

Media release

Zurich, Geneva, XX. September 2023

## **Sustainable finance: Swiss wealth management industry initiative celebrates further success**

**The second report has now been published on the progress made with the Swiss wealth management industry's 'Sustainable finance as an opportunity for wealth management' initiative, which was launched in 2021. Through their engagement to find solutions to climate change, the 22 banks taking part have continued to build on their initial successes. Significant advances have been made towards implementing the fourteen measures across four key areas – 'Reducing greenhouse gas emissions', 'Offering and advisory', 'Training' and 'Disclosure' – that are intended to help meet the targets set under the Paris Climate Agreement.**

In September 2021, the VAV launched the 'Sustainable Finance as an opportunity for wealth management' industry initiative to support private and institutional investors with sustainable investing and help transform the economy into a more sustainable system. The participating wealth management banks joined forces to set priority action points, which they have been working towards, developing further, and reviewing regularly ever since. The ASPB's Swiss private banks have been a part of the initiative since 2022. Together with 13 members of the VAV, as well as LGT and, as of this year, J. Safra Sarasin, the initiative is now being supported by a total of 22 institutions with assets under management of around CHF 2400 billion between them.

To align with the Swiss Federal Council's Sustainable Finance Strategy, which was published in December 2022, the industry initiative's list of priorities for 2023 was expanded to include two new key measures, namely the application of Swiss Climate Scores (SCS) indicators to financial investments and client portfolios, as well as helping clients discuss sustainability-related issues with the companies they invest in (the 'Stewardship strategy').

### **State of implementation of the priority action points**

The survey on the implementation of the initiative as of spring 2023 revealed that most of the measures in the areas of 'training' and 'disclosure' in particular have already been implemented. An exception to this is the application of the SCS indicators, which was added as a new measure and still has some methodology issues to resolve. What is remarkable, though, is the high level of implementation of the stewardship strategy, which perfectly aligns with the role of private banks as advisors and intermediaries, from the outset. The majority of 'offering and advisory' measures are in the process of being implemented. Putting in place measures to reduce greenhouse gas (GHG) emissions is once again proving to be more of a challenge, given that they are long-term in nature and thus need more time to fully implement.

"I'm particularly pleased about the high level of engagement with the stewardship strategy, which is part of the fabric of our wealth management industry and still has plenty of potential to develop," says Philipp Rickenbacher, Chairman of the VAV. "This both gives us motivation and reaffirms our belief that our industry can and will make a contribution towards meeting the climate targets set under the Paris Agreement."

**Progress in comparison to last year**

Good to very good progress has been made across almost every measure compared to 2022, when implementation levels were first evaluated. The most noticeable improvements came in defining GHG reduction pathways, both in general and for the institutions' own activities and the treasury book in particular, and in integrating ESG considerations into advisory and investment processes, providing sustainability-related materials to support the advisory process, and disclosing the measures taken throughout the entire value chain. Conversely – and despite progress in terms of implementation – participants have reservations about reporting what percentage of their assets are managed sustainably under EU law owing to an unclear definition of sustainability and the potential legal consequence of 'greenwashing'. The only sign that might point to any significant decline in the overall level of desired engagement is the number of participants signing international net zero initiatives – although the degree of implementation is higher now than it was in 2022. This is because existing net zero initiatives have not been designed to address the specifics of the wealth management business model.

“All in all, we're very satisfied with the progress being made,” says Grégoire Bordier, Chairman of the ASPB. “Our initiative is well on the way to meeting its objectives. The report not only underlines the sector's desire and commitment to pay serious attention to the issue of sustainability but also reveals some further tangible successes.”

**Contact in the event of queries:**

Pascal Gentinetta, Managing Director VAV, [pascal.gentinetta@juliusbaer.com](mailto:pascal.gentinetta@juliusbaer.com), +41 79 202 48 65  
Jan Langlo, Director ASPB, [langlo@abps.ch](mailto:langlo@abps.ch), +41 22 807 08 00

## Fourteen priority action points

The initiative's measures are split across four areas and cover those aspects that are particularly relevant to wealth management banks:

**'Reducing greenhouse gas emissions'**: the member banks are taking measures

- leading to a significant fall in greenhouse gas emissions in line with the Paris Agreement
- geared towards limiting the average increase in global temperatures to no more than 1.5° Celsius
- to make themselves net zero by 2050 or earlier.

**'Offering and advisory'**: the member banks are expanding their range of sustainable investment solutions and are contacting clients on their own initiative to discuss the opportunities and risks of sustainable investments with them, in compliance with the Swiss Bankers Association's self-regulations.

**'Training'**: the member banks are training all client-facing staff in advising clients about the opportunities and risks of sustainable investments.

**'Disclosure'**: the member banks are supporting international standards such as the EU action plan to finance sustainable growth as well as key industry initiatives and guiding principles. Specifically, they are making sure that the measures taken to help meet the Paris climate targets are disclosed.

## Basic premises

The sustainable finance industry initiative established three basic premises when it was launched:

1. The wealth management banks will not be able to solve the problem of climate change by themselves. Rather, this will require a joint effort by the whole of the economy and society. Nevertheless, the wealth management banks are keen to make their own contribution and to measure and highlight the progress that they make in this regard.
2. The priorities set will be regularly reviewed and developed further in line with the constantly changing regulations and calculation methods (taxonomy) and the latest scientific findings.
3. This joint industry initiative by the VAV and the ASPB is an open platform that welcomes other asset and wealth managers, banks and financial companies willing to support and implement the initiative.