



University of  
Zurich<sup>UZH</sup>

Department of Banking and Finance  
Center for Sustainable Finance and Private Wealth (CSP)



# ACTIVITIES & OUTLOOK 2018–2019



**WE TRANSFORM  
THE LANDSCAPE.**



**Dr. Falko Paetzold**  
Initiator & Managing Director

How can the world be saved; the SDGs be achieved? It is a difficult question. Some people may find it too audacious. I believe that at the CSP we have to ask ourselves that big question, every day. Launched in 2017, we began to turn the dial in 2018—and move ahead with full steam in 2019. I hope you join us. Some highlights:

1. **Active ownership made a breakthrough.** A group of American nuns switched from excluding gun manufacturers to voting their shares—and got the firearms producer Sturm Ruger to look into gun safety. Active shareholders got BP, Shell, ExxonMobil, and Glencore to consider climate risks. As such, our work on how strategic investors can have impact (p. 17) and on **Can sustainable investing save the world?** (pp. 6 and 15) was in high demand with investors, governments, activists, and academics—as is our work that explores factors that determine investor behavior (p. 14).
2. **Blended Finance attracts strong interest.** Our pilot program “**Blended Finance for Development Finance Agencies**” (pp. 9 and 24) with Social Finance Academy and Convergence was sold out, with participants from—among other agencies—the UN, GIZ, and USAID. We are excited for the course in 2019—and to be launching our **Blended Finance Initiative** (p. 14), scaling up research and training.
3. **Wealth owners push for positive impact.** A total of 23 members of powerful families from around the globe gathered for the fourth iteration of our “**IRI Harvard/CSP Zurich Impact Investing for the Next Generation**” program (p. 26)—and the fifth cohort starts at Harvard in October 2019. A group of especially dedicated wealth owners had a great start with our new, ten-months deep-dive **Accelerator** program (NILA, pp. 8 and 28), building and implementing their impact strategies.
4. **The global impact ecosystem evolves rapidly.** New programs come up strong, and collaborations blossom, like our work with Climate-KIC, toniic, The ImPact, World Economic Forum, Co-Impact, BMW Foundation Herbert Quandt, Katapult, and Nexus.
5. **Banks and advisors show a clear uptick in their desire to learn.** Our report **Sustainable Investing Capabilities of Private Banks** (p. 18) created a great stir with banks, investors, and the media—await the update with >20 banks in 2019! The **Certificate of Advanced Studies in Sustainable Finance** (pp. 10 and 25) now has a waiting list. The pilot program **Sustainable Investing in Wealth Management** (pp. 7 and 27) went very well and I am excited to help advisors practice with test-wealth owners again in 2019.

So—how do we save the world? I believe that it is technologically and economically possible to achieve the 2°C goal of the Paris Agreement and the 17 United Nations Sustainable Development Goals.

I believe that what is needed—from all of us—is the ambition necessary to make it happen. That starts with the right question, and manifests in strategy and action. Let’s do it. Join us—toward impact!

**Dr. Falko Paetzold**, Initiator & Managing Director of the CSP  
Zurich, March 2019

# OUR TEAM



**Prof. Marc Chesney**  
Director, Department  
of Banking and Finance



**Dr. Falko Paetzold**  
Initiator & Managing  
Director



**Dr. Annette Krauss**  
Director of Teaching



**Britta Grünig Castelli**  
Head of Wealth Owner  
Programs



**Taeun Kwon**  
Head of Wealth  
Manager Programs



**Patricia Tovar**  
Event Management  
& Administration



**Nadya Dettwiler**  
Communication &  
Administration



**Dr. Ola Mahmoud**  
Postdoctoral  
Researcher



**Dr. Julian F. Kölbl**  
Postdoctoral  
Researcher



**Dr. Julia Meyer**  
Postdoctoral  
Researcher



**Florian Heeb**  
Doctoral Researcher



**Jonathan Fu**  
Doctoral Researcher



**Dr. Julia Balandina  
Jaquier**  
Senior Fellow



**Dr. James Gifford**  
Senior Fellow



**Björn Strüwer**  
Senior Fellow



**Silvia Bastante de  
Unverhau**  
Senior Fellow



**Prof. Timo Busch**  
Senior Fellow



**Temple Fennell**  
Senior Fellow



**Dr. Emilio Marti**  
Senior Fellow



**Britta Rendlen**  
Senior Fellow



**Dr. David Risi**  
Postdoctoral Fellow



**Alexander Langguth**  
Fellow



**Dr. Céline  
Chi Hae Wong**  
Fellow



**Tiffany Chen**  
Fellow



**Dr. Alessandro  
R. Anastasio**  
Fellow

# OUR MISSION

The Center for Sustainable Finance and Private Wealth (CSP):

- 1) Drives multidisciplinary research into fundamental issues in sustainable finance.**
- 2) Mobilizes its research insights to create a better understanding of sustainable finance within the private wealth ecosystem.**

In order to fulfill its mission, the Center engages in three key areas of activity:

## RESEARCH

In our academic research, we focus on (1) behavioral finance and decision-making (“How do people decide to invest with impact?”) and (2) the real-world impact of different investment approaches (“How to have impact as an investor?”).

In our applied research, we are focusing on (1) sustainable investing capabilities of private banks and, going forward, (2) Blended Finance.

Our work is complemented by market research and specific work in the field of microfinance.

## TEACHING & EXECUTIVE EDUCATION

We enable students, current and future private wealth owners, and investment and banking professionals to engage in sustainable finance.

## OUTREACH & COMMUNITY

We publish key findings in public media, engage with and support other universities and wealth owner groups, and mentor a community of wealth owners.



*“The dynamic first year of the CSP was followed by an even more vibrant second year. Both research and education activities in sustainable finance have been extended. We must now keep the focus and the curiosity high and continue on that path.”*

**Prof. Marc Chesney,**  
Director of the Department of Banking and Finance, University of Zurich;  
CSP Management Board



*“In 2018, sustainability received a lot more attention in financial markets. I am truly excited about this development and the fact that the CSP’s research and executive education contributes to a factual and profound development of the field of sustainable finance.”*

**Dr. Annette Krauss,**  
Director of Teaching at the CSP;  
CSP Management Board



*“The CSP has had a fantastic second year of operations. I am excited about the new deep-dive NILA program for young wealth owners and the new hands-on training program for investment advisors, as well as the strong research agenda. I am looking forward to the years and impact ahead.”*

**Antonis Schwarz,**  
Co-initiator & Anchor Donor of the CSP

# HIGHLIGHTS

## RESEARCH PAPER: CAN SUSTAINABLE INVESTING SAVE THE WORLD?



*“It is time that sustainable investors moved from picking ESG leaders to thinking strategically about the difference they can make in the world.”*

Dr. Julian F. Kölbel,  
Postdoctoral Researcher at the CSP

In a first literature review, CSP researchers investigated how investors can influence listed companies to improve their practices and products and ultimately contribute to the United Nations Sustainable Development Goals (SDGs). The study, entitled “Beyond Returns: Investigating the Social and Environmental Impact of Sustainable Investing”, provides concrete recommendations for investors who want to drive change, including increasing shareholder engagement activities and carefully choosing companies and markets where capital makes a difference. The study also suggests how these investor impacts could be measured in the future. By February 2019, the paper was already a subject of discussion for legislators and public and private investors and had been downloaded hundreds of times from the Social Science Research Network (SSRN), where it consistently ranked among the top 10 percent of contributions to the SSRN platform.

### Beyond returns: Investigating the Social and Environmental Impact of Sustainable Investing

Julian F. Kölbel<sup>1,2</sup>, Florian Heeb<sup>2</sup>, Falko Paetzold<sup>2</sup>, Timo Busch<sup>2,3</sup>

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This version: November 2018

#### Abstract

While many studies have examined the financial performance of sustainable investing (SI), little is known about the social and environmental impact of SI. We address this research gap in a multi-disciplinary literature review. We begin by developing a definition of investment impact, and a framework that clarifies the relationship between an investor’s impact on a company and a company’s impact on the real world. Focusing on investor impact, the literature review brings together evidence on three mechanisms: shareholder engagement impact, capital allocation impact, and indirect impacts. We find direct evidence that investors can affect companies through shareholder engagement, especially when the costs of demanded reforms are low, investors wield influence, and companies have prior experience with engagement. We find only indirect evidence for the capital allocation impact, yet studies indicate that this impact is more likely when SI investors hold a large market share, deviate strongly from the market portfolio, and focus on assets that are hard to substitute. The capital allocation impact is also more likely when companies depend on external financing for growth, and when the cost of conforming with the expectations of SI investors is low. Indirect effects, where investors rely on intermediaries to influence companies, have little support in the literature. Our results suggest that investors can increase their impact by expanding engagement efforts, by focusing on widely shared priority issues, making sure these issues are assessed consistently, and by targeting markets where external capital is a limiting factor.

