Julius Bär

SUSTAINABILITY REPORT 2023

JULIUS BAER GROUP

Julius Bär

Content

Foreword

Julius Baer remains firm in its long-term commitment towards sustainability. We are steadfast in our goal of building a strong wealth management business that pursues sustainable long-term growth, and we continue to enhance our capabilities and offering in this regard. However, the last few years have posed challenges for sustainability: tepid performance from ESG funds and their lacklustre demand, increasing regulatory complexities, as well as oil and gas producers watering down their climate targets. Irrespective of any turbulence or challenging times, we continue taking concrete actions towards achieving our long-term goals.

Sustainability is a key enabler of Julius Baer's strategy and contributes to our purpose of creating value beyond wealth. It guides us and our clients in tackling today's major global challenges such as climate change and inequality, and helps us to harness business opportunities in areas such as the energy transition, future cities, and feeding the world. In our experience, sustainability can be an excellent conversation starter and key business lever to strengthen trusted relationships and drive high-quality revenue generation.

To become the wealth manager of choice for our next generation of clients, sustainability will remain an important topic, as a growing number of clients seek to better align their investments with personal values. Therefore, we continually strive to improve our ecosystem of solutions and services to clients, accompanying them on their sustainability journey and empowering them to make a positive impact. To that end, we have, for instance, enhanced our ESG client reports and rolled out our Sustainability Circle client community to Asia and Latin America, giving its members a platform to exchange ideas and experiences.

As we saw with the closing of COP28 in Dubai last year, calls for climate action are more urgent than ever. Sustainability and global warming, in particular, have become prominent topics on the global and national policy agendas, and we believe this will not change. While Julius Baer has previously announced long-term climate and net-zero goals, it is vital to define near-term targets and work on concrete actions with measurable outcomes. One good example is our partnership with Swiss International Airlines and Lufthansa Group to purchase sustainable aviation fuel (SAF). The initiative is funded by our internal carbon price on air travel and aims to promote more sustainable flying. Also in 2023, in line with efforts to reduce our environmental impact, we moved into more energy-efficient and state-of-the-art offices in Hong Kong and London. Another milestone we achieved is becoming one of the first financial institutions in Switzerland to receive validation of our near-term climate targets by the Science Based Targets initiative, confirming that we are on the right path towards further reducing its carbon emissions and helping to achieve the Paris Agreement's goals.

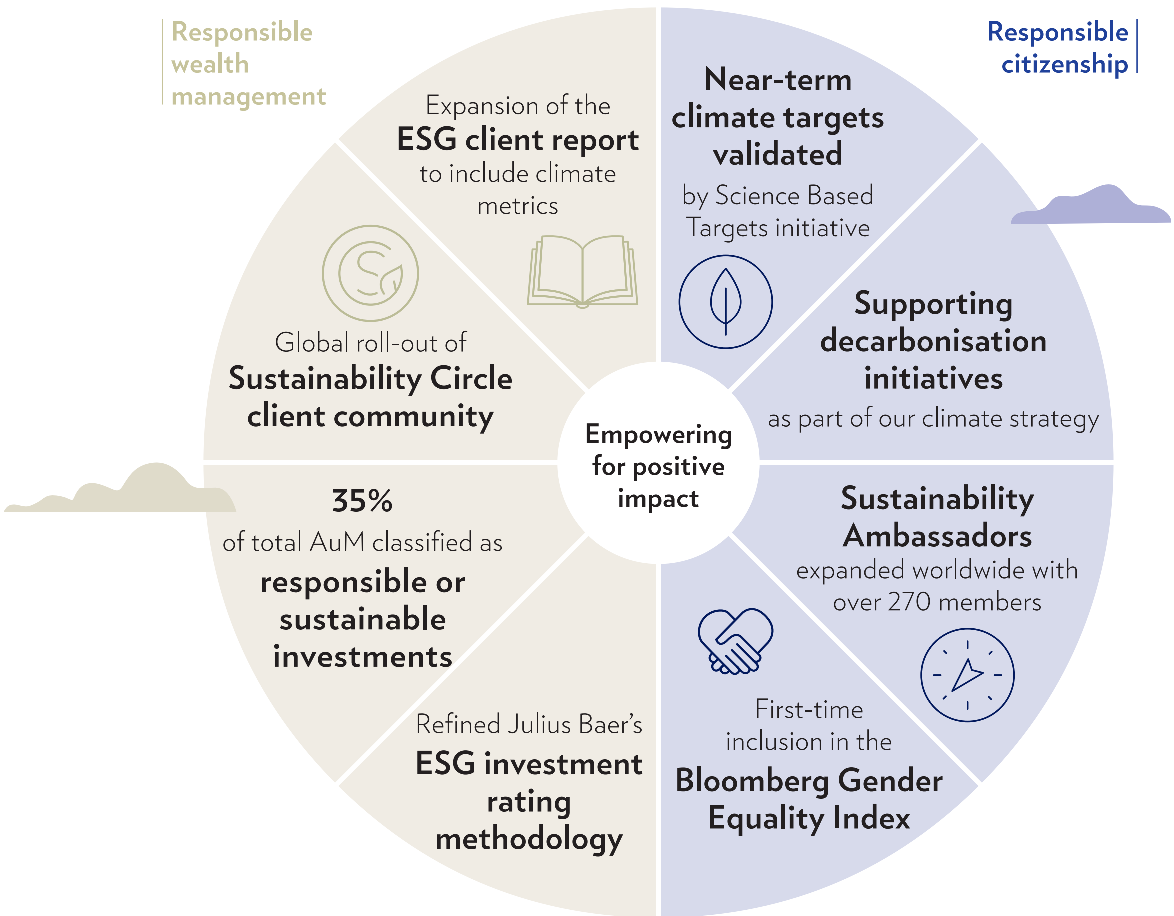
Casting our eyes ahead, the economic environment is likely to remain challenging for the foreseeable future, especially as technological advances such as artificial intelligence demands a fundamental rethink of economics. As we are still in the midst of unwinding from multiple crises, uncertainty about inflation's impact on wages will not go away, and structural reforms will be needed to bolster resilience. For Julius Baer to stay competitive, we must remain attractive for new and existing talents, and strive to be a credible partner for our clients, including those from the next generation, as well as other stakeholders. By further embedding the topic of sustainability across the organisation, we can engage our employees to drive positive impact and better accompany clients along their individual sustainability journeys.

Romeo Lacher
Chairman

Nic Dreckmann
Chief Executive Officer a.i.

Selected highlights of the year

We have continued our efforts to make a positive impact on society and the environment across our strategic priorities of responsible wealth management and responsible citizenship.



Sustainability ratings and indices

AA-rated, MSCI ESG[1]

Constituent, SXI Sustainability Index[2]

'A-', CDP rating for carbon disclosure[3]

17.3, Sustainalytics ESG Risk Rating[4]

Constituent, FTSE4GOOD[5]

Constituent, SIX ESG equity indices[6]

Constituent, Bloomberg Gender Equality Index[7]

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 5th percentile. Sustainalytics' ESG Risk Rating measures a company's exposure to industry-specific material ESG risks and how well a company is managing those risks, with a lower percentile indicating low risk. Julius Baer is rated in the category of asset management and custody services. Source: https://www.sustainalytics.com/esg-data
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 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.
7 The Bloomberg Gender Equality Index (GEI) tracks the performance of public companies committed to disclosing their efforts to support gender equality through policy development, representation and transparency. Source: https://www.bloomberg.com/gei

A conversation with Yvonne Suter, Head of Sustainability

Yvonne Suter, Head of Sustainability

So far, this decade has been a challenging time for many. What has this meant for sustainability?
There is no doubt that political tensions, armed conflicts, rising interest rates and the threat of global recession posed real challenges. When it comes to sustainability, we saw an increasing number of regulations come into force, such as the Sustainable Finance Disclosures Regulation (SFDR), the Corporate Sustainability Reporting Directive (CSRD), as well as industry standards such as the Task Force on Climate Related Financial Disclosures (TCFD). At the same time, there is greater scrutiny on how businesses and organisations are implementing concrete sustainability measures. All these developments require considerable implementation effort, yet allow for more standardisation and higher transparency. More importantly, this dynamic environment creates significant room for innovation and business opportunities, for example in areas like the energy transition, future mobility, green real estate, and sustainable food.

Did this affect your priorities and have they changed from previous years?
We strive to address these challenges and opportunities through our sustainability strategy and the framework we have defined. While we monitor these developments and adapt to the dynamic environment, it is also important to keep in mind our longer-term time horizon when it comes to sustainability.

As such, we remain focused on pursuing the long-term targets we have set for ourselves. For instance, with regards to climate, we aim to become net-zero on our operations by 2030, and on our treasury, mortgage, and lending books by 2050. To reach these long-term goals, we also set ourselves near-term targets, coupled with concrete actions. We are proud to become one of the first financial institutions in Switzerland to receive validation from the Science Based Target initiatives (SBTi) on our near-term climate targets, confirming that we have a credible plan to reduce our greenhouse gas (GHG) emissions.

Our near-term targets cover emissions reductions from our operations, balance sheet, and for the first time a portion of our client assets with discretionary mandates. This validation process ensures that our targets are aligned with what the latest climate science deems as necessary to meet the goals of the Paris Agreement – limiting global warming to well below 2°C above pre-industrial levels.

Could you tell us more about the actions you're taking to achieve your climate targets and how you address this with clients?
As a bank, our own and our clients' investments generate the vast majority of our GHG emissions. This makes our climate targets on investment activities even more pertinent.

To achieve our targets in these areas, we intend to leverage our stewardship strategy, which involves engaging with high GHG-emitting companies and exercising our voting rights as shareholders to support sustainability practices. With these activities we aim to take a more active role in influencing the companies' paths towards achieving net-zero, with the objective of fostering stronger sustainability and climate practices. At the same time, to support clients in being active shareholders, we have introduced a sustainability voting initiative, starting with a select group of clients. This service allows clients to receive voting recommendations that take sustainability and climate considerations into account, and seamlessly vote at annual general meetings.

In addition, transparency is key to our approach, as it helps empower clients to make more informed decisions. We ensure this through our client reporting and dedicated advice. Clients who are particularly keen on sustainability are welcomed to join our Sustainability Circle client community, which expanded across all business regions in 2023. The client community brings together investors, entrepreneurs, and business leaders, sharing insights and ideas, joining forces and using their experience to create positive change for the environment and society.

While much remains to be done, this is a starting point to also enable our clients to drive positive change through their investments and expertise.

What actions are you taking within your operations to reach the climate targets?

To achieve our long-term net-zero and near-term targets on our operations, it is vital that we reduce our GHG emissions by switching to renewable energy sources where possible and introducing energy saving measures. This includes moving into state-of-the-art and energy-efficient buildings in Hong Kong and London last year.

We're also committed to cutting business travel emissions by 30 per cent by 2025 (compared to 2019 levels). As part of this, we introduced an internal carbon price on air travel of CHF 100 per metric tonne of CO_2 in 2022. This not only encourages more conscious travelling, but also funds three decarbonisation initiatives: the purchase of SAF and two forest restoration projects.

Can you share more about the decarbonisation initiatives Julius Baer is supporting and why they were selected?

As a global wealth manager, business travel is an important way for us to remain close to our clients and key stakeholders. At the same time, it contributes to a significant portion of our operational emissions. Hence, we need to find ways to minimise its impact. One concrete solution we have today is SAF, which generates 80 per cent less CO_2 emissions than kerosene. That's why we're proud to become the first financial institution in Switzerland to purchase SAF from Swiss International Airlines and the Lufthansa Group. With this partnership, we aim to develop SAF into a mainstream fuel while reducing Julius Baer's carbon footprint.

Today, however, relying on nature is the only way to capture carbon at large scale. If done well, nature-based projects can also provide significant social and biodiversity benefits. We are therefore supporting two projects in Indonesia and Panama that work towards the restoration of mangroves and tropical forests, respectively. To ensure the long-term viability of the projects, local communities are closely engaged in the restoration activities and will benefit from several social aspects, including employment, education, and additional sources of income such as eco-tourism.

What plans do you have to further embed sustainability across the company and in your business activities?

Our purpose at Julius Baer is to create value beyond wealth. To enable our company to do this, we need to truly embed sustainability across the Bank, which we can achieve through education and engagement. One way in which we already do this today is through our Sustainability Ambassador community. The internal community is an exclusive platform for members of the front management teams, senior relationship managers and other client-facing specialists. Members receive dedicated training to deepen their understanding of sustainability, its impact as well as its business potential, and to enable them to have an insightful dialogue on the topic with their clients.

Looking ahead, we need to make sustainability more understandable for our employees and clients, by focusing more on tangible topics, intensifying our training efforts, and increasing awareness. And to achieve our climate targets, we aim to expand our stewardship activities by broadening our engagement discussions as well as our voting activities for our funds and clients. Stewardship has been proven to be one of the most effective ways of fostering change within high-emitting companies.

Sustainability at Julius Baer

Our sustainability ambition is to empower clients, employees, and broader stakeholder groups to make a positive impact on society and the environment.

The Julius Baer sustainability framework enables us to harness new market opportunities while mitigating risks and engaging stakeholders. At its heart is a commitment to act on two critical challenges: the overuse of natural resources and the underuse of human resources. To support us in addressing these issues, the framework is structured around two pillars: responsible wealth management (supporting shifts in capital flows towards a more equitable future and a healthier planet) and responsible citizenship (sustainability actions within our corporate activities). We develop various initiatives across the framework, which we continuously review to improve their effectiveness.

Sustainability governance

Strong, rigorous governance is critical to delivering on our sustainability strategy. To ensure this, Julius Baer has implemented a sustainability governance model 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 strategy, including the climate strategy. The Board of Directors discusses sustainability-related strategic initiatives, risks and opportunities at least twice a year. This includes acknowledging the annual progress report and approving the strategic priorities for the years ahead.

The Governance and 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 environmental, social, governance (ESG)-related considerations into their agendas and mandates.

The Sustainability Board[1], a committee of our Executive Board chaired by the Chief Executive Officer (CEO), defines and steers our sustainability strategy, including the climate strategy. This includes setting the strategic priorities for the years ahead, and ensures that sustainability-related risks and opportunities are properly assessed and managed. 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. The Sustainability Board, which comprises the key business leaders for sustainability-related topics in addition to the CEO, meets at least quarterly and is responsible for reviewing the materiality of new and existing sustainability issues at least every three years. The last materiality assessment was conducted in 2022 (see 'Materiality' chapter).

Sustainability team

The Head of Sustainability leads the Sustainability team and defines the agenda for the Sustainability Board, providing guidance to its members and promoting cross-programme coordination and alignment. The Sustainability team is responsible for developing the sustainability strategy, including the climate strategy, and for proposing strategic priorities to the Sustainability Board. It leads the implementation of sustainability-related strategic initiatives, including the Group's climate action plan and its pathway to net-zero carbon emissions, as well as stewardship, sustainability risk, regulatory developments, client engagement, employee engagement and training, positioning, and partnerships. The team drives the integration of sustainability across the Bank, and ensures the overall coordination and alignment of sustainability activities carried out within different business functions. The Sustainability team 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.

Sustainability Risk Committee

The Sustainability Risk Committee acts as a sub-committee of the Sustainability Board to oversee and provide guidance on sustainability and climate risks across business lines. This includes the identification, assessment and mitigation of climate risks, and the ongoing integration of ESG into the Julius Baer risk management framework. The Sustainability Risk Committee defines and ensures the application of our reputational risk guidelines on environmental and social topics. Additionally, the committee monitors sustainability-related regulatory developments and steers the required actions to meet the increasing number and complexity of these requirements. (For more information on ESG risk management, see 'Conduct and risk' and 'ESG investment rating methodology and client reporting' chapters.)

Responsible Investment Committee

The Responsible Investment Committee ensures that sustainability is embedded in Julius Baer's investment strategy, governance, and offering. The committee is structured into two panels: the Strategic Panel – which decides on the ESG investment and offers strategy, governance, and methodology defining the strategic guidelines – and the Operational Panel – which operates according to these guidelines and is ultimately responsible for reviewing and validating outcomes of the methodology on an issuer or at an investment-fund level. Any decisions taken by the Responsible Investment Committee on any particular investment or company are binding for the Group.

Compensation governance

Our corporate governance framework and reporting are built on established best practices in promoting transparency and accountability. Our oversight bodies, independent of our business functions, are accountable for the company's strategic direction, risk management, and ensuring fair and transparent compensation based on performance. The Board of Directors, supported by the Nomination & Compensation Committee, sets the overall remuneration policy and retains full responsibility for designing and monitoring all aspects of the compensation paid to the Board of Directors and the Executive Board of the Group.

For Board approval, the Nomination & Compensation Committee reviews and recommends the annual performance assessment, compensation components, and respective compensation amounts of the Executive Board. The final variable compensation allocated is based on a careful assessment of achievements relative to a mix of financial and non-financial objectives, of which sustainability, risk-management, and business-conduct goals bear a weighting of over 20% in the overall assessment.

Detailed information on the Group's corporate governance and remuneration framework, Executive Board compensation, and the responsibilities of the various committees of the Board of Directors, including the Nomination & Compensation Committee, is available in our Annual Report 2023.

Our sustainability journey

For more than half a century, Julius Baer has been working together with clients and broader stakeholder groups and supporting them in encouraging positive change. From establishing the Julius Baer Foundation in 1965 to introducing our sustainability strategy and framework, which comprises the two pillars of responsible wealth management and responsible citizenship, in 2021. We have increasingly integrated sustainability into our governance, our core business, and our operations. In 2023, we took important steps in implementing our climate strategy defined in 2022, including the SBTi validation of our near-term targets, initiating stewardship activities, and supporting technological- and nature-based decarbonisation initiatives (see 'Climate and natural resources, including net-zero targets' chapter).

1965
- Established Julius Baer Foundation

2006
- Launched sustainability discretionary mandate

2010
- Launched Next Generation research

2013
- Rolled out impact investing offering

2014
- Signatory of UN Principles of Responsible Investment (PRI)
- Founding Global Partner of Formula E

2015
- Established Responsible Investment Committee

2018
- Established Julius Baer Sustainability Board (Executive Board Committee, chaired by the CEO)
- First office premise attained green building certification (Singapore)

2019
- Founding signatory of UNEP FI Principles for Responsible Banking (PRB)

2020
- Refined sustainability strategy

2021
- Launched employee-wide sustainability training
- Established Sustainability Circle for clients
- Established Diversity and Inclusion Committee

2022
- Launched climate and stewardship strategy
- Refined impact investing methodology
- First distribution of ESG Client Report
- Defined ESG investment rating methodology

2023
- Near-term climate targets validated by Science Based Targets initiative
- Partnership to purchase sustainable aviation fuel
- Partnership to support nature-based carbon removal projects
- Julius Baer funds, the Foundation, employee pension funds, and several clients voted at AGMs along sustainability guidelines
- Joined Climate Action 100+ and other engagement partnerships

Materiality

Our sustainability framework is designed to address the material issues important to stakeholders and to contribute to wider sustainability efforts. Our latest materiality assessment applies the double materiality approach.

Our approach includes a double materiality assessment, which considers both the impact our business has on the environment and society and how sustainability issues shape financial impacts. These impacts need to be considered independently, although they are often interrelated.

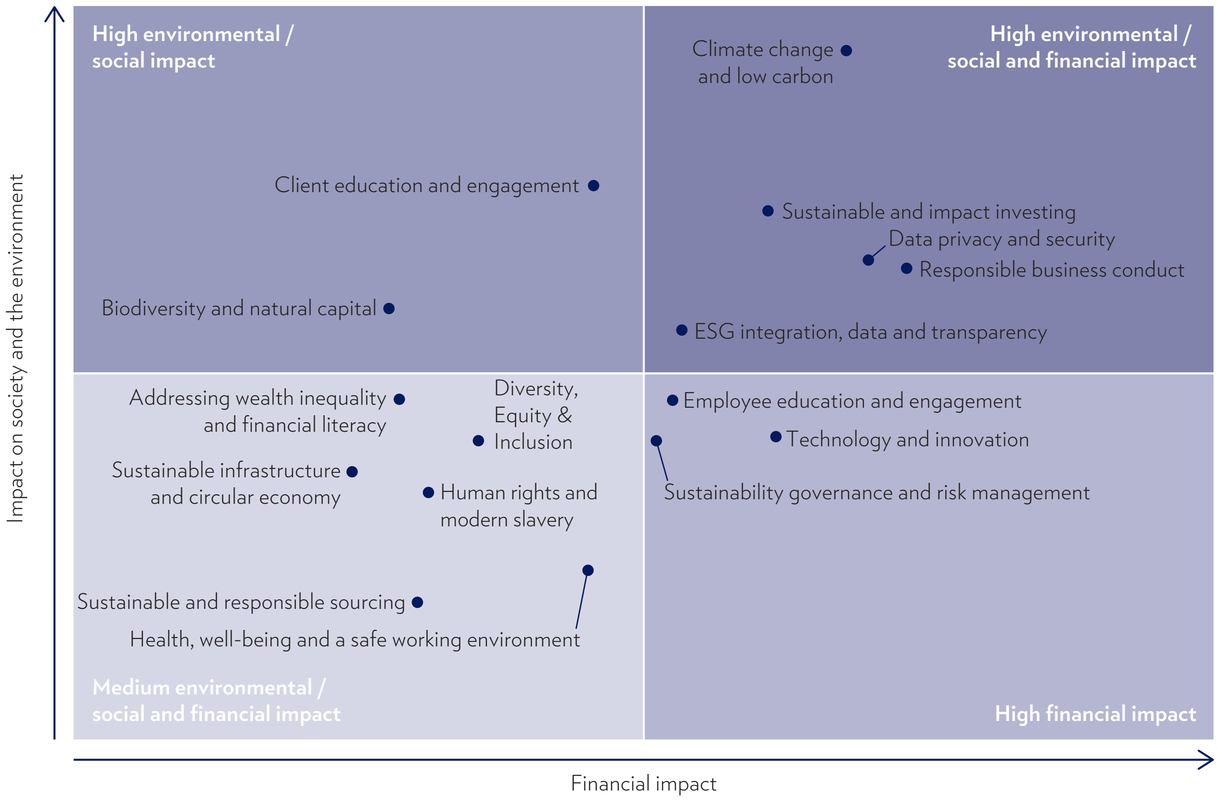
Our materiality assessments start with defining the issues involved, using desk research into market and regulatory developments. We establish a shortlist of 20 potentially material issues, consulting Julius Baer employees alongside key external stakeholders such as clients and industry specialists, to assess the impact and financial materiality of the issues raised. These results are then collated and analysed to build a materiality matrix.

The most recent materiality matrix, endorsed by our Sustainability Board, is shown below. We have identified 16 material issues. These are mapped in the matrix according to their level of impact. The issues and their relative weight provide insight to us for further developing and refining our sustainability efforts.

As concluded from the assessment conducted in 2022 and reviewed in 2023, the most material issues from both a societal/environmental and a financial perspective are shown in the top-right quadrant.

These are:
- Climate change and low carbon
- Sustainable and impact investing
- Data privacy and security
- Responsible business conduct
- ESG integration, data and transparency

Materiality matrix



Within our business context, we believe these top five issues, and the 16 issues identified overall, are addressed by our sustainability strategy and the holistic approach we take to the topic, built on the two pillars of responsible wealth management and responsible citizenship. The material issues we have identified in our latest assessment also underscore the relevance of our ambition to address two significant global challenges: the overuse of natural resources and the underuse of human resources. The identification of climate change and low carbon as the most material issue illustrates the importance of the climate strategy we introduced in 2022 and the actions we have taken in 2023.

Mapping material issues to the United Nations' Sustainable Development Goals

Reflecting our ongoing commitment to global standards and principles, such as the United Nations' Sustainable Development Goals (UN SDGs), we consider how our efforts address the identified material issues.

The table below sets out the corresponding UN SDGs to each material issue, with a link to the relevant chapter of this report for details on our approach and progress.

Material issue	Corresponding SDGs	More information
Climate change and low carbon	• SDG 13: Climate action	See chapter 'Climate and natural resources, including net-zero targets'
Sustainable and impact investing	• SDG 17: Partnerships for the goals	See chapter 'Products and solutions'
Data privacy and security	• SDG 8: Decent work and economic growth	See chapter 'Conduct and risk'
Responsible business conduct	• SDG 8: Decent work and economic growth	See chapter 'Conduct and risk'
ESG integration, data and transparency	• SDG 8: Decent work and economic growth • SDG 17: Partnerships for the goals	See chapter 'ESG investment rating methodology and client reporting'
Client education and engagement	• SDG 17: Partnerships for the goals • SDG 4: Quality Education	See chapter 'Client community and ESG knowledge'
Biodiversity and natural capital	• SDG 14: Life Below Water • SDG 15: Life on Land	See chapter 'Climate and natural resources, including net-zero targets'
Employee education and engagement	• SDG 4: Quality education • SDG 8: Decent work and economic growth	See chapter 'Caring employer and training'
Addressing wealth inequality and financial literacy	• SDG 4: Quality education • SDG 10: Reduced inequalities	See chapter 'Julius Baer Foundation and community partner'
Technology and innovation	• SDG 9: Industry, innovation and infrastructure	See chapter 'Research and thought leadership'
Sustainability governance and risk management	• SDG 8: Decent work and economic growth • SDG 16: Peace, justice and strong institutions	See chapter 'Sustainability at Julius Baer'
Diversity, equity and inclusion	• SDG 5: Gender equality • SDG 10: Reduced inequalities	See chapter 'Caring employer and training'
Sustainable infrastructure and circular economy	• SDG 12: Responsible consumption and production	See chapter 'Research and thought leadership'
Human rights and modern slavery	• SDG 10: Reduced inequalities • SDG 16: Peace, justice and strong institutions	See chapter 'Conduct and risk'
Health, well-being and a safe working environment	• SDG 3: Good health and well-being • SDG 8: Decent work and economic growth	See chapter 'Caring employer and training'
Sustainable and responsible sourcing	• SDG 12: Responsible consumption and production	See chapter 'Conduct and risk'

Progress towards strategic priorities in 2023

Responsible wealth management

Strategic priority	2023 progress
Methodology and client reporting	
• Continuously strengthen our ESG investment rating methodology and continue applying it to the investment universe. • Gradual global roll-out of ESG client reporting including climate metrics, prioritising according to market maturity and client needs by the end of 2025.	• We strengthened our investment rating methodology covering equities, funds, and bonds. Furthermore, we developed and started to implement our investment rating methodology for structured products and derivatives. • We issued the second edition of our ESG client report, including climate metrics, to eligible clients in booking centres Switzerland, Luxembourg, and in the United Kingdom.
Products and solutions	
• Increase net inflows in sustainability discretionary mandates or any equivalent solution until 2025. • Further increase assets in private-equity impact investing solutions following our internal impact investment rating methodology and in alignment with next-generation research themes Energy Transition, Future Cities and Feeding the World. • Continue to develop our philanthropy offering and associated solutions.	• Net inflows into sustainability discretionary mandates or equivalent solutions did not increase in 2023, as demand was dampened by the volatile markets and economic turbulences, particularly in the field of energy transition. • In 2023, we further refined our approach towards impact investing solutions in the private equity space. To provide our clients with a broader and more diversified exposure to impact investing, we are planning to further build up our impact investing offering. As such, no additional capital was committed in 2023. • We increased awareness amongst client-facing employees globally on our branded Julius Baer value cards and conducted first value workshops with our clients, serving as a framework for sustainable and impact investments, as well as for philanthropy and other wealth-planning topics.
Client community and ESG knowledge	
• Expand platforms for best-practice exchange, sharing knowledge and networking, such as the Sustainability Circle client community.	• We expanded the Sustainability Circle client community across Europe, Latin America, and Asia Pacific. We conducted dialogues with experts and organised roundtables and other exchanges for clients, covering topics such as future mobility, future cities, education technology, and sustainable food.
Research and thought leadership	
• Continue to provide thought leadership on relevant sustainability topics, with a particular focus on addressing the overuse of natural resources along next-generation research themes such as Energy Transition, Future Cities and Feeding the World.	• Our internal research team provided thought leadership on next-generation topics at external Sustainability Circle client events and related deep-dive sessions for the internal Sustainability Ambassador Club.

