

Sustainable investments in the light of the Corona crisis

There has recently been much speculation about the interplay between the Corona pandemic and sustainable investments or business models. The basic tenor: sustainably oriented companies and sustainable investments have so far coped better with the crisis.

The question is: Are such blanket statements correct? Is sustainability per se a guarantee of success for companies and investments? What seems plausible at first glance is more complex, because sustainability is like many things in life: it is not black and white, but colourful, interlinked and full of nuances. It is not just standard or single features such as isolated CO₂ balances or sustainability labels that determine whether a company will create value in the long term. What counts is rather the smooth integration of the entire value creation apparatus. If this is not fitting seamlessly into the social-ecological context, it can rapidly lead to frictions and conflicts which can not only erase the company's profits, but in extreme cases even entire industries.

The Corona crisis has once again reminded us that we humans are only able to foresee the future to a very limited extent. Our long-term forecasting ability tends towards zero. This applies in particular to sustainability scenarios.

Viability is defined by nature

On the other hand, we have accumulated a centuries-old, impressive knowledge about the nature of viable structures on our planet. We therefore know a great deal about the blueprints of permanently successful systems. This knowledge can now be used to shape and assess our future. The models from living nature are the ultimate templates for the assessment and design of organisational structures which should be able to develop and maintain themselves successfully and permanently.

If a company is particularly viable, it is more likely to still be successful in ten years or more. Its capacity for evolution will enable it to adapt its value-added activities to changes in its environment again and again. The idea of such evolution is at the heart of our sustainability analysis. We do not try to look into the future and thus make the impossible possible. Our attention is focused on corporate qualities that are recognisable here and now and that allow conclusions to be drawn about the general maintainability of a company's ability to create value. The characteristics found in this way are combined with further information and figures into a comprehensive vitality puzzle. This finally makes it possible to extrapolate the company's viability and ability to create value into the future and thus optimise the investment decision.

Often sustainability approaches are developed from a backward-looking perspective on problems. The result is a patchwork of individual ecological, social and management criteria, which are only held together by the acronym ESG (Environment, Society, Governance). We prefer a coherent, cross-system sustainability model that allows assessments to be made from an integral, forward-looking perspective (see box). Even if it is rarely said: Sustainable business basically means being able to maintain a business for an unlimited period of time. A sustainable company incorporates many value-added elements into its business beyond purely financial profit, such as the intact functioning of the ecosystem, the human dignity of the individual and the diversity and stability of the entire social system. It is an enormous task, and just judging what sustainability actually means is often underestimated.

Use of location, renewability and network

We have now been working with our bionic sustainability model for more than 20 years. Our experience is very good. The model keeps showing us amazing patterns, and the current pandemic makes its value even more apparent. Many companies today are challenged to an unprecedented

extent. They are in fact struggling for more efficient internal and external networks, better inclusion of locations and faster renewal. They recognise that such elements of sustainability make up their immediate viability and are fundamental to strengthening and maintaining their ability to create value.

Our observations suggest that sustainable companies tend to cope better with the pandemic than others. But this is only expected to be the case if 'sustainable' is understood to mean the comprehensively optimised viability of the companies and if this is assessed by means of a correspondingly integrated analysis. However, if the attribute is reduced solely to greenhouse gas emissions or other isolated aspects, the assumption that sustainable companies were superior to others in the current crisis seems questionable.

Characteristics of sustainable systems

1. Renewability: continuous renewal, capacity for evolution, adaptation and change
2. Cycle: Material and energy cycles, information and feedback loops enabling self-organisation and self-regulation
3. Network: networks for communication and coordination, complementary structures, integrated design and functional synergies
4. Use of location: consideration and use of natural location factors and geographical, economic and cultural-religious diversity
5. Multi-functionality: multi-functional design and use of materials and systems, consideration and use of the natural multi-functionality of people and ecosystems
6. Legal compliance: compliance with written and unwritten norms and values of the relevant society

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