JEL Classification: A13, G11, G12, Q51, Q56

Keywords: Sustainable Investment; Impact; Causality; Literature Review; Sustainability

#### Acknowledgments:

We gratefully acknowledge financial support from the Luc Hoffman Institute. We thank James Gifford, Jonathan Krakow, Vincent Wolf, Alex Barkawi, Britta Rendlen, Emilio Marti, Raj Thamoteram, Tillmann Lang, Julia Meyer, David Wood, and Florian Berg for valuable input and discussions. We would also like to thank participants of the Luc Hoffmann Institute workshop “Shareholder Activism for Sustainability” on May 28, 2018, and of the Yale Initiative on Sustainable Finance Symposium 2018.




*“The program received really positive feedback from participants— not because we provided them with all the knowledge and tools they need, but because it inspired and pushed them to engage with their clients on sustainable investing. Many of the participants are now spearheading sustainable investing in their own organization.”*

Taeun Kwon,  
Head of Wealth Manager Programs  
at the CSP

## SUCCESSFUL “SUSTAINABLE INVESTING IN WEALTH MANAGEMENT” PROGRAM LAUNCH

The “Sustainable Investing in Wealth Management” program was launched in November 2018 as a hands-on executive education program for client advisors and staff at private banks and family offices. The program consists of content sessions and discussions with academics and industry experts. Real high-net-worth individuals share their personal experiences and participants practice client discussions with these test clients.

Next program iteration: June 13 to 14, 2019.

 **University of Zurich** UZH

Department of Banking and Finance  
Center for Sustainable Finance and Private Wealth

Executive Education

# Sustainable Investing in Wealth Management

Center for Sustainable Finance and Private Wealth (CSP)  
University of Zurich  
Department of Banking and Finance

Program  
June 2019

## “NEXTGEN IMPACT LEADERSHIP ACCELERATOR” PROGRAM LAUNCHED

Many members of wealthy families who aspire to engage more deeply in impact investing do not feel sufficiently equipped or are not sure where to start. For these reasons, and in response to demand from CSP alumni wealth owners, the CSP—in partnership with Dr. Julia Balandina Jaquier—launched the “NextGen Impact Leadership Accelerator” (NILA) program in August 2018. This ten-month fellowship program is designed to catalyze wealth-owning families’ engagement in impact finance. The first modules were conducted in Zurich and Cape Town, during which the first cohort of six NILA fellows began their journey of acquiring the knowledge, skills, practical experience, and confidence they need to become leaders in the impact investing space.



### NEXTGEN IMPACT LEADERSHIP ACCELERATOR (NILA)

2019 - 20 Program

build impact investment skills, fine-tune and implement your strategy

10-month innovative capacity-building program for aspiring impact investors

Includes:

- 5 practice-oriented modules undertaken in small groups, tailored to your needs and covering the whole cycle of impact investing
- Individual coaching and consulting, focused on your strategy and goals
- 3-6 month internship at an impact investment organization (optional)
- Peer mentoring
- Learning journeys to emerging markets
- Deep dives into areas of interest
- Peer networking and ecosystem tour



*“Thanks to the engagement of our Founding Fellows, the NextGen Steering Committee, and the Advisory Board, NILA was successfully piloted this year in partnership with the CSP and continues to go from strength to strength. We designed the program as a way for participants to build their skills, gain practical experience in the field, and grow as individuals and leaders, helping them catalyze wealth for impact. We are encouraged by the development we have seen in our fellows to date.”*

**Dr. Julia Balandina Jaquier,**  
NILA Co-founder and Executive Director;  
Founder, JBJ Consult;  
Senior Fellow at the CSP



*“From my perspective of a university unit working closely with wealth owners, NILA is a critical next step in the training landscape for wealth owners that want to fully attain the hands-on expertise necessary to become successful impact investors. Alumni can be beacons for their families and communities.”*

**Dr. Falko Paetzold,**  
Initiator & Managing Director of the CSP;  
NILA Co-founder





*“Blended Finance has become THE hot topic in donor communities today. There is a strong drive to truly understand and apply innovative approaches. This is what our unique program is all about: empowering public and private sector actors to collaborate effectively and create maximum impact.”*

**Björn Strüwer,**  
Founder & CEO, Roots of Impact GmbH;  
Senior Fellow at the CSP

## FULL HOUSE AT THE BLENDED FINANCE PROGRAM LAUNCH

How can development agencies and foundations effectively attract private sector investment to finance the SDGs? In 2018, the CSP, the Social Finance Academy, and Convergence partnered to answer this burning question via a unique, practice-driven three-day program “Impact Investing & Blended Finance for Development Agencies & Foundations” (IIBF), targeted at providers of concessional capital. The aim: empowering high-impact enterprises with market-based solutions to scale up and deliver positive impact in a sustainable way. The program, at University of Zurich (UZH), was sold out, attracting 25 executives from across the globe from organizations such as UNDP, USAID, GIZ, the Swiss Re Foundation, Caritas, and program supporter the Swiss Agency for Development and Cooperation.

Next program iteration: August 28 to 30, 2019.

## NEW PARTNERSHIP WITH CO-IMPACT: CSP ALUMNI ENGAGE ALONGSIDE BILL GATES

We are very excited about our partnership with Co-Impact—a new, global philanthropic collaboration whose core partners are Bill and Melinda Gates, Jeff Skoll, The Rockefeller Foundation, Richard Chandler, and Rohini and Nandan Nilekani. Co-Impact focuses on systems change in order to improve the lives of millions of people around the world and recently announced its first-round grant portfolio, awarding over USD 80 million across five initiatives in the areas of health, education, and economic opportunity. We partner on events and research and have a group of alumni who have joined the Co-Impact Community.



*“I am thrilled that Co-Impact is partnering with CSP. Our joint convening before Davos highlighted how important it is for wealth holders to have an impact, whether through their philanthropy or through impact investing. We are excited to be working with CSP to share our own learnings around systems change philanthropy with their broad network and to be bringing the work of CSP on sustainable finance to the Co-Impact Community.”*

**Silvia Bastante de Unverhau,**  
Chief Philanthropy Officer, Co-Impact;  
Senior Fellow at the CSP



*“Based on the feedback from our first cohort of CAS alumni, we worked further on the content and structure of our courses. It was wonderful to experience that, in 2018, our efforts resulted in great success, as shown in even better course evaluations, positive individual feedback received from participants, and rapidly growing participant numbers.”*

Dr. Julia Meyer,  
Postdoctoral Researcher at the CSP

## CAS IN SUSTAINABLE FINANCE SURPASSES ALL TARGETS

Already in its third year, in 2018 the Certificate of Advanced Studies (CAS) in Sustainable Finance reached record heights with regard to enrollments and a waiting list is in place for 2019 courses. The program enables finance professionals to build sound knowledge of the broad range of methods and topics of sustainable finance. A total of 22 professionals graduated from the second and third cohorts with a CAS (UZH) in Sustainable Finance in 2018. Through its alumni network, which also includes around 336 professionals who took the individual courses we have offered since 2010, the program contributes to making sustainability a mainstream topic in the Swiss financial market.

## MORE SUSTAINABLE FINANCE COURSES FOR UNIVERSITY STUDENTS

In 2018, the CSP continued to work with the Department of Banking and Finance and the Faculty of Business, Economics and Informatics to introduce Sustainable Finance as a new study specialization in the Master in Banking and Finance. Two new classes started in the fall semester 2018; three more are scheduled to start in spring 2019. A demand survey conducted among current students in the Assessment year (the first year of the Bachelor program), in the Bachelor program, and in the Master program highlights a keen interest in the new study specialization, which is scheduled to be put in place as part of the next reform of the UZH Faculty Study Regulations.



