



HERBERT SMITH  
FREEHILLS  
KRAMER



# **DECODING THE SFDR 2.0 REVISION:** IMPLICATIONS FOR FINANCIAL INSTITUTIONS

---



# Contents

---

3	Introduction
4	Structure of SFDR 2.0
5	Scope and how SFDR 2.0 differs from SFDR 1.0
7	Product categories
13	Minimum threshold and minimum exclusions
16	Disclosures under SFDR 2.0
19	Naming and marketing
21	Data and estimates
22	Level 2
23	Relationship to other key EU sustainability regulations
24	Timeline and implementation
26	Q&A
28	Contacts and further information



# Introduction

The Sustainable Finance Disclosure Regulation (SFDR), adopted in 2019 and in force since March 2021, was a foundational element of the EU's sustainable finance framework. Its primary aim was to increase transparency on how financial market participants, including asset managers, consider environmental, social, and governance (ESG) factors in their investment processes and products. By mandating detailed disclosures, the SFDR sought to combat greenwashing, protect investors, and channel private capital towards sustainable economic activities, thereby supporting the EU's broader sustainability and competitiveness objectives.

Being the first of its kind in the EU, the implementation of the current SFDR (now called "SFDR 1.0") has led to significant challenges: It has been criticised for its complexity, lack of clarity, and difficulties in practical application. Asset managers and other market participants have faced obstacles in interpreting and applying

SFDR and aligning its requirements with other EU sustainable finance legislation. The use of Articles 8 and 9 SFDR as de facto product labels, without clear criteria, has led to inconsistent market practices and concerns about the effectiveness of investor protection.

In response, the EU Commission has now proposed a comprehensive review aimed at simplifying and streamlining SFDR (called "SFDR 2.0 Proposal"). The EU Commission aims to reduce administrative and disclosure burdens and at the same time safeguard the interest of investors by introducing product categories with minimum requirements and more streamlined disclosures.

It is important to note that the SFDR 2.0 Proposal is at an early legislative stage. Being a Level 1 regulation, it is subject to negotiation and potential amendment by the EU Parliament and the Council. As such, the final shape and requirements of SFDR 2.0 may change considerably before

its adoption and entry into force. Until SFDR 2.0 starts applying (which will likely be 18 months after its entry into force), the current SFDR 1.0 framework remains fully applicable. Financial market participants should therefore continue to comply with existing requirements and are encouraged to stay informed of SFDR 2.0 legislative developments to anticipate future changes.

We are closely monitoring the legislative process and will keep clients informed of key developments and implications for their business.



# Structure of SFDR 2.0

## Main building blocks of SFDR 2.0

Proposal, FAQ and impact assessment are available on this [EU Commission website](#).





# Scope and how SFDR 2.0 differs from SFDR 1.0

## What is in scope of SFDR 2.0?

### Grandfathering for existing products

- Opt-out for closed-ended products created and distributed before SFDR 2.0 application date (see page 24)
  - Regime for products opting out depends on contractual obligations to clients/investors (SFDR 1.0 no longer exists)
- **No opt-out** for alternative investment funds (AIFs) made available only to professional investors (different from leaked draft)

### Phase-in for pension and insurance products

- For IBIPs, pension products and pension schemes that were not subject to the ESMA Guidelines on funds' names using ESG or sustainability-related terms (ESMA Fund Names Guidelines)
- Must only apply pre-contractual and periodic disclosures 12 months after the SFDR 2.0 application date (see page 24)

### Financial Products in SFDR 2.0

- All EU domiciled funds (e.g. AIF/UCITS/ELTIF)
- Non-EU funds marketed into the EU (NPPR)
- Unit-/index-linked/with profits insurance products (IBIPs)
- Pension products (incl. PEPP)
- Pension schemes



### No longer in SFDR 2.0

- Financial advisers providing investment advice/insurance advice relating to IBIPs
- Portfolio management



# Scope and how SFDR 2.0 differs from SFDR 1.0

## SFDR 2.0 versus SFDR 1.0 – comparison

### New in SFDR 2.0:

- Product categories (Transition, ESG Basics, Sustainable, combined approaches)
- Minimum exclusions
- Minimum coverage (70% threshold)
- Impact add-on
- Naming and marketing rules
- Periodic disclosures for non-categorized products including information on consideration of sustainability factors
- Use of data and estimates

### Removed from SFDR 1.0

- Portfolio management
- Financial advisers (investment advice, insurance intermediaries)
- Principal adverse impacts (PAI) at entity level
- Sustainable investments
- Good governance
- Additional product website disclosures
- Sustainability risks in remuneration policies
- Taxonomy for ESG Basics product category

### Remains in SFDR 2.0

- Disclosures sustainability risk management – entity level
- Disclosures on sustainability risk management – product level
- Pre-contractual and periodic disclosures for categorised products (*with new content and new Level 2 disclosure templates*)

