



2025/0361(COD)

28.4.2026

*****I**

DRAFT REPORT

on the proposal for a regulation of the European Parliament and of the Council amending Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (SFDR), Regulation (EU) No 1286/2014 on key information documents for packaged retail and insurance-based investment products (PRIIPs) and repealing Commission Delegated Regulation (EU) 2022/1288
(COM(2025)0841 – C10-0308/2025 – 2025/0361(COD))

Committee on Economic and Monetary Affairs

Rapporteur: Gerben-Jan Gerbrandy

Symbols for procedures

- * Consultation procedure
- *** Consent procedure
- ***I Ordinary legislative procedure (first reading)
- ***II Ordinary legislative procedure (second reading)
- ***III Ordinary legislative procedure (third reading)

(The type of procedure depends on the legal basis proposed by the draft act.)

Amendments to a draft act

Amendments by Parliament set out in two columns

Deletions are indicated in ***bold italics*** in the left-hand column. Replacements are indicated in ***bold italics*** in both columns. New text is indicated in ***bold italics*** in the right-hand column.

The first and second lines of the header of each amendment identify the relevant part of the draft act under consideration. If an amendment pertains to an existing act that the draft act is seeking to amend, the amendment heading includes a third line identifying the existing act and a fourth line identifying the provision in that act that Parliament wishes to amend.

Amendments by Parliament in the form of a consolidated text

New text is highlighted in ***bold italics***. Deletions are indicated using either the ***■*** symbol or strikeout. Replacements are indicated by highlighting the new text in ***bold italics*** and by deleting or striking out the text that has been replaced.

By way of exception, purely technical changes made by the drafting departments in preparing the final text are not highlighted.

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DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

on the proposal for a regulation of the European Parliament and of the Council amending Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (SFDR), Regulation (EU) No 1286/2014 on key information documents for packaged retail and insurance-based investment products (PRIIPs) and repealing Commission Delegated Regulation (EU) 2022/1288 (COM(2025)0841 – C10-0308/2025 – 2025/0361(COD))

(Ordinary legislative procedure: first reading)

The European Parliament,

- having regard to the Commission proposal to Parliament and the Council (COM(2025)0841),
 - having regard to Article 294(2) and Article 114 of the Treaty on the Functioning of the European Union, pursuant to which the Commission submitted the proposal to Parliament (C10-0308/2025),
 - having regard to Article 294(3) of the Treaty on the Functioning of the European Union,
 - having regard to the opinion of the European Economic and Social committee of ...¹,
 - having regard to Rule 60 of its Rules of Procedure,
 - having regard to the report of the Committee on Economic and Monetary Affairs (A10-0000/2026),
1. Adopts its position at first reading hereinafter set out;
 2. Calls on the Commission to refer the matter to Parliament again if it replaces, substantially amends or intends to substantially amend its proposal;
 3. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

Amendment 1

Proposal for a regulation

Recital 7

Text proposed by the Commission

Amendment

(7) It is necessary to adjust the scope of

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¹

Regulation (EU) 2019/2088 and to adjust certain definitions therein to reflect those objectives. Regulation (EU) 2019/2088 should continue to require financial market participants to disclose how they consider sustainability risks affect the financial products they offer to investors. Beyond these elements, Regulation (EU) 2019/2088 should, however, focus exclusively on the specific requirements and associated disclosures applicable to financial market participants which manufacture, manage or make available sustainability-related financial products, particularly those that reference sustainability-related elements in their names or marketing documentation to end-investors. Financial advisers providing investment advice do not manufacture or manage sustainability-related financial products, nor do they make such products available to investors. For that reason, financial advisors providing investment advice should be carved out of the scope of Regulation (EU) 2019/2088 altogether. Their role is rather as distributors to identify the products made available by financial market participants that match their clients' sustainability preferences. The rules for distributors should therefore duly reflect the changes introduced by this Regulation, especially the categorisation regime for financial products making sustainability-related claims. The same applies to the service of portfolio management, consisting of managing portfolios of financial instruments in accordance with mandates given by clients on a discretionary client-by-client basis and which are thus not designed and marketed the same way as products identified for certain target markets.

Regulation (EU) 2019/2088 and to adjust certain definitions therein to reflect those objectives. Regulation (EU) 2019/2088 should continue to require financial market participants to disclose how they consider sustainability risks affect the financial products they offer to investors. Beyond these elements, Regulation (EU) 2019/2088 should, however, focus exclusively on the specific requirements and associated disclosures applicable to financial market participants which manufacture, manage or make available sustainability-related financial products, particularly those that reference sustainability-related elements in their names or marketing documentation to end-investors. ***Such financial products include packaged investment products. Therefore, manufacturers of a packaged investment product should be included in the definition of financial market participants.*** Financial advisers providing investment advice do not manufacture or manage sustainability-related financial products, nor do they make such products available to investors. For that reason, financial advisors providing investment advice should be carved out of the scope of Regulation (EU) 2019/2088 altogether. Their role is rather as distributors to identify the products made available by financial market participants that match their clients' sustainability preferences. The rules for distributors should therefore duly reflect the changes introduced by this Regulation, especially the categorisation regime for financial products making sustainability-related claims. The same applies to the service of portfolio management, consisting of managing portfolios of financial instruments in accordance with mandates given by clients on a discretionary client-by-client basis and which are thus not designed and marketed the same way as products identified for certain target markets.

