Julius Bär

SUSTAINABILITY REPORT 2021

JULIUS BAER GROUP

CONTENTS

Cover caption: At Julius Baer, we empower our clients, employees and broader stakeholder groups to create positive impact. Our sustainability strategy guides us in enabling capital shifts towards a more equitable future and healthier planet for generations to come.

WELCOME

Welcome to our 2021 Sustainability Report. In conjunction with our Annual Report, Half-Year Report and Business Review, it provides an update on our progress against our strategic objectives for the financial year ending 31 December 2021.

This report takes into account international best practice principles on sustainability and disclosure, namely the United Nations Sustainable Development Goals (UN SDGs), the standards set by the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB), the UN Principles for Responsible Banking (PRB), the Principles for Responsible Investment (PRI) and the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

→ See our Data and disclosures
→ Read our Annual Report 2021

Signatory of

PRI Principles for Responsible Investment

UNEP FINANCE INITIATIVE | PRINCIPLES FOR RESPONSIBLE BANKING

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JULIUS BAER – DRIVEN BY OUR PURPOSE

As the leading Swiss wealth management group[1], we have been helping wealthy individuals and families grow, protect and pass on their wealth for over 130 years. By taking responsibility and acting sustainably, we foster our purpose to create value beyond wealth.

ROOTED IN OUR VALUES

- We care about personal connections
- We bring passion to wealth management
- We empower teams to deliver excellence

SOLUTIONS

Wealth planning: Tailored and holistic wealth planning services help clients navigate every stage of their life.

Investing: From investment advisory and discretionary mandates, to global custody services – our solutions are tailored to the client's specific needs and risk appetite.

Financing: A broad range of financing solutions and advisory services for different needs.

Spanning all of our solutions is a commitment to share transparent insights on current issues and challenges. We publish regular thought leadership articles and app-based research on markets, wealth, sustainability and megatrends.

→ See our latest market and sustainability insights

CHF 482 bn
Assets under management

6,727
Employees (full-time equivalent)

> 25
Jurisdictions where Julius Baer is present

Aa3
Moody's long-term deposit rating

[1] Julius Baer Group Ltd. is a financial holding company whose shares are listed on the SIX Swiss Exchange and included in the Swiss Leader Index (SLI) and the SXI Switzerland Sustainability 25 Index. Julius Baer Group Ltd. is the parent company of various Julius Baer Group companies, including the Group's principal operating entity Bank Julius Baer & Co. Ltd.

Europe

Switzerland

Our locations in other parts of the world

- Location
- Booking centre
- Julius Baer Family Office Brasil (integrated operations of GPS and Reliance Group), a fully owned subsidiary
- NSC Asesores, majority participation of 70% until end-2021 (reduced to 19.9% in 2022)
  Julius Baer is present in Mexico City with a representative office
- Strategic partnerships in Bangkok, Thailand, with The Siam Commercial Bank and in Tokyo, Japan, with Nomura Holdings Inc.
- Kairos Partners SGR S.p.A., a fully consolidated subsidiary
  Julius Baer is present in Milan with Julius Baer Fiduciaria S.p.A.

[1] Additional advisory locations in Bangalore, Chennai, Hyderabad, Kolkata and New Delhi

FOREWORD

Julius Baer's purpose is to create value beyond wealth. This purpose is also reflected in a sustainability strategy that supports us in our ambition to empower clients, employees and wider stakeholders to make a positive impact on the world.

Institutional investors have traditionally led the way in ESG investing. Today, we see private investors who are equally engaged. Indeed, market data suggest that there are now unparalleled opportunities to allocate capital for positive social and environmental impact. Our own 2021 Family Barometer survey revealed that environment, social and governance (ESG) factors and impact investing were the most cited topics of importance in the past five years. These developments go together with our own conviction that, as a wealth manager, we can play an important role in helping our clients make a contribution to solving some of the world's most critical challenges. So what does it take for the wealth management industry to unlock private investor potential in the sustainability area? The answer lies in a dialogue built on transparency and choice.

Transparency starts with understanding our world and the impact that our clients and we ourselves have on it. This entails the effort to make problems and solutions tangible and measurable to get a clear picture. While the universe and quality of data continues to evolve, financial institutions need to understand and use all the facts and figures available today to report and discuss ESG issues with their clients. Only this will start a virtuous circle of education and dialogue that can ultimately lead to unified standards and taxonomies. Transparency is also the first step to mapping externalities to market prices, a mechanism that is key to achieving better resource allocation.

Once transparency is established, investors need choice. They need the right solutions to express their values and convictions in an impactful way. In the recent past, the range of responsible wealth management products has evolved hugely, creating more choice than ever before. This has, at the same time, led to more complexity, and there is a lot of work to be done. However, this report is testament to our ethos of empowering investors to make informed choices based on accurate and credible information.

We apply the same approach of choice based on transparency with our clients. Our aim is to help them gather the credible information they need to make their own educated decisions. In the sustainability space, we want to empower them to align their portfolios with their values and make a positive impact on two critical global challenges: climate change and wealth inequality. This also gives them the opportunity to help close the current USD 2.5–3 trillion financing gap required to meet the UN Sustainable Development Goals (SDGs) by 2030.

'Private investors, worth USD 42 trillion worldwide, are at the vanguard of a turning tide and can set important signals to the market.'

PHILIPP RICKENBACHER, CHIEF EXECUTIVE OFFICER

To accompany our clients on this journey, we focus on engagement and interaction. The ultimate choice always lies with them. Our ecosystem of curated solutions, thought leadership, peer networking and portfolio impact measurement based on a robust ESG investment rating methodology is designed to provide a broad range of options – whether clients are interested in climate-smart farming and food systems, inclusive education or improving healthcare, to name just a few examples.

Investors should be enabled to express their views not just through the allocation of their capital, but also by actively voting on a company's ESG strategy. A clear task for the wealth management industry is therefore to facilitate participation in shareholder democracy. This needs to happen operationally and through dedicated, professional advice.

Wealth management today is about far more than managing financial assets. It is about taking care of what matters to investors as people, entrepreneurs, family members and engaged citizens of the world. The challenges to our societies and our planet are great. But private investors, worth USD 42 trillion worldwide, are at the vanguard of a turning tide and can set important signals to the market.

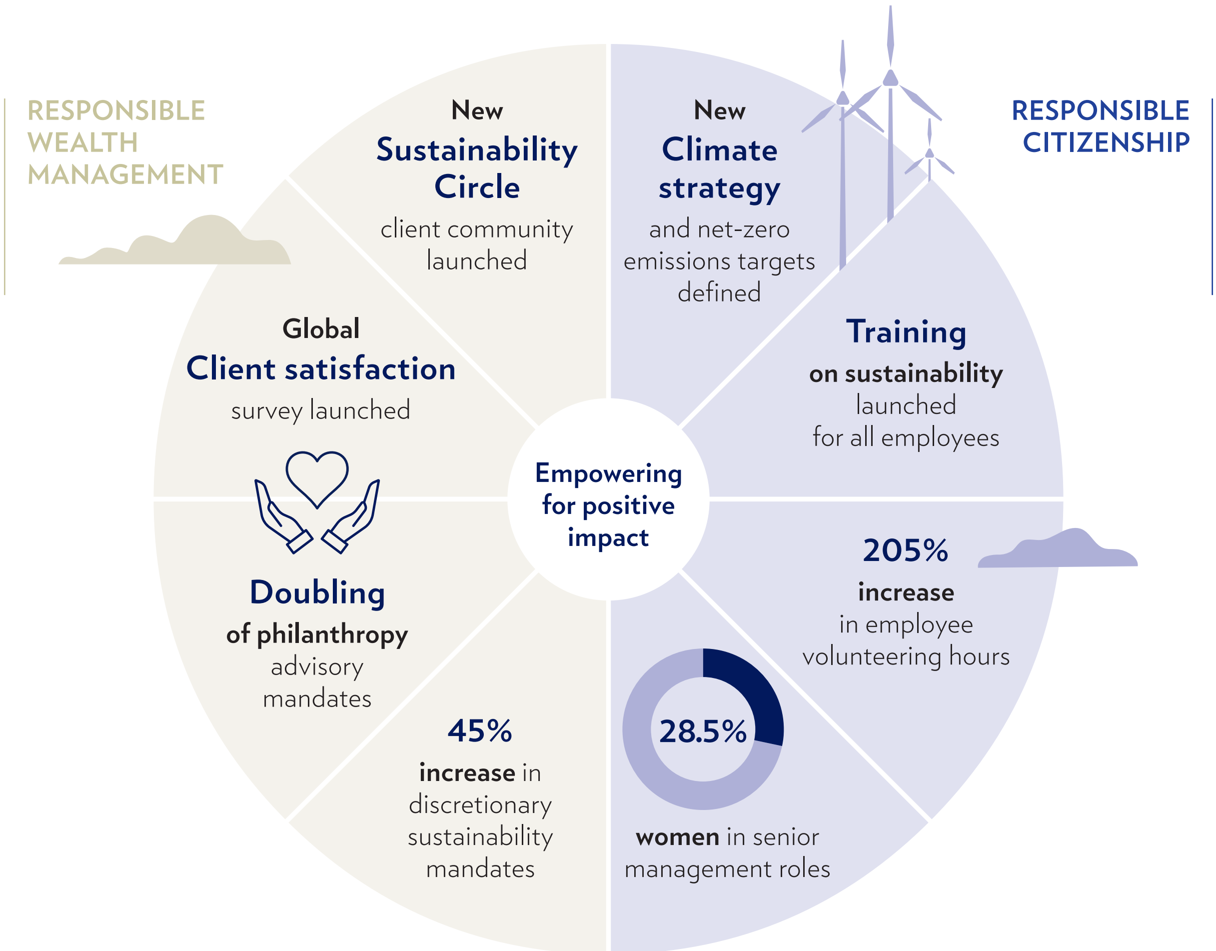
The year ahead will be an important one for us as we double down on our work to increase the transparency and the number of different choices that can help unlock the potential of private investors in shaping a sustainable future. As a founding signatory to the UN PRB and in line with the priorities of our sustainability framework, we see it as our duty to deliver on the goals we have set. Through this, we can empower our clients and our broader stakeholder base to create positive impact.

Romeo Lacher
Chairman

Philipp Rickenbacher
Chief Executive Officer

SELECTED HIGHLIGHTS OF THE YEAR

We have continued to deliver positive impacts for society and the environment across our strategic priorities of responsible wealth management and responsible citizenship. The below infographic illustrates some of the highlights in these areas for the 2021 reporting year.



PERFORMANCE IN SUSTAINABILITY RATINGS AND INDICES

A-rated, MSCI ESG[1]
Constituent, SXI Sustainability Index[2]
'B', CDP rating for carbon disclosure[3]
92, S&P Global CSA percentile rank[4]
Constituent, FTSE4GOOD[5]
Constituent, SIX ESG equity indices[6]

[1] MSCI ESG ratings provide insight into ESG risks and opportunities within multi-asset class portfolios. Source: https://www.msci.com/esg-ratings
[2] The SXI Switzerland Sustainability 25 Index® includes 25 stocks from the SMI® Expanded Index with the best sustainability scores
[3] CDP is a not-for-profit charity that runs a global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts. Source: www.cdp.net
[4] The S&P Global Corporate Sustainability Assessment is an annual evaluation of companies' sustainability practices. The resulting ESG rating is used, among others, to create the Dow Jones Sustainability Index. Source: www.spglobal.com/esg/csa/
[5] The FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong ESG practices. Source: https://www.ftse.com/products/indices/ftse4good
[6] ESG Indices from SIX are new sustainable benchmarks for the Swiss Capital Market. The goal of SIX is to establish solid, sustainable and independent benchmarks for the Swiss bond and equity markets. We are constituents of the SPI ESG and SPI ESG Weighted indices.

IN CONVERSATION WITH OUR HEAD OF SUSTAINABILITY

Yvonne Suter heads the Sustainability function at Julius Baer.

HOW HAVE YOU SEEN THE SUSTAINABILITY LANDSCAPE EVOLVE IN 2021?

The way I see it, we are looking at two major global challenges that are closely intertwined: climate change and wealth inequality. The need for action is unequivocally clear, both to us as a company and to investors. At the same time, there are new business opportunities associated with tackling these issues responsibly – the market for sustainable investing is now worth around USD 35 trillion, while impact investing is one of the fastest-growing sectors standing at around USD 700 billion at the end of 2021. At Julius Baer, we have seen growing client interest in ESG-related product offerings, transparency and portfolio reporting. Moreover, there is increasing sustainability-related regulation, including the EU launch of a Renewed Sustainable Finance Strategy, a Proposal for EU Green Bond Standards and an EU Taxonomy Climate Delegated Act.

WITH SO MANY SUSTAINABILITY CHALLENGES AND OPPORTUNITIES TO TACKLE, HOW DOES JULIUS BAER FOCUS ITS APPROACH?

Our sustainability framework is designed to address two overarching challenges: the overuse of natural resources and the underuse of human resources. These are closely linked to the megatrends we see around climate change and wealth inequality and form the basis of a thematic approach here at Julius Baer. In addressing these challenges, we harness market opportunities and empower clients to make a positive impact. Year on year, we expanded our client offering within the responsible wealth management ecosystem. At the same time, we strive to be a role model through our responsible citizenship commitments and best practice governance. In early 2022, for example, we continued the systematic integration of sustainability into our risk management framework and other key processes, with a new Sustainability Risk Committee complementing the Sustainability Board's efforts in this regard.

Yvonne Suter, Head Sustainability

WHAT DOES THIS RESPONSIBLE WEALTH MANAGEMENT ECOSYSTEM LOOK LIKE?

Our approach has always been one of holistic integration. This means not only bringing business and corporate activities together under the same umbrella, but also taking an ecosystem view to responsible wealth management – in other words, a range of options tailored to the client's individual sustainability journey and personal values. In addition to investment solutions, we offer portfolio ESG 'health checks' and reports, issue-based research, thought leadership (see our Earth Matters report as one example) and networking with like-minded investors and experts. At the UN COP26 climate conference last November, we launched the Sustainability Circle, a community of engaged investors, philanthropists, entrepreneurs and business leaders who want to accelerate capital shifts towards a more equitable future and a healthier planet.

THE LAST YEAR WAS AN IMPORTANT ONE FOR CLIMATE ACTION. WHAT IS THE BANK'S OWN PLAN FOR ADDRESSING CLIMATE CHANGE?

COP26 was perhaps the most important climate event since COP21 in 2015, which yielded the Paris Agreement. This agreement is more critical than ever and, as a wealth manager, we want to focus on the areas where we can take the most concrete action. Our new strategy sets the ambition to achieve net-zero emissions in our treasury, lending and mortgage books by 2050. An interim target of 20% is set for 2030. In order to support this we are working on an engagement strategy and solutions to support clients in executing their voting rights more consciously, as well as on delivering more investment solutions that empower climate-change mitigation decisions. We also have high ambitions for our own operations where we want to reduce emissions wherever possible through efficiency gains and renewable energy. We have set a travel reduction target of 30% by 2025, relative to 2019, and an internal carbon price – both part of our new ambition to achieve net-zero emissions in our own operations by 2030. Having been carbon neutral since 2015, we are now moving from an offsets approach to carbon removal with nature-based solutions.

HOW DO YOU INTERACT ACROSS JULIUS BAER TO TAKE DIFFERENT TEAMS ALONG ON THIS SUSTAINABILITY JOURNEY?

The last year was a milestone in terms of training our people and building internal capacity around sustainability and ESG. We rolled out Group-wide e-learning on our sustainability approach and framework. For client-facing roles, we delivered deep-dive training, which will be further intensified in the coming year. In addition, we launched a new dedicated programme in partnership with the think tank Redesigning Financial Services. Our goal is to take the step of building a community of around 250 'sustainability ambassadors' among our senior relationship managers and other client-facing employees in Switzerland, complementing our broader ambitions in promoting and providing education on sustainability across our workforce. Looking ahead, delivering on our ambitious climate goals will be an important task, alongside further embedding ESG within our financing and investments to empower wider action. We will continue to engage with clients and expand sustainability-related portfolio reporting as well as further building up the Sustainability Circle client community for selected clients with a particular interest in the topic.

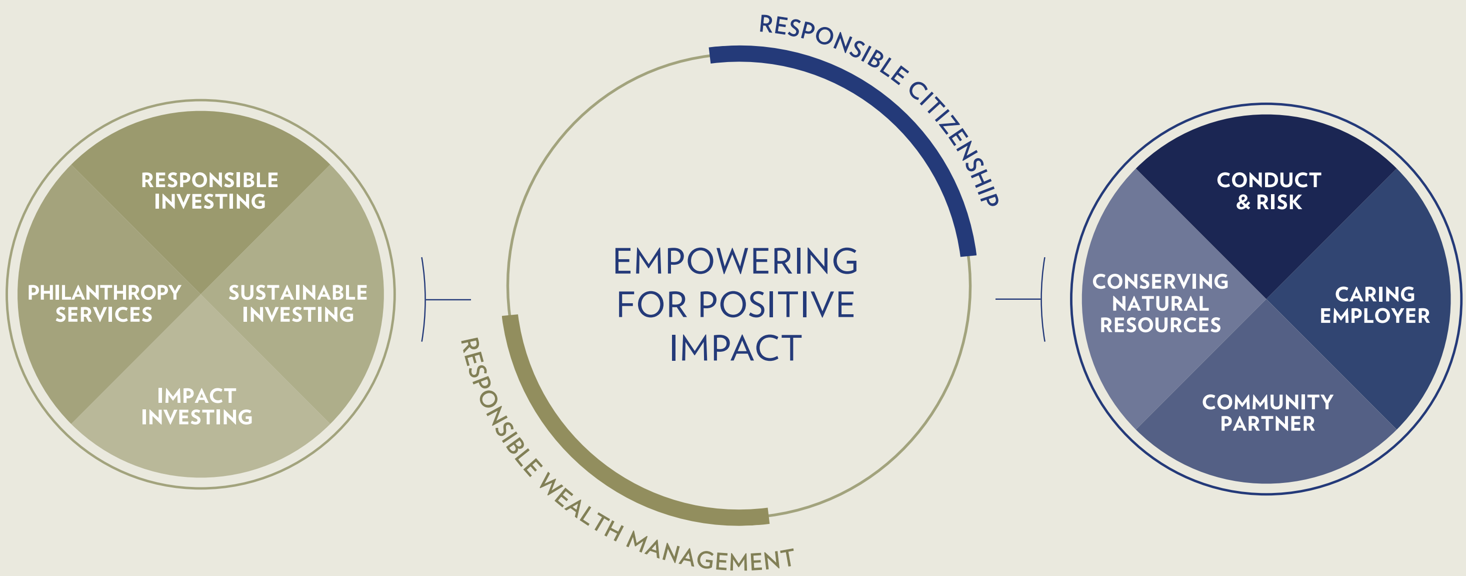
> 'Our new climate strategy sets the ambition to achieve net-zero emissions in our treasury, lending and mortgage books by 2050, and in our own operations by 2030. We want to focus on the areas where we can take the most concrete action to help reach the goals of the Paris Agreement.'
>
> YVONNE SUTER, HEAD SUSTAINABILITY

SUSTAINABILITY AT JULIUS BAER

Our sustainability ambition is to empower clients, employees and wider stakeholders to make a positive impact on society and the environment.

The Julius Baer sustainability framework is structured around two pillars: responsible wealth management (supporting shifts in capital flows towards a more equitable future and healthier planet) and responsible citizenship (ESG actions within our own business). The framework enables us to harness new market opportunities while mitigating risks and engaging stakeholders, and at its heart is a commitment to empowering action on two critical and current challenges: the overuse of natural resources and the underuse of human resources (see pages 13 and 14).

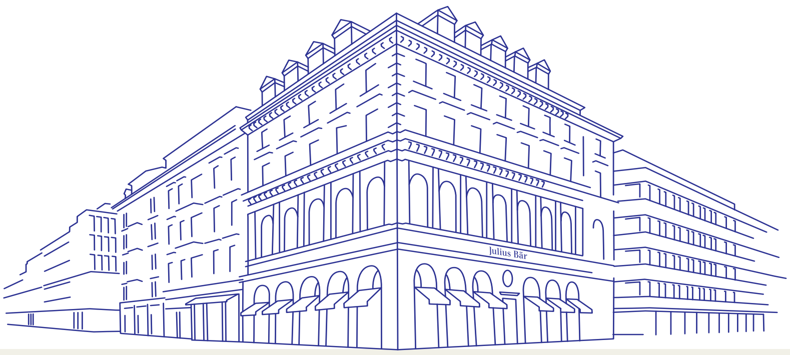
Strategic framework



OUR SUSTAINABILITY JOURNEY

For more than half a century, Julius Baer has been empowering stakeholders to make a positive impact on the world. From establishing the Julius Baer Foundation in 1965, to signing the PRI in 2014 – our efforts have become more structured, and sustainability has been increasingly embedded into our core business, including our governance.

