4

Communication & Promotion

Media relations

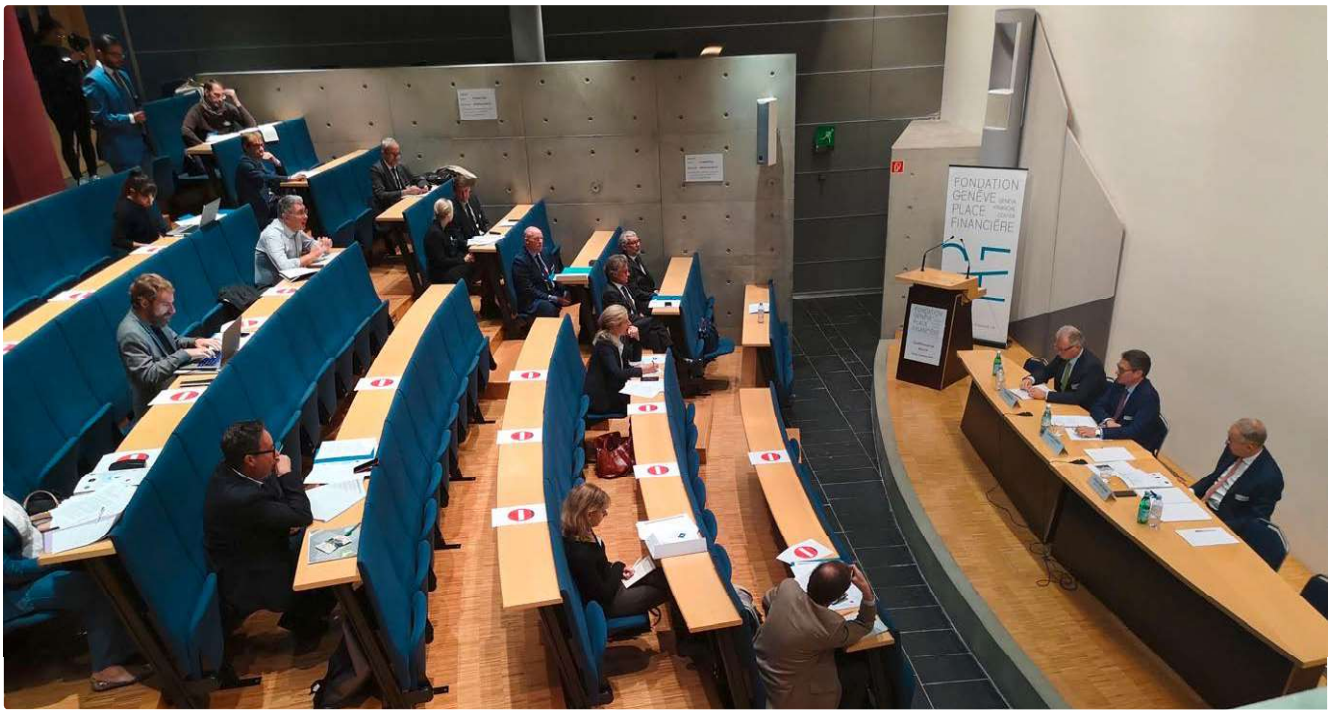
On October 5, 2021, the Geneva Financial Center (GFC) invited representatives of the Swiss and foreign media to its traditional press conference.

Journalists reported extensively on this event with the emphasis on three main topics: the financial center's resilience in the face of the Covid-19 pandemic; the positioning of the Geneva Financial Center as a sustainable finance hub (see page 20); and the results of the 2021-2022 economic survey (see page 5), in particular, the increased growth in profits and personnel expected in 2021, as well as the dynamic performance of the Geneva real estate market. These topics were presented by Yves Mirabaud (President), Blaise Goetschin (Board Member) and Edouard Cuendet (Managing Director).

A common message underpinned the three talks. The strength of the Geneva Financial Center enabled it to play a fundamental role during the coronavirus pandemic, namely that of providing loans to businesses. This highly successful financial center is committed to transitioning to a more sustainable economic model and is in the forefront of the digital revolution. If the banking and financial sector is to continue playing its key role as we emerge from the health crisis, the political, legal and fiscal framework must be favourable (see page 8).

In this context, the relaunch of the dialogue with the European Union (EU) and the development of an attractive tax regime remain priorities.

