

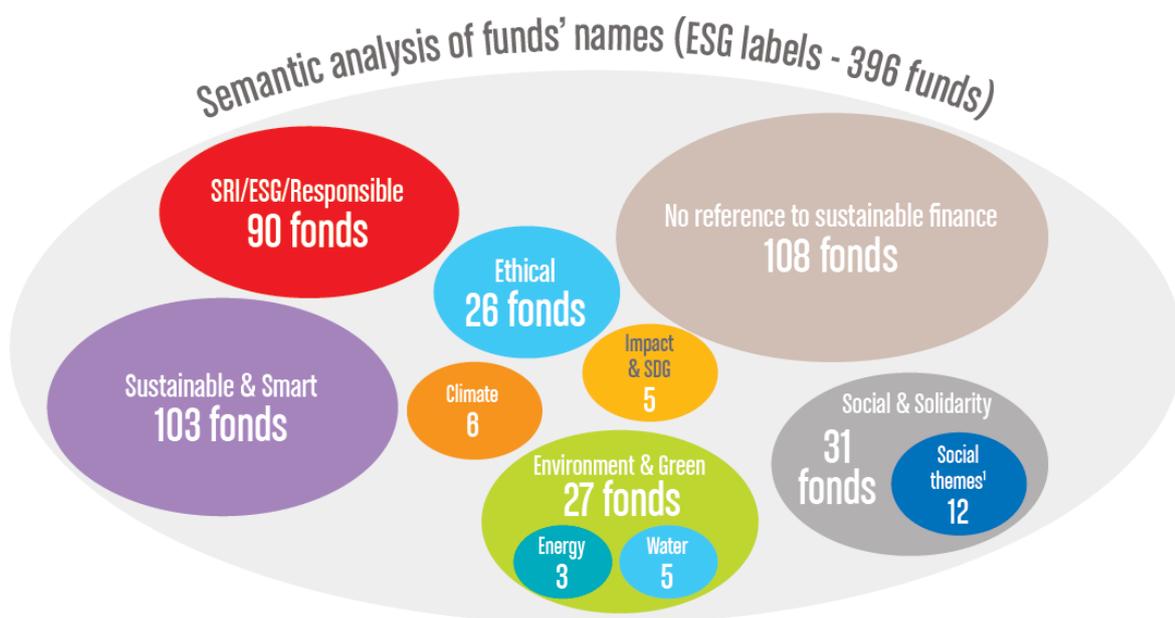
**EUROPEAN SUSTAINABLE FINANCE LABELS,
HETEROGENOUS QUALITY STANDARDS**

Paris, June 20th 2019. Novethic publishes the first overview of sustainable finance standards and labels available in Europe. « *At a time when the demand for sustainable finance alternatives is growing, we felt it was essential to clarify the promises of the current offer of sustainable finance labels in Europe* » explains Anne-Catherine Husson-Traore, CEO of Novethic.

In just over a decade, sustainable finance has led to the creation of 8 specialized labels. Granted to 414 financial products out of over 60,000 funds available on the European market. Designed to provide guarantees on the asset allocation in portfolios, they are used as points of reference by responsible investment practitioners and will have to win a larger audience when they will be distributed in retail banking and insurance.

► SUSTAINABLE FINANCE LABELS: VARIOUS MARKETING PROMISES ◀

In a regulatory context limited to reporting obligations, labels provide benchmarks and quality guarantees for both European responsible investment practitioners and asset owners. In France, the “Pacte Law” requires the distribution of at least one SRI or Greenfin labelled fund in the life insurance offer by 2020. However, while the certification of a fund offer guarantees on the quality of processes, through an audit by an external third party, in practice it is not necessarily associated with a marketing strategy in line with the fund's promises. A quarter of the funds certified on ESG criteria do not have a name reflecting a sustainable approach and around thirty are thematic environmental funds.



Source: Novethic

¹ employment, education, health, silver economy, gender equality

► ESG & GREEN LABELS: TWO FAMILIES WITH MANY COMMON CRITERIA ◀

Label	Number of funds	AUM as of 31/03/2019 (€bn, Morningstar & LuxFLAG ² data)
 Label ISR (France)	200	51,30
 FNG-Siegel (Germany, Austria & Switzerland)	55	9,87
 LuxFLAG ESG (Luxembourg)	46	12,77
 Umweltzeichen (Austria)	104	11,6
 Nordic Swan Ecolabel (Nordic countries)	23	8,20
 LuxFLAG Environment (Luxembourg)	7	6,03
 LuxFLAG Climate Finance (Luxembourg)	4	0,61
 Label Greenfin¹ (France)	11	2,55
TOTAL	414	94,03

¹ Unlisted funds are not counted here (18 funds and approximately €4,5bn in AUM).
² The latest LuxFLAG data was used in the absence of available data from Morningstar

Source: Novethic

Since 2016, the year in which the French label now known as Greenfin was created, Novethic has certified two-thirds of the 30 funds that have obtained the label, for a total of €4 billion AUM. The analysis of the European context makes the repositioning of the Greenfin label more valuable. It benefits from major advantages since it combines investment in activities with environmental benefits, which are identified by a taxonomy, and exclusion of fossil and nuclear energies as well as controversial companies.

“ We believe that the Greenfin label is an important asset for individual investors as it orientates them towards green products that can clearly and legibly finance the green economy. ”
 Anne-Catherine Husson-Traore, CEO of Novethic

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Sustainable Transformation Accelerator of the Caisse des Dépôts Group. As an expert in sustainable finance, a media reference in France for economics, business & sustainability, and now an Accelerator, Novethic combines approaches to offer financial players, companies and their employees the keys to sustainable transformation. A pioneer in responsible investment certification for funds in Europe, Novethic is committed to enhancing the transparency, reliability and trust of public, private and individual investors. Novethic strives to accelerate the transition

to a low-carbon and inclusive economy through the development and auditing of ambitious responsible certification labels for financial products. www.novethic.com | [@novethic](https://twitter.com/novethic)