→ Jump to Sustainability governance



1965
- Julius Baer Foundation

2006
- Launch of the sustainability mandate

2010
- Set-up of Next Generation research
- First time DJSI/ CSA submission

2011
- Initiation of Julius Baer Cares (employee volunteering scheme)

2013
- First impact investment third-party fund offering

2014
- Membership of Swiss Sustainable Finance (SSF)
- Implementation of Responsible Investment
- Signatory of UN Principles of Responsible Investment (PRI)
- Founding Global Partner of Formula E

2015
- Responsible Investment Committee established
- Julius Baer Responsible Investment Fund Rating (RIFR)
- Julius Baer operates CO_2-neutral

2018
- Establishment of Julius Baer Sustainability Board (Executive Board Committee, chaired by the CEO)
- Launch of the Next Generation Fund

2019
- Founding Signatory of UNEP FI Principles of Responsible Banking (PRB)
- Establishment of Corporate Sustainability & Responsible Investment team
- Member of the Swiss Better Gold Association

2020
- Launch of updated sustainability strategy
- Launch of Impact Investing Offering
- Launch of Sustainable Advice Advanced
- CDP submission to disclose climate impact

2021
- New climate strategy developed
- Employee-wide sustainability training launched
- Sustainability Circle established for clients
- Diversity and Inclusion Committee established

STRATEGIC THEMES AND PRIORITIES

Our sustainability framework is designed to address the material issues important to stakeholders and to contribute to wider sustainable development efforts, including the UN Sustainable Development Goals (SDGs), with a focus on two critical megatrends: climate change and wealth inequality.

CLIMATE CHANGE

Our new climate strategy and net-zero commitments are the most ambitious steps we have taken on the climate agenda to date. Aspiring to be both a responsible wealth manager and responsible corporate citizen, we are accelerating our actions to address the overuse of natural resources that underlies the current climate crisis and other environmental challenges such as ocean depletion and nature loss. Key areas that we focus on include:

Circular economy: Backing business models that support sustainable practices.

Low carbon: Supporting technologies that reduce carbon emissions or support nature-based solutions for carbon removals.

Future mobility: Catalysing financing of innovative and low-emission transportation technologies.

Future finance: Focusing on low-emission cryptocurrencies and environmentally sustainable gold.

Blue economy: Financing businesses that contribute to the preservation of life under water.

→ Jump to our net-zero climate strategy
→ Jump to our TCFD disclosure

JULIUS BAER INSIGHTS

→ Climate change
→ Smart cities
→ The mobility revolution
→ The blue economy
→ The future of food
→ Global education and wealth inequality

‘Climate risks also represent investment risks. As an industry, we want to do our part to help achieve the objectives of the Paris Agreement, both as active members of society and as part of our duty of care towards our clients.’

PHILIPP RICKENBACHER, JULIUS BAER CEO AND CHAIRMAN OF THE ASSOCIATION OF SWISS ASSET AND WEALTH MANAGEMENT BANKS

WEALTH INEQUALITY

We recognise that more equal and open societies strengthen economic stability and that we can play a role in tackling some of the underlying causes. One of them is the underuse of human resources in societies around the globe. Enabling the transition to a more sustainable and equitable world hence means addressing the inequalities that arise from an uneven distribution of wealth, such as access to education, healthcare and technological innovation. This notion is reflected in our sustainable and impact investing solutions and philanthropy services, as well as our own community investments. Some key areas of focus include:

Digital health: Enabling the financing of technologies and business models that enable the universal provision of health services.

Global education: Facilitating investment (in our investment book or via the Julius Baer Foundation) in universal education through new business models and educational technologies to close the wealth inequality gap.

Future finance: Enabling universal access to financial services through easily accessible technologies.

Wealth Inequality initiative: Raising awareness in wealth inequality, circulating knowledge, mobilising stakeholders and driving action towards more equitable societies: https://www.wealth-inequality.net

→ Jump to Responsible wealth management
→ Jump to Community partner

A FUTURE SHAPED BY MEGATRENDS

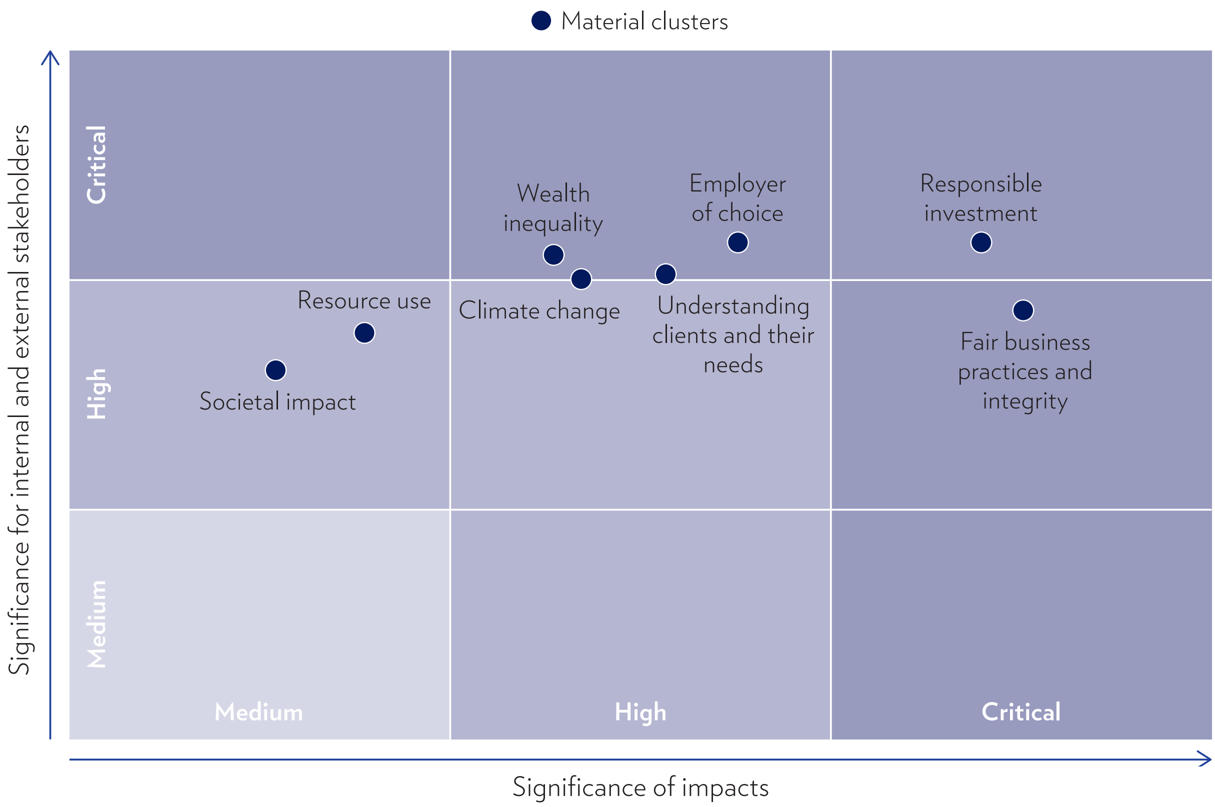
'Next Generation' is our vision of the future – a future that is shaped by megatrends. Over the past decade, we have built up extensive experience in thematic research and in investing based on such megatrends. The megatrends we identify form the basis of how we define areas of focus where we believe we can make a targeted contribution. This may be via research activities, as well as through sustainability-related and other products and services. We engage our clients on these themes in a number of creative ways. For example, our Sustainability Circle, launched in 2021, welcomes engaged investors, philanthropists, entrepreneurs and business leaders and enables clients to exchange with each other.

MATERIALITY

We identify strategic sustainability priorities through systematic stakeholder consultation and engagement. This occurs on an ongoing basis, with a formal materiality assessment every three years.

Our most recent (2019) assessment identified 27 material issues, which we group into eight material clusters. These are mapped below according to their significance to internal and external stakeholders and to Julius Baer as a business.

Materiality assessment



Definition of material issues and why they are important to our stakeholders

Material clusters	Material topics	Significance to our long-term success	Related SDGs	Link to more information
Responsible investment	• Sustainable investing • Impact investing	• Growing priority for clients, investors and stakeholders • Delivering long-term financial success		Chapter 'Sustainable investing' Chapter 'Impact investing'
Fair business practices and integrity	• Responsible business conduct • Corporate governance • Corruption and bribery • Data privacy • Transparency	• Precondition for a successful and sustainable business • Employer attractiveness	12 Responsible consumption and production 16 Peace, justice and strong institutions	Chapter 'Conduct and risk'
Employer of choice	• Employer of choice • Equal opportunities and diversity • Health and wellbeing	• Attracting, developing and retaining the talent we need to serve our clients and achieve the company's business targets • Improving the performance and creativity of the workforce • Creating a work environment that enables professionals to perform at their best	3 Good health and well-being 5 Gender equality 8 Decent work and economic growth 10 Reduced inequalities	Chapter 'Caring employer'
Understanding clients and their needs	• Understanding clients and their needs • Digitalisation • Data privacy and security	• Client experience as a key brand differentiator • Transforming the client experience	9 Industry, innovation and infrastructure 12 Responsible consumption and production	Chapter 'Trusted client relationships' Chapter 'Conduct and risk'
Wealth inequality	• Education • Livelihoods • Health and wellbeing	• Addressing wealth inequalities by contributing to solutions in the areas of education, health and wellbeing, and livelihoods is one of the focus areas of the Julius Baer Foundation	3 Good health and well-being 4 Quality education 10 Reduced inequalities	Chapter 'Community partner'
Climate change	• Climate change • Clean energy • Clean air	• The financial industry plays a significant role in tackling climate change	7 Affordable and clean energy 13 Climate action	Chapter 'Conserving natural resources'
Resource use	• Resource use • Water • Circular economy • Waste treatment and recycling	• Reducing Julius Baer's own impact • Considered in our sustainable investing offering • Encouraging recycling is one of the focus areas of the Julius Baer Foundation	6 Clean water and sanitation 12 Responsible consumption and production 15 Life on land	Chapter 'Conserving natural resources'
Societal impact	• Art and culture • Volunteering • Philanthropy • Human rights	• Contributing to solving societal problems and to strengthening the social fabric	1 No poverty 16 Peace, justice and strong institutions 17 Partnerships for the goals	Chapter 'Community partner'

PROGRESS AGAINST STRATEGIC PRIORITIES IN 2021

	Strategic target or ambition	2021 progress
RESPONSIBLE WEALTH MANAGEMENT		
Our approach	To further integrate our enhanced approach – meeting client, market and regulatory expectations – into our advisory and investment management processes.	We implemented measures to address regulatory requirements and further integrated ESG into our investment universe and evolved our ESG investment rating methodology.
Sustainable investing	To embed our enhanced approach into the investment strategy of our discretionary mandates and proprietary investment products, in addition to the dedicated sustainability offering.	We saw a further rise in assets under management, with assets under management in discretionary sustainability mandates rising by 45% to CHF 3,579 million.
Impact investing	To further establish the impact ecosystem including thought leadership publications, product offering and transparency of the impact created through impact investment solutions.	We launched new products related to climate change mitigation, notably greener food production, renewable energy, smart transport and plant-based food systems.
Philanthropy services	To further increase our philanthropy mandates across the globe.	We doubled the number of Philanthropy Advisory Mandates since 2020.
Client experience	To expand our thought leadership offering around Julius Baer's key themes. By end of 2021, offer sustainability portfolio 'health checks' to help our clients make informed choices.	We expanded the responsible wealth management ecosystem through sustainability research and thought leadership. This included a broad communications campaign on responsible wealth management as well as a transparent overview on the portfolio level thanks to portfolio health checks with regard to sustainability topics. We are planning to further enhance these. We also provided networking opportunities for clients by launching the Sustainability Circle client community.
RESPONSIBLE CITIZENSHIP		
Caring employer	To maintain high employee engagement scores. To further promote diversity and inclusion, and strive for 30% female representation at senior management level by end of 2023.	We saw an average global engagement score of 7.8 out of 10 at the end of the year and our employee net promoter score increased to 34 (+1 compared to 2020), slightly above the financial industry benchmark. The percentage of female senior managers rose to 28.5, on track to meeting our 2023 target.
Community partner	To increase the number of volunteers and volunteering hours by building joint forces with JB Cares, the Julius Baer Foundation and our HR and Corporate Sustainability & Responsible Investment departments.	2021 saw 1,319 hours of volunteering, a 205% increase on 2020. We published new volunteering guidelines, bringing together the work of all parties.
Conserving natural resources	By end of 2021, complement our environmental efforts with a new climate strategy, including a net-zero GHG emissions target.	We defined a new climate strategy, with targets to achieve net-zero carbon emissions within our operations by 2030 and in our treasury, lending and mortgage books by 2050 (lending to corporate clients only). We also announced interim targets on this path and published enhanced TCFD disclosure.
Engaging stakeholders	By end of 2021, ensure all employees engage in sustainability e-learning and provide access to deep-dive training for client-facing employees.	All employees were trained in sustainability, including deep-dive for client-facing employees. The number of ESG-certified sustainability champions rose to 44 in 2021, and a first cohort of around 30 senior client-facing employees completed a new programme on sustainability.
Conduct and risk	To further integrate sustainability risks into our risk categories and processes. To further strengthen our reputational risk assessment approach.	The ESG risk framework was strengthened and reputational risk guidelines were launched. A new sustainability risk committee has been established.
Disclosure	To disclose information annually in line with international standards and guiding principles such as the GRI, UN PRB, UN PRI, CDP, S&P Global CSA and TCFD.	Disclosures have been made in line with GRI, UN PRB, UN PRI, CDP, S&P Global CSA, TCFD and SASB.

STRATEGIC PRIORITIES IN 2022 AND BEYOND

RESPONSIBLE WEALTH MANAGEMENT	
ESG investment rating methodology and client reporting	– Further develop our ESG investment rating methodology and continue applying it to the entire investment universe. – Gradual global roll-out of ESG client reporting, including climate metrics, to become available to all clients where possible by the end of 2023.
Responsible and sustainable investing	– Further increase assets managed through sustainability discretionary and advisory mandates. – Further increase responsible and sustainable investment offering (Article 8 and Article 9 products according to Sustainable Finance Disclosure Regulation/SFDR).
Impact investing	– Further increase impact investment offering in alignment with our thematic focus topics and our next generation research themes.
Philanthropy	– Continue to develop our philanthropy offering and associated solutions.

RESPONSIBLE CITIZENSHIP	
Caring employer	– Further promote diversity and inclusion in the broadest sense. – Strive for 30% female representation at senior management level by the end of 2023 as part of ongoing developments and efforts. – Reduce long-term absences and continue to foster a good working environment for all employees.
Conduct and risk	– Further integrate ESG into our risk management framework including climate risks as well as environmental and social reputational risks.
Community partner	– Further increase our volunteering activities and the number of volunteering hours.

Climate change and conserving natural resources	– Achieve net-zero carbon emissions on our own operations by 2030:
	  – Implement a CHF 100 / tCO_2e internal carbon price on air travel
	  – Commitment of 30% reduction of business travel emissions by 2025 compared to 2019
	  – Shifting energy sources to renewable energy wherever possible
	– Achieve net-zero emissions on our treasury, lending and mortgage books[1] by 2050, with an interim reduction of 20% by 2030.
	  – Define an engagement strategy on climate topics over the course of 2022.

STAKEHOLDER ENGAGEMENT	
Clients	– Enhance the responsible wealth management ecosystem, expanding platforms for exchange such as the Sustainability Circle client community.
Employees	– Provide a dedicated sustainability training to around 250 senior relationship managers by the end of 2022 and build a front sustainability ambassador community. – Continue the mandatory sustainability training for all new joiners, complemented by broader training efforts for all client-facing employees.
Broader stakeholder groups	– Conduct a new materiality assessment in 2022 to learn about the issues most material to our business and key stakeholder groups.

[1] Our net-zero emissions target on lending includes loans to corporate clients only, according to the Partnership for Carbon Accounting Financials (PCAF).

ENGAGING STAKEHOLDERS

Engaging others around our sustainability strategy is fundamental to how we scale and deepen our own positive impact.

Stakeholder group	Material topics of relevance	Engagement mechanisms	2021 examples
Clients	– Understanding clients and their needs – Education – Sustainable investing – Impact investing	– Ongoing dialogue with relationship managers – Global client survey – Client events and conferences – Materiality consultation (every three years)	– Responsible wealth management website launched, alongside an internal and external campaign with videos, a podcast and various articles. – Earth Matters published, a thought leadership publication with internal and external experts. – Sustainability Circle client community formed. → Jump to Responsible wealth management
Employees	– Employer of choice – Data privacy – Responsible business conduct	– Annual performance review – Global employee engagement survey in collaboration with external provider Peakon – Diversity & Inclusion Committee – Town hall meetings (at least annually) – Frequent meetings with employees, e.g. team meetings – Training in ESG investment rating methodology and categorisation of our financial instrument offering along sustainable criteria	– New sustainability e-learning rolled out for all employees. – 44 product specialists gained certification from the Chartered Financial Analyst Institute, UK. – New training partnership for select client-facing employees launched in Switzerland. – +900 subscribers to our internal sustainability newsletter. → Jump to Caring employer
Investors	– Responsible business conduct – Digitalisation – Sustainable investing – Impact investing	– Annual General Meeting of shareholders	– Dialogue with Investor Relations and the Sustainability team. – Chief Risk Officer division strategic roadmap. – Regularly answered questions from investors on ESG topics such as climate-related disclosures, diversity and inclusion efforts or Board compositions. – Award-winning front office tools Find out more in our Annual Report 2021. → Jump to Our carbon footprint 2021
Communities	– Climate change – Philanthropy – Equal opportunity and diversity	– Grant proposal discussions with non-profit partners of the Julius Baer Foundation – Support from employees for local community causes – Sponsorships	– Over CHF 10 million donated to communities, including Covid-19 relief. – The Julius Baer Foundation worked with 27 partner organisations in 21 countries. – The Julius Baer Art Collection marked 40 years supporting young and emerging artists born or working in Switzerland, as well as raising awareness of the importance of art through community tours, events and open discussion. – In 2021, community volunteering hours increased by 205% to 1,319. → Jump to Community partner
Regulators	– Responsible business conduct – Sustainable investing – Impact investing	– Direct discussions with regulators and supervisors – Engagement with industry associations by our public policy team and other internal specialists.	– Public Policy engagements and industry association memberships were valued at approximately CHF 3 million. → Find out more in our Annual Report 2021
Industry and sustainability initiatives	See a summary of finance sector partnerships and sustainability-related memberships on page 50.		

[1] The EU is our main driver of sustainable finance regulation, both within its boundaries and via global standard-setting bodies such as the Financial Stability Board. Switzerland, as a member of the International Platform on Sustainable Finance, closely assesses EU regulatory developments, but has opted thus far for industry standards, rather than regulation in the field of sustainable finance. Our other locations, such as Singapore and Hong Kong, are increasingly focusing on sustainable finance regulation.

SUSTAINABILITY GOVERNANCE

Transparent, robust governance is critical to delivering our sustainability strategy. It reinforces our unique holistic approach, with leadership from the top.

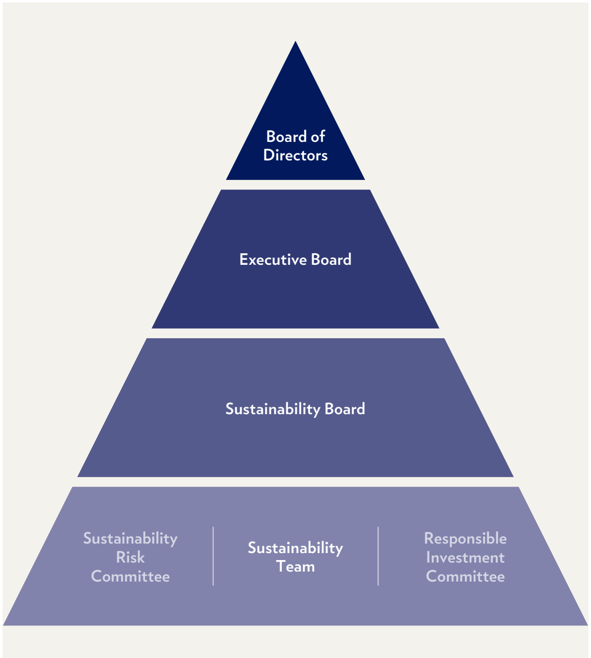
BOARD OF DIRECTORS, EXECUTIVE BOARD AND SUSTAINABILITY BOARD

The Board of Directors is the ultimate body that oversees Julius Baer's sustainability, including the climate strategy. The scope of its respective oversight includes our own operations as well as our own and our clients' investments. The Governance & Risk Committee of the Board of Directors is responsible for developing and upholding principles of corporate governance and sustainability, including setting the Group's risk tolerance framework. Other Board-level committees further integrate ESG-related considerations into their agendas and mandates. On at least a semi-annual basis, the Board of Directors discusses ESG-related topics.

The Sustainability Board, a committee of our Executive Board chaired by the CEO, defines and steers our sustainability strategy. For decisions that have a direct strategic impact on the Group, the Sustainability Board requests the support of the Executive Board, which then formally submits the request for approval to the Board of Directors. Meeting at least quarterly and comprising various other business leaders in addition to the CEO[1], the Sustainability Board also reviews and identifies the materiality of new and existing sustainability topics at least every third year.

SUSTAINABILITY TEAM

The Head of Sustainability leads the sustainability team and defines the agenda for the Sustainability Board, as well as providing guidance to its other members, promoting cross-programme coordination and alignment, and ensuring proper tracking of initiatives and deliverables. The sustainability team is responsible for the development of the sustainability strategy (including the climate strategy) and proposing new strategic topics for the Sustainability Board's consideration. It leads the implementation of sustainability-related strategic initiatives, including the Group's climate action plan and its pathway to net-zero, as well as training and awareness-raising, sustainability risk, and external and internal positioning and partnerships. It ensures the overall coordination and alignment of sustainability activities carried out within different business functions. The team also engages with investors, clients and broader stakeholder groups and provides regular status updates to the Sustainability Board, as well as to the Executive Board and the Board of Directors.



