

Greenwashing Just pretending is not enough!



In recent days, a major German financial services provider has been in the spotlight of the financial media. DWS is accused of „greenwashing“, i.e. presenting itself and the services or products it offers as more sustainable than they actually are. After the allegations became known and the U.S. Securities and Exchange Commission (SEC) began an investigation, the share price plummeted by more than 10%. DWS denies the allegations.

„Greenwashing“ - a well-known problem

Of course, we cannot judge whether the accusations are justified, but we would like to take the reports as an opportunity to take a closer look at the issue of „greenwashing“. It is a well-known phenomenon and problem in the financial industry. Not all products that are labeled sustainable are actually sustainable at second glance. Customers are subsequently unsettled and may question the meaningfulness of sustainable financial products!

But the problem starts with the definition. What does sustainability actually mean? How can such a broad term be measured? And how can comparability between different products be

achieved? Although the EU is currently working on a uniform taxonomy, i.e. a standardization of terms and processes, this is still lacking in the European financial industry.

Kathrein stands for greeninvestment instead of greenwashing

But how do we as a bank create an environment in which our customers can rely on the fact that sustainability is inside where it is written on? Through transparency and professional partners.

To ensure greater transparency and comparability when it comes to sustainable investing, we work with certifications and seals of approval. Well-known examples include the Austrian eco-label (Österreichische Umweltzeichen) for sustainable financial products and the FNG seal. The Forum Nachhaltige Geldanlagen (FNG) is the quality standard for sustainable investment funds in German-speaking countries. Selected funds also comply with the „Guidelines for Ethical Investments“ of the Austrian Bishops' Conference and the Austrian Religious Communities (FinAnKo). By the way, we can also implement all these criteria in your asset management or a special fund.

How sustainable a company or state really is is not known at first glance. That's why we rely on sustainability analyses by specialized rating agencies such as ISS ESG, one of the most renowned providers on the market. On this basis, we select companies or states according to exclusion and positive criteria - systematically and comprehensibly. Standards-based criteria (such as violations of human rights, labor rights, environmental behavior and business conduct in terms of financial accounting and corruption) are consistently examined and companies in a given sector are compared with one another. In this way, we guarantee our clients objective standards, the highest quality of analysis and complete transparency.

This is how sustainable investing succeeds sustainably.

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