1 ESG: environmental, social and governance criteria.

sustainability. Proposals on this should follow speedily. The taxonomy and standards should serve as a basis in various areas to make them more effective. However, it is important to avoid loopholes for greenwashing.

1.5 The EESC welcomes the objective of making it easier for retail investors and SMEs to access sustainable finance and notes the importance of ensuring fair financing conditions here. It also supports steps to expand sustainability reporting, since sustainable company policy is also in the interest of SME customers and civil society as a whole. Reporting requirements should not entail excessive resources and costs, but be effective in contributing to transparency in order to improve market efficiency and thereby facilitate better access to finance. As part of green budgeting, the EESC recommends linking this to a future golden rule for investment.

1.6 The measures cited to support credible social investment fall far short of what is needed and should also be stepped up. The focus on social sustainability needs to be tightened so that people and the world of work are at the centre. Social partners and civil society should be fully involved in this process and the European Pillar of Social Rights and the UN Sustainable Development Goals should serve as a basis. An integrated taxonomy embracing environmental and social goals in equal measure has the potential to become the valuable basis for an economically, socially and environmentally sustainable EU. Where sustainability-related disclosures are concerned, labour and human rights indicators in particular must be carefully examined and improved.

1.7 Sustainability factors need to be considered in financial sector risk management and capital provision, which must be addressed by regulation and, in the short term, also at the technical level. The EESC advocates a sound and forward-looking capital policy and a strictly economic risk assessment, so that risk weighting is based on actual stability risks. The effects of sustainability risks on banks and insurance and even on the stability of the financial sector as a whole need to be taken into account. As part of the systematic mapping of ESG risks in credit ratings, the debate on the EU credit rating agency should be relaunched and hence the EU's leading role in sustainability consolidated.

1.8 The EESC welcomes the steps taken to strengthen the monitoring of systemic risks arising from the climate crisis and suggests that, as far as possible, all areas of the financial sector should be covered. It is also time to finally pay heed to social sustainability risks, which are jeopardising social cohesion as a result of widening distribution gaps. The EESC also supports increasing the compulsory nature of sustainability reporting by financial institutions. With regard to fiduciary duties and stewardship rules, there should not be any disproportionate transfer of risks under the guise of green measures and the classification of unsustainable investments should be carefully adapted.

1.9 Supervisors must quickly be given powers with which to address greenwashing. A definition of this could make this easier. It would also be useful to have a monitoring framework to measure the progress of the EU financial system. The EESC requests that civil society be included in the assessment of financial markets' alignment with sustainability goals. Finally, improved cooperation between supervisors and the ECB should also be supported. Civil society should be

involved in research into sustainability in the finance sector, which must include social sustainability.

1.10 The EESC welcomes the fact that the Commission will promote an ambitious consensus in international forums, because global markets need globally recognised framework conditions. European companies should not be faced with so many different regulations that they experience severe competitive disadvantages. This includes providing global access to data with which to assess the sustainability of investments and a proper regulation and supervision of ESG data providers. The fact that international coordination is slow must not lead to the measures being delayed at EU level. As part of the deepening of the work of the International Platform on Sustainable Finance, the EESC urges the Commission to work towards closer cooperation not only with the private sector, but also with civil society. The EESC strongly calls for greater consideration to be given to social sustainability at international level too, including in line with the United Nations SDGs.

2. Background to the opinion

2.1 The sustainable finance framework is expected to play a key role in the implementation of the Paris climate agreement and in achieving the objectives of the Green Deal. Since, according to the Commission, the level of investment required goes well beyond the capacity of the public sector, the sustainable finance framework should help to channel private financial flows into the relevant economic activities. New opportunities should also arise from the mutual reinforcement of the sustainable finance framework and the Capital Markets Union[2].

