



J. SAFRA SARASIN



Sustainable Swiss Private Banking since 1841

Sustainable Investing with Bank J. Safra Sarasin

Creating Performance AND Impact

Dr. Jan Amrit Poser, Chief Strategist and Head Sustainability
December 2017

Introduction to Bank J. Safra Sarasin



Ownership: Owned by the Safra family, who are fully committed to private banking and asset management and our long-term strategic objective of focusing on clients, solidity and stability.

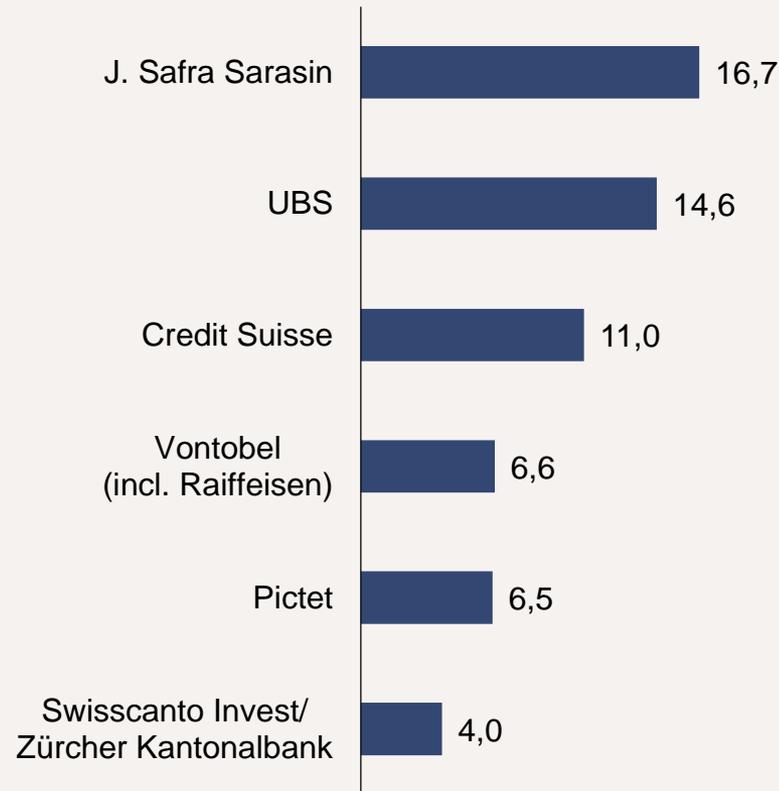
Core Business: As a pioneer and market-leader in the field of sustainable investments, our core business is investment advice and asset management for private and institutional clients. The Group manages total client assets of over CHF 148 billion. It is represented worldwide in over 25 locations in Europe, Asia, the Middle East and Latin America.

Mission: With over 25 years of experience, our asset management is based on a sustainable investment philosophy. Our integrated approach utilises the analysis of financial, social and ecological opportunities and risks.

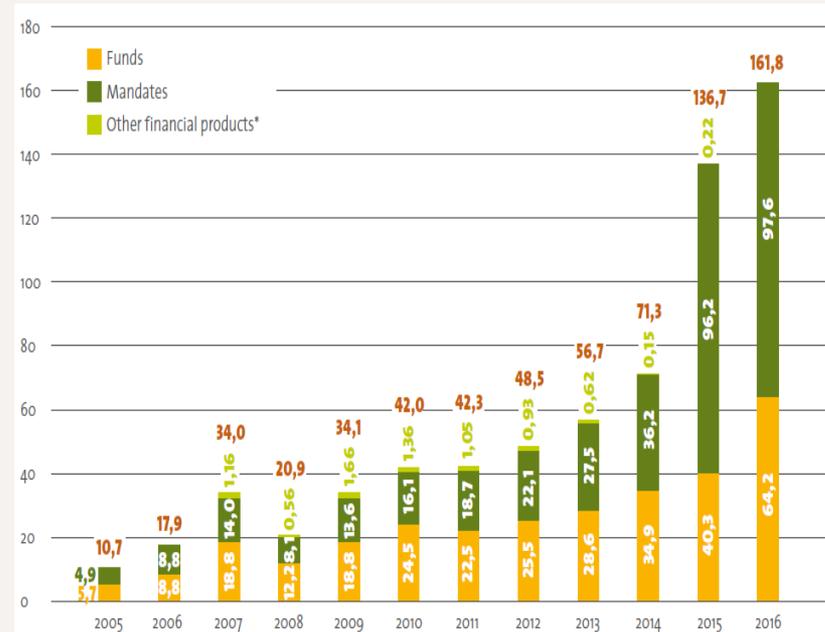
Financial Strength: The Group has a CET 1 ratio of 28% Shareholders' equity is CHF 4.4 billion (as at December 2016).

