Swiss Sustainable Finance

Swiss Sustainable Investment Market Study 2026

Thank you!

We would like to thank all parties who contributed to the study: the survey respondents for their effort in providing data, the members of the market study focus group for their valuable feedback on the methodology, and the team at Advanced Impact Research (AIR) GmbH, who evaluated the data with great care and diligence in a continuous fruitful collaboration.

This year's study also reflects a broader spirit of collaboration that we are committed to fostering across the financial centre. We are grateful to the team of Lucerne University of Applied Sciences, whose research on Swiss retail banks brings a welcome complementary perspective and has informed a dedicated chapter of the present study. We also appreciate the collaboration with the Asset Management Association Switzerland (AMAS), who will draw on the data of this study to inform their own reporting on the development of sustainable investment volumes.

Such joint efforts help avoid duplication for industry participants, strengthen the consistency of the figures shared with the public, and ultimately reinforce the credibility of sustainable finance in Switzerland. We are convinced that we are stronger when we join forces, and we will continue to play an active role in fostering joint initiatives.

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Content

Preface by Swiss Sustainable Finance

In 2025, headlines focused mostly on geopolitical realignments in a shifting world order, inflation, and the accelerating disruption in worklife and other areas brought about by artificial intelligence. Sustainability was largely absent from the front pages. When it did appear in media, it was primarily in connection with scaled-back commitments, regulatory complexity, or debates on portfolio diversification and performance.

In such an environment, the Swiss Sustainable Investment Market Study plays an important role. It offers facts and figures behind the noise, and illustrates what really happens in the market.

This year's study demonstrates a remarkable resilience of the Swiss sustainable investment market, which continued to grow in a year that saw outflows of sustainable investment products in many other world regions. It also shows an emerging transformation of operations and business models in sustainable finance. One example is the increasing integration of artificial intelligence into the core processes of value creation: investment due diligence, sustainability scoring, risk assessment and product development. Another one is the progressive materialization of nature-related risks, in particular extreme weather events, in portfolio performance. Their financial relevance is no longer a remote perspective but a present reality resulting in earnings volatility and asset impairment, and increasingly reflected in corporate disclosures and risk management processes.

For European countries, including Switzerland, "sustainability" therefore does not only mean decarbonisation, but a broader resilience strategy: reducing exposure to imported volatility, strengthening domestic capacity and building stronger foundations for competitiveness. Sustainability is becoming inseparable from matters of innovation, resilience and sovereignty.

This shift has consequences for capital allocation. One strategy is to manage short term benefits. Another one is to direct capital toward the systems, infrastructure and technologies that will define durable competitiveness.

We wish you an interesting read of this year's study, and hope it will leave you with a shared conviction: that sustainable investing is not a posture against current markets, but rather the discipline that builds resilience into them.

Sabine Döbeli
CEO, SSF

Romain Leroy-Castillo
Director AI and Education, SSF

Executive Summary

The objective of the annual Swiss Sustainable Investment Market Study is to provide transparency on the development of the sustainable investment market in Switzerland, as well as the maturation of sustainable investment practices for banks, asset managers and asset owners.

A total of 77 Swiss respondents took part in this year's study, which is largely consistent with the participation level of the past years. The slightly lower participation rate compared to previous year's levels is reflecting the tighter resources of respondents and occasionally lower prioritisation of the topic in the industry. However, the continued willingness of many market participants to engage in a comprehensive survey underlines the sustained commitment of the Swiss financial industry to sustainable investing.

The composition of the respondent base remains balanced across participant groups (30% asset owners, 35% asset managers, 35% banks), and continues to capture all the largest market participants by asset under management (AuM). This ensures that the results remain representative of the whole market and comparable in terms of volume over time.

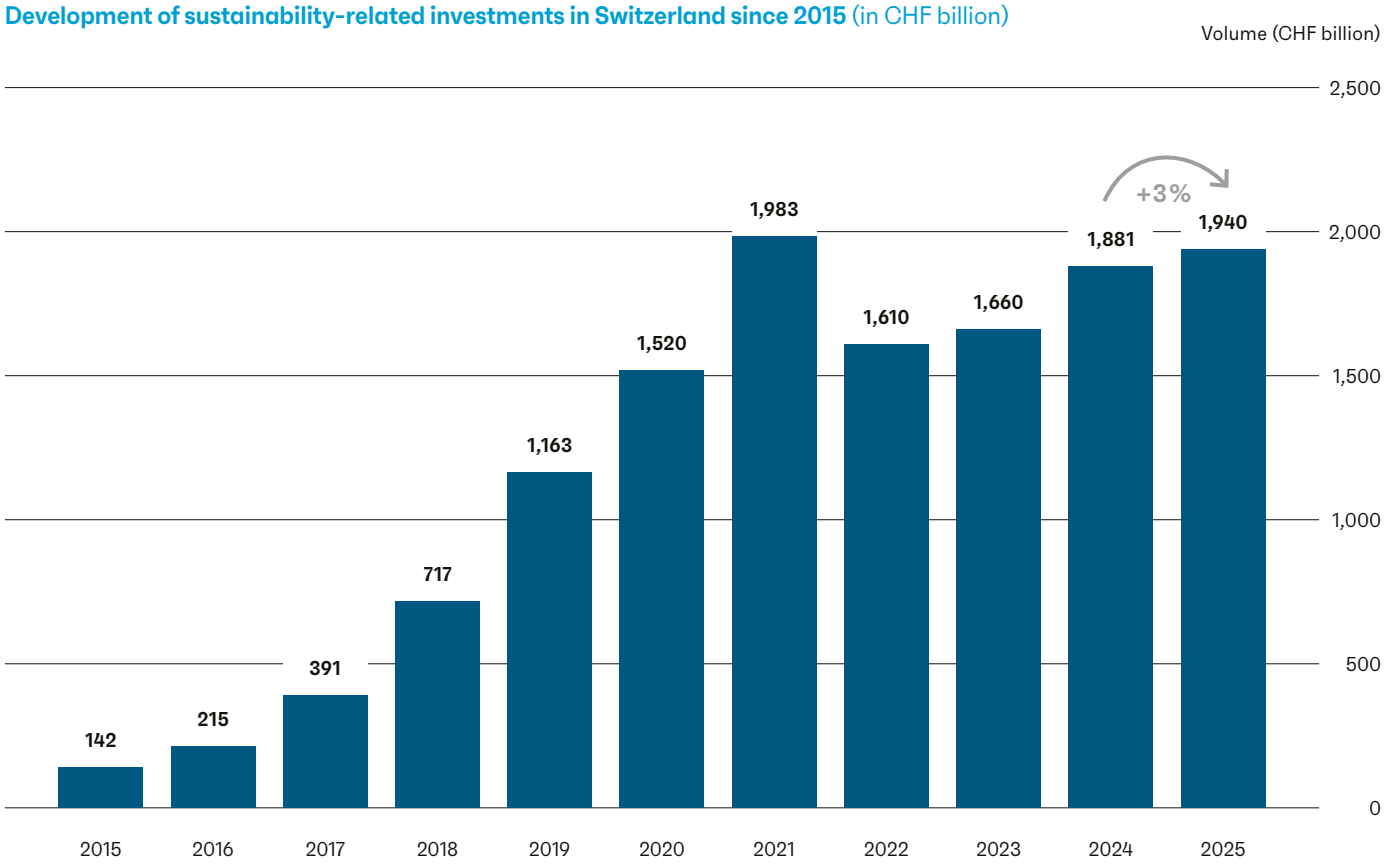
The findings of this year's study show a remarkable resilience of the Swiss market in a year that otherwise saw outflows from sustainable investment products in most other world regions. It also shows the emerging transformations brought by new technology (artificial intelligence) and physical climate risk on operations and business models.

1 Switzerland stands out positively in terms of asset growth

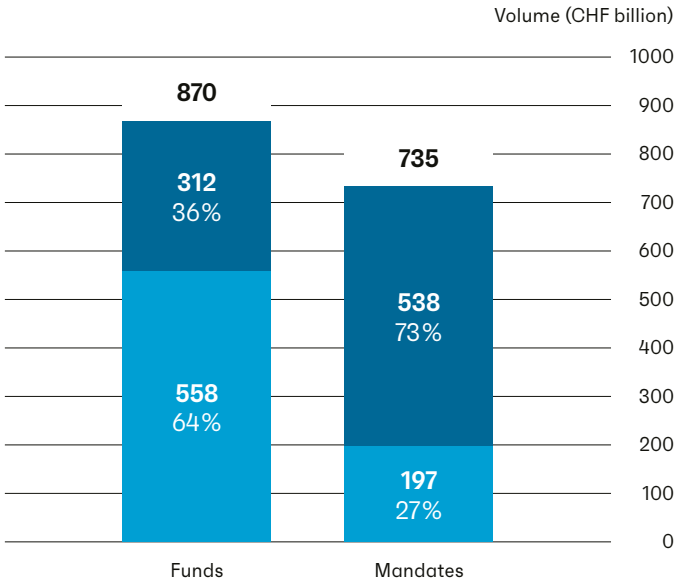
Sustainability-related investments in Switzerland have grown substantially over the past decade, rising from CHF 142 billion in 2015 to CHF 1,983 billion in 2021. Following this peak, volumes declined notably in 2022, reflecting the broader market correction and heightened scrutiny of sustainable investment. Since then, the market has recovered steadily. In 2025, it grew by 3% reaching CHF 1,940 billion and approaching again its 2021 levels. In global comparison, Switzerland showed more resilience than the global average, with sustainability-related volumes recording again a positive growth.

→ Details on page 13

Development of sustainability-related investments in Switzerland since 2015 (in CHF billion)



Marketing of sustainability-related products by asset managers (in CHF billion) (n=51)



2 Financial industry remains committed in action more than in words

A substantial portion of volumes continues to be managed in line with sustainable investment approaches without being actively marketed as sustainable. This can be read from two perspectives. On the one hand, it may fuel the legitimate concern of "greenhushing" – the reluctance to publicly communicate sustainability commitments for diverse reasons. But on the other hand, it also highlights that many sustainable investment practices are now mainstream. The industry is doing more than it may seem on paper, and remains committed to sustainable investing in action, if not in words.

→ Detailed analysis on page 16

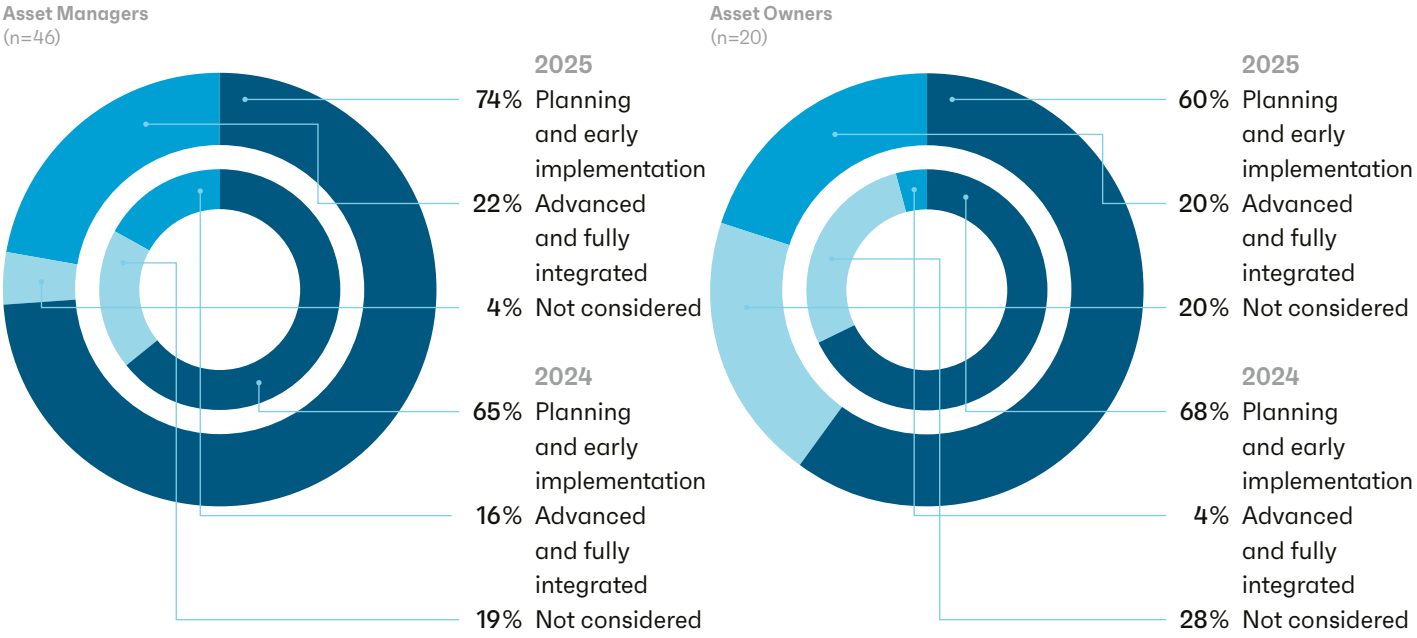
- Marketed as sustainable
- Not marketed as sustainable

3 Artificial intelligence is reshaping sustainable finance

This year's data shows a significant increase in the number of institutions adopting AI. The whole industry recognizes that it is no longer possible to ignore the critical changes brought by these technologies. Many use cases still in the making last year have now moved to production. The most striking change is the shift of use cases in the industry, with a massive increase in investment due diligence, sustainability scoring, risk assessment, or product development. This shows a reduction of compliance-driven applications and rapid adoption of AI tools across the core processes of value creation – a fundamental shift compared to last year (Figure 28 on page 37).

→ Details on page 36

Stage of artificial intelligence adoption in the organization for asset managers and asset owners in 2024 and 2025 (in % of respondents) (n=66)

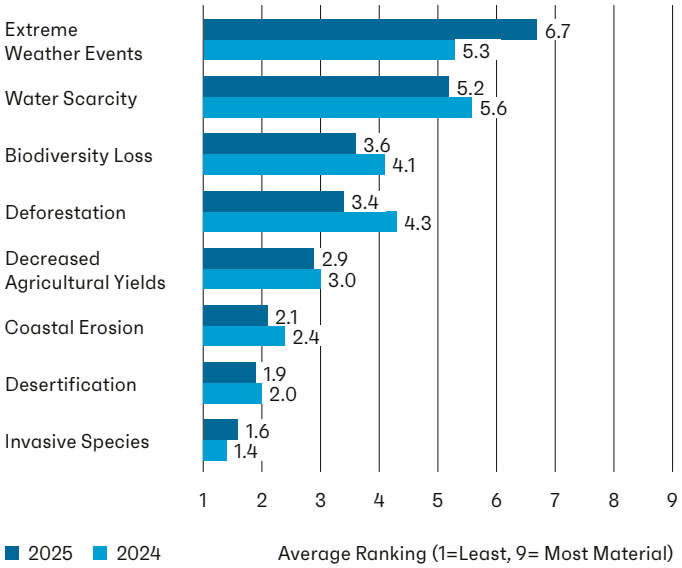


4 Extreme weather events are a material financial risk

Extreme weather events are identified by respondents as the most financially material nature-related risk factor, with a notable increase in perceived materiality compared to last year. This reflects a growing consensus across industries that extreme weather has become a material driver of earnings volatility, asset impairment, supply chain fragility, and valuation risk. This shift is also increasingly reflected in corporate disclosures across many industries, illustrating how various sectors once perceived as less exposed are reassessing their vulnerability.

→ Details on page 30

Average materiality of nature-related risk factors identified by asset managers and asset owners in 2024 and 2025 (scale from 1, least material, to 9, most material) (n=27)

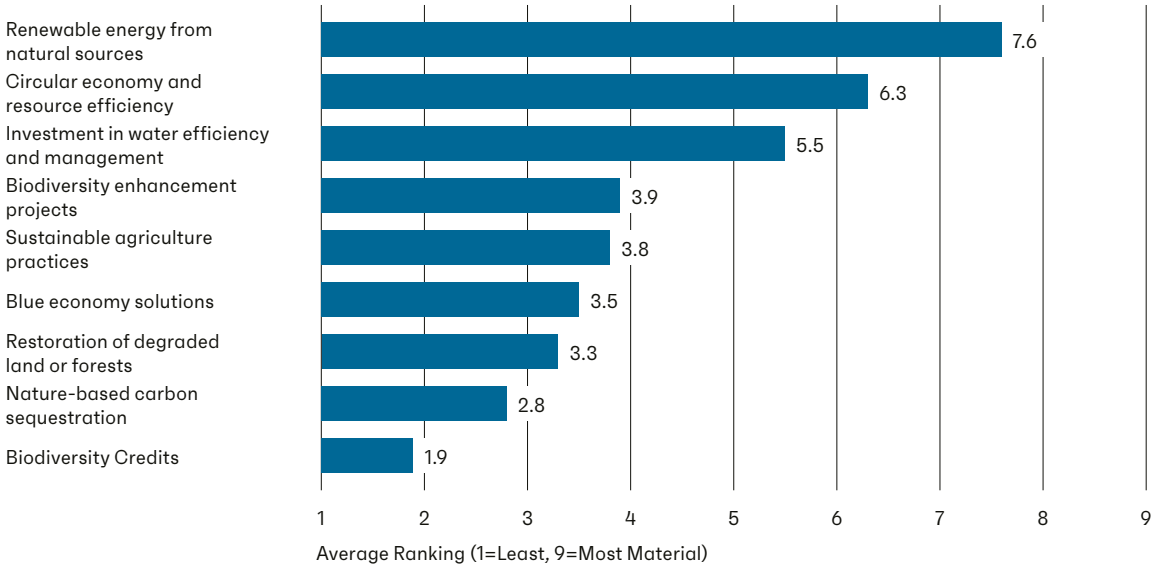


5 Nature-related investment opportunities are taking shape

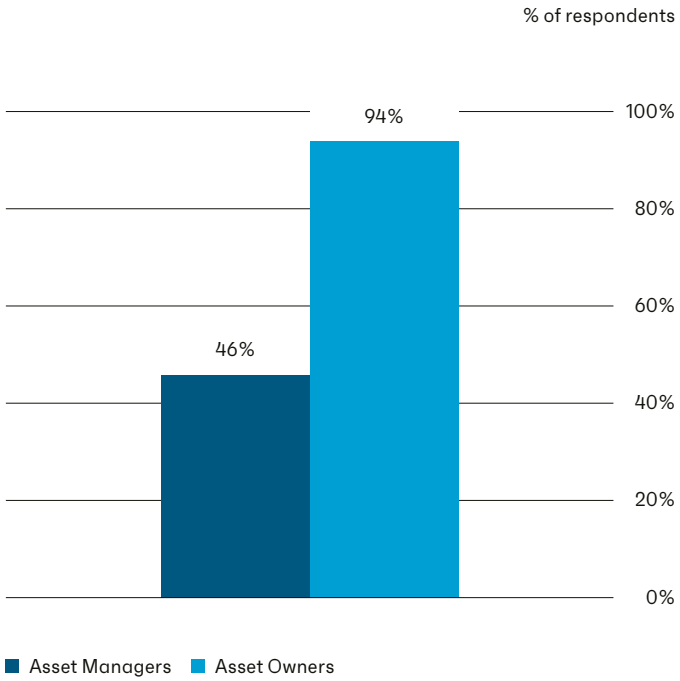
The rising awareness of the need for resilient infrastructure, stable supply chains, and climate-adapted operating models can, on the opportunities side, lead to the emergence of new business models and the redirection of capital flows. This may contribute to a funding increase in resilience and adaptation finance. As of now, the survey' data indicates that capital allocation remains concentrated in areas where market structures and investment cases are already mature.

→ Details on page 33

Average materiality ranking of nature-related opportunities identified by asset managers and asset owners (in CHF billion) (n=33)



Existence of a formal ESG real estate policy for asset managers and asset owners (in % of respondents) (n=41)



6 Asset owners lead by commitment, especially on real estate

A large majority of asset owners have a formal real estate sustainability policy in place, while the share among asset managers is significantly lower. This is driven by a combination of factors: the higher materiality of real estate as an asset class (25% of AuM) for asset owners, as well as a clear understanding of their fiduciary duty to back pension obligations with assets that keep their value in the long term. This longer term investment horizon can also be seen in other themes, such as the higher share of asset owners having defined net-zero targets and transition plans (Figure 24 on page 35), or the climate scenarios that they target (Figure 25 on page 35). In other words, asset owners are setting the market's long-run direction.

→ Details on page 40

Introduction

01

1.1 Objective and structure of the study

The objective of this year's market study is to provide transparency on the development of the sustainable investment market in Switzerland, as well as the maturation of sustainable investment practices for banks, asset managers and asset owners.

Chapter 2 provides insights on the adoption of sustainability approaches in the Swiss investment market. This includes overall volumes of sustainability-related investments, drivers behind the adoption of sustainable investing, evolution of investor types, asset allocation and the perspective of the AMAS self-regulation 2.

Chapter 3 provides thematic deep dives on a selection of particularly topical themes: the adoption of artificial intelligence, nature-related risks and opportunities, climate change and real estate.

Chapter 4 covers details on applied sustainable investment approaches.

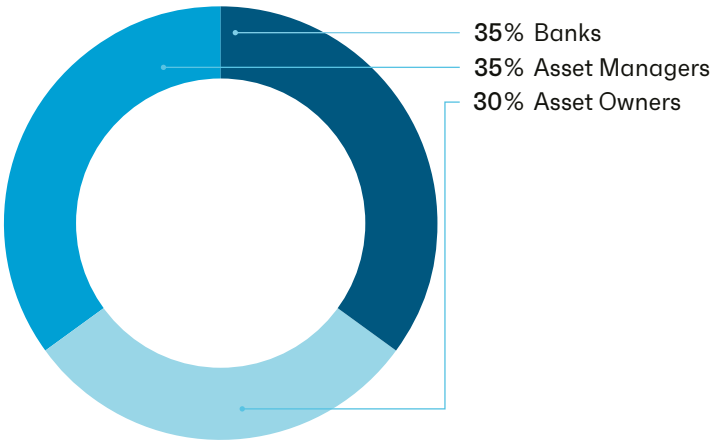
Chapter 5 contains an overview of the regulatory framework in Switzerland and beyond.

Chapter 6 provides a deep dive into the sustainable product offering of Swiss Retail Banks, and the related evolution of client investment flows.

Details on the methodology of the study can be found in the Appendix on page 84.

1.2 Overview of study participants

Figure 1: **Market study participants**
(in %) (n=77)



A total of 77 Swiss respondents took part in this year's edition of the Swiss Sustainable Investment Market Study. This is slightly below previous year's levels, reflecting the tighter resources and occasionally lower prioritisation of the topic in the industry. However, the continued willingness of many market participants to engage in a comprehensive survey underlines the sustained commitment of the Swiss financial industry to sustainable investing.

As shown in Figure 1, 35% of respondents are asset managers, 35% are banks or diversified financials, and 30% are asset owners. The composition of the respondent base remains balanced across participant groups, and continues to capture all the largest market participants by asset under management (AuM). This ensures that the results remain representative of the market and comparable in terms of volume over time.

Important note: for the rest of the study, asset managers and banks are often referred to as "asset managers", except where stipulated otherwise.

Graubündner Kantonalbank

Every Sector Plays a Role Towards Net Zero

Daniel King-Robinson
Senior Asset Manager/Head of Thematic Investments

The Structural Challenge

Reaching a low-carbon economy is both an opportunity and a defining challenge to drive structural transformation in the real economy, supported by capital allocation, transition financing and active stewardship across all sectors. While Energy and Utilities account for a large share of direct emissions, a value-chain perspective shows that the key decarbonization levers are distributed throughout the economy. For investors, the central question is therefore not which sectors emit the most today, but how each sector can contribute to reducing real economy emissions over time.

A narrow focus on operational emissions (Scope 1 and 2) provides an incomplete picture (Figure 1). In many industries, most emissions occur upstream in supply chains or downstream in the use of products and services. This is particularly true in sectors such as Consumer Staples, Consumer Discretionary and Information Technology. In Financials, financed and downstream emissions can significantly exceed operational emissions, underscoring the importance of capital allocation and engagement in supporting credible transition pathways.

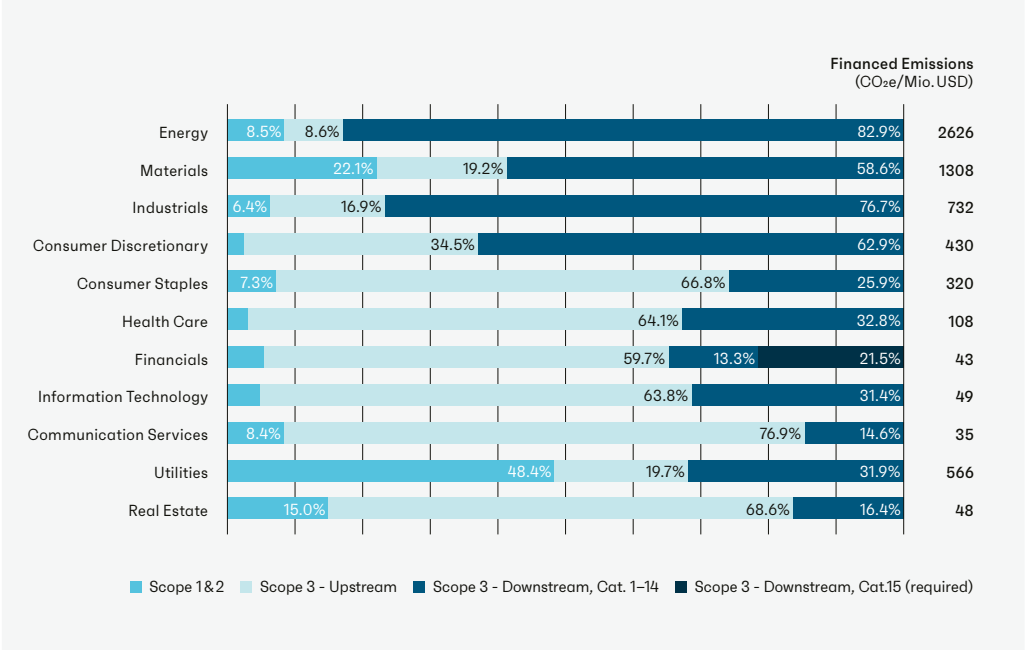
The Sectoral Emissions Paradox

The ratio between operational and value-chain emissions differs markedly across sectors, implying that decarbonization strategies must be sector-specific rather than based on uniform metrics. For instance, Information Technology typically exhibits low direct emissions but can carry substantial upstream footprints and rising downstream energy demand from digital infrastructure and AI. At the same time, technological innovation enables economywide emissions reductions through efficiency gains, smart grids and optimization tools.

Credible Climate Leaders in Each Sector

Every company occupies a distinct place in its value chain. For investors, assessing climate leaders means weighing their role in the low-carbon transition, the ambition and delivery of their emissions-reduction targets, and the credibility of their decarbonization pathway. Such an encompassing analysis enables them to allocate capital to leading companies and engage with those that are not yet on track.

Sectoral Distribution of Financed Emissions Along the Value Chain
Most sectors' financed emissions are concentrated in Scope 3, highlighting the importance of value-chain decarbonization.



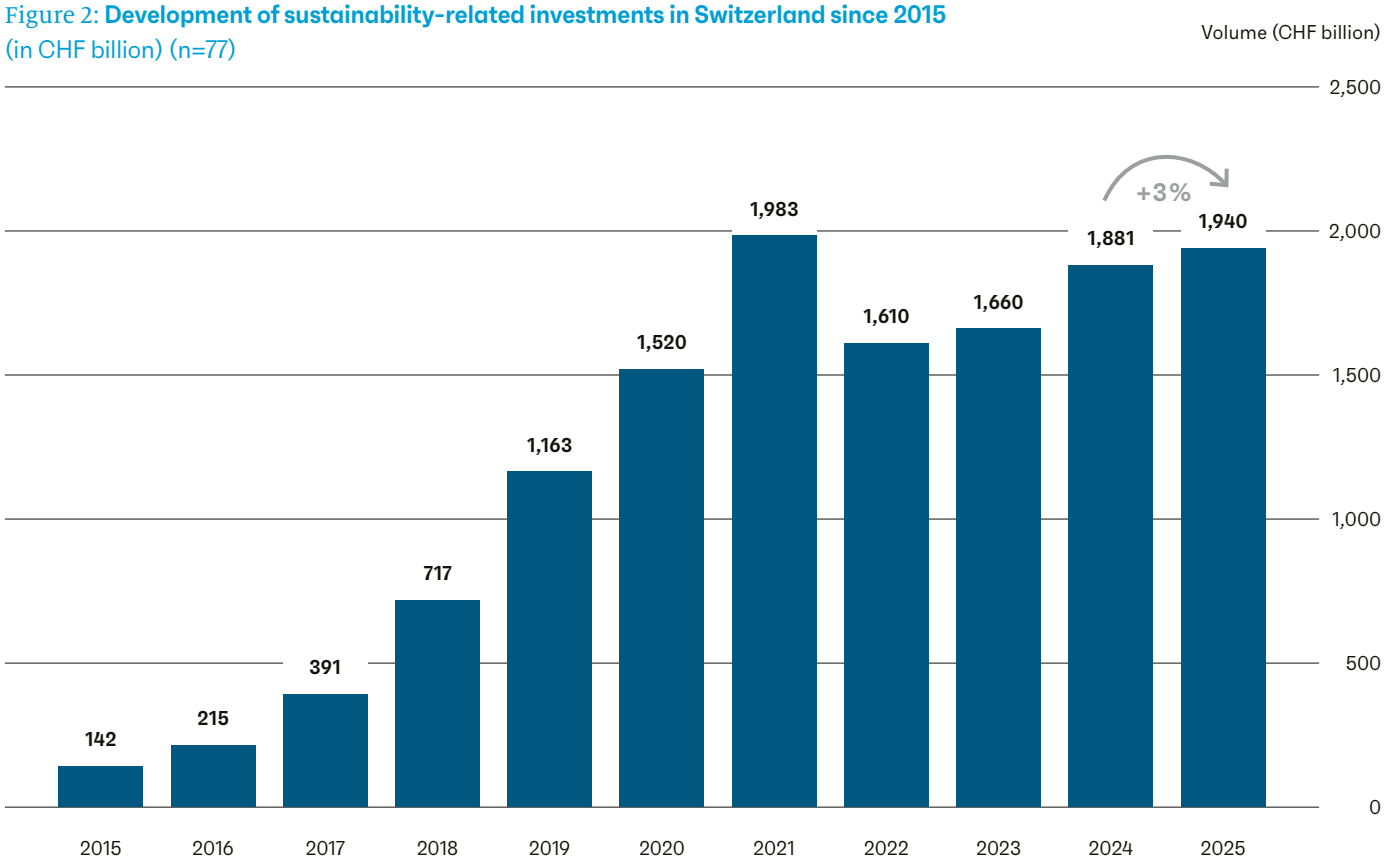
Scan to see more

Swiss Sustainable Investment Market

02

2.1 Overall volumes of sustainability-related investments

Figure 2: **Development of sustainability-related investments in Switzerland since 2015** (in CHF billion) (n=77)



Sustainability-related investments in Switzerland have grown substantially over the past decade, rising from CHF 142 billion in 2015 to CHF 1,940 billion in 2025 (Figure 2), corresponding to a compound annual growth rate (CAGR) of approximately 30% over the last decade.

Following a peak of CHF 1,983 billion in 2021, volumes declined notably in 2022, reflecting the broader market correction and heightened scrutiny of sustainable investment products during that period. Since then, the market has recovered steadily, approaching now its 2021 peak. Growth has continued, albeit at a slower average pace in recent years, with a CAGR of around 6% since 2022.

In 2025, volumes of sustainability-related investments have grown by 3%, rising from CHF 1,881 billion to CHF 1,940 billion.

Overall financial markets are estimated to have grown by around 7% in 2025 depending on the benchmark[1]. Three factors can help explaining why sustainable investment (SI) volumes grew below market rate in 2025.

1 The financial performance is calculated by applying a given performance to the previous year's volumes of the four major asset classes. For the performance of equity, corporate bonds, sovereign bonds and real estate investments, the indices MSCI World 100% Hedged to CHF Index (CHF), Bloomberg Barclays Global Aggregate Corporate Bond Index (CHF Hedged), FTSE World Government Bond Index (CHF Hedged) and SXI Real Estate Funds Index (CHF) were used, respectively.

Factor 1: Sector and market dynamics

In 2024, market performance favoured sustainability-related investment products. This was attributed to the combination of their typical overweight in technology stocks, which performed very well in 2024 (among others fueled by the rise of AI), and the stabilisation of oil prices after their surge in 2022. The dynamics were different in 2025:

- Rearmament spending accelerated dramatically in 2025 following continued geopolitical instability. Defence stocks were among the strongest equity performers globally. Yet, considering the relatively small share of such stocks in global indices, this is only a small part of the explanation.
- Real estate provides better stability and lower volatility, and is therefore a good asset for long term returns or in times of turbulent markets. This, however, comes at the expense of absolute returns when equity markets perform well. Switzerland has historically high real estate allocations across its investment landscape. At CHF 231 billion (12% of Swiss sustainability-related assets overall, and as much as 25% for asset owners), the substantial weight of real estate in SI portfolios contributed to a lower performance relative to the broader equity market in 2025.
- Not the whole market dynamics played against sustainable portfolios in 2025. Renewable energy stocks in particular performed well, even outperforming market indices. This tailwind was however not sufficient to fully offset the significant market gains in sectors such as defence, where sustainable investment has an underexposure due to values-based decisions.

