

5.4 Implication 4: New job roles will emerge, in areas such as Sustainability Risk and Sustainability Strategy

As FIs embed sustainability-related activities into existing job roles and career tracks, there may be situations where FIs see value in creating new job roles. This could be due to various reasons, such as regulations that mandate the integration of sustainability or where there is a large skills gap within the FI's existing workforce that renders upskilling unfeasible.

To identify and anticipate new job roles needed by the integration of sustainability within the FS sector, both top-down and bottom-up approaches were used.

- **Top-down approach:** Inputs from a market intelligence platform which contains global labour market data and proprietary client workforce data on emerging job roles were analysed. The platform provides insights into new job roles that are evolving and becoming essential in response to sustainable financing demands and emerging trends across markets.
- **Bottom-up approach:** Activities which had been laid out in the value chain analysis but whose task steps were not adequately addressed by existing job roles were identified. This would suggest gaps in current job roles that do not cover essential sustainability-related activities.

Findings from both approaches were aggregated, determining that Sustainability Risk and Sustainability Strategy are emerging job roles.

5.4.1 Sustainability Risk

A dedicated Sustainability Risk job role can be created as FS professionals in this job role will need deep technical knowledge on how to assess sustainability risk and long-term financial performance. While the Risk Strategy job role currently exists across FS sectors, FIs may choose to create this dedicated and specialised Sustainability Risk job role which focuses solely on sustainability risks, given the complex interlinkages between sustainability risks and financial performance. FS professionals in the Sustainability Risk job role will need to work with those in Risk Strategy, who are responsible for coordinating the management of enterprise-wide risks through collaboration across the FI's risk disciplines. This ensures that sustainability risks are adequately incorporated into ERM framework.

The Sustainability Risk job role is needed across all FS sub-sectors immediately. Key job tasks of FS professionals in this job role include:

- Defining sustainability risk management strategies, frameworks and policies
- Setting the acceptable risk tolerance and risk appetite levels around sustainability risks
- Overseeing the monitoring and management of sustainability risk exposure
- Identifying key risk indicators and material sustainability risks
- Setting, implementing, and monitoring risk and control indicators



5.4.2 Sustainability Strategy

Sustainability Strategy is a key emerging job role that is central to defining the sustainability strategy in FIs over the next three to five years. Having a dedicated and specialised central position to shape sustainability strategies, drive financial outcomes, and operationalise / develop capability to deliver on enterprise-level sustainability strategy, could help FIs ensure greater coordination in achieving its sustainability agenda. They can take the lead in shaping the FI's sustainability strategies and defining the steps and sustainability transformation roadmap for the FI, which will then guide further plans and considerations at the client, product and transactional level.

Industry consultations with CSOs indicated that staffing central positions with real economy sector professionals with deeper sustainability expertise has proven advantageous, even for smaller FIs. They would be able to better lead and support other business units by imparting sustainability-related knowledge and ensuring that sustainability is integrated into every part of FIs' activities and decision-making processes.

Four key areas of responsibilities of the Sustainability Strategy job role were identified, covering strategy setting, business and product management, sustainability integration and thematic expertise and advisory.

Depending on the FI's business strategy and sustainability maturity, these responsibilities of the Sustainability Strategy job role could be performed by separate FS professionals in one job role or be further carved out to a few job roles that sit within a centralised sustainability team structure. For example, Sustainability Insights could be a job role undertaken by an external hire who is an expert from the real economy sector. Additionally, a few key variations of the job role's focus and team compositions are expected to arise as various FIs, with different models and business strategies, progress through their sustainability transformation journey<sup>96</sup>.

1. Sustainability Policy Key job tasks include:	<ul style="list-style-type: none"><li>• Formulate the FI's sustainability strategy and framework</li><li>• Proactively drive external stakeholder engagement, stewardship and market awareness</li><li>• Develop internal sustainability initiatives</li><li>• Develop FI's organisation's sustainable finance capabilities</li></ul>
2. Sustainable Finance / Products Key job tasks include:	<ul style="list-style-type: none"><li>• Lead the sustainable finance/ products business</li><li>• Support business development activities</li><li>• Support development of sustainable finance products</li><li>• Build and maintain business partnerships with key ecosystem stakeholders</li></ul>
3. Sustainability Integration Key job tasks include:	<ul style="list-style-type: none"><li>• Manage integration of sustainability regulations and provide internal advisory services</li><li>• Lead the exploration, testing and implementation of sustainability-related technologies and tools</li><li>• Encourage collaboration across functions and business units</li></ul>
4. Sustainability Insights Key job tasks include:	<ul style="list-style-type: none"><li>• Provide subject matter expertise on key thematic topics in relevant real economy sectors (e.g. job roles may include transportation expert with decarbonisation technology and renewable technology expertise)</li><li>• Identify viable technology and green innovation (e.g. renewable technology)</li><li>• Support sales, product and risk teams during client conversations and expand FI's sustainable finance business opportunities</li><li>• Lead Sustainability Centre of Excellence, including exploration, testing and implementation of sustainability-related technologies and tools</li></ul>

96. Refer to Appendix B: Variations of Sustainability Strategy.