



Schweizerische Eidgenossenschaft  
Confédération suisse  
Confederazione Svizzera  
Confederaziun svizra

**Consulate General of Switzerland in Hong Kong**



**Sustainable  
Finance**  
initiative



# SUSTAINABLE FINANCE TRENDS IN SWITZERLAND & HONG KONG: 2020 AND BEYOND



Schweizerische Eidgenossenschaft  
Confédération suisse  
Confederazione Svizzera  
Confederaziun svizra

**Consulate General of Switzerland in Hong Kong**



**Sustainable  
Finance**  
initiative

# TECHNICAL INFORMATION

**SSF YOUTUBE LIVE STREAM:**

[HTTPS://WWW.YOUTUBE.COM/CHANNEL/UC8LUVZ6ITUDBQG67LN2NGRG/LIVE](https://www.youtube.com/channel/UC8LUVZ6ITUDBQG67LN2NGRG/LIVE)



Schweizerische Eidgenossenschaft  
Confédération suisse  
Confederazione Svizzera  
Confederaziun svizra

**Consulate General of Switzerland in Hong Kong**



**Sustainable  
Finance**  
initiative



# KATIA STAMPFLI-FERRAZ

DEPUTY CONSUL GENERAL, CONSULATE GENERAL OF SWITZERLAND  
IN HONG KONG



Schweizerische Eidgenossenschaft  
Confédération suisse  
Confederazione Svizzera  
Confederaziun svizra

Consulate General of Switzerland in Hong Kong



Sustainable  
Finance  
initiative

10.00am / 4.00pm

**Welcome**

**Katia Stampfli-Ferraz,**  
Deputy Consul General,  
Consulate General of  
Switzerland in Hong Kong

10.10am / 4.10pm

**Overview on Swiss Sustainable  
Investment Market and regulatory  
developments in Switzerland**

**Sabine Döbeli,** CEO, Swiss  
Sustainable Finance

10.25am / 4.25pm

**Investor perspectives in Asia and  
latest policy developments in Hong  
Kong**

**Leonie Kelly-Farley,** Partner,  
Sustainable Finance Initiative

10.40am / 4.40pm

**Q&A**



Schweizerische Eidgenossenschaft  
Confédération suisse  
Confederazione Svizzera  
Confederaziun svizra

**Consulate General of Switzerland in Hong Kong**



**Sustainable  
Finance**  
initiative



**SABINE DÖBELI**  
CEO, SWISS SUSTAINABLE FINANCE



Schweizerische Eidgenossenschaft  
Confédération suisse  
Confederazione Svizzera  
Confederaziun svizra

**Consulate General of Switzerland in Hong Kong**



**Sustainable  
Finance**  
initiative

# OVERVIEW ON SWISS SUSTAINABLE INVESTMENT MARKET AND REGULATORY DEVELOPMENTS IN SWITZERLAND

# SSF VISION UND MISSION

## SSF Vision

The Swiss financial centre is a leading voice and actor in sustainable finance, contributing to a sustainable and prosperous economy.



























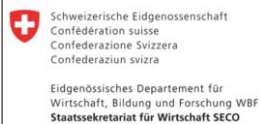





## SSF Mission

By **shaping and informing on best practice** and creating **supportive frameworks and tools**, SSF supports **its members and cooperates with other actors** in order for the Swiss financial centre to achieve a leading position in sustainable finance.



# GROWING SSF MEMBERS BASE

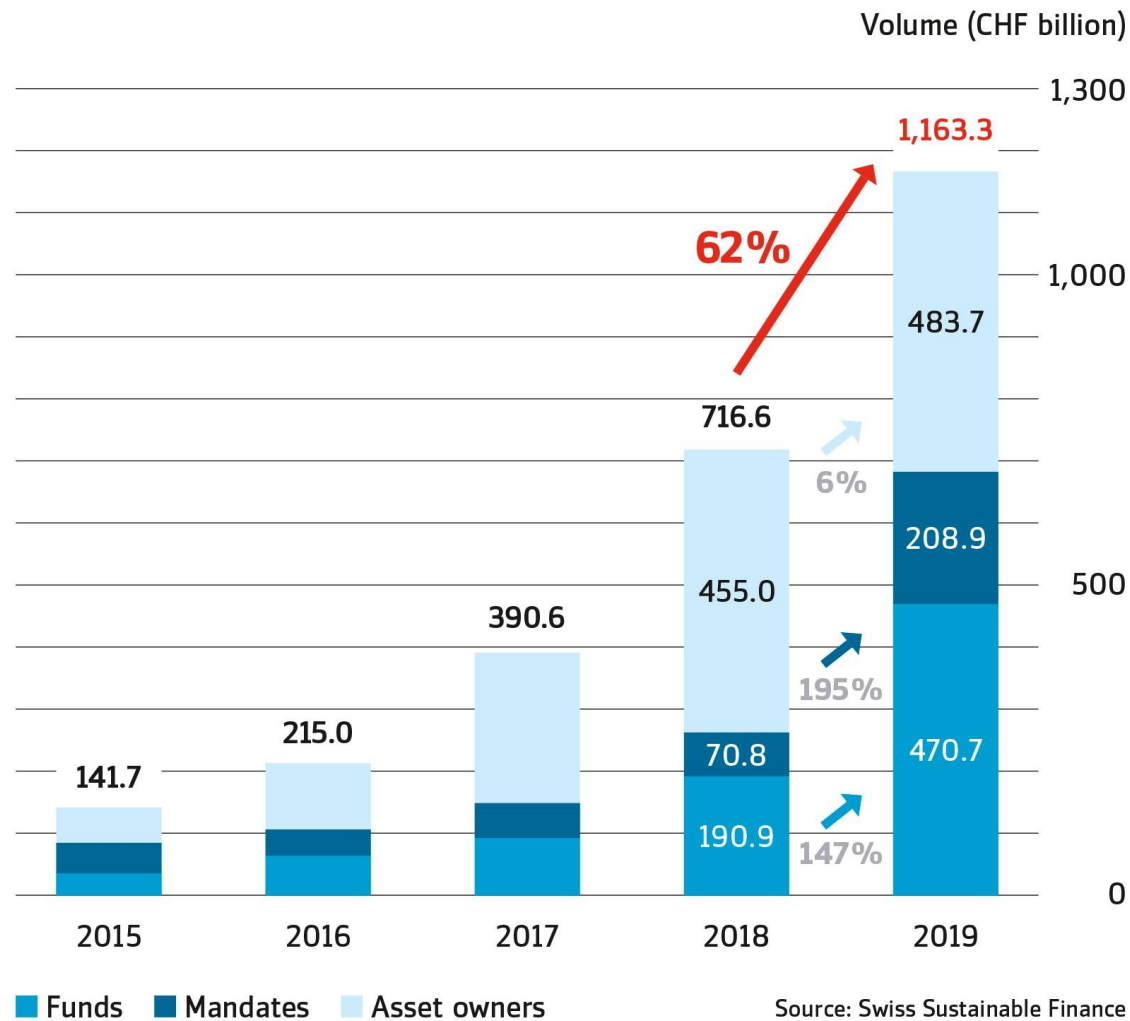
## 160 Members and Network Partners

Category	Member examples
51 Asset Managers & 39 Banks	     
21 Pension funds and other asset owners	    
6 Insurance companies	     
20 Service providers	     
10 Research and education facilities	   
13 NGOs and public sector entities	     



