

**Finalised Guidance
FG24/3**

Finalised non-handbook guidance
on the Anti-Greenwashing Rule

April 2024

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Chapter 1

Introduction

Background

- 1.1** The anti-greenwashing rule is one part of a package of measures we finalised in November 2023 through our Policy Statement (PS) on Sustainability Disclosure Requirements (SDR) and investment labels (PS23/16). When we published PS23/16 we consulted on general guidance to support the implementation of the anti-greenwashing rule.
- 1.2** There is significant consumer interest in sustainable products and services. Our Financial Lives Survey (2022) shows that 74% of adults surveyed agreed that environmental issues are really important to them and 79% agreed businesses have a wider social responsibility than simply making a profit. As the demand for sustainable products and services grows, so does the risk of 'greenwashing'. As firms increasingly make sustainability-related claims about their products and services, there are concerns that some of these may be exaggerated, misleading, and unsubstantiated.
- 1.3** Tackling greenwashing is a priority for us. We want to protect consumers against greenwashing so they can make informed decisions that are aligned with their sustainability preferences. But we also want to create a level playing field for firms in an evolving market, whose products and services genuinely represent a more sustainable choice and who are making genuine claims about their products' and services' sustainability characteristics. If stakeholders trust the sustainability-related claims firms are making about their products and services, this may increase confidence in markets and the flow of capital into these products.
- 1.4** We introduced the anti-greenwashing rule to clarify to firms that sustainability-related claims about their products and services must be fair, clear and not misleading. It gives us an explicit rule on which to challenge firms if we consider they are making misleading sustainability-related claims about their products or services and, if appropriate, take further action.
- 1.5** This Guidance is designed to help firms understand and implement our anti-greenwashing rule, following feedback from some respondents to our consultation paper (CP) on SDR and investment labels (CP22/20) asking for guidance.

How this links to our objectives

- 1.6** This Guidance is compatible with our strategic objective to make markets function well, by increasing transparency on the sustainability features of products and services and reducing the risk of harm arising from greenwashing.

- 1.7** It is intended to advance our operational objectives by helping firms ensure that, as product and service offerings evolve, sustainability-related claims stand up to scrutiny and consumers are protected from potentially misleading or inaccurate information. Increasing the transparency and accuracy of sustainability-related claims which are made about products and services should also help enhance the integrity and credibility of the market for sustainable finance and ensure that competition remains effective.
- 1.8** The Guidance is also consistent with our secondary international competitiveness and growth objective. It should enable both consumers and firms to have better confidence in identifying sustainable products and making informed purchases. Better industry standards should help to improve market integrity and build on the UK's reputation and leading international position in the sustainable finance market, helping to attract sustainable investments to support a thriving economy.
- 1.9** In developing the anti-greenwashing rule and guidance, we considered the regulatory principles in the Financial Services and Markets Act 2023 including that, where relevant to the exercise of our functions, we contribute towards achieving the UK's net zero emissions target. We also considered the Chancellor's latest remit letter, which asked us to have regard to the Government's ambitions for the provision of sustainable finance.

Summary of consultation

- 1.10** The consultation on this Guidance closed on 26 January 2024. We received 69 responses.
- 1.11** The feedback was broadly positive and supportive of both the Guidance and our initiative to minimise greenwashing.
- 1.12** The main areas of feedback related to the examples given and requests for further clarity on our expectations. This included calls for more examples covering a broader range of sectors, examples of good practice, and examples that include social as well as environmental scenarios. Some respondents commented on the implementation timeline. Additionally, many respondents asked us to clarify the scope of the anti-greenwashing rule and its interaction with other parts of the FCA Handbook.
- 1.13** We have considered the feedback and set out our finalised Guidance in Chapter 2. We have included a Feedback Statement in Chapter 3 which summarises the feedback and our response.
- 1.14** The Guidance is intended to help firms comply with the anti-greenwashing rule. It is consistent with existing expectations and does not create new obligations for firms. Firms may consider the Guidance as appropriate, depending on the nature of their business and the sustainability-related claims they make.