Bank J. Safra Sarasin is Swiss Market Leader for Sustainable Investments

Market shares of the leading Swiss Asset Managers (in %)



Market Growth in Switzerland



Credit Suisse incl. total assets under custody and administration of assets of responsAbility Investment AG.
 Source: Forum Nachhaltige Geldanlagen / Swiss Sustainable Finance

We Integrate Sustainability and Traditional Analysis



ESG* factors

Environment

- Climate change
- Natural capital
- Pollution and waste
- Environmental opportunities

Social

- Human capital
- Product liability
- Active influence of stakeholders
- Social opportunities

Governance

- Ownership
- Directorate
- Board structure
- Management compensation

*ESG: Environmental, Social and Governance

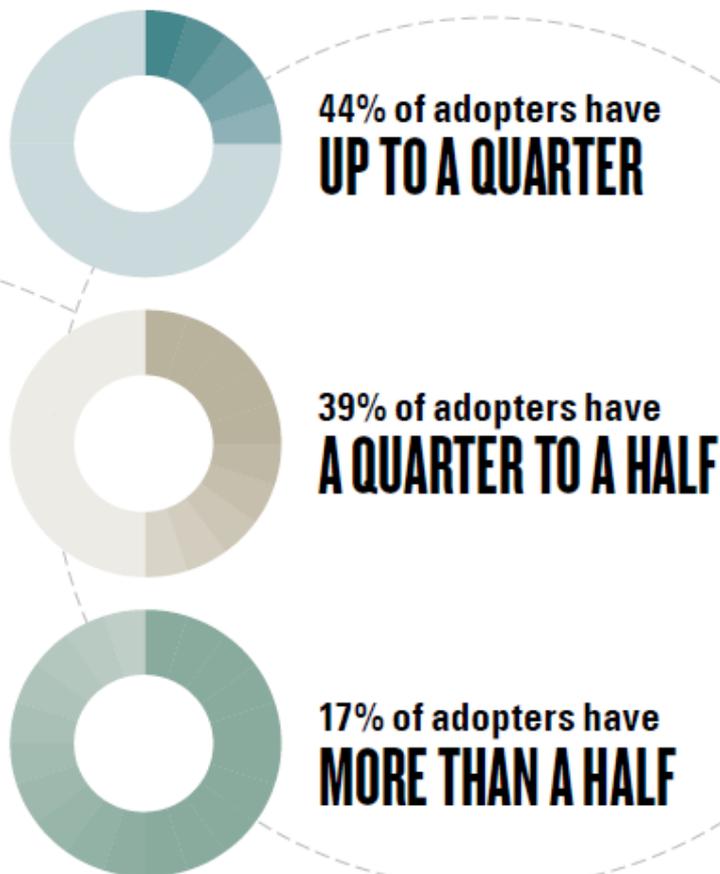
The Investment Case:

Performance...

What do institutional investors say? Findings from the State Street GA survey



What proportion of your overall investments incorporates ESG factors?



ADOPTION DRIVEN BY PERFORMANCE BELIEFS

Broad Uptake

Most institutions (80%) have an ESG component as part of their investment strategies.

Helping Returns

More than two-thirds (68%) say that integration of ESG has significantly improved returns.

Managing Volatility

A large majority (69%) say that pursuing an ESG strategy has helped with managing volatility.

