

Press release

SSF publishes a “Practitioners' Guide” to fully integrate individual sustainability preferences into the investment advisory process

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Investors are frequently disappointed when they realise that their individual sustainability goals are not adequately reflected in their investment portfolio. One reason for this disappointment is to be found in the preceding advisory process, which so far has not paid enough attention to clients’ sustainability preferences and does not clearly explain the different objectives of sustainable investment approaches. In order to address this lack of clarity in the advisory process, Swiss Sustainable Finance (SSF), in collaboration with the management consultancy Ernst & Young, has published a Practitioners' Guide for banks and investment advisors.

Swiss financial institutions have seen a sharp rise in demand for sustainable financial instruments in recent years. According to the Market Study 2022, co-authored by Swiss Sustainable Finance (SSF) and the Center for Sustainable Finance and Private Wealth at the University of Zurich, the volume of sustainable investments during the 2021 reporting period has risen by another 30 percent (2020: 31 percent). For example, the proportion of investment funds currently integrating sustainability criteria already makes up 53 percent of Switzerland's total fund market. Not all investment products follow the same sustainability goals, however. Investors often make incorrect assumptions about the objectives and mechanisms of sustainable investment approaches, which can lead to disappointment or even accusations of “greenwashing”. This is also partly due to the fact that individual sustainability preferences have in the past not been given due consideration in the investment advisory process. Here it is critical for the sustainability features of an investment product to be presented in a transparent and understandable way.

In order to address this lack of transparency in the advisory process, an SSF working group, in close collaboration with the management consultancy Ernst & Young, has drawn up recommendations in the form of a "Practitioners' Guide on the Integration of Sustainability Preferences into the Advisory Process for Private Clients". The recommendations are based on responses from a survey of SSF members and a series of interviews and workshops with members of the SSF working group. “Our Practitioners' Guide is aimed at financial institutions offering investment advice for private clients. It is intended to support financial institutions in establishing a systematic investment process and make it easier for advisers to determine clients’ preferences and offer them appropriate products,” explains Sabine Döbeli, SSF CEO. She goes on to stress: “Our recommendations are targeted at practitioners, but are no substitute for careful screening of the various regulatory requirements at national and international level which

financial institutions must comply with in their dealings with clients. They should be seen as complementing the [Guidelines for the financial service providers on the integration of ESG preferences and ESG risks into investment advice and portfolio management](#) published last week by the Swiss Bankers Association (SBA), and provide more detailed recommendations on how these guidelines can be implemented in practice.

The "Practitioners' Guide on the Integration of Sustainability Preferences into the Advisory Process for Private Clients" is only available in English and can be found [here](#).

Contact:

Sabine Döbeli, CEO Swiss Sustainable Finance

+41 44 515 60 52

sabine.doebeli@sustainablefinance.ch

www.sustainablefinance.ch

The mission of **Swiss Sustainable Finance (SSF)** is to strengthen Switzerland's position as a leading voice and actor in sustainable finance, thereby contributing to a sustainable and prosperous economy. The association, founded in 2014, has representative offices in Zurich, Geneva and Lugano. Currently, SSF unites over 210 members and network partners from financial service providers, investors, universities and business schools, public-sector entities and other interested organisations. Through research, capacity-building and the development of practical tools and supportive frameworks, SSF fosters the integration of sustainability factors into all financial services. An overview of SSF's current members and partners can be found on its website: sustainablefinance.ch