Chapter 2

Guidance on the anti-greenwashing rule

Scope

- 2.1** Our anti-greenwashing rule, in the Environmental, Social and Governance (ESG) Sourcebook (ESG 4.3.1R), requires firms to ensure that any reference to the sustainability characteristics of a product or service is: consistent with the sustainability characteristics of the product or service, and is fair, clear and not misleading.
- 2.2** The terms 'environmental', 'social' and 'governance' are used to refer to sustainability matters. However, there is no single definition of 'sustainability'. In PS23/16 we said that we consider governance to be an enabler of environmental and/or social outcomes, rather than an end in itself, and we refer to 'sustainability characteristics' as environmental or social characteristics.
- 2.3** Our anti-greenwashing rule applies when a firm:
- communicates with clients in the UK in relation to a product or service, or
 - communicates a financial promotion (or approves a financial promotion for communication) to a person in the UK.
- 2.4** The rule applies with respect to references to sustainability characteristics (environmental and/or social characteristics) of a product or service.
- 2.5** The rule applies in relation to financial products and services which FCA-authorized firms make available for clients in the UK. This includes financial promotions that authorized firms communicate or approve for unauthorized persons (including for overseas products and services where the promotion is approved in the UK).
- 2.6** Firms are nevertheless subject to other rules including those that govern claims about the firm itself (as outlined below).
- 2.7** References to sustainability characteristics could be present in (but are not limited to) communications that include statements, assertions, strategies, targets, policies, information, and images relating to a product or service.
- 2.8** The rule applies to all authorized firms irrespective of whether they are subject to the Consumer Duty. Any reference to the Consumer Duty in this Guidance is designed to help firms interpret how the rule and the Duty interact, where relevant.
- 2.9** We recognise that some authorized firms operate a business-to-business model, as opposed to a customer-to-business model. For this reason, we have used the term 'audience' in this Guidance to better capture the client or person that firm may be communicating with. This may be, for example, existing or prospective clients, customers, consumers, or businesses.

Existing requirements and related guidance

- 2.10** Various sections of our Handbook already require most firms to ensure the information they communicate is fair, clear and not misleading. This includes the Principles for Businesses (PRIN) that apply, in whole or in part, to most firms. Some sections of the Handbook also elaborate on what the 'fair, clear and not misleading' requirement means in specific contexts. For example, the Conduct of Business Sourcebook (COBS) 4.2 adds further prescription around financial promotions for investments and the Consumer Credit Sourcebook 3.3 adds detail for consumer credit.
- 2.11** The anti-greenwashing rule is intended to complement and be consistent with these rules. It is not a substitute for, and is not intended to override, any other rules in the Handbook where firms may be subject to fair, clear and not misleading rules in specific circumstances. We included guidance in the relevant sourcebooks to remind firms of the anti-greenwashing rule when they comply with other obligations.
- 2.12** Firms subject to the Consumer Duty will also need to consider its rules. Our expectations under the anti-greenwashing rule for the retail market are consistent with the Duty. For example, we expect firms to act in good faith towards their retail customers, and to enable and support them to pursue their financial objectives. Similarly, under the consumer understanding outcome rules, in PRIN 2A.5, firms should give retail customers the information they need, presented in a way they are likely to understand, and that equips them to make effective, timely and properly informed decisions.
- 2.13** Firms are also subject to other legislation and guidance that applies to sustainability-related claims. This includes existing consumer protection law, which covers what firms say, how they present it and what they fail to say about the environmental impacts or credentials of their products, services, brands, and activities. The Competition and Market Authority's (CMA) [guidance](#) on environmental claims is designed to help firms understand and comply with their obligations under consumer protection law.
- 2.14** Our anti-greenwashing rule and guidance is consistent with the CMA's [guidance on environmental claims](#) and the requirements of the Advertising Standards Authority's (ASA) [guidance](#). We have worked closely with the CMA and ASA to ensure consistency.
- 2.15** While the scope of the anti-greenwashing rule relates to products and services, we remind firms that the CMA and ASA's guidance and FCA Principles 6 and 7 or, as relevant, the Consumer Duty (Principle 12 and the rules in PRIN 2A), apply to sustainability-related claims that a firm may make about itself as a firm.

Expectations and examples

- 2.16** This Guidance is designed to help firms understand our expectations under the anti-greenwashing rule.
- 2.17** In practice, the effect of the anti-greenwashing rule and the other rules mentioned above mean the following:

Sustainability references should be:

- ✓ **Correct and capable of being substantiated**
- ✓ **Clear and presented in a way that can be understood**
- ✓ **Complete – they should not omit or hide important information and should consider the full life cycle of the product or service**
- ✓ **Comparisons to other products or services are **fair and meaningful****

The examples below were created for the purposes of this Guidance and are designed to help firms understand what the core principles of the Guidance mean in practice. They are not exhaustive. The Guidance often refers to references that firms make about the sustainability characteristics of products and services as 'claims'.

