



## **Sustainable Finance as a career**

*Francesco Bicciato, Secretary General of Forum per la Finanza Sostenibile*

*Salone del Risparmio 2017 – “Il tuo Capitale Umano”*

*Milan  
13° April 2017*



Forum per la Finanza Sostenibile

# Summary

- **Forum per la Finanza Sostenibile:** about us; our activities; our network
- **What is Sustainable and Responsible Investment:** definition and main criteria
- **The SRI Market:** Europe and Italy
- **Sustainable Finance as a career:** an overview of sectors, skills and expertise

# Forum per la Finanza Sostenibile | About us

The Italian Sustainable Investment Forum (Forum per la Finanza Sostenibile or FFS) is a non-profit organisation **founded in 2001**. It is a **multi-stakeholder organisation**: its members are financial actors and other entities interested in the environmental and social effects of financial activity.

## Mission

FFS's mission is to promote the **integration of environmental, social and governance (ESG)** criteria into the policies and processes adopted by the investors.

FFS's **activities** are aimed at:

- Providing its members with an **information and training network**, with the objective to encourage the exchange of ideas and foster cultural development in the field of SRI;
- **Informing and educating the financial community and the external audiences** (media and society as a whole) on SRI, through cultural events, seminars, workshops, publications and communication campaigns;
- **Promoting the implementation of a regulatory framework** in which SRI is encouraged, both at domestic and European level.

## Network

FFS is a Board member of **Eurosif**, an association committed to promoting sustainable finance across European markets.

## What is Sustainable and Responsible Investment? | A definition



Sustainable and responsible investment (“SRI”) is a **long-term oriented investment approach** which integrates **ESG factors** in the research, analysis and selection process of securities within an investment portfolio.

Source: *Eurosif Report “European SRI Study” 2016*

# Sustainable and Responsible Investment | ESG criteria and SRI strategies



- **ENVIRONMENT**

Es. emissions and exploitation of power and water resources

- **SOCIAL**

Es. respect of human and workers' rights, supply chain

- **GOVERNANCE**

Es. minorities' rights, remuneration policies

## SRI STRATEGIES:

- Exclusions
- Norms-based screening
- Best in class
- Sustainability themed-investments
- Engagement and voting
- Impact investing



Source: [investiresponsabilmente.it](http://investiresponsabilmente.it)

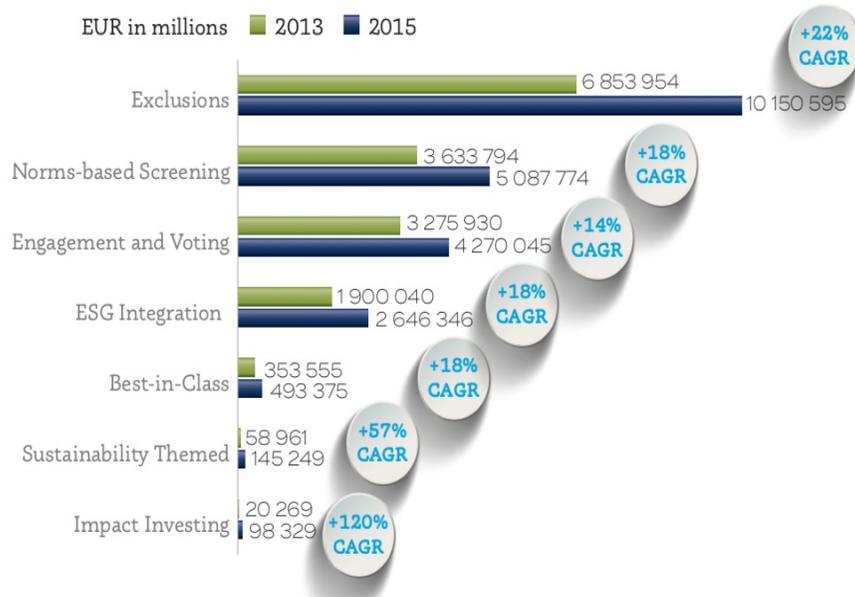
# Sustainable and Responsible Investment | European and Italian market

## EUROPE

The 7th edition of the biennial Eurosif Market Study reveals **double-digit growth** for sustainable and responsible investment.

