

***OPPORTUNITIES  
IN  
SUSTAINABLE  
FINANCE***



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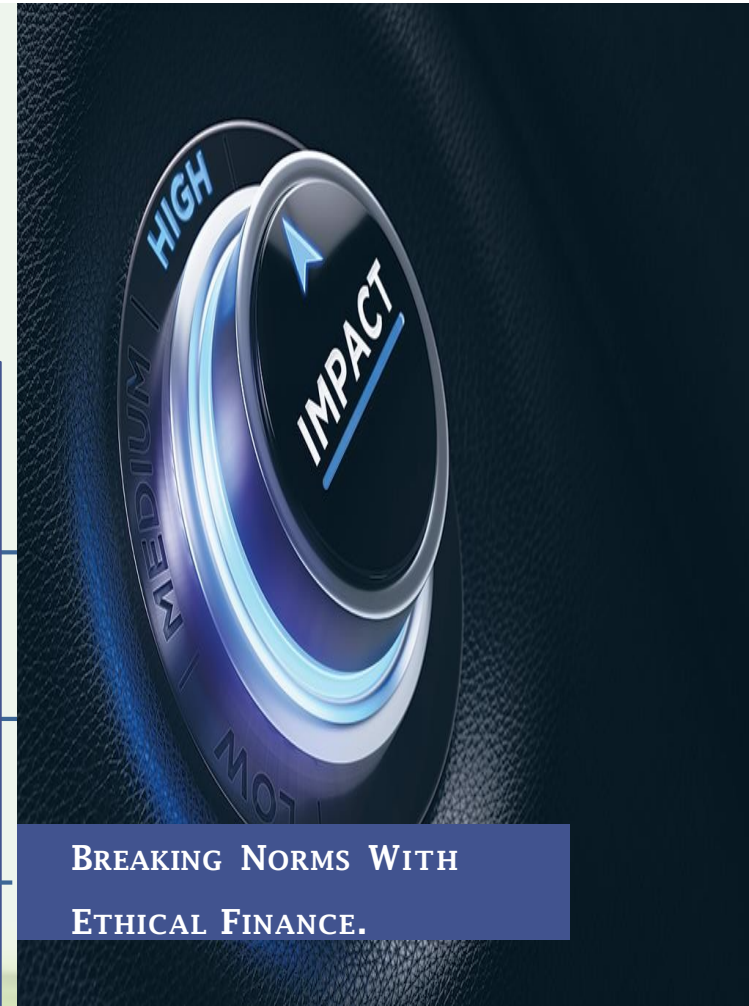
# DISCUSSION OUTLINE

Introduction to Sustainable Finance

Standards Driving Sustainable Finance

Sustainable Finance and Islamic Finance

Opportunities in Sustainable Finance



# INTRODUCTION TO SUSTAINABLE FINANCE



# INTRODUCTION TO SUSTAINABLE FINANCE

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- **Sustainability** involves the conscious efforts/ ability of meeting the needs of the present without compromising the ability of the future generations to meet their needs.
- **Finance** is a term for matters regarding the management, creation, and study of money and investments.
- **Sustainable Finance** involves making investment decisions that takes into consideration not only **financial returns** but also **sustainable Environmental, Social and Governance (ESG) factors**.

## WHAT IS SUSTAINABLE FINANCE ?

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Sustainable Finance is an investment strategy or financial service integrating environmental, social and governance (ESG) criteria into business and investment decisions for the lasting benefits of investors and society at large.

