

Round Table: Sustainable Real Assets

Stockholm (NordSIP) – Given the long-term nature of real asset investing, the idea of sustainability should be truly embedded in the process, both from a risk and from a return perspective, for most institutional investors. The very notion that a building, a piece of land or an infrastructure project should not only subsist but also retain value in a few decades, suggests that these investments should be sustainable. However, it doesn't mean that short-term sacrifices aren't still made on a regular basis, especially when it comes to the dimensions of E, S and G.

Meanwhile, asset managers have been busy developing tools and measurements to ensure that the project their funds invest in satisfy the increasingly demanding requests from sustainable institutional investors in the Nordics and elsewhere.

Carbon footprinting has almost become mainstream for some institutions, for instance. The high proportion of real estate companies in the total issuance of green corporate bonds in Sweden is an illustration of the phenomenon. As always, the devil is in the details, however. Carbon footprinting, like any ESG measure done poorly can quickly tip over the green-washing line.

What is fashionable one day can easily be forgotten, when returns dry out or fickle public interest shifts to another trend. Regulation and taxes, on the other hand, can guarantee that the right environmental measures prevail

When NordSIP gathered six real asset specialists around lunch, a passionate discussion began before we even started recording. The debate heated up around the introduction of a carbon tax. Over more than an hour, the discussion spanned the spectrum of the represented real assets categories: agriculture, timberland, real estate and infrastructure.

From smart real estate to carbon sinking forests, from the circular economy to the European taxonomy and from patience to transparency; we hope that you will enjoy the account of this intense round table discussion.

You will find the writeup of the discussion here: **Sustainable Real Assets**