



1 In pairs or small groups. Read the statements below. Which one do you agree with? Why?

The only responsibility of business is to make money.

Milton Friedman, economist and Nobel prize winner

The business of business should not be just about money. It should be about public good, not private greed.

Anita Roddick, founder of The Body Shop

VOCABULARY

2 Match the words (1-6) to their definitions (a-f).

- | | |
|---------------------------------------------|--------------------------------------------------|
| 1 <input type="checkbox"/> sustainable | 4 <input type="checkbox"/> corporate governance |
| 2 <input type="checkbox"/> financial return | 5 <input type="checkbox"/> financial transaction |
| 3 <input type="checkbox"/> lending | 6 <input type="checkbox"/> social housing |

- a able to continue for a long time
 b low-cost homes, usually managed by the state or non-profit organisations
 c exchange which involves money or payment
 d giving money to someone who agrees to return it in the future
 e profit from an investment
 f the way in which a corporation is controlled and directed

READING

3 Read the text and decide if the sentences are True (T), False (F) or Not Given (NG).

- | | | | |
|--------------------------------------------------------------------------|----------------------------|----------------------------|-----------------------------|
| 1 Investors have always been interested in social issues. | <input type="checkbox"/> T | <input type="checkbox"/> F | <input type="checkbox"/> NG |
| 2 The Equator Principles are a set of social and environmental criteria. | <input type="checkbox"/> T | <input type="checkbox"/> F | <input type="checkbox"/> NG |
| 3 Only European banks have agreed to be part of the Equator Group. | <input type="checkbox"/> T | <input type="checkbox"/> F | <input type="checkbox"/> NG |
| 4 Socially responsible investing is the most popular model. | <input type="checkbox"/> T | <input type="checkbox"/> F | <input type="checkbox"/> NG |
| 5 Sustainable finance has solved many environmental problems. | <input type="checkbox"/> T | <input type="checkbox"/> F | <input type="checkbox"/> NG |
| 6 Microfinance is offered to anyone who needs a loan. | <input type="checkbox"/> T | <input type="checkbox"/> F | <input type="checkbox"/> NG |

Sustainable finance: what's it all about?

Ten years ago, very few people knew what sustainable finance was. Traditionally, investors' performance was based on financial measures alone. They didn't worry about the outside world.

5 But things have changed in the past decade. Nowadays, before they decide to put money into a company or a project, investors often take into consideration environmental or social issues, not just financial returns.

- 10 This change in attitude dates back to 2003, when ten important international banks agreed to start applying social and environmental criteria to their lending. They called themselves the Equator Group and the rules were named the Equator Principles.
- 15 They set two strict parameters right from the start. First, the rules would only apply to large-scale infrastructure projects, such as roads, bridges and very large buildings. Second, they had to meet social and environmental standards set by the International
- 20 Finance Corporation (IFC), a member of the World Bank Group.

This formula has proved successful. The Equator Group has grown from 10 to 75 banks and has expanded to include not only European banks, but

25 banks from over 32 countries, many of them from emerging markets in Africa and Latin America. The internal processes of many banks have also changed dramatically. In the past, few bankers would have understood the intricate details of an

30 environmental impact report. Today, most banks have in-house experts at work to make sure that the Equator Principles are followed.





There are different models of sustainable finance. Socially responsible investing is the approach which
 35 has gained the largest following. It involves integrating environmental, social and corporate governance criteria into decisions on financial management and investment. This must be done in a systematic and traceable manner. Issues such as consumer protection,
 40 human rights, fair trade and diversity are important for socially responsible investors. Green finance supports financial transactions in support of ecological initiatives, for example projects to control industrial pollution and protect biodiversity. Social finance offers
 45 funding to projects such as employment, social housing, and international solidarity. Finally, microfinance offers credit to the most disadvantaged populations, such as unemployed and low-income individuals, who have no other means of accessing
 50 financial services. These models are quite different but most are based on the principle that companies can still have a financial return when they try to achieve non-financial goals.

Sustainable finance can make a big difference.
 55 There's so much to gain, not that much to lose. It's a way to show that businesses do not exist separately from the rest of society and that we all have our part to play to make this a better world for future generations.



4 Complete the sentences with the phrases below. There are two extra.

a single model • disadvantaged populations • follows the principles • fair-trade • large-scale • low-income families • their own experts

- Roads and bridges are examples of infrastructure projects.
- Nowadays, banks have in the Equator Principles.
- There isn't just of sustainable finance.
- Socially responsible investors see human rights and as important issues.
- A company can still profit if it of sustainable finance.

LISTENING

5 054 **INVALSI** Listen to Jason Morris, director of Sustainable Finance Programmes at Sunrise Bank. Choose the correct answer: A, B or C.

- Sunrise Bank is particularly concerned about ... issues.
 A environmental B economic C social
- The Paris Climate Agreement was signed by ... countries.
 A 2000 B 200 C 100
- The bank usually works with ... companies.
 A small B technological C big
- The Centre of Sustainable Finance was created by...
 A Sunrise Bank.
 B the government.
 C a group of financial institutions.
- The number of investors who care about environmental and social issues...
 A has decreased.
 B hasn't changed considerably.
 C is becoming larger.

WRITING

6 Use the information in the article and the listening to write a report (140-190 words) about sustainable finance. Include the following points:

- what sustainable finance is;
- why it's important;
- how it started and developed;
- different models of sustainable finance;
- impact of sustainable finance on society.