Seeing Through the Green

A Guide to Greenwashing Risks for Asset Managers

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Contents

Introduction: Why Investors Should Care About Greenwashing **04**
Seeds of Doubt in the Sustainable Investments Market 05
How Ambiguous Definitions Contribute to Greenwashing 05

Cracking Down on Greenwashing **06**
Defining the Greenwashing Problem 07
Europe's Regulatory Landscape 08
Ongoing Confusions 10

Common Pitfalls and Best Practices: Where Greenwashing Appears for Asset Managers and What They Can Do About It **11**
What's in a Name? 13
Engagement Matters 14
Reliable Data and Data Standards 14
Best Practices for Addressing Greenwashing 15

How Asset Managers Can Build Robust ESG Offerings **16**
Responsible Investment Policy 18
Data Sourcing 19
Product Definition 19
Team Experience 19

Managing Greenwashing Claims **20**

Conclusion **21**

References **23**

Introduction: Why Investors Should Care About Greenwashing

In the fall of 2015, Volkswagen (VW), the storied German automaker, found itself in the eye of a greenwashing hurricane. While the company's branding had long made a point of stressing its vehicles' use of clean diesel, investigators discovered that VW had equipped its cars with devices that could detect and alter emissions readings during inspections. The United States Federal Trade Commission (FTC) launched an action against the company, seeking almost US$15 billion in fines.[1] The firm's reputation as a responsible multinational took a severe hit, and VW had to rebuild trust with customers and investors who were deceived by its emissions claims.

Such greenwashing cases are not unusual. And VW's much publicized scandal did not serve as an enduring deterrent. Some firms claim to operate sustainably without aligning their operations and policies to the Paris Accord. One survey found that almost three in five CEOs had made false claims about their company's environmental, social, and governance (ESG) performance.[2]

While the greenwashing debate was focused for many years on consumer goods – packaging, fast fashion, food labeling, etc. – the more recent appetite within the investment world for ESG-oriented products has amplified concerns. Investor interest isn't difficult to understand: the impact of climate change is impossible to ignore. At the same time, rapid advances in clean technology, green energy and circular economy business models have attracted the attention of consumers, policymakers and investors.

Table 1. Types of Greenwashing

Type	Description
Greenshifting	Firms that subtly shift the blame on consumers. An example: BP's Know Your Carbon Footprint campaign.[3]
Green-hushing	Some companies deliberately downplay or conceal their sustainability goals, including realistic ones, to avoid public or media accusations of greenwashing that have crested with the increased scrutiny of ESG investing.
Green-crowding	Follower firms that deliberately opt to ensure that their business and marketing practices are in line with slow or late adopters.
Greenlighting	Companies that focus their marketing and PR resources on a few specific sustainability initiatives in order to draw public/consumer attention away from the more unsustainable practices elsewhere in their operations. Many fossil fuel-based energy companies now do this by promoting their renewable energy assets or support of offset carbon credits.
Impact-washing	Fund or asset managers overstating the social or environmental impact of a firm in their portfolio. Such exaggerations can be intentionally dishonest, embellishments, or errors flowing from poor impact measurement techniques.

Seeds of Doubt in the Sustainable Investments Market

However, some companies are making exaggerated, misleading or unsubstantiated sustainability claims about their products and sustainability performance, specifically to attract institutional or retail investors keen to pursue responsible investing strategies. What's more, the hype has meant that financial institutions and firms are selling ESG-branded investment products that, upon close inspection, often don't include shares in companies that have genuinely sustainable operations.

This market is large and growing. According to a report by the European Fund and Asset Management Association, between 2016 and 2021, global assets under management (AUM) in sustainable investing grew at a rate of 19% per year – well above the average of the overall asset management industry. By the end of 2020, US$35.3 trillion – or fully a third of world-wide AUM – was invested in ESG funds.[4]

Growth continued throughout the pandemic and, in 2021, global AUM in dedicated ESG strategies reached a record US$2.1 trillion.[5] In the U.S., there are 349 money managers and 1,359 community investment funds, with US$5.6 trillion in AUM, that use ESG criteria.[6] The number of ETF funds bearing a green label more than doubled in the past two years, to almost 1,300, according to an early 2023 report.[7]

This rapid growth caused some industry leaders to issue cautionary statements. In a 2022 study, the Financial Management Association cautioned about the proliferation of "greenwashers" among self-labeled ESG funds.[8] "Already today, greenwashing may be eroding trust in the market for sustainable investment products," added a 2022 consultation paper issued by the Financial Conduct Authority (FCA). "Trust and integrity in these products are important to the transition to a more sustainable future."[9]

How Ambiguous Definitions Contribute to Greenwashing

The problem of greenwashing is largely the result of ambiguity and varying definitions, which leave investors open to misunderstandings and, in some cases, misrepresentations. In response to these uncertain conditions, regulators, accounting bodies, investor coalitions and environmental organizations have pushed to impose standards on this burgeoning investment space using emerging tools for ESG reporting and disclosure, and a standardized definition of ESG itself.