Source: State Street Global Advisors (2017): "Performing for the Future"

Five trends shaping up to dominate the future of our planet



Planetary
Boundaries



Scarcity of
Resources



Accountability



Demographic
Change



Technological
Progress

People, Profits, Planet: Corporate Sustainability requires profits on all three “bottom lines”

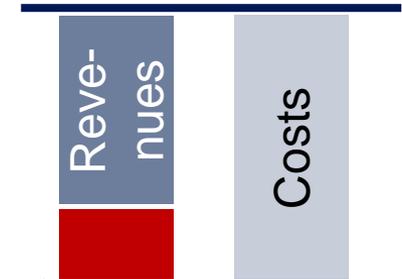
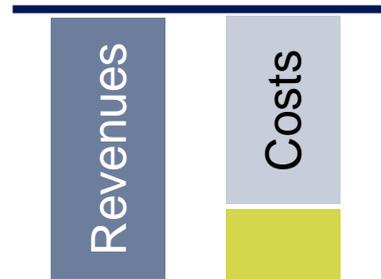
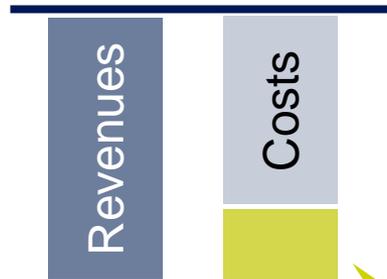
Social Capital



Financial Capital



Environmental Capital



 **Employee loyalty**
Brand attraction

 **Regulations**
Boycotts

Sustainability Has a Direct Impact on Company Performance



Sustainable activities and their impact

Quantitative impact

Sustainable impact

Efficient use of energy and resources

Reduce costs

Higher efficiency

Avoid incidents and accidents

Reduce costs

Better reputation

Innovative environmental friendly products

Higher sales

Low regulatory risks

Quality management

Lower liability risks

Customer loyalty

Prevention of corruption

No fines

Good reputation

Good working conditions

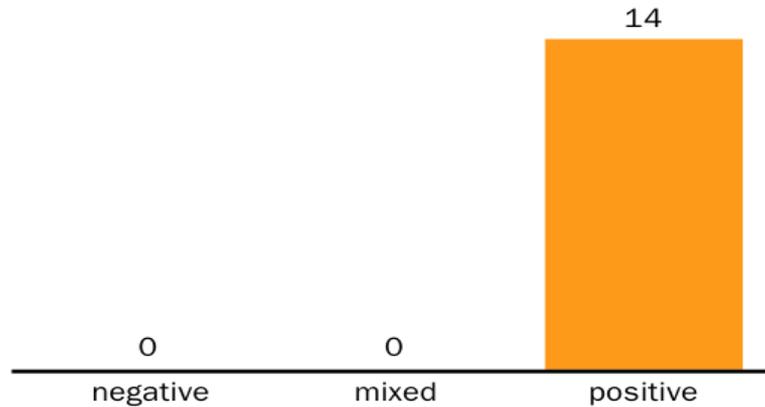
Motivated staff

Reduced fluctuation

Meta-studies find a positive correlation between sustainability and performance

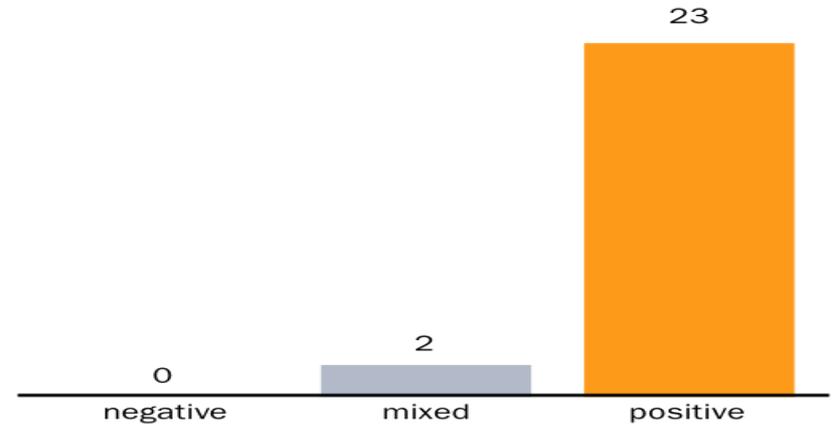
Sustainability and the cost of capital

Number of studies



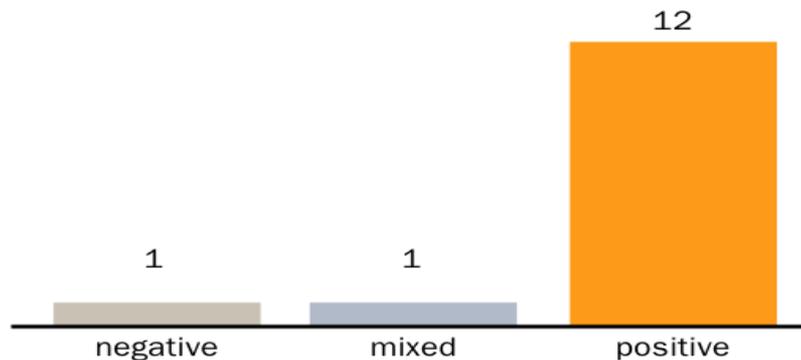
Sustainability and corporate financial performance