2.2 The 2018 sustainable finance strategy consists of a taxonomy, a disclosure system for companies and investment tools, including benchmarks, standards and labels. The Commission acknowledges that much progress has been made in laying the foundations for the sustainable finance framework, but that much remains to be done. With this initiative, the Commission is launching a new phase of the EU's sustainable finance strategy, which now focuses on financing the real economy's sustainability transition, on inclusiveness, on resilience, on the contribution of the financial sector and on global goals.

3. General comments

3.1 The EESC calls for an economic policy focused on prosperity that has a number of objectives: environmental sustainability, sustainable and inclusive growth, full employment and high-quality work, fair distribution, health and quality of life, financial stability, price stability, balanced trade based on a fair and competitive industrial and economic structure, and stable public finances. These objectives are consistent with both the objectives set out in Article 3 of the EU Treaty and the UN Sustainable Development Goals (SDGs). It is therefore regrettable that the sustainable finance strategy largely refers only to climate targets. The EESC recommends a holistic approach that takes into account environmental and social objectives and makes sure these are balanced. To avoid setbacks and build the necessary consensus, climate policy must be considered in an economic context focused on prosperity.

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2 OJ C 155, 30.4.2021, p. 20.

3.2 Combining sustainability policies with digital and post-COVID-19 policies can give EU action more weight. Environmental policy must go hand in hand with the creation of high-quality jobs, a fair distribution of costs and risks and a strengthening of the EU's economy, not least at global level. Synergies between the CMU project and the sustainable finance strategy also need to be exploited. Transparency and information are essential elements of efficient markets and at the same time a prerequisite for sustainable finance. As a rule, they will also improve the access of small and medium-sized enterprises to socially and environmentally sustainable finance. Moreover, the EU's Technical Expert Stakeholders Group (TESG) emphasises the need to work with small companies and support them in their efforts to comply with sustainability reporting requirements.

3.3 The EESC strongly supports the goal of redirecting and promoting investments in such a way that they contribute to the EU's transition to a sustainable economy. Although most of the measures referred to in the strategy are logical, they are often only reviews or provision for potential legal acts, or there is no timetable. Yet, time and effectiveness are crucial, especially in the field of climate policy. Instead of striving for perfection, it must be possible to cope with a certain degree of uncertainty, divergent views and unanswered questions. The next steps must now be taken without further delays and an analysis must be carried out on the extent to which the existing regulations are in line with each other. An orderly, well sequenced, and consistent set of rules is needed without excessive complexity and duplication so that the strategy works in practice.

3.4 The EESC appreciates the Commission's commitment to launching the transition to a sustainable EU economy. However, the groundwork on developing a taxonomy or sustainability reporting is being delegated, the former to the Sustainable Finance Platform and the latter to the European Financial Reporting Advisory Group (EFRAG). In order to achieve the transition to sustainability, all EU decision-making bodies and the Member States are needed in equal measure. The EESC calls in particular on the Council and the European Parliament to back and advance the steps towards sustainability.

3.5 The EESC is critical of the practice of using delegated acts excessively to regulate important matters relating to economic policy instead of an ordinary legislative procedure. Social partners and civil society should also be fully involved in the design and implementation of sustainable finance and in particular in the development of environmental, social and governance/ESG criteria. Their balanced representation in the Platform on Sustainable Finance and EFRAG should be ensured. Given that taxonomy and sustainability reporting are also about the world of work, the very weak involvement of trade unions is not acceptable.[3] Generally speaking, the social partners must also be consulted directly on questions relating to the world of work.

3.6 Achievement of the climate targets represents an intergenerational and international public good that incurs the risk of free riding and market failure. It cannot be assumed that competing

3 See Members and Observers of the Platform on Sustainable Finance https://ec.europa.eu/info/sites/default/files/business_economy_euro/banking_and_finance/documents/eu-platform-on-sustainable-finance-members_en.pdf

companies voluntarily factor externalities into prices and so take on the role of "transition police". A massive redirection of investment based on self-regulation as a result of increased transparency should not be expected either. The sustainable finance strategy will therefore only be as effective as it needs to be and have the desired steering effects if it is part of an overall (economic) policy geared towards sustainability and corresponding regulations. Policy clarity also facilitates risk management in the financial sector.