**SRI is growing faster than the broad European investment market (25%).**

Source: *Eurosif Report “European SRI Study” 2016*

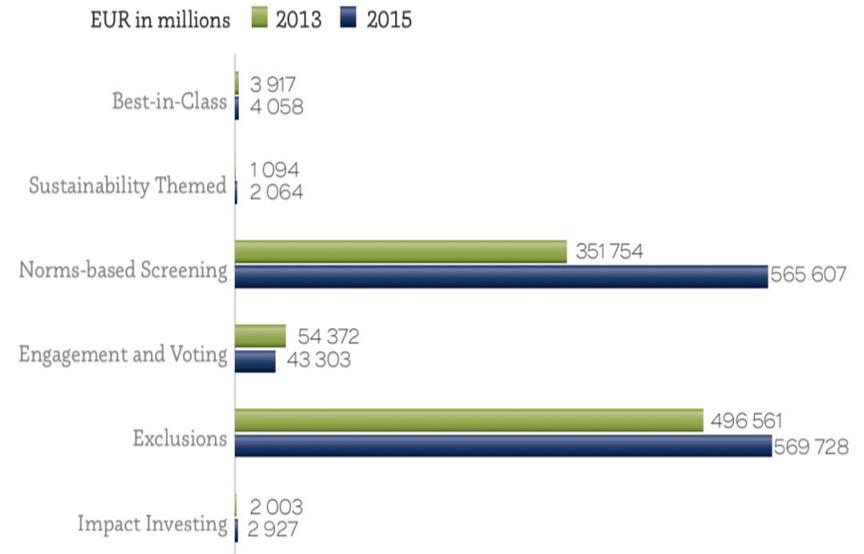


## ITALY

The Italian SRI market has experienced a **slow, but steady growth** over the last two years. **Exclusions and norms-based screenings** still represent the largest amount of assets.

**Institutional Investors** continue to lead the Italian SRI market, coherently with the European trend. The **retail side has also witnessed interesting growth** as several Italian asset managers recently decided to launch SRI products.

Source: *Italy Report - Eurosif “European SRI Study” 2016*



## Sustainable finance as a career | An overview

There's a growing interest in Sustainable Finance at a global level.  
Accordingly, more professionals are needed in the Sustainable Finance area.

### ASSET MANAGERS

- Asset managers' investment teams can include both **ESG analysts** and asset managers: the former advice the latter on ESG performances of companies they are considering to include in their portfolio.
- **Marketing and communication specialists** with expertise on SRI strategies.

### BANKS & INSURANCE COMPANIES

- **Core business: ESG analysts** to integrate ESG issues into credit allocation and product innovation processes.
- **Institutional investors: SRI specialists** setting guidelines for selecting asset managers who are able to integrate ESG evaluations in the asset selection process.
- Specific SRI expertise is also needed within the **Board of Directors**.

# Sustainable finance as a career | An overview

## FOUNDATIONS & PENSION FUNDS

- In order to allocate their capital towards sustainability programs, Foundations and Pension Funds need **SRI specialists** who are able to set guidelines for asset managers capable of integrating ESG evaluations in their investment decision-making process.
- Specific SRI expertise is also needed within the **Board of Directors**.

## RESEARCH AND RATING COMPANIES

- ESG analysts focused on **companies**.
- ESG analysts focused on **investors**.

## PROXY VOTING COMPANIES

- SRI specialists who are able to advice on the **materiality of ESG issues** for investors as well as on the **willingness and capability of companies to integrate ESG criteria** in their business.

# Sustainable Finance as a career | An overview

SRI professionals can also find interesting opportunities in:

- **PUBLIC SECTOR**

E.g.: Local bodies such as city councils; Government agencies; International Organisations such as multilateral development banks and UN Agencies.

ESG skills are particularly needed by Treasury Officers at international, national and local levels.

