FCA – Building trust in ESG

International Seminar on Sustainable Finance, OECD, 30 March 2022

Mark Manning, Financial Conduct Authority

A strategy for positive change

FCA work programme – key themes

Transparency

Enhance climate-related financial disclosures

Promote global standards for sustainability reporting

Improve transparency of performance on D&I.

Trust

Support fair and effective integration of ESG into financial market decision making, and trusted delivery of ESG-labelled securities, products and services

Tools

Influence internationally consistent outcomes in ESG

Deliver an ambitious Innovation programme

Work closely with industry

Collaborate with UK regulators and Government.

Transition

Intervene to underpin a market-led transition to a more sustainable future

Encourage effective investor stewardship.

Team

Embed ESG considerations and net zero 'have regard'

Communicate and 'role model'

Continue 'systems thinking' research on the ESG landscape

Key strategic themes

Global standards for corporate reporting

FCA work programme – key themes

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Tackling greenwashing

5 steps to build trust through transparency

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- Key milestones:
  - **TCFD implementation**
  - **IOSCO Sustainable Finance Taskforce**
  - **'Guiding Principles' for design, delivery and disclosure**
  - **Innovation programme**
  - **Product classification and labelling**
  - **Supporting consumer-facing disclosures**
  - **ESG data and ratings**

UK Government Roadmap to Sustainable Investing

Potential tiered structure

Discussion Paper DP21/4 – published 3 November; closed 7 January

Next steps

Progress near-term committed actions, including

- Continued stakeholder engagement on SDR/ labels and policy proposals
- Transition Plans Taskforce
- Feedback Statement on ESG and capital markets
- Final policy on D&I in listed companies, and follow-up to wider DP
- Continued collaboration with IOSCO/ISSB
- Ongoing work on ‘embedding’ and FCA TCFD report

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