Amendment 2

Proposal for a regulation

Recital 11

Text proposed by the Commission

(11) Financial market participants should not be prohibited from referring to information on sustainability aspects of an ancillary nature in the regulatory disclosures related to financial products even if not categorised as sustainability-related financial products. Such information should be fair, clear and not misleading. However, to protect investors and distinguish clearly between non-categorised and categorised financial products, such information should not constitute a prominent element in those disclosures **and** should not feature in the name or marketing communications of such financial products. In addition, for financial products that are categorised as sustainability-related financial products, financial market participants should ensure that the claims in the regulatory, marketing documentations and names of their sustainability-related financial products are consistent with the category under which they fall and their strategies.

Amendment

(11) Financial market participants should not be prohibited from referring to information on sustainability aspects of an ancillary nature in the regulatory disclosures related to financial products even if not categorised as sustainability-related financial products. Such information should be fair, clear and not misleading. However, to protect investors and distinguish clearly between non-categorised and categorised financial products, such information should not constitute a prominent element in those disclosures, should not feature in the name or marketing communications of such financial products, **and should be accompanied by a statement confirming that the product does not meet EU standards for defining sustainable financial products and protecting against greenwashing.** In addition, for financial products that are categorised as sustainability-related financial products, financial market participants should ensure that the claims in the regulatory, marketing documentations and names of their sustainability-related financial products are consistent with the category under which they fall and their strategies.

Amendment 3

Proposal for a regulation

Recital 14

(14) To help comparability and boost integrity, a minimum portion of 70% of investments by financial products in each category should be made in accordance with the sustainability-related claim, i.e. the objective that is pursued or the sustainability-related considerations that are applied. Financial market participants should be allowed to freely allocate the remaining investments based on diversification, hedging or liquidity needs. These remaining investments should not contradict the sustainability-related claims of the financial product. The full implementation of an investment strategy for a given financial product can take a certain period of time, especially for alternative or private assets. That period of time is communicated in pre-contractual documents. The percentage of investments necessary to meet the objectives of the product may not be immediately reached during that phase-in period. The percentage should be attained at the latest at the expiry of the phase-in period. The 70% threshold would mean an increase in ambition compared to the 50% minimum portion of 'sustainable investment' required for funds using a sustainability-related term in their names under the ESMA guidelines on funds' names. It is also considered to allow for continuity with the rule of having 80% of investments made in accordance with the ESG claim pursued with the fund name under those guidelines, considering that the conditions for the 70% threshold would be stricter than the current 80% under the ESMA guidelines (i.e. new conditions for investments to be deemed as contributing to a sustainability or transition related objectives or as integrating sustainability-related considerations). Finally, it allows for sufficient margin for hedging investments, and is aligned with other international investment labels, which would facilitate international convergence.

(14) To help comparability and boost integrity, a minimum portion of 70% of investments by financial products in each category should be made in accordance with the sustainability-related claim, i.e. the objective that is pursued or the sustainability-related considerations that are applied. Financial market participants should be allowed to freely allocate the remaining investments based on diversification, hedging or liquidity needs. These remaining investments should not contradict the sustainability-related claims of the financial product. The full implementation of an investment strategy for a given financial product can take a certain period of time, especially for alternative or private assets. That period of time is communicated in pre-contractual documents. The percentage of investments necessary to meet the objectives of the product may not be immediately reached during that phase-in period. The percentage should be attained at the latest at the expiry of the phase-in period. The 70% threshold would mean an increase in ambition compared to the 50% minimum portion of 'sustainable investment' required for funds using a sustainability-related term in their names under the ESMA guidelines on funds' names. It is also considered to allow for continuity with the rule of having 80% of investments made in accordance with the ESG claim pursued with the fund name under those guidelines, considering that the conditions for the 70% threshold would be stricter than the current 80% under the ESMA guidelines (i.e. new conditions for investments to be deemed as contributing to a sustainability or transition related objectives or as integrating sustainability-related considerations). Finally, it allows for sufficient margin for hedging investments, and is aligned with other international investment labels, which would facilitate international convergence.

To guide financial market participants and provide them with certainty, specific investment approaches for financial products should be identified per category, but without excluding other possible approaches in each case under the condition that these provide for the same level of sustainability-related ambition. Findings from recent evaluations show that there is no ‘one size fits all’ on how to granularly specify what a positive contribution to a sustainability objective or transition should be. That is mainly due to the wide variety of assets, strategies, sustainability objectives or factors that exist in the current market. A closed list of granular criteria for contribution would therefore restrict the investment universe too much and risk hindering innovative practices. Instead, the list of possible approaches should aim at identifying robust existing sustainability standards and encouraging their use. The 70% threshold should focus on ensuring harmonised levels of contribution rather than granularly specify the nature of the contribution for each category. Specific disclosures on the chosen approach to contribution should be given to end-investors. Financial market participants should measure their contribution, the compliance with the strategy and the progress towards the sustainability objective, through appropriate sustainability-related indicators and disclose those indicators. A *list* of voluntary indicators should be developed for this purpose. Such indicators should build on the indicators referred to in Annex I of Commission Delegated Regulation (EU) 2022/1288 and Commission Delegated Regulation (EU) 2023/2772, and on information disclosed by companies, ensuring, to the extent appropriate, continuity with current market practices under this Regulation. This would encourage harmonisation and comparability in the way financial market participants measure and disclose their

