

Sustainability before Investment: Considering Sustainability in every aspect of Investment Planning

The interest in sustainable investments has grown at an unprecedented rate, which has caused investors to rethink their investment decisions and closely consider how they will impact the society around them. Sustainable investments involve many unknowns, risks, and challenges subsequently reinventing investment portfolios all over the world.

Sustainability is taking over traditional approaches as it creates long-lasting value to the investors by operating on an ecological, social, economic, and environmental level. It can no longer be denied that sustainability has become a pioneering component of investment mapping and creates the momentum for sustainable business practices. Even business leaders that are only concerned about their profits have come to realize that sustainability fosters company endurance and resilience and that the viability of business depends on the resources of healthy ecosystems.

Sustainable investments consider financial and non-financial factors, incorporate short-term and long-term objectives and balance different stakeholders' interests.

Future of sustainable investments

How investments are planned and executed relates to actions and operations undertaken to complete the project. Enriching and updating investment processes through the lens of sustainability involves considering environmental and social factors in various areas such as management of partnerships, integration of sustainable risk management and consumption. Investments need to also have an incorporated view of how the project will create value in the long-term which involves assessing the interaction. This also provides businesses with an innovation generator that opens the door for new enhanced innovative products that consider and improve the organization's approach towards social and environmental aspects. Taking a sustainable approach in executing investment projects allows organizations to be in alignment with the environment with futureproof practices that can anticipate the needs of the changing world.

The steps towards Sustainable Development

Investor's Contribution and Commitment

To prioritize and achieve sustainability, there can be some sacrifices and incommodities. Investor's contribution and commitment is required to process, implement, and maintain sustainable development. This commitment to sustainability innovation requires Investors to establish better incentives, agility, and iterations.

Engagement of the community

Efficient sustainability practices can be achieved through community collaboration. This can be achieved with the common understanding between the organization and the community on the purpose of the project, the benefits and the actions that need to be taken.

Sustainability from the Core

Professional communication and sustainability statements are no longer enough. For a project to be successfully implemented with sustainable development, mind-sets, beliefs and honest practices need to be altered from the core. Commitment to sustainability through organizational agility in people, processes and iterative improvements needs to be demonstrated. Every stakeholder involved needs to believe in the mission and vision of the project and must become involved in the development of sustainable goals, strategies, and practices.

Strategy Alignment with Sustainability

An investment's strategic direction contributes to the level of sustainability efforts embedded within the processes of the project. Sustainable development strategies involve elements that have the potential to develop long-term impact. The management must ensure that the strategy of the project aligns with sustainability efforts.

Prioritize Compliance over Competitive Advantage

Compliance with the regulations of waste management, pollution and energy efficiency comes with a cost. Neglecting these standards and not prioritizing compliance when it comes to investments can generate a negative sentiment towards the project. Therefore, compliance with sustainability practices needs to be prioritized before considering aspects of competitive advantage and must be provided with the adequate amount of effort.

Embed Transparency and Accountability

Sustainable development requires transparency and accountability at all stages. Investors and leaders of the project need to embed transparency and accountability within the core of the project and maintain an open environment where every stakeholder involved is part of the process. Transparency and accountability can be built through open communication, high levels of information disclosure, clarity, accuracy, and openness to recognizing faults and improving practices.

Quantify sustainable finance, and sustainable impact

It is essential for investors and management to quantify their return on sustainable practices and evaluate the finances involved with complying and implementing these practices. This helps investors with project feasibility. Along with measuring the project finances, it is crucial to measure the impact of the project. Using principles, frameworks, tools and indicators for management and measurement, investors can now monitor impact on performance, set, and compare objectives.

This demonstrates a willingness to explore new methods to sustainability investment approaches, measurement, and impact.

Organizations are now implementing sustainability practices in reaction to different crises. A more proactive approach must be considered in all aspects of the investment before actions become a source of confrontation. By implementing futureproof practices investors can drive real value while considering the outcome of their investments and recognizing the impact of sustainability prior to any crisis.