



Revising the SFDR: Key features of the new framework

1. Executive summary

The European Commission has proposed a substantial reform of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector, commonly referred to as the Sustainable Finance Disclosure Regulation or SFDR, together with related amendments to Regulation (EU) 1286/2014 on key information documents for packaged retail and insurance-based investment products. The proposal would also repeal the Commission Delegated Regulation (EU) 2022/1288, which currently contains the detailed SFDR regulatory technical standards for SFDR disclosures.

The proposed framework is intended to address three recurring weaknesses in the existing regime: excessive complexity, limited usefulness for end investors and inconsistent market practice. It seeks to do so by replacing the current market reliance on Article 8 and Article 9 classifications with three formal product categories, namely Transition, ESG Basics and Sustainable, supported by minimum criteria, controlled use of sustainability-related terminology and simplified disclosures.

For firms, the proposal would change how sustainability-related products are designed, named, marketed, documented and monitored. Product categorisation, data governance, evidence for sustainability claims and the alignment between investment strategy and marketing language would become central compliance issues if the proposal is adopted.

2. Background and legislative context

The SFDR has applied in the EU since March 2021. It was originally designed as a disclosure framework requiring financial market participants and financial advisers to publish sustainability-related information at entity and product level.

The objectives of the SFDR were to increase transparency, reduce information asymmetry, support investor protection and help address greenwashing by ensuring that relevant sustainability information was made available to investors.

The Commission's review, launched under the review process in the SFDR and informed by the 2023 consultations, identified that the regime had become difficult to apply and less effective than intended. Market participants, supervisors and investors raised concerns about unclear legal concepts, uneven data availability, costly implementation and disclosures that were not sufficiently comparable or decision-useful.

The proposed reform forms part of the Commission's wider simplification agenda. The stated aim is to simplify the sustainable finance framework, reduce unnecessary administrative burden and improve the usability of information for investors while preserving the broader policy objectives of the European Green Deal and EU sustainable finance strategy.

A draft report from the EU Committee on Economic and Monetary Affairs was published in May 2026 and set out proposals for the European Parliament's negotiating position

for updates to the SFDR. The report introduced several major amendments to the initial European Commission proposal, including mandatory disclosure against a specific set of Principal Adverse Impact (PAI) indicators, and mandatory comply or explain disclosures relating to the sustainability-related engagement strategy pursued by financial market participants.

The EU Committee on Economic and Monetary Affairs will be presented in June and a vote on its proposals is expected in mid-July 2026.

3. Why the SFDR needs revising

The main difficulty with the SFDR is that its legal design and market use diverged. The regulation was intended to operate as a disclosure regime but the market came to treat Article 8 and Article 9 as recognisable labels for ESG products. This created incentives to use SFDR classifications as marketing shorthand, even though the underlying legal provisions were not drafted as product labels and did not contain a full labelling methodology.

That divergence created a risk of misunderstanding for investors. Article 8 products could promote environmental or social characteristics in very different ways, while Article 9 products could pursue sustainable investment objectives through different strategies and methodologies. The result was a framework that appeared simple at first glance but was complex and variable beneath the surface.

The consultation feedback also showed that many stakeholders considered the SFDR disclosures too lengthy, too technical and insufficiently useful for retail investors. Disclosures often became compliance documents rather than effective investor communications. This was particularly problematic where investors were expected to compare products with different methodologies, data assumptions and sustainability claims.

Data availability was another structural weakness. Financial market participants frequently struggled to obtain reliable, comparable and complete sustainability data from investee companies or external providers. Additionally, depending on the type of investments being made, not all data points that were required under the regime were relevant to all financial products.

That problem affected principal adverse impact reporting, do no significant harm assessments, taxonomy-related disclosures and the substantiation of sustainability claims more generally.

The regime also suffered from conceptual uncertainty. Key concepts, including *sustainable investment*, *do no significant harm* and the interaction between entity-level and product-level principal adverse impact disclosures, were difficult to apply consistently. This created legal uncertainty, increased the need for interpretative guidance and contributed to divergent market practice.

Finally, the SFDR did not align neatly with the wider EU sustainable finance regime. Its interaction with the EU Taxonomy, the Corporate Sustainability Reporting Directive, MiFID II sustainability preference rules, the Insurance Distribution Directive, and the EU climate benchmarks rules created operational complexity. In practice, firms often had to reconcile overlapping but not fully aligned obligations.

