

## Sustainable Finance Conviction Statement

**The Association of Swiss Asset and Wealth Management Banks (VAV) and Association of Swiss Private Banks (ABPS) consider excellence and responsibility to be the cornerstones of asset and wealth management. As industry associations, we are committed to integrity, transparency, and focus on our clients' long-term interests – reflecting the shared roles of our members as corporate citizens and fiduciaries. Sustainable finance is not a trend but a core part of this commitment – essential to advancing professional responsibility and high standards across our industry. It contributes to the transition of member banks' capabilities and supports their fiduciary client mandate.**

### **Role as corporate citizens and fiduciaries**

Switzerland's role as global leader in wealth management enables it to shape the industry's direction and serves as a reference point for stakeholders globally – while also attracting scrutiny and raising expectations around credibility and integrity.

Together with our members, VAV and ABPS help build and uphold trust through transparency, integrity, and client focus. Fiduciary duty is a foundational principle in asset and wealth management. We support our members in fulfilling this responsibility by promoting practices that help protect clients' assets while navigating a rapidly changing world. The consideration of sustainability is an integral part of sound investment decision-making. At the same time, investment advice and solutions must align with clients' preferences and objectives.

Embracing our role as corporate citizens, we contribute to the prosperity of the Swiss financial center, to its economic vitality and the well-being of our communities. This shared responsibility drives our actions as industry associations that are guided by high standards of governance and societal impact, particularly in the face of increasing regulatory expectations both nationally and internationally.

### **Key activities and progress measurement**

Since inception, the VAV and ABPS have been a proactive driver in advancing the asset and wealth management sector. Our key activities have evolved from establishing foundational industry standards to championing initiatives that address contemporary challenges. 2021 marked a pivotal moment with the launch of our "Sustainable Finance as an Opportunity for Wealth Management" initiative, which unites 21 banks—representing CHF 2,550 billion in assets under management by 2024 in a collective effort to integrate sustainability into our core operations. Specifically, as an industry, we have defined and identified the levers we can actively use to contribute to the sustainable transformation. Especially considering the expectations of society towards our industry, it has been very important for us to be transparent regarding our areas of action and the priorities our members derive for themselves.

### **Sustainable Finance initiative: Four strategic pillars**

Our Sustainable Finance initiative rests on four interconnected pillars, which reflect the most material aspects of our industry:

- 1. Reduction of greenhouse gas emissions:** We aim to lower emissions across our operations and our investment and financing activities, aligned with Switzerland's net-zero target by 2050. Our member banks have made strides in integrating climate risk assessments and supporting decarbonization efforts.
- 2. Offering and advisory:** We provide clients with suitable investment solutions and advice as well as enhance our advisory and investment processes to reflect environmental, social, and governance (ESG) aspects. This reflects our fiduciary duty to provide forward-thinking solutions tailored to client needs.
- 3. Training:** We embed sustainability through education. We have expanded training programs for client advisors and employees, ensuring they are equipped to navigate the complexities of sustainable finance—a priority since our early efforts.
- 4. Disclosure:** We build trust through transparency. We have advanced our reporting practices, aligning with regulatory expectations and voluntary standards to provide clear, actionable insights into our sustainability performance.

These pillars, introduced in 2021 and refined annually, demonstrate our proactive approach to achieving the objectives of the Paris Agreement and helping to maintain Switzerland's competitive position in wealth management.

Since 2021, we have reported annually on the significant progress and improvements achieved. We remain committed to continuing this journey with focus on aligning and monitoring our progress within our member group to lay a stronger common ground. We are dedicated to supporting and encouraging our members to contribute to this journey, considering their individual context, capacities, and needs.

### **Our conviction for the future**

Looking ahead to 2025 and beyond, we remain guided by the conviction that excellence and responsibility are the cornerstones of asset and wealth management. We will continue to uphold our role in promoting integrity, transparency, and focus on our clients' long-term interests. Our journey is one of continuous evolution, rooted in our shared principles and directed by a vision for a sustainable future.

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