*“It is an exciting time to be working with the Department and Faculty, introducing Sustainable Finance as a study specialization in the Master in Banking and Finance. We are introducing a unique and far-reaching curriculum that goes much further than anything I have seen in other university programs.”*

Dr. Annette Krauss,  
Director of Teaching at the CSP



*“Nobody inherits a meaningful life. We are thrilled to introduce next gens to key impact investing concepts, skills, markets, ecosystem players, communities, social entrepreneurs, and hubs globally. Together, we can create meaningful lives for the maximum number of beings on our planet.”*

Britta Grünig Castelli,  
Head of Wealth Owner Programs at the CSP

## EXCURSIONS TO KENYA, RWANDA, AND SOUTH AFRICA

A key strength of sustainable finance and impact investing is the opportunity to experience the positive impact that investors can have in the real world. Our Impact Investing Excursions are designed specifically to enable current and future private impact investors to learn about the realities of the local entrepreneurial landscape, to meet potentially interesting investees, and to get a truly immersive, hands-on, and fun insight into impact investing on the ground. As part of our Wealth Owner Programs, we led excursions to Kenya in February, Rwanda in June, and South Africa in November 2018, on which we were accompanied by two dozen impact investors from the US, Central America, LatAm, Europe, and Asia and met more than 35 social entrepreneurs.

For our upcoming excursions in 2019 and beyond, please contact Britta Grünig.

## TEAM EXTENDED!

In 2018, we extended our team to include three new talents: Dr. Ola Mahmoud, Patricia Tovar, and Nadya Dettwiler. Ola's research focuses on behavioral finance and she will be investigating the behavioral economics of sustainable investing. Patricia developed her passion for sustainability at the Swiss Federation of Travel Agencies where she led the Federation's sustainability work for the past six and a half years. She now manages CSP events and administration. Nadya brings with her working experience at Credit Suisse and UZH and has taken over the Center's communication work.



*“There is huge potential in the field of behavioral sustainable finance. I am very excited to be joining the passionate and dedicated CSP team to work toward understanding the behavioral drivers and barriers of sustainable investing. This research line integrates best practices in terms of thorough academic quality and practical impact, with the ultimate goal of moving capital toward sustainability.”*

**Dr. Ola Mahmoud,**  
Postdoctoral Researcher at the CSP



*“Every aspect of life affects the environment. Bringing people together through events is both a part of my life and my passion. I am driven to live my passion in a way that respects environmental sustainability.”*

**Patricia Tovar,**  
Event Management & Administration  
at the CSP



*“I am proud to be part of the CSP team, with its unique way of enabling and facilitating engaged individuals to have an impact.”*

**Nadya Dettwiler,**  
Communication & Administration at the CSP

# RESEARCH

At the CSP, we study the phenomenon of sustainable finance from various angles. In 2018, we furthered our academic research focus on behavioral finance and decision-making, as well as our focus on impact management. In regard to our applied research, we target in particular the sustainable investing capabilities of private banks, which are a key intermediary in financial markets. We also run market studies and projects on microfinance, and in 2019 will develop work on another promising approach — Blended Finance. We continue to leverage our unique access to the wealth owner community and strive to produce research outcomes that combine academic rigor with practical relevance.

**10**

Academic publications

**136**

Citations

**3**

Practitioner publications

## OUTLOOK ON BEHAVIORAL FINANCE RESEARCH

The academic and practitioner-oriented literature has paid significant attention to the incorporation of sustainability criteria into investment decisions. However, we are still far from a comprehensive understanding of the behavioral parameters that lead people to invest their holdings in a sustainable manner. There is a huge potential for groundbreaking insights into behavioral sustainable finance. At the CSP, our research integrates best practices in terms of academic quality and practical applicability.

To that end, our research seeks answers to the following questions:

- How much are investors willing to pay for sustainable investing?
- What are the behavioral drivers and barriers leading them, respectively, to invest or refrain from investing sustainably? And
- How do we use behavioral insights gained from our research to nudge investors toward sustainability?



*“To unlock the full potential of sustainable investing, it is crucial to understand what drives investors to choose sustainable options and how they integrate the impact of these options into their decision-making.”*

Florian Heeb,  
Doctoral Researcher at the CSP



*“We are excited to be among the first to conduct academic research on Blended Finance and to work together with Roots of Impact, one of the leading actors on the topic.”*

Taeun Kwon,  
Head of Wealth Manager Programs at the CSP

## INITIATIVE FOR BLENDED FINANCE

The Initiative for Blended Finance will be a partnership between UZH, the CSP, the Swiss Agency for Development and Cooperation, the Social Finance Academy, and other academic, public, and private partners. It will act as a global competence center for the practical and effective application of Blended Finance for sustainable development and will bundle applied research, publications, and executive education around Blended Finance. The focus will lie on the effectiveness of different approaches and instruments, success factors for mobilizing the private sector, and aligning the interests of involved stakeholders. The first research project has already started. In addition, the executive education program, IIBF, which was launched by the CSP, the Social Finance Academy, and Convergence in 2018, will run under the umbrella of this initiative in the future.

## CAN SUSTAINABLE INVESTING SAVE THE WORLD?

In a comprehensive literature review, CSP researchers have investigated how investors can influence listed companies to improve their practices and products and ultimately contribute to efforts to achieve the SDGs. Shareholder engagement, where investors use their privileged position to—in direct dialogue—encourage positive change, emerges as the most reliable approach. At the same time, allocating capital to sustainable companies (and away from non-sustainable companies) can work under specific conditions, including for example when investors represent a large share of the market and the targeted company depends on external financing. Finally, there is little evidence for the effectiveness of indirect effects, including for example the effect of publicly announcing the exclusion of a certain industry.

The study provides concrete recommendations for investors who want to drive change. First of all, it emphasizes that investors should not only pay attention to the impact of companies on the world, but should also consider their own impact on those companies. To realize this “investor impact”, investors should increase shareholder engagement activities and carefully choose companies and markets where capital makes a difference. The study outlines further research steps toward measuring investor impact in the future.

Even though the study is only at working paper stage, it has gained a lot of traction in the investment community. The results have been presented to private and institutional investors at five different events and this has resulted in numerous follow-up conversations. The online version of the paper is—with its abstract viewed over 1,000 times and with over 300 downloads—in the top 10 percent of papers on the SSRN platform.



*“It is time that sustainable investors moved from picking ESG leaders to thinking strategically about the difference they can make in the world.”*

Dr. Julian F. Kölbel,  
Postdoctoral Researcher at the CSP

### Beyond returns: Investigating the Social and Environmental Impact of Sustainable Investing

Julian F. Kölbel<sup>1,2</sup>, Florian Heeb<sup>2</sup>, Falko Paetzold<sup>2</sup>, Timo Busch<sup>2,3</sup>

<sup>1</sup>MIT Sloan, Cambridge MA, USA

<sup>2</sup>University of Zurich, Department of Banking and Finance, Center for Sustainable Finance and Private Wealth (CSP), Plattenstrasse 32, 8032 Zürich, Switzerland

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*“Increasingly, we see investors assessing the carbon impacts and climate risks of their portfolios. Reliable data about greenhouse gas emissions is viable for such assessments. Yet we are able to show that the consistency of such data needs to be improved and, at the same time, the scope of data availability needs to be broadened.”*

**Prof. Timo Busch,**  
Full Professor, School of Business Economics  
and Social Science of the University of Hamburg;  
Senior Fellow at the CSP

## CORPORATE CARBON AND FINANCIAL PERFORMANCE

This study investigates the consistency of corporate carbon emission data among a set of prominent global data providers. It compares the coverage of corporate CO<sub>2</sub>-equivalent emissions, matching data for the same firms from seven data providers, including Bloomberg, CDP, ISS ESG, MSCI, Sustainalytics, Thomson Reuters, and Trucost. The comparative analyses show that when outliers are removed from the data samples, data concerning scope 1 and 2 emissions provides a rather homogeneous picture. Notably, a high level of consistency can be achieved when data gathering and reporting practices follow the GHG Protocol. While the consistency of estimated data is—as can be expected—lower compared to reported data, the different estimation methods being applied seem to close data gaps in an adequate manner. The biggest inconsistencies emerge from scope 3 emissions data—for both reported as well as estimated data. Based on the empirical results, the report raises several general issues that explain the prevalent inconsistencies in data collection. These insights are useful for a range of stakeholders, including private wealth owners using such data.