The buyer-beware principle has rarely been more important. The rapid development and proliferation of new sustainable investments means that investors must do their due diligence to ensure the products they choose truly align with their needs, values and expectations.

In this environment, it's critical for asset managers to understand the risks of making exaggerated ESG claims. However, the absence of a consensus on the definition of ESG and broadly accepted reporting and audit rules means that asset managers must pay attention to the liability risks associated with misleading the investing public. For example, in 2022, Deutsche Bank's asset management unit was sued by consumer groups that alleged that it misrepresented its green investing principles.[10] Other fund groups have been targeted in similar cases.

Investors should also be closely monitoring rapid changes in public policy, as entities such as the Securities and Exchange Commission (SEC), the European Commission (EC) and the U.K.'s Competition and Markets Authority (CMA), which regulates antitrust activity, are all pushing to establish policies designed to protect investors from phony ESG claims.

The purpose of this guide is to help asset managers better understand greenwashing. In the chapters that follow, we'll look at how regulators and organizations like Science Based Targets initiative (SBTi) are addressing greenwashing, the common greenwashing pitfalls asset managers face, and the best practices for asset managers to build truly robust ESG products.

Cracking Down on Greenwashing

Defining the Greenwashing Problem

At the beginning of 2023, the European Securities and Markets Authority (ESMA) released what it described as a high-level consensus definition of greenwashing – one of the first regulatory bodies to take such a step. The authority also initiated an evidence gathering process to collect information on greenwashing practices within the investment industry.[11] According to a statement by ESMA, the working definition of greenwashing in the investment sector is:

> "a practice where sustainability-related statements, declarations, actions, or communications do not clearly and fairly reflect the underlying sustainability profile of an entity, a financial product, or financial services. This practice may be misleading to consumers, investors, or other market participants."[12]

It can be intentional or unintentional, and such signals can spread within or outside the European Union's jurisdiction. State level regulators have until 2024 to issue final reports on their plans to clamp down on this practice.

Yet regulations and precise definitions in both the EU and the U.S. are still evolving, as are underlying concepts such as standardized disclosure and accounting methodologies governing ESG reports. The SEC, for example, last year, released proposals that would require investment advisors to enhance disclosures about ESG products.

Absent clear rules and regulations, large asset managers have adopted a range of approaches – everything from ETF funds that index the underlying investments' progress towards net-zero carbon emissions to large fund families which sell both ESG-branded products as well as investments with large stakes in fossil fuel companies. This can be misleading for investors who think that by investing in these funds, they are not supporting the fossil fuel industry.

The Taskforce on Climate-Related Financial Disclosures (TCFD) has sought to develop a set of voluntary and consistent climate-related disclosure standards that could be used by investors, bankers, lenders and other financial market participants to support anti-greenwashing efforts. As of November, 2022, the TCFD has signed up 4,000 supporters in over a hundred countries, managing US$27 trillion.[13]

There are also other investment industry projects, such as the Net Zero Asset Managers (NZAM) initiative, which represents US$59 trillion as of June 2023, and the CFA Institute's Global ESG Disclosure Standards.[14] But some have come under criticism. As Sasja Beslik, chief investment officer at NextGen ESG Japan, a sustainable investment specialist, said: "The NZAM commitments are purely aspirational and lack any detail explaining how the objective of decarbonizing their investment portfolios will be achieved."[15]

Europe's Regulatory Landscape

The Sustainable Finance Disclosure Regulation

In 2019, the European Commission adopted the Sustainable Finance Disclosure Regulation (SDFR), which aims to address ambiguity around "sustainable" product labels by implementing comprehensive disclosure requirements for a broad range of ESG metrics at both entity and product level. The goal of this rule is to confront greenwashing through the use of sustainability data, clear communications, firm-wide policies, ongoing reporting and complaints handling.[16]

In particular, the SFDR establishes three categories of funds: articles 6, 8 and 9.

Article 6 funds require transparency around the integration of sustainability risks. Financial market participants must include descriptions of the ways in which sustainability risks are integrated into investment decisions and likely impacts of sustainability risks on returns. If asset managers determine there are no risks, they must include explanations for why not.

