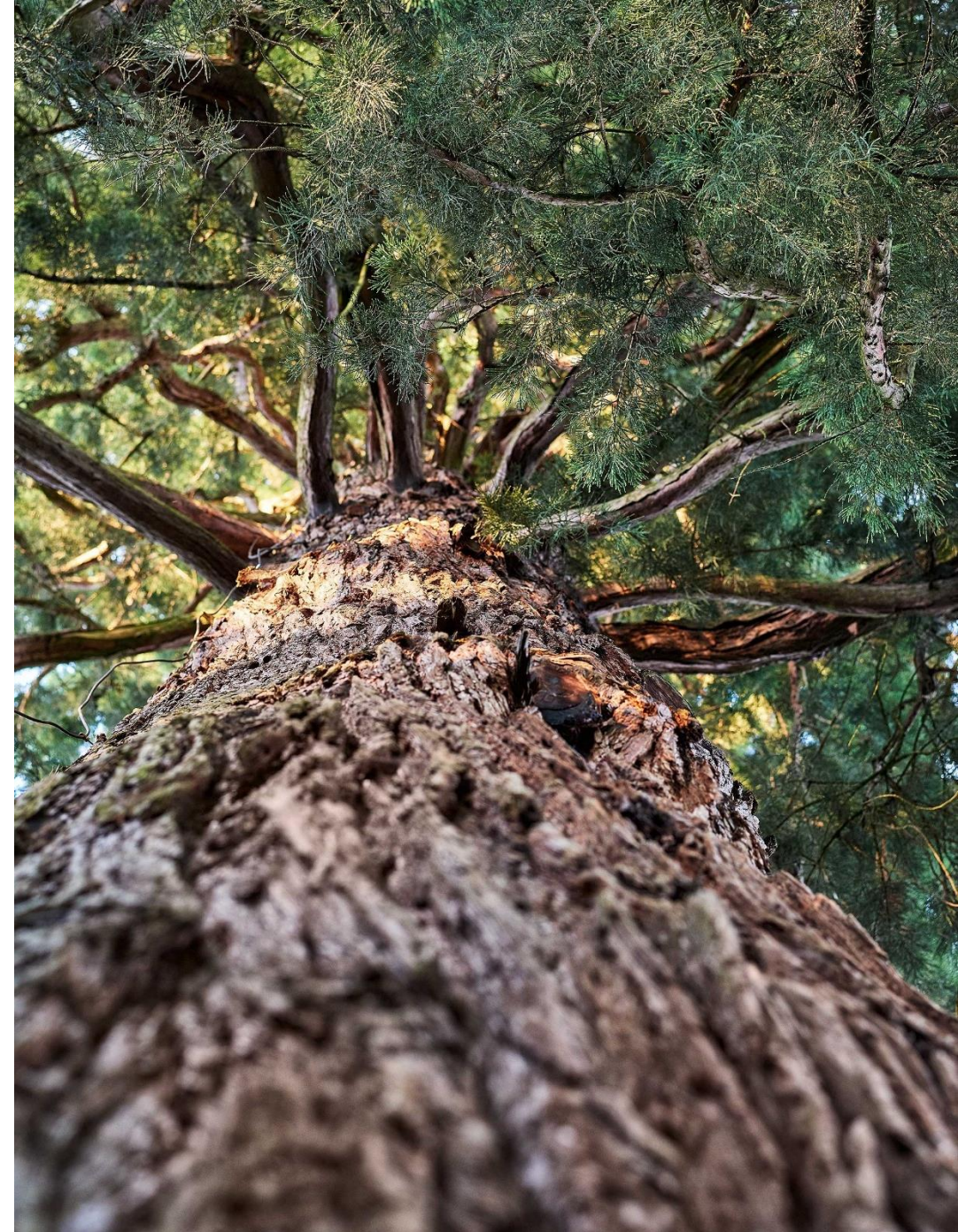


Swiss Sustainable Investment Market Study 2024: Launch Webinar

6 June 2024



1 Welcome Note





Sabine Döbeli
CEO, SSF

Technical information

- All participants are muted and cameras off
- Use speaker mode for best viewing experience
- Ask questions in Q&A
- Feel free to «like» questions you wish to be answered
- Presentation and recording will be available after event

Schedule

Time	Topic	Speaker
10:00	Welcome Note	Sabine Döbeli, SSF
10:05	Presentation of Market Study Results	Prof. Timo Busch, University of Hamburg Eric Pruessner, AIR Hendrik Kimmerle, SSF
10:25	Key Regulatory Updates	Katja Brunner, SSF
10:35	Panel Discussion and Q&A	Nina Fakner, Raiffeisen Fabio Pellizzari, ZKB Asset Management Moderated by Sabine Döbeli, SSF
11:00	End of Webinar	

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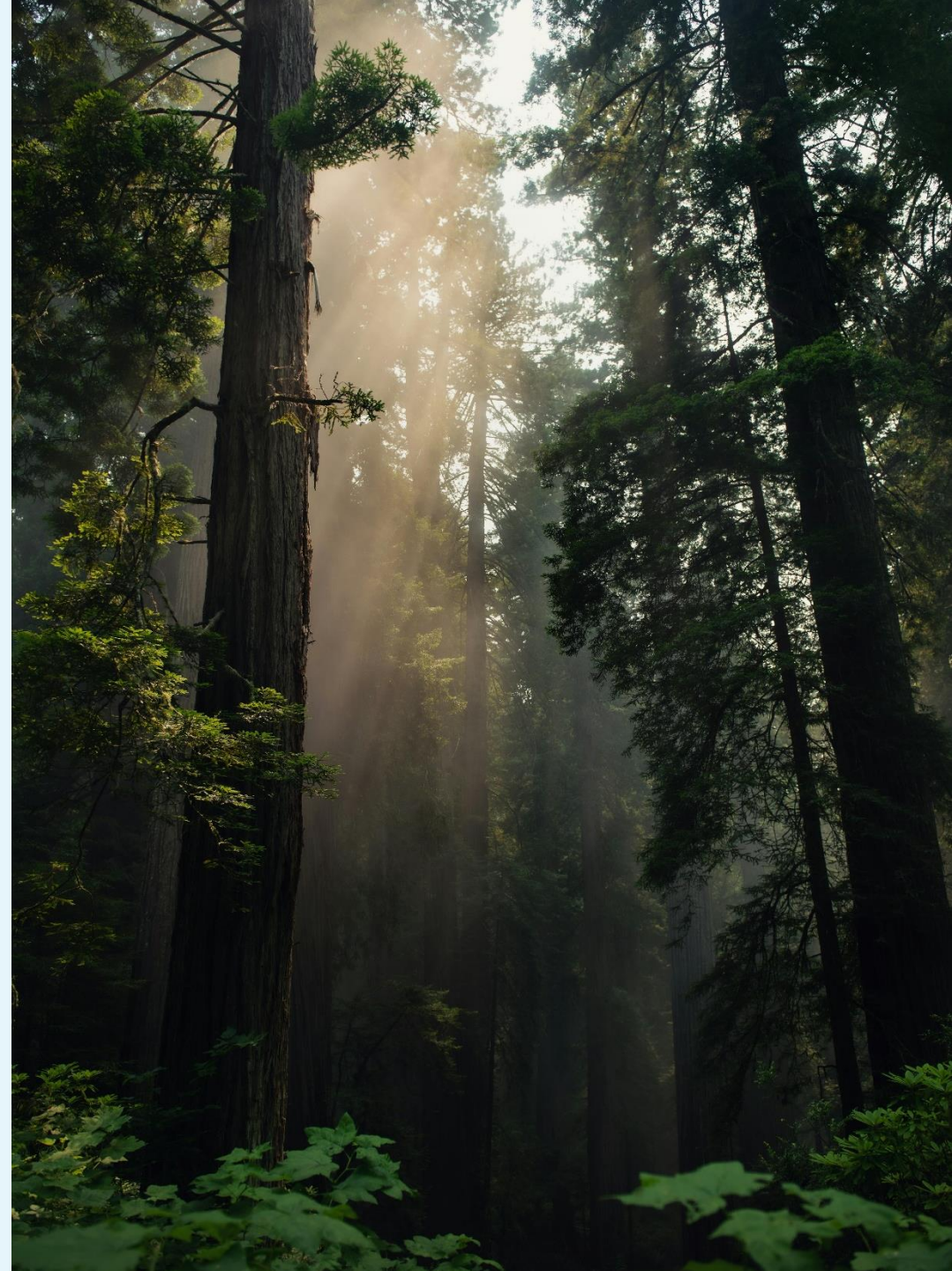
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2 Presentation of Market Study Results





