

# Investing in equality and sustainability

Open and collaborative engagement is critical if the financial industry is going to bring about the kinds of solutions and innovation required to achieve sustainable economic growth over the long term.

“There is a long road to travel in ensuring global stability, but the opportunity to use capital to address the single most significant impact – social inequality – is available to us while conserving the resources of the planet. The decisions we make today to invest responsibly, while generating decent returns for our client, will influence how future generations refer to this era in time, says Di Radley, Old Mutual Investment Group CEO.



“As a business, we have committed to both monitoring the extent to which our asset managers invest responsibly, and directly investing in the building blocks of a sustainable economy, such as housing, education, agriculture and renewable energy.”

## Countering technology with skills

She says that these skills become more critical in addressing inequality, as technology will in itself reduce the opportunities available to under-educated workers, replacing labour in many instances. “In South Africa the imperative of transformation and economic inclusion of all people in the country remains a burning platform. There is still much work to be done across all key measures of inclusion, to make significant progress in ensuring equality.

“Companies are responsible for the majority of the global environmental footprint and social impact, so their operational practices and future strategy decisions are collectively important for us all. At the same time companies are realising that their impact on the environment and society can affect brand value, the ability to attract talent and even the ability to raise capital – all of which impact long-term value,” explains Radley.

## Responsible stewards

It is the responsibility of the industry to act as responsible stewards of its clients’ money, and investors are concerned about preservation of capital and generating inflation-beating returns over the long term.

“Governance over investments remains high on the agenda and the recent developments in King IV and the fiduciary duties embedded in being a responsible business go a long way in providing comfort. Leaders of businesses looking to attract

capital and ensure growth need to show responsible leadership in how they manage their businesses sustainably, so that they can tap into rising customer consciousness.”

## **Building social, natural and human capital**

“Long-term investment success is increasingly acknowledged to require a responsible investment lens. “A good understanding of the impact of environmental, social and governance (ESG) factors and how they impact value is required in order to drive outperformance,” she explains.

The wealth and savings of South Africans can and should be deployed into investments that deliver a good investment return while building social, natural and human capital.

“At the end of the day, our aim is to generate sustainable risk-adjusted investment returns that incorporate an understanding of what will drive investment returns in the long term,” Radley says.

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