

SUSTAINABILITY LABELLING AND DISCLOSURE OF SUSTAINABILITY-RELATED FINANCIAL INFORMATION (AMENDMENT) INSTRUMENT 2025

Powers exercised

- A. The Financial Conduct Authority (“the FCA”) makes this instrument in the exercise of the powers and related provisions in or under:
- (1) the following sections of the Financial Services and Markets Act 2000 (“the Act”):
 - (a) section 137A (The FCA’s general rules);
 - (b) section 137R (Financial promotion rules);
 - (c) section 137T (General supplementary powers);
 - (d) section 139A (Power of the FCA to give guidance);
 - (e) section 247 (Trust scheme rules);
 - (f) section 248 (Scheme particulars rules);
 - (g) section 261I (Contractual scheme rules); and
 - (h) section 261J (Contractual scheme particulars rules);
 - (2) article 1(2) of the Financial Services and Markets Act 2000 (Claims Management Activity) Order 2018 (SI 2018/1253);
 - (3) regulation 6(1) of the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228); and
 - (4) the other rule and guidance making powers listed in Schedule 4 (Powers exercised) to the General Provisions of the FCA’s Handbook.
- B. The rule-making provisions listed above are specified for the purposes of section 138G(2) (Rule-making instruments) of the Act.

Commencement

- C. This instrument comes into force on 28 February 2025.

Amendments to the Handbook

- D. The modules of the FCA’s Handbook of rules and guidance listed in column (1) below are amended in accordance with the Annexes to this instrument listed in column (2) below.

(1)	(2)
Glossary of definitions	Annex A
Insurance: Conduct of Business sourcebook (ICOBS)	Annex B
Mortgages and Home Finance: Conduct of Business sourcebook (MCOB)	Annex C
Banking: Conduct of Business sourcebook (BCOBS)	Annex D
Claims Management: Conduct of Business sourcebook (CMCOB)	Annex E

Funeral Plan: Conduct of Business sourcebook (FPCOB)	Annex F
Environmental, Social and Governance sourcebook (ESG)	Annex G
Consumer Credit sourcebook (CONC)	Annex H

Citation

- E. This instrument may be cited as the Sustainability Labelling and Disclosure of Sustainability-Related Financial Information (Amendment) Instrument 2025.

By order of the Board
27 February 2025

Annex A

Amendments to the Glossary of definitions

In this Annex, underlining indicates new text and striking through indicates deleted text, unless otherwise stated.

Insert the following definition in the appropriate alphabetical position. The text is not underlined.

ESG the Environmental, Social and Governance sourcebook.

Amend the following definition as shown.

on-demand sustainability information ~~the information set out under *ESG 5.5.13R(2)* for a *person* who is entitled to such information under *ESG 5.5.13R(1)* in respect of assets under management in an *unauthorised AIF* in which the *person* is an investor, but only in respect of an *unauthorised AIF* which is a *UK AIF* managed by a *full scope UK AIFM* or a *small authorised UK AIFM* and which is not listed on a *recognised investment exchange*~~ has the meaning given in *ESG 5.5.13R(1)*.

Annex B

Amendments to the Insurance: Conduct of Business sourcebook (ICOBS)

In this Annex, underlining indicates new text.

2 General matters

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2.2 Communications to clients and financial promotions

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Sustainability-related claims: guidance on the clear, fair and not misleading rule

- 2.2.4A G A *firm* is reminded of its obligations under *ESG 4.3.1R* in relation to a communication, or when it *communicates* or *approves* a *financial promotion*,² that references the *sustainability characteristics* of a product or service.

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Annex C**Amendments to the Mortgages and Home Finance: Conduct of Business sourcebook
(MCOB)**

In this Annex, underlining indicates new text.

3A Financial promotions and communications with customers

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3A.2 The fair, clear and not misleading rules

Fair, clear and not misleading communications

...

3A.2.2A G A *firm* is reminded of its obligations under *ESG 4.3.1R* in relation to a communication, or when it *communicates* or *approves* a *financial promotion*,² that references the *sustainability characteristics* of a product or service.

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Annex D

Amendments to the Banking: Conduct of Business sourcebook (BCOBS)

In this Annex, underlining indicates new text.