Claims should be correct and capable of being substantiated

- 2.18** The claims firms make should be factually correct. Firms should not state or imply features of a product or service that are not true. Nor should they overstate or exaggerate a product or service's sustainability or positive environmental and/or social impact. Claims should only give the impression that a product or service has the sustainability characteristics that it really has. Claims can also be misleading if they provide conflicting or contradictory information.
- 2.19** A firm's products or services should do what they say they do. They should live up to the claims made, and firms should be able to support those claims with robust and credible evidence. Claims should be capable of being substantiated at the point in time at which they are made. Firms should think carefully about whether they have the appropriate evidence to support their claims.
- 2.20** It is also important that firms regularly review their claims and any evidence that supports them, to ensure the evidence is still relevant for so long as those claims are being communicated (eg, a financial promotion is live). Firms should also ensure that their claims remain compliant with the anti-greenwashing rule on an ongoing basis. Firms which approve financial promotions subject to the rules in COBS 4 should consider compliance with the anti-greenwashing rule as part of their monitoring of the ongoing compliance of the financial promotion which they have approved.
- 2.21** Where a firm's claim makes specific reference to the evidence that supports it, they may want to consider whether it would be helpful to make that evidence publicly available in an easily accessible way.

Example 1

A firm makes a promotional statement that an investment fund is 'fossil fuel free'. However, the terms and conditions explain that the investment fund includes investments in companies involved in the production, selling, and distribution of fossil fuels where the company's revenue earned from those activities is below a certain threshold.

So, the companies within the investment fund are not 'fossil fuel free'. This statement is not factually correct and is not capable of being substantiated, which makes the claim misleading.

Example 2

In the promotions for a fund, an investment manager prominently displays a claim that all investments are reviewed for their sustainability characteristics. However, not all investments are systematically reviewed for their sustainability characteristics, and sustainability characteristics are not always factored into the investment manager's decisions.

There is a risk that the investment manager is overstating the extent to which they consider the sustainability characteristics of investments in the fund and that this claim cannot be substantiated. Should the investment manager wish to make this claim, all their investments should be consistently reviewed for their sustainability characteristics, and the investment manager should hold evidence to demonstrate how they do this and how the review is factored into their decision-making process. The investment manager may want to consider whether to make this information publicly available in an easily accessible way.

Example 3 (good practice)

A firm advertises a fund which makes social sustainability claims, including statements that it invests in companies that have good labour practices in line with international best practice. The fund manager establishes clear and robust standards for selecting investee companies – it has chosen to include fair wages, safe working conditions and other criteria that align with international frameworks and standards. It assesses and monitors the investments that it has selected, and seeks to address any issues that arise while holding the investment through appropriate escalation. Its marketing materials include a clear explanation of the investment objectives and strategy, including its standards for selecting investee companies and the types of holdings in the fund.

Claims should be clear and presented in a way that can be understood

- 2.22** The claims firms make should be transparent and straightforward, and firms should consider whether the meaning of all the terms would be understood by the intended audience. For example, technical language may be difficult to understand, so firms should consider whether any technical terms could be explained for the intended audience, unless their meaning is clear and widely understood. The use of broad terms or general statements may be also unclear and confusing. Firms should not use terms that might give the impression that a product or service has sustainability characteristics that it does not have.
- 2.23** Firms should consider whether the information they are providing is useful for the intended audience. Where a claim is being communicated to a professional client, firms may not need to include the same information or present it in the same way as they would for a communication addressed to a retail client.