Responsible citizenship

Strategic priority	2023 progress
Conduct and risk	
• Continue to integrate and apply ESG considerations into our risk management framework and processes, such as climate scenario analysis and the guidelines for environmental and social reputational risk.	• We validated and improved our climate scenario model and documented how climate risks are assessed and mitigated across Julius Baer activities. • With our guidelines for environmental and social reputational risk, we ensure a consistent approach to those topics across the entire business.
Climate and natural resources, including net-zero targets	
• Achieve net-zero carbon emissions. – On our own operations (Scope 1 and 2) by 2030. – On our own treasury, lending and mortgage books by 2050, with an interim reduction of 20% by 2030. • Achieve a 30% reduction of business travel emissions by 2025 compared to 2019. • Further develop the stewardship strategy. By end-2023: – Develop an engagement framework with selected investee companies. – Exercise voting for all Julius Baer funds, taking into account sustainability considerations.	• We moved to energy-efficient buildings in Hong Kong and London; and we increased the share of biogas on our Swiss premises. • We provided ESG training for our mortgage specialists and increased transparency through enhanced data collection. • Our climate targets have been validated by SBTi, which confirms that they are in line with a 1.5°C target as per the Paris Agreement. • Business travel emissions are now in line with the trajectory defined for our target of a 30% reduction by 2025, yet still considerably below 2019's level. • We deployed the funds generated by our internal carbon price to support nature- and technology-based solutions globally. We are funding a tropical forest project in Latin America and a mangrove project in Asia Pacific, which contribute towards capturing carbon from the atmosphere. Furthermore, we are buying sustainable aviation fuel to support the decarbonisation of the aviation industry. • As part of our collaborative engagement approach, we started to conduct joint engagement activities with selected high-emitting investee companies on the topic of climate. • 19 Julius Baer funds now vote at annual general meetings (AGMs) considering sustainability voting guidelines; and some clients have started to vote along the same sustainability voting guidelines.
Caring employer and training	
• Further promote diversity and inclusion with a particular focus on disability, multi-generation and gender. • Strive for 30% female representation at senior management level by the end of 2023. • Continue to foster a supportive and encouraging working environment for all employees, reflected by an employee engagement score above the industry benchmark and through a steadiness, if not reduction, of long-term absences. • Continue to educate all employees on sustainability challenges and opportunities, with a focus on client-facing employees. Expand the Sustainability Front Ambassador Club to 250 members by the end of 2023 and engage members.	• We continued to create awareness, supported our internal employee networks and engaged in external partnerships to encourage diversity and inclusion with a focus on disability, multi-generation, gender and LGBT+. • We nearly reached our target of 30% female representation at senior management level by end-2023. However, we have made further progress and raised the proportion from 28.9% to 29.8%. We are committed to reaching our 30% target by the end of 2024. • We maintained our employee engagement score and employee net promoter score above industry benchmark, at 8.0 and 42 respectively. We also maintained our long-term absences at a steady level. • The number of Sustainability Ambassador Club members grew to over 270 senior relationship managers, investment advisors, and portfolio managers. All new members have completed the Ambassador training's two-day boot camp in Europe, Latin America, or Asia Pacific. We further engaged with the Sustainability Ambassador Club through various online and physical sessions on sector deep dives and our responsible wealth management ecosystem. We also connected with our broader employee base through sustainability-related online sessions and onsite visits during our annual Learning Week.
Julius Baer Foundation and community partner	
• Focus on reducing inequalities through the Julius Baer Foundation, by focusing on 20–25 projects at any given time with engagement horizons of around three to six years per project. • Further increase volunteering activities and the number of volunteering hours.	• The Julius Baer Foundation supported 30 projects across various regions with an engagement horizon of three to six years addressing wealth inequality, education inequality, and former core areas solutions replacing plastic as well as vocational training. • We conducted our global volunteering month for the second time, engaging 874 volunteers. The total number of volunteering hours amounted to 7 419.

Strategic priorities in 2024 and beyond

Responsible wealth management

Methodology and client reporting

- Continuously strengthen our ESG investment rating methodology and continue applying it to the investment universe.
- Gradual global roll-out of ESG client reporting including climate metrics, prioritising according to market maturity and client needs by the end of 2025.

Products and solutions

- Further promote sustainable investing within our business offering for clients:
  - Increase net inflows in sustainability discretionary mandates or any equivalent solution until 2025 compared to 2022.
  - Increase exposure to private-equity impact investing solutions in alignment with next-generation research themes.
  - Strengthen our philanthropy proposition particularly for ultra-high-net-worth individuals (UHNWIs) and Family Office Services.

Client community and ESG knowledge

- Focus on further integrating our existing platforms across regions, such as the Sustainability Circle client community. Engage with clients through best-practice exchange, networking and sharing knowledge across our next-generation research themes.

Research and thought leadership

- Continue to provide thought leadership on relevant sustainability topics, with a particular focus on addressing the overuse of natural resources in the context of next-generation research themes such as Energy Transition, Future Cities and Feeding the World.

Responsible citizenship

Conduct and risk

- Continue to integrate and apply ESG considerations into our risk management framework and processes, such as the climate scenario analysis and guidelines for environmental and social reputational risk.

Climate and natural resources, including net-zero targets

- Achieve net-zero carbon emissions
  - On our own operations (scope 1 and 2) by 2030.
  - On our treasury, mortgage and lending[1] books by 2050.
- In line with SBTi[2] requirements:
  - Reduce absolute scope 1 and 2 GHG emissions by 90% by 2030 vs. 2019.
  - Invest 36% of our discretionary mandates, trading, treasury, and lending books[3] into companies with SBTi targets (with the aim to reach 100% by 2040).
  - Reduce our mortgage GHG emissions by 57% per m^2 by 2030 vs. 2021.
- Achieve a 30% reduction of business travel emissions by 2025 compared to 2019.
- Intensify our stewardship activities. By end-2025:
  - Deepen and increase the number of engagement discussions with investee companies.
  - Exercise voting for Julius Baer funds and facilitate voting for clients, taking into account sustainability considerations, prioritising according to market maturity and client need.

Caring employer and training

- Further build an inclusive environment that empowers the individuality and sense of belonging for all staff and clients, with a particular focus on disability, gender, LGBT+, multi-generation and culture. Aspire to:
  - Run at least one global awareness campaign including a learning session on each of the focus themes.
  - Grow the number of Diversity & Inclusion volunteers.
  - Get recognised on relevant Diversity & Inclusion benchmarks.
- Strive for the following ambitions globally by 2025:
  - Minimum 30% of women in the levels of Director and above.
  - Minimum 30% of women as team leaders.
  - Increase the share of women on MDSA and MD levels combined.

- Continue to foster a supportive and encouraging working environment for all employees, reflected by an employee engagement score above the industry benchmark and through a steadiness, if not reduction, of long-term absences.
- Further provide education to all employees on sustainability opportunities and challenges on an ongoing basis. Continue to provide in-depth training to client-facing employees and engage the members of the Sustainability Front Ambassador Club across regions.

Julius Baer Foundation and community partner

- Focus on reducing wealth and education inequalities through the Julius Baer Foundation, by supporting 20-25 projects at any given time with engagement horizons of around 36 years per project.
- Continue to offer attractive volunteering opportunities across regions and in line with the interests of our employees.

RESPONSIBLE WEALTH MANAGEMENT

Responsible wealth management means considering and addressing today's global challenges while accomplishing our role of supporting clients to preserve, grow and pass on wealth to the next generation. Through responsible wealth management, we aim to offer our clients transparency, choice, and trust, while enabling them to contribute to a more equitable future and a healthier planet.

2023 Highlights

Expansion of the ESG client report to include climate metrics

35% of total assets under management (AuM) classified as responsible or sustainable investments

Global roll-out of Sustainability Circle client community, engaging them on topics such as green real estate and future mobility

Refined Julius Baer's ESG investment rating methodology

ESG investment rating methodology and client reporting

Transparent reporting helps our clients track the sustainability performance of their portfolios. To provide this, we apply a structured ESG investment rating methodology to assess all investments.

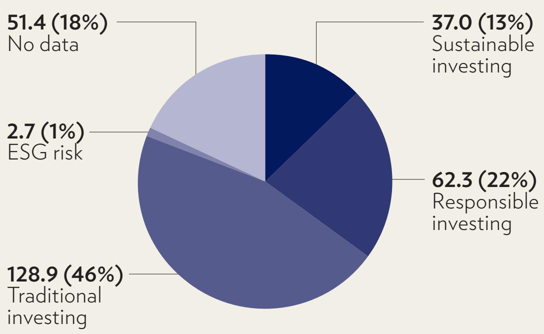
Our ESG investment rating methodology

Our structured, measurable, and transparent ESG investment rating methodology is based on a combination of data from external providers and our own proprietary research for categorising equities, bonds, and traditional funds. We use it to generate proprietary ESG scores (see Impact in Action box below), which are based on themes that aim to capture relevant client interests. These scores enable clients to evaluate and summarise how an investment performs along certain ESG themes in a tangible and understandable way. They also allow clients to align financial instruments with their ESG preferences, in line with MiFID II regulations.

We are always looking at ways we can improve and refine our methodology. We base it on evolving ESG trends, scientific findings, and industry practices. We also consider the constant development of new and more comprehensive regulations around ESG topics, such as the EU Sustainable Finance Disclosure Regulation (SFDR) and their implications on our approach. Our methodology also considers the Principal Adverse Impact (PAI) indicators. As an example of our continuous improvement, we integrated the 'global norms' score in our model this year (see Impact in Action below).

We have integrated an ESG perspective for many years, applying ESG criteria to the investment universe, and have defined sub-categories through our selection criteria. At the end of 2023, assets under management in responsible investing totalled CHF 62.3 billion, and assets in sustainable investing totalled CHF 37.0 billion, equivalent to 22 per cent and 13 per cent of classified assets under management, respectively[1].

Assets under management by the end of 2023
CHF bn



IMPACT IN ACTION

A rigorous scoring system

Before we calculate scores according to our ESG investment rating methodology, we screen each investment to identify any risks that could severely violate ESG standards in areas such as human rights, child labour, the United Nations Global Compact (UNGC), or exposure to certain industries (e.g. controversial weapons). Where we find significant ESG risks, we exclude the investment from our recommended universe[2].

As a result, we only apply scores to investments that have passed the basic screening. For those that do receive an ESG score, the first stage is calculating a status quo score that reflects the company's performance and/or industry average. We then determine a transition score, which recognises companies that show significant improvement in an ESG area, such as in clean energy, future mobility, or agricultural and food technology. Furthermore, we penalise issuers that are deemed to be generating a significant part of revenues from economic activities considered to be harmful, such as activity in the fossil-fuel industry.

Scores are awarded in the following areas:
- **Climate –** addresses greenhouse gas emissions and a company's exposure to the shift towards a net-zero-emissions world. (For more information on our approach to climate topics see chapter 'Climate and natural resources, including net-zero targets'.)
- **Natural capital –** focuses on biodiversity, water, waste, and pollution, and seeks to identify the exposure to and the impact on environmental issues beyond climate.
- **Human capital –** addresses the most common aspects of employee conditions and development, workplace policies, and the impact of a company's operations on stakeholders outside the firm.
- **Global norms –** focuses on corporate issuers' operations and their compliance with globally accepted norms of human rights, labour rights, and responsible business practice[3].
- **Governance –** assesses whether a company i) has responsible oversight; ii) is facing ethical issues (such as fraud or anti-trust violations); and iii) provides honest corporate disclosures.

If a company meets certain thresholds according to our scoring system, we rank it as a responsible investment. These companies meet the standards that are defined as 'not causing significant harm', but do not meet the criteria to be classed as sustainable. Responsible investments do not attempt to generate positive effects in terms of sustainability-related matters, but rather attempt to avoid severe negative effects. For a company to be classified as sustainable, even higher thresholds (minimum scores) are applied. These companies are characterised by the highest ESG standards and are thus given the highest Julius Baer ESG scores. Sustainable investments attempt to generate financial gains while also pursuing a sustainability objective. We class all remaining investments – those that are not ESG risk-based exclusions, but which do not meet the thresholds – as traditional investments. In cases of inconsistencies or where we have taken a different view to our ESG data providers, the Responsible Investment Committee's Operational Panel (composed of internal subject-matter experts) is tasked with reviewing these situations on a regular basis (and may, in certain cases, overwrite the scores).

Read *The Julius Baer ESG Investment Framework* for more information.

Client reporting

In 2023, we extended the scope of our annual ESG client reports. These were first introduced in 2022 to empower our clients to make more informed decisions and were issued to eligible clients booked in Switzerland and Luxembourg. Last year, we added the UK to the countries receiving reports. The annual issuance of the ESG client report in 2023 included an explanatory ESG information letter and a link to the Sustainable Finance e-brochure.

The ESG reports include the following:
- a view on aggregated portfolio, asset-class, and financial-instrument levels
- ESG category breakdowns for client portfolios (covering equities, bonds, and funds) showing proportions of sustainable, responsible, and traditional investments, and ESG risks
- proprietary scores and MSCI ESG ratings for comparison
- ESG leaders and laggards, and largest positions

In 2023, we have enhanced the report to include funds as a new asset class and additional insights into the warming path and global footprint-equivalent of the portfolio (for more details on the climate metrics included in the ESG client reports, refer to chapter 'Climate and natural resources, including net-zero targets'). We also introduced new features such as a flag indicating if an investment or product is part of the Julius Baer investment universe[4] as well as their global norms score. The report is now available on an ad hoc ordering basis, and relationship managers can independently order an ESG report for their clients and define the reporting frequency.

Recognition for Julius Baer's ESG client reporting

In 2023, Julius Baer was recognised as 'Best Private Bank for Technology for ESG Reporting' by the Professional Wealth Management (PWM) Wealth Tech Awards, underscoring our willingness and commitment to expand the reach of our ESG-related client reporting globally, as well as to enlarge the reports' product coverage and content. Our 2024 roadmap includes the inclusion of our booking centres in Monaco and Germany, and the integration of structured products and derivatives as additional asset classes.

> "Through our proprietary and thematic ESG scores, we can steer client portfolios towards themes or topics that are important to them. We see sustainable investing as a major topic into the future as wealth is shifting between generations."

Isak Ahlbom, Head of ESG Methodology & Products.

Products and solutions

To guide clients on their sustainability journey, Julius Baer offers a range of products and solutions across three categories of responsible wealth management.

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

Impact investing
Going a step further and intentionally seeking to generate both a financial return and a positive and measurable impact on society or the environment.

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

Sustainable investing

Sustainable investing applies to companies that score well on ESG criteria or that have credible and ambitious transformation plans supporting a low-carbon economy or the fight against social inequalities. Focusing on these companies, we support our clients in aligning their portfolios with their personal values.

Discretionary mandates[1]

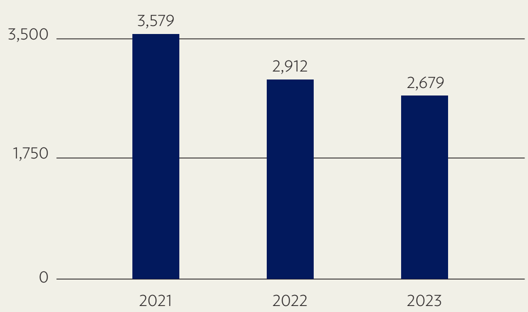
Our sustainability mandates span a range of asset classes and currencies, helping clients to make investments with a specific ESG contribution in mind. These mandates have shown consistent long-term financial performance.

We have a 17-year track record in discretionary mandates with a specific focus on sustainability. At the end of 2023, assets under these mandates were approximately CHF 2.7 billion, reflecting a decrease of 8 per cent on 2022, as demand was dampened by the volatile markets and economic turbulences, particularly in the field of energy transition. For discretionary mandates, besides financial analysis, we combine a screening applying the Julius Baer ESG investment rating methodology with our thematic analysis.

For more information on our methodology, refer to chapter ‘ESG investment rating methodology and client reporting’.

The sustainability discretionary mandates invest to a large extent in sustainable- and responsible-rated companies aligned with current regulations and that score well in terms of ESG metrics. At the heart of our approach is the principle of thematic investing, focusing on companies that address issues such as climate action, water scarcity, natural-resource efficiency, nutrition innovation, health-care innovation, and economic empowerment. We consider for inclusion only companies with solutions in the form of products or services that, in our view, support the positive transformation of a particular thematic field.

Discretionary sustainability mandates
CHF m, including various asset classes



IMPACT IN ACTION

Our sustainable investing approach

We aim to pinpoint companies that display innovation and have future generations in mind, as opposed to a focus only on short-term goals. This involves in-depth scrutiny of each firm's track record. It is a five-step approach:

1. **ESG assessment –** At the first stage, we focus on companies that are judged to have a strong ESG approach. We assess this by referring to the Julius Baer ESG investment rating methodology scores (see chapter 'ESG investment rating methodology and client reporting') and third-party data. We look at several factors, for instance: Is the company a good steward of nature? Does it manage its relationship with employees well? What is the company's record on executive pay and board diversity?
   At this stage, certain companies are automatically excluded – for example, producers of weapons.
2. **Governance screen –** We look at whether management's goals are sustainable. For example, how much does the firm spend on research and development? We also assess how the company treats shareholders and stakeholders (employees, suppliers, communities where the company operates, and wider society).
3. **Identify themes –** We assess how closely the company fits Julius Baer's own thematic focus: environmental factors (water, low carbon, and resource efficiency) and social factors (nutrition, health, and economic empowerment).
4. **Fundamental financial analysis –** We assess the company's financial strength, looking for sound balance sheets without too much leverage, robust cash flows and profitability, and strong capital allocation.
5. **Ongoing monitoring –** Our weekly meetings involve the sustainability portfolio construction team, with input from our Responsible Investment Committee's Operational Panel, sharing insights on trends and sustainable themes, and modelling the portfolios, positioning, and performance.

Advisory mandates[2]

In addition to discretionary mandates, we have integrated our proprietary ESG investment rating methodology into the Bank's advisory process. Drawing on this methodology, our clients benefit from our portfolio advice and investment recommendations tailored to their ESG preferences. In 2023, we began highlighting selected sustainability-related investment themes to our client-facing employees in order to better support our clients in their sustainability journey.

For clients seeking our fully personalised portfolio advice and expert recommendations, we offer exclusive direct access to investment advisors with sustainability expertise across all asset classes. Our advisory experts are ESG-certified and will recommend solutions tailored to the clients' needs, including their sustainable investment requirements, financial goals, and risk appetite.

Impact investing

Impact investing can be a powerful catalyst in addressing the overuse of natural resources and the underuse of human resources. We are developing and offering impact-investing solutions primarily via private equity fund investments. Private equity fund managers can provide long-term capital to companies that are closely aligned with their desire to have a positive impact on the environment and society. Moreover, they can directly influence companies to align more closely with their values by making their day-to-day operations more sustainable.

Our impact offering

Our private markets products focus on providing diversified exposure and long-term returns. And in the case of impact funds, positive impact is also expected to be generated by the underlying investments.

To date, we have offered four standalone impact-investment opportunities revolving around a well-diversified set of market opportunities, including emerging markets financial technology, energy transition and climate-technology companies in the United States, as well as agri-food strategies with a focus on health, climate change, food security, and ocean protection.

During 2023, we refined our thinking around which specific segments to address and how to best provide our clients with exposure to private markets impact investments. To provide a broader and more diversified exposure to impact investing for our clients, we are planning to further build up our investing offering. One focus could be on climate and energy transition, including the market segments of private equity, infrastructure, and real estate. We believe the field of climate investing will benefit from three types of tailwinds: (a) strong economics in favour of renewable energy (the cost of solar and wind has reached parity with the cost of coal, oil, and gas); (b) a strong shift in consumer demand and preferences for sustainable products and solutions, following a broad understanding of climate change; (c) heightened regulatory requirements around carbon emissions and government financial support of new climate technologies.

Philanthropy advisory services

Philanthropy is a growing opportunity for clients who are looking to reflect their purpose and values through their giving while creating a positive legacy. In many cases, philanthropy also serves to strengthen family cohesion or to perpetuate the family business model. Often, philanthropic causes can span a diverse range – from environmental preservation to education, wealth inequality, and culture. Clients may choose to engage through their own charitable enterprises or already existing non-profit organisations like the Julius Baer Foundation.

Our 2023 Family Barometer survey shows that in the face of heightened complexity for global families, trusted advisors with international expertise have an important role to play in guiding wealthy families. Philanthropy was amongst the most-discussed topics for these families and is seen as a valuable way to foster cohesion between an extended international family's different branches and generations.

Wealth Planning's global network of internal philanthropy experts provides value-based guidance on philanthropic endeavours and wealth-transfer strategies. Their advice is based on an open architecture with access to an external network of specialists on a case-by-case basis.

Our philanthropy advisory model covers the main markets of Julius Baer. In 2023, we expanded our philanthropy expert group to cover Dubai and Hong Kong. Our eight-step philanthropy method is backed by a variety of tools, templates, and practices. We offer one-to-one family meetings, workshops, and events such as roundtables to discuss best practices in philanthropy, as well as other wealth-planning services like financial and estate planning. In 2023, for instance, the next generation of a client family joined the Julius Baer Foundation on a project field visit. This allowed them to experience the whole value chain of the project they chose to support through their family's charitable foundation.

To accompany clients on their philanthropic journey, we created a proprietary set of Julius Baer-branded values cards: '55 ways to discuss what matters to you'. Family members choose the cards that most relate to their personal values, and our certified wealth planners run workshops to find alignment between different generations of a family, and guide them in finding their family's mission, purpose, and values. These workshops can form part of a Family Philanthropy Day, where families come together for multi-generational discussions, which help them in creating the family's legacy based on values and philanthropic engagement. The value cards tool has been rolled out, and 600 client-facing employees have been introduced to its application and benefits

Client community and ESG knowledge

At Julius Baer, we want to empower our clients to make a positive impact. We aim to enhance their sustainability knowledge through a variety of initiatives, bringing together like-minded clients committed to sustainability ideals.

A deeper understanding of sustainability for clients

We offer a range of initiatives in various formats to help our clients improve their financial knowledge. This extends to increasing their knowledge of sustainability themes, from the basics of ESG to more in-depth exploration through access to our internal experts and external thought leaders.

Here are some examples of initiatives in 2023:

- **Sustainability Circle –** Our global community of like-minded clients gathered to discuss and learn more about topics such as future mobility, green real estate, and sustainable food.
- **Young Partners –** We held a session on sustainable finance, a key area for our younger clients, exploring topics such as how to identify greenwashing and the difference between 'real' and 'sustainable' finance.

Understanding what matters to our clients

In June 2023, we conducted our third Global Client Survey. For the first time, our whole client population was invited, leading to the highest number of responses collected so far. Overall client satisfaction remains high, with close to 80 per cent of clients indicating a very high level of satisfaction with Julius Baer, while almost 60 per cent said they would recommend the Bank to their network.

We also received positive feedback related to sustainability topics. Based on the survey outcome Julius Baer feels confident in its approach to sustainability and will continue assessing ways to further improve across the relevant areas.

"I believe that innovation in the private industry is absolutely crucial to finding solutions to climate change and environmental issues, which is also why I wanted to seize the opportunity to connect with others through the Sustainability Circle."

Julius Baer client and Sustainability Circle member.

IMPACT IN ACTION

Connecting like-minded clients – the Sustainability Circle

Bringing people together to share insights and perspectives is an important aspect of our approach to responsible wealth management. Our Sustainability Circle is a key focus of our efforts.

Launched in November 2021, the Sustainability Circle is a community of Julius Baer clients committed to building a healthier planet and a more equitable future. Drawing on the Bank's global network, the platform allows members to join forces, expand their network, and use their experience to drive positive change, whether through in-person events or online activities. The community also stays updated through the regular Sustainability Circle newsletter, which includes insightful and tailored content.

Members attend events and discussions with thought leaders and other members of the community. Knowledge sharing is encouraged, and members have access to a range of research papers and videos. 2023 saw the global roll-out of the Sustainability Circle, with Julius Baer hosting sessions for the first time in Asia (Singapore and Hong Kong) and Latin America (São Paulo). Additionally, events were held in London, Monaco, Zurich, and Geneva. Highlights during the year included fireside chats, expert panel discussions, and intimate gatherings where participants discussed a range of sustainability topics. These topics, such as the decarbonisation of real estate, sustainable food systems, the future of urban mobility, and the role of technologies in education, are aligned with the main themes from our Next Generation research.

Members are encouraged to draw on their own expertise and share their experiences. Some examples of the inspiring stories members shared in 2023 included developing a zero-emissions city bus in Germany, building an apartment complex in South Africa designed to incorporate nature into urban spaces, and founding an education technology business that coaches and develops people looking to retrain and upskill digitally.

Research and thought leadership

Our sustainability framework is designed to address the issues of material importance to stakeholders in the context of global efforts such as the UN SDGs. It focuses on two critical challenges: the overuse of natural resources and the underuse of human resources.

A future shaped by megatrends

We may not know what tomorrow's world will look like. The only certainty is that what is to come will be very different to what exists today. It can be difficult to comprehend the complexity of the megatrends shaping a constantly evolving world. With our thematic Next Generation investment philosophy, we aim to understand the long-lasting and structural shifts caused by these megatrends.

Over the past decade, we have built up extensive experience in thematic research and investing based on such megatrends. The megatrends we identify help us define areas of focus where we believe we can make a targeted contribution, such as energy transition, future cities, and feeding the world. We reflect this understanding in our research and thought leadership activities, our sustainable and impact-investing solutions, our philanthropy services, as well as in the activities of the Sustainability Circle client community and the Julius Baer Foundation.

Read more about our future insights

Learn more about our next generation research

Learn more about the Sustainability Circle

Find out about the Wealth Inequality Initiative

Climate change – overuse of natural resources

Aspiring to be both a responsible wealth manager and a responsible corporate citizen, we aim to address the climate crisis and nature loss in the key areas of our research and thought leadership, including:

- **Low carbon –** supporting technologies that reduce carbon emissions or enable carbon removal. One example is SAF, a key near-term solution to decarbonising aviation. (Learn more on our partnership to purchase SAF in chapter 'Climate resources and natural resources, including net-zero targets'.)
- **Clean energy –** benefitting from technological progress and manufacturing at scale, demand for solar and wind power has increased, being cost competitive with their fossil fuel counterparts. Aided by digitalisation, smart connected and integrated clean energy sources are being developed.
- **Future mobility –** focusing on innovative and low-emission transportation technologies that can fulfil demand in more sustainable ways. For instance, advances in battery-recycling technologies will help preserve scarce resources and pave the way towards more sustainable electric vehicles.
- **Future cities –** real estate has a key role to play in our race towards net-zero. Emissions from this sector can be reduced by a shift to clean energy supplies, the optimisation of heating and cooling systems, and innovative designs.
- **Feeding the world –** agriculture is one of the largest contributors to biodiversity and forest cover loss, but innovation in this area that utilises modern technologies, such as precision farming and alternative meats, offer attractive solutions.

- **Circular economy –** turning a linear waste stream, where refuse ends in landfill, into a circular one that enables the reuse of materials, the reduction of waste, and the preservation of primary resources.

