

47th Ordinary General Assembly Will Sustainable Finance Save the Planet?

On the 47th Ordinary General Assembly the Association of Foreign Banks in Switzerland looked at challenges and opportunities sustainable finance can offer private wealth management in Switzerland. The panellists agreed that thanks to a deep cluster of knowledge and experience in Switzerland the asset class can constitute an asset for the Swiss financial centre. Thanks to the long tradition and deep knowledge, following sustainability in investment strategies can become a USP for the Swiss financial centre.

Four introductory speeches open the discussion. The slides are attached below.

Sabine Döbeli, CEO, Swiss Sustainable Finance, explains the different approaches to sustainable investment. It extends from excluding certain investment targets upon ratings to actively engaging and exercising impact on the positioning/behaviour of an investment target. Thus the investor can leave a more or less strong footprint. Sabine shows the strong growth in assets of the sustainable investment class, which nearly doubled in volume over the past year and the previous year respectively. Regulation contributes to defining standards; taxonomy and common criteria for risk assessment will lead to improve transparency, ease understanding and thus raise awareness.

Nicholas Niggli, Republic and State of Geneva, outlines the unique opportunities Switzerland and Geneva have for positioning themselves at the hub of a global network among financial centres focussing on sustainable investment. He aims at connecting competence centres across the world and assuring that the know how and intelligence present in Switzerland becomes available to the investment professionals. He confirms the importance of standards and references for measurement and comparability of activities; transparency will increase intelligibility, help to understand and attract investments both from private and institutional investors.

Simone Dettling, UNEP-Finance Initiative, illustrates the change of the mindset by describing how advertisements at the airport have evolved: they are from banks and watchmakers as twenty years ago, but they focus on longevity and transmission between generations – sustainability is at the core. The UNEP FI has identified six principles which it suggests responsible banking to adopt. They encompass defining and aligning with key principles; impact through active engagement; putting clients at the centre of the service activities; involving stakeholders at every step of activity; setting clear targets for a governance structure; assuring transparency and accountability of actions.

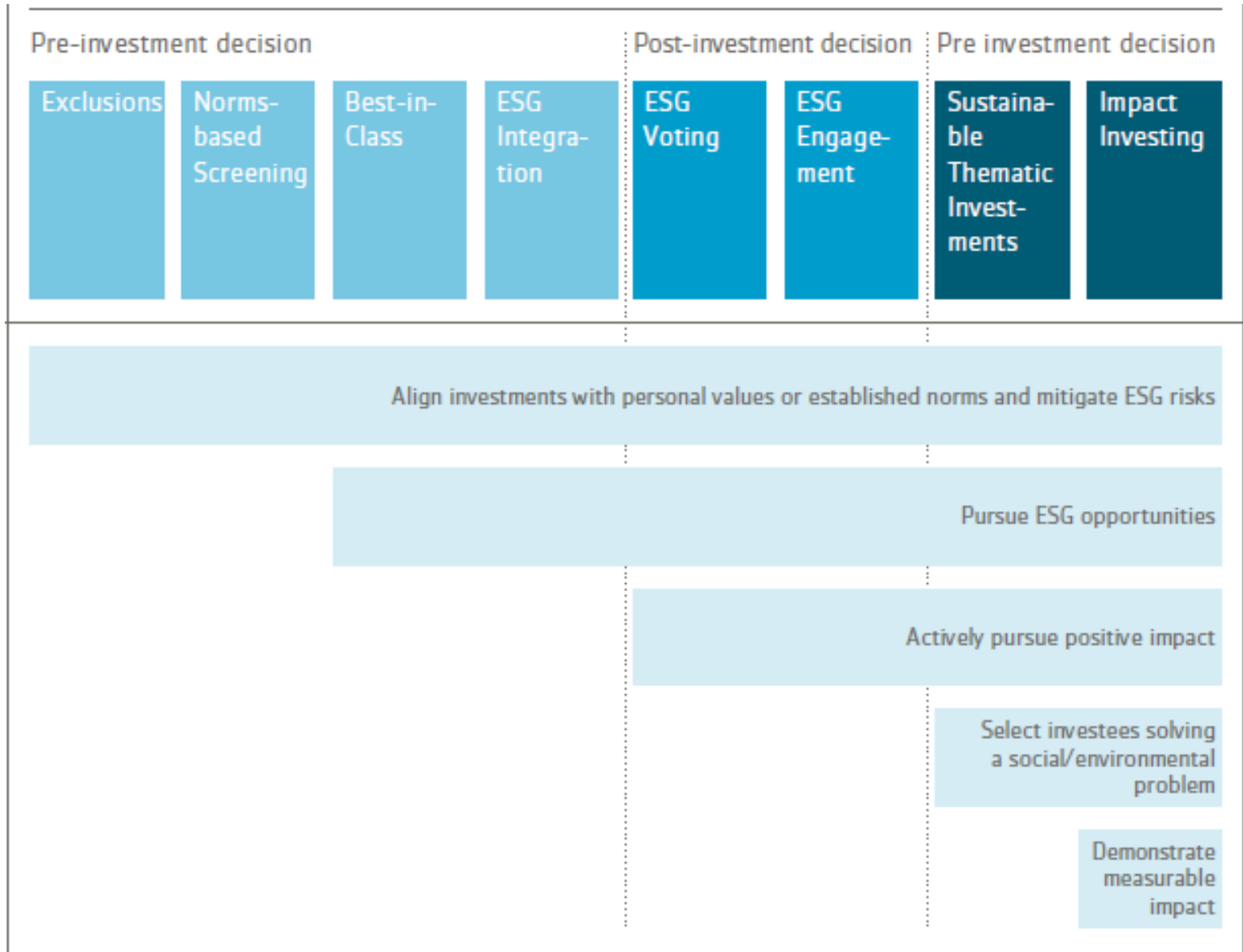
Philipp Bärtschi, Bank J.SafraSarasin, makes reference to a major environmental accident, which happened in the 1980s in Basel and made the bank focus on sustainability. He recalls the first UN Environment Summit held in 1992 in Rio de Janeiro, where environment and development were the focus topics – for the first time. He explains the principles his bank follows when assuring sustainable investment and how the investor's goals of reducing risk, delivering return and changing behaviour can be achieved together. He illustrates the investment approaches from exclusion to impact through concrete examples.