Under the SFDR, national authorities are in charge of supervision and enforcement. In most countries, these authorities have published guidance to help regulated entities comply with the obligations under the Regulation (see the table below). Some authorities have conducted investigations into SFDR compliance, but none of the authorities have published penalties directly related to violations of the SFDR (see table below).

4. Key elements of the proposed SFDR 2.0 framework

The Commission's reform is presented as a pivot toward simpler and more proportionate requirements and toward strengthening the integrity of the EU single market for sustainable finance by focusing on requirements that mitigate greenwashing risk and improve investor comparability.

The three proposed categories are Transition, ESG Basics and Sustainable. The Transition category is intended for products investing in assets, undertakings or activities that support transition, including climate, environment or social areas. This may include strategies linked to EU climate transition benchmarks, taxonomy-aligned or transitional activities, credible transition plans and science-based targets. The category is designed to give transition finance a clearer place within the EU sustainable finance framework.

The ESG Basics category is intended for products that consider selected sustainability factors beyond sustainability risks. The proposal refers to approaches such as ESG rating outperformance, sustainability indicator outperformance and track record-based strategies. This category appears designed to capture products with meaningful ESG characteristics that do not necessarily pursue a sustainable investment objective or transition strategy.

The Sustainable category is intended for products investing in sustainable undertakings or activities, or otherwise contributing to environmental or social objectives that meet high sustainability standards. The proposal would replace the current definition of sustainable investment with category-specific criteria, including mandatory exclusions. Removing the definition of sustainable investment narrows the scope of legal interpretation and analysis and focuses on more clearly defined requirements of the categories themselves.

A central feature of the proposed regime is the 70 percent alignment threshold. For each category, at least 70 percent of the product's investments would need to be aligned with the sustainability-related claim or strategy for that category (i.e. the objective that is pursued or the sustainability-related considerations that are applied). The remaining portion of the portfolio would need to avoid contradicting the relevant claim or strategy of the product.

The proposal also contemplates phase-in periods for certain strategies where the 70 percent threshold cannot be met immediately. This is particularly relevant for transition strategies, where the sustainability thesis may depend on a credible trajectory rather than a static assessment at the date of investment.

As noted above, the proposal would introduce mandatory exclusions. These differ by category and are intended to reduce the risk that products make sustainability-related claims while retaining exposure to activities that are deemed to be inconsistent with those claims. For example, the proposed Transition category includes exclusions relating to hard coal, lignite and new projects linked to oil or gaseous fuels, while the proposed Sustainable category includes broader exclusions relating to fossil fuel expansion and high-emissions electricity generation.

The proposal would also tighten naming and marketing rules. Sustainability-related claims in product names and marketing communications would be reserved for categorised products, subject to limited exceptions for certain non-categorised combination products. This is a major change from the current regime, under which SFDR disclosures have often been used indirectly to support marketing propositions.

For products that are not categorised, the proposed Article 6a route would allow limited disclosure of whether and how sustainability factors are considered. However, that information could not become a central element of the product presentation and would be subject to a quantitative limit, described in the proposal as less than 10 percent of the presentation of the investment strategy.

Entity-level disclosure requirements relating to principal adverse impacts and remuneration policies will be removed under the proposal. The proposal also provides that where external sustainability data providers are used, firms will need documented data governance arrangements. Additionally, where estimates are used, firms will need documented methodologies and certain information would need to be made available to clients on request.

5. Comparison with UK Sustainability disclosure requirements regime

The proposed EU reform would bring SFDR closer in structure to the UK's Sustainability Disclosure Requirements and investment labels regime. Both regimes reflect a regulatory conclusion that sustainability claims need to be easier for investors to understand and harder for firms to use in a vague or potentially misleading way.

The UK regime was built around the concept of sustainability labels, drawing on lessons from naming and marketing restrictions, consumer-facing disclosures and UK anti-greenwashing rules. The EU proposal aims to adopt a similar regulatory logic by replacing informal market reliance on Article 8 and Article 9 with formal product categories and stricter controls over sustainability-related claims for each product category.

The UK regime and the proposed EU regime both use product-level classifications to distinguish different sustainability strategies. Both place emphasis on clear investor communication. Both restrict the use of sustainability-related terminology where the product does not meet the relevant criteria. Both also use a 70 percent threshold, although the legal tests and product categories are not identical.