### RESEARCH AND ANALYSIS

## Corporate Carbon and Financial Performance

### A Meta-analysis

Timo Busch and Stefan Lewandowski

School of Business, Economics and Social Science of the University of Hamburg, Germany

#### Keywords:

business case  
carbon performance  
corporate environmental  
performance  
corporate financial performance  
industrial ecology  
performance measurement  
characteristics

Supporting information is linked to this article on the JIE website

#### Summary

We use meta-analytical techniques to address the question “When does it pay to be green?” Existing meta-studies in this research field cover a range of ecological issues and synthesize a variety of environmental performance measurements. This precludes a detailed examination of how differences in measurement approaches account for variations in empirical results. In order to conduct such an examination, we focus on only one ecological issue, climate change, and one particular operational performance dimension: corporate carbon performance as expressed by a firm’s level of carbon dioxide (CO<sub>2</sub>) emission equivalents. Our sample comprises 68 estimations from 32 empirical studies, covering a total of 101,775 observations. In addition to our examination of the causal relationship, we analyze whether differences in operationalizations of carbon performance and financial performance pre-determine empirical outcomes. The meta-analytic findings indicate that carbon emissions vary inversely with financial performance, indicating that good carbon performance is generally positively related to superior financial performance. The results show that relative emissions are more likely to produce statistically significant results than absolute emissions. Furthermore, market-based measures of financial performance are more positively related to carbon performance than accounting-based measures. We conclude that measurement characteristics, which were not analyzed in detail by previous meta-studies, may present a great source of cross-study variability.

#### Introduction

The relationship between corporate environmental and financial performance has received substantial attention in research on business and the natural environment (Hoffman and Georg 2013) and is closely associated with the question “Does it pay to be green?” (Hart and Ahuja 1996). A large body of empirical work suggests that good environmental performance is aligned with superior financial performance (e.g., Al-Tuwaijri et al. 2004; Konar and Cohen 2001), whereas several other

studies provide contradictory results which support a neutral or even negative relationship (e.g., Wagner et al. 2002; Wang et al. 2014). The presence of conflicting findings generally supports earlier work by King and Lenox (2001) who argue that it is more important to ask “When does it pay to be green?” than “Does it pay to be green?” Indeed, several studies have adopted meta-analytical techniques in order to address this question (e.g., Albertini 2013; Dixon-Fowler et al. 2013; Endrikat et al. 2014).

**Conflict of interest statement:** The authors have no conflict to declare.

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© 2017 by Yale University  
DOI: 10.1111/jiec.12591

Volume 22, Number 4

Editor managing review: Charles Corbett

www.wileyonlinelibrary.com/journal/jie

Journal of Industrial Ecology 745





*“In 2018, we have spent more than 50 days observing interactions at the engagement fund and we have conducted more than 60 interviews. We are currently analyzing our data and hope to provide some initial insights in early 2020.”*

**Dr. Emilio Marti,**  
Assistant Professor, Rotterdam School  
of Management; Senior Fellow at the CSP

## SITTING AT THE TABLE WHEN SHAREHOLDERS ENGAGE WITH COMPANIES

The mechanisms of how shareholders can influence companies to advance toward social and environmental sustainability remain unexplored because they operate behind closed doors. In January 2018, the CSP started a research project that explores shareholder engagement as a driver of sustainability.

The project was initiated by CSP Senior Fellow Dr. James Gifford and CSP Managing Director Dr. Falko Paetzold, and is co-led by Dr. Emilio Marti, Assistant Professor at the Rotterdam School of Management and Senior Fellow at the CSP, and Tanja Ohlson, Doctoral Student at the University of Oxford.

The project explores how investment firms interact with companies and how such interactions can make companies’ strategies and operations more sustainable. To explore these issues, the two researchers have been conducting a team ethnography at a London-based investment firm that specializes in shareholder engagement. Specifically, from January 2018 to December 2020, the two researchers spend around 200 days in the offices of the investment company and are also present when the investment firm engages with companies. By observing the shareholder engagement process close-up, the research project will produce novel insights into how and when shareholders can make companies more sustainable. First insights from the study will come out in early 2020.

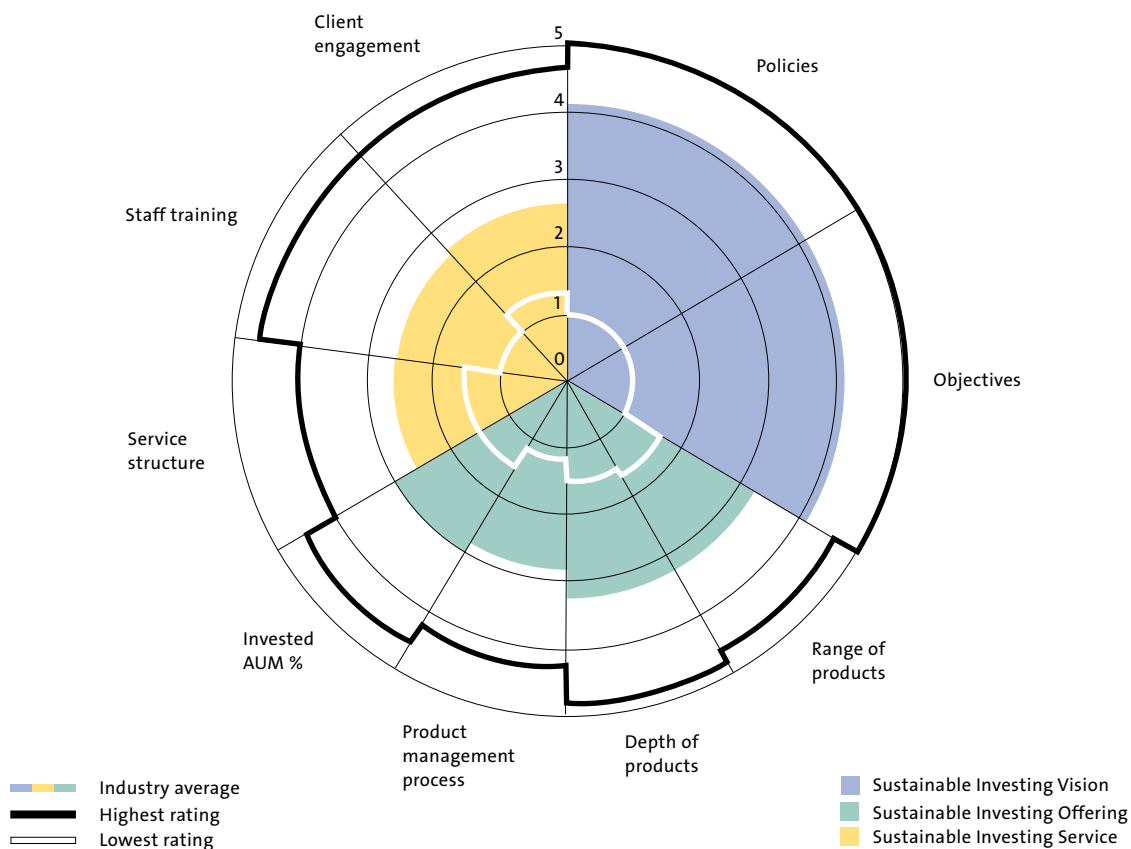
## “SUSTAINABLE INVESTING CAPABILITIES OF PRIVATE BANKS” REPORT LAUNCHED AND SCOPE BEING EXTENDED

One of the key aspects of the CSP is to produce research that is relevant to the real world. Which is why, in September 2018, it launched the report “Sustainable Investing Capabilities of Private Banks.” This is a study of 15 European private banks, with the intention of shedding light on who talks the talk and who walks the walk.

Both wealth owners and wealth managers have reacted positively to the study. The CSP has been invited to the annual events of networks such as toniic, as well as to several private banks to present the results in greater detail. CSP’s engagement activities following the report’s publication illustrate our commitment to creating change by producing relevant knowledge.

In 2019, we are expanding the report’s scope to include even more European banks for our next round and aim to launch a pilot study on North American banks.

Overall results: Sustainable Investing Capabilities of Private Banks



## RESEARCH COLLABORATION WITH TONIIC



Toniic is a global action community for particular types of impact investors—namely, individuals, family offices, foundations, and funds. The CSP works closely with the toniic 100% Impact Network (T100), a growing community that includes more than 130 individuals representing 85 families and members globally with cumulative committed capital of approximately USD 4.5 bn. Launched in 2017, our collaboration includes multiple elements:



*“We are thrilled that this research will benefit not only the academic community, but also practitioners.”*

**Dr. Charly Kleissner,**  
Toniic Co-founder & Chief Strategist  
of Toniic’s 100% Impact Network

**Research:** The CSP works on academic research papers based on survey, interview, and portfolio data from toniic members, together with Prof. Timo Busch and Sarah Carroux from the University of Hamburg and Prof. Sebastian Utz and Julia Bahlmann from St. Gallen University. We also supported the 2018 toniic report “T100: Powered Ascent”, which is based on data from 76 private portfolios totaling USD 2.8 bn in committed capital.