- 2.24** Firms should also be aware of the overall impression a visual presentation of a claim can create. The images, logos and colours used are an important part of the overall presentation of a claim. Firms should consider how images, logos and colours together may be perceived by the audience when presented alongside other sustainability characteristics of a product or service. Claims may be undermined if what they say is factually correct, but their visual presentation conveys a different impression.
- 2.25** This Guidance does not extend to the use of images, logos, and colours in a context not intended to refer to, or describe, the sustainability characteristics of a product or service (although other rules may apply).
- 2.26** If firms are subject to the Consumer Duty, they should test their communications where appropriate. This testing should check that communications are likely to be understood by customers and meet their information needs so they can make effective, timely and properly informed decisions. Firms should consider if it would be appropriate to test communications relating to a product or service, where they are making sustainability-related claims. [Our consumer research](#) on SDR and investment labels summarises our consumer testing findings, which shaped our final rules, and includes some considerations for asset management firms developing consumer-facing disclosures.
- 2.27** Firms subject to the Duty should also ensure they have the necessary information to understand and monitor customer outcomes. This includes, where relevant, checking if customers are equipped with the information to make effective, timely and properly informed decisions. It also includes being able to assess the overall customer outcomes when they purchase a product or service or when they interact with a firm. For example, whether they can use the products or services as expected, the value that they receive, and whether they may be subject to harm. Where firms identify any problems, they should investigate and correct any deficiencies.

Example 4

A firm has a large image of a rainforest at the top of its webpage about its savings accounts, with an overlay of text that reads 'Sustainable Savings'. The webpage includes its 'Green Savings Account' alongside a list of other savings accounts. Its 'Green Savings Account' uses deposits to lend to companies to fund sustainable projects, while its other savings accounts do not.

In this case, the image of the rainforest on the savings account webpage coupled with the text that reads 'Sustainable Savings' may give its audience the impression that the firm will use deposits in all savings accounts to help create positive sustainability outcomes. If only the deposits in its 'Green Savings Account' are ringfenced to fund sustainable projects, the use of both words and images in this way is potentially misleading as it gives the impression that the bank uses deposits to finance sustainable projects through more of the savings accounts offered than it actually does.

If the firm wishes to use a sustainability-related image, they should use an image that is consistent with the sustainability characteristics of the product or service, and only use that image in relation to products and services with those characteristics. In this case, it should only use the image and text for the 'Green Savings Account', rather than all savings accounts.

Claims should be complete – they should not omit or hide important information

- 2.28** Claims should give a representative picture of the product or service. Firms should not omit or hide important information that might influence decision-making.
- 2.29** Where claims are only true if certain conditions apply, those should be clearly and prominently stated. Similarly, the limitations of any information, data or metrics used in a claim should be clearly and prominently disclosed.
- 2.30** Claims should not highlight only positive sustainability impacts where this disguises negative impacts. Firms should present claims in a balanced way and not focus solely on a product or service's positive sustainability characteristics, where other aspects may have a negative impact on sustainability.
- 2.31** Similarly, firms should consider the life cycle of a product or service, as appropriate, when making sustainability-related claims. Firms should base their claims on the full life cycle of the product or service. Otherwise, for example in cases where certain elements of the life cycle may be more of interest in a consumer's decision-making process, firms should be clear about which part of the life cycle the claim relates to. Firms should not cherry-pick information as this may give the impression that a product or service has sustainability characteristics that it does not have.
- 2.32** Firms should consider what information is necessary to include for the claim to give a representative picture of the product or service. Firms should also consider whether information about the firm itself may be considered part of the 'representative picture' of a product or service. It is important that those claims meet the relevant rules and expectations (as outlined above) so that the overall picture is fair, clear and not misleading.

Example 5

A bank promotes bonds and makes claims about their sustainability impact. The bonds are used to finance a range of sustainability projects including renewable energy and improving companies' energy efficiency. However, eligible activities also include projects to improve the efficiency of fossil fuel energy production and distribution – information which is not included in the promotional materials.

Omitting this information is potentially misleading for its audience as from the marketing materials consumers may not expect these bonds to include investments in projects related to fossil fuels. The firm should be transparent in its promotional materials about what the eligible activities might include. The firm could also explain how the projects can contribute to sustainability impact so that its consumers can better understand why they are eligible.

Example 6

A commonly tracked benchmark claims to be 'sustainable', by excluding companies with ESG ratings 'lower than 3'. The benchmark administrator does not specify what the rating aims to assess, for example, whether it assesses sustainability-related risks or impact. It also does not specify the scale the rating uses, which could be 1-10, and does not disclose the rationale for choosing an ESG score of 3 as the appropriate threshold. It could, in reality, not be a high bar, as standards may vary across markets.

The benchmark administrator does not give its audience complete information and so does not make it clear whether and how the benchmark is representing sustainable objectives. This could result in users and ultimately end-investors being misled about the sustainability outcomes of the benchmark.

