



# The Financial Services Club

News Events Partnerships

Triple Bottom Line Investing -  
25 Years ESG And Impact.  
Failure Vs. Success,  
Breakdown Or Breakthrough

**Webinar**

Thursday 30 April 2020



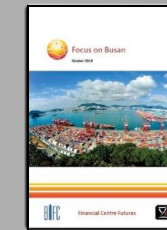
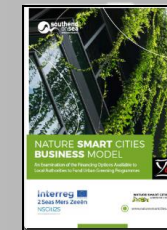
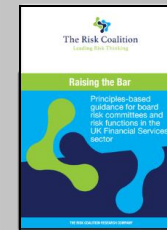
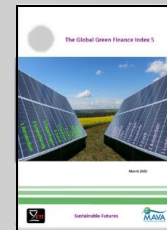
# A Word From Our Chair



**Michael Mainelli**  
**Executive Chairman**  
**Z/Yen Group**



## Recent Publications



# FS Club Sponsors



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# Agenda



The Financial  
Services Club  
News Events Partnerships

- 14:30 – 14:35 Chairman Introduction
- 14:35 – 15:00 Keynote Address
- 15:00 – 15:15 Questions & Answers



**The Financial  
Services Club**  
News Events Partnerships

Triple Bottom Line Investing  
- 25 Years ESG And Impact.  
Failure Vs. Success,  
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**Robert Rubinstein**

Chairman

TBLI Group

# 25 years ESG & Impact

Robert Rubinstein-CEO & Founder TBLI Group





# Who is TBLI GROUP?

**VISION:** "We will benefit when economy creates well being"

**MISSION:** Building A Community Of ESG And Impact Investors

TBLI Conference is the leading learning and networking event on ESG (Environmental, Social and Governance) and Impact Investing.

TEN-TBLI Expert Network-500 of world thought leaders



## SHAREHOLDERS FOR A BETTER WORLD



# AGENDA

- **ESG : Definitions, Background and Myths**
- **Where are we and where do we want to be?**
- **25 years : What has been Achieved?**
- **Forces Pushing ESG and Impact**
- **Sustainable Investment – An Overview**
- **Consequences**
- **APAC : Opportunities**



# Risk

# Opportunity



# WHAT IS ESG/EXTRA-FINANCIAL INVESTMENT?

- **People + Planet + Profit**
- **Social Equity      Environmental Quality      Economic Prosperity**
- **ESG adds social and/or environmental value to external stakeholders, while increasing value to shareholders.**
- **ESG questions if, to maintain profitability, your products or services:**
  - **Worsen Social and Environmental Balance**
  - **Maintain Social and Environmental Balance**
  - **Improve Social and Environmental Balance**

# CHALLENGES

# IGNORANCE



# How TBLI Gets BUY- IN



# Motivation

Self Interest

Opportunity

Money Flows

# Impact Myths

- **Impact is Charity- Zero Returns**
- **No Deals**
- **Money losing**
- **No Scale**
- **Too Risky**
- **Bad management**
- **No Track Record**

# Investments Myths

All investment managers hit their benchmarks

Private Equity funds earn 30%

Hedge Funds earn 30%



ESG Data Not Good  
Enough

Financial Data is Worse

# Scandals

- China Hustle
- Worldcom
- Enron
- Parmalat
- Lehman Brothers
- Adelphia Communications
- Arthur Anderson
- Bear Sterns
- Northern Rock
- ~~AIG Greenberg fine and collapsed later~~
- ABN
- Washington Mutual
- RBS
- Maddoff
- Banco Espirito Santo
- Refco
- Libor \$350 Trillion
- Waste Management
- Tyco
- Healthsouth
- FreddieMac
- FannieMae
- Satyam
- Cendant
- MF Global

# NEW ECONOMIC MODEL

- **China reaches US consumption 2031 (8% growth)**
- **Oil 80 m barrels/day world production →80 m barrels/day(based car transportation)**
- **Grain 382 m tons→1.352 m tons= 2/3 world harvest**
- **Meat 64 m tons→181 m tons=4/5 world production**
- **Coal 2.8 b tons=2.5 b tons world production**
- **Steel 258 m tons→511 m tons>Industrialized West**
- **Paper 27 kgs/person→210 kgs/person= 303m tons (double world production)**
- **Cars .77 cars person = 1.1 billion>795 million cars on road**
- **Add India, and 3 billion in emerging markets and the West....**

