

Building an ESG competency network to foster ESG integration across all business activities

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Responsible Investing and ESG mark a profound change in the financial industry. Accompanied by regulatory pressure in Europe and increasingly in Switzerland, asset managers are facing challenges to adapt the traditional business model to one fit for the future. A key aspect to manage sustainability risks and seize business opportunities is the integration of ESG into an asset manager's core processes and existing value chain.

A strong need for ESG expertise across the entire company

Swiss Life Asset Managers is fully committed to sustainability and therefore strives for a comprehensive and permanent integration of ESG aspects into all core activities. This dynamic and profound change comes with challenges. Most important is to build in-depth ESG expertise that is not concentrated in a separate team of specialists but is built into existing job descriptions as a natural part for all employees and thus is distributed across the entire organisation. Besides hiring ESG experts as a reasonable starting point to acquire specialist know-how, every employee shall build-up an in-depth knowledge of sustainability and ESG.

Swiss Life Asset Managers decided to launch the ESG Ambassadors Programme to build up the ESG expertise internally and to empower its own employees to make the change: Around 50 employees from various business areas and locations were appointed as ESG ambassadors in 2020. This number will increase continuously in the coming years. The ambassadors receive special training and regular updates on sustainability topics. As part of their annual personal targets, they take responsibility for applying and further developing our approach to responsible investment in their area of business. They are supported by the top management's clear commitment to ESG, setting a positive and encouraging tone from the top.

Close collaboration on training and projects

The programme started with a general introduction to responsible investment provided by the PRI Academy for all ESG Ambassadors, as participants started from quite different levels. This overview was followed by tailor-made trainings and workshops for specific functions or locations. These helped the ambassadors gain a thorough understanding of the data and models used. Specialists completed appropriate off-the-shelf certificate courses, e.g. those offered by the CFA institute. As part of this train the trainer concept, ESG ambassadors are required to pass on the knowledge and skills to their colleagues. At all-staff "virtual coffee" meetings, employees are

educated on general ESG topics and on Swiss Life Asset Managers' specific ESG concept. With this information cascade, we aim to continuously build-up knowledge throughout the entire organisation. With the help of ESG experts, the ambassadors assumed their role in projects and drove the ESG implementation in their day-to-day business. They contributed to the development of new products or enhanced existing products to make them fit for ESG labels. They established a sustainable building guideline, set up systematic carbon monitoring of portfolios and developed proprietary ESG scoring models. Through these projects, our ambassadors establish collaboration across the organisation and geographical regions, thus enhancing flexibility and agility.

Encouraging experiences solidify the ESG Ambassadors community

Since they are directly involved in the core business processes, the ESG ambassadors effectively bridge the gap between business knowledge and specialised ESG know-how. They use their in-depth knowledge of the company's products and processes to comprehensively integrate ESG aspects. The ESG ambassadors closely collaborate with ESG Committees, divisional ESG team and with the ESG Board, which consists of representatives from each business unit and relevant functions. Together, they form a strong ESG competency network. The programme's impact is largely driven by ESG ambassadors' high intrinsic motivation and strong conviction to act on and be part of socially relevant topics. This passion contributes further to boost speed and innovation. With encouraging experiences, we aim to increase dedicated resources and grow the community with additional ambassadors. We want to further develop the training offering to fit various needs and keep it updated. Furthermore, encouraging interaction and sharing of insights within the community enables ambassadors to be at the forefront of market developments.

Investing in a future proof business model

With these measures, we proactively shape and expand our internal ESG knowledge throughout the organisation with the aim to make our ESG strategy persistent and pervasive. Ultimately, knowing ESG and acting sustainably in everyday business will become an obvious and natural skill for each employee. A strong company-wide ESG competency network helps Swiss Life Asset Managers to have the expertise and the agility to assert its position in a constantly and rapidly changing market environment. Integration of ESG aspects is not limited to portfolios and products, it is foremost about evolving the business and making it future proof.