# GROWTH OF SUSTAINABLE INVESTMENTS CONTINUES

## Development of Sustainable Investments in Switzerland



# SUSTAINABLE INVESTMENTS NOW MAINSTREAM

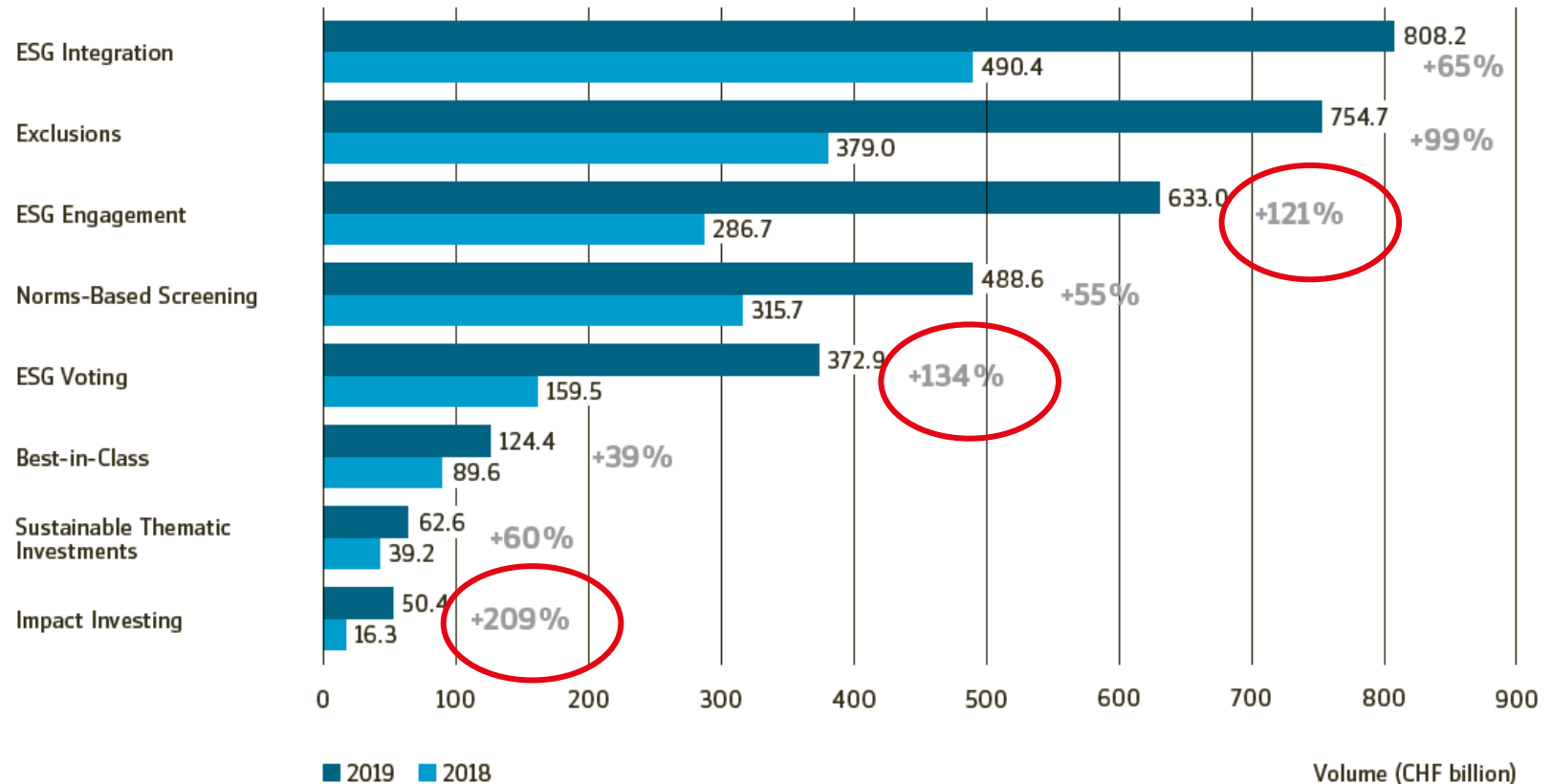
Particularly high share of sustainable funds

- Sustainable funds now account for **38% of total fund market** (18 % in 2018, 9% in 2017)
- Sustainable assets managed by **institutional asset owners** account for **30% of their total assets** (31 % in 2018, 16 % in 2017)
- Total sustainable assets (funds, mandates, asset owner assets) correspond to about **1/3 of all assets managed in Switzerland<sup>1</sup>**

<sup>1</sup> CHF 1,163.3 billion divided by CHF 3.34 trillion total assets managed in CH (SBA Banking Barometer 2019)

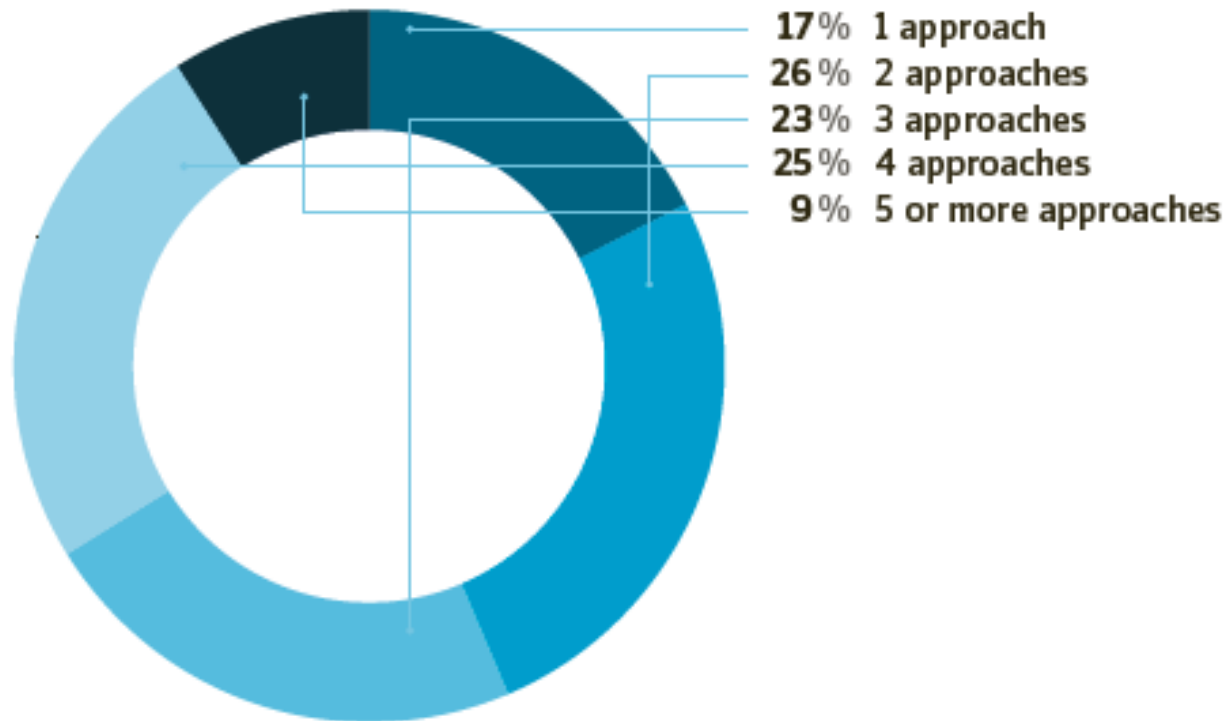
# ACTIVE OWNERSHIP AND IMPACT GAINING TRACTION

