



WEALTH MANAGERS CAN REIGNITE INVESTORS' WANING ESG ENTHUSIASM

ANTICIPATE HIGH-NET-WORTH INDIVIDUAL
SENTIMENTS WITH ADVANCED DATA ANALYTICS

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Introduction

Are investors maintaining commitments to sustainability in light of recent economic volatility? Our research, conversations with, and analysis of High-Net-Worth Individuals (HNWIs) indicate that financial insecurity and a lack of consistency and transparency in environmental, social, and governance (ESG) reporting affect commitment to sustainable investing.

Generally speaking, economic conditions cause investors to pull back. And when they lack visibility into sustainable investments (SIs), trust dwindles, causing hesitancy and skepticism. Inconsistent and non-existent government regulation around ESG assets adds to the dilemma.

While impact investments, or assets with an ESG angle, have become wealth management firm mainstays, they face increasing scrutiny. The debate around impact investing further intensifies as some individuals with discretionary investable assets of more than USD 1 million revert to Maslow's fundamentals and put personal safety above green investing. **Market instability, macroeconomics, geopolitical tension, and concern about SI performance have led some HNWIs to survival behaviors and retrenching – at least for now.**

According to our findings from Capgemini's [World Wealth Report 2023](#), the wealth and number of 2022 global HNWIs declined for the first time in a decade. Yet, many remain emotionally and financially invested in ESG.

Balancing wealth preservation with sustainable investing

ESG-related investment opportunities are widely available, yet cautious HNWIs prioritize wealth preservation and seek quantitative evidence of positive impact and financial return. They want to avoid greenwashing and look for investment education, traceable ESG scores, and harmonized tracking methodology.

Our World Wealth Report survey of HNWIs determined that market volatility drove the 2022 move to safeguard wealth over sustainability, with 67% of HNWIs noting asset preservation as a critical objective and only 41% rating ESG impact investment as a top priority. European HNWIs were even less keen, with only 31% rating ESG impact investment as urgent.

Why should wealth management firms and relationship managers (advisors) take note? ESG investments are essential to earth-saving efforts and show enormous financial promise worldwide.

Globally,

37%

of all HNWIs and

47%

of HNWIs younger than age 40 say sustainability impacts their investment decisions.

Moreover, standardized and trusted ESG scoring mechanisms can boost portfolio resiliency.

While green investments may not be as profitable as oil and gas today, they are on track to surpass **USD 53 trillion by 2025**.¹ This figure would make up over one-third of all 2025 assets under management (AUM), projected to reach USD 140.5 trillion. The result? A global ESG debt market that tops USD 15 trillion.