Number of studies



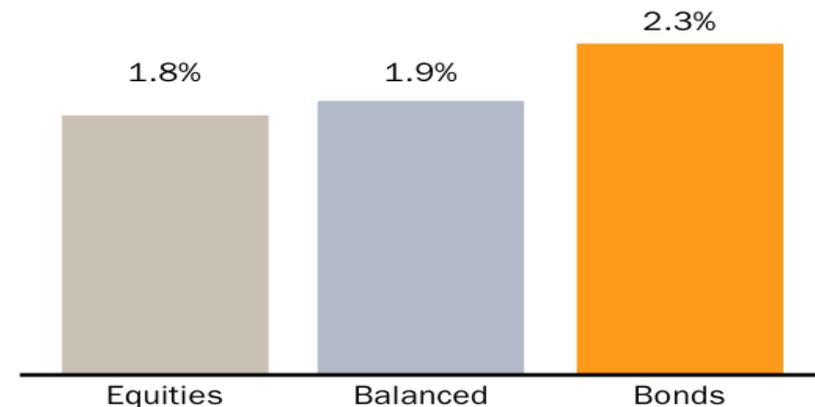
Sustainability and market-based performance

Number of studies



Active returns of sustainability

% p.a.

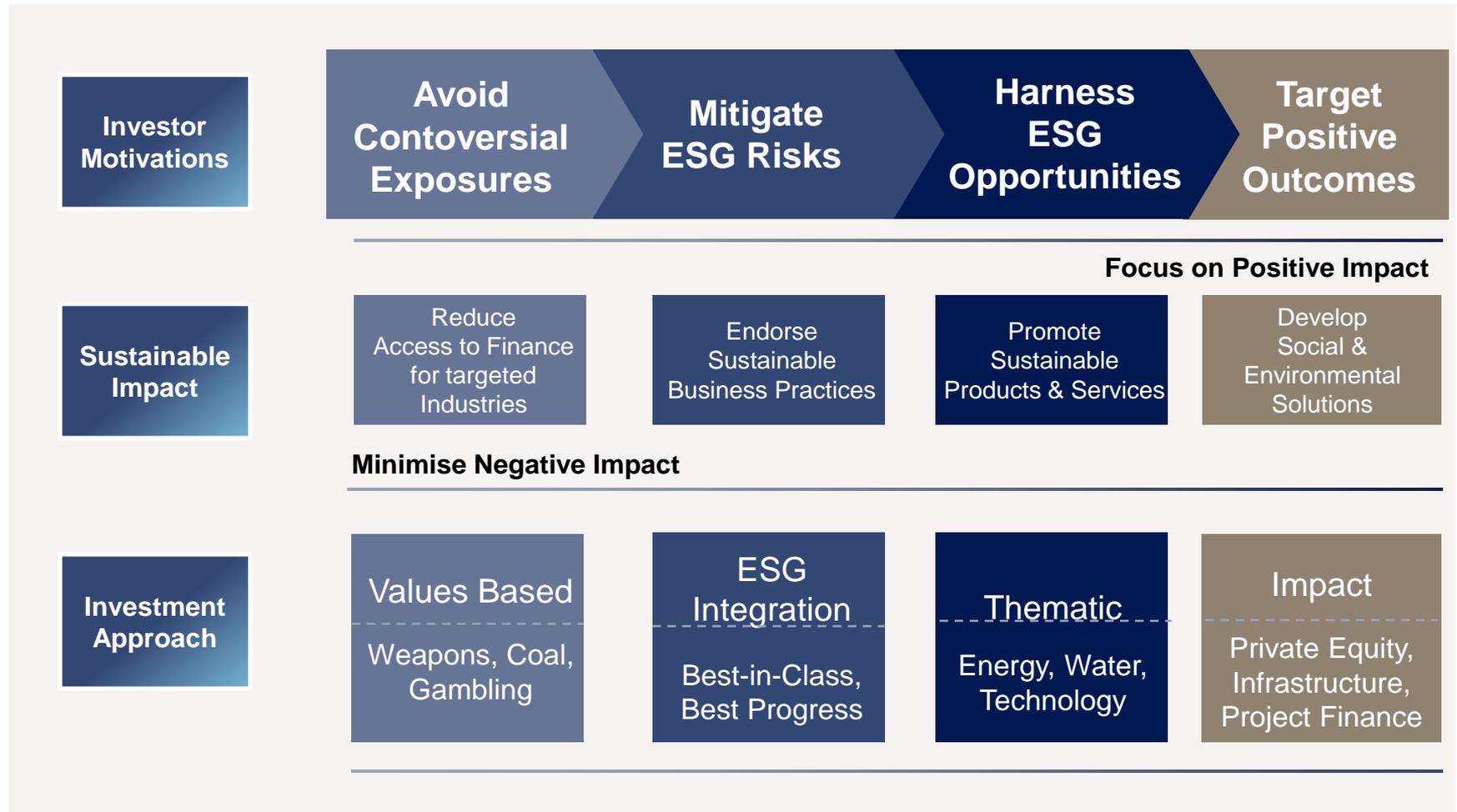


Source: Prof. George Serafeim, Harvard und Mark Fulton, Deutsche Bank, WestLB Research

The Investment Case:

...and Impact

Tailor-Made Sustainable Investment Solutions Driven by Investor Motivations



Sustainable Investments: From niche to mainstream, from filter to impact



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Worldwide action on climate change

