

SFDR 2.0 – Significant Overhaul of the EU’s Rules for Sustainability-Related Disclosures Proposed by the European Commission

November 21, 2025

On 20 November 2025, the European Commission published its [final proposals](#) to overhaul the EU Sustainable Finance Disclosure Regulation (SFDR).

The proposals present a radical departure from the original SFDR regime and move from a disclosure-based approach to a regime that establishes distinct investment categories with minimum sustainability standards that must be met by financial products making certain sustainability-related claims.

The proposals follow on from an unofficial leak of an earlier draft, which circulated online on 6 November 2025. While there are some technical changes to the text, the final proposals and the leaked draft are substantially the same, with the only material edit being to remove an exclusion for funds made available exclusively to professional investors, which was included in the leaked draft but has not been retained in the final proposals. As we explore further below, this is likely to have a significant impact for alternatives funds (*i.e.* private asset funds), and will likely force sponsors to choose between complying with a sustainability-related category, which could pose challenging implementation issues, or significantly limiting the scope and volume of the sustainability information that they have become accustomed to communicating to their EU investor-base under the original SFDR regime. Based on the final proposals, the new categories are not a purely retail-focused regime.

We set out below an overview of the final proposals, as well as our analysis for the likely most significant impacts of the proposed new regime, should it ultimately come into force following the EU legislative process.

As a next step, member state representatives in the European Council, and Members of the European Parliament will have to consider the Commission’s proposals and decide whether to adopt them, or whether to propose amendments.

The new regime is expected to come into effect in 2028, 18 months after the legislation's final adoption. For a 1 January 2028 start date, the new regime would need to be published in the EU's Official Journal by 30 June 2026, which presents an ambitious timeline.

Summary of Key Changes

The table in the [Annex](#) below sets out a summary of the Commission's key proposed changes to SFDR.

As well as the introduction of the new categories for “sustainability-related financial products” under new Articles 7, 8, and 9 that, respectively, make sustainability-related claims that they (i) have a transition objective (**Transition category**); (ii) integrate sustainability factors beyond the consideration of sustainability risks (**ESG Basics category**); or (iii) have an objective related to sustainability factors (**Sustainable category**), arguably the most significant change to the regime is the fact that there will be no continuity option for funds that are currently in scope of Article 8 or 9 of SFDR (*i.e.* there is no option based solely on disclosure of E/S characteristics) and the concept of a sustainable investment is removed from SFDR. Firms will, therefore, need to determine how to approach the categorisation regime (*i.e.* adopt a category or fall within the limited disclosure regime under the new Article 6a) in respect of their continuing open-ended funds, and in respect of new closed-end funds that will be raised from 2028 onwards.

The new categories do not include an “impact” category, but only financial products that have as their objective the generation of “a pre-defined, positive and measurable social or environmental impact” will be able to use the term “impact” in their name.

The Commission does not propose a “mixed” category (unlike the UK FCA's investment labeling regime), but Article 9a does set out a useful clarification that financial products that invest in categorised products are themselves deemed to be compliant with the criteria for a category where they meet the 70% investment threshold through investments in categorised products, and where they apply the relevant exclusions in Articles 7, 8, and 9. The specific category that such financial products will be entitled to will depend on the relevant underlying exposures (and their combinations) in which the financial product will be invested. Additionally, for financial products that invest in underlying categorised products, but which do not meet the 70% threshold (and which are therefore not deemed to comply with the categories in Article 7, 8, or 9), there is some additional flexibility regarding their ability to make sustainability claims that does not exist for other types of non-categorised products. This could potentially be advantageous for funds of funds and other indirect strategies.

As noted above, the leaked draft proposals had proposed that private funds that were marketed exclusively to professional investors would be eligible for an exclusion from the new requirements under Articles 6a, 7, 8, and 9; however, this exclusion has not been retained in the final Commission draft.

More broadly, the Commission's proposals make a number of deletions from the existing regime, including, removing entity-level disclosures on remuneration and principal adverse impacts (PAIs); scoping out financial advisers; removing portfolio management activities from the definition of a financial product; removing the concept of good governance for investee companies; and minimising product-level and Taxonomy-alignment reporting obligations. The leaked draft had also suggested that product-level PAI disclosures would, in effect, have been removed; however, disclosure of PAIs has been reintroduced in the final proposal as a requirement for products under the Transition and Sustainable categories, which must identify and disclose PAIs (qualitatively or quantitatively) and explain any actions taken to address those impacts.

