

Greenwashing: Where we stand

“It’s hard to see through misleading claims, even for those who care about the environment.

Be very skeptical”

NEW YORK TIMES



Towards the Regulatory Framework definition

Across the years, increasing numbers of regulations have been introduced aiming to define requirements on transparency for financial market participants, regarding **sustainability-related information**. The difference between reports but, at the same time, the similarity between data topic, may generate **misleading information**, running Companies into **Greenwashing risk**.



The **Call for Evidence** (CfE) started by **ESAs** seeks input on potential **greenwashing practices** in the whole EU financial sector, relevant for the various sections of the financial product lifecycle.

ESAs "roadmap"



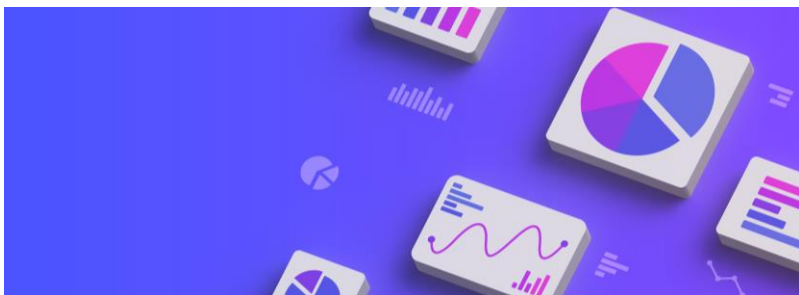
How can it manifest itself?

Main dimensions of analysis

Greenwashing risk can manifest itself through a **misleading sustainability disclosure** due to incomplete or false information, mislabeling, or misdirected marketing. It **may or may not be intentional** (for example, the result of negligence or a misinterpretation of the requirements of the sustainable finance regulatory framework).

Greenwashing risk can be analyzed in **3 dimensions** according to ESAs:

1 MARKET ROLE



The market can play three roles in greenwashing: as **trigger, diffuser or recipient of sustainability claims**. Each of these represents a **function** that the actors of the sustainable value chain **can assume in Greenwashing situations**.

2 TOPICS



Sustainability statements can cover a variety of topics and fall into three main categories: **governance and resources, strategy and qualifications, and data-driven sustainability metrics**.

3 CHANNELS



There are **different channels and moments in which sustainability claims are communicated to the actors of the value chain**, such as regulatory documents, ratings and labels, as well as in the **different phases of the product life cycle**, such as delivery and production



How can it be impactful and prevented ?

Greenwashing can occur at three levels:



ENTITY LEVEL

related to sustainability strategy and performance



COUNTERPARTS

related to customers and providers



PRODUCT-SERVICE LEVEL

related to product features and integration of preferences into advisory services

Greenwashing can be prevented by stakeholders with:



Use **fair, non-redundant communication** for sustainability-related topics, **based on reliable data and sources**



Implement **internal controls framework** across company's **processes and data** (e.g., consistency within different reports, customers portfolio assessment)



Use **external reviews** and **third parties' verification**



Adopt **processes** for the **development of new products** that ensure they are **sustainable by design**

How Accenture can help

Implementation of the new greenwashing framework and development of solutions able to support the clients in the assessment of greenwashing risk



Necessary time required is about 4 – 6 weeks

Variable timing

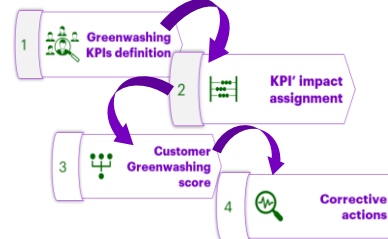
DESKTOP STUDY

- Context analysis to determine the relevant **business objective**
- Greenwashing assessment to **detect potential risk area**



CONTROLS DESIGN

- Greenwashing **risk framework design**
- **Controls list** definition
- **New controls design** (scope, data sources, frequency, KRI and thresholds)



CONTROLS IMPLEMENTATION

Pilot phase

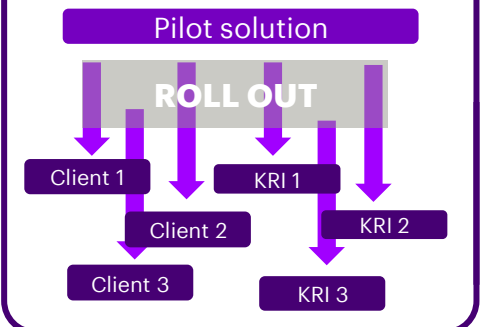
- **Focusing** on a specific perimeter:
 - **dashboard** creation to facilitate **monitoring** activities
 - adoption of **IT tool** to **automate controls** execution