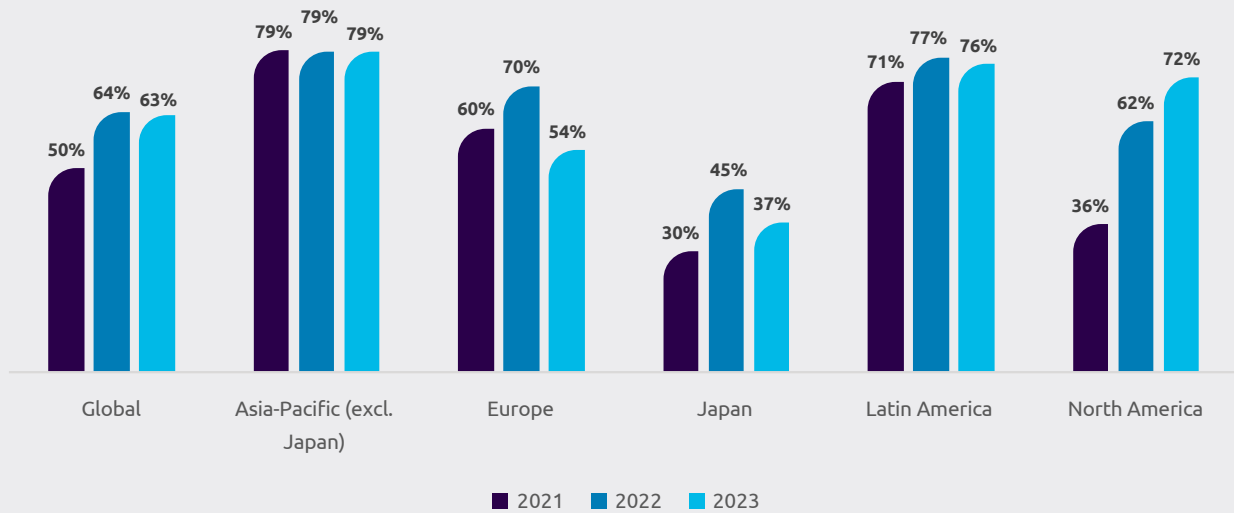
Addressing doubts with data

However, some investors and bond issuers consider the risks of greenwashing to be a significant threat. Accurate data about the environmental footprints of ESG portfolios (ESG scores) will be vital to address concerns and encourage more interest and action. Yet accurate data is contingent upon corporate willingness and commitment to measure, reduce, and disclose carbon data at scale and align with targets set by international guidelines such as the Paris Agreement. This endeavor is no small task. Relationship managers serving HNWI clients say ESG-related due diligence and environmental impact measurement are complicated. Fortunately, technology solutions can provide essential support. Artificial intelligence (AI) and machine learning can offer credible analysis to measure returns correctly and provide a more accurate view of a fund's actual ESG merits.

Executive summary

Capgemini polled more than 3,170 HNWI, 3,200 affluent-segment investors, nearly 100 wealth management managers and executives, and 800 relationship managers across 71 countries as part of the [World Wealth Report 2023](#). The survey revealed the latest sector trends, including wavering investor attitudes about ESG. From 2021 to 2022, HNWIs expressed slightly more interest in sustainability investing, up three points from 52% to 55%. Then, in 2023, the trend decreased globally to 41% as worldwide economic uncertainty continued. In Europe, the dip was more pronounced, with only 31% of respondents considering ESG a top priority.

Figure 1. HNWI likelihood to request an ESG score



Source: Capgemini Research Institute for Financial Services Analysis, 2023.

However, many HNWIs remain committed to ESG investment and growing their SI portfolios. They value a strategy that aligns their investments with their values.

Capgemini's analysis isolated global indicators of future ESG investment. For example, 63% of HNWIs worldwide are likely to request the ESG score of an asset they are considering for investment.

Regional gaps in ESG interest illustrate shifting HNWI attitudes requiring individualized wealth management approaches and solutions.

Across geographies, interest in ESG investing was highest within the under-40 age bracket, with 47% describing ESG objectives as a priority. In North America, 65% of those under 40 rated sustainability as significant when selecting a wealth management firm versus 30% of HNWI investors in the 40 - 49 age bracket. The higher the net worth wealth band, the higher the importance placed on ESG. We found that 45% of investors with a net worth higher than USD 30 million were concerned with sustainability, versus 37% in the USD 5 - 30 million band and 32% in the USD 1 - 5 million band.

Wealth managers positioned to drive change

Our report highlighted the shifting role of relationship managers (financial advisors). For example, 42% said they lack adequate data to understand an asset's ESG impact.

The findings suggest that many advisors feel out of touch regarding the latest sustainability investing trends. A lack of training can open wealth firms to vulnerability, as ignoring regulations and requirements can lead to severe financial and reputational risks.

Our HNWI and relationship manager surveys identified opportunities and risks within a budding market lacking transparency and well-defined standards. Many wealth management executives are suspicious of ESG scores published by corporations without visibility into data collection or processing practices.

As ESG investing matures, reliable data will be crucial to addressing gaps in knowledge and trust. Pairing datasets with AI and ML tools will render them more useful. Wealth managers and their clients can glean financial and ESG insights and combine them for a holistic view of a given asset or portfolio that guides more confident investment decisions.



HNWI sustainability perspectives

HNWIs have been somewhat cautious about ESG investing in recent years. In 2021, our survey of global HNWIs indicated that only half were likely to request the ESG score of a given asset. Compare this with 64% globally in 2022 and 63% in 2023. The trend was more optimistic in the United States, where the likelihood of requesting an ESG score rose from 36% in 2021 to 62% in 2022 and 72% in 2023 in response to some HNWIs' desire to give back to society.

63%

of global HNWIs will likely request the ESG score of a given asset in 2023

Both HNWIs and wealth management firms have shown persistent interest in ESG assets. In Capgemini's 2023 survey of HNWIs, 40% said their returns from ESG-related and non-ESG assets were comparable. Further, 41% said ESG investment was a top priority

Economic uncertainty contributes to ESG ambiguity

However, in the face of ongoing market volatility, HNWIs worldwide experienced a 3.6% decline in wealth in 2022, the steepest in a decade. And in times of economic difficulty, investment priorities often shift to wealth preservation.

The Global Head of the Capgemini Research Institute for Financial Services, Elias Ghanem, described the pivot in HNWI's appetite for sustainability in 2022's *Sustainability, Technology, and Finance: Rethinking How Markets Integrate ESG*.² Through the lens of Maslow's hierarchy of needs, he said that once individuals meet their essential needs for food, clean air, water, and financial security, they shift their priorities to meet core values such as self-actualization.