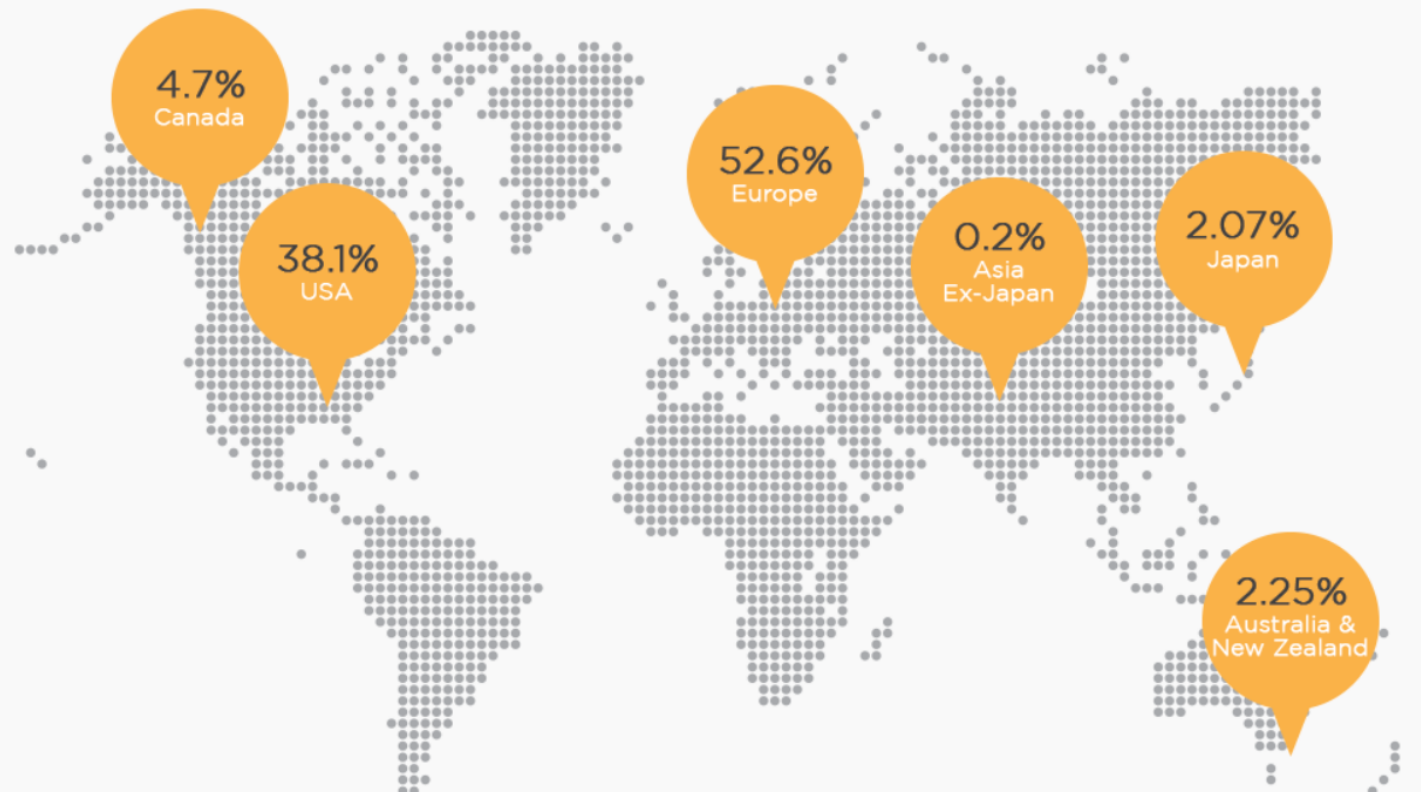
The three building blocks of Sustainability also known as 3Ps' are:

- **Profits**
- **Planet**
- **People**



## Sustainable Investing is Growing

Global sustainable investment reached \$22.89 trillion (26% of global AuM) in 2016. Asia (excluding Japan) accounted for 0.2% of global SI assets. Hong Kong accounted for 26% of Asia's SI assets.



# WHY SUSTAINABLE FINANCE?

Today's financial system is not “Fit For Purpose”

- **Financial System:** Rising inequality and never ending financial crisis are evident that our current financial system and growth model does not serve the needs of the real economy and society as a whole.
- **Required Funding:** Research has shown that achieving the UN SDGs by 2030 requires an enormous investments estimated to about **USD\$ 4-7 trillion annually**. The current funding gap is about **USD\$ 2.5 trillion a year**.
- **Risk:** Need to manage the increasing ecological and social risk that can hinder organization's ability to achieve resilience
- **Sustainable Investments:** Public Investments, Traditional funding and philanthropy acts are not enough to successfully meet sustainability targets and provide efficient solutions to the increasing climate problems.



*“The inclusion of the private sector as a stakeholder of the SDG's is practically a necessity.”*

**Former United Nation Secretary-General Ban Ki-Moon**

## MISCONCEPTIONS OF SUSTAINABLE FINANCE

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Involves compromising financial gains for values

1

For Some Belief/Religion only

3

2

Higher Risk

4

Requires larger minimum investments



# MAJOR STANDARDS THAT DRIVE SUSTAINABLE FINANCE



*“We are at a time when we can define the future we want, and the great mantra of sustainable development has always been on the table. But it is since 2015, with major milestones on the sustainability agenda, that these issues have become global, of real relevance, and have marked a turning point in the industry.”*

*- Sustainable Finance Initiative*

# Sustainable Development Goals

The Sustainable Development Goals (SDGs) were adopted by the United Nations in 2015 as a universal call to action to end poverty, protect the planet, and ensure that by 2030 all people enjoy peace and prosperity.