- **PRIVATE SECTOR**

E.g.: The “Corporate Social Responsibility Manager”

A CSR manager is responsible for **defining and developing the strategies which underpin a company’s CSR objectives**. This job also tends to involve aspects of **marketing and publicity**, especially with regard to SRI issues.

- **THIRD SECTOR: NGOs AND NON-PROFIT ORGANISATIONS**

NGOs are increasingly interested in **impact investing projects**: as a consequence, they need **specific SRI expertise** in order to **analyse and efficiently implement** them.

E.g.: The case of Micro Finance Institutions (MFI)

# Sustainable Finance as a career | An overview

## ○ UNIVERSITIES

Universities need specific SRI expertise at two levels:

- **Research and Training area:** by carrying out **study and research activities**, Universities can contribute to **develop and improve SRI practices**;  
A specific strength of Universities is their ability to build and grow “**networks of knowledge**” (E.g.: «Accademia per la Finanza Sostenibile»);
- **Asset Administration:** it is responsible for the financial stewardship of University assets.  
At this level specific ESG skills are needed:
  - in **committees advising** the University trustees on ethical and social issues that may affect investments of the University's endowment;
  - in order to **set guidelines for asset managers** capable of integrating ESG evaluations in their investment decision-making process;
  - to make Universities act as **responsible investors** while exercising their administrative and voting rights in the companies they are invested in.



## **Sustainable Finance as a career | Skills and Expertise**

*Now, let's have a look at the skills and expertise  
which are needed by some SRI profiles.*

### **RESPONSIBLE INVESTMENT / ESG ANALYSTS**

#### **Skills & Expertise**

Responsible Investment, purpose, values

ESG strategy & thought leadership

Leadership coaching

Sustainability & value-based leadership

Values, organisations, and investment

# Sustainable Finance as a career | Skills and Expertise

## NATURAL CAPITAL ANALYSTS

### Skills & Expertise

Environmental valuation and markets

Biodiversity, water and ecosystems

Natural capital accounting

Cost-benefit analysis

Biodiversity offsetting

# Sustainable Finance as a career | Skills and Expertise

## ENERGY MANAGEMENT ANALYSTS

### Skills & Expertise

Energy strategies and plans

Carbon strategy and management

Energy efficiency & demand reduction

Risk management of energy procurement

Training and people solutions

# Sustainable Finance as a career | Skills and Expertise

## SUPPLY CHAIN ANALYSTS

### Skills & Expertise

Supply chain strategy

Ethical trade & responsible sourcing

Standards and certification

Stakeholder engagement

Project management

# Sustainable Finance as a career | Skills and Expertise

## ENVIRONMENTAL ASSESSMENT ANALYSTS

### Skills & Expertise

Environmental and social impact assessment

Advice on environmental and social issues

Stakeholder engagement

Environmental compliance

Infrastructure development

# Sustainable Finance as a career | Skills and Expertise

## RESPONSIBLE INVESTMENT / ESG ANALYSTS

### Skills & Expertise

Responsible Investment strategy

Responsible Investment policy

Ethical guidelines in fund management

Stakeholder engagement

Corporate Governance



# Sustainable Finance as a career | Skills and Expertise

## RESPONSIBLE INVESTMENT / ESG ANALYSTS

### Skills & Expertise

ESG risk mapping; strategy design

Strategic stakeholder engagement

Board ESG shareholder comms training

Sustainability reporting

Development of ESG policies & practices

# Sustainable finance as a career | Skills and Expertise

## PRIVATE EQUITY ASSET MANAGERS

### Skills & Expertise

Flexibility

Pragmatism

Financial knowledge

Communication skills

Broad background & technical knowhow

Strategic view

Source: "What it takes to work in ESG", by Graeme Kerr, Private Equity International, 14 February 2017.



## Forum per la Finanza Sostenibile

Via Ampère, 61/A 20131 Milano  
Tel. 02 30516028 | Fax 02 30516060

### Web:

[www.finanzasostenibile.it](http://www.finanzasostenibile.it)  
[www.investiresponsabilmente.it](http://www.investiresponsabilmente.it)

### E-mail:

[info@finanzasostenibile.it](mailto:info@finanzasostenibile.it)

