

# Feedback statement

Consultation on the Opinion on sustainability claims and greenwashing in the insurance and pensions sectors

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**eiopa**

European Insurance and  
Occupational Pensions Authority

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## INTRODUCTION

EIOPA received 25 contributions from stakeholders: 15 insurance undertakings or associations, 3 NGOs, 2 pension associations, 1 insurance intermediary, 1 Consumer Representative, 1 Auditor, 1 Law firm and EIOPA's IRSG. EIOPA would like to thank all the participants in the public consultation for their comments on the draft Opinion on sustainability claims and greenwashing in the insurance and pension sectors.

The contributions received provided important input and guidance for EIOPA to finalise the Opinion. All the comments submitted were given careful consideration by EIOPA. The individual comments received and EIOPA's response to them are published as a separate document<sup>1</sup>.

## 1. UNDERSTANDING OF SUSTAINABILITY CLAIMS

### 1.1. SUMMARY OF STAKEHOLDER FEEDBACK

Most respondents agree with the understanding of what sustainability claims are but note that this understanding should align with existing and forthcoming regulation. Several stakeholders consider that this would facilitate supervisory convergence and a common understanding of products with sustainability features. Many stakeholders consider that divergent approaches to sustainability claims between Member States, inconsistent regulation, and regulatory gaps lead to uncertainty around sustainability-related concepts and an uneven implementation. Many stakeholders consider it important that this Opinion be consistent with sustainable finance legislation, i.e. sectorial and cross-sectorial legislation that also deals with misleading claims (such as the UCPD, SFDR, IDD, MiFID II, Directive on empowering consumers for the green transition<sup>2</sup>). Some stakeholders ask that the understanding of sustainability claims and principles be restricted to IBIPs until more specific legislation emerges for other pension/insurance products. A few consider the need to avoid additional requirements in setting out an understanding of sustainability claims which may disincentivize entities from offering products with sustainability features due to fears of regulatory scrutiny (i.e., "green-bleaching"). Many stakeholders find EIOPA should align with ESMA's forthcoming guidelines on fund names using ESG or sustainability-related terms. Some find EIOPA's

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<sup>1</sup> See resolution of comments document – [link](#).

<sup>2</sup> Directive (EU) 2024/825 of the European Parliament and of the Council of 28 February 2024 amending Directives 2005/29/EC and 2011/83/EU as regards empowering consumers for the green transition through better protection against unfair practices and through better information

understanding of sustainability claims to be too broad. Conversely, a few note the insufficient scope of this definition, e.g. not being sufficiently clear in having social and governance-related aspects in scope of this understanding. Some stakeholders ask that EIOPA clarify that i) IORPs have less incentive to engage in greenwashing as they often do not market products and ii) include an understanding of sustainability claims tailored to IORPs' specificities to mitigate the risk that IORPs avoid making any sustainability claims for fears of greenwashing accusations. Generally, a few note tensions between the principles to provide information that is understandable, accurate and accessible, e.g. suggesting this may drive entities to be wary of any over-simplification and instead favoring a "terms and conditions" style approach to sustainability information which is not consumer friendly.

### Misleading sustainability claims

Several respondents consider that the understanding of what are "misleading" sustainability claims needs to be consistent with existing legislation, i.e. SFDR, IDD, MiFID II, CSRD and UCPS. Some consider that EIOPA's understanding of misleading sustainability claims i) is too broad to specifically capture what is misleading and what is not, ii) does not provide meaningful comparison or quantifiable thresholds, and iii) does not adequately differentiate between levels of misleading claims e.g. flawed information due to lack of ESG data versus intentional failure to comply with regulatory requirements. Several stakeholders find that non-compliance with regulation should not be classified as greenwashing and that this should be explicitly stated to avoid confusion. Some stakeholders ask that EIOPA reflect further the principle of proportionality in the Opinion. Several stakeholders highlight that misleading claims should only extend to the commercial relationship context where there is intentionality and misleading claims are used to gain a competitive advantage. It is further suggested EIOPA clarify the responsibilities of intermediaries/distributors in making sustainability claims. It is also noted that EIOPA should set out a requirement that sustainability claims be supported by a statement on whether the product has any real-world impact claims. Consumer association and NGO respondent noted agreeing with EIOPA's understanding.