# Product categories

## Overview of product categories

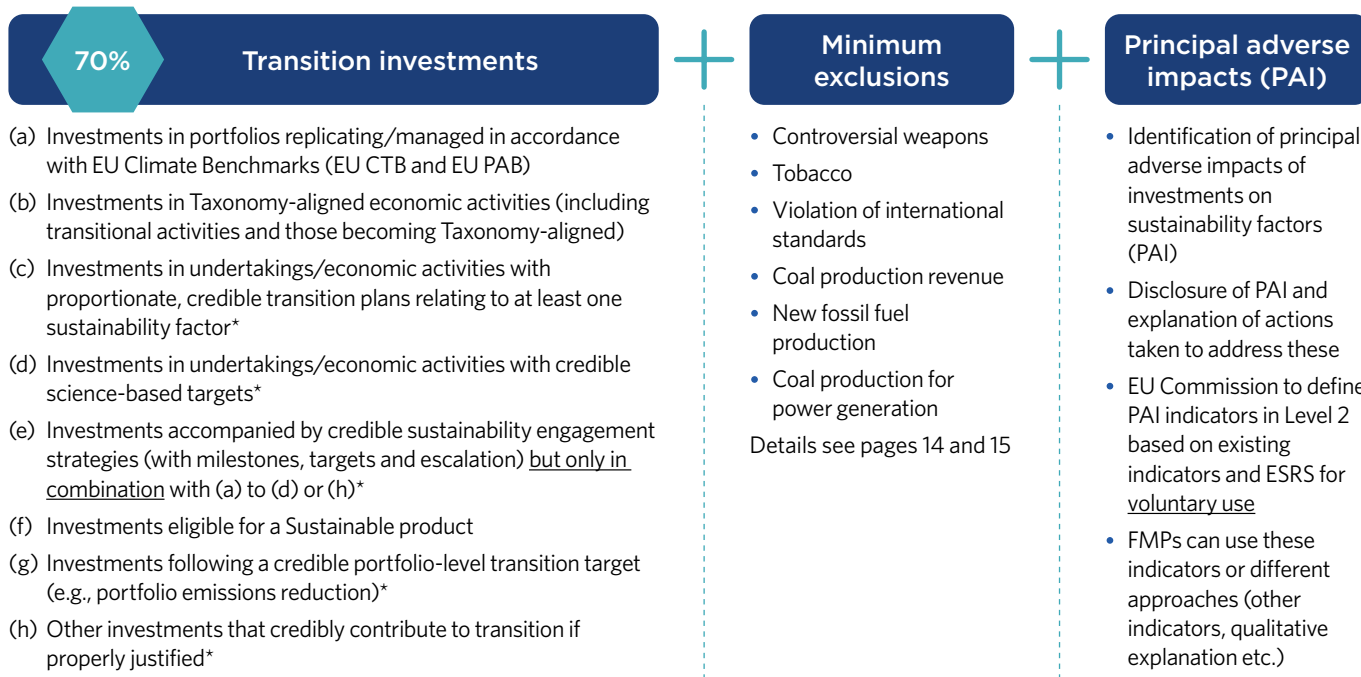






# Product categories

## Product categories: Transition (Article 7 SFDR 2.0)



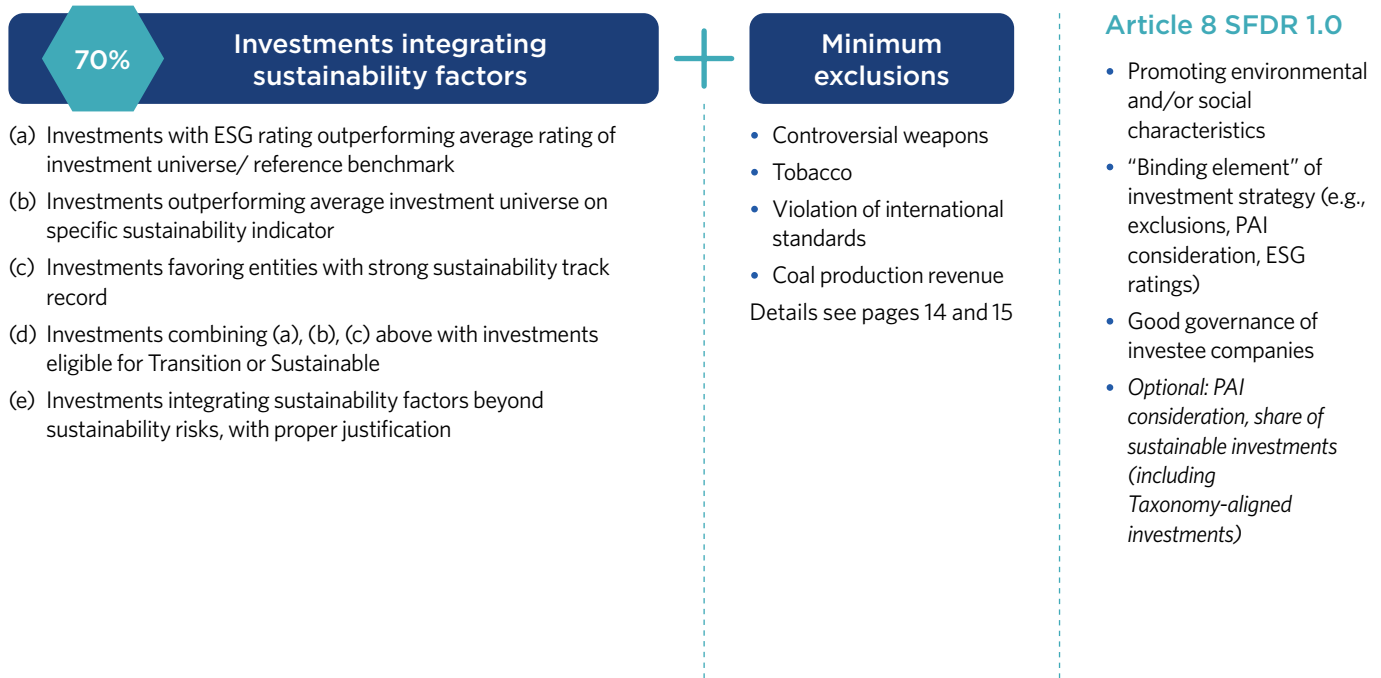
\*Transition plans, science-based targets, engagement, portfolio targets and/or transition contribution for products with climate mitigation transition objective must be compatible with Paris Agreement and EU climate goals