**Research Consortium:** The CSP has established a group that will explore, over the coming years, how to improve the data gathering process continuously, how to engage in joint research projects, and how to expand and share the available data. Members of the toniic T100 Research Consortium:

Falko Paetzold (Chair)	University of Zurich
Karim Harji	Oxford University
Katherine Klein	Wharton
Michael Norton	Harvard Business School
Paul Smeets	Maastricht University
Shawn Cole	Harvard Business School
Timo Busch	University of Hamburg
Tine Fisker	University of Cape Town

## RESEARCH COLLABORATION WITH THE IMPACT

The ImPact, founded by members of families including the Rockefellers and the Pritzkers, is a community of families who align their investments with their values. In 2017, the CSP joined forces with The ImPact to investigate the impact investing interests and activities of private wealth owners.



**THE IMPACT**

In close collaboration with Sarah Carroux from the University of Hamburg, we designed and ran a survey specifically tailored to families engaged in impact investing. The project explores (1) which financial products and services families desire but cannot find in the impact investing marketplace, and (2) opportunities for financial intermediaries to better serve families’ needs. The first results will be released in 2019.

Our research partnership is the first of its kind and presents unique opportunities for both academics and practitioners. Academics finally get access to the invaluable qualitative and quantitative data needed to effectively conduct academically rigorous research on topics related to private wealth and sustainable finance. This, in turn, provides practitioners—from investors to banks and fund managers—with the insights they need to expand capital deployment for impact.



*“The research collaboration with The ImPact exemplifies what is becoming known as engaged scholarship. To change the face of finance, academics must engage with practitioners in this field, as they hold knowledge invaluable for academic research directed at facilitating a financial paradigm shift.”*

**Sarah Carroux,**  
Doctoral Researcher, University of Hamburg

## OUR RESEARCH KPIS

KPI	Value 2018	Description
Peer-reviewed articles	5	The number of peer-reviewed articles is a measure of the scientific output we were able to generate. As the publication process can take time, the number reflects the scientific output of the last several years.
Academic book chapters	5	Besides peer-reviewed journals, we also publish some of our findings in academic book form.
Academic working papers	2	Before our work is published in peer-reviewed journals, we regularly release our insights as academic working papers. Hence, this indicator reflects our most recent scientific output.
Practitioner publications	3	We regularly release publications targeting finance professionals and investors. This indicator reflects how actively we disseminate our scientific insights to practitioners.
Cumulative citations	136	The cumulative citations figure measures how often our publications have been referred to in peer-reviewed journals. It is an indicator of the influence our work has had on scientific discourse.
Average impact factor	2.7	The average impact factor of our publications is a metric for the influence of the scientific outlets in which we were able to publish our research. We measure the impact of journals using the SRJ factors published on <a href="http://www.scimagojr.com">www.scimagojr.com</a> .

# OUR PUBLICATIONS

## PEER-REVIEWED PUBLICATIONS

- Busch, T., Lewandowski, S. (2018): Corporate carbon and financial performance – a meta-analysis. *Journal of Industrial Ecology* 22 (4), 745-759.
- Busch, T., Hamprecht, J., Waddock, S. (2018): Value(s) for Whom? Creating Value(s) for Stakeholders. *Organization & Environment* 31 (3), 210-222.
- Busch, T., Friede, G. (2018): The robustness of the corporate social and financial performance relation: a second-order meta-analysis. *Corporate Social Responsibility and Environmental Management* 25 (4), 583-608.
- Chmelikova, G., Krauss, A., Dvoulity, O. (2018): Performance of microfinance institutions in Europe – Does social capital matter? *Socio-Economic Planning Sciences* (forthcoming).
- Risi, D. (2018): Time and business sustainability: Socially responsible investing in Swiss banks and insurance companies. *Business & Society*.

## BOOK CHAPTERS

- Busch, T., Bassen, A., Friede, G. (2018): Performance und Wirkung nachhaltiger Kapitalanlagen, in: Stapelfeldt, M., Granzow, M., Kopp, M. [eds.]: *Greening Finance – Der Weg in eine nachhaltige Finanzwirtschaft*, Logos Verlag, Berlin, 171-186.
- Guenther, E., Busch, T., Endrikat, J., Guenther, T., Orlitzky, M. (2018): What we know about the economic payoffs of corporate ecological sustainability, in: Weber, J., Wasieleski, D. [eds.]: *Business and Society 360: Corporate Social Responsibility*, Emerald Publishing Limited, Bingley, 325-352.
- Hummel, K., Laun, U., Krauss, A. (forthcoming): *Integration ökologischer und sozialer Aspekte in das Kerngeschäft europäischer Banken*, Jahrbuch für Finanz- und Rechnungswesen.
- Jaeggli, O., Webber Ziero, G., Tobin-de la Puente, J., Koelbel, J. (2018): *Understanding Sustainable Finance*, in: Wendt, K. [ed.]: *Positive Impact Investing*, Springer International Publishers, 1-36.
- Meyer, J., Hess, K. (2018): *Swiss Investments for Development Characteristics of a Market with Strong Growth Dynamics*, in: Wendt, K. [ed.]: *Sustainable Financial Innovation*, Taylor and Francis, Oxford, 172-190.

## WORKING PAPERS

- Fu, J. (2018): *Ability or opportunity to act: What drives financial health in developed and emerging economies?* CSP Working Paper Series, No. 06-2018 (formerly CMF Working Paper Series).
- Kölbl, J., Heeb, F., Paetzold, F., Busch, T. (2018): *Beyond Returns: Investigating the Social and Environmental Impact of Sustainable Investing*, SSRN Working Paper.

## TECHNICAL REPORTS

- Kölbl, J., Strong, C., Noe, C., Reig, P. (2018): *Mapping Public Water Management by Harmonizing and Sharing Corporate Water Risk Information*.

## PRACTITIONER PUBLICATIONS

- Busch, T., Kölbl, J. (2018): *ESG-Medienberichterstattung und finanzielles Risiko von Unternehmen*. *Absolut-Impact* 03/2018, 46-51.
- Busch, T., Lewis, M., Friede, G., Bassen, A. (2018): *ESG-Faktoren und Unternehmensentwicklung*. *Absolut-Impact* 04/2018, 44-49.
- Paetzold, F., Kwon, T. (2018): *Sustainable Investing Capabilities of Private Banks – Report #2: Assessment of 15 European Private Banks*. CSP Report.

## CSP IN THE MEDIA

- Editorial (2018): “Externe Perspektive”, SIFEM Wirkungsbericht 2017.
- Editorial (17.01.2018): “Interview: Falko Paetzold”, *Actares Bulletin*.
- Avery, H. (06.02.2018): “The death of private banking”, *EuroMoney*.
- Esterhazy, Y. (03.2018): “Okay, ich gebe dir eine Million”, *WirtschaftsWoche*.
- Gall, I. (18./19.08.2018): “Wie kann ich die Welt verbessern?”, *Universitätsjubiläum Universität Hamburg*.
- Editorial (19.09.2018): “Private banks do too little to communicate their sustainable investment products”, *EurekAlert!*
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- Editorial (19.09.2018): “Banks Do too Little to Communicate Their Sustainable Investment Products”, *UZH News*.
- Editorial (19.09.2018): “Investimenti sostenibili: banche arrancano, consulenti poco formati”, *Swissquote*.
- Mathilde Farine (20.09.2018): “Les banques peuvent mieux faire dans la finance durable”, *Le Temps*.
- Editorial (21.09.2018): “Banks do too little to communicate their sustainable investment products”, *phys.org*.
- Editorial (26.09.2018): “Banken klären ungenügend über nachhaltige Investitionsangebote auf”, *Lokalinfo*.
- Editorial (28.09.2018): “Investissement durable: banques privées pointées pour leur communication”, *Allnews*.
- Bruno Frey (28.09.2018): “Private Banks Do too Little to Communicate Their Sustainable Investment Products”, *Eubankers*.
- Steck, A. (30.09.2018): “Die UBS als Hilfswerk – funktioniert das?”, *NZZ am Sonntag*.
- Bärndorf, M. (10.2018): “Der Milliardärsflüsterer”, *Brand Eins*.
- Michler, I. (10.2018): “So erzielen Sie hohe Renditen – und haben ein gutes Gewissen”, *Welt*.
- Schmid, S. (8.11.2018): “Auf Unternehmen kommt grössere Eigenverantwortung zu”, *Börsen-Zeitung*.
- Zdralek, L. (11.2018): “Da wächst was Neues”, *Capital*.
- Hofmann, N. (28.12.2018): “Nachhaltige Geldanlage – Gutes tun und Geld verdienen”, *Süddeutsche Zeitung*.