## 1.2. EIOPA'S ANSWER

EIOPA agrees that the sustainable finance regulatory framework is still developing and undergoing changes, this is why to account for future changes in the framework, EIOPA's understanding of sustainability claims is broad. Moreover, EIOPA would like to highlight that the aim of this Opinion is to clarify existing legislation, including sustainability-related requirements and general fairness requirements not specific to sustainability, in relation to sustainability claims and their supervision. With this Opinion, EIOPA aims to drive further supervisory convergence at EU level, however it is not establishing additional requirements.

EIOPA agrees that this Opinion should be consistent with recent regulatory developments. In that respect, EIOPA has inserted in the Opinion that EIOPA's understanding of 'sustainability claim' encompasses the definition of 'environmental claim' as set out by the Directive on empowering consumers for the green transition and that it includes both environmental and social aspects. However EIOPA does not refer to the Green Claims Directive because it has not yet been adopted.

EIOPA maintains that non-compliance with specific sustainability-related requirements (e.g. SFDR) can be conducive to greenwashing.

Given the cross-sectoral nature of greenwashing, EIOPA agrees with the need to continue aligning with the other ESAs. Indeed, the ESAs have elaborate an 'ESAs common understanding of greenwashing' upon which EIOPA's understanding of 'sustainability claims' is based, and, more recently the ESAs have worked on an ESAs Joint Opinion on SFDR, which is due to be published soon. EIOPA plans on continue working closely with the EBA and ESMA on this cross-sectoral topic. On financial product names, EIOPA finds that its Opinion is not misaligned with ESMA's public statement on the guidelines on funds' names using ESG or sustainability-related terms from December 2023<sup>3</sup>.

EIOPA does not agree with the proposal that the Opinion's scope be limited to investment products (i.e. IBIPs, IORPs and pension products). While it is true that there is a lack of disclosure standards for other types of insurance products (e.g. non-life), sustainability claims made by these products should still abide by the general fairness requirements to provide fair, clear, and non-misleading information set out in the IDD. Moreover, POG sustainability-related requirements apply to all insurance products. In relation to the comments about IORPs, EIOPA clarified in the Opinion that some aspects of the Opinion are not relevant for certain IORPs (e.g. marketing stage) where there is automatic enrolment and there is no marketing.

Regarding intentionality, EIOPA believes that misleading sustainability claims can occur and spread intentionally or unintentionally. However, when determining supervisory measures to be taken, NCAs should consider the relevant circumstances, e.g., as set out in Article 34 of the IDD.

EIOPA would like to highlight that with this Opinion it is not discouraging the use of accessible, visual information by providers – especially as this is relates to one of the 4 principles in this Opinion – but maintains that these are sustainability claim when they relate to the sustainability profile of an entity or of a product.

## 2. REQUIREMENTS COVERING SUSTAINABILITY CLAIMS

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<sup>3</sup> [ESMA34-1592494965-554 Public statement on Guidelines on funds' names \(europa.eu\)](https://www.esma.europa.eu/press-news/esma-news/esma34-1592494965-554-public-statement-on-guidelines-on-funds-names)

