



[Home](#) > [Economic Impact](#) > COVID May Be Impact Investing's Defining Moment, Actis's Shami Nissan Says

## COVID May Be Impact Investing's Defining Moment, Actis's Shami Nissan Says

Whether companies keep promises on social commitments will be remembered after the pandemic, private equity firm's head of responsible investing says

By **Ron Day** August 20, 2020

- Corporations' and PE firms' coronavirus response – whether or not they abided by social pacts – will be remembered long after the pandemic fades, Shami Nissan says.
- Actis says its partnerships with local firms in emerging markets show ESG commitment.
- Latin America may be hotspot for renewable energy investing in 2021, she says.

The COVID-19 pandemic is peeling away facades – from laying bare countries' social divides, to stripping niceties from international diplomacy, to exposing governments' flawed inner workings. In the corporate world, socially responsible behavior is being put to the test, too – revealed as either phony marketing or a true commitment to global betterment.

Shami Nissan, head of responsible investment at U.K. private equity firm Actis, sees the pandemic as “a real narrative playing out with corporations,” perhaps the kind of emergency responsible investing was created for in the first place.

“This is the moment for everyone who has been virtue signaling, your moment in time to live that and walk it,” she told Karma in an interview. “Companies can show their true colors and what they are doing now will be judged in the future. It's a litmus test of corporate values.”

With roots going back to the British agency set up in 1948 to invest in developing economies, Actis was built for times like this. Spun out from the U.K. government in 2004, the company holds \$12 billion in assets made up of investments in 100 companies worldwide, mostly in renewable energy projects in emerging markets.

For London-based Actis, the path to sustainability, and proof of its commitments, is in its partnerships. Whether investing in a renewable energy plant in Mexico or a mall in Ghana's capital, the firm relies on its teams on the ground working side-by-side with locals to ensure the twin goals of profit and purpose are met. The company typically takes a majority stake in its investments, one of the benefits of private equity, she says.

The majority stake, which they hold for 5-to-7 years, permits a hands-on approach, rather than the passive stance a typical shareholder may take, she says. The company hires a sustainability head for every project and names a sustainability committee that reports to the board of directors.

"We can dictate strategic direction, select like-minded management, create long-lasting, transformative" investments," she said. "We're not doing just the easy things – these assets are here for two decades."

Apparently the United Nations believes Actis is doing something right. Early this month, the U.N.'s Principles for Responsible Investment, a reporting project on responsible investment, [gave Actis](#) an A+, its highest score, for the fourth year in a row. Companies are rated on criteria including strategy and governance, private equity, property and infrastructure.

For the coming year in emerging markets, the digital payments trend means demand is growing for bandwidth, infrastructure and services. Bandwidth is needed particularly in Africa, she said. Actis's primary focus in 2021 will be on Latin America and renewable energy opportunities there. Asian real estate will also drive the company's investments.

"Africa remains a core focus but it will be more challenged post-pandemic," said Nissan, 47, citing the "blow COVID is dealing to the economies."

### Ron Day

Ron Day is a Senior Editor at Karma. He covered companies, markets and general news for nearly 20 years at Bloomberg News. Prior to that, he covered business, state and local news at daily newspapers in New Jersey and a weekly in Oak Park, Illinois.

