

## Press release

### Radical economic change requires a different role for private capital

#### Triodos Investment Management releases whitepaper about the investment landscape in a (post) COVID-19 world

**Zeist, 10 November 2020 – Triodos Investment Management today published a new whitepaper about the investment landscape in a (post) COVID-19 world. In this paper Triodos IM dives into the underlying reasons that caused the collapse of the system but more importantly, also investigates what is needed for a resilient recovery post-corona and the role investors can and should play in the recovery phase.**

As a result of the COVID-19 pandemic and the measures taken to fight it, our society is in the deepest global economic recession ever measured in peacetime. According to Triodos IM, the root causes of this crisis are built-in flaws of the current economic system.

Hans Stegeman, Chief Investment Strategist at Triodos IM and author of the paper: “Moving away from the immediate emergency it is time to start considering the economic and financial consequences of the pandemic and how it will change our economy, and also what this means for the investment landscape. We cannot and should not return to the situation before March 2020, but move towards a sustainable, resilient and inclusive economy.”

In essence a health crisis, COVID-19 is a huge shock to our socio-economic system with enormous temporary and likely structural effects. In developed countries these consequences are, first and foremost, higher public and private debt, more bankruptcies and rising unemployment. In emerging markets, additional consequences are rising poverty, and increased inequality in education and health outcomes. Stegeman argues that these unprecedented effects should make people aware that our current system is untenable.

#### **COVID investment landscape**

According to Triodos IM, the corona crisis has made clear that a transformation of the world economy is needed more than ever. Such a transformation is as multi-faceted as our economic system. Many different themes, from energy to social inclusion, will drive the transition and therefore require more attention from investors going forward.

The notion of transition refers to a qualitative change in the state of a complex system. COVID-19 is changing the investment environment and puts some transitions even higher on the agenda than before. The whitepaper highlights three important aspects in transitions and the financing of transitions: construction, conversion and phasing out. Construction of a new economy that gives room to new initiatives and technologies. Conversion of unsustainable business models into sustainable alternatives. And phasing out of companies with clearly unsustainable products or business models that harm people and planet and have no intention or strategy to convert.

“With public budgets stretched or exhausted as governments first had to deal with a health crisis and later with mitigating the effects of this crisis on the economy, private capital plays a crucial role in the upcoming rebuilding phase. Investors can and should play a differentiating role in how they contribute to the transition towards a more sustainable and resilient economy. For professional investors this is part of their fiduciary duty, but it’s a moral duty for us all”, according to Hans Stegeman.

The whitepaper is available for download on the [website of Triodos Investment Management](#).

**About Triodos Investment Management**

Triodos Investment Management connects a broad range of investors who want to make their money work for lasting, positive change with innovative entrepreneurs and sustainable businesses doing just that. In doing so, we serve as a catalyst in sectors that are key in the transition to a world that is fairer, more sustainable and humane.

We have built up in-depth knowledge throughout our 25 years of impact investing in sectors such as Energy & Climate, Inclusive Finance and Sustainable Food & Agriculture. We also invest in listed companies that materially contribute to the transition toward a sustainable society. Assets under management as per end of June 2020: EUR 4.9 billion.

Triodos Investment Management is a globally active impact investor and a wholly owned subsidiary of Triodos Bank NV.