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Guest Insight:

Sustainable Infrastructure in the New World – How resilience, security and system relevance are reshaping investment strategies

The definition of sustainable infrastructure is undergoing a fundamental shift. What was once primarily associated with renewable generation and decarbonisation is increasingly shaped by geopolitical realities, supply chain constraints and the need for resilient energy systems. For institutional investors, this evolution changes both the opportunity set and the way risks need to be assessed.

Over the past few years, the expansion of renewable generation capacity has progressed rapidly. At the same time, recent energy market disruptions have demonstrated that decarbonisation alone does not guarantee stability. A low-carbon system that lacks flexibility, grid resilience or secure supply chains creates new dependencies and operational vulnerabilities.

As a result, sustainable infrastructure is no longer defined solely by technology categories such as wind or solar. Increasingly, system-relevant assets are moving into focus: storage solutions, grid reinforcement, flexibility services and digital infrastructure that enable a stable and reliable energy system. Sustainability is shifting from a goal-driven concept to a resilience-driven investment framework.

Another defining feature of today's infrastructure landscape is the geopoliticisation of clean energy supply chains. Key components such as PV modules, inverters and batteries are characterised by high market concentration and growing political sensitivity. Trade disputes, tariffs and currency volatility can materially impact project economics within short timeframes.

For investors, supply chain dependency has therefore become a financially material risk factor. While reshoring and localisation initiatives may increase capital costs in the short term, they reduce systemic risks over the long term by improving planning security and execution reliability. In due diligence processes, manufacturing geography, counterparty concentration and geopolitical exposure are now assessed alongside traditional market and regulatory risks.

The much-discussed ESG backlash does not signal a retreat from sustainable investing. Instead, it reflects growing scepticism towards superficial ESG labelling and a demand for greater transparency and evidence. Institutional investors are increasingly focused on how sustainability contributes to risk mitigation, cash flow stability and value protection.



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This shift creates an opportunity for managers able to demonstrate the financial materiality of ESG factors. When sustainability translates into reduced operational volatility, improved revenue stability or stronger exit values, it becomes an integral part of the investment rationale rather than a separate narrative. From this point of view, the ESG backlash is a necessary market correction.

As sustainable infrastructure becomes more complex and system-critical, the role of experienced asset managers in navigating market risk, regulation and execution has become more important than ever for institutional investors.

In infrastructure markets, resilience is gradually becoming a valuation driver. Assets with strong grid connectivity, flexible revenue structures or reduced dependency on constrained supply chains already attract greater investor interest. On the other hand, projects exposed to structural bottlenecks or operational fragilities are facing higher risk premiums.

Looking towards 2030, the next phase of sustainable infrastructure investment is likely to be dominated by system-enabling assets rather than generation capacity alone. Storage, flexibility solutions, grid services and digital optimisation remain structurally under-allocated, despite their central role in supporting further renewable expansion.

For institutional investors with a long-term horizon, this part of the market offers attractive opportunities where risk premia do not yet fully reflect future relevance. Sustainable infrastructure, in this context, is evolving into a core component of resilience-focused portfolio construction.

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