



EVERY DEGREE MATTERS

Mobilising Finance for People and Planet
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A Future Vision

It is 2030 and the Swiss financial sector has become climate neutral. It is the first financial centre in the world to reduce net emissions of all its financial flows to zero. This transformation was possible because key actors took responsibility for climate justice: Banking institutions, their shareholders and customers, policymakers and regulators, as well as education and academia.

The Contribution of Banking Institutions and Their Shareholders

It is undisputed among banking institutions in Switzerland that they can and must make a decisive contribution to a climate-neutral economy and society. They are not only concerned with mitigating climate risks that threaten the value of financial investments but also with the climate justice of all their business activities. Led and supported by their industry association banking institutions have firmly anchored climate justice in their business models.

All banking institutions regularly review the climate compatibility of their business activities using scientific guidelines. They disclose the findings to show their stakeholders that they are taking action to reduce their impact. Furthermore, they use the obtained data to gear business activities towards climate-neutral operations. Sectors, companies, projects and activities that contribute to a climate-neutral, sustainable economy and society are consciously support-

ed. Banking institutions boldly invest both in large projects as well as in small and unconventional pioneering solutions.

Investments that are harmful to the environment are no longer up for discussion. Companies, projects and activities that want to operate in a climate neutral manner are supported by banking institutions in their transition. If a company does not commit to such a process, they will have no access to lending and investment.

Bank managers and employees understand the connection between a banking institutions' business activities and the opportunities and risks that climate change brings for people, the environment and the economy. They share the responsibility for climate action and are a source of knowledge for clients and other stakeholders. Banking institutions integrate incentive systems for employees, rewarding those who rise to the challenge of climate change.

Banking institutions are supported by shareholders who demand climate-neutral behaviour and measure performance not only in terms of profit. The decisive factor for them is not based purely on economic interest, but on the bank's contribution to sustainable development and a climate-neutral world.

The Contribution of Institutional and Private Customers

As responsible consumers, institutional and private customers care about

the impact of their capital. They demand that climate justice lies at the heart of the business models of their banking institutions. They expect climate-neutral financial services, and they are prepared to contribute and share the costs of such services.

Institutional customers, in particular pension funds, foundations and companies, see themselves as partners in their commitment to climate justice. They help to develop new investment and financing solutions and sharpen the banking institutions' guidelines.

The Contribution of Policymakers and Regulators

Policymakers understand climate justice as a common mission, regardless of political affiliation. Banking institutions are legally obliged to adopt a climate-neutral business model: they must measure, disclose and manage the climate risks and impact of financial services based on scientific standards. It is also part of the fiduciary duty of the banking institutions to consider both climate risks and climate related effects of their services. Finally, banking institutions must keep financial flows away from climate damaging activities and steer them towards climate-neutral projects. Banking institutions are encouraged to support new and unconventional projects if they make a decisive contribution to greater climate justice.

Regulators also recognise climate justice as part of the mandate of the Swiss financial sector. They see climate risks as material risks for the financial sec-

tor and the economy as a whole. They issue regulations that demand climate justice from the banking institutions and enforce measures to reach the requirements.

Regulators and politicians advocate for the principles and concepts to be common practise in other countries. They are committed to ensuring that other banking centres follow Switzerland's example.

The Contribution of Education and Academia

The links between money flows, banking and climate change is a standard topic in primary school, training for bank employees and at universities.

During their training, bank employees learn how to advise clients using ecological and climate-related criteria and how to develop climate-neutral financing solutions.

The responsibility of finance and the economy for climate justice plays a central role in economics programmes. Students learn how to manage a financial institution, considering the effects of business activities on society and the environment. For the new generation of managers, it is common practice for financial institutions to take responsibility for climate justice.

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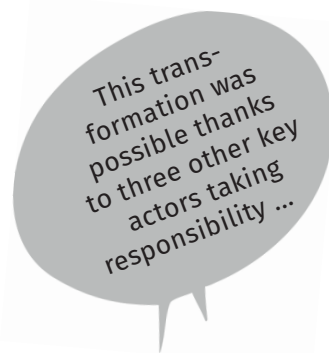
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Banking Institutions and Their Shareholders

Today, all banking institutions in Switzerland take responsibility to tackle climate change and contribute to a climate-neutral economy and society:

- ✓ They have firmly anchored climate justice in all their business activities and in their business models.
- ✓ They regularly review the climate compatibility of all their business activities and disclose the results.
- ✓ They invest in projects and companies that contribute to a climate-neutral economy and society, including small and unconventional pioneering solutions.
- ✓ They exclude environmentally harmful investments.
- ✓ They are supported by shareholders who want their banking institutions to contribute to a climate-friendly world.



1 - Private and Institutional Customers

- ✓ care about the impact of their capital
- ✓ demand climate justice from their banking institutions
- ✓ expect climate-neutral services and share in the additional costs they entail
- ✓ help to develop new investment and financing solutions that contribute to greater climate justice

2 - Policymakers and Regulators

- ✓ legally oblige banking institutions to adopt climate-neutral business models
- ✓ require banking institutions to measure, disclose and manage the climate risks and impacts of financial services
- ✓ engage banking institutions to keep financial flows away from climate damaging activities and to steer them towards climate-neutral projects
- ✓ make it possible for banking institutions to support new and unconventional projects if they contribute to greater climate justice
- ✓ are committed to advocating for other financial centres to follow Switzerland's example



3 - Education and Academia

- ✓ make the links between money flows, banking and climate change a standard topic in schools
- ✓ train employees of banking institutions to advise customers based on ecological and climate-related criteria
- ✓ teach employees of banking institutions to ensure that all savings and investment and financing solutions are climate neutral
- ✓ teach future managers how to run a financial institution responsibly and in a climate-neutral manner