Article 8 funds are described as "light green." Such funds promote environmental or social features, based on the governance practices of portfolio companies. Managers apply principal adverse indicators (PAIs) into their investment decisions.

Article 9 funds are known as "dark green funds." Under the European Commission regulation, an Article 9 fund has sustainable investment or reduced carbon as its objective. These funds invest in firms that incorporate good governance practices, measured against the do-no-harm principle of responsible investing.

The EU Taxonomy

In addition to these categories of funds, European regulators have proposed explicit labeling rules (the Green Claims Directive) and established the EU Taxonomy – a framework that outlines six environmental objectives and four overarching conditions that an economic activity must meet to qualify as environmentally stable. The six environmental objectives of the EU Taxonomy are:

1. Climate change mitigation
2. Climate change adaptation
3. The sustainable use and protection of water and marine resources
4. The transition to a circular economy
5. Pollution prevention and control
6. The protection and restoration of biodiversity and ecosystems[17]

Finally, the European Commission approved the Corporate Sustainability Reporting Directive (CSRD), which applies to about 50,000 companies across the EU. It aims to strengthen reporting and disclosure requirements for climate and environmental performance – a firm-level requirement that will support efforts within the investment sector to counter misleading ESG claims by funds. The new rules will come into force in 2024. The CSRD will require firms to obtain mandatory third-party assurance on sustainability claims and quantify their environmental reporting. By introducing a single framework, the CSRD will bring greater comparability to ESG reporting.

Ongoing Confusions

The EU framework, however, has not proven to be as clarifying as some had hoped. For example, many funds that originally applied for Article 8 and 9 designations have had to downgrade to the next tier down. "This migration to less stringent categories is being driven by regulatory changes and uncertainty about how sustainable investments are defined," James Gard, Senior Editor for Morningstar UK noted. "It reflects ongoing caution by fund managers, even as flows into sustainable funds continue to rise in Europe."[18]

Indeed, the confusion and shifting regulatory environment, among other factors, has dampened investor, asset manager and fund interest in ESG-oriented products – particularly in the U.S. where ESG has become a polarizing topic. This dampened investor demand is reflected in the stark drop of new business for ESG-themed ETFs. In 2022, ESG ETFs registered net investor inflows of just US$74.7 billion, compared to $164.3 billion in 2021.[19]

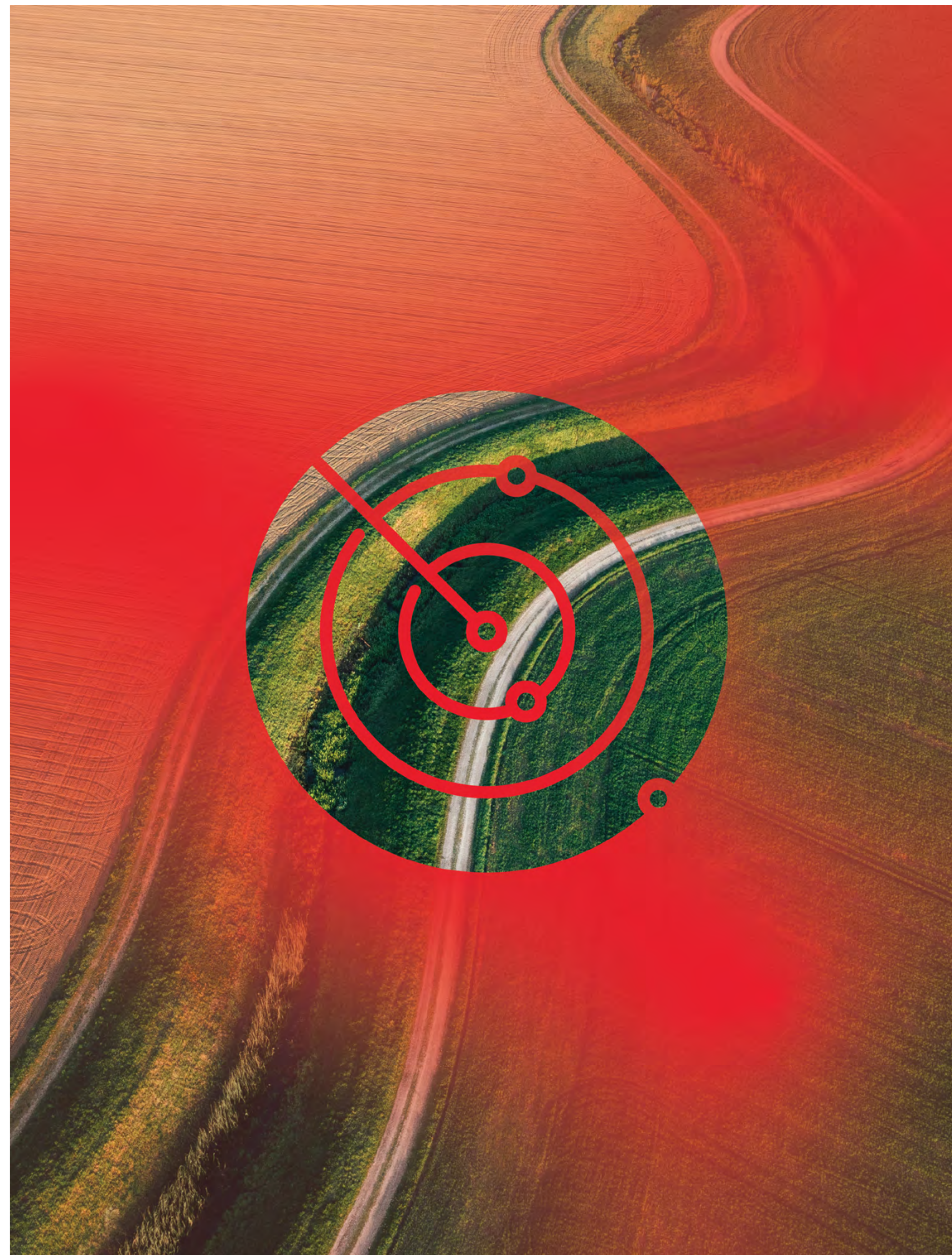
Regional Differences in Greenwashing Regulations

