



CGI Women in Banking

The move toward sustainable finance



CGI Women in Banking is a roundtable series that brings together female executives from across CGI with expertise on key banking topics. In this particular roundtable interview, we explore the topic of sustainable finance, which is growing in importance for companies across the globe. CGI banking experts Nancy Amert, Nathalie Conné, Frances Ferguson, Christina Fung, and Dora Jonah share their perspectives.



1. What does sustainable finance (i.e., “green” finance) mean to you, and what are the future implications for clients?

Nathalie:

Sustainable finance is a global response to the impact of climate change within the financial sphere that proposes new sustainable and profitable business models. It has become a differentiator within international financial markets. Sustainable finance involves the implementation of climate strategies by finance companies with the goal of managing financing, investment and line of credit activities in relation to the carbon footprint of the underlying asset and the issuer's industry and country. It also involves the implementation of energy transition strategies as part of the financing of “green” projects and the integration of new socially responsible investment (SRI) management models for asset managers.

Frances:

Sustainable finance is a catalyst for transformative change based on a shared awareness of and mutual accountability for in-country climate policies. Tactically, “green finance” refers to debt financing and includes climate bonds and green bonds as a means to affordably fund critical changes in the protection of



natural resources and other environmental impact mitigation. Sustainable finance includes using public and private money to encourage sustainable business models, trade, social equity, human well-being, and the fair treatment of labor and unions.

Nancy:

“Green finance,” as defined by the United Nations, is a way of “increasing the level of financial flows from banking, micro-credit, insurance and investment from the public, private and not-for-profit sectors to sustainable development priorities,” and it should be a priority. Green finance, like environmental, social and governance (ESG) initiatives, is tied to mission, vision and purpose, but it also is broader. It’s not only an investment in monetary ROI, or positive balance sheet impacts, it’s also about ensuring continued growth for years to come.

Christina:

To me, sustainable finance means having a financial and business framework that can assimilate social and environmental factors to promote the long-term sustainable growth of business and finance communities. Focusing on traditional balance sheet and business KPIs is inadequate to demonstrate the long-term value and health of a company and economy because these KPIs focus primarily on a “snapshot” of current profitability. The decisions we make today regarding the economy and financial systems have a big impact on the well-being of society in the future. Focusing on sustainable finance directs the flow of capital investments in a way that contributes to future well-being and success.



Dora:

I look at this more broadly and believe we all play a role in sustainable finance based on our everyday choices—the clothes we buy, the cars we drive, the food we eat, and the investments we make. If, at the end of the day, sustainable finance is about making the world a better place for the long term, then it involves everyone who consumes and contributes to the global economy and the impact that has on the planet. While there is a more traditional definition of sustainable finance, for me it means being more aware of your choices and the impact those choices have on everyone and the future health of our planet.

2. Incorporating environmental, social and governance (ESG) themes into financial management is a fast-growing trend as investors and regulators put more emphasis on sustainability considerations. What actions should financial businesses take to create new opportunities and reduce future compliance pressures?

Nathalie:

There are two short-term challenges for financial institutions: 1) the growing need for regulatory reporting around sustainability and an associated ESG data strategy, and 2) a detailed review of their sustainable activities in accordance with government mandates such as the European Taxonomy. A major issue in addressing these challenges is the lack of a common framework for reporting on climate and ESG strategies and activities. Reporting obligations diverge. In the absence of standardization, the first step is to design a consolidated reporting framework that complies with non-standard requirements. This involves the implementation of an external ESG data strategy, which is essential for the production of governance and risk management indicators. It also is essential to identify different data types that can be used in multiple ways to advance reporting.

Nancy:

We're just starting to see in these "early days" of sustainable supply chain financing that leading corporations are already using inclusion in finance programs as an incentive or as a type of reward for buyers' and suppliers' sustainability-related behaviors and activities. There are going to be lots of new sustainability-related applications and processing forms for both buyers and sellers to complete. All of this data will need to be managed. This presents a new opportunity for entrepreneurs, business owners and corporate staff to start designing, building and testing new applications, which will automate the gathering, processing and verification of carbon-reduction efforts and behaviors.



Frances:

Global ESG investing activity accounts for trillions of dollars under management by leading financial institutions. ESG investing allocates capital toward the control of emissions, the reduction of negative climate impacts, and the funding of climate-friendly loans and economic development. Financial institutions that embrace sustainable investment practices and support diversity and inclusion are experiencing competitive advantage in terms of higher credit ratings, stock valuation and top-line growth. Brand recognition, tax incentives, and lower legal and regulatory expenses are additional benefits linked to new investor and regulator emphasis on sustainability activities and metrics.