2 Communications and financial promotions

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2.2 The fair, clear and not misleading rule

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- 2.2.7 G A *firm* is reminded of its obligations under *ESG 4.3.1R* in relation to a communication, or when it *communicates* or *approves* a *financial promotion*,² that references the *sustainability characteristics* of a product or service.

Annex E

Amendments to Claims Management: Conduct of Business sourcebook (CMCOB)

In this Annex, underlining indicates new text.

3 Financial promotions, and communications with customers

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3.2 Financial promotions and communications – general standards

The fair, clear and not misleading rule

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- 3.2.2A G A *firm* is reminded of its obligations under *ESG* 4.3.1R in relation to a communication, or when it *communicates* or *approves* a *financial promotion*, that references the *sustainability characteristics* of a product or service.

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Annex F

Amendments to the Funeral Plan: Conduct of Business sourcebook (FPCOB)

In this Annex, underlining indicates new text.

4 **Communications and financial promotions**

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4.2 **Communications and financial promotions: the obligations**

Fair, clear and not misleading rule

...

- 4.2.4A G A *firm* is reminded of its obligations under *ESG* 4.3.1R in relation to a communication, or when it *communicates* or *approves* a *financial promotion*, that references the *sustainability characteristics* of a product or service.

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Annex G

Amendments to the Environmental, Social and Governance sourcebook (ESG)

In this Annex, underlining indicates new text and striking through indicates deleted text.

1 Purpose and application

1.1 Purpose and application

Purpose

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- 1.1.3B G *ESG 4 sets out ‘anti-greenwashing’ ~~rules and guidance~~ which apply to a firm, regardless of whether or not it is undertaking *sustainability in-scope business*, with respect to references the *firm* makes about the *sustainability characteristics* of a product or service.*

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2 Disclosure of climate related financial information

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2.3 Product-level reporting

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On-demand TCFD product reports and underlying data

- 2.3.5 R (1) *A firm must comply with ESG 2.1.1R(2) with respect to a request from a client who requires *on-demand TCFD information* in order to satisfy climate-related financial disclosure obligations, whether under this chapter or as a result of other legal or regulatory requirements, ~~is entitled to request such information from, and be provided with it by, the firm and to receive a response to that request in accordance with ESG 2.1.1R(2).~~*

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4 Sustainability labelling, naming and marketing

4.1 Sustainability labels

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Notifying clients

- 4.1.13 R A *manager* must, where it is required to either revise the *sustainability label* that it uses or cease to use that label under *ESG 4.1.11R*:
- (1) give written notice to its *clients* who have invested in ~~that product~~ the *sustainability product* that the *sustainability label* has been revised or ceased and the reasons for that revision or cessation as soon as reasonably practicable;

...

...

Distributors

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- 4.1.19 R A *distributor* that *distributes recognised schemes*, including *ETFs* that are *recognised schemes*, to *retail clients* must:

...

- (2) in relation to the *relevant digital medium* for the *distributor's* business ~~of the *distributor*~~:
 - (a) display the notice at *ESG 4.1.19R(1)* in a prominent place on the specific webpage or page on a mobile application or other digital medium at which the *recognised scheme* is offered; ~~or~~ and
 - (b) include a hyperlink to the relevant webpage of the *FCA* website which sets out for *retail clients* further information in relation to the sustainability labelling and disclosure requirements under *ESG 4* and *ESG 5*; and

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4.2 Criteria for applying sustainability labels

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Manager requirements on an ongoing basis

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- 4.2.23 G Where a *manager* is taking action under *ESG 4.2.22R(1)(b)* with respect to restoring compliance with ~~*ESG 4.2.3R(2)(a)*~~ *ESG 4.2.4R(2)(a)*, the *FCA* would ordinarily expect only minimal deviations from the requirements under ~~*ESG 4.2.3R(2)(a)*~~ *ESG 4.2.4R(2)(a)*.

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4.3 Naming and marketing

Anti-greenwashing

- 4.3.1 R (1) This rule applies to a *firm* (whether it is undertaking *sustainability in-scope business* or not) which:
- (a) ~~communicates~~ communicates with a *client* in the *United Kingdom* in relation to a product or service; or
 - (b) *communicates a financial promotion to, or approves a financial promotion for* ~~communication~~ communication to, a *person in the United Kingdom*, except where the financial promotion is:
 - (i) an excluded communication; or
 - (ii) a third party prospectus.