The Commission's [Q&A document](#), which accompanied the publication of the final draft, highlights its intention to create a simplified regime with these proposals, and that financial market participants will benefit

from reduced disclosure requirements at both entity-level and product-level, as well as a less data-intensive set of disclosures, allowing financial market participants to focus on “a reduced number of data points which are more relevant to their products”.

Overview of New Categories for Funds Making Sustainability Related Claims

The current Article 8 and 9 regimes are deleted and replaced with three new categories for sustainability-related financial products, namely:

- Transition (Article 7);
- ESG Basics (Article 8); and
- Sustainable (Article 9).

The new categories introduce specific qualifying criteria that must be met in order to make sustainability-related claims that relate to each category.

The qualifying criteria are specific to each category but broadly include: a 70% minimum asset allocation to investments related to the category (as specified in each of the categories); investment exclusions based on the Low Carbon Benchmarks Regulation¹; reporting of sustainability indicators; and, for Transition and Sustainable funds, disclosure of PAIs.

The criteria are identified in the recitals as building on the existing guidance in ESMA’s so-called [Fund Names Guidelines](#). In particular, the Commission notes that the 70% threshold for Sustainable funds represents an increase in ambition as compared to the current requirement for 50% “sustainable investments”, and, for Transition and ESG Basics funds, the 70% threshold is compatible with the existing 80% requirement for “#1 Aligned” investments on the basis that the requirements for investments held by Transition and ESG Basics funds are stricter than under the current Fund Names Guidelines.

The Commission will adopt delegated legislation to specify the qualifying criteria in further detail. We have summarised the respective requirements below:

¹ Commission Delegated Regulation (EU) 2020/1818

	Article 7 ("Transition")	Article 8 ("ESG Basics")	Article 9 ("Sustainable")
Minimum asset allocation threshold	70% threshold of investments that meet a clear measurable transition objective related to sustainability factors, including environmental or social	70% threshold of investments that integrate sustainability factors beyond the consideration of sustainability risks	70% threshold of investments that meet clear and measurable sustainability-related objectives
Binding elements	The investments that constitute the portion of investments that meet the 70% ² threshold must be managed in accordance with the binding elements of the investment strategy ³		
Eligible investments⁴	Including: • Taxonomy-aligned economic activities (including transitional and enabling activities); • Taxonomy-eligible activities (provided they become Taxonomy-aligned over a period of maximum 5 years); • Undertakings with a credible transition plan;⁵ • Undertakings with credible science-based targets;⁵ • Investments accompanied by a credible sustainability-related engagement strategy targeting specific changes, and that replicate or are managed by reference to an EU climate benchmark or have credible science-based targets or credibly contribute to the transition;⁵ • This category also applies to financial products with a credible transition target set at the level of the portfolio, such as reducing financed emissions over time, provided the underlying investments are "coherent with the transition-related objective"⁵ • Other investments in undertakings that credibly contribute to the transition, provided proper justification is given.⁵	Including: • Investments with an ESG rating that outperforms the average rating of the investment universe or reference benchmark; • Investments that outperform the investment universe or benchmark on a specific appropriate sustainability indicator; • Undertakings with a proven positive track record related to sustainability factors; Other investments integrating sustainability factors beyond the consideration of sustainability risks, provided proper justification is given.	Including: • Taxonomy-aligned economic activities; • EU Green Bonds; • Other comparable investments, provided that a proper justification is given for their high level of performance in terms of sustainability standards; Other investments in undertakings, economic activities or assets that contribute to an environmental objective or a social objective, provided that a proper justification is given.

² The remaining 30% should "not contradict the sustainability-related claims of the financial product".

³ For products in the new Article 7 and 9 categories, Articles 7(1) and 9(1) respectively provide that the 70% threshold shall be considered met for financial products with a proportion of investments in Taxonomy-aligned economic activities, equal or higher than 15%.

⁴ The lists set out here with eligible investments are not comprehensive. We have extracted the likely most relevant categories for funds investing in private markets.

⁵ The credible transition plan, science-based target, sustainability engagement strategy, credible transition target set at the level of the portfolio, and the credible contribution to the transition, referred to here, are also required to be compatible with the Paris Agreement and the EU's objective of achieving climate neutrality by 2050.

