

Julius Bär  
FOUNDATION

# ANNUAL REPORT 2019



## TABLE OF CONTENTS

<b>03</b>	<b>The Julius Baer Foundation</b>
03	Editorial
04	About us
05	Facts & figures
06	‘Julius Bär Stiftung Deutschland’
08	Our partner organisations
<b>12</b>	<b>Core area: Wealth Inequality</b>
14	Addressing wealth inequality: what works?
16	FUNDES Colombia: ‘Reciclamos Juntos’
18	Everybody is a beneficiary
<b>28</b>	<b>Core area: Solutions Replacing Plastics</b>
29	The Ocean Cleanup
<b>30</b>	<b>Core area: Vocational Training</b>
31	ZEITZ foundation Kenya
<b>32</b>	<b>Solidarity &amp; Art</b>
34	Reflecting on our work
36	Philanthropy Services
37	Governance
38	Balance Sheet
39	Statement of operations
40	Cash flow statement
41	Review report
42	Closing thoughts

The cover photos, and those illustrating the core area of Wealth Inequality, were taken during a visit to the FUNDES project ‘Reciclamos Juntos’ in Cartagena, Colombia.

## Just say 'We'

Dear reader

The Julius Baer Foundation is excited to share what we have accomplished in 2019. In all our achievements, the term 'We' extends far beyond our small team in Zurich. We are the practitioners in our partner programmes around the world who are developing sustainable solutions to global economic and environmental challenges. We are Bank Julius Baer, the Foundation's primary benefactor, and all of Julius Baer's clients, who include the Foundation in their philanthropic vision. We are also the bank's employees, committing quiet acts of kindness through the 'Payroll Giving' programme or other donations. Most importantly, We are the beneficiaries of all our initiatives, who are now able to build stronger networks and lead better lives.

The success of our collective efforts has meant that the Julius Baer Foundation is a philanthropic model to be emulated and scaled. This is most apparent in the founding of the 'Julius Bär Stiftung Deutschland' in Frankfurt.

Partnership lies at the heart of our strategy through which our core values — courage, motivation and sharing — find their full expression. Working alongside partners who have undergone rigorous review to ensure their viability and potential for sustainable impact, we have witnessed great progress across our core areas of Wealth Inequality, Recycling PLUS and Vocational Training.

The most promising projects have proven to be entrepreneurial collaborations that depend upon the exchange of knowledge and skills between those who have many resources and those who have very few. Such partnerships focus on growing a sustainable business and drive crucial socio-economic integration along the way, helping to grow a sustainable society. With this impactful dynamic in mind, we have decided to narrow our focus to the core areas of Wealth Inequality and Recycling PLUS from 2020 onward. We have also changed the name of the latter core area to 'Solutions Replacing Plastics' in order to better emphasise what our supported partner organisations aim to achieve. Vocational Training is integral to many of our projects that

address wealth inequality, so it will continue to receive support in this way.

Solidarity & Art remains close to the heart of the Julius Baer Foundation. Taking inspiration from art's power to unite people, we have reoriented our focus in the area of art towards projects that involve active cultural participation in art museums. And as solidarity is more important than ever, we will continue to match the funds raised by the employee-run JB Cares for local communities.

Philanthropy Services is now offered by our Wealth Planning Group as an important resource for Julius Baer clients seeking to make a positive difference in a personally meaningful way, by supporting the Foundation itself or by identifying other beneficiaries.

In 2019, our programmes and expertise continued to be shared with Julius Baer colleagues and clients via the bank's website, our various publications and events such as the Philanthropy Roundtables, Julius Baer Foundation Talks, Philanthropy Workshops and Curiosity Bites events. Our 'Recycling PLUS — BEST prACTices' conference was an invigorating occasion for productive exchange with subject-area experts, NGO representatives and philanthropists. We are eager to reprise this success with our conference on Wealth Inequality in Cape Town in September 2020 or March 2021.

We are thankful for your courage, motivation and sharing. We are proud to count you as a partner. We have accomplished much together. And together We will accomplish so much more.



**Daniel J. Sauter**  
President  
Julius Baer Foundation



**Christoph Schmock**  
General Manager  
Julius Baer Foundation



# ABOUT US

For over 50 years, the Julius Baer Foundation has dedicated itself to making meaningful and impactful contributions to society. This year, we have reworked the Foundation's vision and mission, incorporating lessons from the past into a new roadmap for the future. Under our new philanthropic strategy, we are reorganising our core areas, aligning our Foundation's expertise and resources with today's most pressing needs.

## 1965

Walter J. Baer founded the Julius Baer Foundation. Since then, the foundation has expanded its reach to contributions all around the world.

## 2019

Establishment of the 'Julius Bär Stiftung Deutschland'

### **Our vision**

We envision a society in which the privileged and the disadvantaged enrich each other's lives through collaborations that benefit all the parties involved and advance the potential of humanity. We also envision a society whose economic aspirations are sustainable, mindful of the environment and respectful of natural resources as the foundations of our prosperity.

### **Our mission**

We promote voluntary exchange between the privileged and the disadvantaged to reduce existing inequalities of means and opportunities. We do this by supporting, guiding and investing in 'Wealth Inequality' initiatives that bring people of different socio-economic groups into cooperation on concrete projects that create value for them and their communities.

We promote sustainable economies that protect the environment from pollution through plastics. We do this by supporting and investing in visionary business models that build on alternative 'Solutions Replacing Plastics' or on circular economies recycling plastics.

### **Our core areas**

In alignment with our new philanthropic priorities, we are reorganising our efforts and bundling them into two core areas: 'Wealth Inequality' and 'Solutions Replacing Plastics'. Vocational Training will be integrated into our 'Wealth Inequality' initiatives, where it can make the biggest contribution.

### **Our values**

We are committed to reflecting on our values and ensuring our practices are consistent with them. They serve as orientation in our actions, our behaviour and our decisions.

#### **Courage**

We have the courage to support visionary partner organisations and recognise their potential.

#### **Motivation**

We take a motivational approach to collaborating with our partners and stakeholders on equal footing.

#### **Sharing**

We believe in the power of sharing our knowledge, our expertise and our network.

# FACTS & FIGURES

28

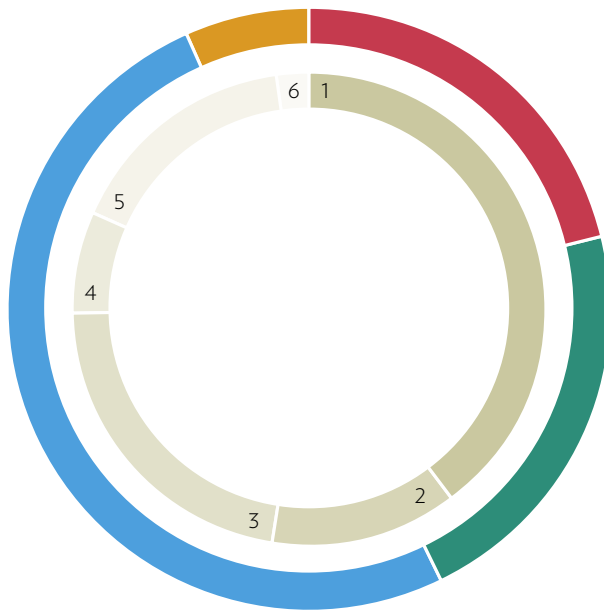
**partner organisations**  
in 22 countries

29

**projects**  
around the world

10,331

**direct beneficiaries**  
reached with our supported  
projects.



**grant amounts per core area**  
**Wealth Inequality: 21.2%**  
**Solutions Replacing Plastics: 21.6%**  
**Vocational Training: 50.8%**  
**Solidarity & Art: 6.4%**

**grant amounts per region**  
 Africa: 39.9% <sup>(1)</sup>  
 Asia: 12.8% <sup>(2)</sup>  
 European Union: 22.2% <sup>(3)</sup>  
 North America: 6.9% <sup>(4)</sup>  
 South America: 16.0% <sup>(5)</sup>  
 Switzerland: 2.2% <sup>(6)</sup>

CHF

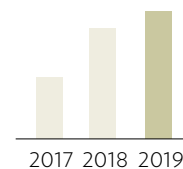
2.88

million

**in revenues received**  
+CHF 0.4 million compared  
to the previous year

100%

of donations are fully invested in  
the specific project. All adminis-  
trative costs are covered by  
Bank Julius Baer



**grant amounts**  
 2019: CHF 2,886,000  
 2018: CHF 2,493,757  
 2017: CHF 1,374,300

# ‘JULIUS BÄR STIFTUNG DEUTSCHLAND’

In February 2019, rising interest in philanthropy among both clients and employees of Bank Julius Baer Germany culminated in the founding of the ‘Julius Bär Stiftung Deutschland’. A year later, our sister foundation tells us about its upcoming plans and longer-term future.



