

## Chapter 5

# Disclosure of sustainability-related information

## 5.2 Consumer-facing disclosures

### 5.2.1

**R**

A manager that is required to prepare and publish a *consumer-facing disclosure* under ■ ESG 5.1.1R must include in the *consumer-facing disclosure* for the relevant product:

- (1) where it uses a *sustainability label* in relation to a *sustainability product*, the information in ■ ESG 5.2.2R; or
- (2) where it does not use a *sustainability label* in relation to a *sustainability product*, but uses one or more of the terms in ■ ESG 4.3.2R(2) in accordance with ■ ESG 4.3.2R(1), the information set out at:
  - (a) ■ ESG 5.2.2R(1) to ■ ESG 5.2.2R(4), ■ ESG 5.2.2R(7)(a) and (b), ■ ESG 5.2.2R(8)(b) and (c) and ■ ESG 5.2.2(9); and
  - (b) ■ ESG 4.3.5R(3)(a) to (c).

### 5.2.2

**R**

For the purposes of ■ ESG 5.2.1R, a manager must include the following information in the *consumer facing disclosure* which relates to a *sustainability product*:

- (1) the *manager's* name;
- (2) the name of the *sustainability product* to which the *consumer-facing disclosure* relates;
- (3) the date of the disclosure;
- (4) the *International Securities Identification Number (ISIN)* or other unique identifier (if any) for that *sustainability product*;
- (5) the *sustainability product's sustainability objective*, clearly signposted as the 'sustainability goal' for that product, including a summary of:
  - (a) any material effect (including expected effect) on the financial risk and return of the product as a result of the investment strategy the *manager* has adopted to pursue the product's *sustainability objective*;
  - (b) the product's progress towards achieving its *sustainability objective*; and
 

any material negative environmental and/or social outcomes that may arise when pursuing the product's *sustainability objective*, as identified under ■ ESG 4.2.9R(1);

- (6) the *sustainability label* which the *manager* is using in relation to that *sustainability product*, together with the relevant descriptor for that label, as follows:
  - (a) for the *sustainability label* 'sustainability focus', the relevant descriptor is: 'invests mainly in assets that focus on sustainability for people or the planet';
  - (b) for the *sustainability label* 'sustainability improvers', the relevant descriptor is: 'invests mainly in assets that may not be sustainable now, with an aim to improve their sustainability for people or the planet over time';
  - (c) for the *sustainability label* 'sustainability impact', the relevant descriptor is: 'invests mainly in solutions to sustainability problems, with an aim to achieve a positive impact for people or the planet'; and
  - (d) for the *sustainability label* 'sustainability mixed goals', the relevant descriptor is: 'invests mainly in a mix of assets that either focus on sustainability, aim to improve their sustainability over time, or aim to achieve a positive impact for people or the planet' as appropriate;
- (7) a summary of the *manager's* investment policy and strategy in relation to the *sustainability product's sustainability characteristics* (including, where relevant, the *sustainability product's sustainability objective*) which uses plain English language to describe the policy and strategy effectively and accurately to *retail clients* and which:
  - (a) is clearly signposted as the *manager's* 'sustainability approach';
  - (b) sets out the key *sustainability characteristics* of assets in which that *sustainability product* will and will not invest;
  - (c) details any types of asset that the product invests in for reasons other than to pursue its *sustainability objective* and why the product invests in those assets; and
  - (d) summarises the *manager's* approach to investor stewardship in supporting the achievement of the *sustainability product's sustainability objective*;
- (8) a summary of the relevant metrics in relation to that *sustainability product*, calculated using the most up-to-date data available as at the time of preparing the *consumer-facing disclosure*, which is clearly signposted as the *manager's* 'sustainability metrics' and sets out:
  - (a) the product's progress towards achieving the product's *sustainability objective*, measured against the KPIs that the *manager* uses under ■ ESG 4.2.4R(3);
  - (b) any other metrics that a *retail client* might reasonably find useful in understanding the *sustainability characteristics* of the product; and
  - (c) any relevant contextual information, such as an explanation of how the metrics in ■ ESG 5.2.2R(8)(a) and (b) should be interpreted;
- (9) details (including, as appropriate, hyperlinks) as to where a *retail client* can easily access the following information:
  - (a) the relevant *pre-contractual disclosure* in relation to the *sustainability product*, including, where applicable, Part A of the

*public product-level sustainability report* in relation to that product;

- (b) Part B of the *public product-level sustainability report* in relation to the product;
- (c) the *manager's sustainability entity report*; and
- (d) other non-sustainability related information in relation to a *sustainability product* – for example, costs and charges that are associated with that product; and

(10) for a *manager* that uses the 'sustainability mixed goals' *sustainability label*, details as to the proportion of the *sustainability product's* assets which are invested in accordance with each of the 2 or more *sustainability objectives* referred to in ■ ESG 4.2.18R.

5.2.3 **G** In relation to ■ ESG 5.2.1R(2)(a), a *manager* may choose to disclose any further information in ■ ESG 5.2.2R that it considers appropriate to include in a *consumer-facing disclosure*.

5.2.4 **R** A *manager* must ensure that the information at either ■ ESG 5.2.1R(2)(b) or ■ ESG 5.2.2R(5) (as applicable), together with the information at ■ ESG 5.2.2R(6), is located in a prominent place at the front of the *consumer-facing disclosure*.

5.2.5 **G** Where applicable, a *manager* may, for the purposes of ■ ESG 5.2.2R(9)(d), choose to refer to documents such as the *key information document*, the *key investor information document* or the *NURS-KII document* in relation to the particular *sustainability product*.

5.2.6 **R** A *manager* must ensure that a *consumer-facing disclosure* is clear, concise and can be easily read and understood by *retail clients* and that it does not exceed 2 pages of printed A4 paper in length.

5.2.7 **G** In relation to ■ ESG 5.2.6R, a *manager* is reminded of its obligations under ■ PRIN 2A.5.8R to ■ PRIN 2A.5.12R in tailoring a *consumer disclosure* appropriately to the needs of its *retail clients*.

5.2.8 **R** A *manager* must ensure it keeps a copy of each version of its published *consumer-facing disclosure* for a minimum of 5 years and provides a copy to a *retail client* or the *FCA* on request.

**Publication of a consumer-facing disclosure**

- 5.2.9 **R**
- (1) A *manager* must publish a *consumer-facing disclosure* on the *relevant digital medium* for the business of the *manager* in a prominent place on the specific webpage or page on a mobile application or other digital medium at which the *sustainability product* is offered.
  - (2) A *manager* must ensure that, in publishing a *consumer-facing disclosure*, it is easy for *retail clients* (including prospective *retail clients*) and *distributors* to:

- (a) identify the particular *sustainability product* to which the *consumer-facing disclosure* relates;
- (b) identify the relevant *sustainability label* (if any); and
- (c) access the information set out at ■ ESG 5.2.2R(9).

**5.2.10**

**G**

If a *manager* chooses to use a hyperlink in order to comply with ■ ESG 5.2.9R(2), it should ensure that the *consumer-facing disclosure* is available at no more than one mouse click away from the specific webpage at which the relevant *sustainability label* (if any) is located.