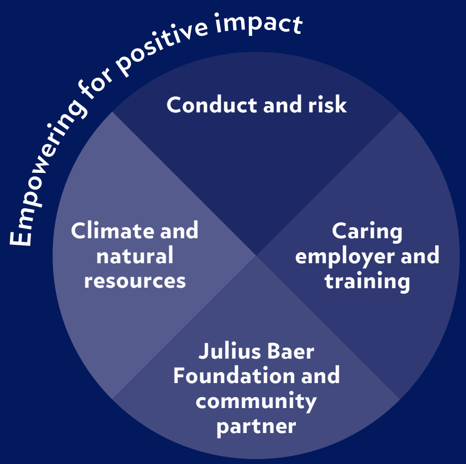
Inequality – underuse of human resources

To enable the transition to a more equitable world, we need to address the inequalities arising from an uneven distribution of wealth and opportunities. Key areas of focus are:

- **Digital health –** supporting technologies and business models that improve access to technological healthcare solutions and that help lower rapidly rising healthcare costs.
- **Future finance –** fostering financial innovation and enabling universal access to financial services through easily accessible technologies.
- **Global education –** improving access to education through new business models and educational technologies, helping to close the wealth gap.
- **Wealth inequality –** raising awareness of wealth inequality, sharing knowledge, mobilising stakeholders, and working towards more equitable societies.

RESPONSIBLE CITIZENSHIP

Our purpose is to create value beyond wealth. To do this, we must act as a responsible citizen and lead by example. In this chapter, we illustrate the ethical standards we apply to the conduct of our staff and how we manage the company with foresight. Responsible citizenship also covers our work to conserve natural resources and mitigate climate change in line with established guiding principles and objectives. Further, we explain how we develop our employees and care for our communities.



2023 Highlights

Received SBTi validation on our near-term climate targets

Supporting decarbonisation initiatives as part of our climate strategy

Sustainability Ambassadors expanded worldwide with over 270 members

First-time inclusion in the Bloomberg Gender Equality Index

Conduct and risk

The integrity of our operations and our responsible approach to risk underpin the trusted relationships we maintain with clients and broader stakeholder groups.

Ethical conduct

Based on Julius Baer's longstanding core values of care, passion, and excellence, we have established a set of guiding principles and professional standards for business conduct, and formalised them in the Group's Code of Ethics and Business Conduct (the Code). The Code, which applies globally and was last updated in 2023, covers a range of topics, from values, beliefs, and culture to how our behaviour affects clients, employees, and business activities. To ensure adherence to the Code, employees receive regular training on its content and are required to attest adherence from time to time. Instances of non-adherence to the Code are reflected in an employee's value and risk behaviour assessment, which may lead to disciplinary action.

In 2023, to further strengthen awareness of our ethical guiding principles, we published our Principles of Employment. This document outlines principles and minimum standards of employment at Julius Baer worldwide, including key labour and people practices ('Employment Practices'), as well as rights and obligations applicable to all of Julius Baer's employees worldwide ('Employee Conduct'), subject to local laws and regulations.

Prevention of financial crime

Financial crime has serious social, political, and economic consequences. As a financial institution with a global footprint, we recognise our responsibility to help protect the integrity of the global financial system. To fulfil that responsibility, we continue to make significant investments in our ability to detect financial crime. The Code is supported by a comprehensive Financial Crime Policy framework, which governs how we prevent, detect, and report money laundering, terrorism financing, sanctions breaches, and bribery and corruption.

Our global framework applies to all employees worldwide, who are obliged to complete annual mandatory compliance training that enables them to perform their work with integrity. Together with the Code, our framework extends to business partners. We do not accept clients who are unwilling to follow our requirements for preventing financial crime.

Our Financial Crime Prevention framework covers several aspects, including the following:
- **Anti-money laundering and counter-terrorist financing (AML/CTF) –** we run a risk-based global programme designed to comply with applicable laws and regulations in all jurisdictions in which the Bank operates.
- **Sanctions –** we have a zero-tolerance policy on sanctions breaches. Our global sanctions programme has robust processes in place to comply with key sanctions regimes. Core controls include screening of new and existing clients, vendors and other relevant counterparties, as well as financial transactions.
- **Anti-bribery and corruption –** Julius Baer has zero tolerance for any form of corruption or bribery and does not engage in activities where there is an unacceptably high risk of corruption. Together with our Global Gifts & Entertainments Policy, our Global Anti-Bribery & Corruption Policy outlines the key requirements for all employees of the Bank to act ethically and with integrity. Employees need to escalate any potential red flags to the relevant Anti-Bribery & Corruption Officers.
- **Third parties –** when we engage third parties to act on behalf of Julius Baer, we engage only with those who conduct business in a manner consistent with our values and standards, as defined in the Julius Baer Code of Conduct for Business Partners. (For more details, refer to 'ESG in Procurement' below.)

Human rights

At Julius Baer, we adhere to internationally recognised standards, including the UN Guiding Principles on Business and Human Rights. Human rights are considered across our business, clients, and business partners, but also when selecting suppliers (refer to 'ESG in Procurement' below). Furthermore, our reputational risk guidelines for environmental and social risks, as well as our due diligence frameworks on child labour and precious metals support Julius Baer's commitment to upholding human rights. (Refer to 'Sustainability in Risk Management' below.)

As referenced earlier, human rights issues are also considered within our product and service offering through our ESG investment rating methodology (see chapter 'ESG investment rating methodology and client reporting').

Swiss Ordinance on Due Diligence and Transparency

In 2023, we introduced a Group-wide due diligence framework related to child labour and precious metals, in accordance with the Swiss Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour (DDTrO). Our framework covers both our own operations and our supply chain, and helps to identify whether there is a reasonable suspicion that products or services offered originate from conflict-affected areas.

Child labour

In general, the process of developing, manufacturing, and selling financial services and products as offered by Julius Baer is not prone to the use of child labour, irrespective of whether the process takes place within the Group or with external suppliers. While the risk of using child labour in general is considered low for Julius Baer, we have taken further measures to mitigate and control such risks, and developed a multi-stage due diligence framework to identify and mitigate respective potential exposure. For example, our Principles of Employment require that all entities of the Group follow the ILO child labour principles, and comply with all local and national minimum working age laws and regulations. The applied standards are also extended to Julius Baer's business partners through the supply chain policy on child labour. The checks conducted in 2023 did not yield any concrete exposure or indication of increased risks. (For more details, refer to 'ESG in Procurement' below.)

Minerals and Metals from Conflict-Affected Areas

The Bank provides a variety of precious metals products. As a matter of principle, the Bank trades solely in gold and silver bars produced by London Bullion Market Association (LBMA) 'good delivery' refineries, and platinum and palladium bars produced by London Platinum and Palladium Market (LPPM) 'good delivery' refineries. Both LBMA and LPPM refineries must adhere to the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. Julius Baer is a full LBMA member.

Whilst not trading the relevant metals and/or meeting the de minimis thresholds as defined under applicable Swiss law, the Bank has established an Internal Control and Due Diligence Framework for Precious Metals and implemented a recurring review process of its precious metals clients and counterparties. Precious metals counterparties must complete a specific Precious Metals Questionnaire to demonstrate their adherence to the industry standards. To guarantee high standards, the Bank has signed and published a Precious Metals Disclosure Notice.

How employees can raise concerns relating to conduct

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 or control functions. We also offer a whistleblowing platform, which is accessible 24/7 and provides for anonymous reporting. Any instance of whistleblowing triggers an independent investigation in line with Julius Baer Group's whistleblowing investigation framework. Employees may also approach our internal ombudsman. All whistleblowers acting in good faith are 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 2023.

Risk management

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) (more details can be found in the Annual Report 2023).

Risk governance

Each year, our Board of Directors defines our qualitative risk-strategy statement to reflect current regulations and international agreements. We decide certain risk-tolerance limits at a regional, divisional or legal-entity level to support local monitoring of risk exposures. The Chief Risk Officer division develops and oversees the global framework for risk identification, assessment, management, monitoring, and reporting within the risk tolerance of the various business activities of the Group, aiming at sustainable growth of the Bank. This division acts as an independent partner in constructively challenging the business activities from a risk-management perspective and provides independent oversight, challenge, and control on a global, regional, and local level.

The Risk Assessment & Governance unit maintains and further develops our risk-management and risk-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 Group's senior management in ensuring compliance with 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. It also defines and applies principles and methods for risk analysis and assessment, as well as for monitoring systems. The department works closely with business lines and supports them in their first-line-of-defence role.

Sustainability in risk management

Our approach to risk management also applies to ESG risks, and we continue to fully integrate these into our risk-management framework with procedures, practices, and tools. In addition to a formal annual risk-assessment process, our reputational risk guidelines for environmental and social risks identify and govern sensitive activities that Julius Baer will either not engage in or do so only under stringent compliance criteria. This applies to client onboarding and review, credit transactions, product development and investment decisions, and supply-chain management. Concretely, a specific assessment of environmental and social aspects is performed where there is elevated exposure to sensitive industries such as palm oil, forestry, or thermal coal, or where companies have been exposed to incidents related to severe environmental or human rights issues. We will not, for example, engage in business activities with counterparties that fail to adhere to fundamental human rights standards or that cause severe violations of environmental standards, except in extraordinary circumstances that would require specific additional assessment (e.g. in cases where remediation actions are taking place).

In addition, we do not, directly or indirectly, finance producers of controversial weapons that are subject to the Swiss Federal Act on War Materials (in line with our policy, 'Investment restrictions related to prohibited war materials'). In relation to investments, our ESG investment rating methodology (explored in more detail in chapter 'ESG investment rating methodology and client reporting') excludes investments classified as an 'ESG risk' from our recommended universe.

After one year of implementation, in 2023, we took the time to reflect on the processes and the impacts of the reputational risk guidelines for environmental and social risks. We concluded that the process has provided useful insights and helped further drive awareness of environmental and social risks throughout the Bank. We identified small adjustments that will help to further develop our management of environmental and social risks.

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 gradually complement the bottom-up risk-assessment process performed by risk-type owners with a top-down climate-risk stress scenario to identify and manage climate risks over the long term (see chapter 'TCFD disclosure' for more details on related governance structures).

ESG risk in procurement

As part of our commitment to responsible citizenship, ESG risk is also integrated into our operations and supply chains. Since 2008, our Code of Conduct for Business Partners has been mandatory in all supplier contracts. The Code recognises key supply-chain risks, which cover human and labour rights, health and safety, environmental protection, diversity and inclusion, conflicts of interest, and anti-corruption and anti-bribery factors. We also continue to apply IntegrityNext, a dedicated third-party platform that enables us to monitor our suppliers for key sustainability and reputational risks.

Information security

Our information security management framework reflects the fundamental importance we place on managing information and cyber-security risks to protect data integrity and confidentiality. It demonstrates our emphasis on the availability and integrity of the information our clients, employees, and business partners entrust us with. The framework ensures that we continuously analyse and monitor threats, keep strong preventative measures in place, and regularly update them. It also enables us to rapidly identify any incidents or breaches and to act upon and report them in line with regulatory requirements. The Board of Directors discusses information security at least once a year, and all employees undertake mandatory training at least once a year. The framework is aligned with the international information security management standard, ISO 27001, and our infrastructure and processes are subject to external verification. Finally, we maintain close contact and collaboration with peer organisations, security user groups, and intelligence feeds on a local and international level. The Bank is a member of the newly established Swiss Financial Sector Cyber Security Centre (FS-CSC).

In 2023, we continued developing our security dashboard, which enables us to measure compliance with information-security requirements automatically and holistically, as opposed to carrying out periodic spot checks. At the end of Q3 2023, we had incorporated all the original 25 security domains[2], with the six final domains integrated by end-September. We have identified an additional two domains, one of which was integrated in 2023, bringing the total to 26. To build an ecosystem that goes beyond our internal efforts to ensure confidentiality and data security, we continued sharing our respective know-how and offering cyber-security health checks for clients.

We increasingly deploy digital services to provide additional targeted and interactive content, delivered directly to clients through their preferred channels. In 2023, Julius Baer also received the Digital Trust Label – testimony to our efforts to keep our e-Banking services safe and reliable.

Data privacy

Our Global Data Protection Policy – which applies to all entities of Julius Baer worldwide and is supplemented by local data-protection policies – outlines how we protect and safeguard all client and proprietary data, as well as other personal information we are entrusted with. The Global Data Protection Policy further sets out our obligation to enter into data-protection agreements with our suppliers who process personal data, to contractually enforce our data-protection and security standards. Our global data-protection organisation maintains a framework that supports and advises data owners across all business units to ensure compliance with data-protection requirements in all our global operations. Further, local entities provide regular data-related risk reporting to ensure consistent updates on relevant events and any changes to local legal and regulatory environments.

Climate and natural resources, including net-zero targets

We have set ambitious and rigorous climate targets across our investments, financing activities, and operations. Our climate strategy includes long-term net-zero targets, complemented by near-term goals and concrete steps towards achieving these targets.

In 2023, we continued to make progress and act on the climate strategy that we published in 2022. We have further strengthened our climate commitments by achieving SBTi validation of our near-term targets, which include discretionary mandates, trading, treasury, mortgage, and lending books[1]. We have also taken the first steps to implementing our stewardship strategy. Meanwhile, in our operations, we have taken actions to further reduce carbon emissions, and are also supporting several decarbonisation initiatives.

Julius Baer's climate actions and disclosures have been recognised by global non-profit CDP. Our 2023 CDP rating was raised to A– from B. According to CDP, an A–/A score is considered 'leadership' and to earn this, organisations must demonstrate transparency in disclosing action on climate change as recognised by frameworks such as the TCFD.

Climate strategy

Long- and near-term targets

For the long term, Julius Baer reaffirms its commitment to achieve net-zero emissions on its treasury, lending1, and mortgage books by 2050, and on its operational (scope 1 and 2) emissions by 2030. Within our operations, we also aim to reduce business travel emissions (scope 3 – category 6) by 30 per cent by 2025 (compared to 2019 levels) and have set an internal carbon price on air travel since 2022, at CHF 100 per metric tonne of carbon dioxide equivalent (tCO_2e).

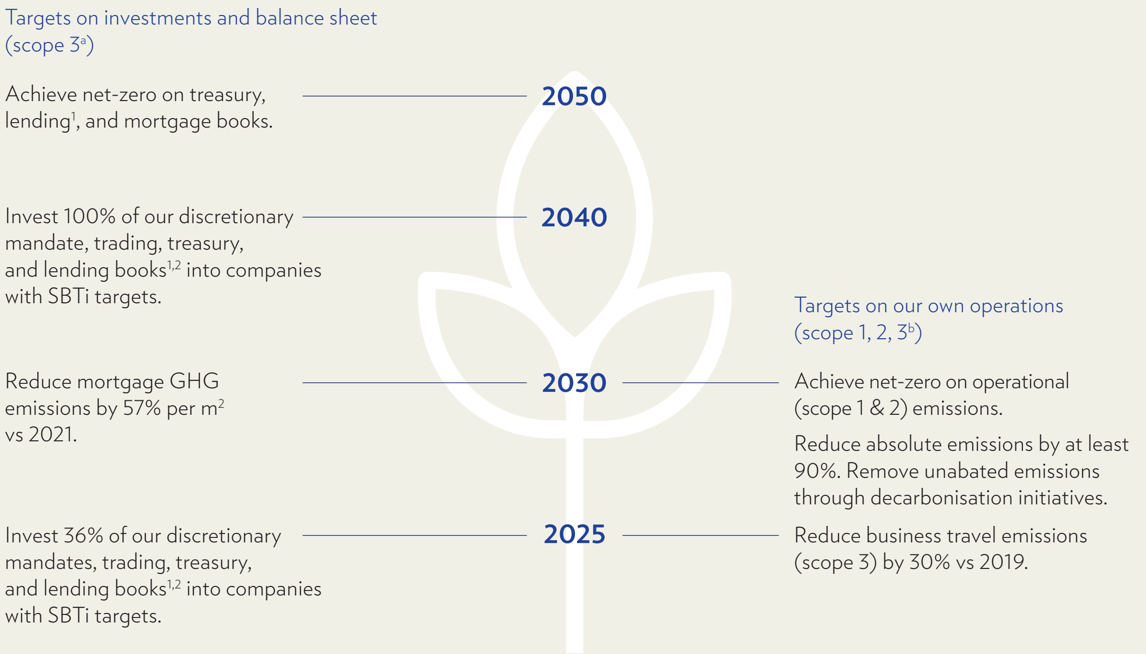
> "Validated SBTi targets essentially ensure that a company's efforts in reducing emissions are in line with what's required to achieve the goals of the Paris Agreement."

Jean-Damien Bogner, Sustainability Manager – Climate & Stewardship.

In addition to reaffirming our long-term commitments, in 2023 Julius Baer published near-term targets that have been validated by SBTi, which include discretionary mandates and our trading book:

- Investing 36.2 per cent of our discretionary mandates, trading, treasury, and lending books[2] into companies with SBTi targets by 2025 with the aim of reaching 100 per cent by 2040).
- Reducing our mortgage GHG emissions by 57 per cent per m^2 by 2030 (compared with 2021 levels).
- Reducing absolute scope 1 and 2 GHG emissions by 90 per cent by 2030 (compared with 2019 levels).

Near-term climate goals and long-term commitments



[a] This refers to scope 3 category 15, which are emissions associated with the company's investments not already included in scope 1 or 2.
[b] This refers to scope 3 category 6, which includes emissions from the transportation of employees for business-related activities in vehicles owned or operated by third parties, such as aircraft, trains, buses, and passenger cars.

Receiving SBTi validation on our near-term targets is an important step towards further strengthening credibility in our climate commitments. To achieve our targets, we strengthen our stewardship activities, including engagement and voting. Furthermore, we continue to empower our clients to make informed decisions and have a positive impact, through for instance our ESG client report. In 2023, we issued ESG client reports providing details on sustainability considerations, including a dedicated section on climate metrics. Specifically, amongst other metrics, the reports include the proportion of investee companies disclosing net-zero emissions targets, or with targets validated by the SBTi.

Emissions accounting

Emissions accounting forms the basis of our climate strategy. In 2022, we became the first Swiss wealth manager to formally join the Partnership for Carbon Accounting Financials (PCAF). This enables us to access further data and continuously improve our GHG emissions calculations.

For more on our ESG client reports, see chapter 'ESG investment rating methodology and client reporting'.

In 2023, we further developed our GHG calculation model, reflecting adjustments in the second edition of the PCAF Global GHG Accounting & Reporting Standard on Financed Emissions (released in December 2022). An area of particular relevance to Julius Baer was the new methodology to calculate GHG emissions from sovereign debt. For details on our GHG emissions, please refer to the 'TCFD disclosure' chapter.

We still expect methodologies, data, and tools supporting emissions accounting to further evolve over the next years. Therefore, we anticipate a degree of volatility to remain for some time in corporate disclosures.

Understanding climate risks and opportunities

To meet our commitments on climate change and the conservation of natural resources, we must understand the climate risks and opportunities within our businesses. To that end, we have adopted the recommendations from TCFD and continue to apply its framework to disclose our climate governance and strategy, identify and disclose the climate-related physical and transition risks that may affect our reputation, market, operations, regulatory exposure, or financial outcomes, and disclose the related metrics. We also continue to incorporate climate-related risks into our overall risk-management processes. For more information, see the 'TCFD disclosure' chapter.

Stewardship strategy

Stewardship has been proven to be one of the most effective ways of fostering change within high-emitting companies, and we have implemented some initial milestones in this area.

Voting on Julius Baer funds

Exercising votes allows investors to directly support sustainability practices and engage with management teams on important topics such as climate change, human rights and fair business conduct. As of 2023, to actively drive change in companies we invest in, Julius Baer executes votes at annual general meetings based on sustainability guidelines for more than CHF 3.5 billion of AuM invested in Julius Baer funds. The Julius Baer Foundation and the pension funds of our Switzerland-based employees, which accounts for CHF 3.8 billion in investments, also consider sustainability aspects when they exercise their voting rights.

The voting guidelines we apply seek to promote sustainable business practices while enhancing long-term shareholder value and aligning the interests of the investee company with those of society at large.

Under these guidelines, we require climate accountability from all companies and consider the Board's ability to oversee ESG risks. At the same time, we also stress the need for companies to adequately manage or mitigate those risks, and to disclose them transparently. With the mid- and long-term impact on shareholder value in mind, the applied sustainability guidelines generally suggest voting in favour of social and environmental proposals.

Facilitating client voting

Our clients retain voting rights on the majority of Julius Baer's AuM. The time and resources required to properly assess a company's performance on sustainability aspects, and the technicalities around the voting process itself – with different requirements from one jurisdiction to another – discourage many investors from exercising their votes.

At Julius Baer, we aim to facilitate this process for our clients to encourage active ownership. We introduced the sustainable voting initiative in Switzerland in 2023. Through this initiative, the same sustainability guidelines we apply in voting on the holdings of Julius Baer funds can be applied to our clients' portfolios. Considerations of sustainability and climate aspects defined in these guidelines inform the assessment of the company's performance, and this assessment drives the voting recommendations sent to clients. Clients signed up to the service retain the right to change their votes, whilst otherwise these recommendations are executed automatically, which simplifies the process for clients.

Engagement activities

As part of our stewardship strategy, we have begun structured dialogues with a selection of high-GHG-emitting companies in which we and our clients are invested, to foster stronger sustainability and climate practices. We select these companies based on a set of criteria, such as their share in our portfolios and GHG emissions intensity.

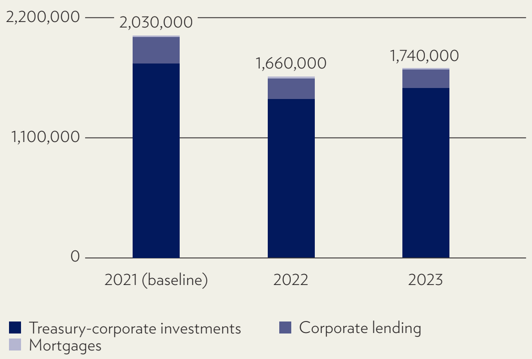
Our focus is on environmental topics, and in particular climate. The discussions are driven by our sector analysts and experts from the Sustainability team. Typically, these discussions focus on the company's climate ambitions and whether they are aligned with the Paris Agreement's goals and science-based targets, capital expenditure, and operational expenditure, and other initiatives supporting progress towards achieving climate targets.

In 2023, we partnered with two asset managers aligned with our values, to increase our influence in joint engagement dialogues. In addition, this allows us to mutually leverage experience and research capabilities, while developing internal expertise.

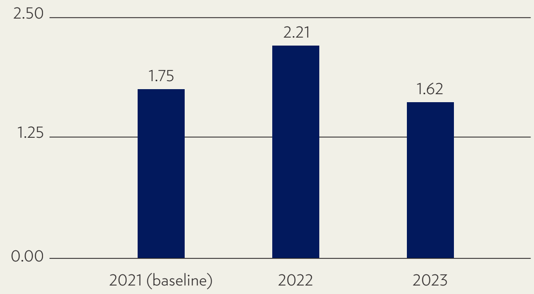
These asset managers were selected because of their similar long-term goals, engagement objectives, and investment coverage.

To further increase our impact through collaborative engagement, we joined Climate Action 100+ in November 2023. This is an investor-led engagement initiative, focusing on 170 companies that are critical to the transition towards net-zero emissions. It aims to ensure that the world's largest corporate GHG emitters take necessary action on climate change. We will start to conduct joint engagement dialogues as part of this broad investor network in 2024, and co-lead one engagement group.

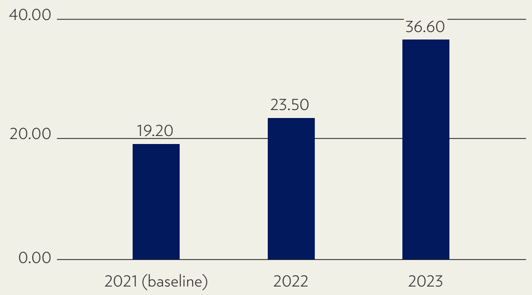
Financed emissions
in tCO_2e



Mortgage book intensity
in %



Share of discretionary mandates, trading, treasury and lending books invested into companies with validated SBTi targets
in %



Our operations

Measures for our Scope 1 and 2 emissions

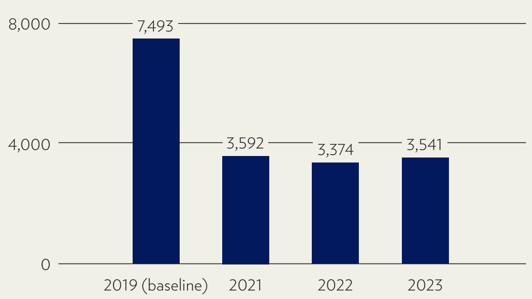
Scope 1 and 2 refer to emissions generated from mainly our heating, cooling, and electricity consumption. To achieve our net-zero targets, we have implemented several initiatives with the aim to reduce emissions as much as possible.

We source 100 per cent renewable electricity for our operations in Switzerland. Further afield, we have either switched to renewable electricity or purchased electricity attribute certificates for properties where this was not possible. In addition, we have switched from natural gas to biogas heating in our main Swiss offices. This change will help us further reduce our carbon footprint by approximately 15 per cent a year.

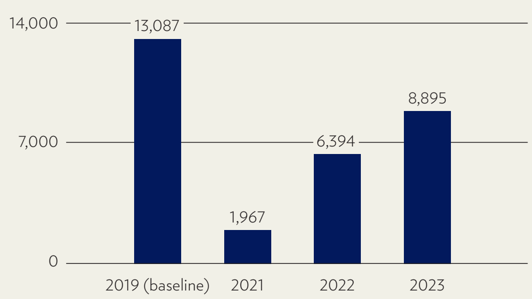
At the end of 2022, the Swiss Federal Council made an appeal to reduce Switzerland's energy consumption, in light of an anticipated energy shortage during winter. In response, the Bank introduced a series of energy-saving measures, which included optimising the operating times of our heating, air ventilation and cooling systems, and replacing old devices.

Energy efficiency is also a key criterion in selecting locations when we move to new offices or expand operations. In 2023, we moved to several new premises certified with high energy-efficiency labels, including Hong Kong and London, highlighting the importance of being based in offices that meet the highest possible environmental standards.

GHG emissions Scope 1 and 2
tCO_2e



Business travel emissions
tCO_2e



Improving energy efficiency where we are tenants

Julius Baer International Ltd's new office in London's Greville Street received the top 'A' rating for energy efficiency and achieved a 'Very Good' rating from green building-rating system BREEAM for its base-build construction and internal fit-out (with a 97 per cent recycling rate for materials disposal).

The new office also uses energy-efficient lighting, heating and cooling systems, and allows us to be in complete control over our energy, water and waste management. Meanwhile, Two Taikoo Place in Hong Kong achieved Gold certification from LEED, another global rating system, which assesses buildings on criteria such as responsible sourcing of raw materials, water efficiency and indoor environmental quality.

In 2023, our operational GHG emissions (scope 1 and 2) were 3 540 metric tonnes of carbon dioxide equivalent (tCO_2e)[3], a 4.4 per cent increase compared to 2022. In 2023, we have experienced an increase in volatile emissions due to technical issues, corrective measures are planned for 2024. In addition, renewable energy sourcing allowed us to save approximately 3,300 tCO_2e.

Jump to key operational environmental indicators.