**Heiko Schlag**  
President of Julius Bär  
Stiftung Deutschland,  
in an exclusive inter-  
view with the Julius  
Baer Foundation

## About us

**Foundation Board**  
Heiko Schlag, President  
Irene Müller  
Roger Stoop

**Advisory Board**  
Silke Mies  
Sven Nykamp  
Christian E. Dubler  
Yves Robert-Charrue  
Beate Schemann  
Christoph Schmocker

**Foundation  
Management**  
Christian Auge  
Rachel Pauels

**Donation account**  
DE65 5142 0300 6104  
0080 00

**Contact**  
stiftung-deutschland  
@juliusbaer.com

### **Mr Schlag, what led to the founding of ‘Julius Bär Stiftung Deutschland’ and what was the motivation behind it?**

The responsibility that we, a private bank for privileged clients, have towards society has always been paramount to us. With a growing desire to engage in long-term commitment to philanthropic causes, establishing a foundation was the logical next step.

Our goal is to support selected projects around the world as well as in Germany. We strive to draw attention to challenges, to support positive developments and to help disadvantaged people.

During the initial phase, we were supported by the Julius Baer Foundation in Zurich, an experienced Bank Foundation featuring excellent governance. We will continue to benefit from its wealth of knowledge, which is very valuable to us as a young foundation. We look forward to pursuing common paths together, while growing our own roots and finding projects that are close to our hearts.

### **After your first year of establishing the foundation, what will your goals be for 2020?**

Building upon a successful first year, we aim to continue to shape our foundation and are now entering a phase in which we will choose our projects for the longer term. We are already receiving our first project applications, reassuring us that establishing a foundation was the right decision. We are happy that our foundation is already being noticed and we will continue to carefully examine all applications also with regard to our strategic planning.

The initiatives we support are at the centre of our foundation’s work. Staying in close contact with the people responsible for the projects is a big priority for us, as we want to see the impact of our support first hand and how those receiving our support progress.

One initiative we have supported from the very beginning is the JOBLINGE project in Hamburg. It helps young socially disadvantaged people and people from immigrant backgrounds to integrate into the job market. Creating opportunities for underprivileged people is something we value greatly.

**You are clearly enthusiastic about JOBLINGE. Do you think it will remain one of your favourite projects?**

The first project is always something special, and it will remain an important milestone in the history of our foundation. Beyond the project's model itself, we pay tribute to the people who are implementing the project on site. Our greatest triumph would be if beneficiaries connect their success in the job market with our foundation. That said, I am also looking forward to and am excited about future projects.

**You also organise regular roundtables for your clients. How is that going?**

Our aim this year is to raise the profile of our foundation, which is why we are organising, among other things, our philanthropic roundtables. We held two of them in Frankfurt and Hamburg in our founding year. More are planned for 2020. For example, an event will be held in Düsseldorf, where experts from our network will discuss foundation strategies and management. Christoph Schmock, the General Manager of the Julius Baer Foundation and an important contact person for us, will be supporting us in this. With his authentic and moving testimonials, he provides keen insights into the 'world of foundations' and is a valued guest at our events.

**About JOBLINGE**

---

1 in 5

young persons globally are not in employment, education or training; 3 in 4 of these are women.

This initiative addresses youth unemployment in Germany by actively supporting and accompanying socially disadvantaged youth, from immigrants or underprivileged backgrounds, in their efforts to find employment. By building economic self-reliance, they acquire the ability and motivation to invest in themselves, their communities and wider society.

**Key figures**

- Founded: 2014
- Grant amount: EUR 80,000 per year
- Project support: 2019–2021
- Goal: Job market integration of socially underprivileged youth, ages 16–24
- Achievement: 132 young individuals found an apprenticeship or an occupation in 2019



# OUR PARTNER ORGANISATIONS







## WEALTH INEQUALITY

### **Cape Winemakers' Equity Accelerator**

South Africa, Project support 2017–2021  
Grant amount CHF 130,000 p.a.

Fostering the equitable redistribution of resources and expertise within the wine industry to increase the number of black wine producers and vineyard owners.

### **FUNDES Colombia: Reciclamos Juntos**

United Kingdom, Project support 2020–2022  
Grant amount CHF 175,000

Integrating the waste pickers of Cartagena, Colombia economically and socially by establishing a collaborative ecosystem with all the actors of the city's informal recycling supply chain.

### **elea Foundation: Inka Moss**

Peru, Project support 2019–2020  
Grant amount CHF 80,000

Creating opportunities for poor Andean communities in Peru by training them in moss harvesting and then buying their harvest at fair prices. Rural families gain income, self-esteem and new perspectives.

### **International Inequality Institute, London School of Economics (LSE)**

United Kingdom, Project support 2019–2021  
Grant amount CHF 110,000

Leading research in the field of inequalities and evaluating the effectiveness of wealth-building strategies in selected cities with the goal of providing scalable models.

### **Jojoba Oil for Namibia**

Namibia, Project support 2019–2021  
Grant amount CHF 110,000

Empowering farmers to grow Jojoba successfully and market their production internationally.

### **Olim Beyahad**

Israel, Project support 2018–2020  
Grant amount CHF 50,000

With the help of native Israelis, Olim Beyahad supports the integration of young Ethiopian Israelis into the workforce through suitable employment opportunities that pay fair salaries.

### **Partners for Possibility**

South Africa, Project support 2018–2020  
Grant amount CHF 50,000

Addressing the problem of poorly equipped public-school principals by supporting them through co-action and co-learning partnerships with local business leaders, who bring in knowledge and skills.

### **Sistema B**

Chile, Project support 2018–2020  
Grant amount CHF 130,000

Sistema B is combatting wealth inequality in Chile by linking rural entrepreneurs from vulnerable communities with local people and enterprises in order to enable bonding, networking and learning.

## SOLUTIONS REPLACING PLASTICS

### **A Plastic Planet**

United Kingdom, Project support 2018–2020  
Grant amount CHF 100,000

Aiming to drastically reduce plastic use by establishing the first science-based global plastic-free packaging solution and building an online materials library with alternatives to plastics.

### **Cooperaxion**

Liberia, Project support 2018–2020  
Grant amount CHF 70,000

Contributing to environmental development by supporting effective, sustainable waste management in Monrovia, Liberia, in cooperation with the local population.

### **Fair Recycling**

Brazil, Project support 2017–2019  
Grant amount CHF 100,000

Developing a vocational training course for the profession of 'recyclist' in order to enable underprivileged youths a future-oriented job opportunity that helps them overcome poverty.

### **The Ocean Cleanup — The Valorisation Project**

Pacific Ocean, Project support 2019–2021  
Grant amount CHF 200,000

Developing market strategies to 'valorise' plastic debris from the ocean by upcycling it into new, useful products. The aim is to make The Ocean Cleanup largely financially self-sustaining.

### **Zoological Society London**

Philippines, Project support 2018–2020  
Grant amount CHF 130,000

Supports an award-winning initiative named Net-Works to replace fishing with seaweed farming and using carrageenan to produce biodegradable plastic. Redesigning supply chains to restore coastal ecosystems, reduce marine plastic and improve the socio-ecological resilience of coastal communities.

## VOCATIONAL TRAINING

### **elea Foundation: BagoSphere**

Philippines, Project support 2015–2020  
Grant amount CHF 80,000

Providing underprivileged youths in the Philippines with professional training as call centre agents, enabling them to acquire secure jobs in the fast-growing call centre industry.

### **Fight for Peace**

Brazil, Project support 2018–2020  
Grant amount CHF 120,000

Addressing youth unemployment in Brazil's 'Maré' favelas through vocational training opportunities with a focus on personal development, practical job training and technical skills.

## OUR PARTNER ORGANISATIONS

---

### Fundación Educación

South America, Project support 2016–2019  
Grant amount CHF 50,000

Supporting youth from low-income families by granting them the opportunity to study at a college or university to prepare them for careers in IT or other technical industries.

---

### IECD

Morocco, Project support 2019–2021  
Grant amount CHF 100,000

Enhancing youth employability by advancing vocational trainings and curricula in order to meet the needs of companies in the solar technology sector.

---

### JOBLINGE gAG Hanse

Germany, Project support 2019–2021  
Grant amount CHF 90,000

Guiding and supporting disadvantaged young people and young refugees in entering the job market by acquiring necessary skills through vocational training.

---

### Opportunity

Ghana, Project support 2018–2020  
Grant amount CHF 60,000

Vocational training providing disadvantaged young adults with a state-approved qualification in tailoring, hairdressing, catering, welding, carpentry, auto mechanics or electrics.

---

### Smiling Gecko

Cambodia, Project support 2015–2019  
Grant amount CHF 100,000

Developing and implementing several new vocational training courses offering a wide array of employment opportunities in areas such as tourism and professional food service.