There are also important differences. The UK labels are Sustainability Focus, Sustainability Improvers, Sustainability Impact and Sustainability Mixed Goals. The proposed EU categories are Transition, ESG Basics and Sustainable. The UK regime sits within the FCA's domestic conduct and product disclosure framework, whereas the EU proposal would amend directly applicable EU legislation and operate across the single market.

Firms operating in both markets will still need to map the regimes carefully rather than assume that one classification will automatically satisfy the other.

6. Next steps

The next step is the adoption of the European Parliament's trilogue negotiation position during the plenary, once the ECON committee has finalised its [report \(a draft version appeared in April\)](#). The Council has already published its [position](#). Once the Parliament adopts its position, the co-legislators and the Commission will start the trilogue negotiations. Because these positions diverge on several points, the final text may differ from the Commission's proposal on key matters including the degree of simplification, product categories, mandatory PAI indicators, engagement disclosures, naming rules and the entry into force of the rules. The Commission's proposal indicates an application date 18 months after entry into force, however the Committee on Economic and Monetary Affairs' draft report proposes to extend that period to 24 months. Depending on the legislative timetable, the earliest that an agreed regime could become applicable is in or around 2028.

The Commission is also expected to develop delegated acts containing more detailed criteria for eligible investments and simplified disclosure templates. The proposal indicates that these templates should be short and more useful for investors, with a maximum length of two pages.

Sources

Overview of national competent authority publications relating to SFDR

Based on the information provided by our offices in each Member State, the national competent authorities overseeing SFDR 1.0 (or related rules, e.g. anti-greenwashing) have issued surveys, reports, circulars, FAQs or other materials in **every respective jurisdiction**, as reflected in the table below.

COUNTRY	NATIONAL COMPETENT AUTHORITY	CONTENT OF MATERIAL(S)
Austria	Austrian Financial Market Authority (<i>Finanzmarktaufsicht</i> , the FMA)	Since 2021, the FMA has regularly analysed insurers' product-specific sustainability disclosures under the SFDR in order to mitigate the risk of greenwashing. The FMA has identified significant inconsistencies in website disclosures, primarily due to the broad scope for interpretation of the new legal requirements. However, it has also noted an improvement in the quality of disclosed information. In its 2024 report, the FMA stated that 10 out of 16 insurance companies offering unit-linked life insurance with investment options complied with their disclosure obligations under Article 10 SFDR. In a joint letter to the European Commission, the FMA, together with the German and Dutch supervisors, emphasised that SFDR 2.0 should introduce a framework that is both easy to understand and implement for all stakeholders. In 2026, the FMA intends to prioritise preventing greenwashing as a core supervisory objective, supporting capital flows into sustainable projects and strengthening confidence in sustainable investment markets. The FMA plans to rely more heavily on financial reporting enforcement, conducting key audits of issuers' sustainability reports and integrating new regulatory requirements into its supervisory processes to inform further measures.

COUNTRY	NATIONAL COMPETENT AUTHORITY	CONTENT OF MATERIAL(S)
Belgium	Financial Services and Markets Authority (FSMA)	Since 2021, the FSMA has issued a series of supervisory and guidance documents aimed at explaining compliance expectations and promoting best practices among Belgian market participants. On 9 March 2021, the FSMA published a communication on the entry into force of SFDR (Communication FSMA_2021_06, subsequently updated on 26 January 2024). This communication was intended to inform regulated entities of the application of the Regulation and to clarify the rules applicable both at entity level and at financial product level, as well as the FSMA's supervisory expectations. In particular, the FSMA set out its views on good practices regarding the sustainability information to be included in UCITS prospectuses and in pre contractual disclosures for the purposes of Article 6 SFDR. The communication also included concrete illustrative examples, based on the regulatory technical standards (RTS), to support firms in implementing the new disclosure requirements. Subsequently, the FSMA issued a series of sector specific communications addressing the application of SFDR to different categories of financial institutions. These include communications addressed to: a) fund managers (Communication FSMA_2022_02 of 14 December 2021, updated on 26 January 2024), b) credit institutions (Communication FSMA_2022_03 of 14 December 2021, updated on 26 January 2024), c) investment firms (Communication FSMA_2022_04 of 14 December 2021, updated on 26 January 2024), and d) insurance undertakings (Communication FSMA_2022_14 of 29 April 2022, updated on 22 December 2023). The purpose of these communications was to draw the attention of the relevant regulated entities to the sustainability related rules applicable (or expected to become applicable) to them, and to present the main SFDR obligations in a simplified and accessible manner. In addition, in 2023, the FSMA published a dedicated Q&A document on Commission Delegated Regulation (EU) 2022/1288. These Q&As are primarily aimed at asset managers, UCITS (including self managed UCITS), and managers of public and non public AIFs. They provide clarifications on the applicable disclosure requirements, as well as on the FSMA's expectations regarding the presentation, completeness and consistency of sustainability information, including its approach to assessing potentially misleading ESG disclosures. For the sake of completeness, it should also be noted that the FSMA published a study on the evolution of Belgian investment funds towards sustainability (press release of 16 June 2021). This study analysed how Belgian public UCIs classified their funds under the SFDR framework (Articles 6, 8 and 9) shortly after the entry into force of the Regulation and examined how market participants applied SFDR in practice.