The state of regulation around greenwashing in the investment sector varies significantly by region.

- **Europe:** The EU has the most advanced regulatory environment, but the complexity of the various frameworks now in place has fostered confusion and complaints about compliance.
- **United States:** The SEC has taken steps towards regulation of ESG-labeled investment products, but the rule-making remains a work-in-progress, and has bumped up against a political backlash against a wide range of ESG-oriented corporate practices.
- **Asia Pacific:** Within the Association of Southeast Asian Nations (ASEAN), 13 countries have developed taxonomies describing sustainable finance practices. The most advanced member nations are Singapore, Malaysia and Japan, where the Japanese Financial Services Agency, which has established an expert panel that has published two reports calling for clearer and more consistent disclosure.

Common Pitfalls and Best Practices:

Where Greenwashing Appears for Asset Managers and What They Can Do About It



For both consumer and investment products, a company's words and descriptions used for promotions are subject to various basic standards. Claims on food packaging, for example, must be verifiable and producers are required by law to include ingredient lists and nutritional profiles. Similarly, for investment disclosure documents, firms must cite audited financial information and provide investors with cautions about forward-looking statements. None of these regulations relieves consumers or investors of the need to do their own due diligence, but they do ensure a foundation of factuality that includes a consensus on the definitions of certain terms, symbols and methodologies.

What's in a Name?

The language used to promote ESG-oriented investment products, including so-called green investment labels, remains uncertain and fluid, and often lacks a clear definition. As the investment landscape shifts towards more sustainable practices, the meaning of terms like "clean" or "green" becomes crucially important. Additionally, questions arise around whether there exists a shared understanding of what impact investing truly entails. Impact investing, which refers to investments made with the intention of generating positive social and environmental effects alongside financial returns, can be interpreted differently by various stakeholders.

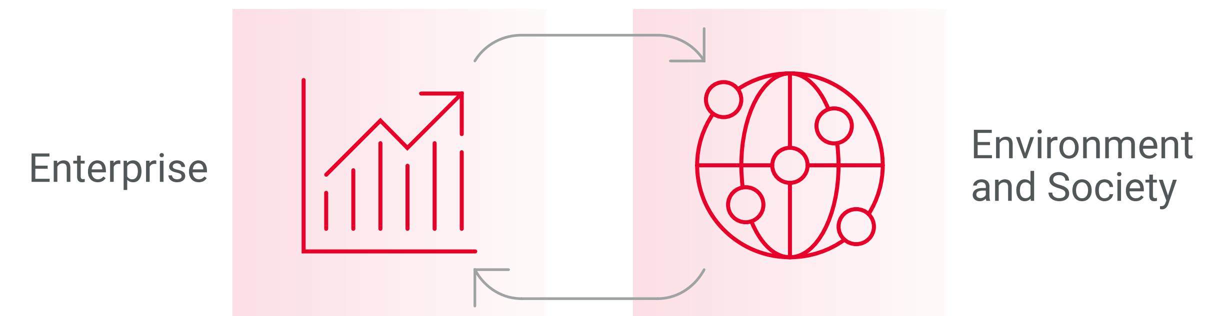
Some fund families assure investors that their products meet various certification standards, but the verification process may be either lax or methodologically problematic. For example, a fund might receive certification based on self-reported data from the companies it invests in, without independent third-party verification. This lack of rigorous oversight can lead to instances of greenwashing.

