

Invest in the world you want to live in

Climate change investing is about identifying companies that improve our lives, minimise our footprint, and perform well financially.



Pascal Dudle
Head of Listed Impact

All business activities have an impact on the environment, some positive, many negative. Not giving enough attention to, or even ignoring, ecological consequences of these activities has led to enormous environmental challenges such as climate change, depletion of resources and loss of biodiversity.

As active managers, we invest in solution providers and companies that generate a positive impact and attractive financial returns. Climate change investing is about identifying companies that improve our lives, minimise our footprint, and perform well financially. Therefore, our aim is to unveil opportunities available in established names and disruptive newcomers. Additionally, companies that provide solutions to climate and environmental challenges are likely to gain market share and face fewer regulatory issues than competitors over the coming decades.

While the fundamental drivers for clean tech companies remain strong, it is imperative to identify the potential winners, including companies active in areas such as clean energy infrastructure. It is important to remember that the energy sector accounts for the vast majority of greenhouse gas emissions. Therefore, clean energy is key to addressing climate change and represents a significant component in reducing the human impact on the environment.

To capture opportunities, investors need to have a broader scope than the obvious wind and solar solutions, as improving the power grid is essential to making clean energy work. Attractive investment opportunities can be found along the entire value chain of clean energy infrastructure that addresses climate change and ensures security of supply. This includes companies offering solutions to improve power infrastructure, be it through smart meters, intelligent sensors and software, or high-voltage equipment and cables.

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The recent Texas blackout shows the importance of investing in and maintaining critical infrastructure. If that had been a priority in recent years, lives, along with billions of dollars in damages, could have been saved. Hopes are high that the Biden administration will finally speed up infrastructure spending. However, it is worth noting that the industry today no longer depends on subsidies or vast investment programs. The current grid simply cannot cope with further additions of renewable power generation, even under normal weather conditions. Today, when utilities build out renewa-

Six core impact pillars: Technologies and industries instrumental to impact investing



Resource-efficient industry

Make processes simpler and cleaner



Clean energy infrastructure

Replace fossil fuels with renewables



Clean water

Ensure access and improve quality



Low-emission transportation

Travel without guilt



Building technology

Build sky-high with an eye on efficiency



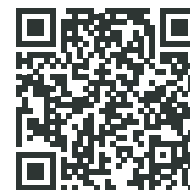
Lifecycle management

Plan disposal before production

bles, there is an immediate financial incentive to invest into the grid too, not just to prepare for a once-in-a-lifetime event. The need to integrate much more distributed renewable power generation into the grid and deal with closures of old thermal and nuclear power plants is not unique to the US. Even China needs to adapt, despite having a very modern grid in place, as it is adding renewables at a faster pace than originally planned ten years ago.

We see very ambitious pledges to achieve carbon neutrality worldwide. Clean energy infrastructure will certainly play an important role in achieving this in all regions and countries, but it only forms part of the solution. In our view, the coming decades will also see a super cycle for investments in low-emission transportation, and resource-efficient industrial production and building construction, as well as clean water and lifecycle management.

The globalisation of climate policies, along with the aim of the world's superpowers to reach zero emissions between 2050-2060, will boost such investment opportunities, as will additional government packages in favor of greening their economies. Over the next decades, we expect many interesting opportunities to emerge in these areas for long-term investors.



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