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# EU sustainable finance rules must deliver clarity, credibility and real impact for citizens, says BETTER FINANCE

BETTER FINANCE, the European Federation of Investors and Financial Services Users, welcomes the European Commission's initiative to revise the Sustainable Finance Disclosure Regulation (SFDR), stressing that the reform must put individual investors and EU citizens at its core.

While the current framework has improved transparency, it remains too complex and often fails to provide retail investors with clear, reliable and decision-useful information. As a result, many savers struggle to understand what "sustainable" investment products actually deliver.

*"European citizens want their savings to make a difference, but they need clear, trustworthy information to do so," Aleksandra Mączyńska, Managing Director of BETTER FINANCE, stated. "The SFDR revision is a crucial opportunity to rebuild trust and ensure that sustainability claims reflect real-world impact."*

## Key priorities for EU citizens and retail investors

BETTER FINANCE highlights several essential improvements to make sustainable finance work for ordinary investors:

- **Tackle greenwashing with credible categories** | A clearer product classification system, including a dedicated "transition" category, can help investors understand where their money is going. However, strict criteria and measurable objectives are essential to prevent misleading labels.
- **Ensure real impact through mandatory engagement** | Investment products claiming to support the transition to a sustainable economy must actively engage with companies. Without mandatory investor engagement, sustainability risks becoming a box-ticking exercise rather than a driver of real change.
- **Avoid confusion with overly broad ESG labels** | The proposed "ESG Basics" category risks being too vague, potentially misleading investors and diluting

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ambition. Clear metrics and transparency rules are needed to ensure investors are not misled.

- **Make disclosures short, simple and usable** | Current disclosures are often lengthy and inaccessible. BETTER FINANCE calls for standardised, easy-to-read summaries limited to two pages, enabling retail investors to quickly compare products and make informed choices.

### **Putting people back at the centre of sustainable finance**

BETTER FINANCE emphasises that the success of the SFDR revision will ultimately depend on whether it delivers for citizens, not just for financial market participants.

A stronger framework should:

- Link sustainability claims to genuine investment practices and measurable outcomes
- Provide comparable and reliable data across products
- Ensure accessible information for non-professional investors

*“Sustainable finance will only succeed if citizens trust it,” Aleksandra Mączyńska added. “Transparency, simplicity and credibility are not optional; they are essential to protect investors and to channel savings towards Europe’s sustainable future.”*

By prioritising investor protection and meaningful disclosures, the EU can both safeguard citizens and mobilise the capital needed for the transition to a more sustainable economy.