

Julius Bär
FOUNDATION

ANNUAL
REPORT
2018



OUR VISION

We envision a society in which youths and young adults obtain motivating vocational training and promising perspectives, where resources are used sustainably and different socio-economic groups interact with mutual support and respect.

FACTS & FIGURES

26

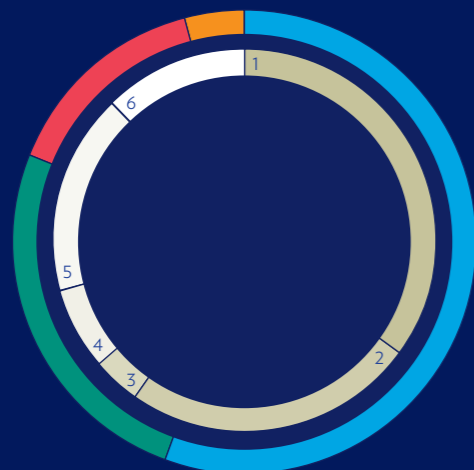
partner organisations
in 19 countries

28

projects
+4 compared to the
previous year

CHF 2.6 million

in donations received
+CHF 1.4 million compared
to the previous year



grant amounts per core area

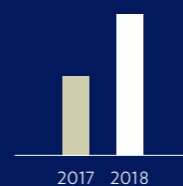
Vocational Training: 55.8%
Recycling PLUS: 25.5%
Wealth Inequality: 14.7%
Solidarity & Art: 4.0%

grant amounts per region

Africa: 35.1% ⁽¹⁾, Asia: 24.7% ⁽²⁾
European Union: 4.3% ⁽³⁾
North America: 6.8% ⁽⁴⁾
South America: 17.0% ⁽⁵⁾
Switzerland: 12.1% ⁽⁶⁾

100%

Donations are fully invested in
the specific project. All adminis-
tration costs are covered by
Bank Julius Baer.



grant amounts

2018: CHF 2,493,757
2017: CHF 1,374,300

“Everything will be okay in the end.
If it’s not okay, then it’s not the end.”

Ed Sheeran, musician

Dear Reader

In 2018, the Julius Baer Foundation made great strides in fulfilling its mission of making meaningful and impactful contributions to society.

We collected a total of CHF 2.6 million in donations, while committing grants totalling CHF 2.5 million, almost doubling the CHF 1.4 million granted in 2017. This remarkable result is a testament to the efforts and progress made in the past two years.

With the appointment of a new director of the Foundation in 2016, we initiated a thorough review of our strategy and activities.

From the outset, our focus was not just on increasing donations, but first and foremost we sought to expand the Foundation’s reach, by winning supporters within and outside Julius Baer.

As a first step, management and the Board of Trustees developed a long-term philanthropic strategy with three pillars: Vocational Training, Recycling PLUS and Wealth Inequality. Within this clear framework, we began sourcing an attractive mix of projects and promoting them tirelessly within Julius Baer, thereby reigniting the interest of the Bank’s management and key employees.

Over the past two years, the Foundation team has held numerous presentations for around 500 of the Bank’s relationship managers, wealth planners and key executives, enabling us to promote our goals, projects and capabilities to our clients. Our goal is to partner with them in their own philanthropic aspirations — either by sharing our know-how and advising them on how to make an impact on a cause they care about, or by inspiring them to support one of our projects.

We have also been actively engaging our employees through a ‘Payroll Giving’ programme initiated in September 2018. To date, 200 of our employees contribute as donors to the projects we support — a number that makes us grateful and proud, and that we hope to grow in the years to come.

Through an initiative we call ‘WeFoundation’, we further seek to broaden our network by sharing our strategy proactively with potential partners, ensuring we remain highly effective in mobilising our resources.

This Annual Report provides you with an overview of our activities and financials for 2018, as well as with some insights into our work. We hope you enjoy reading it, and we would be delighted to give you more information on request.

On behalf of the Julius Baer Foundation, we would like to thank all of our supporters for their interest, generosity and assistance.

Daniel J. Sauter
President
Julius Baer Foundation

Christoph Schmocker
General Manager
Julius Baer Foundation



Solidar Suisse: From being an orphan to being the hope of the family. The story of Roberto Rui Roberto — page 18



Sistema B: Combatting inequality by linking the privileged with the underprivileged in Chile — page 24



Zoological Society: Restoring coastal ecosystems and lifting coastal communities out of poverty by redesigning global supply chains in the Philippines — page 28



JOBLINGE gAG Hanse: Fighting youth unemployment by guiding disadvantaged young adults and refugees through a vocational training in Germany — page 20

06	The Julius Baer Foundation
06	About us
07	Evolving
08	Our partner organisations
14	Vocational Training
14	About the core area
16	Solidar Suisse, Mozambique
18	Dreaming to give back: The story of beneficiary Roberto Rui Roberto
20	JOBLINGE gAG Hanse, Germany
22	Wealth Inequality
22	About the core area
24	Sistema B, Chile
26	Recycling PLUS
26	About the core area
28	Zoological Society, Philippines
30	Solidarity & Art
30	Overview of further contributions
32	Project selection process
33	Governance
34	Philanthropy services
36	Financial Information
36	Balance Sheet
37	Statement of Operations
38	Review report

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The cover photos, as well as those illustrating the core area of Vocational Training, were taken during a project visit at Solidar Suisse in Mozambique.

