

2022 ESAs Call for evidence on greenwashing

Fields marked with * are mandatory.

Responding to this Call for Evidence

The Call for Evidence (CfE) seeks input on potential greenwashing practices in the whole EU financial sector, including banking, insurance and financial markets, and which may be relevant to various segments of the sustainable investment value chain and of the financial product lifecycle.

All interested parties are welcome to contribute to the survey, including financial institutions under the remit of the three ESAs and other stakeholders ranging from retail investors and consumers associations to NGOs and academia.

Respondents are invited to contribute to this CfE, both to the common part and to the ESA-specific sections, or to those sections of the CfE which are relevant for a given respondent (by going directly to the relevant section).

All contributions should be submitted online via EU Survey.

UPDATE: The ESAs will accept contributions to the Call for Evidence via the EUsurvey link until the 16 January 2023 23:59 CET, after which the Call for Evidence will be closed.

Please refer to the below PDF version of the Call for Evidence which provides more details on the various questions:

[ESAs Call for evidence on Greenwashing.pdf](#)

Publication of responses

All contributions received will be published following the deadline, unless you request otherwise in the survey. A standard confidentiality statement in an email message will not be treated as a request for non-disclosure.

The ESAs reserve the right not to publish those responses which are assessed to be of an offensive or defamatory nature, are not related to the topic of the survey, or that include confidential information. A confidential response may be requested from us in accordance with EBA's, EIOPA's and ESMA's rules on access to documents. We may consult you if we receive such a request. Any decision we make not to disclose the response is reviewable by the ESAs' Board of Appeal and the European Ombudsman.

Data protection

Information on data protection can be found at www.esma.europa.eu under the heading Legal Notice, at

www.eiopa.europa.eu under the heading Legal Notice and on the webpage <https://www.eba.europa.eu/legal-notice>.

For technical support about this survey you can contact:

EBA: EBA.Greenwashing@eba.europa.eu

EIOPA: ESAsGreenwashingCfE2022@eiopa.europa.eu

ESMA: ESMA.Greenwashing@esma.europa.eu

A. Introduction and Background

I. Introduction

1. Growing demand for sustainability-related products combined with rapidly evolving regulatory regimes and sustainability-related product offerings create a context that may be conducive to increased greenwashing risks. In its Renewed Strategy of July 2021, the European Commission (EC) laid out its expectation that supervisors play an essential role in identifying, preventing, investigating, sanctioning and remediating greenwashing, suggesting that it would issue a request to work on the subject to the three European Supervisory Authorities (ESAs).

2. On 23 May 2022, the ESAs received a request for input from the EC relating to greenwashing risks and supervision of sustainable finance policies. The EC requests each ESA, separately but in a coordinated manner, to provide input on greenwashing risks and occurrences in the EU financial sector and on the supervisory actions taken and challenges faced to address those risks. Two deliverables are foreseen in the request: a progress report expected by end of May 2023 and a final report expected by end of May 2024.

3. The work for this request for input can be structured in the following main areas:

- a) Clearly defining greenwashing and better understanding the phenomenon, its scale and potential related risks;
- b) Taking stock of the implementation of relevant sustainable finance legislation within the remit of the ESAs and identifying early challenges for stakeholders and regulators;
- c) Mapping out various aspects of the supervisory response and assessing its adequacy from both a legal and a practical standpoint.
- d) Issuing recommendations based on findings within the areas referred to above.

4. In order to deliver on the EC's request, the ESAs will build on a number of actions already planned under their respective workplans and will rely on a variety of data sources, as well as on extensive outreach. This CfE will contribute to the collection of up-to-date, detailed evidence to complement other sources of information.

II. Objectives and scope

5. With regard to the term "greenwashing", it is important to note that this CfE uses the term broadly to also include sustainability-related claims relating to all aspects of the ESG spectrum (i.e., environmental, social

and governance dimensions). This is consistent with the EC's request for input where the term "greenwashing" is used as referring to sustainability-related claims on environmental, social and/or governance aspects. In this regard, it is important to note that some market participants have given more prominence recently to environmental aspects due to developing sustainable finance legislation focusing on the environment and the increased focus on climate change. As a result, there may be an increasing number of misleading claims on environmental topics leading to greenwashing risks. This does not mean, however, that social and governance aspect could not lead to a significant number of misleading claims.

6. Concretely, the ESAs are interested in collecting:

- i. The views from various stakeholders on how to understand greenwashing and what the main drivers of greenwashing might be;
- ii. Examples of potential greenwashing practices across the EU financial sector relevant to various segments of the sustainable investment value chain and of the product lifecycle; and
- iii. Any available data to help the ESAs gain a concrete sense of the scale of greenwashing and identify areas of high greenwashing risks.

7. This CfE seeks evidence of potential greenwashing practices in connection to sustainability claims regarding entities (hereafter entity-level claims) and products or services (hereafter referenced together under the term product-level). 'Product' is a generic term including all financial instruments, securities, investment, banking, insurance or pension products as well as all services relevant for each sector considered. Product-level claims are typically about how a product or service is taking into account sustainability. On the other hand, entity-level claims are made in connection to what an entity is doing at the overall firmwide level (e.g. an insurance undertaking or insurance intermediary, a corporate issuer, a bank, a pension provider, or a benchmark administrator).

8. Furthermore, in line with the scope of the EC's request for input, the CfE seeks evidence related to potential greenwashing practices both within and outside the scope of current EU sustainable finance legislation. Consequently, the ESAs encourage respondents to also consider providing examples of potential greenwashing practices relating to products, practices, and/or to documents or other means of communication of claims currently not explicitly covered by the EU sustainable finance legislation (e.g. references to ESG awards made in marketing materials, claims made on websites, social media, etc.). For instance, such products include ESG ratings or ESG derivatives. The collection of examples would be relevant given the fast-evolving nature of ESG markets and of the offer of sustainability-related products. The ESAs also encourage respondents to consider providing examples which comply with existing EU sustainable finance legislation but the outcome would still result in greenwashing.

9. This CfE seeks to collect information relating to practices and potential greenwashing risks in the sectors within the remit of the three ESAs. These sectors cover a great variety of financial market participants (e.g. insurers, credit institutions, benchmark administrators, product manufacturers, investors), which may also be present across the sustainable investment and sustainable products value chain (hereafter for simplicity referenced as "the sustainable value chain"). Indeed, there is value in looking at greenwashing from a multidimensional perspective with the help of the sustainable value chain which includes the entities operating in all of the sectors listed below as well as other stakeholders such as the retail investors /consumers.

10. This CfE contains a section on general greenwashing-related aspects relevant for the whole financial sector, as well as three additional sections covering specific aspects within the remit of each of the ESAs. Please note that the below list contains some unavoidable overlap in the form of some entities that fall under the scope of several ESAs (e.g. certain banks providing investment services would in fact be in scope of both EBA's and ESMA's remit).

a) EBA: credit institutions and related activities such as retail banking activities, corporate and project finance, investment services, own funds, funding, and liquidity instruments; payment service providers and payment services.

b) EIOPA: insurance undertakings, insurance intermediaries – including banks acting as insurance intermediaries, financial advisors acting as insurance brokers, and managing general agents – occupational pension schemes, and undertakings offering or planning to offer the Pan-European Personal Pension Product (PEPP).

c) ESMA: investment managers, investment firms, issuers and benchmark administrators. This sectoral prioritisation reflects ESMA's current understanding of the relative degree of greenwashing risks. Beyond these priority sectors, the CfE also aims to collect information on potential greenwashing issues within other segments within the sustainable value chain, in particular credit rating agencies and ESG data and rating providers.

Please note the below document which contains further explanations on the type of entities and products that fall under each sector.

[ESAs CfE- footnotes entities.pdf](#)

11. All interested stakeholders are invited to respond to this CfE, both to the common part and to the ESA-specific sections, or to those sections of the CfE which are relevant for a given respondent.