COUNTRY	NATIONAL COMPETENT AUTHORITY	CONTENT OF MATERIAL(S)
Denmark	Danish Financial Supervisory Authority (Finanstilsynet)	The Danish Financial Supervisory Authority has issued several guidance documents and memorandums on best compliance practices. Guidance on best compliance practices: a) Active ownership – Overview of examples of good and insufficient practice; b) Examples of good and insufficient practice regarding compliance with the disclosure requirements under SFDR, TR, and the KIID regulation. Memorandums: a) Legal memorandum on transition financing in financial regulation; b) Legal memorandum on periodic sustainability reporting for financial products (SFDR Art. 11); Climate change and sustainable finance in the financial sector.
Finland	Financial Supervisory Authority (FIN-FSA)	In 2023-2024, the FIN-FSA has conducted a two-part thematic review about the integration of sustainability risks in UCITS and non-UCITS funds and their sustainability disclosures. The thematic review covered all Finnish management companies and alternative investment fund managers managing non-UCITS funds, examining how greenwashing risks and sustainability risks are considered in investment funds managed by them. In addition, the FIN-FSA sent a more extensive survey on the same theme to eight companies. The thematic review is part of a Common Supervisory Action (CSA) coordinated by the European Securities and Markets Authority (ESMA). Thematic review: FIN-FSA calls attention to the clarity of investment funds' sustainability disclosures and the role of risk management in monitoring sustainability risks (2024 – Link). Link In spring 2024, the Financial Supervisory Authority carried out a survey on the provision of sustainability-related information to life insurance companies (8), supplementary pension funds and funds with more than 100 insured persons (9), credit institutions (9 including 3 banking groups), fund managers (39), investment firms (38) and insurance brokers (98). The purpose of the survey was to determine how the Financial Supervisory Authority's supervised entities comply with the disclosure obligations under the SFDR Regulation. The survey responses were also used in reporting to the European Supervisory Authorities for the report under Article 18 of the SFDR Regulation. More information in Finnish and access to the report can be found here: SFDR-kyselyn tulokset koskien kestäväyyteen liittyvien tietojen antamista rahoituspalvelusektorilla (2024 – Link).

COUNTRY	NATIONAL COMPETENT AUTHORITY	CONTENT OF MATERIAL(S)
France	Autorité des marchés financiers (AMF)	The AMF has publicly reported on several supervisory investigations relating to SFDR 1.0: a) The AMF conducted between 1 January 2021 and 31 December 2023 a review of how asset managers implemented SFDR disclosures (so-called “SPOT” inspection). The summary was published in July 2024 and is available at the following: Link. b) It also published on 11 July 2024 a summary paper on the findings of three supervisory initiatives on sustainable finance, which includes the aforementioned SPOT inspection on SFDR disclosures, as well as (i) a SPOT investigation coordinated with ESMA on marketing materials for funds integrating extra financial features, identifying inconsistencies, and missing mandatory disclaimers (the findings are consolidated in the ESMA final report available here: Link and (ii) a study on the regulatory documentation and marketing materials for sustainable thematic funds marketed in France to retail clients (the report is available in French here: Link). c) Also, in its 2026 Priorities of Action and Supervision, the AMF (available here: Link): • confirms that (i) it has already conducted a SPOT campaign on engagement policies in 2025, and (ii) it will continue in 2026 to run supervisory investigations focusing on greenwashing, particularly when reviewing the first CSRD compliant sustainability statements of issuers; • states that its approach will remain “pragmatic”, given the evolving EU framework.
Germany	Federal Financial Supervisory Authority (BaFin)	BaFin has published Q&As on the application of the SFDR and guidance on the templates for Art. 8 and Art. 9 (Annex II and Annex III RTS), noting that changes may become necessary due to ESA and the EU Commission Level 3 guidance. The Q&A can be found on this Link.