There's mounting concern among regulators that asset managers feel ever increasing pressure to remain competitive within the expanding ESG investing space, and thus yield to the temptation to overstate the positive features of their fund products. To mitigate regulatory risk associated with heightened scrutiny of sustainability claims, firms and fund boards should be establishing firm-wide strategies for sustainable investing products and the related use of sustainability data from third parties.

Figure 1. ESG Risk Versus Impact

ESG Risk
ESG risks are risks that are material to an enterprise due to external factors driven by environment and society

Impact
Impact is the degree to which an enterprise's activities or products cause material positive or negative effect on the environment and society.



ESG Risk and Impact are two different lenses on the same issue.

Engagement Matters

Another important element in an anti-greenwashing strategy for asset managers involves exercising their shareholder rights and engaging companies that are making various ESG claims in their disclosure documents. This kind of active ownership entails proxy-voting, engagement, the use of shareholder resolutions and other forms of influence.

In fact, a Morningstar ESG proxy voting report noted that 2022 saw a record number of shareholder resolutions on environmental and social themes in the U.S., increasing 60% from 2021.[20] Morningstar's analysis notes that much of this increase is attributable to the SEC's decision in November 2021 to broaden the definition of permissible shareholder resolutions addressing significant social policy issues. However, this rise in the number of resolutions came with a slight decrease in support, dropping to an average of 44% in 2022 from a peak of 53% in 2021. This decrease in support is partly attributed to pushback on prescriptive proposals.[21]

The best practice for asset managers is to engage proactively and authentically; define objectives and guidelines clearly; set measurable targets and track progress; and disclose both practices and outcomes.

Reliable Data and Data Standards

Accurate data on sustainability practices forms the foundation of both sustainable corporate practices and genuinely sustainable investing. It provides the basis for regulatory disclosures, reporting on non-financial activities, and guides investment decisions. What's more, the absence of consistent or complete performance data will undermine a company's sustainability claims or lead to greenwashing by asset managers.

The challenge of developing widely accepted environmental accounting and disclosure standards – the counterparts to the Generally Accepted Accounting Principles (GAAP) or International Financial Reporting Standards (IFRS) – is daunting and has been the focus of numerous multilateral efforts by investor alliances, securities regulators, governments, and international accounting bodies. While many approaches have emerged in recent years – for example, the Global Reporting Initiative GRI, UN Sustainable Development Goals UN SDGs, the European Union's Corporate Sustainability Reporting Directive (CSRD) – none are universal. What's more, some jurisdictions, like the EU, have been more proactive about regulating ESG disclosure while other regions are still at the voluntary disclosure stage.

Nor are there reliable and accessible pools of ESG-oriented financial data. In 2019, the EC adopted the SFDR, which applies to financial market participants, and requires them to produce principal adverse impact reports on 18 environmental, social and governance indicators. Yet, as a Morningstar Sustainalytics' analysis showed, many issuers subject to the 18 SFDR reporting criteria only disclose estimated data (e.g., estimations on carbon emissions), or are unable to provide any data at all (e.g., on gender pay gaps or emissions into water).[22]

Absent complete or reliable data, asset managers are unable to ascertain whether investees' activities are actually helping or harming the environment, thus opening up fund companies to the risk of overstating or understating the impact of a given investment.

Best Practices for Addressing Greenwashing

Data is not the only area of concern for asset managers and fund companies. Greenwashing can become an issue if the marketing claims for certain products don't align with the performance and governance of the underlying companies. In particular, funds that are promoted as sustainable must provide clear and accurate explanations outlining how those investments deliver on these goals, including information on how portfolio managers conducted their due diligence in making their investment selections.