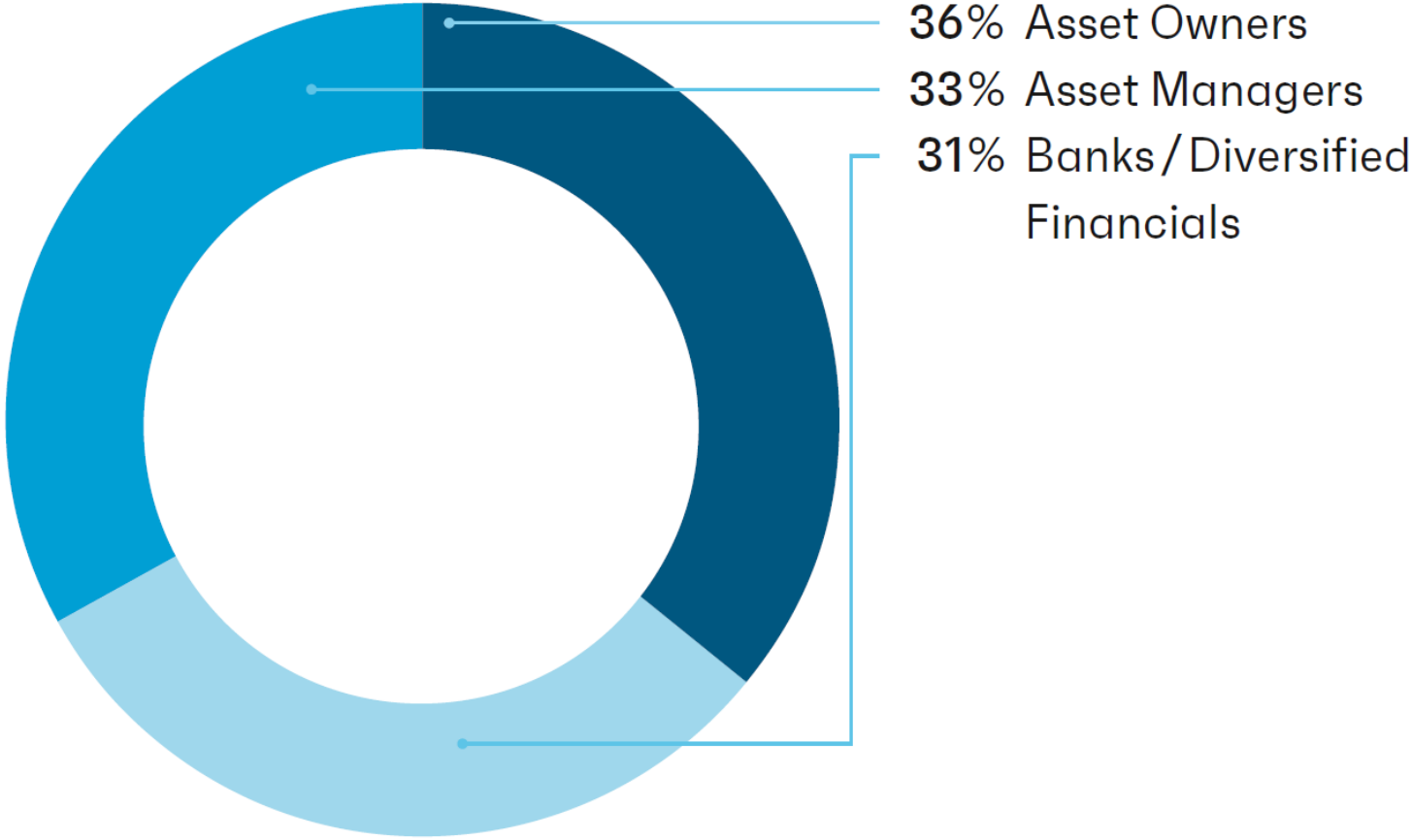
Prof. Timo Busch
University of Hamburg

Key findings of market study

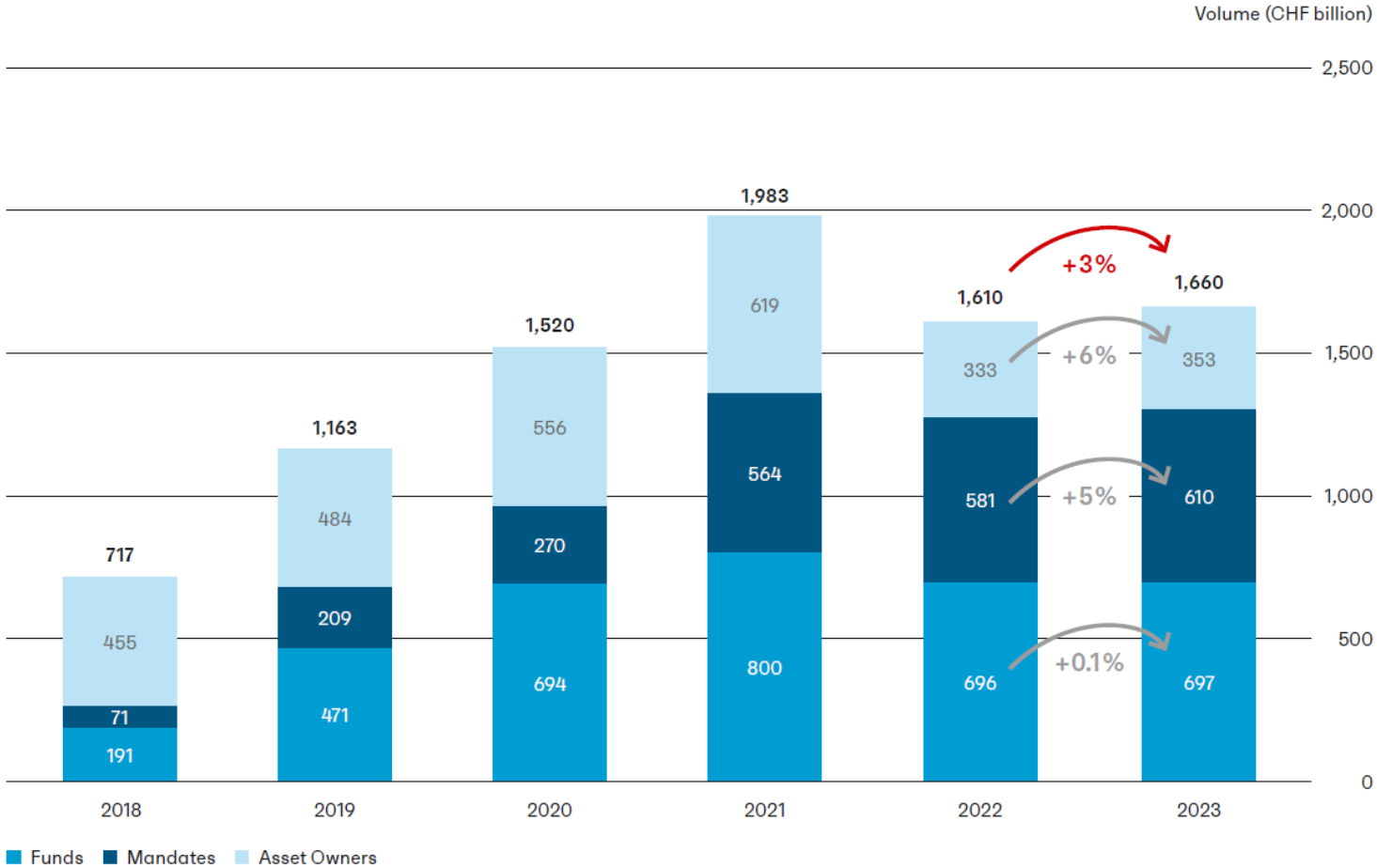
- Swiss SI market: Stabilised volumes
- Cautious reporting by market players
- Report offers 3 perspectives to interpret the data
- Eurosif: Refined methodology
- Impact gains attraction through stewardship
- Contribution to ongoing discussions on defining sustainable investments



Study participants (n=86)