## 2.1. SUMMARY OF STAKEHOLDER FEEDBACK

Most respondents highlight the importance of achieving coherence between national and EU legislation on sustainability claims and greenwashing. Many stress the need to limit potential overlap between this Opinion's guidance and existing regulation, whereas a few raise the need for additional enforcement mechanisms and more rigorous standards to verify the accuracy of sustainability claims. Some encourage EIOPA to consider the Directive on empowering consumers for the green transition, the Green Claims Directive and the EU Ecolabel, alongside existing legislation such as UCPD, SFDR, IDD, MiFID II and CSRD regulation which will form the legislative foundation for greenwashing and sustainability claims, so that the Opinion does not lose relevance over time. Some find that the regulatory framework is changing, therefore providers should be excluded from additional legislative requirements. It is noted that the UN Sustainable Development Goals, and that regulation and greenwashing definitions from non-EU regions could be considered in the Opinion. Further, some stakeholders noted that POG requirements and IDD suitability assessment requirements need additional clarification to better prevent greenwashing. Some mentioned that the recent ESAs joint RTS amending the SFDR DR would improve standardization of sustainability disclosures, and that the upcoming Retail investment Strategy (RIS) may include required sustainability training as part of the IDD training requirements. Several raise the need to separate legal requirements from the Opinion's principles, e.g., it is suggested that EIOPA clarify that a breach of POG DR or IDD sustainability-related requirements does not constitute greenwashing. Some highlight the importance of supervisory convergence, whilst also noting that national specificities need to be considered, i.e. to prevent hindering existing national legislation which may already provide a rigorous framework around sustainability claims and greenwashing.

## 2.2. EIOPA'S ANSWER<sup>4</sup>

EIOPA reiterates that the purpose of this Opinion is not to establish new requirements, but rather promote supervisory convergence through the clarification of existing requirements. As stated at the beginning of the Opinion, the content of this Opinion is without prejudice to, nor does it interfere with existing EU or national regulatory frameworks. When preparing this Opinion, EIOPA has taken into consideration existing country-specific initiatives on sustainability claims and greenwashing.

As already highlighted in EIOPA's answer set out in section 1.2, it was clarified in the Opinion that the understanding of 'sustainability claims' includes the definition of 'environmental claims' as set

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<sup>4</sup> Some of the stakeholders' feedback to this question was already addressed in the above sections titled "EIOPA's answer".

out in the Directive on empowering consumers for the green transition. Moreover, EIOPA added a reference to the Corporate Sustainability Reporting Directive (CSRD).

## 3. ACCURATE AND UPDATED SUSTAINABILITY CLAIMS

### 3.1. SUMMARY OF STAKEHOLDER FEEDBACK – ACCURATE SUSTAINABILITY CLAIMS

Many stakeholders agree that sustainability claims should be accurate, however find that additional requirements should not be imposed on providers. Several suggest that EIOPA should not imply that providers would need to undertake a disclosure analysis of the full effects of their products over their lifecycles as this additional effort may disincentivize providers from offering sustainable products. Where supply chains rely on external parties, some note it may be impossible for providers to verify all information on an ongoing basis. Several highlight that distributor/intermediary knowledge on products is dependent on what is disclosed to them by manufacturers and on the underlying quality of ESG data which may vary. Thereby, a ‘room for error’, for instance in the event of omission of information due to unreliable ESG data is proposed. A few stakeholders disagreed with the fact that manufacturers should assess distributors’ sustainability-related knowledge. A few note that it may be too prescriptive and complicated to find concise, unique names that accurately correspond to a MOPs’ options’ sustainability objectives, especially where options may have differing objectives. Several respondents find that the Opinion is unduly implying that there should be consistency between product- and entity-level sustainability practices. Further, it is recommended EIOPA clarify that sustainability claims and strategies can have different objectives and should not be subject to uniform requirements. A few suggest the assessment of the accuracy of a sustainability-claim should not be viewed in isolation, but in the context of a broader understanding of the entity’s claims, whereas others suggest that greenwashing accusations should focus on the specific misleading claim. A few ask that EIOPA does not impose additional requirements that are not already included in the SFDR to avoid misalignment or confusion, e.g. removing reference to using “sustainable” or “green” words exclusively for products that are Article 9 or that are Article 8 of the SFDR with a substantial share of sustainable investments. A few note that POG processes and suitability assessments should not be subject to this Opinion. It is again highlighted that the accuracy of sustainability claims should only be assessed in the context of a commercial relationship, wherein claims are intentionally made as a form of marketing. Generally, several note that the principles should remain more abstract to recognize the diversity of markets, granting NCAs discretion in their supervision of unique cases. The consumer association and NGO respondents note agreeing with the principle. It is suggested that EIOPA set

up minimum criteria for products claiming to be sustainable, standardize climate transition plan content and establish an enforcement mechanism.

