

## **AN IMPACTFUL REVIEW: EUROPEAN RESPONSIBLE, SUSTAINABLE AND IMPACT INVESTING ORGANISATIONS WELCOME THE INTRODUCTION OF IMPACT IN THE SFDR**

European responsible, sustainable and impact investing organisations warmly welcome the European Commission's proposal to explicitly recognize impact investing within the revised Sustainable Finance Disclosure Regulation (SFDR) and its new product categorization framework.

For the first time, impact investing is acknowledged in EU sustainable finance legislation as a distinct practice within products pursuing sustainability or transition objectives. This is a major milestone for a fast-growing segment of the European market that plays a central role in financing a just, inclusive and competitive transition.

The space dedicated to impact investing within two of the three proposed product categories provides a strong basis to further scale impact strategies and mobilize capital towards Europe's social and environmental priorities. For European citizens, this recognition will translate into clearer choices, greater confidence, and a clearer path towards direct contribution to the urgent just transitions Europe needs through their savings and pensions.

We are deeply grateful to the European Commission for opening the SFDR to impact investing. This openness and recognition marks an important turning point for our community and reflects the EU's leadership in shaping a sustainable and impact-oriented financial system.

We call on the EU co-legislators to maintain the provisions on impact investment in the final text, as it is an appropriate measure to integrate impact funds in the SFDR framework while providing sufficient flexibility to support their development.

European responsible, sustainable and impact investing organisations stand ready to support and work closely with the European Commission, the European Parliament, the Council and supervisors in the upcoming months. Building on concrete proposals for improvement developed within our networks, we aim to support the decision makers in ensuring that impact investing can continue to grow, deliver meaningful outcomes, and support Europe's innovative and mission-driven solutions to our environmental and social challenges.