12. It is important to note that this CfE does not seek input in relation to sustainability-related claims made regarding entities, products or services not under the scope of the ESAs, such as sustainability-related claims regarding non-financial products (e.g. consumer goods).

III. Possible features of greenwashing

13. In providing feedback on greenwashing in the ESAs common section respondents are invited to consider a number of possible features of greenwashing that are listed below. These features are only illustrative and are not meant to set out a framework that the ESAs have approved or endorsed; they are only meant to help structure the analysis of the greenwashing phenomenon. Sectorial differences may exist.

14. Greenwashing is a complex phenomenon which can involve or impact a multitude of financial market participants and potentially affects all sectors in the sustainable value chain.

15. The drivers of greenwashing are multifaceted and may include demand for sustainability-related products, data-related issues, the need to build expertise and skills, challenges in the application of new rules, inconsistent interpretations of the legal regime and financial literacy gaps, etc. In order to address the causes, it is therefore necessary to understand more clearly the phenomenon and arrive at a shared

understanding of greenwashing issues.

16. Greenwashing could be analysed through four main dimensions:

a) **The role market participants can play in greenwashing, which could include three possible categories: trigger, spreader and receiver of a sustainability-related claim.** These three categories represent three potential roles that stakeholders across the sustainable value chain can have in any given occurrence of greenwashing.

b) **The actual topics on which the sustainability-related claims are made.** These topics can be cross-sectoral, can apply at entity- and product-level and can be grouped into 3 broad categories. This does not however mean that all 3 categories necessarily lead to greenwashing in all sectors. The 3 categories are: (1) Claims about an entity's governance and remuneration around sustainability and about an entity or a product's dedicated resources to sustainability matters, (2) Claims about sustainability strategy, objectives, characteristics or qualifications of a product, an entity, or a service and (3) Claims about sustainability-related metrics based on historical data or future targets.

c) **The misleading qualities of a sustainability-related claim, which specify in which way a claim can be construed as misleading** (e.g. selective disclosure or hidden trade-off such as cherry-picking positive information and/or omitting relevant negative information; exaggerated claims and/or failure to deliver on such claims; omission or lack of disclosure; vagueness or ambiguity or lack of clarity; poor advice; etc).

d) **The channels through which the sustainability-related claims are communicated to other actors across the sustainable value chain** (e.g. regulatory documents, ratings/benchmarks/labels, product information, marketing materials) **or the various stages of the product lifecycle in which they occur** (e.g. product delivery, product manufacturing).

B. Background questions/contact information

* Country

DK

* Name of the respondent or organisation

Finance Denmark

* Email

mba@fida.dk

* Type of respondent or organisation

- Auditors and third-party verifier
- Bank association
- Benchmarks administrator
- Conglomerate
- Consultancy company

- Consumer association
- Credit institution
- Credit Rating Agency
- Data provider
- ESG ratings provider
- Institutional investor
- Insurance intermediary
- Insurance undertaking
- Investment firm
- Investment manager
- Issuer
- Market association
- Non-Governmental Organisation
- Occupational pension scheme(s) provider
- Other, please specify
- Payment service provider
- Pension fund
- PEPP distributor
- PEPP manufacturer
- Policymaker
- Regulator/Supervisor
- Retail investor/Consumer
- Think tank, academic
- Trade union

All contributions received will be published following the deadline, unless you request otherwise. Please tick this box if you want your contribution to remain confidential:

- I want my contribution to remain confidential

C. ESAs common section of the CfE

1. Possible features of greenwashing

1.1 Core features or greenwashing

This part of the survey enquires about the views of respondents on what can be seen as core characteristics of greenwashing, including:

1) Similarly with the communication of other **misleading** claims there are several ways in which sustainability-related statements, declarations, actions, omissions or communications may be misleading. On the one hand, communications can be misleading due to the omission of information that consumers or investors would need to take an informed transactional or investment decision (including but not limited to partial, selective, unclear, unintelligible, inconsistent, vague, oversimplistic, ambiguous or untimely information, unsubstantiated statements). On the other hand, communications can be misleading due to the actual provision of information, relevant to an informed transactional or investment decision, that is false, deceives or is likely to deceive consumers or investors (including but not limited to mislabelling,

misclassification, mis-targeted marketing);

2) Greenwashing can occur either **at entity level** (e.g. in relation to an entity's sustainability strategy or performance), **at product level** (e.g. in relation to products' sustainability characteristics or performance) or **at service level** including advice and payment services (e.g. in relation to the integration of sustainability-related preferences to the provision of financial advice).

3) Greenwashing can be either **intentional or unintentional** (e.g. resulting from negligence or from misinterpretation of the sustainable finance regulatory framework requirement).

4) Greenwashing can occur at any point where sustainability-related statements, declarations or communications are made, including **at different stages of the cycle of financial products/services** (e.g. manufacturing, delivery, marketing, sales, monitoring) **or of the investment value chain** (e.g. issuer, benchmark/rating provider, investment firms, etc.).

5) Greenwashing may occur in **specific disclosures required by the EU sustainable finance regulatory framework** (e.g. SFDR Article 9 product-level disclosure requirements). Greenwashing may also occur as a result of **non-compliance with general principles** – as featured either in general EU financial legislation or more specifically in EU sustainable finance legislation (e.g. the requirement to provide information that is fair, clear and not misleading). In that context, greenwashing may occur in relation to **entities that are currently outside of the remit of the EU sustainable finance legislation** as it currently stands (e.g. ESG ratings).

6) Greenwashing **can be triggered by the entity to which the sustainability communications relate** or by the entity responsible for the product, **or it can be triggered by third parties** (e.g., ESG rating providers or third-party verifiers).

7) If not addressed, greenwashing will **undermine trust in sustainable finance markets and policies**, regardless of whether immediate damage to individual consumers or investors (in particular through mis-selling) or the gain of an unfair competitive advantage has been ascertained.

Q A.1: Please provide your views on whether the above-mentioned core characteristics of greenwashing reflect your understanding of and/or experience with this phenomenon and whether you have anything to add/amend /remove.

4000 character(s) maximum

Greenwashing claims against financial market participants (FMP) create reputational risk and one should carefully consider what is within the control of the FMPs when describing and understanding the concept. We believe the term greenwashing has been too broadly used and that the characteristics defined by the ESAs create several risks. The risk of greenwashing is already reflected in the requirements for marketing and pricing of products requiring marketing material to be "fair, clear and not misleading" (MIFID terms, but also applies to the other areas). Understanding greenwashing as unintentional and any type of communication, also by third parties, creates an open-ended notion of greenwashing, making risk assessment and monitoring difficult for FMPs. We do not believe that greenwashing can be unintentional.

External factors outside the control of the FMPs increases the risk of greenwashing but should not be mistaken for it. Regulatory uncertainty with the definition of key issues left to the discretion of the FMPs and continuous third level guidance, impacts how green products are viewed and manufactured. E.g., the recent reclassification of article 9 funds to article 8 is an example of how further guidance impacts the market, not a sign of greenwashing. It is also broadly known that data availability and quality do not meet the requirements for FMPs when they manufacture green financial products, advise costumers, and disclose sustainability related information. Data will change as the reporting from companies improves, just as the knowledge and definitions of sustainability will evolve. These elements create a volatile environment for manufacturing and marketing sustainable financial products. A best effort interpretation of the rules and use of data should be distinguished from greenwashing, when guidelines change, or more accurate data become available. Broadening the concept of greenwashing and paving the way for more greenwashing claims when regulatory framework and data are still maturing, would be to the detriment of the green transition. Consumers would lose trust in sustainable products even before the market has had a real chance to develop market standards and practices.

