

Media release

Zurich, Geneva, 21 September 2022

Sustainable finance: wealth management industry initiative celebrates initial successes and new members

The first report has now been published on the progress made with the sustainable finance industry initiative in the wealth management sector, which was launched last year. Through their engagement against climate change, the banks taking part have achieved some initial success. Significant advances have been made towards implementing the twelve priorities that are intended to help meet the targets under the Paris Climate Agreement. The initiative, the brainchild of the VAV, has also welcomed major reinforcements, with the members of the Association of Swiss Private Banks (ASPB) now joining its ranks.

The Association of Swiss Asset and Wealth Management Banks (VAV) launched an industry initiative in September 2021 with a publication entitled ‘Sustainable Finance as an opportunity for Wealth Management Banks’. The aim is to support private and institutional investors with sustainable investing and help transform the economy into a more sustainable system. Switzerland’s wealth management banks joined forces to set priorities which they have been working towards, developing further and reviewing regularly ever since. The ASPB’s eight Swiss private banks are now coming on board the initiative. Together with 14 members of the VAV and LGT, the initiative is thus being supported by a total of 23 institutes representing assets under management of CHF 2 200 billion between them.

“We’re delighted to be part of this industry initiative,” says Grégoire Bordier, President of the ASPB. “It’s a logical and valuable complement to the initiatives organised by the Swiss Bankers Association and the State Secretariat for International Financial Matters. It’s important for as many wealth management banks in Switzerland as possible to lead by example and do their bit to ensure that the Paris climate targets are met. Only by working together can we hope to make Switzerland a leading sustainable finance hub.”

The first report on the initiative’s activities, which has just been published, analyses the progress made as at spring 2022 on implementation at the wealth management banks that have been a part of it since 2021. There has been significant progress on nearly all the priorities, specifically in advisory, training, signing up to the UN Principles for Responsible Investment (UN PRI) and disclosing information in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). By contrast, a little more time is still needed to implement the two priorities associated with reducing greenhouse gas emissions as these have been made more stringent and fleshed out with more specific details. For instance, the target of a 50 per cent reduction in greenhouse gas emissions in the banks’ own activities and their treasury books has been brought forward and is now to be met by 2030 already.

“We’re satisfied with these results,” says Philipp Rickenbacher, Chairman of the VAV. “Our sustainable finance industry initiative is well on the way to doing what it promised. The report not only underlines the desire and commitment of all our members to pay serious attention to the issue of sustainability but also reveals some initial tangible successes. This both gives us motivation and

reaffirms our belief that we wealth management banks will make our contribution towards meeting the climate targets.”

Originally set at sixteen, the number of priorities has been reduced to twelve and split into four categories as a result of various slight modifications and further developments. The priorities relate to 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.

Training: the members of the VAV and the ASPB 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.

The sustainable finance industry initiative established three basic premises right from the start:

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. The 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.

Contact in the event of queries:

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