Example 7 (good practice)

A fund manager advertises its asset selection process as 'focused on supporting carbon intensive companies with credible transition plans to finance their decarbonisation'. The fund promoted invests in Sustainability-Linked Bonds (SLBs). In its marketing materials to potential investors the manager highlights how it selects only those SLBs that meet criteria that are 'in line with market standards for best practice'.

To support this claim, the fund manager names the SLB framework it uses to assess potential investments within the marketing materials. The marketing materials also set out the qualities it looks for within SLBs to support compliance with this framework – which in this case includes clear, measurable, and ambitious performance indicators and sustainability performance targets linked to a company's transition plan, and routine reporting against these metrics which will be independently verified.

Comparisons should be fair and meaningful

- 2.33** The claims firms make when comparing a product or service, either to one of their previous versions or to a competitors', should be fair and meaningful. Comparisons should enable the audience to make informed choices about the products or services.
- 2.34** Claims comparing the sustainability characteristics of products and services should make clear what is being compared, how a comparison is being made and should compare like with like. Claims that appear to make market-wide comparisons but are based only on a limited sample have the potential to mislead their audience.
- 2.35** Firms should be careful when making claims about the extent to which a feature of a product or service has sustainability characteristics when it may simply be meeting a minimum standard of compliance with existing legal requirements. Such claims could be misleading, as, while they may be true, they may also wrongly give the impression that their product or service is superior to others available.
- 2.36** Where comparative claims are made, any evidence to substantiate those should cover all products or services compared.

Example 8

A firm claims that by buying their investment bond, investors will 'reduce emissions' more than through buying other investment bonds on the market. However, the firm does not make it clear to its audience that this comparison refers only to Scope 1 emissions (as opposed to all emissions – Scope 1, 2 and 3) and was based on a limited sample at a particular date.

The firm has picked information that paints a better picture of its investment bond compared to others on the market. The claim does not make clear how the comparison is being made or its limitations. The firm should make the limitations of the comparative claim clear. In doing so, it should explain what is meant by Scope 1, 2 and 3 emissions, if this technical language is not widely understood by the intended audience, and the limitations of covering only Scope 1 emissions. It should clarify that the claim was based on a limited sample, explaining what the sample was and the date on which that sample was taken.

Chapter 3

Feedback Statement

- 3.1** The following chapter summarises the feedback to our guidance consultation (GC23/3) and our responses. We received 69 responses from a broad range of stakeholders including trade bodies and industry groups, consumer groups, non-governmental organisations and firms from a variety of sectors. We provide a list of non-confidential respondents in Annex 1.
- 3.2** The updated Guidance in Chapter 2 reflects our response to feedback and includes some further clarifications and new examples.
- 3.3** Overall, respondents broadly supported the Guidance and the practical examples. They supported our outcome to minimise greenwashing and welcomed both the anti-greenwashing rule and guidance. Some stakeholders disagreed with certain aspects of the guidance, such as the implementation date. However most comments were calls for more examples covering a broader range of sectors and scenarios, including in relation to social matters, as well as good practice. Many respondents also asked us to clarify the scope of the anti-greenwashing rule.

Question 1: *Does the proposed guidance clarify the anti-greenwashing rule? If not, what more could we do to provide clarity?*

- 3.4** Some respondents asked us to clarify the scope of the anti-greenwashing rule and how the Guidance interacts with both the anti-greenwashing rule and other rules that reference 'fair, clear and not misleading', such as COBS 4.2. This included calls for us to clarify whether the rule applies to the claims firms make about itself, firm-level reports, reports required under other requirements (including those in other jurisdictions) and products and services that are unregulated or based overseas.
- 3.5** Some respondents asked us to clarify the interactions between the anti-greenwashing rule and the naming and marketing rules under the SDR regime for asset managers, and some asked for further guidance in areas such as stewardship.
- 3.6** Some respondents asked us to define terminology such as 'environmental/social characteristics' and to elaborate on some of the terms used in the guidance such as 'complete', 'life cycle of a product', 'regular review' and 'periodically monitor'.
- 3.7** Some respondents asked for more clarity on our expectations when firms rely on third parties for data and information, particularly around the level of substantiation firms should have. There were calls for us to clarify whether firms following existing industry standards for sustainability will meet the anti-greenwashing rule. Some also asked us whether firms can tailor information depending on whether they have retail or professional clients.
- 3.8** Some respondents asked us to outline our supervision and enforcement approach and explain where firms should prioritise implementation. Others asked if we will be updating the guidance periodically.

