

Sustainable Finance Lab Sweden is looking for strategic partners from the financial industry to support our upcoming project on "Science-Based Metrics for Sustainable Finance".

The project

In order for the sustainable finance industry to have a plausible chance of facilitating the transition toward a more sustainable society, an evidence-based approach is essential. The processes must build on knowledge about the most important sustainability targets, and an ability to create the most effective strategies to reach them. This project will draw on both natural and social science to develop the next generation of science-based metrics for sustainable finance. Instead of starting from commercial or political dynamics, a science-based approach starts from a theory of change, i.e., a roadmap of our best available knowledge of how financial markets can facilitate the transition to a more sustainable economy. The Sustainable Finance Lab has already made progress in creating such a roadmap (see e.g. Essential Environmental Impact Variables and Earth System Impact), now we aim to take this work further. More specifically, the project has three internal work packages that draw on different areas of our scientific expertise: first, developing a natural-scientific understanding of the most important targets with regard to climate change and biodiversity loss (WP1); second, developing a social-scientific understanding of how financial markets can have the most effective impact on those targets (WP2); and third, developing an applied-science understanding of how to best translate these results into concrete and user-friendly metrics for financiers (WP3). We will also convene an international working group of distinguished scholars with complementary expertise, for "synthesis work" to jointly address a complex issue and deliver actionable outcomes (WP4).

Value for partners

Your role as a strategic partner would be to co-fund the project together with our main funder Vinnova – Sweden's innovation agency. We are looking for both cash contributions and in-kind contributions (i.e., that you commit internal resources such as labor or data). In return, you will as a partner gain direct access to our research that aims to produce distinct, robust, and usable metrics for sustainable finance. We are also looking for feedback and collaboration on how our metrics can be used to strengthen or complement your current work with ESG data and sustainability reporting. Finally, you will be invited to co-host events at which we present our results to academics and industry. We have so far secured partnerships with *If Insurance* and *Swesif (Sweden's Sustainable Investment Forum)* for this project, but we hope to get further partners on board!

About us

Sustainable Finance Lab Sweden is a transdisciplinary research center established to transform financial markets and to enhance the sustainable development of society. Our aim is to deliver scientific insights that strengthen practice. The Lab gathers researchers from several Swedish universities as well as strategic partners from the financial industry and civil society. This project will primarily involve researchers from the Stockholm Resilience Center, University of Gothenburg, and KTH Royal Institute of Technology.

If you are interested in joining us, please contact SFL Co-Director Kent Eriksson (<u>kent.eriksson@abe.kth.se</u>) for further discussion! We need to hear from you **latest Friday 22 September**.