

## Green infrastructure funds remain too exclusively dedicated to renewable energy

**Paris, January 14, 2021.** Novethic announces the release of its study on the environmental characteristics of infrastructure funds available on the European market. Conducted with the support of ADEME, this study makes it possible to analyze the size of the market, study its compatibility with the EU Taxonomy, and assess its capacity to meet the needs of the European Union’s green recovery. Although there is a green dynamic in this asset class, it is almost exclusively dedicated to renewable energy, whilst the need for infrastructure investment is much greater.

### ► More than €100 billion invested in green infrastructure funds ◀



Source: Novethic

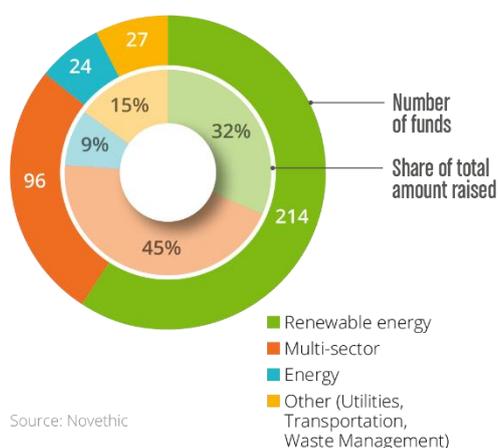


Source: Novethic

Green dynamics are important in an asset class where transparency remains limited. Novethic was able to identify more than 350 funds with some environmental characteristics on the European market. For the 274 funds with detailed public information on their investments, the research team studied their compatibility with the EU Taxonomy, making it possible to distinguish between “full green” funds and “green focus” funds. For the 153 “full green” funds, all €50.2 billion in investments are taxo-compatible. Between 50% and 99% of projects belonging to the 43 “green focus” funds - totaling €37.6 billion – are taxo-compatible. Novethic also analyzed another market sector: diversified funds. Even if these funds do not have specific environmental objectives, they can have up to 50% of taxo-compatible assets for larger average amounts.

### ► Renewable Energy Dominates ◀

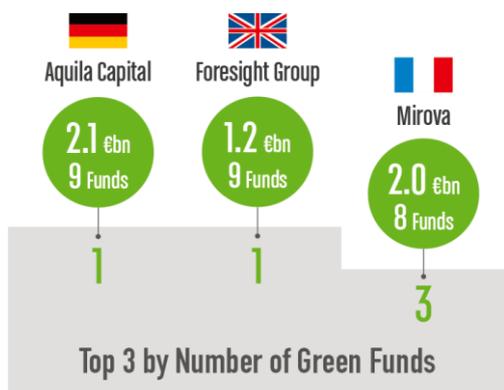
Primary Sector of Green Funds



Source: Novethic

Infrastructure funds whose main sector is renewable energy account for two-thirds of funds and one-third of the amounts raised. These assets are also present in multi-sector and energy funds. Consequently, the share of funds focused on other sectors (transportation, waste management, etc.) is reduced: only 27 funds account for 15% of AUM.

► **A market dominated by large actors that are greening their offer and driven by sustainable investment specialists** ◀



Source: Novethic

The largest green funds in terms of asset volume are held by major actors in the sector. The leader is Macquarie Infrastructure & Real Assets group, with €8.7bn invested across four funds, who has just announced a commitment to carbon neutrality by 2040. The following two management companies are Copenhagen Infrastructure Partners with €8.1 billion invested across six funds and InfraCapital with €6.2 billion invested across four funds. However, the market is largely animated by three actors of different nationalities who offer 26 funds with little more than €5 billion raised in total.

► **Insufficient offer of green infrastructure funds to achieve EU environmental objectives** ◀

According to the European Commission, around €500 billion is needed per year to achieve its environmental and climate objectives. It is therefore essential to mobilize the infrastructure assets held by the largest European investors, which are estimated at €388 billion. This requires standardizing ESG criteria into this asset class as well as measuring the positive and negative impacts of infrastructure. The use of the EU Taxonomy as a green classification framework provides more information on the environmental qualities of funds and their possible contribution to the EU's environmental objectives.

► [DOWNLOAD THE STUDY](#) ◀

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**Responsible transformation accelerator.** Novethic guides financial institutions, businesses, and citizens engaged in their responsible transformation. A pioneer in the certification of sustainable investment funds in Europe, Novethic is committed to strengthening the transparency, reliability, and confidence of public, private, and individual investors. Through the development and auditing of ambitious and stringent responsible financial labels, Novethic's goal is to accelerate the transition to a low-carbon and inclusive economy.