



Climate Change & Finance at Imperial College Business School: Building a bridge between academia and industry

Winner: Driving change through education, training and academia

Winner: Climate leadership award

What

Climate Change & Finance at Imperial College Business School (CCFI) empowers finance professionals to become prime agents for addressing climate change. Located in the business school at Imperial College London, CCFI positions sustainability in the financial system as a core business issue. A finance-focused approach is at the heart of CCFI's research agenda and climate education and training.

In its education offerings, CCFI targets both existing professionals and the next generation of finance leaders. An open-access online course is freely available as an executive education programme that covers the risks and opportunities of climate change. CCFI also offers a one-year interdisciplinary master's programme, covering business and financial strategies for addressing climate change that are grounded in the latest climate science.

CCFI keeps its research relevant and actionable with the goal of driving concrete change. Research is released on an open-access platform (SSRN). Accessible working papers are released that summarise the centre's research, paving the way for busy finance practitioners to bring cutting-edge climate research into finance practice.

A clear understanding of the real concerns and questions of industry underpins all CCFI's work. CCFI operates as a bridge between the worlds of academia and finance with credibility in both spheres. With its academic activities and strong industry engagement, CCFI is leading the way on bringing robust approaches to climate change into mainstream business and financial decisions.

Why

CCFI believes that climate change is one of the world's greatest business challenges and demands a comprehensive, cross-disciplinary response. Climate change and sustainability need to be a strategic focus for business and finance, with industry professionals being better equipped to incorporate climate change into decision making. CCFI's work is geared towards enabling the finance industry to be part of the solution, channelling capital flow into necessary infrastructure, managing climate risk and being active participants in creating a sustainable future.

The centre's distinctive research and education offerings are designed to bring together academia and business – and so strengthen both. Academic research benefits from understanding and grappling with the real challenges faced by industry. Equally, finance professionals gain access to accessible academic research that meets their needs and answers their questions. Through this approach, CCFI sees the possibility of a prosperous, productive and sustainable economy that doesn't depend on fossil fuels.



‘The multi-disciplinary approach taken, combined with the clear focus on finance, builds a compelling and distinct offering in the climate education of finance professionals.’

Finance for the Future Awards judges

How

CCFI has taken the following approach to their finance-focused climate education and research:

- > CCFI is **part of Imperial College Business School**, so it benefits from the business school's links to industry and is well positioned to champion climate change as a business issue. Climate finance topics are now integrated into the business school's courses and MBAs.
- > A **mix of funding**, including research contracts from foundations, allows CCFI to articulate their vision rather than being driven by the mandates of funders.
- > Through CCFI's industry links and rigorous academic research, it has built the credibility in both business and academia to act as a **bridge** between them.
- > CCFI's activities are built on market awareness and geared towards a financial audience. Its **collaborative tone** means that its messages can resonate with the business and finance community, where an anti-business tone can alienate.
- > The centre works closely with **major organisations in capital markets**. This collaboration helps CCFI to support organisations' efforts to mainstream climate considerations into their operations. CCFI also used guidance and contributions from industry leaders in climate finance when developing its executive online course.
- > CCFI's **distinctive niche** is focusing on applied financial challenges where research can make a real impact on practice. Its work addresses the points where academic concerns overlap with questions that banks, asset managers and shareholders are asking.
- > CCFI has designed education and training for **different audiences**. It offers executive education with a free-to-access online course and postgraduate education with the MSc Climate Change Management and Finance.

'We want for our work to ensure in the long-term that every capital markets practitioner has a basic understanding of climate change and its potential impact on what they do.'

Charles Donovan,
Executive Director, CCFI

Creating climate impact

CCFI is a forward-thinking organisation, looking to create impact both now and stretching into the future. Through long-term research, CCFI seeks to define and quantify the future financial risks of climate change. The MSc Climate Change Management and Finance programme is intended to equip finance leaders of tomorrow with a broad understanding that will help them to drive change. This programme gives students a thorough grounding in climate science, tools to address the financial impacts of climate change and exposure to industry speakers from a range of roles and professions.

The enrolment for CCFI's MSc programme doubled annually in the three years since its launch. CCFI's executive online course was designed to maximise reach, and the course achieved over 3,000 enrolments in just over six months of its launch.

Research conducted by CCFI has achieved academic credibility but is also designed for impact in the real world. CCFI's research has addressed core issues of valuation, asset pricing and portfolio construction

that drive financial markets and that are key issues for the industry. To maximise the impact of this work, CCFI's activities are designed to be easily interpreted and applied by financial practitioners, using their language and metrics.

Short, accessible working papers summarise CCFI's academic research, and the centre broadens its reach further by engaging with mainstream media such as the Financial Times, Wall Street Journal and Bloomberg. The centre's work shows organisations and individual practitioners that climate action in the finance industry is needed, that it's possible and how it can be done.

By forging close links with large financial organisations and ensuring the accessibility and reach of its research, CCFI empowers finance professionals, investors and organisations to make changes that, together, can make a positive global impact. Beyond this, CCFI's bridge-building work aims to translate the energy of a community of finance practitioners to galvanise a wholesale shift in the industry, towards a sustainable financial future.

www.imperial.ac.uk/business-school/faculty-research/research-centres/climate-finance-investment



DISCLAIMER

This case study presents **Climate Change & Finance at Imperial College Business School** entry for the Finance for the Future Awards 2019. The case study only includes information that was part of the organisation's 2019 entry. Some of this information may now be out of date. For a current view of the organisation's work, please visit their website at the link given above.



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