3.7 Public investment also continues to play a crucial role, not least because it often stimulates further private investment. Unfortunately, the EU fiscal framework has often provided incentives to cut public investment[4], which also leads to a lack of investment in sustainability and inclusion. To meet the objectives of the Green Deal, it is necessary to both redirect private investment and promote public investment. In particular, the sustainability debate will underline the call for a golden rule.

4. Specific comments

4.1 *Financing the real economy's sustainability transition*

4.1.1 The taxonomy must reflect a higher level of ambition than provided for in legislation, since compliance with regulation must in any case be assumed. This is the only way to consolidate the pioneering role of sustainable economic activities through finance and funding opportunities. The success of the taxonomy depends on its broad social acceptance. It must be transparent, scientifically sound and constantly updated. The economic activities included will only meet a widely accepted definition of sustainability if it is ensured that they do not jeopardise any of the environmental objectives[5] or cause any social grievances. The EESC draws attention to the precautionary principle enshrined in EU environmental policy[6].

4.1.2 To make the taxonomy more effective, the EESC recommends using it for the risk management of finance companies (see point 4.4). Among other approaches the EESC sees as promising are the measurement of the taxonomy-related share of financial institutions' assets through the Green Asset Ratio (GAR), the inclusion of environmental risks in stress tests and the use of the taxonomy for green bonds. However, reference should also be made to the taxonomy, standards and labels in, for example, the field of state aid and public procurement or in the context of the EU fiscal framework.

4.1.3 The new technical screening criteria (Action 1c) must be added with great care and in strict compliance with the precautionary principle. Among other things, the criterion set out in the Taxonomy Regulation[7] of do-no-significant-harm to other environmental or social objectives[8] must be strictly adhered to. With this in mind, the proposals to include agriculture, natural gas

4 OJ C 268, 14.8.2015, p. 27.

5 Regulation (EU) 2020/852, Article 17.

6 Article 191 TFEU.

7 Regulation (EU) 2020/852, Article 18.

8 "Do no significant harm" principle enshrined in Article 2(17) of Regulation (EU) 2019/2088.

and nuclear energy in the taxonomy should be examined with the utmost care. Safeguarding the credibility of the taxonomy is key in order to not jeopardise the taxonomy project as a whole. The EESC highlights that there are grave doubts in large sections of European civil society as to whether the economic sectors proposed by the Commission are sustainable. These comments also apply to the legislation for the financing of certain economic activities (Action 1a).

4.1.4 The EESC admits that even economic activities whose sustainability properties are highly controversial may play a useful role during the transition period, especially if they comply with the latest technical standards. Therefore, the EESC believes that these kinds of activities could possibly better be dealt with in a separate dossier from EU taxonomy. Furthermore, the EESC should consider undertaking a separate initiative on this matter. The aim of such an initiative would be to advocate an energy policy geared to prosperity that focuses on environmental goals as well as affordability, the strengthening of the EU's economy internally and at global level and maintaining good jobs.

4.1.5 The delegated act already provided for in the Taxonomy Regulation to cover the remaining four environmental objectives in the areas of water, biodiversity, pollution prevention and the circular economy (Action 1d) is a welcome step towards a holistic approach to sustainability. The EESC also welcomes the Commission's announcement that it will propose assessment criteria in relation to biodiversity in order to link it with climate policy. The extension to economic activities with an intermediate level of environmental performance as well as the differentiation between economic activities with no significant impact on environmental sustainability and economic activities that significantly harm environmental sustainability (Action 1b) are steps in the right direction. The Taxonomy Regulation provides for a report to be published on economic activities with and without a significant impact by the end of 2021. The EESC calls for this deadline to be met. In expanding the taxonomy, care must also be taken to ensure that there are no loopholes for greenwashing, not least because of greater complexity.

