

## EU makes far-reaching recommendations to grow sustainable finance

- Most comprehensive EU strategy on sustainable finance ever proposed is published today
- EU draws up critical plan to address the negative economic impact of crises such as climate change and poverty

**31 January 2018, London:** The EU High-Level Expert Group (HLEG) on sustainable finance today published its full recommendations for the first comprehensive EU strategy on sustainable finance.

The European Commission set up HLEG in December 2016 **to boost the flow of money into sustainable finance to strengthen financial stability across Europe while addressing environmental and social issues that have a negative impact on our economies** such as climate change, the pollution of our oceans, loss of farmland, conflict and deep poverty.

### Recommendations and their implications include:

- Each European country to **develop minimum standards for retail funds that call themselves ‘sustainable’**. The standard should reflect the country’s distinct priorities and social attitudes, and reflect national financial practises used to address issues such as climate change and human rights

A minimum standard means retail savers and investors will be able to easily identify sustainable funds, building trust and confidence.

- **Regulation should be changed so financial advisers have to ask clients about their values and beliefs**

Savers and investors are broadly unaware of sustainable options. Inclusive advice will ensure they have an opportunity to save and invest in line with their principles and environmental and social concerns while also generating attractive returns.

- The **EU should encourage the development of free listings to show how well companies are performing against environmental and social metrics** e.g. emissions, wages, equality, fresh water use, etc.

This will offer savers and investors a trustworthy, independent assessment of companies and how they behave. People can then tell their advisers which types of companies they are happy, or not happy, to finance through their savings and investments.

### **Simon Howard, CEO of UKSIF said**

*“We and our members welcome these recommendations which will accelerate the essential and urgent funding of a sustainable economy.*

*The UK is a leader in European sustainable finance, and UKSIF members know how to avoid the massive potential losses from unsustainable business models and how to exploit the returns available in new, innovative ones. It’s*

*now time to encourage the whole of the financial sector to contribute to growing a sustainable, opportunity-filled economy.*

*We hope the UK will do these things – or go further – because it is right and necessary and we have the financial skills to do them. Everyone will benefit: savers, pensioners, companies, consumers and finance.*

*UKSIF was delighted to support the process by feeding comments and insight from our members to the High-Level Group through meetings, consultations and our European representative, Flavia Micilotta at Eurosif, who was a member of the Group”*

**John Ditchfield, partner financial advice in Castlefield, the UK’s largest firm of value-driven financial advisers said** “Enquiring about social or environmental concerns must be part of a truly comprehensive Know Your Client process. Much of the industry is starting to recognise and adapt to this and we would welcome further regulatory steps to require this as part of the process”

**Charlie Thomas, Head of Environmental & Sustainable Investment at Jupiter Asset Management said** “This is a comprehensive review which will add to the momentum we have seen in areas such as adviser and consultant support for their clients, while suggesting new steps that – if taken as whole – will contribute to the review’s goal of encouraging capital flows to sustainable investments”

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**Notes to Editors:**

**About HLEG:**

The High-Level Expert Group (HLEG) was established on 22 December 2016. It comprises 20 senior experts from civil society, the finance sector and academia as well as a limited number of observers from European and international institutions. The task of the HLEG is to provide recommendations to the Commission on how to

- better integrate sustainability considerations in the EU's financial policy framework
- protect the stability of the financial system from risks related to the environment and its stability
- mobilise capital, notably from private resources, to finance sustainable investments and growth

The HLEG published an [interim report](#) on 13 July 2017 and delivered its [final report](#) on 31 January 2018.

**About UKSIF:**

We are a membership organisation for those in the finance industry committed to growing sustainable and responsible finance in the UK.

Our vision is a fair, inclusive and sustainable financial system that works for the benefit of society and the environment.

UKSIF was created in 1991 and has 240+ members and affiliates include financial advisers, institutional and retail fund managers, pension funds, banks, research providers, consultants and NGOs. For more information about UKSIF, please visit [www.uksif.org](http://www.uksif.org).