

# The Novethic Green Fund Label



## **Novethic, the French SRI expert**

*Novethic is a research centre specialised in responsible investment. It has analysed key SRI trends since 2001 and publishes figures for the French market. With the support of Caisse des Dépôts, Novethic is independent from fund managers. It launched an SRI label in 2009 and a Green Fund Label in 2013.*

[www.novethic.com](http://www.novethic.com)

## **WHAT IS A GREEN FUND?**

Green funds, or environmental theme funds, invest in stocks and bonds issued by companies that provide eco-benefits by generating a significant share of revenue from an environment-related activity such as renewable energy production, natural resource management or energy efficiency.

## **WHAT IS THE NOVETHIC GREEN FUND LABEL?**

The Novethic Green Fund Label is given to funds that finance companies offering solutions to environmental challenges. Awarded by Novethic's SRI Research Centre and aimed at investors, it guarantees that a fund has high-quality and transparent environmental characteristics and contributes to sustainable development.

## **A BENCHMARK FOR INVESTORS**

More than 200 funds in Europe are branded as environmental, climate or sustainable development funds. And yet their portfolio companies are sometimes out of step with their theme. So, for investors, the Novethic Green Fund Label is a benchmark that certifies the environmental benefits of their investment.

## **A TRANSPARENT AND INSTRUCTIVE APPROACH**

Funds carrying Novethic Green Fund Label have to:

- pursue an investment strategy that clearly states the environmental objective
- have a portfolio of companies generating at least 20% of revenues from environmental activities
- perform an Environmental, Social and Governance (ESG) analysis of each company
- adopt a transparent selection process
- publish regularly a comprehensive portfolio inventory specifying each company's environmental activity.