

Audit of **EETC** certification by

novethic

The French Green Public label “Energy and Ecological Transition for the Climate (EETC)” guarantees that a fund invests most of its assets in environmentally-friendly activities and that it excludes nuclear and fossil fuel businesses as well as companies involved in controversial environmental or social practices.



This French government certification, which was created by the Ministry of the Environment, Energy and Marine Affairs in 2015, is awarded to funds that adhere to criteria set out in guidelines following an audit by the Novethic Research Centre.

As an EETC auditor, Novethic boasts eight years of experience, recognised expertise and a strong reputation for quality communications.

Its aim is to serve any project that contributes to funding the energy transition and to disseminate its responsible investment practices among institutional investors, who are the true green investment trendsetters, pursuant to Article 173 of the French Energy and Ecological Transition Act.

A responsible investment specialist, Novethic has a wealth of experience in certifying financial products based on social and environmental criteria in France and throughout Europe.

Since 2009, more than 300 funds on offer by some one hundred asset managers have been analysed in-depth by the Novethic Research Centre.

Surveys of environmental funds carried out by the Research Centre since 2008 led to the creation of a Green Fund certification in 2013 designed for European financial products. Since 2015, Novethic **has been the exclusive auditor for the FNG SRI** certification promoted by the Germany-based *Forum Nachhaltige Geldanlagen*. The approach adopted by Novethic for this certification identifies environmentally-friendly funds, which are an important vector for SRI products in Germany, Austria and Switzerland.

As a stakeholder in working groups set up by the Ministry of the Environment, Energy and Marine Affairs which led to the creation of the EETC certification, Novethic was selected in March 2016 to be the auditor for this certification.



A thorough process



The Energy and Ecological Transition for the Climate (EETC) certification process is explained in the guidelines below. Certified funds comply with seven criteria across three pillars.

Each criterion guarantees the quality and transparency of certified funds relative not only to their management methods but also to their contribution to funding the energy and ecological transition.

Structure of EETC certification guidelines

First Pillar

Fund objectives and methodology for selecting assets contributing to the energy and ecological transition

CRITERION 1.1

Clarity of the general, financial and environmental **objectives** embedded in environmental criteria.

CRITERION 1.2

A clear and explicit methodology for evaluating the green portion of the portfolio.

CRITERION 1.3

Exclusion of assets that go against the energy and ecological transition.

Second Pillar

Incorporation of ESG criteria into the portfolio's construction and investment choices

CRITERION 2.1

Active monitoring of controversial environmental, social or governance **practices** and demonstrating the impact on the portfolio's construction and investment choices.

CRITERION 2.2

Transparency of fund management **practices**.

Third Pillar

Promotion of the positive impacts on the energy and ecological transition

CRITERION 3.1

Establishment of a mechanism for **measuring the actual contribution of the fund's investments to the energy and ecological transition**.

CRITERION 3.2

Reporting, including **impact indicators** on the benefits in terms of the energy and ecological transition.

Promotion of EETC-certified funds by Novethic

Novethic's experience with certification initiatives extends to its capacity to promote the certified funds, underscoring the high quality of their environmental characteristics as confirmed by an expert, independent auditor.

Novethic.fr and Novethic.com provide international visibility:

- **Presentation of the auditing process** which funds awarded EETC certification must undergo
- Publication of the **list of certified funds**
- **Recorded video interviews** with a representative of asset managers offering one or more certified fund(s)
- **Fund data sheet** highlighting the guarantees offered by EETC certification in the fund database, including an exclusive **search engine**
- **Sales brochure** of the certified fund(s) available for download and/or link to the asset manager's **website pages** where certified funds are presented

In the media and on social networks

- Presentation of the auditing process and certified funds during regular **press conferences**
- Publication of a dedicated **press release** or a joint press release with the audited asset manager detailing the certified funds, circulated to 1,400 journalists and 6,000 qualified contacts
- **Interviews** with trade journalists
- Posts on EETC certification by Novethic and any new funds receiving certification via two Novethic **Twitter** accounts, @Novethic and @NovethicESG in English, and via Novethic's **Facebook** and **LinkedIn** pages

Novethic in the media (2016 statistics):

150 quotes in the press, including over 50 on EETC certification

30 interviews

19,000 followers on Twitter and 500 mentions/month



Media know-how benefiting projects headed by Novethic

Novethic's independent expertise has afforded it **prominence and visibility**, in particular in the field of green finance.

This expertise is also brought to the table by the CEO and the Director of Research in a number of **events in France and elsewhere** (Rencontres de l'Épargne, the RI Event in London, FORUM Gi, etc.) and during **Novethic's annual symposium**, which has become THE forum for institutional investors interested in incorporating ESG criteria into their financial management.

Novethic is a centre of research on the sustainable economy. Created in 2001, this subsidiary of the Caisse des Dépôts analyses major developments in the area of Responsible Investment around the world, publishes statistics on SRI in France, certifies financial products based on ESG issues and provides training to institutional investors on responsible investment approaches.

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