## Development of individual SI approaches



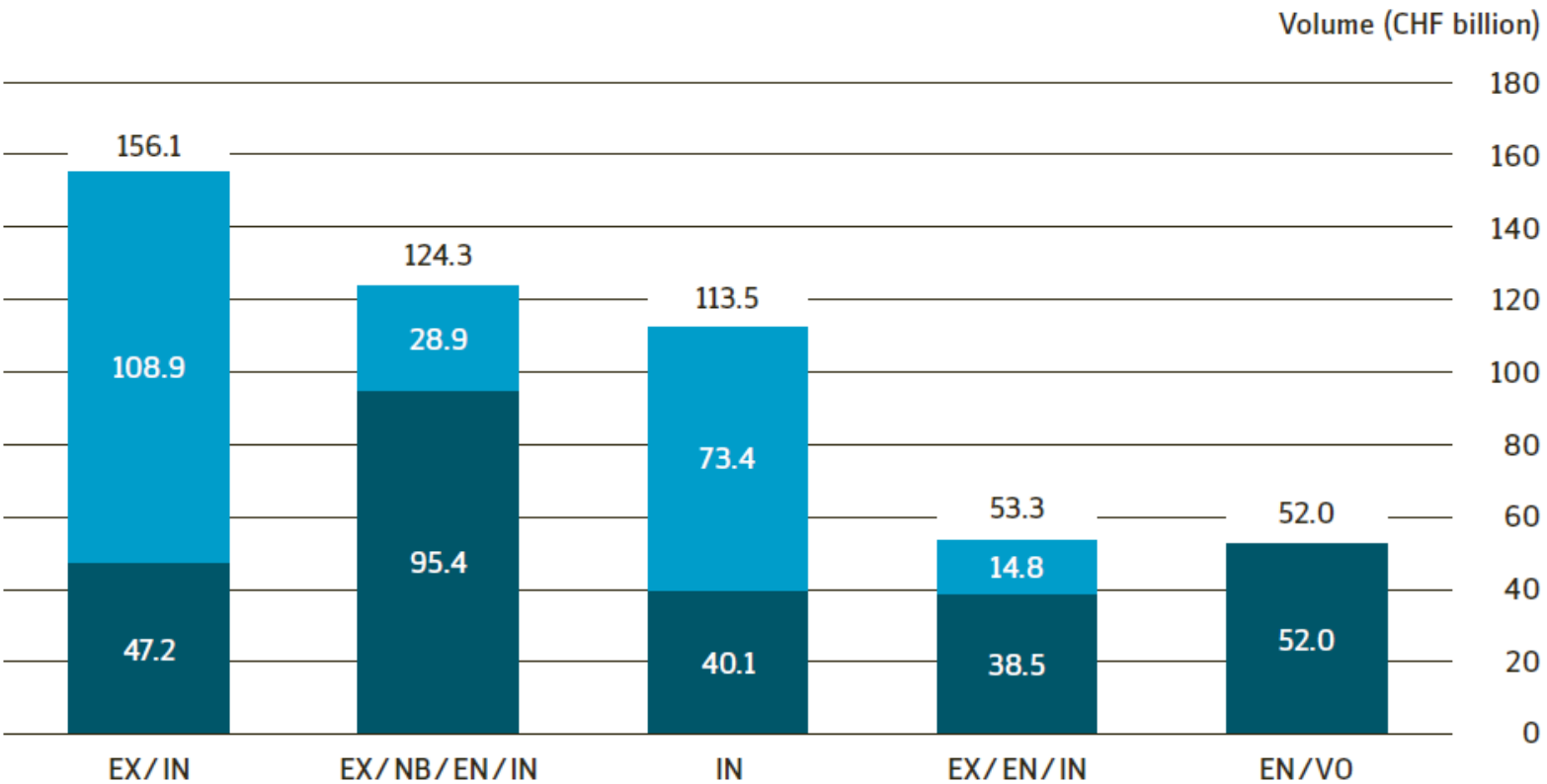
# MOST ASSETS COMBINE DIFFERENT APPROACHES

