

Green Investment For Sustainable Development

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ABSTRACT:

The organizational sustainability tends to protect sustainable practices and development to increase its investors and be consistent in innovative strategies. Everyone wants to go organic, whether its farming, edibles and even investments. The investors try hard to go for green investments and offering that are available. It propels investment opportunities which may be advantageous to investors' environment sustainability.

Green finance is shifting on to green investment environment. These cannot be possible without regresses involvement of lending institutions that is financial institutions. The aim of green investment is improving the environment challenges and contribute to economic growth.

Green Investment means investing in such companies which promotes multiple investments toward environmental responsibilities. The investments are made in wide range of companies across different industries that lead to limit the investors' risk.

Keywords: Green Investment, Green Finance, Sustainability

INTRODUCTION

Green Investments are nurturing the transition to a green economy. The sustainable investment fund sector could be a key driver of the global transformation to a green economy. The flows into sustainable funds appear to support and supervise climate and uplift the issuance of securities by firms with favourable sustainable ratings.

The investors invest in funds of various sectors looking onto funds asset prices that assures the factors that determine the cost and returns on assets. The investor assesses the funds and then risk and opportunities of funds, then gives preferences to funds sustainability. The asset price determines the segments of funds as sustainable funds and conventional funds, the other related factors such as supply of capital and cost of capital helps decide to choose where to invest funds. Sustainability is planned in a way to be incremental in the strategies planning and implementation in the growing economy and is promoted through changes in public financial incentives, regulatory frameworks to increase green financing from various sectors of economy to upgrade financing decision making looking into different dimensions of environment for sustainable development goals.

The Green Investment's goal is to support and positively contribute to the environment in generating investor's financial resources. In recent years Green Investment demand has surged an economic long term growth potential though green investments is growing by conception of innovations and new job opportunities. Awareness of sustainability and to mitigate impacts of environment the notion of green investment was evolved over the years. The global issue of increasing environmental degradation and climate change is the driving force in 21st century towards green investments and consequently government is playing vital role to promote green investment and generating its need and opportunity by establishing regulatory frameworks and providing financial incentives. Government is coming up with green investment opportunities with up hand with instruments such as green bonds, green mutual funds, exchange traded fund, equity and venture capital etc, to generate measurable environmental and social impact as well as financial risk involved.

Risk understanding is must for investors as market fluctuations are obvious like other investments and financial risk may impact on green investments, the environmental risks may impact on long-term financial consequences, the regulatory risk is associated with profitability of green investments, shift in market risk may affect technological advancements, market demand and competition, green investments carry risk, create competitive environment and also bid potential returns and long term growth with diversified green investment portfolios across different sectors of economy that aligns with organizational objectives and values.

LITERATURE REVIEW

Helland & Smith (2004)

Advocated on the term "Agency Cost", barred negatively by organizations as its executives or say controllers of organization incur indirect cost to organization. Such cost impacts negatively on financial cost and sustainable practices of organization.

Presber (2011) explained the concept of corporate finance that deals with the issues of assets management, risk management, financing and acquisitions and expectations of stakeholders towards maximization of profit.

Aggarwal (2013)

The research revealed implementation of sustainable practices gives positive impact on financial and non-financial standings of organisations. The study also revealed their no specific sustainable practices which directly associates with organizational performance.

Mohd, S., Kaushal. V. (2018)

The research explained green finance relating to basic level of economics. The study found less awareness on concept of green finance, it also revealed the adoption of green finance and uplifting green products while preserving the environment by adding in policies.

Kong, Q., Shen, C., Li, R., and Wong, Z (2021)

The study explains development of green finance could positively impact due to high-speed railway establishment. In era of post covid 19 green development plans must be gripped by governments and municipalities.

Indriastutti. M and Chariri. A (2021)

Studied on three aspects that is green investment, corporate social responsibility and investment on sustainable performance in Indonesia. The operating cost is reduced by CSR activities such as organizational promotion activities that results in increasing company sales. With the implementation of corporate social responsibility and green investment may enhance reputation and canniness of Indonesian companies.

GREEN INVESTMENT AND RISK

Investments may be in monetary terms such as investing in different stocks or fix terms such as investing in buildings, plant and machinery and other such fix assets. Investments may be long term or short-term investments; however, it reckons on the expectations of profit by investors on investment availability and cost of assets that understand the economic theories of organization with how to finance it with low risk.

Greenification of portfolio is way towards sustainability, the options can be vast and puzzling to invest that is exactly what is the right option, how to make sustainable profits and where the field is to be headed.

Customers today are rising steadily and becoming aware of environmental ramifications of business and demand industries to improve products environmental performance. Through maintenance of green environment industries get a chance to establish market presence that may capture more clients, saving cost of generating new clients and increasing client's loyalty by changing its environmental presence and sustaining it.

