CNN International Commercial

CONSIDERED CAPITAL IN A FRAGMENTED WORLD

How ESG is changing foreign direct investment decision making

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Amid geopolitical tensions, shifting climate policy, and diverging global agendas, capital is still moving, but with greater caution. Investors are taking longer and probing deeper, with ESG emerging as a key lens for judging resilience, risk, and long-term value in an increasingly fragmented investment landscape.

CAPITAL AT A CROSSROADS

Global FDI rose 14% in 2025 to $1.6 trillion[1]. On paper, it's a headline figure suggesting a confident market, with capital crossing borders at scale and a clear appetite for continued international investment.

But the global hunt for opportunity has gotten more complex, and the psychology of investors is changing. They are taking longer, asking harder questions, and applying a more exacting set of criteria before they commit capital.

One of the clearest shifts is the role of Environmental, Social and Governance (ESG) in how these decisions are made. For many organizations, ESG is not a political trend, nor a communications exercise. Instead, it now being used alongside traditional measures of return as a way to judge the resilience and credibility of an investment.

MEET THE FDI DECISION-MAKER

Senior FDI decision-makers are a distinct class of leader. They're savvy, highly experienced, globally connected, and, contrary to the image of the transactional investor, very values aware.

Research conducted across 454 senior FDI decision-makers in 14 global markets[2] paints a picture of strategic optimism tempered by methodical caution.

That's nearly six months of due diligence, relationship-building and risk assessment, culminating in a meticulously considered long-term position.

Guiding this process is a duality of influence which demonstrates that the emotional and analytical are not necessarily in opposition. But they operate alongside alignment with business values (84%) and personal values (81%)[2].

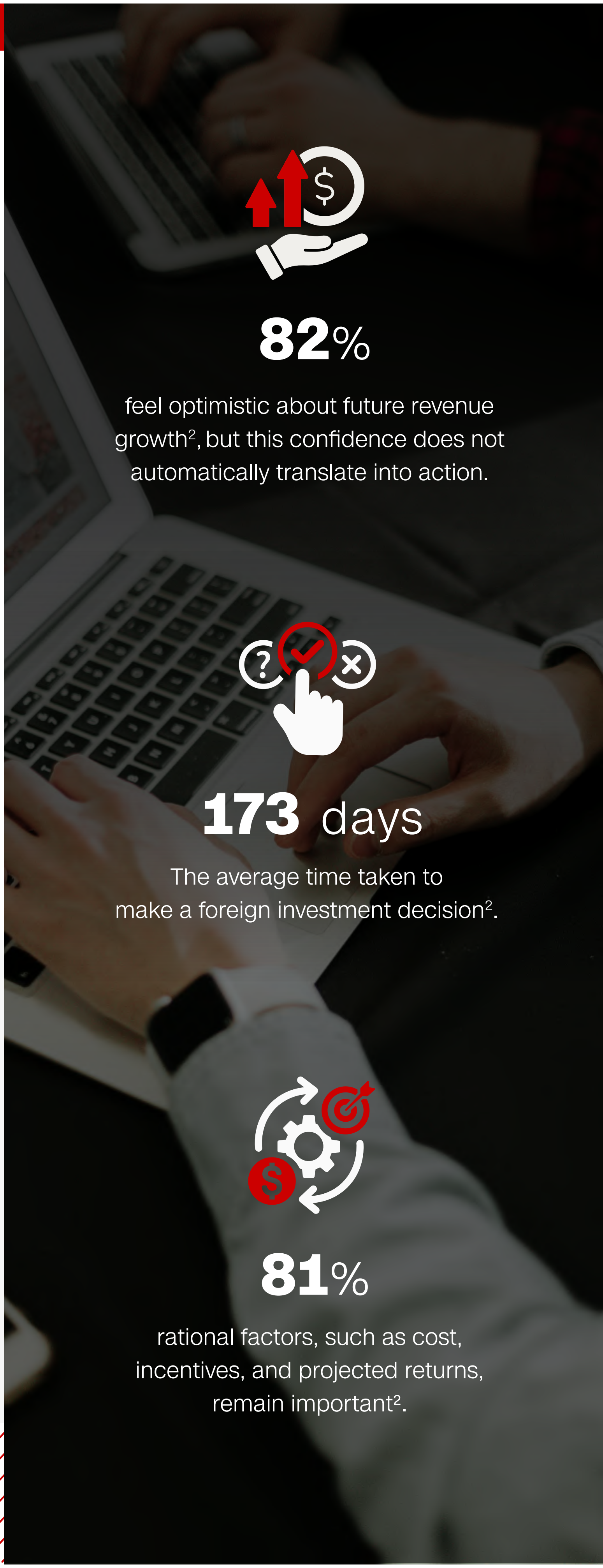
Global factors also contribute to this two-pronged approach.