[1] Members of the Sustainability Board: Chief Executive Officer (Chair); Head of Sustainability; Chief Financial Officer; Chief Investment Officer; Chief Operating Officer & Head Intermediaries; Chief Risk Officer; Head Wealth Management Solutions; Head Region Switzerland & EMEA; Head Region Americas; Head Region Asia Pacific; Head Human Resources; Chief of Staff; Chief Communications Officer; Head Public Policy & Stakeholder Management; Head Investor Relations

SUSTAINABILITY RISK COMMITTEE

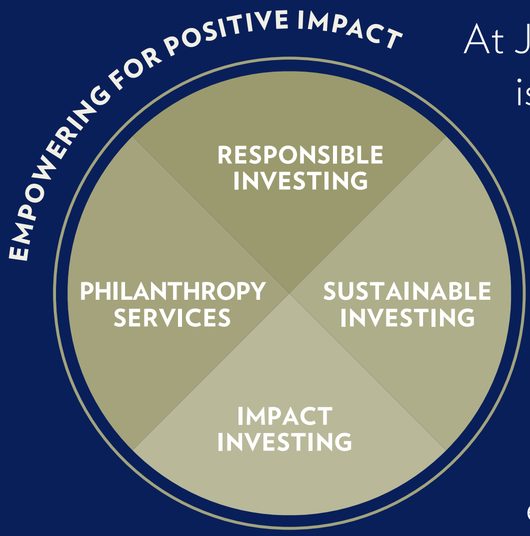
The Sustainability Risk Committee acts as a sub-committee of the Sustainability Board to oversee and provide guidance on the ongoing integration of ESG into the Julius Baer risk management framework. This process takes place across business lines and includes climate-related risk aspects as well as the application of reputational risk guidelines on environmental and social topics. More information on managing ESG risk can be found on page 34.

RESPONSIBLE INVESTMENT COMMITTEE

The Responsible Investment Committee ensures that ESG factors are considered and implemented in Julius Baer's investment strategy and governance. The committee defines the applicable Julius Baer ESG investment rating methodology by actively engaging on the topic of limiting ESG investment risks with our investment specialists, research analysts and portfolio managers, without compromising their independence.

→ Find out more about our wider corporate governance in our Annual Report 2021

RESPONSIBLE WEALTH MANAGEMENT



At Julius Baer, responsible wealth management is about preserving, growing and passing on wealth to the next generation, while addressing today's global challenges. Backed by a robust ESG investment rating methodology, our responsible wealth management ecosystem is designed to offer our clients transparency, choice and trust, and, in turn, empower positive actions for a more equitable future and a healthier planet.

IN THIS SECTION

2021 HIGHLIGHTS

CHF 3,579 million of client assets in discretionary sustainability mandates

DOUBLING of philanthropy advisory mandates

NEW global client satisfaction survey launched

NEW Sustainability Circle client community launched

OUR ESG INVESTMENT RATING METHODOLOGY

Updated in 2021, our ESG investment process involves the use of external data sources and applying our own proprietary methodology for screening, scoring and classification of our financial instruments. It goes beyond reliance solely on external ESG ratings; instead screening a large set of raw ESG data attributes provided by various third-party data providers and incorporating our internal research. This allows us to independently assess and compare input from ESG data specialists and make sound and independent judgements on the ESG quality of issuers and financial instruments.

Screening: Basic screening is an exclusion process whereby indicators are used to ensure the issuer operates in accordance with globally accepted norms around human and labour rights (including UN Global Compact compliance). It also assesses whether there are any major ESG controversies and that the issuer is not involved with controversial weapons or subject to sanctions. Finally, it identifies and excludes any remaining ESG 'laggards'.

Scoring and validation: We establish theme scores to determine the performance of issuers in relation to natural capital, climate, governance and human capital. These scores include a status quo element (reflecting the current performance of an issuer), a transition element (to reward issuers showing significant ESG improvement), and a validation element (so that case experts can challenge the data or when the system signals that the underlying data warrant a review). Combining themes, scores and basic screening indicators, thresholds determine whether an issuer/instrument is classified as an ESG risk, traditional investment, responsible investment, sustainable investment or impact investment.

Alignment: The issuer or instrument classification is applied to our investment offering and aligned against the client's ESG preferences.

Overall, our ESG investment rating methodology is not only instrumental in ensuring that regulatory requirements are contained within our ESG assessment, but it also ensures we capture diverging views between ESG data specialists. Going beyond regulatory aspects, it is thus also a basis for value-added insights that support our goal to provide clients with transparent information that allows them to make educated choices in ESG and sustainability matters. And finally, it enables us to raise the bar on ESG assessments and include our own perception of ESG quality. Within the scope of its underlying assumptions, the model is validated and tested to mitigate against any risks resulting from data that could be interpreted as 'greenwashing'. It is also flexible and can adapt to market and/or regulatory developments.

OUR RESPONSIBLE WEALTH MANAGEMENT ECOSYSTEM

Responsible investing: Enabling investors to take ESG factors into consideration when making investment decisions and for instance exclude companies with a low sustainability performance

Sustainable investing: Enabling investors to specifically look for companies with a high sustainability performance and invest in ESG leaders

Impact investing: Giving investors the possibility to go a step further and engage in impact investing: Impact investments intentionally seek to generate a financial return as well as a positive and measurable impact on the society or the environment

Philanthropy: Impact beyond investment for investors who want to donate money and create a legacy for future generations

Our investment process integrates the ESG perspective and has done so for many years. It has been and continues to be a journey of learning, refining, and extending. At the end of 2021, discretionary assets with basic ESG integration at Julius Baer amounted to CHF 66,148 million[1].

Going beyond products and services, our responsible wealth management ecosystem also includes dedicated research and thought leadership, transparent portfolio reporting for clients, and platforms for networking and exchange with like-minded individuals.

→ Watch our video on responsible wealth management at Julius Baer
→ Listen to our podcast on responsible wealth management

[1] Assets under management in central mandates (only front regions, excluding intermediaries).

SUSTAINABLE INVESTING

Our premise is that, over time, sustainability helps investments to perform better. This is why we assist our clients in aligning their portfolio with their personal values.

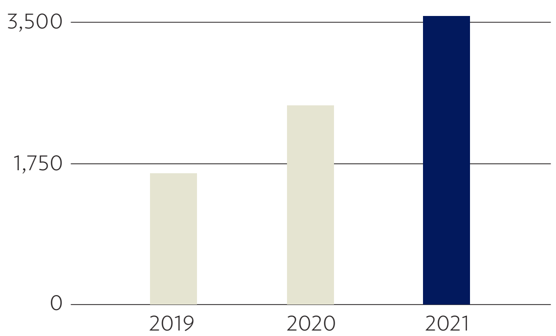
Each year, the assets we manage under sustainability mandates grow. Spanning a range of asset classes and currencies, these mandates empower clients to make investments with a specific ESG contribution in mind and have shown consistent long-term financial performance in recent years.

DISCRETIONARY MANDATES[1]

We have a 16-year track record in discretionary mandates in sustainability, and in 2021, we increased the assets under these mandates by 45% to approximately CHF 3.6 billion. They apply a strict filter for responsible corporate governance and go through a process of screening: negative screening excludes companies or governments involved in certain business activities or unethical behaviour based on specific criteria (e.g., defence/weapons, human rights violations, labour issues, poor governance), and positive screening selects best-in-class ESG leaders (companies that perform best against a defined set of peers). We adjusted our processes and criteria in 2021 to reflect recent regulatory developments in the sustainable investing space.

Discretionary sustainability mandates

(CHF m, including various asset classes)



At the heart of our approach is the principle of thematic investing, focusing on issues such as climate action, water scarcity, natural resource efficiency, nutrition innovation, health care innovation, and economic empowerment. We only consider for inclusion companies that have solutions in place in the form of products or services that in our view support the positive transformation of a respective theme.

> 'Empirical studies show that in the long term, sustainable investing can lead to market-aligned – or even better – performance compared to traditional portfolios.'
>
> SILVIA WEGMANN, HEAD OF SUSTAINABLE INVESTMENT SOLUTIONS, JULIUS BAER

ADVISORY MANDATES[2]

For those clients seeking our expert recommendations, we offer direct access to investment advisors with multi-asset skills in ESG. These advisors recommend solutions tailored to the client's specific needs, including their sustainable investment preferences and risk appetite.

Clients can see a 'sustainability overlay' of ESG risks and opportunities across their portfolio and can access thematic investments by sustainability topic. Advisory mandates enable clients to build an informed and personalised portfolio based on credible data and analysis.

→ Hear from our Head of Sustainable Investment Solutions on sustainable investing trends

[1] A discretionary mandate means investment decisions are delegated by the client to the bank, which then works with the client to define risk appetite, time horizon and specific needs. A portfolio is then built based on the client's preferences.

[2] Advisory mandates involve Julius Baer making recommendations based on the client's circumstances, objectives and attitude to risk. We only act on these recommendations with specific authority from the client.

IMPACT INVESTING

Impact investing can be a powerful catalyst for change in addressing the overuse of natural resources and the underuse of human resources. Year on year, we saw an increase in AuM allocated to impact investing.

By enabling investments in companies or projects that consider nature or social equality, for instance, we help to deliver the impact that clients aspire to see, whilst achieving financial returns.

WHAT WE OFFER

We provide a range of curated impact investment solutions, thought leadership, peer networking and portfolio impact measurement. As with responsible wealth management more broadly, we take a thematic approach, empowering clients to leverage their investments to address critical challenges in transitioning towards a sustainable global economy. For example, in 2021 we launched new products related to our thematic focus areas (see pages 13 and 14), including climate change mitigation technologies, greener food production, renewable energy generation, smart transport, and plant-based food systems.

We also continued to engage with clients on topics such as the circular economy, green technology, smart agriculture and the blue economy, including at the COP26 conference, which also saw the launch of our Sustainability Circle client community. In addition, we provided educational content and training opportunities linked to these themes to employees, as well as educational sessions for clients and university students.

> 'Impact investing is key to catalysing environmental and social change: investors can influence companies to adopt stronger ESG standards, and they can provide patient capital for innovative and transformative solutions while still achieving a financial return.'
>
> NICOLAS BAUMGARTNER, IMPACT INVESTING SPECIALIST, JULIUS BAER

IMPACT IN ACTION

Empowering for positive impact

In tackling the overuse of natural resources, the food and agriculture sectors bear great potential to operate in a more environment-friendly way. These sectors are in the early stages of a far-reaching transition towards more sustainable production and consumption. Growing environmental and resource pressures, changing consumer demands, technological innovation and ever-tightening regulatory interventions are disincentivising existing depletive practices and unhealthy diet preferences.

From an investment perspective, it is critical that we find ways to produce sufficient and healthy food that meets the demands of consumers and producers, while protecting our natural resources. At Julius Baer, we launched a new fund at the end of April 2021, enabling investments that support societal shifts to plant-based diets, while addressing social and environmental issues in the wider food system, such as human health, animal welfare and climate change.

PHILANTHROPY SERVICES

Philanthropy is a growing opportunity for those clients looking to reflect their values in their giving and to create a positive legacy. Our clients can support diverse issues, from conservation and the environment to wealth inequality and culture, either through the Julius Baer Foundation or via their own charitable enterprise.

In 2021, philanthropy services were integrated into the family purpose block, one of the five building blocks of the new family office services. The offering includes holistic guidance on philanthropic endeavours, governance and succession provided by wealth planning specialists based on a client's values.

Over the course of last year, our Wealth Planning department established a global network of internal philanthropy experts. The offering has become scalable in all regions and core markets of the bank with a model that comprises the Head of Philanthropy Advisory, a philanthropy sounding board and a philanthropy expert group, as well as functional links to the Julius Baer Foundation and the sustainability team.

Doubled the number of philanthropy advisory mandates since 2020.

'Our goal is to accompany clients as closely as possible on their philanthropic journey. We want to find out what clients with charitable ambitions want to do to make a difference in the world, and to help them define their philanthropic giving according to the highest governance standards.'

CAROLINE PIRAUD, HEAD OF PHILANTHROPY ADVISORY, JULIUS BAER

IMPACT IN ACTION

Next generation philanthropy training for wealth planners
In 2021, we strengthened our internal expertise by enabling the first cohort of wealth planners to undertake a week of virtual training with US-based next generation philanthropy organisation, 21/64. The group learned about multi-generational family facilitation to explore values, inheritance, legacy and philanthropy. This know-how will benefit ultra-high-net-worth clients and will be shared with the relationship managers in 2022. More broadly, over 400 Julius Baer colleagues participated in internal awareness training around philanthropy.

SUPPORTING CLIENTS IN MAKING THEIR MARK ON THE WORLD

Our seven-step philanthropy methodology is backed by one-to-one family meetings for clients to discover and map out their values, vision and mission. The offering further includes event formats such as roundtables to share best practices, as well as financial and estate planning services (including tax and legal implications).

IMPACT IN ACTION

Family Barometer 2021

The past two years have seen a huge increase in complexity for global families. Travel and business have been disrupted, markets have been shaken, and health and family have raced up the priority list for many. The 2021 Julius Baer Family Barometer showed that the top three discussion topics beyond investments for families were family wealth, family governance, and regulatory aspects. Findings reinforce that philanthropy can be an attractive tool not only for realising a family's purpose but also for involving the next generation in family governance.

→ Read the full report

In 2021, we delivered a number of client engagement events with philanthropy modules, from Women & Wealth seminars, to family affairs masterclasses and the family office services autumn series. Following these events, a number of clients identified a Julius Baer Foundation project to support philanthropically over the next three years, with Julius Baer connecting them with the Foundation for hands-on involvement and field visits.

→ Find out more about our philanthropy approach and services

→ Listen to our Women & Wealth podcast

TRUSTED CLIENT RELATIONSHIPS

Empowering our clients to make informed responsible investment decisions requires us to truly understand what matters to them. Each day, our relationship and account managers serve clients with care, passion and excellence – the Julius Baer corporate values. We also increasingly deploy digital and virtual services to empower clients further with targeted and interactive content delivered directly to their preferred channels – all the while protecting their data privacy and information security (see pages 34 and 35).

Digital client roadmap: 2021 milestones

Q1

Direct-to-Client
New campaign management solution introduced to extend distribution to clients

Onboarding
Assisted onboarding with video identification and digital signing

Discretionary Mandate
Tailoring notifications for e-banking in Switzerland

Q2

New eBanking V20
Modern tech stack introduced

eLounge
Access to curated investment content for leads, prospects and clients

e-Signature
Additional forms and client domiciles introduced

WhatsApp Business
Mass-launch of WhatsApp chat for compliant communication in Singapore

E-Banking in Chinese
E-banking offering in simplified and traditional Chinese introduced

Q3–4

e-Signature
Introduction of solution in Germany and Luxembourg

WeChat
Launch of Pilot for Hong Kong

Campaign Management
Newsletter consumption tracking plus subscription management started

eTrading
New strategic trading capability introduced

New eReporting
Re-designed and enhanced asset views in mobile banking available

Regulatory compliance
Cost disclosure functionality added

Corporate Actions
Start of instruction handling

→ Jump to Data privacy and information security

LAUNCHING THE CLIENT SUSTAINABILITY CIRCLE IN 2021

Connecting like-minded investors and sharing insights together is an important aspect of our responsible wealth management ecosystem. At COP26 in 2021, we established the Sustainability Circle, a community of engaged investors, philanthropists, entrepreneurs and business leaders committed to accelerate sustainable capital shifts towards a more equitable future and healthier planet. Launched at the COP26 climate conference, the Circle's activities focus on our two strategic themes: the overuse of natural resources and the underuse of human resources.

In addition, we engaged with clients on sustainability matters in our regular engagement and education programmes.

MEASURING CLIENT SATISFACTION

In 2021, we conducted our first global client survey. We received more than 5,500 responses, with an 80% rate of respondents expressing they were "extremely satisfied" or "very satisfied" with Julius Baer. The questionnaire also included a dedicated sustainability question and indicated that more than three quarters of our clients consider sustainability and ESG considerations an important aspect in making investment decisions. We plan to conduct the survey on an annual basis in the future.

→ Watch our video on responsible wealth management at Julius Baer

RESPONSIBLE CITIZENSHIP

Our purpose to create value beyond wealth includes our role as a responsible citizen and reflects our commitment to lead by example. This chapter covers how we do this, from ethical conduct and rigorous management of risk to caring for employees and communities. Responsible corporate citizenship also means conserving natural resources and taking steps to mitigate climate change, in line with international guiding principles.

IN THIS SECTION

2021 HIGHLIGHTS

28.5% women in senior management roles

NEW sustainability training launched for all employees

205% increase in employee volunteering hours

NEW climate strategy and net-zero emissions target announced

CONDUCT AND RISK

Operating with integrity and taking a responsible approach to risk underpins the trusted relationships we hold with clients and wider stakeholders.

ETHICAL CONDUCT

Our code of ethics and business conduct ('the code'), last updated in 2020, supports our commitment to being a responsible corporate citizen. The code covers how we preserve confidentiality and human rights, support diversity and environmental protection, as well as stating our position on handling potential conflicts of interest and potential instances of attempted corruption, bribery and financial crime. All employees receive mandatory training in the code and must formally attest that they comply with it. Compliance is also measured as part of the performance management process through the evaluation of ongoing values and risk behaviours. Non-compliance results in disciplinary actions.

IMPACT IN ACTION

Combatting financial crime

The code is supported by a comprehensive financial crime policy framework covering anti-money laundering, combatting terrorism financing, anti-bribery and corruption measures and sanctions compliance. This applies to all employees worldwide and, together with the code, is extended to business partners through our purchasing policy. Amongst other activities, we carry out adverse media screening to mitigate financial crime risks and we operate a payments filter to ensure compliance with international sanctions and embargoes. In addition, we apply a robust tax compliance framework and, as a matter of company policy, we do not accept clients who are not willing to follow our financial crime prevention requirements.

Understanding our clients and any risks related to them and their activities is an ongoing priority. In 2021, we evolved our global control framework and introduced a new client risk rating methodology. Starting with our booking centres Switzerland and Guernsey and now extended to Asia, the new methodology replaces our client risk index and further strengthens our anti-money laundering risk management framework by introducing a more granular client risk classification. The most detailed approach enables us to identify clients with elevated risk profiles more accurately. Furthermore, it will ensure we meet international regulatory requirements and have a state-of-the art methodology in place.

→ Jump to ESG risk management

How stakeholders can raise ethical conduct concerns

At Julius Baer, we promote an open 'speak up' culture. This means we encourage colleagues to constructively challenge and raise concerns relating to processes or unethical behaviour, including misconduct. Employees are invited to address concerns directly with their line manager or with our Human Resources (HR) or the control functions. We also offer an anonymous whistleblowing channel and internal ombudsman, with whistleblowers acting in good faith being fully protected from any form of retaliation. Where cases of misconduct are found, our Group disciplinary policy mandates the steps required. For more information on discipline and non-retaliation, see our Annual Report 2021.

Transparent governance and compensation

Our corporate governance framework, definitions and reporting are in accordance with the Directive Corporate Governance of the SIX Swiss Exchange; the guidelines and recommendations of the Swiss Code of Best Practice for Corporate Governance of the Swiss business federation economiesuisse (including the appendix on executive compensation); Circular 2017/1 Corporate Governance – Banks of the Swiss Financial Market Supervisory Authority FINMA; and the Swiss Federal Council's Ordinance against excessive compensation in listed companies.

Oversight bodies independent of our business functions are accountable for defining the company's strategic direction, managing risk and ensuring fair and transparent compensation based on performance. At Julius Baer, employees are remunerated according to criteria that reflect demonstration of our corporate values and risk behaviours. We continue to review our compensation frameworks and integrate elements which ensure we compensate based not only on performance attained (e.g. project targets, quantitative elements, etc.), but also on how these achievements are reached, including when serving our clients. The Group has embedded these 'how' elements into the annual review process globally. For information on our gender-equal pay analysis and parental benefits, see page 38. Detailed information on our corporate governance, including our Nomination & Compensation Committee, is available in our Annual Report 2021.

RISK MANAGEMENT

Approved by our Board of Directors in 2021 as part of an annual review process, our risk management and risk tolerance[1] frameworks enable employees and business partners to identify, assess, manage, monitor and report risks. These risks may be financial (such as credit, market and treasury risks) or non-financial (including operational, legal, compliance, strategic and reputational risks).

Risk governance

Each year, our Board of Directors defines our qualitative risk strategy statement to reflect current regulations and international agreements. Certain risk tolerance limits are decided at a regional, divisional or legal entity level to support local risk exposure monitoring. The Chief Risk Officer division develops and oversees the global framework for risk identification, assessment, management, monitoring and reporting within the risk tolerance for the various business activities. It acts as an independent partner in constructively challenging the business activities from a risk management perspective and also provides independent oversight, challenge and control on a global, regional and local level, in order to ensure risks are understood, owned and managed according to the firm's risk tolerance.

The Risk Management department oversees the application of our risk management and tolerance frameworks. This includes defining risk limits with risk type owners and relevant business units, as well as monitoring the Group's risk profile and conducting stress tests and scenario analyses when required.

The Compliance department has the mandate to support the senior management of the Group in ensuring compliance with laws and internal and external rules and regulations by actively managing operational, regulatory and reputational risks. In addition, Compliance assumes responsibility for developing and operating adequate risk monitoring systems, defining and applying principles and methods for risk analysis and assessment as well as monitoring systems. The department's role also comprises the support of business lines in their first-line-of-defence role and working in close partnership with them.

[1] Risk tolerance is defined as the aggregate level of risk, subject to appropriate mitigating actions, that the Group is willing to accept across all relevant risk categories. It is formalised by a set of qualitative risk statements and quantitative risk metrics along key risk categories.

