

<https://blog.en.erste-am.com/whats-next-after-green-social/>

What's next after green? Social!

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20 years ago, Erste AM launched its first sustainable fund and thus laid the cornerstone for sustainable investments in Austria. Since then, ESG investments (environmental, social, governance) have developed from a niche proposition to the dominant theme on the capital market. Social aspects have been gradually coming to the fore.

This development has been supported by the refutation of the prejudiced claim that sustainability eats into performance; according to studies from big players like MSCI, [the opposite is the case](#). At the same time, the corona pandemic has made global crises and most recently, global climate catastrophes, increasingly tangible.

Climate change has turned into a climate crisis. We do no longer have to look at the polar bear on the melting sheet of ice – in order to get an idea of the impact of global warming, all we have to do is go outside. We have recently seen a tornado at the border between Austria and the Czech Republic and images of catastrophic floods in Germany.

The coming ten years will be decisive

Climate change can no longer be ignored. Now we have to quickly take the right steps in order to be able to handle the consequences and avoid reaching the tipping point of global warming: at an average increase of two degrees, nature will get thrown out of equilibrium and meteorological disturbances will be the norm; there is no way back to normalcy.

This is therefore about avoiding an eternal climate lockdown, which could cause human suffering as well as massive economic damage. Our enemies are greenhouse emissions that we have to reduce, that have to be absorbed by nature, and that will be extracted from our atmosphere by innovative technologies. The combination of these three approaches may facilitate the goal of the Austrian government, to be climate-neutral by 2040. If we fail to work towards this goal ambitiously and do not adjust our behaviour, everything will change. Unfortunately for the worse, because we would lose our own habitat on this planet.

Focusing on a key ratio

The corona pandemic showed us that it can hit anyone, regardless of wealth, education, or age. And it has been clear from the first lockdown onwards that only restraint in our individual lives will help us to beat that virus together.

Some of these restraints were enormous, and the focus on one key ratio only, i.e. on the number of new infections, relegated other criteria of personal well-being to the backseat. The area of sustainable investments has also been dominated by the focus on the environmental aspect for a long time. The first thing that comes to people's minds in connection with a sustainable company is usually solar energy, wind power, or a particularly sustainable use of resources. In reality, sustainable investment is far more than this – it also includes social and corporate governance aspects.

The right time for a social impact fund

We are in a climate crisis, and we want to set an example with our new fund, Fair Invest. With it, we show that the social impact is at least as important as the saving of our planet. Not only our planet has to remain worth living on, but the personal environment has to be liveable, too.

What colour is fair investment?

To a certain degree, we are in a similar situation as 20 years ago. Whereas the E in ESG (environment) is increasingly well regulated and defined, S (social) is uncharted territory – again. This gives us yet again the chance to become pioneers and to beat a path for subsequent investment companies. How did we integrate our proposition of fair investment in our investment process?

Fair investing with ERSTE FAIR INVEST

The ERSTE FAIR INVEST fund covers all areas of life. We invest in companies whose products and services create a fair and beneficial impact in the private sphere.

We do so, for example, by investing in companies in the healthcare, food, education, and financial inclusion sectors. At the same time, this fund – which has been available for subscription at Erste Bank und Sparkassen since 19 July – also addresses the well-being on the job. In this area, we select companies that have treated their employees in a particularly fair way. The fund will start trading after the subscription period on 16 August.

We invest in companies whose solutions, products, and services have a direct impact. In doing so, we go beyond our acknowledged responsible standard and look for companies that either stand out due to their social products and services or are best-in-class of their sector with regard to fair working conditions. This also addresses the [Sustainable Development Goals of the Agenda 2030 of the UN](#).

Things have to change for the better

At the opening speech for the Salzburg Festival our Federal President raised the question whether we actually wanted to go back to the normalcy before corona, where a lot was not really normal at all. He emphasised the relevance of sustainable investors, who are often ahead of politicians.

One thing that Erste AM has certainly kept over the past 20 years is its willingness to be a pioneer. We wish you an enjoyable time reading this publication and hope that we were able to convince you to join us on our way.

Read the full ESGenius newsletter on social responsibility and sustainable investing: <https://blog.en.erste-am.com/dossier/social-responsibility/>

Chancen

- Breit gestreute Veranlagung in Aktien der globalen Aktienmärkte
- Partizipation an ökologisch, ethisch und sozial agierenden Unternehmen
- Aktive Selektion von Titeln, bei denen auf Basis eines vordefinierten Auswahlprozesses ein besonderer sozialer Nutzen identifiziert wurde
- Chancen auf attraktive Wertsteigerung

Risiken

- Der Kurs des Fonds kann stark schwanken
- Der Anleger trägt vor allem das Risiko der globalen Aktienmärkte sowie das Emittentenrisiko der partizipierenden Unternehmen
- Aufgrund der Anlage in Fremdwährungen kann der Fondswert durch Wechselkursänderungen belastet werden
- Kapitalverlust ist möglich

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