The COVID-19 pandemic helped put sustainability at the forefront of the world's collective psyche, especially for younger generations. Our 2022 survey found that HNWIs were open to investing based on their ethical values. However, the unpredictable economic climate temporarily deprioritized self-actualization initiatives, which may include sustainable investing.

Yet HNWIs continue to support ESG — in words, if not actions. By and large, these investors acknowledge the importance and strong potential of ESG-related assets.

According to a May 2023 report from London-based analytics firm GlobalData, HNWI investors worldwide allocate an average of 22.1% of their financial assets to ESG investment products. And 67% of wealth managers polled said they expect the proportion of financial client assets allocated to ESG investments to increase over the next 12 months — 1% said they expect a decrease.³

HNWIs remain interested in ESG investments, but skepticism and mistrust prevent many from investing in green and social impact funds, according to the third edition of the Saltus Wealth Index, which surveyed more than 1,000 people in the United Kingdom with investable assets of more than GBP 250,000 (USD 321,344) and found that the vast majority (80%) see climate change as a priority. And while concerns about the level of returns generated from ESG remain a barrier, cynicism and mistrust were mentioned as top reasons not to hold ESG investments. Saltus determined that despite 44% of HNWIs investing in ESG, skepticism is rising around the robustness and legitimacy of green and social impact funds.⁴

The numbers in Capgemini's report tell a diverse regional story. For example, 56% of HNWIs in North America named ESG impact a critical concern. In comparison, only 19% of HNWIs in Japan were likely to consider environmental impact in money management questions. The low interest reflects the country's complicated relationship with ESG. On the one hand, Japan has been hit hard by natural disasters such as floods and rising temperatures, underlining the need for climate action. Conversely, the country's reliance on conventional forms of energy, such as coal, limits its ability to cut carbon emissions.⁵

Question to HNWIs: How important are ESG/sustainability objectives when managing your wealth?

Region	Preserving wealth	Growing wealth	Donating wealth	Wealth transfer	ESG impact
Asia-Pacific (excluding Japan)	71%	73%	36%	54%	47%
Europe	60%	54%	24%	42%	31%
Japan	40%	35%	11%	25%	19%
Latin America	82%	85%	31%	61%	49%
North America	82%	78%	51%	69%	56%
World	67%	63%	34%	51%	41%

Source: Capgemini World Wealth Report 2023, Survey of HNWIs, Q1 2023.

Wealth Band	Global	Asia-Pacific	Europe	Japan	Latin America	North America
USD 1 million – USD 5 million	32%	36%	37%	5%	37%	38%
USD 5 million – USD 30 million	37%	44%	28%	21%	43%	48%
USD 30+ million	45%	52%	33%	22%	55%	62%

Source: Capgemini World Wealth Report 2023, Survey of HNWIs, Q1 2023.

Notably, ultra-high-net-worth individuals (UHNWIs) – with USD 30 million or more to invest – are most concerned with sustainability. Our survey found that 45% of UHNWIs view ESG as essential in their wealth management decisions. This percentage rose when we isolated those in North America, where 62% indicated ESG was vital.

The survey result is consistent with the earlier point about North Americans generally being most committed to ESG, and it held across all wealth bands. For example, 38% of North Americans within the USD 1 million to USD 5 million wealth band say they are interested in ESG investing. In

Latin America and Europe, those in this band follow at 37% each, followed by 36% of HNWIs in the Asia-Pacific (excluding Japan). HNWIs in Japan trailed, with only 5% saying ESG is critical to their investment decisions.

A new generation of ESG investors

Globally, age is a strong indicator of HNWI involvement in ESG investment. Investors under 40 are most likely to value sustainability; 47% of this group named ESG a critical factor in wealth management.

47%

of HNWI's under 40 say ESG is an important factor in wealth management

ESG support among millennials makes sense. They grew up with climate change issues and understand the potential of technology solutions. Further, we know from psychological insights that high-wealth individuals are in a position to give back to society – broadly and meaningfully – because they are not worried about whether they can satisfy their essential needs.

Anticipating HNWI demands is critical for financial institutions

In the past year, HNWI's have prioritized wealth preservation, and fear of a recession pushed some of these investors to withdraw from impact investments. For example, equity funds with an ESG tilt suffered a significant loss of investors in Q2 2023, dragging the sector into a rare H1 net outflow.⁶ Economic and regulatory worries in Europe drove outflows, according to analysts.