# Product categories

## Product categories: ESG Basics\* (Article 8 SFDR 2.0)

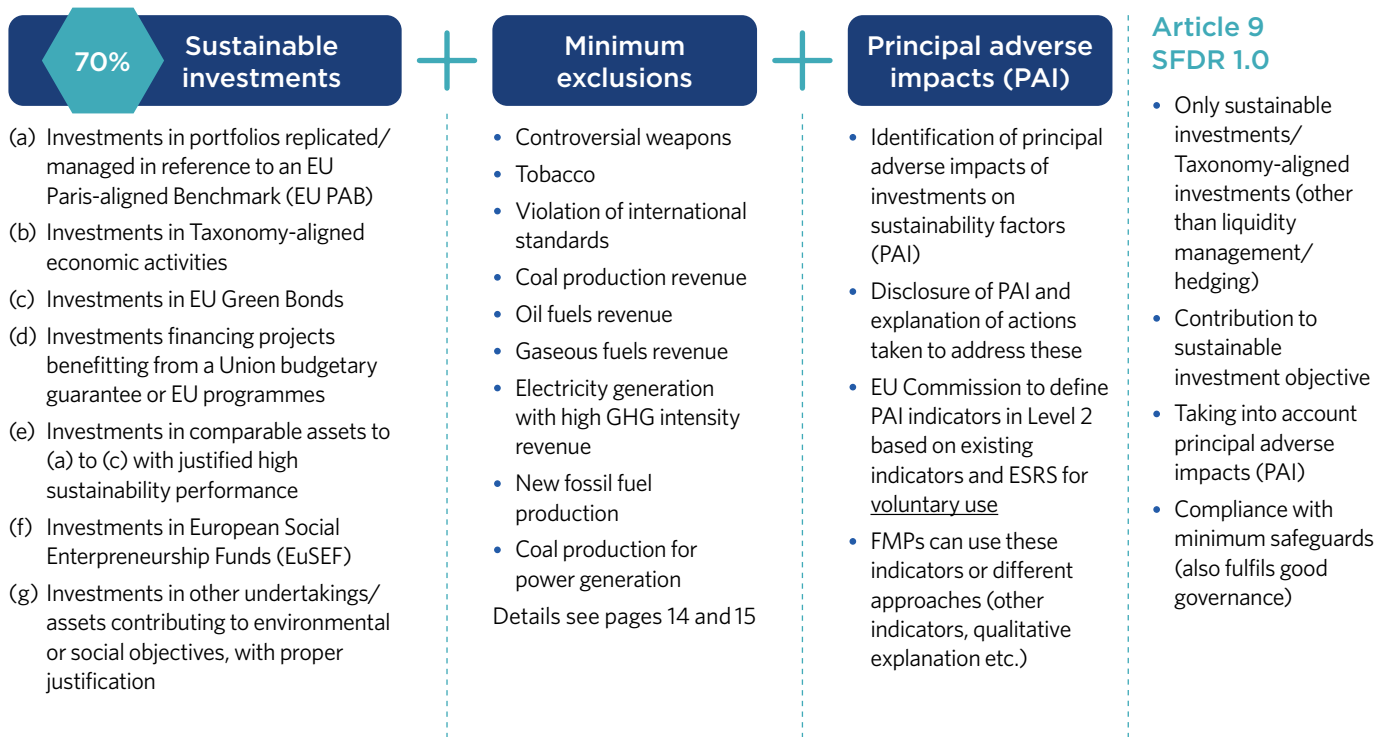


\* Beyond the consideration of sustainability risks – a distinction which may become difficult in practice



## Product categories

### Product categories: Sustainable (Article 9 SFDR 2.0)





# Product categories

## Combined approaches (Article 9a SFDR 2.0)

- SFDR 2.0 recognizes that products can invest in different categorised products and hold investments eligible for product categories
- These “combined approaches” are relevant for fund of funds, multi-option IBIPs and other multi-layered products
- Article 9a SFDR 2.0 deals with two different types of combined approaches with diverging treatment:

### Products meeting the 70% threshold for Transition, ESG Basics or Sustainable (Article 9a(1) SFDR 2.0)

- Includes products that invest in underlying categorised products and investments eligible for the respective product category
- Are treated as categorised products falling within the respective product category
- In the context of Article 9a(1) SFDR 2.0, both investments in underlying categorised products and direct investments in eligible investments for a product category are considered