To guide financial market participants and provide them with certainty, specific investment approaches for financial products should be identified per category, but without excluding other possible approaches in each case under the condition that these provide for the same level of sustainability-related ambition. Findings from recent evaluations show that there is no ‘one size fits all’ on how to granularly specify what a positive contribution to a sustainability objective or transition should be. That is mainly due to the wide variety of assets, strategies, sustainability objectives or factors that exist in the current market. A closed list of granular criteria for contribution would therefore restrict the investment universe too much and risk hindering innovative practices. Instead, the list of possible approaches should aim at identifying robust existing sustainability standards and encouraging their use. The 70% threshold should focus on ensuring harmonised levels of contribution rather than granularly specify the nature of the contribution for each category. Specific disclosures on the chosen approach to contribution should be given to end-investors. Financial market participants should measure their contribution, the compliance with the strategy and the progress towards the sustainability objective, through appropriate sustainability-related indicators and disclose those indicators. A *set of mandatory principal adverse impact indicators should allow investors to compare financial products within each category. Those indicators should be complemented by other principal adverse impact indicators that are material for the investment and other principal adverse impact indicators that are disclosed on a voluntary basis.* A *list* of indicators should be developed for this purpose. Such indicators should build on the indicators referred to in Annex I of Commission Delegated Regulation (EU) 2022/1288 and Commission Delegated Regulation (EU)

contribution to an objective.

2023/2772, and on information disclosed by companies, ensuring, to the extent appropriate, continuity with current market practices under this Regulation. This would encourage harmonisation and comparability in the way financial market participants measure and disclose their contribution to an objective.

Or. en

Amendment 4

Proposal for a regulation

Recital 24

Text proposed by the Commission

(24) The wide range of potential investable assets for financial products that can be categorised as sustainability-related financial products means that there will continue to be certain data gaps in relation to sustainability data from investees and other assets. It is therefore appropriate to formalise and improve transparency about the use of estimates by financial market participants, ***without however imposing new requirements on third party sustainability data providers***. Notably, proportionate steps should be introduced whereby financial market participants are to document their use of data sources and their use of external and in-house estimates and are to provide their clients with information on such use upon request.

Amendment

(24) The wide range of potential investable assets for financial products that can be categorised as sustainability-related financial products means that there will continue to be certain data gaps in relation to sustainability data from investees and other assets. It is therefore appropriate to formalise and improve transparency about the use of estimates by financial market participants. Notably, proportionate steps should be introduced whereby financial market participants are to document their use of data sources and their use of external and in-house estimates and are to provide their clients with information on such use upon request. ***The Commission should consider the provisions of this Regulation when carrying out the review under Article 52 of the Regulation (EU) 2024/3005, in particular to determine whether the scope of that Regulation should be extended to include providers of data products on environmental, social and human rights, and governance factors with a view to ensuring that minimum standards on transparency of data sources, control of data quality and data coverage, disclosure of methodologies and fair commercial***

practices apply in relation to data and estimates provided by such providers for the purposes of this Regulation.

Or. en

Amendment 5

Proposal for a regulation Recital 32 a (new)

Text proposed by the Commission

Amendment

(32a) In order to ensure that financial market participants have sufficient time to undertake any measures necessary to comply with the rules introduced by this amending Regulation, it should apply from 24 months after its entry into force. However, Article 1, points (2)(a) to (d), and Article 1, point (5), of this amending Regulation that lead to a burden reduction by narrowing the scope of Regulation (EU) 2019/2088 and removing disclosures on entity-level on principal adverse impacts and remuneration policies, should apply from the date of entry into force of this amending Regulation.

Or. en

Amendment 6

Proposal for a regulation Article 1 – paragraph 1 – point 2 – point a – point ii a (new) Regulation (EU) 2019/2088 Article 2 – paragraph 1 – point 1 – point j a (new)

Text proposed by the Commission

Amendment

*(iia) the following point is added:
'(ja) a manufacturer of a packaged investment product;'*

Amendment 7

Proposal for a regulation

Article 1 – paragraph 1 – point 2 – point d

Regulation (EU) 2019/2088

Article 2 – paragraph 1 – point 12

Text proposed by the Commission

(d) *in* point (12), point (a) is deleted;

Amendment

(d) point (12) *is amended as follows:*

(i) point (a) is deleted;

(ii) *the following point is added:*

‘(ga) *a packaged investment product;*’

Amendment 8

Proposal for a regulation

Article 1 – paragraph 1 – point 2 – point g

Regulation (EU) 2019/2088

Article 2 – paragraph 1 – point 27

Text proposed by the Commission

(27) ‘public sector bodies’ means central governments or central banks, regional governments or local authorities, *multilateral development banks* as referred to in Article 117 of Regulation (EU) No 575/2013 of the European Parliament and of the Council^{*1}, *and international organisations as referred to in Article 118 of that Regulation; and*

Amendment

(27) ‘public sector bodies’ means central governments or central banks, regional governments or local authorities, *and international organisations* as referred to in Article 118 of Regulation (EU) No 575/2013 of the European Parliament and of the Council^{*1};

Amendment 9

Proposal for a regulation

Article 1 – paragraph 1 – point 2 – point g

Regulation (EU) 2019/2088

Article 2 – paragraph 1 – point 28 a (new)

Text proposed by the Commission

Amendment

(28a) ‘packaged investment product’ means a packaged retail investment product or PRIIP as defined in Article 4, point (1), of Regulation (EU) No 1286/2014, other than a UCITS, an AIF, or a derivative as defined in Article 2(1), point (29), of Regulation 600/2014;