Also problematic were concerns connected to an anti-ESG backlash in the United States, where funds saw their fifth consecutive quarter of net outflows, according to Refinitiv Lipper data on the sustainable investment industry for the first half of 2023. Conversely, the data showed that sales of green bonds – debt companies say is ringfenced for environmentally friendly projects – tallied back-to-back record quarters in 2023. The issuance of sustainability-linked debt and social bonds was strong but below record levels.⁷

The numbers paint a complex picture of HNWI's motivation. While there is still momentum behind ESG investment, wealth managers must meet that interest with opportunities that address increasing demands for transparency.

Deciphering the data

The message from our survey is clear. Across the planet, significant (and ever-increasing) numbers of HNWI's are asking for reliable, traceable ESG data. They seek assets with strong ESG scores and carbon footprints aligned with corporate or national emissions regulations and targets. And the data must also be comprehensive. HNWI's want

to make informed decisions and are turning to wealth managers for wide-ranging information about the ESG impact of their assets.

Legislative contradictions

Conflicting governmental policies can discourage more widespread ESG investment. In the United States, where investors increasingly embrace ESG, disparate sustainability regulations are evolving. In June 2023, a US congressman introduced legislation targeting ESG factors in retirement plan investments. The bill proposes changes to the Employee Retirement Income Security Act, which regulates voluntarily established retirement in private industry, and the Investment Advisers Act of 1940, which regulates investment advisers.⁸ The proposed bill opposes the Freedom to Invest in a Sustainable Future Act that would give workplace retirement plans the autonomy to consider ESG factors in their investment decisions or offer ESG investment options.⁹ The legislation remained under review as we assembled this paper.

The divisive ESG regulatory environment in the United States contrasts with European investors' and lawmakers' more unified views. A general accord has enabled faster progress and less risky investments for European HNWI's. The EU mandates ESG disclosure requirements for relationship managers.¹⁰ And in Asia, regulators focus mainly on investor protection and greenwashing. Singapore has rolled out guidelines to take effect in January 2024 to help reduce greenwashing risks and enable retail investors to more clearly understand ESG funds.¹¹

A climate of controversy

Opposition to the Freedom to Invest in a Sustainable Future Act is cause for concern among some US HNWI's considering ESG-related assets. Why get behind a product or service that might be banned or restricted?

The attitudes of US business leaders, including chief financial officers from Fortune 500 companies, also reflect uncertainty. According to a Q3 2022 CNBC survey, many CFOs oppose the US Securities and Exchange Commission's proposed requirements for emissions and climate disclosure. A quarter of the respondents supported the SEC's measures, but 35% voiced strong opposition.¹² The March 2022 SEC proposal requires all publicly listed companies to disclose carbon emissions, climate-related risk, and their plans for reducing and mitigating emissions. The first mandatory filings are scheduled for 2024 (using 2023 data).¹³

The wealth management firm dilemma

Detailed data promises insights into ESG investing

Clarifying HNWI concerns is the first step. The next is to address them. For financial institutions to fully serve investors, they must arm themselves with complete and trustworthy data because clients' lack of trust in companies' ESG reporting is a significant obstacle to more widespread ESG investing.

A study conducted by Capgemini and French startup **BLOOM**, in collaboration with software company **Dassault Systèmes**, found that many individuals, regardless of net worth, are suspicious of corporations' sustainability claims.¹⁴ The study examined English-language conversations around climate on social media over eight months in 2022. Using a sophisticated algorithm based on natural language processing models, it sought to uncover business opportunities to drive climate action by considering individuals' key concerns and priorities. By analyzing about 14 million written posts and comments on platforms including Twitter, Facebook, and YouTube, the study found that individuals expect companies to drive climate action but see through overly optimistic messages around non-transformative or unrealistic solutions. In other words, opportunities exist for organizations to offer real reasons for hope.

The culprit: a lack of clarity

The global mistrust is due, in part, to a lack of unified international ESG reporting standards. Currently, corporations engaged in ESG reporting do not even necessarily measure the same sustainability key performance indicators. They also lack transparency in the procedures and analysis they perform on their sustainability data.

This lack of unity and straightforward reporting leads to confusion and mistrust. As a result, even as investors commit to sustainability principles in theory, they may not back up those convictions with capital.

Clients want to invest in ESG assets when they can trust the data they have received and only when it shows profitability and a tangible positive impact.

However, the lack of unity in reporting mechanisms is concerning. So how can a corporation effectively substantiate sustainability credentials when it uses different metrics than its competitors?