### Other products investing in 2 or more categorised products (Article 9a(2) SFDR 2.0)

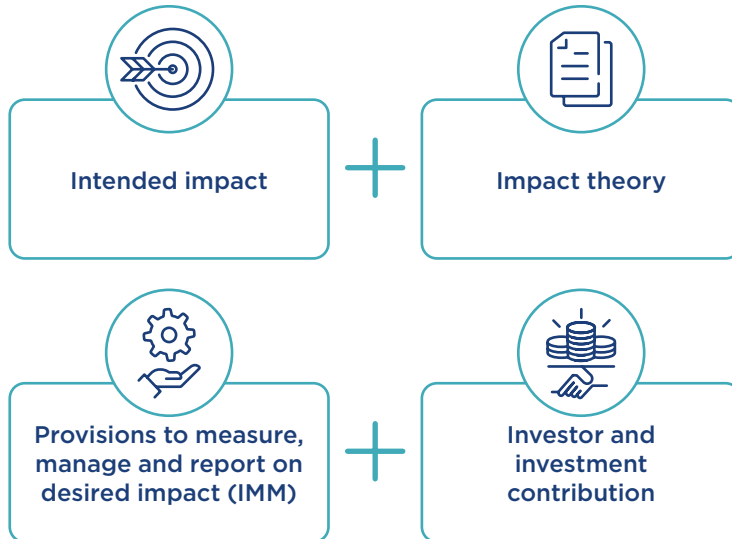
- Are considered as non-categorised products
- Have specific pre-contractual disclosure requirements relating to the share of underlying categorised products and other investments (see page 18)
- May include sustainability-related claims (relating to share of underlying categorised products) in marketing communication (different from other non-categorised products, see page 20)
- This is limited to the share of underlying categorised products; direct investments into eligible investments under any product category are not taken into account



# Product categories

## Impact add-on

- Only for products categorised as Transition or Sustainable
- Additional pre-contractual and periodic disclosure requirements (see pages 16 and 17), supported by Level 2 provisions
- Requires additional disclosures:

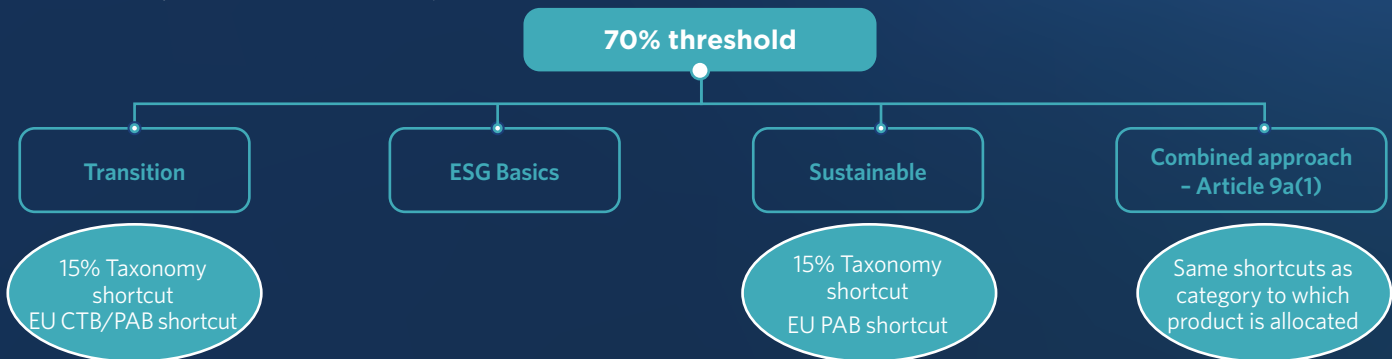


“ ‘Sustainability-related financial product with impact’ means a financial product [...] that has as its objective the generation of a pre-defined, positive and measurable social or environmental impact ”

# Minimum threshold and minimum exclusions

## Minimum threshold

- For any category, at least 70% of investments must be eligible, measured using appropriate sustainability-related indicators
- 70% threshold must be a binding element of the investment strategy
- “Shortcuts” for Transition and Sustainable:
  - Product replicates or references an EU Climate Transition Benchmark (**Transition**);
  - Product replicates or references an EU Paris-Aligned Benchmark (**Transition and Sustainable**); or
  - At least 15% of investments are in Taxonomy-aligned economic activities (**Transition and Sustainable**)
- Special rules for sovereign debt:
  - General-purpose sovereign debt can only be considered for ESG Basics if aligned with the sustainability factors
  - Use of proceeds sovereign debt can be considered for all product categories if (i) issued under the [EU Green Bond Standard](#); or (ii) use of proceeds aligned with category objective and complies with minimum exclusions at project level
- Recognition of phase-in period for all product categories - minimum threshold needs to be attained after phase-in





# Minimum threshold and minimum exclusions

## Minimum exclusions

EU Commission relies on exclusions in the [EU Climate Benchmarks Delegated Regulation](#) and adds new fossil fuel exclusions

### Common Exclusions

Transition, ESG Basics and Sustainable

#### Controversial Weapons

Companies involved in any activities related to controversial weapons\* (*EU Climate Benchmarks exclusion*)

#### Tobacco

Companies involved in the cultivation and production of tobacco (*EU Climate Benchmarks exclusion*)

#### Violation of international standards

Companies that benchmark administrators find in violation of the principles of the United Nations Global Compact (UNGC Principles) or the OECD Guidelines (*EU Climate Benchmarks exclusion*)

#### Coal production revenue

Companies that derive 1 % or more of their revenues from exploration, mining, extraction, distribution or refining of hard coal and lignite (*new exclusion*)

