

Summary

The E4S Action Lab convened over 35 participants for a dynamic roundtable workshop to ideate on pre-identified sustainable finance challenges and project pathways. The session brought together stakeholders from academia, finance, NGOs, and policy, resulting in five concrete project ideas:

1. A Model for Climate-Aligned Portfolio Management

Given the materiality of climate change as financial risk, participants stressed the importance of nuanced measurement of portfolio vulnerability and company impact, considering differences in regional exposures and asset classes. Asset pricing should be informed by robust climate science and integrated, high-quality data sources.

Workshop Outcomes:

- A three-level research project will be developed—leveraging E4S students—to enhance climate risk pricing at micro, portfolio, and multi-asset levels. The first step will be a basic model incorporating forward-looking climate scenarios, physical and transition risk, carbon pricing, and insurance premiums. Insights from micro-level data will inform higher-level asset allocation strategies.

2. Assessing the Contribution of SDGs to Investment Performance

Despite growing interest in sustainable investing, impact metrics remain difficult to compare across actors and asset classes. This lack of comparability is compounded by a broader gap in empirical research linking SDG-aligned impact to financial performance – especially in private markets. Participants identified a need to better understand which SDGs contribute more clearly to financial performance, and how this could inform both investment and policy decisions.

Workshop Outcomes:

- The group proposed to develop a methodology to estimate the financial contribution of each SDG. The first step would be to create a taxonomy of key metrics per SDG, drawing on existing frameworks (e.g., GIIN). These metrics would then be used to infer SDG exposure at the portfolio or fund level. Through an analysis across asset classes and investor types, the group aims to isolate the contribution of each SDG to financial performance indicators. The group will build a one-pager summary of the project objectives to share with stakeholders that may be interested to join the initiative. Outputs considered include a publication and dedicated event for result dissemination.

3. Scaling Green Finance Instruments: Barriers and Policy Levers

While instruments aiming at accelerating the transition such as green bonds and sustainability-linked loans are available, their use remains limited. The discussion led to a diagnosis suggesting the problem was at the ecosystem level and the solutions were likely to be case-dependent. Participants therefore agreed to focus on a specific case.

Workshop Outcomes:

- The group agreed to explore and develop the project initiated by the CPEG, SIG and SFG aiming at accelerating heat pump investments in the Geneva region. The first step would consist in extending the project to the Canton of Vaud and including technology specialists. An E4S researcher will analyse systemic barriers, then, a one-day workshop will be arranged in September. At a later stage, the possibility of replicating the analysis in other cantons will be explored. The goal is to come up with a clear vision of the systemic pain points with the help of all relevant parties and to propose possible ways of lifting the obstacles. The underlying conviction is that under revised conditions impact investments in one form or another could be deployed around heat pumps at the local level.

4. Scaling Humanitarian and Social Sector Financing: From Grants to Revenue Models

With reductions in international aid from many countries, such as the US, UK, France, and Germany, several international organizations and NGOs are exploring shifts from grant-based to revenue-generating models. Blended finance and in particular the impact-linked finance collaborative are supporting this transformation. Participants also discussed the potential for a marketplace featuring not only sustainable public companies but also impactful private equity opportunities for retail investors, through alignment with the EU taxonomy criteria.

Workshop Outcomes:

- The roundtable acknowledged both opportunities and limitations in channelling private capital to the humanitarian sector. The group decided to explore a diagnostic screening tool for organizations to assess their suitability for alternative financing models, such as debt/equity for access to institutional or retail investors through the inclusion of EU taxonomy criteria. The group also emphasized the need to balance complexity (e.g., adolescent sexual health or drug addiction) with simplicity for financiers and to consider counterfactuals and regulatory alignment for impact products to scale.

5. Supply Chain Data and Data Quality for Extra-Financial Reporting

Participants in this group highlighted the complexities of extra-financial reporting regulations and practices, including risks of accidental greenwashing and inconsistent metrics. As the CSRD and other regulations come in place, reducing discrepancies and increasing homogeneity for data collection and reporting across companies and sectors will be key.

Workshop Outcomes:

- The group proposed developing a data quality dashboard including supply chain data, to display confidence scores. Recognizing that some metrics are easier to assess than others, the aim is to enhance traceability and comparability across sectors.

Conclusion

The Action Lab Ideate session enabled actors from different sectors to discuss new collaboration pathways. Participants left with a clear mandate to advance new tools, frameworks, and collaborations. The E4S team is looking forward to supporting each group in realising the described initiatives.