

## Press release

---

### Switzerland to be the world leader in sustainable finance by 2015

**Sustainability will be a core constituent of tomorrow's finance business. Making sustainability an inherent part of the Swiss financial centre brings tangible and lasting benefits in terms of positioning, attractiveness and competitiveness on an international level. Sustainability is gaining momentum in many financial centres and Switzerland has the capability to be ahead of the curve.**

#### About Sustainable Finance

Sustainable finance integrates environmental, social and governance (ESG) criteria into business and investment decisions for the lasting benefit of both clients and society at large. After many years of robust growth, sustainable finance is now becoming a megatrend that responds to investors' requirements such as liquidity, suitability and risk mitigation while at the same time fostering responsible corporate practices.

#### The White Paper "Path to the Sustainable Financial Centre Switzerland"

**Sustainable Finance Geneva (SFG) and The Sustainability Forum Zürich (TSF) have joined forces to publish a white paper with editorial assistance of PwC Switzerland. The objective of this study is to sharpen Switzerland's competitive positioning in sustainable finance. It is based on extensive research undertaken by SFG and TSF as well as on interviews with 30 influential regulators, politicians and decision-makers in Switzerland.**

Its vision is in line with the "Swiss Federal Council's sustainable development strategy 2012-2015" and is supported by Wolfgang Rieder, Leader of Advisory, PwC Switzerland: *"We see sustainable finance as an opportunity for the Swiss financial center and the Swiss economy as a whole and it is with conviction that we supported the preparation of the White Paper."*

#### Six key proposals to position Switzerland as the world leader in Sustainable Finance

Sustainable Finance Geneva has decided to turn this vision and Switzerland's unique combination of strengths into six proposals for sustainable finance: the first four are concrete recommendations to accelerate its market development and the last two are suggestions to promote its framework conditions.

#### Accelerate the market development of sustainable finance

1. **Creation of a sustainable funds structure specifically designed for responsible investment strategies based on social and/or environmental criteria.**

This new legal structure must enable every Swiss or foreign manager to create responsible investment funds in Switzerland, regulated by simple and transparent criteria.

- For example: at least 75% of the fund's assets are invested in strategies with a formal social or environmental dimension.
- Obligation to ensure a transparent strategy and positions held by the funds.
- Obligation to measure regularly the social and/or environmental performance.

This offering will therefore enable Switzerland to remedy the lack of an internationally recognized "sustainable finance" label. The fund managers concerned will be able to create their investment vehicle in Switzerland, instead of choosing another country, so as to benefit

from this independent label. This innovation has long been awaited by the industry and may well attract a significant share of the SRI market to Switzerland.

## 2. Development of **fiscal incentives** to promote sustainable finance

The development of a fiscal incentive mechanism to accompany the responsible investment funds described above will facilitate the mobilisation of private and institutional capital in favour of those enterprises which are the most beneficial to society.

- These fiscal incentives may take one of two forms: encouraging supply, for example by lower stamp duty rates for responsible investment funds or lower taxation of the companies which manage such funds.
- Encouraging demand, for instance through lighter tax measures for investors who have made profits on investments in responsible investment funds after holding them for a stipulated minimum period.

## 3. Creation of a **brokerage platform** for sustainable finance

Creation of a brokerage platform to enable (Swiss or foreign) institutional investors to circulate their SRI (Socially Responsible Investment) mandates in a transparent and effective manner. This platform will enable commercial opportunities to be developed in Switzerland; it will also strengthen international recognition of Swiss expertise through:

- a single point of entry for all players,
- lower intermediation costs,
- immediate and fair access to all invitations to tender for SRI, both national and international.

## 4. Creation of a specific **stock exchange** to list social companies

Switzerland is admirably placed to create a stock exchange for the listing of social companies by analogy with the initiatives already taken in the United States, Singapore or South Africa. A Swiss Social Stock Exchange (3SX) will enable international social enterprises to secure a listing in this country which is acknowledged for its financial expertise and legal framework. It will facilitate access to capital for enterprises wishing to resolve an identified social issue by means of an economic approach.