Or. en

Amendment 10

Proposal for a regulation

Article 1 – paragraph 1 – point 2 – point g

Regulation (EU) 2019/2088

Article 2 – paragraph 1 – point 28 b (new)

Text proposed by the Commission

Amendment

(28b) ‘managed in reference to an EU Climate Transition Benchmark’ means a financial product that, in addition to any other objectives or features, complies at least with the methodological requirements laid down in Chapter II, Section 2, of Commission Delegated Regulation (EU) 2020/1818;

Or. en

Amendment 11

Proposal for a regulation

Article 1 – paragraph 1 – point 2 – point g

Regulation (EU) 2019/2088

Article 2 – paragraph 1 – point 28 c (new)

Text proposed by the Commission

Amendment

(28c) 'managed in reference to an EU Paris-aligned Benchmark' means a financial product that, in addition to any other objectives or features, complies at least with the methodological requirements laid down in Chapter II, Section 3, of Commission Delegated Regulation (EU) 2020/1818;

Or. en

Amendment 12

Proposal for a regulation

Article 1 – paragraph 1 – point 7

Regulation (EU) 2019/2088

Article 6a – paragraph 1 – subparagraph 1 – point c a (new)

Text proposed by the Commission

Amendment

(ca) does not include any reference to voluntary sustainability-related labelling schemes with features that do not exceed those in Articles 7, 8 or 9 in terms of specified objectives, investment approaches, governance or transparency requirements.

Or. en

Amendment 13

Proposal for a regulation

Article 1 – paragraph 1 – point 7

Regulation (EU) 2019/2088

Article 6a – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1a. Financial market participants disclosing information under paragraph 1 of this Article shall include a statement in

a prominent manner in the information referred to in Articles 6(3) and 11(2) confirming that the financial product concerned does not meet the EU standards for defining sustainable financial products and protecting against greenwashing.

Or. en

Amendment 14

Proposal for a regulation

Article 1 – paragraph 1 – point 8

Regulation (EU) 2019/2088

Article 7 – paragraph 1 – subparagraph 2

Text proposed by the Commission

Financial market participants *may choose to* comply *in full or in part* with the disclosure requirement described under the first subparagraph point (d) by using *appropriate sustainability-related* indicators.

Amendment

Financial market participants *shall* comply with the disclosure requirement described under the first subparagraph, point (d), *of this Article* by using *the mandatory principal adverse impact* indicators *established in accordance with the delegated act adopted pursuant to Article 19b.*

Or. en

Amendment 15

Proposal for a regulation

Article 1 – paragraph 1 – point 8

Regulation (EU) 2019/2088

Article 7 – paragraph 1 – subparagraph 2 a (new)

Text proposed by the Commission

Amendment

Financial market participants shall complement the disclosure requirement described under the first subparagraph, point (d), of this Article by using principal adverse impact indicators which are material for the investment established in

accordance with the delegated act adopted pursuant to Article 19b. They may also disclose other principle adverse impact indicators on a voluntary basis.

Or. en

Amendment 16

Proposal for a regulation

Article 1 – paragraph 1 – point 8

Regulation (EU) 2019/2088

Article 7 – paragraph 1 – subparagraph 3

Text proposed by the Commission

Amendment

The conditions described in the first subparagraph shall be considered to be met for financial products that replicate or are managed in reference to an EU climate transition benchmark that complies with the requirements laid down in Section 2 of Delegated Regulation (EU) 2020/1818, or an EU Paris-aligned benchmark that complies with the requirements laid down in Section 3 of Chapter II of that Delegated Regulation.

deleted

Or. en

Amendment 17

Proposal for a regulation

Article 1 – paragraph 1 – point 8

Regulation (EU) 2019/2088

Article 7 – paragraph 1 – subparagraph 4

Text proposed by the Commission

Amendment

The conditions described under the first subparagraph, point (a) shall be considered met for financial products with a proportion of investments in taxonomy-aligned economic activities, as defined in Article 1, point (2), of Delegated

The conditions described under the first subparagraph, point (a) shall be considered met for financial products with a proportion of investments in taxonomy-aligned economic activities, as defined in Article 1, point (2), of Delegated

Regulation (EU) 2021/2178*⁶, equal or higher than **15%**.

Regulation (EU) 2021/2178*⁶, equal or higher than **20%**.

Or. en

Amendment 18

Proposal for a regulation

Article 1 – paragraph 1 – point 8

Regulation (EU) 2019/2088

Article 7 – paragraph 1 – subparagraph 5 a (new)

Text proposed by the Commission

Amendment

Where investments of the financial product outside the threshold referred to in the first subparagraph, point (a), include investments in issuances by public sector bodies other than those referred to in the fifth subparagraph, point (a) or (b), those investments shall be consistent with the stated sustainability-related objective or strategy of the financial product.

Or. en

Amendment 19

Proposal for a regulation

Article 1 – paragraph 1 – point 8

Regulation (EU) 2019/2088

Article 7 – paragraph 2 – subparagraph 1 – point h

Text proposed by the Commission

Amendment

(h) other investments in undertakings, economic activities or other assets that credibly contribute to the transition provided proper justification is included in the disclosures required pursuant to paragraph 3.

(h) other investments in undertakings, economic activities or other assets that credibly contribute to the transition, provided ***that*** proper justification ***of the credible contribution, including in light of the investment options referred to in points (a) to (g) of this subparagraph,*** is included in the disclosures required pursuant to paragraph 3.