Development of sustainability-related investments in Switzerland

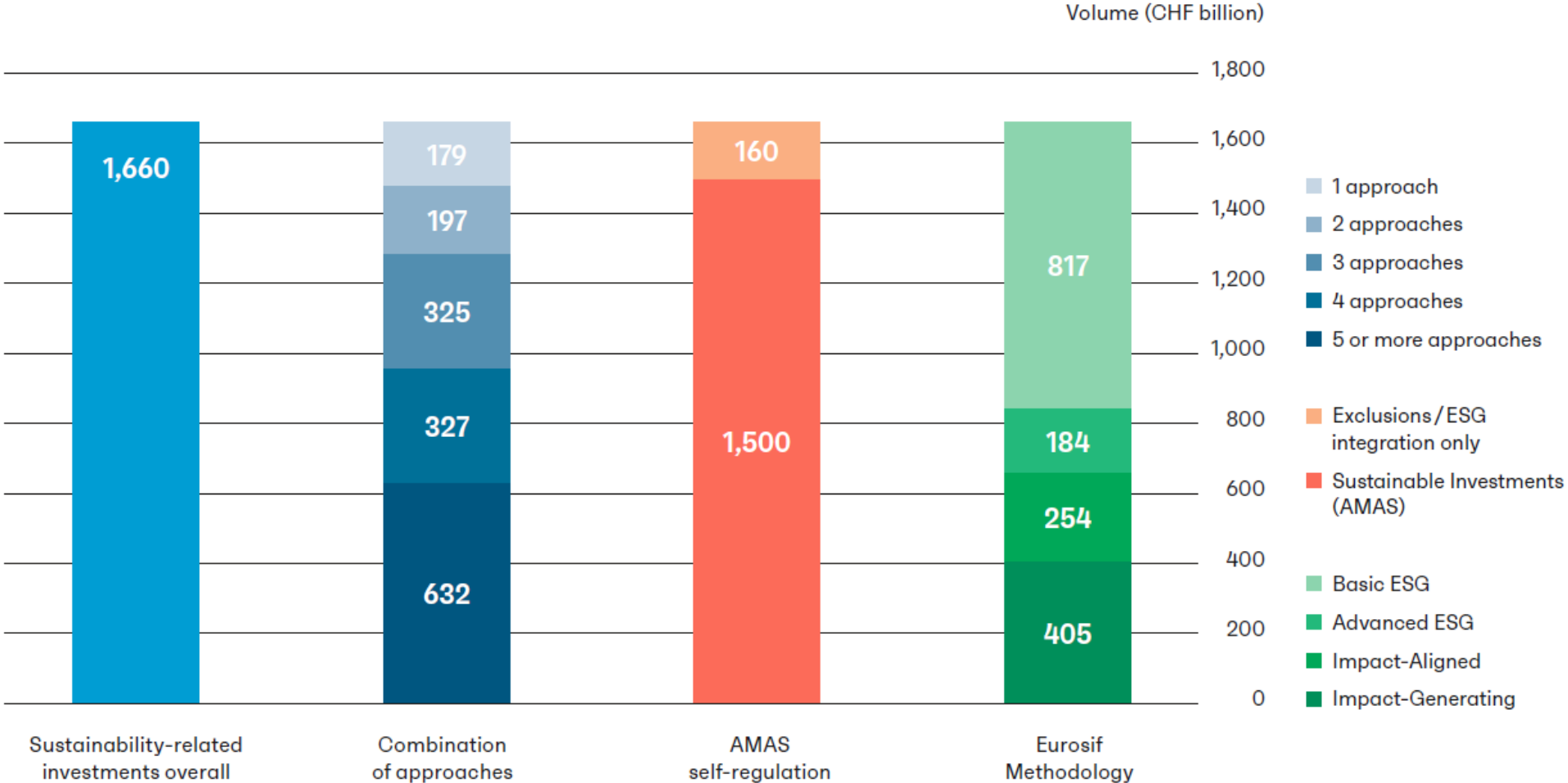


Investment types according to Eurosif methodology

		Basic ESG	Advanced ESG	Impact-Aligned	Impact-Generating
Investment objective		Integration of ESG factors	Systematic analysis & incorporation of ESG factors	Align with positive impacts on environment and / or society	Measurable contribution to positive real-world impacts
Investment process	Investment approach	Binding negative or positive screening	Binding negative & positive screening ($\leq 80\%$ of initial universe investable)	Binding negative & positive screening for assets with positive impact	Exclude non-transformable activities & use stewardship or provide new capital to assets to generate measurable positive impact
	Performance Measurement	–	Measurement of ESG performance	Measurement of company impact	Measurement of company impact & investors contribution
Ambition level		Low	Moderate	Medium	High
Investment focus		Double materiality			

Source: Busch et al. (2024): Methodology for Eurosif Market Studies on Sustainability-related Investments. Measuring progress of capital flows to support the sustainable transition of the real economy.

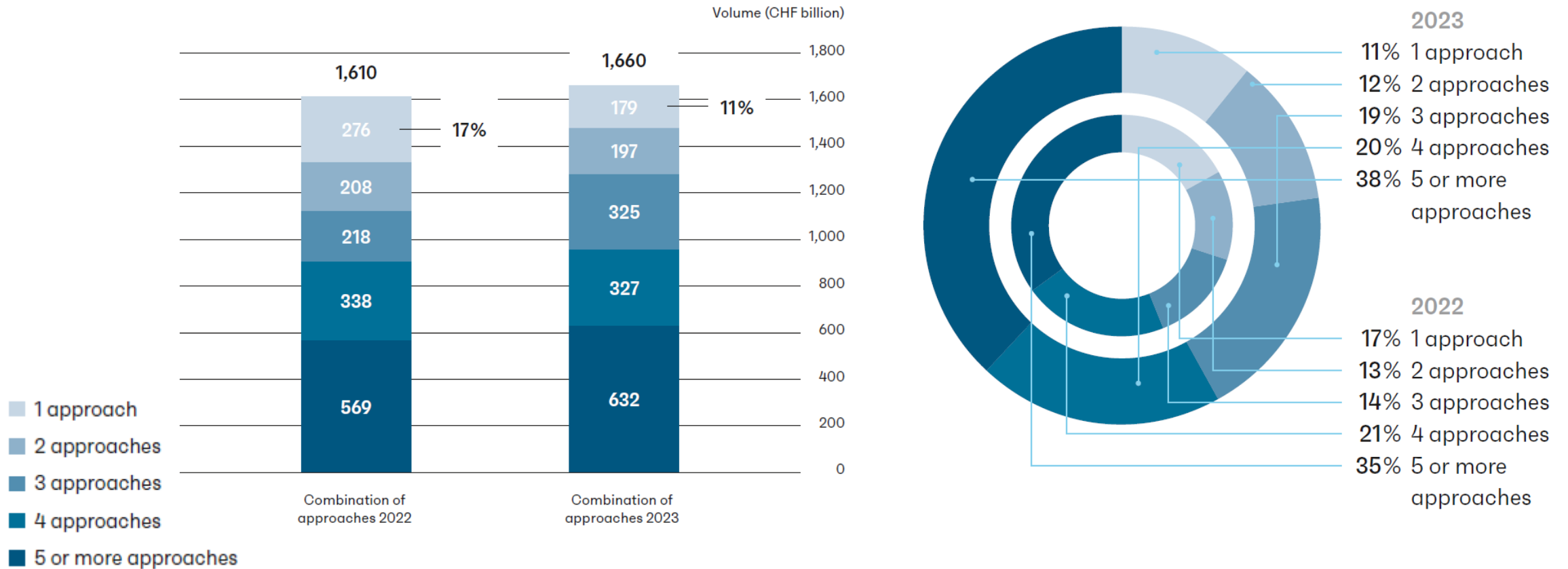
Different perspectives on sustainability-related investments in the Swiss investment market



