



ESG to EHG



Environmental, Social and Governance are the three pillars of ESG investing, which is also called Responsible or Sustainable Investing. However, on the other spectrum, companies are using the pretext of ESG to promote their business or earn publicity. As a result, ESG sometimes can be EHG – Eyewash, Hogwash and Greenwash.

Eyewash: When it comes to ESG credentials, there is overt reliance on self-disclosure and self-certification. This could lead to exaggerated claims by organizations and going to great lengths to present themselves on the right side of things.

Hogwash: One may follow the law of the land but not in spirit. An organization may be complying with the applicable laws and regulations on paper but circumventing it through dubious means.

Greenwash: A wave of eco-consciousness is evident around the world. Since the tides are obviously turning towards conscious consumerism, some try to leverage the opportunity, claiming they are helping the planet. In essence, greenwashing involves incorrectly conveying to consumers that a given product, service, or company cares for the environment.

Mutual Fund investments are subject to market risks, read all scheme related documents carefully.