



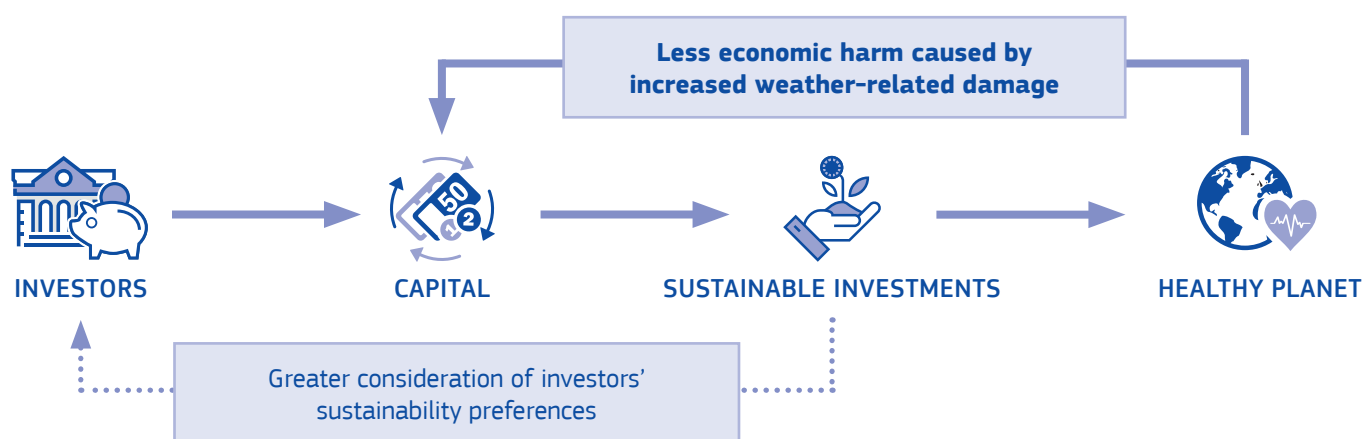
FINANCING SUSTAINABLE GROWTH

#SustainableFinanceEU

European Commission Action Plan

SUSTAINABLE FINANCE

	Major investments are needed to transform the EU economy to deliver on climate, environmental and social sustainability goals, including the Paris Agreement and the UN Sustainable Development Goals.
	Sustainable finance makes sustainability considerations part of financial decision-making. This means more low-carbon, energy- and resource-efficient circular projects.
	Integrating sustainability considerations will mitigate the impact of natural disasters as well as environmental and social sustainability issues that can affect the economy and financial markets.

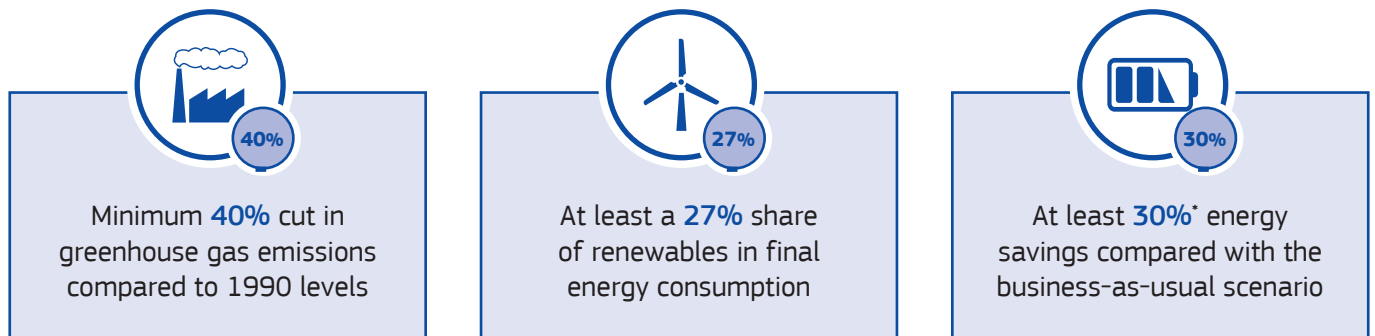


"Moving to a greener and more sustainable economy is good for job creation, good for people, and good for the planet. Today we are making sure that the financial system works towards this goal. Our proposals will allow investors and individual citizens to make a positive choice so that their money is used more responsibly and supports sustainability."

