

10:30 - 11:00 | Keynote: Metodología de los Estudios de Mercado, Universidad de Hamburgo



Timo Busch

Professor, Chair for Management and Sustainability, University of Hamburg

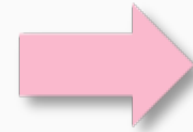
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Sustainable Finance evolution

Sustainable Finance 1.0



Responsibility:
no dirty hands



Sustainable Finance 2.0



Mainstream:
no niche topic



Sustainable Finance 3.0



Impact:
real world changes



Real world changes? Two understandings

SFDR, Art. 9 / Art. 2 (17)



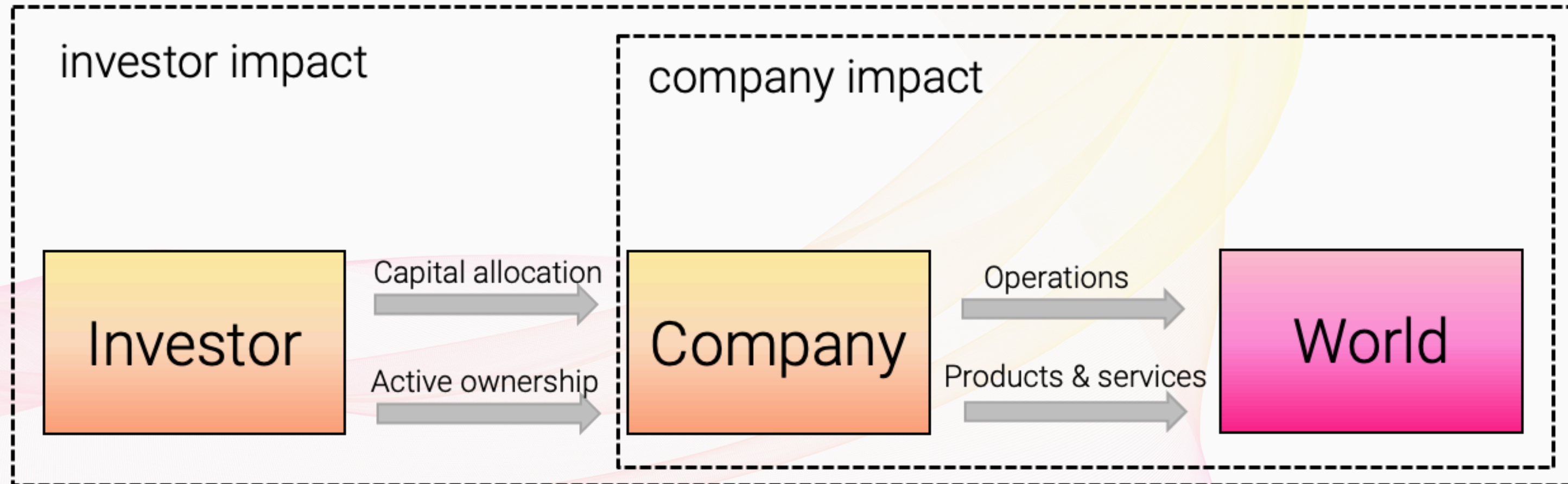
A financial product that has sustainable investment as its objective this means an investment in an economic activity that contributes to an environmental [...] or social objective

GIIN



Impact investments are investments made with the intention to generate positive, measurable social and environmental impact [...]; they provide capital to address the world's most pressing challenges.

Two dimensions of impact investments



Source: Kölbel, J.F., Heeb, F., Paetzold, F., Busch, T. (2020): Can Sustainable Investing Save the World? Reviewing the mechanisms of investment impact. Organization & Environment
<https://journals.sagepub.com/doi/10.1177/1086026620919202>

As such, there is obviously consensus regarding...
...the relevance of differentiating between *impact-aligned* and *impact-generating* investments:



This served also as the basis for the new EUROSIF approach

Methodology for Eurosif market studies on sustainability-related investments published in February 2024

Contains eight questions to classify assets under management into one of four categories of sustainability-related investments.



Key elements of the new classification scheme for market studies

- **Transition** as leading aspect for classification (“ambition levels”)
- Embedded notion of **impact**
- Integration of double materiality
- Reflect on **transition** potential of different asset classes
- Sharpened **definition** of sustainable investments

Source: <https://www.eurosif.org/news/white-paper-from-eurosif-and-the-university-of-hambourg>



		Basic ESG	Advanced ESG	Impact-Aligned	Impact-Generating
Investment objective		Integration of ESG factors	Systematic analysis & incorporation of ESG factors	Align with positive impacts on environment and/or society	Measurable contribution to positive real-world impacts
Investment process	Investment approach	Binding negative or positive screening	Binding negative & positive screening ($\leq 80\%$ of initial universe investable)	Binding negative & positive screening for assets with positive impact	Exclude non-transformable activities & use stewardship or provide new capital to assets to generate measurable positive impact
	Performance Measurement	-	Measurement of ESG performance	Measurement of company impact	Measurement of company impact & investor contribution
Ambition level		Low	Moderate	Medium	High
Investment focus		Double materiality			

Conclusion

1. Objective of SF 2.0 is reached; globally US\$ 35,3 Bill ESG
~ 36% AuM (Global Sustainable Investment Review 2020)
2. SF 3.0 requires reorientation towards impact
3. The transition notion needs to be captured by market studies
4. The SFDR revision needs to reflect on this (i.e., by introducing product classifications)
5. Beyond current regulatory efforts, independent labels are a key lever to prevent green- and impact-washing