



# The Sustainable investment Movement

Friends, football and social networks are just some of the ways in which we can seek out or gravitate to people who think the same way as we do, like what we like and share the same values.

It's also a trend we are seeing in terms of how people choose to invest their money. In recent years sustainable investment has developed from being quite 'niche' or specialised to a growing and influential movement that is demanding the attention of investors around the world. .

Investors of all shapes and sizes are increasingly aware that, as well as investing for their future or that of those they represent, they can direct their money to support change for the better on issues many of us feel strongly about, from climate change to building a fairer society.

If you already refuse to buy single use plastic, for example, would you rather invest in a business that produces it, or a business that recycles it or is working towards a more sustainable alternative?

## Find out more

Sustainable investment means making decisions to invest based on environmental, social and governance (ESG) factors. You can find out more about its history and what's involved in our introductory guide,

**Sustainable investment and you**

# Putting our money where our mouths are

Institutional investors, those who invest our money on our behalf through pension and investment funds, are leading the way. Research shows that, globally, 85% felt sustainable investment was important to some degree in 2019, up from 68% in 2018.<sup>(1)</sup>

In the US, the amount of money being paid into sustainable funds almost quadrupled in 2019 and by the end of the year assets held were up 54% compared to 2018.<sup>(2)</sup> Even the Covid-19 pandemic has not stemmed this rise with a 72% increase in money going into sustainable funds around the world in April to June 2020, the period immediately after it began to take hold.<sup>(3)</sup>

If anything Covid-19 seems to have raised the profile of sustainable investment. In a recent census of UK investors, 40% said it had made them think more about sustainable investment.<sup>(4)</sup>

## A powerful influence for positive change

Sustainable investment has also come to play an increasingly important role in public policy, adding to its rise as a powerful and positive influence around the world. Governments as well as investors are tending towards looking at investment through an ESG lens.

The United Nation’s 17 Sustainable Development Goals (SDGs) are a unifying focus for this and represent desirable outcomes for the world that most of us can get behind. You can find out more about them at [sdgs.un.org/goals](https://sdgs.un.org/goals) and they include:



<sup>(1)</sup> Aon – 2019 Global Perspectives on Responsible Investing  
<sup>(2)</sup> FT – Record sums deployed into sustainable investment funds – 20 January 2020  
<sup>(3)</sup> Morningstar – Global Sustainable Fund Flows report – Q2 2020  
<sup>(4)</sup> Boring Business – The Great British Sustainable Savers Census Report 2020



## Shaping the post-Covid world

As economies around the world try to find their way through the financial impact of Covid-19, sustainable investment is being repeatedly hailed as a central part of the way forward.

Kristaline Georgieva, managing director of the International Monetary Fund (IMF), has stressed the importance of sustainable finance and impact investing in shaping the post-Covid world.<sup>(5)</sup> And The World Bank stated that it believes the pandemic has 'opened up a window of opportunity to scale up urgently needed climate action', potentially preventing future climate crises.<sup>(6)</sup>

## You can be part of the movement

Many of the issues covered by sustainable investment are on a massive scale. It may sometimes feel there is little any of us can do as individuals to influence these issues significantly. However, by pooling our money with lots of other investors through one or more of the sustainable investment options available, or even just by choosing an investment provider that embeds sustainability into all that it does, you can help make a real difference to the causes you care about.



Sustainable investment covers a broad range of options with different goals and objectives, alongside aiming to help grow your money.



A financial adviser can help you decide whether it's the right approach for you and how to get started.



It can also help to ask yourself some questions to work out what your priorities might be as a sustainable investor.

<sup>(5)</sup> IMF – [Managing Director Georgieva's Remarks at the Global Steering Group Global Impact Summit](#), 10/9/20

<sup>(6)</sup> World Bank – [The pandemic is an unexpected opportunity for climate action](#), 1/4/20

## 1 What do you really care about?

Sustainable investment covers various themes. For example, green investment focuses on supporting the environment while blue funds promote biodiversity and keeping our waters clean.