Number of approaches applied to sustainable investment volumes



# ESG INTEGRATION IN 4 OF TOP 5 COMBINATIONS

## Top Five combinations Applied by AM and AO



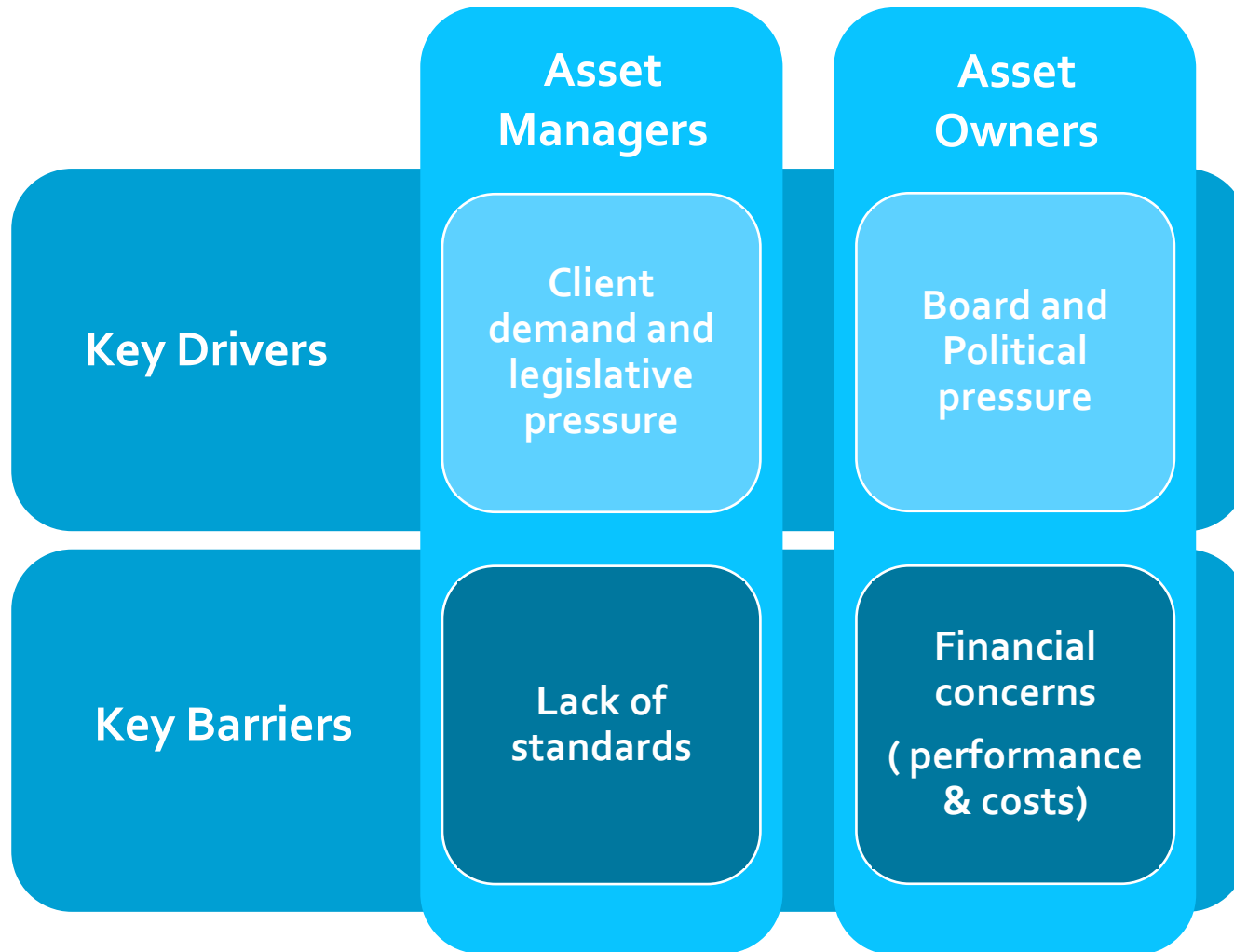
■ Asset managers ■ Asset owners

ABBREVIATIONS USED FOR COMBINATIONS

BC	Best-in-class
EN	ESG engagement
EX	Exclusions
II	Impact investing
IN	ESG integration
NB	Norms-based screening
TH	Sustainable thematic investments
VO	ESG voting

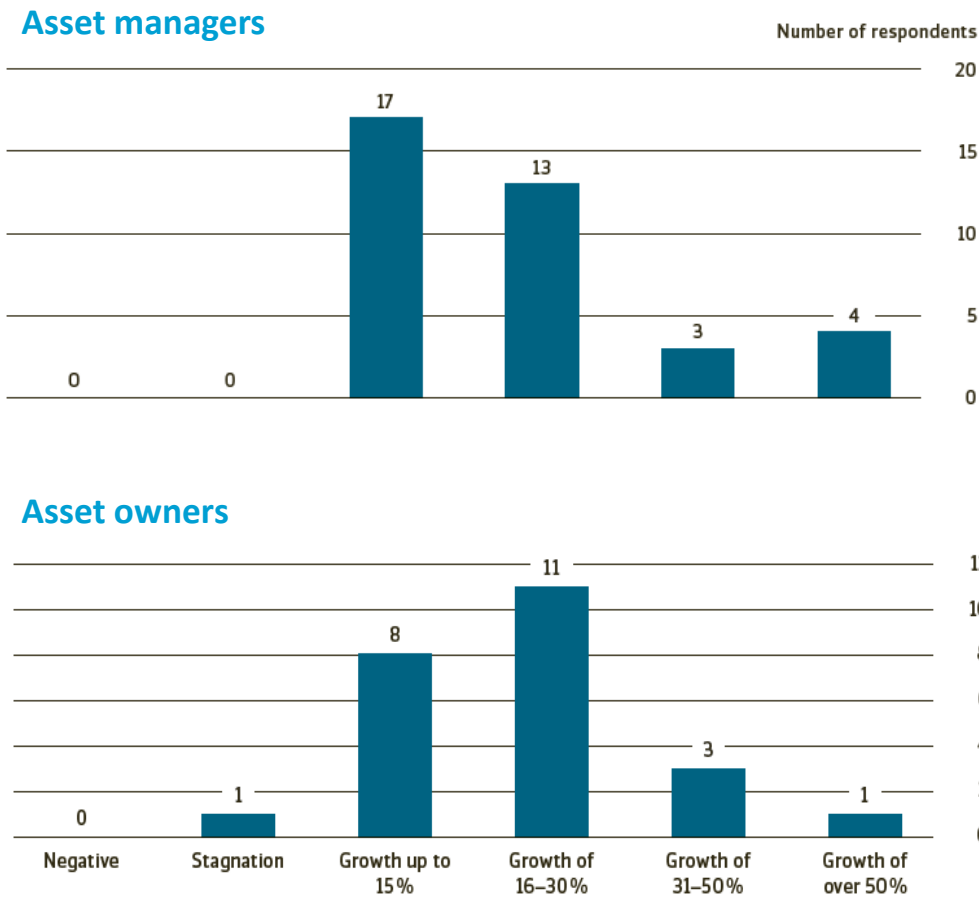
# LACK OF STANDARDS AS KEY BARRIER FOR AM

Financial concerns still prominent for AO



# OPTIMISM FOR FUTURE MARKET DYNAMICS

## Growth forecasts for sustainable investments in Switzerland in 2020



# SWISS GOVERNMENT STRESSES IMPORTANCE OF FINANCIAL SECTORS ROLE

*« Swiss investors must have an investment behavior [...] that ultimately does not torpedo our measures [to achieve] the Paris Agreement »*

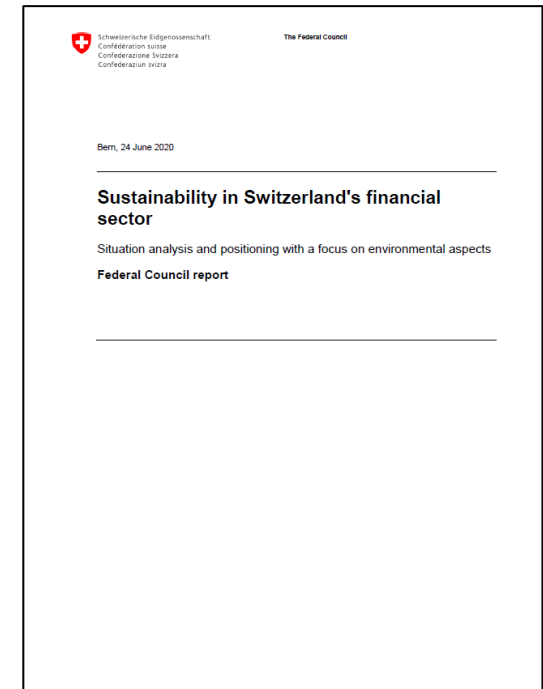


Statement of Swiss Federal Councillor Simonetta Sommaruga during Swiss Council of States' Autumn Session 2019