	Article 7 ("Transition")	Article 8 ("ESG Basics")	Article 9 ("Sustainable")
Exclusions	Companies listed under Article 12 (1)(a) - (d) of the Low Carbon Benchmarks Regulation ⁶ Companies that develop new projects for the exploration, extraction, distribution or refining of hard coal and lignite, oil fuels or gaseous fuels Companies that develop new projects for, or do not have a plan to phase-out from, the exploration, mining, extraction, distribution, refining or exploitation of hard coal or lignite for power generation	Companies listed under Article 12 (1)(a) - (d) of the Low Carbon Benchmarks Regulation ⁶	Apply Paris-aligned Benchmark exclusions ⁷
Sustainability indicators	Meeting the objectives will be monitored using appropriate sustainability-related indicator(s)		
Principal Adverse Impacts⁸	Identify and disclose principal adverse impacts, and explain actions taken to address impacts.	N/A	Identify and disclose principal adverse impacts, and explain actions taken to address impacts.
Disclosures	Pre-contractual, product-level website, and periodic disclosures		

Each of the categories include the possibility that financial products will be able to operate a "phase-in" period during which the 70% threshold may not yet be met. The Commission notes in the recitals that "[t]he full implementation of an investment strategy for a given financial product can take a certain period of time, especially for alternative or private assets". Any such phase-in periods will need to be communicated in pre-contractual documents.

The Commission will set out in delegated legislation the PAI indicators that can be voluntarily used by financial market participants; any permitted deviations from the exclusions (including for the purposes of hedging); the methodologies to calculate the 70% (including phase-in periods); and the conditions for eligible investments to qualify as, respectively, contributing to the transition-related objective, integrating sustainability factors, and contributing to the sustainability-related objective. As such the feasibility for a financial product to be able to achieve the relevant criteria for each of the categories is likely only to emerge following the publication of the delegated legislation.

In addition to elaborating on the criteria for the categories, the Commission will also set out delegated legislation on the presentation of disclosures for each of the different categories. The Commission notes,

⁶ The exclusions in Article 12(1)(a)-(d) of Commission Delegated Regulation (EU) 2020/1818 consist of: (a) companies involved in any activities related to controversial weapons; (b) companies involved in the cultivation and production of tobacco; and (c) companies that benchmark administrators find in violation of the United Nations Global Compact (UNGC) principles or the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises; and (d) companies that derive 1 % or more of their revenues from exploration, mining, extraction, distribution or refining of hard coal and lignite.

⁷ In addition to the exclusions under Article 12(1)(a)-(d) set out above, the PAB exclusions in Article 12(1)(a)-(g) of the Low Carbon Benchmarks Regulation, also include: (e) companies that derive 10 % or more of their revenues from the exploration, extraction, distribution or refining of oil fuels; (f) companies that derive 50 % or more of their revenues from the exploration, extraction, manufacturing or distribution of gaseous fuels; (g) companies that derive 50 % or more of their revenues from electricity generation with a GHG intensity of more than 100 g CO₂ e/kWh.

⁸ Quantitative disclosures on PAIs are not required. Reporting against appropriate sustainability indicators can be used to discharge this disclosure obligation.

however, that “such presentation shall not exceed two pages”. Product-level website disclosures are retained, but these are not expected to duplicate the pre-contractual information, and the draft text notes the ability to provide a link to the pre-contractual disclosures to discharge the website disclosure obligation.

The Commission is further empowered to adopt delegated legislation to specify the content and standard presentation of marketing materials (*e.g.* fund-specific decks and pitch books). The Commission has a similar power under the current SFDR but has not yet exercised it.

Restrictions on Financial Products Not Meeting the Categories’ Criteria

Funds and other financial products that do not adhere to the criteria set out in the new categories will not be able to make sustainability-related claims related to the categories. This means that financial market participants cannot claim that their “non-categorised” financial products:

- “invest in the transition or undertakings, economic activities, or other assets towards sustainability, or contribute to such transition” (Article 7(1));
- “integrate sustainability factors in their investment strategy beyond the consideration of sustainability risks” (Article 8(1)); or
- “invest in sustainable undertakings, sustainable economic activities, or other sustainable assets, or contribute to sustainability” (Article 9(1)).

The above restrictions are not limited to marketing materials or pre-contractual disclosures, which appears to imply that any such sustainability claims (in any documentation or communication) would be prohibited. Nonetheless, Article 13(2) further specifies that non-categorised funds may not make sustainability-related claims in their names or marketing materials, building on the restrictions in the ESMA Fund Names Rules.