Factor 2: Outflows in some regions

According to Morningstar, global sustainable funds recorded net outflows for the full year 2025, the first annual net redemption since Morningstar began tracking the segment in 2018. A significant share of Swiss-managed sustainable products are distributed internationally, notably across Europe, and was therefore exposed to the same outflow pressures.

The domestic picture tells a different story: private client volumes managed by Swiss asset managers grew in 2025 (Figure 11, page 22), and Swiss retail banks recorded net inflows into their sustainable inhouse funds (Chapter 6, page 74). The aggregate result for Swiss-managed sustainable assets is a modest increase, with domestic resilience partly offsetting international outflow pressure.

The resilience of the Swiss sustainable investment market

In global comparison, the Swiss sustainable investment market shows a noteworthy resilience.

In prior years, especially until 2021, SI volumes grew faster than the market partly because new assets were being allocated into sustainable strategies, creating a double tailwind of market appreciation plus net inflows.

This trend reversed in 2025. As per Morningstar, for full-year 2025, global sustainable funds saw USD 84 billion in net outflows, contrasting with the USD 38 billion in inflows recorded in 2024.[2] This made 2025 the first year of annual redemptions since Morningstar began tracking the segment in 2018. In particular, it was also the first year of outflows not only in the US but also for Europe and the rest of world.

Switzerland showed more resilience than the global average, with sustainability-related volumes still showing a positive growth. This is consistent with our 2025 study's finding that Switzerland had resisted better than other markets.

2 https://www.morningstar.com/business/insights/blog/global-sustainable-fund-flows-quarterly-data

Figure 3: **Sustainability-related investments in Switzerland in 2024 and 2025 for funds, mandates and asset owners** (in CHF billion)

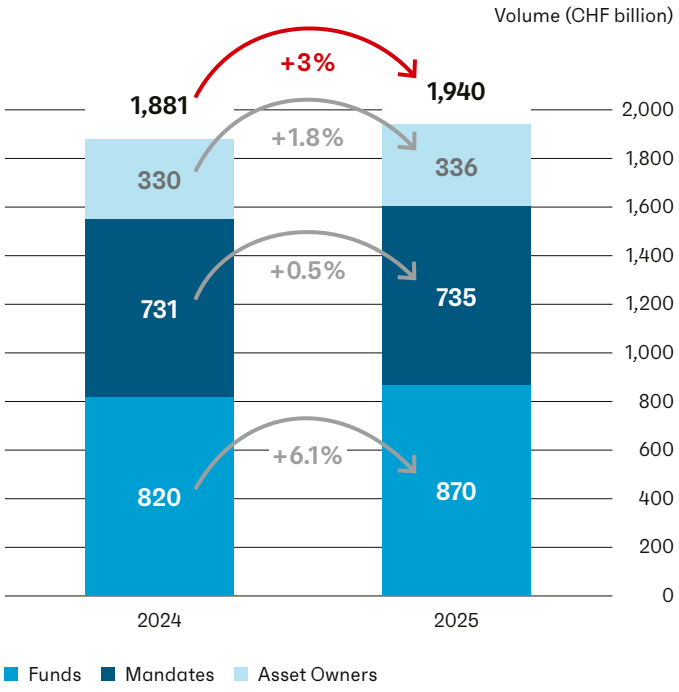
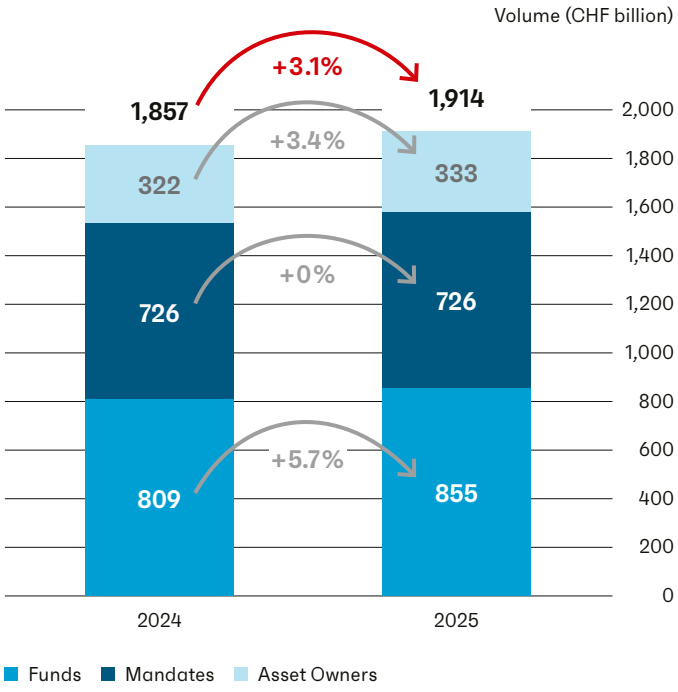


Figure 4: **Development of sustainability-related investments in Switzerland without changes in study participants 2024 and 2025** (in CHF billion)[3]



Factor 3: Market Maturation

This is a structural dimension that goes beyond 2025 specifically. At approximately 50% of the total Swiss fund market, sustainability-related investments have reached a penetration level at which the extraordinary historical growth rates from 2015 to 2021 are no longer achievable. The three engines that drove the 30% CAGR over the past 10 years – a broadening definition of SI that progressively captured new volumes, sustained net flows into sustainable strategies above conventional market rates, and a relatively small starting base – have each substantially run their course. The 2025 data shows that the Swiss sustainable investment market has entered a mature phase of development, in which it can be expected to grow broadly in line with overall financial markets, with short-term divergences driven primarily by sector composition and definitional evolution.

Figure 3 breaks down the CHF 1,940 billion recorded at the end of 2025 across funds, mandates and asset owners, revealing notable differences in segment dynamics. Funds saw the strongest increase, growing to CHF 870 billion, while mandates remained largely unchanged at CHF 735 billion and asset owners self-managed assets grew modestly to CHF 336 billion.

This evolution should be read in conjunction with the data from Figure 10 and Figure 11 (see comments and analysis on page 22).

When considering only those participants who took part in both this and last year's study, the results are closely in line with the overall findings, with volumes growing by 3.1% to CHF 1,914 billion (Figure 4). This indicates that the reported growth is not the result of changes in the respondent base, but an actual market direction.

3 This Figure includes only those participants in the data for 2024 and 2025 who participated in both years to control for the influence that changes in participants have on overall sustainability-related volumes.

2.2 Highlights on funds and mandates

As of 31 December 2025, the total volume of the Swiss fund market stood at CHF 1,735 billion[4], up from CHF 1,615 billion[5] in 2024 – a growth rate of 7.4%. Sustainability-related funds grew from CHF 820 to CHF 870 billion (+6.1%), leaving their share in the overall fund market broadly stable at 50%, compared to 51% in the prior year (Figure 5). The slight decline in market share is consistent with the somewhat faster growth of the overall fund market relative to sustainability-related funds, mentioned and analysed above (page 15).

Figure 6 shows the share of sustainability-related fund and mandate volumes that asset managers actively market as sustainable. For funds, 64% are marketed as sustainable, an increase from 56% in 2024. For mandates, the marketed share remains considerably lower at 27%, also up modestly from 25%.

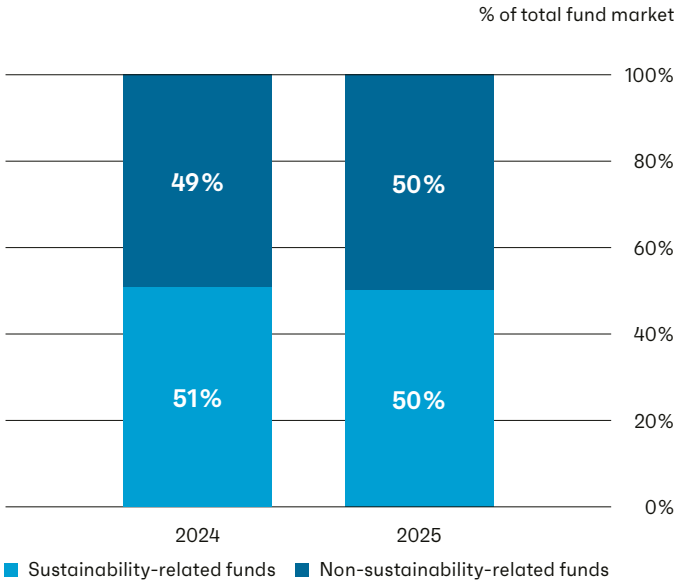
These results are unexpected, considering that several developments in 2025 led product managers to rather apply a more cautious approach to marketing their investment products as sustainable:

— ESMA fund naming guidelines:
According to Morningstar, since the start of 2024, at least 1,500 funds – equivalent to 28% of its sustainable fund universe – have been renamed, with the majority removing the acronym "ESG" or the term "sustainable" from their names.

— AMAS self-regulation v2.2:
The stricter definitions introduced by the new self-regulation (see page 25 for details) mean that some products previously reported as sustainability-related may no longer qualify. Several managers indicated during data collection that they have applied a more cautious approach to what they consider, and communicate, as "sustainable" following the new framework.

— Administration change in the US:
The change of administration in the US early 2025, and latent uncertainties on how a company strategy too engaged on the topic of sustainability may potentially be met with limitations to market access or other impairments to competitiveness, have tended to push companies toward a more cautious communication approach. This is particularly relevant for market participants with operations outside of Switzerland.

Figure 5: **Proportion of sustainability-related funds in the overall Swiss fund market** (in % of total fund market)



4 Swiss Fund Data (2026): *Swiss Fund Market Statistics – Month-End Analysis 31.12.2025*. Available at: https://www.swissfunddata.ch/sfdpub/fundmarket-statistics, accessed 13/04/2026

5 Swiss Fund Data (2025): *Swiss Fund Market Statistics – Month-End Analysis 31.12.2024*. Available at: https://www.swissfunddata.ch/sfdpub/fundmarket-statistics, accessed 13/04/2025

Against this backdrop of headwinds, the increase in the marketed share illustrates the resilience of the Swiss sustainable investment market already highlighted above (page 14). The trend is also partially driven by the dynamics described in Chapter 6. Swiss retail banks have strongly oriented their proprietary fund offerings towards sustainability-labelled products: 55% of their funds are explicitly marketed as sustainable, above the 21% average across the overall Swiss fund market. These products captured most of net inflows into retail bank funds over the past year.

The persistently lower marketed share in mandates (27%) reflects the bespoke, bilateral nature of mandate arrangements, where sustainability considerations are typically embedded directly with the client without requiring explicit external labelling.

The remaining share of products not marketed as sustainable can be read from two perspectives. On the one hand, it may fuel the legitimate concern of "greenhushing" – the reluctance to publicly communicate sustainability commitments for diverse reasons. At the same time, it also highlights that the industry does more in practice than is visible on paper, and that its commitment to sustainable investing remains stronger in action than in words.

Figure 6: **Marketing of sustainability-related products by asset managers** (in CHF billion)

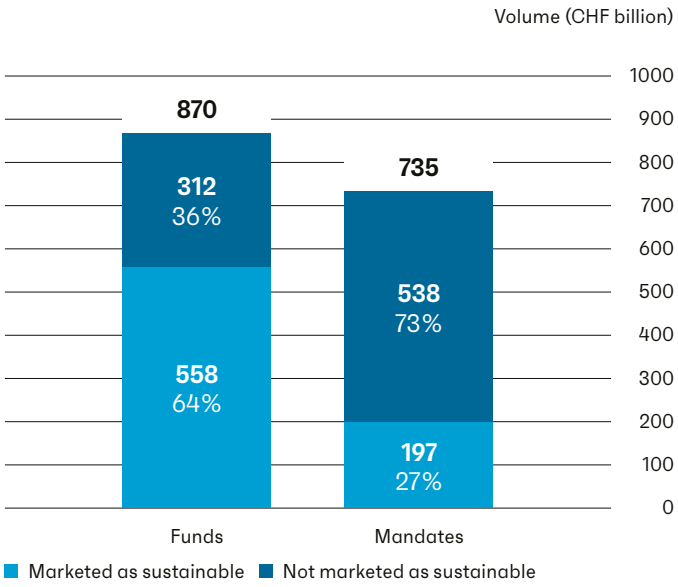
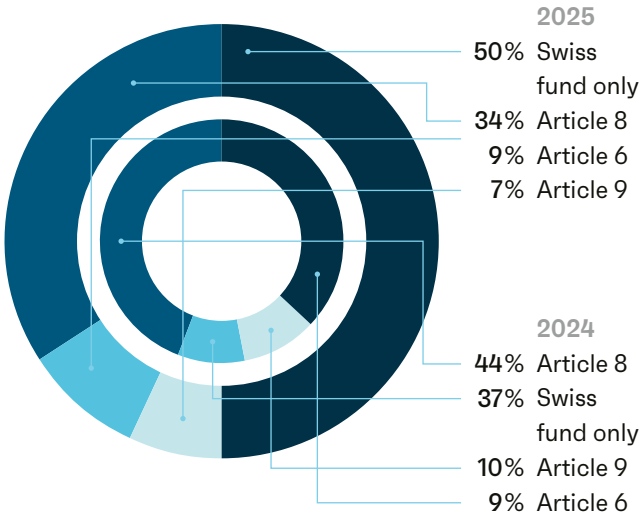


Figure 7: **Classification of funds based on EU regulation by asset managers in 2024 and 2025** (in % AuM) (n=44)



Asset managers were asked to indicate whether their funds are classified under the EU Sustainable Finance Disclosure Regulation (SFDR) (Figure 7).

2025 saw an interesting shift in the SFDR composition of sustainability-related fund volumes. Article 8 declined from 44% to 34% and Article 9 continued its multi-year downward trend, falling from 10% to 7%.[6]

Several factors can help explain these evolutions

First, the ongoing reform of SFDR at the EU level has generated substantial regulatory uncertainty. The ESAs' Joint Opinion of June 2024 questioned the viability of the current Article 8 and 9 architecture, and the European Commission's subsequent consultation has led a number of Swiss-based asset managers to temporarily defer the classification of new product under the SFDR. This approach reflects a strategic wait-and-see stance, motivated by the need to avoid the risks of future classification or costly adjustments, pending greater clarity on the framework's future design.

Second, ESMA's guidelines on the use of ESG and sustainability-related terms in fund names, applicable from November 2024, prompted a broad review of Article 8 fund portfolios across the industry, with some products reclassified to Article 6[7].

The continued decline of Article 9 is consistent with global trends: Morningstar data[8] shows that Article 9 funds experienced persistent reclassifications and outflows throughout 2025, as asset managers applied more cautious interpretations of the "sustainable investment objective" standard in the face of heightened regulatory and reputational scrutiny.

The current revision of SFDR and the planned entry into force of "SFDR 2.0", which will include various redefinitions and the introduction of a new category, "Article 7", is likely to further alter this picture. A recent study by Morningstar[9] expects volumes of funds classified as Article 8 to continue dropping against the backdrop of tighter requirements, and an increasing number of funds to be reclassified Article 6. It will be interesting to follow on these developments in future studies.

6 The increase in "Swiss-only fund volumes" is driven by a shift in volumes from two of the largest market participants, and should, therefore, not be read as a market-wide trend.

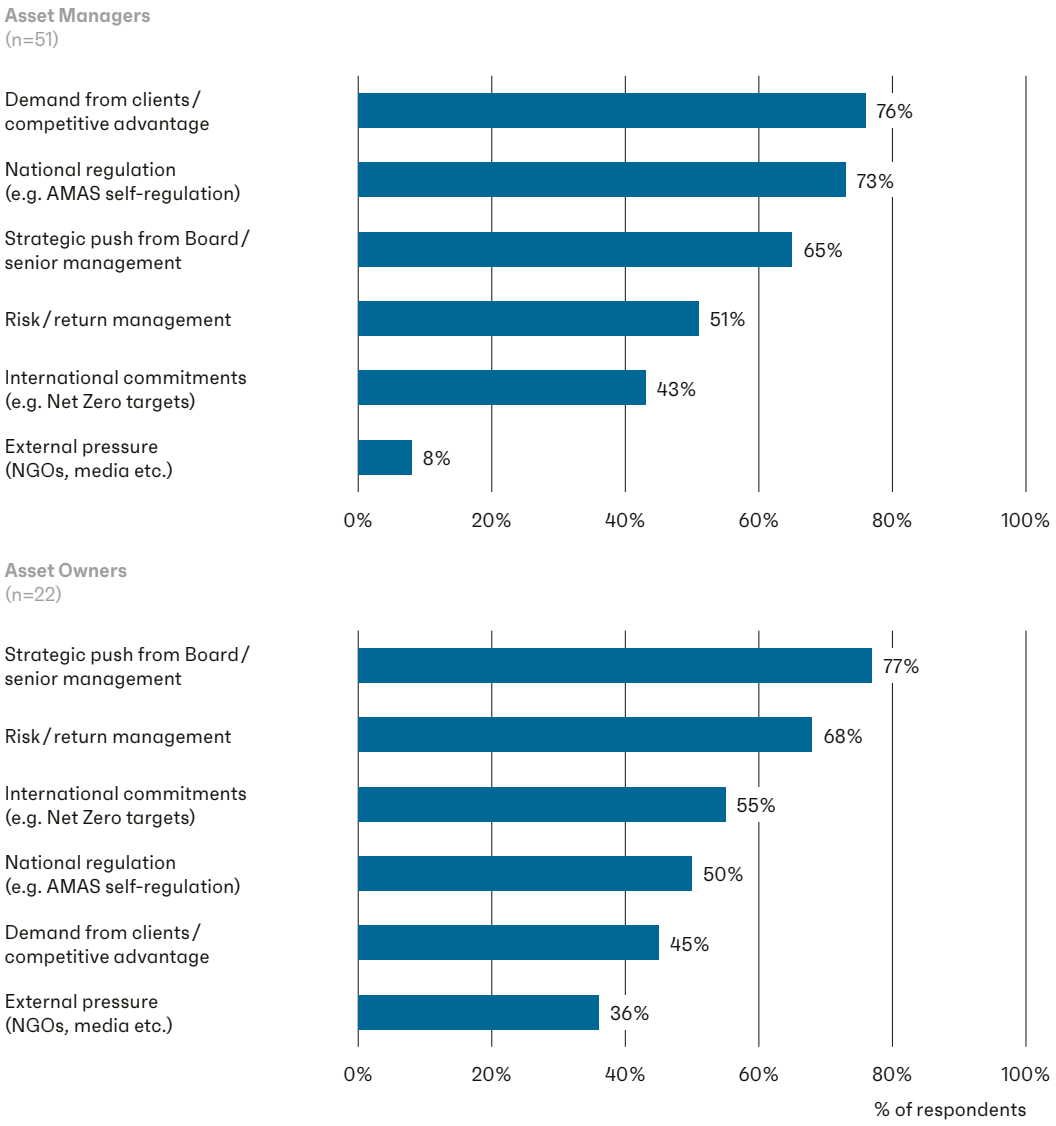
7 According to the SFDR under Article 6, "financial market participants shall include descriptions of the following in pre-contractual disclosures: (a) the manner in which sustainability risks are integrated into their investment decisions; and (b) the results of the assessment of the likely impacts of sustainability risks on the returns of the financial products they make available. Where financial market participants deem sustainability risks not to be relevant, the descriptions referred to in the first subparagraph shall include a clear and concise explanation of the reasons therefore." As such, the reported volumes for Article 6 can be assumed to be investments that take sustainability risks into account in their investment decisions.

8 https://global.morningstar.com/en-gb/sustainable-investing/how-sfdr-20-could-reshape-esg-fund-flows

9 https://www.sustainalytics.com/esg-research/resource/investors-esg-blog/sfdr-2.0-in-figures--impact-analysis

2.3 Sustainable investing: drivers and obstacles

Figure 8: **Main drivers behind sustainable investing for asset managers and asset owners** (in % of respondents) (n=73)

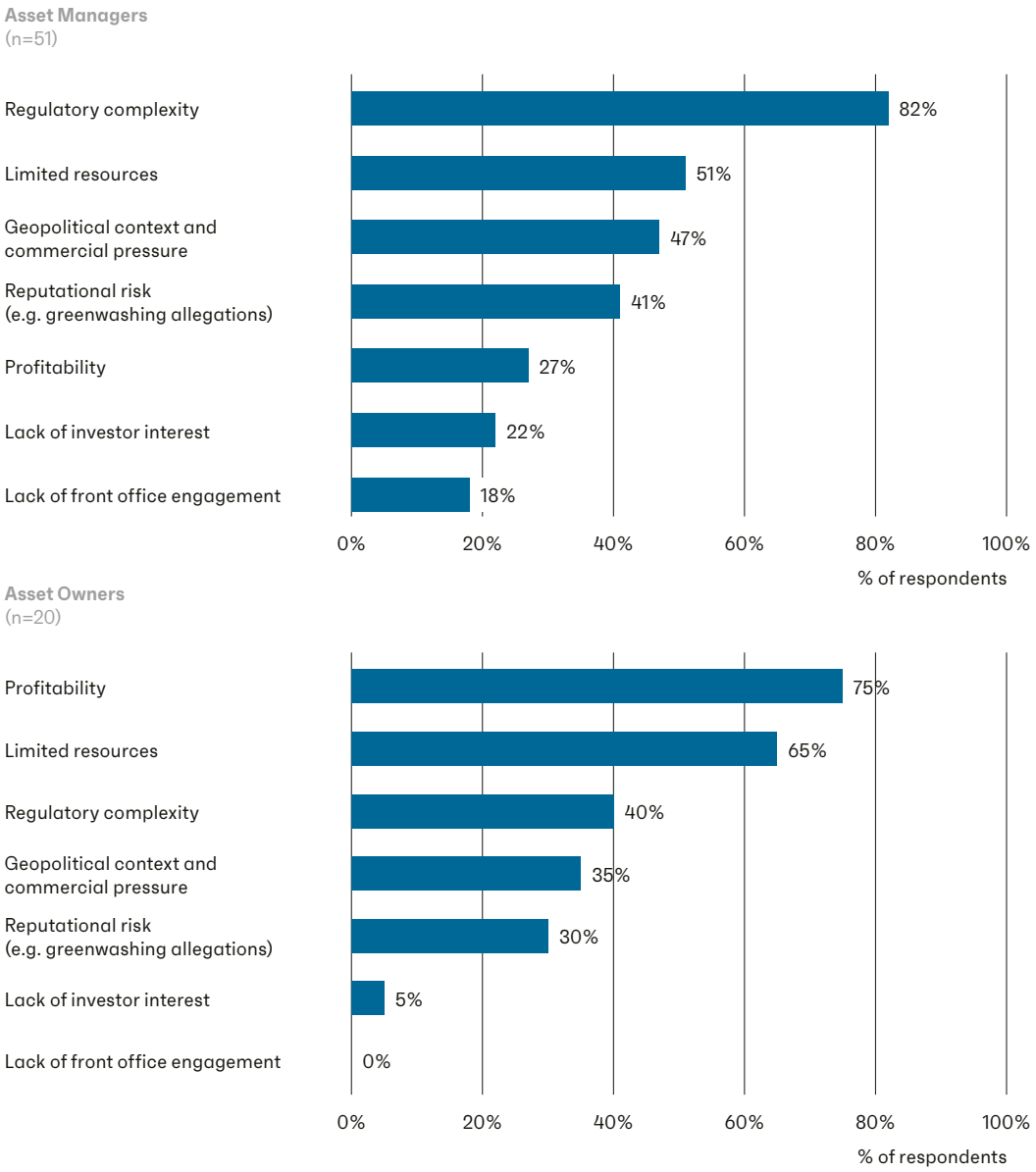


This chapter includes questions on key drivers and obstacles to the adoption of sustainable investment practices, reflecting their ongoing relevance amid evolving regulatory expectations and geopolitical dynamics.

The main drivers for sustainable investing differ between asset managers and asset owners (Figure 8). For asset managers, client demand and competitive advantage leads, closely followed by national regulation. This suggests that the adoption of sustainable investment practices for banks and asset managers remains, despite the market evolution and the geopolitical situation, primarily driven by commercial considerations.

Asset owners, by contrast, remain primarily driven by internal governance and risk/return management, more than by client demand. This can be explained in part by the fact that many asset owner respondents are pension funds, for which it is typically challenging to gather beneficiaries' preferences. They tend therefore to be acting in line with a certain understanding of their obligations to act in the best interest of their beneficiaries.

Figure 9: **Main obstacles to sustainable investing for asset managers and asset owners** (in % of respondents) (n=71)

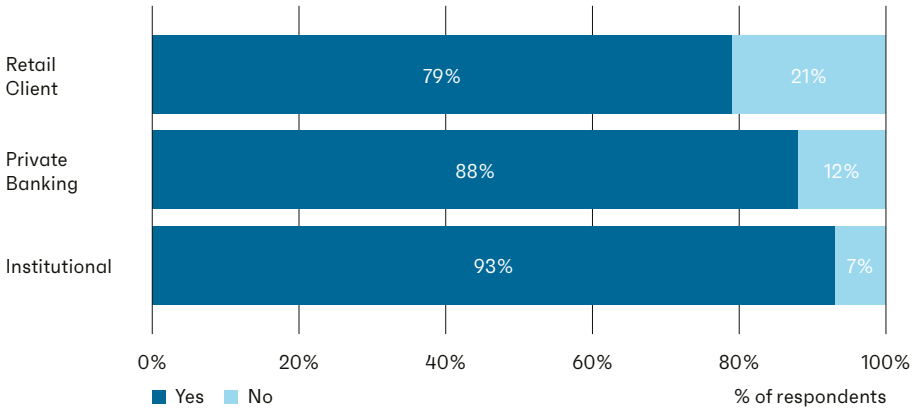


The main obstacles to sustainable investing also differ markedly between asset managers and asset owners (Figure 9). For asset managers, regulatory complexity dominates, reflecting the growing breadth of frameworks they must navigate. Asset owners, by contrast, are most challenged by profitability considerations, cited by 75% – a sharp increase from 44% the prior year – alongside limited resources. Regulatory complexity, while still present, ranks considerably lower for this group. Taken together, the picture remains consistent with prior years: asset managers face primarily regulatory pressure, while asset owners contend more with structural constraints around resources and financial viability.

Asset managers were asked whether sustainability plays a role in their client advisory discussions, differentiated by client segment (Figure 10). Across all segments, the integration of sustainability into advisory practice is now mainstream.

While the high rate for institutional clients (93%) reflects a long-established practice, the more significant finding lies in the shares recorded for private banking (88%) and retail clients (79%). This can likely be attributed to the entry into force of the SBA Guidelines on the integration of ESG preferences in investment advice.[10] These guidelines require that ESG preferences be systematically elicited from clients and documented as part of the suitability assessment. The high figures for retail and private banking therefore reflect strong progress regarding a systematic, industry-wide integration of sustainability into advisory procedures, as mandated by self-regulation.

Figure 10: **Role of sustainability in client advisory discussions for asset managers** (in % of respondents) (n=48)



10 https://www.swissbanking.ch/_Resources/Persistent/1/0/3/c/103cd03894ec90ebde7ce137be0d92b9accc5392/SBA_Guidelines_investment_advice_and_portfolio_management_EN_2025.pdf

2.4 Investor types

Figure 11 shows the development of private and institutional sustainability-related investments managed by asset managers.[11]

The trend observed in 2024, where private investors began accounting for a growing share of the market after several years of relative stability around 28%, has continued in 2025. Private investments grew from CHF 556 billion to CHF 648 billion, increasing their share from 36% to 40%. This represents the third consecutive year of meaningful increase.

The most direct driver is the mechanism described above in relation to Figure 10. As banks systematically introduced ESG advisory conversations with their private and retail client base, these conversations can contribute to funnelling capital to sustainability-related products.

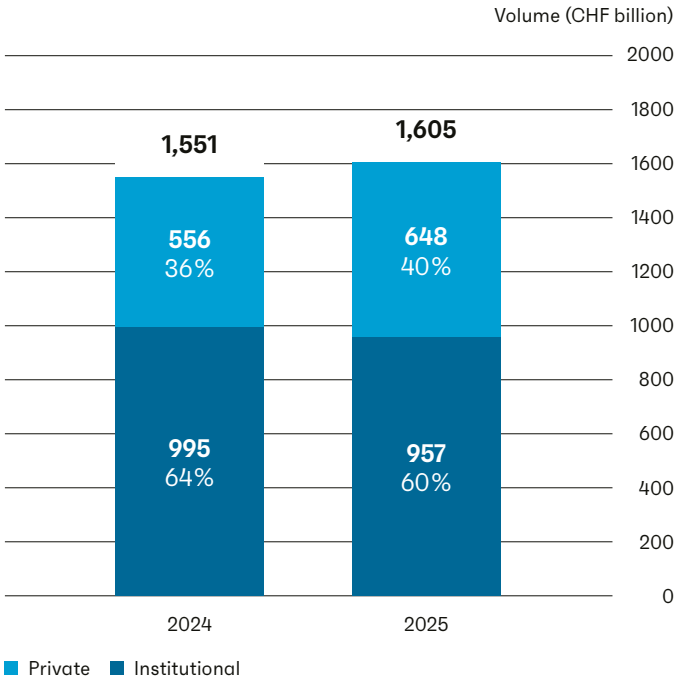
In parallel, Swiss retail and cantonal banks have significantly expanded their sustainable product ranges. Recent data from IFZ[12] suggests that sustainable funds have attracted an above-average share of net new assets within these institutions. More details can be found in Chapter 6.

Finally, a generational dimension is also likely at work: the progressive transfer of wealth toward younger investors, who tend to assign greater weight to sustainability considerations, is beginning to slowly show in the market's investor composition.

Taken together, these findings suggest a gradual shift in the composition of the Swiss sustainable investment market, with private investors playing an increasingly prominent role.

The datapoints of these sections are well complemented by the guest contribution of the IFZ in Chapter 6 (page 74), which focuses on the product offering of Swiss Retail banks and the related capital flows.

Figure 11: **Development of private and institutional sustainability-related investments for asset managers** (in CHF billion)



11 This chart was created exclusively for asset managers as part of this year's study, since we dropped the question from the asset owners' questionnaire. The 2024 data has been restated accordingly to capture only asset manager volumes and ensure comparability.

12 Institut für Finanzdienstleistungen Zug, part of the University of Applied Sciences of Lucerne.

2.5 Asset allocation

The historical dominance of fixed income (corporate bonds and sovereign bonds), listed equity and real estate remains uncontested (Figure 12). Together, these four asset classes account for around 75% of sustainability-related volumes.

Figure 13 presents the development of sustainability-related asset allocation in absolute terms. Equity remains the largest asset class and continues to expand, growing to CHF 537 billion, while real estate increased to CHF 231 billion. Commodities recorded the strongest relative increase at 57%, though absolute volumes remain limited at CHF 8 billion. Private equity and infrastructure demonstrated further modest gains, consistent with the continued gradual diversification of sustainable portfolios towards private market assets. "Other" investments include, as per the input from survey respondents, Cat bonds, microfinance investments, convertible bonds, etc.

