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SFDR overview - SE wording proposal: clarification of Article 8 regarding alternative and real assets

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Overview of the proposed amendments to the text

This targeted wording proposal aims at providing a concrete suggestion on how the needed clarifications on **real and alternative assets** (as presented in the first point of the Swedish non-paper from 16 March 2026) could materialize.

Recital 14a (new): Provides clarity on the fact that investments in some asset classes such as unlisted equity and debt, infrastructure, real estate, and forestry holdings can be included in the contributive share of the investment and provides horizontal interpretative guidance on the term "proper justification" for these asset classes, where standardised sustainability data may be unavailable, (including the use of estimates under Art.12a).

Article 8(2)(e) (amended): Merges Art.8(2)(c) with Art.8(2)(e), clarifying how "other investments" can demonstrate sustainability-factor integration (and, where relevant, "proven positive track record") for asset classes where standardised sustainability data may be unavailable, anchored in documented criteria and "proper justification" disclosures.
NB: focus in this draft is put on ESG Basics, but amendments of similar nature might be warranted in Art.7 and 9, to ensure consistency.

Article 19b (amended): Adds explicit and time-bound Level-2 empowerments to specify criteria/methodologies for demonstrating proper justification (and, where applicable, "proven positive track record") for asset classes where standardised sustainability data may be unavailable under Art.8(2)(e).

PROPOSED AMENDMENTS

Recital 14a (new)
The investment approaches referred to in Articles 7(2)(h), 8(2)(e) and 9(2)(g) may include investments in, or exposure to, asset classes such as unlisted equity and debt, infrastructure, real estate, and forestry holdings. For these asset classes, standardised sustainability data may be unavailable. In such circumstances, financial market participants should be able to substantiate the integration of sustainability factors and provide proper justification by reference to documented, asset-class-appropriate evidence and methodologies, including, where relevant, estimates and documented assumptions in accordance with Article 12a and the disclosure obligations laid down in this Regulation.

Article 8(2)(c) (merged with (e)) and Article 8(2)(e) (amended)
Commission drafting:
(c) investments that favour undertakings or economic activities with a proven positive track record in terms of processes, performance or outcomes related to sustainability factors;
(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.

Proposed amendment:
(e) other investments integrating sustainability factors beyond the consideration of sustainability risks, and, where relevant, give preference to undertakings or economic activities demonstrating a proven positive track record in terms of processes, performance or outcomes related to sustainability factors, provided that the criteria applied are documented and that proper justification is included in the disclosures required pursuant to paragraph 3, in particular as regards points (c) and (e) of that paragraph. For investments in asset classes such as unlisted equity and debt, infrastructure, real estate, and forestry holdings, the integration of sustainability factors and, where relevant, proven positive track record may be demonstrated by documented, asset-class-appropriate evidence and methodologies, in accordance with the disclosure requirements laid down in paragraph 3.

Article 19b(b) (amended) – Empowerments for Article 8
Proposed amendment – add new point (v):
(v) the criteria and methodologies for demonstrating proper justification and, where applicable, proven positive track record for asset classes for which standardised sustainability data may be unavailable, such as unlisted equity and debt, infrastructure, real estate, and forestry holdings, where the criteria and methodologies referred to in Article 8(2)(e) are to be applied;
the delegated acts referred to in this point (a) shall be adopted in sufficient time to be available upon the date of application of this Regulation.