COUNTRY	NATIONAL COMPETENT AUTHORITY	CONTENT OF MATERIAL(S)
Netherlands	Autoriteit Financiële Markten (AFM)	The AFM published several updates on its expectations from undertakings. The key supervisory expectations are aligned with the joint supervisory statement on the application of the SFDR, issued by the European Banking Authority (EBA), the European Insurance and Occupational Pensions Authority (EIOPA) and the European Securities and Markets Authority (ESMA), collectively known as the three European Supervisory Authorities (ESAs). In short, the AFM requires that the undertakings in scope of the SFDR publish all required information on its website in a way that is clear and easily accessible for investors. The disclosed information must further be reliable and include information on the sustainable characteristics risks of the products and must also disclose any negative impact resulting from investments. The AFM conducted a number of investigations into compliance with the SFDR and Taxonomy requirements. These also include recommendations. a) In September 2021, an investigation report was published on the implementation of the SFDR requirements by managers of Dutch investment funds. b) On 10 November 2022, the AFM published three reports on compliance with the SFDR and Taxonomy requirements: a report on compliance among banks, insurers, and investment firms, a report on compliance among managers of Dutch investment funds (this report looks at information requirements other than those covered by the 2021 investigation) and a report on compliance among pension funds and PPIs. On 14 May 2024, the AFM published a report with the results of a market-wide investigation into compliance with the SFDR.
Norway	Finansial Supervisory Authority (Finanstilsynet)	On 25 June 2025 the authority issued a report based on its mapping of the level of compliance with the rules on disclosure of sustainability-related information for investment firms, management companies, and managers of alternative investment funds. This report can be found on this Link.
Portugal	Banco de Portugal (Banking) Comissão do Mercado de Valores Mobiliários (Capital Markets) Autoridade de Seguros e Fundos de Pensões (Insurance)	All the mentioned Authorities have published materials; mostly reports and FAQs on best compliance practice.

COUNTRY	NATIONAL COMPETENT AUTHORITY	CONTENT OF MATERIAL(S)
Spain	Comisión Nacional del Mercado de Valores (CNMV).	The CNMV has published multiple guidance materials and supervisory outputs relating to SFDR regulation (and related sustainability disclosure/anti-greenwashing). In this regard, please see the link to the different materials the CNMV has published (CNMV – Entidades y productos). The materials are listed in chronological order from the most recent to oldest: a) Supervisory review results (implementation/compliance findings): “CNMV results of supervisory actions relating to the first phase of implementation of sustainability regulation in Spanish collective investment schemes (IIC)” (4 May 2023). It summarises common deficiencies detected and areas for improvement in SFDR/Taxonomy disclosures (incl. Articles 8 and 9 products). b) Notice to management companies regarding upcoming regulatory changes (4 October 2022). c) Update of questions and answers on sustainability regulations applicable to financial products: Regulation 2019/2088 (SFDR) and Regulation 2020/852 (Taxonomy) (19 July 2022). d) Notice on the forthcoming application of the amendment to Delegated Regulation 2017/565 regarding the consideration of clients’ sustainability preferences in the assessment of suitability (18 July 2022) (English version). e) The CNMV publishes criteria for the application of the new European regulations on environmental, social and governance (ESG) issues in financial services (Disclosure Regulation) (1 June 2021). f) Announcement on the forthcoming application of Regulation 2019/2088 on the disclosure of sustainability-related information in the financial sector (18 February 2021). • Regulation (EU) 2019/2088: simplified procedure for updating investment fund prospectuses. • Model letter prior to updating prospectuses under the simplified procedure. • Certificate of update of prospectuses subject to the simplified procedure.