---

### Solafrica

Ethiopia, Project support 2018–2022  
Grant amount CHF 300,000

Developing a demand-driven vocational programme in solar technology and entrepreneurship following a 2017 feasibility study which evaluated the need for solar technicians.

---

### Solidar Suisse

Mozambique, Project support 2017–2019  
Grant amount CHF 50,000

Providing youth with vocational training in the agriculture industry in order to help them to become farmers and increase their chances of succeeding in the labour market.

---

### Swisscontact

Bangladesh, Project support 2018–2020  
Grant amount CHF 120,000

Fostering general health knowledge and training young adults to become skilled community paramedics providing urgently needed initial medical care in rural areas.

---

### Swisso-Kalmo

Somalia, Project support 2017–2020  
Grant amount CHF 80,000–100,000

Educating midwives and nurses in healthcare, maternal safety and deliveries in a region with the highest maternal and infant mortality rates in the world.

---

### TSiBA Education

South Africa, Project support 2017–2019  
Grant amount CHF 100,000

Granting youths with financial constraints and substandard or incomplete secondary education a vocational training to become commercial employees.

---

### Womanity Foundation

Afghanistan, Project support 2017–2019  
Grant amount CHF 70,000

Offering vocational training to young women as IT and data-management specialists, enabling them to connect to the digital world and build an independent career.

---

### ZEITZ foundation Kenya

Kenya, Project support 2019–2021  
Grant amount CHF 120,000

Setting up the first all-women anti-poaching and conservation ranger unit in East Africa, recruited from marginalised women in Segera's neighbouring communities.

---

## SOLIDARITY & ART

---

### Fantoche — audience award for best international film

Switzerland, Project support 2014–2019  
Grant amount CHF 14,000

Supporting Fantoche, one of the world's leading festivals for animated films, by donating the audience award for the best international film at the annual competition.

---

### Visarte — PRIX VISARTE

Switzerland, Project support 2015–2019  
Grant amount CHF 50,000

PRIX VISARTE, awarded by Visarte, is a seal of approval that distinguishes outstanding works of art every two years in the field of art and construction, or in the field of art in public space.

# WEALTH INEQUALITY

Wealth inequality has been rising steadily, leading to social unrest around the world. Simultaneously, a new understanding of active social responsibility and diminishing segregation is emerging, particularly in today's new upper class. The Julius Baer Foundation aims to aid this paradigm shift through concrete projects and initiatives that bring the privileged and the disadvantaged together at one table in order to find pragmatic, solution-oriented collaborations that go beyond charity.

## Our approach

While reducing wealth inequality is a crucial catalyst of societal well-being, it requires a comprehensive approach that goes further than financial issues. Wealth inequality encompasses not only lack of economic capital, but also lack of the social and cultural capital needed to gain access to networks, build confidence and learn to navigate a path from education to vocation and a dignified existence. A systemic, sustainable approach to reducing wealth inequality must target all of these dimensions.

The approach of Julius Baer Foundation is to incubate partnership-based collaborations between individuals from privileged and disadvantaged socio-economic groups. Working closely with selected regional partner organisations around the globe, we seek to match successful people, entrepreneurs or companies with individuals or groups who, despite their efforts, struggle to build up wealth. Both parties are brought together for an open, eye-level discussion to explore ways of establishing a sustainable collaboration as equal business partners.

A series of rigorous workshops facilitates the transformation of an idea into an operating project. The key criterion throughout this process is to maintain a win-win situation: the rising 'micro-entrepreneur' is put in charge of running the business, selling particular goods or services, while the more established entrepreneur deploys his or her knowledge, infrastructure and network to contribute to the growth and sustainability of the business.

To sustain equality between the collaborators, any required financing must be sourced from third parties outside the project. Productive, non-charitable partnerships are at the heart of the Julius Baer Foundation's approach to reducing wealth inequality: instead of receiving financial aid, the disadvantaged learn first-hand how to build a realistic vision and how to better manage a business. For their part, the privileged learn how sharing structural resources and knowledge integrates the disadvantaged more sustainably into society as opposed to mere monetary donations.

# 435

rural entrepreneurs from underprivileged communities will be connected with business leaders through Sistema B.

**Our achievements**

The Julius Baer Foundation views a collaboration as successful when it becomes self-sustaining, providing a reliable source of income to small entrepreneurs. Best cases can prove suitable as models for scale-up and rollout in other markets. We are proud to accompany and support innovative projects that foster such collaborations successfully around the world. Working with pioneers in addressing wealth inequality, we view these success stories as vital instruments providing economic actors as well as policy makers with inspiring evidence while creating enduring change from the bottom up.

**Our challenges**

Bringing individuals from different socio-economic groups together to engage in exchange and collaboration remains an unfamiliar approach to many. While successfully established partnerships generally exceed expectations on both sides, extensive groundwork is required to source and match partners for each new collaboration. The journey from the first meeting to a committed project must be carefully mediated. Only when the mediators, or ‘facilitators’ (often specialised NGOs), manage

to transform ideas into concrete action plans — including transparent, quantifiable milestones — can an expedient partnership be created.

**Our highlights****Cape Winemakers’ Equity Accelerator**

Pursuing a more equitable distribution in South Africa’s winemaking industry, CWEA aims to equip black people at the bottom of the pyramid with the right resources to elevate themselves in the value chain and to become producers of their own wines.

**Sistema B**

Connecting vulnerable communities with business experts, Sistema B helps rural artisans develop a more robust value proposition, secure financial footing and access customers in Chile’s big cities.

**FUNDES ‘Reciclamos Juntos’**

Developed just this year, ‘Reciclamos Juntos’ aims to integrate the waste pickers of Cartagena in a safe and profitable recycling network. The programme launches in February 2020 in Colombia.

**Outlook**

# 50%

of the Julius Baer Foundation’s grant resources will be allocated to initiatives reducing wealth inequality by 2021.

**Stepping up to Wealth Inequality**

The Julius Baer Foundation is committed to an equal society. With a proven track record and new projects in the pipeline, we aim to allocate over 50% of our grant resources to collaborative measures against wealth inequality by 2021.

**Expanding our expertise**

Demonstrating our commitment to reducing wealth inequality, the Julius Baer Foundation team has welcomed to its permanent staff an expert in the field who will dedicate herself exclusively to expansion of our activities in this area.

**Spreading the word**

The Julius Baer Foundation aims to become a competence centre for reducing wealth inequality, keeping current with innovative research and promoting best practices in diverse, dynamic and engaging formats.

**Creating platforms**

We are organising a variety of events in 2020, including keynotes, panel discussions and talks with our partner organisations. Most prominent among these is the Julius Baer Foundation ‘BEST prACTices Conference on Reducing Wealth Inequality’, taking place in September 2020 or March 2021 in Cape Town.



# ADDRESSING WEALTH INEQUALITY: WHAT WORKS?

In 2015, the London School of Economics launched the International Inequalities Institute: a research institute dedicated to the analysis of inequalities and exploration of mitigating measures. Supported by the Julius Baer Foundation, Research Fellow Dr Luna Glucksberg is researching three applied strategies that appear to challenge the rise of wealth inequality effectively.



**Dr Luna Glucksberg**  
Research Fellow at the International Inequalities Institute (III) of the London School of Economics (LSE)

Dr Luna Glucksberg studies inequality, elite reproduction, family offices and local wealth-building strategies. She is widely published and her most recent work focuses on the intersections of gender, kinship and capital in the reproduction of dynastic elite families (Glucksberg, L. [2018] “A gendered ethnography of elites: women, inequality, and social reproduction” *Focaal* 81).

## The ‘Preston Model’

Named after the city of Preston in the northeast of the UK, this model uses ‘anchor’ institutions, such as hospitals, universities, the police or local government — large economic actors rooted in the local economy — and harnesses their spending power by redirecting their procurement budgets towards their region or town.

For example, a new police station may be built by employing only local, independent traders, as opposed to one big international firm that will outsource and parcel up the work while hoovering up most of the profit in the process. Or the ‘anchor’ institutions can commit, as most of them have done in Preston, to paying a living wage to all their workers, including security and cleaning staff, who are often outsourced. In doing so, they improve not only the workers’ incomes, but also the stability of their lives, thanks to in-house, regular contracts, for example, as opposed to insecure, zero-hours positions.

## Universal basic income in Helsinki

Finland recently oversaw a two-year trial of universal basic income. The government provided 2,000 randomly selected

individuals with a monthly allowance free of any conditions. Dr Glucksberg will be conducting in-depth, ethnographic interviews with the recipients of basic income in Helsinki and their families, to understand how it affected them. She hopes that her ethnographic work will generate insights that could be useful in implementing the policy in the future, whether in Finland or elsewhere.