Reference to non-compliance with general principles without a clear taxonomy is also problematic. More complexity and unclarity should be avoided and we question the use of this reference. As a minimum, the description of what these principles are and specific reference to the regulation in question should be more precise. There are multiple hard and soft-law regulatory frameworks addressing sustainability. Are they all considered principles for the purpose of greenwashing? Furthermore, there are many environmental and social actors with varying views on what is sustainable and related tradeoffs, i.e., competing views of acceptable tradeoffs between sustainability objectives and particular thresholds. Here facts on positive and negative impacts may be correct, but the sustainability claim could be challenged based on different viewpoints. This should also be distinguished from greenwashing since there is no intention to mislead.

Including sustainability communication triggered by third parties is problematic. It is crucial that only parties with control of the relevant actions are greenwashing. Referring to the roles of market participants in QA3, the roles should be tied to the notion of responsibility in the typification of greenwashing and where the responsibility lies. I.e., a formal due diligence process carried out by the FMP to engage with third parties should place responsibility in a greenwashing case on the third party and not on the FMP.

We acknowledge, that not addressing greenwashing will undermine the trust in sustainable finance markets, but too broad a definition in the current situation risks doing the same. It is a common task for FMPs and regulators at this stage to acknowledge and explain the uncertainties.

Q A.2: Do you have or use a specific definition of greenwashing as part of your activities? If so, please share this definition.

4000 character(s) maximum

As a trade association, Finance Denmark does not have its own definition of greenwashing and there is no sector level definition. We do, however, advocate a narrower definition of greenwashing than described under QA1. We strongly emphasize that the clear condition for greenwashing is that there is intent, a product is marketed as a sustainable product and that greenwashing should be clearly linked to the mis-selling of a product.

When addressing the issue of clearly defining greenwashing, it is important to note that greenwashing risks are to a large extent being incorporated into the risk and compliance assessments already taking place. This follows from provisions already in place in the marketing legislation, UCITS, AIF and disclosure regulations. We would strongly encourage the ESAs not to increase complexity by introducing a whole new definition detached from the legislative framework already in place to address these issues and would advocate for an understanding of greenwashing with mis-selling, misrepresentation and the attempt to gain an unfair competitive advantage at the core.

We would also highlight that greenwashing is not limited to the financial sector and as such, all society stakeholders should be included in the scope of greenwashing definitions.

1.2 Dimensions of greenwashing

1.2.1. The potential roles market participants can play in greenwashing

Q A.3: Market participants could potentially play three main different roles (trigger, spreader, receiver) in any given occurrence of greenwashing. For instance, a corporate issuer can trigger greenwashing by understating its carbon emissions. This misleading claim could be communicated to both investment managers, ESG data providers and/or other market participants some of whom might continue to spread the misleading claim to the end investors/consumers, who will be the receiver of greenwashing.

Q A.3.1: Do you agree that market participants could be involved in three different ways in greenwashing, as described above?

- a) Yes
- b) No

Q A.3.2: If no, could you please further elaborate on the roles market participants could play in greenwashing, including on potential alternative or additional roles to the ones identified above?

4000 character(s) maximum

In principle, there is a logic to the three roles, but it is unclear to what end it is necessary to define these roles. It is of course important to know the origin of the greenwashing occurrence but will defining the roles as “spreader” and “receiver” also imply a part of the responsibility for the greenwashing occurrence? Given the immense reputational risk involved, it is important to further clarify what the roles of “spreader” and “receiver” mean, and it begs the question whether a FMP should be concerned about trusting the information they receive from data providers and companies. It should be entirely clear that a FMP indirectly involved in a greenwashing occurrence is not responsible. Regulators and independent authorities should provide clarity on how greenwashing occurs and that it can have several origins and causalities that the FMP may not necessarily be able to reasonably know. The roles must not put responsibility on FMPs who have no visibility on whether or not the information they receive/ forward is credible.

If greenwashing is defined as intentional, the roles would make some sense – if a receiver or spreader of false sustainability claims has knowledge that the information is incorrect but uses the information despite that knowledge.

Due to the suggested “unintentional characteristic” of greenwashing, there is a strong need to better define the responsibility of third parties.

1.2.2. The topics of sustainability-related claims

Another dimension of greenwashing is the topic of a given sustainability-related claim, which can be grouped into 3 broad topics. These can be applicable to various sectors across the sustainable value chain and can be cross-cutting at entity- and product-level. However, this does not mean that all of these 3 categories necessarily lead to greenwashing in all sectors. Moreover, it is important to note that one given claim can fall under several topics, for instance an entity making claims about targeting positive impact on climate change can be split into its actual strategy around creating positive impact (falling under Topic 2), its governance around monitoring and implementing this strategy including dedicated staff composed of impact analysts (Topic 1), while the actual metrics referenced to measure the impact would fall under Topic 3. Furthermore, greenwashing can occur in relation to an isolated claim about one of the topics listed below or it may relate to a combination of claims which in aggregate constitute greenwashing.

Please note the enclosed document contains further explanations on the categories of topics listed below. We strongly encourage you to consult these in order to better understand the topics and sub-topics of sustainability-related claims listed below.

[ESAs CfE- footnotes topics.pdf](#)

- Topic 1: Claims about an entity’s governance and remuneration around ESG and about an entity or a product’s dedicated resources to sustainability matters:
 - i. Board and senior management's role in sustainability
 - ii. ESG corporate resources and expertise

- Topic 2: Claims about the sustainability strategy, objectives, characteristics or qualifications of a product, an entity, or a service:

- i. ESG strategy, objectives, characteristics
- ii. Sustainability management policies
- iii. ESG qualifications / labels / certificates
- iv. Engagement with stakeholders

- Topic 3: Claims about sustainability-related metrics based on historical data or future targets:

- i. ESG performance to date (including metrics for impact claims)
- ii. Pledges about future ESG performance (ESG targets, including net-zero commitments; transition plan, taxonomy alignment plans)

Q A.4: Please indicate the degree to which you consider each topic described above, as prone to the occurrence of greenwashing. Please provide a score from 1 to 5 (where 1 = very low occurrence ; 2 = low occurrence ; 3 = neutral ; 4 = high occurrence ; 5 = very high occurrence).

	1	2	3	4	5	Don't know
* Board and senior management's role in sustainability (Topic 1, i)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* ESG corporate resources and expertise (Topic 1, ii)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* ESG strategy, objectives, characteristics (Topic 2, i)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
* Sustainability management policies (Topic 2, ii)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* ESG qualifications / labels / certificates (Topic 2, iii)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
* Engagement with stakeholders (Topic 2, iv)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* ESG performance to date (including metrics for impact claims) (Topic 3, i)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* Pledges about future ESG performance (ESG targets, including net-zero commitments; transition plan, taxonomy alignment plans) (Topic 3, ii)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q A.4.1: Please specify the underlying drivers of greenwashing in relation to the topics you scored higher.

4000 character(s) maximum

While considering that greenwashing should be an intentional act of misleading or misrepresentation, we find that the risk of greenwashing would be highest in option c (and partly e). While it is too early to base these observations on empirical data on occurrence of greenwashing options c and e will most directly affect the investors and their choice.

With the level of discretion left for FMPs and uncertainties within the current regulatory framework as well as data uncertainties, we would argue that the potential inconsistencies in metrics that could be perceived as greenwashing are rather a consequence of legal uncertainty and should not be considered greenwashing. Pledges about future ESG performance are an important topic as well but will be addressed in the negotiations on the new Marketing Directive.

Q A.5: For the same list of topics listed in the previous question, please provide a score from 1 to 5 on the potential harm/impact of a misleading claim made on that topic (where 1 = very low impact ; 2 = low impact ; 3 = neutral ; 4 = high impact ; 5 = very high impact).

	1	2	3	4	5	Don't know
* Board and senior management's role in sustainability (Topic 1, i)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* ESG corporate resources and expertise (Topic 1, ii)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* ESG strategy, objectives, characteristics (Topic 2, i)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
* Sustainability management policies (Topic 2, ii)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* ESG qualifications / labels / certificates (Topic 2, iii)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
* Engagement with stakeholders (Topic 2, iv)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* ESG performance to date (including metrics for impact claims) (Topic 3, i)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* Pledges about future ESG performance (ESG targets, including net-zero commitments; transition plan, taxonomy alignment plans) (Topic 3, ii)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q A.5.1: Please explain what types of impacts or harm and their consequences you anticipate as a result of greenwashing practices.