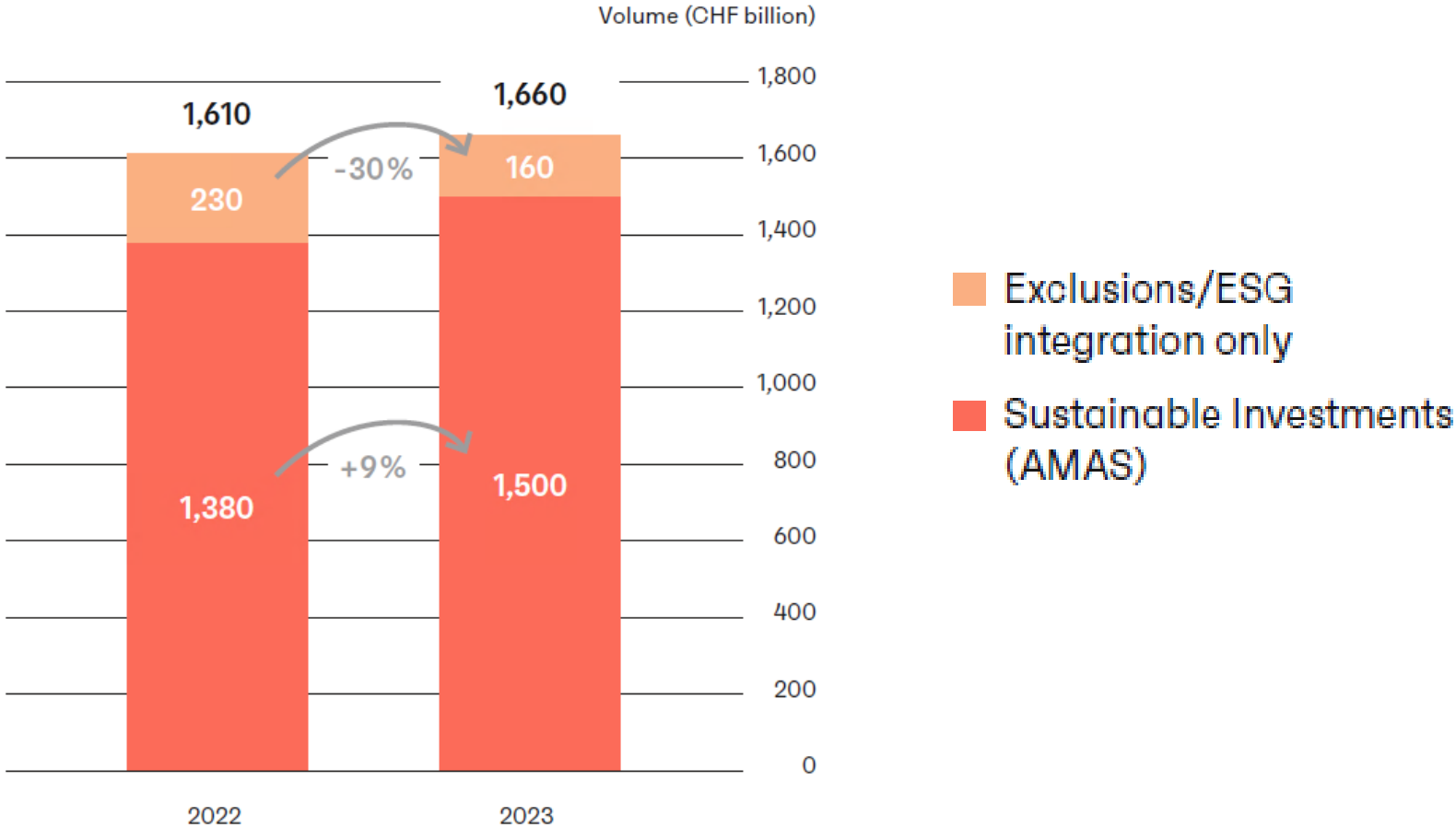


Eric Prüssner
Lead Senior Researcher, Advanced
Impact Research (AIR)

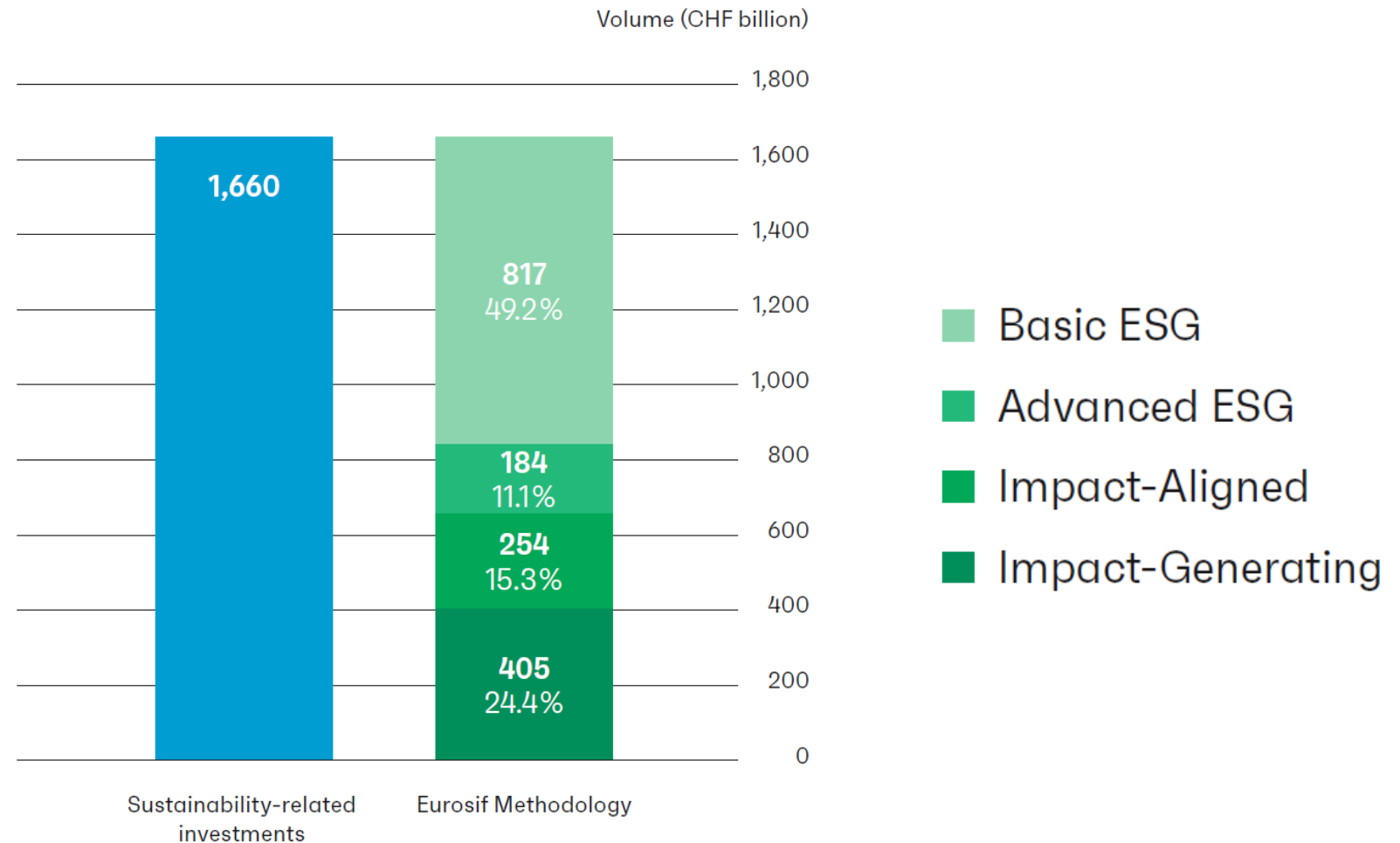
Breakdown of sustainability-related investment volumes based on number of applied approaches