A new Article 6a also restricts the amount of sustainability information that can be included in a fund’s pre-contractual disclosures. In particular, Article 6a provides that while financial market participants are not prevented from including in pre-contractual documentation information on whether and how such financial products consider sustainability factors, such information cannot be a central element of the pre-contractual disclosures, cannot be included in the PRIIPs KID, and cannot constitute a “claim” for the purpose of the new Articles 7(1), 8(1) or 9(1). Article 6a also specifies that information will not be regarded as a central element where, “it is secondary to the presentation of the product characteristics both in terms of breadth and positioning in the document, neutral, and limited to less than 10% of the volume occupied by the presentation of the financial product’s investment strategy”. Noting that the reference in Article 6a is to the pre-contractual disclosures, for AIFs this is likely to be understood as referring to the disclosures made under Article 23 of AIFMD. In practice, limiting the volume of disclosures regarding how a financial product considers sustainability factors to 10% of the description of the investment strategy in such disclosures is likely to result in an extremely limited amount of information on such matters.

The extent of the concept of considering sustainability factors under Article 6a is also unclear, and there is potential tension with the scope of the restriction in Article 8(1), which limits the ability to claim that a financial product “integrates sustainability factors beyond the consideration of sustainability risks”, to those meeting the criteria for the ESG Basics category. As such, it is currently uncertain as to how extensive any discussion of how a financial product “considers sustainability factors” under Article 6a could be before amounting to a claim that “integrates sustainability factors” and triggering the prohibition under the new Article 8. Further guidance (or the delegated legislation that will further specify the requirements for the new

categories) may clarify the limits of the two concepts in due course, but, in the meantime, this could mean it is challenging to predict whether a product should apply the new Article 8 category, or limit itself to the restrictions in Article 6a.

Non-categorised financial products that describe their approach to considering sustainability factors under Article 6a will additionally be required to report on such matters on an annual basis.

Considerations for Sponsors with Funds In-Scope of the Current Article 8 and Article 9 Regime

As noted above, the lack of a ‘continuity option’ under the Commission’s proposals means that sponsors with strategies historically offered under Article 8 and Article 9 will need to reassess how to classify their funds going forward (*i.e.* in respect of new closed-end funds, and continuing open-ended products). There is no ‘do nothing’ route under the proposals.

As with the original SFDR regime, investor sentiment is likely to play a significant part in determining the extent to which financial products choose to comply with the respective criteria under one of the categories, or choose to limit their discussion of sustainability factors in line with Article 6a. Under the current SFDR regime, Article 8 has come to be regarded as a minimum requirement by many institutional investors investing in private markets, particularly in respect of private equity buyout funds, and increasingly so for private credit funds.

There is a potential risk that choosing to fall within the limited Article 6a rules in respect of future closed-end funds, or switching existing open-ended Article 8 funds to the new Article 6a regime, rather than meeting the criteria under a new category, will be seen by investors as a downgrade on sponsors’ current commitments in their Article 8 (or Article 9) strategies. The lack of disclosure for non-categorised funds may also be viewed as putting a greater diligence burden on institutional investors, which could be unattractive as compared to labelled funds, where minimum sustainability standards are ensured through legislation. Consequently, institutional investors may be motivated to push funds to qualify for a category. Retail investors, for whom the sustainability preferences regime under MiFID will also be amended to take account of the new categories, may also express stronger preferences towards Transition, ESG Basics, or Sustainable funds, which could create a significant demand signal for open-ended products and could potentially in turn have an indirect knock-on effect for a sponsor’s own closed-end funds that such open-ended products invest in or alongside.

Exemption for Legacy Closed-End Funds

While the exemption for professional investor funds is not retained in the final proposals, closed-end financial products that are “created and distributed” before the date of application of the new regulation are proposed to be exempt from the entirety of the revised regulation.

The reference to “created and distributed” could be taken to suggest that any closed-end fund that has obtained marketing authorisation (*i.e.* has been distributed) before the cut-off date would be exempt, and not just those that have held a (first or final) closing; however, the wording is potentially ambiguous if “distributed” is alternatively read to mean that all marketing activities have been completed. The advantage of the former approach over the latter is that it would avoid unnecessary ‘cliff-edge’ risk for funds still in-market in late 2027, thereby providing greater certainty for managers of closed-end products.

