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Back to the future: The 2021 Global (Sustainability) Summit

The summit's post-covid Berlin comeback is awash in the language of sustainable investing, as infra investors look to build back better.

By Bruno Alves

Fans of the Back to the Future movie series (and there are a few at our Global Summit) will remember that classic moment in Back to the Future 2 when Marty McFly returns from a futuristic 2015 – complete with flying cars, but no mobile phones – to his 1985 present.

The 1985 our protagonist returns to is dramatically different from the 1985 he left, thanks to an event that disrupted the space-time continuum, creating an alternate 1985.

Coming back to Berlin for the 2021 edition of our flagship event – 945 days since we last held it in person – feels a bit like stepping out of a time machine into an alternate reality; one where Brandenburg International Airport is actually open (yes, really!), and where the halls of the Berlin Hilton are once again taken over by the powerbrokers of the infrastructure industry for the latest edition of what, at times, appears to be the *Infrastructure Investor* Global Sustainability Summit.

Covid-19 has, of course, been the great disruptor of our space-time continuum, and the 2021 Global Summit it has led to is awash in the language of sustainable investing, as the infrastructure industry seeks to play its part in building back better. So, unlike the heroes of Back to the Future 2 – who spent the rest of the movie trying to reverse back into their 'old' 1985 – we'd rather keep this new reality (not least because it means we'll never fly into Schönefeld Airport again).

Paul Polman, the former chief executive of Unilever, contextualised

the scale of change on the sustainability front over the last 18 months: "During covid, critics were saying ESG was dead, and business was going to go back to bad behaviour. In the last year-and-a-half, the number of countries [covered by] net-zero [commitments] went from 30 percent to 70 percent of the world covered. Same in the private sector: we didn't have any companies doing net-zero and now over 20 percent of businesses have made net-zero commitments."

We don't have exact figures for the infrastructure industry, but we would wager it's progressing along a similar trajectory. Gordon Bajnai, Campbell Lutyens' global head of infrastructure and a former Hungarian prime minister, told attendees "there is a sea change going on. A few years ago, the most progressive LPs had an impact pocket. Now, ESG and net-zero frameworks are must-haves."

There's been nary a panel where some component of sustainable investing – be it ESG, net-zero, measuring impact or regulatory frameworks – hasn't come up. It's also been a talking point in several side-line conversations, with many a manager talking about bulking up their ESG teams.

But there is also a heightened focus on the energy transition that transcends whatever specialist status it may have had just a few years ago. Global Infrastructure Partners' chairman and managing partner Adebayo Ogunlesi rightly called it "a new industrial revolution". And I Squared Capital chairman and managing partner Sadek Wahba framed the mindset revolution needed as the energy transition sheds the last remnants

of its niche origins: "I genuinely believe we are on the eve of what will be an extraordinary infrastructure decade for a whole set of reasons, [namely] climate change and the need to invest heavily in both the energy transition and what I will call transition infrastructure. Building our roads today, the way we build them, is the most polluting way. The amount of cement we put in them is absurd. So, we need to find new technologies."

Last April, at the height of the pandemic, we wrote that **"sustainable is the only acceptable infrastructure post covid-19"**. Eighteen months later, that reality is starting to come into view.

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Sadek Wahba
Chairman and managing partner
I Squared Capital