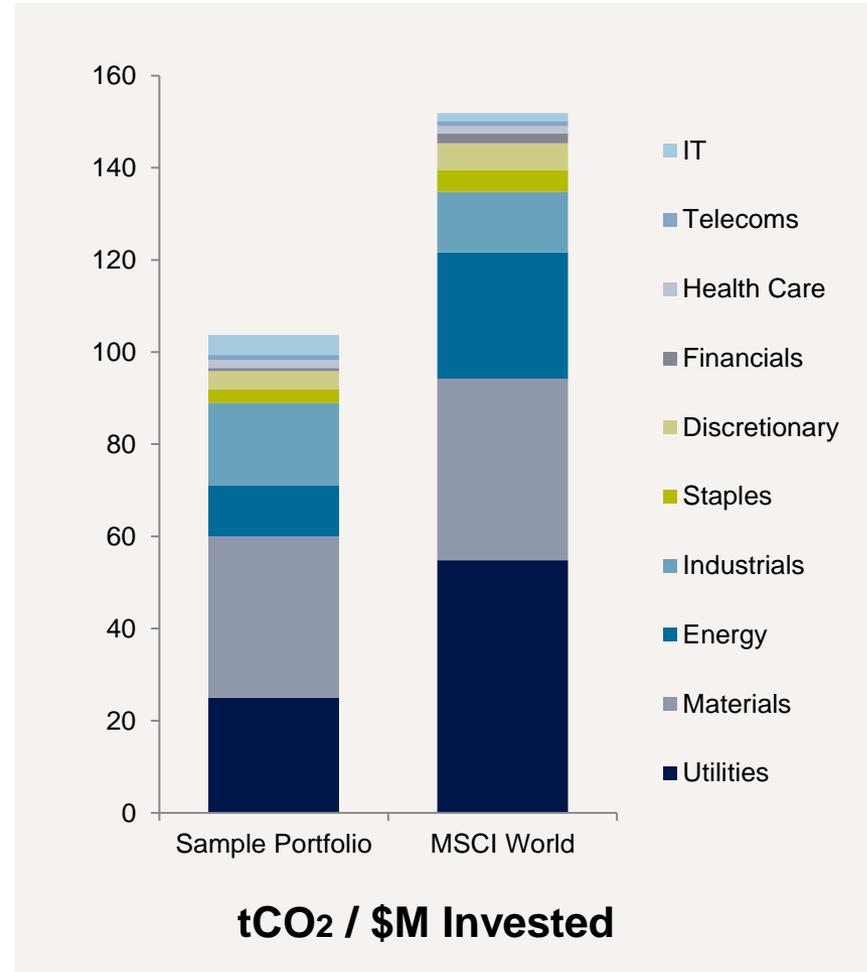
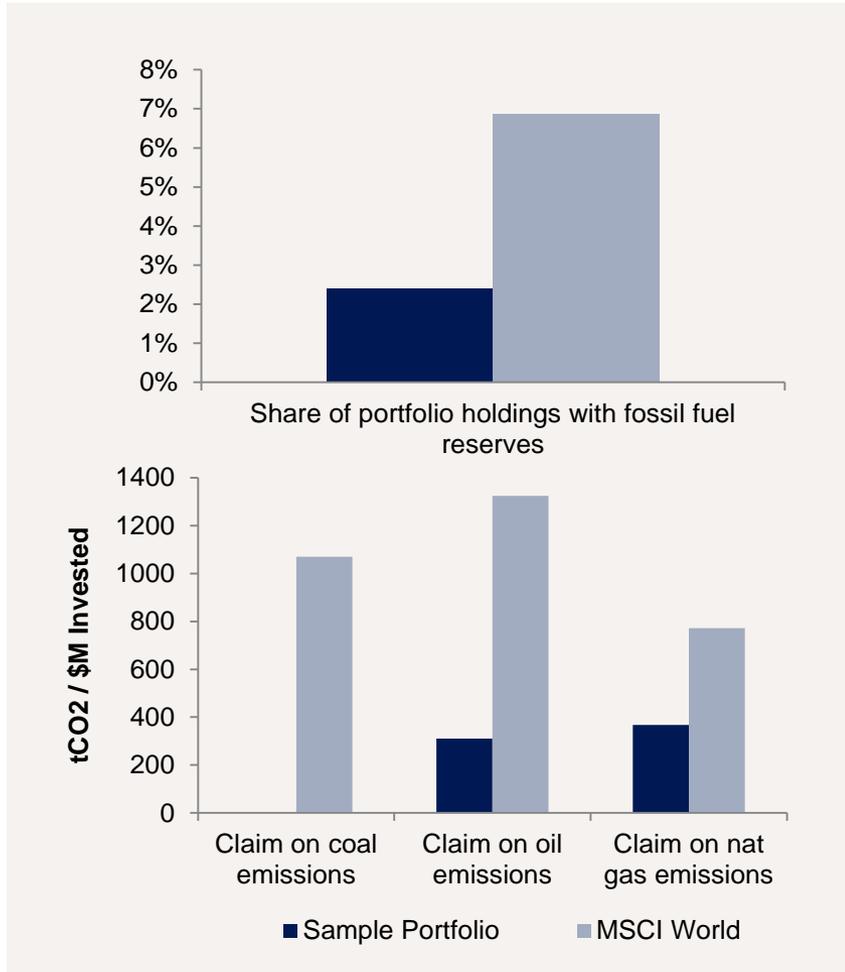


G20 put SDGs & COP21 on the agenda



Climate Portfolio Analysis & Reporting

Our Quality Check



Impact Reporting: Solutions fostering the UN Sustainable Development Goals



The value of solutions delivered in a specific impact area corresponds to the portfolio's claim on equity for every million \$ invested multiplied by the estimated holdings' sales in the corresponding category.

Impact Solutions Examples



Natural Capital



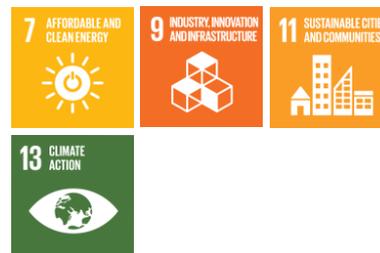
- **Suez Environnement** provides a wide range of services contributing to a safe, clean and resource efficient environment from waste and water treatment to **recycling** through to soil and water decontamination.
- **Xylem** has developed technologies addressing **water stress** and access issues.

Basic Needs



- **Celgene** has implemented equitable pricing policies and **launched capacity building programs** in emerging markets. These initiatives are targeted to priority diseases where the company has expertise, notably tuberculosis and malaria.

Energy Transition



- **Brookfield AM** has implemented stringent requirements across its real estate portfolio which is **70% green certified**. The company also manages renewable energy facilities through a dedicated subsidiary and generates the equivalent electricity consumption of 9 million (European) households/y.

