

# NET-ZERO AGENDA RELIANT ON SIZE AND SPEED OF FINANCE INDUSTRY

21 SEPTEMBER 2022

Pace and scale is the key to the success of the energy transition to net zero, delegates heard at the second core day of Guernsey Sustainable Finance Week.

Peter Bachmann, Managing Director of Sustainable Infrastructure at Gresham House, speaking on the first panel session of the afternoon focusing on what the energy transition really means for financial market participants, said that demonstrating success quickly was key to bringing in more mature pools of capital.

When asked by panel moderator Josephine Bush, Sustainable Finance Strategic Advisor at Guernsey Finance, about how the world can accelerate to a net-zero future, he said: "The best thing we can do is show our initiatives work. That track record mobilises more capital."

Adam Matthews, Chief Responsible Investment Officer of the Church of England Pensions Board, who was also the afternoon's keynote speaker as well as a member of the panel, warned that the speed and complexity required means it will not be an easy transition, but it was a necessary one.

"We don't need the policy landscape to be clean," he said. "It will be disorderly because it needs to happen so fast – the pace where sectors mature and investors get comfortable is increased. It is a multi-decade transition, reengineering the whole global economy. It is going to be messy, but the transition is underway. Engaging with that complexity is unavoidable."

Also on the panel were Giulia Guidi, Head of ESG at NextEnergy Capital; Ross Keeling, Origination Director at HSBC; and Harry Manisty, Head of Energy Transition Investing at OctopusEnergy.

When quizzed by Josephine on how we ensure that the transition is 'just', Ross stressed that capital needed to accelerate towards new technologies and emerging markets.

"Capital finds it easier to find a home in western companies, but emerging markets need capital, and quickly," he said. "We will all pay the price if we don't find that capital."

Adam added: "You have to look at the impact that comes with it. It has to work in everyone's interest. We need a broad impact with the just transition that is beyond purely workforce."

A second panel took looked at the insurance and investment industries in making the transition accountable.

Gus Majed, Group CEO & Founder of Paratus Group, suggested that the sustainability frameworks available to industry, such as the [Guernsey International Insurance's Association's ESG Framework](#), demonstrated that the world was moving towards a more balanced outlook

"We are moving from labelling to doing," he said.

[Baringa Partners worked with Guernsey Finance on its latest report](#) on the role that the financial services industry can play in achieving a just transition to a net zero future.

Baringa Partner and Head of ESG and Sustainability in Financial Services Emily Farrimond was also on the panel. She was keen to emphasise the important role of sustainability frameworks in the face of skepticism.

"We hear complaints about the complexity of frameworks - a 'spaghetti soup' - but they are there to support consumers and investors to understand what companies are doing around ESG and supporting the just element of the transition," she said.

Closing the event, Guernsey Finance Chief Executive Rupert Pleasant said he found it encouraging that so many areas of the insurance sector, such as captives and insurance-linked securities, had something to offer in the just transition towards net zero.

“The more we cover the topic of sustainability, the more we discover about just how relevant the finance industry is in fighting climate change,” he said. “It never ceases to amaze me how we constantly learn of new avenues to pursue. In Guernsey, we’re up for the challenge.”



The first panel session from day two of Guernsey Sustainable Finance Week. L-R: Panel Moderator Josephine Bush, Sustainable Finance Strategic Advisor at Guernsey Finance; Peter Bachmann MD of Sustainable Infrastructure at Gresham House; Giulia Guidi, Head of ESG at Next Energy Capital; Ross Keeling, Operations Director at HSBC; Harry Manisty, Head of Energy Transition Investing at Octopus Energy; Adam Matthews, Chief Responsible Investment Officer of the Church of England Pensions Board.

Guernsey Sustainable Finance Week runs until Fri 23 September. For more information, click here: <https://www.weareguernsey.com/finance-events/2022/sustainable-finance-week-2022/>

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