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PUBLIC CONSULTATION



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**Public consultation on the review
of the European Regulation on Sustainability Reporting for
the Financial Services Sector (SFDR) (*Commission adoption*)**

European Commission

April 3rd, 2026

1. WHO WE ARE

Confindustria Assoimmobiliare represents, at national level, the entire real estate operators' value chain. It brings together the main institutional investors, including asset management companies (SGR), real estate funds, SICAFs, listed and unlisted real estate investment companies and REOCOs, as well as banking institutions and insurance companies.

The Association also includes the most important Italian and international developers, public companies managing large real estate portfolios, proptech companies, engineering and design firms, as well as the professional industry of real estate advisory services, including asset valuation, due diligence, property management, brokerage, credit management, legal and tax services.

The investment, management and advisory activities carried out by Assoimmobiliare members cover all real estate asset classes: Offices, Hotels, Residential (including social housing, senior living, student housing), Retail/Shopping centres, Logistics centres, Data centres, Light industrial, Healthcare real estate (nursing homes, hospitals).

2. INTRODUCTION

Confindustria Assoimmobiliare welcomes the European Commission's proposal to revise the SFDR Regulation as a constructive step in the evolution of the EU sustainable finance disclosure framework.

The European Commission's proposals significantly impact the structure of the current SFDR, particularly regarding the content of product categorisation (previously referred to by the market as "classification") as well as pre-contractual and periodic reporting templates.

First and foremost, we wish to underline the importance of providing for an adequate transitional period and limiting the application of the new provisions to new financial products, while clarifying how existing products should be managed also considering the newly introduced categories and thresholds, allowing existing products to continue using the current templates for periodic disclosures.

Confindustria Assoimmobiliare considers it essential that the revision of the SFDR ensures methodological consistency and proportionality across environmental, social and impact objectives, avoiding that secondary implementing legislation (Level 2) creates three parallel or misaligned approaches in terms of required evidence.

This approach is particularly relevant for real estate investments, which are characterised by an asset-based, multi-year and progressive profile, and allows strengthening the credibility of the system without indirectly reintroducing levels of complexity similar to those of the previous RTS framework.

Following an internal assessment, several key topics have been identified in relation to the specific operations of real estate AIFs and the real estate sector more broadly, for which further clarification on the SFDR 2.0 proposal is deemed necessary. In particular:

- a) **New definitions and categories.** It is essential to clarify and further define both the new categories of financial products and the newly introduced concepts ("transition" and "impact"). Several aspects of the proposal require further clarification to ensure that SFDR 2.0 is proportionate and workable for the real estate sector. Further revisions will be necessary to ensure that the revised framework reflects the asset-based nature of real estate investments, avoids divergent interpretations and supports consistent application across Member States.
- b) **"Transition" category – Article 7.** The category defined under Article 7 ("transition") may create issues related to the duration of investments, which in real estate inherently include a transitional phase (from brown to green), whose duration may be shorter than the

investment holding period and the lifecycle of the financial product. This situation could require a “re-categorisation” of the financial product into other categories. It is therefore considered that the concept of transition could be incorporated within Articles 8 and 9 as a KPI-related indicator.

- c) **Level 2 (RTS) review.** It is equally necessary to ensure that the revision of the technical annexes (RTS) is carried out simultaneously with the SFDR 2.0 regulation, adopting the same consultative approach used for the primary legislation, in order to ensure alignment in the understanding of both the regulation and its implementing measures before the entry into force of the regulatory package. It is also necessary to provide for an adequate compliance period, including with respect to products already “classified” under the current SFDR.
- d) **Single evidentiary standard (E / S / Impact).** It is considered necessary that the new categorisation and disclosure architecture converges towards a single evidentiary standard, based on common rules regarding KPIs, data, estimates, assumptions, scope and verifiability, applicable across environmental, social objectives and impact products, for real estate investments, as for other types of investments (corporate, equities, etc.).
- e) **Transparency** It is important to differentiate transparency requirements addressed to the market between listed products and non-listed/reserved products, which are subject to regulatory restrictions concerning the information that may be disclosed to parties other than their investors. Furthermore, it is necessary to differentiate disclosure requirements for real estate investments from those applicable to other types of investments (corporate, equities, etc.).
- f) **Future review of the regulation.** This provision is considered highly burdensome from both an organisational and economic perspective for the entities concerned; moreover, it appears to go in the opposite direction of simplification if it were to modify key elements of the proposal such as categories or the related thresholds. Within the investment context, particularly in real estate, clarity, legal certainty and regulatory stability over time should be a cornerstone of the framework. In particular, changes to categorisation thresholds could lead to continuous misalignment of products. It is also recommended to assess and progressively incorporate best practices in methodologies and measurement approaches used by the market, to strengthen virtuous behaviours, as reflected in the concept of Empowerment.