80%

weigh up the perception of a country before making a decision[2],

97%

consider international news important in informing their evaluation. And of those, 64% call it extremely important[2].



82%

feel optimistic about future revenue growth[2], but this confidence does not automatically translate into action.

173 days

The average time taken to make a foreign investment decision[2].

81%

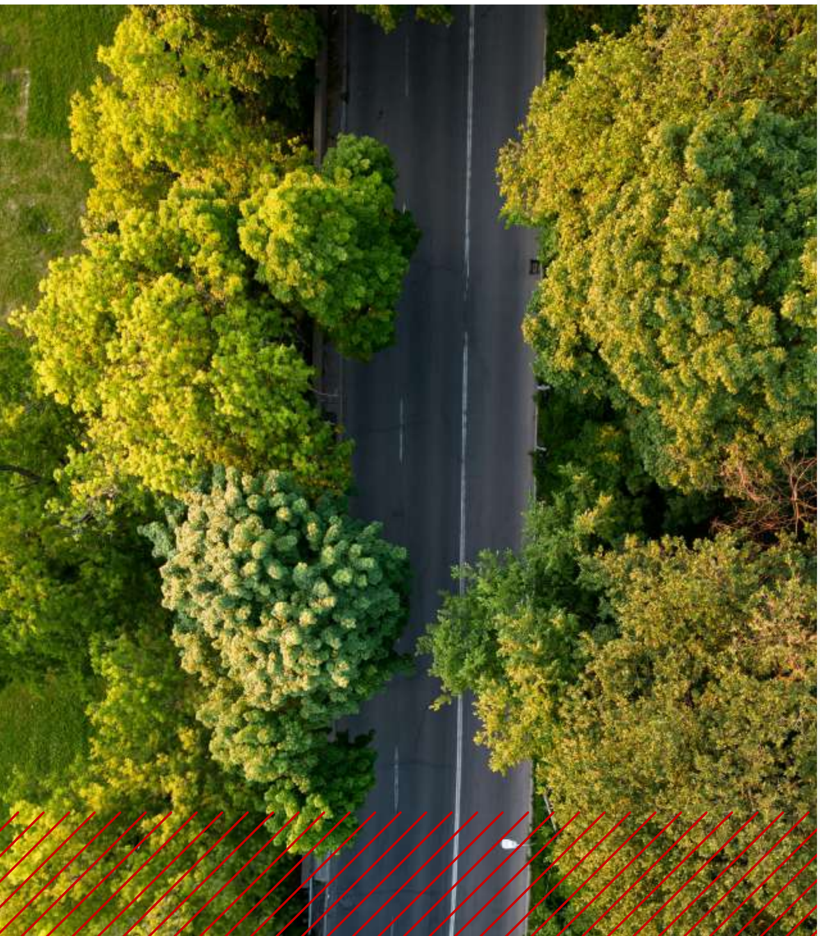
rational factors, such as cost, incentives, and projected returns, remain important[2].

THE NEW INVESTMENT INFRASTRUCTURE

Much has been made of an apparent deprioritization of ESG, particularly in the United States, where there is a perception that federal policy has retreated from sustainability commitments, with some suggesting that the era of values-led investment is in flight.

