



# Corona shapes sustainable investment positively

## Topic of the month September 2020

By Adrie Heinsbroek, Head of Responsible Investments of NN Investment Partners

### **New "unknowns" must be considered**

Will the corona pandemic become the catalyst that drives the change towards a more sustainable world? What role will governments, companies and individuals then play? NN Investment Partners identifies new "unknowns" that responsible investors increasingly need to consider in their decisions.

### **How will governments govern?**

A central question: How much influence will governments have in the coming decade? The stimulus packages that have been adopted to combat the economic consequences of the Corona crisis are unprecedented. But will these government programs be linked to sustainability strategies, such as climate change measures and carbon reduction initiatives? Will governments intervene more decisively and use sanctions and incentives to influence corporate behavior? They also need to work more closely together at the international level to achieve climate and other sustainability goals.

### **Multi-stakeholder model for companies?**

Companies are best placed to drive the transformation to a more sustainable economy. The unknowns at the corporate level are determined by the trade-off between a "shareholder first" approach and a multi-stakeholder model. Will more sustainable value creation become a lasting trend? If the multi-stakeholder perspective becomes the engine of value creation, non-financial parameters will become a determining factor in assessment and forecasting. Such a shift will also affect the role ESG factors play in assessing financial value.

### **Does increased awareness change the behavior of the individual?**

The Corona crisis has raised people's awareness of climate and social issues and the effects of their behavior. But will this heightened awareness be reflected in new patterns of behavior? Will sustainability become a privilege for those who can afford it and thus pose a threat to a more inclusive global society?

**Adrie Heinsbroek, Principle Responsible Investment at NN Investment Partners, concludes:** „There are many challenges ahead and many contrasts to overcome, but there are also connecting elements. It is obvious that effective evaluation requires a broader perspective. One must think beyond purely financial aspects. This is becoming an increasingly important trend in measuring both economic and social progress. As investors, we have the means to positively influence this trend“.



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NN Investment Partners is the asset manager of NN Group N.V., a publicly traded company listed on Euronext Amsterdam. NN Investment Partners is headquartered in The Hague, the Netherlands and manages approximately EUR 271 bln\* (USD 297 bln\*) in assets for institutions and individual investors worldwide. NN Investment Partners employs around 1,000 staff and has offices in 15 countries, servicing clients across Europe, North America, Latin America, Asia and the Middle East.

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\* Figures as of 31 March 2020