In **Annex I** below, we present a detailed overview of proposed regulatory interventions, related interpretations, required clarifications and key issues identified during the initial assessment of the proposal.

Annex I – Interpretative details, clarifications and key issues

3. INTERVENTIONS ON GENERAL ARTICLES AND FURTHER CONSIDERATION

OBJECT	REFERENCE AND INTERPRETATIONS OF THE PROPOSAL	CHANGES COMPARED TO REG. 2024/2088	CLARIFICATIONS AND ISSUES
TIMING OF APPLICATIONS	No timeline is provided for the transformation of products currently “categorised”.	Art. 20 to be redefined	Specify implementation timelines (see following point) and the updating of already categorised products not exempted under Article 17.
SCOPE OF APPLICATIONS	<p>Introduction of point (32):“... Financial market participants shall start applying this Regulation 12 months after the date of application of this Regulation for IBIPs, pension products, pension schemes and PEPPs.”</p> <p>Provision Art. 19a: “Financial market participants shall apply Articles 7, 8, 9, 10 and 11 of this Regulation as amended by Regulation [reference to this amending regulation] to financial products referred to in Article 2(12), points (c), (d), (e), (g) and (h) by [12 months after the date of application of this Regulation].”</p> <p>Reference to Article 2(12) points:</p> <ul style="list-style-type: none"> • an IBIP • a pension product • a pension scheme • [a UCITS; or] • a PEPP <p>N.B. Reference to a letter not present in the regulatory text</p>	New article	<p>Once the principle of non-retroactivity of rules is established, it is requested to remove any possible interpretation to the contrary.</p> <p>It is also requested to clarify why the transitional regime does not apply to financial products referred to under letter (b) of Regulation 2088, namely “an alternative investment fund (AIF)”.</p>
EXEMPTIONS	Article 17 – Exemptions - Point (1) “Financial market participants may choose not to apply this Regulation <u>to financial products of the closed-ended type which were created and distributed before [the date of application of this Regulation]</u> ”	New article	<p>It is requested to clarify whether such exclusion refers to:</p> <ul style="list-style-type: none"> • closed-ended AIFs • or AIFs with closed marketing/subscription periods <p>Clarification is also requested regarding applicability in case of reopening of marketing/subscriptions periods.</p>
SCOPE PERIMETER	<p>Art.1 – Definitions</p> <p>List of applicable entities/products</p> <p>Financial advisors and companies providing portfolio management or advisory services (investment advice / portfolio management) are removed</p>	Partially amended	None

OBJECT	REFERENCE AND INTERPRETATIONS OF THE PROPOSAL	CHANGES COMPARED TO REG. 2024/2088	CLARIFICATIONS AND ISSUES
DNSH	Article 2a - Principle of do not significant harm	Deleted	Confirmation is requested that it applies only to Article 9 products and refers to the eligible percentage under the Taxonomy. Moreover, it is important to coordinate obligations which are under review in the Taxonomy regulatory package.
RISK POLICIES	Art. 3 - Transparency on sustainability risk policies in relation to the integration of sustainability risks Removal of website publication obligation for financial advisors	Partially amended	Confirmation is requested regarding the removal of disclosures pursuant to Articles 3, 4 and 5. Confirmation is also requested that information relating to risk governance must be published by financial entities on their websites.
PAI REMOVAL AT ENTITY LEVEL	Art. 4 Transparency of adverse sustainability impacts at entity level PAIs to be considered only for products under Articles 7 and 9	Article 4 deleted	With regard to PAIs, these should be used solely as methodological reference and not as KPIs, given their focus on adverse (negative) impacts. A cross-cutting critical issue is identified about the set of provisions that delegate to Commission delegated acts the definition of indicators, methodologies, data and reporting templates. In several parts of the proposal – in Recital 14 and in Article 19-ter – such delegations make direct or indirect reference to the indicators set out in Annex I of Commission Delegated Regulation (EU) 2022/1288 (PAI), notwithstanding its formal repeal. This entails the risk that, at Level 2, the PAIs may be reintroduced “in practice” as a technical reference standard (“voluntary-but-expected”), generating a regulatory lock-in contrary to the declared objectives of simplification and substantive revision of SFDR 2.0. (see next point “Risk of regulatory lock-in”).
REMUNERATION AT ENTITY LEVEL	Art.5 Transparency of remuneration policies in relation to the integration of sustainability risks Removal of obligation at entity level to publish on websites (cf. Art. 3)	Article 5 deleted	None.