Amendment 20

Proposal for a regulation

Article 1 – paragraph 1 – point 8

Regulation (EU) 2019/2088

Article 7 – paragraph 3 – subparagraph 1 – point e a (new)

Text proposed by the Commission

Amendment

(ea) a description of the sustainability-related engagement strategy pursued by the financial market participant, including how that strategy has been implemented in alignment with the sustainability-related objectives of the financial product, or a clear and reasoned explanation of why it does not pursue such a strategy;

Or. en

Amendment 21

Proposal for a regulation

Article 1 – paragraph 1 – point 8

Regulation (EU) 2019/2088

Article 8 – paragraph 1 – point b a (new)

Text proposed by the Commission

Amendment

(ba) they identify and disclose the principal adverse impacts of their investments on sustainability factors, and explain any actions taken to address those impacts.

Or. en

Amendment 22

Proposal for a regulation

Article 1 – paragraph 1 – point 8

Regulation (EU) 2019/2088
Article 8 – paragraph 1 – subparagraph 1 a (new)

Text proposed by the Commission

Amendment

Financial market participants shall comply with the disclosure requirement described under the first subparagraph, point (c), of this Article by using the mandatory principal adverse impact indicators established in accordance with the delegated act adopted pursuant to Article 19b.

Or. en

Amendment 23

Proposal for a regulation
Article 1 – paragraph 1 – point 8
Regulation (EU) 2019/2088
Article 8 – paragraph 1 – subparagraph 1 b (new)

Text proposed by the Commission

Amendment

Financial market participants shall complement the disclosure requirement described under the first subparagraph, point (c), of this Article by using principal adverse impact indicators which are material for the investment established in accordance with the delegated act adopted pursuant to Article 19b. They may also disclose other principle adverse impact indicators on a voluntary basis.

Or. en

Amendment 24

Proposal for a regulation
Article 1 – paragraph 1 – point 8
Regulation (EU) 2019/2088
Article 8 – paragraph 1 – subparagraph 1 c (new)

Text proposed by the Commission

Amendment

Where investments of the financial product include investments in issuances by public sector bodies other than use of proceeds instruments issued by public sector bodies in accordance with Article 3 of Regulation (EU) 2023/2631 or where the proceeds do not fund any underlying activities excluded under Article 12(1), points (a), (b) and (d), of Delegated Regulation (EU) 2020/1818 or companies excluded under Article 12(1), point (c), of that Regulation, those investments shall be consistent with the stated sustainability-related objective or strategy of the financial product.

Or. en

Amendment 25

Proposal for a regulation

Article 1 – paragraph 1 – point 8

Regulation (EU) 2019/2088

Article 8 – paragraph 2 – point a

Text proposed by the Commission

(a) investments with an ESG rating as defined by Regulation 2024/3005 that outperforms the average rating of the investment universe or the reference benchmark;

Amendment

(a) investments with an ESG rating as defined by Regulation 2024/3005 that outperforms the average rating of the investment universe or the reference benchmark ***after eliminating at least 20% of the lowest-rated securities;***

Or. en

Amendment 26

Proposal for a regulation

Article 1 – paragraph 1 – point 8

Regulation (EU) 2019/2088

Article 8 – paragraph 2 – point b

Text proposed by the Commission

(b) investments that outperform the average investment universe or reference benchmark on a specific appropriate sustainability indicator;

Amendment

(b) investments that outperform the average investment universe or reference benchmark on a specific appropriate sustainability indicator ***after eliminating at least 20% of the lowest values for this indicator***;

Or. en

Amendment 27

Proposal for a regulation

Article 1 – paragraph 1 – point 8

Regulation (EU) 2019/2088

Article 8 – paragraph 2 – point e

Text proposed by the Commission

(e) other investments integrating sustainability factors beyond the consideration of sustainability risks, provided proper justification is included in the disclosures required pursuant to paragraph 3.

Amendment

(e) other investments integrating sustainability factors beyond the consideration of sustainability risks, provided ***that*** proper justification ***as to the integration of such sustainability factors, including in light of the investment options referred to in points (a) to (d) of this paragraph***, is included in the disclosures required pursuant to paragraph 3.

Or. en

Amendment 28

Proposal for a regulation

Article 1 – paragraph 1 – point 8

Regulation (EU) 2019/2088

Article 8 – paragraph 3 – point 3 a (new)

Text proposed by the Commission

Amendment

(ea) a description of the sustainability-related engagement strategy pursued by

the financial market participant, including how that strategy has been implemented in alignment with the sustainability-related objectives of the financial product, or a clear and reasoned explanation of why it does not pursue such a strategy;

Or. en

Amendment 29

Proposal for a regulation

Article 1 – paragraph 1 – point 8

Regulation (EU) 2019/2088

Article 9 – paragraph 1 – subparagraph 2

Text proposed by the Commission

Financial market participants **may** choose to comply in full or in part with the disclosure requirement described under the first subparagraph point (d) by using **appropriate sustainability related** indicators.

Amendment

Financial market participants **shall** choose to comply in full or in part with the disclosure requirement described under the first subparagraph, point (d), **of this Article** by using **the mandatory principal adverse impact** indicators **established in accordance with the delegated act adopted pursuant to Article 19b.**

Or. en

Amendment 30

Proposal for a regulation

Article 1 – paragraph 1 – point 8

Regulation (EU) 2019/2088

Article 9 – paragraph 1 – subparagraph 2 a (new)

Text proposed by the Commission

Amendment

Financial market participants shall complement the disclosure requirement described under the first subparagraph, point (d), of this Article by using principal adverse impact indicators which are material for the investment established in

accordance with the delegated act adopted pursuant to Article 19b. They may also disclose other principle adverse impact indicators on a voluntary basis.

