

PRESS RELEASE

ESMA prioritises the fight against greenwashing in its new Sustainable Finance Roadmap

The European Securities and Markets Authority (ESMA), the EU’s securities markets regulator, has today published its [Sustainable Finance Roadmap 2022-2024](#) (Roadmap). ESMA identifies three priorities for its sustainable finance work:

1. Tackling greenwashing and promoting transparency;
2. Building National Competent Authorities’ (NCAs) and ESMA’s capacities in the sustainable finance field; and
3. Monitoring, assessing and analysing ESG markets and risks.

ESMA is actively contributing to the development of the sustainable finance rulebook and to its consistent application and supervision by taking the necessary measures to promote investor protection across the EU. ESMA also engages in risk assessment and market monitoring activities focusing on potential financial stability risks stemming from ESG factors.

Building on ESMA’s 2020 [Strategy on Sustainable Finance](#), the Roadmap sets out ESMA’s deliverables on sustainable finance and how they will be implemented over the next three years. The Roadmap will serve as a practical tool to ensure that ESMA delivers on the wide array of sustainable finance tasks across several sectors in a coordinated way.

Verena Ross, Chair, said:

“Advancing the sustainability agenda is crucial for ESMA, particularly as investor preferences shift to environmentally friendly financial products and the European Union strives to meet its commitments on tackling climate change.”

“The Roadmap is a milestone for our sustainable finance work, identifying the priority work we will do to ensure that ESMA and national supervisors take ambitious action on priority sustainable finance issues.”



“I am confident that ESMA’s actions will play a key role in contributing to the European Green Deal and in protecting European investors on this journey.”

Roadmap Priorities

The Roadmap sets [three priorities](#) for ESMA’s sustainable finance activities in the period from 2022 to 2024:

Tackling greenwashing and promoting transparency: the combination of growing demand for ESG investments and rapidly evolving markets creates room for greenwashing. Greenwashing is a complex and multifaceted issue which 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 across 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 in this area. ESMA will help build its, and NCAs’, capacity on sustainable finance through a multi-year training programme and through 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: the objective is to identify emerging trends, risks and vulnerabilities that can have a high impact on investor protection and on financial markets stability. 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 such as climate scenario analysis for investment funds, CCP stress testing and the establishment of common methodologies for climate-related risk analysis together with other public bodies.

ESMA will address its three priorities with a comprehensive [list of actions](#) across the following sectors: investment management, investment services, issuers’ disclosure and governance, benchmarks, credit and ESG ratings, trading and post-trading and financial innovation. Several of these actions will also contribute to fulfilling the European Commission’s 2021 Renewed Sustainable Finance Strategy.



Click [here](#) for more information.

Next steps

ESMA has already embarked on the first Roadmap activities to ensure it can deliver on its ambitious plans. It will shortly launch a call for stakeholder candidates to join a new Consultative Working Group supporting ESMA's Coordination Network on Sustainability.

ESMA will keep the Roadmap, including the identified priorities and the sectors of focus, under review during the entire implementation period of 2022 to 2024. This will ensure that it continues to address the most significant challenges related to ESMA's sustainable finance mandate, as this important field continues to evolve.



Notes for editors

1. [ESMA30-379-1051 Sustainable Finance Roadmap 2022-2024](#)
2. [ESMA71-99-1847 Sustainable Finance Roadmap – Priorities](#)
3. [ESMA71-99-1848 Sustainable Finance Roadmap – Areas of focus](#)
4. The Roadmap builds on ESMA's [Strategy on Sustainable Finance](#), published on 6 February 2020
5. ESMA is the European Union's securities markets regulator. Its mission is to enhance investor protection and promote stable and orderly financial markets. It achieves these objectives through four activities:
 - assessing risks to investors, markets and financial stability;
 - completing a single rulebook for EU financial markets;
 - promoting supervisory convergence; and
 - directly supervising specific financial entities.
6. ESMA achieves its mission within the European System of Financial Supervision (ESFS) through active cooperation with the European Banking Authority (EBA), the European Insurance and Occupational Pensions Authority (EIOPA), the European Systemic Risk Board, and with national authorities with competencies in securities markets (NCAs).

Further information:

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