Business travel emissions (Scope 3 – cat. 6)

As a global wealth manager, business travel is an important way for us to remain close to our clients and key stakeholders. At the same time, it contributes to a significant portion of our operational emissions and we need to find ways to minimise its impact. To reduce our business travel emissions, we have set an internal carbon price on business air travel since 2022, at CHF 100 per tCO_2e. This is in line with the recommendations of the United Nations Global Compact. In 2023, we increased business travel emissions by 39.1 per cent due to post-Covid effects. We remain in line with our business travel reduction target.

Water and waste

Compared with 2022, water consumption fell by 4.2 per cent[4], while waste increased 18.2 per cent (due to improved data availability). In comparison with the 2019 baseline, we have achieved reductions of 33.3 per cent and 46.4 per cent for both water and waste respectively.

Regional office initiatives around the world continue to support water conservation and waste-reduction efforts.

IMPACT IN ACTION

Supporting long-term decarbonisation initiatives

To decarbonise our society, the priority is to reduce carbon emissions. Yet, it is important to complement this with carbon removal initiatives. Our internal carbon price not only encourages more conscious travelling but also goes towards funding three decarbonisation initiatives, comprising both technological and nature-based solutions.

1. **Purchasing sustainable aviation fuel (SAF) –** With 80 per cent less CO_2 emissions than kerosene, SAF, which is made from biogenic waste such as used cooking oil and animal fat, will likely play a central role in decarbonising future air travel. In September 2023, Julius Baer announced a partnership with Swiss International Airlines and the Lufthansa Group to purchase SAF. This partnership aims to develop SAF into a mainstream fuel while reducing Julius Baer's carbon footprint.

Today, however, nature is the only way to capture carbon at large scale. If done well, nature-based projects will also provide significant social and biodiversity benefits. We are therefore also funding two projects in Indonesia and Panama that work towards the restoration of local forests.

2. **Indonesia mangrove project –** The project aims to restore severely degraded mangroves in North Sumatra, Indonesia, which were damaged by the catastrophic tsunami in 2004. Mangroves are a vital part of the local ecosystem and are also highly effective carbon sinks. By 2037, the project is expected to capture close to 300 000 tCO_2. To ensure the long-term viability of the project, local communities are closely engaged in the restoration activities. These communities will benefit from several social aspects, including employment, education, and additional sources of income such as eco-tourism.
3. **Panama forest project –** In Panama, we are supporting a 40-year project to restore tropical forests that cover around 350 hectares. The project is expected to capture more than 400 000 tCO_2 over its lifespan, and the forests are restored in a sustainable way that promotes the biodiversity of the area. Moreover, the project also brings benefits to the local communities, especially women, through employment opportunities and social benefits.

The *Cavanillesia platanifolia,* commonly known as Cuipo, is a giant tree naturally occurring in Panama, which can reach heights well above 40m. It typically drops its leaves at the end of the rainy season, regrowing them in the following one.

Caring employer and training

Our ambition is to be the employer of choice in wealth management, and we invest strategically in creating a fulfilling, healthy, and inclusive workplace that celebrates diversity and brings out the best in our people. We are committed to sustainable people practices and fostering a culture of responsibility and transparency within the organisation.

As per our assessment, employee-related challenges and risks primarily involve potential issues regarding ethical standards, diversity and inclusion, employee engagement, employee well-being, training and development opportunities, and labour practices. While some of these challenges and risks have already been addressed in our Code of Ethics and Business Conduct, we have implemented the Principles of Employment in 2023 to further strengthen the awareness for our ethical leadership, better cultivate employee conduct and behaviour, and consistently apply labour and people practices across the Bank.

Ethical standards

Our dedication to ethical leadership extends to every facet of our operations, reinforcing a workplace where transparency, integrity, and respect for individual rights are not only upheld but celebrated as integral to our success. We prioritise a fair and healthy employment, ensuring equal opportunities, upholding the highest standards of workplace safety, and protecting the well-being and privacy of our employees, with robust measures and transparent procedures for addressing conflicts of interest and whistleblowing. We hold ourselves accountable to the highest standards of conduct, promoting diversity and inclusion, and respecting the rights of our workforce.

Employee engagement

Ongoing employee feedback is an important aspect of how we build a culture where people can thrive at work and where they contribute to how we create value beyond wealth. In 2023, we saw an average global engagement score of 8.0 out of 10 at the end of the year, and the corresponding employee net promoter score increased to 42[1] (+7 compared with 2022), above the financial industry benchmark.

Our employee engagement survey also includes questions on diversity and inclusion, including non-discrimination. We use this feedback to better understand where we stand and to create an even more inclusive and fair working environment. On the question regarding satisfaction with our efforts to support diversity and inclusion, we measured an average score of 8.1 out of 10.

Employee health and well-being

In 2023, employee survey feedback showed that employees felt we should prioritise mental well-being support. Therefore, Julius Baer provides continuous training in the Mental Health First Aid (MHFA) certification globally, which enables individuals and organisations to identify and help anyone experiencing a mental health challenge or crisis (panic attacks or depression, for example). As of 2023, 289 employees have a MHFA certification, and are also engaged through quarterly MHFA Community meetings and further training. For all employees, we also offer additional training opportunities covering mental well-being, including sleep and nutrition. Furthermore, we raised awareness for the topic by organising a Health Day in Zurich in July 2023 and a Well-being Day in Hong Kong and Singapore in October 2023, where diverse workshops and presentations took place. In comparison with 2022, we saw an increase of 0.4 illness days per employee globally, and our total employee turnover decreased by 1.4 percentage points.

Diversity and inclusion

As stated in our Code of Ethics and Business Conduct and our Principles of Employment, we believe that fostering a diverse and inclusive work environment has an impact well beyond the confines of daily business. Alongside fair compensation, diversity and inclusion (D&I) are integral to our corporate strategy and culture. At all levels, we always aim to recruit, retain, and promote diverse talent. Our flexible working practices are extended to all employees, entrusting them, together with their line managers, to find solutions that work best for them and their respective teams.

Fostering a culture of inclusion and building on our core value 'care', we aim to address selected dimensions of diversity – in particular, gender, generations, LGBT+, and disability – in a targeted manner. Our employee-driven networks, such as Women@JuliusBaer in Asia, IWMS H.E.R., Women in the Americas and InterBaer, continue to flourish and draw in further staff engagement. Moreover, around 100 D&I volunteers organise dedicated awareness sessions, roundtables, and other events; for instance, for the second year in a row, Julius Baer participated in the Zurich Pride event, celebrating diversity and raising awareness for LGBT+ rights.

A diverse workplace

Our global D&I Committee includes members of the Executive Board and is facilitated by the dedicated Global D&I Manager. The Committee has the role of shaping the D&I strategy, driving actions that help us attract and recruit more diverse candidates, tackling unconscious bias, and fostering inclusion among different stakeholder groups. In 2023, Julius Baer joined Advance, a network of Switzerland-based companies committed to increasing the share of women in management. Through programmes such as best-practice exchanges, cross-company mentoring and skill building for women and men, Advance supports companies to become more inclusive and turn diversity into a competitive advantage.

As inclusion is at the heart of our purpose, we expose all staff to the concept of unconscious bias through mandatory training when they join the bank. Additionally, our voluntary awareness sessions on generational biases have offered colleagues an opportunity to reflect on their personal assumptions about generations and to think about the impact of biases on the workplace culture.

We partnered with an innovative social organisation, myAbility, to enhance how Julius Baer can be more inclusive to individuals with disabilities. Through the myAbility Talent® programme, students with a disability or a chronic illness joined Julius Baer to gain first-hand insights into our company through a few days of job shadowing. The personal encounters proved powerful for everyone involved and the initiative was valuable in further diminishing stigmatised preconceptions about people with disabilities as well as improving the accessibility of our workplace.

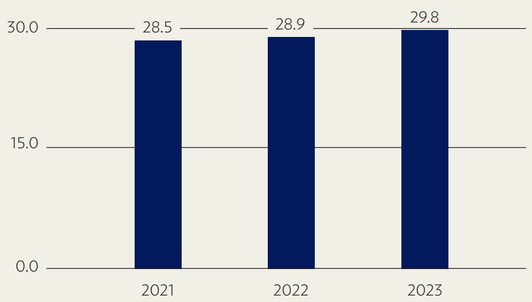
Towards gender balance

We have a target of 30 per cent female representation at the levels of Director and above. We were close to achieving this target, raising the proportion to 29.8 per cent from 28.9 per cent within one year. We remain committed to achieving this target by the end of 2024. At the end of 2023, the proportion of women on our Executive Board was 20 per cent and 33 per cent on our Board of Directors.

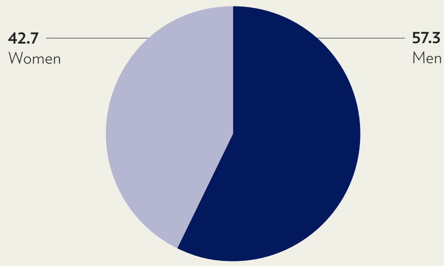
Our efforts to advance gender equality begin at the candidate attraction stage and continue throughout the entire people journey. In recognition of these efforts, Julius Baer was included for the first time in the 2023 Bloomberg Gender Equality Index. This is a global reference index tracking the performance of public companies committed to disclosing their efforts to support gender equality through policy development, representation, and transparency.

We aim to encourage employees to share their parenting responsibilities, and our working practices are designed to motivate employees who are parents to return to work by giving them the flexibility they need to create an optimal work-life balance. In many locations, we provide more than the statutory minimum for parental leave, applying Swiss regulations as a guiding principle for our locations abroad. For more than 80 per cent of our global staff[2], we offer at least 16 weeks of fully paid primary care leave and at least two weeks of fully paid secondary care leave. In 2023, 332 employees took parental leave, with 132.5 and 15.8 average total days taken by women and men, respectively.

Women at levels of Director and above
in % of total headcount at levels of Director and above



Ratio of women to men
in % of total regular staff headcount



Pay equity

We strive to nurture a culture where employees can thrive at work and contribute to achieving our strategic goals. As part of that culture, it is critical that contributions are recognised in a fair and equitable manner. All managers are expected to hold transparent performance and development conversations on a regular basis. In preparation for such discussions, a core element of our performance-evaluation training for managers is dedicated to raising awareness around the influence of unconscious bias on decision-making.

We pay for performance. As part of our pay-for-performance principles, we place great importance on recognising contributions to our sustainable profit growth, while discouraging excessive risk-taking. We compensate based not only on the performance that is attained, but also on the manner in which these achievements are reached, including when serving our clients. Employees are remunerated according to criteria that demonstrate our corporate values ('care', 'passion', and 'excellence'), and risk behaviours which have been aligned to our ethical, compliance, and professional standards.

As one of our shared core values, the Group aims to foster an inclusive environment built on 'care', which embraces individuality and supports employee acceptance to drive a working culture of innovation and results. Julius Baer does not tolerate any form of discrimination, and compensates employees on a fair, equitable, and gender-neutral basis, providing equal pay for work of equal value. As a safe-guarding measure of pay equity, we conduct internal reviews as well as an independent, external equal-pay analysis on an annual basis for our major locations worldwide, covering over 85 per cent of our total regular staff across all levels. If we identify material pay differences which cannot be fully explained by objective factors, such as role, responsibility, experience, performance, or location, we apply adjustments as needed on an individual level.

Mentoring

Alongside training and processes designed to remove unconscious bias, we run mentoring programmes to improve collaboration across all regions and divisions, as well as to support employee development. Since we launched dedicated mentoring efforts in 2017, around 800 pairs have been matched. In addition to the 'Mentoring on Demand' programme, we offer targeted programmes for women in senior positions, high-potential employees and working parents.

Jump to Data and disclosures
D&I fact sheet – spotlight on gender equality

IMPACT IN ACTION

Diversity and inclusion in the UK

In the UK, Julius Baer International Ltd has partnered with the Diversity Project in order to accelerate various dimensions of D&I across the investment and savings industry. We have set several targets aimed at breaking down barriers for an inclusive culture, with areas including gender diversity, social mobility and strengthening existing employee networks. Priorities for 2023 included improving our understanding of diversity among Julius Baer employees, and setting transparent targets that make us a more diverse and inclusive workforce. Other priorities were ensuring a workforce that is multi-generational, making our new London premises inclusive and 'disability confident', and rolling out training to line managers on topics including discrimination and awareness of mental health.

More broadly, we hosted events across a wide range of different topics. These included promoting greater awareness of menopause and neurodiversity, hosting a panel discussion in association with Citywire on 'A woman's career journey in investment' to mark International Women's Day, and holding events in October 2023 to mark Black History Month.

Attracting talent

A strong employer brand is key to recruiting and retaining top talent. Sustainability can play an important role in an organisation's ability to attract talent. Several recent studies and surveys have shown that a significant majority of workers were more likely to take jobs with environmentally and socially responsible organisations.

For Julius Baer to remain aligned with digital transformation trends in wealth management, we need to attract top tech talent, which is scarce. We also need people in client-facing roles who understand what matters most to our clients and are able to tailor our offering to their needs. This is why we implemented targeted employer-branding activities, such as career sub-sites focusing on hard-to-fill and critical job profiles.

In 2023, Julius Baer participated for the first time in the Zurich Hackathon (which brings together top tech talent from Europe and beyond). The Hackathon is one example of how we use innovation in recruiting people with analytical and creative-thinking skills while positioning Julius Baer as an employer of choice.

Training and development

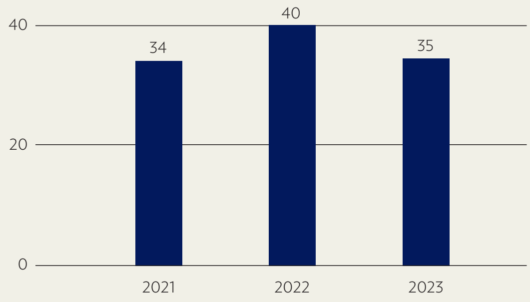
Our employees' needs and development requirements inform our approach towards employee education. We ensure that our learning and development offering and our learning culture contribute significantly to our strategic initiatives and that they play a major role in achieving business outcomes. We support a culture of continuous learning and encourage our employees to improve their skills. To support this, we have funding policies in place and allow the use of working hours for education.

In 2023, we registered a 3.8 per cent decrease in average training hours per employee, provided by both external partners and our internal training unit, the Julius Baer Academy. This is equivalent to an average of 34.5 hours of training per employee. Learning and development focus topics in 2023 were 'being resilient', 'staying curious', and 'exploring digital'. We also offered products and services training for client-facing teams.

In summer 2023, six months into a new strategic cycle (2023–2025), we conducted a Global Learning Week. The aim was to give 'inside-out' and 'outside-in' perspectives on what the company is doing to deliver on its ambitions. Workshops and sessions invited colleagues from different teams to look beyond their own roles and their day-to-day responsibilities, and to engage in long-term goals.

In 2023, we also introduced a new Associate Relationship Manager programme, and further expanded the Account and Assistant Relationship Manager training programmes and the global University Graduates programme. In line with our high standards and local regulatory requirements, we ensured the (re-)certification of Relationship Managers. We also delivered an extensive Leadership Development curriculum on all levels for all areas of the organisation.

Average hours of training per employee
in hours



"Rolling out the Ambassador training to Asia has been a big step forward in bringing our client-facing employees closer to the topic of sustainability. The training sessions have been insightful and valuable in empowering our relationship managers to better guide our clients on their sustainability journeys."

Yee Chin Lit, Market Head, South East Asia.

IMPACT IN ACTION

Sustainability training and Ambassadors

In 2023, we expanded our Sustainability Ambassador community beyond Switzerland and Europe, rolling out the programme in Asia (Singapore and Hong Kong) and Latin America (São Paulo). Since its inception in 2022, we have conducted eleven bootcamp sessions, educating over 270 Front Ambassadors.

The Sustainability Ambassador community is an exclusive internal network consisting of the front management team, senior relationship managers, and other client-facing specialists. Members receive dedicated training to deepen their understanding of sustainability and its business potential, empowering them to accompany clients on their sustainability journey. As part of the community, the Ambassadors have access to deep-dive and spotlight sessions. Deep-dive sessions look at particular sectors, for instance clean energy, future mobility, green real estate, and sustainable food, as well as their sustainability-related challenges and opportunities. Spotlight sessions inform members about Julius Baer's capabilities and expertise, such as our ESG client report. These are complemented by other activities including breakfast and luncheon events to facilitate greater exchanges with thought and business leaders, and entrepreneurs.

As part of our commitment to continuous learning, we have developed a sustainability training curriculum. All new employees must complete an e-learning module on sustainability, and new joiners in Switzerland take part in a sustainability session at the Welcome Day as part of their introduction to the Bank. Furthermore, our people have the opportunity to learn more about sustainability through sessions as part of our annual Global Learning Week. All client-facing employees also receive training on regulatory developments in sustainable finance. In 2023, over 950 employees[3] enrolled in these trainings. We have also continued to focus on the Chartered Financial Analyst Institute (UK) ESG certification for Julius Baer investment advisors and portfolio managers.

Learn more about our Sustainability Ambassador Club

Julius Baer Foundation and community partner

We work in partnership with local organisations across the world to support social and environmental causes through the Julius Baer Foundation, and our employee-led engagement movement Julius Baer Cares. We also create value through our sponsorships and the Julius Baer Art Collection.

As an institution, we take responsibility towards our stakeholders and towards society. We act as a good corporate citizen in the communities in which we live and work. The Bank undertakes a variety of societal-development support programmes and activities through the Julius Baer Foundation, volunteering under the umbrella of the employee-led Julius Baer Cares organisation, disaster-relief donations, sponsorships, and promotes the visual arts through the Julius Baer Art Collection.

The Julius Baer Foundation

Since its establishment in 1965 by Walter J. Bär (1895–1970), the Julius Baer Foundation has dedicated itself to making meaningful and impactful contributions to society. In 2023, it collaborated with 30 partner organisations in 23 countries, donating a total of CHF 3.3 million.

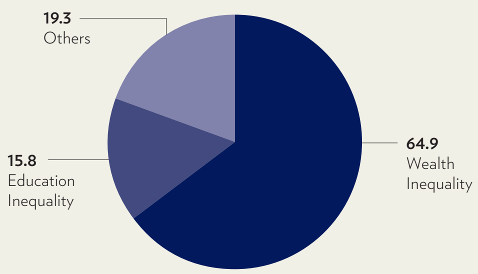
Over time, the philanthropic focus of the Foundation has evolved. Today, it supports initiatives that drive change and have the potential to inspire others, resolving inequalities in wealth and education around the world. The Foundation's initiatives are united in one common approach: that the disadvantaged and privileged work together to share their knowledge and networks, thereby creating equal opportunities. The success of this approach was highlighted in 2023 when partner FICA, supported by the Foundation from its early days, won the prestigious UN-Habitat Scroll of Honour Award for its innovative approach to investing in low-income housing.

In addition to funding carefully selected and designed projects that embrace this approach, the Foundation also seeks to achieve this goal by crowding in other funders and partners. This includes other foundations which co-fund projects with the Julius Baer Foundation. Bank Julius Baer also matches donations made by clients to the Foundation's projects. Foundation experts regularly share their philanthropy knowledge and expertise with clients seeking to grow their own philanthropic impact.

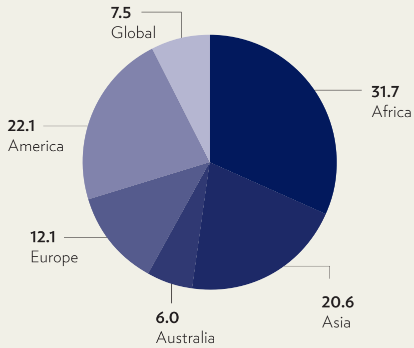
Accurate outcome measurement is essential to design and deliver philanthropic programmes that catalyse effective and long-lasting impact and social progress. The Julius Baer Foundation adopts 'The Seven Steps' approach to measure outcomes that matter.

The Seven Steps framework:
1. **Specify the baseline –** define the metrics for 'year zero' before intervention
2. **Structure the elements** leading to the intended outcomes (summarise a project's inputs, activities, outputs, and expected outcomes in an impact canvas)
3. **Prepare to systematically measure the intervention –** define key performance indicators (KPIs) to convert the desired outcome into a measurable unit, and choose appropriate methods for data collection

Grant distribution by core area
in %



Grant distribution by region
in %

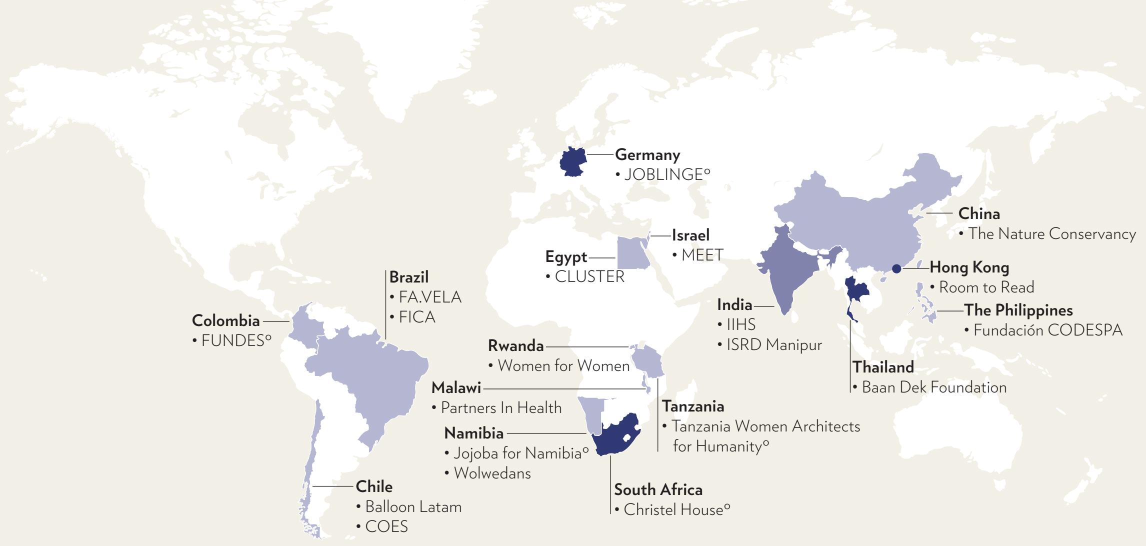


4. **Collect the data –** monitor and measure KPIs over a defined period, paying attention to any potential pitfalls and taking care to avoid biases
5. **Interpret the data –** analyse the results: Is the outcome expected? Are there any unintentional negative effects?
6. **Share the results –** incorporate the findings in communication measures
7. **Incorporate takeaways and repeat the process –** where necessary, adapt the project for more effective results before restarting the process

For more information on each step, please listen to the different audio files here

The Foundation offers Julius Baer employees greater possibilities to engage with its partner organisations worldwide. For instance, in 2023 it launched a volunteering project with FA.VELA, a Brazilian social enterprise that advances the digital skills of the youth in the favelas of Belo Horizonte, the capital city of Brazil's Minas Gerais state. Additionally, Julius Baer employees selected the 'project of the year' for 2023: Room to Read, Hong Kong. This project supports children from low-income minority backgrounds to develop the habit of reading and to build foundational literacy skills by developing a series of bilingual story books.

Partner Organisations



Core areas
- Wealth Inequality
- Education Inequality
- Both (Wealth and Education Inequality)
- ° the project is co-funded

SOLUTIONS REPLACING PLASTICS*
- A Plastic Planet, United Kingdom
- Circleg, Kenya
- Fundación ECOALF°, France
- Junior Achievement, Bulgaria
- University of Technology Sydney, Australia

GLOBAL STAKEHOLDER INITIATIVE
- Wealth Inequality Initiative

FURTHER DONATIONS
- Kunsthalle Zurich, Switzerland
- Kunsthaus / Centre d'Art Pasquart, Switzerland
- Université de Genève, Centre en Philanthropie CAS, Switzerland

* With the Foundation's new focus on reducing inequalities, completed Solutions Replacing Plastics and Vocational Training projects will be replaced with grants for Wealth or Education Inequality.

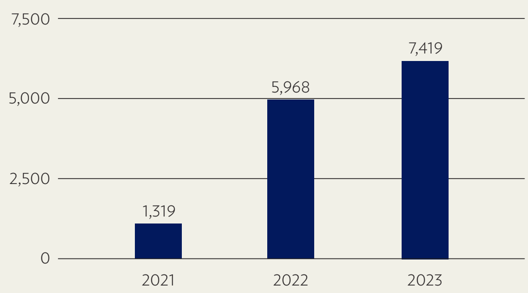
Julius Baer Cares and community giving

Knowledge and experience-sharing are core elements of volunteer projects that create sustainable benefits for communities. Volunteering engagements, particularly those involving the sharing of knowledge and skills, can help to empower individuals and communities. Julius Baer Cares organises volunteering opportunities for employees and has local chapters in Switzerland, Hong Kong, Singapore, Guernsey, the UK, Germany, and – newly added in 2023 – Dubai. It works only with organisations that are religiously and politically neutral, ensuring that no conflicts of interest exist, and that organisations are not related to the entertainment industry. The volunteering activities are generally for local beneficiaries, in social or environmental areas.

Employees can take two paid leave days each year to volunteer. In 2023, 874 employees volunteered for a total of 7 419 community hours (919 days)[1].

Our number of volunteers thus increased by around 20 per cent compared to 2022. Held in June, our second global volunteering month saw employees take part in activities such as promoting environmental sustainability, sharing knowledge, and working with social projects. Overall, in 2023, community giving through Julius Baer Cares amounted to CHF 787 128[2].

Julius Baer Cares volunteering hours
in hours



Disaster relief donations

Donating to relief efforts in the wake of major disasters is often vital in relieving the suffering of those directly affected. Julius Baer regularly donates to the communities affected by disasters in the regions where it operates.

Disaster relief requires rapid mobilisation and immediate assistance, but the right type of support and the efficient use of resources are also imperative. Disasters often occur in areas with limited infrastructure, which causes further disruption. Relief efforts often entail a risk of corruption, extortion, and misappropriation of funds to be distributed on the ground. We are always vigilant of these risks and have comprehensive mechanisms in place to mitigate them, including a thorough due-diligence process that covers the governance, effectiveness, and expertise of any potential recipients and an assessment of anti-bribery and corruption aspects, as per our guidelines.

Sponsorships

We consider our sponsorships to be expressions of our purpose to create value beyond wealth for our clients, our partnerships, and society at large. Our projects focus on emerging talent and forward-thinking endeavours that spark innovation and progress for a better future in the communities in which we live and work. They encourage dialogue across generations, be it through sport or culture.

As a sponsorship means high external visibility, an effective approval process is paramount. We have a clearly defined approval structure and a dedicated tool for all partnerships, global and regional campaigns, and projects. The sponsorship process is designed to be fully transparent for all applicants.

Sponsorship assessments and projects

A sponsorship assessment and due-diligence checks are required regardless of the fee of a partnership. This includes assessing the partnership's alignment with our strategy and purpose, in line with any ESG considerations. Due diligence includes anti-bribery and corruption (ABC) checks, conflict of interest checks, screening for adverse media or general reputation, and assessment for potential exposure to social or environmental reputational risks.