Or. en

Amendment 31

Proposal for a regulation

Article 1 – paragraph 1 – point 8

Regulation (EU) 2019/2088

Article 9 – paragraph 1 – subparagraph 3

Text proposed by the Commission

Amendment

The conditions referred to in the first subparagraph shall be considered met for financial products that replicate or are managed in reference to an EU Paris-aligned benchmark that complies with the requirements laid down in Section 3 of Delegated Regulation (EU) 2020/1818.

deleted

Or. en

Amendment 32

Proposal for a regulation

Article 1 – paragraph 1 – point 8

Regulation (EU) 2019/2088

Article 9 – paragraph 1 – subparagraph 4

Text proposed by the Commission

Amendment

The conditions described under the first subparagraph, point (a) shall be considered met for financial products with a proportion of investments in taxonomy-aligned economic activities, as defined in Article 1, point (2), of Delegated Regulation (EU) 2021/2178, equal or higher than **15%**.

The conditions described under the first subparagraph, point (a) shall be considered met for financial products with a proportion of investments in taxonomy-aligned economic activities, as defined in Article 1, point (2), of Delegated Regulation (EU) 2021/2178, equal or higher than **20%**.

Or. en

Amendment 33

Proposal for a regulation

Article 1 – paragraph 1 – point 8

Regulation (EU) 2019/2088

Article 9 – paragraph 1 – subparagraph 5 a (new)

Text proposed by the Commission

Amendment

Where investments of the financial product outside the threshold referred to in the first subparagraph, point (a), include investments in issuances by public sector bodies other than those referred to in the fifth subparagraph, point (a) or (b), those investments shall be consistent with the stated sustainability-related objective or strategy of the financial product.

Or. en

Amendment 34

Proposal for a regulation

Article 1 – paragraph 1 – point 8

Regulation (EU) 2019/2088

Article 9 – paragraph 2 – point g

Text proposed by the Commission

Amendment

(g) other investments in undertakings, economic activities, or assets that contribute to an environmental objective or a social objective, provided that **a** proper justification is included in the disclosures required pursuant to paragraph 3.

(g) other investments in undertakings, economic activities, or assets that contribute to an environmental objective or a social objective, provided that proper justification ***of such contribution, including in light of the investment options referred to in points (a) to (g) of this paragraph,*** is included in the disclosures required pursuant to paragraph 3.

Or. en

Amendment 35

Proposal for a regulation

Article 1 – paragraph 1 – point 8

Regulation (EU) 2019/2088

Article 9 – paragraph 3 – subparagraph 1 – point e a (new)

Text proposed by the Commission

Amendment

(ea) a description of the sustainability-related engagement strategy pursued by the financial market participant, including how that strategy has been implemented in alignment with the sustainability-related objectives of the financial product, or a clear and reasoned explanation of why it does not pursue such a strategy;

Or. en

Amendment 36

Proposal for a regulation

Article 1 – paragraph 1 – point 10

Regulation (EU) 2019/2088

Article 10 – paragraph 3

Text proposed by the Commission

Amendment

The information referred to in ***subparagraph 1*** may be disclosed by form of weblinks to the respective documentation referred to in Article 6(3) or Article 11(2).

The information referred to in ***the first paragraph of this Article*** may be disclosed by form of weblinks to the respective documentation referred to in Article 6(3) or Article 11(2) ***and may be complemented with additional explanations to justify methodologies for investments contributing to the thresholds referred to in Article 7(1), 8(1) or 9(1).***

Or. en

Amendment 37

Proposal for a regulation

Article 1 – paragraph 1 – point 13

Regulation (EU) 2019/2088

Article 12a – paragraph 1 – point a – point i

Text proposed by the Commission

(i) the use of data provided by external data providers, other than open source or research freely available to the public, is based on formalised and documented arrangements;

Amendment

(i) the use of data, ***including estimates***, provided by external data providers, other than open source or research freely available to the public, is based on formalised and documented arrangements;

Or. en

Amendment 38

Proposal for a regulation

Article 1 – paragraph 1 – point 14

Regulation (EU) 2019/2088

Article 13 – paragraph 2 – subparagraph 2

Text proposed by the Commission

The claims in the names and in the marketing communications referred to in the first subparagraph shall be clear, fair, not misleading, and consistent with the sustainability features of those financial products.

Amendment

The claims in the names and in the marketing communications referred to in the first subparagraph shall be clear, fair, not misleading, and consistent with the sustainability features ***and category*** of those financial products.

Or. en

Amendment 39

Proposal for a regulation

Article 1 – paragraph 1 – point 20

Regulation (EU) 2019/2088

Article 19 – paragraph 1 – point c

Text proposed by the Commission

Amendment

(c) adjusting the proportion of investments in taxonomy-aligned economic activities needed to comply with the option under Article 7(1), third subparagraph, and Article 9(1), third subparagraph.;

deleted

Or. en

Amendment 40

Proposal for a regulation

Article 1 – paragraph 1 – point 20

Regulation (EU) 2019/2088

Article 19 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

By ... [36 months after the date of application of this Regulation] and every 36 months thereafter, the Commission shall review the need to adjust the proportion of investments in taxonomy-aligned economic activities needed to comply with the option under Article 7(1), third subparagraph, and Article 9(1), third subparagraph.