# TEACHING & EXECUTIVE EDUCATION

The CSP offers a broad range of both academic and executive education. Our aim is to disseminate our research insights to students, current and future private wealth owners, and investment and banking professionals and enable them to engage in sustainable finance. We turn knowledge into action.

**330**

Students engaged

**116**

Next gens trained

**286**

Finance professionals trained

## “IMPACT INVESTING & BLENDED FINANCE FOR DEVELOPMENT AGENCIES & FOUNDATIONS” PROGRAM

How to use public funds more effectively and mobilize private investment to achieve the SDGs has become a key concern of many development agencies and donor organizations. One approach holds particular promise: empowering high-impact enterprises with market-based solutions to scale up and deliver positive impact in a sustainable way. This actionable program created by the CSP, the Social Finance Academy, and Convergence was specifically designed for providers of public or philanthropic funding who strive to maximize the impact of their grants or investments and want to be on top of the most innovative solutions and trends.

Launched in August 2018, the IIBF program attracted strong interest from executives from around the globe and from top donor organizations ranging from UNDP, USAID, and GIZ to the Swiss Re Foundation, Caritas, and program supporter the Swiss Agency for Development and Cooperation. A total of 25 participants from across 9 countries had intense three days discussing topics such as the latest approaches in impact investing and Blended Finance and next generation results-based financing models, and collaborating with private wealth owners and learning from success stories in the field.

An outstanding team of speakers from the OECD, Social Value UK, Convergence, Roots of Impact, the CSP, Harvard Kennedy School, and UBS created a highly valued experience.

Next program iteration: August 28 to 30, 2019 @ Zurich.  
More information at <http://social-finance-academy.org/blended-finance/>.

*“The speakers’ wealth of knowledge, enthusiasm, and experience was excellent.”*

Participant IIBF Program

*“The program was enlightening to me and really exceeded my expectations.”*

Participant IIBF Program

2019

Three-day executive program

Impact Investment & Blended Finance for Development Agencies & Foundations

How to use public funds to attract private investment for high-impact enterprises addressing the SDGs

BLENDED FINANCE PROGRAM

University of Zurich  
Department of Banking and Finance  
Center for Sustainable Finance and Private Wealth

CONVERGENCE  
CLEARING, GROWING, FINANCING

SOCIAL FINANCE ACADEMY





*“The CAS in Sustainable Finance was ideal, not only as a starter, but also as an eye- and door-opener. While I initially enrolled with only a vague concept of sustainability, I now have a solid understanding of the main concepts, key players, terms, and products. The course covered both theoretical fundamentals and very practical aspects of many different angles of this broad topic. It also helped me to establish a network in this area, a very interesting blend of individuals with a broad range of corporate roles and functions. I truly recommend this course.”*

**Adrian Niederhauser,**  
Consultant/Business Analyst, bmpf AG;  
Alumnus, CAS (UZH) in Sustainable Finance



*“I found the CAS Sustainable Finance executive course to be of exceptional quality. The blend of lecturers and guest speakers with both academic and practical backgrounds, as well as the diverse range of course participants, adds a broad perspective to the discussions. I would highly recommend this course to anyone wishing to stay at the forefront of the latest industry trends in sustainable finance and gain a solid understanding of the market, international frameworks, challenges, actors, and how they deal with integrating sustainability into their operations.”*

**Dana Ellis,**  
Manager, Swiss Capacity Building Facility;  
Alumnus, CAS (UZH) in Sustainable Finance

## CAS IN SUSTAINABLE FINANCE BREAKING NEW GROUND REGARDING BROADER UNIVERSITY POSTGRADUATE EDUCATION IN SUSTAINABLE FINANCE

In 2018, the CAS in Sustainable Finance became a core offering of the CSP and within the Department’s broader executive education program in finance. By completing ten days in the classroom and related take-home exams, participants earn a postgraduate university degree that is quite distinct, being the first and only in Switzerland dedicated to sustainable finance.

The year 2018 saw significant growth in terms of both quantity and quality. The numbers of active students, graduates, and new enrollments reached record highs. Moreover, the courses and the teachers, an experienced team combining expertise from academia and practice, obtained even better evaluations. The CAS was used to successfully pilot a collaboration with the new CSP program “Sustainable Investing in Wealth Management” for private banking relationship managers, making it possible for a few highly motivated participants to earn a CAS with an even greater focus on sustainable wealth management.

Last but not least, as the CAS courses are also popular electives for those finance professionals who take an entire Master of Advanced Studies (MAS) in Finance from the Department of Banking and Finance, we started to lay the groundwork for a MAS (UZH) in Sustainable Finance, to be brought to the market in the next few years.

## “IRI/CSP IMPACT INVESTING FOR THE NEXT GENERATION” PROGRAM

The program was launched in 2015 at the Initiative for Responsible Investment (IRI) at the Harvard Kennedy School of Government with the support of the World Economic Forum (WEF) Family Business Community (FBC). The program trains members of ultra-high-net-worth families in soft and hard skills needed to move their family assets toward supporting the SDGs. Key successes in 2018 included:

- **First module at the CSP:** For the first time, the CSP hosted a module of the “Impact Investing for the Next Generation” program at UZH.
- **4th Cohort:** The 2018–19 cohort, which is the fourth cohort of the program, started in fall 2018 and brings together 23 participants from the US, LatAm, Europe, Asia, and the Middle East.
- **Scope:** While the first two cohorts mainly included participants from Europe, the USA, and Brazil, the most recent cohort broadened that scope to include several Asian countries. The current cohort has a representative from Kuwait and more LatAm representation than ever, with participants from Mexico, Chile, and Colombia.
- **Impact estimation:** Across the first three cohorts, 78 participants from across 20 countries and 4 continents were encouraged and enabled to support one another in furthering their investment intentions and projects. With an estimated average of USD 3 bn in family assets per participant, the program has influenced an estimated USD 234 bn in total wealth. We estimate that 0.5 to 2 percent of this wealth was reallocated to sustainable investments, suggesting a capital reallocation of between USD 1.1 bn and 4.7 bn. Further, a dozen participants decided to reorient their careers toward impact investing. These estimates do not yet include the 2018–19 cohort.

Next program iteration: October 10 to 12, 2019, @ Harvard University, and March 18 to 20, 2020, @ UZH. For more information: [britta.gruenig@bf.uzh.ch](mailto:britta.gruenig@bf.uzh.ch).



*“The Next Gen program addresses the important constituency of families and family offices in sustainable finance. We are delighted to work with the CSP on better understanding and building a curriculum for this set of investors.”*

**Dr. David Wood,**  
Director, Initiative for Responsible Investment at the Harvard Kennedy School



*“It was a great learning experience meeting like-minded next gens from all over the globe, curated and brought together by the program. Furthermore, the program helped me get a better understanding of the due diligence process. As a result, I now have a better overview of what it takes to succeed and the growing amount of opportunities for impact.”*

**Ditte Lysgaard Vind,**  
The Circular Way, Denmark; Alumna, IRI/CSP Impact Investing for the Next Generation Program



*“The concept of impact investing has sparked interest in my family and is motivating people who were not part of the investment decision process to join the conversation. The practical applications of the program enabled me to start a conflict-free discussion about the family fund, and to start a process to review the impact of our assets and steer them toward investments that are more aligned with our values.”*

**Fernando Scodro,**  
Alumna, IRI/CSP Impact Investing for the Next Generation Program



*“Having completed the next gen program I have the confidence to shift my own personal assets toward 100% responsible management within the next year, and am influencing my family office to move toward 100% as well. I have already convinced my family of the need to incorporate values into our investing and they are now staunch advocates of the strategy.”*

**Frohman Anderson,**  
EverHope Capital; Alumnus, IRI/CSP Impact Investing for the Next Generation Program



*“The Sustainable Investing in Wealth Management Program was a fantastic, interactive experience. I gained knowledge, tools, and practice that have been incredibly valuable to me in day-to-day communication related to sustainable investing, with both clients and colleagues. The program also gave me the opportunity to make strong connections with other financial professionals who are dedicated to sustainability, which will be invaluable for years to come.”*

**Lindsey Woodward,**  
Relationship Manager, Abacus;  
Alumnus, Sustainable Investing in Wealth Management Program



*“The course was well structured and efficient. The content was well presented with a good mix of practitioners and academia. Particularly, I enjoyed the interaction sessions with next gen UHNWIs and the SDG workshop where we could apply our acquired know-how. I also enjoyed the Q&A sessions with the lecturers and the socializing events with the participants.”*

**Thomas Trsan,**  
Manager, Senior Investment Strategist,  
Vontobel; Alumnus, Sustainable Investing in Wealth Management Program

## “SUSTAINABLE INVESTING IN WEALTH MANAGEMENT” PROGRAM

In our training sessions and research with wealth owners, advisors, and banks, we have learned that advisors to private wealth owners lack opportunities to learn and practice integrating sustainable finance into their work. This lack of knowledge and practice can hold advisors back from more actively engaging with their clients on sustainable investing.