### Additional Exclusions

Transition and Sustainable

#### New fossil fuel production

Companies that develop new projects for the exploration, extraction, distribution or refining of hard coal and lignite, oil fuels or gaseous fuels (*new exclusion*)

#### Coal production for power generation

Companies that develop new projects for, or do not have a plan to phase-out from, the exploration, mining, extraction, distribution, refining or exploitation of hard coal or lignite for power generation (*new exclusion*)

### Additional Exclusions

Sustainable

#### Oil production revenue

Companies that derive 10 % or more of their revenues from the exploration, extraction, distribution or refining of oil fuels (*EU Climate Benchmarks exclusion*)

#### Gas production revenue

Companies that derive 50 % or more of their revenues from the exploration, extraction, manufacturing or distribution of gaseous fuels (*EU Climate Benchmarks exclusion*)

#### High GHG intensity electricity revenue

Companies that derive 50 % or more of their revenues from electricity generation with a GHG intensity of more than 100 g CO<sub>2</sub>e/kW (*EU Climate Benchmarks exclusion*)

\* To be replaced by “prohibited weapons” (biological and chemical weapons, anti-personnel mines and cluster munitions) under the [Defence Readiness Omnibus proposal](#)



# Minimum threshold and minimum exclusions

---

## Scope of the minimum exclusions

- Minimum exclusions apply to **all investments within the financial product**, not only to the 70% of investments that qualify as eligible
- Special rules for certain investments (sovereign debt, tracking of EU Climate Benchmarks, EU Green Bonds):
  - Minimum exclusions **do not apply** to **general-purpose sovereign debt**
  - Minimum exclusions apply to use-of-proceeds sovereign debt if **counted toward** the 70% threshold
  - Minimum exclusions do not apply to investments replicating/managed in accordance with an EU Climate Benchmark (EU PAB and EU CTB)
  - Minimum exclusions do not apply to EU Green Bonds
- A distinction is made between **project-level** and **entity-level exclusions** for use-of-proceeds instruments:
  - Project-level exclusions must be satisfied at the level of the financed project:
    - Project-level (all categories): controversial weapons, tobacco, coal production revenue
    - Project-level (Sustainable): oil fuels revenue, gaseous fuels revenue, new fossil fuel production, coal production for power generation, electricity generation with high GHG intensity revenue
  - Entity-level exclusions must be satisfied at the level of the issuer:
    - Entity-level (all categories): violations of international standards
    - Entity-level (Transition): new fossil fuel production, coal production for power generation
- EU Commission will define permitted deviations from the exclusion criteria in Level 2 (see page 22)





# Disclosures under SFDR 2.0

## Overview of disclosures under SFDR 2.0

Level	Products	Website	Pre-contractual	Periodic
Entity level		Integration of sustainability risks into the decision-making process		
Product level	All products		Integration of sustainability risks into investment decisions and assessment of likely results on returns	
	Non-categorised products including information on consideration of sustainability factors		Limited voluntary disclosures permitted, but no claim to Transition, Sustainable or ESG Basics and not “central element”, see page 18	Description of consideration of sustainability factors described in voluntary pre-contractual disclosures
	Non-categorised products disclosing on share of categorised products*		Share of underlying categorised products and share of other investments (including objective, strategy and exclusions for other investments)	
	Transition, ESG Basics, Sustainable	Links to pre-contractual and periodic disclosures	Detailed information using Level 2 template, see page 22	Extent to which objectives are met or sustainability factors are integrated using Level 2 template
	Transition or Sustainable with impact add-on		Detailed information based on Level 2 provisions, see page 22	Extent to which intended impact has been achieved, measured and managed (including investment and investor contribution) based on Level 2 provisions

\* Products referred to in Article 9a(2) SFDR 2.0. Products combining categorised products and eligible investments that meet the 70% threshold for a product category are treated as falling with that product category (Article 9a(1) SFDR 2.0, see page 11)



## Disclosures under SFDR 2.0

### Pre-contractual disclosures of categorised products

	Disclosure requirement	Transition	ESG Basics	Sustainable
Common disclosures	Statement of compliance with applicable conditions	✓	✓	✓
	Description of objective to which it contributes or sustainability factors it integrates	✓	✓	✓
	Strategy to meet 70% threshold	✓	✓	✓
	Choice and share of investments	✓	✓	✓
	Phase-in period to meet threshold	✓	✓	✓
	Taxonomy alignment	✓ only for environmental transition objective	✗	✓ only for environmental sustainable objective
	Sustainability indicators used to measure compliance	✓	✓	✓
	Statement of compliance with exclusions	✓	✓	✓
	Data sources used	✓	✓	✓
	Principal adverse impacts and actions taken to address them	✓	✗	✓
Impact add-on	Intended impact(s) in relation to specific environmental or social objectives, underpinned by a pre-set impact theory	✓		✓
	Measurement, management and reporting on desired impact (including on investment and investor contributions)	✓		✓



# Disclosures under SFDR 2.0

## Voluntary disclosures by non-categorised products

### Pre-contractual disclosure (Article 6a(1) SFDR 2.0)

Can include information on how products consider sustainability factors, provided that the information:

- Is not a “central element”, requiring that:
  - Information is secondary to presentation of product characteristics (breadth and positioning);
  - Neutral; and
  - Limited to less than 10% of the volume occupied by the presentation of the investment strategy
- Is not included in PRIIPS KID (only possible for categorised products)
- Information does not constitute a “sustainability-related claim” (i.e. statement relating to or appearing to relate to a product category)