Asset managers are well advised to rely on the taxonomies and classification systems laid out in labeling conventions such as:

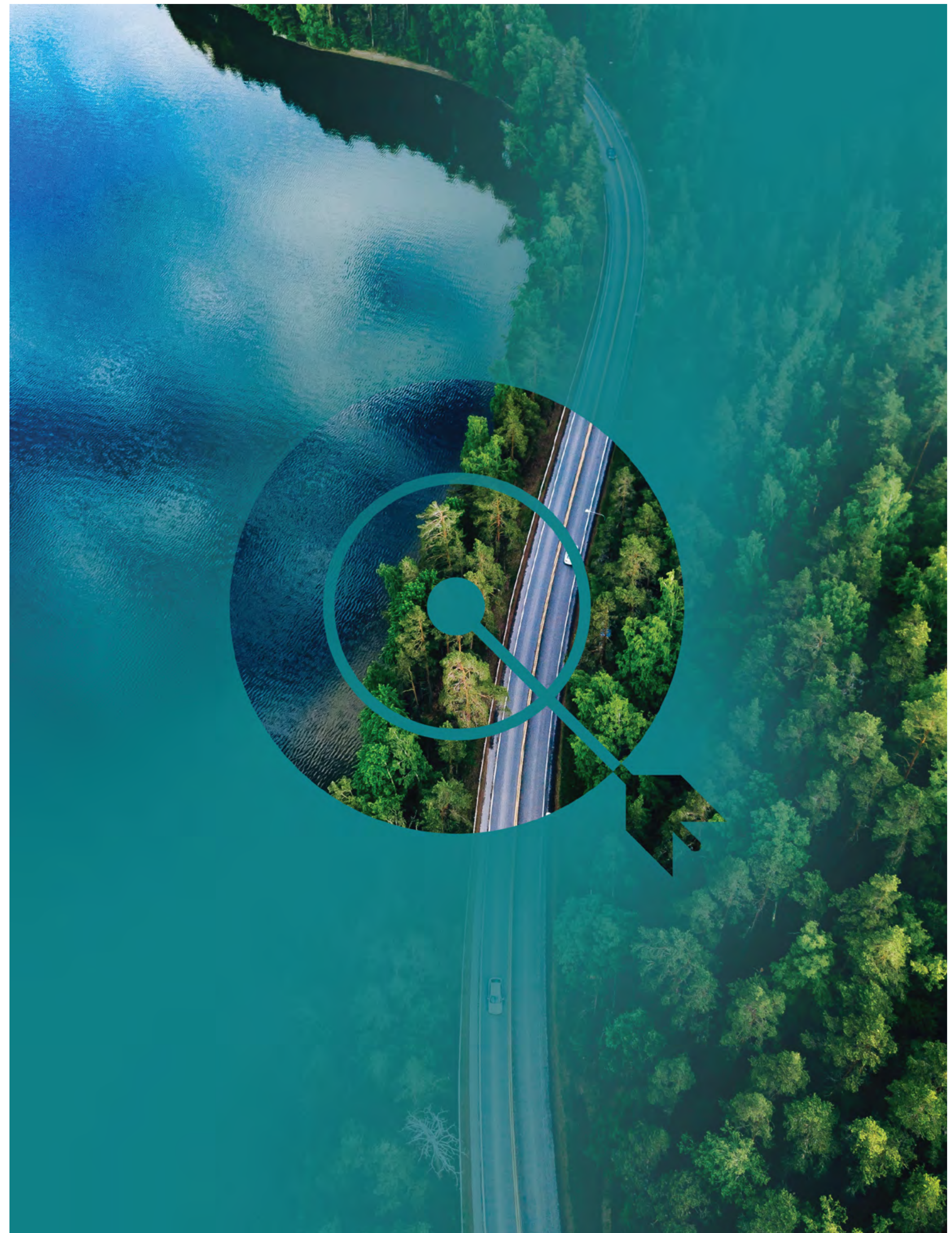
- The International Development Finance Club Green Finance Mapping (LuxFlag Climate Finance)
- The FTSE Environmental Markets Classification System
- The HSBC Climate Change Structure (LuxFLAG Environment)
- The International Capital Market Association's Green Bond Principles (French Greenfin and Nordic Swan)[23]

The due diligence process extends to the use of third-party indices, which produce a basket of securities based on certain criteria, as well as the deployment of fund ratings and fund labels. It's possible, for example, for the naming convention of a fund to not be in alignment with the sustainability practices of the underlying investments.

To mitigate greenwashing risk related to poor or incomplete data, firms and asset managers should consider adopting these eight best practices.

