

Tackling greenwashing and promoting transparency



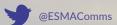
PRIORITY 2

Building NCAs' and ESMA's capacities



PRIORITY 3

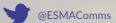
Monitoring, assessing and analysing ESG markets and risks

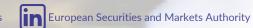




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- The combination of growing demand for ESG investments and rapidly evolving markets creates room for greenwashing
- Greenwashing takes various forms, has different causes and has potential to detrimentally **impact** investors looking to make sustainable investments
- Investigating this issue, defining its fundamental features and addressing it with coordinated action across multiple sectors, finding common solutions in the EU, will be key to safeguarding investors







Building NCAs' and ESMA's capacities

- The growing importance of sustainable finance requires NCAs and ESMA to further **develop skills** beyond their traditional areas of focus to understand and address the supervisory implications of new regulation and of novel market practices
- ESMA will help build its, and NCAs', capacity on sustainable finance through
 - a multi-year training programme
 - facilitating the active sharing of supervisory experiences among NCAs
- These efforts will also contribute to creating effective and consistent supervision in the area of sustainable finance





Monitoring, assessing and analysing ESG markets and risks

- Investor protection and financial markets stability require close monitoring of emerging **trends**, **risks** and **vulnerabilities**
- ESMA will leverage on its data-analysis capabilities to support its, and NCAs', supervisory work and to promote a convergent approach among NCAs
- ESMA will undertake specific activities
 - climate scenario analysis for investment funds
 - CCP stress testing
 - common methodologies for risk analysis with other public bodies