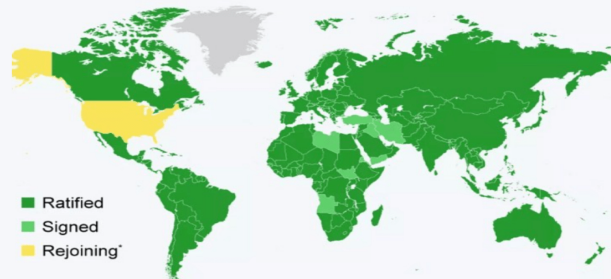


# The Paris Agreement

## What is The Paris Climate Agreement?

A landmark multilateral international treaty on climate change that was adopted by 197 parties at COP 21 in December 2015, entering into force in November 2016.

**The State of the Paris Agreement**  
Countries by their participation in the Paris Agreement  
(as of January 21, 2021)



@womensearthalliance

# CLIMATE CHANGE CONFERENCE OF THE PARTIES (UNFCCC COP 26)



*“Glasgow must be the start of a decade of shared ambition and innovation to preserve our future.”*

*“We can do this – we just have to make a choice to do it.”*

*“US President Joe Biden” at the COP 26*



## COP26: Nigeria To Reach Net-Zero Emissions By 2060-”Buhari”



According to the president, this is in line with the country’s Energy Transition Plan of achieving universal energy access by 2030 and net-zero emissions by 2050.

# SUSTAINABLE FINANCE AND ISLAMIC FINANCE



*“The 2030 Agenda aspires to achieve 17 high level Sustainable Development Goals (SDGs) and 169 specific targets, encompassing the social, economic and environmental dimensions of development. These aspirations for human dignity, and ‘to leave no one behind’, is fully in line with the principles and objectives of development from an Islamic perspective (Maqasid Al-Shariah).”*

*Islamic Development Bank (IDB)*

# SUSTAINABLE FINANCE AND ISLAMIC FINANCE

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- Islamic Finance is a faith-based finance governed by specific fundamental principles of Shari'ah
- Islamic Finance and Sustainable finance share common principles.
- Islamic Finance calls for justice, empowerment of all stakeholders, ethical practices and social responsibility – notions that are at the heart of sustainability efforts and initiatives.
- In recent years, the Islamic Finance industry has witnessed the launch of several initiatives and the creation of innovative structures that align with sustainability and ESG efforts.



# The Maqasid of Shari'ah

PROTECTION OF FAITH

1

PROTECTION OF LIFE

2

PROTECTION OF INTELLECT

3

PROTECTION OF LINEAGE

4

PROTECTION OF WEALTH

5

# OPPORTUNITIES



*“There are no profit on a dead planet” - David Brower*



# ONEWATTSOLAR LIMITED

RC 1561027

## Series I: 7-Year Secured Green Bond Issuance of ₦3 Billion

Comprising of

Tranche I: 7-Year Secured Green Bond Issuance of c.₦2 Billion, and  
Tranche II: 7-Year Secured Green Sukuk Issuance of c.₦1 Billion

(Under the ₦10 Billion Bond Issuance Programme)

Technically Supported by



Green Bond Verification by



Offer Opens: [•]  
Offer Closes: [•]

Guaranteed by

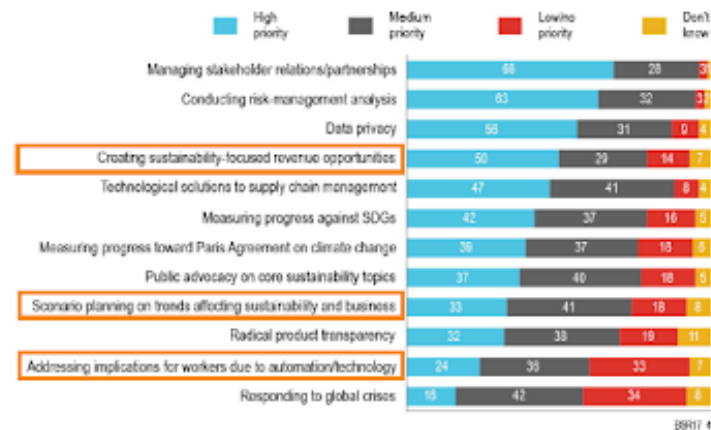


# Profit with Purpose – Investors & Organization

*“What if we could make sustainability profitable and profitability sustainable, without sacrificing one for the other” – Christian Klein CEO SAP*

Respondents seem focused on current issues, rather than understanding how sustainability issues might change by 2025.

