

*Press release of Climate Alliance Switzerland*

## **Swiss National Bank: Climate stress test for the Swiss financial centre**

**Berne, 23 April 2018: The Swiss National Bank's investments contribute to a catastrophic temperature rise of 4-6 degrees. This is in contradiction to the bank's own investment guidelines, which exclude investments in companies that systematically cause serious environmental damage. On the occasion of the General Assembly on 27 April, the Climate Alliance calls for a climate stress test and publishes concrete recommendations on how the stability of the financial system and the climate could be protected.**

The National Bank's equity investments are responsible for more than the annual CO<sub>2</sub> emissions of the whole of Switzerland and contribute to a temperature rise of 4 to 6 degrees. Greenhouse gas emissions come mainly from coal, oil and gas companies. The National Bank uses its money to finance exploration, development and production of new fossil fuel reserves. This is also confirmed by a new study by Artisans de la Transition in collaboration with Fossil-Free, which will be published on Tuesday 24 April.

The National Bank is still avoiding the issue of climate risk, even though Switzerland ratified the Paris climate agreement last year. In addition to reducing greenhouse gas emissions and strengthening adaptation to climate change, the agreement establishes the redirection of financial flows as an equivalent pillar, so that the goal of a warming of well below 2 degrees can be met.

"The Swiss National Bank must subject the Swiss financial centre to a climate stress test," explains Christian Lüthi, Managing Director of Climate Alliance Switzerland. "The later the SNB takes effective measures, the more sudden there may be a crisis in the Swiss financial system."

Climate Alliance, an association of 73 organisations in the fields of environmental, development and social policy, has published specific recommendations (see Annex) on how the SNB can protect the stability of the Swiss financial system and the climate.

"The Paris climate agreement cannot be implemented without the decarbonisation of the National Bank," says Christian Lüthi. The European Central Bank and eight central banks and supervisory authorities in England, France, Germany, the Netherlands, Sweden, China, Singapore and Mexico have already declared their leading role in climate protection.

### **For further inquiries**

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*Experts who were involved in the preparation of the "Recommendations on Climate Risks":*

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- Prof. Philippe Thalmann, Chair of Environmental Economics, Sustainable Development and Climate Change, EPFL Swiss Federal Institute of Technology Lausanne, Tel. 021 693 73 21

- Prof. Stefano Battiston, Chair of Dynamics of Financial Systems, founder of FINEXUS Center for Financial Networks and Sustainability, Dept of Banking and Finance, University of Zurich, 044 634 40 58
- Prof. Anthony Patt, Environmental Systems Sciences, Climate Protection and Adaptation, ETH Zurich, Tel. 044 632 58 21

## Recommendations on climate risk to the Swiss National Bank

With the following [recommendations](#), the Climate Alliance shows how the SNB can invest in the existing mandate in a climate-friendly manner and fulfil its task of preserving financial stability by taking climate risks into account:

1. In a public statement, the SNB acknowledges the Paris climate agreement and the UN Sustainable Development Goals and announces the first steps.
2. As a precautionary measure, the SNB develops principles that enable climate risks to be controlled while maintaining the stability of the financial system.
3. SNB begins by conducting climate stress tests and scenario analyses for the Swiss financial sector – insurance companies, banks, pension funds – and publishes measures to contain macro risks.
4. SNB evaluates the exposure of its own investments to climate risks.
5. SNB extends the investment guidelines to exclude investments in companies that systematically cause serious climate damage.
6. SNB determines and publishes the 2°C compatibility and CO<sub>2</sub> emissions of its securities portfolios.
7. SNB reveals the measures it intends to take to achieve the 2°C compatibility path in good time and reduce CO<sub>2</sub> emissions, and how it will measure their success.
8. SNB starts by divesting from the coal companies and all the companies with the largest fossil fuel reserves of the Carbon Underground 200 list.
9. For the other sectors exposed to climate risks (e.g. electricity producers, suppliers to fossil fuel companies or car manufacturers), SNB also takes a "best in class" approach. SNB supports those companies that are determined to implement the energy transition (e.g. by switching to renewable energies).