With this in mind, the “Sustainable Investing in Wealth Management” program was launched in November 2018 as a hands-on executive education program for client advisors and staff at private banks and family offices. The program helps participants develop a clear understanding of sustainable investing thanks to speakers from academia and the presence of industry experts and to have a client session on sustainable investing during practice sessions with real high-net-worth individuals. Participants gain the confidence to lead a professional conversation on sustainable investing and to further strengthen their relationships with clients.

Following the positive feedback we received from our pilot program, we are repeating the program in June 2019 and have entered into conversation with several banks regarding in-house programs. At the same time, we are exploring, with partners, opportunities to offer similar programs in other regions, including the US.

## “NEXTGEN IMPACT LEADERSHIP ACCELERATOR” PROGRAM

NILA is designed to unlock the potential of highly motivated next gens of various ages, enabling them to catalyze their own and their families’ involvement in impact finance. It is a ten-month innovative capacity-building program delivered to a small group of six to ten fellows. It consists of the following elements:

- Five practice-oriented modules, tailored to the participants’ needs and held at UZH, the University of Cape Town, Harvard University, and MIT Sloan
- Individual coaching and consulting, focused on helping fellows develop and implement tailored strategies
- A three to six month internship at an impact investment organization (optional)
- Peer mentoring
- Learning journeys to emerging markets
- Deep dives into areas of interest
- Networking and an ecosystem tour

NILA is jointly run by the CSP and Dr. Julia Balandina Jaquier, founder of JBJ Consult. Our first six fellows are from the Caribbean, the USA, Germany, and Switzerland. They completed the first three modules in Zurich and Cape Town in 2018, enjoying deep discussions with program supporters including Partners Group founder Urs Wietlisbach, leadership expert Monique Bär, and Climate-KIC, Europe’s largest public-private innovation partnership focused on climate innovation to mitigate and adapt to climate change. The fellows are looking forward to the next module, in Zurich, and the final module at Harvard University and MIT, and will graduate in June 2019.

The next cohort begins in August 2019 and is starting to fill up. For more information: [britta.gruenig@bf.uzh.ch](mailto:britta.gruenig@bf.uzh.ch).



**NEXTGEN IMPACT LEADERSHIP ACCELERATOR (NILA)**  
2019 - 20 Program  
build impact investment skills, fine-tune and implement your strategy

10-month innovative capacity-building program for aspiring impact investors

Includes:

- 5 practice-oriented modules undertaken in small groups, tailored to your needs and covering the whole cycle of impact investing
- Individual coaching and consulting, focused on your strategy and goals
- 3-6 month internship at an impact investment organization (optional)
- Peer mentoring
- Learning journeys to emerging markets
- Deep dives into areas of interest
- Peer networking and ecosystem tour

University of Zurich  
Department of Banking and Finance  
Center for Sustainable Finance and Private Wealth

JBJ CONSULT  
IMPACT INVESTMENT EXPERTISE

### What participants from the first cohort of NILA say about the program:

*“It feels like NILA was designed for you personally thanks to intensive onboarding and the ability to influence program content. Being part of a small group of hand-picked individuals in similar situations gives a sense of support and shows that you are not alone in the challenges that might seem absurd to others. The program provides a safe space for open sharing, which is the only way to move forward with your journey. And, crucially, there are no ulterior motives, as everyone is pushing for one thing: impact.”*

*“NILA provided a great way to build my skills and refine my engagement approach. It is the first course I know of where a personal impact investment strategy is not only designed but also collectively and successfully put into practice. The main focus is on real-life issues with very high-quality content from the field. An internship has been tremendously helpful for gaining practical experience and in advancing my professional career and family engagement in sustainable and impact investing.”*

*“The program has provided me with both the knowledge and the confidence necessary to take our family participation in the impact investment space to the next level. The combination of deep, intimate group learning sessions with the one-on-one mentoring and site visits to real companies and financial institutions provides an invaluable insight and holistic understanding of the industry.”*

*“It would be amazing to have this as a field of study. It’s an emerging area that should receive more attention in order to drive more green, sustainable, and efficient decisions.”*

Survey participant

## MASTER COURSES IN SUSTAINABLE FINANCE GAIN TRACTION

In 2018, several new master-level classes on sustainable finance were introduced. The seminars “Corporate Governance” and “Serious Games in Banking: Training Sustainability and Behavioral Ethics” started in the fall semester; “Sustainable Investing”, a new core class with the participation of CSP teachers, “Climate Change and Finance: Risks and Opportunities”, and the “Research Seminar Sustainable Finance” are scheduled for spring 2019. More classes are in preparation for 2020.

All classes already on offer can be viewed at <https://www.bf.uzh.ch/en/society/sustainability.html>.

To ensure that we address students’ interests, the CSP conducted a demand survey among current students at all levels. The interest in taking classes and choosing a Master program specialization in Sustainable Finance seems very high: almost 55 percent of respondents expressed a “high” or “very high” interest in choosing a minor specialization; 35 percent even a major specialization. The new classes will count toward the Master program specialization Sustainable Finance once the new regulations have been approved by all relevant UZH bodies. An actor integral to the development of new applied executive classes for a MAS in Sustainable Finance, and working toward adding new specialized finance faculty positions, our efforts will ultimately result in the introduction of a full Master track in Sustainable Finance in the years to come.



# OUTREACH & COMMUNITY

The goal of our outreach work is to strategically disseminate important insights to key stakeholders and to provoke meaningful action. In 2018 we continued delivering on our key partnerships, such as those with toniic and The ImPact, and initiated work with new partners, including Climate-KIC and Co-Impact. We organized numerous events with wealth owners, investment professionals, family offices, and banks and expanded our series of Impact Investing Excursions, visiting Rwanda, Kenya, and South Africa.

21

Events organized

570

Event participants

6459

Stakeholders interacted with

## EXCURSIONS AND EVENTS

The Wealth Owner Programs at the CSP directly support the Center’s mission to mobilize its research insights to create a better understanding of sustainable finance within the private wealth ecosystem. The offering for wealth owners focuses on two areas of activity:

- First, executive education programs to enable current and future private investors to engage in sustainable finance. This encompasses the “IRI/CSP Impact Investing for the Next Generation” program and the NILA program.
- Second, outreach and community-building activities with the aim of engaging with and supporting wealth owner groups and mentoring an alumni community of wealth owners. This includes our series of excursions and events.

In 2018, we realized a wide range of community-building activities:

- Impact Investing Excursions to Kenya in February, Rwanda in June, and South Africa in November.
- Joint events with toniic, including a roundtable in Geneva in May on “Law and Impact”, featuring Prof. Deborah Burand from the Grunin Center for Law and Social Entrepreneurship at New York University, and the toniic end-of-year event in London in December, featuring CSP insights into our research alongside next gen impact investors and our private banking study.
- A joint event in Zurich in April with the European Venture Philanthropy Association, where around 50 wealth owners met 12 impact funds.

As a milestone in 2019, we are going to host our first ever Alumni Reunion for the graduates of our executive education programs. The Reunion will take place in March in around Zurich. We continue to explore new ways of providing motivated wealth owners the support they need to get started and to keep moving on their impact journey.

More information about excursions in 2019: [britta.gruenig@bf.uzh.ch](mailto:britta.gruenig@bf.uzh.ch).