# Drivers

- **Emerging Markets Resources**
- **Resource inefficiency**
- **Wealth holders integrating philanthropy and investment**
- **Financial crisis and aftermath for financial sector-\$325b**
- **Staff and clients looking for purpose**
- **Regulation**
- **Stakeholder pressure**
- **Students and employee demand on employers and endowments**
- **Wealth management engagement with clients around impact**
- **Self Interests and Business Case**

# 20 year Milestones

**Carbon Tracker (2011)**

**Freshfields I&II (2005)**

**UNPRI (2006)**

**Equator Principles-50m - 10m (2003)**

**Carbon Disclosure Project (2001)**

**Montreal Pledge (2016)**

# MONEY FLOWS

## FIGURE 1: SNAPSHOT OF GLOBAL SUSTAINABLE INVESTING ASSETS, 2016–2018

Region	2016	2018
Europe	\$ 12,040	\$ 14,075
United States	\$ 8,723	\$ 11,995
Japan	\$ 474	\$ 2,180
Canada	\$ 1,086	\$ 1,699
Australia/New Zealand	\$ 516	\$ 734
<b>TOTAL</b>	<b>\$ 22,890</b>	<b>\$ 30,683</b>

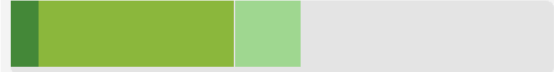
Note: Asset values are expressed in billions of US dollars. All 2016 assets are converted to US dollars at the exchange rates as of year-end 2015. All 2018 assets are converted to US dollars at the exchange rates at the time of reporting.



# Green Bonds Market 2018

**2018 Issuance** **\$94.3bn**

(aligned with CBI definitions)



**Certified Climate Bonds** **\$11.6bn**

**Labeled green bonds aligned with CBI definitions** **\$82.7bn**

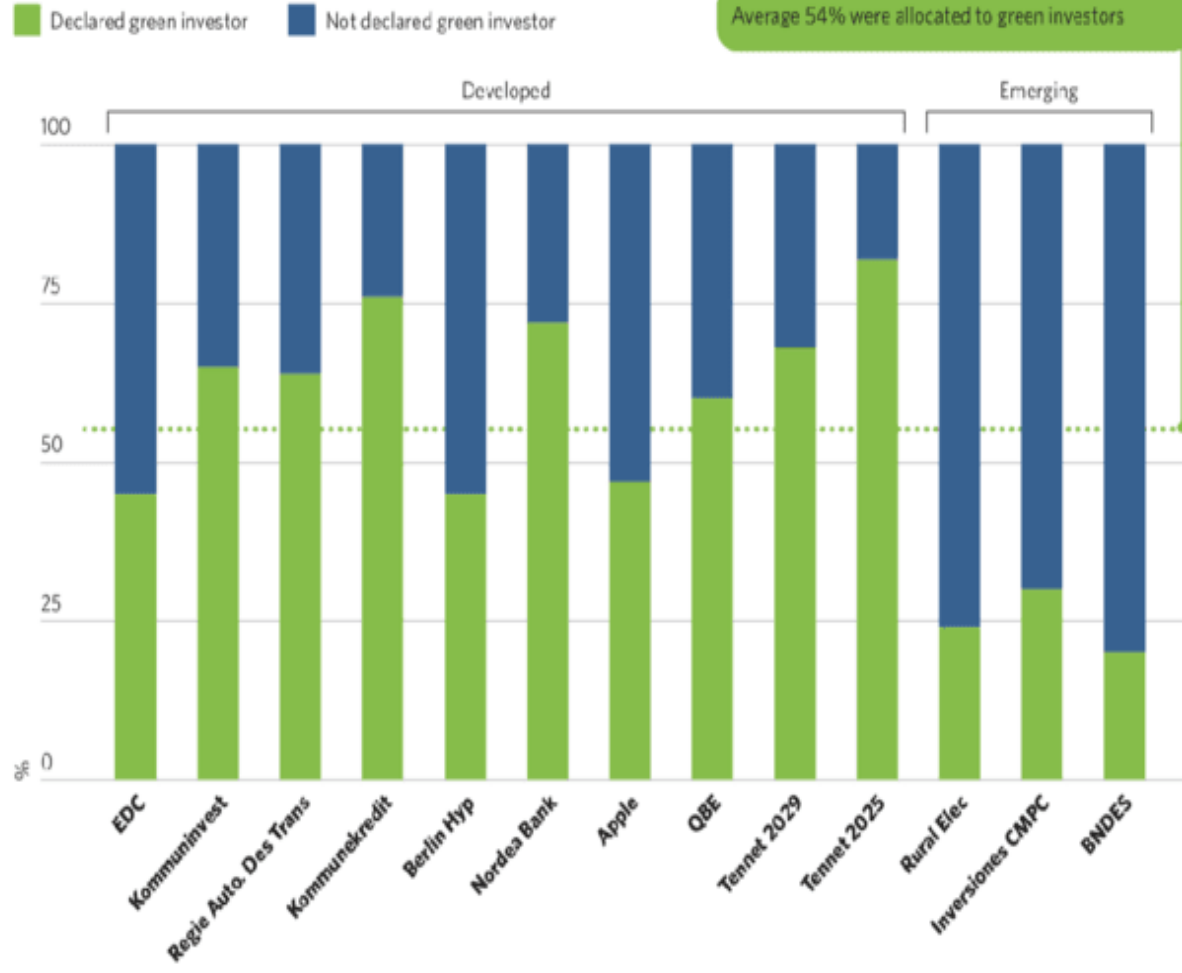
**Labeled green bonds not aligned with CBI definitions (and excluded from 2018 Issuance)** **\$29.0bn**



