

FSCA Press Release

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FSCA releases Sustainable Finance Survey Report for the Investments Sector

The Financial Sector Conduct Authority (FSCA) has released the results of a survey conducted across investment providers providing key insights regarding the integration of Environmental, Social and Governance (ESG) considerations within the sector.

This follows the publication of the FSCA's Sustainable Finance Programme of Work in March 2024, which signalled the FSCA's intention to prioritise certain regulatory and supervisory activities aimed at promoting the availability of credible and consistent information regarding sustainable finance in the South African market.

To this end, the FSCA conducted a survey to assess the investment sector's progress in integrating sustainable finance and ESG considerations into their strategies and practices. The survey focused on three key themes: (1) Governance; (2) Operations and Product Design; and (3) Risk Management and Disclosures. While the survey findings indicate that a significant portion of the industry recognises the importance of ESG principles, adequate and effective integration remains challenging.

Key challenges identified include:

- Regulatory uncertainty, which limits the adoption of standardised ESG practices.
- Lack of consistent ESG ratings, affecting investment decision-making.
- Challenges in mitigating greenwashing risks, raising concerns about misleading sustainability-related information.

The FSCA is exploring the need for further regulatory interventions, including those aimed at strengthening transparency requirements, refining ESG disclosure guidelines, and aligning with emerging global frameworks.

The Investment Providers Sustainable Finance Survey Report is available for download on the FSCA's website [here](#). The FSCA encourages all stakeholders to review the findings and contribute to future discussions on enhancing the sustainable finance landscape in South Africa.

More details on the FSCA's broader Sustainable Finance Programme of Work can also be found [here](#).

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