SUSTAINABLE INVESTMENTS - THE NEW NORM?

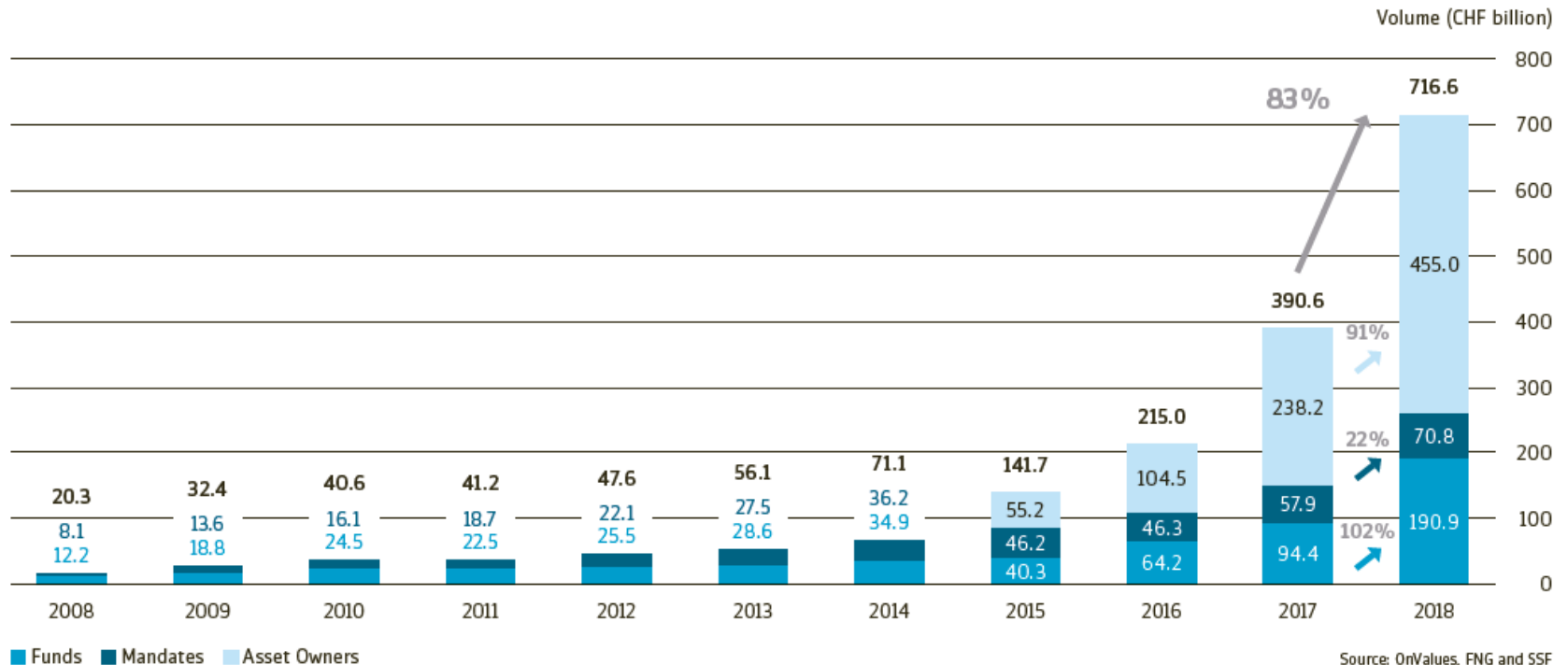
SABINE DÖBELI, CEO SWISS SUSTAINABLE FINANCE