**2017 Total** **\$161.0bn**

**2018 Estimate** **\$250bn**

## 54% of green bonds were allocated to green investors



Green Bond Pricing in the Primary Market: April - June 2017



# Results?



# Responsible Investment is not enough

**Climate Change Destruction**  
**Biodiversity loss**  
**Water Shortage**  
**Food shortage**  
**Health Crisis (Diabetes)**  
**Income Inequality (Living Wage)**  
**Pollution**  
**Threat of War**

IS INCREMENTAL, MODERATE  
IMPROVEMENT THE RIGHT STRATEGY?

**PERHAPS WE NEED  
DRAMATIC,  
RADICAL CHANGE  
A MOON SHOT?**

# Reality Check

**The ones doing the most talk the least.**

**The ones doing the least talk the most.**

# Point of No Returns

A ranking of 75 of the world's largest asset managers' approaches to responsible investment

# Why so much activity?







MILLENNIALS STAND TO BENEFIT FROM THE LARGEST INTERGENERATIONAL WEALTH TRANSFER IN HISTORY BY 2052, WITH AN ESTIMATED VALUE OF

**\$41 trillion**

IN THE UNITED STATES ALONE.

# Greatest drivers for financial Sector

DEMAND

TALENT

SOLUTIONS

# PARADIGM SHIFT SUSTAINABLE INVESTMENTS



# De-Carbonization and How will it impact infrastructure



# Simple Non-Sexy Ideas

- **Public Transport Infrastructure \$ 2.3 T**
- **Community Banks \$ 2.5 T**
- **Secondary Market DFI's**
- **Fuel Free Energy**
- **SSX**
- **Second Generation Engagement**

# SUSTAINABLE INVESTMENT Instruments & Asset Classes





REAL ESTATE



ENERGY



NEXT STEPS

# Greatest Opportunity in History of Mankind

Zero Emission Real Estate (New and Retrofit)  
Public Transport Infrastructure  
Fuel Free Energy  
Carbon Sequestering (Reed+ and Blue Carbon)  
Invest in 2 largest employers in World  
Food & Social and Env. Positive Hospitality  
Water  
Affordable Healthcare  
Climate Resilient Cities  
Living Wage







# WHAT CAN YOU DO?





*“Do or do not... there is no try.”*

YODA







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TBLI GROUP™



25 years building a global community of ESG and Impact Investors

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# Questions, Comments & Answer(s)?



# Thank You

## Forthcoming Webinars

01 May 2020 (13:00) [Creative Problem Solving Using TRIZ: Fundamentals For Financial Services](#)

04 May 2020 (10:30) [What The Belt And Road Initiative Looks Like On The Ground](#)

04 May 2020 (14:00) [Climate and Covid-19](#)

06 May 2020 (10:30) [Covid-19 and The Eu's Response](#)

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**More added every day..**