Figure 12: **Asset class distribution for sustainability-related investments** (in %) (n=67)

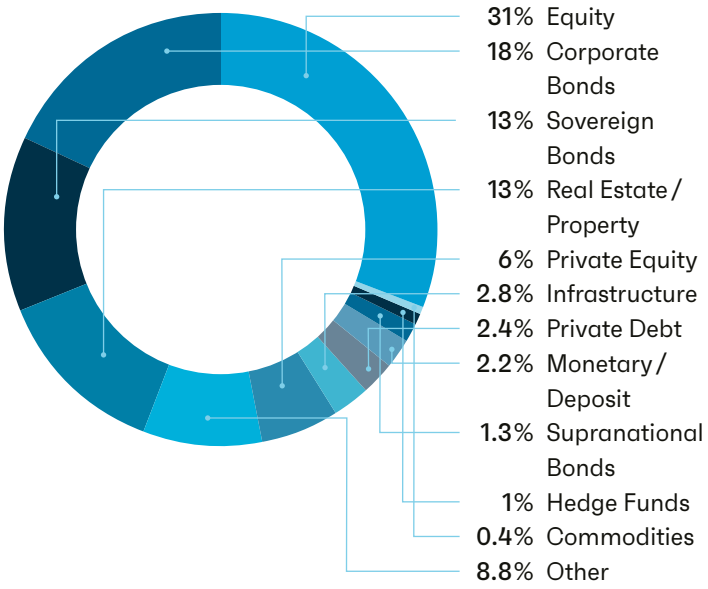


Figure 13: **Volumes of sustainability-related investments per asset class** (in CHF billion) (n=67)

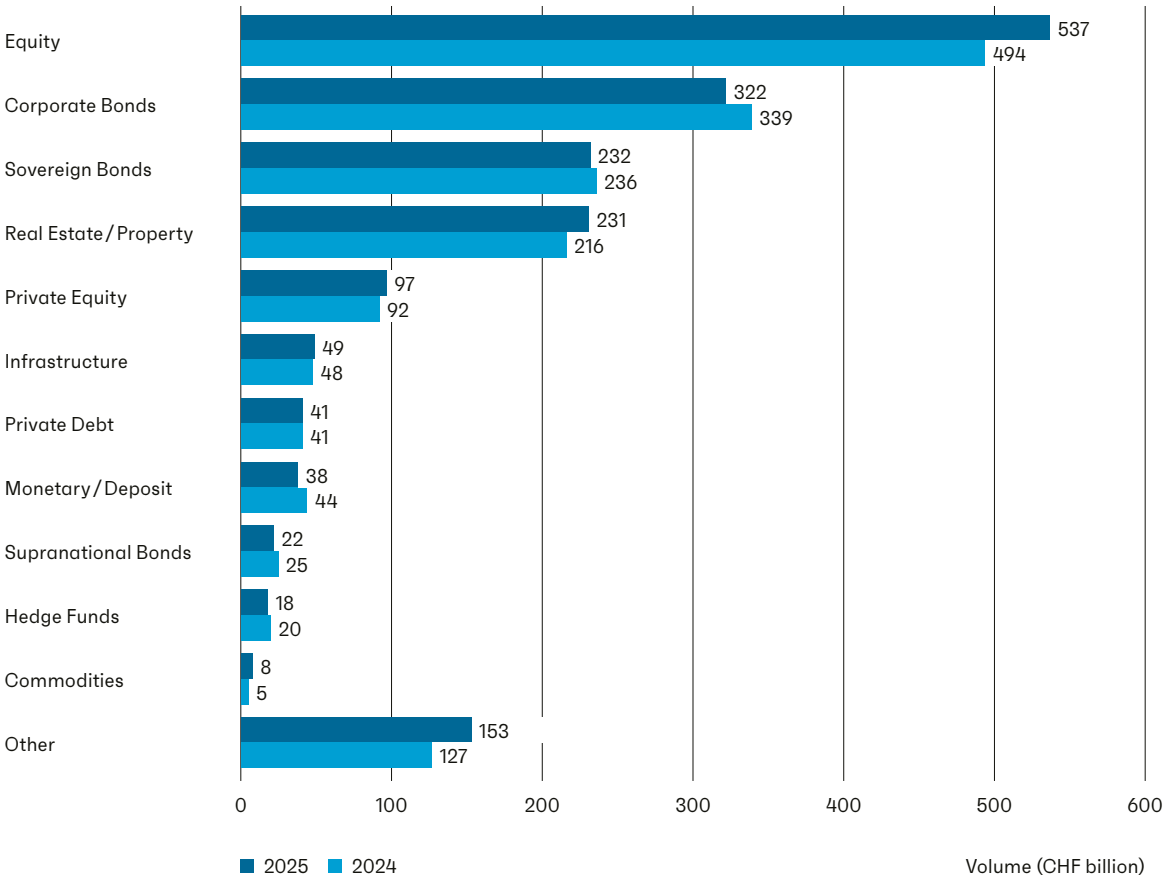
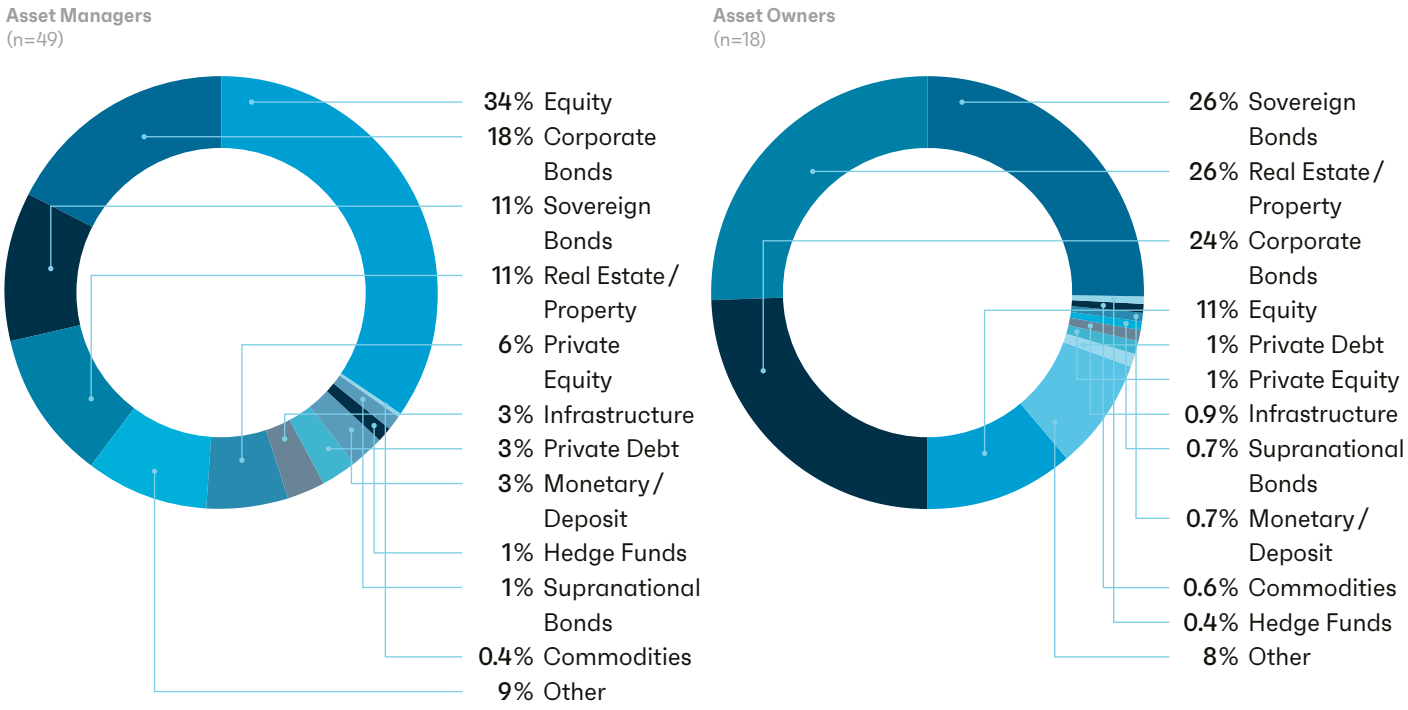


Figure 14: **Asset class distribution for sustainability-related investments for asset managers and asset owners** (in %) (n=67)



Asset managers and asset owners continue to show notable differences in their asset allocation (Figure 14).

Asset owners maintain a strong focus on sovereign bonds, real estate and corporate bonds, which together account for around 75% of their portfolios. Equities, by contrast, represent only 11% of asset owner portfolios. This reflects their higher allocation to asset classes providing stable returns and limited volatility in line with the need to align assets with liabilities.

For asset managers, equities remain the dominant asset class (34%), followed by corporate bonds. Allocations to private equity and infrastructure are noticeably higher than among asset owners, reflecting the higher risk tolerance of some of the clients served.

2.6 Sustainable investment as defined by the AMAS self-regulation

AMAS published the first version of its "Self-regulation on transparency and disclosure for sustainability-related collective assets" on 26 September 2022 and it came into force on 30 September 2023. An updated version 1.1 was published in November 2023.[13] The self-regulation establishes guidelines for transparency, disclosure, and integration of ESG factors in portfolio management, and sets criteria for an investment to be classified as "sustainable". Although only binding for AMAS members, it has established itself as the leading practice, widely followed across the Swiss financial services industry, for the definition of what qualifies as sustainable investment or not.[14]

Building on this foundation, AMAS released version 2.0 in 2024, which was subsequently refined through version 2.1 into the current version 2.2, published in September 2025.[15]

The revision from version 1 to version 2 introduced a fundamental shift in the definition of sustainable investments: "A collective asset presented as sustainable must, in addition to its financial goals, pursue at least one of the following investment objectives for at least 70% (excluding liquid assets and derivatives) of its assets:

i. alignment (including transition) with one or more specific sustainability goals, or
ii. contribution to the achievement of one or more specific sustainability goals." (Article 3).

The pursued goal(s) must be defined based on a set reference framework, which may stem from public or non-governmental bodies, industry practices, or internal criteria developed by the asset manager. Specific indicators must be used to measure and monitor progress. These goals "may be pursued by one or more sustainability approaches with reference to one or more reference frameworks" (ibid.). In addition, the updated framework includes reporting on the portfolio's sustainability goals and progress towards achieving them as a further criterion.

Versions 2.1 and 2.2, the latter currently in force, further sharpened the framework. They tightened the definition of sustainable investments, by expanding the scope of investment approaches which are insufficient to qualify a product as sustainable. Exclusions, ESG integration, and voting, whether applied individually or in any combination, are now explicitly listed as insufficient to qualify a collective investment scheme as sustainable.

This sets a clear minimum standard for strategies to call themselves sustainable, with the purpose to reduce the risk of greenwashing and related reputational damage for sustainable investments. The framework further requires a mandatory independent audit by a state-regulated audit firm, based on an audit program drawn up by a joint AMAS and EXPERTSuisse Working Group.

13 AMAS (2023): *Self-regulation on transparency and disclosure for sustainability-related collective assets*. Version 1.1. Available at https://www.am-switzerland.ch/en/regulation/self-regulation/sustainable-finance-self-regulation

14 The Swiss Banking Association also recommends its members to follow the AMAS definitions. SBA (2024): Gui*delines for the financial service providers on the integration of ESG-preferences and ESG-risks and the prevention of greenwashing in investment advice and portfolio management*. Available at https://www.swissbanking.ch/_Resources/Persistent/7/5/4/4/7544e3efd5537895ce1886929d914d336780e9f1/Guidelines%20for%20the%20financial%20service%20providers%20on%20the%20integration%20of%20ESG-preferences%20and%20ESG-risks%20and%20the%20prevention%20of%20greenwashing.pdf

15 AMAS (2025): Self-regulation on transparency and disclosure for sustainability-related collective assets. Version 2.2. Available at https://www.am-switzerland.ch/en/self-regulation/sustainable-finance-self-regulation

Figure 15: **Breakdown and development of sustainability-related investment volumes based on AMAS self-regulation for asset managers in 2024 (based on v.2.0) and 2025 (based on v.2.2)** (in CHF billion)

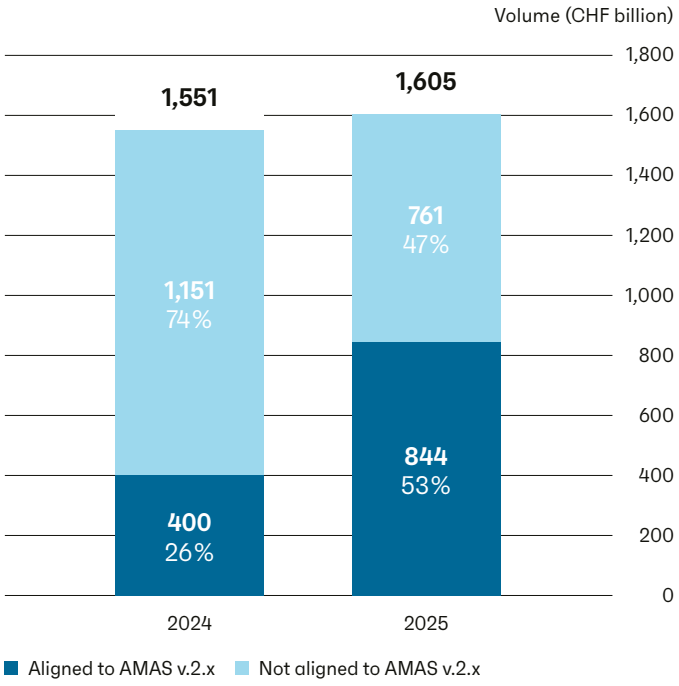


Figure 15 illustrates the self-assessed alignment of asset managers' sustainability-related volumes with the AMAS self-regulation framework for 2024 and 2025.

The share of aligned volumes more than doubled, rising from 26% (CHF 400 billion) under v2.0 in 2024 to 53% (CHF 844 billion) under v2.2 in 2025.

It is important to consider two facts when interpreting this share: Firstly, the study covers all assets that apply one or more sustainable investment approaches, independent of whether these assets are positioned as sustainable or not. The AMAS self-regulation only applies to assets that are labelled and marketed as sustainable. Secondly, the current study does not only capture market participants that are AMAS members (and therefore subject to the self-regulation) but also many who are not. Given these two considerations, the share of 53% of assets aligned with the AMAS self-regulation framework can be considered as high.

The increase between 2024 and 2025 is indeed notable. The following dynamics help explain this year's figures:

- First, the 2024 figure reflected an early state of preparedness at the time. V2.0 only became effective in September 2024, and many managers were still in the process of assessing their alignment and performing the necessary adaptations, leading to conservative self-reporting.
- Second, the period from early 2025 onwards led to product-level alignment across the industry, with fund managers rewriting fund goals, establishing metrics, and reporting structures to meet the March 2026 documentation deadline.[16]
- Finally, funds that could not plausibly meet v2.2 criteria were, in some cases, removed from sustainability-related classification altogether. We saw several such cases in the data received this year from the market. The industry has adopted a cautious approach for claiming alignment with the new self-regulation.

This can be a structurally healthy development, cleaning up sustainability claims and increasing credibility overall, though it makes year-on-year volume comparisons harder to interpret in isolation.

16 For new collective investment schemes, the self-regulation applied from 1 September 2025; for pre-existing funds, amendments to fund regulations and prospectus had to be submitted to FINMA by 1 March 2026.

Figure 16: **Breakdown of sustainability-related investment volumes based on AMAS self-regulation (v2.2) for funds and mandates** (in CHF billion)

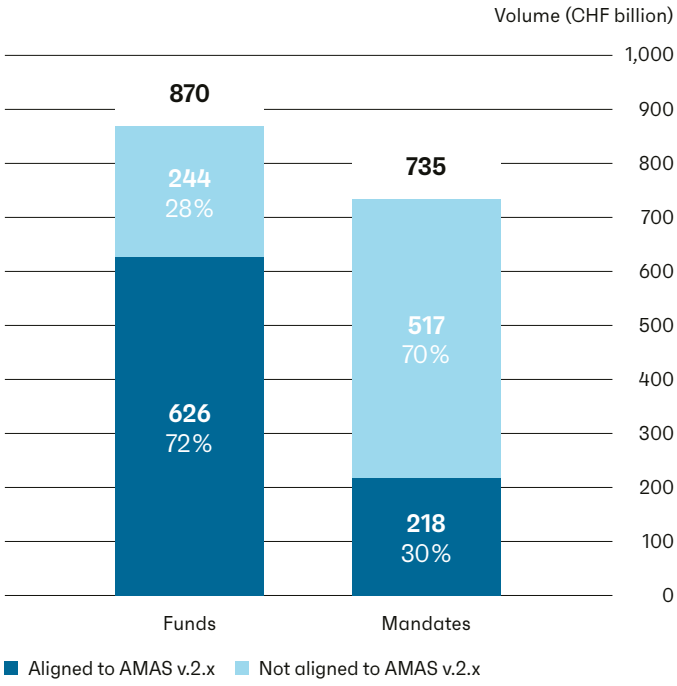


Figure 16 disaggregates alignment with AMAS by vehicle type and sheds important additional light on the overall picture.

Among funds, 72% of volumes are assessed as aligned, a strong result given that the v2.2 text was finalised in September 2025 and the framework was still in its transition phase at year-end 2025. The 28% of fund volumes not yet reported as aligned is a reasonable figure. 36% of funds are not marketed as sustainable (Figure 6), and by 31 December 2025, a number were probably still in the documentation process ahead of the 1 March 2026 deadline for amendments to fund regulations and prospectuses (Art. 30 para. 2).

The mandate picture requires a different interpretive frame. While AMAS v2.2 applies in parallel to discretionary asset management mandates and to collective investment schemes, the regulation calibrates its requirements differently for the two. Most notably, the 70% minimum threshold for sustainability-related investments applies to collective investment schemes, whereas for mandates, the minimum threshold is agreed bilaterally between the asset manager and the client. Product-level documentation requirements are also lighter for mandates, since asset management agreements are bespoke and bilateral rather than published like a fund contract or a fund prospectus. Against this backdrop, the 30% of mandate volumes reported as aligned to AMAS v2.2 is consistent with managers applying the framework primarily to mandates that are explicitly positioned as sustainable – an explanation reinforced by the 27% of mandates actively marketed as sustainable (Figure 6).

Financing Stability: How Private Debt Supports Agri-Food Value Chains

INOKS Team

Volatility has become a familiar feature of agri-food markets. Floods, droughts, and geopolitical conflicts continue to disrupt global supply chains. For value chains, and the people behind them, these are everyday operational realities rather than abstract risks.

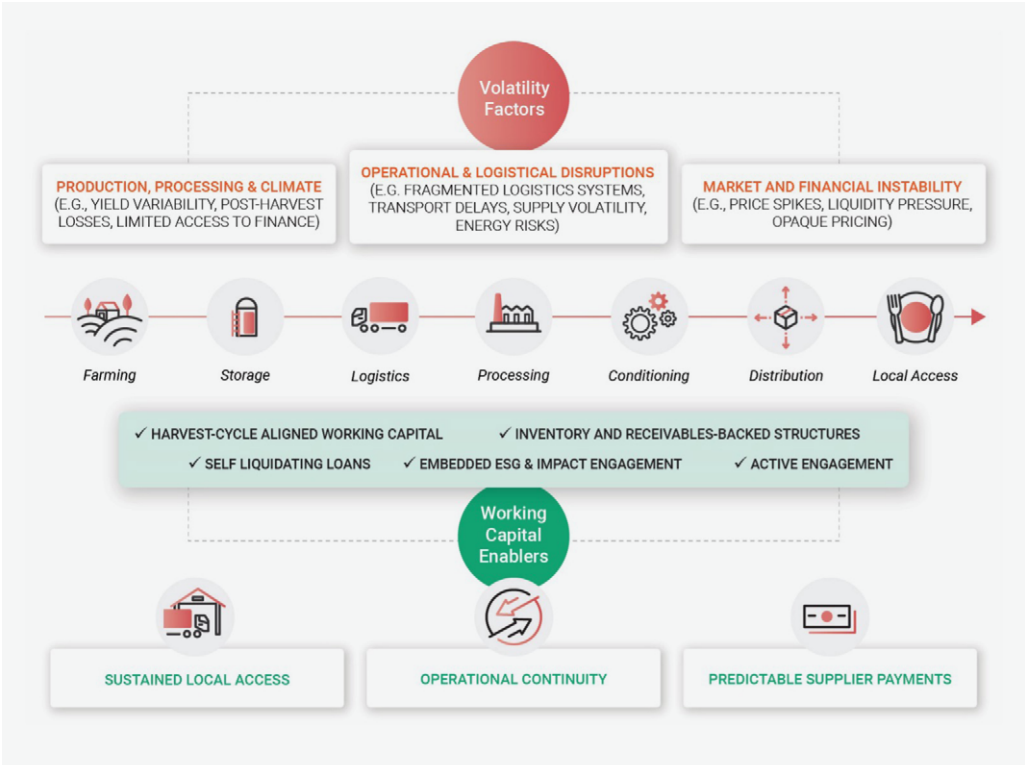
This volatility appears both as sudden shocks and as constant pressure for companies in the real economy. When harvests or logistics are disrupted, goods may sit in storage longer than planned. Price volatility or uncertain market access can slow purchasing decisions and delay payments. Changing trade conditions can interrupt shipments. For companies along the agri-food value chain, financial stress can show up quickly.

This is where short-term private debt plays a relevant role. When aligned with commodity cycles, working capital helps companies bridge gaps between production, delivery, and payment. Financing structures backed by inventories or receivables support repayment as goods move through the chain. While this financing does not eliminate volatility, it helps companies absorb short-term pressure and continue operations.

Much of today's sustainability debate focuses on change: new practices, new standards, new outcomes. These evolutions are important, but they are not the whole story. Not all impact appears as visible transformation. Sometimes impact lies in providing stability, strengthening systems so they remain operational under stress.

In the agri-food value chain, stability means goods continue moving even in difficult conditions. Predictable payments support livelihoods and planning, while stable operations help companies maintain environmental and social practices. Local economies benefit through sustained jobs, trade activity, local value creation, and continued access to markets and food.

In markets where access to specialised finance remains limited and volatility is frequent, stability itself becomes an outcome. In this context, sustainability is not about transformation or efficiency, but about keeping systems operating despite uncertainty.



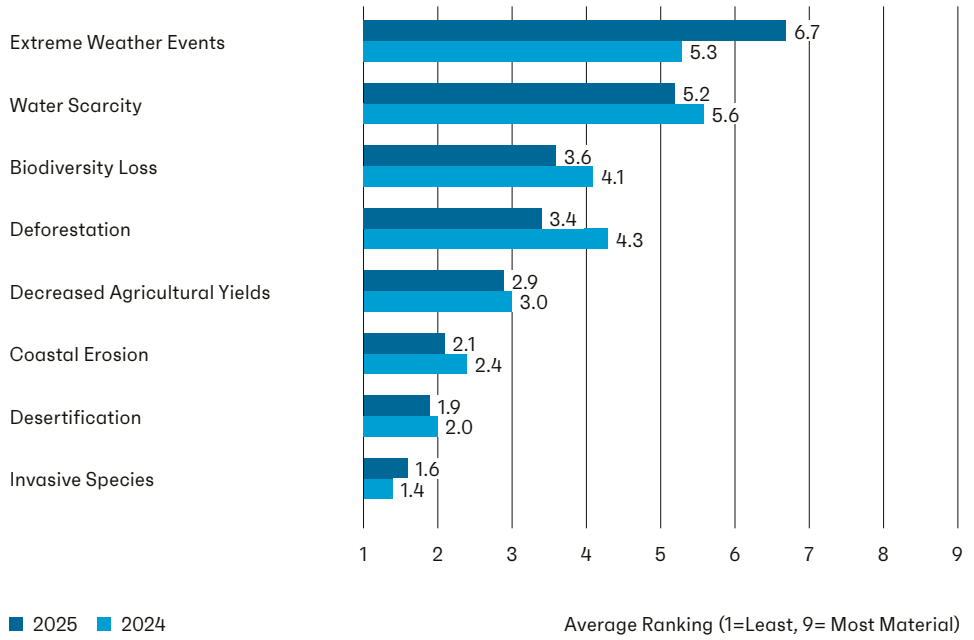
Scan to see more

Thematic Deep Dives

03

3.1 Nature-related risks

Figure 17: **Average materiality of nature-related risk factors identified by asset managers and asset owners in 2024 and 2025** (scale from 1, least material, to 9, most material) (n=27)



Nature-related risks, in particular but not limited to physical climate risk, have rapidly gained prominence in sustainable finance, reflecting a growing recognition that environmental matters can have financially material consequences for investment portfolios and the broader economy.

This year's survey also examines how asset managers and asset owners integrate these considerations into their governance and investment processes, which physical and transition risks are deemed most material, and where related opportunities are identified.

3.1.1 Physical and transition risks

Figure 17 reveals a material development: extreme weather events are identified by respondents as the most financially material nature-related risk factor, with a notable increase in perceived materiality compared with last year. According to the 2025 "Nature Reporting in Switzerland" study, of the top 100 Swiss companies, only 8 do not report on nature explicitly, though the level of maturity of this reporting differs.[17] Companies are increasingly recognising their exposure to floods, heatwaves, storms, droughts, and other acute weather events that can disrupt production sites, damage assets, interrupt logistics networks, and weaken customer demand. This starts to be reflected in corporate disclosures, such as in the Annual Form 10-K of Marriott International: "Extreme weather, natural disasters, climate change, and sustainability-related concerns have impacted our business in the past and could in the future have a material adverse effect on our business and results of operations".[18] Similar developments can be observed across manufacturing, transport, consumer goods, and real estate.

17 https://engageability.ch/wp-content/uploads/2026/03/TNFD2025_Key-results_final.pdf
18 https://marriott.gcs-web.com/static-files/ccd4ffb7-2196-404b-b16d-88c14af5b5dd

The results show that the financial industry increasingly views extreme weather as a financially material driver of earnings volatility, asset impairment, supply chain fragility, and valuation risk. As a result, there is a rising awareness of the need for resilient infrastructure, stable supply chains, and climate-adapted operating models – which, on the opportunities side, can lead to the emergence of new business models and the redirection of capital flows.

In that regard, Figure 18 shows one of the most striking statistics of this year's report. Already a quarter of respondents have experienced firsthand a concrete and direct financial impact of nature-related risk events on portfolio performance. This shows that the assessment in Figure 17 does not reflect a remote or theoretical possibility, but a current reality, which has already started to translate into bottom-line figures.

Figure 19 shows the average materiality ranking of nature-related transition risk factors.[19] Regulatory changes remain the most material factor, while the overall ranking is broadly stable compared to last year. The most notable shift is the decline in litigation risk, which may suggest that respondents view this as a less immediate concern compared to previous year.

Figure 18: **Impact of nature-related risk events on portfolio performance for asset managers and asset owners** (in % of respondents) (n=47)

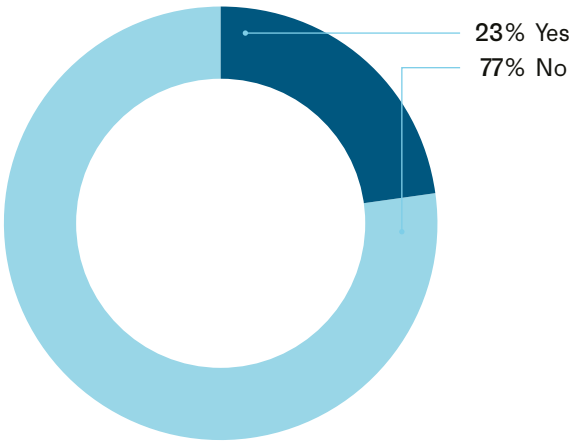
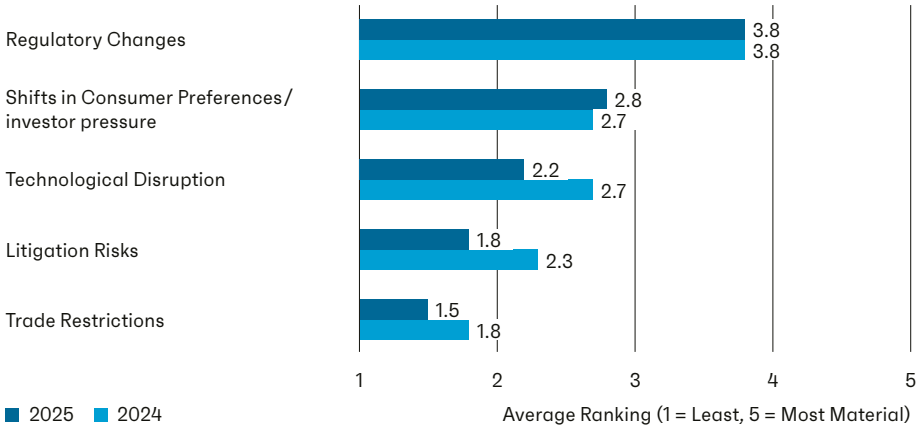


Figure 19: **Average materiality ranking of nature-related transition risk factors identified by asset managers and asset owners** (Ranking from 1 least material to 5 most material) (n=27)



19 On a scale from 1 (least material) to 5 (most material). Based on the rankings provided by respondents, an average rank was calculated for each risk factor to determine the overall trend of the materiality order. While this provides an indication of relative priorities, it does not necessarily reflect the absolute importance attributed to each transition risk.

3.1.2 Governance

Figure 20 shows the integration of nature-related risks into organisational governance. A notable development is the rise in risk framework integration from 44% to 69%, while policy drafting and assignment of roles and responsibilities increased more moderately. This may partly reflect regulatory momentum, in particular the recent FINMA Circular on nature-related risks[20], which may have contributed to a more urgent integration of nature-related risks among Swiss financial institutions.

Figure 21 shows the identification of nature-related impacts and dependencies and their integration into due diligence. Across both dimensions, asset managers report substantially higher levels than asset owners, which may partly reflect more limited capacity among asset owners to systematically address nature-related topics. Particularly notable is the comparatively high share of asset managers integrating nature-related risks into due diligence. This shows that for a large share of asset managers such risks are becoming a critical consideration in the investment decision-making process.

Figure 20: **Integration of nature-related risks into organisational governance for asset managers and asset owners** (in % of respondents) (n=52)

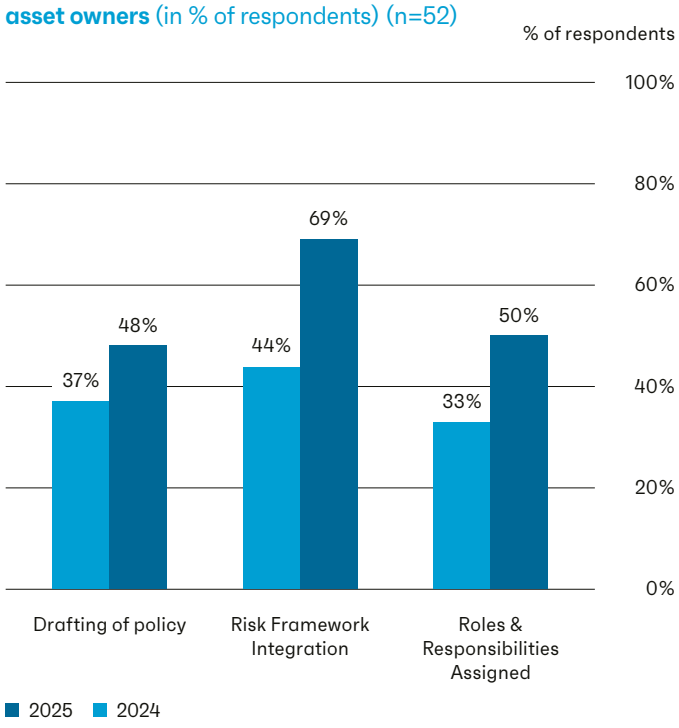
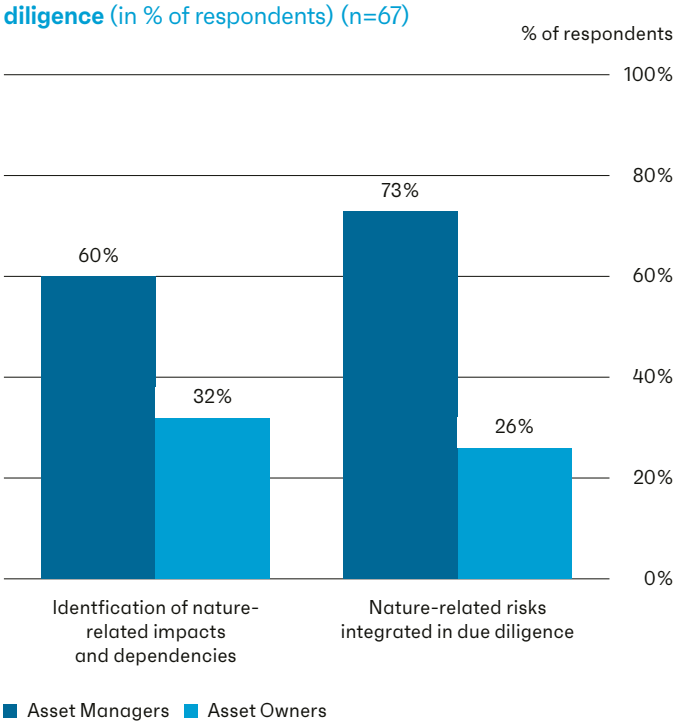
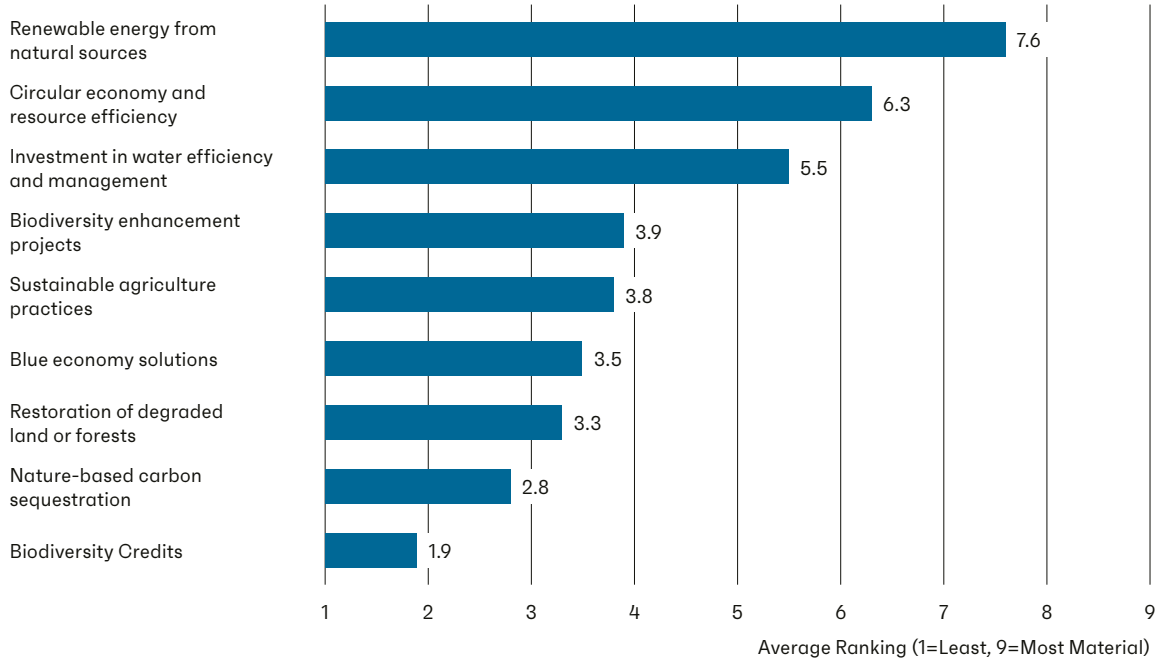


Figure 21: **Identification of nature-related impacts and dependencies and integration of nature-related risks in due diligence** (in % of respondents) (n=67)



20 https://www.finma.ch/en/~/media/finma/dokumente/dokumentencenter/myfinma/rundschreiben/finma-rs-2026-01.pdf

Figure 22: **Average materiality ranking of nature-related opportunities identified by asset managers and asset owners** (ranking from 1 least material to 9 most material) (n=33)



3.1.3 Investment opportunities

Change brings risks but also opportunities. Respondents were therefore asked to assess the potential of nature-related investment opportunities[21] (Figure 22), looking at nature-related trends not only through a risk-management lens, but also as a source of innovation and value creation.