# IMPORTANT DEVELOPMENTS IN SWITZERLAND (1/2)

- **Swiss Government and authorities increase pressure**
  - Federal Council set up different working groups
  - Government report on general approach in sustainable finance published in June 2020; concrete measures will be suggested by end of year
  - Federally supported climate alignment tests for institutional investors and banks (PACTA)
  - Swiss Regulator FINMA is currently examining mandatory transparency on climate risks for large financial corporations



# IMPORTANT DEVELOPMENTS IN SWITZERLAND (2/2)

## — **Swiss CO<sub>2</sub> Act passed last Friday**

- Art. 1: stresses importance of aligning financial flows to Paris agreement
- Art. 47a: obliges Swiss National Bank and Swiss financial regulator (FINMA) to assess climate risks

## — **Industry Initiatives: Strong enabler for sustainable finance**

- SFAMA/SSF Recommendations on Sustainable Asset Management
- SwissBanking Recommendations on client advisory process
- Swiss Insurance Association initiates annual reporting on progress in insurance industry

## CONTACT

Swiss Sustainable Finance  
Grossmünsterplatz 6  
8001 Zurich

Tel. 0041 44 515 60 50

[info@sustainablefinance.ch](mailto:info@sustainablefinance.ch)  
[www.sustainablefinance.ch](http://www.sustainablefinance.ch)

Follow us on Social Media

>Twitter [@SwissSustFin](https://twitter.com/SwissSustFin)

>LinkedIn [Swiss Sustainable Finance](https://www.linkedin.com/company/swiss-sustainable-finance)



Schweizerische Eidgenossenschaft  
Confédération suisse  
Confederazione Svizzera  
Confederaziun svizra

**Consulate General of Switzerland in Hong Kong**



**Sustainable  
Finance**  
initiative



**LEONIE KELLY-FARLEY**  
PARTNER, SUSTAINABLE FINANCE INITIATIVE



# The Rise of Sustainable Finance in Asia and Investor Perspectives

---

Leonie Kelly-Farley, Partner, SFi

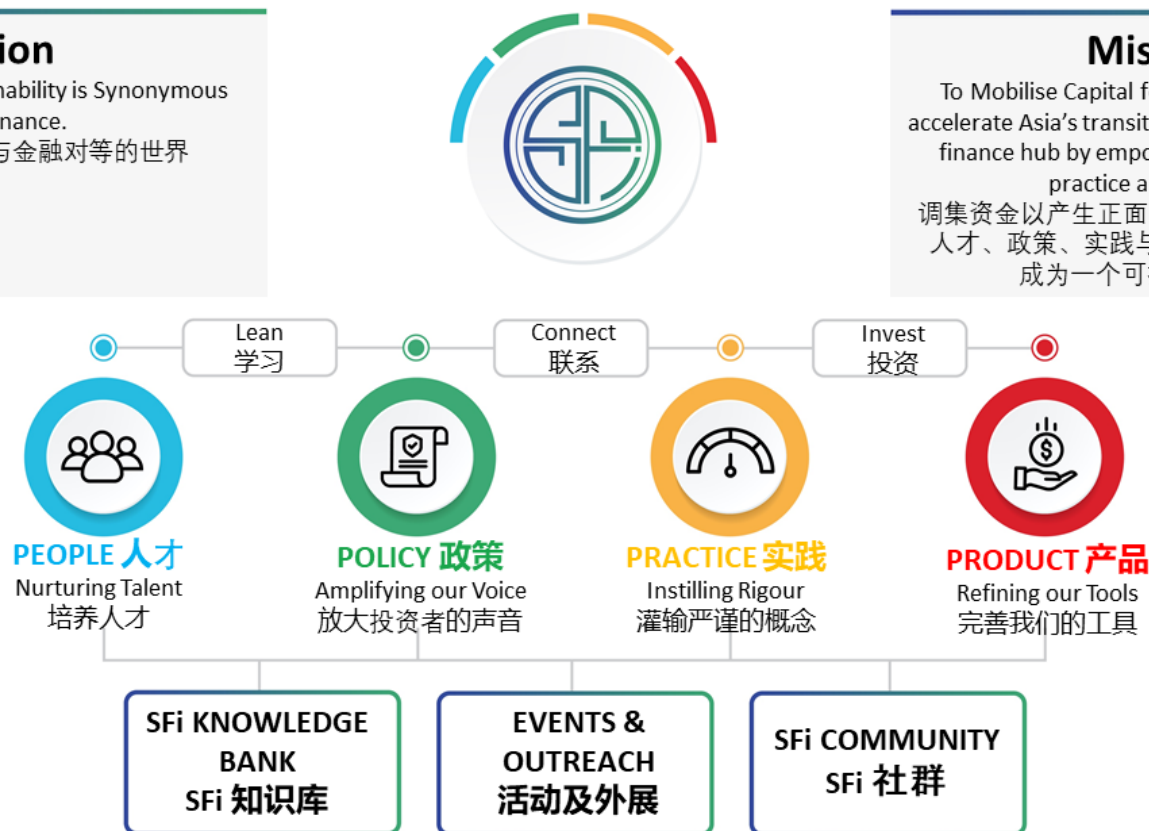
# Sustainable Finance Initiative Model

## Vision

A World where Sustainability is Synonymous  
with Finance.  
一个可持续发展与金融对等的世界

## Mission

To Mobilise Capital for positive impact and  
accelerate Asia's transition towards a sustainable  
finance hub by empowering people, policy,  
practice and product.  
调集资金以产生正面的影响，并通过赋权于  
人才、政策、实践与产品来加速亚洲过渡  
成为一个可持续金融中心