1. Boards should establish company-wide sustainability data policies and procedures.
2. Senior executives should use reliable third-party data providers to fill gaps.
3. Companies should establish strategies and practices that determine how non-financial metrics are used and made available to consumers, investors and other market participants.
4. Fund companies should employ plain language practices in their sustainability disclosures in order to ensure maximum useability for retail and institutional investors, and to prevent the dissemination of greenwashing claims. These practices include clarity around the use of exclusion/negative screening, so that investors can understand whether firms are included or excluded based on their own activities or activities across a supply chain.
5. Portfolio managers should drive the implementation of these sustainability data practices, using reliable ratings providers and with compliance and risk teams reviewing the process.
6. Firms should be proactive about informing intermediaries and end-investors about changes in strategies and objectives in sustainable funds.
7. Asset managers should provide detailed fund documentation that clearly links fund names, objectives and strategies, and cites clear and comprehensive firm-wide policies, building a foundation for mitigating greenwashing risk.
8. Firms can adopt thematic and impact investing approaches, where asset managers employ very specific objectives and base their stock picks accordingly.

How Asset Managers Can Build Robust ESG Offerings



Growing awareness of greenwashing in the investment sector is drawing attention from regulators and large fund companies, as well as shareholder activists. For asset managers, the challenge going forward is to develop strategies and governance practices meant to drive genuinely sustainable investment, as well as avoid accusations of greenwashing that occur either intentionally or inadvertently.

In this chapter, Ruthann Bartello, Commercialization Director, Client Relations at Morningstar Sustainalytics, provides guidance on how asset managers can address this challenge with strategies that address four key areas: responsible investment policy, robust data sourcing, product delineation and definition, and fund team experience.

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Based in Toronto, Ruthann is the director and global lead for Sustainalytics Stewardship Services and acts as a trusted partner to Sustainalytics' investor client base. In her role, Ruthann supports investors to meaningfully integrate stewardship into their ESG strategy, as well as to navigate the evolving ESG industry and trends. Ruthann is a tenured professional with a 25-year career in investment management and financial services. With more than half her tenure focused on responsible investing and ESG strategies, Ruthann has been an active participant in the evolution of sustainable investing since 2010.

Responsible Investment Policy

According to Bartello, there are six widely accepted approaches to investment policy:

1. Negative screening: Provides asset managers with a list of sectors that are excluded from portfolios (e.g., cigarettes, gambling, defense, etc.).
2. Positive screening: Encourages funds to "screen in" certain categories of stocks (e.g., wind/renewable energy).
3. Engagement: Fund managers engage directly with portfolio companies that are making ESG claims, including the use of proxy votes to support shareholder resolutions.
4. Exclusionary criteria: Enables asset managers to screen out investee companies that fail to meet specified benchmarks, such as ESG risk ratings.
5. Thematic funds: Direct investment to investee firms based on themes like renewable energy or diversity, equity, and inclusion (DEI) performance.
6. Impact investing: Focuses on investee companies' impact in specific domains, like emissions reduction.

Many asset managers, Bartello explains, will also use a combination of these strategies in order to guide their investment and allocation strategies. "Say what you're going to do and then do it," she advises, adding that, "it's not one strategy in isolation that creates a really comprehensive approach. For example, you can combine screening and engagement and create a very holistic approach to managing an ESG mandate."

Data Sourcing

There are multiple sources of third-party data available to asset managers, and Bartello points out that best practice involves combining them to generate more comprehensive insights. “What asset managers do with it is really where they add their value by taking all this information and insight and saying, `Okay, this supports our investment thesis or this changes our investment thesis or this contradicts our investment thesis.’”

While much of the data available to asset managers today is backwards-looking, in that it presents historical information, robust ESG investment approaches also incorporate forward-facing analysis, and informed projections about conditions investees may face in 2030 or 2050.

Product Definition

Different funds and asset managers will have different approaches to ESG, and these can be broken down into three broad categories: compliance-driven portfolios that look to invest in firms that focus on doing only what’s required of them; risk management approaches that focus on firms that are actively reducing their exposure to climate risk; and impact-driven funds, which aim to invest in firms that are developing new products and services that will actually reduce emissions or achieve some other ESG-related objective.

As with the advent of clear taxonomies for fund labelling, asset managers should be explicit and direct in communicating their thinking and outlook about product definition and segmentation to investors. This is a means of protecting themselves against accusations of greenwashing.

Team Experience

Successful and effective ESG-oriented funds will find ways to combine their investment teams and their ESG teams, Bartello says. With many fund companies, those two functions typically work in silos, which means insights about the ESG practices/track records of current or potential investees may not find their way to the asset management teams.