4.1.6 The EESC welcomes the extension of standards and labels (Action 1e) and calls for greater determination in the introduction of minimum standards, among other things. It is important to have a general framework for a label for financial instruments to fund the transition so that there are clearly defined and reliable reference points. Deceptive "sustainability-washing", whereby an institution pretends to be more environmentally or socially sustainable than it actually is, deserves extra attention. However, only an assessment of whether this is necessary is expected by 2023. When it comes to the creation of an ESG benchmark, too, only an assessment was announced, even though – here as well – binding definitions and rules would be important building blocks for providing the clarity that investors and society are rightly calling for.

4.2 *An inclusive framework for sustainable finance*

4.2.1 The EESC welcomes the objective of making it easier for consumers, retail investors and SMEs to access sustainable finance so as to facilitate smaller projects at local level (Action 2a). To that end, it must also be ensured that financing costs are fair. Promoting knowledge of sustainability is a good approach that responds to the growing interest. However, financial education can never replace sound investor protection, and the emphasis on sustainability aspects must not

lead to disproportionately high risks being concealed. Investor representatives must be involved in the development of a financial competence framework.

4.2.2 To improve sustainability reporting, including for SMEs not covered by the Proposal for a Corporate Sustainability Reporting Directive (CSRD)[9], the EESC welcomes the advisory and taxonomy compass projects (Action 2a). Better and more binding reporting is important as the economic activities of smaller companies can also have significant environmental impacts. The EESC points out that civil society as a whole has a strong interest in sustainable company policy. In particular, customers of and investors in SMEs will also ask for sustainability declarations. However, with a simplified ESG reporting system, care must be taken to prevent greenwashing. Moreover, the following steps are recommended: standardise and compare the non-financial information of EU companies, implement a regulatory and supervisory framework for providers of sustainability data and ensure access to companies' non-financial raw data. Reporting requirements are not an end in itself and should therefore not entail excessive resources and costs, but be effective in contributing to transparency in order to improve market efficiency and thereby facilitate better access to finance.

4.2.3 The use of digital technologies for sustainable finance is consistent. By the same token, sustainability aspects must be embedded into technologies (Action 2b). Coordinating measures to promote holistic sustainability and digitalisation and to tackle the COVID-19 crisis create synergies that need to be enhanced, thus giving EU action more weight. The EESC recommends linking green budgeting (Action 2e) with a future golden rule for investments. Overall, it is regrettable that there is no holistic approach to sustainability here either. In the case of risk-sharing, care must be taken to ensure that there is no one-sided burden and risk transfer to the detriment of the public sector.

4.2.4 The increase in insurance coverage in relation to environmental risks constitutes an adaptation to the current situation. According to the Commission, a slight increase can significantly reduce the cost of climate-related disasters for taxpayers and governments, which the EESC warmly welcomes. However, the proposed steps, including identifying best practice examples, seem to be incredibly defensive. In any case, social partners and civil society must be involved in a dialogue on climate and overall resilience.

4.2.5 The steps to support credible social investments (Action 2d) are nowhere near sufficient to close the strategy's gaps in terms of the social sphere. It is true that the Taxonomy Regulation[10] provides a minimum level of protection by referring, inter alia, to the core labour standards of the International Labour Organization. However, this is not enough for the taxonomy to support social progress. A consistent approach is also needed to enhance social sustainability, with people and the world of work at the centre. The basis is already in place with the European Pillar of Social Rights and the SDGs. For example, a taxonomy that covers environmental and social objectives equally and so generally incorporates the DNSH principle[11] can provide a

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9 COM(2021) 189 final – Proposal for a directive as regards corporate sustainability reporting.