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Use of sustainability-related terms in the name of a sustainability product

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- 4.3.7 R A *manager* that is undertaking *sustainability in-scope business* in relation to a *sustainability product* that is a *feeder fund* must, where it intends to use the terms in *ESG 4.3.2R(2)* in the product's name, ensure that:
- ...
- (3) the *manager* complies with the requirements of *ESG 4.3.5R(3)* where it is not using a sustainability label.

Use of sustainability-related terms in financial promotions relating to a sustainability product

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- 4.3.10 G Where a *manager* is not using a ~~relevant digital medium~~ relevant digital medium to ~~communicate~~ communicate the terms in *ESG 4.3.2R(2)* in the name of a sustainability product or a financial promotion, the *manager* should take reasonable steps to ensure the content required in *ESG 4.3.5R(2)* and *ESG 4.3.5R(3)* is ~~communicated~~ communicated to *retail clients* as appropriate.

5 Disclosure of sustainability-related information

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5.3 Pre-contractual disclosures

- 5.3.1 R A *manager* that is required to prepare ~~and publish~~ a *pre-contractual disclosure* under ESG 5.1.1R must do so in a clear and accessible way and include that disclosure in either:
- ...
- (2) where that product does not have *pre-contractual materials*, Part A of the ~~*public product-level sustainability report*~~ *public product-level sustainability report* relating to that product, as set out under ESG 5.5.1R to ESG 5.5.4R.

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- 5.3.3 R For the purposes of ESG 5.3.2R, a *manager* must include the following information in the *pre-contractual disclosure* which relates to a *sustainability product*:

...

- (6) details of the KPIs that the *manager* will use under ESG 4.2.4R(3) ~~and/or other~~ (if using a *sustainability label*) and any metrics a *retail client* may reasonably find useful in understanding the *manager's* investment policy and strategy for the product;

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5.4 Preparation of sustainability reports

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- 5.4.3 R A *manager* must meet the following requirements in relation to the timing and publication of Part B of a *public product-level sustainability report* and a *sustainability entity report*:
- (1) A *manager* must produce and publish Part B of a *public product-level sustainability report* annually, covering a reporting period of 12 months, and must publish the first report within ~~12~~ 16 months after the *manager* first starts to use a *sustainability label* or uses one or more of the terms listed in ESG 4.3.2R(2) in accordance with ESG 4.3.2R(1) in relation to a *sustainability product*.

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5.5 Sustainability product-level reporting

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On-demand product-level sustainability information

- 5.5.13 R (1) ~~A manager must prepare and provide *on-demand sustainability information* the specified information in ESG 5.5.13R(2) ('*on-demand sustainability information*') to a person who requests it in order to satisfy sustainability-related disclosure obligations, whether under this chapter or as a result of other legal or regulatory requirements.~~
- (1A) The *on-demand sustainability information* must be provided to the person:
- (a) within a reasonable period of time; and
- (b) in a format which the *manager* acting reasonably, considers appropriate to meet the information needs of that *person*.
- (2) ~~A manager that receives a request for *on-demand sustainability information* under ESG 5.5.13R(1) must provide~~ In ESG 5.5.13R(1), the specified information is the information under ESG 5.4.4 ESG 5.4.4R, ESG 5.5.1R to ESG 5.5.4 ESG 5.5.4R (as applicable) and ESG 5.5.5R to ESG 5.5.7R in relation to assets under management in an *unauthorised AIF* in which the *person* is an investor, but only in respect of an *unauthorised AIF* which is a *UK AIF* which is not listed on a *recognised investment exchange* and which is managed by a *full-scope UK AIFM* or a *small authorised UK AIFM*.
- 5.5.14 R ...
- (2) A manager is not required to comply with a request made under ESG 5.5.13R(1) before ~~2 December 2025~~ 2 April 2026.

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Annex H

Amendments to the Consumer Credit sourcebook (CONC)

In this Annex, underlining indicates new text.

3 Financial promotions and communications with customers

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3.3 The clear fair and not misleading rule and general requirements

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Guidance on clear, fair and not misleading

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- 3.3.9A G A *firm* is reminded of its obligations under *ESG 4.3.1R* in relation to a communication, or when it *communicates* or *approves* a *financial promotion*,² that references the *sustainability characteristics* of a product or service.

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