

## OUR TOP FOUR SUSTAINABLE EQUITY INVESTMENT THEMES FOR 2022

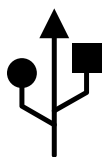
By Malcolm McPartlin, Investment Manager, Aegon AM UK Equities

Sustainable investing has continued to grow at record pace. We believe one of the ways to generate value is to stick to long-term sustainable growth investing focused on the sustainable revolution underway in society. A growing number of companies and themes are addressing long-term sustainable issues. While we don't expect them to change drastically from year to year, there are a number of areas we are closely monitoring in 2022. We see four key themes driving change.



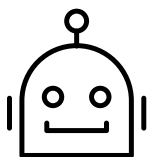
### Energy transition

We believe the transition to renewable energy will continue to grow in 2022 with the current energy crisis accelerating this trend. We expect continued major investment announcements from governments and companies worldwide on energy transition plans. 2022 will be the year green hydrogen reinforces its position as a key component of the energy transition.



### Digital transformation

Last year we called out digitization as an exciting theme emerging as a response to the pandemic. This featured strongly in 2021. The migration to cloud computing for example, is good for businesses, providing them with flexibility and resilience, and for the environment in reducing the energy intensity of computing and reducing e-waste. Moving forward, we expect the digital transformation trend to continue for years to come.



### Automation and robotics

One area we believe could see pick-up in demand this year is automation and robotics. On one hand, companies are facing ongoing labor force disruption and rising wage bills and, on the other, the cost of automation technology continues to fall. The incentive for companies to invest in automation has increased markedly over the last year. We believe that leads to an acceleration in the adoption of automation as companies try to mitigate operational disruption and cost pressures.



### Healthcare

We are seeing great potential for transformational change in the healthcare sector with exciting innovations and rapid progress across many aspects of the industry. One area that particularly excites us is genomics. Progress made over the last ten years including the exponential fall in the cost of gene sequencing is opening up so many possibilities for the sector. For example, a patient's DNA can now be sequenced for a few hundred dollars which has profound implications from detection to treatment of diseases. This sequencing has transformational potential; indeed, it was genomic technology that contributed to the rapid development of the MNRA covid vaccines that have been so crucial in fighting the Covid-19 pandemic.

Elsewhere in healthcare—and as discussed earlier—we like the general theme of digitization, which in many respects is years, even decades, behind other industries. We believe technological improvement and shifting consumer behaviors will drive this change. Again, we believe Covid-19 is acting as an accelerant for digitization of healthcare.

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