FRANS TIMMERMANS
First Vice-President

FINANCE CAN MAKE THE DIFFERENCE

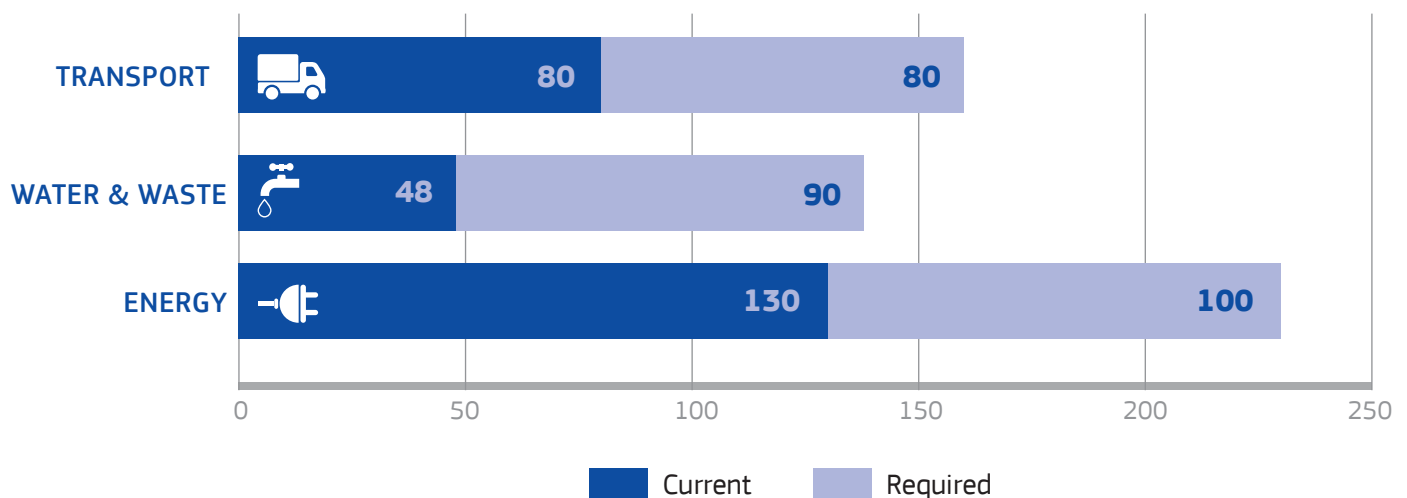
The EU has committed to three ambitious climate and energy targets by 2030:



** pending finalisation of co-decision procedure*

To reach these energy and climate goals an additional funding of **€180bn** per year is needed. According to data by the European Investment Bank, when we look at the goals for the energy, transport, water and waste sector as a whole, this number rises to **€270bn**.

ANNUAL INVESTMENT NEEDS FOR SUSTAINABLE DEVELOPMENT IN THE EU (EUR BN)






With over **€100 trillion in assets**, the financial sector has huge potential for green investments. The financial sector must be part of the solution and can play a critical role in achieving the EU's sustainability goals. However, engaging private finance in a systematic way requires systemic changes to the EU financial eco-system.

"Inspired by the work of the High-Level Expert Group, we are today presenting our plans for a far-reaching reform that could set the global benchmark for sustainable finance. Only with the help of the financial sector can we fill the annual €180 billion funding gap to reach our climate and energy targets. This will help to support a sustainable future for generations to come."

VALDIS DOMBROVSKIS

Vice-President in charge of Financial Stability,
Financial Services and Capital Markets Union

WHAT CHALLENGES DOES THE ACTION PLAN ADDRESS?

KEY CHALLENGES	ACTIONS	
No common definition of 'sustainable investment'	EU classification (taxonomy) for sustainable activities	 RELIABLE INFORMATION
Risk of 'greenwashing' of investment products	Standards and labels for 'green' financial products give investors certainty	
Banks and insurers often give insufficient consideration to climate and environmental risks	Study if capital requirements should reflect exposure to climate change and environmental risks	 SUSTAINABILITY AND RISK MANAGEMENT
Investors often disregard sustainability factors or underestimate their impact	Clarify institutional investor duties to consider sustainable finance when allocating assets	
Too little information on corporate sustainability-related activities	Enhancing non-financial information disclosure	 LONG-TERMISM IN GOVERNANCE

WHAT HAVE WE DONE SO FAR?

