

# FINANCIAL SERVICES

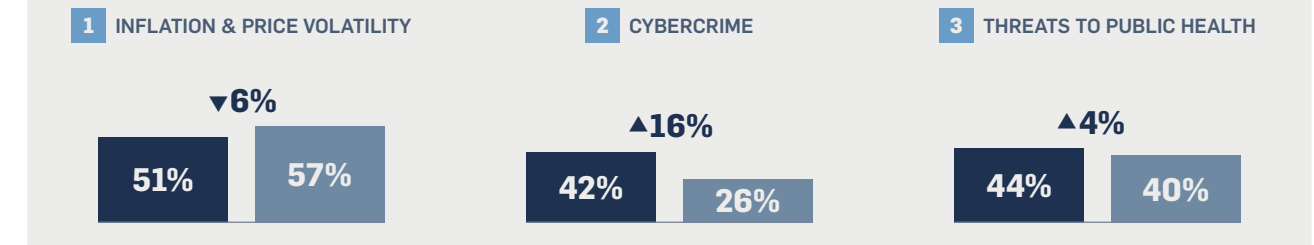
CEOs in the financial services sector are in a unique position to drive sustainability action, as they have the power and capital to fuel progress on global sustainability goals, which are often hindered by a lack of access to finance. While significant progress has been made in deploying capital for sustainability progress, it is not uniform and is largely yet to reach the Global South.

**“We are entering a new era where the S side of ESG is on the rise. Investors and regulators are accelerating their demands on reporting and disclosures on both climate change and social impact. Investors’ consciousness has been raised, and now the reporting and disclosure bar is being raised.”**

Suni Harford,  
President Asset Management and  
UBS Group Executive Board Lead for  
Sustainability and Impact

## THE MOST PRESSING CHALLENGES

■ FINANCIAL SERVICES ■ CROSS INDUSTRY



## CURRENT LANDSCAPE

### TOP RESILIENCE ACTIONS FOR FINANCIAL SERVICES CEOS



Climate risk is here, and financial capital is needed to address the associated problems more urgently than ever before. The financial services sector is in a distinct position to contribute through investment decisions. As Ana Botín, Executive Chair of Banco Santander, notes, “We are engaging with our customers in aviation, steel, oil & gas, and power generation because we want to support them in this transition, and we’re willing to help. However, we do have decarbonization targets, which means that we need to be prepared to say no to customers or projects that do not fit our targets.” In addition, the financial services industry can accelerate the green transition and address the sustainable finance gap between developed and developing nations. The UN estimates that developing countries alone need \$1 trillion per year to stave off the worst effects of climate change, with an additional USD 40 trillion investment by 2030 in infrastructure alone.<sup>1</sup> Advancing digitization of the financial services industry will be an important enabler to address this gap, as it improves financial accessibility for previously excluded groups and regions in the world. Christos Megalou, Chief Executive Officer and Executive Member of Piraeus Bank’s Board of Directors, explains, “As we digitize the economy, I think finance will become more equally available to all. The digital footprint helps democratize access to banking.”

## WHERE IS THE INDUSTRY GOING?

### TOP SUSTAINABILITY PRIORITIES FOR FINANCIAL SERVICES CEOS



As risks become more interconnected, complex, and volatile, financial services companies are investing in stronger risk analysis tools and methodologies to make better decisions. CEOs have also begun to integrate ESG assessment into these tools, which has proven challenging given the fragmentation of frameworks and standards globally. In addition, reporting requirements are becoming more robust, with significant focus being placed on social impacts. As an effective, global framework is developed, financial services CEOs will further embed data-driven innovations, from real-time portfolio risk analysis to AI-powered scenario analysis for climate change impact, to better understand the risks they face. These insights will allow financial services CEOs to be able to allocate capital and report to their stakeholders more effectively.

## TRANSFORMATIVE INNOVATIONS