Response

This Guidance is intended to help firms comply with the anti-greenwashing rule. Firms may consider this guidance in the context of the nature of business and the sustainability-related claims they are making in relation to products and services.

We have clarified the scope of the rule in Chapter 2. This includes clarifying that the rule is consistent with and complements existing rules in the Handbook, where firms may be subject to fair, clear and not misleading rules in specific circumstances. It is not a substitute for, nor does it override those rules.

We clarified that the anti-greenwashing rule applies in respect of references to sustainability characteristics of financial products and services, and financial promotions approved by UK firms for unauthorised persons. Firms are subject to other rules and expectations regarding the claims firms make about themselves and other firm-level disclosures but should nevertheless take into account how firm-level claims may be considered as part of the 'representative picture' in a decision-making process. Firms should also consider the expectations and obligations under CMA guidance and ASA requirements.

Firms subject to the naming and marketing rules for asset managers under the SDR and labelling regime must comply with those rules in addition to the anti-greenwashing rule (see our response to question 3 on timelines below). We have not provided further guidance on the wider SDR and labelling regime and firms subject to the rules should refer to [PS23/16](#) and our [webpage](#) for further information.

We have kept this Guidance principles-based so that it can be applied across all sectors. Firms may consider the Guidance taking account of the nature of their audience. For example, a communication to a professional client or an eligible counterparty may not need to include the same information, or be presented in the same way, as a communication addressed to a retail client. Firms may also consider balancing the need for clear information with sufficient detail so that the audience can understand the claim. Where appropriate, consumer testing may be helpful.

Where firms rely on third parties for information, they should consider the appropriateness of relying on data, research, analytical resources and other information provided by third parties to substantiate the claims they are making.

Firms should consider the type of evidence that would be appropriate to ensure their claims are fair, clear and not misleading. This will depend on factors such as the nature of the product or service and the claims they are making. Our guidance is that firms should consider making evidence public, although firms may determine it is not appropriate to do so.

We will take our usual supervisory and enforcement approaches. We may take supervisory or enforcement action where we have reason to believe that there is risk of consumer harm or where serious misconduct may have taken place.

We will continue to provide support to industry on implementation of the regime through stakeholder engagement, including webinars and events. We will keep this Guidance under review and consider where we can build on and add sector-specific examples.

Question 2: *Do you have any comments on the proposed guidance including the examples given?*

- 3.9** Most respondents supported the Guidance and examples provided. However, most respondents suggested it would be helpful to provide examples of good practice to illustrate how firms could be meeting the requirements. There were also calls for more examples, covering different sectors and types of firm, including distributors, portfolio managers, and examples for wholesale markets. Some respondents considered the guidance too focused on investment products while others wanted further clarity on its application to this sector. Many respondents called for examples on social claims.
- 3.10** In our wider work, we have had feedback from firms that they are concerned about the risk of greenwashing associated with supporting high emitting companies that are looking to reduce their carbon emissions over time.
- 3.11** Some respondents provided more detailed comments and considerations on the examples in the consultation. This includes, for example, comments on the use of images and colours and, more specifically, whether the anti-greenwashing rule and guidance captures a firm's branding and logo.

Response

We have included two additional examples in Chapter 2 in response to feedback. However, the examples in this Guidance are not exhaustive, and firms should consider how the principles of this Guidance apply in relation to their business and the claims they are making. The examples should not be treated as the only circumstances in which greenwashing may occur or be avoided.

We have added more examples on good practice to illustrate how the core principles of the guidance can be applied. We have included an example to help demonstrate how claims about social characteristics may be considered misleading. Where appropriate firms may wish to consider if other industry guidance or standards could help provide information that is more tailored to their sector.

We are undertaking wider work to understand the challenges that the UK financial sector faces in providing transition finance with integrity to support companies to reduce their carbon emissions and meet net zero targets. To help firms, we have included an example in the Guidance to show that funds, and the broader financial sector, can support sustainability objectives through channelling finance to support net the zero transition.

We have sought to provide more clarity on the use of visuals in Chapter 2. Should a firm wish to use an image in its sustainability-related claims, it should be consistent with the sustainability characteristics of the product or service. This Guidance does not extend to the use of visuals in a context not intended to refer to, or describe, the sustainability characteristics of a product or service (although other rules may apply).

