

Combating Greenwashing: Ensuring Integrity in Sustainable Finance

What Is Greenwashing?

Greenwashing is defined as a practice where sustainability-related statements, declarations, actions, or communications do not accurately and fairly reflect the true sustainability profile of an entity, a financial product, or financial services. This practice can be misleading to consumers, investors, or other market participants.

In simpler terms, greenwashing happens when a company overstates, misrepresents, or selectively promotes its Environmental, Social, and Governance (ESG) or sustainability credentials to appear more sustainable than it really is. This misleading behavior can occur intentionally or unintentionally.

Why Does Greenwashing Matter?

Greenwashing fundamentally undermines the trust essential for a healthy global sustainable finance market.

For financial institutions, the risks associated with greenwashing are substantial, including compliance and legal issues, litigation risk, and reputational damage, which can result in a loss of stakeholder trust.

The European Supervisory Authorities (ESAs) have emphasized that financial market participants have a responsibility to provide sustainability information that is fair, clear, and not misleading.

A Responsible Approach to ESG/Sustainability-Related Claims

At National Bank of Greece, we recognize the importance of transparency and accountability in ESG/sustainability-related claims. Our approach is proactive, offering proper advice, guidance, tools, and raising awareness about greenwashing.

In this context, we have developed a robust anti-greenwashing framework, which includes, among other elements, our core principles for sustainability/ESG-related claims. These principles revolve around the concepts of:

- **Clarity of Language:** We aim to use terminology that is clear and well-defined, avoiding ambiguity.
- **Internal Alignment:** We strive for consistency with our internal policies and procedures.
- **Support with Evidence:** When applicable, we seek to base statements on reliable data and documentation.

We continue to monitor developments in this field and review our internal processes to support sound governance and responsible communication. Our goal is to ensure the integrity and consistency of the Group's ESG/sustainability practices and profile, while actively contributing to the evolving landscape of sustainable finance.