4000 character(s) maximum

If defining harm/impact as impact on the investor/customer, we would argue that c, and partly h, are most important. While it is too early to base these observations on empirical data on occurrence of greenwashing and its impact, these options are considered to most directly affect the investors.

Q A.6: In addition to the three topics and eight sub-topics above, do you identify any additional topics which would be relevant to potential greenwashing issues?

- a) Yes
- b) No

Q A.7: Please indicate below if you have any additional comments regarding the relevance of the above topics on which sustainability-related claims are made in the context of a given sector or entity.

4000 character(s) maximum

1.2.3 The way in which a claim can be misleading

Q A.8: On a scale from 1 (i.e. "not at all relevant") to 5 ("very relevant"), please indicate the extent to which you find each of the misleading qualities of a sustainability-related claim listed below relevant to greenwashing practices.

	1	2	3	4	5	Don't know

* Selective disclosure or hidden trade-off (cherry-picking positive information and/or omitting relevant negative information)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
* Empty claims (exaggerated claims and/or failure to deliver on such claims)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
* Omission or lack of disclosure	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
* Vagueness or ambiguity or lack of clarity	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* Inconsistency across various disclosures and communications (marketing, regulatory, website, etc.)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* Lack of fair and meaningful comparisons, thresholds, scenarios and/or underlying assumptions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
* No proof (unsubstantiated)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
* Misleading /Suggestive non-textual imagery and sounds (including the use of specific colours like green)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* Irrelevance	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* Outdated information	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* Misleading / suggestive use of ESG-related terminology (naming-related greenwashing)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
* Outright lie (falsehood)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

Q A.8.1: Please provide further comments to the identified misleading qualities of communication in the context of greenwashing. In particular, should any of the qualities be added, amended or deleted from the list and if so, why?

4000 character(s) maximum

All the mentioned elements are important in determining whether the marketing of a product has been done correctly. While using outdated information can indeed be misleading, we would point to the fact that data is bound to change as data availability and quality improve. We would therefore once again point out that some leeway in terms of adjusting to new data should be given, without considering the former disclosures based on outdated data as misleading.

1.2.4 Which communication channel

Another dimension of greenwashing is represented by the channels through which sustainability-related claims are communicated to other actors in the sustainable value chain.

These channels include, but are not limited to, the following: (1) Regulatory documents (including Key Investor Documents or Key Information Documents (KIDs), prospectuses, financial statements, management reports, non-financial statements, benchmark statements and methodology documents, insurance—product information documents, pension benefit statements, etc.) or regulatory disclosures, (2) Ratings[1]/benchmarks/labels, (3) Product information (including internal classifications and internal target market, product testing and distribution strategy related documentation), (4) Intermediary/advice information, (5) Marketing materials (including website, social media), (6) Voluntary reporting, falling outside previous categories as reported on a voluntary basis.

Q A.9: Regarding the above dimension and the list of channels through which misleading claims can be communicated to other segments of the sustainable value chain, please indicate the likelihood that a given channel serves to communicate misleading sustainability claims made at entity level and/or at product/service level. Please score each channel from 1 (rather unlikely) to 5 (very likely):

	1	2	3	4	5	Don't know
* a) Regulatory documents (including Key Investor Documents or Key Information Documents, Prospectuses, Financial statements, Management Reports, Non-Financial Statements, Benchmark statements and methodology documents, insurance-product information documents, pension benefit statements, etc.) and/or any mandatory disclosures	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* b) Ratings (ESG ratings and/or other ESG data products)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* c) Benchmarks	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* d) Labels	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* e) Product information (including internal classifications, and internal target market, product testing and distribution strategy related documentation)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* f) Intermediary/advice information	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* g) Marketing materials (including website, social media, advertising)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* h) Voluntary reporting, falling outside previous categories as reported on a voluntary basis	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* i) Other (please specify)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

Q A.9.1: Please indicate below if you have any comments regarding the communication channels of potentially misleading sustainability-related claims?

4000 character(s) maximum

We believe that misleading claims can happen through all channels but the reason for emphasizing a, f and g is that these communication channels most directly concern the consumers and investors.

1.2.5 At which stage of the lifecycle and where in the business model/management does greenwashing occur

In addition to the different channels of transmission of claims, greenwashing can also occur at various stages of the product lifecycle, including: the product manufacturing stage (product development, product design, market targeting), the product delivery stage (marketing, product-related disclosure, distribution, sales), the product management stage (product monitoring/review, ongoing product-related disclosure). Beyond the product lifecycle, greenwashing can occur at the entity-level: in the business model (value chains, group structures, innovation and technology, outsourcing) or in the business management (culture, governance arrangements, systems and processes).

Q A.10: For each of the stages of product lifecycle and with regard to the business model and management, please indicate the likelihood of the occurrence of greenwashing. Please provide scores ranging from 1 (rather unlikely) to 5 (very likely):

	1	2	3	4	5	Don't know
* a) Product manufacturing	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* b) Product delivery – marketing: advertisements, non-regulatory information	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* c) Product delivery – regulatory disclosure	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* d) Product delivery – distribution channels	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* e) Product delivery – sales: information asymmetry (this includes under or over emphasis of certain product features)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* f) Product delivery – sales: misselling due to misleading information/disclosure	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* g) Product delivery – sales: misselling due to unsuitable product	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* h) Product delivery – sales: incentives at point of sale	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* i) Product management – product monitoring, product review, ongoing product disclosure	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* j) Business model at entity level – value chain, group structure, innovation/digitalization, outsourcing	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* k) Business management at entity level – culture, governance arrangements, systems and processes	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q A.10.1: Please indicate below if you have any comments on the above question

4000 character(s) maximum

Misleading claims could potentially originate from all parts of the product life cycle, but b, e and f are emphasized with a view to what would have biggest impact on investors and consumers.

1.2.6 Further considerations

Q A.11: Are there any relevant elements or features of greenwashing which have not been referenced in the questions above?

- a) Yes
- b) No

Q A.11.1: If yes, please provide below more information on your answer including, if possible, a short illustration:

4000 character(s) maximum

Regulatory alignment (delivery level): it is important that national NCAs are aligned in the definition of sustainable products. There should be the same requirements across the EU for launching a sustainable product to avoid “regulatory window shopping”- it should not be easier to market an article 9 product in Luxembourg than in Denmark.

2. Examples of potential greenwashing practices

This section of the survey relates to the collection of examples of potential greenwashing practices that you may have encountered that we would like to encourage you to describe below. These examples can be within or outside the current scope of the EU sustainable finance legislation and should refer to the financial sector within the remit of at least one of the ESA's. This CfE does not seek input in relation to sustainability-related claims made regarding entities, products or services not under the scope the ESAs, like sustainability-related claims regarding non-financial products (e.g. consumer goods). Please make sure to provide examples for which you can answer at least some of the below questions. Please provide the details of the described cases to the best of your knowledge.

Please bear in mind that the purpose of this survey is to gather useful and concrete examples that will help the ESAs to better understand greenwashing. Greenwashing cases reported in this CfE are mainly sought for the purpose of informing the advice which the ESAs would provide to the European Commission. Therefore, you may either give full details about the actual names of the entities or products involved in a potential greenwashing practice, or you may refer to them as ‘entity X’, ‘product Y’.

Respondents can provide up to 5 examples of greenwashing in this survey. If you are able to identify more examples of greenwashing, please choose those cases which are the most relevant in your view, and the most likely to occur.

Q A.12: Are you able to identify and characterize at least one example of potential greenwashing practice?