ABOUT US

For more than fifty years, the Julius Baer Foundation has dedicated itself to making meaningful and impactful contributions to society. The Foundation's reach has expanded along with the growth of the Julius Baer Group, and, today, we support partner organisations worldwide in the three core areas of Vocational Training, Recycling PLUS and Wealth Inequality.

1965

For more than fifty years, the Julius Baer Foundation has dedicated itself to making meaningful and impactful contributions to society.

3

Core areas

- Vocational Training
- Recycling PLUS
- Wealth Inequality

Our mission

We are committed to providing guidance to underprivileged youths through solid vocational training that enables them to become self-reliant and responsible adults securing their livelihood independently and shaping their own environment positively.

We promote a sustainable approach to resources. Therefore, we support visionary Recycling PLUS projects geared towards reusing materials within a circular economy and finding an efficient way to filter out pollutants.

We systematically encourage voluntary exchange between various groups in societies characterised by inequality of means and opportunities. We accompany and invest in inspiring initiatives and projects that are collectively created by people from various socio-economic groups in order to create added value in their immediate vicinity.

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.

Vision & Courage

- We strive to be visionary in our thinking in order to anticipate important changes in our environment.
- We have the courage to support visionary project partners and recognise their potential.

Motivation & Reflection

- We pursue a motivational approach to collaboration with our partners and stakeholders.
- We thoroughly reflect upon our thoughts and decisions as well as the respective outcomes, as we want to make an impact that is sustainable.

Curiosity & Sharing

- We are curious and interested in increasing our knowledge and wish to discuss matters on a level playing field with our partner organisations.
- We believe in the power of sharing our knowledge, our expertise and our network.

EVOLVING

In the past years, the Julius Baer Foundation has further enhanced its structures, making the organisation stronger, more visionary and dedicated. Through this process, the exchange between the Foundation and Bank Julius Baer has been strengthened. Yves Robert-Charrue, both a member of the Foundation Board and the Bank's Executive Board, explains why this progress has been mutually beneficial – and he also reveals which of the Foundation's projects is his personal favourite.



"I think it's bold that a private bank tackles the challenge of wealth inequality."

Yves Robert-Charrue joined Julius Baer in April 2009 and has been a member of the Executive Board since then, currently acting as Head Europe since September 2016. He joined the Foundation Board in May 2018.

What role does the Foundation's work play for the Bank's clients?

The Foundation's activities have a strong emotional component. After all, it means dealing with charitable causes; hence, it has a lot to do with trust and empathy for others. The organisation's services can therefore strengthen the bonds between our clients and the Bank.

Philanthropy services were introduced as a special offering to the Bank's clients just last year. How did this come about?

Four steps led to the new philanthropy services:

1. First of all, it was necessary to raise awareness of the need for such services.
2. As a result, we started looking for credible and globally experienced experts who could cover a wide range of topics.
3. Diverse offerings were created for our various locations. In addition to workshops for our clients, there are philanthropy roundtables and events called 'CURIOSITY bites'.
4. Finally, we began training relationship managers (RMs) to introduce these offerings to their clients.

What can you as a private banker contribute to the work of the Foundation?

As Head of the Region Europe, I can motivate RMs to 'activate' the previously mentioned emotions. When the client is interested in the respective services, we bring them together with our competent philanthropy team.

Vocational Training, Recycling PLUS and Wealth Inequality are the organisation's three core areas. Which one matters to you most, and why?

Clearly Wealth Inequality! I am lucky to be in a privileged situation, and so are our clients. However, when you visit places where less fortunate people live, you feel the need to help. I think it is bold that a private bank tackles the challenge of wealth inequality, looks for projects in this regard and supports them in the long term. My personal favourite is Prof. Solm's project, the Cape Winemakers' Equity Accelerator, in South Africa: he deals with the problem of wealth inequality in a very concrete way.

OUR PARTNER ORGANISATIONS



OUR PARTNER ORGANISATIONS OVERVIEW

VOCATIONAL TRAINING

Partner organisation	Country	Project support	Grant amount CHF
elea Foundation: BagoSphere Providing professional training as call centre agents to underprivileged youths, enabling them to acquire secure jobs in the fast-growing call centre industry.	Philippines	2015–2020	60,000
elea Foundation: Dharma Life Giving rural households access to products sold at an affordable price by creating a local distribution network and educating locals as entrepreneurs to become local representatives and sales agents of Dharma Life.	India	2015–2018	50,000
elea Foundation: Smart Dukas Nairobi Training owners of small grocery stores in poor neighbourhoods of Nairobi in basic business skills, with the goal of substantially improving the business position of small traditional shops (Dukas), securing the jobs of the shop owners and their families.	Kenya	2017–2018	50,000
Fight for Peace Addressing the high levels of youth unemployment in the 'Maré' favelas through vocational training opportunities with a specific focus on personal development combined with practical job training and technical skills.	Brazil	2018–2020	120,000
Fundación Educación Providing support to talented, promising young people from low-income families to grant them the opportunity to study at a technical college or university to prepare for a career in the technical or information technology industry.	Colombia, El Salvador, Guatemala, Peru	2016–2019	50,000
IECD Enhancing youth employability by advancing vocational trainings and curricula in order to meet the needs of the companies in the electricity sector.	Morocco	2019–2021	100,000
JOBLINGE gAG Hanse Guiding and supporting disadvantaged young people and refugees to enter the job market by acquiring the necessary skills through vocational training.	Germany	2019–2021	90,000
Opportunity Giving disadvantaged young adults the opportunity to complete a vocational training with a state-approved qualification in trades such as tailoring, hair-dressing, catering, welding, carpentry, auto mechanics and electrics.	Ghana	2018–2020	60,000
Smiling Gecko Developing and implementing several new vocational training courses offering a wide array of employment opportunities in areas such as tourism and professional food service.	Cambodia	2015–2019	100,000