The projects we support include the following:

- **ABB FIA Formula E World Championship –** we are the Founding Partner of the world's first fully electric racing series since its inception in 2014 – a test bed of innovation for a cleaner future.
- **NEXT –** the Arts, Science & Technology Initiative: Placing its focus on megatrends that affect society at large, the initiative is designed to support collaboration with forward-thinking creatives and institutions who are at the vanguard of scientific research and technological development. It portrays how science, technology, and the arts interact to create new perspectives and provides a reflection of the changing priorities in our society.
- **Greentech Festival –** founded by Julius Baer brand ambassador and sustainability entrepreneur Nico Rosberg, a former Formula 1 champion, the festival is held in four locations around the globe and aims to inspire people, companies, and organisations to advance new sustainability-related ideas.
- **Champions Chess Tour –** we are the Founding Partner of the world's largest online chess tournament. We are committed to supporting inclusivity and diversity in chess across generations and genders, which is underlined by our title partnerships: the Julius Baer Generation Cup and the Julius Baer Women's Speed Chess Championship.
- **Montreux Jazz Festival –** supporting emerging talent in art and music has long been integral to Julius Baer's philosophy. Our partnership with the festival goes beyond the core event, including projects that focus on up-and-coming artists such as the Montreux Jazz Artists Foundation's MJF Residency and MJF Spotlight. Our Global Partnership also includes the Rio Montreux Jazz Festival and the Montreux Jazz Festival China.
- **Elbphilharmonie and Laeiszhalle Hamburg –** we are Principal Sponsor of this iconic concert hall. It hosts major stars and rising talent from a hugely diverse range of music styles and formats. The hall's commitment to sustainability, accessibility, and community also makes it an inspirational example of promoting responsible citizenship.

The Julius Baer Art Collection

Since 1981, the Julius Baer Art Collection has focused on acquiring and promoting visual art in Switzerland. Today, it holds over 5 000 artworks. With its diversity of artistic movements and sense of responsibility to Switzerland's artistic community, the collection presents its work on its website and Instagram account, and regularly lends artworks to museums. In 2023, the collection presented a new artwork selection on its website, entitled 'All About Space'. Alongside other loans of artworks, including works by Francisco Sierra and Ilse Weber, we lent 'Kaiserin tötet Kaiser' to the exhibition 'Der König ist tot, lang lebe die Königin' at the Museum Frieder Burda in Baden-Baden (Germany), where it acted as a key work.

Our offices continue to display artworks to inspire clients and employees alike, and we open the collection to the public with guided art tours. Through cultural engagement, we bring art closer to employees by offering regular guided tours and workshops for relationship managers on 'how to talk about art'. In 2023, the collection organised four Art Club events, which were open to all employees in Switzerland. Together, we took part in guided tours and talked to curators, art experts, and artists. One of the highlights was visiting the Ursula Hauser Collection in Henau in eastern Switzerland.

Mario Sala (b. 1965), N.G. Face 04, 2017, car paint, wood and aluminium, 250 x 384 x 4 cm, courtesy the artist and Julius Baer Art Collection.

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.

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, it covers the entire Julius Baer Group including all consolidated operational companies for the financial year ending 31 December 2023.

The report is aligned with international best practice standards and principles including UN PRB, PRI and SDGs, SASB, and TCFD. It takes account of the GRI standards as well as the material issues identified in collaboration with internal and external stakeholders through our materiality assessment. The report is also aligned with the content requirements as outlined in the Swiss Code of Obligations (Art. 964b). We describe concepts pursued, due diligence applied, measures taken and material risks as well as key performance indicators across environmental, social, employee-related matters across the report in the following chapters: 'Climate and natural resources', 'Julius Baer Foundation and community partner', and 'Caring employer and training' as well as under 'Data and disclosure'. How we respect human rights and combat corruption is described under 'Conduct and risk'. Our ESG investment rating methodology describes how we mitigate risk and realise opportunities through products and services. Measures implemented are described in this report and are reviewed thoroughly throughout the year to identify any improvement potential.

Abbreviations

The report includes the following abbreviations:

AML	Anti-money laundering
APM	Alternative performance measures
AuM	Assets under Management
BCA	Building and Construction Authority
BREEAM	Building Research Establishment assessment rating
bn	Billion
CEO	Chief Executive Officer
CH	Switzerland
CHF	Swiss francs (currency)
CO_2	Carbon dioxide
CSRD	Corporate Sustainability Reporting Directive
CVaR	Conditional Value at Risk
D&I	Diversity and Inclusion
DDTrO	The Swiss Ordinance on Due Diligence and Transparency
EMEA	Europe, Middle East and Africa
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
GDP	Gross domestic product
GHG	Greenhouse gas emissions
GRI	Global Reporting Initiative
HR	Human Resources
IFRS	International Financial Reporting Standards
ILO	International Labour Organization
ISO	International Organization for Standardization
IT	Information technology
kg	Kilogram
km	Kilometre
KPI	Key performance indicator
LBMA	London Bullion Market Association
LEED	Leadership in Energy and Environmental Design
LGBT+	Lesbian, gay, bisexual, transgender/transsexual plus
LPPM	London Platinum and Palladium Market
m	million
m^3	Cubic metre
MD	Managing Director
MDSA	Managing Director Senior Advisor
MHFA	Mental health first aider
MJF	Montreux Jazz Festival
MSCI	Morgan Stanley Capital International
MWh	Megawatt hour
OECD	Organisation for Economic Co-operation and Development
PACTA	Paris Agreement Capital Transition Assessment PCAF
PAI	Principal Adverse Impact indicators
PCAF	Partnership for Carbon Accounting Financials
SAF	Sustainable aviation fuel
SASB	Sustainability Accounting Standards Board
SBTi	Science Based Targets initiative
SFDR	Sustainable Finance Disclosure Regulation
SIX	Swiss Exchange
SMART	Specific, measurable (qualitative or quantitative), achievable, relevant and time-bound
t	Metric tonne
TCFD	Task Force on Climate-related Financial Disclosures
tCO_2e	Metric tonne of carbon dioxide equivalent
UAE	United Arab Emirates
UHNWI	Ultra-high-net-worth individual
UK	United Kingdom
UNGC	United Nations Global Compact
UN PRB	United Nations Principles for Responsible Banking
UN PRI	United Nations Principles for Responsible Investment (UN)
UN SDGs	United Nations Sustainable Development Goals
UNEP	United Nations Environment Programme
US	United States
USD	United States dollar
VAV	Association of Swiss Asset and Wealth Management Banks

Material topics

Definitions of the material topics

Material topic	Definition
Addressing wealth inequality and financial literacy	Tackling wealth inequality by systematically supporting activities and projects (e.g. through philanthropy) that seek to reduce the wealth gap, as well as increasing financial literacy and education in underserved social areas.
Biodiversity and natural capital	Tackling the global loss of biodiversity across the value chain, both by financing businesses that contribute positively to biodiversity and by reducing activities that may harm it.
Client education and engagement	Educating clients on ESG topics and engaging with them through business offerings.
Climate change and low carbon	Tackling climate change by decarbonising the value chain, both within the Bank's own operations (e.g. energy supply, procurement, travel) and in financing activities, including support for nature-based solutions as well as low-carbon and carbon-removal technologies.
Data privacy and security	Ensuring the security and confidentiality of clients' and employees' personal information as well as the security of the Bank's digital infrastructure.
Diversity, equity and inclusion	Ensuring employees from diverse backgrounds, gender, ethnicity, disability and sexuality are offered equitable opportunities and experience no discrimination.
Employee education and engagement	Providing employees with access to training and education in relation to relevant skills and key emerging topics (e.g. sustainability), as well as opportunities that enable them to make a positive impact (e.g. volunteering).
ESG integration, data and transparency	Encouraging clients to take ESG factors into consideration when making investment decisions, and providing them with relevant and transparent data to do so.
Health, well-being and a safe working environment	Implementing effective policies and practices to provide a healthy and safe working environment for all employees, encouraging their long-term physical and mental well-being and enabling flexible working practices where possible.
Human rights and modern slavery	Implementing and maintaining appropriate human rights and modern slavery standards to identify and address potential links between the Bank and any activities that may harm these.
Responsible business conduct	Maintaining high standards of business conduct across matters such as environmental and social standards, taxation, anti-money laundering, anti-bribery and corruption, and non-competitive behaviour.
Sustainable and impact investing	Pursuing investments in sustainability leaders, or investments that seek to make a measurable positive impact on society or the environment.
Sustainable and responsible sourcing	Maintaining an environmentally sustainable and fair supply chain across all locations and regions or divisions of the business.
Sustainability governance and risk management	Ensuring the business is governed fairly and responsibly with a strict governance structure in place for ESG issues and leadership involvement. Integrating ESG risk management fully into business activities and into the Bank's strategic business priorities.
Sustainable infrastructure and circular economy	Implementing sustainable physical infrastructure and buildings across the value chain, by shifting towards renewable energy sources, improving energy efficiency, minimising water use and reducing waste within the Bank's own buildings; as well as supporting businesses and activities that contribute to a more sustainable and circular economy.
Technology and innovation	Enabling the evolution of new technologies and innovations to contribute to the further development of the environmental, social and economic dimension of financial services.

Engaging stakeholders

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

Stakeholder group	Material topics of relevance	Engagement mechanism	2023 examples
Clients	• Client education and engagement • Data privacy and security • ESG integration, data and transparency • Sustainable and impact investing	• Ongoing dialogue with relationship managers • Global client survey • Client events and conferences • Materiality consultation (every three years)	• Further development of Sustainability Circle client community in Europe, Americas and Asia • Global client survey sent out to all clients Jump to Responsible wealth management
Employees	• Data privacy and security • Diversity, equity and inclusion • Employee education and engagement • Health, well-being and a safe working environment • Responsible business conduct	• Annual performance review • Global employee engagement survey in collaboration with external provider Peakon • Diversity & Inclusion Committee • Townhall 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	• Around 1 880 subscribers to our internal sustainability newsletter • Development of Sustainability Front Ambassador Club in Europe, Americas and Asia now including over 270 members • Participation in global Learning Week and organisation of e-mobility days, volunteering and other engagement activities to bring sustainability closer to employees Jump to Caring employer and training
Investors	• Responsible business conduct • Sustainable and impact investing • Sustainability governance and risk management	• Annual General Meeting of shareholders • Ongoing dialogue with investors	• Dedicated sustainability-related roadshow with main investors • Regularly answered questions from investors on ESG topics such as climate-related disclosures, diversity and inclusion efforts or Board compositions Jump to Sustainability governance / Responsible wealth management / Responsible citizenship
Communities	• Addressing wealth inequality and financial literacy • Biodiversity and natural capital • Climate change and low carbon • Diversity, equity and inclusion • Human rights and modern slavery • Sustainable and responsible sourcing • Sustainable infrastructure and circular economy • Technology and innovation	• Grant proposal discussions with non-profit partners of the Julius Baer Foundation • Support from employees for local community causes • Sponsorships	• Support of nature-based decarbonisation solutions in strong collaboration with local communities • The Julius Baer Foundation worked with 30 partner organisations in 23 countries • Second bank-wide volunteering month; community volunteering increased 20% to 7 419 hours Jump to Conduct & risk / Climate & natural resources / Julius Baer Foundation & community partner
Regulators[1]	• Data privacy and security • Employee education and engagement • ESG integration, data and transparency • Responsible business conduct • Sustainable and responsible sourcing • Sustainability governance and risk management	• Direct discussions with regulators and supervisors • Engagement with industry associations	• Contribution to data collection and industry questionnaires • Public policy engagement through industry association memberships Find out more in our Annual Report 2023
Industry and sustainability initiatives	See a summary of finance sector partnerships and sustainability-related memberships on the next page.		

[1] The EU is our main source 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.

Industry memberships and sustainability partnerships

We are in regular dialogue with sector peers through global and local networks. Together, we share best practices and contribute to the development of sustainability-related policy and standards.

Organisation or association	Engagement mechanism	2023 example
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.	The Swiss Bankers Association proposed to the Swiss authorities to update the self-regulation in order to also cover the prevention of greenwashing.
Association of Swiss Asset and Wealth Management Banks (VAV)	Our CEO is the Chairman and our Head of Public Policy is the Managing Director.	Following the publication of a set of priorities for sustainable finance in 2021, the association published a progress report in 2022 and again in September 2023, providing information about the state of implementation.
Employers Association of Banks in Switzerland	The bank is a member and our Head Human Resources is a member of the Board.	No specific updates for 2023.
Swiss Finance Council	The VAV joined the Swiss Finance Council in March 2023, and our CEO is a member of the Board.	The Swiss Finance Council focuses on EU regulation and publishes position papers / participates in consultations.
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 2023.
Avenir Suisse	Our chairman is a member of the Board of Trustees.	No specific updates for 2023.
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 on page 62.
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 2023. We participated in the 2023 reporting process.
Swiss Sustainable Finance	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.
A proud participant of: Climate Action 100+ Global Investors Driving Business Transition	We participate in collaborative engagement activities with high-emitting companies as part of this investor network.	We joined Climate Action 100+ in 2023. We are taking the co-lead for one engagement.

Public policy engagements and industry association memberships were valued at approximately CHF 3.5 million. This includes CHF 100 000 for political contributions in Switzerland only due to the political system based on the militia principles. No political contributions are made in other jurisdictions.

Key figures

Rigorous measurement and monitoring underpin our sustainability strategy, enabling us to set targets and drive performance.

Key financial indicators[1]

	2023	2022	*Change in %*
Assets under management			
Assets under management (CHF bn)	427	424	0.7
Responsible wealth management			
Discretionary sustainability mandates (CHF m)[2]	2,679	2,912	*-8.0*

Key HR indicators

	2023	2022	*Change in %*
Our people			
Total headcount (total workforce excl. externals)[3]	7,787	7,236	*7.6*
Of which regular staff	7,505	7,006	*7.1*
Number of employees (FTE) (total workforce excluding externals)[3]	7,425.0	6,890.8	*7.8*
Of whom in Switzerland (%)	52.3	52.7	
Of whom in rest of Europe (%)	16.4	17.1	
Of whom in Asia-Pacific (%)	24.1	23.6	
Of whom in Latin America (%)	4.5	4.0	
Of whom in Middle East and Africa (%)	2.7	2.6	
Total net employee turnover (%)[4]	9.4	10.8	
Total voluntary turnover (%)[5]	6.7	9.1	
Average employee tenure (years)	8.2	8.5	*-3.5*

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 Including various asset classes and currencies.
3 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.
4 Total turnover rate of regular staff in %, excluding "Company Sale/Carve-out" termination reason.
5 Voluntary turnover rate reflecting employees' voluntary terminations only.

	2023	2022	Change in %
Diversity			
Ratio of women (% of total regular staff headcount)	42.7	42.4	
Women in management positions across all levels (%)[1]	28.0	26.5	
Women in the levels of Director and above (%)	29.8	28.9	
Women on MD or MDSA levels (%)[2]	20.9	19.0	
Women on the Executive Board (%)[3]	20.0	20.0	
Women on the Board of Directors (%)[4]	33.3	30.0	
Promotions of women across all levels (% of total promotions)	46.5	43.8	
Promotions of women in the levels of Director and above (% of total promotions)	38.9	31.6	
Number of nationalities employed (total workforce excluding externals)[5]	84	85	*-1.2*
Average age of regular employees (years)	43.9	43.9	*0.0*
Employee well-being and benefits			
Illness days per employee (globally)[6]	4.0	3.6	*11.1*
Part-time employees (% of total regular staff headcount)	10.8	11.5	
Male part-time employees (% of total male staff)	3.7	4.1	
Female part-time employees (% of total female staff)	20.4	21.6	
Total number of employees taking parental leave	332	318	*4.4*
By women	157	156	*0.6*
By men	175	162	*8.0*
Parental leave in average total days taken			
By women	132.5	106.6	*24.3*
By men	15.8	13.5	*17.0*
Share of women on maternity leave the previous year still employed (%)[7]	94.3	85.1	
Training and development			
Average number of classroom training sessions per employee (including virtual classroom)	5.6	5.0	*12.0*
Average hours of internal training per employee	34.5	40.0	*-13.7*
Of which internal classroom training	27.6	33.6	*-17.9*
Of which internal online training	6.8	6.4	*6.3*
Share of total internal training sessions using digital platforms (%)	60	91	

1 Management positions include all team leaders with at least 1 person in their reporting line.
2 MD refers to the level of Managing Director, MDSA to the level of Managing Director Senior Advisor. Includes share of women in MD and MDSA level combined.
3 This number includes members of both the Group's Executive Board and the Bank's Executive Board.
4 Out of 10 Board of Directors members in 2023.
5 Last year, the figure was reported as 103 nationalities for 2022. Due to a change in the definition, only first nationalities are counted as of 2023.
6 This number reflects illness days globally. The number for 2022 was restated retroactively from 3.9 to 3.6.
7 Please note that some women on maternity leave in any given year started their leave the previous year.

Key environmental indicators[1, 2]

	2023	2022	Change in %
Energy consumption (MWh)	35,547	37,928	-6.3
Electricity (MWh)	25,190	26,666	-5.5
Heating and other fuels (MWh)	10,357	11,262	-8.0
Energy intensity (MWh/FTE)	4.8	5.5	-12.8
Greenhouse gas emissions (tCO_2e)[3]	12,667	10,024	26.4
Scope 1 (tCO_2e)[4]	2,736	2,512	8.9
Heating and other fuels (tCO_2e)	1,814	1,873	-3.2
Volatile emissions (refrigerants) (tCO_2e)[5]	922	640	44.2
Scope 2 (electricity and district heat) (tCO_2e)[6]	805	878	-8.3
Scope 3 operational emissions (tCO_2e)[7]	9,126	6,633	37.6
Business travel (tCO_2e)	8,895	6,394	39.1
Avoided emissions from SAF	135		
Purchased goods and waste from operations (tCO_2e)[8, 9]	232	239	-2.8
Scope 3 investments (tCO_2e)[10]	~1,740,000	~1,660,000	4.8
Treasury book (tCO_2e)	~1,550,000	~1,460,000	6.2
of which Scope 1&2 of underlying investments (tCO_2e)	~410,000	~440,000	-6.8
of which Scope 3 of underlying investments (tCO_2e)	~1,140,000	~1,020,000	11.8
Treasury book – Sovereign debt excl. LULUCF (tCO_2e)	~2,950,000	~2,380,000	23.9
Treasury book – Sovereign debt incl. LULUCF (tCO_2e)	~2,610,000	~2,160,000	20.8
Lending book (tCO_2e)[11]	~170,000	~190,000	-10.5
of which are Scope 1&2 (tCO_2e)	~50,000	~50,000	0.0
of which are Scope 3 (tCO_2e)	~120,000	~140,000	-14.3
Mortgage book (tCO_2e)	~12,000	~16,000	-25.0
Mortgage book (tCO2e/sqm)	1.6%	2.2%	
Share of discretionary mandates, trading, treasury, and lending books invested into companies with validated SBTi targets[12]	36.6%	23.5%	
Greenhouse gas intensity (tCO_2e/FTE)[13]	1.7	1.5	17.1
Business travel (km/FTE)	6,702	5,127	30.7
Paper consumption (t)	145	151	-4.2
Paper consumption intensity (kg/FTE)	19	22	-13.5
Water consumption (m^3)	74,517	77,746	-4.2
Water consumption intensity (m^3/FTE)	10	11	-11.4
Waste (t)[9]	534	452	18.2
Residual office waste (t)	309	230	34.4
Recycling (t)	168	171	-1.5
Special waste (t)[14]	57	51	10.8
Waste intensity (kg/FTE)	72	66	9.8

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 Bahrain, India, Italy, Luxembourg, Brazil, Chile, Germany, Guernsey, Hong Kong, Monaco, Singapore, Spain, the UK, the UAE, Uruguay, and Qatar. These locations cover approximately 95% of our total employees. 2019-2023 data are extrapolated to 100% of FTEs using the average unit per FTE from the collected data (e.g., in 2023, figures are extrapolated by 5% for missing FTEs). Extrapolation for refrigerants is performed for all sites with no refrigerant data (in 2023 sites with no refrigerant data represent 50% of total FTE). No extrapolation for business travel required as 100% FTEs are covered.
2 GRI 102-48: Based on footnote 1, data from 2019-2022 has been restated.
3 Greenhouse gas emissions were calculated according to guidelines issued by the WRI/WBCSD Greenhouse Gas Protocol.
4 Emissions from directly owned or controlled sources.
5 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.
6 Emissions from purchased electricity and district heat/cooling. 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 4,143 tCO_2e (2022: 5,516 tCO_2e, incl. emissions from district heat). As of 2021, all locations in scope either directly sourced renewable electricity or purchased electricity attribute certificates to cover 100% of their demand with electricity from renewable sources.
7 Emissions from sources not owned or controlled by Julius Baer, but associated with Julius Baer's operational activities.
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 Locations not reporting data on water, waste and paper account for less than 5% of total FTEs.
10 Measurement performed with the market-standard PCAF methodology published in 2022. Estimations and assumptions had to be taken to compensate data gaps and will be refined over time.
11 Our emissions target on lending includes loans to corporate clients only, according to the Partnership for Carbon Accounting Financials (PCAF).
12 Assets classes in scope are listed equity, corporate bonds, ETFs, REITs, and corporate loans.
13 Greenhouse gas intensity has been calculated using the reported scope 1, scope 2 and scope 3 emissions divided by 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.

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.

Business model

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 across the main geographies in which your bank operates or provides products and services. Please also quantify the information by disclosing e.g. the distribution of your bank's portfolio (%) in terms of geographies, segments (i.e. by balance sheet and/or off-balance sheet) or by disclosing the number of customers and clients served.

As a Swiss wealth manager, our services mainly target high-net-worth individuals and include:

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

About us (juliusbaer.com)

The Julius Baer Group is present in around 60 locations worldwide, including Zurich (Head Office), Dubai, Frankfurt, Geneva, Hong Kong, London, Luxembourg, Milan, Monaco, Montevideo, Mumbai, São Paulo, Singapore and Tokyo.

At the end of December 2023, assets under management amounted to CHF 427 billion and our balance sheet stood at CHF 97 billion. Bank Julius Baer & Co. Ltd., a Swiss private bank with origins dating back to 1890, is the principal operating company of Julius Baer Group Ltd., whose shares are listed on the SIX Swiss Exchange (ticker symbol: BAER) and are included in the Swiss Leader Index, comprising the 30 largest and most liquid Swiss stocks.

Strategy alignment

Does your corporate strategy identify and reflect sustainability as strategic priority/ies for your bank?

☒ Yes ☐ No

Please describe how your bank has aligned and/or is planning to align its strategy to be consistent with the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.

Does your bank also reference any of the following frameworks or sustainability regulatory reporting requirements in its strategic priorities or policies to implement these?

☒ UN Guiding Principles on Business and Human Rights

☒ International Labour Organization fundamental conventions

☐ UN Global Compact

☒ UN Declaration on the Rights of Indigenous Peoples

☒ Any applicable regulatory reporting requirements on environmental risk assessments, e.g. on climate risk – please specify which ones: Task Force on Climate-related Financial Disclosure (TCFD)

☒ Any applicable regulatory reporting requirements on social risk assessments, e.g. on modern slavery – please specify which ones: Swiss Code of Obligations (DDTrO)

☐ None of the above

Julius Baer's purpose and aspiration 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 broader stakeholder groups to make a positive impact on the world and has been identified as a key enabler of the strategic cycle 2023-2025.

With governance oversight from the highest levels of the business, the Julius Baer sustainability framework and the Julius Baer climate strategy are based on the UN PRI and PRB, the Paris Climate Agreement and on the national level to the Swiss Climate Goals. The framework is additionally rooted in material sustainability issues that have been identified in consultation with stakeholders (see 4.1) and are mapped to the SDGs.

Foreword, p. 4

Sustainability at Julius Baer, p. 8 (Strategic framework)

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.

Impact Analysis (Key Step 1)

Show that your bank has performed an impact analysis of its portfolio/s to identify its most significant impact areas and determine priority areas for target-setting. The impact analysis shall be updated regularly[1] and fulfil the following requirements/elements (a-d)[2]:

a) Scope: What is the scope of your bank's impact analysis? Please describe which parts of 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 impact analysis. Please also describe which areas have not yet been included, and why.

[1] Further guidance can be found in the Interactive Guidance on impact analysis and target setting .
[2] Key sectors' relative to different impact areas, i.e. those sectors whose positive and negative impacts are particularly strong, are particularly relevant here.

The general impact analysis and scope for target setting encompasses our clients' and our own investments at a global level as well as our balance sheet. As a wealth manager with a highly diversified and international portfolio, we aim to focus on sustainability topics of global relevance in our impact analysis.

b) Portfolio composition: Has your bank considered the composition of its portfolio (in %) in the analysis? Please provide proportional composition of your portfolio globally and per geographical scope

i) by sectors & industries[3] for business, corporate and investment banking portfolios (i.e. sector exposure or industry breakdown in %), and/or

ii) by products & services and by types of customers for consumer and retail banking portfolios.

If your bank has taken another approach to determine the bank's scale of exposure, please elaborate, to show how you have considered where the bank's core business/major activities lie in terms of industries or sectors.

[3] Key sectors' relative to different impact areas, i.e. those sectors whose positive and negative impacts are particularly strong, are particularly relevant here.

The following breakdown shows the largest categories in sectorial exposure of the assets and business volumes within the scope of our targets. Please note that currently available data do not always allow us to identify the sectorial information. Assets where the sector is unknown have been excluded:

Treasury (excl. cash; incl. corporate bonds and sovereign bonds):
Sovereign debt, ~48%
Financials, ~45%
Industrials, ~1%

Mortgages:
Residential, ~88%
Commercial, ~9%
Land, ~3%

Lending:
Consumer discretionary, ~39%
Financials, ~28%
Industrials, ~18%

c) Context: What are the main challenges and priorities related to sustainable development in the main countries/regions in which your bank and/or your clients operate?[4] Please describe how these have been considered, including what stakeholders you have engaged to help inform this element of the impact analysis.

This step aims to put your bank's portfolio impacts into the context of society's needs.

[4] Global priorities might alternatively be considered for banks with highly diversified and international portfolios.

As a wealth manager with a highly diversified and international portfolio, we aim to focus on sustainability topics of global relevance in our impact analysis (e.g. climate change, energy transition) instead of identifying challenges or priorities specific to regions or countries.

In 2022, we conducted a materiality assessment which helped inform the context of our impact analysis. The five most material issues reflected the global challenges of climate change and low carbon; sustainable and impact investing; data privacy and security; responsible business conduct; and ESG integration, data and transparency and also technology and innovation; sustainable infrastructure and circular economy. To get an understanding of the materiality of those issues, we involved senior business leaders and important external stakeholders ranging from clients to specialists from industry associations and sustainability thought leaders.

Materiality, p. 11-13

Based on these first 3 elements of an impact analysis, what positive and negative impact areas has your bank identified? Which (at least two) significant impact areas did you prioritize to pursue your target setting strategy (see 2.2)[5]? Please disclose.

[5] To prioritize the areas of most significant impact, a qualitative overlay to the quantitative analysis as described in a), b) and c) will be important, e.g. through stakeholder engagement and further geographic contextualization.

As disclosed in past reports, we have identified and prioritised climate change mitigation as a first area of most significant impact.

In 2023, we reviewed our portfolio composition and identified five industries in which our clients are most invested in: financial industry, manufacturing (incl. Oil & Gas, Pharmaceuticals, Food, etc.), public administration (e.g. government bonds), Information Technology and Mining. We assess that the impact of financial institutions on environmental and social aspect is mostly indirect and negative impacts of the Information Technology sector on those aspects is limited compared to other sectors. Furthermore, as a wealth manager, although we may consider our influence on public administration to be somewhat limited, we continue to be active in this area. We identified the energy sector as a common denominator within the Manufacturing and Mining sectors respectively. At the same time, we deem the manufacturing and mining industries as sectors with a direct potential impact on sustainability outcomes, and, as a wealth manager, we believe that we can have a more direct influence on investments in those industries. Hence, we defined our second impact area as the “Availability, accessibility, affordability, quality of energy with a particular focus on the energy transition”. We will continue to review the other tools and methodologies available and identify the most meaningful to our business to support the further development of our impact analysis.