Industries are witnessing significant cost savings by operational improvements while producing the products and by maintaining sustainable environment. The investments in sector of green investments are significantly increasing and so customers are fascinated towards green investments and such stocks are emerging as an important asset. The growing concerns of change in climate and its potential impact on social and economic welfare is developing and more focused research on the issues of sustainable finance is growing, witnessing the new entrants in eco-friendly investments.

The natural resource conservation and eco-friendly organizational practices aligns the investment pattern of green investors. The initiatives of customers support investing in mutual funds, exchange traded funds, bonds, stock holding, green index funds to support green market initiators if eco-friendly investment is important and encourages to stakeholders. The motive of investor is not only making profit but can be said as considered

rival returns of traditional assets by commitment of green initiatives and a route to invest in diversified range of promising securities than a single bond or stock. The developing stage of green investment with low revenues and lucrative valuation may be riskier and attractive way for investments than equity investments. The decision based on personal values is aligning new trend in green investment and significant traction increasing investors in organizations prioritizing sustainability as their environmental responsibility creating a feel of lesser risk and a sustainable investing for investors.

The journey of green investment starts with basic operational enhancements as to find out sustainable market opportunities it needs to appoint portfolio managers, programme managers for implementation of strategies, to alleviate sustainability risks hiring of experts, training for product managers, development of business directors; sustainability as a multi-year transformation programme combining all factors for strategic review and to balance the two sets that is corporate and market component responsibilities to identify a wide range of best sustainable practices.

DECISION MAKING AND RISK

Here are few Indian companies practicing sustainability by transforming its business.

1. Tata Group is practicing green sustainable practices since 2014 with the flagship of Tata sustainability group under various heads such as concept of Go Green, sustainable packaging, plastic waste management, interconnected pillars (decarbonisation and value chain, circular economy approach and preserving & restoring natural resources), committing towards 100% renewable energy, reduction in CO₂ emissions, recycling organic waste & water to preserve biodiversity, reducing 30% to 50% energy cost, Vasundhara programme to increase green cover under CSR activity,
2. ITC is adding value to green practices by effectively managing its initiatives such as plastic neutrality and sustainable packing strategies by using holistic approach, solid waste management through scalable and sustainable models, waste management through (systematic monitoring, material utilisation and maximising recycling), segmenting hazardous and non- hazardous waste management etc.
3. Mahindra Group started its drive to green sustainability since 2008 as the Triple bottom line, in 2010 green portfolio investments in solar business, 2014 water positive, 2015 C40 cities programme, 2016 signing agreement on climate change at UN and signing EP100 and announcing carbon price 10 \$, 2017 green portfolio and 13 million tree plantation Hariyali projects, 2018 SBTs adoption initiated, CERO launched and zero waste to landfill, 2021 CDP for water and climate 20 million tree hariyali project and 2020 SBT approved 1st Auto company, CDP ‘A’ list, DJSI, 1st company to achieve EP100 with many more upcoming projects.

4. Godrej Group:

The group absorbed sustainability as to set new benchmarks that invest in environment friendly projects guided by Good & Green vision concept that helped to maintain reporting transparency and continued efforts to improve gender diversity across its business and so became top ten most sustainable companies of India. Continuous improvement through sustainable practices is the key believe of executives' execution as it positively contributes to achieve sustainable goals.

It is evident to bolster credibility of organizations and minimize the risk complying with industry specific sustainable and industry specific environmental standards and regulations are paramount and enhances propel creditable sustainable efforts of organization amongst regulatory bodies, customers and investors fostering confidence and trust anticipating potential challenges and opportunities and shifting consumer preferences in green investment landscape.

CONCLUSION

Investment sustainability needs organizations to focus on achieving the dimensions of sustainability by using initiatives to advance investments and to understand the broad consensus of different investors where in investors implicitly assumes the past winners are continuing to win out and so deserve the weightage and attention in green portfolios. Investment sustainability enhances positive impacts of organizations and reduces its negative effects on organizational environment and enhancing investors interest and initiatives are also growing in support. The focus must be extended by signaling management commitments by maximizing investors short term profit and its impact on organizational sustainability and environment. Strategic sustainability plans must create pressure points that might upshot in organizational enhancement and green investments.

Green investments may be promoted as branding strategy by focusing on company's effort towards environmental protection and progress. Organizations has grasped to sustainable investment trends and seeks to shape up the market opportunity and lights up direction of travel to achieve strategic plans. The risk management approach should shift to risk assessment that may include to responsibilities initiatives by identifying and evaluating risk and opportunities and further integration of sustainable risks to environmental business and financial risk of organization. The ultimate objective of green investments is to support organizations that positively contribute to environment while generating and fostering financial returns for investors.

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