Partner organisation	Country	Project support	Grant amount CHF
Solafrica Developing and implementing a comprehensive demand-driven training, coaching and mentoring programme in solar technology and entrepreneurship. In 2017, a preliminary feasibility study was financed to evaluate the need for trained solar technicians.	Ethiopia	2017 2018–2022	15,000 300,000
Solidar Suisse Providing youths with vocational training in agriculture to become farmers and increase their chances of entering the labour market.	Mozambique	2017–2020	50,000
Swisscontact Fostering health knowledge among the population and training young adults in a two-year programme to become skilled community paramedics, who are urgently needed in rural areas and can provide initial medical care.	Bangladesh	2018–2020	120,000
Swisso-Kalmo Educating midwives and nurses in healthcare and on maternal safety as well as deliveries in a region with the highest maternal and infant mortality rates in the world.	Somalia	2017–2018 2019	80,000 100,000
TSiBA Education Granting youths with financial constraints and inferior or incomplete secondary education a vocational training to become commercial employees.	South Africa	2017–2019	100,000
Womaniy Foundation Offering vocational training to young women as IT and data management specialists.	Afghanistan	2017–2019	70,000
Zeitz Foundation Kenya Setting up the first all-women anti-poaching and conservation ranger unit in East Africa, recruited from marginalised women in Segera's neighbouring communities.	Kenya	2019–2021	120,000

RECYCLING PLUS

Partner organisation	Country	Project support	Grant amount CHF
A Plastic Planet Establishing the first science-based global plastic-free packaging solution and building an online inventory of alternative resources.	United Kingdom	2018–2020	100,000
Cooperaxion Contributing to relevant, sustainable waste management in cooperation with the local population of Monrovia.	Liberia	2018–2020	70,000
Fair Recycling Developing a vocational training course for the profession of 'recyclist' in order to enable underprivileged youths a future-oriented job opportunity, and therefore to overcome poverty.	Brazil	2017–2019	100,000
RethinkResource Elaborating a business-to-business online marketplace for responsible and sustainable handling of industrial waste, by-products and side-stream materials.	Switzerland	2017–2018	40,000
The Ocean Cleanup Supporting young scientists in their research on an efficient recycling process including collection of debris using advanced technologies to rid the oceans of plastic waste.	Pacific Ocean	2017–2018 2019–2021	160,000 200,000
Zoological Society London Redesigning global supply chains to restore coastal ecosystems, reduce marine plastic and improve the socio-ecological resilience of marginalised coastal communities. An award-winning initiative named Net-Works.	Philippines	2018–2020	130,000

WEALTH INEQUALITY

Cape Winemakers' Equity Accelerator Fostering the equitable redistribution of resources and expertise within the wine industry, thereby increasing the number of black wine producers in the industry. A mentoring, training and resource-sharing facility will be set up to bring together established and emerging wine producers.	South Africa	2017–2020	130,000
Jojoba Oil for Namibia Empowering farmers to grow Jojoba successfully and market their oil production internationally.	Namibia	2019–2021	110,000
International Inequality Institute LSE London School of Economics Evaluating the effectiveness of local wealth building strategies in the UK with the goal of exporting them globally.	United Kingdom	2019–2021	110,000
Olim Beyahad Integrating Ethiopian Israelis via suitable employment paying fair salaries with the help of native Israelis.	Israel	2018–2020	50,000
Partners for Possibility Addressing the problem of poorly equipped school principals in terms of skills and knowledge by supporting them through co-action and co-learning partnerships with local business leaders, who bring their entrepreneurial thinking, their knowledge and skills about change leadership to the school.	South Africa	2018–2020	50,000
Sistema B Combatting inequality in Chile by linking rural entrepreneurs from vulnerable communities with local people and enterprises through instances that enable bonding, networking and learning on behalf of their own businesses.	Chile	2018–2020	130,000

SOLIDARITY & ART

Partner organisation	Country	Project support	Grant amount CHF
Julius Baer Cares Matching the amounts collected by the various Julius Baer employee organisations worldwide.	Switzerland, UK/Ireland, Hong Kong, Singapore, Panama	–	212,000
Fantoche – audience award for best international film Donating the audience award for the best international film at one of the world's leading festivals for animated films.	Switzerland	2014–2019	20,000
Fotomuseum Winterthur – Post-Photography Prototyping Prize (P3) Supporting artists, creative technologists and researchers giving their attention to the transformation of photographic media through a biennial award by the Fotomuseum Winterthur and the Julius Baer Foundation in the field of post-photography.	Switzerland	2016 2018	50,000 50,000
Visarte – PRIX VISARTE Creating 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. PRIX VISARTE addresses itself to all professional groups directly involved, namely to other artists, architects, urban planners, politicians, civil servants, building owners, investors, curators and art mediators.	Switzerland	2015 2017 2019	50,000 50,000 50,000
Foundation Days: Café au Lait Encouraging dance, rhythm and singing for young artists from different backgrounds and cultures. Winner of the Bank Julius Baer employee voting.	Switzerland	2018	30,000

VOCATIONAL TRAINING

Solid vocational training is a powerful instrument for economic equality and social cohesion. Especially in developing countries, there is major potential in educating youth via vocational training in order to foster long-term change and development. Yet this type of education is often little known in many of these societies. What challenges do we face in developing countries compared to industrialised countries? How does the Julius Baer Foundation confront them?