SUSTAINABLE INVESTMENT APPROACHES



GROWTH OF SUSTAINABLE INVESTMENTS CONTINUES

DEVELOPMENT OF SUSTAINABLE INVESTMENTS IN SWITZERLAND (IN CHF BILLION)



Key facts:

- Sustainable investments in Switzerland amounted to CHF 716.6 billion at the end of 2018
- Growth of +83% similar to previous year (2017: 82%)
- Strong growth both from asset owners (91%) and funds (102%)
- Proportion of sustainable funds in the fund market: 18%; proportion of sustainable assets of AO: 31% of inst. assets

STRONG REGULATORY DRIVE IN THE EU

- EU Action Plan on Financing Sustainable Growth sets 10 actions and adopted first package of 4 measures
 1. Harmonised framework to facilitate sustainable investments (Taxonomy)
 2. Disclosure requirements related to sustainable investments and sustainability risks
 3. Low carbon benchmarks
 4. Improved client advisory related to sustainability (MIFID II & IDD)
- IORP II was passed in 2016: as of January 2019 pension funds must take ESG-Factors into account on a comply or explain basis
- Shareholders Rights Directive requires investors to disclose their shareholder engagement (Passed in May 2017 – June 2019 implementation)

PERSPECTIVE OF PRESIDENT OF THE SWISS CONFEDERATION, UELI MAURER

“Sustainability presents a great opportunity – both in its own right and in combination with digitalization – to ensure that Switzerland continues to be a highly competitive financial centre in the future.”



Ueli Maurer
President of the Swiss Confederation

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Bridges, Synergies & Networks