## The Mondragon cooperative

The last research project takes a look at the cooperatives in the Basque Country, Spain, home to Mondragon Corporation, the largest cooperative group in the world. Research has shown that having workers own shares in their workplaces is an effective way of reducing inequality. Building on this, Dr Glucksberg will conduct a more in-depth assessment of the cooperative model in the Basque Country. In particular, she will focus on understanding the Basque model and its specific ties to the history and cultural values of the region. Her analysis aims to assist in replicating the model or similar experiments to reduce inequality worldwide.





A waste picker of the FUNDES programme 'Reciclamos Juntos' at work in the district 'Cerro de la Popa' of Cartagena, Colombia.



## FUNDES COLOMBIA 'RECICLAMOS JUNTOS'

In Cartagena, Colombia, picking recyclables from waste is an income source for many who are trapped in poverty. Although waste pickers are the backbone of the country's informal recycling system, they are often treated as societal outcasts. FUNDES aims to create an ecosystem that not only integrates waste pickers as professionals, but also sets out to become the city's first regulated recycling network.

### The context

Colombia is ranked sixteenth on the world's income inequality index. In Cartagena, 27% of the population lives in poverty. Many of them work as waste pickers collecting and selling recyclable materials under precarious labour conditions without any formal job recognition or negotiating power. They are also socially stigmatised.

### The FUNDES approach

In 2019, FUNDES (Fundación por un Desarrollo Sostenible) developed the project 'Reciclamos Juntos' with the support of the Julius Baer Foundation, Fondation Botnar and regional partners. Its strategy is to create a stable, rewarding ecosystem connecting all actors within a recycling supply chain — from waste generators to waste pickers, collection centres, processing plants and buyers of recycled materials.

In early 2020, the project will partner with 'Cartagena Amigable' — a collection centre wholly co-owned by waste pickers — and begin by engaging 40 waste pickers and one processing plant led by Esenttia, Colombia's leading producer of plastic raw material. By 2023, 'Reciclamos Juntos' aims to have a recycling network compris-

ing 500 waste pickers, 240 waste generators, two or three waste collection centres and four companies.

### The FUNDES actions

To create awareness for recycling practices, FUNDES has developed the app 'Entre Redes'. This free mobile app connects and educates waste generators, waste pickers and collection centres to improve waste collection, separation and processing capacities. It provides lessons on recycling to 'mom and pop' shops, restaurants, hospitals and other waste generators, and incentivises waste separation using a blockchain-powered community currency.

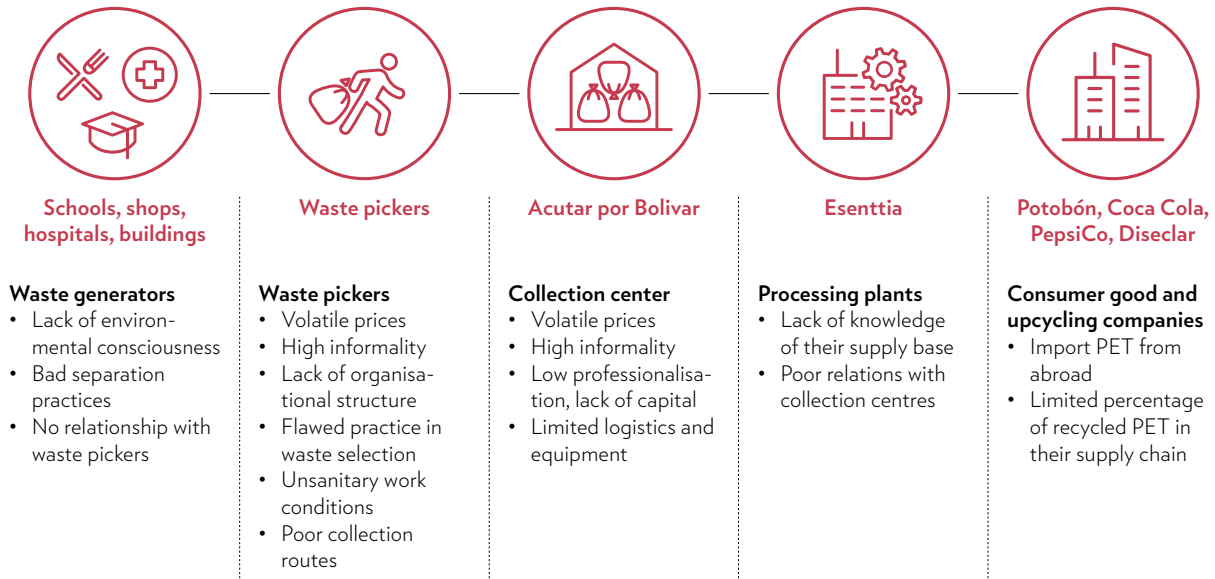
A geospatial intelligence tool will identify high-waste generation areas and serve as a route planner for waste pickers, increasing their business capacity as well as enhancing relationships between them and waste generators.

These innovations belong to a broader holistic catalogue of actions, all aligned towards creating awareness, improving relations and increasing capacity — the three pillars of 'Reciclamos Juntos'. It will lay the ground for a socially responsible recycling system in Colombia.

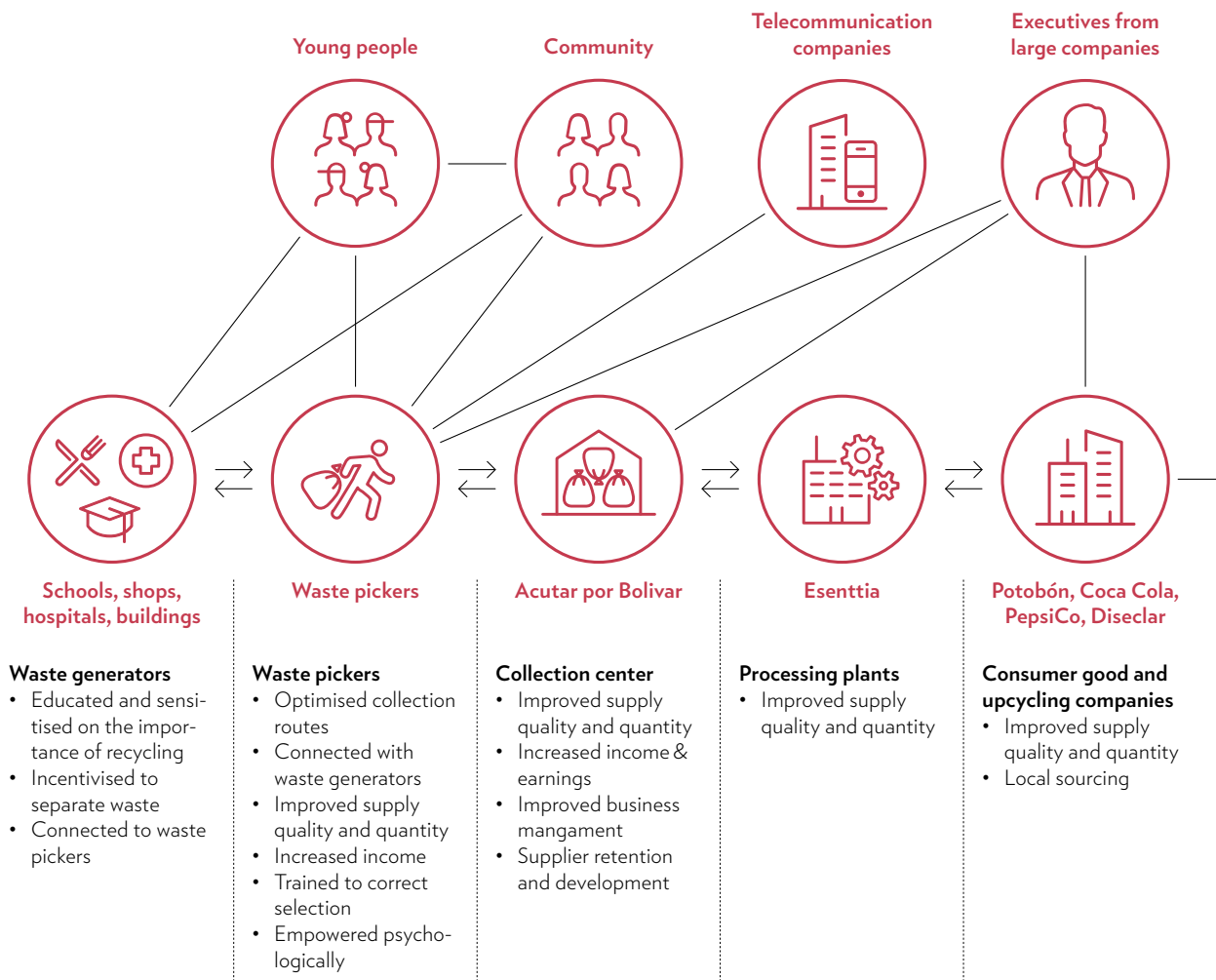
# 500

waste pickers will serve as the backbone of a socially responsible recycling system.

