

6 April 2026

European Commission, DG FISMA
Rue de Spa 2, 1000
Brussels, Belgium

RE: European Commission call for feedback on the revision of EU rules on sustainable finance disclosure

BlackRock is pleased to have the opportunity to provide feedback on the European Commission (EC) proposed amendments to the Sustainable Finance Disclosure Regulation (SFDR).

As an asset manager, BlackRock is a fiduciary that invests and manages capital on behalf of retail and institutional investors across public and private asset classes. The money we manage is not our own – it belongs to our clients, the asset owners, who choose their own investment strategies and products from our broad product offerings.

BlackRock's investment approach is rooted in our fiduciary duty: we start with our clients' objectives, we seek the best risk-adjusted returns, and we underpin our work with research, data, and analytics. We apply that same approach to sustainable investing and investing in the low-carbon transition.

BlackRock's sustainable and transition investing platform is driven by our clients' needs, along with our continued investment conviction that the energy transition is a mega force shaping economies and markets. We welcome the opportunity to comment on the proposal of the EC to review the sustainable finance disclosure framework and will continue to contribute to the thinking of the EC on this and other topics.

We welcome further discussion on any of the points that we have raised.

Yours faithfully,

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We welcome the EC's review of the SFDR and support its objective of simplification, with a renewed focus on products and retail investors. Our position is grounded in market experience and direct feedback from clients across Europe.

The introduction of a three-category product framework offers an opportunity to improve decision-useful disclosures and enhance comparability. Allowing for multiple qualification criteria across categories introduces the necessary flexibility to accommodate innovation and diverse product strategies, while preserving credibility and high standards.

We see merit in excluding portfolio management from the scope, which reinforces SFDR's product-focused design and reduces unnecessary burden as clients can set their criteria through contractual agreements.

We support simplified disclosures, notably, the removal of mandatory entity-level Principal Adverse Impact (PAI) disclosures and the move toward shorter, more retail-friendly product disclosures. These changes should materially improve usability, comparability and investor understanding, while reducing layers of complexity that have not delivered better outcomes for end investors. Robust consumer testing will be essential to inform the final Level 1 and 2 and to ensure disclosures and documentation under the revised framework work in practice.

Some elements merit further consideration.

First, regulatory alignment and stability are critical. SFDR should be closely aligned with other files, notably MiFID/IDD, and implementation timelines should be sequenced appropriately. Fragmented or staggered application risk repeating past operational challenges and investor confusion.

Second, exclusions should align with CTB and PAB framework reflected in the recent ESMA Fund Naming Guidelines. Introducing divergent screens risks creating confusion for end investors, while also increasing operational complexity and costs for market participants. We favour maintaining existing PAB and CTB screens to preserve regulatory stability and investor confidence as these have shown to be technically feasible and grounded on existing metrics and robust methodologies.

Third, proportionality must remain central to disclosures. We caution against mandatory PAIs, and even more so against using the same PAIs across all products. Disclosures should focus on what is material and relevant for portfolio construction. If PAIs are required at product level, firms should be able to select those most relevant to the investment strategy, consistent with client expectations and ESMA's greenwashing guidance.

Fourth, clarity and legal certainty are essential. Linking ESG integration to the ESG Basics category risks confusion, as ESG integration simply refers to considering sustainability information in the investment process. It should remain a cross-cutting investment practice, not a category name or qualifying criterion. Similarly, engagement should not be a mandatory criterion for the transition category as it is an entity-level stewardship tool, not a product-level outcome.

Finally, the treatment of sovereigns should be more nuanced, e.g., to consider the role of sub- or quasi-sovereigns like development banks, which may be meaningfully integrated within the framework. Further clarity is also needed on the treatment of mixed-strategies, funds-of-funds and derivatives - often deployed by pension funds and insurance end investors - as the framework remains predominantly equity-focused.

Overall, the review presents a valuable opportunity to deliver a coherent, stable and investor-focused framework - one that can help build trust in the system and support the transition. It also provides a

timely opportunity to advance the simplification agenda and contribute to the objectives of the SIU. The EC's proposal is a constructive and welcome starting point for negotiations.