Geneva - Where Finance & SDGs meet

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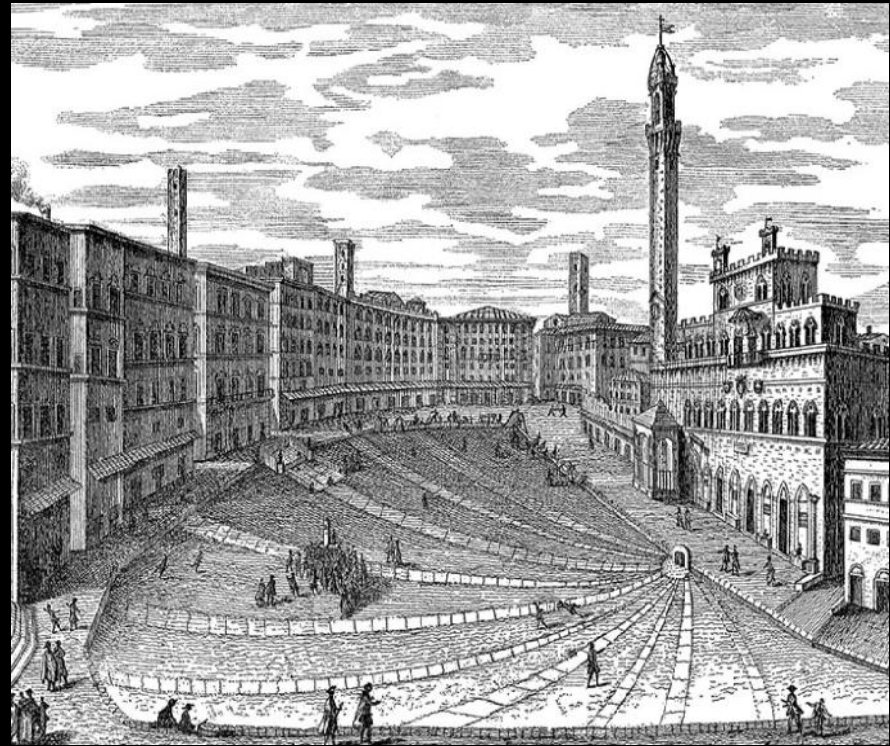
AFBS 47th OGA, Geneva
Nicholas C. Niggli
@nicholas_niggli
Deputy Secretary General

SUSTAINABLE
FINANCE
GENEVA 
where finance meets impact



Departement of Economic Development
General Secretariat
05/06/2019

Crossroads, Hierarchies & Networks



Bridge Week – Oct 7-11 2019

Save the date!



@nicholas_niggli - nicholas.niggli@etat.ge.ch - @GeneveEconomie

Last week at Geneva Airport...

A photograph of four young people of diverse ethnicities standing in a row against a dark grey background. They are all wearing dark, sleeveless tank tops. From left to right: a young man with short brown hair, a young woman with long blonde wavy hair, a young man with short dark hair and bangs, and a young woman with dark curly hair. The word "shareholders." is written in a white, lowercase, serif font across the center of the image, enclosed in white square brackets. The young man in the center has his arms crossed, while the others have their hands in their pockets or at their sides.

shareholders.



Association of Foreign Banks in Switzerland

June 2019



UNEP
FINANCE
INITIATIVE

PRINCIPLES FOR RESPONSIBLE BANKING

SHAPING OUR FUTURE

June 2019

The Founding Banks

access

البنك الأفريقي الدولي
arab african international bank

BANCO PICHINCHA

GRUPO FINANCIERO BANORTE

BARCLAYS

BBVA

BNP PARIBAS

bradesco

ICB
A BANK TO TRUST

CIMB

FirstRand

Garanti
BBVA Group

GOLOMT BANK

Hana Financial Group

ICBC

ING

KCB

LAND BANK
We stand by you

National Australia Bank

Nordea

PIRAEUS BANK

Santander

Shinhan
Financial Group

Standard Bank

SOCIETE GENERALE

Triodos Bank

200 | Westpac GROUP

YES BANK



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RESPONSIBLE
BANKING

6 PRINCIPLES SHAPING OUR FUTURE



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Alignment



Impact



Clients &
customers



Stakeholders



Governance &
target setting



Transparency &
accountability



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BANKING

Further Banks that have joined the Principles to date



GET INVOLVED!



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PRINCIPLES FOR
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BANKING

Endorse the Principles for Responsible Banking and become part of the Sustainable Banking System of the Future. Learn more at: www.unepfi.org/prb

Become a Founding
Signatory on 22nd
September 2019!

[#bankingprinciples](https://twitter.com/bankingprinciples)





PRINCIPLES FOR
**RESPONSIBLE
BANKING**

Thank you

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Sustainable Investing with J. Safra Sarasin

June 2019

Philipp E. Bärtschi
Chief Investment Officer
Bank J. Safra Sarasin

J. Safra Sarasin: Pioneer in Sustainability



Sustainability is the Foundation of Bank J. Safra Sarasin's Success

Leadership

We are a pioneer and thought-leader in sustainable investments.

Commitment

We apply the sustainability lens at all times and have it in our DNA.

Future-Orientation

Performance can only be achieved by anticipating global changes.

Smart Investments


We believe that sustainable business is good business.



