

Press release

Paris, February 17th 2025

"Investors toward social Impact"

GSG France new publication

While today's taxonomy is exclusively environmental, GSG France has set up a working group of 50 impact investors to reintroduce the social issue to the European agenda. This working paper is being made available to the international community, alongside complementary studies being carried out in countries such as Germany and Luxembourg.

The challenge is to build social objectives into a structured and hierarchical set of indicators to assess the social contribution of these investments. The dissemination of this investor commitment should make it possible to define the foundations of a social framework based on practice and experience, within 3 to 5 years.

The social taxonomy project of the European Commission's sustainable finance platform had developed three interdependent objectives*, equivalent to the 6 environmental objectives of the green taxonomy. For the GSG France, three stakeholders stand out from these three objectives:

- Workers, employees of the company or its suppliers
- Citizens, members of local communities but also citizens elsewhere or digital citizens
- End users, direct or indirect customers or beneficiaries of the company.

The subject is complex, and some people can play several of those roles, individually or collectively. By way of example, we also note that the company's employees are the focus of much more attention than those of suppliers, at the risk of adopting a myopic or hypertrophied vision of the reality of workers. This complexity has led to a two-pronged approach:

- Vertical: to define the sectors of activity that contribute most to the problem,
- Horizontal: identifying social transformation strategies in all sectors of activity.

This matrix vision of a social framework corresponds to the green taxonomy approach. In fact, this is not limited to defining certain activities as 'green', but also to qualifying the environmental performance of these activities. On the social question, certain sectors producing essential goods and services are particularly in the firing line, but these essential services - health, education, mobility, food, housing - may need many other sectors in their value chain. The approach to be adopted should therefore be sector-neutral, economy-wide and adaptable to the different national social contexts within the European Union.

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*Decent work / Adequate living standards and well-being for end-users / Inclusive and sustainable communities



About the GSG France for Impact Finance:

GSG France for Impact Finance was founded in 2013 and has been co-led since 2023 by FAIR, FIR, and France Invest with the goal of working collectively to promote and expand impact finance. It is part of the GSG Impact network, created in 2015 by Sir Ronald Cohen following the work of the “Social Impact Investment Taskforce” from the G8. This network is active in over 50 countries and works to redirect resources to create a positive impact on sustainable development goals (SDGs) and climate challenges.

Contact:

FIR - Béatrice Passédat : beatrice.passedat@frenchsif.org; Tél : + 33 (0)1 40 36 61 58