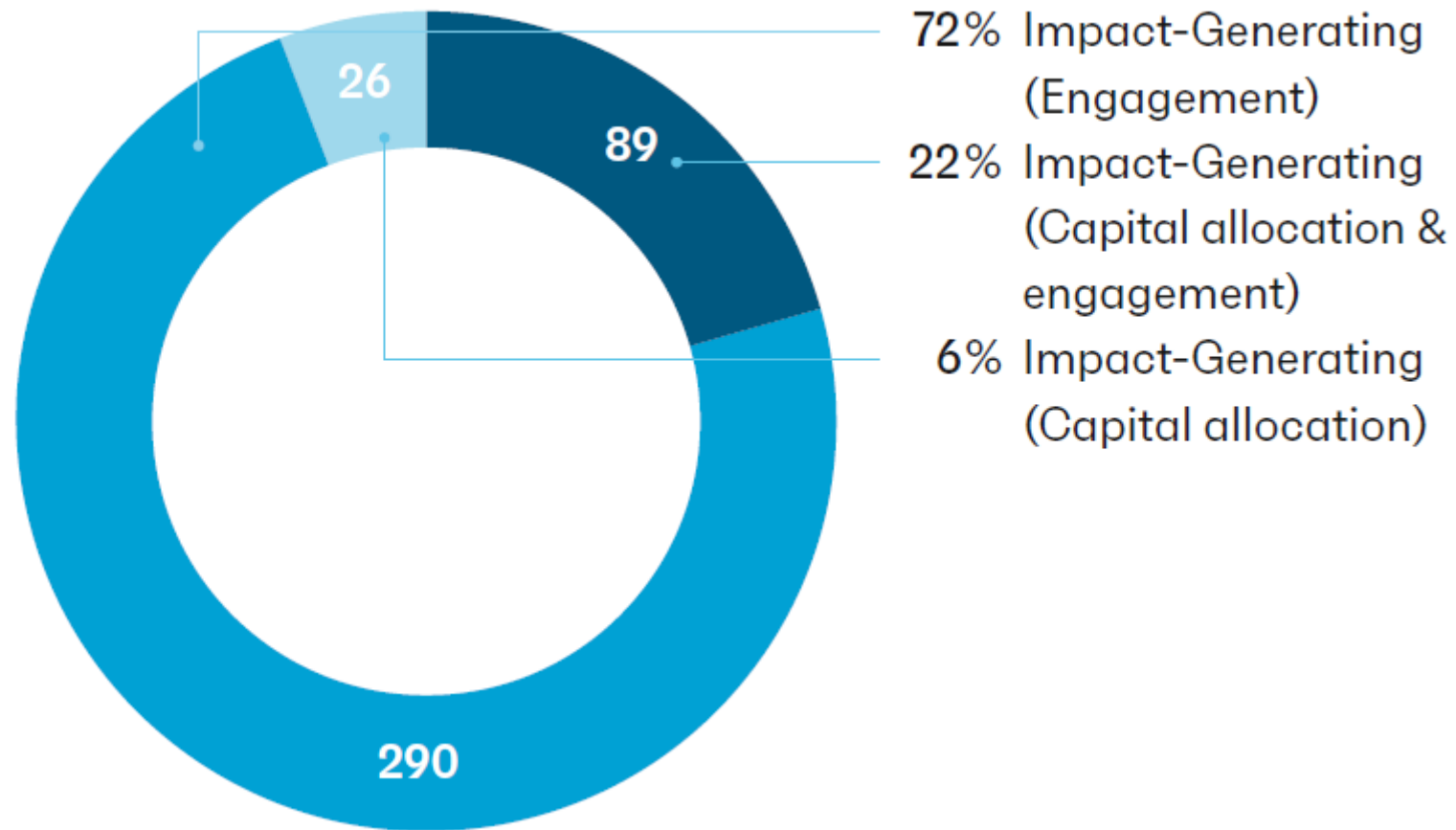
Breakdown of sustainability-related investment volumes based on AMAS self-regulation



Breakdown of sustainability-related investment volumes based on Eurosif methodology



Breakdown of Impact-Generating investments



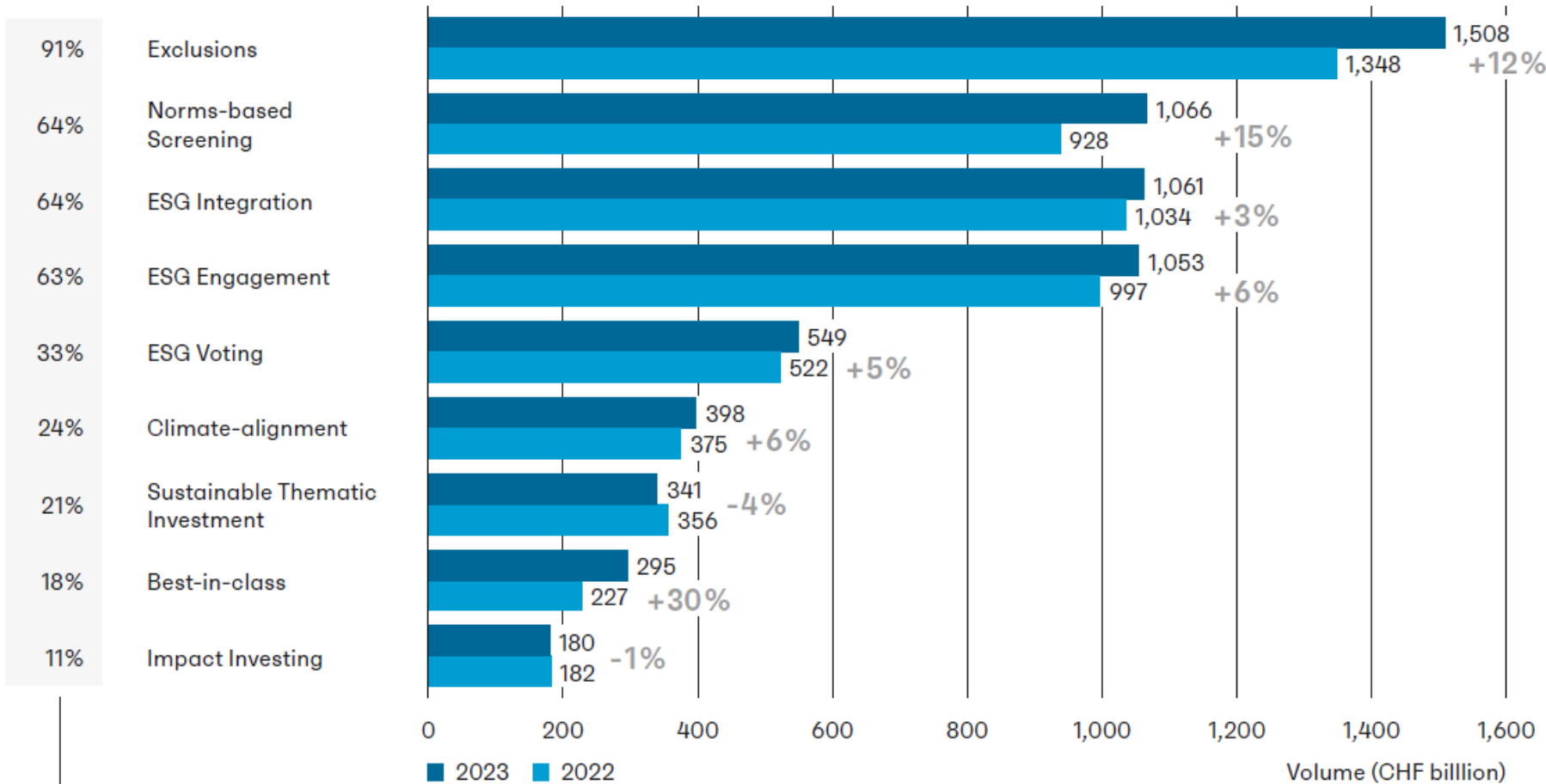
Conclusions on the three perspectives

1. Discussions on what deserves the term “sustainable” still ongoing. Three approaches presented provide transparency from different perspectives.
2. Increased transparency by higher response rate to questions regarding the Eurosif methodology
3. Investments focused on ESG risks/opportunities differ in strict application of selection processes and measurement
4. Share of impact-generating investments is surprisingly high
 - Mostly due to high-quality stewardship approaches being used as a mechanism for investor impact



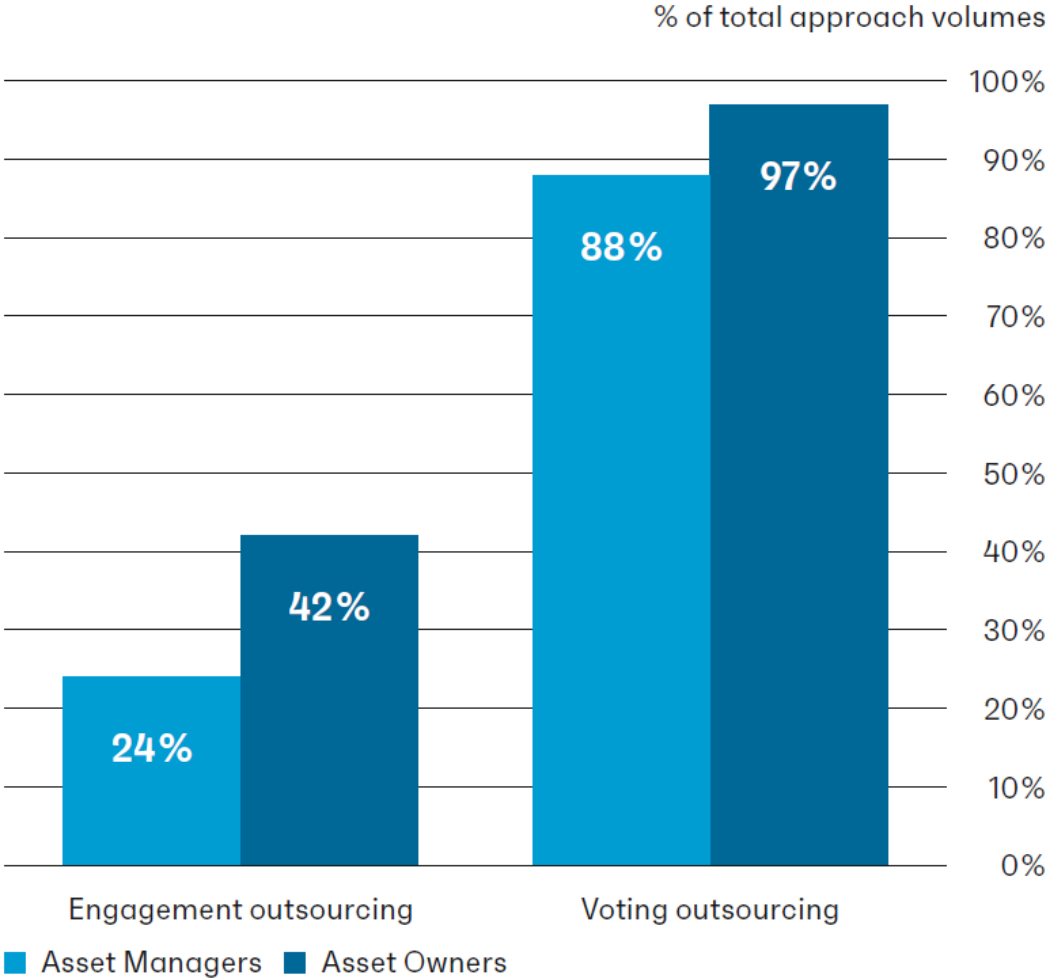
Hendrik Kimmerle
Senior Project Manager, SSF

