



Bocconi Students Fintech Society

Fintech for Sustainability

Generalist Desk

www.bsfintechsociety.com

Fintech for Sustainability



Sustainable and competitive tech-driven financial products are seeing a boom on their demand. The main trends of this phenomenon can be grouped into two main categories:



Digital platforms for ESG investments:



VS



Carbon footprint payments systems:



How Fintech is shaping next generation investments

Disruptive startups are taking the lead in the European ESG investments world, driving companies and private investors to a sustainable finance



Investments areas:



Climate change:
renewable energy,
clean water



Equality:
ageing population,
diversity and inclusion,
gender equality






Technology:
healthcare innovation,
electromobility,
digitalization and
cybersecurity

Investments platforms' profiles



Sustainable fund inflows more than doubled in 2020 for equity reaching \$348bn compared to \$166bn in 2019



	Base	Valuation	Insights
	London, UK	\$13,7M	Portfolios have performed 25.35% on av.
	Zurich, Switzerland	\$4,4M	Currently using 38 technologies on its website
	London, UK	\$6,4M	Main targets are green ETFs and bonds

Sources: crunchbase.com, Morningstar, companies' websites

Fintech firms focused on Carbon footprint



New fintech firms focused on sustainability and transparency have emerged in Europe allowing users to offset their carbon footprint while benefiting of financials services.

	Base	Valuation	Insights
	Barcelona, Spain	\$3.5M	Equity crowdfunding, designed for 'Gen Z'
	Paris, France	Undisclosed	Investing in renovation of buildings, public transports and renewable energies

Sources: crunchbase.com, companies's websites

Case study: Aspiration



Aspiration offers socially-conscious and sustainable cash management services and investment products, so you can make money while making the world a better place.

Base	California, USA
Valuation	\$250M
Investment Platform	A robo-advisor drives customers' investments to sustainable purposes. The service fee charged is autonomously determined by the client himself, according to how much he thinks it's fair.
Payments	The Aspiration Impact Measurement index shows how a company is sustainable in terms of environmental impact and human rights care, so that it drives customers to purchases from sustainable firms.

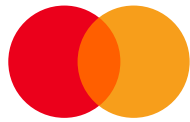


Sources: crunchbase.com, investorjunkie.com, wired.com

A partnership that can lead the way



Doconomy is a Sweden-based fintech company that offers digital banking services that aims at inspiring change in behavior and reducing unsustainable consumptions and carbon emissions.



mastercard

Its Start Path program is a springboard that helps the best and brightest late-stage startups maximize their opportunity for success.



It enables customer to track CO2 emissions through the [Åland Index](#). Its solution is easily integrated by banks that want to achieve sustainable goals

fabrick

First player in Italy with the aim of enhancing open finance through a disruptive business model. It offers digital solutions for SMEs, banks and fintechs.



Mathias Wikström
CEO at Doconomy

"The collaboration with two major players, such as [Fabrick](#) and [Mastercard](#), will allow our solution to be quickly adopted by a large number of users who will thus be able to realize the actual impact of their behavior on the environment and consequently adopt virtuous behavior[...] [Sustainability](#) today must be an integral part of the [core business](#) of all realities, primarily the financial ones "

Partnering for creating a more aware customer base



Doconomy partnered with Flowe and Klarna in separate projects to monitor the impact of CO2 in daily consumption and to allow users to track the impact of CO2 with respect to each purchase made.



Launched by Banca Mediolanum to reach a young customer base in Europe. It is an innovative digital bank account known for giving wooden debit cards to its customers.

Thanks to the algorithm provided by Doconomy, Flowe is able to estimate the CO2 emitted by the **Flowe Card**. For any bank account created, a tree is planted employing zero CO2.

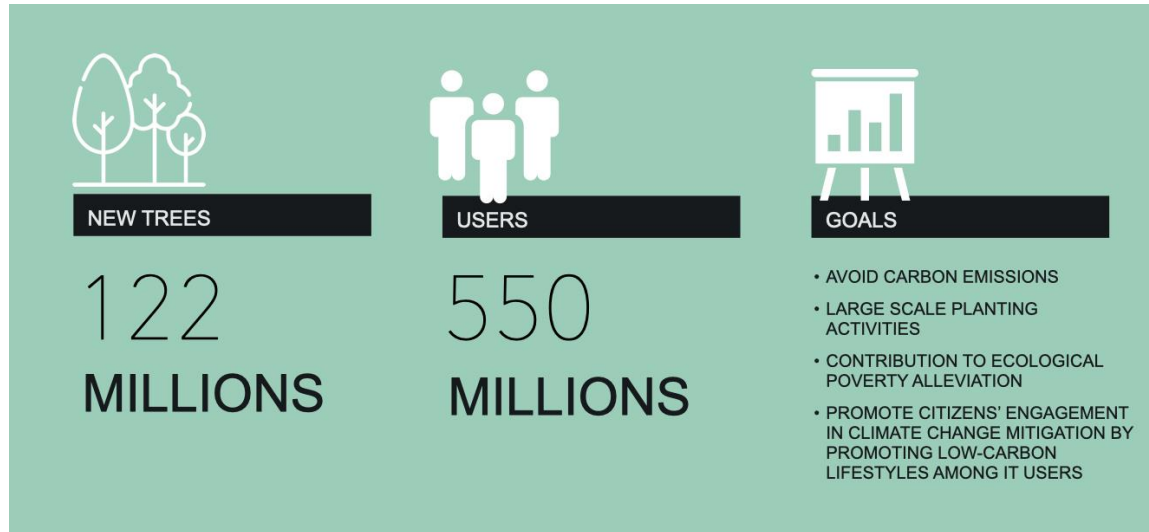


Klarna, Europe's highest valued private FinTech company (\$31bn). Through Doconomy's Åland Index, it allows banks and brands to display the carbon footprint of transactions. Unbiased climate impact information are thus given to Klarna large customer base, which account for **90 million people**.