Or. en

Amendment 41

Proposal for a regulation

Article 1 – paragraph 1 – point 21

Regulation (EU) 2019/2088

Article 19b – paragraph 1 – point a – point a – point i

Text proposed by the Commission

Amendment

(i) indicator(s) building on the indicators referred to in Annex I to Commission Delegated Regulation (EU)

(i) indicator(s) building on the indicators referred to in Annex I to Commission Delegated Regulation (EU)

2022/1288^{*11} and Commission Delegated Regulation (EU) 2023/2772 [to be adapted to the new CSRD delegated act]^{*12} for **voluntary** use by financial market participants when complying with paragraph 1, first subparagraph, point (a) and point (d);

^{*12} Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023 supplementing Directive 2013/34/EU of the European Parliament and of the Council as regards sustainability reporting standards (OJ L, 2023/2772, 22.12.2023, ELI: http://data.europa.eu/eli/reg_del/2023/2772/oj).

2022/1288^{*11} and Commission Delegated Regulation (EU) 2023/2772 [to be adapted to the new CSRD delegated act]^{*12} for use by financial market participants when complying with paragraph 1, first subparagraph, point (a) and point (d);

^{*12} Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023 supplementing Directive 2013/34/EU of the European Parliament and of the Council as regards sustainability reporting standards (OJ L, 2023/2772, 22.12.2023, ELI: http://data.europa.eu/eli/reg_del/2023/2772/oj).

Or. en

Amendment 42

Proposal for a regulation

Article 1 – paragraph 1 – point 21

Regulation (EU) 2019/2088

Article 19b – paragraph 1 – point a – point b

Text proposed by the Commission

(b) the details of the presentation of the information to be disclosed pursuant to paragraph 3, which shall not exceed two pages, and the information to be disclosed pursuant to paragraph 4, which shall not exceed one page.;

Amendment

(b) the details of the presentation of the information to be disclosed pursuant to paragraph 3, which ***shall be suitable for retail investors and*** shall not exceed two pages, and the information to be disclosed pursuant to paragraph 4, which shall not exceed one page.;

Or. en

Amendment 43

Proposal for a regulation

Article 1 – paragraph 1 – point 21

Regulation (EU) 2019/2088

Article 19b – paragraph 1 – point b – point a – point i

Text proposed by the Commission

Amendment

(i) indicator(s) building on the indicators referred to in Annex I to Commission Delegated Regulation (EU) 2022/1288 and Commission Delegated Regulation (EU) 2023/2772 [to be adapted to the new CSRD delegated act] for **voluntary** use by financial market participants when complying with paragraph 1, first subparagraph, point (a);

(i) indicator(s) building on the indicators referred to in Annex I to Commission Delegated Regulation (EU) 2022/1288 and Commission Delegated Regulation (EU) 2023/2772 [to be adapted to the new CSRD delegated act] for use by financial market participants when complying with paragraph 1, first subparagraph, point (a);

Or. en

Amendment 44

Proposal for a regulation

Article 1 – paragraph 1 – point 21

Regulation (EU) 2019/2088

Article 19b – paragraph 1 – point b – point b

Text proposed by the Commission

Amendment

(b) the details of the presentation of the information to be disclosed pursuant to paragraph 3, which shall not exceed two pages.;

(b) the details of the presentation of the information to be disclosed pursuant to paragraph 3, which shall **be suitable for retail investors and shall** not exceed two pages.;

Or. en

Amendment 45

Proposal for a regulation

Article 1 – paragraph 1 – point 21

Regulation (EU) 2019/2088

Article 19b – paragraph 1 – point c – point a – point i

Text proposed by the Commission

Amendment

(i) indicator(s) building on the indicators referred to in Annex I to

(i) indicator(s) building on the indicators referred to in Annex I to

Commission Delegated Regulation (EU) 2022/1288 and Commission Delegated Regulation (EU) 2023/2772 [to be adapted to the new CSRD delegated act] for **voluntary** use by financial market participants when complying with paragraph 1, first subparagraph, point (a) and point (d);

Commission Delegated Regulation (EU) 2022/1288 and Commission Delegated Regulation (EU) 2023/2772 [to be adapted to the new CSRD delegated act] for use by financial market participants when complying with paragraph 1, first subparagraph, point (a) and point (d);

Or. en

Amendment 46

Proposal for a regulation

Article 1 – paragraph 1 – point 21

Regulation (EU) 2019/2088

Article 19b – paragraph 1 – point c – point b

Text proposed by the Commission

(b) specify the details of the presentation of the information to be disclosed pursuant to paragraph 3, which shall not exceed two pages, and the information to be disclosed pursuant to paragraph 4, which shall not exceed one page.

Amendment

(b) specify the details of the presentation of the information to be disclosed pursuant to paragraph 3, which ***shall be suitable for retail investors and*** shall not exceed two pages, and the information to be disclosed pursuant to paragraph 4, which shall not exceed one page.

Or. en

Amendment 47

Proposal for a regulation

Article 1 – paragraph 1 – point 21

Regulation (EU) 2019/2088

Article 19b – paragraph 1 – point d

Text proposed by the Commission

(d) paragraph 1 of Article 11 by specifying the details of the presentation of the information to be disclosed, which shall not exceed two pages.

Amendment

(d) paragraph 1 of Article 11 by specifying the details of the presentation of the information to be disclosed, which shall ***be suitable for retail investors and shall*** not exceed two pages.