Marietheres Schuler
Senior project manager
at the Swiss Federal
Institute for Vocational
Education and Training
SFIVET and Advisory
Board Member of the
Julius Baer Foundation

Reliable vocational training sets young people on the path towards economic independence, enabling them to support themselves, their families and their local community. When all players — state government, local governments, markets and communities — work together, real perspectives are created and investments show true benefits for all. The main condition: What trainees learn has to unconditionally match the needs of the job market.

According to our Advisory Board Member Marietheres Schuler, the rapidly changing demands of today's business world are the main challenges in an industrialised country like Switzerland. They often conflict with governmental regulations which adapt more slowly. Today, questions around future needs related to digitalisation and artificial intelligence are at the centre of discourse.

In developing countries, vocational training is often unknown or has a bad reputation because there are few career possibilities. Frequently, there is a major gap

between the trainees' education and the demands of business. Efforts must focus on raising awareness and harmonising the needs of workers, entrepreneurs and governments regarding vocational training.

Our commitment

The Julius Baer Foundation is committed to supporting vocational trainings that offer true perspectives for young men and women thanks to genuine cooperation between all relevant stakeholders. Clearly defined curricula and recognised diplomas that meet market needs are essential.

We consider vocational training as more than simply learning the theoretical and practical elements of a profession. It also includes young people's personal development and supporting them in finding a job. Our partners focus on developing students' personal life skills and attitudes as well as fostering their inclusion into society.

71

million young women and men are unemployed worldwide.

At the Marera Institute of Agriculture in Mozambique a balanced methodology is key. The students learn in theory what they put into practice in the following classes.

SOLIDAR SUISSE MOZAMBIQUE

97%

of trainees finish with good professional qualifications.

410

disadvantaged young adults receive professional training.

Giving disadvantaged young people a chance through vocational training

Solidar Suisse is a Swiss non-profit organisation that is committed to achieving a socially, politically and economically just society. It works in support of decent work, democratic participation and human rights in the poorest countries of Africa and Latin America, as well as in threshold countries of Eastern Europe and Asia. Solidar Suisse also provides disaster relief and humanitarian aid. In Switzerland, Solidar Suisse is campaigning to raise public awareness of how our consumption affects people in developing countries.

The programme supported by the Julius Baer Foundation facilitates access to basic or advanced vocational trainings for 410 disadvantaged young people. Of these, 85% receive basic vocational education and training (VET) lasting one to three years. The other 15% receive advanced vocational training lasting several

months in areas of agricultural work and in other sectors such as construction, metalworking and engineering. The project also strengthens VET structures through infrastructural and material support as well as through staff support.

Creating qualified employees

Through Solidar Suisse:

- 40% of beneficiaries are successfully integrated into the labour market ensuring income for themselves and their families
- 97% of enrolled trainees finish the courses with good professional qualifications, demonstrating that VET institutes have improved their qualitative output through better-adapted infrastructure
- Closer cooperation between the involved VET institutes strengthens the VET structures and mechanisms and enables better intergration of trainees into the labour market

Interview



Jorge Lampiao
Project Coordinator
Solidar Suisse,
Mozambique

What is the most touching story you have experienced?

As a boarding school, we enable female students from very remote areas to attend school who otherwise would not be able to learn any skills. We had one girl come to us for a basic three-year training who went back home to her family raising goats and turkeys. In the past they had sold maybe 1-2 goats and 4-5 turkeys a year. By implementing her new skills their sales experienced a tenfold increase. She has become an employer to many villagers in her hometown.

How do you spread a spirit of mutual support within your programme?

We try to get all the people involved as networked as we can. We make field visits with our back office employees, we bring people from the field to the office and we have interns from universities or other organisations gaining work experience and motivation through our work. We try to get everyone linked together so they know and feel the reality we are confronted with while building a sense of solidarity and team spirit.



From seeding to harvesting: The students at the Marera Institute of Agriculture in Mozambique learn all about growing profitable crops.

DREAMING TO GIVE BACK

When Roberto Rui Roberto found out he was accepted at the Marera Institute of Agriculture he felt relieved. A heavy load had just been taken from his shoulders. After living a life of hardship for many years, he would no longer need to worry about making money to fund his education, but could focus on his training instead – and maybe even get the chance to follow his own dreams some day.

Roberto Rui Roberto was born in January 1998 in Mozambique. He recently completed the basic technical training at the Marera Institute of Agriculture, an institution supported by Solidar Suisse. Currently, he is in his advanced studies and will graduate in 2020.

Roberto was two years old when his mother passed away. Only two years later he lost his father. His uncle and his family supported him as well as their means would allow. When he was only nine years old, Roberto started baking and selling bread rolls to earn money to buy food, clothes, books and pay for his own schooling.

“My uncle’s family did the best they could and their care prevented me from falling into crime. But they could not take the emptiness I felt. They could not understand my emotions or comfort me. I was completely lost. I felt my life was a tragedy”, Roberto recalls.

At the age of 18 he started his education at the Institute. During the first three years – the basic level – he learned all about animal husbandry and farming. He learned everything from how to care for animals in labour to how to bud a tree. He applied successfully for the advanced studies that last for another 2.5 years; a curriculum to perfect his acquired knowledge and teach him how to instruct others. He is pragmatic, saying he will be applying for a job when he finishes his studies in order to earn his

living. If he could have his wish, he would open his own big farm with cows, goats, pigs, ducks and chickens. He would earn money by selling cow milk, pork, goat meat and cheese, chickens and eggs. And he would keep horses – something very uncommon in Mozambique. His love for these animals has led to Internet research so he can learn all he can about them.