### Periodic disclosure (Article 6a(3) SFDR 2.0)

- If pre-contractual disclosure contains information on the consideration of sustainability factors (see left), periodic disclosure must describe how sustainability factors have been considered
- Information needs to be included in the periodic reporting but there is no template or prescribed wording



# Naming and marketing

## Naming rules

3 naming rules in Article 13 SFDR 2.0:

### Rule No. 1

Only categorised products (Transition, ESG Basics, Sustainable) can have sustainability-related claims in their name

### Rule No. 2

Only Transition or Sustainable products with impact add-on can have impact in their name

### Rule No. 3

Any sustainability-related claims in names of categorised products must be fair, clear, not misleading and consistent with sustainability features of the product

- Likely to replace [ESMA Fund Names Guidelines](#) applying to AIFs and UCITS under SFDR 1.0
- Applies to non-EU products marketed to EU investors/clients – this may be an issue for overseas products
- National regulators may not apply additional naming rules (Article 14(3) SFDR 2.0) – but this does not keep them from having their own interpretation of the rules, in particular Rule No. 3

# Naming and marketing

## Marketing rules





## Data and estimates

### Data and estimates used for categorised products

#### Rules on the use of data and estimates

- **External data providers:** use of data (including estimates) must be based on formalised and documented arrangements (exemption for open source/freely available data)
- **Own estimates:** use must be based on formalised and documented methodologies

#### Additional disclosures to investors/clients upon request

- (Any\*) information regarding categorised products beyond pre-contractual and periodic disclosures
- **External data providers:** name, contact details and, where applicable and available, the methodology in relation to data or estimates used for the categorised product
- **Own estimates:** methodology, main assumptions and precautionary principles reading missing datapoints

#### Reliance on SFDR 2.0 disclosures

- Products investing in categorised products can rely on their SFDR 2.0 disclosures and/or information provided by portfolio managers

\* According to the SFDR 2.0 wording, such information requests are unlimited - this may be a drafting error



## Level 2

### Topics to be dealt with in upcoming Level 2 regulation

Existing [SFDR Delegated Act](#) is repealed from SFDR 2.0 application date. EU Commission to adopt new SFDR delegated act on various topics relating to categorised products. There is no deadline for the finalisation of the new SFDR delegated act.

Product categories	Topic
<b>All product categories</b>	Voluntary indicators to determine share of eligible investments
<b>Transition, ESG Basics</b>	Voluntary indicators to identify and disclose on principal adverse impacts (PAI)
<b>All product categories</b>	Permitted deviations from minimum exclusions
<b>Transition, Sustainable</b>	Conditions for investments to qualify as eligible investments
<b>ESG Basics</b>	Conditions for investment approaches to qualify as integrating sustainability factors
<b>All product categories</b>	Methodologies to calculate the minimum threshold (70%) and phase-in
<b>All product categories</b>	Details for presentation of pre-contractual information (new template – not to exceed two pages)
<b>Transition, Sustainable</b>	Additional pre-contractual and periodic information for impact products (not to exceed one page)
<b>All product categories</b>	Details for presentation of periodic information (new template – not to exceed two pages)



## Relationship to other key EU sustainability regulations

### Green Claims Directive [not in force]

For asset managers marketing retail funds, any sustainability-related marketing claim (beyond SFDR-mandated disclosures) would need independent verification

### EU Benchmarks Regulation

Minimum exclusions for all products are aligned with minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks under the Commission Delegated Regulation (EU) 2020/1818

### Green Transition Directive

Asset managers marketing non-categorised retail funds face additional boundaries to environmental claims under this directive



### EU Green Bond Regulation

Use-of-proceeds instruments issued pursuant to this regulation do not need to comply with certain project-level and entity-level exclusions

### EU Taxonomy Regulation

Sustainable and Transition products with an environmental objective must disclose on share of Taxonomy-aligned activities. Omnibus I reduces scope of companies required to disclose on % of activities aligned with the EU Taxonomy

### Corporate Sustainability Reporting Directive (CSRD)

Omnibus I proposes raising thresholds for CSRD applicability and postponing reporting obligations. This means many institutions that relied on CSRD data for SFDR disclosures may face data gaps or delays