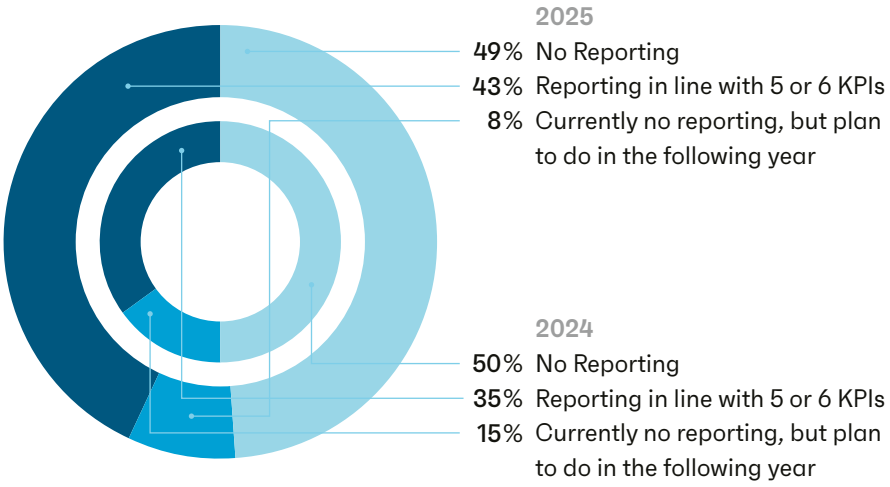
Renewable energy from natural sources ranks clearly highest, followed by circular economy and resource efficiency. These benefit from clear policy support, existing investable markets, and proven technologies.

By contrast, biodiversity-specific opportunities such as biodiversity enhancement projects or biodiversity credits appear lower in the ranking. Such investments often face greater uncertainty around measurement, verification, pricing mechanisms, scalability, and monetisation. The results therefore indicate that nature-related opportunity awareness is increasing, but capital allocation remains concentrated in areas where market structures and investment cases are already more mature.

21 On a scale from 1 (least material) to 9 (most material). Based on the rankings provided by respondents, an average rank was calculated for each opportunity to determine the overall trend of the materiality order. While this provides an indication of relative priorities, it does not necessarily reflect the absolute importance attributed to each opportunity.

3.2 Climate Change

Figure 23: **Reporting of Swiss Climate Scores of asset managers in 2024 and 2025** (in % of respondents) (n=49)



To promote transparency on climate change, the Swiss Federal government in 2022 introduced the Swiss Climate Scores[22] with the aim to establish a baseline for best-practice transparency on the Paris-alignment of financial investments. An updated version was published in December 2023. Figure 23 shows the reporting on Swiss Climate Scores among asset managers. The share of reporting in line with five or six KPIs increased notably, continuing the trend observed in recent years. The drop by 7pp (from 15% to 8%) of participants stating they "plan to do so next year" aligns nicely with the increase by 8pp (from 35% to 43%) of participants who actually publish Swiss Climate Scores reporting. Half of respondents still have not adopted Swiss Climate Scores reporting.

22 State Secretariat for International Finance (2022) press release: *Federal Council launches Swiss Climate Scores for climate transparency in financial investments*. Available at: https://www.sif.admin.ch/sif/en/home/documentation/press-releases/medienmitteilungen.msg-id-89524.html

Figure 24: **Implementation of net-zero or transition plans for asset managers and asset owners in 2024 and 2025** (in AuM billion) (n=73)

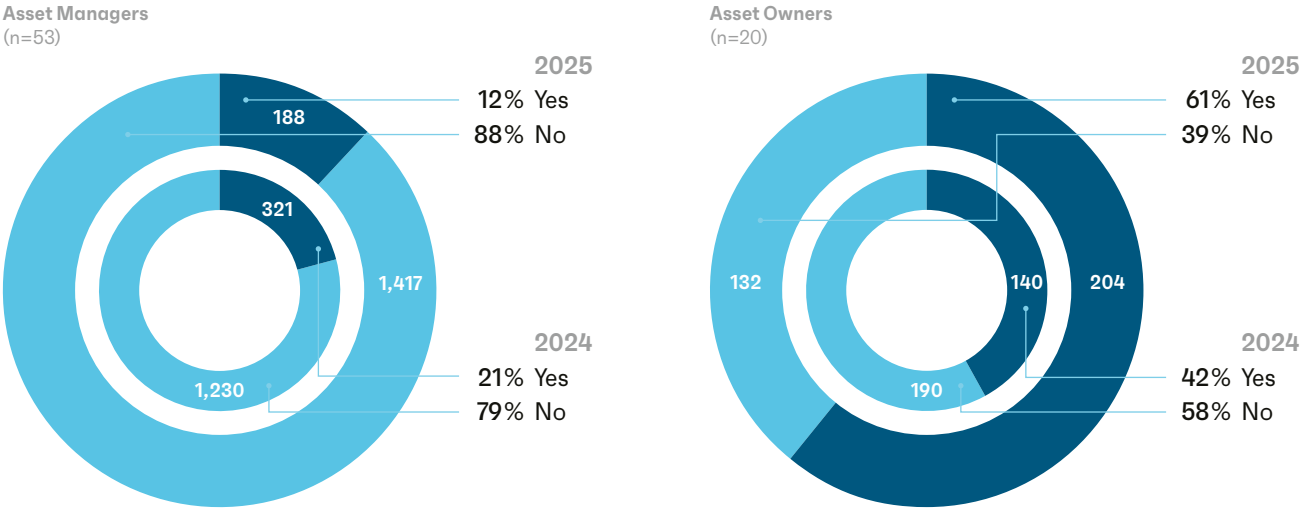


Figure 25: **Climate-alignment target scenarios for asset managers and asset owners in 2024 and 2025** (in % of respondents) (n=36)

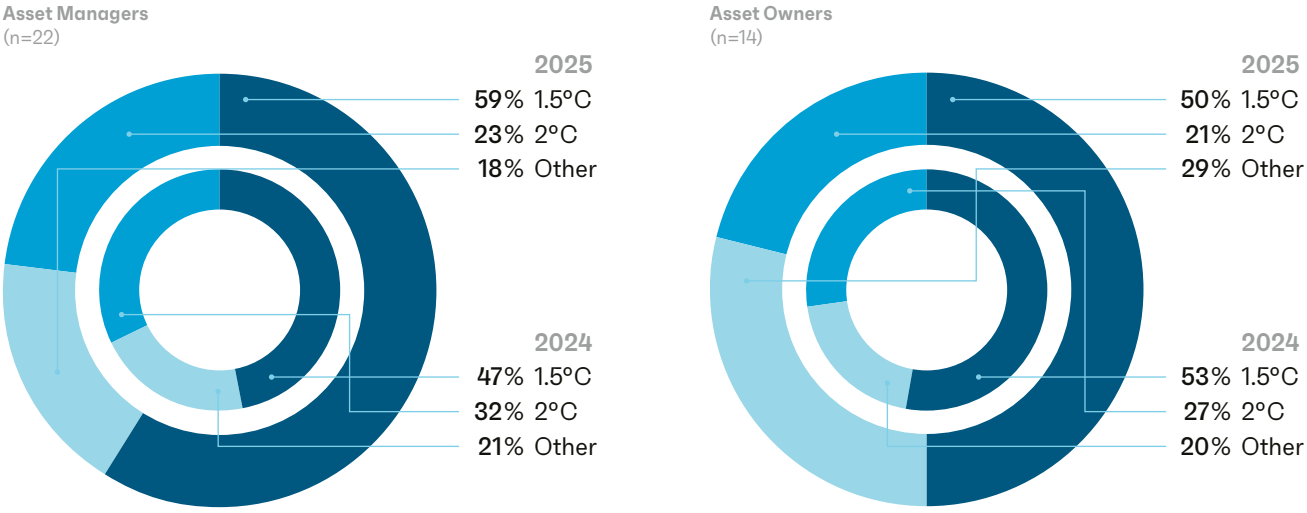


Figure 24 examines the share of sustainability-related AuM managed in line with a formal net zero or transition plan, broken down by asset managers and asset owners.

The decline for asset managers is likely to reflect geopolitically driven developments in 2025. In January 2025, the Net Zero Asset Managers initiative suspended all activities following the departure of BlackRock, the world's largest asset manager, and a wave of prior exits by other major US and global managers who had faced legal pressure from US public officials alleging anti-competitive coordination through climate coalitions.

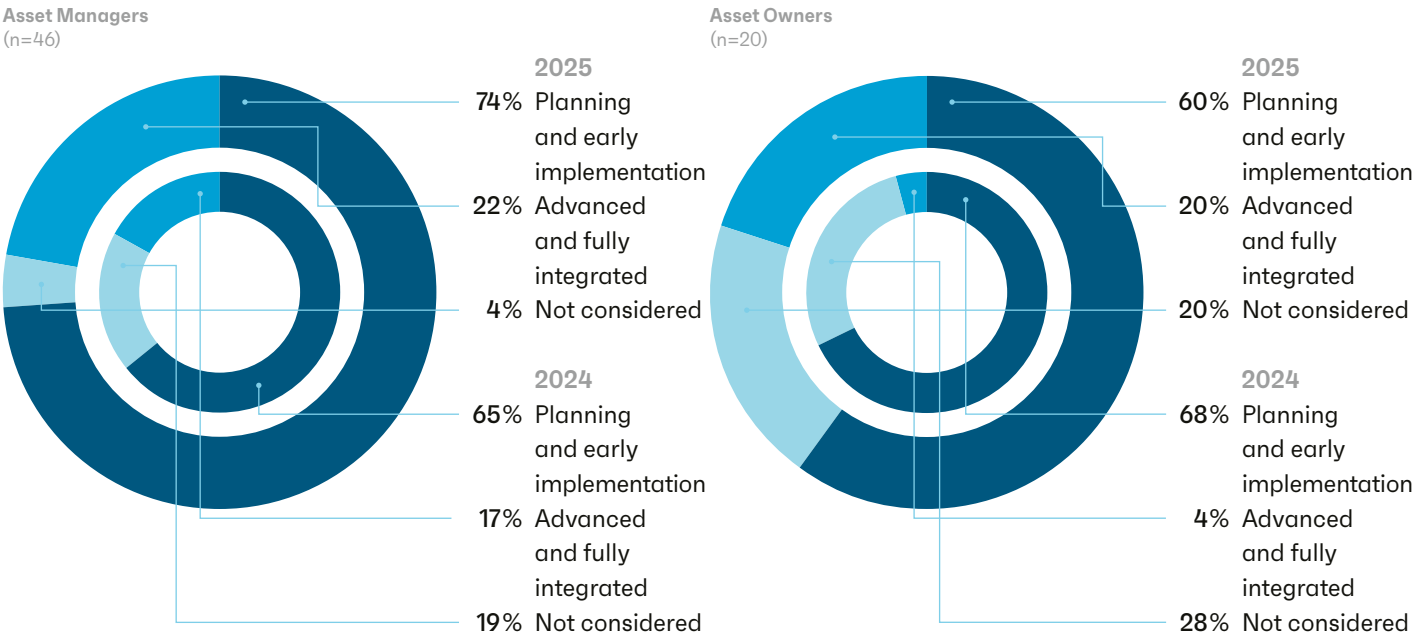
The Net Zero Asset Owners Alliance, by contrast, continued operating during the period, with 87 signatories and USD 9.2 trillion in assets under management globally as of September 2025.[23] Asset owners' greater insulation from US political and legal pressures, combined with domestic Swiss regulatory momentum, meant that new net zero commitments among pension funds and insurers continued to accumulate.

Figure 25 tells an interesting story. It shows a stable commitment of the industry to a 1.5°C target scenario, and even an increase on the asset managers' front – driven mostly by additional commitments of a couple of large market participants. This is counterintuitive, against the backdrop of the prevailing narrative and headlines commonly heard in 2025. The results show again the "data behind the noise", and that the industry remains committed to climate action.

23 https://www.unepfi.org/wordpress/wp-content/uploads/2025/11/NZAOA-Progress-Report-2025.pdf

3.3 Artificial Intelligence in Sustainable Finance

Figure 26: **Stage of artificial intelligence adoption in the organization for asset managers and asset owners in 2024 and 2025** (in % of respondents) (n=66)



Artificial intelligence (AI) continues to transform financial markets, with its relevance for sustainable finance increasingly coming into focus. From data processing and risk assessment to product development and investment decision-making, AI technologies offer significant opportunities – while also posing strategic, operational and ethical challenges. Building on last year's findings, this year's survey again asked respondents about the stage of AI adoption within their organisation, as well as drivers, use cases, challenges and organisational needs in the context of sustainable finance.

Figure 26 shows the stage of AI adoption among asset managers and asset owners. Across both groups, the share of those not yet considering AI is significantly declining, while advanced or already fully integrated applications are growing. Asset managers show the stronger overall shift. Among asset owners, fully integrated adoption rose markedly from 4% to 20%, while the share not considering AI dropped by 8pp.

The discrepancy between asset managers and asset owners reflects differences in resources, time, and budget, as well as a more cautious approach in general by asset owners. But the movement shows that even the most reserved respondents of last year now recognize that it has become impossible to ignore the critical changes brought by this technology on day-to-day operations, and its relevance to maintaining competitiveness.

Figure 27: **Artificial intelligence adoption: main organisational drivers for asset managers and asset owners in 2024 and 2025** (in % of respondents) (n=58)

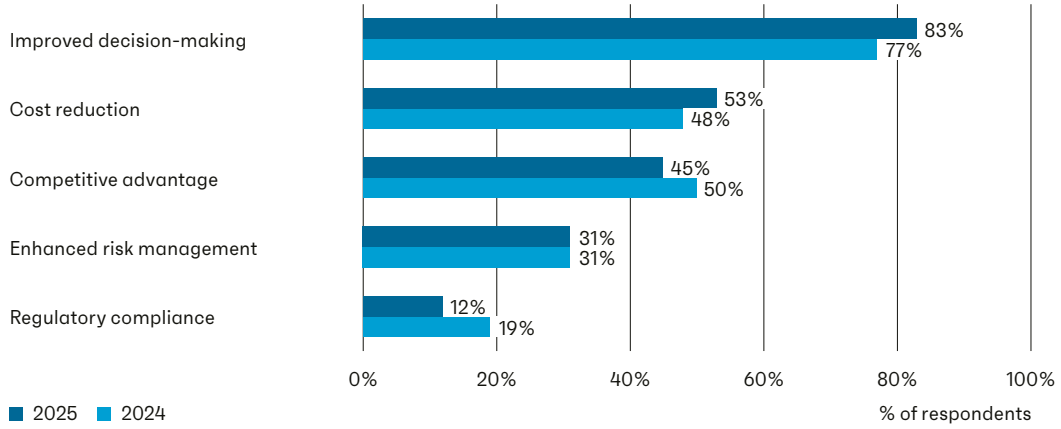


Figure 28: **Artificial intelligence use cases in sustainable finance for asset managers and asset owners in 2024 and 2025** (in % of respondents) (n=17)

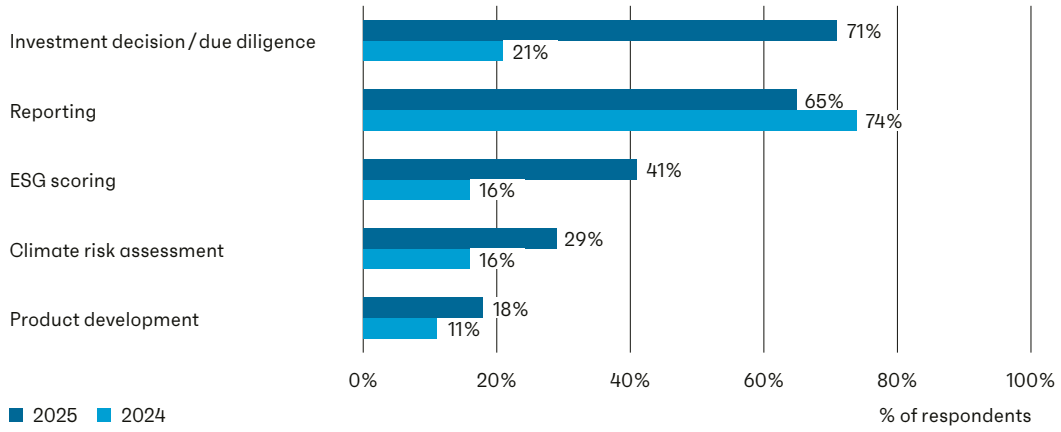


Figure 27 shows the main organisational drivers for AI adoption. Improved decision-making remains the dominant driver. It has slightly strengthened compared to last year. The overall ranking is broadly stable, with cost reduction and competitive advantage following at a distance. Regulatory compliance remains the least cited driver.

Figure 28 shows AI use cases in sustainable finance[24]. A striking change is in the shift of use cases in the industry, with a massive increase in investment due diligence, company scoring, risk assessment or product development, and a notable decline in reporting.

This suggests that firms are increasingly embedding AI directly into core portfolio management processes, including screening, research, investment analysis, and overall sustainability performance assessment. The rise of ESG scoring applications indicate an increased adoption of AI-powered internal ratings, rather than merely relying on established data providers. Climate risk assessment also increases, pointing to growing demand for scenario modelling and physical/transition risk analytics.

This addresses a discrepancy noted in last year's survey, where the industry indicated that it saw the greatest benefits of AI applications in business-driven use cases, while most actual use cases focused on compliance matters. The results also reflect that many use cases which had been in the making last year have now successfully passed governance, model validation, and approval processes, allowing them to move into production.

Overall, we witness a rapid increase in the actual implementation of AI-powered tools across the core processes of value creation in sustainable finance, including capital allocation, investment due diligence, risk management, and product innovation. This is a fundamental shift compared to last year.

24 The share of financial institutions (banks, asset managers and asset owners combined) applying AI specifically for sustainable finance application has slightly increased from 17% to 23% this year.

Figure 29: **Key challenges in artificial intelligence implementation for sustainable finance for asset managers and asset owners in 2024 and 2025** (in % of respondents) (n=49)

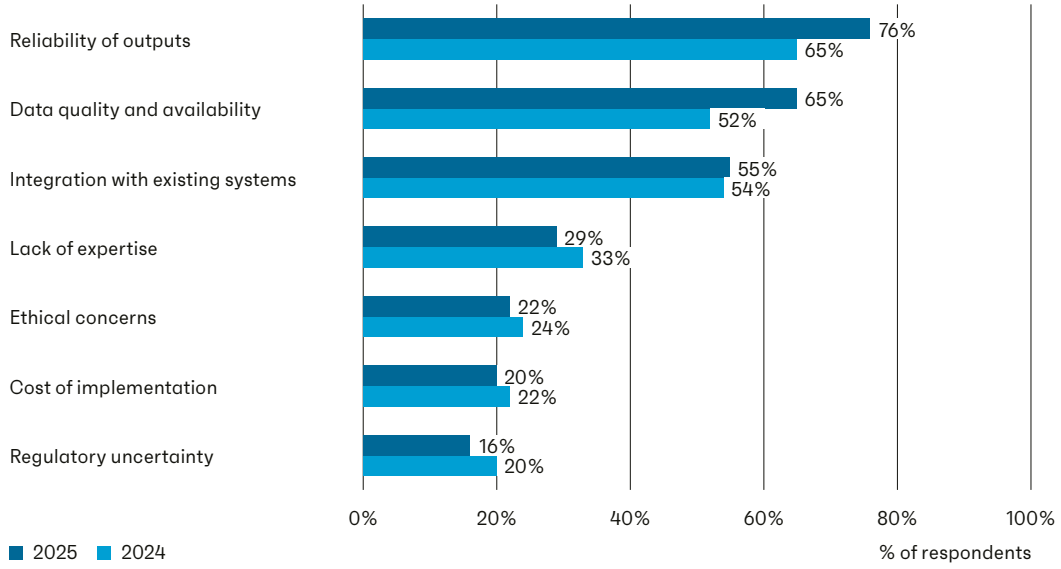
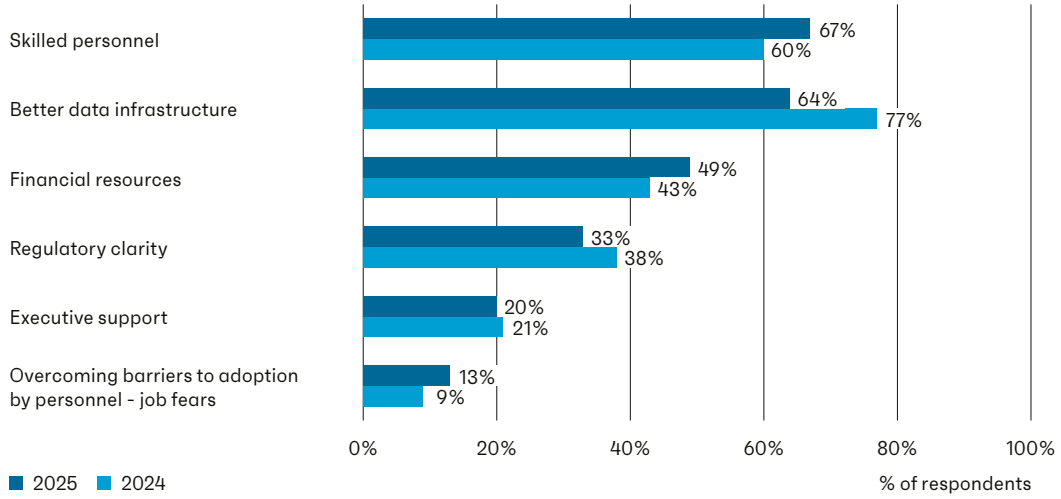


Figure 29 shows the key challenges in AI implementation for sustainable finance. Reliability of outputs remains the most cited obstacle and rose further from 65% to 76%, while data quality and availability also increased notably. These results suggest that as AI adoption advances and use cases move closer to core investment processes, organisations are encountering the underlying data limitations of sustainable finance more acutely.

The prominence of concerns around the lack of reliability of outputs is legitimate, since it is a challenge to obtain repeatable, reproducible, and explainable outputs out of models which are essentially non-deterministic, like generative AI (GenAI) models are. But the reality behind the term "reliability" has materially evolved since last year. We are past the discovery that large language models may hallucinate and therefore require dedicated safeguards. The industry is now discovering that establishing AI applications at scale for parts of its core processes is a complex task that requires establishing agen-tic orchestration, maker-checker systems ("AI as a judge"), and more, to achieve reliable results. This requires the right expertise.

Figure 30: **Key organisational needs to scale artificial intelligence adoption for asset managers and asset owners in 2024 and 2025** (in % of respondents) (n=55)



These changed requirements for implementing reliable AI solutions explain the results of Figure 30, which shows the key organisational needs to scale AI adoption. Skilled personnel have overtaken data infrastructure as the most frequently cited need, while data infrastructure declined notably.

This reflects a broad industry trend, where many financial services companies have actively worked on improving their data systems in the past 18 months. Companies realize that, more than a technical gap, they face a talent gap to build the reliable applications they need. This is why investment in skilled personnel is seen as a key lever to unlock the core investment use cases emerging in Figure 28. As foundational infrastructure gaps narrow, human capital increasingly emerges as the critical bottleneck. The focus is shifting from building the systems' foundations to developing the expertise needed to work effectively within the data environment.

3.4 Real Estate

Real estate contributes around one-third of total CO_2 emissions in Switzerland, making the sector and its investors materially relevant to the transition of the overall economy. Sustainable real estate volumes grew by 6.9% to CHF 231 billion in 2025 (Figure 31), with both asset managers and asset owners contributing to this increase. Real estate continues to account for a stable share of total sustainable assets under management.[25]

Figure 32 shows the share of respondents with a formal sustainability real estate policy. A large majority of asset owners report having such a policy in place, while the share among asset managers is significantly lower.

Real estate represents the second-largest asset class for asset owners at 25%, compared to 11% among asset managers (see Figure 14). This higher materiality of Real Estate as an asset class for asset owners explains part of the discrepancy.

Another dimension is that asset owners are often long-term investors and therefore have strong incentives to define formal expectations on issues such as energy efficiency, decarbonisation pathways, renovation planning, or climate resilience, which are long-term ambitions.

Finally, asset owners' understanding of their fiduciary duty obligations may contribute to them formalising their expectations more systematically, particularly in order to back long-term liabilities such as pension obligations.

Finally, asset managers will, in some cases, follow and apply the sustainable real estate policies of their asset-owner clients, particularly where they manage real estate assets through segregated mandates or client-specific arrangements.

Figure 31: **Sustainable real estate volumes of asset managers and asset owners in 2024 and 2025**
(in CHF billion) (n=42)

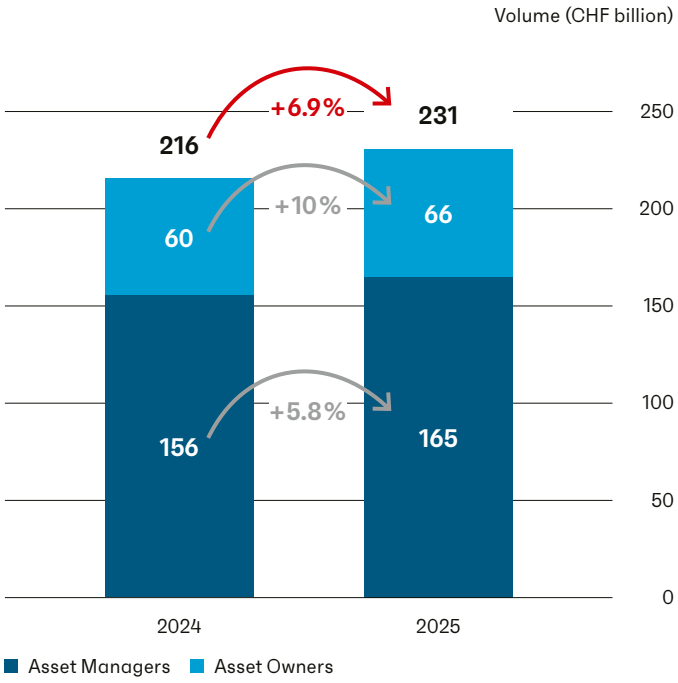


Figure 32: **Existence of a formal ESG real estate policy for asset managers and asset owners**
(in % of respondents) (n=41)

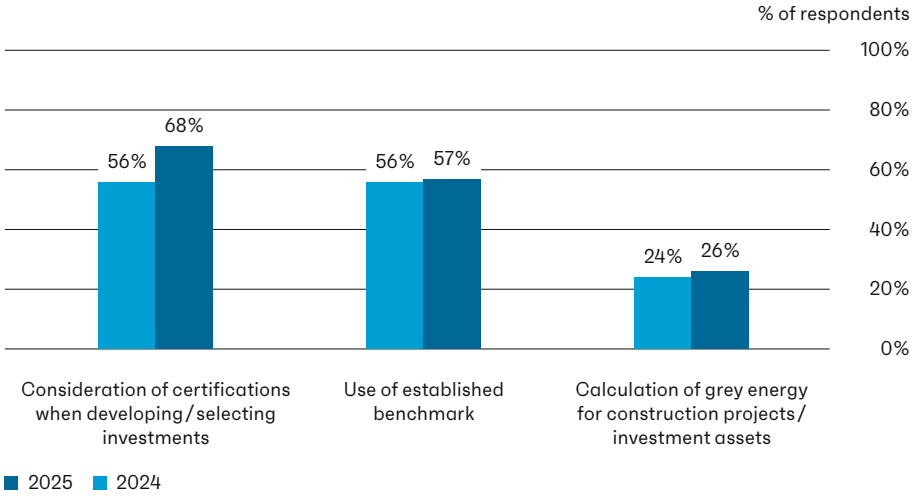
25 Figures in this chapter are based on responses from participants who actively manage real estate assets, ensuring a closer alignment between survey responses and actual investment practice. We also applied this adjustment retroactively to 2024 figures, to ensure comparability.

Figure 33 shows sustainability-related practices in real estate investments.[26] The reliance on certifications when developing or selecting investments increased notably and represents the most widely applied practice. Commonly mentioned certificates include Minergie, SNBS, LEED, BREEAM, DGNB, SGNI, 2000 Watt, as well as proprietary quality labels.

The calculation of grey energy also rose slightly, although maybe at a slower pace than one may wish for. This is an important development consistent with the growing importance of this topic: future decisions on whether to renovate or construct new buildings must indeed consider grey emissions alongside financial returns.

In Switzerland, AMAS published a set of environmental indicators for real estate funds in 2022.[27] These indicators are mandatory for AMAS members and represent an important step to harmonise sustainability reporting for real estate investments and to achieve transparency for investors in the market. Figure 34 and Figure 35 show a steady increase in the adoption of these real estate indicators by the industry. Data collection levels are consistently high across all indicators, while disclosure rates have increased compared to last year (greenhouse gas emissions from 52% to 63%, energy intensity from 60% to 70%, etc.). This is an important trend, because it is the cornerstone to increase transparency for investors.

Figure 33: **Sustainability-related practices in real estate investments in 2024 and 2025** (in % of respondents) (n=38)



26 Compared to the previous year, figures for 2024 have been adjusted to reflect responses from participants who actively manage real estate assets, ensuring consistency with this year's data analyses.