> **Geneva banks and wealth managers are making a strong comeback." L'Agefi, October 6, 2021**



Sustainable finance: “Building Bridges”

Capital invested with a sustainable investment approach amounts to more than CHF 1,980 billion in Switzerland

The need for a transition towards a more resilient and sustainable economy is unanimously recognised within the Financial Center. By directing financial flows towards sustainable activities, the financial sector is playing its part in transforming the markets and creating the models of the future. Sustainable finance provides an approach based on a long-term vision. This concept of intergenerational equity is an integral part of the Geneva Financial Center’s DNA: the wish to hand down capital is at the heart of its ambition.

The global financial system is playing a key role in the implementation of the UN 2030 agenda and the Paris Climate Agreement. With assets of CHF 8,649 billion under management at the end of 2021, Switzerland ranks in the forefront of global financial centers. The GFC therefore has an important leverage effect and sustainable finance is in the process of becoming standard practice. Data published by Swiss Sustainable Finance (SSF) on sustainable investments made in our country speak for themselves: the volume of sustainable investments in Switzerland grew by 30% between 2020 and 2021 to reach more than CHF 1,980 billion. This upward trend is confirmed year on year, proving that a paradigm shift is under way.

The banks and financial institutions are well aware of the risks of greenwashing which is synonymous with an inconsistency between the expectations of the end investor and the features of the sustainable products proposed by the financial institutions. This requires greater transparency and a clearer classification of sustainable activities to improve end investors’ understanding of them. That is why Swiss banks and asset managers are actively contributing to the development of international standards to make the true definition of “green” clear to investors and financial stakeholders (see page 12). They have also developed cutting-edge expertise which enables them to offer attractive products that are consistent with the principles of sustainability in private and institutional wealth management and in commercial and retail banking. In retail banking, risk, performance and liquidity are the key factors to be taken into account when selling financial products and giving advice. Action to bring products into line with the sustainability objective must include this diversification requirement. Last but not least, this dynamic approach is accompanied by adequate training of staff (see page 23).

However, the financial sector is just one link in a chain which also includes private investors and the public authorities. In Switzerland, the Federal Council has announced a number of measures to ensure transparency of climate-related financial risks (see page 12). In the area of taxation, reform

of withholding tax is vital to permit the expansion of green bonds (see page 15). Moreover, change will not be possible unless this issue is taken into account in the real economy. The challenge is therefore to strengthen the dialogue and shared commitment on the part of all the relevant players in the financial sector, politics and civil society.

In this context, the second edition of "Building Bridges", held in hybrid format between November 29 and December 2, 2021, takes on its full significance. As its name implies, this major event seeks to build bridges between the financial center and the international community with a view, in particular, to expediting the financing of the UN's 17 Sustainable Development Goals (SDGs). This initiative brought together the financial industry, international Geneva and the federal, cantonal and communal authorities at a summit held on Monday, November 29, 2021 followed by 77 events organised as part of "Building Bridges Week" between November, 30 and December 2, 2021.

More than 1,450 participants attending in person and 7,500 online, from over 34 countries, contributed to the success of this event and illustrated the diversity of the stakeholders in this ecosystem. The quality of the programme, the high standard of the speakers and the opportunity to network were welcomed by the participants. The "Summit" which is the key event of the week brought together almost 500 participants at the Maison de la Paix. The presence of Federal Councillor Ueli Maurer, in charge of the Federal Department of Finance (FDF), and Amina Mohammed, Deputy Secretary-General of the United Nations Office at Geneva, demonstrated the extent to which sustainable finance is a matter of universal concern. The discussions and debates held during the day confirmed the shared principles and objectives towards which Financial Geneva and International Geneva are working together: transparency, good governance, risk management in particular climate risk, the quality of reporting and, last but not least, the development of appropriate training.

Significant announcements included one by Federal Councillor Ueli Maurer who, at the opening of the Summit, stated the Federal Council's intention of introducing a "climate rating index" in Switzerland in the course of 2022 to measure the support of financial companies for the objectives set out in the Paris Agreement (see page 12). In response, the roadmap published by SSF and the study carried out jointly by the Swiss Bankers' Association (SBA) and the Boston Consulting Group will pave the way for closer cooperation between the government and the financial sector (see page 13). The roadmap makes practical recommendations and proposes specific measures designed to ensure that the sector's financial flows and activities are all aligned with the Paris Agreement and allow the financial center to achieve its net zero emissions target by 2050. The study points out that the Swiss credit and capital markets have the capacity to raise the CHF 400 billion francs needed by the Swiss economy if it is to reach this "net zero" target.

The 2021 "Building Bridges" event thus enabled us to move on from words to action and to launch the essential dynamic progress towards a sustainable economic and social environment. The Founding Partners, of which the GFC is one, have already agreed to meet again on October 3 to 6, 2022 to continue this process.

Engagement, Skills, Geneva