

Press Release, Zurich, Switzerland, 26 September 2016

More high-level endorsement, leadership, and decisive action are required to position Switzerland as an international leader in sustainable finance.

The most recent SFI White Paper reveals that Switzerland is currently not an international leader in the sustainable finance world. A review of Swiss financial market players reports increasing demand from clients but also shows that commonly perceived barriers such as knowledge gaps, cultural and generational conflicts, and misconceptions regarding sustainable finance hinder the more widespread adoption of this approach. Moreover, more high-level endorsement, leadership, and decisive action are required if Switzerland's financial sector is to avoid falling behind in international comparisons.

Zurich, 26 September 2016. According to the most recent SFI White Paper, *Sustainable Finance in Switzerland: Where Do We Stand?*, the Swiss financial sector as a whole is currently not an international leader in terms of sustainable finance. Dr. Annette Krauss (University of Zurich), Prof. Philipp Krüger (Swiss Finance Institute & University of Geneva), and Dr. Julia Meyer (University of Zurich) conducted a review of Swiss financial market players to take stock of sustainable finance in Switzerland, characterize potential drivers, and identify required actions. Their main conclusions are:

- All large Swiss financial market players are dealing with sustainable finance at least to a minimum degree. The strongest drivers are the fast pace at which the field is developing internationally and the anticipated higher demand for such products in the future. Another driver lies in the promotional activities of specialized, voluntary industry organizations.
- The majority still regard sustainable finance as a niche area and adopt strategies in which traditional and sustainable finance products coexist.
- Swiss policy makers are showing a keen interest in sustainable finance but are reluctant to intervene actively in the marketplace. Moreover, established mainstream industry associations are remarkably silent about the topic.
- Business as usual is not a valid option. All institutions should decide on a sustainability strategy and ensure clear communication with regards to that decision. In order to do so, stronger support from the upper echelons of the Swiss financial sector (i.e., board and executive level) is required, as is sustainable finance-related education at all hierarchical levels.

Given the lack of a financial center-wide strategy, each Swiss financial market player should individually decide how to incorporate sustainability. In the long term, however, a strong, concerted effort from all Swiss financial market players to propose sustainable finance as a new Swiss flagship product offering is required. Moreover, Swiss policy makers should conduct a careful examination of whether policy and regulatory measures found elsewhere could be adapted to Switzerland, while industry associations should

make framework conditions for sustainable finance a priority agenda item in order to avoid the danger of the Swiss financial sector falling behind in international comparative terms.

The SFI White Paper is available at www.sfi.ch/wpsustainablefinance.

For further information please contact:

Ms. Désirée Spörndli

Program & Relations Manager Knowledge Center

+41 44 254 30 94 | desiree.spoerndli@sfi.ch

Swiss Finance Institute

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