THE SWISS FINANCIAL CENTRE

Sustainability: A Growth Factor in Banking

- **Switzerland stands at the forefront of global sustainable finance, managing around 30% of global cross-border sustainable investments.**
- **From pioneering regulation to advancing sustainable investment practices, the Swiss financial centre has transformed sustainability from aspiration to competitive advantage.**
- **Through leadership in impact investing and alignment with international climate goals, Switzerland channels capital towards measurable environmental and social outcomes.**

A Global Leader in Sustainable Finance

Switzerland has emerged as a frontrunner in global sustainable finance, leveraging its renowned financial expertise to pioneer environmental stewardship in investment practices. The country continues to set benchmarks in integrating sustainability into financial decision-making, supported by a robust regulatory framework and a strong commitment from both public and private sectors. Zurich and Geneva are ranked second and fourth respectively in the Global Green Finance Index 2025 with Zurich excelling all other locations with its outstanding scores for depth and quality of Green Finance.

Development of Sustainability-related Investments in Switzerland

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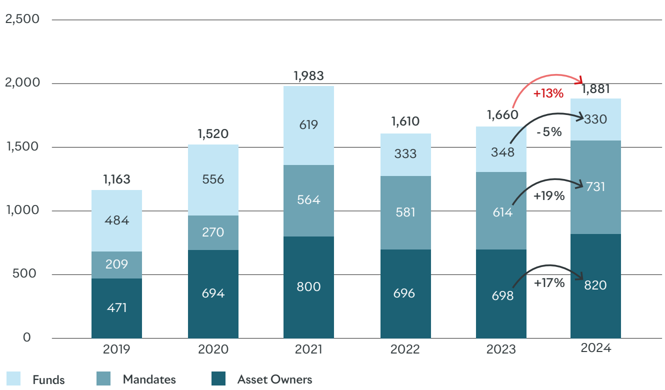

Source: SSF, Swiss Sustainable Investment Market Study 2025, p.6

Strength Through Self-Regulation

Self-regulation is one of the key strengths of the Swiss financial centre, complementing state oversight to create agile and effective rules. This approach fosters growth and positions the market to seize opportunities swiftly and with high quality. Led by the Swiss Bankers Association, Switzerland has established a principle-based framework which defines binding sustainability-related requirements for investment and mortgage advice, thus establishing minimum requirements. By making sustainability an integral part of the respective advisory discussions with private clients, the industry is making a concrete and important contribution to further strengthening the Swiss financial centre as a leading sustainable finance hub.

Impact Investment on the Rise

The Swiss financial centre is a leading market for the management of specific impact investment funds that invest in private markets in developing and emerging countries. Switzerland is among the top three countries globally in terms of assets managed in this sector. Around 20 impact asset managers are based in Switzerland, overseeing a total of around USD 11 billion in assets. This represents roughly 12% of the global market, which is estimated at close to USD 95 billion.[1]

1 SSF, Tameo: "A Stocktake of Impact Investing" (2024)

Clarity and Accountability

The Swiss Climate Scores are a standardized set of indicators designed to provide transparency in financial products regarding their climate impact and alignment with sustainability goals. They are creating a common language when it comes to climate aspects of investing, reducing greenwashing risks by establishing a clear, comparable standard. This transparency empowers investors to make more informed decisions, driving capital towards climate-friendly investments. The scores have positioned Switzerland as a pacesetter in sustainable finance regulation

Internationally Compliant

Switzerland has ratified the Paris Agreement and is implementing it through various country-specific regulations. The Federal Act on Climate Protection Targets, Innovation and Energy Security, the CO2-Act and the Ordinance on Climate Disclosures (OCD) are interlinked and, together, form the legal framework for the joint climate regulation of Switzerland. The OCD is particularly important for the financial sector, requiring major Swiss banks to publish transition plans aligned with the objectives of the Paris Agreement. Although the ordinance focusses primarily on reporting, its emphasis is effectively on the concrete alignment of business activities with each bank's climate targets.

The Swiss Bankers Association: Committed to a Strong Financial Centre

The Swiss Bankers Association is the uniting force behind Switzerland's banking excellence, representing around 270 member institutions. For over a century, we have championed the Swiss financial centre's interests, crafting an ideal environment for banking accomplishment and success. Through strategic partnerships with relevant stakeholders, we are shaping tomorrow's banking landscape, focusing on critical priorities like banking stability, market access, anti-money laundering and digital currencies – ensuring Switzerland's continued leadership in global finance. · www.swissbanking.ch

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