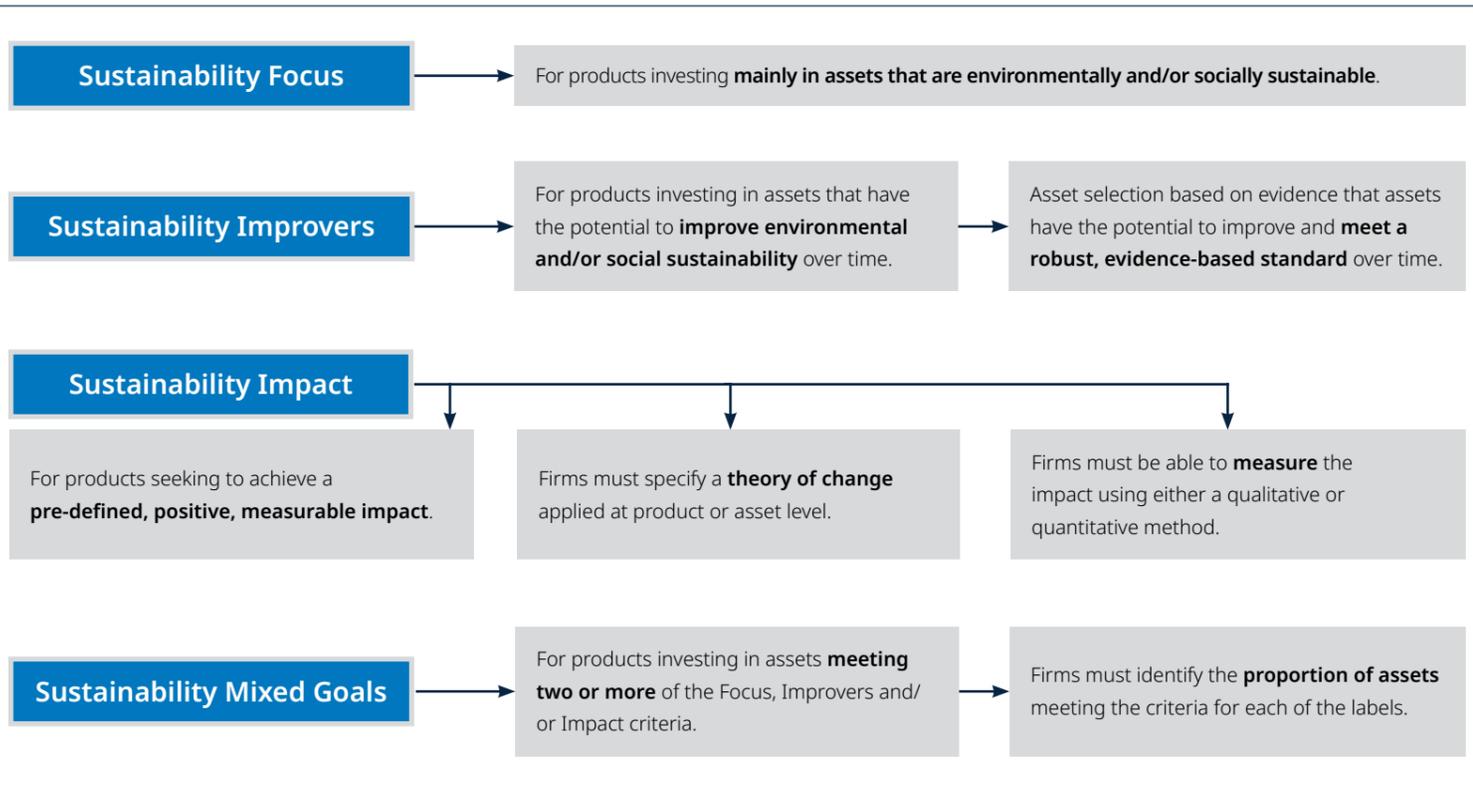
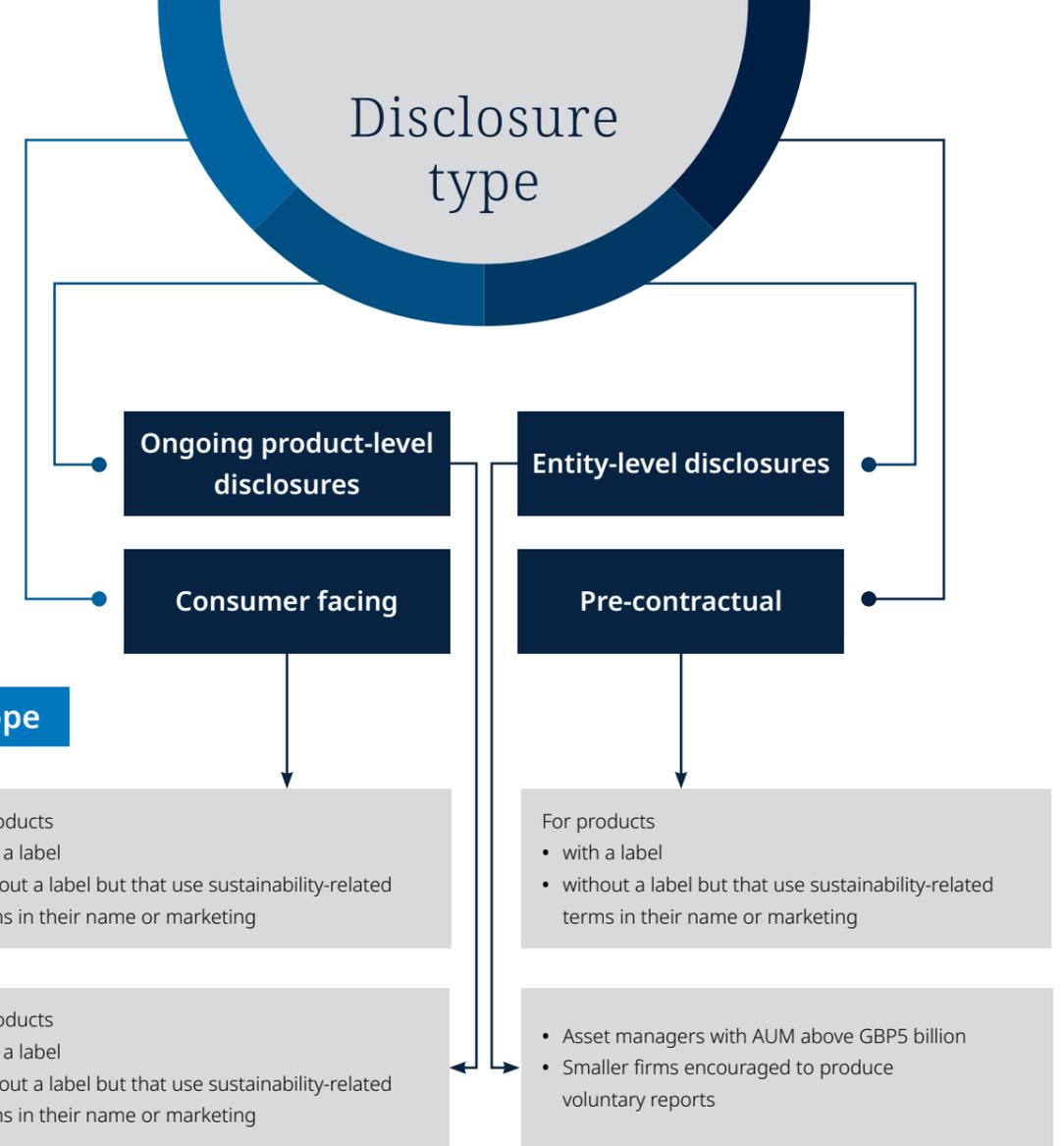