Dora:

For me, it's pretty simple. For decades, our financial institutions have used metrics, scorecards and dashboards to evaluate performance, vulnerabilities and risks in order to comply with regulatory bodies and achieve their collective goals. The same lens should apply to incorporating ESG themes into financial management. Develop a framework that outlines ESG principles and map out a clear plan to achieve and apply KPIs and metrics. Then, apply those principles when making decisions about investing, lending, innovating, hiring and overall governance. This, in turn, will lead to running a long-term sustainable business. It is really about transforming your business for the long haul and securing a better world for us and the generations that follow.

3. Do you think finance companies should be leaders in building a sustainable and inclusive global economy? If so, then how?



Nathalie:

I am convinced of it! Sustainable finance is a growth lever to attract both investors and customers. Banks and insurance companies are the necessary intermediaries to realize new business opportunities created by sustainability. Sustainable finance also will be an accelerator for them in terms of digitization, artificial intelligence and data management.

Frances:

Several top banks are early adopters of sustainable or green finance. As powerful financial institutions listen to their environmentally-conscious consumers and shareholders, it's a winning situation for the economy and climate. In this year alone, we saw top global banks reporting substantial changes to their business operations and making large financial commitments to fund and set the pace of global change.

Nancy:

Banks have a critical role to play in addressing climate change by ensuring the efficient flow of financing. The key will be for the banks to know who to finance and where to invest. They need to better understand and more deeply assess their corporate customers' behaviors and their buyers and suppliers.

Dora:

Yes, I believe financial institutions are a key driver of the global economy and therefore should play a key role in leading the sustainability charge. The global pandemic has intensified the focus on this topic and the need for action. Our world was turned upside down one year ago, and this highlighted how fragile the global economy is and the need for resilience. Finance companies have an opportunity to lead and demonstrate concern for not only their future but for the future of our world.



Christina:

Financial services is the hub for facilitating the move of capital across the globe. Finance companies are important players with broad influence on consumer spending, loans, retail and private wealth, institutional investments, and capital management. Their loans

and investments help boost economies and influence the rise of particular industries. By partnering with governments, finance companies can provide different kinds of incentives and programs to accelerate the achievement of a sustainable and inclusive economy.

Biographies



Christina Fung:

Christina is Senior Vice-President of Consulting Services within the CGI's Toronto banking group. She leads business and technology transformation initiatives with banks, working closely with senior client executives in developing business and IT strategies and delivering complex business roadmaps and innovative technology solutions that achieve expected outcomes and value. Within CGI, Christina has held key roles, including Delivery Executive, Account Executive and currently Head of Products in Global Wealth & Capital Markets.



Dora Jonah:

Dora has more than 30+ years of experience in the IT industry working predominantly in financial services. Dora joined CGI in 2003 and currently oversees all delivery services provided to the financial sector from CGI's global delivery center in Atlantic Canada. Dora's in-depth knowledge of financial services, along with her extensive experience in managed applications services, helps her to serve as a trusted advisor to clients in formulating and executing successful business strategies that leverage technology, exceptional talent and performance management tools to drive business value and strategic market advantage. She is passionate about maximizing efficiencies and focuses on creating a culture of continuous improvement that cultivates a true partnership with her clients. Dora also is a huge advocate for Women in IT and Women in Leadership, working in her community to promote and support women in IT.



Frances Ferguson:

Frances is Vice-President of Consulting Services and CGI's US East Banking Sector Leader. With 20+ years of leadership experience in global business strategy, operations and technology, Frances helps clients improve their financial performance and operations and achieve transformational change, including digitization. Frances has held c-level leadership roles in global banking and has domain knowledge in capital markets, transaction banking and private banking. Frances' MBA is in Finance and Strategic Management from the Wharton Business School, University of Pennsylvania. She holds a master's degree from the Massachusetts Institute of Technology and an undergraduate degree from the University of Michigan. Frances also completed executive education certifications in artificial intelligence and blockchain technologies at MIT.



Nancy Amert:

Nancy has 25+ years' experience in banking and trade and is a recognized thought leader in blockchain and distributed ledger technologies (DLT). As Director of CGI's Trade Innovation Lab, she helps to lead and shape the strategic direction of the CGI Trade360 SaaS platform and its evolution into a fully integrated global solution for traditional trade, payables, receivables, collateral management and cash management. Nancy actively engages with global banks, leading FinTechs and corporate clients in the exploration and future commercialization of blockchain/DLT solutions and related emerging technologies for trade and supply chain.



Nathalie Conné:

Nathalie Conné is a Senior Consultant for Risk Finance and Climate Regulation within CGI's banking sector. For more than a decade, she has helped banks improve compliance through the management of complex cross-disciplinary projects. She supports them in defining their business challenges and deploy the right information systems and other IT solutions to minimize risks and improve sustainability.



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