

Does Sustainability Have a Role in Financial Services?



What is ESG

ESG is a means for investors to judge the Environmental, Social, and Governance credentials of the companies they invest in. There are many companies compiling such indices, and the component parts vary between suppliers. Broadly, however, the metrics cover:



1

- Protect environment
- Reduce, Reuse, Recycle
- Pollution
- Resource depletion
- Greenhouse gas emission
- Climate change



2

- Fair trade
- Child labour and slavery
- Health & wellness
- Local communities
- Diversity & Inclusion
- Small Business



3

- Tax strategy
- Executive remuneration
- Donations & Political lobbying
- Corruption & bribery
- Board diversity

Market Forces

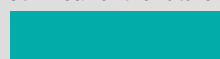
Climate emergency, fear of the future, and wealth distribution show up in the top ten global values. ESG themes are as important to consumers as they are to investors

Value Intensity (Top 10)

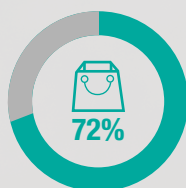
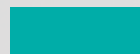
1st: Climate Emergency



5th: Fear of the future



10th: Wealth redistribution



Ipsos Global Trends study reveals that 72% tend to buy brands that reflect their personal values.

Reality

At Ipsos, we have tested over 6,000 Financial Services propositions ranging from banking, credit, investment, and insurance to fintech. We are now seeing a stream of financial services around ESG themes, from Doconomy's carbon footprint tracking credit cards in Sweden to Triodos' current account delivering "positive change for people and planet" in the UK.

Ipsos Vantis February 2021 study shows that sustainability alone is often not enough. Doconomy allows people to control their carbon footprint by curbing their spending based on carbon emissions,

a choice they're not willing to make. It underperforms compared to Triodos, which reassures people of all the expected benefits and offers a positive change alongside.

	Triodos Bank	Doconomy
Sign up interest	●	●
Price/ value	●	●
Uniqueness	●	●
Believability	●	●
Relevance	●	●

Bottom of database ● ● ● ● ● Top of database

What It Means For Marketers



The benefits of ESG products need to outweigh the sacrifices needed from users and product experience must be at par or better than the current alternative.



Transparency in 'how' the product achieves sustainability is key to winning over consumers – simply saying you're going to do good is not enough.



Committing to the cause is crucial, or else you run the risk of Greenwashing or being accused of jumping on the bandwagon, and that, as we've seen in the past, is worse than doing nothing!