27 AMAS (2022): *Environmental indicators for real estate funds, AMAS Circular 04/2022*. Available at https://www.am-switzerland.ch/en/regulierung/selbstregulierung-standard/immobilienfonds

Figure 34: **Collection of AMAS real estate indicators in 2024 and 2025 for asset managers and asset owners** (in % of respondents) (n=27)

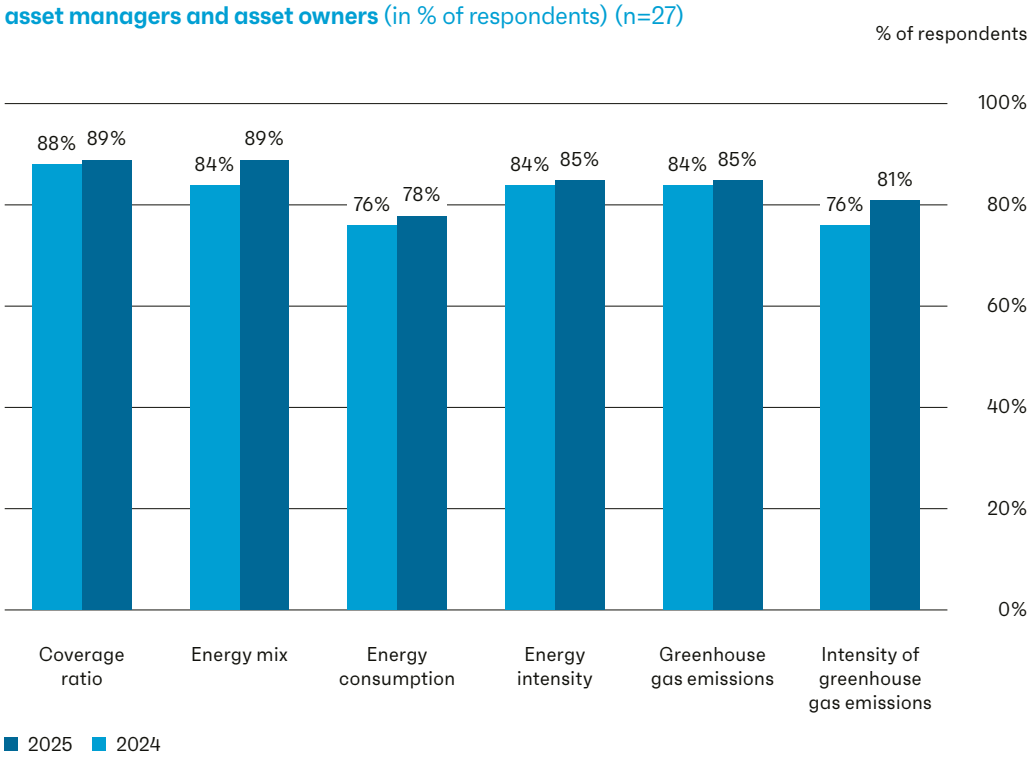
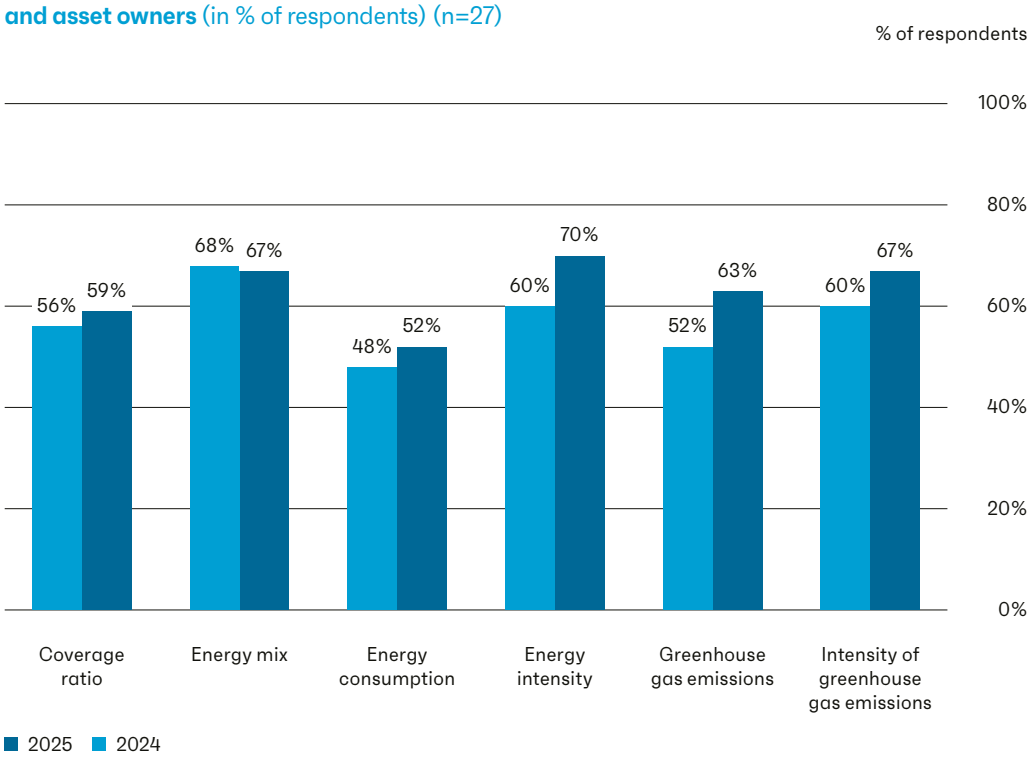


Figure 35: **Disclosure of AMAS real estate indicators in 2024 and 2025 for asset managers and asset owners** (in % of respondents) (n=27)



Strengthening Stewardship to Enable Credible Net-Zero Investments

Ivo Mugglin,
Head Sustainable Investing & Financing, PostFinance

Achieving a climate-aligned financial system depends on how effectively capital is channelled toward investments that genuinely support the net zero transition. For investors it is challenging to identify financial products aligned to credible climate pathways, especially when evaluating stewardship practices.

Our recently launched wealth management mandate is aligned with a net-zero target (2050). As this mandate is structured as a fund-of-funds approach, the selection of underlying financial instruments is critical. Engagement analysis and voting are time-intensive as standardized data sets covering stewardship linked to the net-zero target do not exist. Thus, credibility assessments can be biased, making it harder to identify meaningful stewardship.

To close this transparency gap, PostFinance has initiated an innovative collaboration with *rezonanz*[1] to develop a Net-Zero Asset Manager Engagement Indicator and a Net-Zero Asset Manager Voting Indicator. They aim to create a framework that allows for a more objective evaluation of the climate stewardship practices of asset managers. Its publication is planned in early 2027.

During the development phase, three key challenges have emerged:

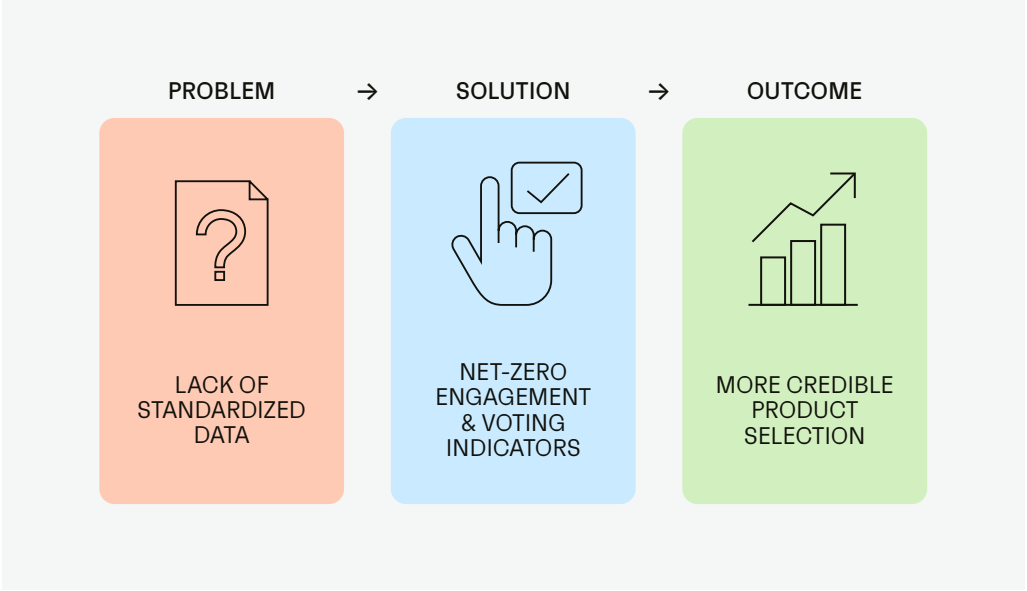
1. **Defining what constitutes true net-zero engagement and voting.**
Not all climate-related interactions are genuinely aligned with net-zero pathways, raising the question of which practices should count.

2. **Assessing effective changes towards net zero and attribution.**
The question emerged which changes in corporate behaviour or specifically climate emissions can be considered enough or credible, and if it is necessary to attribute the changes in corporate behaviour to a specific investor.

3. **Understanding the role of multiple levers.**
Effective climate stewardship goes beyond dialogue and proxy voting; it can include sector-level initiatives, field-building, and political engagement. The challenge remains how to best account for all these elements in a meaningful way.

Thereby PostFinance is strengthening the credibility and effectiveness of its financial product selection process, enhancing transparency for investors and supporting the transition toward a low-carbon economy. For clients, it creates trust and makes net-zero investing more comparable and impactful.

1 rezonanz is a Zurich-based startup that turns scattered proxy and engagement data into clear signals, enabling investors and companies to track, analyze, and improve communication in one platform.



Scan to see more

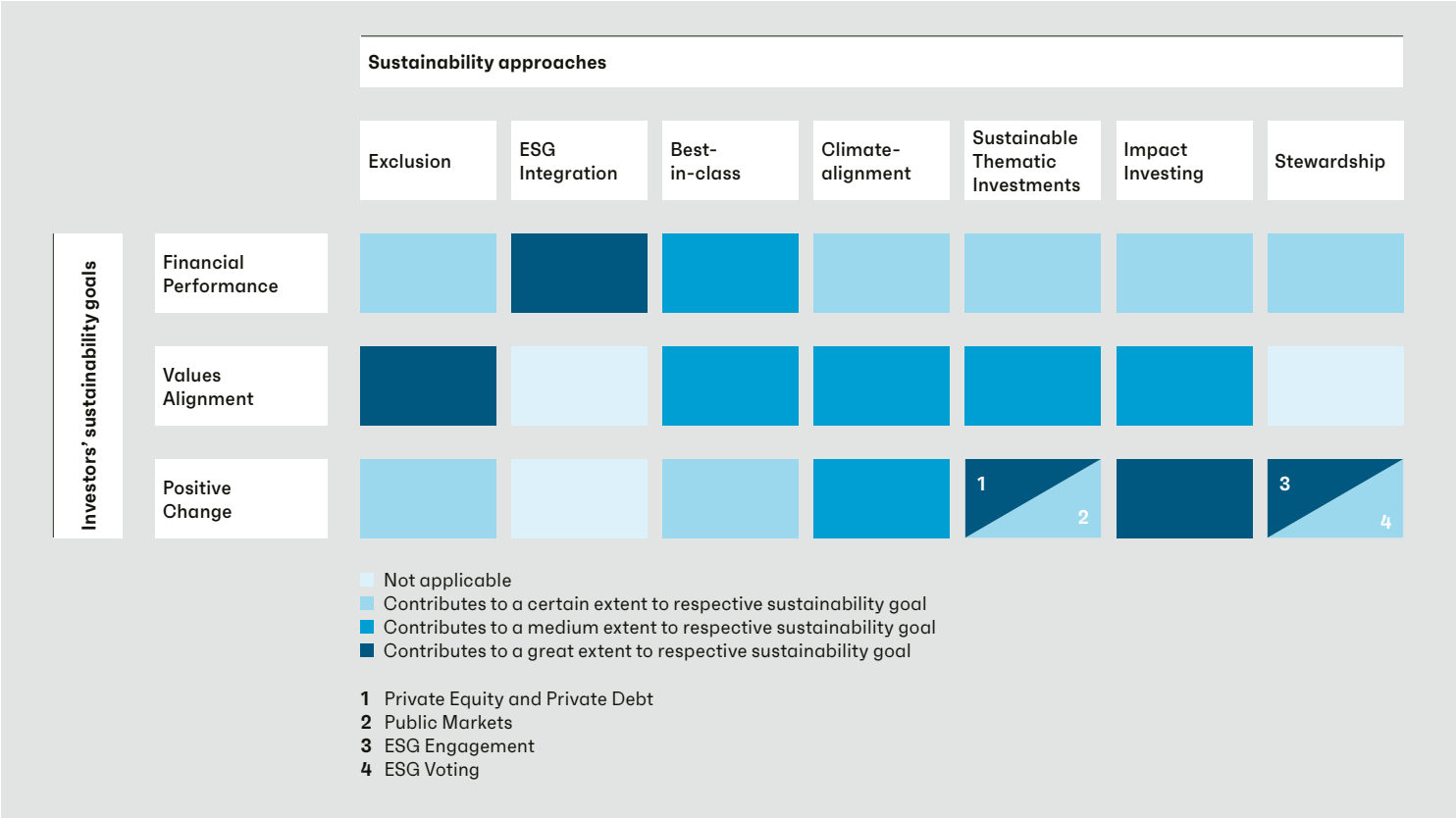
Details on Sustainable Investment Approaches

04

4.1 Role of different combinations of sustainable investment approaches

Figure 36: **Suitability of various sustainable investment approaches for different investors' sustainability goals**

Source: SSF, adapted from AMAS/SSF (2021). "How to Avoid the Greenwashing Trap: Recommendations on Transparency and Minimum Requirements for SI Approaches and Products"



Not all investors pursue sustainability-related investments for the same reasons and certain sustainable investment (SI) approaches are better suited to achieving one or more specific investor objectives. Sustainable investing is typically driven by one of the following motivations:[28]

- Financial performance goal – Improving the risk/return profile generated by the investments;
- Values alignment goal – Aligning the investments with the investors' personal values and norms;
- Positive change goal – Contributing to a positive change in the economy, in society, and for the environment.

There are seven different sustainable investment (SI) approaches commonly accepted in Switzerland – see Figure 36 above. It illustrates an important aspect of the use of the different SI approaches in relation to investor goals, by mapping the different approaches to the three main investor objectives of financial performance, values alignment, and positive change.[29]

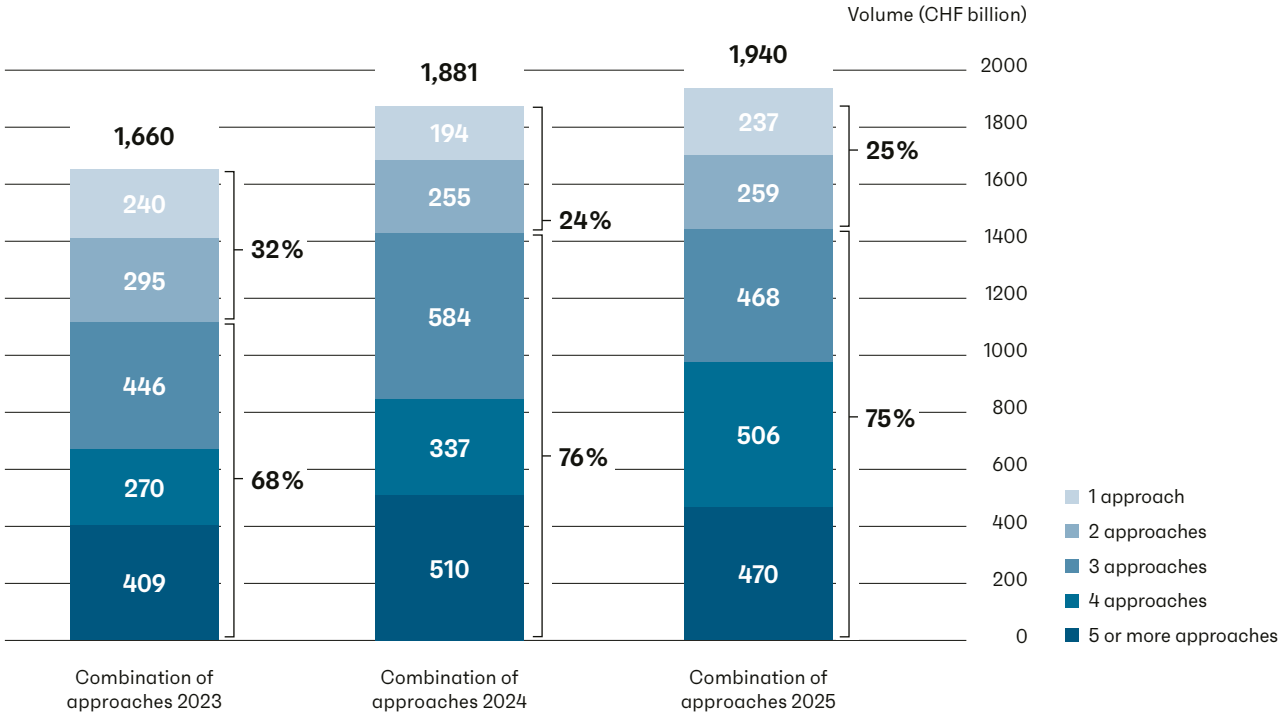
28 AMAS/SSF (2021): *How to avoid the greenwashing trap.* Available at https://www.sustainablefinance.ch/en/our-activities/ssf-publications-3037.html

29 ESG Engagement and ESG Voting are captured under the overarching notion of "Stewardship". We also do not report "Norms-based screening" as a separate SI approach anymore. This explains the difference in number of SI approaches in this year's report versus last year. See definitions on the SSF Glossary, available at: https://www.sustainablefinance.ch/en/resources/what-sustainable-finance/glossary.html

4.2 Sustainable investment approaches

Looking at total volumes through the lens of the number of applied SI approaches continues to provide a meaningful interpretation of the sustainability-related investment landscape (Figure 37). In 2025, around 75% of total volumes were managed using three or more approaches, a stable percentage compared to 2024.[30] The underlying pattern remains broadly consistent with prior years and overall stable.

Figure 37: **Breakdown and development of sustainability-related investment volumes based on the number of applied approaches** (in CHF billion)[31]



30 The decline from 2024 to 2025 is primarily attributable to reclassifications from a large market participant rather than a broad market-level shift. This is supported by a year-on-year comparison of individual participant data that also shows no broader reclassifications.

31 Compared to the previous year, the survey no longer includes the norm-based approach as a separate category. To maintain comparability, figures for 2023 and 2024 have been adjusted accordingly by revisiting the underlying data and reclassifying investments that previously included a norm-based approach, resulting in a reduction reported approaches for 2023 and 2024 in line with the updated methodology.

Figure 38: **Development of sustainable investment approaches**
(in % of sustainability-related AuM) (n=73)

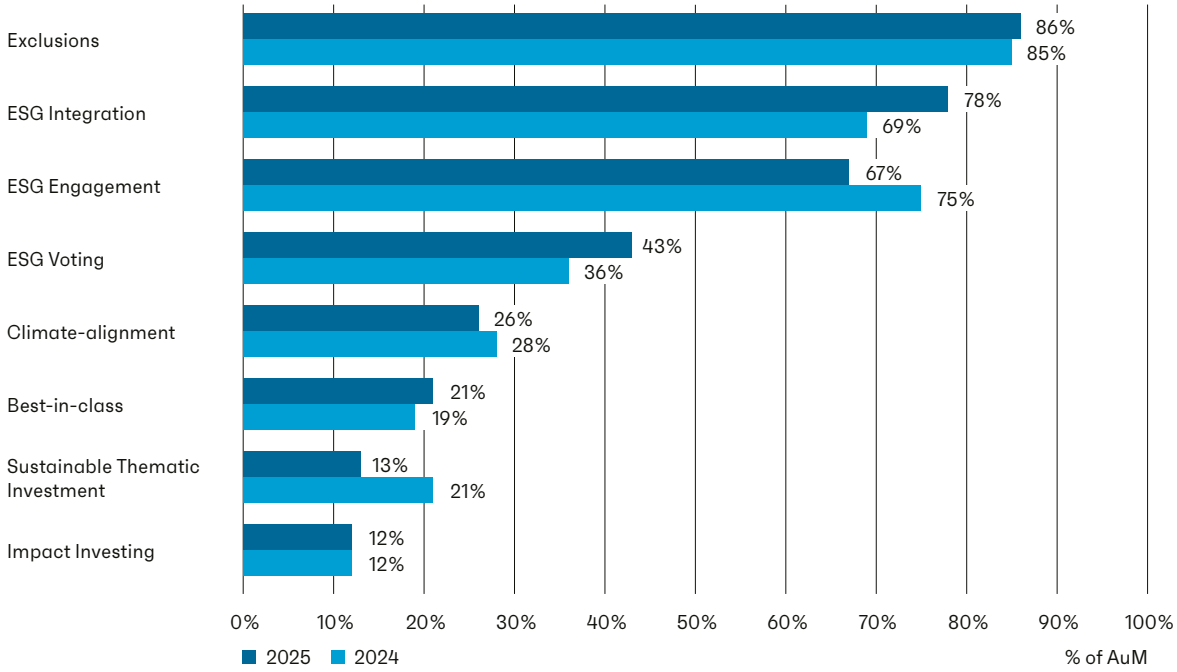
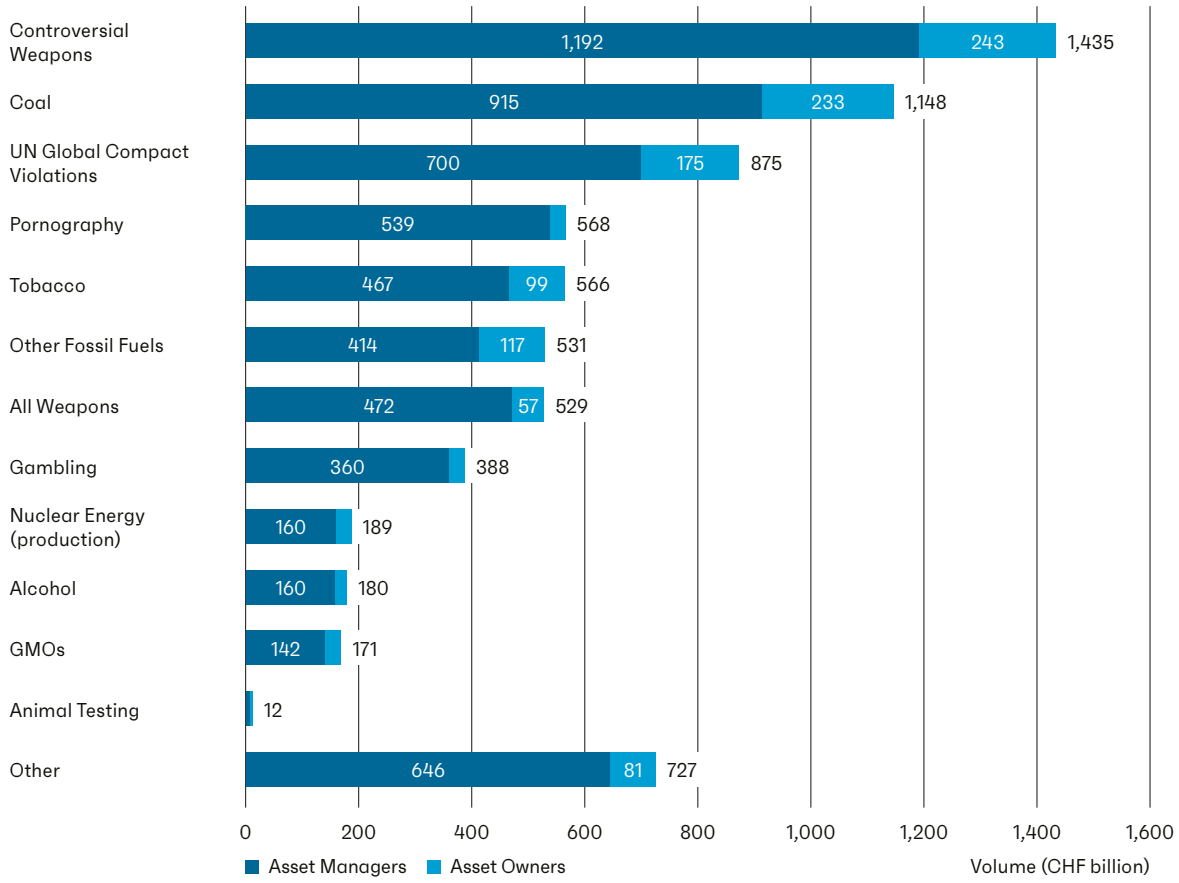


Figure 38 shows the development of sustainable investment approaches as a share of sustainability-related AuM. Exclusions remain broadly stable compared to 2024, while ESG integration increased to 78% and voting increased notably to 43%.

Engagement and thematic approaches declined. A year-on-year comparison of individual participant data suggests that these declines are largely attributable to reclassifications or reporting changes among a limited number of participants and should not be overinterpreted as a general market trend.

Figure 39: **Applied exclusion criteria for companies for asset managers and asset owners** (in CHF billion) (n=64)



4.2.1 Exclusions

A question on the specific exclusion categories applied was reintroduced in this year's survey.

As shown in Figure 39, controversial weapons (CHF 1,435 billion) and coal (CHF 1,148 billion) account for the largest exclusion volumes, consistent with the rankings observed in earlier editions of the market study.[32]

Further down the ranking, UN Global Compact violations, pornography, tobacco, fossil fuels, and all weapons each exceed CHF 500 billion, while gambling also features prominently. The pattern is broadly similar across asset managers and asset owners, with both groups sharing a common emphasis on the same core criteria.

The "Other" category encompasses a diverse range of criteria; respondents frequently cited unconventional fossil fuels such as oil sands and fracking, as well as palm oil, and many referred in this context to proprietary in-house exclusion policies.

32 See, for example, SSF (2024): Swiss Sustainable Investment Market Study 2024. Available at https://www.sustainablefinance.ch/api/rm/44H2452964U9V73/ssf-2024-ms-master-final-3.pdf

This year's survey included a specific focus on weapons exclusions, a topic that has gained increasing attention given ongoing geopolitical tensions and broader industry discussions around defence and security.

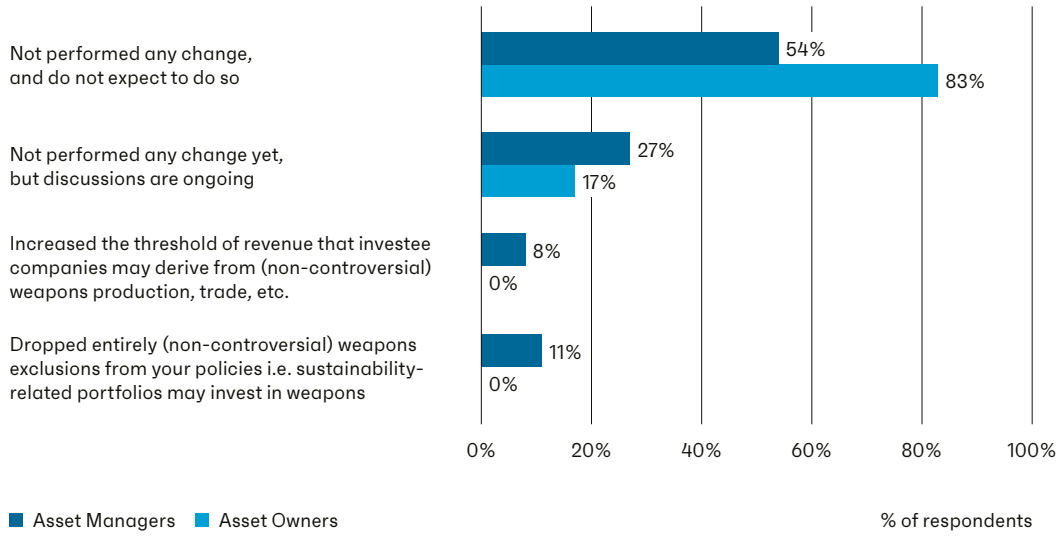
The volumes of sustainability-related portfolios applying weapons exclusions, beyond controversial weapons, increased until December 2023, with a peak at CHF 778 billion.[33] A notable decline is observable this year, a reflection of the shift in norms as a result of the growing perceived threat that many headlines reflected in the course of the year.

However, despite the impression one may gain from media coverage in 2025, this appears to be (for now) driven mostly by policy changes by a small number of participants with large market shares. The majority of respondents indeed report no changes to their weapons exclusion policies and do not expect to make any such changes (Figure 40).

The firm intention to maintain the current weapons exclusion policies is particularly pronounced among asset owner survey respondents (83%). Among asset managers, the picture is more mixed, with a meaningful share indicating that discussions are ongoing or adjustments have already been made, primarily driven by considerations around portfolio diversification and evolving client expectations.

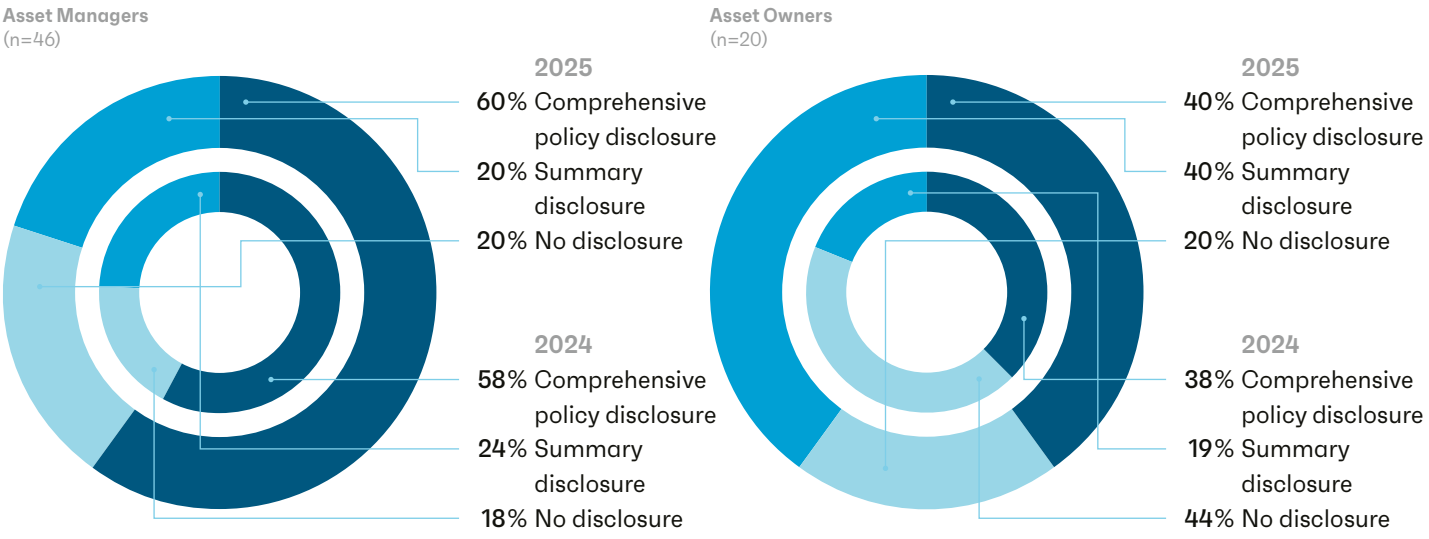
This divergence is a logical reflection of the differing nature of the two groups: asset managers tend to be more exposed to short-term competitive pressures and evolving client expectations, while asset owners are typically guided by longer-term investment horizons and principle-based mandates.

Figure 40: **Changes in weapons exclusions for asset managers and asset owners** (in % of respondents) (n=66)



33 SSF (2024): *Sustainable Investment Market Study 2024*, page 37, accessible at https://www.sustainablefinance.ch/api/rm/44H2452964U9V73/ssf-2024-ms-master-final-3.pdf

Figure 41: **Stewardship policy disclosure of asset managers and asset owners in 2024 and 2025** (in % of respondents) (n=66)



4.2.2 Stewardship

"Stewardship" includes both "ESG engagement" and "ESG voting".[34]

4.2.2.1 Governance

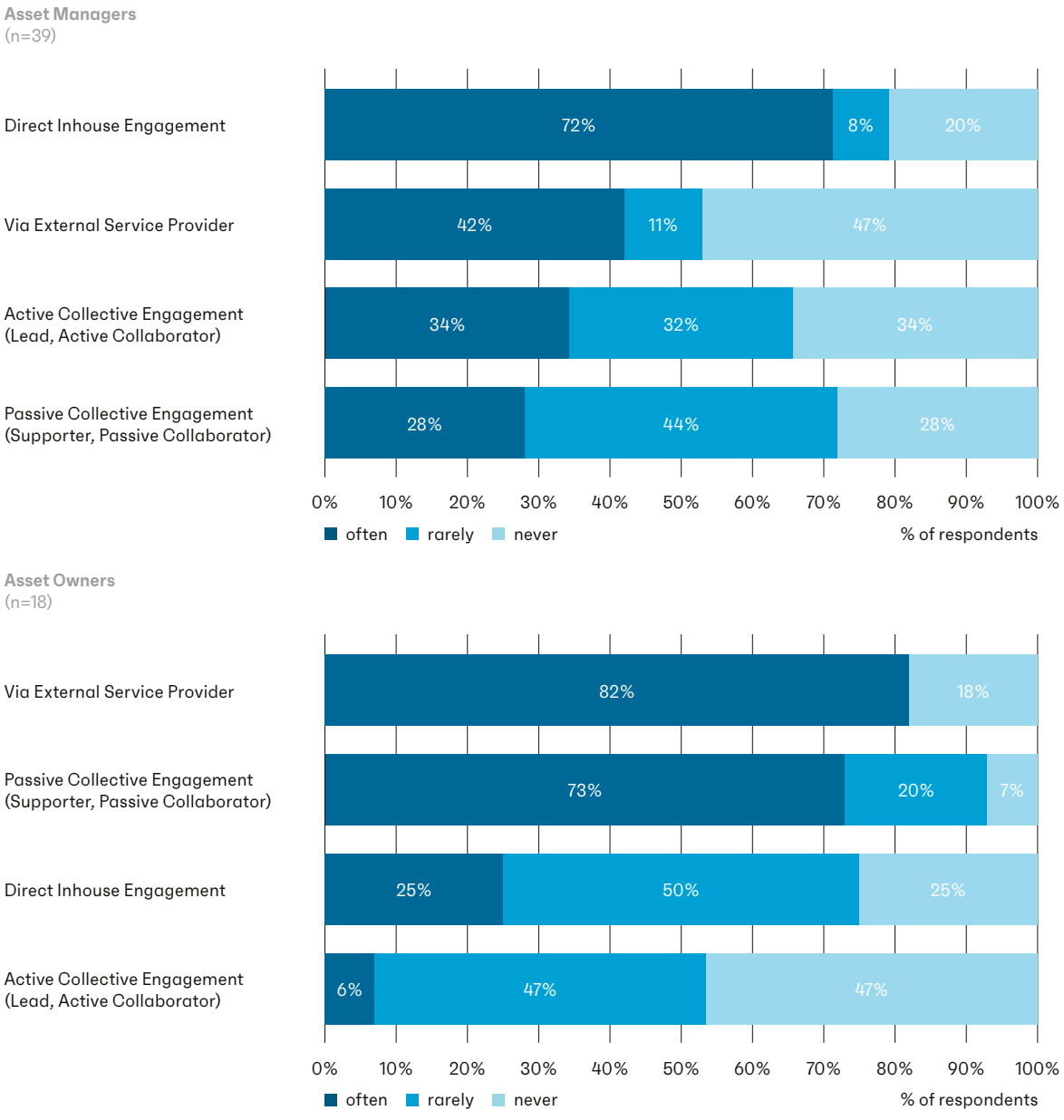
Figure 41 illustrates the stewardship policy disclosure practices of asset managers and asset owners. Among asset managers, the picture is broadly stable compared to the previous year, with the large majority continuing to disclose a comprehensive stewardship policy. Among asset owners, a more notable shift is observable: the share providing no disclosure declined compared to the previous year, driven primarily by an increase in summary disclosures. While the overall gap between the two groups has narrowed as a result, asset owners continue to rely more heavily on summary disclosures rather than comprehensive policies. This difference may partly reflect the tendency of asset owners to delegate stewardship activities to external asset managers, reducing the impetus to develop and publicly communicate a standalone stewardship policy.