From an inefficient, unreliable and unsustainable supply chain ...



... to an interconnected, collaborative and mutually beneficial value ecosystem



## EVERYBODY IS A BENEFICIARY

Meet Carlos Crismatt and Eder Muñoz Márquez. One is a representative for Colombia's leading plastic producer, the other is a waste picker. Both have been collaborating in 'Cartagena Amigable' and are now looking forward to the FUNDES project 'Reciclamos Juntos'. They know from experience: in respectful collaborations, everybody evolves through one another.

**Carlos Crismatt** is the Corporate Relations Manager of Esenttia, Colombia's leading provider of plastic polypropylene resin, and main sponsor of the 'Cartagena Amigable' collection centre.

### **Mr Crismatt, why is Esenttia taking part in 'Reciclamos Juntos'?**

As an expert in plastic raw materials, Esenttia's mission is to provide innovative solutions to the world of plastic. We always hoped that our initial project 'Cartagena Amigable' — a collection centre owned and run by waste pickers — would grow and be replicated in other cities. With 'Reciclamos Juntos' we see opportunities for strengthening the collection centre, collaborating on awareness-raising programmes and possibly increasing waste pickers' incomes. With Esenttia's project of recycled plastic resin, we ultimately hope to integrate locally recycled materials into our supply chain.

### **Do you know any of the waste pickers personally?**

I know many of them. I have been working closely with Eder, Candelaria, Luis Hernando and Eleno since we started the collection centre 'Cartagena Amigable' four years ago. I met them when they walked around without shoes or sweaters, wheeling wooden pushcarts that they rented. Today, they own their own trolleys and official uniforms. I was lucky to witness their social transformation. Before, they

were too shy to speak up. Now, some of them have managerial roles!

### **Has your work with waste pickers changed your perception of them?**

For me, working with waste pickers was a challenge at the beginning; it meant working with a population that we had never worked with before. But we knew: without waste pickers, there is no recycling industry. So, we got to know this population that is invisible to society, and we have met many great human beings. Nowadays, we want people to see another side of waste picking: that of decent work, of contribution to a better environment.

### **What are Esenttia's plans for the future regarding recycling?**

With the development of our new production plant for recycled plastic resin, we are turning recycling from a social responsibility project into an integral part of our supply chain. Also, we believe that with 'Reciclamos Juntos' the model of a collection centre owned and run by waste pickers can be rolled out in other cities. If this happens, waste pickers and the recycling industry all over Colombia can evolve.





**Carlos Crismat**, 43 years old,  
has worked for Esenttia for six years.



**Eder Muñoz Márquez**, 36 years old,  
has worked as a waste picker for 24 years.

**Eder Muñoz Márquez** started working as a waste picker 24 years ago and is now a member of the board of directors of the collection centre 'Cartagena Amigable'.

**Mr Muñoz, what is the work as a waste picker like?**

I like my job as a recycler because I have fun. It is different from any other job I have done, and I enjoy it. Anybody working as a waste picker understands the kind of joy that comes from recycling — I cannot find the words to describe it. Although some people look down on this occupation, we see recycling as a good job that contributes to humanity.

**What has changed since you started working for the collection centre 'Cartagena Amigable'?**

Since I started working with 'Cartagena Amigable' I have gained more recognition in society. Earlier, people would always be surprised when I told them that I had gone to school and that I had a technical degree. They assumed I was uneducated because I was a waste picker. Now, people no longer see me as a 'person of the street', but rather as a worker in the recycling industry. I have even taken up an administrative role in the collection centre. This has meant a reduction in my income as a recycler because I am collecting less material. But right now, I am not thinking as a recycler but as a manager;

and in return, I am learning a lot of new things. I have also had the opportunity to meet people I never imagined I would meet. I have taken trips that I never thought I would take; to other cities like Barranquilla, Bogotá and Medellín. Soon I will be going to San Andrés.

**Have you received any interesting training so far?**

I have received training in management and leadership. What I have learned most is how to manage your own and other people's emotions and temper. This has been the most exciting learning for me.

**What else do you wish to learn?**

I would like to learn more about project management so that I can continue to have a leading role in this collection centre project.

**What plans do you have for the future?**

I would like to keep improving my economic and personal life and my dream would be to one day become the manager of the collection centre.

**What does recycling mean for you?**

I always say: 'Recycling is a lifesaver.'



**Bladimir Martínez Faneite**, 40 years old, has worked as a waste picker for seven years. Bladimir's dream is to become an entrepreneur, have his own company, and support human development programmes.





**Martín Lidueñas Calle**, 57 years old, has worked as a waste picker for 20 years. Martín's dream is to have a free country where all are happy.



**José Antonio Ferrer**, 34 years old, has worked as a waste picker for five years. José's dream is to become a professional dancer.



**Neiker Narez**, 21 years old, has worked as a waste picker for one year. Neiker's dream is to return to Venezuela to see his family and continue studying.



**Candelaria Julio**, 52 years old, has worked as a waste picker for 19 years. Candelaria's dream is to continue working and one day retire with a pension.



The outskirts of Cartagena, Colombia. 27% of the population lives in poverty. Only 8% of the country's waste is recycled.



One of the trolleys that the waste pickers of 'Cartagena Amigable' use to collect recyclables.



**Jaime Arevalo Julio** collects pre-separated plastic bottles at a hospital. Through awareness programmes, waste generators learn how to contribute to recycling by separating waste.





Jose 'El Melo' Gregorio de Cuate Herrera, 25 years old, has worked as a waste picker for four years. El Melo's dream is to build his own house.





At the 'Cartagena Amigable' collection centre: waste pickers load separated recyclables for transport to processing plants.





**Candelaria Julio** separates and weighs plastic bottles at the 'Cartagena Amigable' collection centre.



Separated plastic bottles: The price per kilogramme of plastic bottles ranges between 307 and 453 Pesos (between 0.07 and 0.10 Swiss Francs).



Esentia processing plant in Cartagena: With a new plant specialised in recycled plastic resin opening in 2021, Esentia will be integrating recyclable plastic into its supply chain.



A piece of artwork made from recycled plastics, sponsored by FUNDES Partner Esenttia to raise awareness on the importance of recycling. Since 2003, Esenttia has recycled 900,000 kilogrammes of plastic into furniture and construction elements for different social causes.



A playground made using recycled plastics.



A chair made from recycled plastic.





Two brothers in the family kitchen: like other houses in the area, this house it was built using bricks made from recycled plastics.

# SOLUTIONS REPLACING PLASTICS

Single-use plastics are severely harming our oceans and our ecosystems. Science seeks to find solutions to replace plastics, for example by developing long-term bio-degradable alternatives. Meanwhile, business innovators are pushing for a circular economy that valorises plastic as a valuable resource, making recycling not just a social responsibility, but also a rewarding business.

## Our approach

To promote a circular economy as not only feasible, but also a desirable business model, we support organisations that meet the demands of both circularity and profitability. All our partners must demonstrate innovative approaches to recycling and also a convincing business case — be it as an innovator in waste collection, in the repurposing of end materials or in the development of eco-friendly alternative resources.

## Our achievements

In 2019, we oversaw various efforts paving the way for a series of breakthroughs. In plastic recycling, our partner The Ocean Cleanup concluded a two-year period of classifying plastic debris into different recyclability groups. A valorisation team is now developing market strategies to reintegrate recyclable plastics into the economy. In plastic alternatives, a yearlong development period culminated in an online database on plastic substitutes.

## Our challenge

The sustainable disposal of unrecyclable plastic debris remains a challenge to be solved. Currently, such plastics must be incinerated, emitting harmful fumes when unfiltered. Adequate alternatives to incineration are only in their infancy and require more research.

## Our future

To sharpen our positioning, this core area will be renamed 'Solutions Replacing Plastics'. In the coming years, 30% of all grants will be allocated to Solutions Replacing Plastics.

Additionally, we will partner with a new organisation in India, Aakar Innovations, which develops low-cost sanitary napkins made of organic materials.

## Our highlights

### The Ocean Cleanup

What began as a vision of then-16-year-old Boyan Slat has resulted in the first successful collection of oceanic plastic debris. Strategies to recycle the plastics into goods of value are in development.

### A Plastic Planet

The extensive online library of alternative materials to plastic is now publicly available under [www.aplasticplanet.com](http://www.aplasticplanet.com)

### BEST prACTices Conference

At our latest conference, over 50 recycling experts, NGOs, philanthropists and industry leaders came together for an interdisciplinary exchange on inspiring recycling solutions.