“If you choose to sail upon the seas of banking, build your bank as you would your boat, with the strength to sail safely through any storm”
– *Jacob Safra (1891 – 1963)*

The Accident That Marked the Start of Our Sustainability Journey

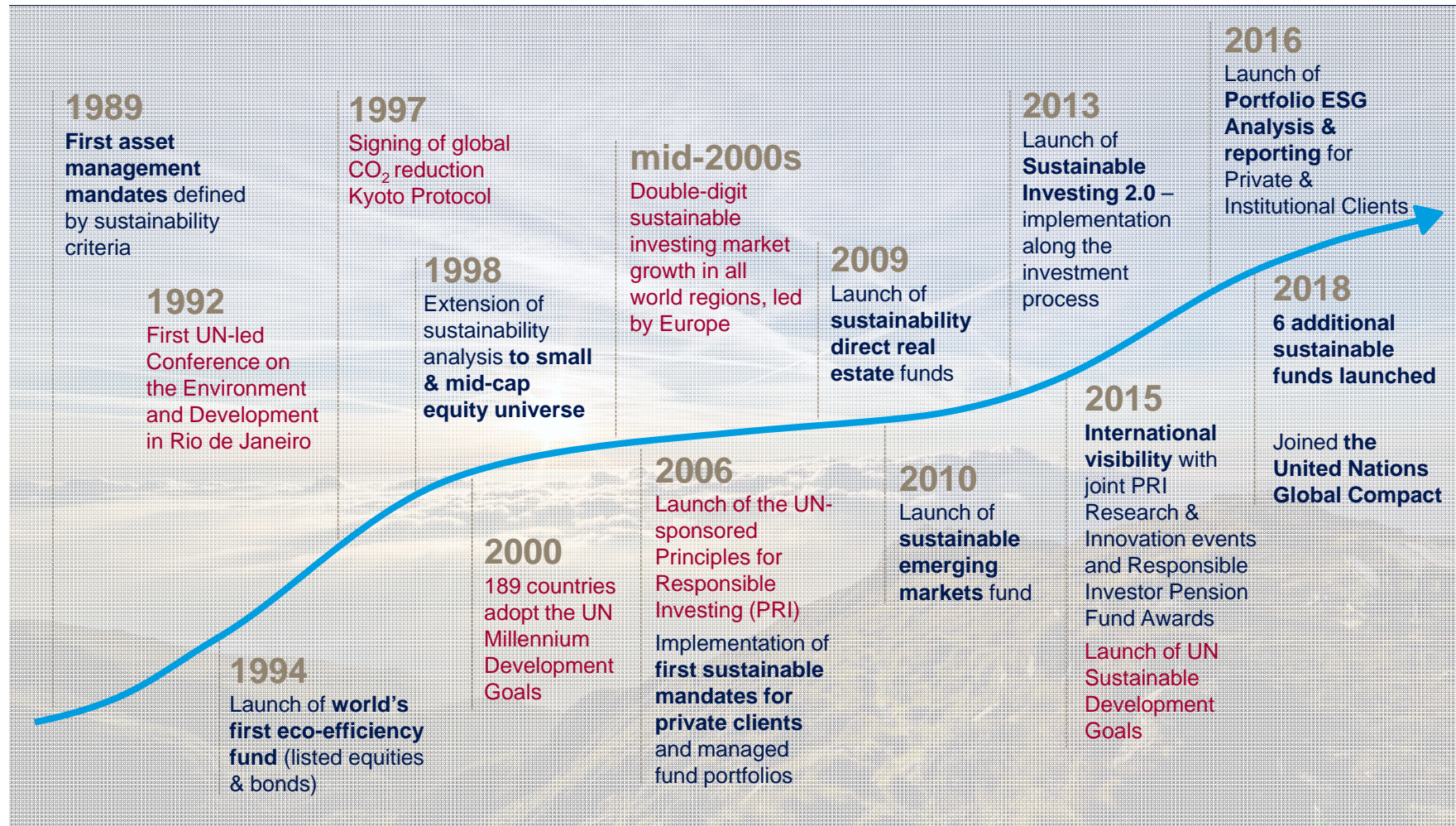
- In 1986, a **major environmental accident** involving a major pharmaceutical company occurred at the doorstep of our Basel headquarters.
- This prompted us to **rethink our investment philosophy** and process, recognizing the importance of **evaluating investments through the lens of sustainability**.
- This led to the creation of our **first dedicated mandates based on environmental criteria**.