OBJECT	REFERENCE AND INTERPRETATIONS OF THE PROPOSAL	CHANGES COMPARED TO REG. 2024/2088	CLARIFICATIONS AND ISSUES
<p>MANDATORY EXCLUSIONS</p>	<p>Introduction</p> <p>§ 5 point (8) “... the exclusions which products in each category should not invest in ...”</p> <p>Point (15) (16) (18): “....”</p> <p>Alignment with the once-only principle: “...(b) compliance with a set of mostly binary exclusions regarding sectors and activities which the products cannot invest in.”</p> <p>All products must exclude sectors such as controversial weapons, tobacco, violations of OECD/UN standards and fossil fuel-related activities beyond certain thresholds, with additional exclusions defined in Articles 7, 8 and 9</p>	<p>No specific article provided</p>	<p>It is requested to provide a more structured and detailed framework of exclusions, distinguishing between:</p> <ul style="list-style-type: none"> (i) general exclusions (all categories) (ii) product-specific exclusions (where necessary), to be included in Articles 7, 8 and 9 (iii) It should also be clarified whether only Article 9 eligible percentages must consider the Taxonomy “minimum safeguards”.
<p>REVIEW</p>	<p>Article 19 (new) Review</p> <p>By [36 months after the date of application of this Regulation], the Commission shall review the application of this Regulation and shall consider:</p> <ul style="list-style-type: none"> (a) practices regarding the categorisation of products in accordance with Articles 7, 8 and 9; (b) practices regarding the use of data and estimates pursuant to Article 12a and whether these practices and the functioning of this Regulation are inhibited by data availability or quality issues; (c) <u>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.</u> 	<p>New article</p>	<p>This provision is considered highly burdensome from an organisational and economic perspective for the entities concerned; moreover, it would appear to go in the opposite direction to simplification if it were to amend key elements of the proposal such as the categories or the percentages underlying them. In the field of investments, particularly real estate investments, clarity, legal certainty and stability over time should be a cornerstone of the regulatory framework.</p> <p>In particular, the point (c), concerning thresholds, if amended over time, could imply constant product misalignments, with activities and categories having to be realigned after establishment, potentially giving rise to transparency issues vis-à-vis investors.</p> <p>It is also requested that best practices in methodologies and measurements used by the market be assessed and gradually taken on board over time, in order to strengthen virtuous behaviors, as indicated in the concept of “Empowerment” referred to in art. 19b.</p>