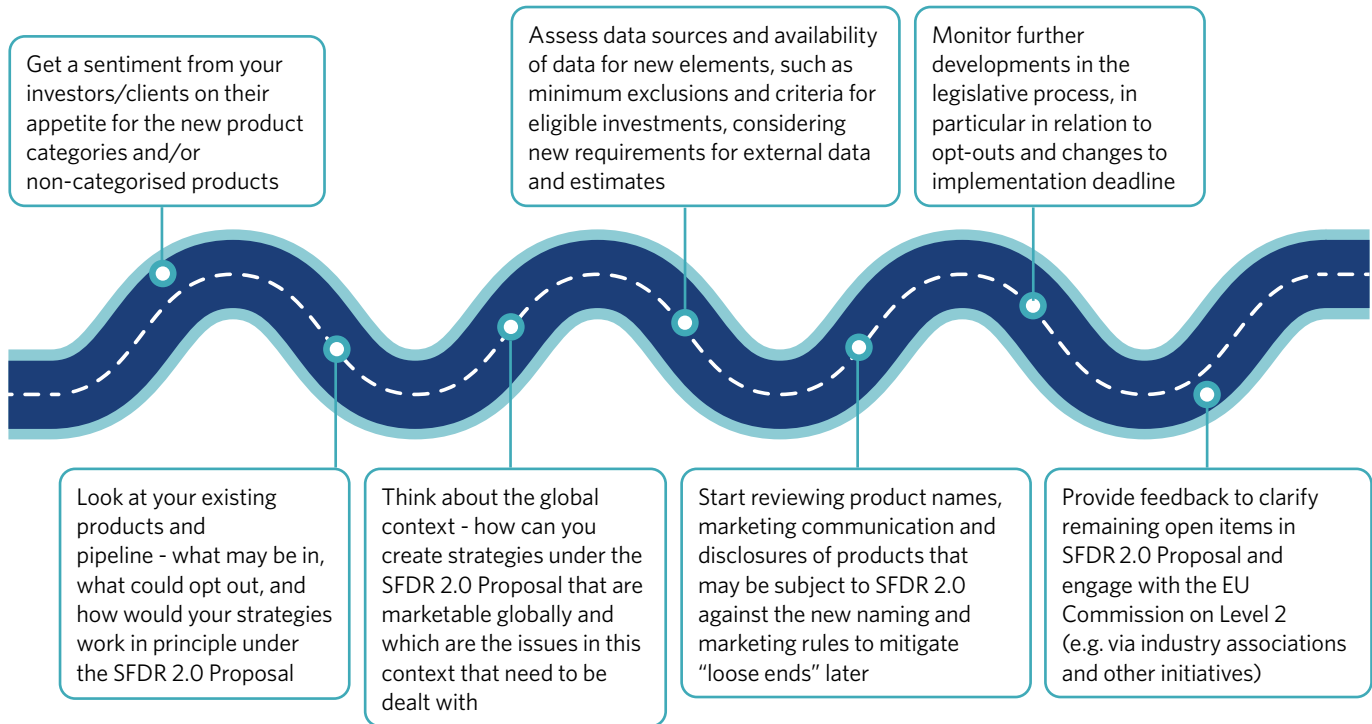
## Timeline and implementation

### (Earliest) possible timeline and implementation



## Timeline and implementation

### SFDR 2.0 roadmap – what are possible next steps?





## Q&A

Q1

### **What are the main impacts for investment funds/asset managers?**

The SFDR 2.0 Proposal shifts from a disclosure-focused regime to a clear product categorisation system, with strict naming and marketing rules for both categorised and non-categorised products. As this is still only a proposal, it may change significantly during the legislative process. If adopted, indicating a category will give investors a clearer view of product strategy, but will also narrow options for describing strategies and restrict sustainability claims. Asset managers will need to implement new disclosure templates and educate investors on the revised categories and requirements.

Q2

### **What feedback did you hear so far from the market?**

Market feedback is generally positive, albeit with several concerns. Product providers are unsure how to explain the new categories to investors, especially retail clients. There are practical challenges in applying minimum exclusions, particularly for global and index-tracking portfolios. The new marketing and naming rules create uncertainty for non-categorised products, with unclear boundaries on what can be communicated. Finally, the shift in PAI reporting raises questions about how “voluntary” indicators provided by the EU Commission will be used in practice by national regulators.

Q3

### **Can a private equity fund profit from the combined approaches under Article 9a SFDR 2.0?**

The combined approaches are only available for funds that (partially or fully) invest into categorised funds. If the share of underlying categorised funds eligible for a product category – together with any directly held investments for the same category – meet the 70% threshold, the fund is treated like any other product in that category. This means that if a fund invests in sustainable companies or assets and in other funds categorised as Sustainable and these combined holdings make up 70% of its portfolio, it qualifies as a Sustainable product. If the 70% threshold is not met but the fund invests in at least 2 categorised funds, it may disclose its share of underlying categorised funds and use this share in its marketing communications but must then make specific pre-contractual disclosures.



## Q&A

Q4

### **Will SFDR 2.0 be applied retroactively?**

No, SFDR 2.0 will not be applied retroactively. The SFDR 2.0 Proposal clearly states that the new requirements will only apply from the date of application set out in the regulation—18 months after its entry into force, with certain insurance and pension products given an additional 12 months. Until then, SFDR 1.0 remains fully in force. Closed-ended products created and distributed before the application date can opt out of SFDR 2.0 and will then only be bound by contractual provisions on sustainability matters and disclosures.

Q5

### **What does it mean that portfolio management is no longer in scope?**

The EU Commission considers portfolio management not to be a “product” requiring standardisation. Accordingly, all individual portfolio management mandates, including SMAs (if not set up as fund of one falling under AIFMD/UCITS) are now out of scope. In fund structures with delegated portfolio management, only the legal entity responsible for managing the fund (such as the AIFM or UCITS ManCo) is in scope of SFDR 2.0, but not the delegated portfolio manager.

