

GUIDE TO GREENWASHING REVEALS SUSTAINABLE INVESTMENT SPIN

BY REBECCA JONES | 12 MAR, 2020

New Money in partnership with boutique impact adviser EQ Investors and leading fund managers Liontrust Fund Partners and M&G have come together to produce a complete guide to greenwashing in the investment industry.

[The New Money Guide to Greenwashing](#) explodes the practice of investment greenwashing – where fund managers claim to be investing for the good of people and planet without backing that up in practice.

Figures provided exclusively to New Money by TrackInsight show that just 6% of all passive ETFs that include ‘environmental’* in their labelling exclude fossil fuel. In addition, numbers from Morningstar show that, of the 2,405 ‘sustainable’ funds in Europe, just 160 (6.7%) explicitly state that they either screen out or reduce exposure to fossil fuels.

Rebecca Jones, founder of New Money says: “The practice of greenwashing has become all too common as sustainable investment has become more popular. While it is great to finally see fund managers paying attention to what people want them to do with their hard-earned money, it is sad to see some pretty flimsy lip service being paid to those wishes, if not flagrant profiteering.”

Ben Constable-Maxwell, head of sustainable and impact investing at [M&G Investments](#) adds: “Investing for impact is truly exciting. For many of us, putting our investments to work in a way that delivers wider benefits alongside potential financial gains is a compelling proposition. As impact investing gains momentum, though, there are legitimate concerns about ‘greenwashing’.”

How to dodge the greenwash

In [The New Money Guide to Greenwashing](#) savers and investors will find a no-nonsense breakdown of sustainable investment terms in the Green Investment Grid – from ‘ESG’ (the lightest green) to ‘Impact’ (the darkest). In addition, the guide includes a comprehensive list of sustainable fund ‘stars’ and ‘spinners’ handpicked by one of the fund industry’s leading sustainable fund analysts – 3d Investing.

These combine with handy flowcharts and checklists to help even a novice investor navigate the often-challenging world of sustainable investing. Articles from top sustainable and impact investors at EQ Investors, Liontrust and M&G give valuable insight into this space while the guide also features The Big Exchange, the UK’s first ever impact investment platform.

Damien Lardoux, head of impact investing at [EQ Investors](#), says: “Financial jargon can be hard to keep track of at the best of times. But whether it’s termed green, ethical, ESG or sustainable investing, the aim is generally the same: it’s making money while making the world a better place, and it’s clear this is a fast growing market as UK investors ploughed more than £2.7 billion into ‘responsible investment’ funds last year.”

Mike Appleby, investment manager on the [Liontrust Sustainable Investment Team](#), comments: “Sustainability is an increasingly important theme for today’s investors. At Liontrust, we can point to a near two-decade track record of sustainable investing. During this time, we have developed the themes that help us to identify and invest in the companies truly making the world a cleaner, safer and healthier place to live.”

Download your copy of The New Money Guide to Greenwashing [HERE](#)

*This is all global ETFs labelled ESG (Environmental, Social and Governance)



ABOUT THE AUTHOR

Rebecca Jones

A financial journalist and communications consultant for nearly a decade, Rebecca has worked across national media, b2b, charities and for the UK’s most established sustainable investment team.

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