

# ‘WE HAVE TO MAKE IT EASY TO INVEST IN GREEN’ — STEPHEN LANSDOWN

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Guernsey resident Stephen Lansdown, CBE, co-founder of Hargreaves Lansdown and owner of Bristol Sport, is also a prolific investor, and was an early convert to the cause of green and sustainable investment in his portfolio. He helped [Guernsey Finance](#) to launch its latest research report, [Family Offices Financing Sustainability](#) in London.

What is sustainable investing?

Sustainable means it's going to last. Bad things can last as well as good things can last. I'm looking at investments that are sustainable – they do benefit society and the environment.

They provide benefit now and more importantly in years ahead. This is long-term investing with the aim of making good return over a period of time with good social benefits.

I've been doing this for 10 years now – and I've made mistakes along the way. I now focus attention on certain areas, and we have narrowed our vision to food security, energy security, clean water and waste management. Those are the four main ones on our radar.

Why a reluctance to embrace green and sustainable?

We have to make it easy for people to invest. The [Guernsey Green Fund](#) [a regulated green fund with certified green assets, available to all classes of Guernsey funds] is helpful, in that it identifies funds and areas for investment which people can consider. At the moment you've got to search and investigate and it's hard work.

People in the industry are going to need to develop ways of matching buyers and sellers, as this sector is going to be important and is certainly going to grow.

Reassurance

It is too easy to dismiss sustainability because there aren't the yardsticks there yet, though they are coming. Those that are there, you've got to look hard to find them. The younger generation will force that issue.

[Earth Capital](#) operates the Earth Dividend™ scorecard, which covers five categories of ESG themes that feed into 30 wider indicator tests which can be mapped to the UN Sustainable Development Goals. The Earth Dividend™ scores each investment or prospect – if it scores positively, we'll look at the investment, and after investing, we seek positive improvement in the score throughout the investment-holding period.

If Guernsey [through the Guernsey Green Fund] can guide people in that regard, advisers will look at Guernsey and Guernsey funds, knowing they are going through a process which gives them the best possible chance of making a return, and creating the social and environmental impact they want.

Returns

I have about 10% of my portfolio invested in this sector. One thing you have to appreciate is that this is a PE portfolio and we are looking at projects which take time to mature, it's not like buying a share on a market, seeing the price rising and falling, and selling up tomorrow. Not too many of my investments have matured during that period, but I have seen 10-15% returns on some investments, while one or two have fallen by the wayside, which is what happens.

Offsetting

I openly admit I have a private plane, that's a negative, but life is full of balances. Guernsey is talking with Costa Rica about offsetting with forestry projects, and we will see more and more of this kind of carbon credits. Personally I'm keen to make sure we're looking across our portfolio at both the carbon benefits and negatives.

## The future prospects for green

You don't have schoolchildren campaigning in the streets for nothing. They feel very strongly about this, they do know what they are talking about, they want investments which are good for now and good for the future. Whatever we think individually, this is a sector that is going to grow.

Our fund, the [Nobel Sustainability Fund®](#), gets vast interest from pension funds, who are interested in long-term social and investment returns. The investments are ideal for family offices as part of an overall portfolio, a lot of wealth will find a way into this sector, and I won't be surprised to see governments and sovereign wealth funds coming this way, particularly as an offset.

## Why Guernsey?

From a personal point of view, I can make investment decisions without having to worry about the tax position with no Capital Gains Tax in Guernsey. I know what Guernsey does provide in its financial services sector, the regulation is good, not light touch, but more amenable, you can talk to people, and there is a lot of expertise in setting up and managing funds. The Guernsey Green Fund highlights these investments, it's all set up for sustainability investment, so really you've no need to look anywhere else.



WE ARE GUERNSEY is the brand under which Guernsey Finance promotes the island's financial services sector internationally. Guernsey Finance - the promotional agency for the island's finance industry internationally - is a joint industry and Government initiative responsible for the promotion of Guernsey. Under the leadership of Chief Executive Dominic Wheatley, the agency ensures that the core values and competencies of the island's finance sector are accepted and respected by the global community and that financial business development flows are enhanced.

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