## Background information: Climate risks of the National Bank

A [study](#) published in December 2016 by [Artisans de la Transition](#) and [fossil-free.ch](#) shows that the National Bank's equity investments produce similarly high annual CO<sub>2</sub> emissions as the whole of Switzerland. It contributes to a climate warming scenario of 4 to 6 degrees Celsius and runs against the 2015 Paris Convention, ratified by Switzerland, which aims to limit warming to below 2 degrees Celsius. This finding is confirmed by a **new study** by Artisans de la Transition and fossil-free.ch, which will be **published on Tuesday, April 24**.

In April 2017, 135 personalities from the natural and environmental sciences, economics, law and finance, ethics and sustainability, religious communities, development, environmental organizations and politics [called on the Swiss National Bank](#) (SNB) to withdraw from investments in coal, oil and natural gas.

In a [parliamentary initiative](#) submitted in June 2017 to amend the National Bank Act, National Councillor Adèle Thorens proposes that sustainable development and the sustainable conservation of natural resources be clearly included in the mandate to support the federal government's general economic policy.

### **Action on the AGM of SNB of 27 April**

On the occasion of the Annual General Meeting of the Swiss National Bank on 27 April in Berne, a street campaign will be held by [fossil-free.ch](#) and the [Grands-parents pour le climat](#), members of Climate Alliance Switzerland.

*Date and Time: Friday, April 27th, 09.45 a.m.*

*Location: Entrance Kursaal Bern, Kornhausstrasse 3, 3013 Bern*

### **About Climate Alliance Switzerland**

Climate Alliance Switzerland comprises 73 organisations from the fields of environmental, development and social policy as well as politics and churches. Together they stand for a fair, sustainable climate policy in Switzerland.

[www.climate-alliance.ch](http://www.climate-alliance.ch)

A Rocha Switzerland	Generation Klima Schweiz
ACG – Geneva Climate Association	GIBB Gesundes Haus / Gibbeco
ACSI – Consumers' association in Italian-speaking Switzerland	Green Liberal Party (GLP)
Actares – Shareholders with responsibility	Grands-Parents pour le Climat
aefu – Medical doctors for environmental protection	Greenbuzz
Alliance Sud	Greenpeace
Alpine Initiative	Green Party
Alternatiba Léman	Grüner Fisch
Artisans de la Transition	Hausverein
Biomasse Suisse	HEKS / EPER Swiss Church Aid
BirdLife Switzerland	Helvetas
Bread for all	Incomindios
Bruno Manser Fund	Integrale Politik
Campax	INWO
CCJS Coordination Climat Justice Sociale	Young Greens
CIPRA	KlimaSeniorinnen
Comundo	Mountain Wilderness
Eaternity	myblueplanet
Evangelical Women Switzerland	myclimate
Fastenopfer (Swiss Catholic Lenten Fund)	Naturfreunde Schweiz NFS
Fondation Antenna Technologies	Noé21
Fossilfree	Oeku Church and Environment
	PanEco
	Partner Sein

Pro Natura  
Pro Velo  
Protect Our Winters  
Public Eye  
SES – Energy Foundation  
SEV – Transport Workers' Union  
SGB – Swiss Federation of Trade Unions  
SKF – Swiss Catholic Women's League  
SKS – Consumer Protection Foundation  
Small Farmers' Association  
SolarSpar  
Solidar Suisse  
Social Democratic Party of Switzerland  
SSES – Swiss Solar Energy Society

SSF Schweiz. Schutzverband gegen Flugemissionen  
Swiss Eco Centre Langenbruck  
Swiss Quakers  
Swissaid  
Swissolar  
SYFC – Swiss Youth for Climate  
Terre des hommes  
Thinkpact Zukunft  
umverkehR  
vbu Vereinigung Bündner Umweltorganisationen  
VCS – Swiss Association for Transport and  
Environment  
WWF  
Zukunft statt Kohle