### 3.2. SUMMARY OF STAKEHOLDER FEEDBACK – UPDATED SUSTAINABILITY CLAIMS

Many stakeholders responded that ensuring that sustainability claims remain up to date may impose additional effort and costs, especially when there are no significant product changes. Several suggest that requirements to promptly disclose changes should i) be subject to the principle of proportionality, ii) not apply to non-life insurance, as this would harm consumer contract certainty, and iii) it should be clarified that EIOPA does not imply additional reporting requirements from providers on an ongoing basis which is not already required by sectoral legislation. A few recommend amending the wording to reflect that this principle does not override existing reporting requirements, i.e. providers should continue to abide by annual reporting requirements like the SFDR. Several mention that the distribution of responsibilities between manufacturers and intermediaries/distributors should be made more explicit where it concerns POG requirements. A few oppose that emphasis is placed on the inclusion of sustainability considerations in governance and risk management of firms. Given existing products in the market, a few believe it is currently not possible to design products that meets prudential requirements and which make high levels of Taxonomy-aligned investments.

### 3.3. EIOPA'S ANSWER<sup>5</sup>

EIOPA reiterates that this Opinion is seeking to clarify existing requirements in relation to sustainability claims and their supervision, but does not impose additional requirements.

EIOPA highlights that the accuracy principle's emphasis is on sustainability claims not being vague, and that claims should be precise in their portrayal of the sustainability profile of the product or entity. In the Opinion, EIOPA clarified that providers, where they have the available information, should provide information on the material positive and negative impacts of the product to the consumer in a fair, unbiased manner. EIOPA also clarified in the Opinion that providers should ensure that their sustainability claims are mirrored in their decision-making, culture, and internal processes, where providers have made sustainability claims to that effect.

Based on the feedback, EIOPA also included further wording to distinguish between product- and entity-level sustainability claims and that the assessment of a claim should be restricted to what the claims refers to. Moreover, EIOPA agrees that distributors rely on sustainability information

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<sup>5</sup> Some of the stakeholders' feedback to this question was already addressed in the above sections titled "EIOPA's answer".

disclosed by product manufacturers and amended some wording to denote the division of distributors and manufacturers responsibilities in meeting POG requirements and aligned the wording relating to product monitoring with that of Article 7(1) of the POG DR.

EIOPA would like to highlight that whilst non-IBIP products are not subject to the requirement to collect and assess sustainability preferences, consumers are still able to express sustainability considerations, in which case these should be appropriately considered by distributors.

Further reference to proportionality was included in the Opinion. Moreover, EIOPA included wording specifying that the review of products should be in line with reporting requirements and timelines, where relevant (e.g. in relation to SFDR).

## 4. SUBSTANTIATED SUSTAINABILITY CLAIMS

### 4.1. SUMMARY OF STAKEHOLDER FEEDBACK

Stakeholders generally agreed with the principles and that due diligence and proportionality should be considered in determining if a sustainability claim is substantiated, particularly to ensure smaller entities (e.g. SMEs) are not unduly burdened. Many stress that due diligence should be done in a balanced manner considering existing reporting requirements in order not to create redundancies, regulatory overlaps, or additional demands on providers. Several stakeholders suggest limited data availability and low quality ESG data pose significant practical obstacles to both exercising due diligence and more generally to developing and offering sustainable products. Some noted that it may not be feasible for a provider to exercise due diligence on all information, to disclose methodologies behind ESG ratings, as this may introduce excessive burden. Some asked to EIOPA to highlight that sustainability claims and strategies can have different levels of ambition, and thereby that a case-by-case approach is needed to assess the validity of sustainability claims especially given the lack of ESG data. It is noted by some respondents that due to changing legislation and regulatory gaps it is unclear how to adequately implement due diligence and proportionality in practice. Some stakeholders suggested that EIOPA align proportionality elements with POG DR. One stakeholder saw merit in merging principle 1 and 3, given their conceptual overlap. Consumer and NGO respondents agree with the need to consider due diligence and proportionality. The NGO suggests providing further guidance on what proportionality would mean in practice.