One attempt at a global standard is the United Nations Global Compact, which businesses can join to file an annual report that demonstrates their adherence to the UN's ten principles on human rights, labor practices, the environment, and anti-corruption measures.¹⁵ Companies can also report on their progress toward the UN's Sustainable Development Goals through a platform that blends the principles of the Global Compact and the Global Reporting Initiative (GRI) Standards.¹⁶

Feeding interest with information

Many wealth management executives support ESG investing; 78% of those we surveyed said their firms hold ESG-linked assets. An additional 9% of these executives intended to develop more ESG-related investment offers in the future.

Savvy wealth managers know that the most robust portfolios will be those that have anticipated and prepared for the risks associated with climate impacts. Investing in long-term growth and sustainable assets is a surefire way to create a resilient portfolio that will generate better long-term returns.

Yet, despite this awareness, many wealth management firms do not make ESG data analysis and traceability their prime concern.

Standardizing ESG investment support

Credible and standardized performance measurements would serve investors, regulators, financial institutions, and other ESG asset stakeholders. Access to such reliable data would permit wealth management firms to guarantee that a given investment aligns with their ESG best practices.

However, many wealth management firms need support in providing these insights in a traceable way for all assets.

Of relationship managers surveyed by Capgemini, 40% said they required more data to understand the ESG impacts of investments. Furthermore, nearly half indicated they needed such ESG data before effectively engaging with HNWIs.

40%

of relationship managers said they need more data to understand ESG impact

The problem is not limited to wealth management firms. The global framework for producing, distributing, and consuming ESG-related data is new and relatively underdeveloped. When corporations offer full data collection transparency across the ESG data value chain, investors will eventually trust ESG scores and reports.

Until then, reporting by wealth management firms will remain reactive, relying on performance information to promote ESG funds.

A lack of global standards hinders banks and wealth managers

Addressing challenges linked with the complexity and magnitude of ESG investment uncertainty requires various solutions deployed in tandem. Capgemini's executive survey asked respondents to share the actions their firms are currently taking to improve ESG strategy:

- Globally, 52% collect and analyze ESG data; this figure is highest in Europe, at 68%, and lowest in the Asia-Pacific region, at 24%.
- Worldwide, 61% have embedded ESG as a factor across their investment portfolios; the United States leads this trend at 69%.
- 59% of executives report educating clients on ESG.
- Meanwhile, only 31% say they are making ESG-related assets traceable.

52%

of wealth management firms collect and analyze ESG data

While companies promise to take steps toward internal ESG policies, the array of approaches further speaks to the

general lack of global standards. The situation introduces risk for the financial sector, where standards are paramount.

Information inspires innovation

Knowledge is power; accessing more ESG data will help address this risk. Insurers, for instance, are adopting a climate resiliency model that balances risk prevention with risk management. Capgemini helped build a framework for these insurers by analyzing communications in the insurance sector since 2015.

Capgemini's [World Property and Casualty Insurance Report 2022](#) encourages insurers to develop innovative risk prevention and transfer solutions. Rather than waiting for policyholders to respond to perceived risks, actuaries can spur clients to act today. The Capgemini framework encourages insurers to rethink risk assessment models, deploy risk prevention at scale, and drive sustainable investment and underwriting strategies — beyond exclusions and divestments — to create a resilient ecosystem. The report identified Resilience Champion firm characteristics. For example, 82% of risk champions had a chief sustainability officer or equivalent, and nearly 60% were in the advanced stage of using ML for pricing.

Yet, another 2023 [Capgemini report](#) found that due to economic downturn concerns, only 33% of businesses globally plan to increase investment in sustainability.

Vast data analysis is the basis of an insurer's new business model. The same applies to wealth management firms that select strategic partners with data expertise.

Tailor conversations with HNWIs

Wealth management firms handling high capital inflow must keep abreast of due diligence requirements to stay in business. In the case of ESG investment, remaining updated on sustainability regulations will require reliable, trustworthy data about ESG-linked assets.

Overvaluations and increased financial risk may ensue if a wealth management firm cannot collect, analyze and accurately report this information to clients. Wealth firms can partner with data analysis specialists to stay up to date.

As there are no global standards for sharing ESG information, many HNWIs lack confidence in the ESG scores published by companies they might invest in. Therefore, wealth management firms with reliable data can be invaluable to investors.

New approaches for banks and wealth management firms

Start with innovative ESG data-capturing methods

HNWIs are only beginning to venture into the world of ESG investing. As their interest grows, they will seek insight into the full depth and breadth of sustainable investing opportunities. They will also demand customized recommendations and portfolios.

As a result, banks and wealth firms must anticipate client needs. In preparation, firms can partner with data collection and analysis experts for technical support, including insights into the impact of ESG investments and returns generated. Once this data is collected, AI and ML tools can parse and leverage information through insights.