For legacy Article 8 and Article 9 funds, the proposals do not confirm whether legacy SFDR periodic reporting would need to continue for the remainder of the life of such products. In many cases, it is likely that there

would be an express or implied contractual term that such reporting would be required for the life of the fund; however, this will depend on the specific terms on which such legacy Article 8 and Article 9 funds were originally offered. As previous [CSSF guidance](#) on SFDR has indicated, commitments of financial products as to asset allocation etc. are understood to be binding parts of their investment strategy, and periodic reporting is a key accountability mechanism where such commitments are to be tracked, likewise for the performance of sustainability indicators. Nonetheless, noting the intention for the ongoing reporting under the new regime to be more streamlined, there could be an incentive towards having investors agree to the new, shorter, format, when the new rules come into force.

Additional Considerations for Retail Funds

As retail focused funds are typically open-ended evergreen products, the exemption for legacy closed-end funds will not be available. As noted above, sponsors will, therefore, need to determine how best to transition their existing Article 8 and/or Article 9 open-ended funds into the new regime either by applying the criteria for the categories, or by ceasing to make sustainability claims, and reducing the amount of information disclosed regarding sustainability factors. Depending on such funds' current Article 8 or Article 9 strategies, including whether such funds apply the current ESMA Fund Names Guidelines, there could be a potentially significant uplift required in order to meet the detailed criteria under the new categories. Conversely, where sustainability considerations have been an important part of such funds' marketing strategies, there could be a significant adjustment to fund documentation and marketing materials required to fit within the confines of Article 6a. In either case, careful consideration should be given to the application of material change provisions under AIFMD, and the potential impact on such funds' redemption provisions.

Additional Considerations for Funds of Funds, and Indirect Strategies

Article 9a sets out provisions that determine how financial products that are exposed to categorised products should assess their eligibility to a category and, if they do not qualify for a category, how they should disclose information about those investments. This will likely be of particular relevance to funds of funds structures and secondaries strategies, and potentially also to evergreen products that alternatives managers have deployed as vehicles to reach European wealth markets in recent years, noting that such structures often provide exposure to underlying private funds managed by the sponsor.

Article 9a(1) provides that where a financial product meets the 70% threshold through investments in categorised products, and complies with the exclusion criteria in Articles 7, 8, or 9, that product can itself be considered to meet the requirements of a categorised product. Recital (23) to the Commission's proposed text provides that only products that meet the 70% threshold by investing solely in Sustainable products could be considered Sustainable. Other products investing across the categories would fall "either within the transition (if mixing transition or sustainable products) or ESG basics (if mixing product from any of the three)". On this basis, the usual provisions of Articles 7, 8, or 9 would then apply, and such funds would be able to make sustainability-related claims in accordance with the relevant category. This approach differs from the "Sustainability Mixed Goals" concept under the UK FCA's labelling regime, since the Commission's proposals do not create a distinct fourth category but rather clarify the basis on which a mixed strategy qualifies for one of the three categories. This approach is also consistent with the implied hierarchy between the categories, noting that an ESG Basics product can be invested in assets that qualify for the Transition and Sustainability

categories, and Transition products can be invested in assets that qualify for the Sustainability category, but the Sustainability category can only meet its 70% threshold through the asset types listed in Article 9(2).

Article 9a(2) provides that financial products that do not meet the 70% threshold through investments in categorised products and/or which do not apply the relevant exclusions, but which nevertheless invest in categorised products will not qualify for a category; however, under Article 13(3) such products will nonetheless be able to make sustainability-related claims in their marketing communications, provided these are fair, clear and not misleading, and are consistent with pre-contractual disclosures made by the product that clarify what proportion of investments are made in underlying categorised products, as well as the objective, strategy, and applicable exclusions (if any) of the remaining portion of the financial product's portfolio.

Article 9a(1) is arguably a logical extension of the existing categories, but it is nonetheless a useful clarification (that was not present in the leaked draft) and confirms the principle that an investment in a categorised product will itself be an eligible investment for a fund of funds or other indirect strategy that wishes to qualify for a category. The text of Article 9a(1) also confirms a financial product making investments in categorised products may also invest in other investments that meet the requirements of Articles 7, 8, and 9, and count these toward the 70% threshold. This helpfully confirms that a fund of funds and/or secondaries strategy can hold both direct investments in underlying assets and fund interests.