UK SDR Quick Reference Guide

The FCA has published its final rules on the Sustainability Disclosure Requirements (SDR) and investment labels regime. The SDR provides for four sustainability labels underpinned by disclosure rules, a new anti-greenwashing rule, and naming and marketing rules. The SDR is primarily designed to apply to UK authorised asset managers (AIFMs and UCITS managers) and distributors.

The anti-greenwashing rule requires **all FCA-authorized firms** to ensure any references to the ESG characteristics of products and services accurately reflect those characteristics and are fair, clear and not misleading. The FCA has published **draft guidance** to help firms understand and interpret the rule, with a deadline for comments of **26 January 2024**.

General criteria for all labels – sustainability objective; minimum 70% of assets invested in line with sustainability objective; assets selected based on robust, evidence-based standard that's an absolute measure of sustainability; KPIs measuring performance; governance, resources and investor stewardship requirements.



Asset managers **can use** sustainability-related terms in their product names and marketing material, even where a product label is not applied, subject to certain conditions. For example, the sustainability characteristics of the product should be material for the product's name to include a sustainability-related term (meaning, for example, that at least 70% of its assets have sustainability characteristics).

The restrictions will **not** apply to short factual statements that are not financial promotions, nor to statements in a context not intended to refer to or describe the sustainability characteristics.