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The EU is leading global efforts in the fight against climate change, by supporting the transition to a low-carbon, sustainable economy. EU aspires to establish a financial system, which will ensure sustainable growth, formulated around the precautionary principle of 'actions that do no significant harm'. Through its empowered financial system, the EU steers the economy to a more sustainable future, by strongly supporting green investments. A considerable portion of Green investments includes the acquisition of equities of technology, manufacturing and innovation companies, which can directly contribute to a resilient and sustainable economy by promoting novel green technologies and methodologies.

As all market sectors are dependent on the financial sector, this effort directly affects different segments of the EU economy, spreading to manufacturing and consumption. When it comes to sustainable consumption and production, the European Commission is more than clear in its direction. Thirteen years ago, on the 16th of July 2008, the "Sustainable Consumption and Production and Sustainable Industrial Policy Action Plan" was adopted, which addressed a wide spectrum of issues. The Ecodesign Directive provides the minimum standards, which European countries must adhere to, when it comes to production in Europe. Minimum standards were defined regarding the energy efficiency of the products in question, which ensure that planned obsolescence in product design becomes a thing of the past. The Energy Labelling Directive is also a step in the right direction, given that it works hand in hand with the Ecodesign Directive, ensuring proper labelling and indication of energy-saving and consumption processes.

Furthermore, the EU has illustrated a growing commitment in integrating and managing Environmental, Social, and Governance ("ESG") concerns, implementing a series of interrelated rules towards this purpose. The EU has recently adopted regulations (EU) 2019/2088 on sustainability-related disclosures (also referred to as "SFDR" regulation) in the financial services sector and (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (also referred to as the "ESG Taxonomy regulation"). Those recently implemented legislative pieces aim to utilise the strength of the EU financial sector towards the success of the objectives of the EU ESG policies.

In particular, the main objectives of the aforementioned regulations are:

Subsequent to the introduction of the new EU regulations, it is evident that all investors will have to enhance their internal policies to comply with the increasing governance, disclosing and reporting requirements imposed by the EU, which will inevitably reform their investment policies and objectives.

Therefore, companies seeking third-party investments for their operations, especially SME's in the technology, manufacturing, and innovation sector, can obtain a strong competitive advantage when conforming to the above described green regulations. As they ensure their classification as "sustainable assets", these companies may make themselves more attractive to investors.

Notably, both Dutch regulators have declared ESG as a priority, thus the strict enforcement of those regulations is to be expected.

- **to further orient market interest towards investing in companies which adopt the ESG principles in their capacities as investees, borrowers, and issuers**
- **to facilitate companies that comply with SFDR requirements to gradually develop a competitive advantage, thus promoting the integration of SFDR objectives in capital raising activities**
- **to promote uniformity in sustainability-related information published by companies**
- **to standardise the criteria utilised to classify a particular investment as "sustainable" (as defined therein) to avert "greenwashing"**