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## Press release

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### Strong growth in European green funds: +47% in 3 years

Paris, 28 March 2017. Today, Novethic is publishing an exclusive study of trends in the European *green funds* market, produced with the support of ADEME. The research centre reviewed a selection of 165 funds that invest in companies whose activity has a positive environmental impact (water management, renewable energies, etc.). The funds are available in 16 countries and now hold assets of € 22 billion thanks to a 47%-growth over the past three years. The study analyses the funds' environmental themes, the companies in their portfolios and what attracts investors to this type of investment.

#### Investors prefer funds that are greener than green

Environment themed funds whose marketing approach corresponds to their investment strategy and which have clearly-defined environmental goals attract the most investors. Investments in these funds, which the study refers to as "Dark green" funds, have risen by +64% in the past three years. In contrast, investments in "Light green" funds, whose assets diverge from their marketing claims, have only grown by +26%. However, the two categories of funds show similar levels of performance.

Water is the dominant green investment theme, accounting almost 40% of the market and €8.3 billion in assets. Investors are also attracted to climate funds (+11.2%) and low carbon funds (+24.8%), although the total amounts invested in these categories are smaller.

#### Focus on the French, German, Swedish and Dutch markets

Novethic's study provides an in-depth analysis of the innovative approaches taken in four countries with high levels of environment-related investments:

- In France, article 173 of the Energy and Ecological Transition Act, which introduced climate-based reporting obligations for institutional investors, and the EETC certification programme for green funds (which is audited by Novethic) are driving the market;
- In Germany, green fixed-income passbook and regular savings accounts, as well as the energy transition policy, *Energiewende*, are creating a bullish environment;
- In the Netherlands, green investment is stimulated by tax breaks and the strong involvement of institutional investors, encouraged by civil society;
- In Sweden, the pension system allows savers to choose environment funds, transparency standards are being developed and there are plans to set up a Nordic ecolabel for investment funds.

[DOWNLOAD THE REPORT](#)

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#### Novethic is a centre of research on the sustainable economy

It is a subsidiary of Caisse des Dépôts and was founded in 2001. It offers influencers articles, research, training and conferences providing insights into key Environmental, Social and Governance (ESG) issues impacting business and

finance. Its research centre specialises in responsible investment and provides ESG certification for financial products.

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#### **ABOUT ADEME**

The French Environment and Energy Management Agency (ADEME) is active in the implementation of public policy in the areas of the environment, energy and sustainable development. The Agency provides expertise and advisory services to businesses, local authorities and communities, government bodies and the public at large, to enable them to establish and consolidate their environmental action. As part of this work ADEME helps finance projects, from research to implementation, in the areas of waste management, soil conservation, energy efficiency and renewable energy, raw materials savings, air quality, noise abatement, circular energy transition and food wastage abatement.

ADEME is a public agency under the joint authority of the Ministry for Environment, Energy and Sea and the Ministry for National Education, Higher Education and Research. [\*\*www.ademe.fr\*\*](http://www.ademe.fr)



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