COUNTRY	NATIONAL COMPETENT AUTHORITY	CONTENT OF MATERIAL(S)
Sweden	Swedish Financial Supervisory Authority (Finansinspektionen)	The Swedish FSA has carried out several supervisory reviews and published materials on SFDR implementation and sustainability-related governance. In its review of 30 Swedish-registered Article 9 funds, the Swedish FSA examined sustainability disclosures in investor brochures and fund rules under Articles 6 and 9 SFDR and Article 5 of the Taxonomy Regulation. The review identified weaknesses in descriptions of sustainability-risk integration, potential effects on returns, environmental or social objectives, do no significant harm, good governance, index, carbon-reduction and taxonomy-related requirements. The review can be found on this Link. The Swedish FSA has also reviewed the integration of sustainability risks into governance arrangements by investment firms, fund managers and alternative investment fund managers. Its observations indicate that many firms had incorporated sustainability risks into governance documents, but that the depth, consistency and practical quality of that integration varied. The authority also raised questions about analytical methods, quantification of sustainability risks and sustainability competence at board and control-function level. The review can be found on this Link. More broadly, the Swedish FSA has reported that Swedish financial firms increasingly recognise sustainability risks, but that weaknesses remain in identification, measurement, governance, risk management and disclosure. Its sustainability work has also identified issues concerning taxonomy reporting, greenwashing risk, climate-risk tools and variable sustainability competence across firms. The report can be found on this Link. The Swedish FSA has further stated that its observations on principal adverse impact disclosures are broadly consistent with the work of the European Supervisory Authorities under Article 18 SFDR. Continuing weaknesses include quantification of actions taken, measurable targets, timelines, planned measures for the next reference period, climate-neutrality claims, shareholder engagement, Paris Agreement alignment, references to international standards, explanations of year-on-year differences and completion of mandatory metrics.

Overview of Investigations and Sanctions relating to SFDR 1.0 in Member States

Instances of supervisory investigations or sanctions specifically relating to the SFDR 1.0 remain limited.

Based on the information provided, **only two jurisdictions** reported investigations initiated by the competent authority: Spain and Denmark. In both cases, the national competent authorities conducted investigations on potential non-compliance with obligations related to SFDR 1.0.

In the case of Spain, the Comisión Nacional del Mercado de Valores (CNMV) has nevertheless shown preference for using **escalated supervisory measures** rather than direct enforcement action, while it did not rule out the possibility of the latter in cases of more serious breaches.

No investigations or sanctions connected to SFDR 1.0 were reported in the remaining 7 jurisdictions covered by the survey.

An isolated enforcement action was identified in France. The Autorité des marchés financiers imposed a **EUR40,000 financial penalty** on Praemia REIM, an alternative investment fund manager, through a transactional settlement procedure. The sanction did not concern SFDR disclosure obligations as such but related to deficiencies in the firm's **ESG scoring methodology and data archiving processes** in respect of one of its ISR-labelled funds. Accordingly, the enforcement action concerned ESG reporting and governance shortcomings rather than a direct breach of SFDR 1.0.

COUNTRY	NATIONAL COMPETENT AUTHORITY	INFORMATION REGARDING SFDR INVESTIGATIONS AND SANCTIONS	CONTENT OF MATERIAL(S)
Austria	Austrian Financial Market Authority (Finanzmarktaufsicht, the FMA)	None identified	Based on publicly available information, even where the FMA identified instances of non-compliance among certain market participants, there is no indication that sanctions were imposed in respect of those breaches. While the FMA reports that disclosure quality is improving, it also notes that regulatory vagueness continues to allow divergent market practices.
Belgium	Financial Services and Markets Authority (FSMA)	None identified	To date, the FSMA has not published information on investigations or sanctions imposed in relation to SFDR 1.0 or anti greenwashing obligations derived from SFDR.

COUNTRY	NATIONAL COMPETENT AUTHORITY	INFORMATION REGARDING SFDR INVESTIGATIONS AND SANCTIONS	CONTENT OF MATERIAL(S)
Denmark	Danish Financial Supervisory Authority (Finanstilsynet)	Reported Investigations	The Danish Financial Supervisory Authority has published several reports and investigations, covered below: a) Report on financial market participants' statements regarding principal adverse impacts on sustainability factors (in Danish only): link b) Report on sustainable investments – requirements and practices: link c) Thematic review of active ownership policies (in Danish only): link and appendix d) Thematic review on sustainability disclosures and risks in the investment management sector (part of ESMA's Common Supervisory Action) (in Danish only): link e) Good practice report on the basis of thematic review of sustainability information for funds with sustainable investments as their objective: link and appendix with examples of best practise link f) Thematic review on sustainability-related information in remuneration policies: link Assessment of the Sustainable Finance Disclosure Regulation Article 3 in the Danish Financial Sector: link
Finland	Financial Supervisory Authority (FIN-FSA)	None identified	To date, no such information has been published by national competent authorities.
France	Autorité des marchés financiers (AMF)	Sanctions not directly linked to SFDR 1.0	No sanction in relation to SFDR has yet been imposed in France: in June 2024, the AMF only imposed a EUR40,000 financial penalty on Praemia REIM, an AIFM, through a transactional settlement, for failures in its ESG scoring and data archiving processes in one of their ISR labelled fund. (Link – in French only). It is considered as the first greenwashing sanction in France.
Germany	Federal Financial Supervisory Authority (BaFin)	None identified	No special sanctions in relation to SFDR 1.0 imposed by BaFin have been identified. This is covered by the general supervision and auditing of the national law integrating the principles of SFDR. Nevertheless, there is a general focus on green-washing aligned with the general EU trends.