Corporate Sustainability Priorities in 2025, 2017  
(Percentage of All Respondents)



In 2025 respondents see their companies focusing more on core areas of sustainability management, rather than evolving toward significant future issues (such as implications on workers due to automation).

However, it is encouraging that professionals view sustainability-focused revenue opportunities as a rising priority important for business.

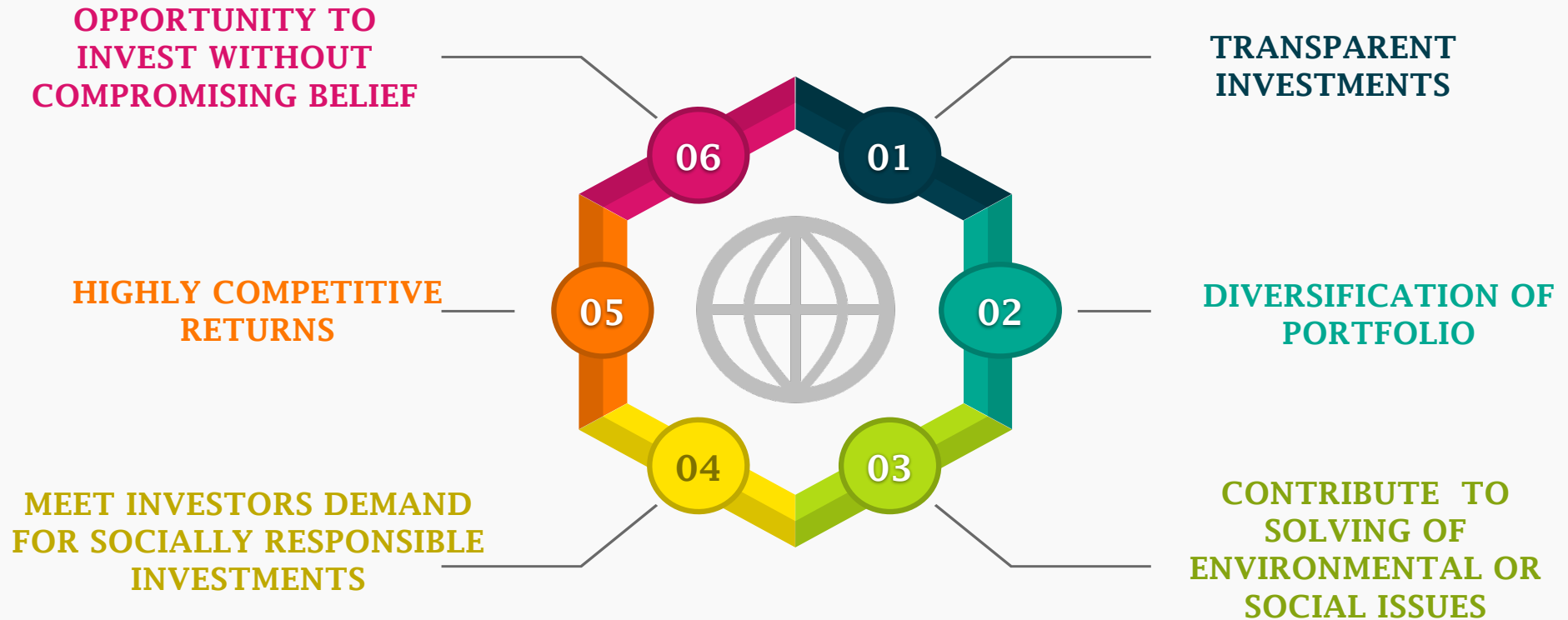
Q4. Thinking about the future, please indicate below how much of a priority you think each of these activities will be for your sustainability function to be carrying out in 2025.