People Empowerment

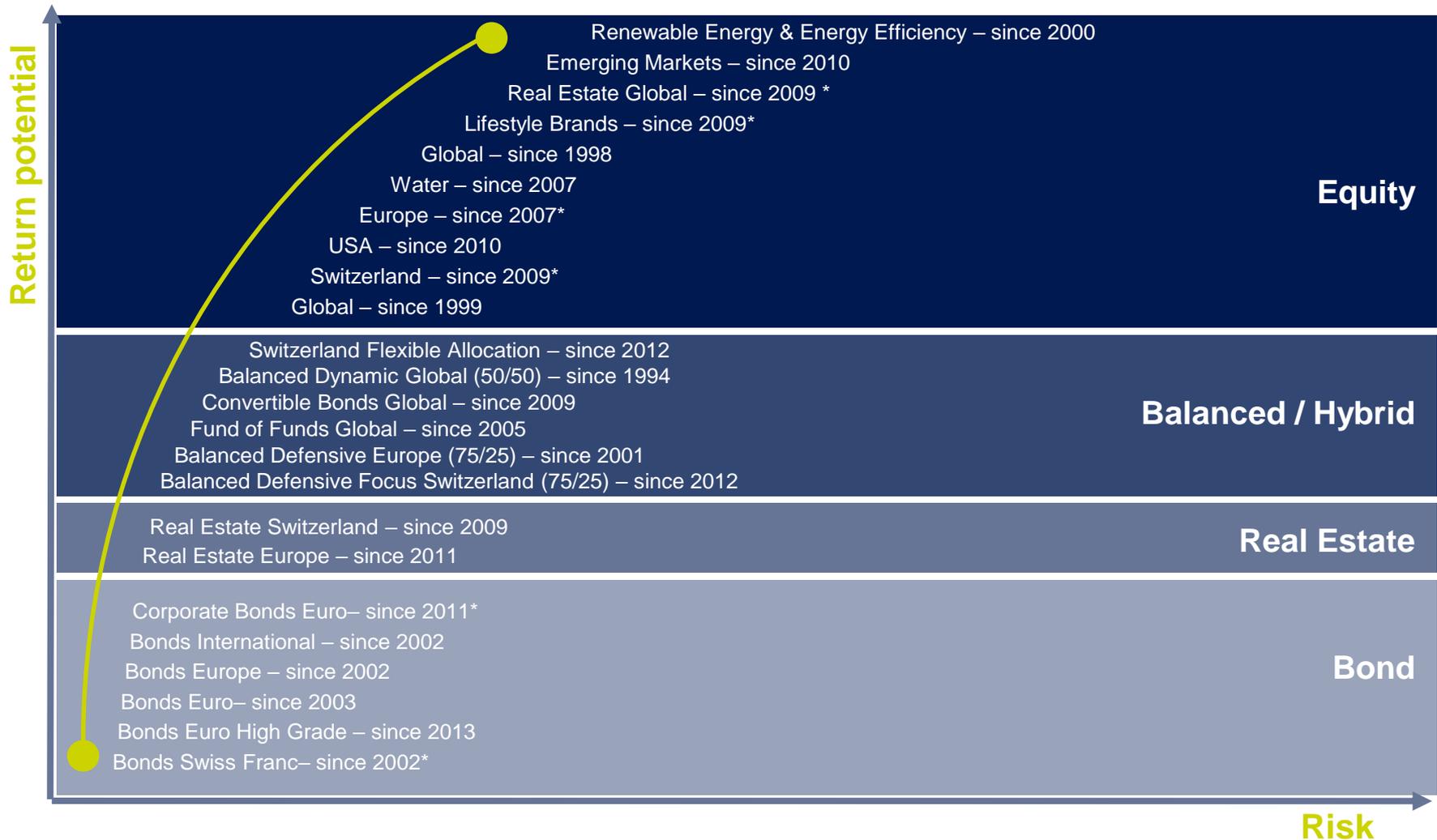


- **Mapfre** offers insurance products (coverage for crops, homes, death, etc.) designed (pricing and distribution) for **low income customers** in Latin American countries.
- **MasterCard** runs financial **education programs** targeting unbanked and under banked populations.

From sustainable living conditions to prosperous societies

Our Offering

Sustainable investments offering at Bank J. Safra Sarasin



Important Legal Information



J. SAFRA SARASIN



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