IMPACT IN ACTION

Managing ESG risk

Our approach to risk management also applies to ESG risks and we are committed to fully integrating them into our risk management framework with associated procedures, practices, and tools. In addition to a formal annual risk assessment process, these include client onboarding and review, transaction-monitoring, product-development and investment-decision processes, our own operations, supply chain management, and portfolio reviews. These processes are geared towards identifying clients, transactions or suppliers potentially in breach of our standards or otherwise subject to significant environmental and/or human rights controversies, including climate change. Julius Baer does not engage in business activities with counterparties that fail to adhere to fundamental human right standards, or that engage in certain practices that result in severe violations of environmental standards, absent extraordinary circumstances that may require a differentiated evaluation of certain cases.

In this way, we embed sustainability-related aspects, i.e. risks arising from ESG objectives, events or conditions, into existing individual risk categories and risk types. We also consider ESG risks, including climate risks, when defining risk tolerances to further reduce exposure to carbon-related assets and, more broadly, to climate-sensitive sectors. Where appropriate, we seek – over time – to supplement the bottom-up risk assessment process with top-down climate-risk-related stress scenario analysis to manage them over a sufficiently long-term horizon (see our TCFD disclosure from page 65).

As outlined on page 21, a key ESG risk governance development in early 2022 has been the establishment of a Sustainability Risk Committee. Chaired by the Chief Risk Officer, it oversees the ongoing integration of ESG into the risk management framework, including establishing assessment criteria and guidelines on ESG-sensitive business activities that touch on topical issues such as human rights, forestry, palm oil and thermal coal, alongside non-regulatory climate topics (see our TCFD disclosure from page 65). It also acts as an escalation body for reputational risk cases with environmental or social concerns across all business lines. This work spans client onboarding and periodic reviews of investments, financing and sourcing, as well as overseeing ESG risk stress tests and climate scenario analysis. The Sustainability Risk Committee works in close cooperation with the Responsible Investment Committee (see page 21), our Head of Sustainability as well as divisional and regional stakeholders in addressing the merits of a dedicated reputational risk governance process, which covers ESG-related considerations. The development and implementation of a structured and more formalised ESG risk management approach will naturally evolve over time.

Just as ESG risk is reflected in our responsible wealth management ecosystem, it is equally integrated into our own operations and supply chains as part of our commitment to responsible citizenship. Since 2008, our code of conduct for business partners has been mandatory within all supplier contracts. Human and labour rights, health and safety, environmental protection and anti-corruption, diversity and inclusion, conflicts of interest as well as anti-bribery measures are all covered, recognising our key supply chain risks. In procurement, we also expanded the scope of IntegrityNext, a platform that enables us to monitor our key suppliers on sustainability and compliance risks with relevance to business continuity management and outsourcing.

Information security

Our information security management framework reflects the fundamental importance we place on managing information and cyber-security risks on behalf of our clients, employees and business partners. The framework ensures that threats are continuously analysed and monitored, with any incidents or breaches robustly and rapidly acted upon and reported, in line with regulatory requirements. Information security is discussed by the Board of Directors twice a year, while all employees undertake mandatory training at least once a year. The framework is aligned with the international information security management standard ISO 27001, and external verification is conducted on our infrastructure and processes, including frequent vulnerability checks.

2021 saw the first release of a security dashboard that enables us to measure security for compliance continuously, as opposed to periodic spot checks. At the end of the year, ten security domains[1] had been incorporated, with the remaining domains due to be integrated in the next two years. We also completed the global roll-out of smart-card authentication to strengthen employee log-in procedures to IT systems. For clients, we embarked on a new initiative involving the CRO Innovation Board, with the goal of implementing a new ecosystem based on cyber security. The initiative has received very positive feedback from clients and relationship managers and will reinforce our trusted client relationships (see page 29).

Data privacy

Our global data privacy policy, which applies to all entities of Julius Baer worldwide, clearly outlines how we protect and safeguard all personal information ('data') we are entrusted with, whether this is in hard-copy or electronic format. It further sets out the obligation to enter into data protection agreements with our suppliers processing personal data in order to enforce our data protection and security standards. In 2021, we updated the policy to further define governance of our data privacy framework which is embedded in the Group-wide risk management framework and which sets out how we protect personal data in line with international standards such as the General Data Protection Regulation in the EU. Data privacy training, including deep dives on specific risks, is mandatory for risk-exposed personnel. In 2021, we launched a global e-learning course to reinforce accountability regarding data privacy and banking secrecy risks.

Over the past twelve months, we enhanced collaboration among local data-privacy officers (and related roles) with more frequent conference calls and intranet updates, whilst also publishing internal guidelines around data capture and retention during client prospecting. For clients, we issued an update to our general banking conditions and data privacy notices and enhanced the agreements on the secure sharing and disclosure of personal data, both within the Julius Baer Group and with third parties. The amendments reflect our continuous efforts to align with all applicable legal requirements, while at the same time ensuring client-servicing excellence. A further development was centralising how we manage data-subject enquiries from clients regarding the request for information on the processing of their data by Julius Baer in Switzerland, making us even more responsive to data-protection and other banking laws and regulations. There were no major breaches or complaints in 2021.

[1] A security domain is a set of security features that enables secure communication within a network and between network domains.

CARING EMPLOYER

Our ambition is to be the employer of choice in wealth management and we invest strategically in creating fulfilling, healthy and inclusive workplaces that celebrate diversity and bring out the best in our talents.

EMPLOYEE ENGAGEMENT

Ongoing employee feedback is an important aspect of how we build a culture where people can thrive at work and where their contribution matters to how we create value beyond wealth. In another challenging year for employees and their families due to the ongoing Covid-19 pandemic, we saw an average global engagement score of 7.8 out of 10 at the end of the year and our employee net promoter score increased to 34 (+1 compared to 2020)[1], slightly above the financial industry benchmark. Furthermore, we saw a 3.6% reduction in illness days per employee in Switzerland. Global staff turnover increased by 12.9%, but remained below the longer-term average.

Over the last year, we added new questions on diversity and inclusion to our employee engagement survey. We are using the feedback to better understand diversity challenges and create an even more inclusive and fair working environment. On the question around satisfaction with Julius Baer's efforts to support diversity and inclusion, we measured an average score of 7.9 out of 10. Find out more about how we are building inclusive workplaces on pages 37 and 38.

DisAbility awareness workshop piloted in collaboration with social enterprise myAbility.

We also added new questions on health and wellbeing, with feedback showing that mental wellbeing support should be prioritised. Measures include Mental Health First Aider certification for employees in Switzerland and further awareness trainings globally. These developments add to the existing free employee assistance advice on health and wellbeing, which is anonymous and accessible to employees in various locations including Switzerland, United Kingdom, Hong Kong and Singapore. Also, to support employee physical health, we launched Virgin Pulse GO, a physical health monitoring and wellbeing platform, within the Bank and organised two global nine-week challenges to motivate and inspire exercise habits.

[1] Scores are based on a scale from -100 to +100

IMPACT IN ACTION

Sustainability@JuliusBaer

In 2021, we stepped up training and engagement on our sustainability framework across the bank. This included the launch of a mandatory e-learning for all colleagues – an introduction to our sustainability strategy, outlining our two key pillars of responsible wealth management and responsible citizenship, which received positive feedback. Furthermore, employees were able to access new sustainability sessions during our annual Julius Baer Academy learning week alongside ad hoc training on sustainability topics throughout the year.

For senior relationship managers, investment advisors and portfolio managers, we introduced a new professional development programme in partnership with the think tank Redesigning Financial Services, originally founded by representatives of the University of St. Gallen and the Swiss Federal Institute of Technology ETH. The programme aims to inspire participants to act as sustainability ambassadors and empower clients to make a positive impact. With around 30 participants having completed it so far, we aim to train approximately 250 ambassadors by the end of 2022, giving them the opportunity to join our new internal sustainability ambassador club.

In addition to client-facing colleagues, selected product specialists received specific training, with more gaining ESG certification from the Chartered Financial Analyst Institute (CFA), UK, in 2021. This means that Julius Baer had 44 ESG-certified sustainability champions at the end of 2021.

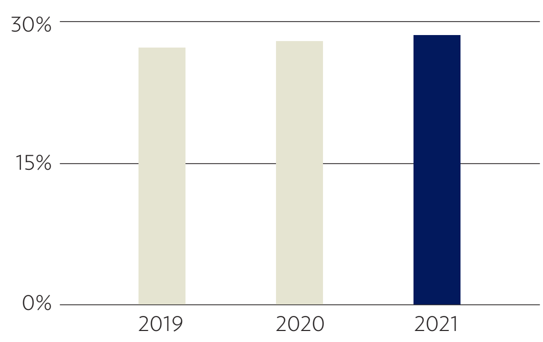
Finally, sustainability onboarding for new joiners to Julius Baer was further refined for welcome day inductions.

→ Jump to Training and development

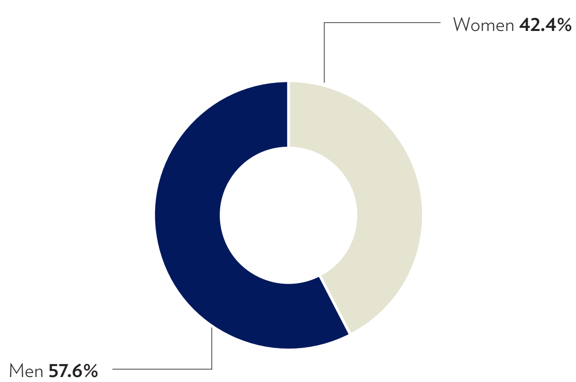
INCLUSIVE, FAIR WORKPLACES

Diversity, inclusion and fair compensation are integral to our corporate strategy and culture, as we are committed to recruiting, retaining and promoting diverse talent at all levels. In 2021, we launched our global D&I (diversity and inclusion) initiative. To align with our D&I Roadmap 2025, our global and diverse D&I Committee, which also includes members of the Executive Board, pursues the goal of recruiting a more diverse slate of candidates, further tackling unconscious bias, and fostering inclusion among our clients, employees and other stakeholders.

Women in senior management[1]
(% of total senior management headcount)



Ratio of women to men
(% of total regular staff headcount)



[1] Julius Baer defines senior management as all employees with the rank of Director to Managing Director.

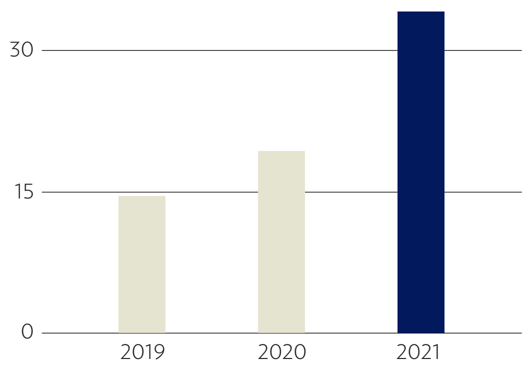
Through questions in our employee engagement survey we capture ongoing feedback on our employees' experiences with diversity, belonging and discrimination, including harassment. Actively enabling open and transparent communication has also involved piloting an awareness session on disability in collaboration with myAbility, an innovative social enterprise focusing on disability inclusion.

We are on track to achieving our goal of 30% female representation in senior management by the end of 2023, with 28.5% at the end of 2021. The proportion of women on our Board of Directors was 40% at the end of the reporting year.

→ Jump to Data and disclosures
→ Listen to our Diversity Matters podcast

Our actions to create a gender-balanced workplace begin at the recruitment stage and continue through all levels. In addition to training and processes designed to remove unconscious bias, mentoring programmes have been in place to improve collaboration across all regions and divisions since 2017. In 2021, we passed a milestone of 600 mentoring pairs. While mentoring 'on demand' and reverse mentoring – a programme matching senior managers and younger employees to foster intergenerational exchange – is open to every employee, we also offer special mentoring programmes targeting women in senior positions, high-potential talents or working parents.

Average hours of training per employee



The Group is committed to compensating employees on a fair, equitable, and gender-neutral basis, delivering equal pay for work of equal value. We conduct internal reviews as well as an external, independent equal pay analysis on an annual basis. Since 2015, Julius Baer has partnered with Ernst and Young A.G. (EY) to conduct this assessment for our major locations worldwide. Following an audit by KPMG of the assessed equal pay gap for our Switzerland operations, we can confirm that Julius Baer is significantly below the Federal Office for Gender Equality's 5% regulatory threshold. We continue to provide more than the statutory minimum in parental leave in many locations, applying Swiss regulations as a guiding principle for our locations abroad. In 2021, 316 employees took parental leave, almost equally balanced between men (49%) and women (51%).

For information on compensation and collective bargaining, please see the GRI index and the remuneration section of the Annual Report 2021.

19 employees are currently being coached by other parents via our Parents@Work initiative in the September 2021–July 2022 cycle

TRAINING AND DEVELOPMENT

Due to the ongoing pandemic, virtual learning still represented the dominant mode of training (90%) in 2021. In total, we delivered 77% more training sessions per employee on average, compared to the previous year. Focus topics included learning how to learn, sustainability and digital fitness. Additionally, new courses were developed, including on topics such as digital upskilling, unconscious bias, agile leadership and learning how to learn, as well as on banking specifics for client-facing teams and system and tool training for all employees.

20 new graduates at Julius Baer reflect a doubling of the scope of our graduate programme

IMPACT IN ACTION

Investing in a pipeline of young talent

Around the world, innovative programmes have been developed to attract young talent and prepare them for various front and non-front roles.

International: In 2021, the graduate programme expanded from 20 to 30 graduates in Zurich, Luxembourg, Dubai, Singapore and Hong Kong. The 1.5-year programme offers university graduates the opportunity to gain a deep understanding of our business, including four months spent in a different international Julius Baer location.

Switzerland: Currently, 39 apprentices are training in commercial and information technology-relevant fields. While pursuing their academic education at school, they are trained on the job, supported by various courses from the JB Academy and a personal coach to prepare them for a hands-on career in banking.

United Kingdom: Participating in this two-year programme, eight apprentices (four in 2020 and a further four joining in 2021) pursue on-the-job learning by rotating through various teams on a six-months basis and commit to studying towards professional qualifications which are funded by the government. A dedicated manager as their supervisor, as well as mentors, support their development and help the apprentices to thrive.

Singapore: To hire and support new graduates and mid-career individuals during the Covid-19 pandemic, we have participated in the SGUnited programme for two years running. In 2021, 17 trainees were hired over six to nine months in various functions to develop their finance skills.

Hong Kong: To develop junior roles, we welcomed four undergraduates from Hong Kong universities to our private wealth management association apprenticeship programme in 2021. The four-month programme over two consecutive summers includes rotations in client-facing and back-office roles.

IMPACT IN ACTION

Unlocking our collective potential

In another pandemic-impacted year, workplace learning was vital to maintain collective morale and wellbeing, while also supporting business continuity. The JB Academy uninterruptedly proposed training sessions, either virtually or face to face, particularly focussing on future leaders and client-facing colleagues. Below are two examples.

REACh programme: Our four-month hybrid leadership programme, 'Reflect, Engage, Achieve and Change' is aimed at employees with leadership potential. It creates an understanding of effective leadership behaviours and crystallises personal development. In 2021, 135 employees completed the REACh programme, globally.

Assistant relationship and account manager programme: We expanded this professional certification programme beyond Switzerland to the Middle East and to intermediaries. In total, 242 employees were certified in 2021, adding to our expertise and consistency in front-line client servicing.

> 'Really valuable course, and very well handled despite the Covid situation. I thoroughly enjoyed it and will take many of the things I learnt back to my team.'

REACH PARTICIPANT 2021

COMMUNITY PARTNER

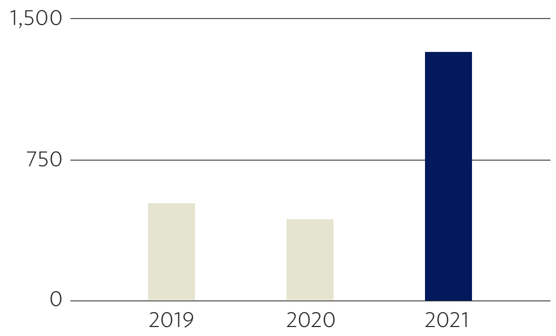
We work in partnership with local organisations to support social and environmental causes, either as a sponsor, or via our employee-led engagement movement JB Cares, the Julius Baer Foundation and the Julius Baer Art Collection. In 2021, our total community giving amounted to more than CHF 10 million, representing an 18% increase on 2020.

CORPORATE VOLUNTEERING AND JB CARES

We actively encourage employee volunteering through JB Cares, our employee-led giving and volunteering network. Employees can take two paid leave days each year to volunteer. In 2021, 142 employees gave a total of 1,319 community volunteering hours (157 days), an impressive 205% increase on 2020.

To further empower voluntary action, we updated our volunteering guidelines to clarify how we select partner organisations and how we govern volunteering in alignment with our sustainability framework and our strategic approach to the overuse of natural resources and the underuse of human resources.

JB Cares volunteer hours



IMPACT IN ACTION

Pandemic-related giving in 2021

With the Covid-19 pandemic continuing to impact many around the world in 2021, our emergency funding remained pivoted to supporting the worst-affected communities around the globe. One example has been our support for India, which was hit particularly heavily in the spring, and where we provided financial assistance to local charity partners HelpAge India, UNICEF India and grassroots urban poverty charity, Apnalaya, with funds for screening and vaccination programmes and food for vulnerable people. In total, we disbursed approximately CHF 1.3 million for pandemic-related recovery and resilience projects in India (encompassing corporate donations and employee fundraising, matched by the Julius Baer Foundation).

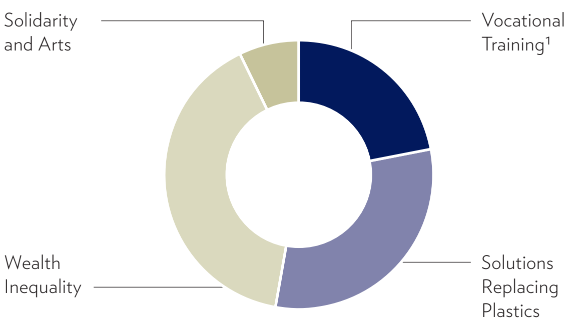
More widely, we supported programmes that build community resilience, with a focus on disadvantaged families, children and healthcare workers who continue to be affected by the pandemic. In Switzerland, this included funds for Caritas Schweiz, Winterhilfe Schweiz, the Swiss Nurses Association, Kinderschutz Schweiz and Fondation Terre des Hommes. We pledged a further CHF 5 million in 2021 to continue this work in 2022.

THE JULIUS BAER FOUNDATION

For more than 55 years, the Julius Baer Foundation has been dedicated to making meaningful and impactful contributions to society. In 2021, it collaborated with 27 partner organisations in 21 countries on projects in its strategic core areas of wealth inequality and plastics pollution.

Additionally, the Foundation supports arts engagement and JB Cares, as well as selected art museums in Switzerland. Overall grant funding increased by approximately 14% in 2021, to CHF 3.8 million. The Foundation continues to strengthen its capacity, expertise, and leadership in reducing both wealth inequality and plastics pollution.

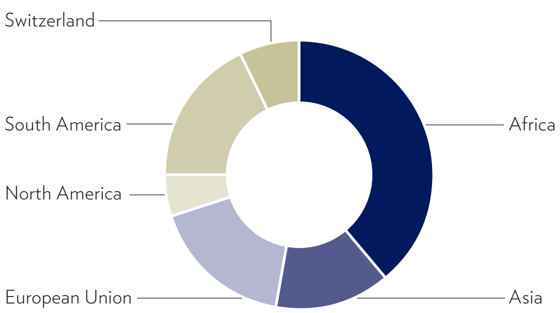
Julius Baer Foundation grant distribution by core area 2021



[1] Please note that Vocational Training is no longer an independent core area, but often finds support as an integral component of Wealth Inequality projects.

Source: Company data, Julius Baer

Julius Baer Foundation grant distribution by region 2021



Julius Baer Foundation partner organisations in 2021

SPONSORING

We continued to sponsor innovative, sustainable and pioneering initiatives across sports and culture in 2021. These included:

ABB FIA Formula E Championship: We are the founding Global Partner of the world's first fully electric racing series, which plays a substantial role in shaping the future of mobility and smarter cities.

In 2021, we were delighted to welcome Nico Rosberg as our global brand ambassador. As the 2016 Formula 1 World Champion, today Nico is a sustainability entrepreneur investing in forward-looking technologies. His sustainability ethos reflects our own commitments to responsible wealth management and responsible citizenship.

Greentech Festival: Nico Rosberg founded this festival which welcomes visitors from all over the world in person or digitally. The festival is designed to inspire people, ideas, innovations, companies and organisations to change the world for the better.

Champions Chess Tour: We are a founding partner of the world's largest online chess tournament, patroned by world chess champion Magnus Carlsen. The tour is driving innovation in chess to bring a sport into the future that has existed for millennia, connecting generations and fostering diversity.

Elbphilharmonie & Laeiszhalle Hamburg: We are the principal sponsor of this iconic concert hall, which offers a diverse range of music styles and formats and plays host to major stars and rising talent alike.

L'oiseau bleu exhibition at the UN in Geneva: An installation of five images of birds, taken in the heart of the city, created by the young Japanese photographer Yoshinori Mizutani (1987) and symbolising the 17th SDG, which aims to strengthen partnerships between governments, civil society and the private sector.

> 'For me, investments are always investments in the future, which is why I am convinced that the financial industry must think of sustainability and profit as two things linked to each other. Banks have a special responsibility here and it makes me proud that Julius Baer is leading the way in this respect.'