OBJECT	REFERENCE AND INTERPRETATIONS OF THE PROPOSAL	CHANGES COMPARED TO REG. 2024/2088	CLARIFICATIONS AND ISSUES
DELEGATION TO THE COMMISSION AND INDICATORS (RISK OF REGULATORY LOCK-IN)	Recital (14); Art. 7(3) – (4); Art. 9(3) – (4); Art. 11; Art. 12a; [With regard to Art. 19-ter(a)(a)(i) and Art. 19 (Review), reference should also be made to the specific point above]	New framework with extensive recourse to delegations and references to Level 2 – formal repeal of Commission Delegated Regulation (EU) 2022/1288	<p>A cross-cutting critical issue is identified about the set of provisions that delegate to Commission delegated acts the definition of indicators, methodologies, data and reporting templates. In several parts of the proposal – in Recital 14 and in Article 19-ter – such delegations make direct or indirect reference to the indicators set out in Annex I of Commission Delegated Regulation (EU) 2022/1288 (PAI), notwithstanding its formal repeal.</p> <p>This entails the risk that, at Level 2, the PAIs may be reintroduced “in practice” as a technical reference standard (“voluntary-but-expected”), generating a regulatory lock-in contrary to the declared objectives of simplification and substantive revision of SFDR 2.0.</p> <p>Such a dynamic risks perpetuating the logic of adverse impacts and DNSH as the dominant criterion, including for the “Transition” and “Impact” categories, rather than orienting the system towards indicators of positive contribution, progress and outcomes.</p> <p>It is therefore requested to strengthen the concept of simplification introduced by:</p> <ul style="list-style-type: none">(i) giving priority to ESRS as a reference for indicators;(ii) limiting PAIs exclusively as a methodological reference and not as KPIs;(iii) providing a formal distinction between indicators of positive contribution and indicators of negative impact;(iv) allowing the use of equivalent indicators. <p>The above is necessary to avoid that the revision consolidates overtime practices based on frameworks that the reform itself intends to overcome.</p>
INTERPRETATION	Article 14 – Competent authorities Punto (3): Without prejudice to Article 17(3) [N.B. reference to a letter not present in the regulatory text] , Member States shall ensure that competent or other national authorities <u>do not apply requirements additional to those set out in Articles 3, 6, 10, 11 and 13 as regards information requirements, and in Articles 7, 8 and 9 as regards the criteria and transparency regarding financial products that are categorised as sustainability-related financial products.</u>	Article amended	<p>The removal of the possibility of interpretation by competent national authorities is considered appropriate. However, this implies the need for greater detail in the regulatory package text and for a precise definition of certain introduced aspects, as indicated below.</p>

4. PRODUCT CATEGORIES AND DETAILS

OBJECT	REFERENCE AND INTERPRETATION OF THE PROPOSAL	CHANGES COMPARED TO REG. 2024/2088	CLARIFICATIONS AND ISSUES
CATEGORISATION (NEW)	Art. 1 (b): “the categorisation of, and transparency with regard to, financial products as sustainability-related financial products.”	New definition	Reference is made to the specific comments set out under the following Articles.
ENVIRONMENTAL OBJECTIVES (NEW)	Art. 2 (28): “‘environmental objectives’ means the objectives referred to in Article 9 of Regulation (EU) 2020/852*, namely climate change mitigation and climate change adaptation, the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control, and the protection and restoration of biodiversity and ecosystems”	New definition	<p>No specific issues arise from aligning the definition of environmental objectives/KPIs with the macro-areas of the Taxonomy, if this does not imply the need to define KPIs for each individual Taxonomy category.</p> <p>It should be noted, for example, that in the real estate sector:</p> <ul style="list-style-type: none"> • the objective relating to marine resources is not applicable; • for products falling under point 7.7 of the Taxonomy, the relevant objectives relate exclusively to mitigation and adaptation.
SUSTAINABILITY-RELATED FINANCIAL PRODUCTS (NEW)	Art. 2 (25): “‘sustainability-related financial product’ means a financial product that is categorized in accordance with Article 7, 8 or 9.”	New definition	<p>This provision raises concerns from a potential greenwashing perspective.</p> <p>The use of a single, overarching denomination (“sustainability-related”) may be misleading for investors who are not sufficiently familiar with the subject matter.</p> <p>In addition, the proposal does not provide sufficient detail regarding the social dimension of such products.</p>