# Sustainable Finance Initiative - View

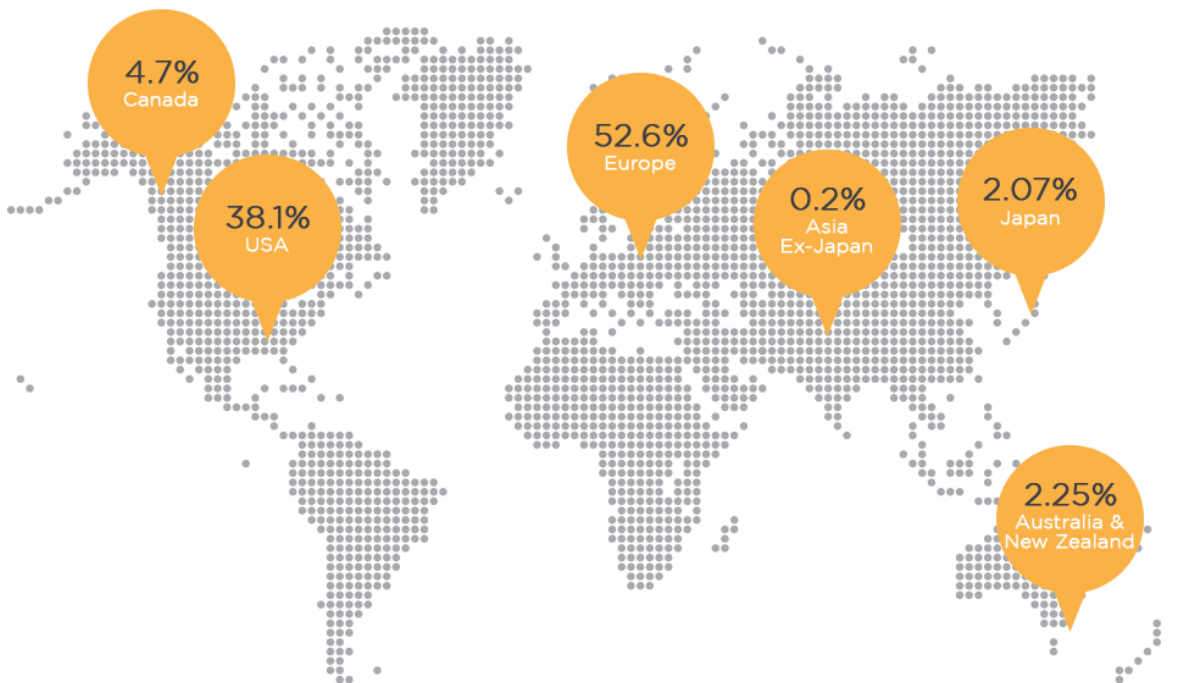
“Sustainable Investing” or “Sustainable Finance” are used interchangeably in this survey. It refers to an investment strategy or financial service integrating environmental, social and governance (ESG) criteria into the business or investment decisions, for the lasting benefit of investors and society at large.

Sustainable Finance spectrum: the investment spectrum spans across asset classes and is inclusive of exclusionary, ESG integration and engagement, thematic and impact investing. It includes investment via fund vehicles, intermediaries and/or direct holdings (e.g. stocks, companies).



# Sustainable Finance Initiative - Growth

- Global sustainable investment reached \$22.89 trillion (26% of global AuM) in 2016.
- Asia (excluding Japan) accounted for 0.2% of global SI assets.
- Hong Kong accounted for 26% of Asia's SI assets.



Source: Global Sustainable Investment Alliance (2016)





**Sustainable  
Finance**  
initiative



## Mapping Sustainable Finance in Hong Kong

JANUARY 2018 | SUSTAINABLE FINANCE INITIATIVE

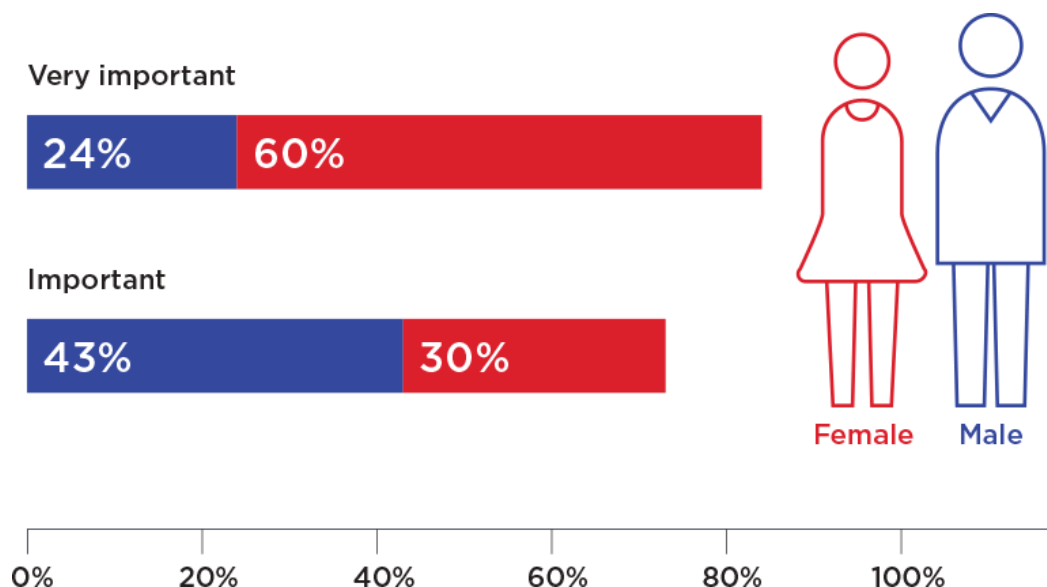


[https://www.dropbox.com/s/ixhj3odm65tjl5/SFi\\_Digital\\_Report\\_Single\\_Page.pdf?dl=0](https://www.dropbox.com/s/ixhj3odm65tjl5/SFi_Digital_Report_Single_Page.pdf?dl=0)

Sustainable Finance Initiative © 2020

# Research Findings

- Nearly 90% of respondents believe Hong Kong is “behind” or “reactive” in terms of sustainable finance compared with other global financial centres.
- 75% believe sustainable finance is important for Hong Kong’s future.
- 60% of female respondents said sustainable finance is “very important” for the long term future of Hong Kong, compared to 24% of male respondents.



# Research Findings

#1

To maintain its status as a leading financial centre, Hong Kong must lead and not follow:

Nearly 90% of respondents believe Hong Kong is "behind" or "reactive" compared with other financial centres

75% believe sustainability is Hong Kong's future

#2

However, there are challenges ahead:

Over 21% of our respondents cite lack of market awareness and understanding of sustainable finance as the biggest barrier

17% believe a perceived concessionary financial return stifles growth

16% see lack of enabling government policies/regulations as a key challenge

#3

But these challenges present opportunities for Hong Kong, and the top five market catalysts identified are:

The growing of investor demand;

the development of a supportive policy environment through incentives, subsidies and regulation;

the expanding of fiduciary duties with respect to ESG;

the developing of innovative sustainable products; and

the growth of awareness and knowledge by building an information platform on sustainable finance

#4

And finally, Hong Kong is ready to take action:

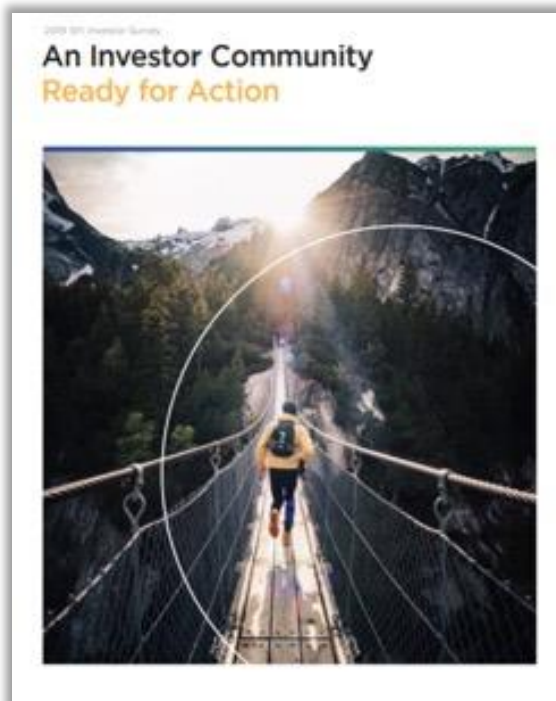
90% of the participants wish to "maintain their current activity levels" or "become more active in the future"

31% of the survey respondents would like to become leaders in sustainable finance in the future.

With 36% of millennials wishing to become future sustainable finance leaders

# Investor Engagement

Our Investor Survey 2019 provides a snapshot of the sustainable investing ambitions of our Investor Circle, and how they plan to achieve them.



Sustainable Finance Initiative © 2020



Investors Are Moving Beyond “Interested”, To Thinking “How” They Can Invest Sustainably

**80% SPEND TIME LEARNING ABOUT SUSTAINABLE FINANCE**



Inadequate Advice From Wealth Advisors, Finding Quality Investments, Conducting Due Diligence And Impact Measurement Remain Key Challenges

**80% FIND ADVISOR SUPPORT INADEQUATE**



Investors Wish To Support SDGs Including Health & Well Being, Education And Climate Action

**45% OF INVESTORS WOULD LIKE TO INVEST TOWARDS SDG 3, 4 & 13**



Investors Wish To Deploy In Asia With Private And Public Equities Topping Asset Class Interests

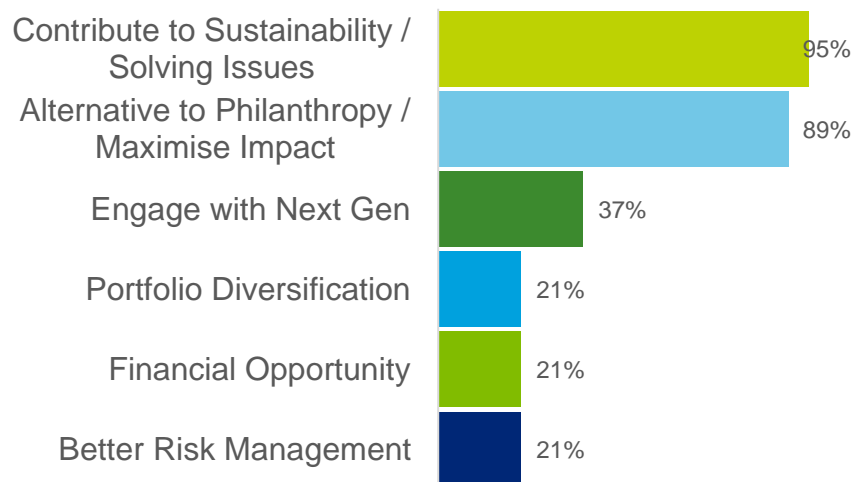
**>50% WISH TO INVEST IN ASIA**



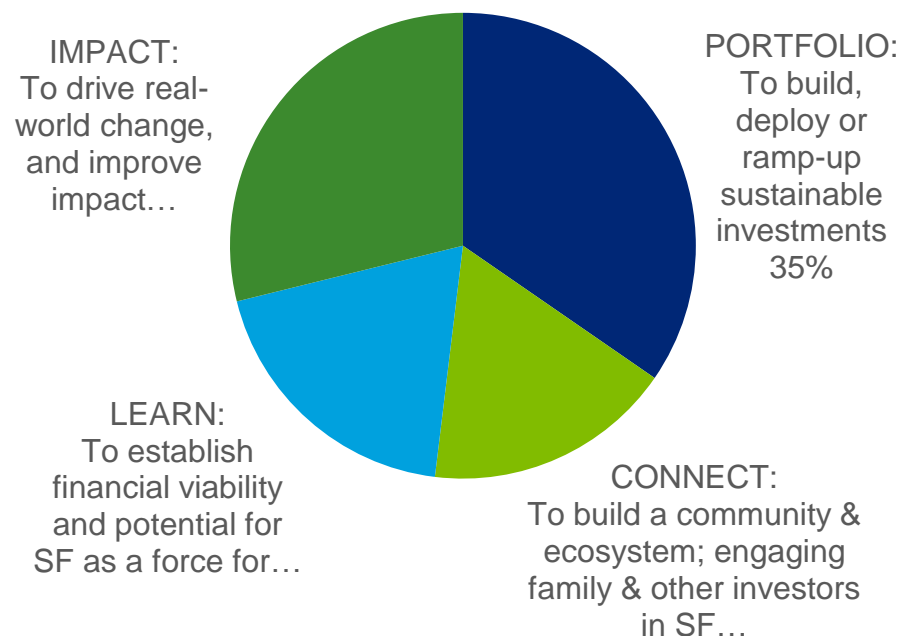
Investors Are Equipping Themselves With The Tools Through Networks And External Advisors