Climate and natural resources, p. 35-42

TCFD Disclosure, p. 76-83

d) For these (min. two prioritized impact areas): Performance measurement: Has your bank identified which sectors & industries as well as types of customers financed or invested in are causing the strongest actual positive or negative impacts? Please describe how you assessed the performance of these, using appropriate indicators related to significant impact areas that apply to your bank’s context.

In determining priority areas for target-setting among its areas of most significant impact, you should consider the bank’s current performance levels, i.e. qualitative and/or quantitative indicators and/or proxies of the social, economic and environmental impacts resulting from the bank’s activities and provision of products and services. If you have identified climate and/or financial health & inclusion as your most significant impact areas, please also refer to the applicable indicators in the Annex.

If your bank has taken another approach to assess the intensity of impact resulting from the bank’s activities and provision of products and services, please describe this.

The outcome of this step will then also provide the baseline (incl. indicators) you can use for setting targets in two areas of most significant impact.

To identify the sectors and industries causing the most impact (based on our assessments and from our perspective) and to determine the priority areas, we have conducted several analyses (including portfolio reviews but also using PCAF, see details above).

Please refer to the breakdown above which shows the sectorial exposure of the assets and business volumes in the different activities related to our targets.

More information on the indicators used can be found under 2.2 Target Setting (Baseline).

TCFD Disclosure, p. 76-83

Self-assessment summary:

Which of the following components of impact analysis has your bank completed, in order to identify the areas in which your bank has its most significant (potential) positive and negative impacts?[6]

Scope:	Yes ☒	In progress ☐	No ☐
Portfolio composition:	Yes ☒	In progress ☐	No ☐
Context:	Yes ☒	In progress ☐	No ☐
Performance measurement:	Yes ☒	In progress ☐	No ☐

Which most significant impact areas have you identified for your bank, as a result of the impact analysis?

Climate change mitigation, energy transition

How recent is the data used for and disclosed in the impact analysis?

☒ Up to 6 months prior to publication ☐ Up to 12 months prior to publication ☐ Up to 18 months prior to publication ☐ longer than 18 months prior to publication

[6] You can respond "Yes" to a question if you have completed one of the described steps, e.g. the initial impact analysis has been carried out, a pilot has been conducted.

2.2 Target Setting (Key Step 2)

Show that your bank has set and published a minimum of two targets which address at least two different areas of most significant impact that you identified in your impact analysis.

The targets[7] have to be Specific, Measurable (qualitative or quantitative), Achievable, Relevant and Time-bound (SMART). Please disclose the following elements of target setting (a-d), for each target separately:

a) Alignment: which international, regional or national policy frameworks to align your bank's portfolio with[8] have you identified as relevant? Show that the selected indicators and targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks.

You can build upon the context items under 2.1.

[7] Operational targets (relating to for example water consumption in office buildings, gender equality on the bank's management board or business-trip related greenhouse gas emissions) are not in scope of the PRB.

[8] Your bank should consider the main challenges and priorities in terms of sustainable development in your main country/ies of operation for the purpose of setting targets. These can be found in National Development Plans and strategies, international goals such as the SDGs or the Paris Climate Agreement, and regional frameworks. Aligning means there should be a clear link between the bank's targets and these frameworks and priorities, therefore showing how the target supports and drives contributions to the national and global goals.

Our first area of most significant impact is climate change mitigation (see 2.1). Our target setting is aligned with the Paris Agreement and contributes to SDG 13 (Climate Action) on a global level. On a national level, we align with the sustainability priorities of the Association of Swiss Asset and Wealth Management Banks (VAV) and the Swiss Climate Goals (halving its emissions by 2030 [based on the figure for 1990] and to achieving climate neutrality by 2050). Also, in 2023, our near-term targets have been validated by SBTi.

Strategic priorities in 2024 and beyond, p. 16-17

Climate and natural resources, p. 35-42

Our second area of most significant impact covers the availability, accessibility, affordability, and quality of energy with a particular focus on the energy transition. It contributes to SDG 7 (Affordable and Clean Energy), SDG 9 (Industry, Innovation and Infrastructure) and SDG 13 (Climate Action). On a national level, we align with the Swiss Climate Goals.

b) Baseline: Have you determined a baseline for selected indicators and assessed the current level of alignment? Please disclose the indicators used as well as the year of the baseline.

You can build upon the performance measurement undertaken in 2.1 to determine the baseline for your target.

A package of indicators has been developed for climate change mitigation and financial health & inclusion to guide and support banks in their target setting and implementation journey. The overview of indicators can be found in the Annex of this template.

Impact area	Indicator code	Response	
Climate change mitigation	A.1.1	**Climate strategy:** Does your bank have a climate strategy in place? Yes, we developed a climate strategy in 2021 and published it in 2022.	Climate and natural resources, p. 35-42
	A.1.2	**Paris alignment target:** Has your bank set a long-term portfolio-wide Paris-alignment target? To become net zero by when? Yes, we have set a long-term net-zero target (aligned with the Paris Agreement) on our treasury, mortgage and lending book by 2050. Also, we have SBTi-validated near-term targets which cover in addition our trading book and discretionary mandates. Baseline: 2021 Multiple climate scenarios were used in this context.	Climate and natural resources, p. 35-42 TCFD Disclosure, p. 76-83
	A.1.3	**Policy and process for client relationships:** Has your bank put in place rules and processes for client relationships (both new clients and existing clients), to work together towards the goal of transitioning the clients' activities and business model? Yes and in further progress. Besides our sustainability-geared specific investment offerings for our clients, we are currently assessing initiatives to promote real estate energy efficiency measures with clients of our mortgage book. In addition, our goal is to empower clients to make informed decisions in their investment activities, supported by our ESG client report and engagement platforms such as Wealth Matters or the Sustainability Circle. Our sustainability voting initiative in Switzerland enables, for the time being, a selection of clients to apply the same sustainability guidelines to their portfolio voting activities while retaining the right to change their votes.	ESG investment rating methodology and client reporting, p. 19-21
	A.1.4	**Portfolio analysis:** Has your bank analyzed (parts of) its lending and/or investment portfolio in terms of financed emissions (Scope 3, category 15); technology mix or carbon-intensive sectors in the portfolio? Yes, we have calculated the financed emissions of our treasury, mortgage and lending books and identified the carbon-intensive sectors in these books (see details above).	
	A.1.5	**Business opportunities and financial products:** Has your bank developed financial products tailored to support clients' and customers' reduction in GHG emissions (such as energy efficient mortgages, green loans, green bonds, green securitisations etc.)? Yes and our ESG-related product offering is continuously being developed further. We also contribute to realising opportunities in this context through our stewardship activities, including voting on Julius Baer funds, facilitating client voting and engagement activities with a focus on climate issues. As of 2023, to actively drive change within our investee companies, Julius Baer executes votes (where empowered) at Annual General Meetings based on sustainability guidelines. Our sustainability voting initiative in Switzerland enables, for the time being, a selection of clients to apply the same sustainability guidelines to their portfolio voting activities while retaining the right to change their votes. As part of our stewardship strategy, we have begun having structured dialogues to engage with a selection of high-GHG-emitting companies that we and our clients invest in. Our primary focus is on environmental and in particular climate topics.	Products and solutions, p. 22-25 Stewardship strategy, p. 37-38

Impact area	Indicator code	Response	
	A.2.1	**Client engagement process:** Is your bank in an engagement process with clients regarding their strategy towards a low(er)-carbon business model? Yes, as a wealth manager our goal is to empower clients to make informed decisions, including in particular aspects relating to the environment and carbon reduction. This is supported by our ESG client report, the facilitation of voting for clients and engagement tools such as Wealth Matters and the Sustainability Circle.	ESG investment rating methodology and client reporting, p. 19-21 Client community and ESG knowledge, p. 26-27 Stewardship strategy, p. 37-38
	A.2.3	**Absolute emissions:** What are your absolute emissions (financed emissions = scope 3, category 15) in your lending and/or investment portfolio? Please refer to our TCFD disclosure.	TCFD disclosure, p. 82-83
	A.3.1	**Reduction of GHG emissions:** How much have the GHG emissions financed been reduced? During 2023, financed GHG emissions from our treasury, mortgage and lending[1] books decreased by 15% compared to our 2021 baseline. We acknowledge that the methodology, data and tools supporting emissions accounting continue to evolve at a fast pace, and we expect a degree of volatility will remain for some time in corporate disclosures. [1] As of now, emissions numbers indicated in the "Scope 3 – cat. 15 investments" include the treasury - corporate investments, lending and mortgage books.	TCFD disclosure, p. 82-83
		Percentage of companies with validated SBTi target in portfolio: The percentage of companies with validated SBTi[2] targets in our portfolio amount to 36%. [2] Assets classes in scope are listed equity, corporate bonds, ETFs, REITs, and corporate loans.	TCFD disclosure, p. 82-83
Energy transition		**Portfolio analysis:** Has your bank analysed (parts of) its lending and/or investment portfolio in terms of financed emissions linked to the topic of energy transition? Yes, we have screened our client assets and identified higher concentrations within the Oil & Gas, Mining and Manufacturing sectors. Energy transition is considered a common denominator of these sectors (see above).	
		Business opportunities and financial products: Has your bank developed financial products tailored to support clients' and customers' reduction in GHG emissions (such as energy efficient mortgages, green loans, green bonds, green securitisations etc.)? Yes and in further progress. Our ESG-related product offering is continuously being developed further.	Products and solutions, p. 22-25
		Client engagement process: Is your bank in an engagement process with clients regarding their strategy towards a low(er)-carbon business model and the energy transition. Yes, as a wealth manager our goal is to empower clients to make informed decisions, including in particular aspects relating to the environment and carbon reduction. This is supported by our internal Next Generation expertise on clean energy, which – amongst others – constitutes the basis for Sustainability Circle client events. Also, clients have the opportunity to influence companies in the energy sector through our initiative facilitating the execution of voting rights for clients.	Client community and ESG knowledge, p. 26-27 Research and thought leadership, p- 28-29 Stewardship strategy, p. 37-38

Impact area	Indicator code	Response	
		Engagement of key investee companies: How is your bank contributing to the energy transition? As part of our stewardship strategy, we have begun having structured dialogues to engage with a selection of high-GHG-emitting companies in the energy sector, that we and our clients invest in. Our primary focus is on environmental and in particular climate topics and energy transition.	Stewardship strategy, p. 37-38

The indicators which support our target setting and implementation journey within our first impact area, climate change mitigation, are listed above. We have decided to focus on these for the time being and not disclose on A.2.2, A.2.4, A.3.2, A.3.3, and A.4.1. This is because either appropriate data is missing, or the indicators do not match our business model as a wealth manager. We have defined additional indicators for the impact area 'Availability, accessibility, affordability, quality of energy'.

c) SMART targets (incl. key performance indicators (KPIs)[9]): Please disclose the targets for your first and your second area of most significant impact, if already in place (as well as further impact areas, if in place). Which KPIs are you using to monitor progress towards reaching the target? Please disclose.

[9] Key Performance Indicators are chosen indicators by the bank for the purpose of monitoring progress towards targets.

In 2023, we further refined our SMART target on climate change mitigation, besides our long-term net-zero commitment, we have had near-term targets validated by the SBTi, broadening the original target scope to our trading book and discretionary mandates:

- By 2025, we aim to have 36% of our discretionary mandates, trading, treasury, and lending books invested into companies with validated SBTi targets (with the aim to reach 100% by 2040).
- We aim to reduce our mortgage GHG emissions by 57% per m2 by 2030 vs. 2021.
- We aim to reduce absolute scope 1 and 2 GHG emissions by 90% by 2030 vs. 2019.

The KPIs used to monitor progress towards reaching the target have been listed in the table above; the two key indicators are the A.2.3: absolute GHG emissions as well as the percentage of companies with SBTi validated targets in our portfolio.

Our second area of most significant impact is the availability, accessibility, affordability, quality of energy. In the context of PRB, we established our first target, focusing on energy transition: We aim to reduce the negative impacts on society and the environment of the energy sector, and accelerate the energy transition. We aim to leverage our internal Next Generation research expertise on clean energy, conduct stewardship activities with energy companies, in particular engagement dialogues to foster the energy transition, further promote sustainable investing with a focus on the energy sector within our business offering for clients, and increase client and employee awareness on the topic through e.g. Sustainability Circle client community and Front Ambassador Club. We continue to work on further refining our target.

Products and solutions, p. 22-25

Client community and ESG knowledge, p. 26-27

Research and thought leadership, p. 28-29

Climate and natural resources, p. 35-38

Caring employer and training, p. 48

d) Action plan: which actions including milestones have you defined to meet the set targets? Please describe.

Please also show that your bank has analysed and acknowledged significant (potential) indirect impacts of the set targets within the impact area or on other impact areas and that it has set out relevant actions to avoid, mitigate, or compensate potential negative impacts.

Our action plan includes:

1. Strengthening of our stewardship strategy, for instance by voting at corporate meetings for our Julius Baer funds and supporting clients to do so as well; conducting engagement dialogues with key investee companies, particularly in the energy sector, to foster effective emission reductions and accompany them on their energy transition.
2. Disclosures of climate metrics on clients' portfolio level as well as on Julius Baer company level to foster transparency on climate action.
3. Continue efforts to increase awareness and literacy about climate change and the energy transition amongst employees, especially client-facing ones, as well as clients, e.g. through our Sustainability Circle client community or our Front Ambassador Club.
4. Further develop product offering to include more solutions for clients who are willing to take action on combatting climate change and supporting the energy transition.

We are aware that some of these aspects may come with potential indirect negative impacts on other sustainability topics, and are committed to address these appropriately. For example, we recognise that divestment strategies may have negative indirect effects e.g. on social aspects and decided to rather promote stewardship activities within our action plan (e.g. through active voting and engagement dialogues).

ESG investment rating methodology and client reporting, p. 19-21

Products and solutions, p. 22-25

Client community and ESG knowledge, p. 26-27

Research and thought leadership, p. 28-29

Stewardship strategy, p. 37-38

Self-assessment summary

Which of the following components of target setting in line with the PRB requirements has your bank completed or is currently in a process of assessing for your...

	... first area of most significant impact: Climate change mitigation	... second area of most significant impact: ... (please name it)
Alignment	☒ Yes ☐ In progress ☐ No	☒ Yes ☐ In progress ☐ No
Baseline	☒ Yes ☐ In progress ☐ No	☐ Yes ☒ In progress ☐ No
SMART targets	☒ Yes ☐ In progress ☐ No	☐ Yes ☒ In progress ☐ No
Action plan	☒ Yes ☐ In progress ☐ No	☐ Yes ☒ In progress ☐ No

Target implementation and monitoring (Key Step 2)

For each target separately:

Show that your bank has implemented the actions it had previously defined to meet the set target.

Report on your bank's progress since the last report towards achieving each of the set targets and the impact your progress resulted in, using the indicators and KPIs to monitor progress you have defined under 2.2.

Or, in case of changes to implementation plans (relevant for 2nd and subsequent reports only): describe the potential changes (changes to priority impact areas, changes to indicators, acceleration/review of targets, introduction of new milestones or revisions of action plans) and explain why those changes have become necessary.

Please refer to progress described across different initiatives under climate and natural resources. In addition, for climate change mitigation, please refer to our TCFD disclosures for details on the evolution of our GHG emissions.

Climate and natural resources, p. 35-42

TCFD Disclosure, p. 76-83

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 Client engagement

Does your bank have a policy or engagement process with clients and customers[10] in place to encourage sustainable practices?

☒ Yes ☐ In progress ☐ No

Does your bank have a policy for sectors in which you have identified the highest (potential) negative impacts?

☒ Yes ☐ In progress ☐ No

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[11]). It should include information on relevant policies, actions planned/implemented to support clients' transition, selected indicators on client engagement and, where possible, the impacts achieved.

This should be based on and in line with the impact analysis, target-setting and action plans put in place by the bank (see P2).

[10] A client engagement process is a process of supporting clients towards transitioning their business models in line with sustainability goals by strategically accompanying them through a variety of customer relationship channels.

[11] Sustainable economic activities promote the transition to a low-carbon, more resource-efficient and sustainable economy.

We offer a range of services to support our clients in improving their ESG insights and encourage sustainable practices, including through Wealth Matters. Our Sustainability Circle of like-minded clients interested in ESG topics offers a range of activities to get insights on ESG best practices and is based on our internal Next Generation research expertise.

In 2022, we began issuing ESG client reports to further engage clients with transparent information related to ESG and climate aspects on their portfolios. The reports include ESG category breakdowns for complete portfolios and for each asset class, showing proportions of sustainable, responsible and traditional investments, as well as ESG risk. They also highlight our proprietary 'theme' scores, a view on controversies and an MSCI ESG rating as comparison, ESG leaders and laggards as well as the largest positions, and detailed on climate metrics for the portfolio. The report provides a view on aggregated portfolio level, asset class and instrument level. Further, we facilitate voting for clients through our sustainability voting initiative, also on companies within the energy sector.

Our reputational risk guidelines for social and environmental risk form the basis for identifying business activities with the highest (potential) negative impact (for example thermal coal, palm oil, forestry and environmental degradation as well as human rights violations more broadly). The guidelines provide a consistent framework to address these risks proactively and within existing approval processes. They apply in particular to client relationships.

ESG investment rating methodology and client reporting, p. 19-21

Client community and ESG knowledge, p. 26-27

Research and thought leadership, p. 28-29

Sustainability in risk management, p. 33-34

Business opportunities

Describe what strategic business opportunities in relation to the increase of positive and the reduction of negative impacts your bank has identified and/or how you have worked on these in the reporting period. Provide information on existing products and services, information on sustainable products developed in terms of value (USD or local currency) and/or as a % of your portfolio, and which SDGs or impact areas you are striving to make a positive impact on (e.g. green mortgages – climate, social bonds – financial inclusion, etc.).

Our climate strategy as described above allows us to mitigate climate-related risks throughout our business lines and identify business opportunities for us and our clients' investments.

Please refer to the Chapter 'Responsible Wealth Management' for more information, including the split of the assets according to the ESG investment rating methodology.

Philanthropy services: We increased awareness amongst client-facing employees globally on our branded 'Julius Baer value cards' and conducted first value workshops with our clients, serving as a framework for sustainable and impact investments, as well as for philanthropy and other wealth planning topics.

ESG investment rating methodology and client reporting, p. 19-21

Philanthropy advisory services, p. 25

Climate and natural resources, p. 35-42

Principle 4: Stakeholders

We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.

4.1 Stakeholder identification and consultation

Does your bank have a process to identify and regularly consult, engage, collaborate and partner with stakeholders (or stakeholder groups[12]) you have identified as relevant in relation to the impact analysis and target setting process?

☒ Yes ☐ In progress ☐ No

Please describe which stakeholders (or groups/types of stakeholders) you have identified, consulted, engaged, collaborated or partnered with for the purpose of implementing the Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders, what issues were addressed/results achieved and how they fed into the action planning process.

[12] Such as regulators, investors, governments, suppliers, customers and clients, academia, civil society institutions, communities, representatives of indigenous population and non-profit organizations.

We engage with key stakeholder groups, both strategically via our materiality assessment and strategic framework initiatives, as well as on an ad hoc basis on specific material issues. These groups include clients, employees, investors, communities, regulators, industry and sustainability organisations.

Please refer to the respective section in the report for a high-level overview of how we identified relevant stakeholders and what issues were addressed.

Materiality, p. 11-13

Engaging stakeholders, p. 57

Principle 5: Governance & Culture

We will implement our commitment to these Principles through effective governance and a culture of responsible banking

Governance Structure for Implementation of the Principles

Does your bank have a governance system in place that incorporates the PRB?

☒ Yes ☐ In progress ☐ No

Please 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 the effective implementation of the Principles. This includes information about which committee has responsibility over the sustainability strategy as well as targets approval and monitoring (including information about the highest level of governance the PRB is subjected to), details about the chair of the committee and the process and frequency for the board having oversight of PRB implementation (including remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected), as well as remuneration practices linked to sustainability targets.

The effective implementation of the Principles is supported by our robust governance structure for sustainability aspects. Please refer to the respective section in the report for an overview of our sustainability governance.

Sustainability at Julius Baer, p. 8-10

5.2 Promoting a culture of responsible banking

Describe the initiatives and measures of your bank to foster a culture of responsible banking among its employees (e.g., capacity building, e-learning, sustainability trainings for client-facing roles, inclusion in remuneration structures and performance management and leadership communication, amongst others).

All employees are trained on and must sign the Code of Ethics and Business Conduct. We promote a 'speak up' culture, including an anonymous whistleblowing channel and internal ombudsman. To further strengthen awareness of our ethical guiding principles, we published our Principles of Employment and have introduced a dedicated reporting channel on our website for child labour and conflict minerals-related concerns.

The remuneration concept for our employees includes criteria that reflect demonstration of our corporate values and risk behaviours. Employees are trained in responsible wealth management and responsible citizenship topics. Furthermore, all new employees globally are required to complete the e-learning module on sustainability that we introduced in 2021.

Client-facing employees receive extensive training in principles of responsible investing and ethical conduct. In 2023, we count over 270 trained Sustainability Front Ambassadors. In addition, all client-facing employees received training on regulatory developments in sustainable finance and an ESG training was developed for our mortgage specialists. We also engaged our broader employee base through sustainability-related online sessions and onsite visits during our annual Learning Week.

Goals related to our sustainability strategy are part of the key performance objectives of the Group CEO and Executive Board. Sustainability, risk-management, and business-conduct goals bear a weighting of over 20% in the overall assessment.

Sustainability at Julius Baer, p. 8-10

Conduct and risk, p. 31-34

Sustainability training and ambassadors, p. 48

5.3 Policies and due diligence processes

Does your bank have policies in place that address environmental and social risks within your portfolio?[13] Please describe.

Please describe what due diligence processes your banks has installed to identify and manage environmental and social risks associated with your portfolio. This can include aspects such as identification of significant/salient risks, environmental and social risks mitigation and definition of action plans, monitoring and reporting on risks and any existing grievance mechanism, as well as the governance structures you have in place to oversee these risks.

[13] Applicable examples of types of policies are: exclusion policies for certain sectors/activities; zero-deforestation policies; zero-tolerance policies; gender-related policies; social due-diligence policies; stakeholder-engagement policies; whistleblower policies etc., or any applicable national guidelines related to social risks.

Our ESG investment rating methodology, including thematic scoring, is a key due diligence mechanism (see 2.1 above). It is overseen by the Responsible Investment Committee (see 5.1 above).

Our reputational risk guidelines for social and environmental risk form the basis for identifying sectors and business activities with the highest (potential) negative impact.

On an annual basis, we perform scenario analysis using the Climate Value at Risk (CVaR) for our clients' and own investments.

ESG Investment rating methodology and client reporting, p. 19-21

TCFD Disclosure, p. 76-83

Self-assessment summary

Does the CEO or other C-suite officers have regular oversight over the implementation of the Principles through the bank's governance system?

☒ Yes ☐ No

Does the governance system entail structures to oversee PRB implementation (e.g. incl. impact analysis and target setting, actions to achieve these targets and processes of remedial action in the event targets/milestones are not achieved or unexpected neg. impacts are detected)?

☒ Yes ☐ No

Does your bank have measures in place to promote a culture of sustainability among employees (as described in 5.2)?

☒ Yes ☐ In progress ☐ No

Principle 6: Transparency & 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 Assurance

Has this publicly disclosed information on your PRB commitments been assured by an independent assurer?

☒ Yes ☐ Partially ☐ No

If applicable, please include the link or description of the assurance statement.

KPMG AG has been mandated to conduct a limited assurance engagement in compliance with the International Standard on Assurance Engagements (ISAE) 3000 to reach a conclusion on our UN PRB self-assessment. According to their report, based on the procedures performed, nothing has come to attention that causes KPMG AG to believe the UN PRB self-assessment for the reporting period ended in 2023 is not presented fairly, in material respects, in accordance with UN PRB requirements for the self-assessment.

Independent limited assurance report on selected sustainability information of the Sustainability Report 2023, p. 91-93

Reporting on other frameworks

Does your bank disclose sustainability information in any of the listed below standards and frameworks?

☒ GRI

☒ SASB

☒ CDP

☐ IFRS Sustainability Disclosure Standards

☒ TCFD

☐ Other: ....

Our sustainability report includes detailed disclosures on the above.

SASB disclosure, p. 74-75

TCFD disclosure, p. 76-83

GRI Standards Content Index, p. 84-90

Outlook

What are the next steps your bank will undertake in next 12 month-reporting period (particularly on impact analysis[14], target setting[15] and governance structure for implementing the PRB)? Please describe briefly.

[14] For example outlining plans for increasing the scope by including areas that have not yet been covered, or planned steps in terms of portfolio composition, context and performance measurement.

[15] For example outlining plans for baseline measurement, developing targets for (more) impact areas, setting interim targets, developing action plans etc.

We will continue to assess our impact related to climate change and the energy transition, and continue to implement initiatives to support climate mitigation and the energy transition. We will also continue to work on refining our targets.

Strategic priorities in 2024 and beyond, p. 16-17

Challenges

Here is a short section to find out about challenges your bank is possibly facing regarding the implementation of the Principles for Responsible Banking. Your feedback will be helpful to contextualise the collective progress of PRB signatory banks.

What challenges have you prioritized to address when implementing the Principles for Responsible Banking? Please choose what you consider the top three challenges your bank has prioritized to address in the last 12 months.

☐ Embedding PRB oversight into governance

☐ Gaining or maintaining momentum in the bank

☐ Getting started: where to start and what to focus on in the beginning

☐ Conducting an impact analysis

☐ Assessing negative environmental and social impacts

☐ Choosing the right performance measurement methodology/ies

☐ Setting targets

☐ Customer engagement

☐ Stakeholder engagement

☒ Data availability

☒ Data quality

☐ Access to resources

☐ Reporting

☐ Assurance

☒ Prioritizing actions internally

☐ Other: ...