“It’s not just a school – I look at it as my home.”

He considers the school his home. Besides learning important technical skills, it has helped him considerably with his social development. “I have learned how to criticise people without offending them. My self-confidence has grown and I am more patient with myself and with other people.” He credits much of his development to someone he calls his big brother, namely Nelson Manuel Primeiro, who is in charge of the students and works with them with care and love – a love that Roberto wants to share with others. When asked about his dreams in life, there was only one answer: Roberto wants to use his new skills to help his uncle and his cousins.

As an agricultural trainee Roberto Rui Roberto is studying animal husbandry and farming. His perspectives have rapidly improved thanks to his education at the Marera Institute of Agriculture.

JOBLINGE gAG HANSE HAMBURG

500

young people in Hamburg have taken part in the JOBLINGE Klassik and Kompass programmes.

380

young people were placed in vocational trainings and jobs.

Fight against youth unemployment

The JOBLINGE gAG Hanse programme seeks to make a sustainable contribution to fighting youth unemployment in Germany. The objective is to support unemployed, disadvantaged young adults in obtaining placement in a vocational training or job, enabling them to lead a self-determined life. Lower-skilled youth, in particular, are left out of economic development and are often considered hard or impossible to employ. Many of them have a migration background and come from welfare-dependent families.

In Germany, the Julius Baer Foundation supports the Hamburg locations of the JOBLINGE programme, which helps disadvantaged young people and young refugees enter the job market via solid vocational training. Through trainings, real job opportunities and fostering personal responsibility, JOBLINGE creates

real perspectives for young people. Independence and help for self-help are at the heart of the concept. Many participants had already given up on themselves. The programme encourages them, creates perspectives and integrates them into society.

JOBLINGE closes the gap between origin and future

Of the 8,450 'Joblinge' who have participated nationwide so far, an outstanding 70% have been placed in vocational trainings. Since its foundation in Hamburg in 2014, more than 489 young people have attended the programme with 78% making the transition into vocational training. In 2016 an additional programme for refugees — JOBLINGE Kompass — was launched; 150 young people have taken part so far, of which 79% were placed in vocational training and work. With both programmes, the initiative in Hamburg wants to pave the way for 190 young people a year to enter the job market.

Interview



Simon Busch
Director JOBLINGE
gAG Hanse

What is the most touching story you have experienced?

There was this one girl that came to us a few years ago. At the time her son was three years old. She only had a high school degree and no family to support her. Still, she wanted to be a role model to her son. She followed her dream and fought to learn what is perceived as a man's job: she became a painter. She barely had time to see her son during her 3.5 years, leaving the house in the mornings before he was even awake. Today she has successfully graduated and supports herself and her son through the work she loves doing.

What does caring for each other mean to you?

At JOBLINGE I learned that caring is not necessarily feeling sorry or helping. It means to stop looking at someone's past and to start believing in someone while giving the person two or even three chances. Our participants have never experienced anyone putting faith in them. It is usually a totally new experience for them that someone shows interest in their life and their goals. Often they just call us to tell us about their day. That is caring.



Participants of JOBLINGE Kompass impressed the audience at the inauguration ceremony of the programme with a play they wrote and directed themselves. The six participants from Syria, Iran, Iraq and Eritrea received a standing ovation lasting several minutes.



WEALTH INEQUALITY

Wealth inequality is on the rise, harming both the poor and the rich. With wealth increasingly concentrated in the hands of a few, political power is also distorted. This circumstance leads to insecurity and social unrest. It is scientifically proven that more unequal societies offer less social mobility, causing stress, health problems and a lack of trust within a population. How pressing is this issue? How does the Julius Baer Foundation address it?



Ariane De Lannoy
Chief Researcher at The Southern Africa Labour and Development Research Unit at the University of Cape Town, and Advisory Board Member of the Julius Baer Foundation

Wealth inequality is defined as the uneven distribution of wealth within a country. It is measured by the Gini coefficient and the Palma ratio. In contrast to income inequality, it includes the assets owned by a person, e.g. homes, land and businesses. As wealth builds over generations, its uneven distribution is reinforced by various forms of discrimination that prevent some people from saving money or investing.

Saving is difficult for poor people. Access to education and job opportunities alone will not change this. It is crucial to think more broadly. Providing high-quality health care, retirement plans or shorter commutes are just a few examples of issues connected to people's ability to build wealth and protect themselves against shocks. In order to tackle the growing wealth gap, it is essential to bring together expertise on the various aspects. Broad partnerships are necessary.

Our commitment

The Julius Baer Foundation is committed to reducing wealth inequality by linking the relevant players from all income levels and social groups. We are a pioneer in the field and seek to promote trust, leadership for change and stability.

According to our Advisory Board member Ariane De Lannoy, wealth inequality has been on the rise in many countries, especially since the economic downturn a decade ago. It is consistently higher than income inequality and is rising far faster as well. In conclusion, wealth inequality needs more attention because it simultaneously affects all other inequality issues. To regain cohesion and stability within societies, dedicated state interventions as well as dedicated society-led initiatives are essential. While the state addresses systemic changes, innovative micro-level initiatives can play a real role by thinking more comprehensively when designing programmes that enable the poor to build wealth.

Our partners create inspiring initiatives formed collectively by people from various social classes. Such grassroots projects encourage a voluntary exchange between the various social groups. These projects can be linked to education, healthcare or income. However, they must always demonstrate how they reduce wealth inequality.