“Huge chemical spill in the Rhine creates havoc in four countries” – *NY Times*

“Chemical spill turns Rhine red” – *BBC*

A Rich History in Sustainability over the Last 30 Years



In blue: Milestones for Sustainable Investing at Bank J. Safra Sarasin

In red: World Events and International milestones in Sustainable Investing

Source: Bank J. Safra Sarasin Ltd December 2018. Commercially free to use image from Pixabay

Our Sustainability Commitments



We are committed to various initiatives and playing a leading role in many, in order to foster the sustainability agenda. We live and breathe sustainability.



2019 Award Winner:
"World's Best Private Bank
for Social Responsibility"



Our Edge in Sustainable Investing



Our Investment Philosophy

Long-term thinking is the main condition for real and lasting economic success.

Invest in businesses that **provide the right solutions for the future**, while avoiding companies that fail to embrace future challenges.

Incorporating a **sustainability mindset** at all times increases the quality of our analysis and **raises the level of insights**.

Integrating all aspects of sustainability into the investment process leads to better outcomes by **reducing risks** and **harnessing long-term opportunities**.

Sustainability is
our lens for
investing in the right
companies



Achieving Investors' Goals with our Sustainable Investing



Reducing Risks

- Avoid controversial exposures
- Mitigate ESG risks



Delivering Returns

- Harness thematic opportunities
- Benefit from ESG business practices



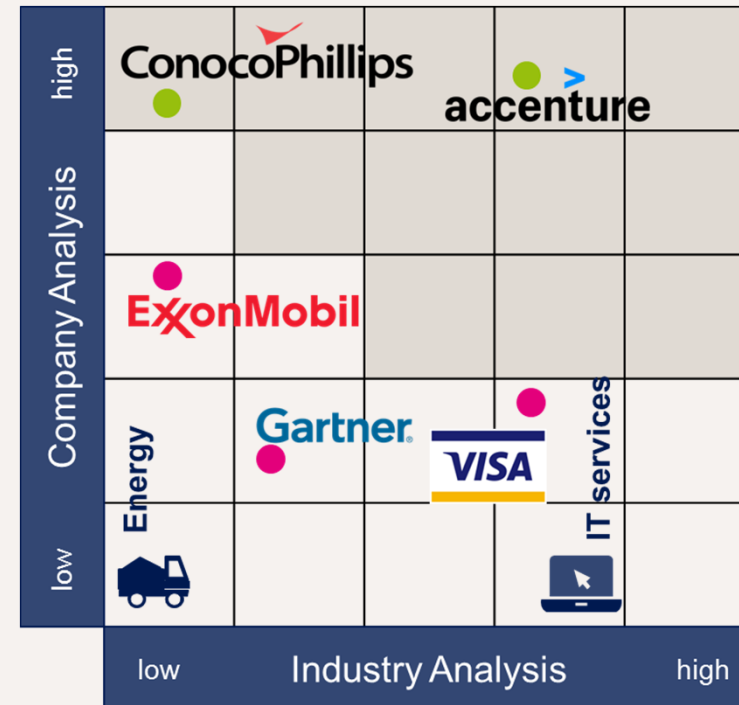
Changing Behaviour

- Target positive outcomes
- Achieve greater transparency

Reducing Risks

We reduce risks by **avoiding controversial exposures**, identifying and mitigating ESG risks