### 4.2. EIOPA'S ANSWER<sup>6</sup>

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<sup>6</sup> Some of the stakeholders' feedback to this question was already addressed in the above sections titled "EIOPA's answer".

As stated in the above sections titled “EIOPA’s answer”, EIOPA is not setting out new requirements, therefore it is not providing a definition of “sustainability objectives”.

Pending the full implementation of the reporting and disclosure requirements related to sustainability (e.g. CSRD, ESAP), EIOPA recognizes that there may be some sustainability-related data gaps. Against that background EIOPA believes that providers should take a proactive approach to address data challenges and use estimates, where possible.

Moreover, EIOPA agrees with the feedback that regulatory reporting/disclosure could be used to substantiate a claim, for example an intermediary could substantiate the claim about a product’s commitment to make sustainable investments with the product’s SFDR disclosure. Further, EIOPA included additional language on substantiated sustainability claims in relation to transition plan requirements, due diligence, and on the use of third-party ESG data providers.

EIOPA also included examples of good and bad practices of sustainability claims in the Annex of the Opinion. EIOPA further reiterates that non-compliance with regulatory requirements can lead to greenwashing.

EIOPA agrees that there are some gaps in the sustainable finance framework. Stakeholders can consult EIOPA’s final report on greenwashing for more information on this.

Finally, EIOPA agrees that accuracy principle and substantiation principle had some overlaps, as noted in the beginning of the Opinion. EIOPA revised the wording included in the two principles.

## 5. ACCESSIBLE SUSTAINABILITY CLAIMS

### 5.1. SUMMARY OF STAKEHOLDER FEEDBACK

Stakeholders generally agreed with the principle that sustainability claims should be understandable and accessible to targeted stakeholders. It is generally agreed that accessibility is fundamental for consumer ability to make sound financial decisions. The importance of labelling and reporting tools in improving accessibility and understandability of information is raised. Several respondents noted that because of legal obligations to use specific terminology, they may not fully be able to adapt to the targeted stakeholders, else they may face legal risks. A few note the guidance in this Opinion and the text in SFDR may contradict one another, wherein this Opinion favors simplicity to promote consumer understanding, whereas SFDR requires more technical aspects to be included to ensure regulatory compliance which may be less consumer friendly. Therefore, there may be difficulties in balancing SFDR requirements with accessibility and understandability aims. It is noted by a few that there is existing regulation (e.g. SFDR and SFDR DR), which already regulate how templates and information are to be presented in a clear and concise manner and that EIOPA should align its

Opinion accordingly. Some find it important that the disclosure of sustainability-related information, i.e. SFDR templates, be streamlined and made simpler to avoid overburdening the consumer with too much information. Further, a few stakeholders highlighted that there is a lack of clarity on how understandability and accessibility principles apply to non-life insurance products, and due to the lack of applicable regulation, it is suggested to mention that non-life products are not in scope. A few highlight the benefits of a ‘layered approach’ regarding website information, wherein an accessible ‘sustainability front page’ could be used to navigate to more specific underlying sustainability information.

## 5.2. EIOPA’S ANSWER<sup>7</sup>

EIOPA reiterates that this Opinion is without prejudice to, nor does it interfere with existing EU or national regulatory frameworks, including SFDR requirements on what information is communicated to consumers. EIOPA notes that the wording of the Opinion (e.g. “where possible”) gives flexibility to providers in setting out their approach to making understandable and accessible sustainability claims.

Moreover, EIOPA recognizes the need for potential improvements to the regulatory framework, which have been outlined in detail in the final report on greenwashing as well as in the upcoming ESAs Joint Opinion on SFDR, which also addressed the need for consumer-centric disclosures.