“Right now, what you often see happening is that somebody in the ESG team sits in a completely different part of the organization than the investment team,” she observes. “So, you have the investment group making investment decisions and running portfolios, and there’s not an incredible amount of connection between the two.” A productive approach to integrating these two areas is for fund companies to invite the asset managers to participate in ESG engagement processes.

“That allows them to take what comes out of the engagement process and become part of their investment decision-making process,” she says. “It creates a lot more cohesion instead of running ESG as a simple overlay and then creating friction when the ESG team wants the investment team to change the way they approach the portfolio.”

The final piece is to ensure that asset management teams have the ability and expertise to determine whether top-level directives by investees are actually filtering through their organizations. “You have a senior level commitment to a net zero target, for instance, but they haven’t really figured out how that flows through the company operationally,” says Bartello.

Managing Greenwashing Claims

The surge of investor interest in ESG-labeled funds has been accompanied by the rapidly growing awareness that some funds engage, either deliberately or accidently, in a variety of greenwashing practices. This knowledge, in turn, has fueled a growing volume of complaints or legal claims against fund companies that are alleged to have engaged in greenwashing.

The concern for asset managers is that there's a public perception that greenwashing is intentional. In many cases, however, it can occur accidentally, due to outdated data on investee performance, ambiguity about labels/taxonomy and lack of communication between portfolio teams and ESG teams. For example, some funds have attracted negative media coverage for failing to satisfy published ESG parameters. But these stories may not acknowledge that the funds in question were transitioning away from an asset class, but have not completed the process. ESG-minded investors, however, may complain because their information comes from media coverage rather than a close reading of disclosure documents.

From a governance perspective, fund companies that use ESG labels should put in place processes for managing greenwashing claims brought by investors or other parties, including regulators. The first step is for fund companies to determine whether greenwashing occurred as alleged, and what were the reasons. These kinds of evaluations should include an audit of communication and marketing materials, as well as fund documentation, to ensure the proper use of language and specific words that may have been used in fund-labeling.

The second step for funds is to establish policies, practices and communications protocols for providing acknowledgment and compensation for legitimate claims of greenwashing. These tasks belong with regulatory compliance teams, which should prepare and publish guidance for how claims of greenwashing will be handled or investigated. Furthermore, firm policies that emphasize transparency in the course of such investigations can reinforce investor trust.

Conclusion

The enormous surge of capital into ESG funds that occurred during the pandemic has brought with it mounting concern, among retail investors, regulators and fund companies, about the risks associated with greenwashing. The practice itself mirrors greenwashing in consumer products markets, with issues arising around misleading labels and the sustainability practices of suppliers – in this case, investee firms that are selected because they've made claims about sustainability or governance or equity.

To confront skepticism about greenwashing, asset managers should be considering a range of factors, such as the reliability of third-party data, labeling taxonomies set out in emerging regulation in the EU, and the use of specific approaches to ESG investing. Above all, fund families and asset managers should be highly attentive to what and how they communicate to the investing public. To further demonstrate their commitment to ESG principles, funds can establish clear and transparent protocols for addressing complaints about greenwashing.

How Morningstar Sustainalytics Supports Asset Managers

Sustainalytics can support your goals with a range of products designed to address greenwashing concerns from regulators, investors and other stakeholders. These include:

ESG Risk Ratings

Our two-dimensional approach informs investors of both the material ESG risks the company faces, and how well the company is managing those risks.

Impact Metrics

Our impact metrics help investors understand the real-word impact of a company's operations on society and the environment, to help cut through overstatements of positive impact and potential greenwashing.

Indexes

Morningstar ESG indexes provide Equity, fixed income, and multi asset sustainable investing index solutions designed to support investors across a diverse range of ESG objectives. They are based on Morningstar Sustainalytics' trusted data from over 900 dedicated ESG analysts, providing the transparency needed to avoid potential greenwashing.

Regulatory

Regulation is complex, varied, and rapidly evolving. As a trusted partner, Morningstar Sustainalytics can help you navigate your regulatory reporting requirements and ensure you are utilizing the highest quality data with minimal reporting gaps. Learn more about how our solutions can help you meet regulatory disclosure requirements through managed screening services, API + Data Feed Solutions, Partner Platforms, EU Action Plan Solutions, and Morningstar's portfolio services.

Stewardship

A sincere approach to ESG stewardship is one of the most efficient and effective ways to incorporate sustainability principles into the investment management process and will remove doubt of an organization's commitment to executing a cogent sustainability strategy. Partnership with a trusted provider such as Morningstar Sustainalytics is an increasingly popular way to build your stewardship strategy

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