

# EU Taxonomy

## Basics, challenges and questions

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# EU Taxonomy - the basics

- Taxonomy = Classification (a term «stolen» from biology)
- Part of the EU Green Deal. Aims to **incentivise and redirect financing towards green projects**
- A tool to measure and standardise sustainability
- Divided into 13 sectors, including construction, water/waste, transport, energy etc.
- Contains **detailed lists of activities**, and companies need to identify whether their business/projects
  - contributes substantially to environmental targets
  - does not significantly harm environmental targets
  - has minimum safeguards to societal rights
- Taxonomy reports will **probably be mandatory** for all companies >250 employees from 2023



# EU Taxonomy - the challenges

- RIF established a national «taxonomy network» for member companies.
  - Task 1: How do we minimize the workload of collecting, measuring and reporting taxonomy eligibility and compliance on thousands of projects?
  - (Task 2: What business opportunities does the taxonomy represent for consultancies?)
- RIF believes there could be substantial savings for member companies if we standardised reporting as much as possible.
- Challenges:
  - It is still unclear how many member companies will face mandatory reporting and when
  - Clients are not clear on their future expectations for taxonomy reports
  - Member companies have different data systems – internal project databases are not standardised. Taxonomy creates a lot of manual work to decide on taxonomy eligibility and compliance.
  - Taxonomy classification is complex with many overlapping sectors



# EU Taxonomy - the questions

- What can we achieve through a common EFCA initiative on taxonomy reporting for consultancies?
  - Is it too early to standardise taxonomy reporting? And do we actually want/need standard taxonomy reporting for consultancies?
  - Can the compliance process be automated?
  - What is the «bare minimum» of a taxonomy report?
  
- What taxonomy initiatives are there in other EFCA countries?
  - What are the ambitions of our member companies on taxonomy compliance?