Development of sustainable investment approaches

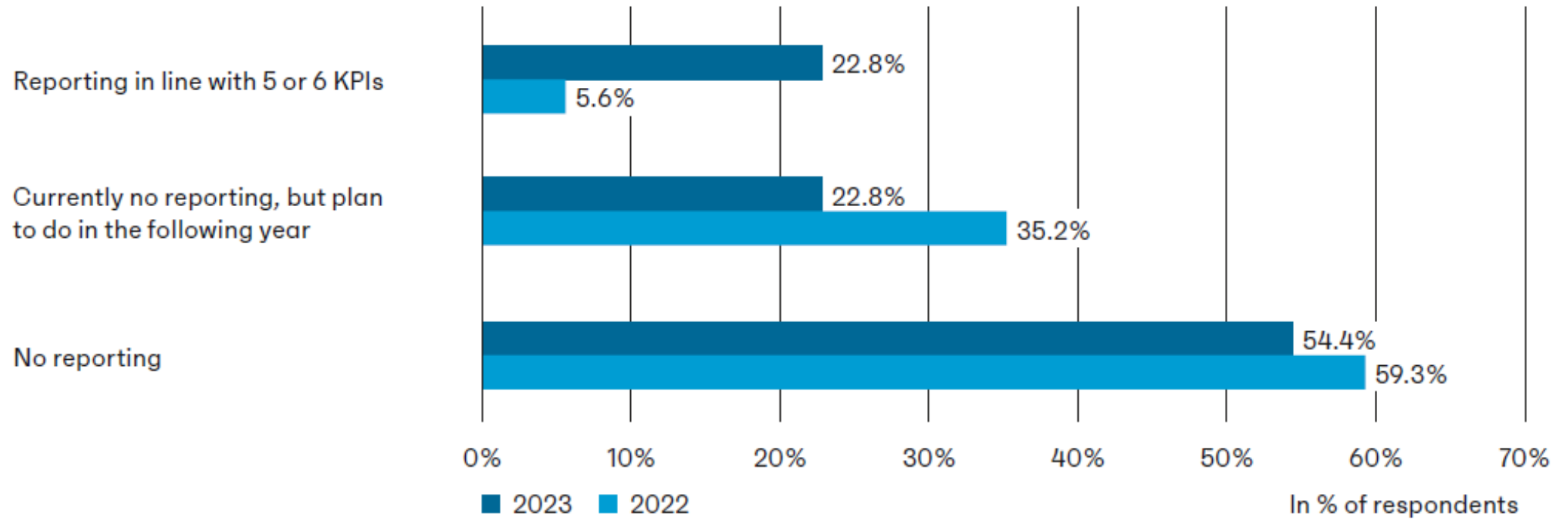


% of total sustainability-related volumes applying respective approach

Outsourcing of engagement and voting activities (n=57)