4.2.2.2 ESG Engagement

ESG engagement is applied to 67% of sustainability-related AuM in 2025 (Figure 38). Figure 42 shows the distribution of different forms of engagement by frequency of their use. The overall patterns remain broadly consistent with the previous year. Among asset managers, direct inhouse engagement continues to be the most frequently used form. Asset owners, by contrast, rely primarily on external service providers. This is consistent with the finding that asset owners tend to delegate stewardship activities rather than building dedicated in-house capacity. Passive collective engagement also remains prominent among asset owners for the same reason. These findings reflect broader differences in stewardship capacity and strategy between the two groups, as discussed in the context of Figure 41.

34 Additional charts on stewardship, are available at https://www.sustainablefinance.ch/en/our-activities/ssf-publications/stewardship-2026-swiss-sustainable-investment-market.html

Figure 42: **Distribution of forms of engagement by frequency of use for asset managers and asset owners** (in % of respondents) (n=57)

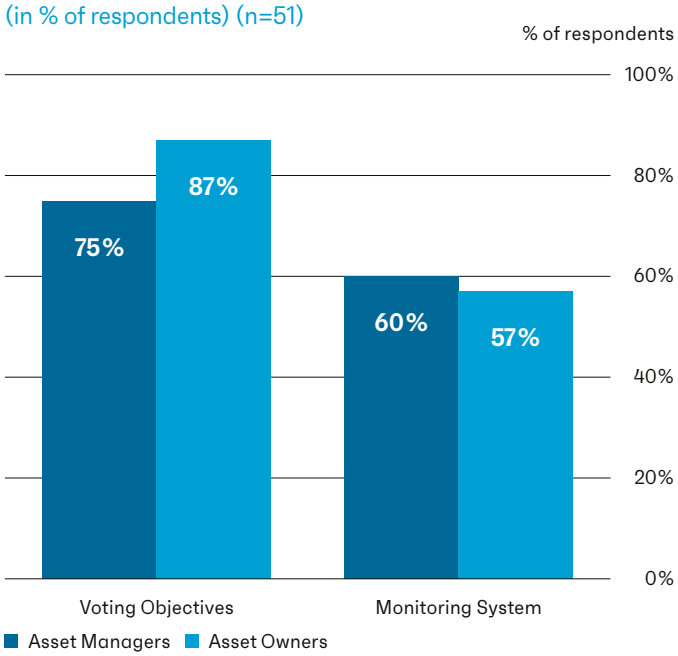


4.2.2.3 Voting

ESG voting is applied to 43% of sustainability-related AuM in 2025 (Figure 38), up from 36% in the previous year. Figure 43 illustrates the extent to which asset managers and asset owners have defined voting objectives and established processes to monitor voting activities.

Overall, the results indicate that voting frameworks are relatively well established in both groups. The difference between asset managers and asset owners may be linked to the asset managers' more active role in the direct implementation of voting strategies, while asset owners often delegate such tasks and therefore may rely on external systems and policies.

Figure 43: **Existence of voting objectives and monitoring systems of asset managers and asset owners**
(in % of respondents) (n=51)



4.2.2.4 Reporting

Figure 44 shows the topics most frequently included in stewardship reports. The overall picture is broadly consistent with the previous year. Engagement activities and voting records remain the most commonly covered topics across both groups, with asset owners reporting a particularly high coverage of voting records – consistent with the emphasis on formal reporting obligations noted in prior years. Case studies continue to feature more prominently in asset manager reports, which may reflect their more direct engagement experience, as discussed in the context of Figure 42.

Figure 44: **Topics covered in stewardship reports of asset managers and asset owners**
(in % of respondents) (n=62)

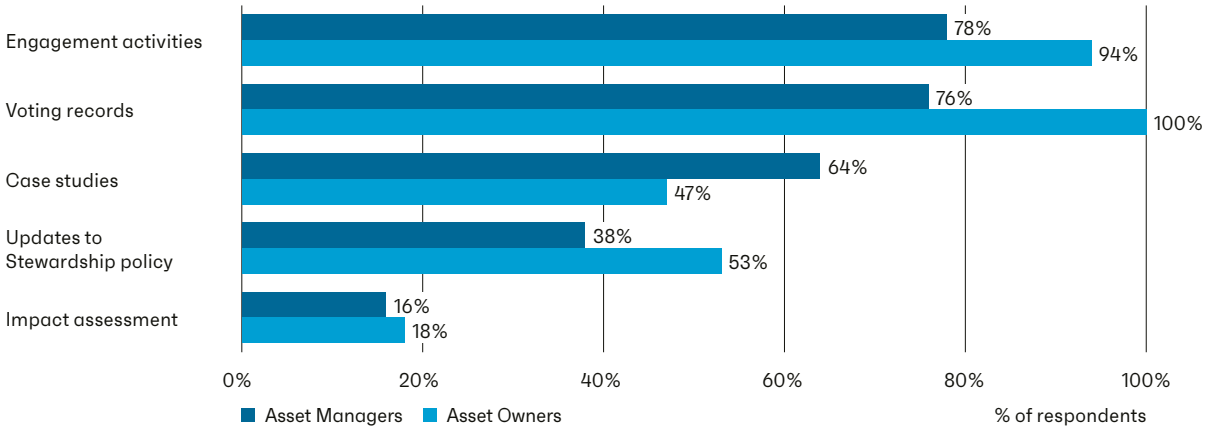
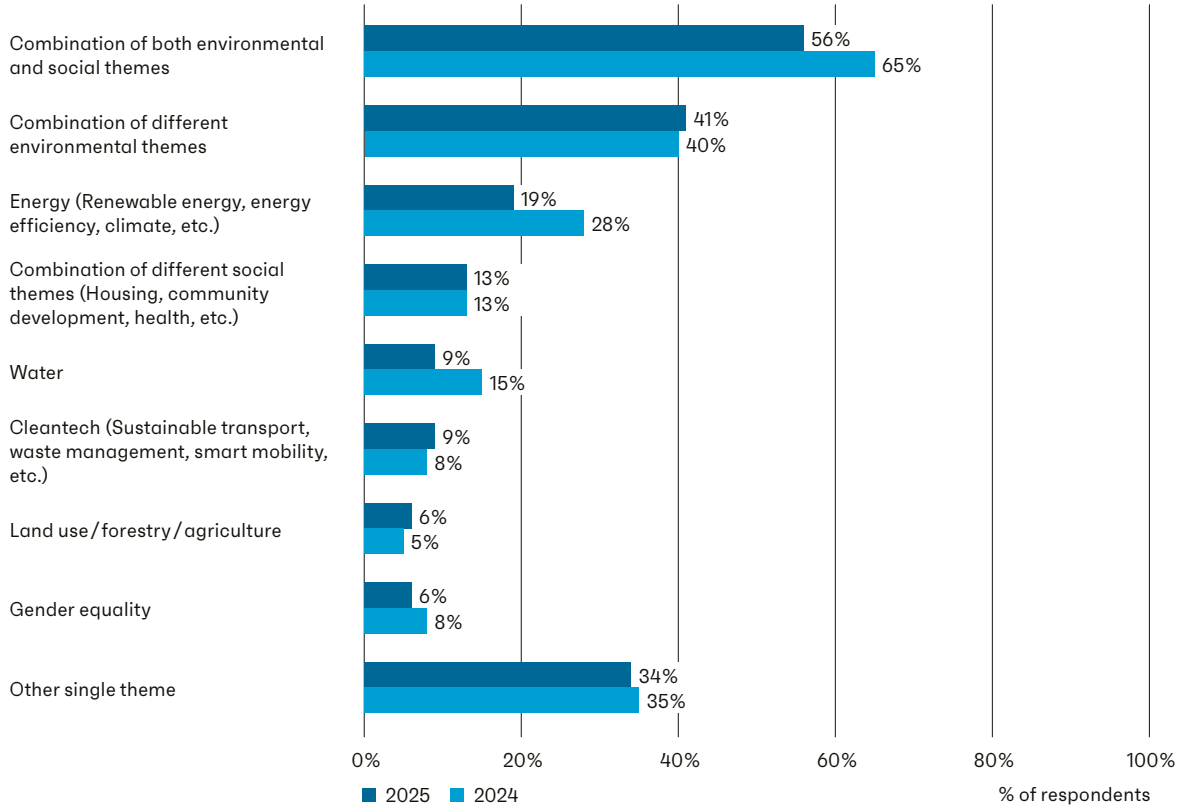


Figure 45: **Main sustainable thematic investment themes for asset managers and asset owners in 2024 and 2025** (in % of respondents) (n=32)



4.2.3 Climate-alignment

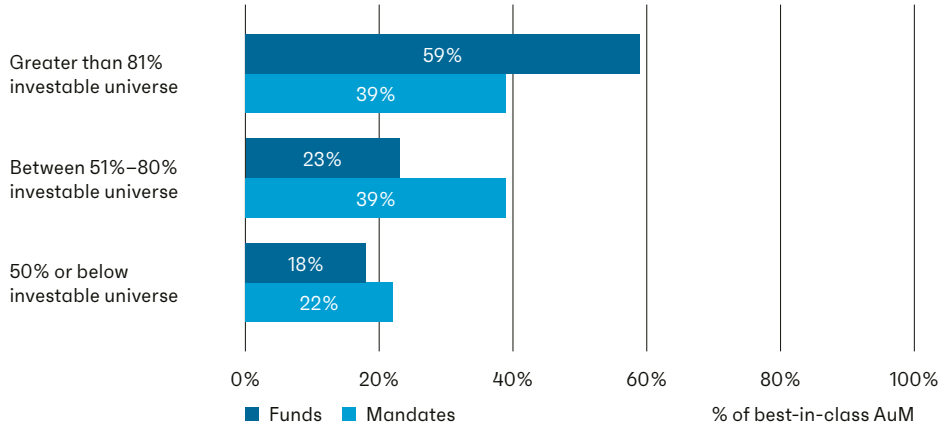
The climate-alignment approach is applied to 26% of sustainability-related AuM in 2025 (Figure 38). The analysis related to this sustainable investment approach can be found in Section 3.2, "Climate change".

4.2.4 Sustainable Thematic Investments

Sustainable thematic investment is applied to 13% of sustainability-related AuM in 2025 (Figure 38). Figure 45 shows the main thematic investment themes in 2024 and 2025. The picture is broadly stable compared to the previous year: a combination of both environmental and social themes remains the most adopted approach, followed by a combination of different environmental themes. The continued dominance of combined thematic approaches over single-theme strategies reflects a preference for diversified thematic exposure.

A granular analysis of the underlying data (not reflected in a dedicated figure in this report) shows that, while both asset managers and asset owners favour combined thematic approaches, their focus differs on specific aspects, as in the previous year. Asset managers show a stronger inclination towards integrated environmental and social themes, while asset owners predominantly focus on combinations of environmental themes alone.

Figure 46: **Share of remaining investable universe after best-in-class approach for asset managers** (in % of best-in-class AuM) (n=34)



4.2.5 Best-in-Class

The best-in-class approach consists in comparing a company's sustainability performance to the one of its peers. Companies which meet certain criteria differentiating them positively will be eligible for investment.

This approach is applied to 21% of sustainability-related AuM in 2025 (Figure 38). As in previous years, the analysis is based on asset manager responses only.[35] Figure 46 shows the investment universe reduction based on the best-in-class approach.[36]

For investment funds, low-selectivity strategies (i.e., more than 81% of the investment universe is still investable) continue to dominate, consistent with prior years. High selectivity, by contrast, has declined steadily over the observation period. This trend reflects the structural constraints of collective investment vehicles, which must maintain broad diversification to serve a diverse investor base.

Historically, mandates were concentrated in the low-selectivity band to a comparable or even greater extent than funds. Over the years, however, mandate volumes have migrated progressively toward higher selectivity.

Taken together, both segments are converging toward a middle level of selectivity, albeit from opposite starting points.

4.2.6 Impact Investing[37]

The United Nations Sustainable Development Goals Report 2025 estimates an annual financing gap of USD 4 trillion across the SDG agenda – underscoring the scale of investment needed to drive progress on sustainable development globally.[38]

Impact investing was applied to 12% of sustainability-related AuM in 2025 (Figure 38) and remained broadly stable compared to the previous year. This approach intentionally aims to generate a measurable positive social and environmental alongside financial return through active management and impact measurement.

This year's survey asked all participants about the SDGs most frequently targeted by their organisation. Figure 47 shows that Climate Action (Goal 13) and Affordable & Clean Energy (Goal 7) stand out as the most prominent goals, while a range of further SDGs are targeted by around 20% of participants. The prominence of these two goals reflects the continued centrality of climate and energy themes within the sustainable investment landscape.

35 Asset owners were asked the same question, but the number of responses was insufficient to allow representative analysis.
36 In this year's survey, the investment universe reduction categories were consolidated from five into three broader bands to improve clarity.
37 Additional charts on impact investing are available at https://www.sustainablefinance.ch/en/our-activities/ssf-publications/impact-investing-2026-swiss-sustainable-investment-market.html
38 United Nations (2025): *The Sustainable Development Goals Report 2025*. Available at https://unstats.un.org/sdgs/report/2025/The-Sustainable-Development-Goals-Report-2025.pdf

Figure 47: **Most frequently targeted SDGs by organisation for asset managers and asset owners** (in % of respondents) (n=50)

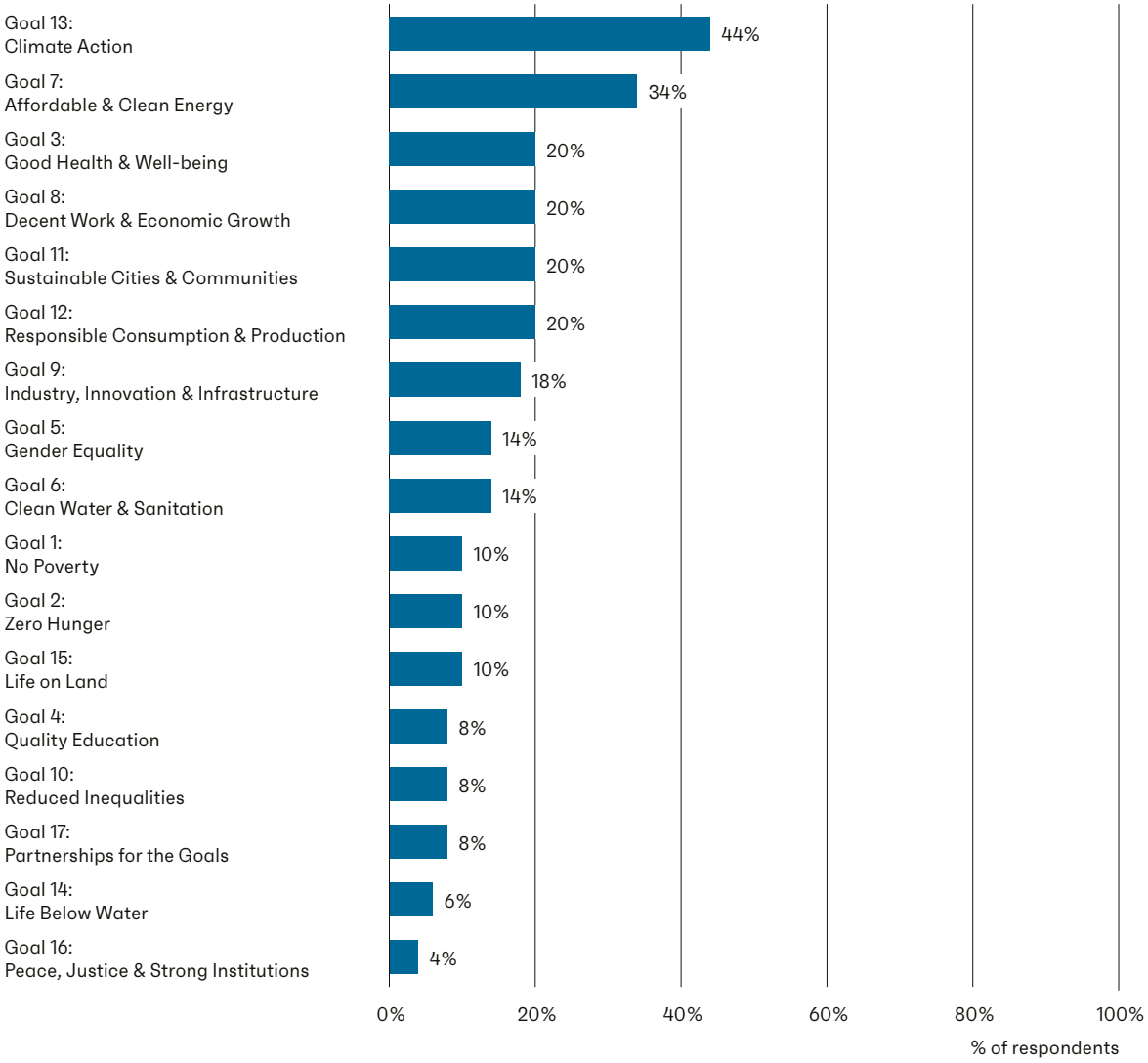
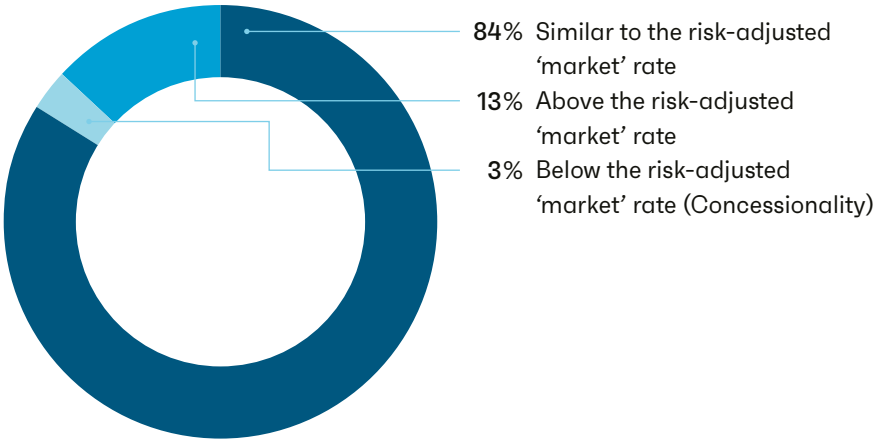


Figure 48: **Expected risk-adjusted financial return compared to market rate for asset managers and asset owners** (in % of respondents) (n=32)



One of the most interesting insights from this year's survey relates to the business case of impact investing. Figure 48 shows the risk-adjusted financial return of impact investments that asset managers and asset owners expect when engaging in impact investments. The immense majority of respondents (84%) expect returns aligned to overall market performance, while 13% anticipate above-market returns. Hardly any respondent expects below-market returns.

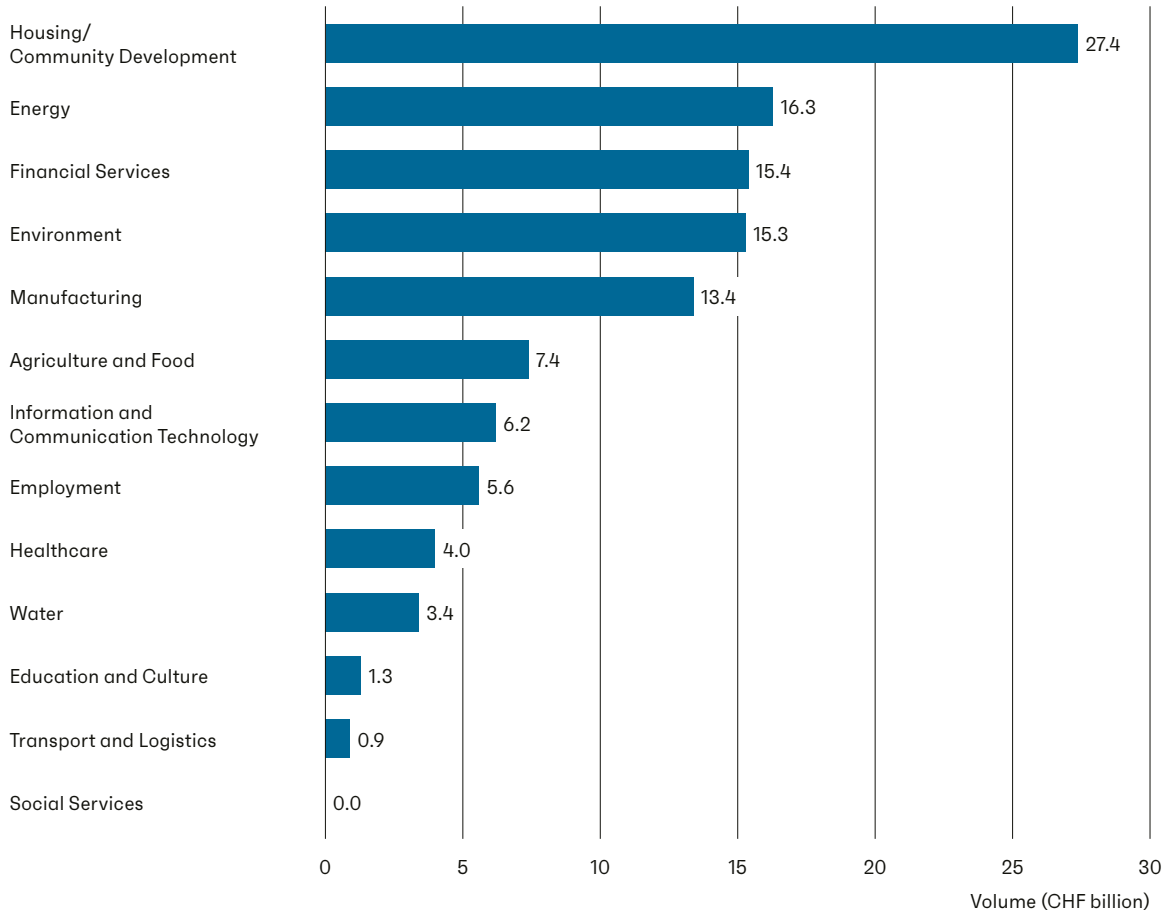
Taken together, these results suggest that impact investing is not expected to require a financial trade-off, but rather to require a business case in which measurable impact and competitive financial returns may be pursued simultaneously. This corrects the narrative, too often heard, that impact investing requires readiness to sacrifice returns in order to achieve impact. Impact investing is not philanthropy.

Figure 49 shows impact investing volumes by sector.[39] It evidences a concentration of volumes in sectors where investment cases are already relatively mature and scalable. Housing and community development ranks highest, suggesting that respondents see strong impact potential in areas where social benefits and stable cash flows can be combined. This is followed by energy and environment: these sectors typically offer clear impact pathways, established financing models, and leverage on public policy focus such as the energy transition, financial inclusion, resource efficiency, or climate mitigation.

Sectors such as education and culture, healthcare, or employment attract lower volumes. This may indicate that these areas are harder to access through large-scale institutional portfolios, either because opportunities are smaller and more fragmented, revenue models are still emerging, or impact measurement is more complex.

39 Sectoral categories were revised this year to align with the Impact Europe framework, which slightly affects the comparability of individual categories with prior years. See: https://www.impacteurope.net/

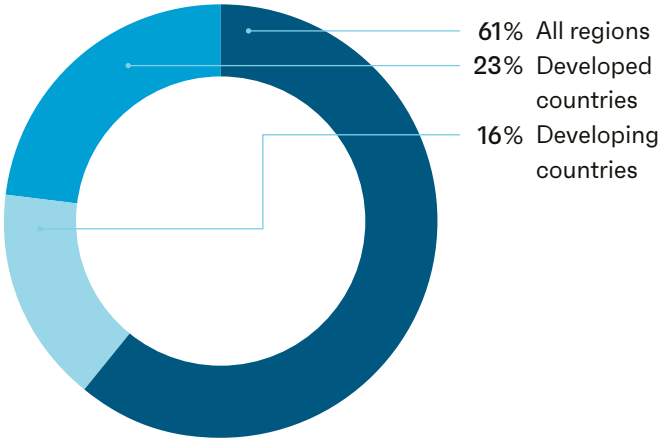
Figure 49: **Impact investing by sector for asset managers and asset owners** (in CHF billion) (n=22)



In terms of regional allocation, Figure 50 shows that impact investments are predominantly allocated across all regions, suggesting a preference for globally diversified strategies rather than a concentration on specific markets. This allocation holds for both asset managers and asset owners, though asset owners also allocate a comparatively large share to developed markets – consistent with the pattern observed in previous years.

This data also serves as a reminder that impact investing is not limited to emerging markets. Intentional and measurable positive outcomes can also be generated in developed markets, for example, through affordable housing, energy-efficient building renovation, healthcare access, or circular economy solutions.

Figure 50: **Impact investing in developed versus developing countries for asset managers and asset owners** (in %) (n=23)



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AI's sustainability dilemma: How to meet doubling data centre energy demand

Nicolas Barben,
Head of Sustainability Solutions WM/IM, UBP

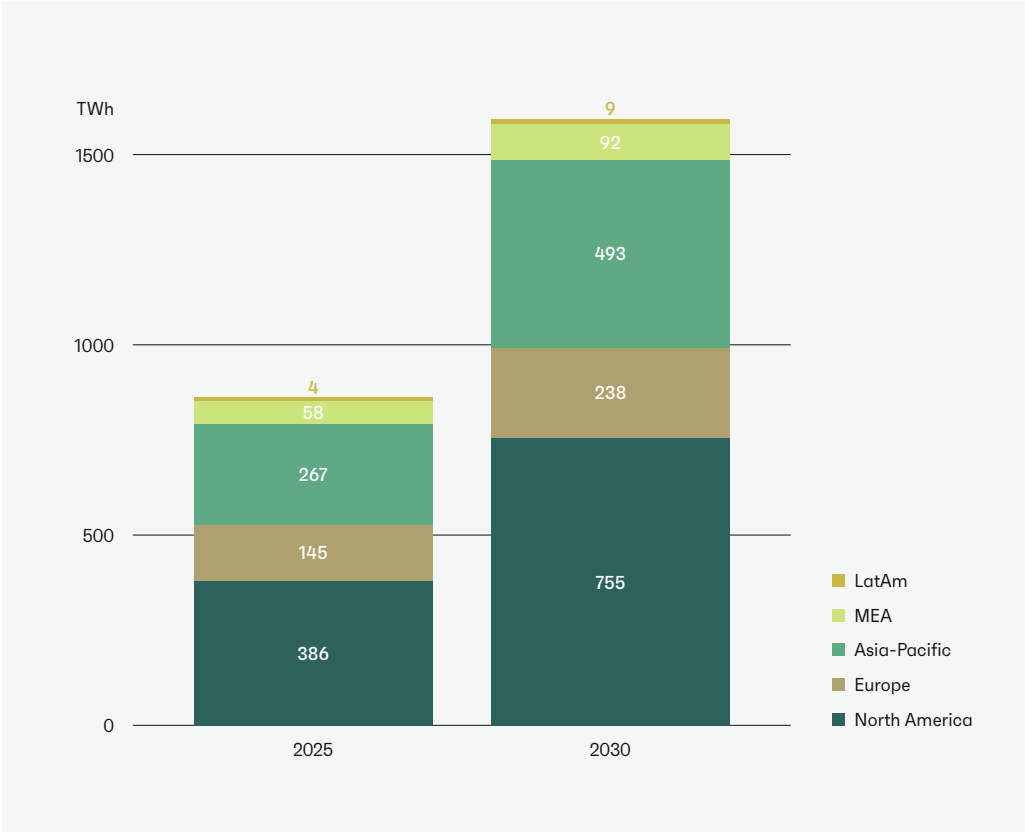
Artificial intelligence (AI) and digital services are experiencing rapid growth. However, while such solutions can play a meaningful role in addressing environmental problems, they are currently facing their own sustainability challenges. Given the huge amount of computing power required, AI and digital solutions come at the cost of high levels of energy consumption and CO_2 emissions. Some data centres require more than 100 GWh – equivalent to the annual consumption of a city with 100,000 inhabitants. While data centres account for about 1.5% of global electricity consumption in 2024, this figure is expected to double to reach 3% by 2030.[1]

Driven by the availability of skilled labour, energy resources, and well-developed infrastructure, North America, Asia-Pacific, and Europe are set to experience particularly significant growth in data centres. In addition to their energy needs, data centres also require huge amounts of water for cooling, with many facilities consuming millions of litres of water daily, often exacerbating shortages in regions already experiencing water stress.

Renewable energy, whose costs have significantly decreased in recent years, stands out as a competitive and readily deployable solution to meet the growing energy demands of data centres in a sustainable way, hence lowering their environmental burden. Major companies are also investing in advanced cooling technologies, such as immersion cooling or the use of outside air in cold climates, to reduce both water and energy consumption. While promising, these solutions are still far from sufficient to make AI sustainable. Additional safeguards and collaboration between industry players, researchers, and governments will be required to balance innovation and sustainability.

1 International Energy Agency. 2025. Energy and AI. https://www.iea.org/reports/energy-and-ai

Figure 1: Global data centre power demand set to double by 2030
Source: S&P Global Commodity Insights 451 Research, Note: Low-end case



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Regulatory Developments

05

5.1 Developments in Switzerland

Switzerland has been undergoing a continued major revision of its energy law in 2024 and 2025 aimed at supporting climate goals and reducing reliance on energy imports. The Swiss regulator incorporated the Paris Climate Agreement into national legislation, by setting a net-zero emissions target by 2050. In addition, the regulator (Federal Council, FINMA) conducted several public consultations in 2024 on introducing amended or new regulatory requirements. These regulatory developments have a broad implication for the Swiss economy, including the financial sector. Various important regulations came into force in early 2025, and accordingly, we are now in an implementation phase.

Switzerland's net-zero goal – implications for the overall economy

The Climate and Innovation Act (KIG) and the revised CO_2 Act constitute an important milestone for Switzerland's implementation of the goals of the Paris Climate Agreement and affect the overall economy.

Climate and Innovation Act (KIG) and Ordinance on Climate Protection (KIV)

The Federal Climate and Innovation Act (KIG)[40], which entered into force on 1 January 2025 establishes a framework for achieving Switzerland's 2050 climate targets, particularly regarding long-term greenhouse gas emissions reductions. Key provisions include:

- Sector-specific reduction targets: The Act sets clear benchmark values for emissions reductions in the building, transport, and industrial sectors, providing guidance for decarbonization efforts across the economy.[41]
- Corporate transition plans: Under Art. 5 KIG, companies seeking to benefit from financial support must submit credible transition plans demonstrating how they will contribute to climate objectives.
- Financial sector alignment: Art. 9 KIG requires the financial industry to align financial flows with a low-emission and climate-resilient development.
- Implementation obligations: Art. 10 KIG imposes a duty on both the Confederation and the cantons to take concrete implementation measures, ensuring coordinated action at all levels of government.

40 Classified Compilation 814.310.

41 The intermediate reduction targets for greenhouse gas emission are a reduction of at least an average of 64% for the years 2030–2040, 75% by 2040, 89% for the years 2041-2050.

The KIG marks a significant step in operationalising Switzerland's climate commitments and fostering systemic change across sectors.

Its implementing ordinance, the Ordinance on Climate Protection (KIV)[42], brought into force on 1 January 2025, outlines more detailed requirements, with a focus on operationalising support mechanisms and ensuring transparency in climate-related activities. Key elements include:

- Minimum requirements for climate roadmaps (Art. 3–8 KIV): Companies and sectors seeking to access financial support must submit roadmaps (transition plans) that meet defined minimum standards. These roadmaps should outline concrete steps for reducing emissions and transitioning to low-carbon operations.
- Support for innovation: The ordinance provides for the promotion of innovative technologies and processes through targeted financial support, encouraging the development and deployment of climate-friendly solutions.
- Financial industry provisions (Art. 30 KIV):
  - Introduction of voluntary climate scenario tests, allowing financial institutions to assess the resilience of their portfolios under different climate pathways.
  - Roadmaps: It is planned to define the minimum requirements for transition plans for financial institutions by amending ordinance on climate disclosures (see below).

Revised CO_2 Act and Ordinance

The revised CO_2 Act,[43] which entered into force on 1 January 2025, aims to reduce Switzerland's CO_2 emissions by 50% by 2030, primarily through domestic measures. This legislative revision is aligned with the overarching goals defined in the Climate and Innovation Act (KIG), as outlined in Article 1 of the CO_2 Act.