Amendment 48**Proposal for a regulation****Article 1 – paragraph 1 – point 21**

Regulation (EU) 2019/2088

Article 19c – paragraph 4

Text proposed by the Commission

4. Before adopting a delegated act, the Commission shall gather all necessary expertise, including through the consultation of the experts of the Member State Expert Group on Sustainable Finance referred to in Article 24 of Regulation (EU) 2020/852, **and where appropriate the *European Supervisory Authorities***, and in accordance with the principles and procedures laid down in the Interinstitutional Agreement on Better Law-Making of 13 April 2016.

Amendment

4. Before adopting a delegated act, the Commission shall gather all necessary expertise, including through the consultation of the ***European Supervisory Authorities and the*** experts of the Member State Expert Group on Sustainable Finance referred to in Article 24 of Regulation (EU) 2020/852, and in accordance with the principles and procedures laid down in the Interinstitutional Agreement on Better Law-Making of 13 April 2016.

Amendment 49**Proposal for a regulation****Article 2 – paragraph 1 – point 2**

Regulation (EU) 1286/2014

Article 8 – paragraph 3 – point ca

Text proposed by the Commission

(ca) for a PRIIP that is a sustainability-related financial product as defined in Article 2, point (25), of Regulation (EU) 2019/2088, under a section titled ‘How sustainable is this product?’, its categorisation in accordance with either Article 7, 8 or 9 of that Regulation, and a description of its objective including relevant indicators.

Amendment

(ca) for a PRIIP that is a sustainability-related financial product as defined in Article 2, point (25), of Regulation (EU) 2019/2088, under a section titled ‘How sustainable is this product?’, its categorisation in accordance with either Article 7, 8 or 9 of that Regulation, and a description of its objective including relevant indicators; ***for a PRIIP that is not a sustainability-related financial product***

as defined in Article 2, point (25), of Regulation (EU) 2019/2088, under a section titled ‘How sustainable is this product?’, a statement confirming that the financial product concerned does not meet the EU standards for defining sustainable financial products and protecting against greenwashing;

Or. en

Amendment 50

Proposal for a regulation Article 4 – paragraph 2

Text proposed by the Commission

It shall apply from [**18** months after entry into force].

Amendment

It shall apply from [**24** months after entry into force].

Or. en

Amendment 51

Proposal for a regulation Article 4 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

However, Article 1(2), points (a) to (f), with the exception of the reference to point 17 in point (e) of that paragraph, Article 1(3), Article 1(5) shall apply from [the date of entry into force].

Or. en

EXPLANATORY STATEMENT

Reliable transparency on the sustainability of financial products is a *conditio sine qua non* to create a financial framework in which investors can choose to invest in financial products with environmental, social and governance (ESG) ambitions. The rapporteur welcomes the Commission proposal on a review of the Sustainable Finance Disclosure Regulation (SFDR), which creates more meaningful categories for investors while providing burden relief to financial market participants. The rapporteur considers the ‘transition’, ‘ESG basics’, and ‘sustainable’ categories and their respective exclusions to be helpful tools in this regard. The proposal provides an excellent starting point to create a better sustainable finance framework in the European Union. Nonetheless, the rapporteur believes the Commission proposal can be enhanced on transparency, on effectiveness, and on burden relief.

On transparency, the rapporteur’s amendments aim to provide further clarity to investors on the ESG conditions of their financial product. (1) While financial products manufacturing products that cannot be categorised under the SFDR should still be able to disclose limited information on the integration of sustainability factors, a disclaimer that this financial product does not meet the EU standards for defining sustainable financial products and protecting against greenwashing should make it clear to retail investors that they are not buying SFDR compliant products. (2) Furthermore, the rapporteur proposes enhancing the comparability of categorised products by requiring a limited set of mandatory principal adverse impact indicators to be disclosed. While it is a dilemma to continue allowing this uneven playing field between categorised and non-categorised products, given the widespread support for simplification, the rapporteur believes this to be a proportionate measure. (3) Lastly, financial market participants offering products that are categorised under the SFDR should disclose a description of the sustainability-related engagement strategy pursued by the financial market participant and how it has been implemented in alignment with the objectives of the product or a clear and reasoned explanation of why it does not pursue one.

On effectiveness, the rapporteur’s amendments aim to create more meaningful impact on sustainable investment. (1) The ‘ESG basics’ can be enhanced by requiring investments to outperform the average investment universe, reference benchmark, or average rating, after eliminating at least 20% of the lowest values for the chosen indicators or ratings. (2) While the safe harbours for EU climate transition benchmarks or EU Paris-aligned benchmarks in the ‘transition’ and ‘sustainable’ categories provide a solid link to other EU legislation, this link is still existent when removing the safe harbour and requiring the same conditions on exclusions for all investments. (3) The safe harbour for products offering investments in taxonomy-aligned economic activities should be increased from 15 to 20%, a condition that is already met by 44.1% of current Article 9 funds¹.

On burden relief, the rapporteur supports the Commission proposal on the removal of entity-level reporting. In preparation of the entry into force of the reviewed Regulation, the rapporteur advocates that those elements regarding burden relief should start applying immediately upon entry into force. Furthermore, some other adjustments of the Commission proposal are included in the rapporteur’s amendments.

¹https://finance.ec.europa.eu/document/download/8a3d0e56-4453-459b-b826-101b1067290f_en?filename=241217-sustainable-finance-platform-proposal-categorisation-products_en.pdf