



... **ESG ACCORD** Spotlight Interview

Peter McGahan

Worldwide Financial Planning

When we interviewed Peter McGahan we were delighted to find that he has been giving advice on ESG and Sustainable Investing since 2004, which makes him one of the pioneers in this sector.

Peter has very clear views on sustainable investing; ***“To me it is far more a mindset, rather than an asset class. It is about lifestyle and choices. In the old days it was about giving up returns to do good. That has changed. It is about wanting to make a difference and to get clarity on the difference it is making. There is much more positivity about it. The gold standard is to invest in things that make the world more sustainable”.***

We asked him what challenges he faced today. ***“One of the biggest things is helping clients understand the difference between different types of funds. There needs to be clarity between ESG or green, or sustainable or impact”.***

We then moved on to the topic of ‘greenwashing’ by fund managers. ***“That is a real concern. It happens all the time. ESG alone can be just box ticking”.*** But, he added, ***“younger people today are more savvy on this, they are also more alert than the older generations”.***

With regards to how a financial adviser can support the government’s drive to more sustainable living, as someone who regularly writes articles in the press, Peter was very clear on this; ***“It is all about education and communications. People need training on what sustainability really means. More and more people will do the right thing if it is explained to them properly”.***

As an early adopter of ESG Accord, we asked why he led the way. ***“I needed a framework to help communicate about investments that lead to good solutions. A structure that asks the right questions....that lead to better answers. The important thing is that we understand why people do something, rather than what they are doing. You need to understand their motivations”.*** He also felt that the approach he was taking ***“put him on the right side of both the regulator and the PI insurers”.***

So what have been the outcomes of using the ESG Accord framework? ***“People understand what they are being asked, where they are going and why”.*** It has also led to a rebrand of the firm; ***‘It now smacks of sustainability, the matrix leads naturally to solutions. And we use videos to explain different aspects. It helps sort out what is important’.***

In closing we asked what advice Peter would give to an adviser new to giving advice on ESG and Sustainable Investing. It was very simple: ***“If you do the right thing then the climate will look after itself”.***

Thank you Peter for sharing your views and experience.

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