Regarding the financial sector, the Act mandates the following (Art. 40*d* CO_2 Act):

- The Swiss Financial Market Supervisory Authority (FINMA) is required to assess climate-related financial risks faced by the companies under its supervision.
- The Swiss National Bank (SNB) must evaluate climate-related risks that could impact the stability of the financial system as a whole.
- Both FINMA and the SNB are obliged to publish regular public reports detailing the results of their risk assessments, along with measures they have taken in response to identified risks.

Complementing the revised Act, the updated CO_2 Ordinance – which was enacted by the Federal Council in April 2025, with retroactive effect from 1 January 2025[44] – defines sector-specific emission reduction targets through 2030. It also sets out the implementation details for the measures adopted by Parliament in conjunction with the Act's revision.

Together, the revised CO_2 Act and its ordinance provide a strengthened legal foundation for Switzerland's next steps towards an economy with considerably reduced CO_2-emissions by 2030.

42 Classified Compilation 814.310.01.
43 Classified Compilation 641.71.
44 Federal Council (2025), Amendment of the CO2 Ordinance. Available at: https://www.fedlex.admin.ch/eli/oc/2024/705/de, accessed 30/04/2026.

Non-financial reporting obligations

Code of Obligations

The Code of Obligations provides non-financial reporting obligations (Art. 964*a*-964*c* CO) as well as due diligence and transparency obligations in the areas of conflict minerals and child labour (Art. 964*j*-964*l* CO).[45] The requirements entered into force on 1 January 2022 and has been applicable as of business year 2023.

Art. 964a et seq. CO and Ordinance on Climate Disclosures

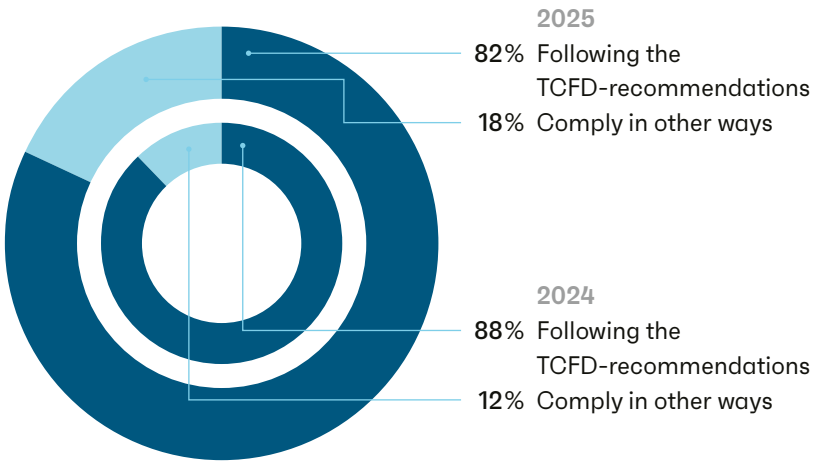
Public interest companies must publish a report on non-financial matters each year if, in two successive financial years and for all Swiss or foreign companies controlled by them, they have at least 500 full-time positions (annual average) and exceed at least one of the following two thresholds: a balance sheet of total CHF 20 million or sales revenues of CHF 40 million.

The report on non-financial matters must cover environmental matters, in particular CO_2 goals, social issues, employee-related issues, human rights issues and measures to combat corruption. It must also provide information needed to understand the business performance, business result, state of the undertaking and the effects of company activities on these non-financial matters (Art. 964*b* CO).

The Federal Council specified the requirements for climate disclosure in the Ordinance on Climate Disclosures.[46] Large companies that base their report on the "Recommendations of the Task Force on Climate-related Financial Disclosures" (TCFD recommendations)[47] and the annex "Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures", and cover the topics of governance, strategy, risk management, key figures and targets, will be assumed to be compliant with the climate reporting obligations in accordance with Art. 964*b* para. 1 CO. If a company does not make disclosures on climate issues in accordance with TCFD recommendations it must a) demonstrate that it complies in other ways with the climate disclosure obligation in accordance with Article 964*b* para. 1 CO as regards climate issues, or b) clearly declare that it does not follow any climate concept and justify this decision. The Ordinance on Climate Disclosures entered into force on 1 January 2024. The first reports have been published in 2025 for the financial year 2024.

Figure 51 shows a slight shift in the climate disclosure options used by asset managers and asset owners, based on the SSF survey for the Swiss Sustainable Investment Market Study 2026. While the TCFD framework remains the dominant standard, its implementation rate has decreased by 6pp in 2025. Conversely, alternative disclosure methods have grown from 12% to 18% over the same period. This trend suggests that while TCFD continues to lead, market participants are increasingly exploring or supplementing their reporting with other frameworks. Possible drivers could include evolving regulatory requirements (e.g. ISSB standards). Despite this shift, the TCFD recommendations remain the primary disclosure standard.

Figure 51: **Climate disclosure practices for asset managers and asset owners in 2024 and 2025** (in % of respondents) (n=33)



45 Classified Compilation 220.

46 Federal Council (2022), Federal Council brings ordinance on mandatory climate disclosures for large companies into *force as of 1 January 2024*. Available at: https://www.admin.ch/gov/en/start/documentation/media-releases.msg-id-91859.html, accessed 30/04/2026.

47 From 2024, the TCFD recommendations transitioned from a standalone framework to a core part of the ISSB standards. The proposed amendment of the Ordinance of Climate disclosures of the Federal Council foresees to refer to international standards (e.g. ISSB standards, EU-regulation).

Figure 52: **Average level of challenge in implementing TCFD recommendations by asset managers** (Ranking from 1 not challenging to 4 very challenging) (n=27)

Figure 52 illustrates the average level of challenge in implementing the TCFD recommendations by asset managers, ranking from 1 not challenging to 4 very challenging. Out of 11 surveyed TCFD topics, none of them are considered as very challenging or rather challenging. Two are considered as hardly challenging (board oversight and management's role), while the implementation of the other nine aspects also does not seem to be perceived as very challenging for asset managers. The most challenging elements are the ones related to Metrics and Targets (climate-related metrics, scope 1-3 GHG emissions and climate-related targets), which can be related to challenges around data availability, standardisation and verification.

Proposed amendment of the non-financial reporting obligations (Art. 964a et seq CO)

On 26 June 2024, the Federal Council launched the public consultation on the amendment of the non-financial reporting obligations (corporate reporting obligations, Art. 964*a* et seq. CO).[48] The proposal aims to further harmonise regulations for sustainable corporate governance at the international level. The consulted amendments foresee to expand requirements to report on the risks associated with operations in areas such as the environment, human rights, and corruption, along with the measures implemented to mitigate these risks to a greater number of companies, in line with foreseen changes to the Corporate Sustainability Reporting Directive (CSRD) of the European Union in force since 2023 (before the publication of the omnibus simplification package, published in February 2025). On 21 March 2025, the Federal Council took note of the consultation results. It also took note of the impact on Swiss companies of Corporate sustainable due diligence Directive of the European Union (CSDDD) assessed by an external study. As a next step, it instructed the Federal Department of Justice and Police (FDJP) to develop possible options for a pragmatic amendment of the current legislation. The Federal Council will decide on the further course of action once the EU has made a decision on its announced simplifications (omnibus simplification package), but no later than spring 2026.[49]

Proposed amendment of the Ordinance on Climate Disclosures

The Federal Council conducted a consultation from December 2024 to March 2025 on revising the Ordinance on Climate Disclosures, aiming to align with international standards (e.g. ISSB standards, EU-regulation) and introduce minimum requirements for financial institutions' net-zero roadmaps in line with the 2050 climate goal.[50]

Due Diligence and Transparency Obligations in Relation to Minerals and Metals from Conflict-Affected Areas and Child Labour (Art. 964j et seq. CO)

Undertakings whose seat, head office or principal place of business is located in Switzerland must comply with obligations of due diligence in the supply chain and report thereon if 1) they place in free circulation or process in Switzerland minerals containing tin, tantalum, tungsten or gold, or metals from conflict-affected and high-risk areas; or 2) they offer products or services for which there is a reasonable suspicion that they have been manufactured or provided using child labour. Undertakings in scope must comply with an ongoing due diligence process. They must maintain a management system, and in particular define a supply chain policy and a supply chain traceability system (see Art. 964k CO). Each year a report on compliance with due diligence obligations must be published. The Ordinance on Due Diligence and Transparency in Relation to Minerals and Metals from Conflict-Affected Areas and Child Labour of 3 December 2021 (DDTrO)[51] regulates the due diligence and reporting obligations to be complied with by companies under Articles 964j – 964l CO. The DDTrO entered into force on 1 January 2022.

Legislative proposal on the new Federal Act on Sustainable Corporate Governance (NUFG)

The popular initiative "For responsible large corporations – protecting human rights and the environment" (KVI 2.0) was submitted on 27 May 2025. The initiative aims to directly commit businesses to safeguard human rights and protect the environment both domestically and abroad. On 3 September 2025, the Federal Council opted to respond with a counter-proposal. The proposal establishes the new Federal Act on Sustainable Corporate Governance (NUFG). It aims to align with upcoming EU regulations and recognised international standards, specifically concerning due diligence obligations and sustainability reporting. The public consultation on the new legislation is open until 8 July 2026.[52]

48 Federal Council (2024), *Sustainable Corporate Governance: Federal Council Proposes Stricter Reporting Rules.* Available at: https://www.news.admin.ch/de/nsb?id=101585, accessed 06/05/2026.

49 Federal Council (2025), *Sustainable Corporate Governance: Federal Council to Soon Discuss Concrete Proposals.* Available at: https://www.news.admin.ch/de/nsb?id=104576, accessed 06/05/2026.

50 Federal Council (2024), *Federal Council opens consultation on amending the Ordinance on Climate Disclosures.* Available at: https://www.news.admin.ch/en/nsb?id=103451, accessed 06/05/2026.

51 Classified Compilation 221.433.

52 EJPD (2026): Bundesgesetz über die nachhaltige Unternehmensführung. Available at: https://www.ejpd.admin.ch/de/bundesgesetz-ueber-die-nachhaltige-unternehmensfuehrung, accessed 08/05/2026.

Greenwashing: Further measures of the Federal Council, industry self-regulation and unfair competition

In its position on the prevention of greenwashing in the financial sector of 16 December 2022, the Federal Council emphasised the need for a uniform understanding of the conditions required for products and financial services to be considered sustainable. It outlined that a uniform understanding is key to protecting investors and to ensuring the international competitiveness and reputation of the Swiss financial center.[53] As a result of the development of self-regulation by Swiss financial associations (SBA, AMAS, SIA) addressing greenwashing, the Federal Council withdrew initial plans to implement principle-based state regulation and announced[54] to reassess the need for regulation by end-2027, based on possible changes to the EU law and noting potential unresolved issues of the industry self-regulation around enforceability and legal alignment with the EU law. SBA amended its Guidelines for financial service providers on the integration of ESG preferences and ESG risks into investment advice and portfolio management (December 2025). AMAS published a Self-regulation on transparency and disclosure for sustainability-related collective assets (version 2.2 as of 18 September 2025) and SIA developed a Self-regulation on the prevention of greenwashing in sustainability-related unit-linked life insurance (in force since 1 January 2025).

Unfair Competition Act (UWG)

With the amendment of the CO_2 Act, the UWG (Federal Act against Unfair Competition)[55] was also amended, effective of 1 January 2025. In particular, a person acts unfairly if they: … "make claims about themselves, their goods, works or services relating to the climate impact that they cause that cannot be substantiated on the basis of objective and verifiable criteria." (Art. 3 para. 1 lit. x UWG). Statements regarding climate impact are now considered unfair if they cannot be substantiated (obligation to provide evidence or proof, i.e., reversal of the burden of proof). With this legislative amendment, Switzerland is intensifying its fight against greenwashing. Under previous law, greenwashing could only be combated pursuant to Art. 3 para. 1 lit. b UWG (incorrect or misleading information).

Various types of information can qualify as statements relating to climate impact: Qualitative statements ("sustainable", "climate-neutral", "green", "CO_2-free", etc.), quantitative data (KPIs, CO_2 consumption in tonnes, greenhouse gas emissions, compensations, figures relating to Scope 1, 2 and 3, progress measurement, achievement of quantitative targets, statements on climate-related financial risks, etc.) as well as process-related information (e.g. description of measures taken to reduce climate impact, etc.). The prohibition affects various activities and corporate areas. In particular, large enterprises in scope of the non-financial reporting obligations (CO) must be able to objectively and verifiably substantiate all statements regarding climate impacts, enterprises voluntarily publishing a sustainability report, description, advertising and marketing for products and services, the use of climate labels, corporate communications, etc. Violations of the UWG may entail civil and criminal consequences. Parties entitled to bring legal action include not only competitors but also customers, professional and business associations, as well as consumer protection organisations. The Swiss Consumer Protection Foundation has introduced a reporting platform whereby consumers may report suspected greenwashing. The Confederation, represented by the State Secretariat for Economic Affairs (SECO), is also entitled to bring legal action.

In March 2026, the Federal Office for the Environment (FOEN) published new guidance (Vollzugshilfe)[56] on interpreting climate-related information on products (Art. 3 para. 1 lit. x UCA). It provides greater detail on applying the legal requirement to substantiate climate information on products and companies on an objective and verifiable basis. The guidance enables authorities and private individuals to apply the UCA consistently and provides companies with greater legal certainty. Key points: Product-related information may not be based solely on offsetting measures; however, companies may rely on offsets under strict conditions provided that actual emission reductions are prioritised. The term "climate-neutral" is not currently verifiable and should not be used. The main principle is: climate information must be clear, accurate and verifiable.

53 Federal Council (2022), *Federal Council wants to prevent greenwashing in financial market*. Available at: https://www.admin.ch/gov/en/start/documentation/media-releases.msg-id-92279.html, accessed 06/05/2026.
54 Federal Council (2024), *Federal Council notes financial sector's progress in preventing greenwashing*. Available at: https://www.news.admin.ch/en/nsb?id=101489, accessed 06/05/2026.
55 Classified compilation 241.
56 BAFU (2026): Climate-related information – new enforcement aid creates legal certainty. Available at: https://www.bafu.admin.ch/en/enforcement-aid-uca, accessed 08/05/2026.

FINMA Circular 2026/1 Management of climate- and other nature-related financial risks

Based on the results of a public consultation on the proposal of a new circular on nature-related financial risks in February 2024,[57] FINMA published Circular 2026/1 Management of climate- and other nature-related financial risks on 12 December 2024.[58] According to the circular, strengthening risk management for nature-related financial risks and resilience is crucial to understanding and addressing the impacts of nature and climate risks on financial institutions. A central element of this approach is the clear definition of organizational responsibilities, tasks, processes, and controls. This governance structure shall ensure that nature-related risks are systematically integrated into risk management and are adequately monitored and managed.

Another key aspect of the circular is the identification and assessment of risks associated with nature events and environmental influences that could have significant financial impacts on institutions (materiality assessment of nature risks including both physical and transition risks). The provisions of this circular primarily target banks as well as insurance companies. For institutions in categories 3 to 5, specific relief measures apply. Certain exemptions apply for small banks and insurance regimes, as well as FINIA- and CISA-institutions. However, FINMA recommends aligning with the provisions of this circular. The regulations will enter into force at different times. From 1 January 2026, all institutions in categories 1 and 2 must fully comply with the requirements. From 1 January 2027, the provisions will apply to institutions in categories 3 to 5, with a one-year transition period. By 1 January 2028, all institutions within the scope of the circular must also meet the requirements for nature-related financial risks beyond climate-related risks.

Finanzplatz-Initiative

The popular initiative entitled "For a sustainable and future-oriented Swiss financial centre (financial centre initiative)" calls for stricter environmental rules for the Swiss finance industry. The Federal Chancellery is currently verifying the submitted signatures. Following this, the Federal Council will examine the initiative.

Conclusion

Recent regulatory developments in Switzerland continue to focus on provisions aimed at ensuring the country achieves net-zero emissions by 2050 as well as on further transparency. Switzerland seeks to align its regulations with international sustainability standards, including EU law, TCFD, and ISSB frameworks. Industry self-regulation has sent a strong signal to the market about the need to address sustainability and has set in motion continuous improvement regarding transparency. With the counter-proposal to the federal popular initiative "For responsible large businesses – protecting human rights and the environment" (KVI 2.0), the Federal Council also puts forward proposals to align Swiss law with recent developments in the EU. In the coming period, Switzerland will debate these proposals as well as other upcoming popular initiatives.

57 FINMA (2024): Nature-related financial risks: FINMA launches consultation on new circular. Available at: https://www.finma.ch/en/news/2024/02/20240201-mm-rs-naturbezogene-risken/, accessed 06/05/2026.

58 FINMA (2024), *Circular 2026/1 Nature-related financial risks of 12 December 2024*. Available at: https://www.finma.ch/en/~/media/finma/dokumente/dokumentencenter/myfinma/rundschreiben/finma-rs-2026-01.pdf?sc_lang=en&hash=8D72D84C2DF2489DA571190B3C760C90, accessed 30/04/2026.

5.2 Developments in the European Union

Following the September 2024 Draghi Report,[59] which highlighted that Europe's productivity growth had lagged behind major economies for two decades, the EU Commission pivoted to a strategy defined by the "Competitiveness Compass."[60] Launched in January 2025 alongside the Annual Single Market and Competitiveness Report, this framework prioritized innovation, decarbonization, and security as essential to closing the growth gap. To operationalise this vision, the Commission embarked on a strong legislative overhaul throughout 2025, deploying a series of targeted Omnibus packages designed to strip away administrative burdens and simplify legal requirements.

The reform agenda began with Omnibus I and Omnibus II in February 2025, setting the stage for a rapid succession of regulatory adjustments. The momentum intensified in May 2025 with the release of Omnibus III and Omnibus IV, followed quickly by Omnibus V in June 2025, which specifically addressed Defence Readiness. The scope broadened further later in summer with Omnibus VI and Omnibus VII, targeting the chemical and cosmetics sectors. As the year progressed, the Commission expanded its reach into emerging technologies and environmental standards, releasing the Digital Omnibus on AI Regulation in November as part of the New Digital Package, and concluding the year's efforts with the Environmental Omnibus in December 2025. Collectively, this cascade of Omnibus initiatives represents a systematic, yearlong drive to align the EU's complex regulatory framework with the urgent economic imperative of enhancing competitiveness and resilience.

To take effect, the legislative measures proposed in these omnibus packages must undergo and be approved through the EU's formal lawmaking process. The following analysis is limited to the Omnibus I package, most relevant for sustainable finance.

59 EU Commission (2024): The future of European competitiveness: Report by Mario Draghi. Available at: https://commission.europa.eu/topics/eu-competitiveness/draghi-report_en, accessed 08/05/2026.

60 EU Commission (2025) : *An EU Compass to regain competitiveness and secure sustainable prosperity.* Available at: https://ec.europa.eu/commission/presscorner/detail/en/ip_25_339, accessed 08/05/2026.

Revised Corporate Sustainability Reporting Directive (CSRD)

The revised CSRD[61] introduces a streamlined framework that drastically reduces the regulatory burden, cutting the number of covered entities by approximately 80% to roughly 4,000–6,000 companies. The new scope is strictly limited to EU companies and non-EU entities listed on EU regulated markets that exceed 1,000 employees and generate an average net annual turnover of €450 million.

Under this revised regime, in-scope companies must continue to report based on mandatory double materiality using the updated European Sustainability Reporting Standards (ESRS). However, the requirement to adopt specific sectoral standards has been removed, replaced by the option for the European Commission to issue sector-specific guidance. Verification remains mandatory via third-party audits adhering to EU assurance standards, with limited assurance continuing as the baseline requirement pending new Delegated Acts by July 2027.

A critical addition is the "value chain cap," which protects smaller, non-in-scope companies ("protected undertakings") by restricting the data that in-scope firms can request from them to only what is necessary for voluntary reporting standards. For companies falling below the new thresholds, a voluntary framework based on the VSME standards is available. The application of these revised rules begins for financial years starting in 2027, with reporting due in 2028.

Revised European Sustainability Reporting Standards (ESRS)

Reporting under the CSRD must be done according to the ESRS. In parallel with the Omnibus simplification initiative, the European Commission tasked EFRAG with reviewing the sector-agnostic ESRS Set 1, originally adopted in July 2023. On 4 December 2025,[62] EFRAG published its final advice on the revised standards, which includes the following key changes:[63]

- Data Reduction: The total number of data points is reduced by 61%.
- Elimination of Duplicates: Most duplications between cross-cutting and topical standards have been removed.
- Voluntary Data Points: All previously voluntary data points have been deleted.
- Preparer Reliefs: Additional reliefs are granted to preparers, including exemptions when disclosure would entail "undue cost or effort."
- Interoperability: The revision improves alignment with ISSB and GRI standards regarding language and concepts, though the inclusion of additional reliefs and the removal of key data points may result in further fragmentation.

61 EU Commission (2026): Directive (EU) 2026/470. Available at: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:L_202600470, accessed 08/05/2026.

62 European Commission (2023): The Commission adopts the European Sustainability Reporting Standards. Available at: https://finance.ec.europa.eu/news/commission-adopts-european-sustainability-reporting-standards-2023-07-31_en, accessed 08/05/2026.

63 EFRAG (2025): EFRAG provides its technical advice on draft simplified ESRS to the European Commission. Available at: https://www.efrag.org/en/news-and-calendar/news/efrag-provides-its-technical-advice-on-draft-simplified-esrs-to-the-european-commission, accessed 08/05/2026.

The revised ESRS will be implemented in two parallel tracks, both targeting adoption by the European Commission in the second quarter of 2026 based on EFRAG's final advice.

For companies falling within the CSRD scope, the Commission will adopt revised sector-agnostic standards tailored to large enterprises, with the possibility of introducing supplementary sector-specific guidance. Conversely, for entities outside the CSRD mandate, the Commission will formalize voluntary standards derived from the Voluntary Sustainability Reporting Standards for SMEs (VSME), which have already been endorsed via a Commission Recommendation. This bifurcated approach ensures that while large mandatory reporters receive updated regulatory frameworks, smaller or non-in-scope companies have access to standardised, voluntary reporting tools.

The implementation timeline for the revised CSRD and ESRS follows a phased schedule beginning in mid-2026:

- Q2 2026: The European Commission is expected to adopt the revised ESRS and the standard for voluntary reporting.
- Financial Years starting on or after 1 January 2027 (Reporting in 2028): The revised CSRD and ESRS become applicable to in-scope EU and listed non-EU companies. Simultaneously, companies outside the CSRD scope may begin utilizing the voluntary reporting standard.
- Q2 2027: EU Member States must transpose the revised CSRD into national law.
- Q4 2027: The European Commission adopts dedicated third-country sustainability reporting standards, which are expected to apply starting in 2028 (for reporting in 2029).
- Financial Years starting on or after 1 January 2028 (Reporting in 2029): The revised CSRD group-level provisions begin applying to non-EU entities.

Revised Corporate Sustainability Due Diligence Directive (CSDDD)
The revised CSDDD[64] significantly narrows its scope and relaxes several key obligations, with the updated application date pushed to July 2029. The directive now applies exclusively to large enterprises employing over 5,000 people and generating a net turnover exceeding €1.5 billion, a threshold that will be reviewed every five years.

Notably, all mandatory requirements for climate transition plans have been removed. While the core risk-based due diligence framework remains, it now requires companies to first conduct a scoping exercise to identify high-risk areas across their operations, subsidiaries, and value chains before performing in-depth assessments only in those specific zones. Furthermore, the civil liability clause has been eliminated, though it remains subject to future review. Enforcement relies on administrative sanctions, with fines capped at 3% of a company's net worldwide turnover.

64 European Commission (2026): Directive (EU) 2026/470. Available at: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:L_202600470, accessed 08/05/2026.

Revised EU Taxonomy Regulation (Taxonomy)

The scope of the revised EU Taxonomy[65] mirrors that of the CSRD; consequently, the 80% reduction in the CSRD's applicability (affecting approximately 4,000–6,000 companies) directly reduces the number of entities required to report on the Taxonomy alignment of their activities. Additionally, the European Commission has introduced a 10% materiality threshold for economic activities, exempting companies from reporting on activities falling below this level. In addition, the European Commission has released proposed revisions to the technical screening criteria outlined in both the Climate Delegated Act and the Environmental Delegated Act in March 2026[66], which operate under the framework of the EU Taxonomy Regulation. These proposed changes are designed to streamline the EU Taxonomy framework and enhance its practical applicability across all environmental goals.

Sustainable Finance Disclosure Regulation (SFDR) 2.0

On 20 November 2025, the European Commission published a proposal to review the SFDR, an initiative distinct from the Omnibus I package.[67] This separate effort stems from a review identifying that Articles 8 and 9 were being misused as de facto labels, resulting in excessive compliance costs and insufficient investor safeguards. Leveraging insights from 2023 consultations and a 2025[68] call for evidence, the new proposal transitions the framework from a purely disclosure-based model to a more robust product classification system. This proposal establishes minimum criteria and indicators where sustainability data is critical, including:

- Taxonomy Alignment: Defined as a positive contribution criterion, serving as a "safe harbour," and acting as a mandatory disclosure requirement for products classified under the "sustainable" and "transition" categories.
- Climate Transition Plans: Investments in companies possessing climate transition plans and science-based targets are recognised as eligible positive contribution criteria.
- Performance Indicators: Specific metrics are required to measure progress against sustainability-related objectives.
- Principal Adverse Impacts (PAI): PAI indicators are mandated for products falling into the "sustainable" and "transition" categories.

The trilogue negotiations between Parliament, Council and Commission on the SFDR 2.0 are expected in September 2026, the application date in the second half of 2028.

65 OJEU (2026): Commission delegated regulation (EU) 2026/73. Available at: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:L_202600073, accessed 08/05/2026.

66 European Commission (2026): Sustainable investment – review of the EU taxonomy climate delegated act. Available at: https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/14875-Sustainable-investment-review-of-the-EU-taxonomy-climate-delegated-act_en, accessed 08/05/2026; European Commission (2026): Sustainable investment – review of the EU taxonomy environmental delegated act. Available at: https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/14874-Sustainable-investment-review-of-the-EU-taxonomy-environmental-delegated-act_en, accessed 08/05/2026.

67 European Commission (2025): Commission simplifies transparency rules for sustainable financial products. Available at: https://finance.ec.europa.eu/publications/commission-simplifies-transparency-rules-sustainable-financial-products_en, accessed 08/05/2026.

68 European Commission (2025): Sustainability-related disclosure in the financial services sector. Available at: https://finance.ec.europa.eu/sustainable-finance/disclosures/sustainability-related-disclosure-financial-services-sector_en, accessed 08/05/2026.

5.3 Sustainability Disclosure Standards of the International Sustainability Standard Board (ISSB)

The ISSB, tasked with developing global sustainability disclosure standards for investors, released its first two standards in June 2023: IFRS S1 on general sustainability disclosure requirements and IFRS S2 on climate-related disclosures. The ISSB builds on existing frameworks, such as the TCFD recommendations and the standards set by the Sustainability Accounting Standards Board (SASB) and the Global Reporting Initiative (GRI). Furthermore, the IFRS Foundation assumed responsibility of the Transition Plan Taskforce (TPT) framework and materials.[69] In April 2025, the ISSB announced amendments to IFRS 2 regarding the Greenhouse Gas Emissions Disclosures.[70]

Three years after the International Sustainability Standards Board (ISSB) introduced its foundational standards, IFRS S1 and IFRS S2, the board has moved to refine its framework through specific amendments and new guidance.

Updates to GHG Reporting (IFRS S2): In December 2025,[71] the ISSB amended the greenhouse gas (GHG) disclosure rules within IFRS S2 to offer greater flexibility and clarity. Effective for reporting periods starting on or after 1 January, 2027, these changes specifically target financial institutions.

- Refined Scope 3 Reporting: Banks and investors can narrow their Scope 3, Category 15 disclosures to focus solely on emissions linked to loans, investments, and counterparties. Asset managers may limit this to emissions tied to assets under management.
- Derivative Exemptions: Emissions stemming from derivatives are now excluded from Scope 3, Category 15 reporting requirements for financial institutions.
- Classification Options: Commercial banks and insurers are no longer bound strictly to the Global Industry Classification Standard (GICS) and may use alternative industry classification systems for financed emissions.
- Local Compliance: Entities may employ alternative measurement methodologies if required by local regulators or exchange rules.

New Guidance on Nature: Shifting its approach to nature-related risks, the ISSB announced in April 2026[72] that it would issue guidance as an IFRS Practice Statement rather than a binding new standard. A draft of this statement is set for public review by October 2026. Designed to work alongside IFRS S1 and S2, this guidance aims to help organisations identify and report material nature-related risks and opportunities. The move seeks to standardise nature reporting while reducing the operational burden on companies already adopting the ISSB framework.

69 IFRS (2024), ISSB delivers further harmonisation of the sustainability disclosure landscape as it embarks on new work plan. Available at: https://www.ifrs.org/news-and-events/news/2024/06/issb-delivers-further-harmonisation-of-the-sustainability-disclosure-landscape-new-work-plan/?utm_medium=email&utm_source=website-follows-alert&utm_campaign=immediate, accessed 08/05/2026.

70 IFRS (2025), Exposure Draft, Amendments to Greenhouse Gas Emissions Disclosures, Proposed amendments to IFRS S2. Available at: https://www.ifrs.org/news-and-events/news/2025/04/issb-publishes-exposure-draft-targeted-amendments-s2/, accessed 08/05/2026.

71 IFRS (2025): Amendements to Greenhous Gas Emissions Disclosure (Amendments to IFRS S2). Available at: https://www.ifrs.org/projects/completed-projects/2025/amendments-to-disclosure-of-greenhouse-gas-emissions-s2/, accessed 08/05/2026.

72 IFRS (2026): ISSB agrees on the proposed way forward for nature-related disclosures. Available at:, https://www.ifrs.org/news-and-events/news/2026/05/issb-agrees-proposed-way-forward-nature-related-disclosures/, accessed 08/05/2026.

5.4 Conclusion

Driven by geopolitical tensions, rapid technological change, and the Draghi Report findings, the European Union has started a process to recalibrate its sustainability framework by introducing the Omnibus I package. This reflects a strategic shift with the objective to reduce administrative burdens and simplify legal requirements. Regarding corporate reporting, the new regulatory framework exempts approximately 80% of originally covered companies. While simplification should enhance feasibility and interoperability, questions remain regarding whether reduced data granularity and a shift to more voluntary reporting will compromise availability of relevant data, cross-jurisdictional comparability and reporting consistency. The ultimate test lies in whether these simplifications strengthen competitiveness without undermining systemic resilience amid rising global sustainability risks. Concurrently, numerous non-EU jurisdictions are increasingly aligning with ISSB standards.

Electrification: A Powerful Driver of Sustainable Investment

Dr. Gerhard Wagner,
Head of Sustainable Equity Strategies at Zürcher Kantonalbank

Since the start of the year, certain sustainable investment themes have produced a surprisingly strong performance once again. According to Dr. Gerhard Wagner from Zürcher Kantonalbank's Asset Management, a particularly promising driver is responsible for this.

As early as the second half of 2025, a notable trend emerged in the stock market: sustainable investments were staging a comeback. This momentum has persisted since the beginning of the year. In particular, stocks benefiting from the energy transition through electrification have often significantly outperformed the market.

This should pique the interest of investors who are interested in sustainability: In our view, the energy transition is a key driver of the sustainable investment theme of climate protection. Companies contributing to this transition could therefore experience above-average levels of growth.

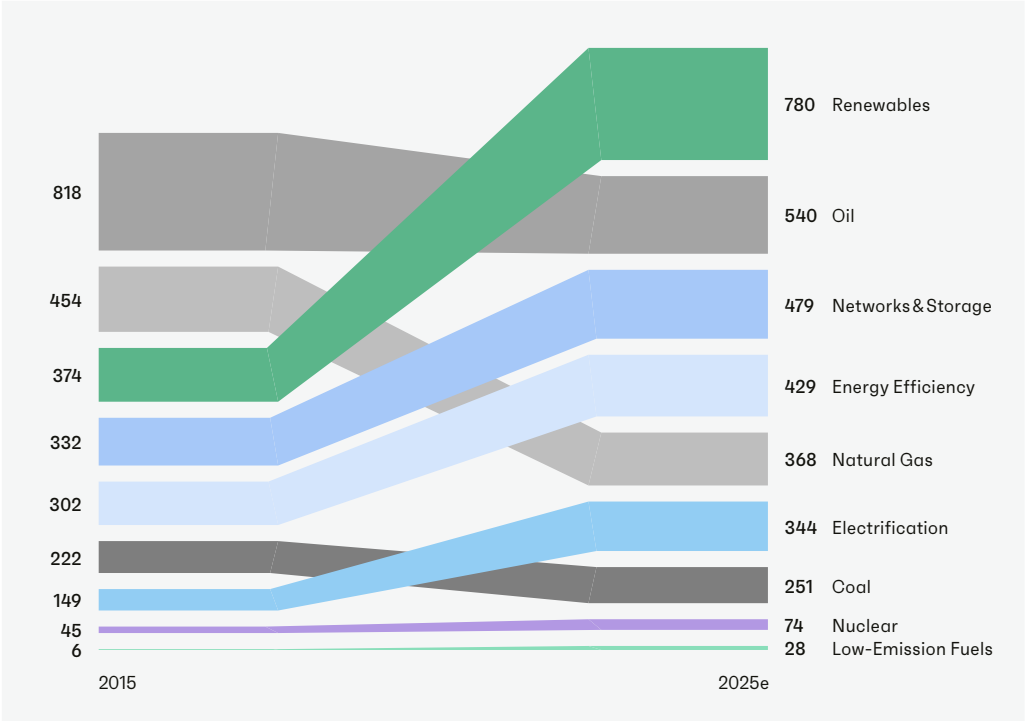
Transition from fossil fuels to renewable energy

Looking back, it is clear that these upheavals are in full swing. As estimated by the International Energy Agency (IEA) in 2025, investment in renewable energy has more than doubled since 2015 to approximately USD 780 billion. Over the same period, investment in fossil fuels has fallen by around a fifth to an estimated USD 1.1 trillion (see chart).