**80% ACCESS NETWORKS**

## Top 3 Primary Drivers for SI #

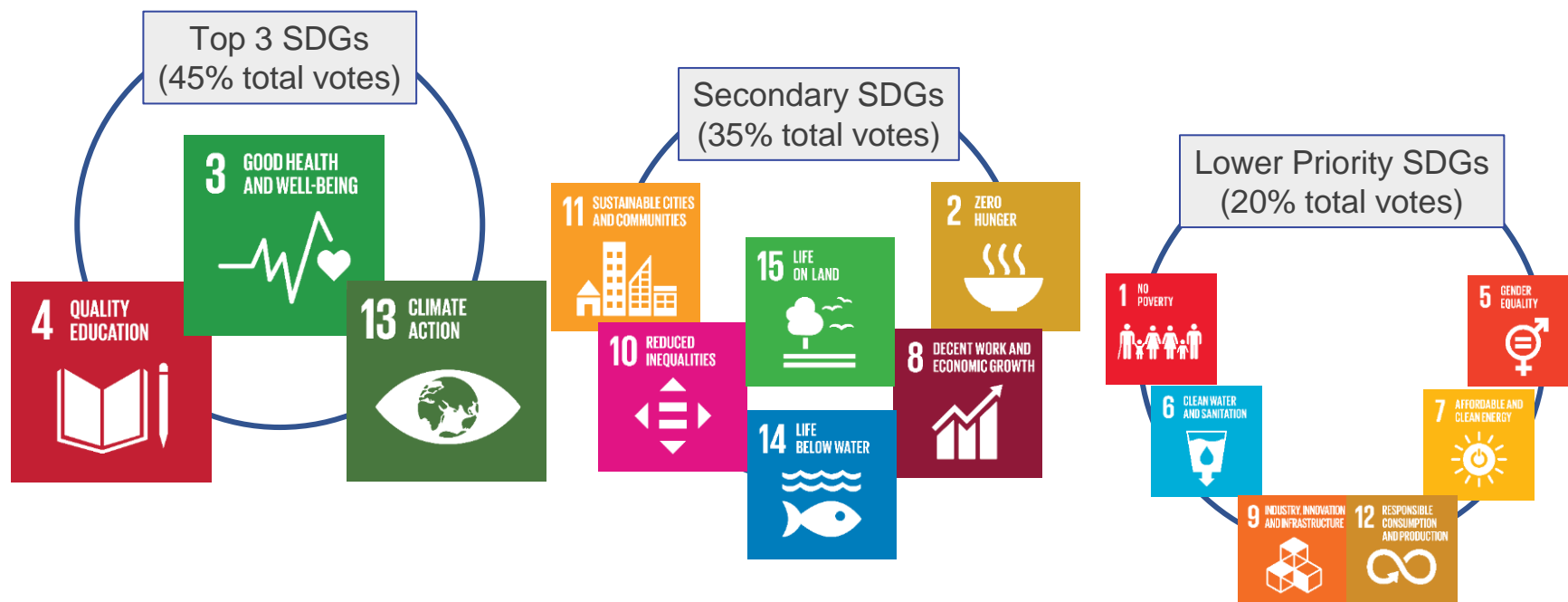


## Investor Goals in the Next 1-3 Years\*



***Solving issues and maximizing impact are almost universal drivers for our members to pursue SF***

# UN SDG Investment Category Preference



*Top SDGs of Good Health & Well-being, Quality Education and Climate Action rank 4<sup>th</sup>, 9<sup>th</sup> and 8<sup>th</sup> among GIIN 2019 investors respectively\*.*



# Sustainable Finance Initiative – Knowledge Bank

## Practice



2020-09-17  
SFI Practice Spotlight – Overwhelmed by ESG frameworks? Deep dive into SASB with SFI and learn how SASB is empowering investors to make better investment decisions  
#Insights, #Practice, #Programmes, #SFI House Views



2020-08-21  
[PODCAST] Practice Spotlight – Diving into the world of ratings, ESG for fixed income and more.  
#Insights, #Practice, #SFI House Views



2020-08-11  
SFI Practice Spotlight – A Portfolio Approach towards Impact Measurement & Management  
#Insights, #Practice, #Programmes, #SFI House Views



2020-07-16  
[VIDEO] UNDP SDG IMPACT STANDARDS WORKSHOP II: SDG BONDS & PRIVATE EQUITY FUNDS WITH SPECIAL GUESTS SDG IMPACT & QBE INSURANCE  
#Insights, #SFI House Views



2020-06-09  
[VIDEO] SFI Event – A Discussion with Principles for Responsible Investment and Domini Impact  
#Insights, #SFI House Views



2020-05-19  
SFI Product Spotlight: The Role of ETFs in a Sustainable Portfolio  
#Insights, #Product, #Programmes, #SFI House Views

## Product



2019-11-20  
SFI 2019 Investor Survey – An Investor Community Ready for Action



2019-09-16  
04 Sep 2019: Smart Conversation with Convergence – Blended Finance and the Role of Private Equity



2019-06-16  
SFI leads Asian sustainable investor group in LeapFrog fund due diligence

## Policy



2020-07-21  
SFC's Strategic Framework for Green Finance Turns Two Today  
#Insights, #Policy, #Programmes, #SFI Policy Insights



2020-07-31  
香港交易所監管收緊ESG條例 並呼籲投資者立即行動  
#Insights, #Policy, #Programmes, #SFI Policy Insights



2020-05-10  
SFI – HKEX Consultation Feedback  
#Insights, #Policy, #SFI Policy Insights



2020-05-07  
香港金融管理局與香港交易所就ESG  
#Insights, #Policy, #Programmes, #SFI Policy Insights



2020-05-05  
Hong Kong's market regulator tightens ESG rules and calls on investors to act now  
#Insights, #Policy, #Programmes, #SFI Policy Insights



2020-02-19  
A Hong Kong Giant's Journey Towards Responsible Investment  
#Insights, #Policy, #Programmes, #SFI Policy Insights

## People



2020-06-20  
Investor Profile – Charles Luchanco  
#Insights, #Investor Profiles



2020-03-18  
Investor Profile – Nancy Liu  
#Insights, #Investor Profiles



2019-05-08  
Investor Profile – Sally and Wayne  
#Insights, #Investor Profiles

# Contact us

---



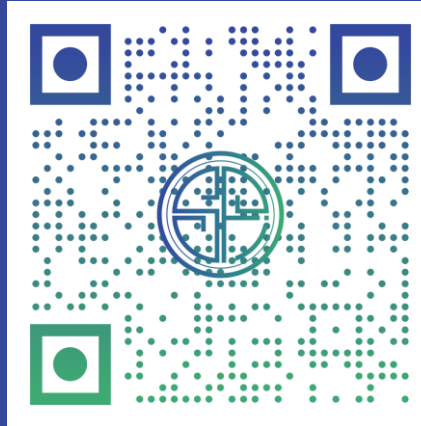
*@sustainablefinancehk*



*@sustainablefinancehk*



*@sfi\_hk*



## Disclaimer

Sustainable Finance Initiative (SFI) is not an investment advisor. The content of this presentation is not intended and should not be used or construed as an offer to sell, or a solicitation of any offer to buy, any securities or other investment products in any jurisdiction. The content of this presentation is for information purpose only, and not intended and should not be construed as investment, tax, legal, financial or other advice.

Although SFI has taken all reasonable care that the content of this presentation is accurate at the time of publication, no representation or warranty (including liabilities towards third parties), express or implied, is made as to its accuracy, reliability or completeness. The content of this presentation is subject to change without notice.

In no case will SFI be liable for any direct or indirect losses or damages of any kind in connection with the access and the use of this presentation.

If you have any enquiries please contact us at [info@sustainablefinance.hk](mailto:info@sustainablefinance.hk).





Schweizerische Eidgenossenschaft  
Confédération suisse  
Confederazione Svizzera  
Confederaziun svizra

**Consulate General of Switzerland in Hong Kong**



**Sustainable  
Finance**  
initiative

# Q&A



Schweizerische Eidgenossenschaft  
Confédération suisse  
Confederazione Svizzera  
Confederaziun svizra

**Consulate General of Switzerland in Hong Kong**



**Sustainable  
Finance**  
initiative



# THANK YOU FOR YOUR INTEREST!