# 308

alternative materials to plastic are indexed in the online materials library of [www.aplasticplanet.com](http://www.aplasticplanet.com)



# THE OCEAN CLEANUP

On a mission to rid the world's oceans of plastic, The Ocean Cleanup is developing passive collection systems that capture waste debris by means of natural forces. In a valorisation process, the collected plastic will then be recycled into durable products that will, with every purchase, fund more ocean cleaning.



**Leonardo Avezzano**  
Head of Valorisation  
at The Ocean Cleanup,  
giving first-hand in-  
sights into the initiatives  
supported by the Julius  
Baer Foundation

## Mr Avezzano, what are the key developments in 2019?

Our testing of System 001/B succeeded in capturing and collecting plastic down to 1 millimetre in size from the Great Pacific Garbage Patch, using the natural forces of the ocean. With the results of System 001/B, we have begun preparations for System 002. The aim of this new design is to create a full-scale, fully operational system. We have also unveiled our river interceptor system, aiming to tackle the 1,000 most-polluting rivers responsible for about 80% of ocean plastic pollution. On the valorisation side of our work, we presented our first plastic catch onshore and are now working on the sorting, tracing and recycling of the plastic.

## What is your strategy for valorisation?

Our objective is to valorise as much of the harvest as technically and commercially possible. The first step is to analyse the catch to understand the type and quality of the plastic. Based on our findings, we will seek the optimal application and way to process the material. We want to turn it into something that does not go back into the ocean. Thus, all products will be designed to be durable, yet recyclable — with 100% of the proceeds being reinvested in cleaning the oceans.



## Which ocean plastic products can we expect in 2020?

We are still in the development phase, so we cannot reveal any details yet. But we aim to announce the first plastic ocean product in September 2020. We will make each step we take in this journey transparent and share our story along the way.

## How does traceability of ocean plastic work?

Currently, no independent third party is required to verify that material has been sourced from the ocean. To add further transparency to our work, the origin of the material used in The Ocean Cleanup's products will be verified by DNV GL, a leader in industry certifications. DNV GL is developing a standard alongside this process that enables the highest level of traceability and transparency possible, and will allow consumers to trust that the product they are purchasing was made from material removed from the ocean.

5

trillion pieces of plastic waste are estimated to pollute the world's oceans, increasing by 8 million metric tonnes each year.

# VOCATIONAL TRAINING

Dignified means to earn a living are essential to thrive as an individual as well as a society. When educational systems fail to recognise job-market needs, innovative vocational programmes can serve as a powerful tool to transform unemployed people into pioneers of new industries.

## Our approach

The Julius Baer Foundation is committed to fostering professions that are relevant to the industries of today and tomorrow. We focus on vocational initiatives adept at identifying emerging industries and sought-after competences. Their long-term curricula go beyond hard skills to include personal development, enabling young men and women to engage life with self-confidence and awareness.

## Our achievements

We measure success in quantifiable numbers of graduates and employment, but also in qualitative dimensions such as market relevance, entrepreneurial enabling and personal development. We are proud of our partners who consider the cultural and economic context in exemplary approaches to shape the competence and personality of young workers.

## Our challenge

Vocational training alone does not translate directly into increased employment. A scarcity of employers may limit job opportunities. Self-employment remains a critical solution to enter markets independently and to drive their growth. However, many individuals shy away from entrepreneurial responsibility and risk. To break the cycle, support for self-employment is crucial.

## Our future

Vocational programmes that take the broad context of wealth inequality into consideration are more successful in creating long-lasting impacts. Consequently, the Julius Baer Foundation has decided to integrate 'Vocational Training' into the core area 'Wealth Inequality' in the coming years. Our strategic realignment ensures that all new vocational initiatives will tackle unemployment and poverty with the holistic approach required.

## Our highlights

---

### The ZEITZ foundation

At Segara Conservancy in Kenya, the first all-female anti-poaching ranger training has empowered 12 local women to earn a living by preserving wildlife.

### Womanity Foundation

Over 1,750 young Afghan women have completed coding classes that enable them to professionally connect to the digital world and bypass oppressive social contexts.

### Solafrica

Leveraging the growth of the solar industry in Ethiopia, Solafrica will have trained 540 men and women as certified solar technicians by 2022.

# 7,493

women and men are enrolled in or have graduated from vocational programmes supported by the Julius Baer Foundation.

## ZEITZ FOUNDATION KENYA

The ZEITZ foundation has committed itself to safeguarding nature and wildlife. At the Segera Conservancy in Kenya, the foundation launched an anti-poaching academy exclusively training women from rural communities to become wildlife rangers, thereby creating synergies between conservation and female empowerment.



“I do all of this because I believe in creating a world in which we care for our planet and for a future without discrimination.”

**Jochen Zeitz**  
Founder of the  
ZEITZ foundation  
CEO of Harley-  
Davidson, Inc.  
Former CEO of  
Puma AG

### 4 Cs

The ZEITZ foundation's strategy for a healthier planet considers four dimensions:

- Conservation
- Community
- Culture
- Commerce

#### **Mr Zeitz, why are you training female rangers only?**

Our All-Women Anti-Poaching Ranger Academy wants to set an example of female empowerment and sustainable employment created by conservation. Many women in Segera's local communities are single mothers with few job opportunities. Yet they are strong, reliable, focused, honest and hardworking. Many of them were highly motivated and interested in pursuing a career in a traditionally male-dominated industry. These women are drivers for peace and understanding in their communities, passing on a positive message about conservation to future generations.

#### **Which highlights were most impressive to you?**

One of our greatest highlights has been meeting these incredible women in our first selection in April 2019 and watching them develop into twelve strong, independent professionals. The graduation ceremony in September, attended by Government Ministers, press and local leaders, was a very proud moment for us, the female rangers and their families. All rangers are now fully employed by Segera and very successful in their anti-poaching tactics, tracking and preventing wildlife incidents and thus supporting our local communities.



#### **How has the programme impacted the women?**

In the words of the rangers themselves, the academy has helped them realise their potential and given them the confidence to play a role in protecting Kenya's wilderness, as well as earning their own income. They are proud to be changing and disproving the perception in communities that women are limited to specific roles. The female rangers are now empowered and respected in the community, showing future generations how preserving their land and wildlife is not only vital for nature, but also for local economies.

#### **What are the project's long-term goals?**

The long-term goals are to train more female rangers and to further emphasise the important role that women can play in conservation. We hope to eventually expand this model into other countries in Africa, making its positive effects even more far-reaching.

# SOLIDARITY & ART

In 2019, we awarded art prizes for one last time and have since realigned Solidarity & Art with our other strategic areas. Our new focus on supporting ‘cultural participation’ will invite a broader population to experience art, inspiring self-reflection, social spirit as well as joy and wonder. Support of the employee-run JB Cares organisations remains important and the Foundation will continue to match corresponding funds.

## Solidarity

- JB Cares

## Art

- Cultural participation projects

### **Solidarity — JB Cares**

Bank Julius Baer displays vibrant community engagement driven by its employees. Under the name JB Cares, devoted employees maintain charitable organisations on a purely voluntary basis. Many of these organisations combine recurring annual initiatives with more unique one-off events as well as fund-raising and in-kind giving activities. In solidarity with their commitment, the Foundation matches the amounts collected by JB Cares.

### **PRIX VISARTE Prize Winners 2019**

The bi-annual award recognises outstanding works of art in architecture and public spaces. The PRIX VISARTE 2019 was awarded to Ruth Erdt for her work ‘A Chronicle for Freienwil’ from 2017 and to Melik Ohanian for his work ‘Les Réverbères de la Mémoire’ which was shown in Geneva from 2010 to 2018. The PRIX VISARTE HISTORIQUE was awarded to Stefan Banz for his work ‘Alternative’ from 2006.

### **Fantoche Prize Winner 2019**

Fantoche is one of the world’s leading festivals for animated films as well as Switzerland’s most significant cultural event devoted exclusively to animation in all its thematic and technical facets. In 2019, the Julius Baer Foundation presented the audience award for best international film to ‘Sweet Night’ by Lia Bertels.

### **Our future**

The Julius Baer art collection, comprising roughly 5,000 works of contemporary Swiss art, illustrates clearly: art is in the DNA of Julius Baer. In our appreciation of the world of arts, the Julius Baer Foundation now seeks to contribute to Swiss cultural life and has aligned its support efforts with the Swiss Federation’s goals of promoting cultural participation. The Julius Baer Foundation aims to promote access to art among those who seldom or never experience it. This requires translating the language of art into that of the target group, sparking enthusiasm and opening up new perspectives. In view of this, we have granted support to Kunsthalle Zurich and the Centre Pasquart in Biel, based on their proposed cultural participation projects.





