



RENN

Regional Hubs for
Sustainability Strategies

Sustainable finances

The sustainable shopping basket:
Guide to environmentally conscious
and social consumption





Investing money the sustainable way

Over recent years, people have shown an increasing interest in investing their money in an ecologically and socially meaningful way. Such sustainable investments are about more than just traditional financial goals, for instance, security, rate of return and availability or liquidity – they're also about ecological, social and ethical criteria. And these investments are worthwhile, too: Studies prove that investing in sustainable financial products doesn't mean having to sacrifice returns. In other words, when you invest your money sustainably, it does not mean you'll have to take financial losses.

BE WELL INFORMED

Before choosing a financial investment, you should ask yourself what's most important to you: maximum security, high returns or short-term availability or liquidity? High rates of return also tend to mean less security and lower availability. Determine exactly what goals take priority for you. You should also be clear about what sustainability criteria you care about most.

DIVERSIFY

The range of sustainable investments varies greatly. It includes, for instance, so-called Riestert pension products, stock funds, fixed-income funds, ecological life insurance plans and direct insurance plans. Other options include call-money accounts with banks that have anchored sustainability in their core business, or fund savings plans and bonds that invest in social/ethical causes and promote sustainable business models. The state sector also offers green bonds whose purpose is to re-finance sustainable projects. Another option is to invest in the crowdfunding of sustainable projects.

ASSESSING INVESTMENTS

When selecting sustainable financial products, it's essential to critically assess them and make in-depth inquiries should you have any doubts. If you don't



want your money to be used to finance weapons, coal-fired power plants or child labor, for example, you can make sure this doesn't happen by choosing a carefully selected ecological and/or socially minded investment product. But beware: While every provider of financial services may advertise their product using terms such as "green", "ecological" or "ethical", consumers should make sure to find out what's actually behind the product. Research them online or inquire directly at your financial institution.

KNOW YOUR INVESTMENT CRITERIA

Whether a financial investment is right for you mostly depends on the sustainability criteria that you find most important – such as the development of renewable energies (ecological), the support of meaningful development collaborations (social) or the foregoing of arms deals (ethical). You can find suitable templates under www.nachhaltiger-warenkorb.de, where you can note down the aspects of financial products which are really important to you when you invest your money. In addition to sustainability criteria, classic financial goals from the so-called "magic triangle" of financial investment also play an important role: security, rate of return and availability or liquidity. Factors can be evaluated differently depending on your personal needs and life situation and should be considered when choosing a financial product – from your checking account all the



way to your pension fund. Once you've answered all the basic questions for yourself, you can start searching for a suitable and sustainable product.

GREEN FINANCE LABELS

The Transparent label by EUROSIF, the European Confederation for Sustainable Investment, is awarded to investment companies that provide exhaustive reporting about their criteria and the choice of the companies in which they invest. When choosing an investment fund, products with the FNG seal (Forum Nachhaltige Geldanlage e. V.) are a sustainable option. The ECOreporter seal defines funds, companies and a variety of financial products which adhere to strict criteria. The Climetrics climate rating can help you understand and compare the impact of funds on climate change.

SUSTAINABLE BANKS

Sustainable banks define themselves through an ecological, ethical and/or social motto, which includes certain sustainability criteria for investments and loans. In addition to their individually defined criteria, banks should always meet at least these following requirements: Sustainability is anchored in the core business of the bank; the bank pursues a sustainable investment strategy; the bank reports transparently about their investments and criteria and is oriented towards sustainability criteria. In addition, a range of different approaches to sustainability can come into play. Find out from the bank's website or bank test reports.

TRANSPARENCY STANDARDS FOR BANKS

Give preference to financial companies that align their reporting with the criteria of the German Sustainability Code (DNK). The DNK offers transparency standards for sustainability reporting and helps companies develop a sustainability strategy. The code also allows consumers to compare different banks (and their reporting). This way, you can find out quickly where your bank stands compared with others.

The sustainable shopping basket

Check out www.nachhaltiger-warenkorb.de for important information about sustainable consumption as well as independent information about the various seals and product labels. You'll find information about food, travel and mobility, living and building, housekeeping and electronics, as well as fashion and cosmetics.

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