
S&D Group achieved binding transparency rules for financial industry on the sustainability of investments

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The European Parliament voted today to confirm the agreement on an ambitious report on implementing transparency and disclosure reporting on the sustainability impact of financial products. The S&D Group took the lead on this file and succeeded on several key issues, including a more transparent approach on remuneration policies. Under the new rules, banks, insurance companies and pension funds will for the first time have to make visible how they include environmental, social and governance risks in their decision making process.

Paul Tang, S&D lead negotiator for the European Parliament on sustainable investments and sustainability impacts, said:

“Investments in coal, weapons or companies that infringe human rights can be attractive in terms of short-term revenues, but inflict long-term damage to the broader society. The S&D Group has consistently argued that these consequences can no longer be ignored. We have managed to make sustainability requirements the norm for the entire financial sector we took this important step despite industry lobbying. More steps are to follow to give the financial sector broad, long-term perspective and to make this sector work for the people.

“The financial sector has to look beyond profits and consider the consequences for people and the planet. We want the investments of banks, insurance companies, asset managers and pension funds to be put in the service of a more just and sustainable society. This is an essential part of the progressive efforts to connect finance with the EU’s sustainable development agenda.”

Pervenche Berès, S&D Group spokesperson on economic and monetary affairs, stated:

“Once this report enters into force, every actor of the financial sector – especially the consumer – will be able to access clear information on the actual sustainability impact of financial products and investments. This is an essential step in the fight against greenwashing.

“This report is also an accomplishment for us Socialists and Democrats as it enshrines the principle that environmental and social values and requirements go hand in hand. It is the backbone of our Progressive Society report, and we will continue to defend this principle in the next the legislature.”