COUNTRY	NATIONAL COMPETENT AUTHORITY	INFORMATION REGARDING SFDR INVESTIGATIONS AND SANCTIONS	CONTENT OF MATERIAL(S)
Netherlands	Autoriteit Financiële Markten (AFM)	None identified	To date, no information on conducted investigations or imposed sanctions has been published by the AFM.
Norway	Financial Supervisory Authority (Finanstilsynet)	None identified	Except the report referred to above (table in point 5,3.1.), the Financial Supervisory Authority of Norway has not published information on conducted investigations or imposed sanctions in relation to SFDR 1.0 or related rules (e.g. anti-greenwashing)
Portugal	Banco de Portugal (Banking) Comissão do Mercado de Valores Mobiliários (Capital Markets) Autoridade de Seguros e Fundos de Pensões (Insurance)	None identified	To date, no such information has been published by national competent authorities.
Spain	Comisión Nacional del Mercado de Valores (CNMV)	Reported Investigations and Escalated Supervisory Measures	The CNMV has stepped up its supervision of compliance with the SFDR, particularly with regard to the classification of funds (Articles 8 and 9) and the prevention of greenwashing. The current situation regarding the CNMV's actions and sanctions on SFDR as of February 2026 is detailed below: a) Recent Supervisory Actions (2025-2026): In October 2025, the CNMV concluded that, although overall compliance is satisfactory given the novelty of the regulation, there is significant room for improvement in the integration of sustainability risks and in the disclosure of information by fund managers. b) Focus on Greenwashing: The CNMV, in collaboration with ESMA, has established that sustainability claims must be clear, fair and not misleading. Reviews have focused on the consistency of funds under Article 8 (promoting environmental/ social characteristics) and Article 9 (sustainable investment objective). c) Supervisory preferences: The CNMV has shown a preference for using 'escalated supervisory measures' rather than direct enforcement actions at this stage of implementation, although it does not rule out the latter in the event of serious breaches.

COUNTRY	NATIONAL COMPETENT AUTHORITY	INFORMATION REGARDING SFDR INVESTIGATIONS AND SANCTIONS	CONTENT OF MATERIAL(S)
			d) Review Results (2023-2024): The fieldwork carried out by the CNMV (completed at the end of 2024) investigated how managers comply with the SFDR, the Taxonomy Regulation and the Level 2 requirements (RTS). e) New developments 2025/2026 (SFDR 2.0): A comprehensive review of the regulation (SFDR 2.0) is expected, proposed by the European Commission in November 2025, which will introduce new categories and simplifications. The CNMV is adapting its supervisory work to these new developments. f) Consequences of non-compliance: Entities that fail to comply with transparency obligations (Article 10 SFDR) or report erroneous information on the sustainability of their products face administrative sanctions, fines and the obligation to correct pre-contractual and commercial documentation, which poses a high reputational risk. To consult specific sanctions imposed, the CNMV regularly publishes the measures adopted in its public register of sanctions. To the best of our knowledge, to date, there is no record of the CNMV imposing public sanctions specifically for breaches of SFDR 1.0.
Sweden	Swedish Financial Supervisory Authority (Finansinspektionen)	Supervisory reviews identified; no public SFDR sanction identified	The Swedish FSA has reviewed Swedish firms and funds in relation to SFDR disclosure and sustainability-risk governance, including reviews of Article 9 funds, sustainability-risk integration in governance arrangements and principal adverse impact disclosures. These materials identify recurring disclosure, governance, risk-management and data-quality weaknesses, but they appear to have been addressed through thematic reviews, supervisory engagement and guidance rather than public enforcement action. On the publicly available information reviewed for this memorandum, no public Swedish sanction specifically for SFDR disclosure deficiencies of the type identified in those reviews has been identified.

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