OBJECT	REFERENCE AND INTERPRETATION OF THE PROPOSAL	CHANGES COMPARED TO REG. 2024/2088	CLARIFICATIONS AND ISSUES
<p>SUSTAINABILITY-RELATED FINANCIAL PRODUCT WITH IMPACT (NEW)</p>	<p>Art. 2 (26): “sustainability-related financial product with impact’ means a financial product categorised in accordance with Article 7 or 9 that has as its objective the generation of a pre-defined, positive and measurable social or environmental impact.”</p> <p>The use of the term “impact” in product naming is restricted to products falling within this category.</p> <p>[Art. 7(4), e Art. 9(4)]</p>	<p>New articles and definition</p>	<p>The concept of social or environmental impact is not sufficiently clear.</p> <p>A definition of “impact” should therefore be introduced, in order to clarify expectations and align the concept with ESMA guidelines on ESG-related terminology in fund names.</p> <p>Further clarification is required as to the meaning of “underpinned by a pre-set impact theory” and “the contributions of investors in the financial product” in Article 7(4).</p> <p>It is proposed to clarify that “sustainability-related products with impact” should be treated as an extension (add-on) of the categories under Articles 7 and 9, rather than as a separate category.</p> <p>The use of the term “impact” in naming should be subject to minimum common requirements, including:</p> <ul style="list-style-type: none"> (i) ex-ante intentionality; (ii) the definition of a limited set of outcome indicators; (iii) a concise and standardised theory of change; (iv) the application of the same rules on data, estimates and verifiability as those applicable to environmental and social objectives. <p>The theory of change should be presented in a concise and standardised format, avoiding extensive narrative documentation, to preserve comparability and proportionality.</p> <p>In the absence of such clarification, there is a risk that a third, distinct methodology may be introduced at Level 2, thereby increasing implementation complexity and complicating product categorisation, including for existing products.</p>
<p>ART. 6 – PRE CONTRACTUAL INFORMATION (ALL PRODUCTS)</p>	<p>Art. 6 - Transparency on the integration of sustainability risks in pre-contractual disclosures for all financial products</p> <p>The section relating to financial advisors has been removed.</p> <p>An exemption is provided for certain products: where sustainability risks are not considered relevant, the disclosure must include a clear and concise explanation of the reasons.</p>	<p>Article amended (title only)</p>	<p>Clarification is required as to how products established prior to the entry into force of SFDR (Regulation 2088/2019) should be treated in the event of a reopening of marketing.</p> <p>It would be useful to define a list of “excludable” types of investments/products.</p> <p>Leaving this assessment to individual discretion is considered problematic, given the lack of consistency in risk interpretations and the potential for divergent approaches across national authorities.</p>



OBJECT	REFERENCE AND INTERPRETATION OF THE PROPOSAL	CHANGES COMPARED TO REG. 2024/2088	CLARIFICATIONS AND ISSUES
ART.6A VOLUNTARY TRANSPARENCY (NEW)	<p>Art. 6a - Voluntary transparency on the integration of sustainability factors in pre-contractual disclosures for products that are not categorised as sustainability-related financial products</p> <p><i>“For the purposes of the first subparagraph, point (a), the information shall be considered not be 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”</i></p> <p>A product may voluntarily disclose whether and how sustainability factors are considered in its investment decisions within pre-contractual documentation. In such cases, an annual periodic disclosure will be required describing how sustainability factors have been considered, where such strategies exceed 10% of the product (cf. Article 11.2 of the current text).</p>	New article	<p>Clarification is required regarding the interpretation of the 10% threshold in relation to a marketing document. For real estate products, this could be interpreted as 10% of the Open Market Value (OMV) of the assets in which the product invests or has invested.</p> <p>Clarification is also required regarding the second sentence of the first paragraph. <i>“For the purposes of the first subparagraph, point (a), the information shall be considered not be 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.”</i></p>