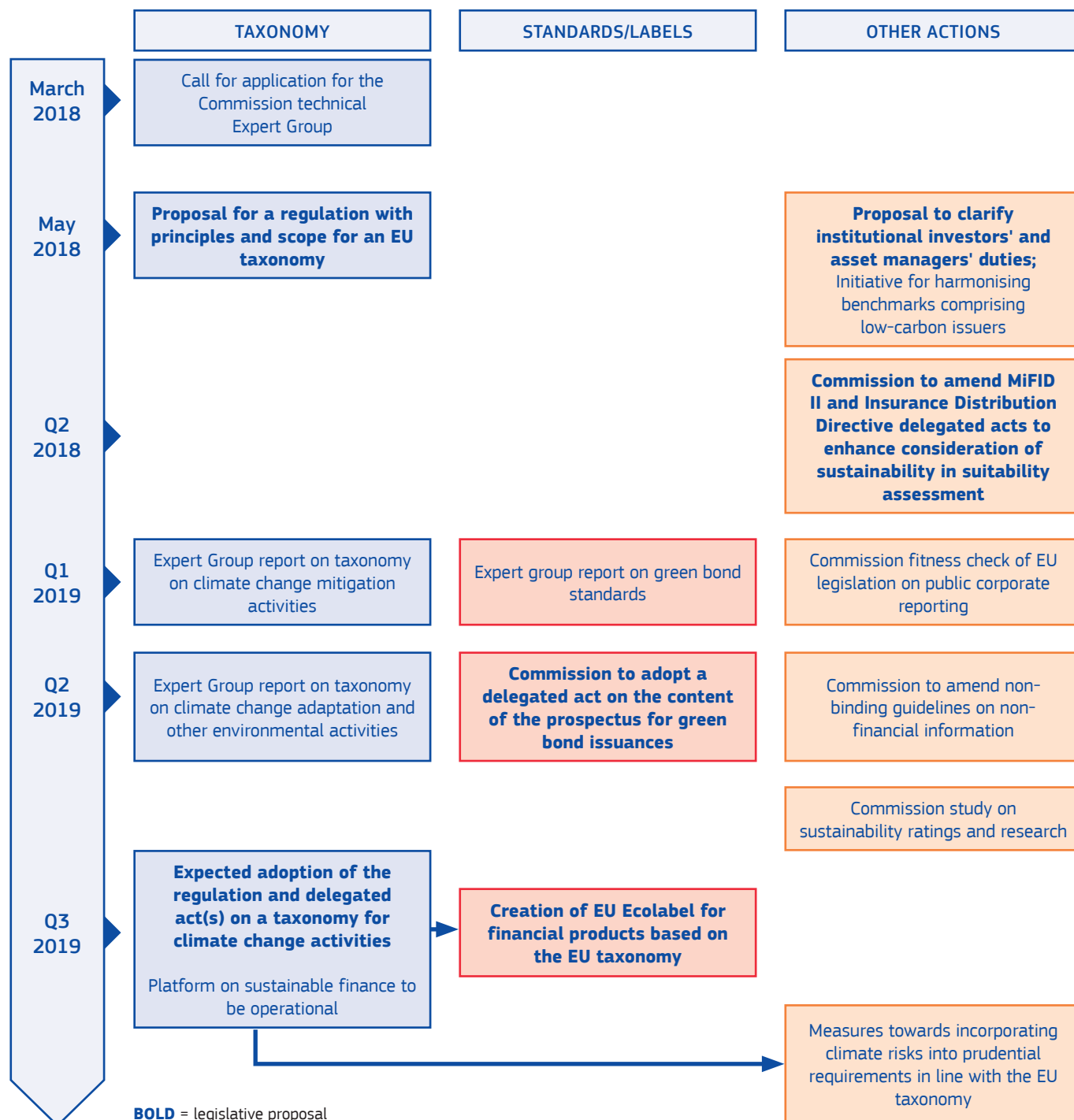


"The EU is already at the forefront of investing in resource efficiency and social infrastructure through the European Fund for Strategic Investments. At least 40% of EFSI infrastructure investments will be directed to projects that contribute to reaching the Paris Agreement goals to fight climate change. At the same time, creating the conditions for private investors to invest sustainably is crucial to achieve the transition to a cleaner, more resource-efficient, circular economy."

JYRKI KATAINEN

Vice-President responsible for Jobs, Growth, Investment and Competitiveness

NEXT COMMISSION INITIATIVES



"Global investments hold the key to fighting climate change, with trillions already invested in solutions such as renewables and energy efficiency. The Paris Agreement is a massive investment opportunity. How can we unlock it? Today's action plan will help Europe's financial sector position itself as a leading global destination for investments in green technologies."

MIGUEL ARIAS CAÑETE
Commissioner for Climate Action and Energy