

# Understanding Sustainable Finance Opportunities for Professionals

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## My route into financial services

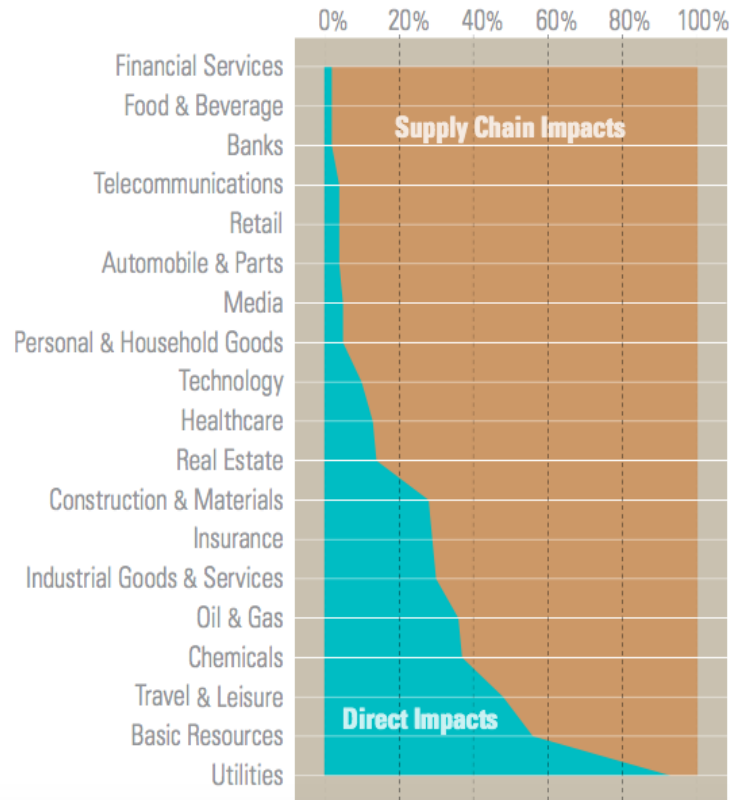
- Environmental consultancy including due diligence
- Supporting investment arm of RSA Insurance Group
- Moved to Group Risk function (then Strategy and Communications)
- Worked as an independent since 2012, including work with CISL and BSI (and TCFD)



## FOR MOST COMPANIES, NATURAL CAPITAL RISK IS CONCEALED IN THE SUPPLY CHAIN

Where natural capital impacts occur, by sector

SOURCE: Trucost



## Working in financial services – the challenge

- Many organisations were unengaged – minimal regulatory pressure, perception of low impact/influence, viewed as an ethical (i.e. non financial) concern
- Mostly due diligence type roles with occasional CSR positions (often filled internally by community or facilities individuals), also ethical investment positions
- Sector largely inward looking – low perceived need for environment/professionals



# Recent activity in finance



**IEMA** Transforming the world to sustainability

## IEMA Guide on Sustainable Finance

Clarifying the landscape of sustainable finance



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## The IEMA Guide...

The IEMA Fellows Working Group

The role (and importance) of financial services

Understanding financial services and related sustainability initiatives (as of February 2019)

How IEMA members are involved (and how others might join them)



## TCFD – a major development

TCFD recommendations on voluntary, consistent climate related financial risk disclosure

Help financial institutions identify and price climate risk – integration into core

Utilise scenario analysis to identify future climate related risks

Covers governance, strategy, risk management and targets

How will this affect demand for sustainability services?

Figure 2

### Core Elements of Recommended Climate-Related Financial Disclosures





## TCFD challenges and the future

### Identifying relevant scenarios

- Dealing with missing data
- Uncertain timing and risks
- Translating into financial impacts

Lots and lots of subjective analysis (hence experts needed)

Understanding dependencies (e.g. natural capital) could bring learning to FS

Moving towards sustainability frameworks (and identification of competency needs)



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