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5 Sustainability Actions for BFSI Tech Leaders

MARCH 2023

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BFSI's Unique Position in the Sustainability Value Chain

Leading Banking and Financial Services organisations play a crucial role in financing sustainability transition. They have the infrastructure and resources to kickstart their own sustainability journey. But beyond that, they also have a greater role in building a sustainable value chain.

This extends to helping the traditional economy to transition; green investments to promote organisations with the right intentions; and empowering their customers to make environmentally-friendly choices.

As a technology leader in BFSI, you are an integral part of your organisation's sustainability journey.

BFSI IMPACTS SUSTAINABILITY PRACTICES IN OTHER INDUSTRIES

53%
Banks/ Investors

40%
Regulators

35%
Customers

Question: Rank the 3 stakeholders who influence your sustainability practices the most
Source: Ecosystm, 2023

Balancing Regulations, Customers, and Data

The industry faces unique challenges in promoting sustainability. This includes:

- **Reducing internal energy consumption and carbon footprint**

- **Introducing "green" customer products and services**

- **Funding the transition to decarbonisation in high emission industries**

- **Monitoring carbon data for financed emissions**

In order to effectively guide other industries on their sustainability journeys, BFSI organisations are leading by example and undergoing transformation to ensure internal alignment towards their decarbonisation goals.

Here are 5 ways in which BFSI tech leaders can support their organisations to turn sustainability intentions into reality.

Align Tech with Business Goals & Strategy

For an organisation to prioritise sustainability, it must be ingrained within the organisational values and culture. Sustainability should be part of the:

→ Organisational Culture

→ Leadership & People Strategy

→ Data & Technology Strategy

→ Messaging to Stakeholders

More importantly, sustainability goals should be quantifiable and aligned to the overall business goals.

This includes setting the right KPIs on cost efficiency, acquisition of new customers, ease of reporting, fraud prevention, improved market image, and other relevant metrics.

Think like a business leader and understand larger goals beyond technology deployments to empower your team.

#2 View Reporting as More Than Just a Checklist

Financial organisations are leading the charge when it comes to reporting on sustainability matters. However, many look at sustainability through a narrow compliance lens.

Organisations have the choice of simply complying with standards or making sustainability a key component of their transformation journeys.

Sustainability measures extend beyond mitigating regulatory risks. To maximise investment benefits, view sustainability data as an asset to gain actionable insights. Integrate data across systems and business lines for a real-time view.

> **You are in an ideal position to demonstrate the value of data insights beyond reporting mandates to the leadership team – link them to larger business outcomes.**

Build Intelligence Into Your Facilities & Assets

BFSI organisations have numerous facilities and assets, presenting significant opportunities to reduce their carbon footprint.

In addition to regulatory compliance, reducing the carbon footprint can provide benefits such as energy cost efficiency and longer asset life.

This requires establishing a network of intelligent facilities and assets that collect and share real-time asset data, along with embedded analytics to provide insightful asset management. A seamless integration of Operational Technology (OT) and IT systems data, will be extremely beneficial in achieving this.

Consider investing in an intelligent enterprise asset management solution to automate asset and infrastructure management, remotely monitor and manage asset operations, and achieve sustainable business outcomes.

Automate Your Infrastructure Allocation

Tech teams need to prioritise energy efficiency and CO^2 emission reduction from multiple angles, driven by the goals of lowering IT costs, improving energy utilisation, and meeting regulatory compliance.

This starts with a focus on reducing the environmental impact of IT equipment and operations by using energy-efficient hardware, virtualisation, cloud computing, and other tools and technologies.

What would really benefit tech leaders is the ability to continuously automate critical actions in real time to deliver the most efficient use of compute, storage and network resources to all applications at every layer of the tech stack.

You are increasingly using FinOps tools and other predictive analytics dashboards for cost and resource optimisation – extend the use for greater energy efficiency.

#5 Understand Your Organisation's Unique Sustainability Journey

Sustainability is a complex and multifaceted concept, and each organisation will have its own unique pathway to achieving their goals. The journey will depend on factors such as its size, industry, location, stakeholders, culture, and values.

Sustainability outcomes cannot be achieved with a one-size-fits-all approach; it requires continuous learning, adaptation, and collaboration.

To successfully integrate sustainability into its operations, products, and services, an organisation must understand its unique sustainability challenges, opportunities, and risks. Given the complexities, it can be challenging for organisations to navigate their sustainability journey alone.

Seek independent opinion from third parties to empower your organisation to take the first step in the sustainability strategy, derive insights from data assets, and create market differentiation.

IBM Sustainability

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Sustainability Services

| **Aligned Business Strategy** | Garage for Sustainability Materiality, Data and Technology |

| **ESG Data, Reporting, and Climate Risk Management** | Envizi
Environmental Intelligence Suite |

Intelligent Facilities and Assets
Maximo
TRIRIGA

Resilient IT Infrastructure
Turbonomic
z16
LinuxONE

Circular Supply Chains
Sterling Order Management
Supply Chain Intelligence Suite

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