10 Regulation (EU) 2020/852, Article 18.

11 "Do no significant harm" principle.

valuable basis for an economically, socially and environmentally sustainable EU. A holistic taxonomy should now be rapidly developed with the involvement of social partners and civil society. In any case, the end of 2021 seems too late for the report on the social taxonomy to be published.

4.2.6 The review of the technical standards under the Sustainable Finance Disclosure Regulation (SFDR)[12] – with a view to clarifying indicators for adverse ecological and social impacts – is also coming too late as it is not scheduled to take place until late 2022. In particular, the EESC calls for the indicators for workers' and human rights to also be reviewed much more quickly and for higher standards to be implemented. It goes without saying that the social partners and civil society must be fully involved here too.

4.3 *Improved resilience to sustainability risks*

4.3.1 The EESC supports the inclusion of sustainability factors in financial sector risk management. This is the only way to break the vicious circle of finance companies funding climate-damaging activities. While climate change poses severe risks to banks and insurance companies, it also affects the financial sector as a whole and even threatens overall financial stability. In this context, the EESC warns against misinterpreting the financial sector's role as an enforcement body imposing sustainability objectives in the general interest. However, climate risks are hard to quantify accurately because of the scale, the lack of precedence and the uncertainty. But this should under no circumstances delay concrete steps being taken, which would further exacerbate the problem. Overall, a swift and prudent approach is needed to prevent shock responses. The EU taxonomy should serve as a basis for this.

4.3.2 The inclusion of sustainability risks in financial reporting standards and the development of a standard for natural capital are welcome, with scientifically sound, stringent and reliable standards and methodologies being essential (Action 3a). The systematic inclusion of relevant ESG risks in ratings and outlooks is also useful (Action 3b). The EESC suggests that the debate on the EU rating agency be relaunched in the current circumstances, thus consolidating the EU's pioneering role in the field of sustainability.

4.3.3 The approach of taking into account ESG factors in banks' risk management systems and in the prudential framework of insurance is logical (Actions 3c and 3d). They should also be taken into account in revisions of the Capital Requirements Regulation (CRR), the Capital Requirements Directive (CRD) and Solvency II[13], which are likely to be accompanied by longer debates. The EESC therefore also recommends including timely measures in the standards for measuring risks in risk management to ensure a rapid mapping of sustainability risks and an appropriate provision of capital. At the technical level, guidelines from European Supervisory Authorities are appropriate for this, among other things. Overall, a sound, forward-looking and carefully calibrated risk and capital policy is recommended that takes account of the effects of sustainability risks on financial stability.

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[12] Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial services sector.

[13] Directive 2009/138/EC on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II).

4.3.4 Measures such as internal stress tests go in the right direction as complementary measures. However, the EESC is opposed to the idea of dedicated prudential treatment for exposures classified as sustainable, which would reduce capital requirements, for instance. The increased complexity of the regulatory framework could lead to confusion and regulatory loopholes. The EESC therefore advocates a strictly economic risk assessment. Risk weighting should be based primarily on economic stability risks. Environmentally harmful investments already run the risk of being reduced in value and failing here. The EESC warns of a supervisory roller-coaster ride and a threat to the standards achieved if the CRR, the CRD and Solvency II are unravelled.

4.3.5 Among other things, the ECB draws attention to the link between the climate crisis and financial stability. The EESC welcomes the ECB's publication of factsheets on ESG risks and supports the steps taken to strengthen the monitoring and management of potential systemic risks (Action 3e). If possible this should cover all institutions, stakeholders, products and trading platforms, including less regulated areas. The EESC also stresses that the focus must first and foremost be on mitigating rather than recording risks. Unfortunately, social sustainability risks, which are jeopardising social cohesion as a result of widening distribution gaps, are not even addressed.

