

## Sustainable Investment

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Article 13 focuses on emerging trends within the scope of business responsibility. In this update, we identify the current issues surrounding sustainable investment, also known as 'socially responsible' investment (SRI) or 'responsible' investment. This form of investment has grown enormously in the past decade, with an increase in sustainable funds and sustainable options. Sustainable investment has been interlinked with developments in areas such as [corporate governance](#), [corporate accountability](#), and [sustainable development](#).

Socially responsible investment is a broad-based approach to investment, offering a way for ethically conscious investors to avoid investing in organisations which directly conflict with their values (i.e. organisations which present a conflict of interests). Socially responsible investors can include both individuals and institutions, such as corporations, universities, hospitals, foundations, insurance companies, and public and private pension funds. It is an investment strategy which not only seeks to maximise financial return, but also combines meeting social, ethical and environmental criteria. SRI can take the form of many methods of investment, such as:

- Socially responsible funds and durable performance funds ("best in class");
- Thematic funds, such as green funds;
- Human rights funds.

SRI recognises that corporate responsibility and societal concerns are valid parts of investment decisions and consider both the investor's financial needs and an investment's impact on society. There is a large variety of socially responsible investments available that appeal to socially responsible investors based on topical, and relevant ethical issues. There are a number of leading indexes used to identify sustainable investments; these include the following:

- Dow Jones Sustainability Indexes ([www.sustainability-index.com](http://www.sustainability-index.com))
- FTSE4Good ([http://www.ftse.com/Indices/FTSE4Good\\_Index\\_Series/index.jsp](http://www.ftse.com/Indices/FTSE4Good_Index_Series/index.jsp))
- Innovest Strategic Value Advisors (<http://www.innovestgroup.com>)

### Benefit from SRI

The increase in sustainable investment is leading to an increase in inspection and monitoring of companies' business practices, in order to hold them to certain environmental and social standards and create portfolios for an individual investor. There are ethical funds that use shareholder pressure to bring about changes in company policy. By joining forces with other investors some ethical funds have successfully influenced several companies to change their practices. For a comprehensive expert view on SRI see:

[http://www.article13.com/A13\\_ContentList.asp?strAction=GetPublication&PNID=110](http://www.article13.com/A13_ContentList.asp?strAction=GetPublication&PNID=110)

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Tags: Sustainable investment, socially responsible investment, social, ethical, environmental and corporate responsibility.

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Article 13 are experts in business responsibility, typically in the areas of corporate social responsibility (CSR), sustainability and governance. Article 13 seeks to embed and integrate responsible business practices in organisations by means of consultancy services, training, coach-mentoring and thought leadership.



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