

## Innovation and Sustainability: The Cornerstones of Business Resilience

### Part 1: Positioning Sustainovation

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As the world faces increasing climate and social challenges, businesses have an unprecedented opportunity—and responsibility, even — to prioritise innovation in sustainability. It is no longer a niche theory that companies that align their growth with the planet's health are best positioned for long-term success. Many investors want to allocate their capital, and employees want to dedicate their skills, to companies heeding sustainability as the vectors of regulation and consumer preferences set very clear expectations. This isn't merely about staying relevant; it's about a new paradigm where innovation and sustainability fuse to create tangible value.

To fully appreciate the interplay between innovation and sustainability in business, let's review what each means.

- **Innovation** refers to creating new ideas, products, or methods that drive significant improvements or changes, keeping businesses competitive and relevant. From technological advancements to novel business models, innovation enables businesses to meet evolving customer needs. Innovation is an essential tool for problem solvers. A key cultural tenet of OHI is to be “creative thinkers with a proactive solution mindset”. Innovation, therefore, is central to what we do every day.
- **Sustainability** is about meeting present needs without compromising future generations. It includes environmental, social, and economic dimensions, focusing on reducing ecological impact, supporting fair labour, engaging communities, and ensuring business profitability. Sustainability calls for businesses to look beyond immediate gains and consider their long-term responsibilities to society and the planet.

Innovation and sustainability are deeply interconnected. A symbiotic relationship between innovation and sustainability means each impacts the other. When aligned, these forces can drive each other forward, creating a powerful synergy that transforms businesses. So, let's call the concept Sustainovation.

To make Sustainovation more than just another business school idea, companies must deeply embed this concept in their operations. There are several ways that this can happen. We discuss three below:

- **Innovation in Client Offerings**  
Innovation can be a powerful catalyst for sustainability by creating new solutions that address environmental and social challenges. In those cases, clients clearly value the sustainability element (and may even put a price premium on such products & services). This type of synergy is best exemplified by companies that built their client offering around sustainability: electric semi-autonomous vehicles, plant-based meat, or impact investing. At OHI, we ask ourselves what new services our clients may

require and overlay the answers with the sustainability “filter”. As an example of this approach, OHI is now using its experience of helicopter offshore crew transport to provide power & utility companies with air support in power grid construction required by the growth of renewable energy in Brazil, or operating drones for cargo transport to reduce fuel consumption and emissions. Both allow our clients to pursue their sustainability agendas while relying on a known and trusted partner.

- **Innovation as a Tool for Solving the Profit/Sustainability Dilemma**

Innovation doesn't stop with new offerings; it can also reinvent existing products & services towards more sustainable solutions. Traditional business models may face profitability constraints when attempting to become sustainable, but innovative approaches can unblock these limitations. Let's look at agriculture and say a consumer wants a lettuce. It is not looking for a new type of lettuce, it wants a good old lettuce, available year-round, tasty and free of pesticides. If a traditional farm employs sustainable practices of highest order to produce “clean” lettuce at scale, the space and effort required would very quickly affect profitability adversely. So vertical farming, an innovative solution for space and energy efficiency, comes into play. It produces the same product, a lettuce, but does so sustainably. Another example would be forest firefighting from air. To firefight effectively, heavy helicopters are required to transport tones of water. It is quite expensive to have heavy helicopters on stand-up to respond to unexpected wildfires, and so it is often available only to state-backed entities. But what if one could envisage tech-driven early warning systems in the forest that would allow us to spot fires when they are much smaller? Perhaps then, one could use smaller, cheaper aircraft and be in a position to share those aircraft between regions or private clients since one would know well in advance when a fire starts. This would change the firefighting game profoundly!

- **Sustainability as a Guide for Internally Facing Innovation**

Sustainable thinking should be a guiding principle for all types of innovation, not just client-facing services. When businesses use sustainability as a north star, their internal processes can become more efficient, cost-effective, and reputable. A company might adopt energy-efficient technology in manufacturing or implement responsible sourcing. These shifts don't just improve operations—they strengthen the company's long-term outlook and embed sustainable thinking into the DNA of the organisation. For example, a large Brazilian cosmetics company has deeply embedded sustainable thinking in its operations, from sourcing raw materials from indigenous communities to empowering its customer-facing independent partners. At OHI, we are working on setting science-aligned decarbonisation targets, which we believe will lead to a paradigm shift in the way we will fly our aircraft or, indeed, what aircraft we will use. And that will unquestionably require a lot of innovative ideas from across the organisation.

The above examples are not mutually exclusive and, ideally, could be all applicable. They are the desired outcomes for a business that seeks to benefit from both innovation and sustainability. But what needs to happen to create an environment where this works? At OHI, we have formulated systematic approaches to both innovation and sustainability.

In the second part of this piece, we will focus on 3 key enablers. Stay tuned.