Waste Picker **Kevin Cera** walks beside some street art in Cartagena carrying his collected plastic bottles.



# REFLECTING ON OUR WORK

As a grant foundation, good governance is critical to ensure that our contributions translate into effective results. We define clear and transparent milestones in every grant agreement with our partners. Third-party experts conduct an external evaluation towards the end of each agreement period. In between, bi-annually submitted progress reports are our basis for evaluating the evolution of our partnerships regarding eight vital criteria of development work.

## 56

progress reports have been submitted and discussed in 2019.

### **Relevance** — rating: 9 out of 10

*Are the organisation's efforts addressing the relevant needs of the beneficiaries to make a difference in their life and community?*

Relevance goes beyond the numbers of beneficiaries graduating from a 12-month vocational training, for example. It must also consider whether the learned profession leads to job access, a sustainable income and a long-term perspective. In the pursuit of effectiveness, our partners must foster change that is relevant to the context in which they operate. Our best success stories have dramatically changed the lives of the first 12 all-female anti-poaching rangers in Kenya, for example, or the perspectives of 480 community health practitioners in Bangladesh.

### **Impact** — rating: 8 out of 10

*Do the results of the initiative inspire others to replicate it? Do they change the behaviours of communities or even inspire new legislative standards?*

The ability to create long-lasting impact depends on an organisation's ability to transfer knowledge. When best practices

and exemplary processes are well documented and made available to others, success stories can be understood, reproduced and scaled up, becoming more and more impactful. In our initiative Luta pela Paz, the idea of a 'personal roadmap' for young women and men in Brazil's favelas embodies the concept of easy reproducibility in an exemplary way.

### **Vision and courage** — rating: 8 out of 10

*Is the organisation's vision at the cutting edge? Does its pursuit require courage?*

Courage can either be expressed by operating in a high-risk region or by pursuing a visionary idea demonstrating the entrepreneurial risk of pioneering an untested model. Almost all of our 28 partner organisations have a clear vision — and several of them are exceptionally brave: whether training girls in computer programming in a women-discriminating society in Kabul, challenging retail leaders to forego plastics in the UK, or proposing new ownership models to an apartheid-marked wine industry in South Africa.



**Efficiency** — rating: 7 out of 10

*Is the organisation established enough to identify relevant measures and execute them with reasonable use of time, money and human resources?*

In this category, the scores are diverse due to our mix of partners. On the one hand, we work with well-established and organised non-profit organisations. On the other, we invest in ‘new kids on the block’, or very small NPOs, which struggle to source sustainable funding or to retain well-trained staff. We aim to fund well-established organisations such as Swiss-contact (Switzerland) or The Ocean Cleanup (The Netherlands), while also supporting new, pioneering partners such as Solms-Delta (South Africa) or FUNDES (Colombia).

**Organisational capacity**

— rating: 8 out of 10

*How experienced is an organisation? How is its financial resilience? How does it ensure good governance? Is its core competence in line with strategic areas?*

Our organisational capacity is an indicator of reliability. We generally seek out organisations that have a track record of around five years and are able to provide full transparency. Our grant amounts do not exceed 30% of their total annual budget in order to ensure diversified, stable financing. As we evaluate all of our partners for full transparency before entering a grant agreement, they generally score well regarding organisational capacity.

**Entrepreneurial thinking**

— rating: 7 out of 10

*Does the organisation have an income source other than donations? Does its operation include a value-generating business model?*

To reduce dependence on benefactors and ensure long-term financial stability, an organisation must build reserves and combine its philanthropic mission with an entrepreneurial plan to become self-sustaining. For example, a vocational facility can create sellable goods as a by-product, or successfully employed graduates can pledge to pay back their tuition. Visionary initiatives like The Ocean Cleanup shape their income generation around their core competence: the recycling of ocean plastic.

**High risk** — rating: 3 out of 10\*

*To which types of risk is the organisation exposed? Are there physical risks that pose a threat to practitioners or beneficiaries? Or are there financial risks such as that the business model has never been tried before?*

We see ourselves as a courageous foundation that appreciates risk according to its nature. We always promote visionary and entrepreneurial boldness, whereas we weigh physical risks against the importance of aims — such as empowering women in computer science in Afghanistan or training midwives and nurses in Somalia, a region with the highest maternal mortality rate in the world.

\* 1: low risk, 10: high risk

“Strive not to be a success,  
but rather to be of value.”

Albert Einstein

# PHILANTHROPY SERVICES

In 2019, the Foundation fully merged its Philanthropy Services into the service portfolio of Bank Julius Baer. As an integral part of Julius Baer Wealth Planning, our Philanthropy Services team now also offers access to legal, tax and financial planning experts to support clients in the pursuit of their philanthropic journey.



**Caroline M. Piraud**  
Philanthropy Advisor

As an expert drawing from the best practices of the Julius Baer Foundation, Caroline supports and provides guidance to clients of Bank Julius Baer in their philanthropic aspirations.

## **Ms Piraud, how do you accompany philanthropists?**

We guide our clients in planning their philanthropic journey based on their values and ambitions. First, we assist in defining an ambition and a strategy. Then, we implement proper monitoring and governance tools to stay on track. We also guide philanthropists in building a legacy, so their philanthropic journey can be carried on in the future.

## **What advice do you give to every philanthropist?**

Firstly, engage in something that is close to your heart. Philanthropy is about personal values and passions. Secondly, talk to your target group of beneficiaries and listen to their needs and priorities; they may differ from your outside perception. Thirdly, check if your own wealth strategy is in line with your philanthropic ambitions. Many clients are not aware that their financial portfolio has a significant impact, and my advice is that all investments should ideally be in tune with their personal value system.

## **What is impact investing and who is it for?**

As an impact investor, you are looking to create both a financial return and a positive impact on society or the environment. There is usually a higher risk involved,

and the investment vehicles are not listed on the stock exchange. Philanthropists with risk appetite and UHNWIs who define impact as the aligning of all actions within their value set are very interested in this type of investing.

## **What innovations do you see in philanthropy?**

We see more philanthropists looking for collaborations and co-investment opportunities. Platforms to share, learn and inspire are sought after. Also, the wealth transfer to the next generation will require a re-tooling of philanthropy practices for the future. Fortunately, at the Julius Baer Foundation, we are a role model of visionary philanthropy.

## **Why do people donate?**

While the range of motivations is wide and varied, philanthropy generally provides a sense of purpose and boosts happiness. The world giving index, the largest study in charitable behaviour, has confirmed a correlation between giving and happiness.

**“It is more difficult to give money away intelligently than to earn it in the first place.”**

Andrew Carnegie, 1889

# GOVERNANCE

The Julius Baer Foundation is domiciled in Zurich and is subject to Swiss law. It has close ties with the Julius Baer Group, which provides it with financial and administrative assistance as well as personnel support, thereby ensuring that every donation is fully used for the projects. In view of the diverse aspects of its mission, the Julius Baer Foundation operates autonomously.

The Foundation is governed by the Foundation Board which meets 3–4 times a year and consists of both senior executives of Bank Julius Baer and external experts. The Board lays out policies and the strategic focus of the Foundation, and defines project selection, the duration of project support and fund allocation. The Board also determines the Foundation's investment policy, which covers risk assessment and monitoring. The General Manager is responsible for the operational leadership of the Foundation.

The Advisory Board, established in 2017, consists of independent experts from the respective core areas and assesses the submitted applications to advise the Foundation Board on the selection of projects. This ensures an independent expert assessment.

The Foundation's capital is invested in the Julius Baer 'Sustainability Mandate', which uses a combination of ESG integration and mission-aligned investments to make sure that the capital does not conflict with the purpose of the Foundation.

