



**TARENO**  
INTERNATIONAL  
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# TACTICS TO AVOID GREENWASHING

## INTERVIEW WITH KATJA ACKERMANN | TARENO

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A solid sustainability approach should always be holistic and tailored to the product in question. Not all ESG approaches are relevant for every strategy. Simply applying an exclusion filter, for example, may serve as a useful risk tool, but it does not create a sustainable impact. Investors should always verify whether the relevant ESG criteria are applied and if they are integrated into the investment process.

The use of vague or ambiguous statements instead of facts in the description of the ESG process can also signal potential greenwashing. In addition to own analysis, external sustainability labels may be helpful when comparing different products. The FNG label is particularly useful because there are different levels (stars) that funds receive if their sustainability approach exceeds the minimum criteria.

Finally, the new classification standards under the SFDR will hopefully be of great help in avoiding greenwashing and allowing investors to evaluate and compare the sustainability profile of different ESG investment products. Funds classified under Article 9 of the SFDR have committed to a sound sustainability strategy as well as a positive environmental or social impact.

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