- a) Yes, I can provide at least one example of potential greenwashing practice
- b) No, I cannot identify a specific example of potential greenwashing practice

Q A.12.1: (If no) If you have not identified occurrences of greenwashing, what is the reason for that?

- a) There is no specific methodology on how to detect (potential) greenwashing cases
- b) As sustainable finance requirements (including definitions and disclosure standards) are new/not in force yet, greenwashing is hard to detect
- c) Few or no products with sustainability features are offered in my jurisdiction / entity / area of interest, decreasing the risk of greenwashing
- d) I have not encountered any instances of greenwashing
- e) Other, please specify below

Q A.13: Do you want to raise any additional points that was not included in this survey?

D. EBA section of the CfE

Greenwashing in the context of credit institutions, investment firms and payment service providers' activities

Types and forms of greenwashing

The questions below aim at identifying the most common forms and types of greenwashing that may occur within **credit institutions, investment firms and payment service providers**. For some of the items listed, please provide a score from 1 (i.e. 'Very unlikely') to 5 (i.e. 'Very likely'), a brief explanation of the score when deemed relevant as well as some examples of how greenwashing may occur. Respondents are encouraged to provide a score to each item but may choose not to respond to some items (by reporting 0 'Don't know') if they consider themselves not in a position to express view.

Question D.1: In the context of ESAs' work on greenwashing, claims on environmental (e.g., climate-related) and/or social (e.g., human rights) and/or governance (e.g. director's duties) topics are considered. Based on your experience/knowledge, please indicate which of the following topics may be prone to the occurrence of greenwashing practices by EU banks, investment firms and payment service providers. [For each of the following items, please provide a score from 1 (i.e. 'Very unlikely') to 5 (i.e. 'Very likely'), or 0 ('Don't know')]:

	1 (Very unlikely)	2 (Unlikely)	3 (Neither unlikely /likely)	4 (Likely)	5 (Very likely)	0 (Don't know)
1. Misleading claim on E topics	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
2. Misleading claim on S topics	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
3. Misleading claim on G topics	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
4. Misleading claims on combined E and S topics	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
5. Misleading claims on combined S and G topics	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
6. Misleading claims on combined E and G topics	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
7. Misleading claims on combined ESG topics	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please briefly elaborate on your assessment:

4000 character(s) maximum

At this point in time, focus is mostly on sustainable products with a climate or environmental impact, and this is where the demand from costumers and investors lies. In consequence, this may be the area, where the incentive to gain an unfair competitive advantage is higher. On the other hand, even though uncertainties still exist, the E is the most well-defined aspect of ESG now. Unclear and vague definitions, metrics, etc. on the S and the G therefore enlarge the regulatory uncertainty of what constitutes greenwashing.

Question D.2: In the context of **credit institutions**, please indicate which of the following areas may be prone to the occurrence of greenwashing practices? [For each of the following items, please provide a score from 1 (i.e. 'Very unlikely') to 5 (i.e. 'Very likely') or 0 ('Don't know')].

D.2.1. Institution level:

	1 (Very unlikely)	2 (Unlikely)	3 (Neither unlikely/likely)	4 (Likely)	5 (Very likely)	0 (Don't know)
1. Green/ sustainability-related claim on the business strategy	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
2. Green/ sustainability-related claim on the corporate governance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
3. Green/ sustainability-related claim on other entity-specific aspects (please specify below)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

Please specify 'other entity specific aspects' (referred to in point 3) here:

50 character(s) maximum

D.2.2. Product and service level:

D.2.2.1. Green/ sustainability-related claim on retail and SME banking products and services including the following:

	1 (Very unlikely)	2 (Unlikely)	3 (Neither unlikely/likely)	4 (Likely)	5 (Very likely)	0 (Don't know)
1. Consumer loans	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
2. Mortgages	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
3. Deposits	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
4. Other (please specify below)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

Please specify 'Other':

50 character(s) maximum

D.2.2.2. Green/ sustainability-related claims on corporate and investment banking products and services including the following:

	1 (Very unlikely)	2 (Unlikely)	3 (Neither unlikely/likely)	4 (Likely)	5 (Very likely)	0 (Don't know)
1. Specialised lending and project finance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
2. Venture capital and private equity	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
3. Corporate bonds	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
4. Sustainability bonds	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
5. Portfolio management and investment advice	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
6. Other (please specify below)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

Please specify 'Other':

50 character(s) maximum

D.2.2.3. Green/ sustainability-related claims on own funds, funding and liquidity instruments, including the following:

	1 (Very unlikely)	2 (Unlikely)	3 (Neither unlikely /likely)	4 (Likely)	5 (Very likely)	0 (Don't know)
1. Capital instruments (common equity, other equity)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
2. Bonds of which proceeds are used to finance green or social projects	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
3. Sustainability-linked bonds	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
4. Regular bonds	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
5. Securitisations	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
6. Covered bonds	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
7. Other (please specify below)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

Please specify 'Other':

50 character(s) maximum

D.2.2.4. Green/ sustainability-related claims on the financing of governments, regional authorities, and public sector entities

	1 (Very unlikely)	2 (Unlikely)	3 (Neither unlikely /likely)	4 (Likely)	5 (Very likely)	0 (Don't know)
Claims on financing of governments, regional authorities, and public sector entities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

D.2.2.5. Green/ sustainability-related claims on payment account and (online) payment services

	1 (Very unlikely)	2 (Unlikely)	3 (Neither unlikely /likely)	4 (Likely)	5 (Very likely)	0 (Don't know)
Claims on payment account and (online) payment services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

D.2.2.6. Green/ sustainability-related claims on other products and services

	1 (Very unlikely)	2 (Unlikely)	3 (Neither unlikely /likely)	4 (Likely)	5 (Very likely)	0 (Don't know)
Claims on other products and services (please specify below)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

Please specify 'Other products and services' here:

50 character(s) maximum

Please elaborate on your assessment to any points of Question D.2:

4000 character(s) maximum

Question D.3: In the context of **investment firms** please indicate which of the following areas may be prone to the occurrence of greenwashing practices? [For each of the following items, please provide a score from 1 (i.e. 'Very unlikely') to 5 (i.e. 'Very likely') or 0 ('Don't know')]

D.3.1. Institution level:

	1 (Very unlikely)	2 (Unlikely)	3 (Neither unlikely /likely)	4 (Likely)	5 (Very likely)	0 (Don't know)
1. Green/ sustainability related claim on the business strategy	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
2. Green/ sustainability related claim on the corporate governance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
3. Green/ sustainability related claim on other entity-specific aspects (please specify below)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

Please specify 'other entity specific aspects' (referred to in point 3) here:

50 character(s) maximum

D.3.2. Product and service level:

	1 (Very unlikely)	2 (Unlikely)	3 (Neither unlikely /likely)	4 (Likely)	5 (Very likely)	0 (Don't know)
1. Green/ sustainability related claim on portfolio management activities and investment advice	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
2. Green/ sustainability related claim on underwriting of financial products	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
3. Green/ sustainability related claim on trading on own account activities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
4. Green/ sustainability related claim on payment services (e.g. offsetting, clearing, reception transmission of orders)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
5. Green/ sustainability related claim on other services and products (please specify below)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

Please specify 'other services and products' (referred to in point 5) here:

50 character(s) maximum

Please elaborate on your assessment of any points of Question D.3:

4000 character(s) maximum

Question D.4: In the context of **payment service providers** that are not credit institutions, please indicate which of the following areas may be prone to the occurrence of greenwashing practices? [For each of the following items, please provide a score from 1 (i.e., 'Very unlikely') to 5 (i.e., 'Very likely') or 0 ('Don't know')]

D.4.1. Institution level:

	1 (Very unlikely)	2 (Unlikely)	3 (Neither unlikely /likely)	4 (Likely)	5 (Very likely)	0 (Don't know)
1. Green/ sustainability related claim on the business strategy	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
2. Green/ sustainability related claim on corporate governance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
3. Green/ sustainability related claim on other entity-specific aspects (please specify below)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

Please specify 'other entity specific aspects' (referred to in point 3) here:

50 character(s) maximum

D.4.2. Product and service level:

	1 (Very unlikely)	2 (Unlikely)	3 (Neither unlikely /likely)	4 (Likely)	5 (Very likely)	0 (Don't know)
1. Green/ sustainability related claim on online payment services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
2. Green/ sustainability related claim on crypto currencies	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
3. Other products and services (please specify below)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

Please specify 'other products and services' (referred to in point 3) here:

50 character(s) maximum

Please elaborate on your assessment of any points of Question D.4:

4000 character(s) maximum

Question D.5: Please fill-in the two tables below on a best effort basis with some illustrative examples of potential greenwashing (one cell can include several examples).