11%

of the world's billionaires are women, whereas almost 60% of low-wage workers are women, according to studies.

In the area of La Malinche, Mexico City, wealth inequality is clearly visible. The private school offering tennis, basketball and a well maintained pool abuts the misshapen football pitch of the barrio.

SISTEMA B CHILE

435

rural entrepreneurs from underprivileged communities will connect with business leaders, creating bridges between them and developing new commercial projects together.

>1,800

people of all parts of society participate in activities of 'Building Bridges for the Future'.

Connecting local entrepreneurs and business leaders

'Building Bridges for the Future' is a programme co-created by Sistema B and its partner organisation Balloon Latam. It seeks to combat inequality in Chile by linking people from various socio-economic classes and professions through experiences that foster bonding and networking.

Together with the support of the Julius Baer Foundation, this initiative will link vulnerable rural communities to businesspeople, executives, social entrepreneurs, public authorities and other relevant actors, promoting awareness and the development of meaningful bonds on a personal and business level. Over the course of all activities, 'Building Bridges for the Future' intends to bring together over 1,800 participants and 120 ventures, generating key conversations, links and bonds surrounding the regional social entrepreneurship and innovation, triple bottom line and purpose driven organisation landscape.

Creating bridges between different parts of society

Through Sistema B and Balloon Latam, more than 200 participating agents from 18 different countries have worked with more than 2,000 rural entrepreneurs impacting 67 communities in Chile, Mexico and Argentina. Based on this, participating researchers have learned that:

- The rural entrepreneurs are more satisfied with the community they live in.
- After the intervention, the impact on their businesses is reported as a better understanding of their customers, a boosted value proposition and a clear financial stand.
- This leads to an increased satisfaction with their work and with their current socio-economic status.
- There is an increased perception of voice and stake, measured by the rural entrepreneur's perception of their ability to make a difference.

Interview



Sebastián Salinas
Director and Founder
of Balloon Latam

What is the most touching story you have experienced?

The CEO of Matetic Vineyards came to support a local sandwich business which employs people with Down syndrome, and he left very impressed by the workers there. He discovered the value and especially the love that people like them bring to business. Afterwards he returned to the vineyard and opened positions for people with Down syndrome.

How do you spread a spirit of mutual support within your programme?

Wanting to connect with other people is definitely a criterion when hiring. The way people relate is not trivial to the value of their links. Nature teaches us through an amazing example: if you simply add carbon atoms on top of each other you get granite, but if you put them in relation to each other you get a diamond. It is the same with people. If they relate their existence is much more valuable.



At the National Meeting of Social Linking, in Chile, more than 600 people from 32 different communities met to connect. The event organised by Balloon Latam brought together rural entrepreneurs, international speakers and executives from the public and private sector to encourage a dialogue within the Chilean population.



Nylon fishing nets are hazardous to marine life. Each year, 640,000 tonnes of fishing gear are lost or discarded at sea.

RECYCLING PLUS

Single-use plastics have become a major environmental and economic challenge. Disposable plastics are polluting the world's oceans, killing sea life and, ultimately, harming humankind. It is time to address this global threat. What initiatives are sustainable and expedient? Are we aiming for a plastic-free society or will major recycling efforts solve the problem? What projects does the Julius Baer Foundation support in this matter?



Henning Wilts
Director Circular Economy at the Wuppertal Institute, Germany, and Advisory Board Member of the Julius Baer Foundation

Many initiatives for a plastic-free environment try to cut plastic use. By contrast, the concept of a circular economy does not ban plastic, but rather uses it as a resource. In such a system, the design, the production and the budget of a product consider recycled resources in all stages of the economic process.

According to our Advisory Board member Henning Wilts, the use of plastic can be wise and more sustainable in certain cases, i.e. when replacing heavier materials, such as metal. Thus, simply creating a plastic-free society is neither feasible nor effective. However, plastic should be used deliberately and properly valued as a resource. Less plastic will enter the oceans if big corporations recycle plastic and start reusing it.

To date, the world is still at the very beginning of changing its economic system. Only 9% of the world's economy is circular; 91% is still caught in the system of disposing instead of reusing. Various initiatives have proven a circular economy to be feasible and desirable. Yet, cheap oil has made it hard for the concept to expand. Oil subsidies have disguised the true cost of petro plastics.

In order to spark a circular economy on a large scale, the close cooperation of various stakeholders is essential. A circular economy is characterised by mutual efforts in a variety of fields: technology, legal frameworks, business models and public awareness must all be transformed. A joint effort is needed to reinforce the innovative single actions of today.

Our commitment

As a grant foundation, we support organisations with approaches to recycling that are not only innovative, but also make good business sense. We focus on innovative projects that repurpose resources while incorporating recycled materials from the very start of their value chain.

Our partners present business models designed to meet the demands of the circular economy in every production step. They demonstrate entrepreneurial flair and innovative methods in repurposing products in an environmentally friendly way.

381

million tonnes of plastics were produced in 2015. This is roughly equivalent to the mass of two-thirds of the world population.

ZOOLOGICAL SOCIETY PHILIPPINES

224

tonnes of discarded fishing nets have been collected to date – enough to go around the world 5.2 times.

64 thousand

people benefit directly from a healthier environment.

