# Framework to facilitate sustainable investment

2018/0178(COD) - 17/06/2020 - Text adopted by Parliament, 1st reading/single reading

The European Parliament approved, in accordance with the ordinary legislative procedure, the Council's position at first reading with a view to the adoption of a regulation of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088.

The Council's position at first reading reflects the agreement reached between Parliament and the Council in the context of inter-institutional negotiations at early second reading stage.

The proposed Regulation is part of the action plan ‘Financing sustainable growth’, which is aimed at redirecting capital flows towards sustainable investment with a view to achieving sustainable and inclusive growth. It establishes criteria for determining at EU level which activities should be considered ‘green’.

The Regulation aims to:

- provide companies and investors with appropriate definitions to help them determine which economic activities can be considered environmentally sustainable;

- empower final investors, in particular retail investors, to direct their capital towards environmentally sustainable activities by limiting, through these definitions, the risks of ‘greenwashing’;

- avoid market fragmentation by providing investors, companies and Member States with a single reference point for defining environmental sustainability for investment purposes.