## 2 Are you just looking for ethical investments or an ethical provider?

Just because a provider offers ethical investments does not mean they are an ethical provider. They may invest in sectors or companies (say firearms or fossil fuel firms) which you would prefer to avoid. Research is important to be sure of this and their reasons for the investment as well as how they treat the people and businesses that rely on them.

## 3 Do you believe that positive change can be achieved from within?

Some fund managers engage with companies as a major investor, trying to drive positive change. This is known as activist investment or active ownership.

## 4 Do you want to direct your money to companies doing 'good' or away from those doing 'bad'?

Screening is one of the most common approaches to sustainable investment: positive screening actively includes investment options while negative screening actively excludes them.

## 5 Do you want to see measurable change alongside potential investment returns?

Impact investing focuses on social and environmental projects addressing specific issues, progress against which can be measured. Best-in-class investing means investing in companies which lead the way in terms of meeting ESG criteria.

### You may already be taking part

There's a lot to think about when it comes to sustainable investment and it's clear to see that more and more people are joining the movement. It's even possible you may already be a sustainable investor without realising it, if you belong to a workplace pension for example where trustees make investment decisions on your behalf, or work with a provider like Santander Asset Management that seeks to build sustainability into everything we do.

## Disclaimer

### Important Information

This document has been prepared by Santander Asset Management (hereinafter "**SAM**"). SAM is the functional name of the asset management business conducted by the legal entity SAM Investment Holdings SL and its branches, subsidiaries and representative offices.

This document contains economic forecasts and information gathered from several sources. The information contained in this document may have also been gathered from third parties. All these sources are believed to be reliable, although the accuracy, completeness or up-to-dateness of this information is not guaranteed, either implicitly or explicitly, and is subject to change without notice. Any opinions included in this document may not be considered as irrefutable and could differ or be, in any way, inconsistent or contrary to opinions expressed, either verbally or in writing, advices, or investment decisions taken by other areas of SAM.

This document is not intended to be and should not be construed in relation to a specific investment objective. This document is published solely for informational purposes. This document does not constitute an investment advice, an offer or solicitation to purchase or sell investment funds or other financial products mentioned herein (the "**Products**"), and should not be relied upon as the sole basis for evaluating or assessing the Products. Likewise, the distribution of this document to a client, or to a third party, should not be regarded as a provision or an offer of investment advisory services. Before taking an investment decision of any mentioned SAM product, the prospectus and the key investor information document (KIID) should be consulted on [www.santanderassetmanagement.com](http://www.santanderassetmanagement.com) or via authorised intermediaries in your country of residence.

SAM makes no warranty in connection with any markets forecasts or opinions, or with the Products mentioned in this document, including with regard to their current or future performance. The past or present performance of any markets or Products may not be an indicator of such markets or Products future performance.

The investment products described in this document may not be eligible for sale or distribution in certain jurisdictions or to certain categories or types of investors. In particular, the Products may not be directly or indirectly offered or sold in the United States of America or to or for the benefit of a United States Person.

The investment products may be subject to investment risks: market risk, credit risk, issuer and counterparty risk, liquidity risk, foreign currency risk and, where applicable, risks pertaining to emerging markets. Additionally, if the Products hold their investments in hedge funds, assets, real estate funds, commodities and private equity, it should be noted that these can be subject to valuation and operational risks inherent in these type of assets and markets as well as the risk of fraud or risk derived from investing in unregulated or unsupervised markets or unlisted assets.

At any time, SAM (or employees thereof) may have positions aligned or contrary to what it is stated herein for the Products, or deal as principal or agent in the relevant Products or provide advisory or other services to the issuer of relevant Products or to a company connected with an issuer thereof.

This document may not be reproduced in whole or in part, or further distributed, published or referred to in any manner whatsoever to any person, nor may the information or opinions contained therein be referred to without, in each case, the prior written consent of SAM.