NICO ROSBERG, 2016 FORMULA 1 WORLD CHAMPION, SUSTAINABILITY ENTREPRENEUR AND BRAND AMBASSADOR FOR JULIUS BAER

THE JULIUS BAER ART COLLECTION

Since 1981, the Julius Baer Art Collection has been focused on the acquisitions and promotion of visual art in Switzerland. Today, it holds over 5,000 artworks. In 2021, we were proud to mark 40 years of the Julius Baer Art Collection. With its diversity of artistic movements and an active sense of responsibility to Switzerland's artist community, the Collection now has its own Instagram account. Our offices displayed artworks for employees and clients to enjoy alike, opening the collection up to the public with guided art tours. Julius Baer client relationship managers were also invited to join workshops on 'How to talk about art'.

1,400 followers to the new Julius Baer Art Collection Instagram account

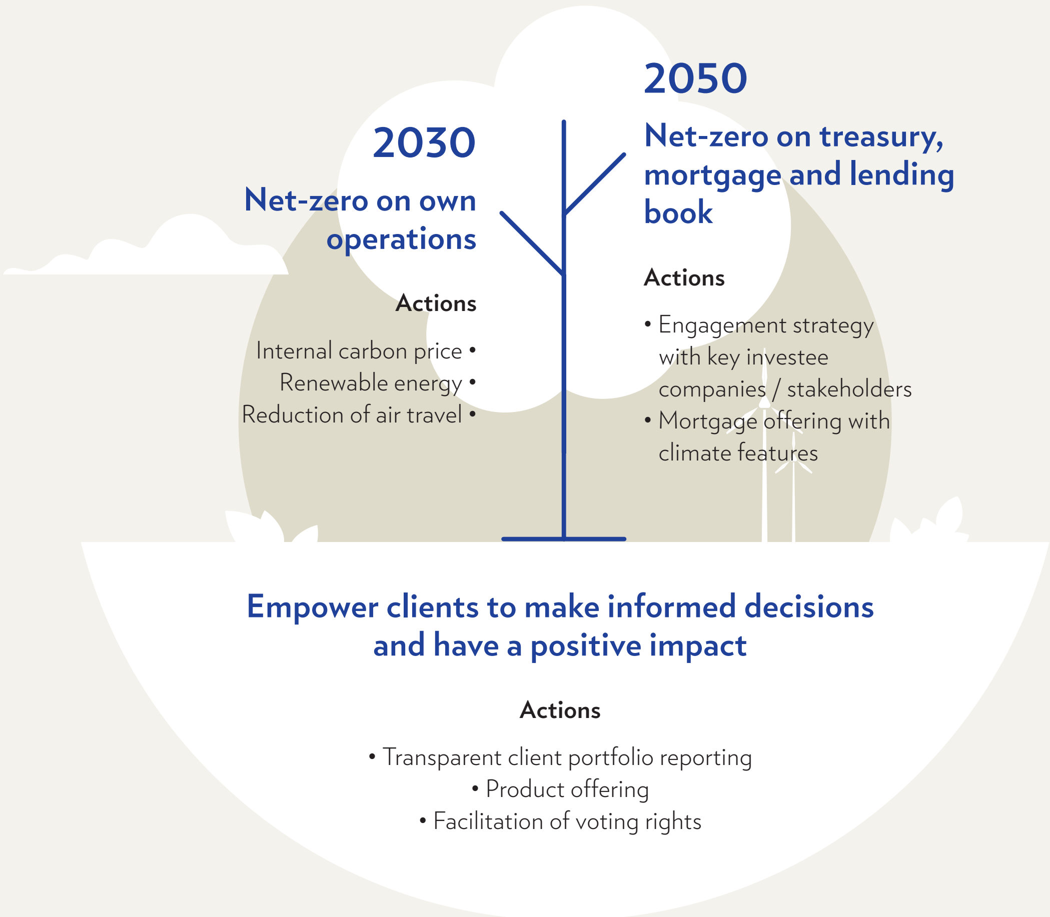
Stiftung Buchkunst Award: 'one of the most beautiful German books' for Surrounded by Art, a book to mark 130 years of Julius Baer

CONSERVING NATURAL RESOURCES

Recognising the imperative to conserve natural resources and reduce greenhouse gas emissions (GHG), we defined a new climate strategy in 2021. More broadly, our environmental management framework and monitoring tools support our strategic goal to address the overuse of natural resources – a key contributor to climate change.

OUR NEW CLIMATE STRATEGY

The climate crisis is a challenge of unprecedented magnitude. International scientific consensus such as the Intergovernmental Panel on Climate Change (IPCC) established that GHG emissions need to reach net-zero by 2050 if global warming is to be limited to 1.5°C rise from pre-industrial levels. At Julius Baer, we are committed to support the Paris Agreement by mitigating our climate impacts by reducing direct GHG emissions from our operations by 2030 and indirect emissions from our treasury, lending and mortgage books[1].



[1] Our net-zero emissions target on lending includes loans to corporate clients only, according to the Partnership for Carbon Accounting Financials (PCAF).

Setting targets starts with transparency, which is why we became the first Swiss wealth manager to apply and officially support the Partnership for Carbon Accounting Financials (PCAF) methodology to measure our emissions. The PCAF methodology is one of the most widely recognised approaches to enabling financial institutions to assess and disclose GHG emissions of loans and investments, adopted by close to 200 financial institutions. This emission accounting measurement forms the basis of our new climate strategy, which is centred on three key objectives: achieving net-zero GHG emissions in our operations by 2030; achieving net-zero GHG emissions in our treasury, lending and mortgage books by 2050; and empowering our clients to make informed decisions and have a positive impact.

In our own operations, the focus lies on shifting energy sources to renewable energy, such as renewable electricity or biogas, wherever possible, reducing emissions from business travel (see also box on internal carbon pricing below), and shifting from a carbon offsetting to a carbon removal approach for remaining emissions (see also box on page 46).

For indirect financed emissions, we commit to achieving net-zero emissions in our treasury, lending and mortgage books by 2050, which includes setting interim targets starting with emission-intensive industries and making absolute and relative emission disclosures in line with TCFD. We aim to deliver on this goal through a comprehensive engagement strategy that focuses a structured dialogue with emission-intensive companies that we and our clients invest in (see pages 9 and 10).

Recognising the urgency of the challenge, we have set interim goals that include cutting business travel emissions by 30% by 2025 compared to 2019 (pre-pandemic) levels; introducing an internal carbon price on air travel as of 2022 and reducing our treasury, lending and mortgage book emissions by 20% by 2030.

Finally, to empower clients to have a positive impact, we are continuing to increase transparency on climate-related metrics and to develop investment solutions that empower clients to contribute to climate change mitigation. We also aim to support them in executing their voting rights more consciously as a component of our strategy.

IMPACT IN ACTION

Leading the way in internal carbon pricing

We are proud to lead the wealth management industry by introducing an internal carbon price of CHF 100 per metric tonne of carbon dioxide equivalent (tCO_2e) for our air travel. The price is aligned with the recommendations of the UN Global Compact's call for action on carbon pricing, and designed to incentivise behaviours and decisions leading to the decarbonisation of the global economy. In addition, the funds generated will be deployed to fund further carbon reduction and removal efforts via nature-based solutions and partnerships supporting carbon capture technology, as described on the following page.

Understanding climate risks and opportunities

Delivering on our commitments requires us to fully understand the climate risks and opportunities within the bank and in our financing services. To that end, we support the TCFD and have applied its framework to identify climate-related physical and transitional risks that may impact our reputation, market, operations, regulatory exposure or financial outcomes.

Incorporating climate-related risks into the bank's overall risk management processes is ongoing and involves building in-house knowledge and strengthening our systems and data infrastructure. We have reviewed our existing risk categorisation and have incorporated ESG considerations where appropriate. We have also conducted scenario analyses in line with recommendations of the TCFD and the Network for Greening the Financial System.

→ Jump to our TCFD index

OUR OPERATIONAL EMISSIONS 2021

In 2021, our overall greenhouse gas emissions were 5,800 metric tonnes of carbon dioxide equivalent (tCO_2e)[1], a 33% decrease on 2020.[2] Reduced business travel, the shift to renewable electricity or purchasing energy attribute certificates and the office closures due to Covid-19 allowed to achieve this significant reduction.

Our energy consumption remained stable in 2021. All our Swiss locations continued to source 100% renewable electricity in 2021. For locations outside Switzerland in the reporting scope, we have either shifted to renewable electricity or purchased energy attribute certificates. This has allowed us to save about 3,000 metric tonnes of CO_2. In 2022, the main Swiss locations will also transition to biogas heating to replace natural gas with a renewable source derived from organic waste.

→ Jump to Key climate data annex

IMPACT IN ACTION

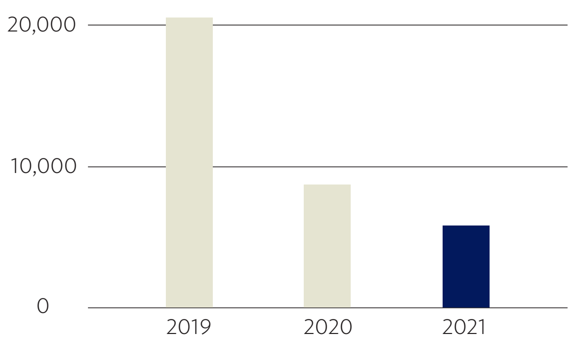
From offsets to removals

For six years, we have been carbon neutral in our operations by investing in certified carbon credits to offset emissions that are not currently possible to avoid.[3] To achieve our net-zero goals however, we are now moving beyond offsetting to support projects that capture and remove carbon from the atmosphere. Today, nature-based initiatives are the main way to do this but we will also support carbon capture technological innovation going forward.

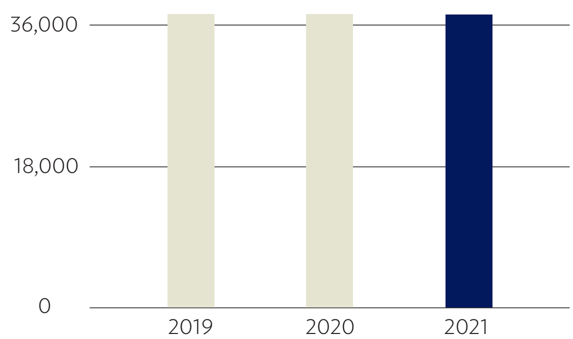
In 2021, our existing offsets supported two sustainable development projects in Indonesia, a country particularly exposed to the threats of global warming: Gunung Salak Geothermal Energy provides clean power as well as jobs and vocational training in the local garment industry, while Pertamina Geothermal Energy's Ulubelu Unit 3 and 4 geothermal power plants generate renewable energy for the country's grid.

Moving from carbon offsetting to removal in 2022, we have committed to supporting ClimatePartner's afforestation project in Guanaré, Uruguay. The project converts degraded grassland into a productive forest that benefits local communities and improves biodiversity in the region.

GHG emissions (tCO_2e)



Energy consumption (MWh)



[1] Greenhouse gas emissions cover scope 1, scope 2 and scope 3 operational emissions for 94% of our total full-time equivalent (FTE) workforce. They are calculated according to guidelines issued by the WRI/WBCSD Greenhouse Gas Protocol.

[2] This document as originally published on March 21, 2022, stated emissions of 5,912 metric tonnes of CO_2, and a reduction of 32% due to an erroneous calculation on paper consumption. The amended version was published on March 24, 2022.

[3] We compensate scope 1, scope 2 and scope 3 operational emissions, as well as emissions from our business travel (scope 3). Measured scope 1 and 2 cover approximately 94% of our business based on FTE and are extrapolated to 100%.

Like other businesses in Switzerland, Julius Baer is subject to the national carbon levy[1]. In 2021, we used our annual rebate to finance energy efficiency projects within the bank and to fund the Swiss Climate Foundation's support for small and medium-sized enterprises.

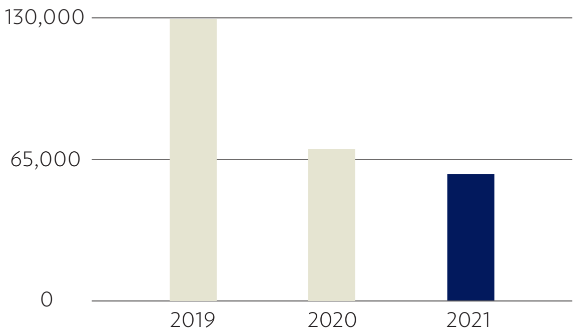
6 years of carbon neutral operations

WATER AND WASTE

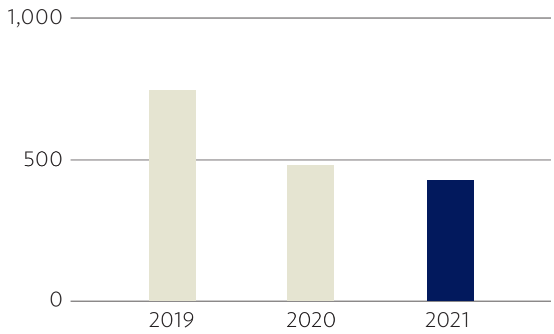
In the last 12 months, we delivered a 17% reduction on water and 11% for waste.[2] While the Covid pandemic has significantly reduced the amount of resources needed at our offices over the past two years, the most recent resource savings reflect local innovative initiatives implemented around the world, from replacing coffee pod machines with fresh beans in Luxembourg and switching to refillable water options in Monaco, Milan and Singapore to upcycling redundant office furniture in aid of the Julius Baer Foundation in Germany.

Green project of the year for our LEED platinum Dubai offices at the Middle East Green Building Awards

Water consumption (cubic metres)



Waste (t)



[1] This incentive tax on combustible fossil fuels, such as heating oil and natural gas, has been levied on consumers and businesses since 2008. Its revenues are fully redistributed to businesses as a percentage of wages paid.
[2] The locations providing waste data cover approximately 81% of our total FTEs.

DATA AND DISCLOSURE

Honest reporting, backed by credible data, is fundamental to our sustainability strategy – and to our ethical conduct. We report in line with international standards and guiding principles.

IN THIS SECTION

2021 HIGHLIGHTS

A-rated, MSCI ESG

Constituent, SXI Sustainability Index

'B', CDP rating for carbon disclosure

92, S&P Global CSA percentile rank

Constituent, FTSE4GOOD

Constituent, SIX ESG equity indices

ABOUT THIS REPORT

All content in this report has been approved by Julius Baer subject matter experts, the Sustainability Board, Executive Board and Board of Directors. Unless indicated otherwise, this report covers the entire Julius Baer Group including all consolidated operational companies for the financial year ending 31 December 2021.

The report is aligned to international best practice standards and principles including UN PRB, PRI and SDGs, SASB and TCFD. It has been prepared in accordance with GRI standards: Core option and covers our strategic priorities, as identified in collaboration with internal and external stakeholders through our materiality assessment.

Abbreviations

The report includes the following abbreviations:

AuM	Assets under Management
CEO	Chief Executive Officer
CHF	Swiss Francs (currency)
CO_2	Carbon dioxide
COP26	2021 United Nations Climate Change Conference (Conference of the Parties 26)
CRO	Chief Risk Officer
CSA	Corporate Sustainability Assessment
DJSI	Dow Jones Sustainability Index
ESG	Environmental, Social and Governance
EU	European Union
FIA	Fédération Internationale de l'Automobile
FINMA	Financial Market Supervisory Authority
FTE	Full-time equivalent
FTSE	Financial Times Stock Exchange
GRI	Global Reporting Initiative
ISO	International Organisation for Standardisation
IT	Information technology
JB	Julius Baer
kg	Kilogram
LEED	Leadership in Energy and Environmental Design
m	Metre
MSCI	Morgan Stanley Capital International
MWh	Megawatt-hour
PCAF	Partnership for Carbon Accounting Financials
RIFR	Responsible Investment Fund Rating (Julius Baer)
RM	Relationship Manager
S&P	Standard & Poor's
SASB	Sustainability Accounting Standards Board
SMART	Specific, Measurable, Achievable, Relevant and Time-bound
SSF	Swiss Sustainable Finance
SIX	Swiss Exchange
t	Ton
TCFD	Task Force on Climate-related Financial Disclosures
UAE	United Arab Emirates
UK	United Kingdom
UN PRB	United Nations Principles of Responsible Banking
UN PRI	United Nations Principles of Responsible Investment
(UN) SDGs	(United Nations) Sustainable Development Goals
UNEP FI	United Nations Environment Programme Finance Initiative
US	United States
USD	United States Dollar

INDUSTRY MEMBERSHIPS AND SUSTAINABILITY PARTNERSHIPS

Organisation or association	Engagement mechanisms	2021 examples
Swiss Bankers Association	Our CEO is a member of the Board of Directors and the Board of Directors Committee and we participate in various expert committees and working groups.	Various position papers and interactions with Swiss policy makers, with a strong focus on sustainable finance, EU market access and digital finance.
Assocation of Swiss Asset Wealth Management Banks (VAV)	Our CEO is the Chairman and our Head of Public Policy is the Managing Director.	Members agreed 16 sustainability priorities, which were developed and presented in a brochure, accompanied by wider communications. The priorities were well received by peers. The annual Private Banking Day, hosted by the VAV and ASBP associations, focused on the topic of sustainable finance.
Employers Association of Banks in Switzerland	As well as being a member, our Head of HR is a member of the Board.	No specific updates for 2021.
World Economic Forum	We participate in various working groups and projects focusing on topics of interest to the financial services industry.	No specific updates for 2021.
Avenir Suisse	Our Chairman is a member of the Board of Trustees.	No specific updates for 2021.
Institute of International Finance	We participate in various working groups.	Various position papers and interactions with global standard setters, with a strong focus on sustainable finance and digital finance.
UNEP FINANCE INITIATIVE PRINCIPLES FOR RESPONSIBLE BANKING	As the first Swiss Bank to endorse the PRB, we consider these principles as integral to our approach to Responsible Wealth Management.	See our PRB disclosure from page 55.
PRI Principles for Responsible Investment	As a signatory to the PRI, we commit to incorporating ESG considerations into our investment approach.	The PRI are reflected throughout this report and our Responsible Wealth Management activities through 2021.
Swiss Sustainable Finance	As a member since 2015, we contribute a significant proportion of the net gains we receive from the Swiss Carbon Levy to the Foundation.	We gave both financial contributions and pro bono expertise through the Board of Trustees and Advisory Board.
Swiss Climate Foundation	As a member since 2014, we are active within the workstream to integrate sustainability into investment processes within wealth and asset management.	We participated in the group's annual market study report.
ENERGIE-MODELL ZÜRICH	As a member since 2016, we participate in a range of workstreams.	We continued to exchange experiences with other members, for example on more energy-efficient cooling technology, and we also took part in three half-day group sessions and a one-day seminar on optimising energy efficiency in different areas.
SBGA SWISS BETTER GOLD ASSOCIATION	We have been a member since 2019.	Julius Baer was represented in the annual general meeting.

KEY FIGURES

Key financial indicators[1]

	2021	2020	*Change in %*
Assets under management (CHF bn)	482	434	*11.1*
Responsible investment			
Discretionary assets with basic ESG integration (CHF m)[2]	66,148	55,242	*19.7*
As percentage of total assets under management (%)	13.7	12.7	-
Discretionary sustainability mandates (CHF m)[3]	3,579	2,468	*45.0*
Operating income (CHF m)	3,857.8	3,583.1	*7.7*
Adjusted personnel expenses (CHF m)	1,657.5	1,589.4	*4.3*
Adjusted general expenses (CHF m)	673.5	697.5	*-3.4*
Adjusted depreciation, amortisation and impairment (CHF m)	197.9	181.7	*8.9*
Adjusted profit before taxes (CHF m)	1,328.9	1,114.5	*19.2*
Adjusted income taxes (CHF m)	185.1	157.9	*17.2*
Adjusted net profit (CHF m)	1,143.9	956.6	*19.6*
Key performance ratios			
Adjusted cost/income ratio (%)	63.8	66.4	-
BIS total capital ratio (%)	24.0	21.0	-
Adjusted pre-tax margin (basis points)	28.2	27.2	-
Adjusted tax rate (%)	13.9	14.2	-
Dividend proposal 2021 and dividend 2020 (CHF)[4]	2.60	1.75	-
Moody's long-term deposit rating for Bank Julius Baer & Co. Ltd.	Aa3	Aa3	-

[1] The document Alternative Performance Measures available at www.juliusbaer.com/APM provides a reconciliation of adjusted performance measures to reported results under IFRS as well as definitions of adjusted performance measures and other alternative performance measures.
[2] Based on assets under management in central mandates (only front regions, excluding intermediaries).
[3] Including various asset classes and currencies.
[4] 2021 dividend is subject to confirmation by the Annual General Meeting (12 April 2022).

Key HR indicators

	2021	2020	*Change in %*
Our people			
Total headcount (total workforce excl. externals)[1]	7,060	6,897	*2.4*
Of which regular staff	6,845	6,762	*1.2*
Number of employees (FTE) (total workforce excluding externals)[1]	6,727.3	6,606.5	*1.8*
Of whom in Switzerland (%)	52.2	52.0	-
Of whom in rest of Europe (%)	17.6	18.0	-
Of whom in Asia-Pacific (%)	22.6	22.1	-
Of whom in Latin America (%)	5.2	5.0	-
Of whom in Middle East and Africa (%)	2.4	2.8	-
Total net employee turnover (%)[2]	9.6	8.5	*12.9*
Total voluntary turnover (%)[3]	7.2	5.0	*44.0*
Average employee tenure (years)	8.6	8.0	*7.5*
Diversity			
Ratio of women (% of total regular staff headcount)	42.4	42.5	-
Women in senior management (% of total senior management headcount)[4]	28.5	27.9	-
Women on the Executive Board (%)[5]	11.1	11.1	-
Women on the Board of Directors (%)[6]	40.0	40.0	-
Promotions of women in all ranks (% of total promotions)	43.9	42.1	-
Promotions of women in senior management (% of total promotions)	37.0	28.2	-
Number of nationalities employed	103	102	*1.0*

[1] Total workforce includes regular staff (employees with an ordinary open-ended Julius Baer contract on a full or part-time basis), temporary staff, trainees, apprentices and graduates.