OBJECT	REFERENCE AND INTERPRETATION OF THE PROPOSAL	CHANGES COMPARED TO REG. 2024/2088	CLARIFICATIONS AND ISSUES
<p>ART.7 (NEW) TRANSITION CATEGORY</p>	<p>Art. 7 – Transition category: criteria and disclosures</p> <p>Key elements:</p> <ul style="list-style-type: none"> • 70% threshold • 80% threshold where naming is used • the remaining 30/20% may be allocated to diversification, liquidity or hedging, provided that it does not contradict the claim • multiple exclusions (NB: <i>EU climate benchmarks are not suitable for direct real estate investments, as they are designed for investable universes of tradable financial instruments and rely on corporate-level metrics. Real estate, by contrast, is inherently asset-based, illiquid and characterised by gradual, physical transition pathways at building level, which require different metrics and assessment approaches</i>). • clear action plans and timelines • clearly defined, science-based indicators, methodologies and targets, including the management of underperforming assets • consideration and reporting of PAIs • expected impact and calculation methodology 	<p>New article</p>	<p>The numerous references to other regulatory provisions should be simplified and clarified. This Article should also be reviewed considering the RTS proposals. Otherwise, there is a significant risk of uncertainty in the interpretation of transparency requirements, particularly at the pre-contractual stage.</p> <p>Clarification is required as to whether products aligned with Taxonomy points 7.1 and 7.2 fall within this category.</p> <p>Clarification is also required regarding the non-categorised portion of the portfolio, which must not contradict the product’s claim. For the real estate sector, compliance with the 70/80% threshold may be challenging unless the types of eligible assets are clearly defined.</p> <p>A more structured and comprehensive list of applicable exclusions should be provided.</p> <p>Clarification is required as to how products should be categorised once the transition phase has been completed, given that transition represents a temporary characteristic that may also be relevant under Articles 8 and 9.</p> <p>With regard to PAIs, these should be used solely as methodological reference and not as KPIs, given their focus on adverse (negative) impacts.</p> <p>Furthermore, it is essential to distinguish, within the non-fully aligned share, between:</p> <ul style="list-style-type: none"> • assets with completed transition (“aligned”); • assets with an approved transition plan (“transition-committed”); • assets in pipeline (“transition-pipeline”), where a transition is envisaged but no plan has yet been approved; • assets intended for divestment (“brown tail”). <p>The absence of such a distinction risks undermining the clarity and credibility of the “transition” category, particularly for real estate investments.</p> <p>It is therefore proposed to allow for standardised disclosure of transition progress, for example through a synthetic indicator (e.g. ratio of assets with approved transition plans to total assets subject to transition), accompanied by timelines for pipeline assets and plans for reducing the brown tail.</p>

OBJECT	REFERENCE AND INTERPRETATION OF THE PROPOSAL	CHANGES COMPARED TO REG. 2024/2088	CLARIFICATIONS AND ISSUES
<p>ART. 8 ESG BASICS CATEGORY</p>	<p>Art. 8 - ESG basics category: criteria and disclosures</p> <ul style="list-style-type: none"> • Key elements: • distinct from Articles 7 and 9, but potentially combining elements of both • 70% threshold, for real estate based on Open Market Value (OMV) • 80% threshold where naming is used • the remaining 30/20% may be allocated to diversification, liquidity or hedging, provided that it does not contradict the claim • multiple exclusions (NB: as stated in the previous paragraph (Art. 7 (Transition) EU Paris-aligned benchmarks are not applicable to real estate) • products achieving high performance in terms of ESG ratings or benchmarks (i.e. outperforming their category on a given ESG metric, while pursuing financial returns and excluding worst performers), with a requirement to describe the management of any underperforming assets 	<p>Article fully redrafted</p>	<p>A key issue concerns the lack of available ESG ratings and benchmarks for the real estate sector. At present, such reference points do not exist and will require time to be developed.</p> <p>Clarification is required regarding the non-categorised portion of the portfolio, which must not contradict the product's claim. For the real estate sector, compliance with the 70/80% threshold may prove challenging unless the types of eligible assets are clearly defined, without prejudice to the applicable exclusions.</p> <p>A more structured and comprehensive list of applicable exclusions should be provided (see general comment above).</p> <p>Confirmation is requested as to whether "Article 8 plus" products fall within this new category and how they should be labelled (including combinations with Transition/Sustainable approaches).</p> <p>Clarification is also required on how to reclassify existing Article 8 products under the current SFDR that do not meet the new 70% threshold.</p>

OBJECT	REFERENCE AND INTERPRETATION OF THE PROPOSAL	CHANGES COMPARED TO REG. 2024/2088	CLARIFICATIONS AND ISSUES
<p>ART.9 SUSTAINABLE CATEGORY</p>	<p>Art. 9 - Sustainable category: criteria and disclosures</p> <ul style="list-style-type: none"> • 70% threshold • 80% threshold where naming is used • the remaining 30/20% may be allocated to diversification, liquidity or hedging, provided that it does not contradict the claim • at least 15% must be invested in Taxonomy-eligible activities, with a requirement to describe the management of any underperforming assets • multiple exclusions (NB: as stated in the previous paragraph (Art. 7 (Transition) EU Paris-aligned benchmarks are not applicable to real estate) • consideration and reporting of PAIs • specification of expected impact and calculation methodology 	<p>Article fully redrafted</p>	<p>Clarification is required regarding the non-categorised portion of the portfolio, which must not contradict the product's claim. For the real estate sector, compliance with the 70/80% threshold may prove challenging unless the types of eligible assets are clearly defined, without prejudice to the applicable exclusions.</p> <p>A more structured and comprehensive list of applicable exclusions should be provided (see general comment above).</p> <p>Clarification is required as to whether products aligned exclusively with point 7.7 of the Taxonomy (non-transitional) fall within this category.</p> <p>With regard to PAIs, these should be considered solely as methodological reference and not as KPIs, given their nature as indicators of adverse (negative) impacts.</p> <p>A final assessment will only be possible once any changes to the relevant metrics are defined and clarified through the RTS proposals.</p>