D.5.1. At product and service level:

	Retail banking	Corporate banking	Investment services	Payment services and electronic currencies	Own funds, funding and liquidity instruments
<p>1. Misleading statements on the current sustainability characteristics (i.e. how sustainability is taken into account in the current objective, design, practice or strategy) <i>E.g., Incorrect disclosures on EU taxonomy alignment (green asset ratio) of mortgages and car portfolios.</i></p>					
<p>2. Misleading statements on the sustainability results and/ or 'real world' impact of a product, service, financial instrument, or entity. <i>E.g., Unsubstantiated claim that ascertains that a green loan/ investment (e.g., in energy improvement) will allow the customer to reduce home energy consumption by X%.</i></p>					

<p>3. Misleading statements on the future sustainability commitments relying on medium and/or long-term plan (e.g., future GHG emissions reduction, transition to carbon neutrality).</p> <p><i>E.g., Companies making public commitments to reduce scope 3 emissions and/or reach net zero emissions for a given retail portfolio (e.g., mortgages, car loans) but transition plan is not credible.</i></p>					
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D.5.2. At entity level

	Business strategy	Internal corporate governance
<p>1. Misleading statements on the current sustainability characteristics (i.e. how sustainability is taken into account in the current objective, design, practice or strategy)</p> <p><i>E.g., Incorrect disclosures on EU taxonomy alignment (green asset ratio) of mortgages and car portfolios.</i></p>		
<p>2. Misleading statements on the sustainability results and/ or 'real world' impact of a product, service, financial instrument, or entity.</p> <p><i>E.g., Unsubstantiated claim that ascertains that a green loan/ investment (e.g., in energy improvement) will allow the customer to reduce home energy consumption by X%.</i></p>		
<p>3. Misleading statements on the future sustainability commitments relying on medium and/or long-term plan (e.g., future GHG emissions reduction, transition to carbon neutrality).</p> <p><i>E.g., Companies making public commitments to reduce scope 3 emissions and/or reach net zero emissions for a given retail portfolio (e.g., mortgages, car loans) but transition plan is not credible.</i></p>		

Scale and prevalence of greenwashing

The questions below aim at assessing the overall materiality, understood as the scale and prevalence, of greenwashing practices by credit institutions, investment firms and payment service providers.

Please elaborate and provide any justification or evidence underlying your response, whenever possible.

Question D.6: In your view, the materiality of greenwashing by **credit institutions**, is:

	Low	Medium	High	Don't know
1. Currently	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
2. Going forward	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

Please briefly elaborate on your assessment:

4000 character(s) maximum

Question D.7: In your view, the materiality of greenwashing by **investment firms** is:

	Low	Medium	High	Don't know
1. Currently	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
2. Going forward	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

Please briefly elaborate on your assessment:

4000 character(s) maximum

Question D.8: In your view, the materiality of greenwashing by **payment service providers** is:

	Low	Medium	High	Don't know
1. Currently	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
2. Going forward	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

Please briefly elaborate on your assessment:

4000 character(s) maximum

Question D.9: Greenwashing can also generate financial risks to institutions. For credit institutions, what would be the risks most impacted by greenwashing? [For each of the following items, please provide a score from 1 (i.e. 'Extremely irrelevant') to 5 (i.e. Extremely relevant') or 0 ('Don't know'), and elaborate if deemed appropriate].

	1 (Extremely irrelevant)	2 (Irrelevant)	3 (Neither irrelevant /relevant)	4 (Relevant)	5 (Extremely relevant)	0 (Don't know)
1. Operational risk including losses related to litigation and liability risks	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
2. Conduct risk	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
3. Reputational risk	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
4. Strategic and business risk	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
5. Funding risk	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
6. Liquidity risk	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
7. Credit risk	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
8. Market risk	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
9. Other (please specify below)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

Please specify 'Other' here:

50 character(s) maximum

Please briefly elaborate on your assessment. On an optional basis, you may also indicate what types of risks other (non-credit) institutions would be most materially exposed to as a result of greenwashing in your opinion.

4000 character(s) maximum

Question D.10: In your view, the potential overall impact of greenwashing (understood here as any detriment that greenwashing may cause, including in terms of financial implications but not limited to) is:

	Low	Medium	High	Don't know
1. For the credibility of sustainable financial markets	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
2. For end-investors	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
3. For individual customers	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
4. For individual institutions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
5. For national (if applicable) financial stability	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
6. For the EU financial stability	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please briefly elaborate on your assessment:

4000 character(s) maximum

Addressing greenwashing risks

The questions below aim at identifying the potential challenges to prevent greenwashing and at determining how greenwashing risk within EU credit institutions, investment firms and payment service providers could be further tackled. For some of the items listed, please provide a score from 1 (i.e., 'extremely irrelevant') to 5 (i.e., 'extremely relevant'), a brief explanation of the score as well as any justification or evidence underlying your response, whenever possible. Respondents are encouraged to provide a score to each item but may choose not to respond to some items (by reporting 0 ('Don't know')) if they consider themselves not in a position to express their view.

Question D.11: What are the main challenges to address greenwashing risk? [For each of the following items, please provide a score from 1 (i.e., 'Extremely irrelevant') to 5 (i.e., 'Extremely relevant'), or 0 ('Don't know')]

	1 (Extremely irrelevant)	2 (Irrelevant)	3 (Neither irrelevant /relevant)	4 (Relevant)	5 (Extremely relevant)	0 (Don't know)
1. Lack of relevant and reliable data on the sustainability credentials, performance and/or impact	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
2. Uncertainty/ambiguity about sustainability standards, sustainability benchmarks, and sustainability eligibility criteria	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
3. Lack of internal resources and knowledge to implement and monitor sustainability standards	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
4. Lack of third-party verification or supervision	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
5. Inappropriate legal basis and tool to investigate and take legal actions against greenwashing	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
6. Other (please specify below)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

Please specify 'Other':

50 character(s) maximum

Please briefly elaborate on your assessment:

4000 character(s) maximum

Lack of internal resources and knowledge is a consequence of a and b. Third party verification is important in order to be able to rely on the information provided by companies. Labels and “safe havens” are important for the investment firms. Regarding e, we are at a point in time, where the regulation is still maturing, and market practices are developing and in this situation a too harsh approach should be avoided.

Question D.12: For institutions, which of the following types of tools and processes are used internally to address greenwashing?

- Tools and processes for (only) greenwashing specifically
- Tools and processes related to regular business conduct, risk management and regulatory compliance
- None

Please briefly elaborate on your assessment:

4000 character(s) maximum

New elements related to sustainable finance requirements are currently being developed within the processes already in place within the FMP organizations. Sustainability is becoming an integrated part of the business cycle and as such it is important not to create new isolated structures.

Question D.13: For institutions, what are the most important tools and processes you have in place (or are planning to put in place) to limit and address greenwashing risk. [For each of the following items, please provide a score from 1 (i.e., 'Extremely irrelevant') to 5 (i.e., 'Extremely relevant'), or 0 ('Don't know').