Q6

### **What are the main similarities and differences between the UK Sustainability Disclosure Regime (UK SDR) and the SFDR 2.0 Proposal?**

On the face of it, the SFDR 2.0 Proposal and the SDR have a lot in common – labels/product categories with minimum criteria (including the 70% coverage), disclosures on sustainability matters and naming and marketing rules. However, at first glance the SFDR 2.0 Proposal seems more restrictive, e.g., when it comes to marketing. While the UK SDR permits funds that do not use an FCA approved label to communicate about the fund’s sustainability features (including for marketing purposes), the SFDR 2.0 Proposal has a clear “in or out” approach – if you are categorised, you can market using sustainability claims, if not, your communication on sustainability must be limited. Another example: the UK SDR’s labels focus on principles rather than defining specific strategies and there are no prescribed disclosure templates.



## Q&A

Q7

### **What should fund managers do that intend to raise a closed-ended fund in the next two years?**

The application date of SFDR 2.0 is still unclear – at the earliest 1 January 2028, likely later in the year or even in 2029. Until then, SFDR 1.0 continues applying. If the respective manager can be certain that the fundraising ends before the end of 2027, the fund will likely be able to opt out from SFDR 2.0 (if its investors permit this), meaning it only has to align with SFDR 1.0. If the final close cannot be planned with certainty in advance, it is recommendable to think about a strategy that aligns with SFDR 1.0 and, if wanted by investors, can fall into a product category under SFDR 2.0.

Q8

### **Are current Article 10 SFDR product level website disclosures removed under the SFDR 2.0 Proposal?**

Yes, the requirement to have a separate website disclosure for financial products accompanying the pre-contractual disclosure will be removed. Instead, the pre-contractual disclosure will need to contain additional information on data sources, methodologies and processes – with details to be defined in the upcoming Level 2 rules.

Q9

### **The final proposal differs from the leaked draft as it removes any amendments to the EU Taxonomy Regulation. What does that mean for disclosures on Taxonomy-alignment?**

EU Taxonomy disclosures for products in scope of SFDR are set out in two different places: in SFDR itself as well as in the EU Taxonomy Regulation. The SFDR 2.0 Proposal includes Taxonomy disclosure obligations for Transition and Sustainable products with environmental objectives. The EU Taxonomy Regulation contains references to SFDR 1.0, including to “Article 8” which under SFDR 2.0 will regulate ESG Basics products that do not have to disclose on Taxonomy-alignment. Accordingly, the EU Taxonomy Regulation will have to be amended at some point to align with SFDR 2.0 – but different from the leaked draft the required changes are not included in the EU Commission’s SFDR 2.0 Proposal.



## Q&A

### Q10

#### **Will the Markets in Financial Instruments Directive (MiFID II) be modified as a result of SFDR 2.0?**

MiFID II requires investment firms to inquire about their clients' sustainability preferences. These are currently expressed by using concepts from SFDR 1.0 such as PAI consideration, sustainable investments and Taxonomy-alignment. Since sustainable investments is proposed to be removed from SFDR 2.0 and PAI will only play a role for Transition and Sustainable, the sustainability preferences provisions need to be adapted. It is to be expected that they will reflect the new product categories. The EU Commission has already announced that it will draft the required amendments to MiFID II in tandem with the SFDR 2.0 Level 2 provisions to ensure alignment.





## Contacts and further information

### How can Herbert Smith Freehills Kramer support?



**Regulatory & strategic advisory:** We advise fund managers and financial institutions on EU, UK and US sustainable finance regulations, support with regulatory implementation and disclosures, and provide strategic guidance on market practices and regulatory developments.



**Fund formation & structuring:** We assist with the formation and structuring of funds across asset classes (private equity, venture capital, infrastructure, real estate, credit), including sustainability-focused aspects such as SFDR classification of the fund and design of sustainability and responsible investment policies, as well as sustainability related disclosures at fund and entity levels.



**Deal execution & reporting:** We support transactional teams with ESG due diligence, integration of sustainability expectations and requirements into investment and financing documentation, and structuring of sustainability-linked finance, including green loans and blended finance instruments.



**Ongoing & reporting:** We help clients with post-deal sustainability integration at target level, and to meet ongoing sustainability reporting obligations at investor, manager and product level, including SFDR PAI indicators, investor reporting, and third-party assurance requirements. We also support with incident reporting, escalation procedures, and remediation plans.



**Pro Bono & Social Impact Support:** We provide pro bono legal support to mission-driven investors, social enterprises, and non-profits, with experience in structuring innovative public-private investing structures such as social outcomes contracts and blended finance instruments and advising on legal frameworks in sectors such as education, healthcare, housing, and inclusive development.



## Contacts and further information

---

### Contacts



**Heike Schmitz**

Partner, Germany

T + 49 69 2222 82540

M+ 49 172 7318669

[heike.schmitz@hsfkramer.com](mailto:heike.schmitz@hsfkramer.com)



**Joanna Pecelik**

Partner, Luxembourg, Paris

T + 33 1 53 57 69 71

M+ 33 6 15 79 76 23

[joanna.pecelik@hsfkramer.com](mailto:joanna.pecelik@hsfkramer.com)



**Shantanu Naravane**

Partner, London

T + 44 20 7466 2077

[shantanu.naravane@hsfkramer.com](mailto:shantanu.naravane@hsfkramer.com)



**Leonie Timmers**

Senior Associate, Madrid

T + 34 91 423 4088

M+ 34 606 695 154

[leonie.timmers@hsfkramer.com](mailto:leonie.timmers@hsfkramer.com)

For more information on sustainability-related topics, see our [ESG Notes](#). You can subscribe to the ESG Notes [here](#).

---