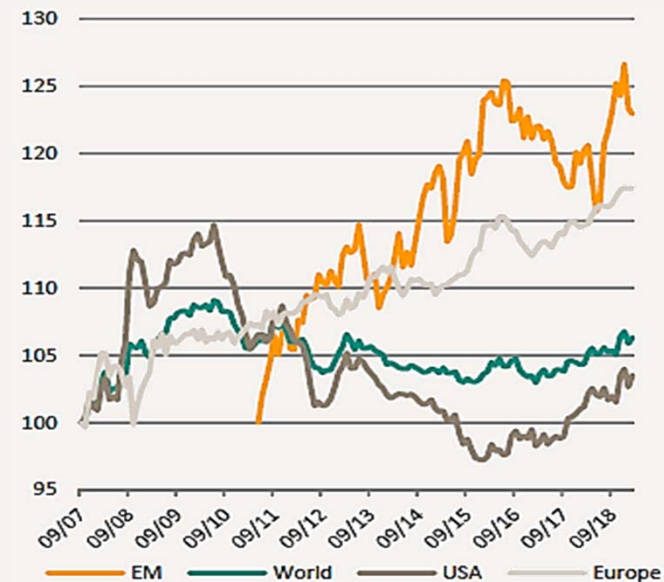
- A company's commercial success is dependent on how it fits into **society**, the **environment** and its **ownership** and **governance structure**.
- No sector is immune to the huge social and environmental changes we are witnessing.
- Controversial business activities and practices often come with **reputational risks** that are better avoided.
- By looking at risks using both financial and ESG metrics, we can **better mitigate longer-term risks** typically overlooked by traditional investment approaches.



We harness **long-term transformational trends** to find attractive thematic opportunities, investing in companies that operate with **excellent ESG practices**

- Global challenges can be turned into opportunities we can harness.
- Companies that are able to tackle these challenges are often **good investments** from both a **sustainability and financial point of view**.
- We identify long-term transformative trends and look for **companies that are riding them**.
- We also aim to invest in companies that have **excellent ESG best practices**.

Cumulative Relative Performance of SRI Indices versus Parent Indices



Monthly data, 28.9.2007=100 (EM 31.5.2007=100)

Source: Bank J. Safra Sarasin Ltd, Datastream as of 28.2.2019. For illustrative purposes only. Past performance is no indication of current or future performance.

We aim to target positive outcomes through greater transparency

- **Active ownership** through **engagement and voting** gives us an opportunity to foster positive impact and reduce ESG risks
- With more detailed reporting and greater transparency, we can build awareness for ESG issues in our portfolios and manage the related risks.
- We aim to foster **robust corporate governance structures** and **shareholder rights**, strong **social** and **environmental performance**, and transparency.
- This promotes sustained profitability and risk management, protecting shareholder value, and enhancing long-term returns.

Overview of Our Direct Dialogues with Companies in 2018



Our Sustainability Toolkit Is Embedded in Each Step of Our Investment Process



Investing with the Pioneer Across Different Asset Classes



Our Unique Positioning in Sustainable Investing

Sustainability is in our brand and DNA

We are the **pioneers and thought-leaders** with more than 30 years of experience in Sustainable Investing.

Our large and experienced **team integrates sustainability into each step of our investment process.**



Our proprietary and registered **Sustainability Matrix®** helps reduce reputational risks and improve the ESG portfolio profile.

We are **committed to transparency** engaging with our clients through in-depth portfolio ESG and Impact reporting.

Our Sustainable Investment Strategies

				
<ul style="list-style-type: none"> ■ Global (1999) ■ USA (2000) ■ Oekosar (2005) ■ Europe (2007) ■ Water (2007) ■ Switzerland (2009) ■ Lifestyle Brands (2009) ■ Real Estate Global (2009) ■ Emerging Markets (2010) ■ Technology Disruptors (2018) 	<ul style="list-style-type: none"> ■ Bonds CHF (2002) ■ Bonds International (2002) ■ Bonds Europe (2002) ■ Bonds EUR (2003) ■ Sustainable Green Bond Global (2007) ■ Corporate Bonds EUR (2011) ■ Bonds EUR High Grade (2013) ■ Global High Yield Bonds (2018) 	<ul style="list-style-type: none"> ■ Real Estate Switzerland (2009) ■ Real Estate Europe (2011) ■ Sustainable Properties – European Cities 	<ul style="list-style-type: none"> ■ Balanced Dynamic Global (1994) ■ Balanced Defensive Europe (2001) ■ Convertible Bonds Global (2009) ■ Switzerland Flexible Allocation (2012) ■ Balanced Defensive Focus Switzerland (2012) 	<ul style="list-style-type: none"> ■ Pure Sustainable (2006) ■ Classic Sustainable (2003)

Source: Bank J. Safra Sarasin Ltd. Years in brackets show when the respective strategy was launched.



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— ASSET MANAGEMENT —



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