### Foster framework conditions for sustainable finance

## 5. Signing the international “**The Sustainable Stock Exchanges (SSE)**” initiative

“The Sustainable Stock Exchanges (SSE)” initiative, launched by the UNO in 2009, aims to promote extra-financial reporting of the environmental, social and governance type (ESG) by companies. Evidence in fact shows that the challenges of sustainability can have a considerable impact on the stock market prices, making it essential for investors to obtain standardised and transparent information about these issues.

This initiative will enable the “report or explain” model to be extended to all listed companies in Switzerland; under that model, enterprises undertake either to publish environmental and social data or to explain why they are not doing so.

## 6. Introduction at national level of **certified professional training** on sustainable finance

Develop a training module called SSIC (Swiss Sustainable Investment Certification), designed to enable finance professionals to acquire the skills and methods needed to engage in sustainable finance. This training will lead up to a certificate recognized at both national and international level based on the CFA model.

The SSIC will strengthen the global expertise of the Swiss financial community in the area of ESG, and give Swiss professionals a competitive advantage on the local and international employment market. The SSIC will also enable the best practices to be established and circulated, while providing companies active in sustainable finance wishing to come to Switzerland with locally trained and qualified staff who may be in short supply elsewhere.

## Now is the time to act

Switzerland is one of the few countries to include sustainability in its constitution (article 73), encouraging all Swiss actors to contribute, given their individual means, to sustainable development. Switzerland is also among the world's leading financial centres, with a dominant position in private banking (27% market share worldwide). Finance accounts for 10% of the Swiss gross domestic product and for 6% of employment. A winning strategy to protect and grow this industry and know-how has to be synonymous with innovation; the country has a strong track record in pioneering sustainable finance solutions creating tangible impacts, being for instance one of the birthplaces of microfinance. The ESG market is highly developed and brings together both specialised pioneer boutiques and big banks that offer a broad selection of sustainable products. Switzerland is also ideally located; it has a respected and solid network of international organisations with dedicated experiences in green and social finance to ensure it can create a long-term competitive advantage in attracting professionals, ideas, and institutions. Finance could learn from a large number of industry sectors that have seen the introduction of sustainability-related labels and quality assurance systems in recent years.

According to Angela de Wolff, Founding Chairperson of Sustainable Finance Geneva: *“We are convinced that Switzerland has the assets to create a competitive advantage thanks to its well-anchored commitment to sustainable development. The window of opportunity is wide open and now is the time to act”*.

Thomas Streiff, CEO of The Sustainability Forum Zürich, adds: *“To insure a prominent place for Switzerland in this growing market, we need to connect the renowned expertise and professional skills of Geneva and Zurich to help us remaining competitive and innovative in product design, distribution, asset management and fund structuring”*.

Switzerland has to create the culture shift required to combine market mechanisms in order to promote sustainable outcomes. The Swiss tax regimes, legal and regulatory structures must be both domestically and internationally attractive and competitive to incorporate institutional and individual investors into these opportunities over time.

---

### Contact media

Pascal Dubey  
pascal@dubeyfinance.ch  
+ 41 79 256 56 31

### Further information

Links to the White Paper  
<http://www.sustainability-zurich.org/en/p67000024.html>  
<http://www.sfgeneva.org/index.php/swiss-market>

---

### About SFG and TSF

**The Sustainability Forum Zürich (TSF)**, founded in 1999 as independent, non-profit, non-partisan association, seeks to contribute to sustainable business in the dynamics of globalisation by promoting forecast, reflection and action in and through the financial markets and its key players. TSF aims to take up topics relevant to the future, by way of an action-oriented dialogue with internationally recognised topic leaders and decision makers, enabling the integration of entrepreneurially relevant sustainability principles in the financial market.

<http://www.sustainability-zurich.org/>

**Sustainable Finance Geneva (SFG)** is an association of investment professionals offering a unique exchange platform enabling a broad overview of the industry by covering the topics of sustainable finance like SRI and microfinance but also impact investing, philanthropy, social entrepreneurship and ESG research. It also promotes the Swiss financial center as a major actor of sustainable finance internationally.

<http://www.sfgeneva.org/>