[2] Fluctuation rate / net turnover of regular staff in %, including resignations and terminations.

[3] Resignations as a percentage of regular staff.

[4] Julius Baer defines senior management as all employees with the rank of Director to Managing Director.

[5] This number includes members of both the Group's Executive Board and the Bank's Executive Board.

[6] Out of 10 Board of Directors members in 2021.

	2021	2020	*Change in %*
Employee wellbeing and benefits			
Illness days per employee[7]	2.7	2.8	*-3.6*
Part-time employees (% of total regular staff headcount)	11.7	11.4	-
Male part-time employees (% of total male staff)	4.0	3.9	-
Female part-time employees (% of total female staff)	22.1	21.6	-
Total number of employees taking parental leave	316	307	*2.9*
by women	161	158	*1.9*
by men	155	149	*4.0*
Parental leave in average total days taken			
by women	117.0	99.5	*17.6*
by men	11.7	9.0	*30.0*
Share of women on maternity leave the previous year still employed (%)[8]	87	79	-
Training and development			
Average number of classroom training sessions per employee (including virtual classroom)	6.5	4.5	*44.4*
Average hours of internal training per employee	34.1	19.3	*76.7*
Of which internal classroom training	27.4	12.6	
Of which internal online training	6.8	6.7	
Share of total internal training sessions using digital platforms (%)	90	88	*2.3*

7 This number reflects illness days in Switzerland (52.2% of our employees are based in Switzerland).

8 Please note that some women on maternity leave in any given year started their leave the previous year.

Key operational environmental indicators[1, 2, 3]

	2021	2020	*Change in %*
Energy consumption (MWh)	37,302	37,406	-0.3
Electricity (MWh)	24,411	25,795	*-5.4*
Heating and other fuels (MWh)	12,890	11,610	*11.0*
Energy intensity (MWh/FTE)	5.9	6.0	*-1.7*
Greenhouse gas emissions (tCO_2e)[4]	5,800	8,703	*-33.4*
Scope 1 (tCO_2e)[5]	2,663	2,198	*21.2*
Heating and other fuels (tCO_2e)	1,978	1,960	*0.9*
Volatile emissions (refrigerants) (tCO_2e)[6]	685	238	*187.8*
Scope 2 (electricity and district heat) (tCO_2e)[7, 8]	946	4,305	*-78.0*
Scope 3 (tCO_2e)[9]	2,191	2,200	*-0.4*
Business travel (tCO_2e)[10]	1,967	1,949	*0.9*
Purchased goods and waste from operations (tCO_2e)[11, 13]	224	250	*-10.4*
Greenhouse gas intensity (tCO_2e/FTE)[12]	0.9	1.4	*-35.7*
Business travel (km/FTE)[10]	1,918	2,280	*-15.9*
Paper consumption (t)	159	173	*-8.1*
Paper consumption intensity (kg/FTE)	25	28	*-10.7*
Water consumption (m^3)	58,003	69,625	*-16.7*
Water consumption intensity (m^3/FTE)	9	11	*-18.2*
Waste (t)[13]	427	480	*-11.0*
Residual office waste (t)	171	192	*-10.9*
Recycling (t)	212	249	*-14.9*
Special waste (t)[14]	44	39	*12.8*
Waste intensity (kg/FTE)	67	77	*-13.0*

1 Unless stated otherwise, the numbers in this table are based on information from Julius Baer's main business locations. These are Zurich, Geneva, Lausanne, Lugano, Basle and Bern in Switzerland, as well as our locations in Italy, Luxembourg, Brazil, Germany, India, Guernsey, Hong Kong, Monaco, Singapore, Spain, the UK, the UAE, Mexico and Uruguay. These locations cover approximately 94% of our total employees.
2 GRI 102-48: 2020 data was restated to account for additional business locations in Switzerland and Mexico.
3 This document as originally published on March 21, 2022, contained an erroneous calculation on paper consumption that also impacted the figures for total emissions, scope 3 emissions, and purchased goods and waste from operations. The amended version was published on March 24, 2022.
4 Greenhouse gas emissions were calculated according to guidelines issued by the WRI/WBCSD Greenhouse Gas Protocol. We offset all our CO_2 emissions through a certification scheme.
5 Emissions from directly owned or controlled sources.
6 Refrigerants are replenished periodically as part of maintenance work. The refills do not take place to the same extent every year, which can lead to significant differences in year-on-year comparisons. The figures are extrapolated to the reporting scope (94% of FTEs).
7 Emissions from purchased electricity and district heat/cooling.
8 Scope 2 emissions were calculated using the 'market-based' approach in accordance with the Greenhouse Gas Protocol Scope 2 Guidance. When reported according to the 'location-based' approach, the emissions totalled 5,340 tCO_2e (2020: 6,274 tCO_2e). As of 2021, all locations in scope either directly sourced green electricity or purchased energy attribute certificates to cover 100% of their demand with electricity from renewable sources.
9 Emissions from sources not owned or controlled by Julius Baer, but associated with Julius Baer's operational activities.
10 Business travel figures are a sum of emissions from air, rental car and train travel data provided by our central Global and Hong Kong travel offices (covering all employees globally), as well as emissions from company cars used at sites specified under footnote 1. Kilometres/FTE are calculated using the same input.
11 Emissions associated with the consumption of purchased paper and water, as well as emissions from waste treatment by waste generated in Julius Baer's operations (incl. wastewater treatment).
12 Greenhouse gas intensity has been calculated using Scope 1, Scope 2 and Scope 3 operational emissions (including company car data) representing approximately 94% of employees. Business travel through air, rental cars and train travel has global coverage and has not been adjusted for this calculation. The FTE base used for the calculation is in line with the other intensity figures and covers approximately 94% of employees, as specified under footnote 1.
13 The locations providing waste data cover approximately 81% of our total FTEs.
14 Special waste comprises electronic scrap, toner cartridges, fluorescent lamps, street sludge and cooking oil.

UN PRB SELF-ASSESSMENT

As a founding signatory of the UN PRB, we use this self-assessment to provide details of our actions under the framework's six principles.

Reporting and Self-Assessment Requirements	High-level summary of bank's response	Link(s) to bank's full response/relevant information
Principle 1: Alignment **We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.**		
1.1 Describe (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities, and where relevant the technologies financed across the main geographies in which your bank has operations or provides products and services.	As the leading Swiss wealth management group, our services include: Wealth planning: Tailored and holistic wealth planning services help clients navigate every stage of their life. Investing: From investment advisory and discretionary mandates, to global custody services – our solutions are tailored to the client's specific needs and risk appetite. Financing: A broad range of financing solutions and advisory services for different needs. The Julius Baer Group is present in more than 60 locations worldwide, including Zurich (Head Office), Dubai, Frankfurt, Geneva, Hong Kong, London, Luxembourg, Mexico City, Milan, Monaco, Montevideo, Moscow, Mumbai, São Paulo, Singapore and Tokyo.	Julius Baer - Driven by our purpose, pp. 4
1.2 Describe how your bank has aligned and/or is planning to align its strategy to be consistent with and contribute to society's goals, as expressed in the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.	As the leading Swiss wealth management group, we have been helping wealthy individuals and families grow, protect and pass on their wealth for over 130 years. By taking responsibility and acting sustainably, we foster our purpose to create value beyond wealth. This is reflected in our sustainability strategy and framework which is mapped to the SDGs, the UN PRI and PRB and the Paris Climate Agreement. We also consider national and regional regulations in our strategic framework, including the EU Renewed Sustainable Finance Strategy, Green Bond Standards and Taxonomy Climate Delegated Act, which have been assessed by our Sustainability Board (see 5.1) during the last year. With governance oversight from the highest levels of the business, the Julius Baer sustainability framework is structured around two pillars: responsible wealth management and responsible corporate citizenship. The framework is rooted in material sustainability issues (see 2.1) that have been identified in consultation with stakeholders (see 4.1) and mapped to the SDGs. Under responsible wealth management, our aim is to empower clients to make a positive impact. We facilitate this with an ESG investment rating methodology, sustainable and impact investing solutions, philanthropy advisory and insight-sharing – see 2.1. In our own operations, we align internal processes with responsible citizenship commitments, spanning risk management and HR, to community investment and environmental management. In 2021, we established a climate strategy with net-zero emissions targets aligned with the Paris Agreement.	Julius Baer - driven by our purpose, p. 4 In conversation with our Head of Sustainability, pp. 9 Sustainability at Julius Baer, p. 11 Sustainability Governance, p. 20

Principle 2: Impact and Target Setting

We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

2.1: Impact Analysis: Show that your bank has identified the areas in which it has its most significant (potential) positive and negative impact through an impact analysis that fulfils the following elements: a) Scope: The bank's core business areas, products/services across the main geographies that the bank operates in as described under 1.1 have been considered in the scope of the analysis. b) Scale of Exposure: In identifying its areas of most significant impact the bank has considered where its core business/its major activities lie in terms of industries, technologies and geographies. c) Context and Relevance: Your bank has taken into account the most relevant challenges and priorities related to sustainable development in the countries/regions in which it operates. d) Scale and Intensity/Salience of Impact: In identifying its areas of most significant impact, the bank has considered the scale and intensity/salience of the (potential) social, economic and environmental impacts resulting from the bank's activities and provision of products and services. (Your bank should have engaged with relevant stakeholders to help inform your analysis under elements c) and d).) Show that building on this analysis, the bank has • Identified and disclosed its areas of most significant (potential) positive and negative impact • Identified strategic business opportunities in relation to the increase of positive impacts / reduction of negative impacts	The impacts arising from our presence in society are primarily via our wealth management activities and secondarily via our own operations. As a wealth manager, we publish regular market and megatrend insights into the impact of global finance. Impact analysis remains a complex undertaking and challenges with regard to evolving methodologies remain. To ensure the accuracy and meaningfulness of the impact analysis of Julius Baer's core business areas, we decided to focus in a first step on the area where we have the most advanced methodologies at our disposal, and where we see a particularly high relevance for the global community: climate stability. On climate impact, in 2021, for the first time, we applied TCFD climate scenario analyses to understand the climate value at risk of our treasury assets and client assets, both in terms of transition risk and physical risk. As setting targets starts with transparency, we became the first Swiss wealth manager to apply and officially support the Partnership for Carbon Accounting Financials (PCAF) methodology to assess and disclose GHG emissions of loans and investments. This emission measurement forms the basis of our new climate strategy, which is centred on two key objectives: achieving net-zero GHG emissions in our operations by 2030, and achieving net-zero GHG emissions in our treasury, lending and mortgage books by 2050. The Sustainability Board recognises the mid- and long-term challenges stemming from climate change and has therefore committed to reducing our treasury, lending and mortgage book emissions by 20% by 2030 and achieving net-zero emissions by 2050. We also conduct a formal materiality analysis to assess stakeholder views every three years. Our last (2019) assessment can be summarised by four topic clusters: responsible investment; understanding clients and their needs; fair business practices and integrity; and employer of choice. On the first two clusters, we assess the potential impact of our wealth management activities on behalf of clients via a robust ESG investment rating methodology. Further developed in 2021, this system involves screening, scoring and classification of our financial instruments. Alongside monitoring impacts, we actively harness new opportunities with thematic impact investing products. We also work to further understand clients and their needs. Please see 3.1 for how we approach the other two impact clusters.	Strategic themes and priorities, pp. 13 Conserving natural resources, p. 45 TCFD Disclosure, pp. 65 Our ESG investment rating methodology, p. 23

Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Impact Analysis.

We are continually assessing potential positive and negative impacts of our presence as a leading wealth manager. To ensure accuracy and meaningfulness of our impact analysis, we focussed on an area of significant relevance for the global community: climate stability. Further, we apply broader approaches to mitigating our potentially negative impact as part of our stakeholder engagement, insights analysis of global trends, ESG investment rating methodology and corporate citizenship metrics. Each year, we deepen and broaden this work, for instance with updates to our ESG investment rating methodology in responsible wealth management or our employee surveying.

2.2 Target Setting Show that the bank has set and published a minimum of two Specific, Measurable (can be qualitative or quantitative), Achievable, Relevant and Time-bound (SMART) targets, which address at least two of the identified "areas of most significant impact", resulting from the bank's activities and provision of products and services. Show that these targets are linked to and drive alignment with a greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks. The bank should have identified a baseline (assessed against a particular year) and have set targets against this baseline. Show that the bank has analysed and acknowledged significant (potential) negative impacts of the set targets on other dimensions of the SDG/climate change/society's goals and that it has set out relevant actions to mitigate those as far as feasible to maximise the net positive impact of the set targets.	We set targets across our sustainability framework, which we update annually. These targets span both our business activities and our operational role as a responsible citizen. They are mapped to our material issues, which in turn align with the SDGs. Based on the impact analysis we conducted as part of our climate strategy (see 2.1), we have announced two SMART targets: achieve net-zero carbon emissions on our own operations by 2030; and achieve net-zero carbon emissions on our own book of investments and financing by 2050. These targets are aligned with the Paris Agreement and are supported by interim targets and milestones that further ensure our approach is achievable and relevant.	Progress against strategic priorities in 2021, p. 17 Strategic priorities in 2022 and beyond, p. 18 Conserving natural resources, pp. 44

Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Target Setting.

We have established two SMART targets based on the impact analysis conducted as part of our climate strategy and are committed to addressing the further refinement of our target setting over the coming years.

2.3 Plans for Target Implementation and Monitoring Show that your bank has defined actions and milestones to meet the set targets. Show that your bank has put in place the means to measure and monitor progress against the set targets. Definitions of key performance indicators, any changes in these definitions, and any rebasing of baselines should be transparent.	Our Sustainability Board (see 5.1), supported by the Sustainability team, closely monitors progress on our wider ambitions and objectives, including our net-zero-emission target and its interim targets and milestones. Our new Sustainability Risk Committee also drives delivery against targets and the performance management of our senior leaders includes ESG factors. In early 2022, we engaged with internal stakeholders to establish new targets and raise the bar in terms of how we deliver on our strategic framework priorities.	Sustainability Governance, pp. 20 Strategic priorities in 2022 and beyond, p. 18

Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Plans for Target Implementation and Monitoring.

With our new climate strategy, our target-setting made progress and remains in continuous development. We have set concrete actions and milestones to achieve both net-zero targets and put the proper governance in place.

2.4 Progress on Implementing Targets For each target separately: Show that your bank has implemented the actions it had previously defined to meet the set target. Or explain why actions could not be implemented/ needed to be changed and how your bank is adapting its plan to meet its set target. Report on your bank's progress over the last 12 months (up to 18 months in your first reporting after becoming a signatory) towards achieving each of the set targets and the impact your progress resulted in (where feasible and appropriate, banks should include quantitative disclosures).	In our 2021 Sustainability Report we have summarised progress against targets and commitments. We have delivered against all of the commitments we set in 2020. We have also established new targets for 2022 and beyond, including SMART climate targets. We will report back on progress in 2022.	Progress against strategic priorities in 2021, p. 17 Strategic priorities in 2022 and beyond, p. 18

Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing Targets

Strategic target-setting is a continually evolving work stream and significant progress was made throughout 2021 but we recognise that we need to go further and deeper with SMART targets. This, alongside further establishing interim milestones and delivery action plans, is a priority for 2022.

Principle 3: Clients and Customers **We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.**		
3.1 Provide an overview of the policies and practices your bank has in place and/or is planning to put in place to promote responsible relationships with its customers. This should include high-level information on any programmes and actions implemented (and/or planned), their scale and, where possible, the results thereof.	Empowering our clients to make informed responsible investment decisions requires us to truly understand what matters to them. Our relationship and account managers serve clients with care, passion and excellence – the Julius Baer corporate values, while our Code of Ethics and Business Conduct outlines how we service clients with integrity. It covers diverse topics: from conflicts of interest, corruption, bribery and financial crime; to confidentiality, human rights, diversity and environmental protection. All employees receive mandatory training in the Code and must formally attest that they comply with it. Compliance is also measured as part of the performance management process through the evaluation of ongoing values and risk behaviours. Non-compliance may result in disciplinary actions. In 2021, we established the Sustainability Circle client community during COP26 to further engage clients on a broad range of sustainability topics. We also continued to engage with clients via a new responsible wealth management website and through Earth Matters, a thought leadership publication featuring internal and external experts. We increasingly deploy digital and virtual services to engage clients further with targeted and interactive content delivered directly to their preferred channels – all the while protecting their data privacy and information security. In 2021, we conducted our first global client satisfaction survey with positive results (see 2.1 above). Alongside client relationship and account managers, we also have risk management teams working on the front line in all global regions. A client risk rating methodology and case management tool further support our due diligence of clients and mitigation of financial crime risk. Client-facing employees receive extensive training in principles of responsible investing and ethical conduct and our compensation framework considers non-financial factors in remunerating them. In 2021, we launched a new professional development programme to inspire senior relationship managers to act as sustainability ambassadors when serving clients, while product specialists have access to specific training with a growing number gaining ESG certification from the CFA. At the end of 2021, we had 44 ESG-certified sustainability champions. See also 3.2 below.	Trusted client relationships, pp. 29 Ethical conduct, pp. 32 Sustainability@ Julius Baer, p. 37 Training and development, pp. 38
3.2 Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities. This should include information on actions planned/implemented, products and services developed, and, where possible, the impacts achieved.	At Julius Baer, responsible wealth management is about preserving, growing and passing on wealth to the next generation, while addressing today's global challenges. Backed by a rigorous ESG investment rating methodology, our responsible wealth management ecosystem is designed to offer our clients transparency, choice and trust and, in turn, empower positive actions for a more equitable future and healthier planet. The ecosystem includes platforms for networking and exchange with like-minded individuals – the Sustainability Circle being a recent milestone. Our sustainable and impact investing offerings are complemented by philanthropy wealth advice. Each year, we manage more assets under sustainability mandates and impact investing funds, empowering clients to leverage their investments to address critical challenges in transitioning towards a sustainable global economy. In 2021 for example, we launched new products related to our thematic focus areas (see 1.2 above). For those clients seeking our expert recommendations, we offer direct access to investment advisors with multi-asset skills in ESG. These advisors recommend solutions tailored to the clients' specific needs, including their sustainable investment preferences and risk appetite. Clients can see a 'sustainability overlay' of ESG risks and opportunities across their portfolio and can access thematic investments by sustainability topic. Advisory mandates enable clients to build an informed and personalised portfolio based on credible data and analysis.	Our Responsible Wealth management Ecosystem, pp. 24

Principle 4: Stakeholders We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.		
4.1 Describe which stakeholders (or groups/types of stakeholders) your bank has consulted, engaged, collaborated or partnered with for the purpose of implementing these Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders and what issues were addressed/results achieved.	Our key stakeholders related to sustainability are clients, employees, investors, local communities, regulators and sustainability experts. From bilateral meetings and surveys, to consultations and formal partnerships – in 2021, we continued to deploy diverse ways of engaging in order to understand how we can better address the issues that matter to them. This includes formally inviting them to provide input into our materiality exercise every three years (see 2.1). Clients: See 3.1 and 3.2 above. Employees: We stepped up training and engagement on our sustainability framework across Julius Baer. This included the launch of a mandatory eLearning for all colleagues. Communities: We work in partnership with local organisations to support social and environmental causes, either directly as a sponsor, or via our employee-led engagement movement JB Cares, the Julius Baer Foundation and the Julius Baer Art Collection. Regulators: We engage formally with a wide range of regulatory partners and our membership contributions and other spending for public policy engagements in 2021 totalled approximately CHF 3 million (compared to CHF 2.8 million in 2020). Sustainability experts: Our responsible wealth management ecosystem connects clients with external ESG experts, and our growing thought leadership ambitions bring together experts and non-experts to engage on sustainability topics. Additionally, we engage with suppliers on sustainability through our code of conduct for business partners, which includes human and labour rights, health and safety, environmental protection and anti-corruption, diversity and inclusion, conflicts of interest and anti-bribery. IntegrityNext is our platform to monitor key suppliers on sustainability and compliance risks with relevance to business continuity management and outsourcing.	Strategic themes and priorities, pp. 13 Sustainability@ Julius Baer, p. 37 Training and development, pp. 38 Community partner, pp. 41 Our Resposible Wealth Management Ecosystem, p. 24 Managing ESG Risk, p. 34

Principle 5: Governance and Culture We will implement our commitment to these Principles through effective governance and a culture of responsible banking		
5.1 Describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support effective implementation of the Principles.	As a committee of our Executive Board and chaired by the CEO, the Sustainability Board defines, oversees and steers our sustainability strategy. It also reviews and identifies the materiality of new and existing sustainability topics at least every third year. At Board-of-Director level, the Governance & Risk Committee is responsible for developing and upholding principles of corporate governance and sustainability, including setting Julius Baer's risk tolerance framework. A dedicated Responsible Investment Committee ensures that ESG factors are considered and embedded in our investment strategy and governance, while our new Sustainability Risk Committee oversees and guides the operational aspects of ESG integration. Other Board-level committees further integrate ESG-related considerations into their agendas and mandates. On a semi-annual basis (at a minimum), the Board of Directors discusses ESG-related topics. All three Boards (Directors, Executive and Sustainability) receive regular updates from the Sustainability Team. Reporting to the Chief of Staff, the Head Sustainability and Director of the Sustainability Board leads the global Sustainability Team, which is responsible for the development and oversight of the sustainability strategy. Our corporate governance framework, definitions and reporting are in accordance with all governance regulations in Switzerland. We have a number of policies and procedures that support our responsible investing approach, including the Code of Ethics and Business Conduct (see 3.1), the risk management framework and associated policies, reputational risk guidelines, data privacy and security frameworks, numerous HR policies, community volunteering guidelines, and an environmental management framework.	Sustainability Governance, pp. 20 Annual Report 2021, p. 10 Conduct and risk, pp. 32

5.2 Describe the initiatives and measures your bank has implemented or is planning to implement to foster a culture of responsible banking among its employees. This should include a high-level overview of capacity building, inclusion in remuneration structures and performance management and leadership communication, amongst others.	Our Code of Ethics and Business Conduct (see 3.1) supports our commitment to being a trusted partner and to instilling a culture that affirms our purpose. All 6,700+ employees are trained in and must sign up to the Code with annual mandatory refresher trainings and compliance is measured as part of the performance management process through the evaluation of ongoing values and risk behaviours. Non-compliance may result in disciplinary action. We promote a 'speak up' culture to raise concerns about unethical behaviours. It includes an anonymous whistleblowing channel and internal ombudsman. In cases of misconduct, a comprehensive breach process is in place which is summarised in our Group Disciplinary Policy. Employees are remunerated according to criteria that reflect demonstration of our corporate values and risk behaviours. For more on internal capacity building, see 3.1 above. Our sustainability strategy and ambitions seek to embed international principles such as the UN PRB and UN PRI into 'business as usual' functions across the organisation. Group-wide mandatory training internally, with deep-dive training for certain roles, reinforced this in 2021. Ongoing employee feedback is an important aspect of how we build a culture of responsibility and in 2021 we saw an average global engagement score of 7.8 out of 10 and an employee net promoter score of 34 (+1 compared to 2020).	Conduct and risk, pp. 32 Caring employer, pp. 36 Sustainability at Julius Baer, pp. 11
5.3 Governance Structure for Implementation of the Principles Show that your bank has a governance structure in place for the implementation of the PRB, including: a) target-setting and actions to achieve targets set b) remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected.	See 5.1 above. With regard to targets specifically, our global Sustainability Team oversees target-setting, in consultation with relevant departments at Julius Baer. The Sustainability Board then agrees targets and monitors delivery.	Sustainability Governance, pp. 20

Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Governance Structure for Implementation of the Principles.