Article 9(2) is, in some ways, more interesting, in that it gives greater flexibility to non-categorised financial products to make sustainability-related claims, in a manner that would not be permissible under Article 6a for a financial product that held underlying investments directly. For evergreen funds targeted at European wealth markets, this could be a potential advantage, noting that such structures often combine direct investments with investments in other funds managed by their sponsor. In circumstances where anticipated deal flow makes visibility on meeting the 70% threshold challenging, being able nonetheless to discuss investments in the sponsor's other categorised funds may be useful, even more so if the MiFID sustainability preferences regime (which will need to be updated for the new SFDR categories) were to allow end-investors to specify preferences based on a minimum proportion of a financial product's portfolio being in categorised products, as is currently the case for sustainable investments and Taxonomy-aligned investments.

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** In April 2025, Simpson Thacher announced plans to expand its Bay Area presence with an office in San Francisco.*

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Annex

Summary of Key Changes

Removed	Added	Retained
Current disclosure regime deleted - Current Article 8 (promoting E/S characteristics) and Article 9 (sustainable investment objective) are removed and replaced by the new product categories. - The SFDR RTS that specify the disclosure requirements for Article 8 and 9 funds will also be retired.	New product categories Article 7: financial products with transition-related objectives (“Transition”); Article 8: financial products that integrate sustainability factors (“ESG Basics”); Article 9: financial products that have an objective related to sustainability factors, including environmental and social objectives (“Sustainable”) - New restriction on making sustainability claims unless complying with qualifying criteria under categories. - Mandatory minimum thresholds, <i>i.e.</i> 70% of aligned assets for each new category, within specified parameters. - Mandatory list of exclusions for investments.	Pre-contractual, periodic and website disclosures Mandatory pre-contractual disclosures, website disclosures, and periodic reports will still be required for financial products falling with the new categories; albeit such disclosures are intended to be much more concise, and the product-level website disclosure obligation can be discharged by linking directly to the pre-contractual disclosures.
Sustainable investments Definition of “sustainable investment” under Article 2(17) of the current SFDR removed but concepts (<i>i.e.</i> contribution to an E/S objective, DNSH, good governance) to be retained in criteria of relevant categories.	New exemption Wholesale exemption from new regime for close-ended funds that are “created and distributed” before the date of application of the new Regulation.	Sustainability risks The obligation to disclose how sustainability risks are integrated into the investment decision making process remains unamended and will continue to apply to all financial market participants at entity-level (Article 3) and financial products at product level (Article 6).
PAIs Entity-level (Article 4) and product-level (Article 7) disclosure obligations on PAIs removed.	Fund of funds / indirect category - A new Article 9a sets out compliance methodologies for financial products that claim they combine categorised funds. - Article 9a also sets out disclosure requirements for non-categorised financial products that claim they invest in, or are exposed to or are constituted of two or more categorised sustainability-related financial products.	

Removed	Added	Retained
Integration of sustainability risks in remuneration policies Entity-level disclosure obligation on integration of sustainability risks into remuneration policies (Article 5) removed.	Impact <u>No impact category</u> but new defined term for “sustainability-related financial product with impact”, applying to funds within the new Article 7 or Article 9 categories that have as their objective, “the generation of a pre-defined, positive and measurable social or environmental impact”. - Funds meeting the definition of a product with impact will be able to use the term “impact” in their name, but other funds will not.	
Financial advisers and portfolio management activities - Financial advisers are removed from the scope of SFDR. - Portfolio management services provided by investment firms or credit institutions are removed from the scope of SFDR.	Marketing restrictions A new Article 6a limits information on sustainability factors in fund documents for non-categorised funds.	
	Data and estimates - A new Article 12a sets out rules on use of data and estimates. - Adds obligation to provide information on third-party data to investors upon request.	
	No gold-plating but voluntary labels permitted - A new Article 14(3) to prohibit national competent authorities from adding additional disclosure requirements or additional criteria for labelled products. - Notwithstanding the new Article 14(3), under Article 17(2), voluntary sustainability-related labelling schemes for financial products with “features that exceed” Articles 7,8, and 9, are permitted.	
	Transitional period for non-AIF, non-UCITS products A new Article 19a provides a 12 month transitional period following the introduction of the new regime for IBIPs, pension products, pension schemes, and PEPPs, on the basis that these products have not been subject to the ESMA fund names guidelines and will therefore need more time to implement the new underlying criteria.	

Removed	Added	Retained
	ESAs to publish best-practice report Under a new Article 18, the ESAs are required to report every two years on best practices for financial products under Articles 7, 8, and 9.	
	Amendments to PRIIPs Regulation The PRIIPs Regulation to be amended so that KIDs reflect any product categorisation, and include a description of such categorised product’s objective, including relevant indicators.	