HSBC MOBILIZES AI IN SUPPORT OF ESG

Some major banks have already begun to collaborate with data providers to this end. In the first quarter of 2022, HSBC made a USD 100 million anchor investment into Breakthrough Energy Catalyst, a climate technology investment fund founded by Bill Gates that deploys private and public capital to promote new technologies in pursuit of 2050 net-zero goals. Catalyst is an initiative within the Breakthrough Energy network, which helps decarbonize high-carbon sectors via investments in direct air capture, clean hydrogen, long-duration energy storage, and sustainable aviation fuel.¹⁷

In 2021 HSBC invested in MioTech, a Hong Kong-based AI company that provides sustainability data and technology.¹⁸ It generates global datasets for financial institutions, corporations, and government bodies, and its data is updated in real-time so users can keep track of the latest sustainability trends. In Q2 2023, HSBC launched the HSBC ESG Risk Improvers Index in partnership with Arabesque AI, powered by data from ESG Book (a digital platform for ESG data management, disclosure, and analytics). The Index tracks the performance of companies expected to benefit financially from improvements in ESG risk. The bank calculates an ESG momentum score every six months to determine whether each constituent has improved its ESG credentials. HSBC customers can invest in a range of products tracking the Index, allocating capital toward ESG improvers.¹⁹

CITIGROUP GENERATES RELIABLE ESG SCORES

Since 2021, Citigroup has provided its securities service platform users with the ESG score for each portfolio asset. Citigroup partnered with ESG data company Arabesque S-Ray to develop the Citi Velocity Clarity platform, which analyzes multiple sustainability measures daily.²⁰ This company also uses AI and large amounts of data to provide reliable and precise ESG insights. As HNWIs in North America are leading the charge in many ways on ESG investing, it is particularly noteworthy that an American banking group is offering this service.

Technology's role in turning the tide

Technology, especially AI, will be a powerful lever to ensure reliable information. It can provide objective analysis and revolutionize the way we think about ESG. AI can automate tasks, identify patterns and make predictions that help businesses reduce their environmental impact, boost social responsibility, and strengthen their governance. When based on reliable data, AI offers impartial processing of large quantities of information and may become a resource for ESG scoring.

The tech industry plays a significant role in promoting ESG investment. Of course, many are monitoring and reducing their environmental impact. But others take a holistic approach by enabling the social component, or the S in ESG.

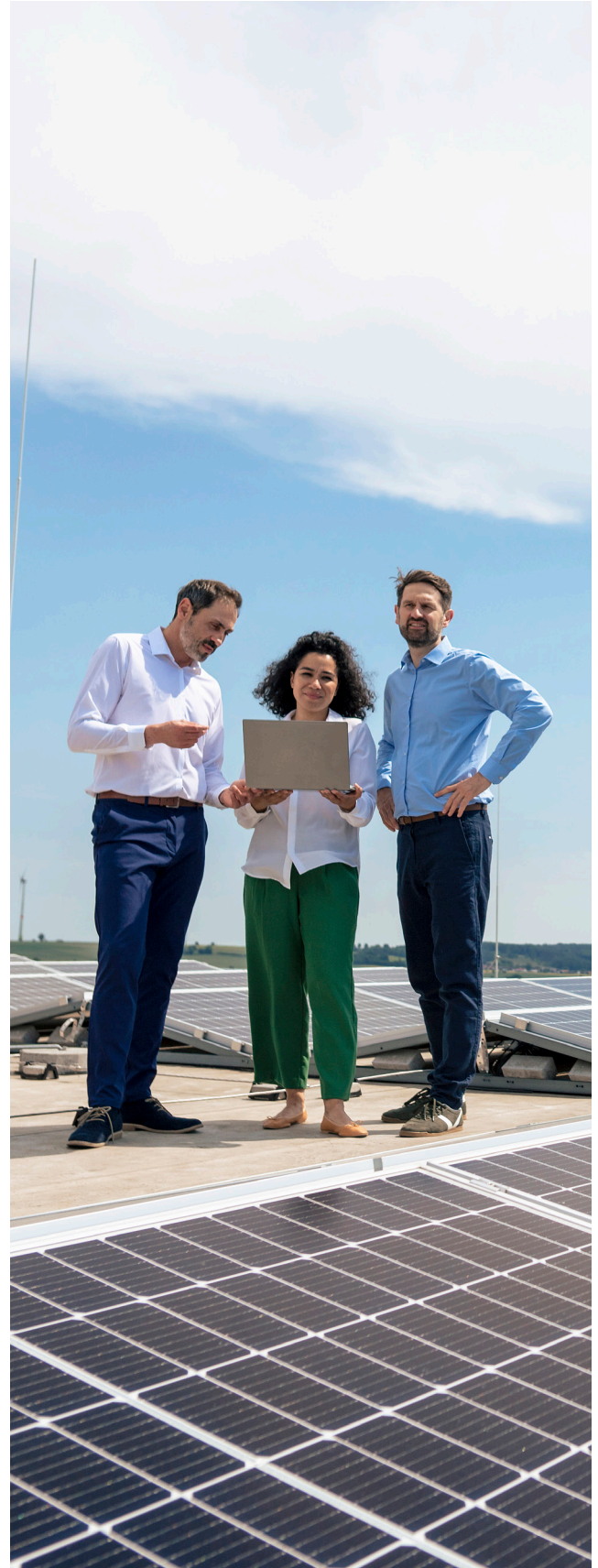
For example, **LoanWell**, a black-owned U.S. business-to-business FinTech, promotes social justice by streamlining loan origination. The firm leverages AI/ML and optical character recognition (OCR) to accelerate the time it takes to close a credit approval.²¹