OBJECT	REFERENCE AND INTERPRETATION OF THE PROPOSAL	CHANGES COMPARED TO REG. 2024/2088	CLARIFICATIONS AND ISSUES																		
<p>ART.9A (NEW) "COMBINED"</p>	<p>Art. 9a - Financial products that claim that they combine financial products that are categorised as sustainability-related products</p> <p>This Article sets out provisions for products investing in a mix of products under Articles 7, 8 and 9.</p> <ul style="list-style-type: none"> 70% threshold applies to the value of the product the 80% naming threshold does not apply, as such products combine different categories and therefore cannot use consistent naming 	<p>New article</p>	<p>The Article lacks clarity as to how such combined products should be categorised. While it specifies disclosure requirements, it does not establish clear thresholds to determine the prevailing category.</p> <p>Clarification is requested as to whether this provision applies to indirectly managed products, such as fund-of-funds structures, which may encompass multiple categories.</p> <p>A risk of a “fast-track cascade effect” is identified, whereby a product under Article 9a may qualify as “combined” by investing predominantly in products classified under Articles 7 and/or 9, which themselves qualify only by meeting the minimum Taxonomy alignment threshold (15%).</p> <table border="1" data-bbox="1234 679 2130 783"> <thead> <tr> <th>Product</th> <th>Eligibility threshold Art. 9a</th> <th>Share</th> <th>Portfolio</th> <th>Real underlying eligibility</th> </tr> </thead> <tbody> <tr> <td rowspan="3">Art. 9a</td> <td>70% classified investments</td> <td>50%</td> <td>100% art. 7</td> <td>15% Taxonomy-aligned</td> </tr> <tr> <td></td> <td>20%</td> <td>100% art. 9</td> <td>15% Taxonomy-aligned</td> </tr> <tr> <td>30% investments NOT classified</td> <td>30%</td> <td>100% art. 6</td> <td>0% N.A.</td> </tr> </tbody> </table> <p>Given the absence of look-through mechanisms or limits on the full recognition of such investments, a relatively small share of Taxonomy-aligned activities could generate a multiplier effect along the investment chain, resulting in a disproportionate representation of the product’s actual contribution to transition or sustainability.</p> <p>It is therefore requested to introduce corrective measures (e.g. proportional calculation or enhanced look-through disclosure) in order to ensure consistency between the product’s claim and its economic substance.</p>	Product	Eligibility threshold Art. 9a	Share	Portfolio	Real underlying eligibility	Art. 9a	70% classified investments	50%	100% art. 7	15% Taxonomy-aligned		20%	100% art. 9	15% Taxonomy-aligned	30% investments NOT classified	30%	100% art. 6	0% N.A.
Product	Eligibility threshold Art. 9a	Share	Portfolio	Real underlying eligibility																	
Art. 9a	70% classified investments	50%	100% art. 7	15% Taxonomy-aligned																	
		20%	100% art. 9	15% Taxonomy-aligned																	
	30% investments NOT classified	30%	100% art. 6	0% N.A.																	
<p>PRODUCT NAMES (ESMA GUIDELINES ON FUNDS NAMES)</p>	<p>(New) points (4) (16) (17) (32): “....”</p> <p>The use of terms such as “sustainable”, “ESG”, or “green” is reserved exclusively for products meeting the 80% threshold and only for products under Articles 7, 8 and 9 (not Article 9a).</p>	<p>Not included in specific Articles (only in the Recitals)</p>	<p>It is requested to include detailed provisions on the applicability of the ESMA Guidelines on product naming within the specific Articles defining product categories, or where thresholds are set (Articles 6, 6a, 7, 8, 9, 9a and 13).</p>																		