If desired, you can elaborate on challenges and how you are tackling these:

SASB disclosure

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	Sustainability Report 2023, 'ESG investment rating methodology and client reporting', p. 19; The Julius Baer ESG Investment Framework, 'Important legal information', p. 26-31; Financial Services Act (FinSA), which can be downloaded from https://www.juliusbaer.com/fileadmin/legal/finsa-en.pdf
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	Sustainability Report 2023, 'Caring employer and training' p. 43-48. 'Key HR indications - Diversity', p. 60. The entity shall describe its policies and programmes for fostering equitable employee representation in its global operations Information on racial/ethnic group representation is not available. Please refer to the following mapping: (1) 'Women on the executive board' (2) 'Women in management positions across all levels' (3) 'Women in the levels of directors and above' (4) 'Ratio of women'

Topic	Accounting metric	Category	Unit of measure	Code	Response
Incorporation of environ-mental, social, and governance factors in Investment Management & Advisory	Amount of assets under management, by asset class, that employ (1) inte-gration of environmental, social, and governance (ESG) issues, (2) sustain-ability-themed investing, and (3) screening	Quantitative	Reporting currency	FN-AC-410a.1	Sustainability Report 2023, ESG investment rating methodology and client reporting', p. 19 (Breakdown by asset class is not disclosed, but are aggregated for all asset classes in scope according to our methodology), 'Products and solutions', p. 22-25
	Description of approach to incorporation of envi-ronmental, social, and gov-ernance (ESG) factors in investment and/or wealth management processes and strategies	Discussion and Analysis	n/a	FN-AC-410a.2	Sustainability Report 2023, 'Sustainability governance', p. 8-10, 'ESG investment rating method-ology and client reporting', p. 19-21, 'Research and thought leader-ship', p. 28-29, 'Climate and natural resources', p. 35-42, 'TCFD disclosure', p. 76-83, 'UN PRB self-assessment', p. 62-73; The Julius Baer ESG Investment Framework, 'Important legal informa-tion', p. 26-31
	Description of proxy voting and investee engagement policies and procedures	Discussion and Analysis	n/a	FN-AC-410a.3	Sustainability Report 2023, 'Materiality', p. 11-13, 'Stewardship strategy', p. 37-38
Financed emissions	Absolute gross financed emissions, disaggregated by (1) Scope 1, (2) Scope 2 and (3) Scope 3	Quantitative	tCO_2e	FN-AC-410b.1	Sustainability Report 2023, 'TCFD dis-closure', p. 76-83
	Percentage of total assets under manage-ment (AUM) included in the financed emissions calculation	Quantitative	Percentage (%)	FN-AC-410b.3	Sustainability Report 2023, 'TCFD dis-closure', p. 76-83
	Description of the meth-odology used to calculate financed emissions	Discussion and Analysis	n/a	FN-AC-410b.4	Sustainability Report 2023, 'TCFD dis-closure', p. 76-83
Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipula-tion, malpractice, or other related financial industry laws or regulations	Quantitative	Reporting currency	FN-AC-510a.1	This information is not available.
	Description of whis-tleblower policies and procedures	Discussion and Analysis	n/a	FN-AC-510a.2	Sustainability Report 2023, 'How employees can raise concerns relating to conduct', p. 32; Annual Report 2023, 'Risk Culture', p. 104-105. The group's whistleblowing reporting tool 'Integrity Line' adheres to the EU Whistleblowing Directive.
	(1) Total registered and (2) total unregistered assets under management (AuM)	Quantitative	Reporting currency	FN-AC-000.A	See p. 1 of our Annual Report for total assets under management. Julius Baer does not disclose the share of reg-istered and unregistered assets as per the regulations of the jurisdic-tions in which the bank operates, as this number is volatile, and registra-tion 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 p. 1 of our Annual Report.

TCFD disclosure

The global financial system has a crucial 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 oversees Julius Baer's sustainability and climate strategy. The scope of its 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, which covers climate-related risks amongst other topics. Other Board-level committees consider sustainability and climate-related considerations into their agendas and mandates. At least twice a year, the Board of Directors receives a progress update across all sustainability-related strategic initiatives, including the climate strategy, and discusses sustainability-related risks and opportunities.	Sustainability at Julius Baer (Sustainability Governance), p. 8-10
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. The Sustainability Board, which comprises, next to the CEO, the key business leaders for sustainability and climate specific topics, meets at least quarterly. The Sustainability Board ensures that climate-related risks and opportunities are properly assessed and managed throughout our operations as well as in our own and clients' investments. It steers the ongoing development of our climate strategy and oversees its implementation. Regular progress reports are submitted to the Sustainability Board in respect of the Group's net-zero targets and the initiatives contributing towards the achievement of these commitments. The **Sustainability Risk Committee**, chaired by the CRO, is a sub-committee of the Sustainability Board. It oversees and provides guidance on operational aspects related to sustainability and climate risks such as the identification, assessment and mitigation of climate risks, and the ongoing integration of ESG into the Julius Baer risk management framework. This process takes place across business lines and includes climate-related risk considerations as well as the application of our reputational risk guidelines on environmental and social risks. The Sustainability Risk Committee also monitors sustainability-related regulatory developments and steers the required actions to meet the increasing number and complexity of these requirements, especially regarding climate scenario analysis and disclosures. In addition, a stress testing process has been established to evaluate the Group's business and risk exposure to climate scenarios. The Sustainability Risk Committee works in close cooperation with the **Responsible Investment Committee**, the Sustainability team and divisional and regional stakeholders.	Sustainability at Julius Baer (Sustainability Governance), p. 8-10

Recommended Disclosure	Direct response/link to relevant report section	Reference
Strategy		
A) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	Due to the nature of our business, focusing essentially on wealth management activities, Julius Baer is less affected by climate risks in the short term (next 3–5 years) than other market participants with direct business activities with corporate lending or investment banking activities or in their role as institutional asset managers. Despite these considerations, the Sustainability Board recognises the mid-term (5–10 years) and long-term (more than 10 years) challenges and opportunities stemming from climate change. In respect of climate-related risks, the Group may be exposed to both financial risks, such as credit, market and treasury risks, and non-financial risks, including operational, legal, compliance, strategic and reputational risks. We apply the TCFD recommendations to identify climate-related physical and transitional risks and opportunities that may not only influence our overall reputational standing but also our market, operations and regulatory exposure or financial outcomes. Having conducted assessments to identify risks and opportunities, we further describe those identified in relation to investments, credit, and our operations. Our climate-related risks and opportunities are primarily linked to our own and clients' investments. Our sustainability strategy including our climate strategy focuses on providing transparency to our clients and supporting them in making well-informed investment decisions in line with their ESG preferences. Enabling informed investment decisions includes, amongst other things, appropriate actions to address the overuse of natural resources, which we see as a key barrier towards a more sustainable economy. In this context, our open product architecture provides clients with a choice of Julius Baer and third-party products which meet the Julius Baer responsible and sustainable offering criteria. Further, we contribute to realising opportunities in this context through our stewardship activities, including voting on Julius Baer funds, facilitating client voting and engagement activities with a focus on climate issues. As of 2023, to actively drive change within our investee companies, Julius Baer executes votes at Annual General Meetings based on sustainability guidelines. Our sustainability voting initiative in Switzerland enables clients to apply the same sustainability guidelines to their portfolio voting activities while retaining the right to change their votes. As part of our stewardship strategy, we have begun having structured dialogues to engage with a selection of high-GHG-emitting companies that we and our clients invest in. Our primary focus is on environmental and in particular climate topics. More details on how we approach the quantifications of climate-related risks and opportunities can be found below. Regarding our credit business as well as our operations, we have conducted high-level assessments related to potential climate impacts. While our mortgage business might be directly affected by the impact of climate change, our client profiles and insurance coverage contribute to the mitigation of potential risks. Our Lombard lending business is typically characterised by highly diversified collaterals leaving such Lombard loans less exposed to climate risks. In case of single stock collateral, we apply already a significant discount to the lending value that, we expect, would allow to cater for climate-related risks. Finally, we plan to conduct a deep dive on the limited number of structured lending cases, as these might be directly impacted by climate change. Further, our Business Continuity Management ensures operability in case of disruptive events, including possible extreme weather events related to climate change.	Responsible wealth management, p. 19-29 Conduct and risk (Risk management), p. 33-34 Climate and natural resources, p. 35-40
B) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning	Out of the identified risks listed above, two dimensions remain more prominent given Julius Baer's business activities, namely reputational and market risks and opportunities. Reputational risks and opportunities from environmental (including climate) and social aspects are critical, given the importance of climate change topics and an ever-increasing focus on it from various stakeholders. Market risks and opportunities stemming from climate aspects can materialise fast and influence our own and our clients' investments. We use climate scenario analysis to assess climate-related market risks and opportunities by calculating a Climate Value at Risk ("CVaR") for our treasury and trading portfolio as well as our clients' investments overall, and specifically our clients' investments into discretionary mandates. With this, we aim to identify investment opportunities as well as climate risks trends and concentrations of investments that may be more exposed to climate-related risks than others.	

Recommended Disclosure	Direct response/link to relevant report section	Reference
	Whilst we acknowledge the limitations of the models, results provide us with valuable insights into potential risk concentrations which inform the way we engage our clients on the topic. We observe a certain stability in the results which show that the direct financial impact from climate risks remain low in most scenarios. For our treasury book, the CVaR appears insignificant. Equally, a CVaR for our clients' assets remains in general below 10%. Considering our current low and stable risk profile, we continue to monitor the CVaR for our and clients' investments. In 2023, we performed the analysis on our trading book and discretionary mandates for the first time as shown in the section on Risk management below. As expected, our analysis shows that disorderly and extreme climate scenarios increase the CVaR significantly. As a consequence, our climate strategy aims to support national and international policy efforts for an orderly transition of our economy to mitigate climate change. Given these results, we will continue to monitor the CVaR of our own and our clients' investments and seek to develop this further in line with emerging regulatory expectations and industry standards.	
C) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	The following aspects and initiatives increase our climate resilience, and enable our clients to capture market opportunities and herewith accelerate the redirection of capital towards a low-carbon economy: • Our commitments to achieve net-zero emissions in our operations (scope 1 and 2) by 2030, and in our book (treasury, lending and mortgage books) by 2050 will help in the short, medium and long term to capture climate-related opportunities and reduce the overall climate-related risks for Julius Baer and its clients. We have further strengthened our commitments by achieving SBTi validation of our near-term targets, and extended the scope by also including discretionary mandates. • Our business model focusing on wealth management activities, with limited exposure to corporate lending or investment banking activities. • Our relatively low exposure to sectors with elevated climate-related risks (please see further details in the Principles for Responsible Banking section, page 62-73). • The diversity in geographic areas in terms of investments and clients, which mitigates both physical and transition risks. • Our continuous efforts to incorporate climate-related risk assessments and mitigation into our risk-management processes and strategy, for instance by developing in-house knowledge and strengthening our system and data infrastructure, and establishing processes such as the reputational risk guidelines for environmental and social risk. • On the investment side, we have i) added CVaR as an important element in our standard product risk-rating methodology, ii) established our ESG investment rating methodology, which includes a climate score reflecting the positioning of investee companies on climate risks and opportunities, and iii) issued ESG portfolio reports to eligible clients which include climate metrics and provide them with relevant information to take informed investment and voting decisions. We believe that providing such transparency and insights to clients will help mitigating climate risks in our clients' portfolios. • Our stewardship activities focus on establishing structured dialogues with high-emitting investee companies, which aims to further mitigate the indirect market risks from climate change on our own and our clients' investments. • Within our operations, our Business Continuity Management ensures the resilience of Julius Baer's business in the event of climate-related disruption, amongst others. We respond to these risks by ensuring that our infrastructure is not only energy-efficient but also highly resilient, to withstand current and future environmental conditions.	Responsible wealth management, p. 19-29 Climate and natural resources, p. 35-40
Risk management		
A) Describe the organisation's processes for identifying and assessing climate-related risks. B) Describe the organisation's processes for managing climate-related risks.	We have established several processes to identify, assess and manage climate-related risks. We do not look at those risks as a new risk category, but rather as an aggravating factor for categories already covered by the bank's risk management system and have therefore integrated climate risk considerations into the existing risk governance and processes. **Identification, assessment and management of climate-related risks across the risk spectrum** ESG risks are fully integrated into our risk management framework with associated procedures, practices and tools. Covering all activities of Julius Baer, our risk-management and risk-tolerance frameworks enable employees and business partners to identify, assess, manage, monitor and report risks. In the application of these frameworks, all risk type owners perform a re-assessment of the risks they own annually, including to reflect potential impacts of ESG or climate change concerns. We consider ESG and climate risks when defining risk tolerances, for example by further reducing exposure to carbon-related assets or more broadly to climate-sensitive sectors.	Conduct and risk, p. 31-34

<table>
<tr><th>Recommended Disclosure</th><th>Direct response/link to relevant report section</th><th>Reference</th></tr>
<tr><td>C) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk.</td><td>
In addition to a formal annual risk-assessment process, our reputational risk guidelines for environmental and social risks identify and govern sensitive activities that Julius Baer will either not engage in or do so only under stringent compliance criteria. This applies to client onboarding and review, credit transactions, product development and investment decisions, and supply-chain management. Concretely, a specific assessment of environmental and social aspects is performed where there is elevated exposure to climate-sensitive industries such as palm oil, forestry, or thermal coal, or where companies have been exposed to incidents related to environmental or human rights issues. More information can be found under 'Conduct and risk' (p. 31-34).
The risk management department (incl. the Risk Assessment & Governance unit) oversees the application of our risk management and risk 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. We continue to incorporate climate-related risks into our overall risk management processes. This involves building in-house knowledge, strengthening our systems and data infrastructure, reviewing risk categorisation and incorporating ESG considerations where appropriate.
Focus on the identification, assessment and mitigation of climate-related market risk:
Pursuing our efforts from the last years, and in line with TCFD recommendations and regulatory trends, we apply quantitative scenario analysis to identify and assess climate-related market risks by evaluating the potential financial climate impact in respect of our own and clients' investment holding ("CVaR"). Our climate scenario analysis provides an assessment of two risk dimensions: "Physical risks" and "transition risks and opportunities".
"Physical risks" stem from the increased severity and frequency of extreme weather events, and impact a company's facilities and infrastructure, its operations, water and raw material availability and supply chain.
"Transition risks and opportunities" are associated with the transition to a low-carbon economy, and include policy, legal, technology and market changes that might arise to address mitigation and adaptation requirements related to climate change.
In applying a quantitative CVaR model, we acknowledge certain limitations of our scenario analysis:

Our quantitative scenario-based simulations are built on CVaR data delivered by an external data provider. These CVaR values are calculated until 2100 and discounted to a present value using the weighted average cost of capital. The financial impacts from physical risks and transition risks and opportunities are estimated on company level and translated into a potential value loss or gain. A negative figure indicates the 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 is well positioned to increase its value with climate change. We are not in a position to conduct an independent validation of the underlying data sets of the external data provider.
The results represent a current "snapshot" assessment and cannot fully capture future regulatory and business developments and behavioural changes. Climate risks and opportunities in a portfolio will fluctuate over time as our own and our clients' investment portfolios naturally change. Equally, investee companies are naturally expected to actively manage climate risks and opportunities over the coming years, which will influence the estimated CVaR as well as the valuation of the investments.
The methodologies and models supporting those climate scenarios have evolved fast over the past years and are expected to continue to do so whilst climate science continues to progress.
Despite the multiple limitations to the underlying data sets, we believe that this scenario analysis provides useful indications and insight about trends and climate-related risks and opportunities as well as possible concentrations in our own and our clients' investment portfolios.

In 2023, we made several improvements to our CVaR scenario analysis:

As data became available from our data provider, we have integrated CVaR data on sovereign debt instruments for five scenarios assessing transition risks on country level, spanning orderly and disorderly scenario with 1.5°C, 2°C and 3°C levels of warming. This was particularly relevant for our treasury book.
We have also worked on improving the documentation and operational robustness of the model, and coverage of data for bonds.
We use sectorial CVaR averages as a fallback value in case the company CVaR is not available. We have further improved the identification of the correct industry, and broken down portfolios over close to 50 industry categories, instead of 12 categories last year, allowing to assign a more precise CVaR value in line with the company's sector.

</td><td></td></tr>
</table>

Recommended Disclosure	Direct response/link to relevant report section	Reference

We continued to run models to assess whether significant risk and opportunity variations would occur if the transition were to happen in an orderly way (where climate policies are introduced early and become gradually more stringent), or in a disorderly way (where policies are delayed or divergent across countries and sectors). We looked at variations between "average" CVaR scenarios, that reflect an expected CVaR, and "aggressive" scenarios, which look at an extreme / worst case (95th percentile) downside or upside potential. Finally, we ran scenarios with 1.5°C and 2°C levels of warming, where physical risks are typically lower and transition risks higher. We also looked at scenarios with 3°C, 4°C and 5°C warming for physical risks. These last scenarios typically estimate low or no transition risks and opportunities as they assume limited policy changes, but higher physical risks as the intensity and frequency of weather hazards linked to climate change are higher.

Overall, the results show that the financial CVaR remained very stable compared to 2022, and very limited in most scenarios:

- For our treasury book, the CVaR in the 1.5°C and 2°C scenarios amounts on average to 4% of the company value for transition risks and 2% for physical risks, versus respectively 5% and 1% in the 2022 TCFD report. Technological opportunities remain negligible for this portfolio. In warmer scenarios of 3°C, 4°C and 5°C, the CVaR from physical risks amounts to 2% on average, in line with the value calculated in 2022.
- With regards to clients' assets, the CVaR in the 1.5°C and 2°C scenarios amounts on average to 10% of the company value for transition risks and 4% for physical risks, both slightly lower than the values calculated on the 2022 portfolio (respectively 12% and 5%). For some companies, these scenarios estimate an opportunity to increase the company value through gaining a technological edge, amounting to 2% of the current company value on average, in line with the 2022 TCFD report. In warmer scenarios of 3°C, 4°C and 5°C, the CVaR from physical risks amounts to 6% on average.
- In 2023, we have also for the first time measured the CVaR on our trading book, and on our clients' assets invested into discretionary mandates.
- Assets invested into discretionary mandates show on average a lower CVaR than the values calculated for all clients' assets: the CVaR in the 1.5°C and 2°C scenarios amount on average to 8% of the company value for transition risks and 2% for physical risks, whilst technological opportunities amount to 1%.
- The results for the trading book are very similar to the overall calculations for clients' assets: the CVaR in the 1.5°C and 2°C scenarios amounts on average to 12% of the company value for transition risks and 3% for physical risks, whilst technological opportunities amount to 2%.

	2023			2022		
	Transition Risks	Physical Risks	Techno-logical opp.	Transition Risks	Physical Risks	Techno-logical opp.
1.5°C & 2.0°C scenario						
All clients AuM	-5%	-3%	1%	-12%	-5%	2%
Discretionary Mandates	-4%	-2%	1%	-5%	-2%	1%
Treasury	-1%	3%	1%	-3%	-1%	0%
Trading	-5%	-3%	0%	-4%	-3%	0%
3°C, 4°C & 5°C scenario						
All clients AuM	-1%	-5%	0%	-1%	-7%	0%
Discretionary Mandates	-1%	-3%	0%	-1%	-4%	0%
Treasury	0%	-4%	0%	0%	-2%	0%
Trading	-1%	-5%	0%	-1%	-5%	0%

The model calculations as applied based on CVaR numbers from our external data provider currently indicate a limited risk to the various portfolios assessed. Such result remains subject to other factors not considered that may materially influence e.g. economic growth and the valuation of investee companies in the given timeframe until 2100. We therefore aim at further improving our model and scenario analysis with more complete and updated data as they become available to monitor the development of these risks, especially via scenarios aiming to forecast short- or near-term impacts on investee companies.

Recommended Disclosure	Direct response/link to relevant report section	Reference

Metrics and targets

A) Disclose the metrics used by the organisation 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 support performance and transparency with our goals:

- We continued to measure our scope 1, 2 and 3 (most importantly category 15 investments and category 6 business travel) emissions according to guidelines issued by the WRI/WBCSD Greenhouse Gas Protocol, using the PCAF methodology for scope 3 category 15. In 2023, we further developed our GHG calculation model, reflecting adjustments in the second edition of the PCAF Global GHG Accounting & Reporting Standard on Financed Emissions (released in December 2022). Areas of particular relevance for Julius Baer were the new methodology to calculate GHG emissions from sovereign debt. Also, we have decided to anticipate the required accelerated phase-in of published scope 3 emissions by disclosing calculated scope 3 emissions across all sectors in this report.
- In line with our near-term targets validated by SBTi (see more details on p. 35-36), we monitor and now disclose as well the intensity of GHG emissions in our mortgage book, and the share of companies in our in-scope portfolio that have SBTi validated targets (treasury, lending, trading, discretionary mandates), with the objective to reach at least 36.2% by 2025.
- As a result of our scenario analysis and CVaR assessment, we have been able to estimate the share of our own and our clients' investments that may be impacted by transition and physical risks or aligned with climate-related opportunities.
- An internal carbon price of CHF 100 per ton of CO_2 equivalent has also been implemented since 2022 on our business 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 behaviour and decisions leading to the decarbonisation of the economy.

Reference: Climate and natural resources, p. 35-40

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

Emissions accounting forms the basis of our strategy. 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).

Greenhouse gas from our operations (Scope 1 and 2)

Compared to the baseline year (2019), our GHG emissions from our operations have been decreasing overall. In 2023, we have experienced an increase in volatile emissions due to technical issues, corrective measures are planned for 2024. In 2023, we increased business travel emissions by 39% due to post-Covid effects. We remain in line with our business travel reduction target.

	2023	2022	2021	2019 (Baseline)	*2023 vs Baseline in %*
Scope 1 (tCO_2e)[1]	2,736	2,496	2,747	2,737	*-0.4%*
Heating and other fuels (tCO_2e)	1,814	1,856	2,019	1,939	*-6.9%*
Volatile emissions (refrigerants) (tCO_2e)[2]	922	640	728	799	*15.5%*
Scope 2 (electricity and district heat) (tCO_2e)[3]	805	878	845	4,756	*-83.1%*
Scope 3 operational emissions (tCO_2e)[4]	9,126	6,633	2,205	13,550	*-31.6%*
Business travel (tCO_2e)	8,895	6,394	1,967	13,087	*-31.0%*
Avoided emissions from SAF	135				
Purchased goods and waste from operations (tCO_2e)[5]	232	239	238	463	*-50.0%*

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

3 Emissions from purchased electricity and district heat/cooling. 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 4,143 tCO2e (2022: 5,516 tCO2e, incl. emissions from district heat). As of 2021, all locations in scope either directly sourced renewable electricity or purchased electricity attribute certificates to cover 100% of their demand with electricity from renewable sources

4 Emissions from sources not owned or controlled by Julius Baer, but associated with Julius Baer's operational activities

5 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). Locations not reporting data on water, waste and paper account for less than 5% of total FTEs

Reference: Climate and natural resources, p. 35-40; Key figures, p. 61

Recommended Disclosure	Direct response/link to relevant report section	Reference
	Greenhouse gas scope 3 – category 15 Investments Joining PCAF enabled us to access further quantitative data and revise our greenhouse gas emissions calculations. Despite this progress, we acknowledge that the methodology, data and tools supporting emissions accounting continue to evolve, and we expect a degree of volatility will remain for some time in corporate disclosures. Several changes and improvements have been implemented in 2023 to the calculation of the treasury and lending book GHG emissions, which explain the variations in the reported figures: In line with the updated PCAF methodology published in 2022, we started to report the financed emissions on sovereign debt. We report the calculated emissions excluding and including Land Use, Land-Use Change and Forestry (LULUCF), separately from the Corporates asset class to avoid double-counting, as recommended by PCAF. This addition is particularly relevant for the treasury book, where the increase from 2021 to 2023 (+150% and +138% respectively if excluding or including LULUCF), is mainly explained by an increase in assets invested in sovereign debt (+87% in the same period), and by a relative higher exposure to countries with higher emission intensities. In line with upcoming PCAF recommendations, we have now included scope 3 emissions from all industries in our treasury and lending books, instead of a selection of high emitting-sectors in the past. We used the “Scope 3 combined dataset” from our ESG data provider which, depending on data availability and quality, reports either the scope 3 emissions disclosed by the company, or the estimated scope 3 emissions modelled by the ESG data provider’s teams in case the scope 3 emissions disclosed by the company is incomplete. In addition, PCAF has updated the average emission factors per industry, which are used if no data on company level is available. Exiobase 2019 data is now used as a source instead of Exiobase 2015 data. Finally, the new PCAF methodology and further improved internal data sourcing allowed to increase the calculation coverage for the treasury book to ~80% and for the lending book to ~90%. The remaining share of assets not yet covered is explained by insufficient available data or no available methodology from PCAF at that stage. To reflect these improvements and provide comparable numbers, emissions have been recalculated pro forma for the 2022 and 2021 treasury and lending books. For mortgages, the reduction in 2023 is mainly explained by a reduction of 8-9% in the average emission factors per m^2 provided by PCAF for the relevant countries of our mortgage book, as well as to additional data collected (e.g. property energy labels where available), which allowed to further improve the emission calculations accuracy. We expect reported scope 3 – category 15 investments emissions to continue to be subject to a high degree of volatility in the upcoming years, due to the further development of available methodologies, further improvements in the internal and external data made available, and the possible inclusion of other asset classes and investments, in and out of our balance sheet. As these methodologies evolve and more data become available, we will aim in 2024 to continue and improve our tracking and reporting of emissions across our value chain. The “Share of Discretionary Mandates, Trading, Treasury and Lending books invested into companies with validated SBTi targets” corresponds to the new KPI related to our SBTi-approved near-term targets. The strong momentum of companies across regions and industries seeking to achieve validation of their climate targets by SBTi, has supported a strong progress on this KPI versus the 2021 baseline.	

Recommended Disclosure	Direct response/link to relevant report section	Reference

	2023	2022	2021 (Baseline)	*2023 vs Baseline in %*
Scope 3 – cat. 15 investments[1]	~1,740,000	~1,660,000,	~2,030,000	*-15%*
Treasury book – Corporate investments (tCO_2e)	~1,550,000	~1,460,000	~1,770,000	*-12%*
of which Scope 1&2 of underlying corporate investments	~410,000	~440,000	~840,000	*-51%*
of which Scope 3 of underlying corporate investments	~1,140,000	~1,020,000	~940,000	*22%*
Treasury book – Sovereign debt excl. LULUCF (tCO_2e)	~2,950,000	~2,380,000	~1,190,000	148%
Treasury book – Sovereign debt incl. LULUCF (tCO_2e)	~2,610,000	~2,160,000	~1,100,000	137%
Lending book (tCO_2e)[2]	~170,000	~190,000	~240,000	*-29%*
of which Scope 1&2 (tCO_2e)	~50,000	~50,000	~70,000	*-24%*
of which Scope 3 (tCO_2e)	~120,000	~140,000	~180,000	*-31%*
Mortgage book (tCO_2e)	~12,000	~16,000	~17,000	-26%
Mortgage book (tCO_2e/sqm)	1.62%	2.21%	1.75%	-8%
Share of discretionary mandates, trading, treasury, and lending books invested into companies with validated SBTi targets[3]	36.60%	23.5%	19.2%	+17 percentage points

[1] Measurement performed with the market-standard PCAF methodology published in 2022. Estimations and assumptions had to be taken to compensate data gaps and will be refined over time. As of the report's publishing, emissions numbers indicated in the "Scope 3 – cat. 15 investments" include the treasury - corporate investments, lending and mortgage books.

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

[3] Assets classes in scope are listed equity, corporate bonds, ETFs, REITs, and corporate loans.

C) Describe the targets used by the organisation to manage climate-related risks and opportunities and perform against targets

Since the launch of our new climate strategy in 2022, we have defined the following commitments and targets:

Strategic target	Progress 2023
Achieve net-zero carbon emissions on our own operations by 2030, shifting energy sources to renewable energy wherever possible.	In our operations, we experienced a slight increase of our greenhouse gas emissions compared to 2022 due to a technical issue which will be resolved in 2024. Compared to 2019 (baseline), greenhouse gas emissions decreased slightly. Further, we have moved to energy-efficient buildings with some locations (e.g. London, Hong Kong).
Achieve net-zero emissions on our treasury, lending and mortgage books by 2050, with an interim reduction of 20% by 2030. In addition, define an engagement strategy on climate topics over the course of 2023.	We have further strengthened our climate commitments by achieving SBTi validation of our near-term targets, and extended the scope of our targets to include discretionary mandates and trading book. Our stewardship activities (incl. voting on our funds, facilitating client voting and engagement activities) support the achievement of our net-zero commitments.
Commitment of 30% reduction of business travel emissions by 2025 compared to 2019	We continue to be on track to achieve our 2025 business travel reduction target. We have implemented a carbon price on air travel of CHF 100 / tCO_2 charged across the bank. We use the proceeds to support a portfolio of technological and nature-based decarbonisation solutions.

Climate and natural resources, p. 35-40

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.

Julius Baer has reported the information cited in this GRI Content Index for the financial year ending 31 December 2023 with reference to the GRI Standards.