D.13.1. At institution level:

	1 (Extremely irrelevant)	2 (Irrelevant)	3 (Neither irrelevant/relevant)	4 (Relevant)	5 (Extremely relevant)	0 (Don't know)
1. Monitoring of factors and events that may give rise to reputational concerns	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
2. Code of conduct	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
3. Remuneration policies for sales staff that aim at mitigating the risk of mis-selling	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
4. Prudent communication for all sustainability -related communication	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
5. Internal control mechanism	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
6. Other (please specify below)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

Please specify 'Other':

50 character(s) maximum

D.13.2. At product/service level:

	1 (Extremely irrelevant)	2 (Irrelevant)	3 (Neither irrelevant /relevant)	4 (Relevant)	5 (Extremely relevant)	0 (Don't know)
1. Applying market guidance and/or standards that contribute to anchor definitions and criteria	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
2. Using external reviews and third verification parties	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
3. Establishing a clear list of eligible projects and activities for sustainability lending/finance	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
4. Clear new product approval process and policy that applies to sustainability products	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
5. Other (please specify below)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

Please specify 'Other':

50 character(s) maximum

Please briefly elaborate on your assessment:

4000 character(s) maximum

Question D.14: In your opinion, to what extent is (or will) the EU regulations (or projects) on sustainable finance (e.g., Taxonomy regulation, EU Green Bond Standard, Eco-label project, SFDR and associated level 2 regulations, Pillar 3 ESG risks requirements under CRR, CSRD) help addressing greenwashing risk within EU banks, investment firms and payment service providers?

Please also comment on the expected benefits as well as on the potential shortcomings you may see in these regulations/projects presently?

4000 character(s) maximum

The EU will help establish a common scope to consider in terms of greenwashing. However, if the regulations are not appropriate to the product - i.e. too strict/ broad coverage, it might hinder development by limiting financing to already 'firm' green activities and prevent support for transitional activities.

EU projects will have to play a key role in assisting the FMPs in being able to deliver on the Green Deal. As such, it is important that independent authorities provide guidance and balance into what is a sustainable product and what can the market expect. Finance may be contributing to the green transition and influence underlying assets (e.g. "active ownership"), but ultimately has to work with what is already available in the market. To this end, the entire value chain is on a path to a more sustainable future, but expectations must be managed so that false greenwashing allegations are minimized. The financial industry must be allowed time to develop and implement the relevant regulations.

Question D.15: Beyond the existing and forthcoming implementation of the EU sustainable finance regulations, what actions could be taken to further mitigate greenwashing risk? [For each of the following items, please provide a score from 1 (i.e., 'Extremely irrelevant') to 5 (i.e., 'Extremely relevant'), or '0' if you do not know].

	1 (Extremely irrelevant)	2 (Irrelevant)	3 (Neither irrelevant /relevant)	4 (Relevant)	5 (Extremely relevant)	0 (Don't know)
1. Develop further labels	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
2. Improve supervisory oversight	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
3. Develop regulatory guidance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
4. Further increase transparency	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
5. Other (please specify below)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

Please specify 'Other' here:

50 character(s) maximum

Please briefly elaborate on your assessment:

4000 character(s) maximum

It is important to ensure clarity about the rules but creating labels that ensure a third-party verification of a product will also be very useful – in the future, perhaps even more relevant for the S and G since there is less regulation on this. We do not believe that further disclosure requirements would increase transparency – this should be done through clearer rules.

On an optional basis, please upload any documents (reports, position papers, press articles...) you deem relevant for the purposes of EBA part of the survey on greenwashing:

E. EIOPA section of the CfE

Greenwashing and its risks in the insurance and pensions sectors

Question E.1: Please outline below whether the occurrence of greenwashing can also lead to other risks for insurance or pension providers (e.g., reputational risks, litigation risks, solvency risks):

4000 character(s) maximum

Internal monitoring of greenwashing (Targeted stakeholders for this set of questions: insurance and pension providers)

Question E.2: Do you have governance processes to prevent and monitor greenwashing in your institution (e.g., sustainable finance committee)?

- Yes
- No, but you are planning to
- No

Question E.3: Do you have internal tools to monitor greenwashing in your institution (e.g., systems and controls and /or key risk indicators flagging potential greenwashing)?

- Yes
- No, but you are planning to
- No

Internal monitoring of greenwashing (Targeted stakeholders for this set of questions: insurance intermediaries)

Preventing and monitoring greenwashing:

Question E.4: Do you have governance processes to monitor greenwashing in your institution (e.g., sustainable finance committee)?

- Yes
- No, but you are planning to
- No

Other considerations related to the Insurance and Pensions sector

Question E.5: For the insurance and pensions sector, please indicate if the following types of claims can in your view give rise to greenwashing:

Question E.5.1: Misleading claims about the impact of an entity, product or service on environmental or social factors (example: misleading claim about the impact of an entity's activities on the environment)

- Yes
- No
- I don't know

Question E.5.2: Misleading claims about the financial impact of sustainability risks on the entity or on the performance of the product or service (example: misleading claim about the impact of a natural catastrophe on the financial performance of a product)

- Yes
- No
- I don't know

Question E.5.3: If you said yes or no to questions 5.1 and/or 5.2, please explain your reasoning below:

4000 character(s) maximum

Question E.6: In your view is this situation greenwashing: An insurance/pension provider says that it is improving environmental and social factors via its investments in companies. This insurance/pension provider has consequential voting shares in various companies, but it does not use these voting shares to push these companies to become more sustainable.

- Yes
- No
- I don't know

Question E.6.1: If you answered yes or no to question E.6 please explain your reasoning below:

4000 character(s) maximum

Question E.7: Are there any specificities related to greenwashing in the insurance sector that you would like to highlight? If so, please indicate them below:

4000 character(s) maximum

Question E.8: Are there any specificities related to greenwashing in the pension sector that you would like to highlight? If so, please indicate them below:

4000 character(s) maximum

F. ESMA section of the CfE

The ESMA-specific section of the survey below covers questions relevant to entities and products under ESMA's remit.

All financial market participants and issuers under the remit of ESMA are invited to provide answers to this section. Other stakeholders ranging from retail investors and consumers associations to NGOs and academia are also invited to participate to the extent the views and expertise provided are relevant to ESMA's activities.

Understanding the drivers and the scale of greenwashing risks

As stated previously, the drivers of greenwashing are multifaceted and better understanding them is critical to addressing the issue.

Question F.1. Which, of the elements listed below, do you consider to be the main driver(s) of greenwashing risks?

[multiple answers possible]

- a) New / innovative ESG products in rapidly evolving ESG markets
- b) Entry of new participants such as issuers of ESG products, ESG rating or data providers, etc.
- c) Lack of ESG expertise and skills of market participants
- d) A rapidly evolving regulatory framework
- e) Differing interpretations of the regulatory framework
- f) Desire to exaggerate the sustainability profile at entity/product or service level
- g) Competition (wanting to be better than a comparable issuer/product)
- h) Lack of reliable data
- i) Mismatch between retail investors' expectations and market participants' ability to deliver real-world impact
- j) Other, please specify below

Please elaborate briefly on the answer to question F.1

500 character(s) maximum

There is a risk that an inconsistent and unclear regulatory framework combined with short implementation deadlines and immature ESG data and methodologies can be a source of many greenwashing claims, where the FMP cannot be considered responsible but will nevertheless suffer the reputational risk.

Through the questions below, we seek to better understand which ESG aspect(s), which segment(s) of the sustainable investment value chain, and which asset class(es) or product category(ies) may be more prone to greenwashing risks, in relative terms.

Question F.2. As stated before, this CfE uses the term greenwashing broadly, covering sustainability-related claims relating to all aspects of the ESG spectrum. While the sustainable finance legislation gives more prominence to environmental aspects, we would like to understand which aspects of the ESG spectrum may be more prone to greenwashing risks, at this stage. Please rate the three aspects below from 1 to 5 (where 1 = very low occurrence ; 2 = low occurrence ; 3 = medium occurrence ; 4 = high occurrence ; 5 = very high occurrence)

	1 = very low occurrence	2 = low occurrence	3 = medium occurrence	4 = high occurrence	5 = very high occurrence
a) Environmental aspects	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
b) Social aspects	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
c) Governance aspects	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

Question F.3. Greenwashing may apply to claims at both entity- and/or product-level (including services). Based on your experience, we would like to understand which level may be more prone to greenwashing risks in various market segments. For each of the segments listed below, please select one of the four options.