Question 3: *Do you agree that the guidance should come into force on 31 May 2024?*

3.12 Most respondents were supportive of the guidance coming force on 31 May 2024, alongside the anti-greenwashing rule.

3.13 However, some respondents disagreed and said this would not be enough time for firms to review their claims and ensure they are complying with the rule. Of those that disagreed, most asked for the guidance to come into force on 2 December 2024, alongside the naming and marketing rules for asset managers who are not using labels but who are using sustainability-related terms in their naming and marketing. Others suggested bringing the guidance into force on 31 July 2024 to align with the date that firms can start to use labels under the SDR and labelling regime, and the Consumer Duty requirement for closed products. Others asked us to introduce an 'implementation period' to allow firms time to review their claims and make any amendments without the risk of enforcement action.

Response

As the anti-greenwashing rule will come into force on 31 May 2024, we are bringing the Guidance into force at the same time to provide firms with clarity on our expectations when complying with the new rule. This approach is consistent with the feedback we received to CP22/20, calling for us to provide guidance to clarify our expectations on the anti-greenwashing rule.

For most firms, the rule does not introduce a new requirement as they should already be ensuring their claims are 'fair, clear and not misleading' under existing FCA requirements. In response to feedback to CP22/20, we did not bring the anti-greenwashing rule into force on the date of publishing the final regime as intended, and instead we allowed an additional six months for firms to prepare if needed. We are therefore not introducing an additional transition period for the Guidance. We also remind firms of the ASA requirements and CMA guidance

around environmental claims that they should be adhering to already. This Guidance is consistent with the existing guidance.

All authorised firms need to meet the anti-greenwashing rule on 31 May 2024. Asset managers who are not using labels but are using sustainability-related terms in their naming and marketing will not need to comply with the additional naming and marketing rules or produce the associated disclosures under the SDR and labelling regime until 2 December 2024. However, they must still comply with the anti-greenwashing rule from 31 May 2024 and ensure their sustainability claims are fair, clear and not misleading and consistent with the sustainability characteristics of the product and service.

Annex 1

List of non-confidential respondents

ABN AMRO Bank N.V.
Alternative Investment Management Association (AIMA)
Association of British Insurers (ABI)
Association of Financial Mutuals (AFM)
Association of Foreign Banks (AFB)
Association of Investment Companies (AIC)
Association of Professional Compliance Consultants (APCC)
Association of Real Estate Funds (AREF)
BDO LLP
BlackRock
BlueMark
British Private Equity & Venture Capital Association (BVCA)
British Property Federation (BPF)
Building Societies Association (BSA)
ClientEarth
Consumer Scotland
Ecology Building Society
ESG Accord Ltd
Federated Hermes
Financial Inclusion Centre
Financial Services Consumer Panel
First Sentier Investors
INREV – European Association for Investors in Non-Listed Real Estate Vehicles
International Capital Market Association (ICMA)
International Swaps and Derivatives Association (ISDA)
International Underwriting Association (IUA)
Investment Property Forum (IPF)

LaSalle Investment Management
Lending Standards Board (LSB)
Loan Market Association (LMA)
Melville Rodrigues Consulting LLP
MSCI
Nest Corporation
NorthPeak Advisory
Personal Investment Management & Financial Advice Association (PIMFA)
Phoenix Group
Principles for Responsible Investment (PRI)
Rathbones Group Plc
ShareAction
Simmons & Simmons LLP
SimplyBiz Services Limited
Square Mile Investment Consulting and Research
SRI Services
The Big Exchange
The City of London Law Society (CLLS)
The Green Option Ltd (trading as The Green Insurer)
The Investment Association
The Lifescape Project
Triodos Bank UK
UK Finance
UK Sustainable Investment and Finance Association (UKSIF)
XPS Pensions Group
Zurich

A number of respondents requested their responses to be treated as confidential and we have treated responses from individuals as confidential.

Annex 2

Abbreviations used in this paper

Abbreviation	Description
ASA	Advertising Standards Authority
CMA	Competition and Markets Authority
COBS	Conduct of Business Sourcebook
CP	Consultation Paper
ESG	Environmental, Social and Governance
FCA	Financial Conduct Authority
GC	Guidance Consultation
PRIN	Principles for Businesses Sourcebook
PS	Policy Statement
SDR	Sustainability Disclosure Requirements
SLB	Sustainability-Linked Bonds
UK	United Kingdom

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