Sustainable Investment Market Report 2013 – Germany, Austria and Switzerland

Sustainable investments: impressive market growth in Germany, Austria and Switzerland

Volume of sustainable investment markets in Germany, Austria and Switzerland stands at 120.3 billion euros / Double-digit growth rates in all three countries / Growing investment by institutional investors / Cluster munitions and anti-personnel mines excluded from investments totalling 1.43 trillion euros

Berlin, 13 May 2013 – The growth trend in sustainable investments continued unabated in 2012. According to the Sustainable Investment Market Report published by Forum Nachhaltige Geldanlagen (FNG) in Berlin on 13 May, Germany, Austria and Switzerland all recorded strong growth. In 2012, the total volume of sustainable investments in these three countries came to 120.3 billion euros. This figure is 16 per cent higher than that for the previous year.

“We have been seeing impressive growth in the market for sustainable investments for some years now,” says Volker Weber, Chair of the Board of Directors at FNG, summing up the results of the study. “There is even more reason than usual to celebrate this upward trend this year, which marks the 300th anniversary of the concept of sustainability,” explains Weber, an expert on sustainable investments. “The financial sector is becoming increasingly aware of its responsibility for safeguarding and improving living conditions for current and future generations.”

Sustainable investments take not only financial aspects but also social and environmental criteria into account. Growth in sustainable investment funds and mandates in Germany and Austria, at 20 per cent in each case, has been particularly impressive. The market in Switzerland, which was already at a high level, grew by 15 per cent.

The most popular sustainable investment strategy in all three countries is the use of exclusion criteria such as weapons or nuclear power. In Germany and Switzerland, the best-in-class approach ranks second in terms of popularity. Here, the aim is to invest in those companies which perform best against sustainability criteria. In Austria, on the other hand, second place goes to screening for compliance with specific international standards or norms such as those of the Global Compact or the International Labour Organisation’s core labour standards.

Claudia Tober, FNG’s Executive Director, points to the growing importance of institutional investors. “In all three countries, this market segment saw growth compared with the previous year, with institutional investors most prominent in Austria (81 per cent), followed by Germany (77 per cent) and then Switzerland (54 per cent),” explains Tober. “The financial players in all three countries also see this group as being the main driver of future market growth, whereas private investors are seen as playing a less crucial role,” adds Tober, who is also Vice-President of Eurosif.

Another important trend in all three markets relates to asset overlays. Here, asset managers apply exclusion criteria to all or some of their assets, independently of individual products. In this way, investments in cluster munitions and anti-personnel mines are excluded for assets totalling €1.43 trillion in Germany, Austria and Switzerland. However, the use of just one or even two exclusion criteria is not sufficient for an investment to be classified as sustainable.

FNG has been publishing comprehensive data on the sustainable investment markets in Germany, Austria and Switzerland in its market reports since 2005. The data for this study was collected by FNG and the methodology used is in line with that of the European umbrella organisation Eurosif (European Sustainable Investment Forum). The study was made possible by the following sponsors and supporters: GLS Bank, Bank Vontobel, ForestFinance, Swisscanto Asset Management AG, Union Investment, Absolut Research, Ethos and Inrate AG.

The market report will be presented to the public in Berlin on 13 May at 17.30 as part of an FNG Dialogue event. For the Swiss section of the market report, there will be a separate Media Dialogue event on 13 May at 16.00 in Zurich. Last-minute bookings to attend either event can be made by emailing presse@forum-ng.org.

Contacts:
Volker Weber, Chair of the Board of Directors of FNG, weber@forum-ng.org, tel. +49 30 264 70 511.
Claudia Tober, Executive Director FNG, tober@forum-ng.org, tel. +49 30 264 70 511.

Please also see:
Switzerland: Stronger than ever: sustainable investment market in Switzerland grows by 15 per cent and reaches all-time high

— PLEASE NOTE: UNDER EMBARGO UNTIL MONDAY, MAY 13, 17.30 —

*Forum Nachhaltige Geldanlagen (FNG)*, the industry association for sustainable investment in Germany, Austria and Switzerland, represents more than 170 members which are working to promote sustainability in the financial sector. These include banks, investment companies, rating agencies, financial advisers and academic institutions. FNG promotes dialogue and the exchange of information between the worlds of business, academia and politics and has been working to improve the legal and political framework for sustainable investments since 2001. FNG awards the Transparency logo for sustainable mutual funds, publishes the FNG Sustainability Profiles and and is a founder member of the European umbrella organisation Eurosif.