Fintech will find its way to the forest



Ant Forest takes the first steps to a greener consumption behavior, leading the way.



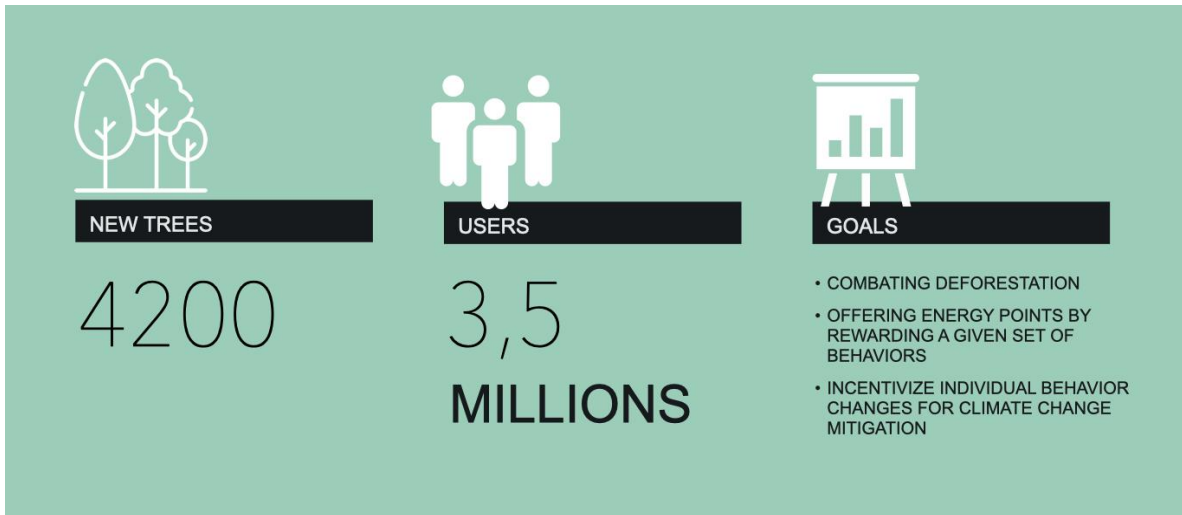
Ant users can voluntarily engage through the app to reduce their carbon footprint, they are rewarded **green energy points**. As users accumulate enough point virtually, a tree is planted.

According to Alipay Ant Forest's pilot results, users avoided **4.9 kg of CO₂** equivalent emissions per person each year, as a product of the green behaviors they adopted. This is the equivalent to **0.064%** of per capita emissions in China.

Fintech will find its way to the forest



In the Philippines, GCash Forest follows Ant Forest's trail, embracing the same values and performing similar activities, albeit with less amazing results.



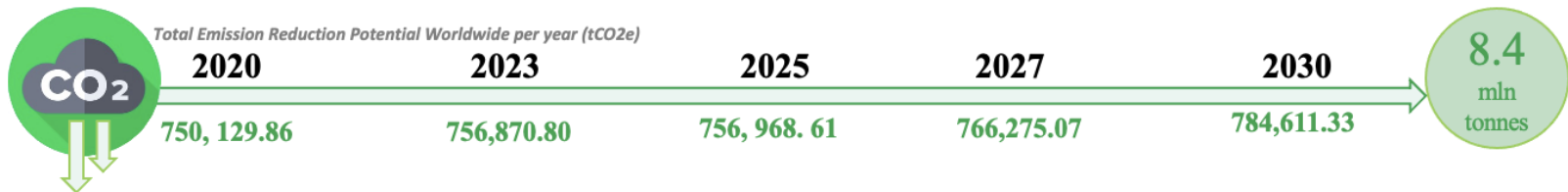
In June 2019, the first platform designed and based on Alipay Ant Forest, "GCash Forest" was launched in the Philippines.

A Greener Future with Ant Forest and GCash Forest

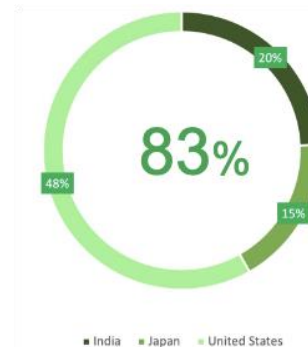


The Philippines example enlightens that through scaling a platform like Alipay, Ant Forest can catalyze its performance in additional countries, in terms of potential emissions avoided through individuals' behaviors.

Under this scenario it was estimated, by DataPop Alliance that for the period from 2020 to 2030, summing the estimated reductions for each year worldwide, 8.4 million tonnes of CO2 emissions could be avoided.



India, Japan and United States have the most significant impact in the overall Emission Reduction Potential worldwide, covering the 83% of the 8.4 million tonnes of CO2 emissions avoided, estimated for the 2030.



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