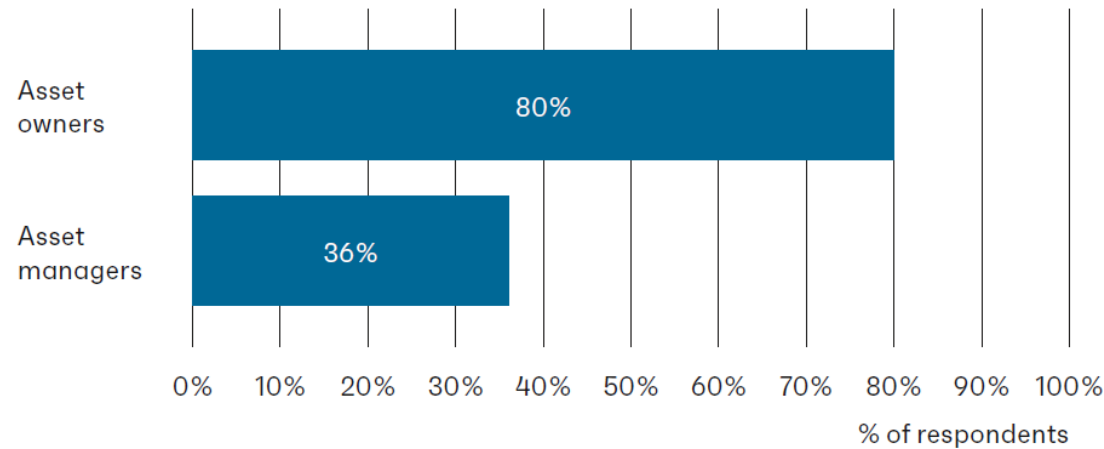


Reporting of Swiss Climate Scores of AMs

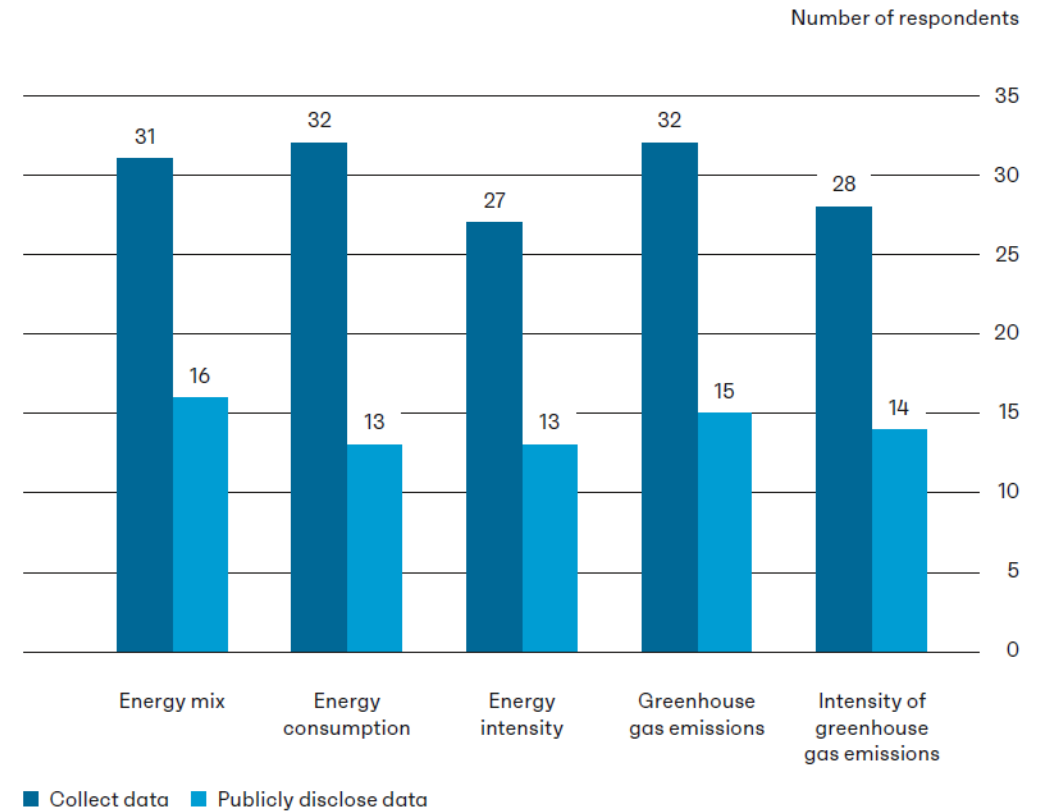


Special Topic – Real estate

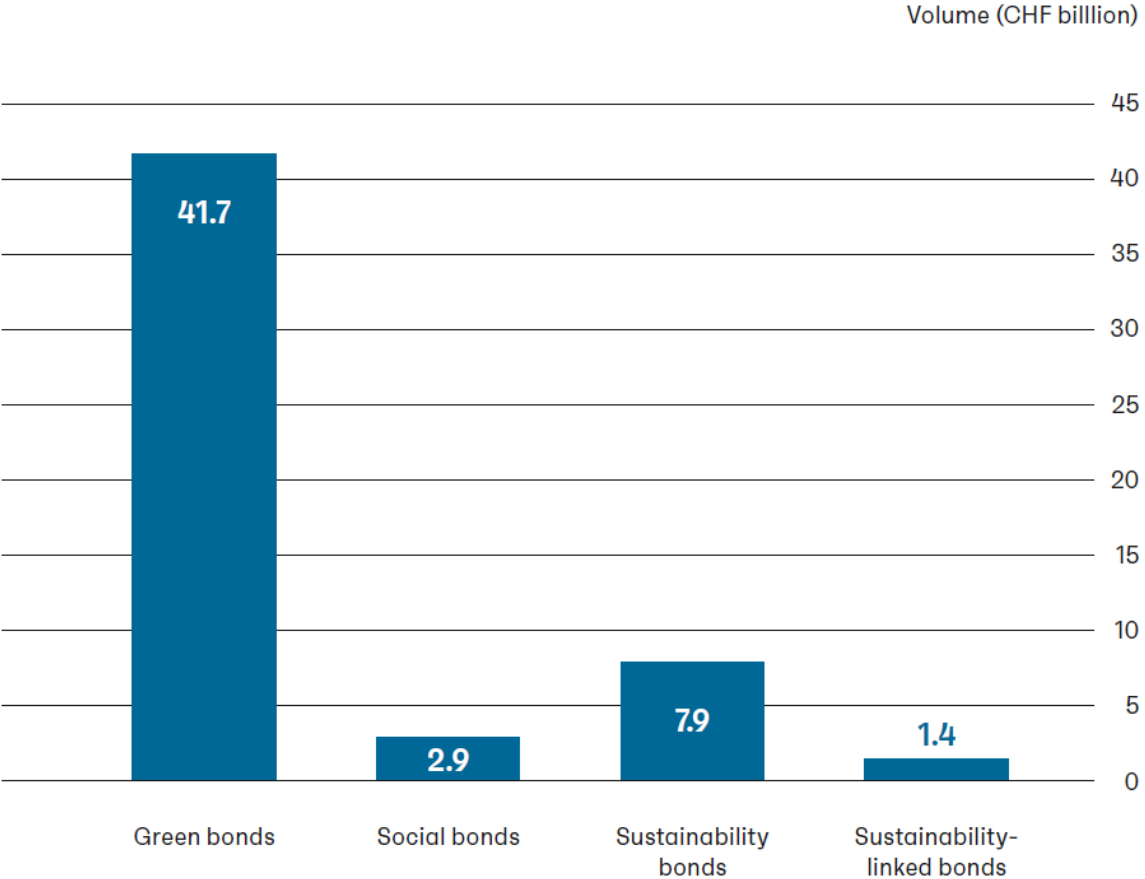
Formal ESG real estate policy for asset managers and asset owners (n=42/30)



Application of AMAS real estate indicators (n=32)

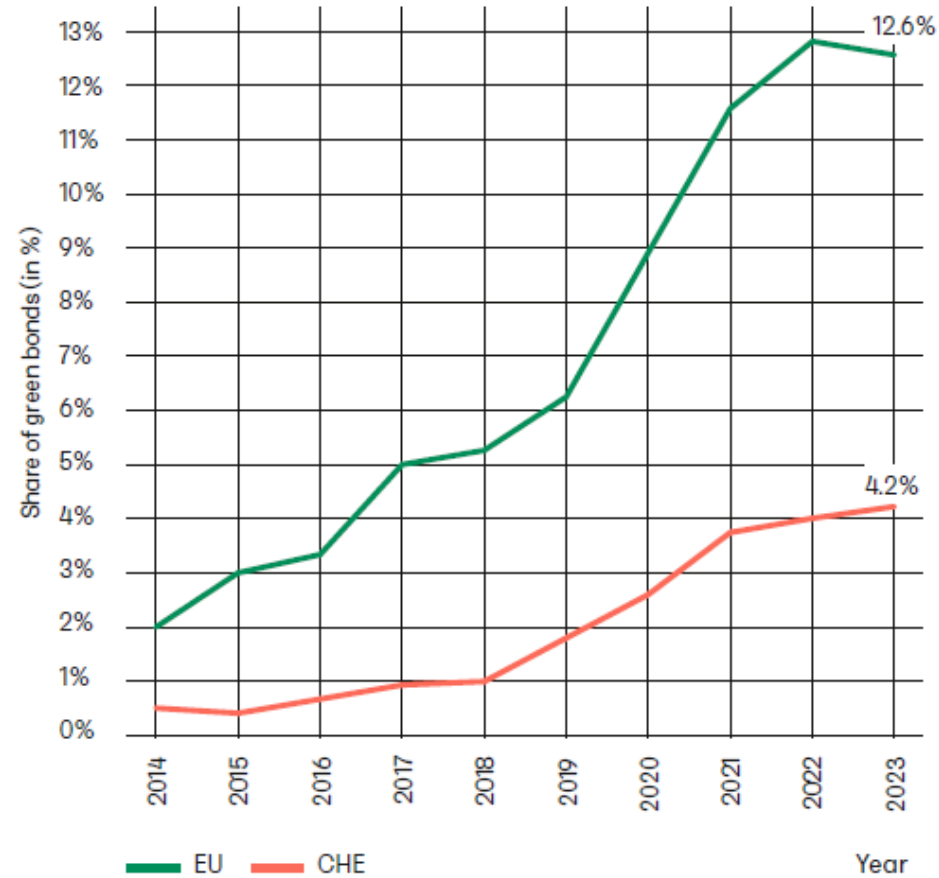


Special Topic – Sustainability-related debt investments (n=35)

