EIOPA Seeks Feedback On Its Proposed Approach To Tackle Greenwashing In The Insurance And Occupational Pension Sectors

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The European Insurance and Occupational Pensions Authority (EIOPA) is launching today a public consultation on its draft Opinion on sustainability claims and greenwashing. The principles within the draft Opinion aim to pave the way for a more effective and harmonized supervision of sustainability claims across Europe and thereby limit the risk of greenwashing in the insurance and occupational pensions sectors.

As global awareness of sustainability grows, European insurance consumers and pensions savers are increasingly interested in allocating their money sustainably. In response to this heightened demand, insurance and pension providers have expanded their sustainable offerings and are adapting their business models.

However, these developments have brought about a corresponding increase in potential instances of misleading sustainability claims, or, in other words, greenwashing. Acknowledging the imperative of maintaining consumers' trust in the European insurance and pensions sectors and of ensuring that sustainability claims be accurate, substantiated and accessible, EIOPA is proposing a common supervisory approach to combat greenwashing.

This draft Opinion, presented for public consultation, sets out four principles that should be observed when providers make sustainability claims. To make the proposed principles more concrete and to demonstrate how greenwashing can occur in practice, EIOPA has compiled examples of good and bad practices for each principle.

- **Principle 1:** Sustainability claims made by a provider should be accurate, precise, and consistent with the provider's overall profile and business model, or the profile of its product(s).
- **Principle 2:** Sustainability claims should be kept up to date, and any changes should be disclosed in a timely manner and with a clear rationale.
- **Principle 3:** Sustainability claims should be substantiated with clear reasoning and facts.
- **Principle 4:** Sustainability claims and their substantiation should be accessible by the targeted stakeholders.

EIOPA furthermore proposes that National Competent Authorities monitor providers' adherence to the above principles, evaluate their sustainability claims, ensure compliance with the relevant regulatory requirements and closely examine sustainability-related terms in product names.

Consultation

EIOPA invites stakeholders to provide their comments via the online survey. The deadline for submission of comments is **12 March 2024**.

Go to the Consultation Paper

Related publications

EIOPA explored greenwashing in its Progress Report on Greenwashing published in June 2023. The authority continues its analysis of misleading sustainability claims and plans to submit its final report to the European Commission by May 2024.

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