## **Board Members**

Daniel J. Sauter, President  
Andreas Weinberg, Vice President  
Larissa Alghisi Rubner, Member  
Peter Gerlach, Member  
Yves Robert-Charrue, Member  
Beatriz Sanchez, Member (as of 6 March 2019)

## **Advisory Board**

### **WEALTH INEQUALITY**

Ariane de Lannoy, Chief Researcher at The Southern Africa Labour and Development Research Unit, University of Cape Town, South Africa

### **SOLUTIONS REPLACING PLASTICS**

Henning Wilts, Wuppertal Institute for Climate, Environment and Energy, Germany

### **VOCATIONAL TRAINING**

Marietheres Schuler, Swiss Federal Institute for Vocational Education and Training, Switzerland

## **Foundation management**

Christoph Schmocker, General Manager  
Kathrin Benz, Communications & Operations  
Nathalie Jean-Baptiste, Senior Programme Manager  
Wealth Inequality  
Melanie Kassewalder, Operations Manager

## **Annual financial statements and bookkeeping**

Facto Treuhand AG,  
Chamerstrasse 172, 6300 Zug

## **Statutory auditor**

KPMG AG, Postfach, 8026 Zurich

## **Julius Baer Foundation account**

IBAN: CH94 0851 5072 8789 4200 9

# BALANCE SHEET

As at 31 December 2019\*

	2019 CHF	2018 CHF
<b>Assets</b>		
Cash and cash equivalents	246,054.70	114,797.45
Receivables from donation commitments	240,000.00	240,000.00
Other short-term receivables	28,912.08	38,818.23
Other short-term assets	8,000.00	0.00
<b>Current assets</b>	<b>522,966.78</b>	<b>393,615.68</b>
Receivables from donation commitments	320,000.00	560,000.00
<b>Financial assets</b>		
Portfolio at Bank Julius Baer	10,190,685.57	10,060,262.63
<b>Non-current assets</b>	<b>10,510,685.57</b>	<b>10,620,262.63</b>
<b>Total assets</b>	<b>11,033,652.35</b>	<b>11,013,878.31</b>

	2019 CHF	2018 CHF
<b>Liabilities and equity</b>		
Confirmed contributions and donations	3,620,000.00	6,373,000.00
Accrued liabilities and deferred income	11,125.00	11,600.00
<b>Short-term liabilities</b>	<b>3,631,125.00</b>	<b>6,384,600.00</b>
<b>Fund capital</b>	<b>56,975.00</b>	<b>6,510.00</b>
Initial capital	250,000.00	250,000.00
Free capital	7,095,552.35	4,372,768.31
Organisation capital	7,345,552.35	4,622,768.31
<b>Total liabilities and equity</b>	<b>11,033,652.35</b>	<b>11,013,878.31</b>

\* with comparison to the prior year's figures

Julius Baer Foundation also prepared financial statements in accordance with Swiss GAAP FER 21.



# STATEMENT OF OPERATIONS

From 1 January to 31 December 2019\*

	2019 CHF	2018 CHF
Donations received	1,600,340.89	2,617,533.94
whereof from Bank Julius Baer	(1,400,000.00)	(1,300,000.00)
whereof donations from third parties	(200,340.89)	(1,317,533.94)
of which restricted	57,000.00	1,124,000.00
of which free	1,543,340.89	1,493,533.94
Operating income	1,600,340.89	2,617,533.94
Contributions and donations	-133,152.22	-5,693,757.92
Fundraising expenses	-4,210.30	-3,997.97
General administration	-80,213.10	-56,582.18
Operating expenses	-217,575.62	-5,754,338.07
<b>Operating result</b>	<b>1,382,765.27</b>	<b>-3,136,804.13</b>
Financial expenses	-25,000.20	-25,086.20
Financial income	124,148.87	134,832.81
Valuation result of securities	1,291,335.10	-764,864.09
Financial result	1,390,483.77	-655,117.48
<b>Result before change in fund capital</b>	<b>2,773,249.04</b>	<b>-3,791,921.61</b>
Change in fund capital	-50,465.00	-6,510.00
<b>Annual result (before allocation to organisation capital)</b>	<b>2,722,784.04</b>	<b>-3,798,431.61</b>
Appropriation of available capital	-2,722,784.04	3,798,431.61
	<b>0.00</b>	<b>0.00</b>

\* with comparison to the prior year's figures

## Accounting principles

- The accounts are prepared in Swiss Francs.
- Receivables: Valuations are made at nominal values less required/necessary value adjustments.
- Prepayments and accrued income: This item consists of assets resulting from the material and period accrual and deferral of individual expenses and income. They are valued at nominal value.
- Financial assets: Securities are valued at market value. Accrued interest is considered to be part of the market value.
- Confirmed contributions and donations: This item consists of the contributions already confirmed but not yet paid or amounts not yet paid to or drawn down by the beneficiaries as at the balance sheet date. These are valued at nominal value.
- Accrued liabilities and deferred income: This item consists of liabilities resulting from the accrual and deferral of specific expenses and income. These are valued at nominal value.
- The valuation principles are the same as in the previous year.

# CASH FLOW STATEMENT\*

	2019 CHF	2018 CHF
Cash inflow from donations	1,840,340.89	1,817,533.94
Cash outflow from donations confirmed previous year	-2,747,000.00	-1,479,000.00
Cash outflow from donations confirmed current year	-139,153.46	-1,014,757.92
Other payments	-84,898.40	-61,430.15
Cash inflow from other asset	25,629.17	0.00
<b>Cash flow from operating activities</b>	<b>-1,105,081.80</b>	<b>-737,654.13</b>
Investments of financial assets	-132,054.54	-883,045.60
Divestments of financial assets	1,368,393.59	1,699,471.25
<b>Cash flow from investment activities</b>	<b>1,236,339.05</b>	<b>816,425.65</b>
<b>Change in liquid funds</b>	<b>131,257.25</b>	<b>78,771.52</b>
<b>Reconciliation of change in liquid funds</b>		
Cash and cash equivalents as at 1 January	114,797.45	36,025.93
Cash and cash equivalents as at 31 December	246,054.70	114,797.45
<b>Change in liquid funds</b>	<b>131,257.25</b>	<b>78,771.52</b>

\* with comparison to the prior year's figures

# REVIEW REPORT



KPMG AG  
Audit  
Raffelstrasse 28  
CH-8045 Zurich

PO Box  
CH-8036 Zurich

Telephone +41 58 249 31 31  
E: infozurich@kpmg.com  
kpmg.ch

Review report to the Board of Trustees of

**Julius Bär Stiftung, Zurich**

We have been engaged to review the financial information (balance sheet, statement of operations and accounting principles, pages 38 to 40) of Julius Bär Stiftung for the year ended 31 December 2019.

This financial information is the responsibility of the Board of Trustees. Our responsibility is to issue a report on this financial information based on our review.

We conducted our review in accordance with the Swiss Auditing Standard 910 „Engagements to Review Financial Statements“. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial information is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the financial information does not comply with the accounting principles set out in the notes.

KPMG AG

Erich Meier  
*Licensed Audit Expert*

Bruno Denisi

Zurich, 15. April 2020



# CLOSING THOUGHTS

“We are sisters. Our father died three years ago. Due to social problems, we moved to Kabul to be able to continue our education. We were introduced to Womanity’s Programme Coordinator, and she heard our story and encouraged us to study coding to have a good future. We travel a long way to this school and study coding. At first it was difficult, but now we are able to code. We hope to be able to study computer science at the university. In the future, our dream is to have our own tech company and support other marginalised girls like ourselves. Thank you to Womanity for this great programme and Board Exam courses. This programme is a real light in our lives.”

**Saleha & Fakhria**, coding students at  
SDK High School, Womanity Foundation

“I really benefitted from the programme physically, mentally and spiritually. It changed my life so much. It makes me believe in myself as a strong woman, to have confidence that I can stand for myself — especially as a single mother. And I realised that everything a man can do a woman can do, too. I know I can work hard and take care of my children.”

**Virginia**, female anti-poaching ranger in Kenya,  
ZEITZ foundation

“After I completed the Solar Training, I successfully established the social solar enterprise ‘Bedilu Abush & Friends’ to provide my community with electricity. Following creation of our business plan, we acquired the necessary license to sell, install and maintain solar systems. Now the demand from my village Kebele is very high, and we cannot even serve all the customers.”

**Bedulu Abush**, graduate of Solafrica

“Earlier, people would always be surprised when I told them that I had gone to school and that I had a technical degree. They assumed I was uneducated because I was a waste picker. Now, people no longer see me as a ‘person of the street’, but rather as a worker in the recycling industry.”

**Eder Muñoz Márquez**, waste picker  
from the project Fundes in Colombia



**Editor and concept:** Kathrin Benz,  
Melanie Kassewalder, Julius Baer Foundation  
**Concept and design:** Hej GmbH, Zurich  
**Text:** Balz Chen Konzept & Text, Zurich,  
Kathrin Benz, Julius Baer Foundation  
**Paper:** Cocoon 100% recycled paper  
**Pictures:** Sandro Diener Photography, Zurich;  
p. 7: JOBLINGE; p. 29: The Ocean Cleanup;  
p. 31: ZEITZ foundation

BANK JULIUS BAER & CO. LTD.

Bahnhofstrasse 36  
P.O. Box  
8010 Zurich  
Switzerland  
Telephone +41 (0) 58 888 1111  
Fax +41 (0) 58 888 1122  
[www.juliusbaer.com](http://www.juliusbaer.com)

The Julius Baer Group  
is present in more  
than 60 locations worldwide,  
including Zurich (Head Office),  
Dubai, Frankfurt, Geneva,  
Hong Kong, London, Lugano,  
Luxembourg, Monaco,  
Montevideo, Moscow, Mumbai,  
Singapore, and Tokyo.

04.2020 Publ. No. PU00641EN  
© JULIUS BAER GROUP, 2020