Still, other tech leaders focus on ESG data accessibility. Manaos, the investment data management platform designed and incubated by the Securities Services business of **BNP Paribas**, helps institutional investors manage their post-trade investment data. Manaos's ESG data marketplace enables institutional investors and asset managers to source reliable ESG data and report on the sustainability of their investments. Via Manaos, investors can share their data portfolio securely and quickly with ESG data and service providers for in-depth ESG analysis at portfolio and asset levels.²²

Looking to the future of wealth management

Wealth managers can meet the ESG investment trajectory by preparing now to meet clients' future needs. Through novel thinking and building connections with technology and data experts, firms will be well-equipped to meet HNWI requests for accessible, personalized ESG investment insights.

Bringing AI and ML to bear on large amounts of data can enable all parties to carefully consider financial and ESG-linked data and fully grasp the impact of all ESG decisions. Combining these tools will serve HNWIs through actionable ESG investment advice.



In conclusion

A positive takeaway from our [World Wealth Report 2023](#) is that many wealth management executives are committed to ESG objectives. They embrace ESG-linked assets and anticipate more opportunities to support a sustainability-centered wealth management future – profitably.

At the same time, numerous development opportunities exist. For example, as sustainability investing matures, many relationship managers want training and reliable, precise data about ESG impact to provide client advice.

However, significant ESG investment challenges lie ahead. The existing ESG investment bubble can overinflate returns and obscure the relationships between ESG scores and financial returns on investment. Moreover, some select ESG products have received the bulk of investment, leaving potentially viable financial assets untested.

ESG strategies unlock growth potential by driving efficiency and reducing costs. They enhance long-term business resilience and reputation.

While many sustainability efforts are embryonic, Capgemini will monitor technology levers that enable ESG data reliability and standardized scoring. Today's next-gen investors expect nothing less.

Wealth firms require better data collection to enable confident moves into ESG investing. Greenwashing has become ubiquitous and threatens to stoke mistrust and disengagement among HNWIs. Wealth management firms with timely, data-backed ESG insights can combat cynicism with facts and figures. The result? Higher HNWI trust and wealth firm opportunity.

With 2023 heading to become the warmest year on record, it is clear that the future relies on a commitment to sustainability.²³ However, with climate change jeopardizing our basic survival needs, collective priorities may be catalyzed. ESG initiatives light the way for the wealth management sector to embrace new technology and partner with experts who can support comprehensive data collection and analysis. High-quality data will offer greater transparency and reassurance to sustainability investment clients.

Partner with Capgemini

Capgemini sustainability services

Business for planet modeling

We offer a strategy development tool that leverages the digital-twin approach to help enterprises build a sustainable business model by evaluating the impact of strategic decisions. First, we support the organization in developing a **sustainability strategic twin** to replicate business interactions. Next, the different options resulting from a decision are stress-tested and plugged into the future dynamics of the economy, climate, energy, resource boundaries, and policies. Optimized options enable the business to mitigate the transition risk, resulting in higher profitability with minimal environmental repercussions.

Carbon reporting and management

Companies must master a multifaceted measurement process to achieve ESG compliance. But monitoring and measuring carbon emissions from operations – reliably, accurately, and comprehensively – is challenging.

We help firms take a proactive approach to carbon reporting and management across the organization's entire value chain by measuring, managing, and monitoring carbon emissions through:

- A carbon data guiding strategy to foster sustainability and competitive advantage
- Streamlined and industrialized operations along the carbon management chain
- Strong digital foundations to ensure scalable and real-time carbon management
- Effective governance to drive organizational sustainability performance.

