Sustainable Investment Market Report 2013 – Switzerland

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

Sustainable investments in Switzerland reach a volume of CHF 48.5 billion / Institutional investors gain market share / Exclusion criteria and best-in-class are the main sustainable investment strategies / Further rise in importance of engagement and voting strategies anticipated

Zurich, 13 May 2013 – Investments which take environmental, social and ethical criteria into account alongside the traditional criteria of profitability, liquidity and security are playing an increasingly prominent role in Switzerland. According to the Sustainable Investment Market Report 2013, which was published by Forum Nachhaltige Geldanlagen (FNG) at a presentation in Zurich on 13 May, the volume of sustainable investment products reached an unprecedented total of CHF 48.5 billion in 2012. The market has thus grown by almost 15 per cent within the space of a year.

Commenting on this positive market trend, Sabine Döbeli, FNG’s Vice-Chair and head of FNG Switzerland, says “This historic high for sustainable investments clearly reflects their growing attractiveness to investors.” The financial and sustainability expert points out that investors are increasingly aware that sustainable investments help to minimise risks, increase earnings potential, improve long-term opportunities and at the same time promote social and environmental development, adding, “There is evidence of growing interest in sustainable investments, particularly among institutional investors.”

Of these institutional investors, it is primarily corporate pension funds and investment foundations which are factoring social and environmental criteria into their investments, although public pension and reserve funds, religious institutions, charities and foundations are also doing so. Institutional investors’ share of the sustainable investment market has shown a slight increase compared with last year and now stands at 54 per cent. Nonetheless, the private client segment, at 46 per cent, remains very large by European standards, which is an indication of a mature and developed market.

According to Claudia Tober, Executive Director of FNG, the strength of the sustainable investment market in Switzerland can also be demonstrated by comparing it with the market as a whole. “Sustainable investment strategies are now used by 3.6 per cent of all investment funds,” explains the expert on sustainable investments, adding, “For example, it is very common for exclusion criteria to be used to exclude investment in areas such as weapons or nuclear power. But the best-in-class strategy is also very popular in Switzerland.” Under the latter approach, funds are invested in those companies within an industry, category or class which are the most advanced in terms of sustainability. In practice, a variety of approaches are generally used in combination.

Looking at future market trends, financial players anticipate an increasing emphasis on the integration of sustainability criteria into financial analysis, on engagement and on the exercise of shareholder voting rights at shareholders’ meetings with the aim of influencing company policy and supporting companies in moving toward greater sustainability. According to FNG’s Vice President Sabine Döbeli, the success of the Minder initiative in March of this year will lend additional impetus to the latter strategy.

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.
Further information can be found at www.forum-ng.org. The Sustainable Investment Market Report 2013 – Germany, Austria and Switzerland and the English version of the chapter on Switzerland, Sustainable Investments in Switzerland – Excerpt from the Sustainable Investment Market Report 2013, are available for download free of charge.

The market report will be presented to the public on 13 May at 17.30 in Berlin 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.

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

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

FNG Switzerland is part of the Sustainable Investment Forum (Forum Nachhaltige Geldanlagen, FNG), which covers German-speaking Europe. This specialist association for sustainable investments in Germany, Austria and Switzerland currently has around 170 members and is committed to promoting a more sustainable approach to business within the finance industry. FNG awards a transparency logo for sustainable public funds and is a founding member of the European Sustainable Investment Forum (Eurosif).

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.