# 6. OTHER COMMENTS ON THIS OPINION

## 6.1. SUMMARY OF STAKEHOLDER FEEDBACK – COSTS AND BENEFITS OF THE OPINION

Some stakeholders noted benefits such as the establishment of a shared understanding of sustainability claims, the enhancement of the supervision of providers’ sustainability claims, and a common EU supervisory approach. Several stakeholders appreciated the inclusion of good and bad practices and the clarification of EU legislation in relation to sustainability claims and their supervision. They also point to possible benefits for consumers through the promotion of improved understandability of sustainability features. It is also noted that this Opinion may facilitate more sustainable products being created, and may encourage entities to align their business models with long-term sustainability strategies. It is also seen that this Opinion may reduce providers’ litigation

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<sup>7</sup> Some of the stakeholders’ feedback to this question was already addressed in the above sections titled “EIOPA’s answer”.

risk. A few stakeholders also note that this Opinion supports enhanced consumer protection by empowering more informed decision-making.

Regarding costs, many stakeholders consider that this Opinion may require additional reporting and increase implementation costs in adapting marketing and other practices, especially in case of incoherence between the Opinion and existing/forthcoming legislation. A few stakeholders highlighted that such costs may disproportionately affect smaller enterprises. Thereby it is seen as crucial by many that the Opinion is consistent with all relevant sustainability-related legislation. Other potential costs noted include due diligence, documentation, monitoring, compliance, auditing costs, scenarios analyses, building staff expertise on sustainability matters, and IT developments. It is noted by some that there may be a risk of driving products out of the market if one-off implementation costs are too high, disproportionately impacting smaller entities, and that EIOPA should consider how to mitigate the risk of disincentivizing sustainable product development. Some note this Opinion should not apply to all products/entities under EIOPA's remit equally, e.g. raising that non-life insurers cannot commit to these principles in the absence of specific regulation, or that for IORPs there is a lack of marketing. A frequently raised concern is that the Opinion does not sufficiently address the intentionality criteria of greenwashing practices. Others indicated that additional disclosure requirements must be consumer tested to ensure an appropriate fit and that this Opinion should not contribute to the introduction of penalties for greenwashing through national or EU legislation.

## 6.2. SUMMARY OF STAKEHOLDER FEEDBACK – OTHER COMMENTS

Stakeholders highlight that sustainability-related knowledge, practices and ESG data are still evolving. Several stakeholders ask for an approach to sustainability claims and greenwashing that does not add unreasonable administrative and implementation costs. Several respondents note that existing regulation already provides a framework to limit greenwashing, unfair practices, and misleading advertising in a legally enforceable manner. Most stakeholders state that this Opinion should consider the existing framework (e.g. Directive on empowering consumers for the green transition, Green Claims Directive, POG, UCPD, SFDR, Taxonomy, CSRD) and achieve consistency with these on how greenwashing and sustainability claims are defined to avoid duplicating existing regulation and confusion on interpretations and timelines. It is noted that the regulatory framework is complex, and the number of requirements at both EU and national levels create additional burden and potential disincentives for providers. A few highlight that the lack of data availability and reliability pose significant obstacles to creating and offering products with sustainability features and may make the implementation of this Opinion's principles difficult in practice. It is also considered that too little consideration is given to non-life products, who do not face the same sustainability-related legal requirements, and it is proposed to include further considerations on

non-life products with sustainability features. A few stakeholders also noted that EIOPA continue to enable insurers to create, offer and price products based on risk, which requires the consideration of factors other than sustainability. It is further reiterated by some that EIOPA should align its Opinion with ESMA's forthcoming guidelines on fund names using ESG or sustainability-related terms.

### 6.3. EIOPA'S ANSWER<sup>8</sup>

EIOPA added an impact analysis of costs and benefits, also based on the input provided by stakeholders.

EIOPA agrees that this Opinion should be consistent with recent regulatory developments. In this respect, EIOPA has inserted in the Opinion that EIOPA's understanding of 'sustainability claim' encompasses the definition of 'environmental claim' as set out by Directive on empowering consumers for the green transition.

EIOPA agrees that any new disclosure requirements should be consumer tested - further information on this can be found in the final report on greenwashing. EIOPA reiterates that the aim of the Opinion is to establish principles to be followed to promote supervisory convergence, and that is not establishing new requirements.