	1) Greenwashing practices are... more likely at entity-level	2) ... more likely at product /service-level	3) ... equally likely at entity and product /service levels	Not Applicable
Investment managers[1] <i>[1] For Investment Management, entity-level claims refer to claims made by asset managers under the scope of SFDR. Product-level claims refer to claims regarding investment products like investment funds.</i>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Investment firms[2] <i>[2] For investment firms, entity-level claims refer mostly to claims made by product distributors and manufacturers. Product-level claims refer to claims regarding: a) products: all financial instruments (within the meaning of Article 4(1)(15) of MiFID II) (b) services: portfolio management and investment advice.</i>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

<p>Issuers [3]</p> <p><i>[3] For Issuers' disclosure and governance, entity-level claims refer to claims made by issuers under the scope of NFRD, the upcoming CSRD and/or the Taxonomy Regulation (TR). Product-level claims relate to financial securities and instruments that fall under the remit of ESMA.</i></p>	○	○	○	○
<p>Benchmarks administrators[4]</p> <p><i>[4] For Benchmarks, entity-level claims refer to claims made by benchmark administrators. Product-level claims refer to claims regarding benchmarks.</i></p>	○	○	○	○
<p>Other</p>	○	○	○	○

Please elaborate on the answer provided to question F.3

1000 character(s) maximum

Question F.4. For market segments which you see as more prone to greenwashing risks, please provide below any quantitative or qualitative data (and relevant links) you may have and that could help inform our understanding of the scale and frequency of potential greenwashing practices. You may also upload files if relevant in the next field.

4000 character(s) maximum

Annex to question F.4 - please upload any file, if applicable.

Question F.5. With regards to product-level sustainability-related claims, we want to better understand which asset classes, financial products categories may be more prone to greenwashing risks. For each of the asset classes and/or financial products regarding which your expertise is relevant, please provide a score from 1 to 5 (where 1 = very low occurrence ; 2 = low occurrence ; 3 = medium occurrence ; 4 = high occurrence ; 5 = very high occurrence of greenwashing).

	1 = very low occurrence	2 = low occurrence	3 = medium occurrence	4 = high occurrence	5 = very high occurrence	Not applicable
a) Equity (common shares, other equity instruments)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
b) Fixed income (green bonds, social bonds and other use of proceeds (UoP) bonds, sustainability-linked bonds, common corporate bonds, common government bonds or other fixed income securities)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
c) Derivatives (ESG derivatives including those with an ESG underlying and with an ESG performance target, other derivatives)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
d) Alternative investments (infrastructure, private equity)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
e) Funds: UCITS funds, AIFs, ETFs, Private Equity funds or other funds (e.g. Hedge Funds, ELTIFs)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
f) Benchmarks: Paris-aligned (PAB), Climate transitioning (CTB) Climate Benchmarks, other climate benchmarks or ESG benchmarks	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
g) Other MiFID II instruments (e.g. securitisations)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
h) Other products/services (please specify below)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Question F.6. Greenwashing practices can be transmitted over more than one segment of the sustainable finance value chain. Various options are described below representing various greenwashing transmission trajectories of sustainability-related claims, where the first entity is always the trigger with subsequent entities being either in the role of spreader and/or receiver of the claims. Based on your experience, we would like to understand which transmission trajectory may be more prone to greenwashing risks. For each trajectory listed below, please provide a score from 1 to 5 (where 1 = very low occurrence ; 2 = low occurrence; 3 = medium occurrence; 4 = high occurrence; 5 = very high occurrence)

	1 = very low occurrence	2 = low occurrence	3 = medium occurrence	4 = high occurrence	5 = very high occurrence	Not applicable
<p>a) Issuer X --> Issuer Y[1] --> Investor or benchmark administrator</p> <p><i>[1] At entity-level, Issuer Y might be claiming to engage with its suppliers, including Issuer X, about a given E or S topic (e.g. human rights violations). Assuming Issuer X makes misleading claims about this topic, these claims can thus be spread by Issuer Y</i></p>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
b) Issuer --> Benchmark administrator --> Investment manager --> Investor	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
c) Benchmark administrators --> MiFID II manufacturer (e.g. ETF provider) --> Investment manager --> Investor	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
d) Benchmark administrator --> Investment manager --> Investor	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<p>e) Investment manager --> Institutional investment managers[2] --> Investor</p> <p><i>[2] The institutional investment managers could select the first asset manager as an underlying investment in their products (e.g. fund of funds), which are then sold to final investors</i></p>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
f) Investment manager --> MiFID II Distributor (e.g. Investment firm) --> Retail Investor	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

g) ESG ratings provider --> Investment manager --> Investor	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
h) ESG ratings provider --> Benchmark administrator --> Investor	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
i) Issuer --> Investment manager --> Investor	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
j) Issuer --> MiFID II Distributor (e.g. Investment firm) --> Retail Investor	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
k) Other (please specify below)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Consideration of greenwashing risks by financial market participants and issuers

It appears that some industry players already perceive greenwashing as a source of potential risks for their own development and performance and have started to take action with the view to mitigate such risks. The following section seeks to collect insights from financial market participants and issuers on how they perceive greenwashing and on what action they take to address the issue at their level.

Question F.7. Does your organisation perceive greenwashing as a potential source of risk?

- a) Yes and we have started developing a structured approach to tackling the issue
- b) Yes, but we have not yet developed a structured approach to the issue
- c) No
- d) Other, if so specify

Question F.7.1. If you answered a) or b) to QF.7: what category of related risks do you anticipate could result from greenwashing issues? [multiple answers possible]

- a) Financial risks
- b) Reputational risks
- c) Legal risks
- d) Other, if so specify

Question F.7.2. If you answered a) or b) to QF.7: what types of potential negative impacts do you anticipate as a result of greenwashing issues?

4000 character(s) maximum

Reputational risk is the main concern and the risk of being accused of greenwashing despite a best effort interpretation of the regulatory framework and use of the best available data.

Question F.7.3. If you answered a) to QF.7: What safeguards / risks mitigants have you (or are you planning to) put in place to address greenwashing risks?

4000 character(s) maximum

As a trade organization, we are not ourselves putting safeguards in place, but greenwashing risks are being incorporated into the general compliance framework in the industry.

Question F.8. Which industry initiative(s) do you see as instrumental in tackling greenwashing?

1800 character(s) maximum

It is important to maintain the trust between the authorities and the entities to ensure the necessary dialogue and loyal exchange of relevant information in order to develop the best possible practice, from both sides. In this regard, it is important that the supervisors take account of the views of FMPs before they make their decisions and express public criticism.

Question F.9. Which do you think are the market mechanisms that can help mitigate greenwashing risks (e.g. reputational issues) and how do you believe supervisors can help in this respect?

1800 character(s) maximum

The industry is actively engaging in ensuring clear and harmonized definitions and standards better understanding the sustainable finance regulatory framework as well as pointing out the uncertainties that may lead to greenwashing accusations.

Question F.10. Beyond what is already being done, what could policymakers and regulators do to alleviate greenwashing risks?

Supervisors and regulators can help mitigate the potential mistrust - by clearly acknowledging the difficult situation – both related to regulatory uncertainty and data availability. This can be done both by helping in the communication efforts of explaining these nuances and uncertainties to the public, but also by:

- ensuring workable timelines for implementing new guidance and RTS and
- guiding in the implementation when regulatory requirements are unclear and by
- acknowledging best effort implementation by the FMPs in their supervision.

Contact

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