

The Novethic SRI Label



THE FIRST SRI QUALITY LABEL

The Novethic SRI Label is awarded to funds managed strictly on the basis of Environmental, Social and Governance criteria (ESG). Every year the research centre measures coherence in ESG analysis, its impact on issuers' selection and the end quality of portfolios.

THE FIRST LABEL ATTRIBUTED BY AN INDEPENDENT EXPERT

Novethic is a subsidiary of a major public financial institution, the Caisse des Dépôts. It carries out its research independently of fund management companies.

Novethic's SRI expertise has been built up over more than a dozen years of careful analysis of French and European practices, enabling it to provide a Label that has been contributing to transparency ever since it was launched. In 2009, more than one third of funds available in France applied for the Label; one hundred or so obtained it.

A BENCHMARK FOR EUROPEAN INVESTORS

The absence of any definition of SRI has resulted in a broad diversity of practices in Europe and led to considerable confusion among investors. As a first of its kind in Europe, Novethic's SRI Label provides investors with a simple benchmark and better knowledge of how SRI products are composed. To obtain the Label, a fund must disclose the full list of securities in which it is invested.

A GUARANTEE OF TRANSPARENCY AND A ROBUST SRI PROCESS

The following are required to obtain the Label:

- ESG analysis of at least 90% of the portfolio, so that all three aspects are systematically taken into account for the analysis to have a significant impact;
- A transparent and public SRI selection process;
- Regular reporting on the SRI characteristics of the securities in the portfolio;
- A complete and recent inventory of the portfolio.

The Label regulations may be downloaded from our site www.novethic.com

Novethic, the French SRI specialist

Novethic is a research centre specialised in responsible investment.

It publishes figures for the French market and has analysed the major SRI trends since 2001.

Thanks to the support of the Caisse des Dépôts, Novethic is independent from fund managers, and launched its SRI label in 2009.

www.novethic.com