Preserving marine life while empowering communities

The Zoological Society of London (ZSL) and the carpet tile manufacturer Interface Inc. have co-founded the project Net-Works™. Its mission is to secure an ocean with less plastic and more fish while lifting coastal communities out of poverty. Southeast Asia is the centre of marine biodiversity while containing four of the top five countries that contribute 60% of the world’s marine debris. The inclusive business model of Net-Works™ includes collecting and buying end-of-life plastics for regeneration into Econyl® yarn, increasing the size of community-based marine protected areas (MPAs), introducing local financial services, driving behaviour change and leveraging seaweed farming. Further, the organisation works with the University of Technology Sydney (UTS) to explore how seaweeds could create bio-based and biodegradable alternatives to petro-plastics.

The support of the Julius Baer Foundation allows Net-Works™ to test a replicable business model for seaweed at commercial scale in one community on the ecologically significant Danajon Bank double barrier reef in the Philippines. Ultimately, the organisation aims to extend the model to the 3.35 million people dependent on fishing in Southeast Asia.

Creating ways to restore marine ecosystems

Through Net-Works™ and the support of the Julius Baer Foundation, 200 hectares of ocean will be protected and the use of single-use plastics halved, allowing over 3,000 people to benefit from these efforts. By integrating participating members into the seaweed supply chain, Net-Works™ is able to offer them higher incomes and important support services while increasing the size of MPAs more than 16 times the national average.

Interview



Nicholas Hill
Senior Technical Specialist, Conservation for Communities Marine & Freshwater Conservation Programme Zoological Society of London

What is the most touching story you have experienced?

It has always been extremely moving to see the empowerment of the communities. They win control over their lives and gain confidence and trust in themselves. Women in particular are gaining more financial independence. While there is a big demand for loans, debtors often only manage to service the interest of the micro-finance institutions’ credits. I have experienced many examples of debt collectors sleeping on their doorstep or taking household assets. Many times trying to pay the interest has led to prostitution. Through our community banks, women

are able to break free of those loans and actually end the cycle by saving, rather than being trapped with debt.

What does caring for each other mean to you?

For me it means to take actions at the community level. It means creating a sense of unity while working together for a common goal. I think this is increasingly important. My grandmother used to buy the worst looking fruit at the store because no one else would. Today, the world has gotten more selfish, leading to huge social and environmental problems.



Seaweed farming has become a valuable alternative to fishing on Danajon Bank, the centre of biodiversity. Locals are trying to diversify their livelihoods to protect coral reefs in the Philippines.

SOLIDARITY & ART

The Julius Baer Foundation supports rising young artists and voluntary initiatives from its employees through non-strategic, historically grown and modest funds. Who were the winners of this year's awards?

3

Art awards

- Fantoche
- Prix Visarte
- P3

Solidarity

- Julius Baer Cares
- Café au Lait

Fantoche

Fantoche is one of the world's leading festivals for animated films and is Switzerland's largest cultural event devoted exclusively to animation in all its many thematic and technical facets. In 2018, the Julius Baer Foundation donated the audience award for best international film to 'Enough' by Anna Mantzaris.

Prix Visarte

Owing to the current construction boom, many groundbreaking works in the field of art and construction as well as art in public space have been created in Switzerland. The prize is awarded every two years and will take place again in 2019.

Post-Photography-Prototyping Prize (P3)

P3 is an award given every two years by the Fotomuseum Winterthur and the Julius Baer Foundation in the field of post-photography. It aims to support artists, creative technologists and researchers giving their attention to the transformation of photographic media. P3 was launched in 2016 to explore the topic of 'post-photography' and how photography's role in contemporary culture is changing. Awarded 2018 in London were Adam Brown (GB), Tabea Iseli (CH) and Alan Warburton (GB) who formed the team 'Generative Photography'.

Julius Baer Cares

Julius Baer has a vibrant community engagement movement emanating from its employees. Carrying the name Julius Baer Cares, the individual organisations at different locations are run on a purely voluntary basis by employees. To show its solidarity, the Foundation matches the amounts collected by these organisations. Most Julius Baer Cares organisations combine recurring annual initiatives with more unique one-off events as well as fundraising and in-kind giving activities.

Café au Lait

Café au Lait is an association for African dance, singing and percussion in Zurich, Switzerland, consisting of children and young people of all origins and cultures. The club is recognised by Zurich's Department of Sports as a promotional organisation for youth sports. The young receive instruction in dance, rhythm and singing. This also gives students an opportunity to revive and share their own African heritage. In 2018, the Bank Julius Baer's employees voted for a one-time donation of CHF 30,000 to Café au Lait.

Café au Lait's classes lead children aged 6-18 to the stage. Through dance, percussion and singing, the participants revive and share their own African heritage.

PROJECT SELECTION PROCESS

At the core of the Julius Baer Foundation lie highly professional procedures including a four-eyes evaluation of all grant applications by experts in the field. We strive to be visionary, impactful, sustainable and transparent in every step of the process.

