



We have quoted a lot of different research in episode eight of Which? investigates so if you want to do any more reading here are the links to all the articles we came across while doing our investigation.

Independent research commissioned by Clim8, a climate-friendly investment platform, has found that despite climate change ranking as a top concern for many people, two thirds actually invest their money into accounts that could be funding fossil fuel companies.

<https://environmentjournal.online/articles/majority-of-uk-consumers-unknowingly-funding-climate-crisis-new-research/>

I recently saw that data from the Office for National Statistics suggests the median household savings - that's the money in bank accounts, ISAs, stocks & shares etc but NOT property - those savings sit at around £11,000.

<https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/incomeandwealth/datasets/earlyindicatorsfromthewealthandassetssurvey>

In fact according to a 20.20 report from Rainforest Action Network and five other non-profits, since the Paris Agreement on climate change was adopted at the end of 20.15, 35 of the world's major banks have provided 2.7 trillion dollars worth of investment to fossil fuel companies.

<https://www.ran.org/bankingonclimatechange2019/>

"[You can] cut your carbon 21x more than going veggie, giving up flying and switching energy provider simply by making your pension green."

<https://makemymoneymatter.co.uk/21x/>

According to a report released by US based investment research firm Morningstar, €120 billion was invested into so-called sustainable funds in the first quarter of 2021 alone. This is 18% higher than in the previous quarter and represents more than half of cash invested into European based funds. That's quite some increase...

<https://www.morningstar.co.uk/uk/news/211923/sustainable-fund-flows-hit-new-record.aspx>

Back then, questions around investment reflected the social issues of the day, not too dissimilar to the Quakers and Methodists centuries before. There was also a rise in SharEE-AH-compliant banks. They operate within Islamic religious laws, and include rules which mean investors can't invest in companies involved in gambling, pornography, alcohol or tobacco.

<https://www.money.co.uk/savings-accounts/the-definitive-guide-to-sharia-banking-and-islamic-finance-in-the-uk.htm>

Recently even the Church of England, which manages a fund worth £9.2bn, made headlines, agreeing to divest from fossil fuel companies not aligned with the goals of the Paris Climate Agreement by 2023.

<https://www.churchofengland.org/news-and-media/news-and-statements/church-england-restricts-investment-companies-dont-meet-its>



Thank you to James Lumberg too whose research helped inform that skip through time.

<https://www.investopedia.com/news/history-impact-investing/>

These funds have to follow rules to prove their sustainable or ethical credentials, rules set The EU Sustainable Finance Disclosure Regulation. It was only set up recently, and this year it made a shocking announcement.

<https://capitalmonitor.ai/institution/government/is-sfdr-failing-eight-in-ten-sustainable-funds-in-europe-hold-fossil-fuel-stocks/>

'Non-green' means not ethical at all, 'light green' means largely investing in climate-positive companies, and 'dark green' is the most environmentally friendly of them all, only offering financial products that claim to have 'sustainable investment' as their main objective.

https://ec.europa.eu/info/sites/default/files/business_economy_euro/banking_and_finance/documents/sustainable-finance-taxonomy-faq_en.pdf

Here's an example from last year: the environmental group Amazon Watch and the Association of Brazil's Indigenous Peoples found six top investment firms had invested more than 18 billion dollars over the past three years in firms carrying out projects which irreversibly damaged the world's biggest rainforest.

<https://amazonwatch.org/news/2020/1028-us-firms-continue-to-fund-network-of-destruction-in-the-amazon>

In 2019 the Investment Association found 2.6 trillion pounds was held in UK pension funds.

<https://www.theia.org/sites/default/files/2020-09/20200924-imschapter4.pdf>

Some pension firms are trying to make their pensions more sustainable, but they're starting from a very low base. Back in 2018, ShareAction did a piece of research to see how much good that pension pot was doing... they found that less than 1% of assets in the world's largest 100 pension funds were invested in low-carbon solutions.

<https://aodproject.net/changing-climate/>

I read the summary report for the 'Pension fund carbon savings research'

<https://makemymoneymatter.co.uk/wp-content/uploads/2021/07/Summary-of-21x-research.pdf>

A June 2020 paper entitled 'Can Sustainable Investing Save the World?' concludes that, when it comes to the positive environmental impact of sustainable and ethical investing, QUOTE "there remain gaps in the evidence". And that QUOTE "indirect impacts remain unproven regarding their effectiveness."

<https://journals.sagepub.com/doi/full/10.1177/1086026620919202>

As reported in the Economist, in March the board of Danone, the French food-maker behind the likes of Activia, Actimel and Alpro, fired its boss, Emmanuel Faber.

<https://www.economist.com/finance-and-economics/2021/03/27/the-impact-of-green-investors>

However, as we just heard from Sam there, sustainable investments can give better returns. And last year, research from investment firm BlackRock found that during the pandemic, sustainable investment funds tended to outperform non ethical options.

<https://www.which.co.uk/money/investing/types-of-investment/ethical-investing-explained-avy661g6r0l7>



A Green Technical Advisory Group will oversee the Government's delivery of a "Green Taxonomy". In other words, a common framework setting the bar for investments that can be defined as environmentally sustainable. They'll also work with the Financial Conduct Authority to introduce a sustainable investment label for funds.

<https://www.gov.uk/government/news/new-independent-group-to-help-tackle-greenwashing>

There's loads more information and advice on our website, just to go to [which.co.uk/ethicalinvesting](https://www.which.co.uk/ethicalinvesting)

<https://www.which.co.uk/money/investing/types-of-investment/ethical-investing-explained-avy661g6r0l7>