Simultaneously, electricity demand is rising rapidly due to the trend towards electrification. According to the IEA, demand is likely to double or even triple by 2050. From a sustainable investment perspective, this is interesting for several reasons. Firstly, electrification can promote decarbonisation. Furthermore, and particularly important given global disruptions, it promises to reduce dependency on fossil fuels and thereby ensure energy supply security.

Overall, investors should remain selective. In our opinion, it is important to select high-quality companies with above-average growth potential, offering returns on capital that exceed the cost of capital.

Impact of the energy transition on investment flows (Trends in global energy investment, in billions of USD)
Source: IEA, «World Energy Investments», 2025



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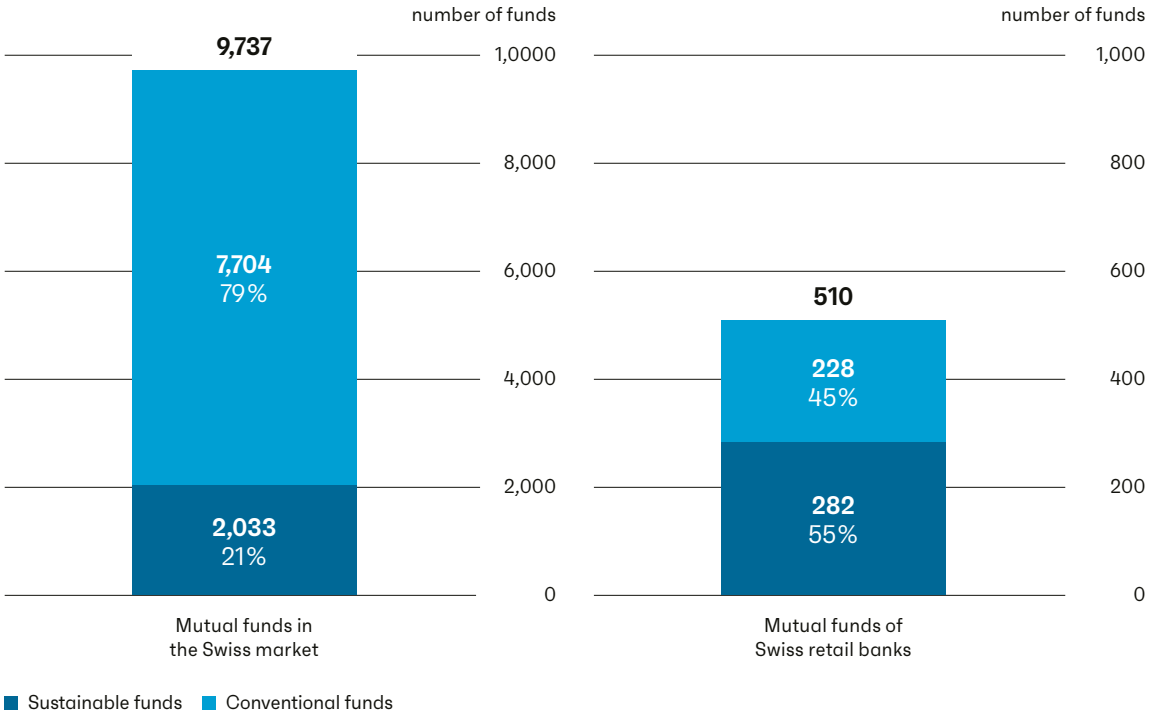
Focus on Swiss Retail Banks

This chapter is provided by Prof. Dr. Manfred Stüttgen and Dr. Brian Mattmann of the Lucerne University of Applied Sciences and Arts, based on the most recent IFZ Sustainable Investments Study.

06

Figure 53: **Mutual funds in the Swiss fund market compared to inhouse mutual funds of Swiss retail banks**
(in number of funds, as of 30 June 2025)



The IFZ Sustainable Investments Study analyses developments in the Swiss sustainable fund market, focusing on funds with a public distribution license in Switzerland. To identify a fund as "sustainable" from the universe of all funds, the study applies a naming-based approach. This method relies on the fund name as a key indicator of its positioning, assuming that it reflects a fund's primary characteristics. As such, this method is complementary to the one applied in the rest of the present study.

The following chapter aims to complement the findings of the study by analysing the dynamics in a sub-segment of the Swiss sustainable investment market by focusing specifically on sustainable mutual funds offered by Swiss retail banks as their inhouse-funds. These inhouse-funds are likely distributed predominantly to Swiss retail investors and therefore primarily reflect assets originating from this client segment.[73]

55% of funds offered by Swiss retail banks are explicitly positioned as sustainable

By mid-2025, a total of 9,737 funds were licensed for distribution to public investors in Switzerland. Of these funds, 2,033 funds (=21%) are classified according to our proprietary methodology as sustainable, i.e., they include a sustainability-related term in their name (left chart in Figure 53).

If the analysis is restricted to funds offered by Swiss retail banks – a sub-sample of the overall fund market – a distinct pattern emerges that differentiates this segment from the broader market: As of 30 June 2025, Swiss retail banks offer a total of 510 proprietary mutual funds, comprising 282 sustainable funds and 228 conventional funds (right chart in Figure 53). This corresponds to a share of 55% sustainable funds. This contrasts with the overall Swiss fund market, where sustainable funds account for only 21%. This evidence suggests that Swiss retail banks exhibit a stronger orientation towards sustainable investment products than the broader market, which is predominantly shaped by foreign asset managers. Consequently, the product range of Swiss retail banks is characterized by an above-average share of sustainability-labelled funds.

73 For some larger Swiss retail banks with institutional distribution channels, such funds may also include capital from other investor groups (e. g., pension funds). If funds are distributed via other retail banks (wholesale), they may also contain assets from private clients of those institutions.

Figure 54: **Product structure of mutual funds from Swiss retail banks**
(in number of funds, Σ = Total, as of 30 June 2025)[74]

	Sustainable funds	Conventional funds	Share of sustainable funds
Raiffeisen	21	0	100%
Aargauische Kantonalbank	13	0	100%
Thurgauer Kantonalbank	7	0	100%
Zuger Kantonalbank	7	0	100%
Glarner Kantonalbank	4	0	100%
radicant	3	0	100%
Banque Cantonale Neuchâteloise	3	0	100%
Alternative Bank Schweiz	2	0	100%
Basler Kantonalbank	13	4	76%
PostFinance	8	3	73%
Swisscanto managed by ZKB	109	53	67%
Basellandschaftliche Kantonalbank	12	6	67%
Graubündner Kantonalbank	10	6	63%
Schwyzer Kantonalbank	11	7	61%
Banque Cantonale Vaudoise	26	23	53%
Bank Cler	4	4	50%
Banca dello Stato del Cantone Ticino	3	3	50%
Berner Kantonalbank	9	10	47%
Migros Bank	7	15	32%
St. Galler Kantonalbank	4	12	25%
Valiant	4	14	22%
Banque Cantonale de Genève	2	35	5%
Luzerner Kantonalbank	0	18	0%
Walliser Kantonalbank	0	6	0%
Banque Cantonale de Fribourg	0	4	0%
Hypothekarbank Lenzburg	0	3	0%
Banque Cantonale du Jura	0	2	0%
	Σ=282	Σ=228	0% 100%

Heterogeneous product strategies across retail banks

However, the importance of sustainability-labelled funds varies considerably across institutions. Figure 54 provides an overview of the share of sustainable funds within the proprietary mutual fund offerings of Swiss retail banks. While some of these 27 banks exclusively offer sustainable funds, others do not include any explicitly sustainability-labelled products in their range.

74 UBS is frequently classified as a Swiss retail bank. However, given the likely material share of non-domestic investments in its fund universe, it is not included in this analysis in order to preserve the focus on funds predominantly reflecting Swiss retail investor activity.

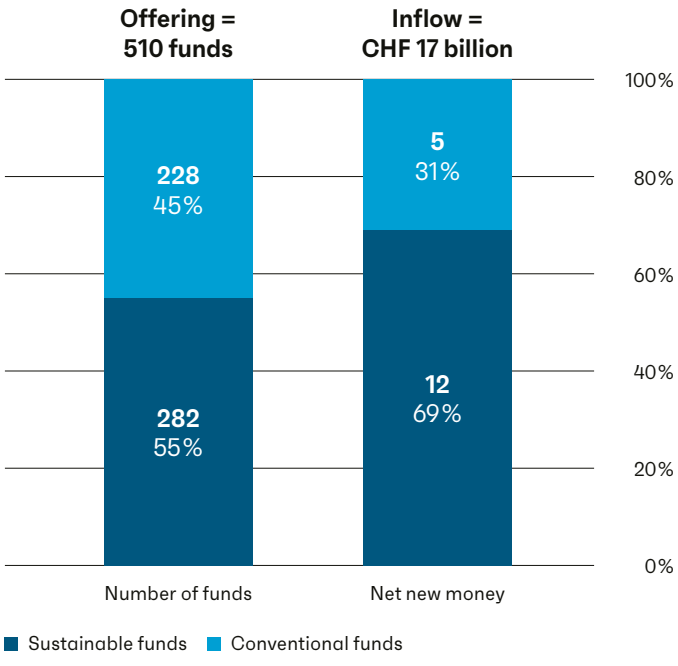
Three main product strategies can be identified:

- **Mixed offering (sustainable and conventional):** 14 retail banks offer both sustainable and conventional funds within their proprietary product range. Some provide a clear two-part structure (e.g., sustainable vs. conventional). Others offer more differentiated approaches, including varying degrees of sustainability (e.g., dark green, light green, and conventional funds).
- **Sustainable-only offering:** 8 retail banks exclusively offer funds that are explicitly labelled as sustainable in their title. This group includes both niche institutions with a strong sustainability focus and larger, more traditionally oriented cantonal banks that have fully shifted their proprietary fund offerings toward sustainability.
- **Conventional-only offering:** 5 retail banks do not offer any funds explicitly labelled as sustainable. However, this does not necessarily imply the absence of sustainability considerations. Some of these banks still incorporate selected sustainability approaches within their funds. However, the fund approach does not send an easily detectable signal that would indicate an ESG-approach.

Mutual funds of Swiss retail banks: Sustainable funds grow faster than conventional funds

Figure 55 complements the previous overview by adding net new money flows into sustainable and conventional mutual funds of Swiss retail banks over the past twelve months.[75] Over this period, sustainable funds attracted CHF 12 billion in net inflows, while conventional funds received CHF 5 billion. Although sustainable funds account for only 55% of the proprietary fund offering of Swiss retail banks, they capture 69% of total net inflows. This indicates that sustainable funds tend to grow faster than conventional funds from an aggregated perspective.

Figure 55: **Sustainable and conventional mutual funds of Swiss retail banks as of mid-2025** (left: number of funds (as of 30 June 2025); right: net inflows into both fund segments from mid-2024 to mid-2025 in CHF billion)



75 Inflows minus outflows, from mid-2024 to mid-2025.

Banks differ in their success in attracting new capital
However, not all retail banks benefit equally from this growth. Of the 22 institutions offering proprietary sustainable mutual funds, 20 report positive net inflows into these products, while 2 record net outflows. Moreover, the allocation of new money between sustainable and conventional funds varies significantly across institutions: At some banks, a clearly larger share of newly invested capital flows into sustainable funds. At others, the allocation is more balanced or even tilted toward conventional products.

What do the data indicate about the Swiss sustainable fund retail market ?

- Banks differ in their strategic positioning: Banks adopt different strategic positions in sustainable investing. Some focus strongly on sustainable-labelled funds, while others offer a mixed or limited range, or none at all. These differences likely reflect strategy, client base, ownership structure, or available sustainability expertise.
- **Share of retail clients with ESG preferences appears to be comparatively high at these banks:** Survey evidence suggests that a sizable share of retail clients expresses ESG preferences: on average, around half of clients with discretionary mandates are classified as having ESG preferences among larger Swiss retail banks. This group represents a key target segment for sustainable fund products. However, results vary widely across institutions, ranging from 20% to 90%.[76]
  Further evidence from a study covering a broad sample of Swiss banks points to similar patterns: Among large banks, 57% report a medium to high share of ESG-classified clients. However, most medium-sized and small banks report very low shares of ESG-classified clients. This indicates that institutional factors play an important role.
  In particular, the strategic importance of sustainability within a bank is positively associated with a higher share of ESG-classified clients, and larger banks tend to assign greater strategic importance to sustainability. Moreover, client advisors exert a significant influence on how clients are classified. Advisors in banks with higher sustainability priorities are therefore likely better educated and better equipped to explain and promote sustainable investment products.[77]
- **Compared to European providers, Swiss retail banks place a stronger emphasis on sustainability-labelled products:** The significantly higher share of sustainable funds in the product offerings of Swiss retail banks suggests that institutions, advisors, and clients tend to be more receptive to such products. This is consistent with evidence indicating that clients are more likely to be classified as having ESG preferences under the Swiss self-regulatory framework than under the EU MiFID II regime, which is often perceived as complex and difficult to communicate in client interactions.[78]

Conclusion: Swiss retail banks assign sizable weight to sustainability-labelled funds in their product strategies
This analysis highlights the relevance of sustainable mutual funds among Swiss retail banks. A substantial share of their proprietary fund offering is oriented towards sustainability-labelled products. Around 55% of funds offered by Swiss retail banks are explicitly positioned as sustainable, compared to only 21% in the overall Swiss mutual fund market. This indicates that Swiss retail banks tend to differentiate themselves from the broader market through a stronger focus on sustainability-labelled investment products. However, both the importance of sustainable funds and their distribution success vary considerably across institutions.

76 Mattmann, Brian / Stüttgen, Manfred / Berchtold, Nadine (2025). Wie erheben Banken Nachhaltigkeitspräferenzen von Privatkunden in der Schweiz? Accessed on 20 April 2026. Available at: https://hub.hslu.ch/sustainable/wp-content/uploads/sites/25/2025/06/2025_HSLU_Wie-erheben-Banken-Nachhaltigkeitspraeferenzen-von-Privatkunden-in-der-Schweiz-1.pdf

77 Mattmann, Brian / Stüttgen, Manfred / Agnesens, Tatiana (2026). Wie Banken in der Schweiz die ESG-Richtlinien in der Vermögensverwaltung umsetzen – Status quo und Beurteilung durch die Banken. Accessed on 20 April 2026. Available at: https://hub.hslu.ch/sustainable/wp-content/uploads/sites/25/2026/03/HSLU-SBVg_ESG-Richtlinien_Status-quo-und-Beurteilung-durch-Banken.pdf

78 Mattmann, Brian / Stüttgen, Manfred / Berchtold, Nadine (2025). Wie erheben Banken Nachhaltigkeitspräferenzen von Privatkunden in der Schweiz? Accessed on 20 April 2026. Available at: https://hub.hslu.ch/sustainable/wp-content/uploads/sites/25/2025/06/2025_HSLU_Wie-erheben-Banken-Nachhaltigkeitspraeferenzen-von-Privatkunden-in-der-Schweiz-1.pdf

Looking Ahead

07

This year's study surfaces several data points that confirm the sustainable investment market is now shaped by fundamentally different dynamics than a decade ago, following a shift that began in 2022.

The Swiss market held its ground in 2025 against a backdrop of global net outflows in sustainable investment products. This resilience reflects the mainstreaming of sustainable investing. Even when they adjusted their marketing or renamed their vehicles, companies have kept their sustainable investment processes largely untouched. Sustainability has become, over the years, deeply embedded within investment teams themselves. This calls for an upskilling of finance and sustainability professionals: both shall increasingly bring hands-on investment experience alongside deepened sustainability knowledge, and will need to leverage new technologies to improve their work.

New technologies have started reshaping sustainable investment processes in an unprecedented way. Firms are adopting artificial intelligence rapidly and embedding it into core value-creation processes: inhouse scoring, due diligence, capital allocation and performance assessment. Upskilling is becoming critical. Sustainability and investment teams need to develop the expertise needed to work within these news tools and processes.

The financial materiality of nature-related risks is coming to the forefront. Extreme weather is now identified as the most material nature-related risk factor, and many respondents have already experienced their financial impact on portfolio performance. Many companies, across industries, are flagging climate-related weather events as a material business risk in their annual reports.

Tectonic shifts in the geopolitical landscape are further redrawing the risk map for investors. The return of war on European soil, the weakening of historical commitments to the benefit of transactional approaches, the exposure of supply chain to increasingly unpredictable events … call for the development of resilience strategies to fragile dependencies. Where risk materialises, opportunity follows. The rising need for resilient infrastructure, stable supply chains, and climate-adapted operating models can lead to the emergence of new business models.

Business cases that were uneconomic a few years ago can now make sense, because the cost of inaction has risen. Climate adaptation technologies (cooling, water management, flood and wildfire defence), energy sovereignty solutions (critical minerals mining and processing, electricity production, grids and storage), or agricultural and food resilience, to name a few, are emerging as compelling investment opportunities. We can expect a redirection of capital flows towards increased funding for resilience and adaptation finance. What was once subsidised may become bankable.

Scaling these opportunities will require that technical innovation goes hand in hand with financial innovation: funding structures that match the risk-return profiles and investment horizons of banks, insurers, local public bodies, and infrastructure investors.

Resilience, sovereignty and innovation are the key themes that we take out of this year's survey, and that we expect to increasingly shape sustainable investment strategies going forward. The critical investment question is how rapidly capital can be directed towards the infrastructure, technologies and business models that will define structural leadership over the next generation.

SSF will continue to support the Swiss financial industry on this evolving agenda – by taking positions on regulatory developments, providing guidance on emerging themes such as adaptation, resilience and sovereignty, organising industry events where peers can share solutions, and equipping market participants with the fact-based arguments that evidence the lasting economic relevance of sustainable investing.

Supporting Sponsors' Contributions

Main Sponsors' contributions are spread across the document. See page 91 for reference.

08

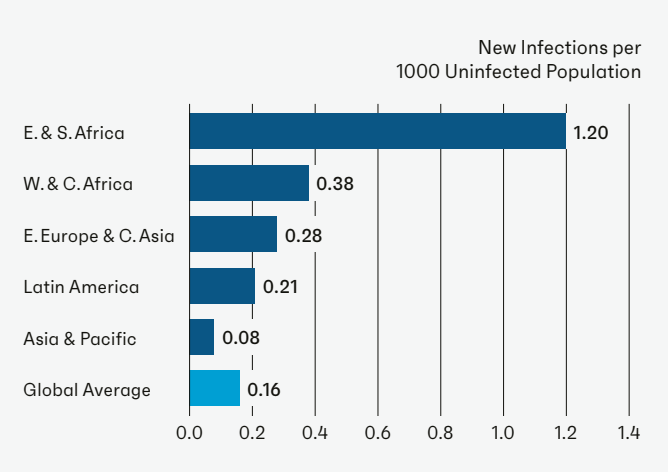
J. Safra Sarasin

Scaling Social Alpha: The Long-Acting HIV Breakthrough

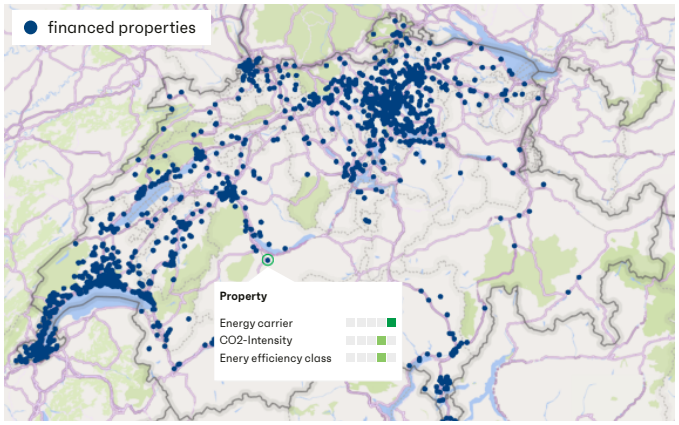
Dr. Leonildo Delgado, PhD in Struct. Biology and Biophysics,
Portfolio Manager of the JSS Sustainable Equity – Future Health Fund

While environmental targets have long dominated the ESG spotlight, the "Social" pillar is taking center stage through innovations in global health equity. HIV remains a critical threat, with 39.9 million people living with the virus - 65% in Africa. However, a significant shift is underway. Gilead Sciences' Yeztugo, a first-in-class, twice-yearly PrEP (pre-exposure prophylaxis) injection approved in 2025, is "bending the curve" of the epidemic. Boasting over 99.9% efficacy, this breakthrough innovation dismantles traditional barriers such as daily pill fatigue and social stigma. This is only the beginning; the pipeline is already advancing toward the next milestone: a once-yearly HIV "vaccine". Strategically, Gilead's commitment to enable access to Yeztugo at no profit to various high-burden, low-income countries, marks a transition toward targeted impact. By replacing years of "access lag" with proactive scalability, this model redefines how the healthcare sector creates and sustains value.

HIV Incidence Rates by Region (2024)
Source: https://www.who.int/data/gho/data/indicators/indicator-details/GHO/new-hiv-infections-(per-1000-uninfected-population)



Scan to see more



This map displays financed properties of the AXA Investment Foundation Switzerland. It includes an illustrative classification of a specific property based on energy and CO2-metrics.

Scan to see more

ESG in the mortgage business: transparent reporting for pension funds

Daniel Gussmann,
Chief Investment Officer, AXA Switzerland

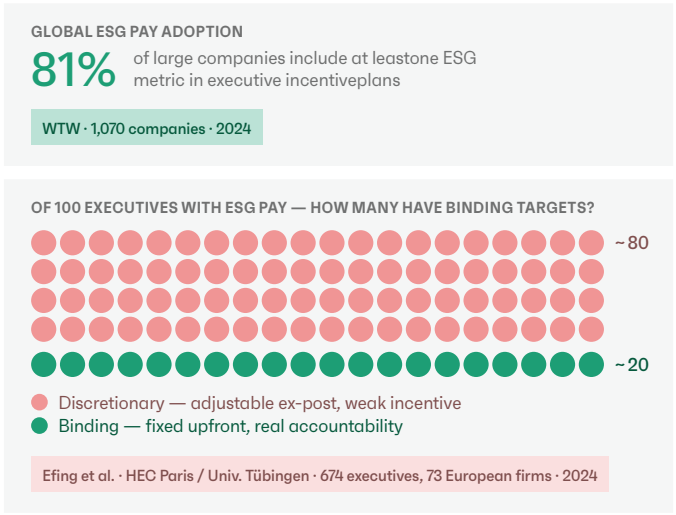
Investors are increasingly demanding transparent reporting on ESG factors, and not just for conventional asset classes, but also in the mortgage business. Here, however, factsheets mostly contain key figures only, often with no context. At AXA Switzerland, we consciously go a step further. Our Asset Management unit yearly draws up a comprehensive ESG report for AXA Investment Foundation Mortgages Switzerland's investors. Besides the quantitative figures, this report also includes qualitative explanations based on applicable standards, background information, and case studies from our portfolio. Thus, it is detailed and transparent while remaining easy to understand, enabling readers to compare results and track improvement. We are convinced that factoring sustainability aspects into mortgage management brings significant benefits for investors in achieving their financial and non-financial goals.

ESG metrics in executive pay: widespread adoption, limited effectiveness

James Upton,
Senior Corporate Governance Specialist, Pictet Asset Management

Integrating ESG metrics into executive pay is common. In 2024 81% of companies globally had adopted them. However, challenges persist: poorly designed incentives, lack of transparency, and greenwashing—where superficial ESG targets create an illusion of sustainability—can misalign management focus. Materiality is key: ESG metrics should be genuinely linked to long-term company performance, ideally using SASB guidelines. Yet, disclosure is lacking; in 2024 67% of U.S. firms with ESG-linked pay didn't reveal specific goals. While integrating ESG metrics into executive pay is a positive trend, it must be done thoughtfully to ensure alignment with long-term corporate goals and avoid superficial commitments. Investors and companies alike must focus on materiality and transparency to drive genuine sustainable performance.

The anatomy of ESG pay — what the headline figure hides
Sources: WTW (2024), Efing et al. / HEC Paris / CESifo (2024), Conference-Board / ESGAUGE (2024), Meridian Compensation Partners (2024)



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Appendix

09

Methodology of the study

The Swiss Sustainable Investment Market Study 2026 was prepared based on company data taken from organisations domiciled or with operations in Switzerland and which manage sustainability-related investments. All available data was collected, reviewed and evaluated by Swiss Sustainable Finance (SSF), and the Advanced Impact Research GmbH (AIR). The gathered data is as of 31 December 2025 and was provided voluntarily by the study participants. From January to April 2026, data collection was conducted using questionnaires sent out to over 250 asset owners and managers in Switzerland.

To avoid double counting, SSF provided clear guidance on the data to be reported, and participants were encouraged to respect the defined scope of the questionnaire. Asset managers were asked to list all assets managed by their organisation within Switzerland for national and foreign clients. Asset owners were asked to provide details of their self-managed assets.

Since not all participants answered each question, the total quantity (n) of respondents per question is indicated for all figures. A list of the participants who agreed to be named can be found at the end of the report.

Volumes in foreign currency (euros and US dollars) were adjusted using exchange rates into Swiss francs (CHF). The year-end exchange rates applied for 2025 were EUR 1.0740 for one CHF and USD 1.2601 for one CHF. For Figures 6, 11, 15, and 16, a minor share of assets was not explicitly attributed to specific answer options by survey respondents. In such case, we applied to these small unclassified volumes the same allocation as for the rest of the market.

All study participants received guidelines, including the underlying definitions and detailed information on how to answer the questionnaire. To provide an accurate picture of how sustainability factors are integrated in the Swiss investment market, all data and information were checked for consistency. In case of any anomalies in the data, the respective participants were contacted, and potential issues were resolved.

This year, we have continued to focus on Swiss standards, while maintaining a strong emphasis on the qualitative assessment of sustainable investment strategies, in addition to quantitative analysis. To support this, the survey incorporates insights based on the updated AMAS self-regulation on sustainable investments, Version 2.2, published in September 2025.[79]

To ensure comparability, data from previous market studies underlying Figures 11, 25, 33, 34, 35 and 37 have been restated to reflect changes in this year's questionnaire and survey approach. Where adjustments were made, a footnote in the respective figure indicates what was changed and why.

79 AMAS (2025): Self-regulation on transparency and disclosure for sustainability-related collective assets. Version 2.2. Available at https://www.am-switzerland.ch/en/regulation/self-regulation/sustainable-finance-self-regulation

Definition of sustainable investment approaches

Table 1: **Established sustainable investment approaches in order to incorporate sustainability considerations within investment decision**

Best-in-class/ Positive Screening	Approach in which a company's or issuer's environmental, social and governance (ESG) performance is compared with the ESG performance of its peers (i.e. of the same sector or category) based on a sustainability rating. All companies or issuers with a rating above a defined threshold are considered as investable. The threshold can be set at different levels (e.g. 30% best performing companies or all companies that reach a minimum ESG score).
Climate-alignment	The climate-alignment of a portfolio refers to the reduction of the greenhouse gas emissions of a portfolio (i.e. of the issuers it contains) in line with global climate goals.
ESG engagement	Engagement is an activity performed by shareholders with the goal of convincing management to take account of environmental, social and governance criteria. This dialogue includes communicating with senior management and/or boards of companies and filing or co-filing shareholder proposals. Successful engagement can lead to changes in a company's strategy and processes so as to improve ESG performance and reduce risks.
ESG integration	The explicit inclusion by investors of ESG risks and opportunities into traditional financial analysis and investment decisions based on a systematic process and appropriate research sources.
Exclusions	An approach excluding companies, countries or other issuers based on activities considered not investable. Exclusion criteria (based on norms and values) can refer to product categories (e.g. weapons, tobacco), activities (e.g. animal testing), or business practices (e.g. severe violation of human rights, corruption).
Impact investing	Investments intended to generate a measurable, beneficial social and environmental impact alongside a financial return. Impact investments can be made in both emerging and developed markets, and target a range of returns from below-market to above-market rates, depending upon the circumstances. SSF considers impact investments as those having three main characteristics: intentionality, management and measurability.
Sustainable thematic investing	Investment in businesses contributing to sustainable solutions, both in environmental or social topics. In the environmental segment this includes investments in renewable energy, energy efficiency, clean technology, low-carbon transportation infrastructure, water treatment and resource efficiency. In the social segment this includes investments in education, health systems, poverty reduction, and solutions for an ageing society.
ESG voting	This refers to investors addressing concerns of environmental, social and governance (ESG) issues by actively exercising their voting rights based on ESG principles or an ESG policy.

List of abbreviations

AI	Artificial Intelligence
AIR	Advanced Impact Research GmbH
AMAS	Asset Management Association Switzerland
AuM	Assets under Management
BREEAM	Building Research Establishment Environmental Assessment Methodology
CAGR	Compound Annual Growth Rate
CDA	Climate Delegated Act
CHF	Swiss franc
CISA	Collective Investment Schemes Act
CO	Code of Obligations
CO_2	Carbon Dioxide
CO_2 Act	Federal Act on the Reduction of CO_2 Emissions
CSDDD	Corporate Sustainability Due Diligence Directive
CSRD	Corporate Sustainability Reporting Directive
DDTrO	Ordinance on Due Diligence and Transparency in Relation to Minerals and Metals from Conflict-Affected Areas and Child Labour
DGNB	Deutsche Gesellschaft für Nachhaltiges Bauen
EC	European Commission
EFRAG	European Financial Reporting Advisory Group
ESAs	European Supervisory Authorities
ESG	Environmental, Social and Governance
ESMA	European Securities and Markets Authority
ESRS	European Sustainability Reporting Standards
EU	European Union
EUR	Euro
FDJP (EJPD)	Federal Department of Justice and Police
FINIA	Financial Institutions Act
FINMA	Swiss Financial Market Supervisory Authority
FOEN (BAFU)	Federal Office for the Environment
GenAI	Generative Artificial Intelligence
GHG	Greenhouse Gas
GICS	Global Industry Classification Standard
GMOs	Genetically Modified Organisms
GRI	Global Reporting Initiative
HSLU	Lucerne University of Applied Sciences
IEA	International Energy Agency
IFRS	International Financial Reporting Standards
IFZ	Institute of Financial Services Zug
ISSB	International Sustainability Standards Board
KIG	Climate and Innovation Act
KIV	Ordinance on Climate Protection
KPIs	Key Performance Indicators
KVI 2.0	The popular initiative "For responsible large corporations protecting human rights and the environment"
LEED	Leadership in Energy and Environmental Design
MiFID	Markets in Financial Instruments Directive
NGO	Non-Governmental Organisation
NUFG	The new Federal Act on Sustainable Corporate Governance
NZAMI	Net Zero Asset Managers Initiative
NZAOA	Net Zero Asset Owner Alliance
OJEU	Official Journal of the European Union
PAI	Principal Adverse Impact
PrEP	Pre-Exposure Prophylaxis
SASB	Sustainability Accounting Standards Board
SBA	Swiss Bankers Association
SDG	Sustainable Development Goals
SECO	State Secretariat for Economic Affairs
SFDR	European Sustainable Finance Disclosure Regulation
SGNI	Schweizer Gesellschaft für Nachhaltige Immobilienwirtschaft
SI	Sustainable Investing
SIA	Swiss Insurance Association
SMEs	Small and medium-sized enterprises
SNB	Swiss National Bank
SNBS	Standard Nachhaltiges Bauen Schweiz
SSF	Swiss Sustainable Finance
TCFD	Task Force on Climate-related Financial Disclosures
TPT	Transition Plan Taskforce
TSC	Technical Screening Criteria
UN	United Nations
UNEP FI	United Nations Environment Programme Finance Initiative
USD	US dollar
UCA (UWG)	Federal Act against Unfair Competition
VSME	Voluntary Sustainability Reporting Standard for SMEs

List of figures and tables

Study participants

This list includes only participants which agreed to be named.

Allianz Global Investors (Schweiz) AG
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AXA Investment Managers Schweiz AG
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Research Partners:
The Sustainable Finance Research Group at the University of Hamburg was co-founded by Prof. Timo Busch and aims to highlight the role of financial markets and investments for sustainability in business practice. The Advanced Impact Research (AIR) GmbH is a spin-off of the University of Hamburg that aims to support a sustainable financial market through impact analyses and rigorous research.

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