4.4 *Improving the financial sector's contribution to sustainability goals*

4.4.1 The financial sector plays a key role in the economic cycle and therefore plays an important role in sustainability, as today's investments reveal tomorrow's CO_2 emissions. It is therefore logical for the CSR Directive to require various financial market institutions to disclose their transition plans and their contribution to reducing the environmental footprint, as well as to seek to strengthen financial market participants' disclosure and decarbonisation activities for financial products in the context of the SFDR (Action 4a). The EESC recommends linking improved reporting to predetermined transition pathways and extending reporting requirements to other financial market participants. Voluntary sustainability pledges must only be the first step, as the Commission itself points out, so all measures towards more binding commitments must be supported in order to avoid confusion and arbitrariness.

4.4.2 With regard to fiduciary duties and stewardship rules, it is again mainly a question of assessments (Action 4b). It makes sense to broaden the concept of "long-term best interests of members and beneficiaries" and to make the consideration of sustainability impacts mandatory. There should not be any disproportionate transfer of risks under the guise of green measures here either. The classification of unsustainable investments should be carefully adapted, focusing in particular on the risk weighting of new investments in fossil fuels. In the interests of a just transition, social sustainability must not be overlooked again. Improving the availability, integrity and transparency of ESG market research and ratings is also an important addition, as there is an urgent need for better reliability and comparability in view of the confusing variety of concepts (Action 4c).

4.5 *Monitoring an orderly transition and ensuring the integrity of the financial system*

4.5.1 The EESC supports all measures to enable supervisors to address greenwashing (Action 5a). After all, it is quite natural to provide them with the means to fulfil their role. Unfortunately, here too only an assessment is provided for, with no time frame. The EESC once again draws attention to the timing and regrets that reference is made only to environmental sustainability. Finally, it is advisable to define "greenwashing" and "sustainability washing" to facilitate the enforcement of countermeasures.

4.5.2 A robust monitoring framework to measure progress made by the EU financial system is an important complementary measure (Action 5b). The measurement of capital flows to sustainable investment, the evaluation of investment needs and the assessment of financial markets' alignment with climate and environmental goals are welcome. Unfortunately, social sustainability is once again left out. The EESC requests that, as well as financial institutions, social partners and civil society be included in the assessment of financial markets' alignment with the climate and environmental goals.

4.5.3 Improved cooperation between supervisors and the ECB (Action 5c) is urgently needed. To facilitate more collaborative policy action, swift action should be taken. National supervisors should also be included in this. The EESC calls for social partners and civil society to be included in the strengthening of sustainable finance research and knowledge transfers between the financial sector and the research community (Action 5d), and for social sustainability to also be considered in this regard.

4.6 *Fostering global ambition*

4.6.1 The EESC welcomes the fact that the Commission will promote an ambitious consensus in international forums (Action 6a). Given the close international interconnectedness of financial markets and the need to safeguard global financial stability, sound international governance is essential in general and particularly in the area of sustainability. Global markets need globally recognised framework conditions and rules. This includes very practical, but crucial aspects such as the need to provide global access to data with which to assess the sustainability of investments.

4.6.2 The fact that international coordination is sometimes slow must never be used as a pretext or lead to developments being delayed at EU level. On the contrary, the more successfully sustainable finance is implemented in Europe, the more likely it is that the EU's way will serve as a global model. Against this backdrop, it is therefore also important that the EU taxonomy be reliable and that double materiality be fully applied. The EESC strongly calls for greater consideration to be given to social sustainability at international level too, including in line with the SDGs. European companies should not be faced with so many different regulations that they experience significant competitive disadvantages.

4.6.3 The expansion of the work of the International Platform on Sustainable Finance (IPSF) is logical (Action 6b). In this regard, the EESC urges the Commission to work towards closer cooperation and interaction not only between the IPSF and the private sector, but also with

social partners and civil society, for example to assess human rights in the context of sustainable finance. Naturally, the EESC recommends a holistic focus on sustainability here too. This is also the case with regard to support for low- and middle-income countries (Action 6a).

Brussels, 8 December 2021

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