

Sustainability in Financial Services



Trend overview

At no other time in human history has every government, business, and citizen in the world held the collective responsibility to act with determination to ensure the sustainability of our planet. This large-scale transformation of global societies will require coordinated public and private actions to drive consistent Environmental, Social, and Governance (ESG) business practices and fuel investments in the innovation and technology necessary for the greening of global economies. The global community is relying on the financial sector to enable a massive reallocation of capital toward sustainability—exposing unprecedented investment opportunities while mitigating unprecedented risks—to enable a smooth transition to a net-zero world.

This is the goal of sustainable finance, which incentivizes the integration of ESG criteria into financial services decision-making to accelerate long-term investment in sustainable economic activities and projects. To accomplish this, financial institutions must demonstrate leadership in their own business practices with a holistic approach that relies on technology for operational transformation.

Industry point of view

Embedding sustainability across the business provides financial institutions with needed insights into climate impact disclosure while demonstrating a positive contribution to society. These are vital to the financial sector's role as change agents.

The pandemic has forced institutions to rethink the delivery of financial services and the nature of work. Redesigning around digital-first engagement and hybrid work is helping institutions improve the sustainability of their business, especially in the following four areas:

Human + digital engagement and efficiency

Robust digital engagement capabilities can reduce the necessity of traveling to branches and the use of paper that is common in the delivery of financial products. These capabilities also expand community access to a broader set of financial services professionals through online appointment scheduling and video-based conferencing. Financial institutions will be able to integrate these capabilities into their workflow automation strategies across business lines, leveraging economies of scale for more efficient delivery.



Environmental monitoring, control, and optimization

Institutions continue to look for ways to reduce costs. Implementing network-based environmental monitoring achieves these reductions by optimizing energy usage while simultaneously improving employee satisfaction through automated control of temperature, lighting, CO₂, smoke, air quality, and other ambient characteristics of physical spaces. Applying artificial intelligence and preference-based automation can further lower costs and improve the experience for all constituents.

Decarbonization and sustainability

As financial institutions optimize and enhance their real estate portfolio for hybrid work, they must include new energy-efficient technologies to meet their sustainability goals. These technologies reduce energy loss, decrease carbon dioxide emissions using low-carbon power sources, and lower the release of greenhouse gases into the atmosphere with net-zero or net-positive building designs.

Future of workspaces

The shift to hybrid work is an opportunity for financial institutions to improve employee work/life balance through greater flexibility and choice of work location. Flexible workspaces that deliver great user experiences and enable collaboration allow institutions to reduce their physical space and energy use. Giving employees the choice to work remotely reduces travel and energy consumption while preserving their ability to collaborate and work effectively.

Conclusion

Sustainable finance will play a key role in the transition to a greener economy. Forward-looking financial institutions are analyzing their impact on the planet, aligning sustainability metrics with emerging long-term value, and setting ESG goals to achieve this.

By providing institutions with solutions that help them reach ESG goals, Cisco is helping the financial services industry drive sustainability and power an inclusive future for all.

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