Carbon Reporting and Management Benefits:

- Secure ESG/ Corporate Sustainability Reporting Directive (CSRD) regulatory compliance
- Complete control of carbon data for reporting
- Enhanced business resilience, operational efficiency, and drive for future growth.

Net zero strategy and low carbon navigator

Driven by science-based targets, Capgemini's **Net Zero Strategy** sets a trajectory that will quickly move from a pledge to an actionable decarbonization strategy. Our approach includes:

- Vision and trajectory roadmaps
- Climate governance and organization
- Renewable energy sourcing
- Carbon pricing and offset

In addition, Capgemini's **Low Carbon Navigator** tool is a benchmarking resource, providing decarbonization strategies and levers from more than 400 leading companies across 25 industries. Armed with this bespoke information, we can accelerate a firm's carbon reduction with a realistic roadmap design, decarbonization levers assessment, governance design, and practical renewable energy sourcing and carbon offsetting strategies.

Sustainability data hub

A trusted environmental data foundation that mines next-level insights positions an ESG intelligence nerve center at the crossroad of all enterprise functions to empower ESG-driven business performance.

Our **Sustainability Data Hub (SDH)** enables data-driven decision-making by offering end-to-end Data Capabilities from Strategy to Execution to orchestrate the firm's purpose and support them at each step of the data-driven transformation.

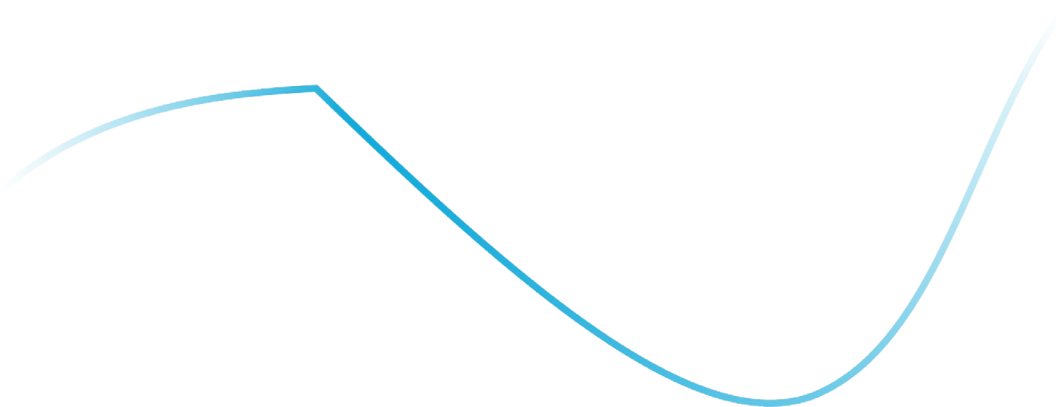
ESG lens

Focused on removing uncertainty and augmenting ESG data for reliable business decisions, ESG Lens is a Natural Language Processing (NLP)-powered solution that detects irregularities in third-party ESG data and delivers reliable and transparent risk measures to enable data-driven ESG decision-making. The solution utilizes structured and unstructured data to identify anomalies in third-party ESG scores and offers descriptive and diagnostic ESG sentiments that can track back to their source.

ESG Lens creates proxy ESG data to bridge data gaps. It delivers insights-driven ESG risk measures for fund/portfolio managers, traders, directors and officers, and policy/loan underwriters to counteract greenwashing, prevent losses, and support informed business decisions with predictive modeling.

Advanced analytics

This data-driven tool enables the growth of a diversified investment portfolio by integrating sophisticated location-based data and advanced portfolio analysis capabilities. It also facilitates the efficient management of investments through exposure management strategies and continuous risk monitoring. It is a group of functions that allow users to select the risk, make portfolio decisions and manage the book so underwriting guidelines are updated quickly to offer better agency engagement and loss control for end users.



Ask the experts



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With over 25 years of consulting experience in services, the public sector, utilities, and telecommunications, Cyril has been at the forefront of developing new services for Capgemini Group and its clients. Cyril drives the Group's sustainability agenda and is responsible for Capgemini's Corporate Social Responsibility.



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Satish is the Global Head of Sustainability in Financial Services for Capgemini. Satish has over 25 years of experience in technology and business consulting within the Financial Services industry. She is responsible for Capgemini's capabilities to help clients set, achieve and measure their Net Zero and ESG objectives and commitments.



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Tej is a global wealth management industry leader and head of ESG solutions with diverse experience as a transformation leader. He partners with CxOs to establish growth strategies and enterprisewide transformation while integrating sustainability.



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Further ESG resources

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