*“Meeting social entrepreneurs, connecting with fellow investors, and understanding the national appetite in Rwanda to push this kind of investment was really like a once in a lifetime experience. I am looking forward to sharing this back home with my family.”*

Radhika Kumar,  
Research Associate, Dasra; Participant,  
Rwanda Impact Investing Excursion







## PARTNERSHIP WITH CLIMATE-KIC

Climate-KIC is Europe's leading climate innovation initiative. Climate-KIC is supported by the European Institute of Innovation and Technology, an agency of the European Union. Climate-KIC identifies and supports innovation that helps society mitigate and adapt to climate change.

In a move initiated by the CSP, UZH became a partner of Climate-KIC in 2018. Climate-KIC directly supports two CSP projects: the NILA program, where we work closely with young investors to move capital toward sustainable finance, and the research project “Nudging financial markets towards a 2°C-world”. In the research project, our Doctoral Researcher Florian Heeb explores how the investment decision processes of different investor types are structured and how dormant sustainability preferences can be activated to increase the share of global wealth invested in a 2°C-compatible manner.

We are excited to be collaborating closely with Climate-KIC to leverage financial markets in order to accelerate the transition to a zero-carbon economy.

## PARTNERSHIP WITH THE BMW FOUNDATION HERBERT QUANDT

The BMW Foundation Herbert Quandt promotes responsible leadership and inspires leaders worldwide to work toward a peaceful, just, and sustainable future.

The BMW Foundation Herbert Quandt was an essential seed donor of the CSP, enabling the Center's launch in 2017. Beyond this financial support, the BMW Foundation Herbert Quandt is very actively engaged with the CSP: Dr. Frank Niederländer (Member of the Foundation's Board) is an active member of the CSP's Advisory Board, and we often work hands-on with the Foundation's Johannes Weber (Program) and Veit Bötsch (Finance) on advancing our activities.

Having seen the CSP develop rapidly and strategically from an initial idea into what it is today, the BMW Foundation Herbert Quandt decided to continue, and substantially expand, its support in 2019. Details and initial outcomes will be reported throughout the year. This increased support will enable us to focus in particular on the advancement of groundbreaking academic research, as well as on strategic and highly integrated collaborations with key communities and players in the impact investing ecosystem globally. Our goal is to ensure, even more than is the case today, that wealth owners who want to engage in impact investing receive the right type of information and support when and where they need it.

Going forward, we are greatly looking forward to this collaboration, including its multiple applied and research activities that will advance our understanding of the nexus of philanthropy and impact investing.

## BMW Foundation Herbert Quandt



*“The CSP combines in a unique way top-level research in the field of sustainable finance with hands-on executive education and field visits for next generation impact investors. Therefore, we are proud to be one of the supporters of the Center and happy to strengthen our engagement in 2019.”*

**Dr. Frank Niederländer,**  
Member of the Board, the BMW Foundation  
Herbert Quandt; CSP Advisory Board

## PARTNERSHIP WITH CO-IMPACT

Co-Impact is a global philanthropic collaboration whose core partners are Bill and Melinda Gates, Jeff Skoll, The Rockefeller Foundation, Richard Chandler, and Rohini and Nandan Nilekani. Co-Impact is focused on making bigger bets and taking bigger risks in its grant-making to support systems change efforts aimed at improving the lives of millions of people around the world.

As part of the partnership, a group of CSP alumni are teaming up to engage in the Co-Impact Community, a global network of philanthropists and social investors who contribute to and invest in systems change through Co-Impact. We are excited at the prospect of reporting their experiences throughout 2019.

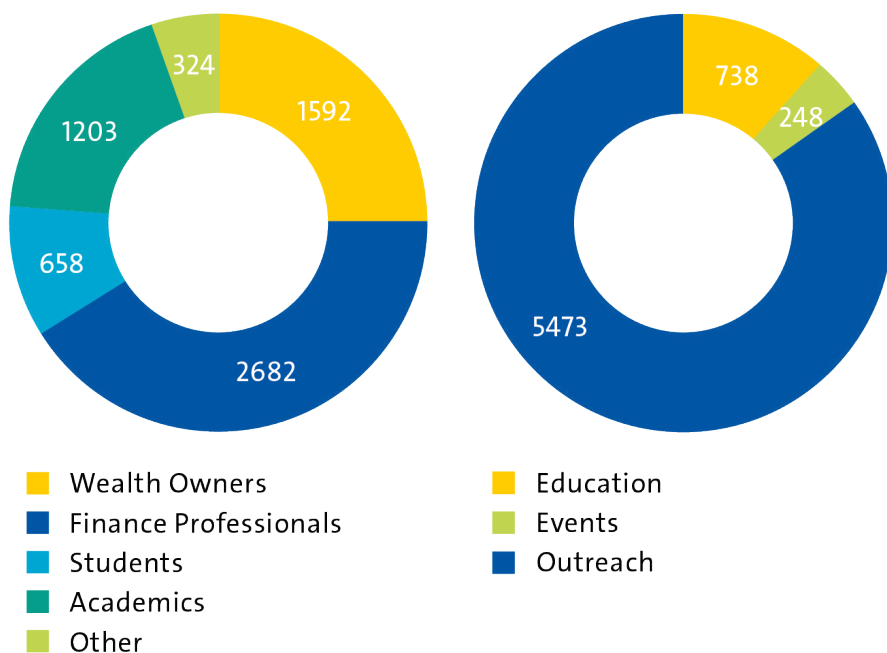
As part of the partnership, the CSP invited Co-Impact, as well as The Impact, to collaborate on the invitation-only gathering that CSP regularly organizes for the day before the annual World Economic Forum in Davos convenes. This year’s gathering was hosted at UZH on January 21, 2019. Following a presentation on research insights into “How to drive maximum investor impact”, by CSP research area lead Dr. Julian Köbel, the 30 participating wealth owners and experts discussed how to collaborate to maximize the impact of their philanthropic and impact investing work.

Going forward, we are greatly looking forward to this collaboration, including its multiple applied and research activities that will advance our understanding of the nexus of philanthropy and impact investing.



## OUR COMMUNITY IN NUMBERS

In 2018, we interacted with more than 1,500 wealth owners and 2,600 finance professionals on the practitioner side and with over 1,200 academics and over 650 students. With more than 950 of these we were able to interact personally. We reached over 5,400 further stakeholders with our extended outreach activities (newsletters and publications).



## OUR FUNDING

The CSP is seed-funded through CHF 4 million in donations made to the UZH Foundation by private wealth owners interested in sustainable finance. This embeds the Center within the private wealth owner community and ensures a trusted environment for wealth owners who want to engage with sustainable finance. Core overhead seed-funders of the CSP include Monique Bär, André Hoffmann, Antonis Schwarz, Benjamin Firmenich, Björn Wettergren, Christian Oldendorff, Felix Schmidheiny, Fernando Scodro, Nachson and Arie Mimran, Paolo Fresia, Patrick Häslar, and the Reilly family. Additional research grants are provided by the BMW Foundation Herbert Quandt, Cape Capital, the Luc Hoffmann Institute, and Climate-KIC. In order to scale up the activities of the Center, further funds are acquired through private donations, academic research grants, foundations, family offices and intermediaries, and executive education programs.



*“Being passionate about the key role of business for social and environmental sustainability, I believe the highly strategic focus of the CSP is truly catalytic. The integration of good science and teaching is the right way to address the needs of current and future wealth owners and investment professionals. I am glad to support this approach.”*

André Hoffmann,  
CSP donor



*“Whether or not humanity achieves sustainable development critically depends on whether we succeed to marry sustainability and financial markets. I am extremely positive that the CSP will provide a substantial contribution toward that goal: By educating current and future wealth owners and finance professionals, and by proving that investors can drive positive change.”*

Monique Bär,  
CSP donor

## UZH FOUNDATION – THE FOUNDATION OF THE UNIVERSITY OF ZURICH

The UZH Foundation seeks donations and bequests from private individuals, foundations, and companies to achieve its fundamental goal of promoting excellence at UZH. Donations to the UZH Foundation accelerate the progress made in research and education, bringing benefits to society at large.



**Publisher:** University of Zurich—  
 Center for Sustainable Finance and Private Wealth (CSP)  
**Project lead:** Nadya Dettwiler  
**Layout:** Lea Huser  
**Print:** Druckeinfach. The Swiss media company  
 Druckeinfach is FSC certified; thus, its focus in terms of  
 materials and energy use is on sustainability. Druckeinfach  
 uses energy from certified hydroelectric power plants,  
 runs its machines in such a way that VOC emissions are  
 reduced, and prints using inks made from renewable  
 resources.  
**Zurich, March 2019**

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