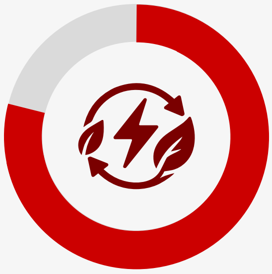
The data says otherwise.

Among global FDI decision-makers, ESG has become a practical tool for assessing risk, evaluating partners, and predicting the potential for long-term value. ESG is increasingly understood as both prudent and productive; some 89% have a Net Zero carbon strategy either in place or actively in development[4].



76%

have personally overseen ESG-related policies and strategy at their organization[4].



77%

rated ESG as an effective tool to mitigate investor risk.

76%

rated ESG as a mechanism for enhancing long-term profitability[4].

And despite the political debate, this view is not confined to one region of or ideological bloc. A survey of 420 institutional investors across 29 countries managing $33.8 trillion in assets[5] found that 85% now apply sustainability criteria to investment decisions, and 87% report their ESG objectives remain unchanged despite political headwinds[5]. Meanwhile, global investment into energy investment was expected to pass $3.3 trillion in 2025, with roughly $2.2 trillion specifically flowing into clean energy technologies. Even in places where political commitment has retreated, the money has not, with US investment into energy transition assets rising. Annual investment in clean technology manufacturing grew from $2 billion in 2018 to $60 billion in 2024[6].

There are also signs that political stances are beginning to influence where investors look next. Further research among 300 institutional investors managing $31 trillion found that 58% of European investors and 62% of Asia-Pacific investors are now more likely to look outside the US for investments in climate solutions and transitioning companies[7]. And as this pivot occurs, ESG is becoming a more prominent feature of business conversation, with 75% of FDI decision-makers reporting more ESG conversations with clients and suppliers than the year prior[4].

BEING VISIBLE TO REACH THE MINDS THAT MOVE CAPITAL

When investment decisions take nearly six months, being trusted, visible and credible across the full arc of consideration is key to securing funds.

FDI decision-makers are active, informed, and highly discerning evaluators of the world around them, with 97% using international news to refine their understanding of the world[2]. To be present only at the point of pitch means you've already missed most of their decision-making journey.

The brands and markets that win attention - and ultimately capital - are those that have already established themselves within the information environments these leaders trust. International news is where they form opinions, validate assumptions, and build the mental picture of credibility across markets. Sustained presence in this environment goes beyond advertising and into the realm of reputation building in the place where reputations are made.

Three Questions for Organizations Competing for Global Capital

As FDI decision-making grows more deliberate, more values-conscious and more globally dispersed, every organisation seeking to attract or deploy international capital should be asking:

1. Is your ESG position being communicated in the markets and media environments where investment decisions are actually made?
2. Given that investment decisions take an average of 173 days, are you sustaining meaningful visibility across the full length of that window?
3. Are you building the trust-based relationships with the right investors, partners, and suppliers that will determine your access to capital in a more selective, more values-driven world?

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Sources: [1] UNCTAD Global Investment Trends Monitor, 2025/26. [2] The Business Decision Makers' Mindset — Foreign Direct Investment. CNN International Commercial / B2B International. December 2023. Sample: 454 senior FDI decision-makers across 14 global markets. [3] The Business Decision Makers' Mindset — Logistics & Supply Chain. CNN International Commercial / B2B International. December 2023. Sample: 483 senior logistics & supply chain decision-makers across 14 global markets. [4] Ipsos Global Influentials 2026 H1, 40 markets in North America, APAC and EMEA. Company leaders with responsibility for Foreign Direct Investment, Universe - 273,000/ Sample: 856 [5] BNP Paribas ESG Global Survey 2025. Sample: 420 institutional investors across 29 countries, $33.8 trillion AUM. Fieldwork: November 2024 – January 2025. [6] International Energy Agency (IEA), World Energy Investment 2025. Clean energy investment figures cover renewables, nuclear, grids, storage, low-emissions fuels, efficiency and electrification. [7] Robeco Global Climate Investing Survey 2025. Sample: 300 institutional investors, $31 trillion AUM.