4 leading principles	<ul style="list-style-type: none"> • Long-term grants lasting 3–6 years • Grants not to exceed 50% of the partner's annual budget • Projects corresponding with one of our three core areas • Support for experienced partners who are impactful, sustainable and courageous
Communication and transparency	<ul style="list-style-type: none"> • Clear requirements for grant applications published online • All projects listed in a project database • All projects analysed by a semi-annual progress report; projects' outcome evaluated on a regular basis
Application process	<ul style="list-style-type: none"> • 2–3 calls for proposal issued based on specific topics or countries • Application evaluated and innovative partners selected according to fixed criteria grid • Independent second external evaluation performed by Advisory Board Member
Evaluation and selection	<ul style="list-style-type: none"> • Decision made according to decision matrix — our explicit method to make sound decisions • Recommendations of approx. one page from the Advisory Board member for the Foundation Board • Special attention given to income and financial sustainability of the project
Decision criteria	<ul style="list-style-type: none"> • Partner has a clear profile of its organisation • Specific project has profound impact and is courageous • Special aspects considered; e.g. needs assessments done • Amount and duration of the grant meets requirements
Grant agreement	<ul style="list-style-type: none"> • Expectations and duties of the grant maker, the grantee clarified • Clear milestones defined • Different project reports required (progress reports, external evaluation)

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 individuals. The Board lays out policies and the strategic focus of the Foundation, and defines project selection, 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 (as of 14 Mar. 2018)
 Jan A. Bielinski, Member (until 14 Mar. 2018)
 Dieter Enkelmann, Member (until 14 Mar. 2018)
 Wolfgang Humbert-Droz, Member (until 28 Nov. 2018)
 Peter Gerlach, Member
 Yves Robert-Charrue, Member (as of 6 Jun. 2018)

Advisory Board

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

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

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

Foundation management

Christoph Schmocker, General Manager
 Caroline Piraud, Philanthropy Advisor
 Kathrin Benz, Communications & Operations
 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

PHILANTHROPY SERVICES

At the Julius Baer Foundation we ‘walk the talk’ and like to practice our value of ‘sharing’ not only within our own core areas, but also in any other topic clients of the Bank Julius Baer have defined as their own philanthropic mission. By offering our expertise and network, we can support clients on their personal philanthropic journey.

The Julius Baer Foundation team grew in 2018. Caroline Piraud joined Christoph Schmocker to advance the Foundation’s mission of offering philanthropy advisory services to clients and prospects of Bank Julius Baer everywhere around the world. The Foundation is also committed to supporting the Bank’s relationship managers by providing internal trainings on philanthropy and by accompanying them to their client meetings.

Bank Julius Baer is aware of the increased demand of wealthy individuals, families and corporate foundations for philanthropic advice. Donors have become more entrepreneurial about their giving and care about creating a lasting and positive impact in society.

The philanthropy advisory team at the Julius Baer Foundation offers its expertise to jointly address critical questions, challenge the status quo and to achieve the maximum impact for the actual cause. We have developed different offerings for Julius Baer locations worldwide including a variety of event formats for clients and prospects.



Julius Baer Foundation talk with Boyan Slat, CEO and founder of The Ocean Cleanup.

Offerings

The following five options are available through the Foundation.

Philanthropy Roundtable

This one-hour format includes a short input presentation by a Julius Baer philanthropy advisor on a specific philanthropic topic (e.g. strategic governance, project selection, impact measurements, sustainable investing) followed by a discussion with a few participants.

Face-to-face meeting

Julius Baer philanthropy advisors are available to join one-on-one meetings with clients and to offer guidance on their individual philanthropic journeys.

A newly developed philanthropy advisory booklet serves as a discussion guide as well as a workbook for the client to take home after the meeting.

Julius Baer Foundation Talk

In a fireside chat the Julius Baer Foundation introduces one of our current project partners with the opportunity for the audience to ask questions and gain insights directly from the field as well as a look behind the curtains.

Philanthropy Workshop

This format entails two to three hours deep diving into a philanthropic topic with the goal of leaving with concrete results, such as a checklist, a new governance tool or an investment guideline.

Curiosity Bites

The idea is to offer an introduction beyond the Foundation’s core areas, as clients are interested or engaged in all kinds of causes, e.g. breast cancer, rainforests or endangered animals. A Julius Baer philanthropy advisor moderates a panel, which includes two experts on the respective topic, representing one large and one small NGO.

REVIEW REPORT



KPMG AG
Audit
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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 36 to 37) of Julius Bär Stiftung for the year ended 31 December 2018.

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, 26. April 2019

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COMING UP

At the last Global Young Partners Reunion, the Young Partners of the Bank Julius Baer designed a watch in collaboration with the manufacturer IWC Schaffhausen. Its proceeds will partly go to Fight For Peace in Brazil, a project supported by the Julius Baer Foundation. This is an example of how the Bank’s network benefits the Foundation.



The Julius Baer Young Partners IWC Schaffhausen Watch

Young Partners

The year-round initiative includes various platforms and activities such as the Young Partners Programme, the annual Global Young Partners Reunion and others. Young Partners will be part of the Young Partners Alumni and gain access to a closed user group for updates and first-hand information.

Global Young Partners Reunion

Annual assembly of the Young Partners Alumni, offering ample opportunities for reconnecting and networking while meeting inspiring entrepreneurs, members of Julius Baer’s senior management as well as internal and external speakers.

Young Partners Programme

A five-day programme designed by Bank Julius Baer to offer the leaders of tomorrow, the children of our clients, a personal introduction to the Julius Baer Group, the company’s expertise in managing wealth and opportunities for networking.

Fight For Peace

A project in Brazil addressing the high levels of youth unemployment in the ‘Maré’ favelas through vocational training opportunities with a specific focus on personal development combined with practical job training and technical skills.



Alessandro Anastasio
 Head Global Marketing Programmes, joined Julius Baer seven years ago. ‘What began as a simple idea has evolved into the Global Young Partners Community – and we continue to grow.’

JULIUS BAER FOUNDATION

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The Julius Baer Group
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Dubai, Frankfurt, Geneva,
Hong Kong, London,
Luxembourg, Milan, Monaco,
Montevideo, Moscow, Mumbai,
Singapore and Tokyo.

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