GRI Standard	Disclosure	Location
General disclosures		
The organization and its reporting practices		
2-1	Organisational details	Sustainability Report 2023, 'Address', p. 95 Annual Report 2023, 'Corporate governance, Group structure and shareholders', p. 9-11
2-2	Entities included in the organisation's sustainability reporting	Annual Report 2023, 'Companies consolidated', p. 192-194
2-3	Reporting period, frequency and contact point	The reporting period is 01.01.2023–31.12.2023 and the reporting frequency is annual, in line with the Group's financial report. Sustainability Report 2023, 'Corporate contacts', p. 95
2-4	Restatements of information	None in 2023.
2-5	External assurance	Sustainability Report 2023, 'UN PRB self-assessment', p. 72
Activities and workers		
2-6	Activities, value chain, and other business relationships	Business Review 2023, 'About Julius Baer', p. 2; 'Julius Baer's holistic services and solutions offering', p. 27-29 Julius Baer did not experience significant changes compared to the previous reporting period.
2-7	Employees	Sustainability Report 2023, 'About this report', p. 55; 'Key HR indicators', p. 59-60
Governance		
2-9	Governance structure and composition	Sustainability Report 2023, 'Sustainability Governance', p. 8-9 Annual Report 2023, 'Corporate Governance, Group structure and shareholders', p. 9-11; 'Mandates in exchange-listed companies', 'Mandates in non-listed companies', 'Other mandates', p. 20-21; 'Profile of the Board of Directors of Julius Baer Group Ltd.', p. 21-22
2-10	Nomination and selection of the highest governance body	Annual Report 2023, 'Elections and terms of office', p. 21; 'Profile of the Board of Directors of Julius Baer Group Ltd.', p. 21-22
2-11	Chair of the highest governance body	Annual Report 2023, 'Board of Directors', p. 15
2-12	Role of the highest governance body in overseeing the management of impacts	Sustainability Report 2023, 'Sustainability governance', p. 8-10
2-13	Delegation of responsibility for managing impacts	Sustainability Report 2023, 'Sustainability governance', p. 8-10
2-14	Role of the highest governance body in sustainability reporting	Sustainability Report 2023, 'About this report', p. 55
2-15	Conflicts of interest	Publication 'Information on the treatment of conflicts of interest by the Julius Baer Group', which can be downloaded from https://www.juliusbaer.com/fileadmin/legal/conflict-of-interest-en.pdf.

GRI Standard	Disclosure	Location
2-16	Communication of critical concerns	Sustainability Report 2023, 'How employees can raise concerns relating to conduct', p. 32 This information is not available.
2-18	Evaluation of the performance of the highest governance body	Annual Report 2023, 'Proposed changes to the Board of Directors at the Annual General Meeting 2024: nomination of a new member', p. 19; 'Internal organisational structure', p. 25-26
2-19	Remuneration policies	Annual Report 2023, 'Compensation of the Board of Directors and of the Executive Board', p. 48; 'Compensation governance', p. 63-69
2-20	Process to determine remuneration	Annual Report 2023 'Compensation governance', p. 63-69
Strategy, policies and practices		
2-22	Statement on sustainable development strategy	Sustainability Report 2023, 'Foreword', p. 4
2-23	Policy commitments	Publication 'Code of ethics and business conduct', which can be downloaded from https://www.juliusbaer.com/index.php?eID=dumpFile&t=f&f=65325&token=be88dce096527055c43052b2fafbe628589c59c0; Sustainability Report 2023, 'Ethical conduct', p. 31-32
2-25	Processes to remediate negative impacts	Sustainability Report 2023, 'Ethical conduct', p. 31-32; 'UN PRB self-assessment: Impact and Target Setting', p. 63-69
2-26	Mechanisms for seeking advice and raising concerns	Sustainability Report 2023, 'Ethical conduct', p. 31-32; 'How employees can raise concerns relating to conduct', p. 32
2-27	Compliance with laws and regulations	Annual Report 2023, 'Note 11 Provisions', p. 143-145
2-28	Membership associations	Sustainability Report 2023, 'Industry memberships and sustainability partnerships', p. 58
Stakeholder engagement		
2-29	Approach to stakeholder engagement	Sustainability Report 2023, 'Engaging stakeholders', p. 57
2-30	Collective bargaining agreements	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. Our employees in Brazil, Luxembourg, Monaco, Spain and Switzerland are covered by collective bargaining agreements, representing 32% of our total workforce. 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 2023. We do not disclose information specifically for employees not covered by collective bargaining agreements.
Material topic disclosures		
3-1	Process to determine material topics	Sustainability Report 2023, 'Materiality', p. 11-13
3-2	List of material topics	Sustainability Report 2023, 'Materiality', p. 11-13; 'Material topics', p. 56
Specific standards disclosures		
201: Economic Performance (2016)		
3-3	Management of material topics	Sustainability Report 2023, 'Sustainability at Julius Baer', p. 8-10; 'Materiality', p. 11-13; 'Responsible wealth management', p. 18-29; 'Engaging stakeholders', p. 57
201-1	Infrastructure investments and services supported	Annual Report 2023, 'Primary financial statements', p. 116
201-2	Financial implications and other risks and opportunities due to climate change	Sustainability Report 2023, 'TCFD disclosure', p. 76-83
201-3	Defined benefit plan obligations and other retirement plans	Annual Report 2023, 'Note 16 Pension plans', p. 149-153

GRI Standard	Disclosure	Location
203: Indirect economic impacts (2016)		
3-3	Management of material topics	Sustainability Report 2023, 'Sustainability at Julius Baer', p. 8-10; 'Materiality', p. 11-13; 'Julius Baer Foundation and community partner', p. 49-52; 'Engaging stakeholders', p. 56
203-1	Infrastructure investments and services supported	Sustainability Report 2023, 'Julius Baer Foundation and community partner', p. 49-53
205: Anti-corruption (2016)		
Material topic: Responsible business conduct		
3-3	Management of material topics	Sustainability Report 2023, 'Sustainability at Julius Baer', p. 8-10; 'Materiality', p. 11-13; 'Conduct and risk', p. 31-34; 'Engaging stakeholders', p. 57; Annual Report 2023, 'Comment on risk management', p. 102-103
205-3	Confirmed incidents of corruption and actions taken	None.
206: Anti-competitive behaviour (2016)		
Material topic: Responsible business conduct		
3-3	Management of material topics	Sustainability Report 2023, 'Sustainability at Julius Baer', p. 8-10; 'Materiality', p. 11-13; 'Conduct and risk', p. 31-34; 'Engaging stakeholders', p. 57
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	None.
207: Tax (2019)		
3-3	Management of material topics	Sustainability Report 2023, 'Sustainability at Julius Baer', p. 8-10; 'Materiality', p. 11-13; 'Engaging stakeholders', p. 57
207-1	Approach to tax	Annual Report 2023, 'Note 6 Income taxes', p. 126-130 Julius Baer Group tax strategy, which can be downloaded from https://www.juliusbaer.com/fileadmin/legal/jb-group-tax-strategy.pdf
207-2	Tax governance, control and risk management	Annual Report 2023, 'Note 6 Income taxes', p. 126-130 Sustainability Report 2023, 'Ethical conduct', p. 31-32; 'How employees can raise concerns relating to conduct', p. 32 Code of Ethics and Business Conduct, 'Responsibility in tax matters', p. 25, which can be downloaded from https://www.juliusbaer.com/index.php?eID=dumpFile&t=f&f=65325&token=be88dce096527055c43052b2fafbe628589c59c0 Julius Baer Group tax strategy, which can be downloaded from https://www.juliusbaer.com/fileadmin/legal/jb-group-tax-strategy.pdf
301: Materials (2016)		
Material topic: Biodiversity and natural capital		
3-3	Management of material topics	Sustainability Report 2023, 'Sustainability at Julius Baer', p. 8-10; 'Materiality', p. 11-13; 'Climate and natural resources', p. 35-42; 'Engaging stakeholders', p. 57
301-1	Materials used by weight or volume	Sustainability Report 2023, 'Key environmental indicators', p. 61
302: Energy (2016)		
Material topic: Climate change and low carbon		
3-3	Management of material topics	Sustainability Report 2023, 'Sustainability at Julius Baer', p. 8-10; 'Materiality', p. 11-13; 'Climate and natural resources', p. 35-42; 'Engaging stakeholders', p. 57

GRI Standard	Disclosure	Location
302-1	Energy consumption within the organisation	Sustainability Report 2023, 'Key environmental indicators', p. 61
302-3	Energy intensity	Sustainability Report 2023, 'Key environmental indicators', p. 61
302-4	Reduction of energy consumption	Sustainability Report 2023, 'Our operations', p. 39-40; 'Key environmental indicators', p. 61

303: Water and effluents (2018)

Material topic: Biodiversity and natural capital

3-3	Management of material topics	Sustainability Report 2023, 'Sustainability at Julius Baer', p. 8-10; 'Materiality', p. 11-13; 'Climate and natural resources', p. 35-42; 'Engaging stakeholders', p. 57
303-5	Water consumption	Sustainability Report 2023, 'Key environmental indicators', p. 61

305: Emissions (2016)

Material topic: Climate change and low carbon

3-3	Management of material topics	Sustainability Report 2023, 'Sustainability at Julius Baer', p. 8-10; 'Materiality', p. 11-13; 'Climate and natural resources', p. 35-42; 'Engaging stakeholders', p. 57
305-1	Direct (Scope 1) GHG emissions	Consolidation approach for emissions: operational control; Sustainability Report 2023, 'Key environmental indicators', p. 61
305-2	Energy indirect (Scope 2) GHG emissions	Consolidation approach for emissions: operational control; Sustainability Report 2023, 'Key environmental indicators', p. 61
305-3	Other indirect (Scope 3) GHG emissions	Sustainability Report 2023, 'Key environmental indicators', p. 61; 'TCFD disclosure', p. 76-83
305-4	GHG emissions intensity	Sustainability Report 2023, 'Key environmental indicators', p. 61
305-5	Reduction of GHG emissions	Sustainability Report 2023, 'Our operations', p. 39-40; 'Key environmental indicators', p. 61, 'TCFD disclosure', p. 76-83

306: Waste (2020)

Material topic: Biodiversity and natural capital

3-3	Management of material topics	Sustainability Report 2023, 'Sustainability at Julius Baer', p. 8-10; 'Materiality', p. 11-13; 'Climate and natural resources', p. 35-42; 'Engaging stakeholders', p. 57
306-2	Management of significant waste-related impacts	Sustainability Report 2023, 'Our operations', p. 39-40
306-3	Waste generated	Sustainability Report 2023, 'Key environmental indicators', p. 61

401: Employment (2016)

Material topic: Employee education and engagement

3-3	Management of material topics	Sustainability Report 2023, 'Sustainability at Julius Baer', p. 8-10; 'Materiality', p. 11-13; 'Caring employer and training', p. 43-48; 'Engaging stakeholders', p. 57
401-1	New employee hires and employee turnover	Sustainability Report 2023, 'Key HR indicators', p. 59
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	We do not distinguish between full-time and part-time employees; Sustainability Report 2023, 'Employee health and well-being', p. 43; 'Diversity and inclusion', p. 44-45
401-3	Parental leave	Sustainability Report 2023, 'Diversity and inclusion', p. 44; 'Key HR indicators', p. 60

GRI Standard	Disclosure	Location
403: Occupational health and safety (2018)		
Material topic: Health, well-being and a safe working environment		
3-3	Management of material topics	Sustainability Report 2023, 'Sustainability at Julius Baer', p. 8-10; 'Materiality', p. 11-13; 'Caring employer and training', p. 43-48; 'Engaging stakeholders', p. 57
403-3	Occupational health services	Sustainability Report 2023, 'Employee health and well-being', p. 43
403-4	Worker participation, consultation, and communication on occupational health and safety	Sustainability Report 2023, 'Employee engagement', p. 43
403-5	Worker training on occupational health and safety	Sustainability Report 2023, 'Employee health and well-being', p. 43
403-6	Promotion of worker health	Sustainability Report 2023, 'Employee health and well-being', p. 43
404: Training and Education (2016)		
Material topic: Employee education and engagement		
3-3	Management of material topics	Sustainability Report 2023, 'Sustainability at Julius Baer', p. 8-10; 'Materiality', p. 11-13; 'Caring employer and training', p. 43-48; 'Engaging stakeholders', p. 57
404-1	Average hours of training per year per employee	Sustainability Report 2023, 'Key HR indicators', p. 60
404-2	Programmes for upgrading employee skills and transition assistance programs	Sustainability Report 2023, 'Training and development', p. 47-48; 'Engaging stakeholders', p. 57
404-3	Percentage of employees receiving regular performance and career development reviews	Sustainability Report 2023, 'Engaging stakeholders', p. 57
405: Diversity and equal opportunity (2016)		
Material topic: Diversity, Equity and Inclusion		
3-3	Management of material topics	Sustainability Report 2023, 'Sustainability at Julius Baer', p. 8-10; 'Materiality', p. 11-13; 'Caring employer and training', p. 43-48; 'Engaging stakeholders', p. 57
405-1	Diversity of governance bodies and governance	Sustainability Report 2023, 'Diversity and inclusion', p. 44; 'Key HR indicators', p. 60
405-2	Ratio of basic salary and remuneration of women to men	Annual Report 2023, 'Equal opportunity', p. 68
406: Discrimination (2016)		
Material topic: Diversity, Equity and Inclusion		
3-3	Management of material topics	Sustainability Report 2023, 'Sustainability at Julius Baer', p. 8-10; 'Materiality', p. 11-13; 'Caring employer and training', p. 43-48; 'Engaging stakeholders', p. 57
406-1	Incidents of discriminations and corrective actions taken	This information is not available.
413: Local communities (2016)		
Material topic: Addressing wealth inequality and financial literacy		
3-3	Management of material topics	Sustainability Report 2023, 'Sustainability at Julius Baer', p. 8-10; 'Materiality', p. 11-13; 'Julius Baer Foundation and community partner', p. 49-53; 'Engaging stakeholders', p. 57
413-1	Operations with local community engagement, impact assessment and development programmes	Sustainability Report 2023, 'Julius Baer Foundation and community partner', p. 49-53

GRI Standard	Disclosure	Location
415: Public policy (2016)		
3-3	Management of material topics	Sustainability Report 2023, 'Sustainability at Julius Baer', p. 8-10; 'Materiality', p. 11-13; 'Engaging stakeholders', p. 57; 'Industry memberships and sustainability partnerships', p. 58
415-1	Political contributions	Sustainability Report 2023, 'Industry memberships and sustainability partnerships', p. 58
417: Marketing and labelling (2016)		
Material topic: ESG integration, data and transparency		
3-3	Management of material topics	Sustainability Report 2023, 'Sustainability at Julius Baer', p. 8-10; 'Materiality', p. 11-13; 'ESG investment rating methodology and client reporting', p. 19-21; 'Engaging stakeholders', p. 57
417-1	Requirements for product and service information and labelling	Sustainability Report 2023, 'ESG investment rating methodology and client reporting', p. 19-21 'Sustainability-related disclosures', which can be accessed on https://www.juliusbaer.com/en/legal/sustainability-related-disclosures/
418: Customer privacy (2016)		
Material topic: Data privacy and security		
3-3	Management of material topics	Sustainability Report 2023, 'Sustainability at Julius Baer', p. 8-10; 'Materiality', p. 11-13; 'Data privacy', p. 34; 'Engaging stakeholders', p. 57
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Not disclosed. Julius Baer considers this information to be confidential.
Material topic: Sustainability governance and risk management		
3-3	Management of material topics	Sustainability Report 2023, 'Sustainability at Julius Baer', p. 8-10; 'Materiality', p. 11-13; 'Risk management', p. 33-34; 'Engaging stakeholders', p. 57
Material topic: Sustainable and impact investing		
3-3	Management of material topics	Sustainability Report 2023, 'Sustainability at Julius Baer', p. 8-10; 'Materiality', p. 11-13; 'Products and solutions', p. 22-25; 'Engaging stakeholders', p. 57
Material topic: Client education and engagement		
3-3	Management of material topics	Sustainability Report 2023, 'Sustainability at Julius Baer', p. 8-10; 'Materiality', p. 11-13; 'Client community and ESG knowledge', p. 26-27; 'Engaging stakeholders', p. 57
Material topic: Technology and innovation		
3-3	Management of material topics	Sustainability Report 2023, 'Sustainability at Julius Baer', p. 8-10; 'Materiality', p. 11-13; 'Client community and ESG knowledge', p. 26-27; 'Research and thought leadership', p. 28-29; 'Sustainability training and Ambassadors', p. 48; 'Engaging stakeholders', p. 57
Material topic: Sustainable infrastructure and circular economy		
3-3	Management of material topics	Sustainability Report 2023, 'Sustainability at Julius Baer', p. 8-10; 'Materiality', p. 11-13; 'Research and thought leadership', p. 28-29; 'Engaging stakeholders', p. 57

GRI Standard	Disclosure	Location
Material topic: Human rights and modern slavery		
3-3	Management of material topics	Sustainability Report 2023, 'Sustainability at Julius Baer', p. 8-10; 'Materiality', p. 11-13; 'Human rights', p. 32; 'Swiss Ordinance on Due Diligence and Transparency', p. 32; 'Engaging stakeholders', p. 57
Material topic: Sustainable and responsible sourcing		
3-3	Management of material topics	Sustainability Report 2023, 'Sustainability at Julius Baer', p. 8-10; 'Materiality', p. 11-13; 'ESG risk in procurement', p. 34; 'Engaging stakeholders', p. 57

Independent limited assurance report on selected sustainability information of the Sustainability Report 2023

Independent limited assurance report on selected sustainability information of the Julius Baer Group Ltd's Sustainability Report 2023

To the Board of Directors of the Julius Baer Group Ltd., Zurich

We have undertaken a limited assurance engagement on Julius Baer Group Ltd. (hereinafter "JBG') following selected sustainability information in the Sustainability Report 2023.

Our limited assurance on selected sustainability information encompasses the sections detailed under 'Data and Disclosure', spanning pages 54 to 90 in the Sustainability Report 2023 (hereafter referred to as 'Sustainability Information'). This includes the following subsections:

- About this report
- Engaging stakeholders
- Industry memberships and sustainability partnerships
- Key figures
  - Key financial indicators
  - Key HR indicators
  - Key environmental indicators
- UN PRB self-assessment
- SASB disclosure
- TCFD disclosure
- GRI standards content index

The subsection 'Material Topics' was not covered by our limited assurance. Likewise, the implementation of the Swiss Code of Obligations according to Article 964b, which is also addressed in the 'Data and Disclosure' section, was not included in our limited assurance.

Our assurance engagement does not extend to information in respect of earlier periods or future looking information or to any other information included in the Sustainability Report 2023 or linked to from the Sustainability Information or from the Sustainability Report 2023, including any images, audio files or embedded videos.

Our conclusion on the limited assurance engagement

Based on the procedures we have performed as described under the *'Summary of the work we performed as the basis for our assurance conclusion'* and the evidence we have obtained, nothing has come to our attention that have caused us to believe that the Sustainability Information has not been prepared, in all material respects, according to the respective criteria such as Global Reporting Initiative (GRI) Standards (specifically for the subsections 'About this report', 'Engaging stakeholders', 'Industry memberships and sustainability partnerships', 'Key figures', and 'GRI standards content index'), the Task Force on Climate-related Financial Disclosures (TCFD) recommendations for TCFD disclosure, the United Nations (UN) Principles for Responsible Banking requirements for the 'UN PRB self-assessment', and the SASB Standards for the 'SASB disclosure'. Furthermore, we conclude that nothing has come to our attention that causes us to believe that the key figures including key financial indicators, key HR indicators, and key environmental indicators have not been recalculated in alignment with their respective guidelines for financial and HR indicators, and for the environmental indicators, in adherence to the protocols established by the Greenhouse Gas Protocol (GHG Protocol) and the Partnership for Carbon Accounting Financials (PCAF).

We do not express an assurance conclusion on information in respect of earlier periods or future looking information to any other information included in the Sustainability Report, Annual Report or any other Report, including any images, audio files or embedded videos.

Understanding how the JBG has prepared the Sustainability Information

JBG has followed specific criteria to prepare the Sustainability Information. The preparation was based on the GRI Standards, the TCFD recommendations, the UN Principles for Responsible Banking, and the SASB Standards. Key financial indicators, key HR indicators, and key environmental indicators have been recalculated to align with their respective guidelines for financial and HR indicators. Additionally, the environmental indicators were prepared following the established protocols of the GHG Protocol and the PCAF.

Inherent limitations in the preparation of the sustainability Information

Due to the inherent limitations of any internal control structure, it is possible that errors or irregularities may occur in disclosures of the Sustainability Information and not be detected. Our engagement is not designed to detect all internal control weaknesses in the preparation of the Sustainability Information because the engagement was not performed on a continuous basis throughout the period and the audit procedures performed were on a test basis.

JBG's responsibilities

The Board of Directors of the JBG is responsible for:

- Selecting or establishing suitable criteria for preparing the Sustainability Information, taking into account applicable law and regulations related to reporting the Sustainability Information;
- The preparation of the Sustainability Information, in accordance with the criteria outlined in the chapter of this report titled *'Understanding how the JBG has prepared the Sustainability Information'*;
- Designing, implementing and maintaining internal control over information relevant to the preparation of the Sustainability Information that is free from material misstatement, whether due to fraud or error.

Our responsibilities

We are responsible for:

- Planning and performing the engagement to obtain limited assurance about whether the Sustainability Information is free from material misstatement, whether due to fraud or error;
- Forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- Reporting our independent conclusion to the Board of Directors of the JBG.

As we are engaged to form an independent conclusion on the Sustainability Information as prepared by the Board of Directors, we are not permitted to be involved in the preparation of the Sustainability Information as doing so may compromise our independence.

Professional Standards Applied

We have c*onducted our assurance engagement in accordance with the International Standard on Assurance Engagements 3000 (Revised) Assurance Engagements That Are Neither Audits nor Reviews of Historical Financial Information* issued by the International Auditing and Assurance Standards Board (IAASB).

Independence and quality control

We have complied with the independence and other ethical requirements of the *International Code of Ethics for Professional Accountants (including International Independence Standards)* issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

Our firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our work was carried out by an independent and multidisciplinary team including assurance practitioners and sustainability experts. We remain solely responsible for our assurance conclusion.

2

Summary of the Work we Performed as the Basis for our Assurance Conclusion

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the Sustainability Information is likely to arise. The procedures we performed were based on our professional judgment. Carrying out our limited assurance engagement on the Sustainability Information included, among others:

- Assessment of the design and implementation of systems, processes and internal controls for determining, processing and monitoring sustainability performance data, including the consolidation of data;
- Inquiries of employees responsible for the determination and consolidation as well as the implementation of internal control procedures regarding the selected disclosures;
- Inspection of selected internal and external documents to determine whether quantitative and qualitative information is supported by sufficient evidence and presented in an accurate and balanced manner;
- Assessment of the data collection, validation and reporting processes as well as the reliability of the reported data on a test basis and through testing of selected calculations;

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

KPMG AG

Silvan Jurt
Licensed Audit Expert

Corina Wipfler
Licensed Audit Expert

Zurich, 8 March 2024

KPMG AG, Badenerstrasse 172, CH-8036 Zurich

Endnotes

Sustainability at Julius Baer

[1] Members of the Sustainability Board (as of end-2023): Chief Executive Officer (Chair); Head of Sustainability; Chief Financial Officer; Chief Investment Officer; Chief Operating Officer & Head Intermediaries; Chief Risk Officer; Head of Wealth Management Solutions; Head Switzerland, Europe, Middle East & Africa; Head Americas; Head Asia Pacific; Head Human Resources; Chief of Staff; Chief Communications Officer; Head of Public Policy; Head of Investor Relations. From 1 January 2024, the Sustainability Board was renamed to Sustainability Committee, and its composition was revised.

Strategic priorities in 2024 and beyond

[1] Our emissions target on lending includes loans to corporate clients only, according to the Partnership for Carbon Accounting Financials (PCAF).
[2] Science-Based Target initiative to confirm alignment with Paris Agreement (well below 2°C).
[3] Asset classes in scope are listed equity, corporate bonds, ETFs, REITs and corporate loans.

ESG investment rating methodology and client reporting

[1] Includes equities, fixed income, and funds.
[2] With this risk-based screening, we ensure that Julius Baer's investment universe, in principle, respects globally recognised minimum standards set out by the following bodies: the United Nations Global Compact principles; the United Nations Guiding Principles for Business and Human Rights; the Organisation for Economic Co-operation and Development guidelines for Multinational Enterprises; and the basic standards outlined by the International Labour Organization Declaration on fundamental principles and rights at work.
[3] The score also reflects compliance with the UN Global Compact, child labour laws and the United Nations Guiding Principles for Business and Human Rights. Moreover, the score considers the involvement of a corporate issuer in weapons, both conventional and controversial. Any involvement in controversial weapons leads to an 'ESG risk' investment classification.
[4] The Julius Baer investment universe comprises instruments that have fulfilled enhanced due diligence criteria and from a Julius Baer view, can be recommended to clients.

Products and solutions

[1] A discretionary mandate means the client delegates investment decisions to us and we work with the client to define risk appetite, time horizon, and specific needs. We then build a portfolio based on the client's preferences.
[2] Advisory mandates involve us making recommendations based on the client's circumstances, objectives and attitude to risk. We act on these recommendations only with specific authority from the client.

Conduct and risk

[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 in key risk categories
[2] A security domain is a set of security features that enables secure communication within a network and between network domains

Climate and natural resources, including net-zero targets

[1] Our emissions target on lending includes loans to corporate clients only, according to the Partnership for Carbon Accounting Financials (PCAF).
[2] Assets classes in scope are listed equity, corporate bonds, ETFs, REITs, and corporate loans.
[3] GHG emissions cover reported scope 1, scope 2, and scope 3 operational emissions for 95 per cent of our total full-time equivalent (FTE) workforce extrapolated to 100 per cent of FTEs using the average unit per FTE from the collected data. They are calculated according to guidelines issued by the WRI/ WBCSD Greenhouse Gas Protocol.
[4] The locations providing waste data cover approximately 80% of our total FTEs.

Caring employer and training

[1] Scores are based on a scale from –100 to +100.
[2] Guernsey, Hong Kong, Luxembourg, Monaco, Spain, Singapore, Switzerland, and the UK constituted 84.9 per cent of total regular staff as of 31 December 2023.
[3] This figure excludes e-learnings as well as regulatory trainings delivered locally.

Julius Baer Foundation and community partner

[1] Employees might register more than one time and volunteering activities might be scheduled for less than one day.
[2] This figure can be broken down into CHF 286 660 from the Bank (matching contribution to Julius Baer Cares), CHF 170 000 from Julius Baer Cares Switzerland, CHF 36 495 from Julius Baer Cares Hong Kong, CHF 127 337 from Julius Baer Cares Singapore, CHF 227 from Julius Baer Cares Guernsey, CHF 160 747 from Julius Baer Cares UK and CHF 5 662 from Julius Baer Cares Dubai. These amounts exclude corporate sponsorships and other donations from any other international locations.

Feedback

We value any feedback or input you might have, which you can send to sustainability@juliusbaer.com

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More information

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

Photo and image credits:
Throughout the report: references to the United Nations Sustainable Development Goals
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The Julius Baer Group is present in over 60 locations worldwide, including Zurich (Head Office), Bangkok, Dubai, Dublin, Frankfurt, Geneva, Hong Kong, London, Luxembourg, Madrid, Mexico City, Milan, Monaco, Mumbai, Santiago de Chile, São Paulo, Shanghai, Singapore, Tel Aviv, and Tokyo.

The Annual Report 2023 of Julius Baer Group Ltd. containing the audited IFRS financial accounts of the Julius Baer Group for the year 2023 is available at www.juliusbaer.com

Realisation: Management Digital Data AG, www.mdd.ch

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