EIOPA may provide additional guidance on the principles in this Opinion. Moreover, to render the Opinion more practical, EIOPA included examples of good and bad practices of sustainability claims in the Annex of the Opinion.

EIOPA recognises several concerns raised by providers, particularly the fear that allegations of greenwashing may deter them from offering products with sustainability features. EIOPA believes that this Opinion mitigates this risk by promoting supervisory convergence around greenwashing and by providing more clarity on supervisory expectations of sustainability claims.

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<sup>8</sup> Some of the stakeholders' feedback to this question was already addressed in the above sections titled "EIOPA's answer".

## 7. IMPACT ASSESSMENT

<b>Option 1: No change</b>		
Costs	Consumers	<p>In the absence of common principles to guide providers’ sustainability claims and their supervision:</p> <ul style="list-style-type: none"> <li>• Consumers face the risk of being greenwashed into purchasing a product that does not align with their sustainability preferences.</li> <li>• It may weaken consumer trust toward sustainable products, potentially hindering the transition to a more sustainable economy.</li> </ul>
	Insurance and pension providers	<p>Conduct, litigation, and reputational risks may arise from engaging in misleading sustainability claims where supervisory expectations and common principles are not clearly established.</p> <p>Providers may face inconsistent supervisory approaches to sustainability claims throughout the EU.</p>
	Supervisors	<p>Despite an identified need for clarity in this area at EU level, supervisors will be challenged by the lack of supervisory convergence, guidance, and principles to guide their supervision of sustainability claims and greenwashing.</p> <p>Supervisors may lack a systematic approach to supervise sustainability claims.</p>
Benefits	Consumers	No expected benefit.
	Insurance and pension providers	Providers will have no costs of implementing supervisory expectations in relation to sustainability claims and greenwashing.
	Supervisors	No expected benefit.
<b>Option 2: Issue the Opinion on sustainability claims and greenwashing</b>		
Costs	Consumers	No expected cost.
	Insurance and pension providers	Some providers may face costs in implementing supervisory expectations, however the Opinion is not setting out new requirements. To further mitigate the risk that implementation costs may disproportionately affect smaller enterprises, EIOPA has added further language around the need for proportionality.

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	Supervisors	Some supervisors may face additional costs in implementing or expanding capacities and activities related to the supervision of sustainability claims, e.g., in the hiring of sustainability experts, or initiating capacity-building efforts.
Benefits	Consumers	<p>Consumers are better protected from misleading sustainability claims as common EU supervisory expectations are established and awareness of good and bad practices increases.</p> <p>As market practices improve alongside the supervision of greenwashing, this may increase consumer confidence in products with sustainability features.</p> <p>Further, ensuring that sustainability claims respect the principles under this Opinion would improve consumers decision-making process.</p>
	Insurance and pension providers	<p>Providers are informed of supervisory expectations around sustainability claims and greenwashing, also by way of good and bad practices.</p> <p>Aligning sustainability claims practices with the principles may minimize supervisory action, as well as reputational and litigation risks.</p> <p>Providers making sound sustainability claims would not have to compete with providers making misleading sustainability claims, thereby reducing unfair competitive advantages.</p>
	Supervisors	<p>Supervisors in the EU will benefit from supervisory convergence and from guidance in their supervision of sustainability claims and greenwashing.</p> <p>This may alleviate some identified uncertainties in supervisors' approach to sustainability claims.</p>

## 8. ANNEX

### 8.1. ACRONYMS AND ABBREVIATIONS

CFA	Call for Advice
COM	Commission
DR	Delegated Regulation
EC	European Commission
EEA	European Economic Area
EIOPA	European Insurance and Occupational Pensions Authority
ESAP	European single access point
ESAs	European Supervisory Authorities
FMPs	financial markets participants
IBIPs	insurance-based investment products
IDD	Insurance Distribution Directive
IORP	institution for occupational retirement provision
NCA	National Competent Authorities
PAI	principal adverse impacts
POG	product oversight and governance
SFDR	Sustainable finance disclosure regulation
SII	Solvency II Directive
TR	Taxonomy Regulation
UL	unit-linked insurance

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