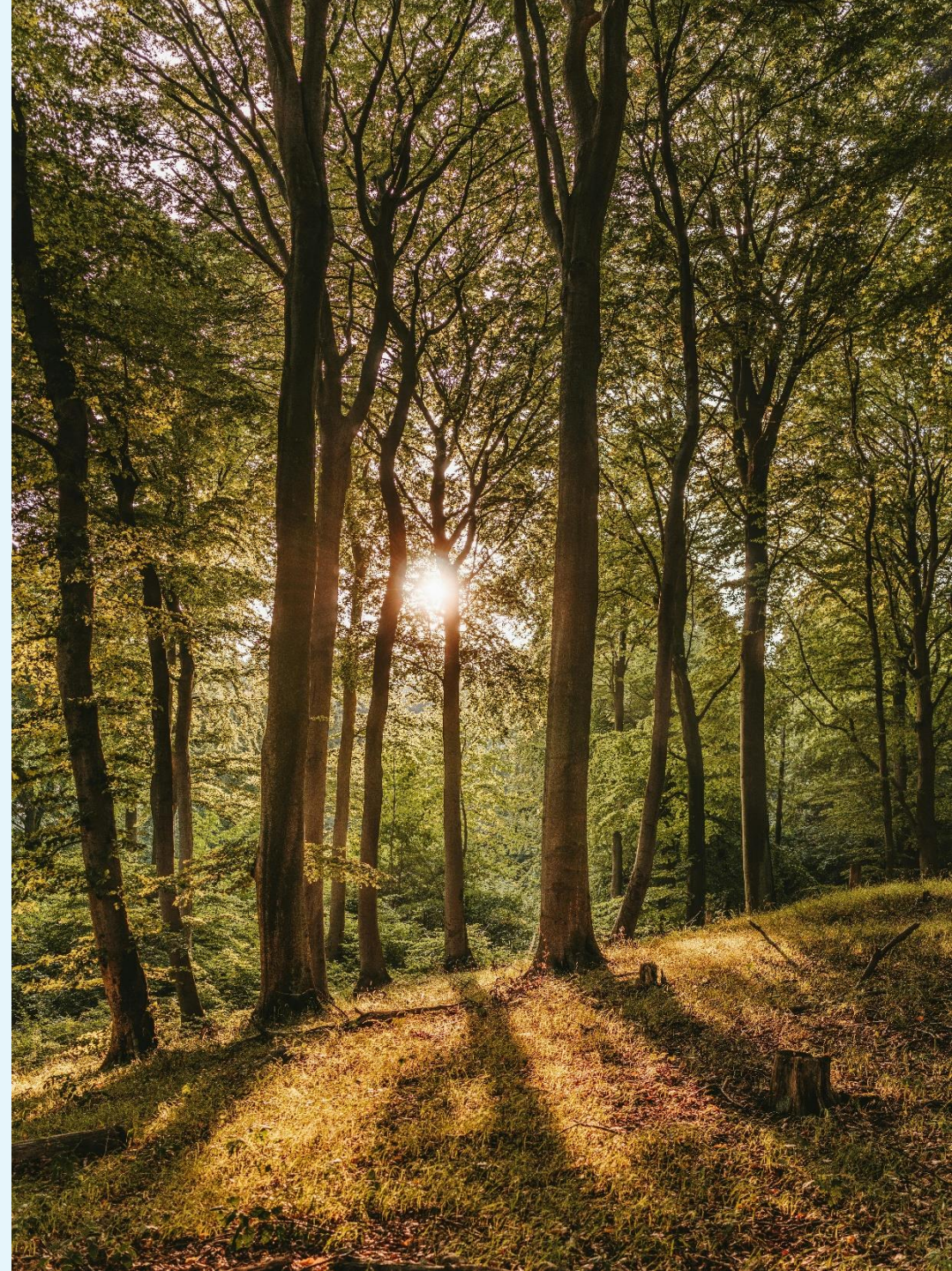


E4S Analysis: Shares of green bonds across markets

Panel (a) – Switzerland vs EU



3 Key Regulatory Updates






Katja Brunner
Director Legal & Regulatory, SSF

Switzerland

Climate and Innovation Act

Climate and Innovation Act (KIG)

- Transition of the Paris Agreement into national law
- **Reduction path** for Switzerland's greenhouse gas emission
- Roadmaps (transition plans) for companies
- **Financial market:** Financial flows must be aligned in a climate friendly way (Art. 9 KIG)



Ordinance on Climate Protection (KIV)

- **Minimum requirements** for roadmaps (transition plans) for companies & sectors
- Promotion of innovative technologies and processes (financial assistance)
- **Financial industry:**
 - Participation in voluntary climate tests
 - For transition plans: Amendment of Ordinance on Climate Disclosure

Revision of the CO₂-Act for the period after 2024

- Federal government must ensure **50 percent reduction** in greenhouse gas emissions by 2030 compared to 1990 levels
- **Financial market** (Art. 40d CO₂-Act):
 - Obligation for:
 - FINMA to assess climate-related financial risks for supervised companies
 - SNB to assess climate-related financial risks for the stability of the financial system
 - Regular public report of FINMA/SNB on the results of the assessment and measures taken
- Expected entry into force: 1 January 2025

Non-financial reporting for large companies

Swiss Code of Obligations
(Art. 964a-964c CO)

- Large companies
- First non-financial report on 2024 for FY 2023
- Formal rules for the report
- Reporting on:
 1. Social issues
 2. Employee-related issues
 3. Human rights
 4. Combating corruption
 5. Environmental matters

Ordinance on Climate Disclosures

- Double materiality
- TCFD recommendations as safe harbour
- Alignment of non-financial reports with the ordinance from 2025 on the FY of 2024

Next steps announced by Federal Council for 2024:

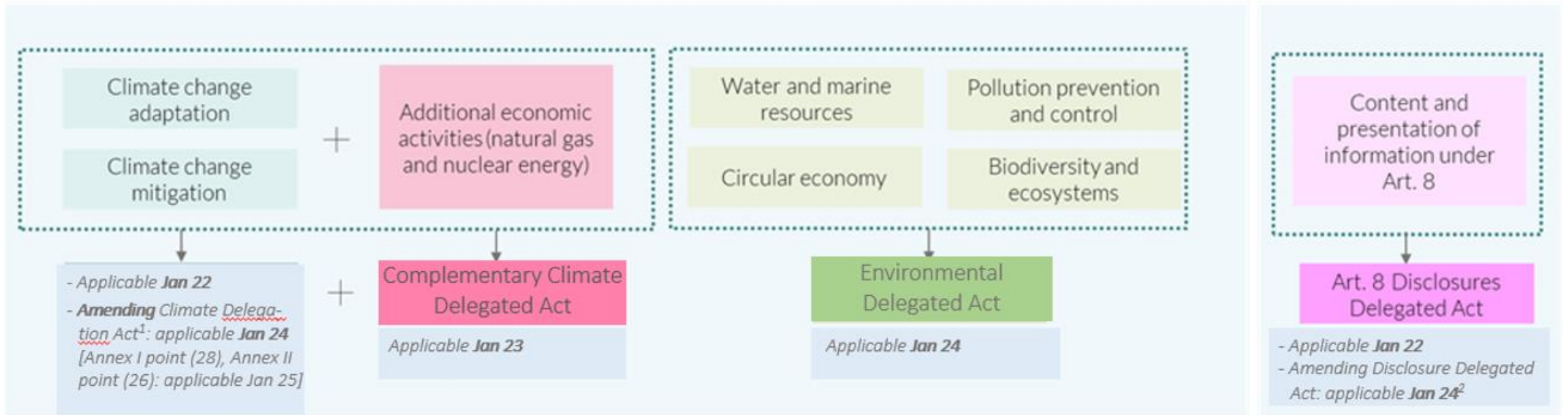
- Code of Obligations: amendment expected to better align with EU-CSR
- Ordinance on Climate Disclosure: transition plans for financial institutions

FINMA-Circular on nature-related financial risks

- Obligation to consider nature-related financial risks in corporate governance and institution-wide risk management
- Applicable for banks and insurance companies of cat. 1-5 (incl. group-affiliated asset managers)
- Expected entry into force: 1 January 2025

EU

Taxonomy – Delegated Acts



¹ Establishes technical screening criteria (TSC) regarding economic activities that make a substantial contribution to the climate objectives (climate change mitigation and climate adaptation) which have not been previously included in the taxonomy (e.g. manufacturing activities to key components for low carbon transport and electrical equipment).

² Amendment due to the Environmental Delegated Act, to clarify the disclosure obligations for additional activities and to supplement the requirements in Art. 10 of the Disclosures Delegated Act.

SFDR – Key developments

- **EC:**

- Consultation on a comprehensive assessment of the SFDR framework at the end of 2023
- SFDR review is expected to be published in 2025

- **ESAs:**

- Final report on draft RTS on the review of PAI and financial product disclosures in the SFDR Delegated Regulation of 4 December 2023
- ESAs: Consolidated Q&As on the SFDR and SFDR Delegated Regulation of 12 January 2024

CSRD and the European Sustainability Reporting Standards (ESRS)

– **CSRD:**

- Applicable since 1 January 2024 to selected entities (first CSRD-compliant annual report to be published in 2025)
- Member states: transposition of the CSRD by 6 July 2024
- CSRD-reports must be aligned with the ESRS

– **ESRS:**

- 12 sector-agnostic standards applicable since 1 January 2024 (for a first reporting in 2025)
- Provides consistency with TCFD, ISSB, GRI

Further key developments

- Corporate Due Diligence Directive (CSDDD) adopted on 25 April 2024
- ESG Rating Activities Regulation, adopted on 25 April 2024
- ESMA-Guidelines on funds' names using ESG or sustainability related terms of 14 May 2024

4 Panel Discussion and Q&A



Panel Discussion and Q&A



Nina Fakner

Senior Sustainable Investment
Specialist, Raiffeisen Switzerland



Fabio Pellizzari

Member of Senior Management,
Head ESG Strategy & Business
Development, Asset Management,
ZKB



Sabine Döbeli

CEO, SSF

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Swiss Sustainable Finance
Grossmünsterplatz 6
8001 Zürich

info@sustainablefinance.ch
[sustainablefinance.ch](https://www.sustainablefinance.ch)
+41 44 515 60 50