CONTROLS IMPLEMENTATION

Roll out phase

- The solution of the pilot phase could be **customized and implemented** on an extended perimeter



Progressive approach for the implementation

Pilot phase on some typologies of clients (i.e., Large Corporate) and a subset of KRIs (selected for the easiness of data sourcing)

Leveraging on pilot phase experience, roll out of the solution to more different client typologies and KRIs



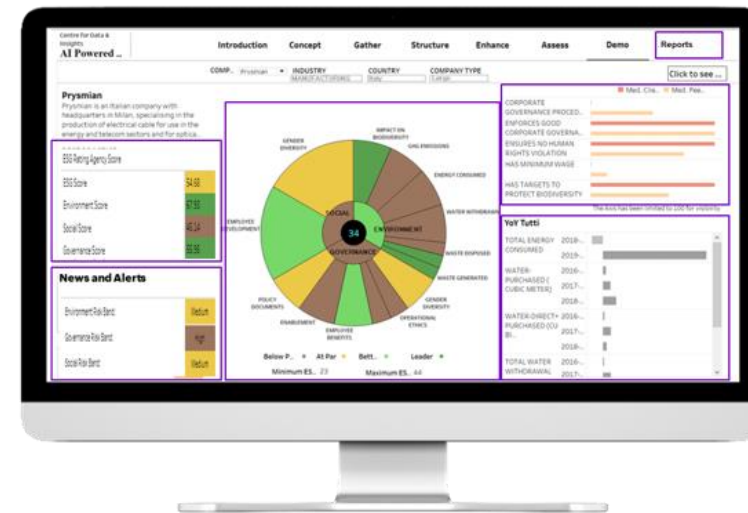


Our asset to start the journey

Greenwashing Detector

Crafted to meticulously identify **signals of greenwashing**, our dashboard empowers our clients to not only assess the **risk level** but also proactively undertake **corrective actions**.

This solution starts from the **information/data collected from different sources** (e.g., info-provider data, internal/historical data) and evaluate their **reliability, accuracy and consistency**



- ✓ **ESG Ratings**
- ✓ **Reports Analysis**
- ✓ **Benchmarking**
- ✓ **Monthly Trends**
- ✓ **News and Alerts**

Four core characteristics position Accenture as the best-in-class consulting firm for Sustainability Strategy



Strategy & Sustainability Experts

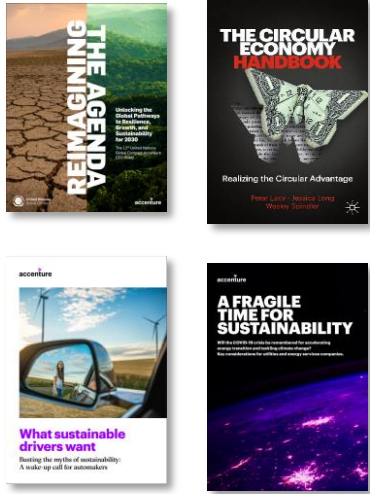
1,200+ Sustainability Experts globally

6,200+ People actively engaged in Sustainability, including Experts, Specialists and Generalists*



Thought Leadership

Throughout the years, Accenture has published hundreds of research papers and studies, covering various topics



Ecosystem Partners

Accenture has developed strong connections with leading market forums, NGOs, core sustainability bodies and world-class technology providers



Awards & Recognition

Accenture is consistently ranked as a leader in consulting firm rankings for Strategy and Sustainability e.g., Forbes and IDC



*Experts = FTE; Specialists = PT specialization; Generalists = PT or less with skill title



Our experts



Tommaso Petrillo

Risk & Compliance
ICEG Lead



[Tommaso Petrillo -
Accenture Italia |
LinkedIn](#)



Francesco Mottola

Risk & Compliance
Managing Director



[Francesco Mottola -
Accenture Italia |
LinkedIn](#)



Giovanni Villani

Risk & Compliance
Senior Manager



[Giovanni Villani -
Accenture Italia |
LinkedIn](#)



Valerio Scarpa

Risk & Compliance
Manager



[Valerio Scarpa -
Accenture Italia |
LinkedIn](#)