

Take a closer look at the companies you invest in



Make sure you invest in favour of the environment

novethic

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# NOVETHIC IS THE RESPONSIBLE INVESTMENT EXPERT

- An **expert** in responsible investment, Novethic provides valuable insights on the SRI market and ESG integration across asset classes

- **Fostering** greater transparency and impact in SRI funds.



Since 2009, the Novethic SRI Label has provided investors with a quality standard

- **Independent**

Since its creation in 2001, Novethic has carried out its research independently

## The French SRI market in 2012 **novethic** RESEARCH

**Highlights** €149 billion +29%

- Growth still dynamic but slower than in previous years.
- Two growth drivers for pooled investment management: fund conversion and performance.
- The divergent views seen in mandates for institutional (+50%) and individual (retail savings +30%).
- ESG analysis now covers high levels of assets under management (some €2.3 trn).
- Some ESG integration practices closely come up to core SRI (more than €200 billion).



## ESG STRATEGIES OF EUROPEAN ASSET OWNERS 2013 SURVEY FROM THEORY TO PRACTICE



# EUROPE'S FIRST SRI LABEL

- All European UCITS funds are eligible
- 5-year track record: 270+ funds analysed since 2009
- In 2013, 106 funds certified from 38 asset managers based in **Austria, Belgium, France, the Netherlands and Switzerland**
- The following companies trust the Novethic Labels:



# MAIN CRITERIA

## **E, S and G** analysis of your portfolio

### ESG **impact** on asset selection:

- ✓ Exclusion of at least 15% of ESG analysed companies
- ✓ Demonstration of the portfolio's greater ESG quality compared with its investment universe

### **Transparency** requirements:

- ✓ Compliance with the Eurosif Transparency Code, with a clear description of the SRI process
- ✓ Regular reporting including:
  - Information on the fund's ESG characteristics
  - Full portfolio holdings publicly available

# ESG STRATEGIES

## ↗ Required

Robust ESG analysis of all issuers  
Best-in-class or best-in-universe selection

## → Optional

Engagement  
Norm-based exclusion  
Sector-based exclusions

## ↘ Not enough

Engagement only  
Norm-based exclusions only  
Sector-based exclusions only

## BENEFITS FOR YOUR CLIENTS

The Novethic Labels offer:

- A unique **quality benchmark**, within a substantial supply of 1700+ SRI funds in Europe\*
- Yearly opportunity to obtain a **second opinion** on your SRI funds
- A **guarantee** of your transparency and robustness of your process

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\* Source: KPMG 2013

# THE GREEN FUND LABEL

- **Launched in 2013**, with 6 funds already certified
- The first label to offer:
  - A **benchmark** in the green funds market
  - A **guarantee** of your transparency
  - **Proof** of the fund's contribution to sustainability



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# MAIN CRITERIA

- A clear **environmental objective**
- **20% of the revenue** of each company linked to the fund's environmental theme
- **ESG** risks analysis of your portfolio
- **Transparency requirements**
  - Compliance with the Eurosif Transparency Code
  - Full portfolio holdings publicly available



## OBTAINING A LABEL

- **2014 certification calendar**
  - **Beginning of April**  
Public launch of the Label application process
  - **May – June** (tbc)  
Deadline for application submission
  - **Mid-September**  
Public release of the 2014 certified funds
- **Application fees**  
€950 + taxes per applicant fund  
Successful applicants are not charged any additional fees for using the Label

## We hope to see you this year

The Novethic SRI team will be pleased to answer your questions about the SRI Novethic Label and the Green Fund Label.

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