5. REPORTING & DISCLOSURE

OBJECT	REFERENCE AND INTERPRETATION OF THE PROPOSAL	CHANGES COMPARED TO REG. 2024/2088	CLARIFICATIONS AND ISSUES
SIMPLIFIED REPORTING	<p>Introducing point (34): “Regulation (EU) 2019/2088 and Regulation (EU) No 1286/2014 should therefore be amended accordingly”</p> <p>Pre-contractual and periodic disclosures should be more concise and integrated into existing documentation, with clearer, measurable data limited to what is available, reliable and genuinely comparable, to ensure greater transparency and avoid overly complex or irrelevant documentation.</p>	Not clear in absence of RTS	<p>A proper assessment will only be possible once any changes to the metrics have been defined and clarified through the RTS proposals.</p> <p>It is also necessary and essential that the new RTS be developed and reviewed prior to the entry into force of SFDR 2.0 and undergo a consultation process, to ensure alignment between the elements of SFDR that are not explicitly defined and the reporting templates.</p>
WEB DISCLOSURE	<p>Art. 10 - Transparency on websites on sustainability-related financial products</p> <p>Information to be disclosed:</p> <ul style="list-style-type: none"> • Artt. 7(3), 7(4), 8(3), 9(3) e 9(4); • Art. 11. 	Article fully redrafted	<p>It will be necessary to wait for the new RTS to understand the modalities of web disclosure, particularly regarding the frequency of updates, which are currently unclear.</p> <p>It is essential to emphasise the requirement of confidentiality for certain financial products, as some of the information to be disclosed overlaps with periodic reporting.</p>
PERIODIC DISCLOSURE	<p>Art. 11 - Transparency in periodic reports on sustainability-related financial products’</p> <p>Information to be disclosed:</p> <ul style="list-style-type: none"> • the extent to which the relevant objectives have been achieved, or sustainability factors have been integrated, as referred to in Article 7(3)(d), Article 8(3)(d) or Article 9(3)(d); • for “impact” products, as referred to in Article 7(4)(b) or Article 9(4)(b) 	Article fully redrafted	None.
UPDATE OF WEB DISCLOSURE	<p>Art. 12 - Review of disclosures</p> <p>Mandatory updates, with justification, for disclosures under Articles 3 (risk policies) and 10 (web disclosure)</p>	Article fully redrafted	None.

OBJECT	REFERENCE AND INTERPRETATION OF THE PROPOSAL	CHANGES COMPARED TO REG. 2024/2088	CLARIFICATIONS AND ISSUES
<p>DATA AND ESTIMATES</p>	<p>Art. 12a - Data and estimates</p> <p>A dedicated provision on data and estimates is introduced. The principle is to ensure transparency and verifiability of the underlying information, without imposing new direct obligations on data providers.</p> <p>Formalised/documented agreements with external data providers (non-open source).</p> <p>Formalised/documented methodologies for internal estimates.</p> <p>Transparency “upon request” to clients regarding sources, contacts, methodologies and assumptions (including missing data).</p>	<p>New article</p>	<p>It is proposed that the principle set out in Article 12a should constitute the reference evidentiary standard for all environmental, social and impact objectives, in order to ensure methodological consistency, comparability and a reduction in greenwashing risk.</p> <p>From this perspective, any Level 2 indicators should always be accompanied by information on:</p> <ul style="list-style-type: none"> • scope; • coverage; • use of estimates and assumptions, and the methodologies applied; • traceability and verifiability of information sources.
<p>MARKETING AND NAMES</p>	<p>Art. 13 Marketing communications and naming rules</p>	<p>Article fully redrafted</p>	<p>It is necessary to ensure alignment between this Article and the ESMA Guidelines on product naming.</p> <p>With specific reference to Article 13 and its interaction with the ESMA Guidelines, a clear distinction should be made between:</p> <ul style="list-style-type: none"> • ESG ratings within the meaning of Regulation (EU) 2024/3005; • benchmarks or sector-specific performance assessment tools used in real estate (e.g. GRESB). <p>Such tools should not be treated as ESG ratings, but rather recognised as independent informational and comparative tools, provided that clear and standardised disclosure is ensured regarding their purpose, methodology and limitations, thereby avoiding the risk of green-bleaching or the exclusion of well-established market practices in the real estate sector.</p>