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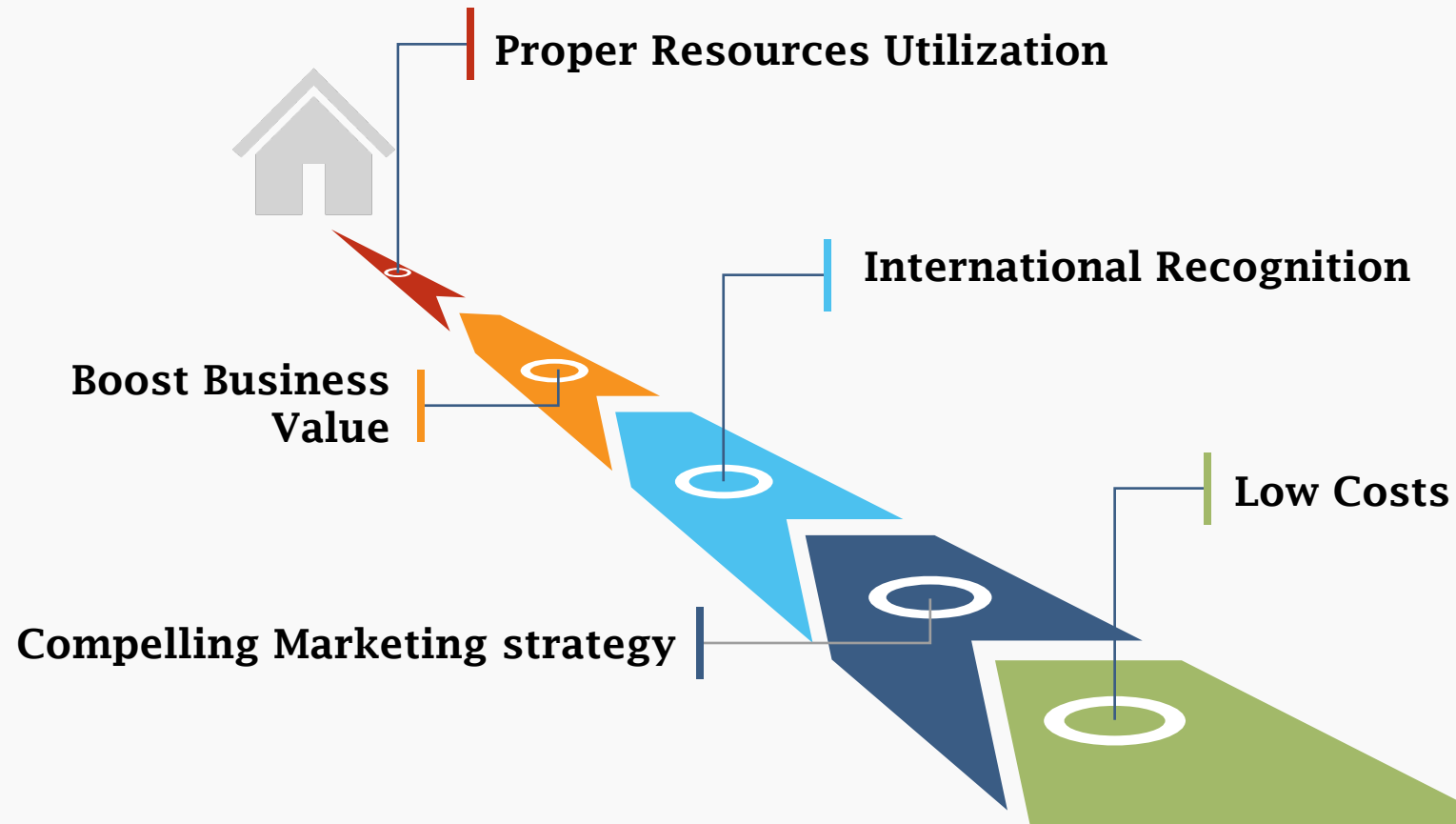


## KEY BENEFITS OF SUSTAINABLE INVESTMENT



# How Sustainability Can Enhance Organization's Profit

*Sustainability is indeed profitable, and its piques the interest of investors.*



# What Investors Majorly Look out for in a Company

## Legislative and Regulatory Risks

A Company that has identified and addressed the current and future legislative and regulatory risks of the markets where it operates.

## GHG Emissions

A Company that adequately discloses its current and projected greenhouse gas emissions. These data will help an Investor better understand and compare the climate change exposure a Company

## Third Party Opinion

A Company that provides information that is audited or otherwise verified by an objective third party is more compelling than self-reported data.



## Reporting

A Company that constantly reports on its environmental or social performance according to a well recognized independent standard. For example The Global Reporting Initiative (GRI)

## Strategic Planning

A Company that communicates its strategy for addressing a current or future legal or regulatory environment to the Investor's satisfaction.



## Conclusion

A company success is no longer measured with its bottom line alone, it's a matter of how you impact the communities (People & Planet), achieve competitive Profit, and maintain a balance between sustainability and profitability where in development is achieved without affecting the future.

*“Sustainability has to be a way of life to be a way of business”.* - Anand Mahindra



**THANK  
YOU!**