Transparent, robust governance is critical to delivering our sustainability strategy – just as it is to our wider corporate strategy. Clear lines of accountability and leadership underpin our culture of responsible citizenship and responsible wealth management at Julius Baer. This has been strengthened during 2021 and in early 2022 with the refinement of our sustainability governance considering our new climate strategy and, for example, the establishment of the Sustainability Risk Committee. Continuous engagement of employees and clients will further support our endeavours to implement the principles.

Principle 6: Transparency and Accountability

We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.

6.1 Progress on Implementing the Principles for Responsible Banking Show that your bank has progressed on implementing the six Principles over the last 12 months (up to 18 months in your first reporting after becoming a signatory) in addition to the setting and implementation of targets in minimum two areas (see 2.1–2.4). Show that your bank has considered existing and emerging international/ regional good practices relevant for the implementation of the six Principles for Responsible Banking. Based on this, it has defined priorities and ambitions to align with good practice. Show that your bank has implemented/is working on implementing changes in existing practices to reflect and be in line with existing and emerging international/ regional good practices and has made progress on its implementation of these Principles.	In 2021, Julius Baer announced its new corporate purpose to create value beyond wealth, backed by a strategic priority of sustainable, profitable growth. As evidenced in this submission, we are confident that we continue to make meaningful progress across all six principles. On alignment (principle 1), a new climate strategy, the expansion of impact investing, the launch of the Sustainability Circle, and the integration of mandatory sustainability training and philanthropy services into the family purpose block have all signified solid progress. On impact and target setting (principle 2), our new climate strategy sets SMART targets and we want to expand this approach to other strategic sustainability priorities in the year ahead. Client centricity and empowerment (principle 3) have progressed significantly, with new product offerings, digital innovation, the Sustainability Circle launch and internal capacity building to better serve clients in responsible banking. On stakeholder engagement (principle 4), we have worked extensively with all six strategic groups, notably with employees (via our training offer) and clients (via the launch of the Sustainability Circle). We have also regularly responded to ESG-related questions from our own investors. On governance (principle 5), we have further strengthened the rigour of ESG oversight with a new Sustainability Risk Committee, alongside ESG-related KPIs for senior leaders. On transparency and accountability (principle 6), our Sustainability Report 2021 is our most comprehensive and robust report to date, including our first SASB disclosure and an enhanced TCFD report. For clients, we have enhanced portfolio reporting to provide the highest levels of visibility on the potential and actual impacts of investments based on a broad range of credible data. This approach also applies to our ESG investment rating methodology. Spanning all of our solutions is a commitment to share transparent insights on current issues and challenges. We publish regular thought leadership articles and app-based research on markets, wealth, sustainability and megatrends.	Julius Baer - driven by our purpose, p. 4 Progress against strategic priorities in 2021, p. 17 Engaging stakeholders, p. 19 Data and disclosure, p. 48

Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing the Principles for Responsible Banking.

As our second PRB self-assessment, we have been transparent throughout this disclosure that we are on a journey to align with the Principles. With our new climate strategy, we are confident that we are on the right trajectory to report more robustly against principle 2.

The disclosures above are based primarily on our Sustainability Report 2021, which has been reviewed and approved by Julius Baer subject matter experts as well as the Executive Board and Board of Directors. We look forward to learning further from UNEP FI and its members to explore and implement best practices that support the principles.

SASB DISCLOSURE

This is the first year that Julius Baer has reported under the SASB framework and as such we have taken the decision to adopt early the Asset Management & Custody Activities Industry Standard that is effective for all entities for annual periods beginning on or after January 1, 2022. Whilst we do not currently disclose all metrics included in the SASB standards for our sector (Asset Management & Custody Activities), we plan to review these and to further develop our disclosure over time.

Topic	Accounting metric	Category	Unit of measure	Code	Response
Transparent Information & Fair Advice for Customers	(1) Number and (2) percentage of covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings	Quantitative	Number, percentage (%)	FN-AC-270a.1	This information is not available.
	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of financial product-related information to new and returning customers	Quantitative	Reporting currency	FN-AC-270a.2	This information is not available.
	Description of approach to informing customers about products and services	Discussion and Analysis	n/a	FN-AC-270a.3	See pages 23 to 30.
Employee Diversity & Inclusion	Percentage of gender and racial/ethnic Group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees	Quantitative	Percentage (%)	FN-AC-330a.1	See pages 37 and 38. Information on racial/ethnic group representation is not available.
Incorporation of Environmental, Social, and Governance Factors in Investment Management & Advisory	Amount of assets under management, by asset class, that employ (1) integration of environmental, social, and governance (ESG) issues, (2) sustainability themed investing, and (3) screening	Quantitative	Reporting currency	FN-AC-410a.1	See pages 24 and 25.
	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment and/or wealth management processes and strategies	Discussion and Analysis	n/a	FN-AC-410a.2	See page 23.
	Description of proxy voting and investee engagement policies and procedures	Discussion and Analysis	n/a	FN-AC-410a.3	We engage with clients and support them in executing their voting rights more consciously, providing information for informed decisions and encouraging them to be active. Julius Baer does not provide proxy advice or engage in proxy voting, however.
Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	Quantitative	Reporting currency	FN-AC-510a.1	This information is not available.
	Description of whistleblower policies and procedures	Discussion and Analysis	n/a	FN-AC-510a.2	See page 32.

[1] SASB is an independent, non-profit standards-setting organisation dedicated to helping companies disclose financially material ESG information.

Accounting metric	Category	Unit of measure	Code	Response
(1) Total registered and (2) total unregistered assets under management (AuM)	Quantitative	Reporting currency	FN-AC-000.A	See page 1 of our Annual Report for total assets under management. Julius Baer does not disclose the share of registered and unregistered assets as per the regulations of the jurisdictions in which the bank operates, as this number is volatile and registration is often short-term. Providing this number for any given calendar date would hence provide very limited information.
Total assets under custody and supervision	Quantitative	Reporting currency	FN-AC-000.B	See page 221 of our Annual Report.

TCFD DISCLOSURE

The global financial system has a vital role to play in the future of our planet. By directing finance flows towards sustainable activities, it can help build and shape low-carbon, resource-efficient economies.

Recommended Disclosure	Direct response/link to relevant report section	Reference
Governance		
A) Describe the board's oversight of climate-related risks and opportunities	The Board of Directors is the ultimate body that also oversees Julius Baer's sustainability and climate strategy. The scope of its respective oversight includes our own operations as well as our own and clients' investments. The Governance & Risk Committee of the Board of Directors is responsible for developing and upholding principles of corporate governance and sustainability, including setting Julius Baer's risk tolerance framework. Other Board-level committees further integrate ESG-related considerations into their agendas and mandates. On a semi-annual basis (at a minimum), the Board of Directors discusses ESG-related topics.	For further details, see Sustainability Governance, pages 20–21.
B) Describe management's role in assessing and managing risks and opportunities	The Sustainability Board, a committee of our Executive Board chaired by the CEO, defines and steers our sustainability strategy, including the climate strategy. For decisions that have a direct strategic impact on the Group, the Sustainability Board requests the support of the Executive Board, which then formally submits the request for approval to the Board of Directors. Meeting at least quarterly and comprising our CEO and other business leaders, the Sustainability Board also reviews and identifies the materiality of new and existing sustainability topics at least every third year. As part of our new climate strategy, the Sustainability Board oversees the progress on Julius Baer's net-zero targets, which will support Julius Baer's resilience against climate risks and ability to capture climate-related opportunities. In this context, it ensures that climate-related risks and opportunities are properly assessed and managed throughout our operations as well as in our and in our clients' investments. To cover operational aspects related to sustainability and climate risks, a dedicated Sustainability Risk Committee has been created as a sub-committee of the Sustainability Board. Its mandate is to oversee and drive the integration of ESG considerations into our existing risk framework, in particular within the Julius Baer risk management and risk tolerance frameworks, as well as the application of reputational risk guidelines for environmental and social risks.	For further details, see Sustainability Governance, pages 20–21.
Strategy		
A) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	We have applied the TCFD recommendations to identify climate-related physical and transitional risks that may impact our reputation, market, operations and regulatory exposure or financial outcomes. We have also continued to integrate ESG (including climate) risks into our risk management and risk tolerance framework in 2021. In application of these frameworks, all risk type owners have performed a reassessment of the risk they own to include potential impacts of ESG concerns or climate change. Due to the nature of its business as a pure wealth manager, Julius Baer is expected to be less affected by climate risks in the short term (next 3–5 years) than other financial players with e.g. large corporate credit or investment bank businesses. Despite these limited short-term risks, the Sustainability Board recognises the mid- and long-term challenges and opportunities stemming from climate change. As a priority in 2021, the Sustainability Board therefore decided to focus its efforts on mitigating the two main ESG-related risks that have been identified: reputational risks from environmental (including climate) or social-related topics, and potential mid- and long-term market risks influencing Julius Baer's, as well as our clients' investments. Julius Baer has also identified climate-related opportunities. Our sustainability strategy focuses on how we can enable responsible investment decisions among our clients and allow to seize climate-related investment opportunity. This includes action on climate change under our strategic theme to address the overuse of natural resources as a key barrier to a more sustainable economy. Our discretionary sustainability mandate focuses on sustainability themes, including low carbon footprint, and only companies that have solutions for positive transformation around those themes are considered as investment opportunities. As part of our impact investing offering, we also curate a multi-asset class product platform comprised of proprietary and third-party solutions to meet diverse client sustainability preferences.	For further details, see Managing ESG Risk, page 34 , Conserving Natural Resources, pages 44–47. and 'Responsible Wealth Management' section page 23–30.

Recommended Disclosure	Direct response/link to relevant report section	Reference
B) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	See below	

We have considered the climate-related impacts on our treasury portfolio and clients' investments across all our booking centres, with the objective to identify high concentrations of investments that may be exposed to carbon-related risks.
We used climate-scenario analyses to understand the climate value at risk (CVaR) of our treasury assets as well as our client assets. In this analysis, the financial impact from transition and physical risks and opportunities is estimated on the level of a company, as the amount of potential loss over a given timeframe. A negative figure indicates the cumulated share of the company value that might be at risk of being lost over the whole period of the scenario, whilst a positive figure indicates that the company has an opportunity to increase its value with climate warming.

Our CVaR scenario analysis is based on a 1.5°C warming assumption that maximises transition risks and looks at a long-term horizon to capture the expected long-term effects of climate warming. Further details about the scenarios are provided below.

Transition risk
The underlying data of the scenario is sourced from the Network for Greening the Financial System (NGFS) REMIND Orderly Net Zero 2050 scenario, which provides the CVaR on company level. This scenario covers a 30-year time horizon and assumes a continuous, linear intensity of efforts to reach net zero emissions by 2050 in order to limit climate warming to 1.5°C.

Physical risk
Two scenarios (average and aggressive) are simulated based on historical MSCI weather data over a 15-year time horizon. The time horizon is shorter for the physical-risk models compared to transition risks as the underlying historical weather data do not allow to create a reasonably meaningful model over a longer period of time.

Similar to the transition risk, the impact of physical climate events is estimated on company level and aggregated to disclose a summary per industry.

Financial impact
Different models are used for the simulation of the financial impact on Julius Baer. The transition risks are calculated on projected costs and benefits whereby the discount rates are aligned with the weighted average cost of capital of companies in the sectors and continent in which they operate. In addition, regression models are used to measure the impact on Julius Baer's different asset classes. The impact from physical risks is modelled given probability distributions of the annual cost from extreme weather events for a company's assets.

Findings from the CVaR analysis:

Transition risk	Physical risk
Julius Baer's Treasury portfolio (excluding government bonds and cash): - Overall high allocation to financial related investments in the treasury portfolio (72%) leading to low net transition risk (3% cumulated loss expected until 2050 due to climate transition risks under the 1.5°C scenario). - The energy sector is more strongly affected by transition risk but there is a low investment quote (6%) in energy in Julius Baer's treasury portfolio.	**Julius Baer's Treasury portfolio (excluding government bonds and cash):** - The physical impact on the treasury portfolio is negligible with 0.8% loss in portfolio value expected due to physical risks until 2035. - The utilities, financial and energy sectors are generally most affected due to physical risk.
Client portfolio (AuM – Equity and Debt investments) - The major contributor considering net transition risks is for the client portfolio in the energy sector. - The client portfolios total net transition risk is 17% (17% cumulated loss expected until 2050 due to climate transition risks under the 1.5°C scenario), or about 0.5% per year.	**Client portfolio (AuM – Equity and Debt investments)** - The absolute impact of physical risk on the portfolio value would be around 10% until 2035 under a 1.5°C scenario.

The results represent a current "snapshot" assessment, whilst risks and opportunities are expected to be actively managed by investee companies over the coming years. We will therefore continue to improve our models and scenario analysis over time with more complete and updated data as they become available. Furthermore, we will strive to further extend the scope of our scenario analysis models to assess climate impact on Julius Baer and on our clients over different time horizons (short term: 3–5 years, mid-term: 5–10 years and long term: more than 10 years horizon) and different warming pathways. We will further report on these results in the next reporting periods.

Recommended Disclosure	Direct response/link to relevant report section	Reference
C) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Despite the limited short-term risks, the Sustainability Board recognises the mid- and long-term challenges stemming from climate change. The results of our CVaR analysis confirmed our approach in enhancing the resilience of our strategy by adapting it to a changing climate. Currently different elements contribute to our resilience: – Our commitments to achieve net-zero emissions in our operations by 2030, as well as net-zero emissions in our own treasury, lending and mortgage books by 2050 (with an interim reduction of 20% by 2030), which will help in the short, medium and the long term to reduce the overall transition risks of Julius Baer – Our business model as a pure wealth manager, with limited exposure to corporate lending or investment banking activities – Our diversity in geographic areas which mitigates both physical and transition risks – Our relatively low exposure to clients and sectors with higher climate-related risks – Our continuous efforts to incorporate climate-related risks assessments and mitigation into risk management processes and strategy, including by developing in-house knowledge and strengthening our infrastructure (such as systems and data) – Finally, our upcoming engagement strategy will look amongst other things to enter into a dialogue with high-emitting investee companies, which should further mitigate the indirect market risks from climate change on our and our clients' investments We are also committed to enhancing the resilience of our strategy within our own operations. Our Business Continuity Management ensures the resilience of Julius Baer's business in the event of climate-related disruption, amongst other disruptions. We respond to these risks by ensuring that our infrastructure is not only efficient but also highly resilient to withstand current and future (environmental) conditions. On the investment side, based on the findings of our scenario analysis, climate-related risks in the shorter term appear limited. Nevertheless, Julius Baer is further working on providing clients with relevant information pertaining to the potential climate-related risks in their portfolio so that they can take informed investment and voting decisions and limit their exposure to climate-related risks. In addition, as part of our new climate strategy our climate-related product offering will be further enhanced, as Julius Baer supports its clients in seizing climate-related opportunities and identifying the companies that will emerge as leaders in a low-carbon economy. Our objectives in pursuing this target are to increase our climate resilience, enable our clients to capture market opportunities and accelerate the redirection of capital towards a low-carbon economy.	For further details about our climate strategy, see Conserving Natural Resources, pages 44–47; further details on investment opportunities, please see 'Responsible Wealth Management' section, pages 23–30.

Risk management

A) Describe the organization's processes for identifying and assessing climate-related risks.	Approved by our Board of Directors in 2021 as part of an annual review process, our risk management and risk tolerance frameworks enable employees and business partners to identify, assess, manage, monitor and report risks. These risks may be financial (such as credit, market and treasury risks) or non-financial (including operational, legal, compliance, strategic and reputational risks). The risk management department oversees the application of our risk management and tolerance frameworks. This includes defining risk limits with risk type owners and relevant business units, as well as monitoring Julius Baer's risk profile and conducting stress tests and scenario analyses. Our approach to risk management also applies to ESG including climate-related risks and we are committed to continue to fully integrate them into our risk management framework with associated procedures, practice, and tools. In addition to a formal annual risk assessment process, these include client onboarding and review, transaction monitoring, product development and investment decision processes, our own operations, supply chain management, and portfolio reviews. These processes are geared towards identifying clients, transactions or suppliers potentially in breach of our standards or otherwise subject to significant environmental and human rights controversies, including climate change.	For further details, see 'Conduct and Risk', pages 32–35.
B) Describe the organization's processes for managing climate-related risks.	ESG and climate-related risks can manifest themselves through existing risk types such as credit risk, market risk, non-financial risk, business risk, operational risk or reputational risk. Therefore, we embed sustainability-related aspects, i.e. risks arising from ESG objectives, events or conditions, into existing individual risk categories and risk types. We also consider ESG risks when defining risk tolerances to further reduce exposure to carbon-related assets and, more broadly, to climate-sensitive sectors. Where appropriate, we seek – over time – to supplement the bottom-up risk assessment process with top-down climate-risk-related stress scenario analysis to manage them over a sufficiently long-term horizon.	
C) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk	As outlined on page 21, a key ESG risk governance development in early 2022 has been the establishment of a Sustainability Risk Committee. Chaired by the Chief Risk Officer, it oversees the ongoing integration of ESG into the risk management framework, including establishing assessment criteria and guidelines on ESG-sensitive business activities that touch on topical issues such as human rights, forestry, palm oil and thermal coal, alongside non-regulatory climate topics. It also acts as an escalation body for reputational risk cases with environmental or social concerns across all business lines. This work spans client onboarding and periodic reviews of investments, financing and sourcing, as well as overseeing ESG risk stress tests and climate scenario analysis. Given the dynamic legislative and regulatory environment and changing expectations and demands from stakeholders, the Sustainability Risk Committee works in close cooperation with the Responsible Investment Committee (see page 21), our head of sustainability and divisional and regional stakeholders, in addressing the merits of a dedicated reputational risk governance process, which covers ESG, including climate-related, considerations. The development and implementation of a structured and more formalised ESG risk management approach will naturally evolve over time.	

Recommended Disclosure	Direct response/link to relevant report section	Reference

Metrics and targets

A) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.

In line with the TCFD recommendations and as part of our climate strategy, we established relevant climate-related metrics, that drive performance and transparency against our goals:

- We have measured our scope 1, 2 and 3 (indirect financed and business travel) emissions according to guidelines issued by the WRI/WBCSD Greenhouse Gas Protocol, using the Partnership for Carbon Accounting Financials (PCAF) methodology. Julius Baer is proud to have become the first Swiss wealth manager supporting PCAF.
- As a result of our scenario analysis and climate value at risk assessment, we have been able to estimate the share of our and our clients' investments that may be vulnerable to transition and physical risks, or aligned with climate-related opportunities
- An internal carbon price of CHF 100 per ton of CO_2 equivalent is also being established on air travel. The price is aligned with the recommendations of the UN Global Compact's call for action on carbon pricing, and designed to incentivise behaviours and decisions leading to the decarbonisation of the economy
- Among the components of the Executive Board's Scorecard is the objective that the Code of Ethics and Business Conduct, including the consideration of sustainability risks, as well as the value and risk behaviour guidelines are maintained and promoted across Julius Baer

For further details, see Conserving Natural Resources, pages 44–47.

B) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.

We have measured our scope 1, 2 and 3 emissions according to guidelines issued by the WRI/WBCSD Greenhouse Gas Protocol and the Partnership for Carbon Accounting Financials (PCAF).

