

18 January 2023

SDR and labels policy
Financial Conduct Authority
12 Endeavour Square
London E20 1JN

Email: cp22-20@fca.org.uk

Dear Sir or Madam,

FCA Consultation Paper (CP22/20) - Sustainability Disclosure Requirements (SDR) and investment labels (the Consultation Paper)

The Loan Market Association (**LMA**) welcomes this opportunity to respond to the Consultation Paper (CP22/20): '*Sustainability Disclosure Requirements (SDR) and investment labels*'.

Loan Market Association

The LMA is the trade body for the European, Middle Eastern and African syndicated loan markets. Its aim is to encourage liquidity in both the primary and secondary loan markets by promoting efficiency and transparency, as well as by developing standards of documentation and codes of market practice, which are widely used and adopted.

Membership of the LMA currently stands at over 800 organisations across over 65 countries and consists of banks, non-bank investors, borrowers, law firms, rating agencies and service providers.

Scope of LMA feedback

We have not aimed to provide detailed feedback on the Consultation Paper on the basis that it does not directly relate to the syndicated loan market. We have, however, set out our high-level comments below.

Comments on the Consultation Paper

We welcome the FCA's efforts to build trust in sustainable investment products and finance instruments more generally. Financial markets, including the syndicated loan market, have a substantial role to play in catalysing the transition to net zero and in fostering a just transition, and we welcome efforts to develop the sustainable finance market further.

In recent years, the LMA has been actively involved in a number of initiatives relating to sustainable finance, including the development of the Green-, Social- and Sustainability-Linked Loan Principles alongside the APLMA and LSTA. These Principles provide a high level framework for market participants to follow when structuring their sustainable lending products globally and are aimed at protecting the integrity of these innovative products, whilst allowing flexibility for these products to continue to develop.

Sustainable finance instruments have since developed rapidly in the loan market. A total volume of \$124.27 billion green loans and \$467.94 billion of sustainability-linked loans were recorded in 2022 (Source: Bloomberg).

We would welcome the opportunity to discuss with you the opportunities relating to sustainable lending in the syndicated loan market as well as the current challenges to scaling-up the use of these innovative finance products.

If you would like to arrange a meeting, or if we can be of any further assistance, please do not hesitate to contact either myself or Hannah Vanstone by email at hannah.vanstone@lma.eu.com or by telephone on +44 (0) 207 006 1372 or +44 (0) 207 006 2034. or

Yours sincerely,

G Lawrence-Pardew

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Head of Sustainability

Director – Legal

Loan Market Association