Indicators	**2021**	2020	2019	*Change in %*
Scope 1 (tCO_2e)[1]	2,663	2,198	2,561	*21.2*
Heating and other fuels	1,978	1,960	1,818	*0.9*
Volatile emissions (refrigerants)[2]	685	238	743	*187.8*
Scope 2 (electricity and district heat) (tCO_2e)[3, 4]	946	4,305	4,452	*-78.0*
Scope 3 operational emissions[5, 6]	2,191	2,200	13,517	*-0.4*
Business travel (tCO_2e)[7]	1,967	1,949	13,087	*0.9*
Purchased goods and waste from operations (tCO_2e)[8]	224	250	431	*-10.4*
Scope 3 indirect financed emissions[9]	~140000	n/a	n/a	
Treasury book (tCO_2e)	~35000	n/a	n/a	
Lending book (tCO_2e)	~97000	n/a	n/a	
Mortgages book (tCO_2e)	~8000	n/a	n/a	

1 Emissions from directly owned or controlled sources.
2 Refrigerants are replenished periodically as part of maintenance work. The refills do not take place to the same extent every year, which can lead to significant differences in year-on-year comparisons. The figures are extrapolated to the reporting scope (94% of FTEs).
3 Emissions from purchased electricity and district heat/cooling.
4 Scope 2 emissions were calculated using the 'market-based' approach in accordance with the Greenhouse Gas Protocol Scope 2 Guidance. When reported according to the 'location-based' approach, the emissions totalled 5,340 tCO_2e (2020: 6,274 tCO_2e). As of 2021, all locations in scope either directly sourced green electricity or purchased energy attribute certificates to cover 100% of their demand with electricity from renewable sources.
5 This document as originally published on March 21, 2022, contained an erroneous calculation on paper consumption that also impacted the figures for scope 3 emissions, and purchased goods and waste from operations. The amended version was published on March 24, 2022.
6 Emissions from sources not owned or controlled by Julius Baer, but associated with Julius Baer's operational activities.
7 Business travel figures are a sum of emissions from air, rental car and train travel data provided by our central Global and Hong Kong travel offices (covering all employees globally), as well as emissions from company cars.
8 Emissions associated with the consumption of purchased paper and water, as well as emissions from waste treatment by waste generated in Julius Baer's operations (incl. wastewater treatment).
9 Measurement performed with the market-standard PCAF methodology. Estimations and assumptions had to be taken to compensate data gaps and will be refined over time

In 2022, we will continue to improve our tracking, refining and reporting of emissions across our value chain.

For further details, please see 'Key environmental indicators', page 54, and 'Conserving Natural Resources, pages 44–47.

Recommended Disclosure	Direct response/link to relevant report section		Reference
C) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Since the launch of our new climate strategy in 2021, we have established the following commitments and targets, performance against which will be reported in 2022.		For further details, see Conserving Natural Resources, pages 44-47.
	Commitments and targets	**Drivers and actions**	
	Commit to a net-zero target by 2030 in our own operational emissions	- Lead the wealth management industry by implementing a CHF 100/tCO_2e internal carbon price on air travel - 30% reduction of business travel emission by 2025 (compared to 2019) - Shifting energy sources to renewable energy (such as renewable electricity and biogas) where possible	
	Commit to a net-zero target by 2050 for our treasury, lending and mortgage books, with an interim reduction of 20% by 2030	- Define a comprehensive engagement strategy with key investee companies and stakeholders - Continue to increase transparency for clients for climate-related metrics and develop investment solutions that empower clients to contribute to climate-change mitigation	

GRI STANDARDS CONTENT INDEX

The table below sets out our compliance with all relevant GRI indicators (including Material Aspects, identified as part of Julius Baer's materiality assessment process).

102	GENERAL DISCLOSURES	
	Organisational profile	
102-1	Name of the organisation	Sustainability Report 2021, 'Julius Baer – driven by our purpose', p. 4
102-2	Activities, brands, products and services	Sustainability Report 2021, 'Julius Baer – driven by our purpose', p. 4
102-3	Location of headquarters	Sustainability Report 2021, 'Julius Baer – driven by our purpose', p. 5
102-4	Location of operations	Sustainability Report 2021, 'Julius Baer – driven by our purpose', p. 5
102-5	Ownership and legal form	Annual Report 2021, 'Corporate governance', pp. 10–12
102-6	Markets served	Business Review 2021, 'Developments in 2021', pp. 13–19
102-7	Scale of the organisation	Sustainability Report 2021, 'Julius Baer – driven by our purpose', pp. 4–5
102-8	Information on employees and other workers	Sustainability Report 2021, 'Caring employer', pp. 36–40; 'Key figures', pp. 52–+E2753
102-9	Supply chain	Sustainability Report 2021, 'Managing ESG Risk', p. 34
102-10	Significant changes to the organisation and its supply chain	No significant changes
102-11	Precautionary principle or approach	Sustainability Report 2021, 'Strategic themes and priorities', pp. 13–16; 'Sustainability at Julius Baer', pp. 11–12; 'Materiality', pp. 15–16 'Responsible wealth management', pp. 23–30; 'Conduct and risk', pp. 32–35; 'Progress against strategic priorities in 2021', p. 17; 'Strategic priorities in 2022 and beyond', p. 18; 'Data and disclosure', pp. 48–76
102-12	External initiatives	Sustainability Report 2021, 'Industry memberships and sustainability partnerships', p. 50
102-13	Membership of associations	Sustainability Report 2021, 'Industry memberships and sustainability partnerships', p. 50
	Strategy	
102-14	Statement from senior decision-maker	Sustainability Report 2021, 'Foreword', pp. 6–7
	Ethics and integrity	
102-16	Values, principles, standards and norms of behaviour	Sustainability Report 2021, 'Julius Baer – driven by our purpose', pp. 4–5; 'Caring employer', pp. 36–40; 'Ethical conduct', pp. 32–33
102-17	Mechanisms for advice and concerns about ethics	Sustainability Report 2021, 'Ethical conduct', p. 32

	Governance		
102-18	Governance structure	Sustainability Report 2021, 'Sustainability Governance', pp. 20–21; 'Ethical conduct', pp. 32–33; Annual Report 2021, 'Corporate governance', pp. 10-12; 'Board of Directors', pp. 16–41	
102-19	Delegating authority	Sustainability Report 2021, 'Sustainability Governance', pp. 20–21	
102-20	Executive-level responsibility for economic, environmental and social topics	Sustainability Report 2021, 'Sustainability Governance', pp. 20–21	
102-22	Composition of the highest governance body and its committees	Annual Report 2021, 'Group structure and shareholders', p. 11; 'Board of Directors', pp. 16–41	
102-23	Chair of the highest governance body	Annual Report 2021, 'Board of Directors', pp. 16–41	
102-24	Nominating and selecting the highest governance body	Annual Report 2021, 'Board of Directors', p. 22	
102-25	Conflicts of interest	Annual Report 2021, 'Board of Directors', p. 16 'Compensation governance', p. 16	
102-26	Role of highest governance body in setting purpose, values and strategy	Sustainability Report 2021, 'Sustainability Governance', p. 20–21	
102-29	Identifying and managing economic, environmental and social impacts	Sustainability Report 2021, 'Strategic themes and priorities', pp. 13–16; 'Materiality', pp. 15–16; 'Conserving natural resources', pp. 44–47 'TCFD disclosure', pp. 65–69	
102-32	Highest governance body's role in sustainability reporting	Sustainability Report 2021, 'About this report', p. 49	
102-33	Communicating critical concerns	Sustainability Report 2021, 'Conduct and risk', pp. 32–35; Annual Report 2021, 'Comment on risk management', pp. 116–134	
102-35	Remuneration policies	Annual Report 2021, '2021 remuneration highlights', pp. 58–59; 'Executive Board and senior management compensation', p. 71–77	
102-36	Process for determining remuneration	Annual Report 2021, '2021 remuneration highlights', pp. 58–59; 'Compensation governance', pp. 60–66	
102-37	Stakeholders' involvement in remuneration	Annual Report 2021, 'Compensation governance', pp. 60–66	
	Stakeholder engagement		
102-40	List of stakeholder groups	Sustainability Report 2021, 'Materiality', p. 16	
102-41	Collective bargaining agreements	Sustainability Report 2021, 'Caring employer', p. 37	We are represented within the Employers Association of Banks in Switzerland and we are in regular dialogue with works councils, employee representative bodies and social partners. In Austria, Luxembourg, Monaco, Spain and Switzerland, we are also part of collective bargaining agreements. No significant proportion of our workforce is employed in the low-wage segment. For further details, please refer to the remuneration report section of the Annual Report 2021.
102-42	Identifying and selecting stakeholders	Sustainability Report 2021, 'Materiality', pp. 15–16	
102-43	Approaches to stakeholder engagement	Sustainability Report 2021, 'Engaging stakeholders', p. 19	
102-44	Key topics and concerns raised	Sustainability Report 2021, 'Materiality', p. 15	

	Report practice	
102-45	Entities included in the consolidated financial statements	Sustainability Report 2021, 'About this report', p. 49; Annual Report 2021, 'Additional information', pp. 209–212
102-46	Defining report content and topic boundaries	Sustainability Report 2021, 'About this report', p. 49; 'Sustainability at Julius Baer', p. 11; 'Strategic themes and priorities, pp. 13–16'
102-47	List of material topics	Sustainability Report 2021, 'Materiality', pp. 15–16;
102-48	Restatements of information	Sustainability Report 2021, 'Caring employer', p. 35; 'Conserving natural resources', p. 44–47; 'Key figures', pp. 74–75
102-49	Changes in reporting	Sustainability Report 2021, 'About this report', p. 49
102-50	Reporting period	01.01.2021–31.12.2021
102-51	Date of most recent report	March 2021
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	Sustainability Report 2021, 'Corporate contacts', p. 77
102-54	Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards: Core option
102-55	GRI content index	Sustainability Report 2021, 'GRI Standards content index', pp. 70–76
102-56	External assurance	Not externally assured

	SPECIFIC STANDARDS DISCLOSURE	
201	**ECONOMIC PERFORMANCE**	
103-1/2/3	Management approach	Sustainability Report 2021, 'Sustainability at Julius Baer', p. 11–12; 'Materiality', pp. 15–16; 'Engaging stakeholders', p. 19; 'Responsible wealth management', pp. 22–30; Business Review 2021, 'Developments in 2021', pp. 10–22; 'Our strategy', pp. 23–25
201-1	Direct economic value generated and distributed	Sustainability Report 2021, 'Key figures', pp. 51–54; Business Review 2021, 'Financial performance in 2021', pp. 5, 8–9; Annual Report 2021, 'Financial statements Julius Baer Group 2021', pp. 95–224
201-2	Financial implications and other risks and opportunities due to climate change	Sustainability Report 2021, 'Strategic themes and priorities', pp. 13–14; 'Responsible wealth management', pp. 22–30; 'Conserving natural resources', pp. 44–47; 'TCFD disclosure', pp. 65–69
201-3	Defined benefit plan obligations and other retirement plans	Annual Report 2021, 'Remuneration report', pp. 53–94
203	**INDIRECT ECONOMIC IMPACTS**	
103-1/2/3	Management approach	Sustainability Report 2021, 'Materiality', pp. 15–16; 'Engaging stakeholders', p. 19; 'Sustainability governance', pp. 20–21; 'Community partner', pp. 41–43
203-1	Infrastructure investments and services supported	Sustainability Report 2021, 'Community partner', pp. 41–43

205	**ANTI-CORRUPTION**	
103-1/2/3	Management approach	Sustainability Report 2021, 'Materiality', pp. 15–16; 'Engaging stakeholders', p. 19; 'Conduct and risk', pp. 32–35; Annual Report 2021, 'Comment on risk management', pp. 116–134
205-1	Operations assessed for risks related to corruption	Sustainability Report 2021, 'Conduct and risk', p. 32, 34
205-2	Communication and training about anti-corruption policies and procedures	Sustainability Report 2021, 'Conduct and risk', p. 32, 34
205-3	Confirmed incidents of corruption and actions taken	Sustainability Report 2021, 'Conduct and risk', p. 32, 34 Annual Report 2021, 'Information on the consolidated balance sheet', pp. 143–163
206	**ANTI-COMPETITIVE BEHAVIOUR**	
103-1/2/3	Management approach	Sustainability Report 2021, 'Materiality', pp. 15–16; 'Engaging stakeholders', p. 19; 'Conduct and risk', pp. 32–35;
206-1	Legal actions for anti-competitive behaviour, anti-trust and monopoly practices	Annual Report 2021, 'Information on the consolidated balance sheet', pp. 143–163
207	**TAX**	
103-1/2/3	Management approach	Sustainability Report 2021, 'Materiality', pp. 15–16; 'Engaging stakeholders', p. 19; 'Conduct and risk', pp. 32–35;
207-1	Approach to tax	Sustainability Report 2021, 'Ethical conduct', pp. 47–48; Annual Report 2021, 'Information on the consolidated income statement', pp. 139–142
207-2	Tax governance, control and risk management	Annual Report 2021, 'Board of Directors', pp. 27–32
301	**MATERIALS**	
103-1/2/3	Management approch	Sustainability Report 2021, 'Materiality', pp. 15–16; 'Engaging stakeholders', p. 19; 'Conserving natural resources', pp. 44–47
301-1	Materials used by weight or volume	Sustainability Report 2021, 'Key figures', p. 75
302	**ENERGY**	
103-1/2/3	Management approach	Sustainability Report 2021, 'Materiality', pp. 15–16; 'Engaging stakeholders', p. 19; 'Conserving natural resources', pp. 44–47
302-1	Energy consumption within the organisation	Sustainability Report 2021, 'Key figures', p. 75
302-3	Energy intensity	Sustainability Report 2021, 'Key figures', p. 75
302-4	Reduction of energy consumption	Sustainability Report 2021, 'Conserving natural resources', pp. 44–47 'Key figures', p. 75
303	**WATER AND EFFLUENTS**	
103-1/2/3	Management approach	Sustainability Report 2021, 'Materiality', pp. 15–16; 'Engaging stakeholders', p. 19; 'Conserving natural resources', p. 47
303-5	Water consumption	Sustainability Report 2021, 'Key figures', p. 75

305	EMISSIONS	
103-1/2/3	Management approach	Sustainability Report 2021, 'Materiality', pp. 15–16; 'Engaging stakeholders', p. 19; 'Conserving natural resources', pp. 44–47
305-1	Direct (Scope 1) GHG emissions	Sustainability Report 2021, 'Key figures', p. 54
305-2	Energy indirect (Scope 2) GHG emissions	Sustainability Report 2021, 'Key figures', p. 54
305-3	Other indirect (Scope 3) GHG emissions	Sustainability Report 2021, 'Key figures', p. 54
305-4	GHG emissions intensity	Sustainability Report 2021, 'Key figures', p. 54
305-5	Reduction of GHG emissions	Sustainability Report 2021, 'Key figures', p. 54

306	EFFLUENTS AND WASTE	
103-1/2/3	Management approach	Sustainability Report 2021, 'Materiality', pp. 15–16; 'Engaging stakeholders', p. 19; 'Conserving natural resources', pp. 44–47
306-2	Waste by type and disposal method	Sustainability Report 2021, 'Key figures', p. 54
306-3	Waste generated	Sustainability Report 2021, 'Key figures', p. 54

401	EMPLOYMENT	
103-1/2/3	Management approach	Sustainability Report 2021, 'Materiality', pp. 15–16; 'Engaging stakeholders', p. 19; 'Caring employer', pp. 36–40
401-1	New employee hires and employee turnover	Sustainability Report 2021, 'Caring employer', p. 36; 'Key figures', p. 52
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Sustainability Report 2021, 'Key figures', p. 53; Annual Report 2021, 'Additional information', p. 167
401-3	Parental leave	Sustainability Report 2021, 'Caring employer', p. 38; 'Key figures', p. 53

403	OCCUPATIONAL HEALTH AND SAFETY	
103-1/2/3	Management approach	Sustainability Report 2021, 'Materiality', pp. 15–16; 'Engaging stakeholders', p. 19; 'Caring employer', p. 36
403-3	Occupational health services	Sustainability Report 2021, 'Caring employer', p. 36
403-4	Worker participation, consultation and communication on occupational health and safety	Sustainability Report 2021, 'Caring employer', p. 36
403-5	Worker training on occupational health and safety	Sustainability Report 2021, 'Caring employer', p. 36 'Key figures', p. 53
403-6	Promotion of worker health	'Sustainability Report 2021, 'Caring employer', p. 36; 'Key figures', p. 53

404	**TRAINING AND EDUCATION**	
103-1/2/3	Management approach	Sustainability Report 2021, 'Materiality', pp. 15–16; 'Engaging stakeholders', p. 19; 'Caring employer', pp. 38–40
404-1	Average hours of training per year per employee	Sustainability Report 2021, 'Caring employer', p. 38; 'Key figures', p. 53
404-2	Programmes for upgrading employee skills and transition assistance programmes	Sustainability Report 2021, 'Engaging stakeholders', p. 19; 'Caring employer', pp. 34–35
404-3	Percentage of employees receiving regular performance and career development reviews	Sustainability Report 2021, 'Engaging stakeholders', p. 19
405	**DIVERSITY AND EQUAL OPPORTUNITY**	
103-1/2/3	Management approach	Sustainability Report 2021, 'Materiality', pp. 15–16; 'Engaging stakeholders', p. 19; 'Caring employer', pp. 36–38
405-1	Diversity of governance bodies and employees	Sustainability Report 2021, 'Caring employer', pp. 36–38; 'Key figures', p. 52
405-2	Ratio of basic salary and remuneration of women to men	Annual Report 2021, 'Remuneration report', pp. 53–94
406	**NON-DISCRIMINATION**	
103-1/2/3	Management approach	Sustainability Report 2021, 'Materiality', pp. 15–16; 'Engaging stakeholders', p. 19; 'Caring employer', pp. 37–38;
406-1	Incidents of discrimination and corrective actions taken	Sustainability Report 2021, 'Caring employer', pp. 37–38;
413	**LOCAL COMMUNITIES**	
103-1/2/3	Management approach	Sustainability Report 2021, 'Materiality', pp. 15–16; 'Engaging stakeholders', p. 19; 'Community partner', pp. 41–43
413-1	Operations with local community engagement, impact assessment and development programmes	Sustainability Report 2021, 'Materiality', pp. 15–16; 'Engaging stakeholders', p. 19; 'Community partner', pp. 41–43
415	**PUBLIC POLICY**	
103-1/2/3	Management approach	Sustainability Report 2021, 'Materiality', pp. 15–16; 'Engaging stakeholders', p. 19; 'Industry memberships and sustainability partnerships', p. 50
415-1	Political contributions	Sustainability Report 2021, 'Industry memberships and sustainability partnerships', p. 50
417	**MARKETING AND LABELLING**	
103-1/2/3	Management approach	Sustainability Report 2021, 'Materiality', pp. 15–16; 'Engaging stakeholders', p. 19; 'Trusted client relationships', pp. 29–30
417–1	Requirements for product and service information and labelling	Sustainability Report 2021, 'Trusted client relationships', pp. 29–30 'Sustainability-related disclosures', please see on our website: https://www.juliusbaer.com/en/legal/sustainability-related-disclosures/

418	**CUSTOMER PRIVACY**	
103-1/2/3	Management approach	Sustainability Report 2021, 'Materiality', pp. 15–16; 'Engaging stakeholders', p. 19; 'Trusted client relationships', pp. 29–30 'Conduct and risk', p. 35
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Not disclosed Julius Baer considers this information to be confidential
419	**SOCIO-ECONOMIC COMPLIANCE**	
103-1/2/3	Management approach	Sustainability Report 2021, 'Materiality', pp. 15–16; 'Engaging stakeholders', p. 19; 'Conduct and risk', pp. 32–35; Annual Report 2021, 'Information on the consolidated balance sheet', p. 158
419-1	Non-compliance with laws and regulations in the social and economic area	Annual Report 2021, 'Information on the consolidated balance sheet', pp. 143–163
	RESPONSIBLE INVESTMENT	
103-1/2/3	Management approach	Sustainability Report 2021, 'Materiality', pp. 15–16; 'Engaging stakeholders', p. 19; 'Responsible wealth management', pp. 23–30
	FAIR BUSINESS PRACTICE AND INTEGRITY	
103-1/2/3	Management approach	Sustainability Report 2021, 'Materiality', pp. 15–16; 'Engaging stakeholders', p. 19; 'Conduct and risk', pp. 32–35
	UNDERSTANDING CLIENTS AND THEIR NEEDS	
103-1/2/3	Management approach	Sustainability Report 2021, 'Materiality', pp. 15–16; 'Engaging stakeholders', p. 19; 'Trusted client relationships', pp. 29–30
	WEALTH INEQUALITY	
103-1/2/3	Management approach	Sustainability Report 2021, 'Materiality', pp. 15–16; 'Engaging stakeholders', p. 19; 'Community partner', pp. 41–43
	CLIMATE CHANGE	
103-1/2/3	Management approach	Sustainability Report 2021, 'Materiality', pp. 15–16; 'Engaging stakeholders', p. 19; 'Responsible wealth management', pp. 23–30; 'Conserving natural resources', pp. 44–47; 'Conduct and risk', p. 33–35; 'TCFD disclosure', pp. 65–69

FEEDBACK

We appreciate any valuable feedback or any other inputs you might have, which you can send to sustainability@juliusbaer.com

MORE INFORMATION

For more information about Julius Baer, including its approach to sustainability, please visit: www.juliusbaer.com

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Page 14: Sandro Diener

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The Annual Report 2021 of Julius Baer Group Ltd. containing the audited IFRS financial accounts of the Julius Baer Group for the year 2021 is available at www.juliusbaer.com.

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