

Julius Bär

SUSTAINABILITY REPORT 2020

JULIUS BAER GROUP



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Cover caption: What truly matters is in all our hands. At Julius Baer, we are empowering our clients, employees and further stakeholders to create positive impact, today and tomorrow. Our sustainability strategy guides us in enabling capital shifts towards a more equitable future and healthier planet for generations to come.

THIS REPORT

This report provides an update on our progress during the year 2020, while also providing an insight into our sustainability strategy ahead. Alongside the Julius Baer Annual Report, Half-Year Report and Business Review, it is designed to empower our clients, employees and wider stakeholders to make responsible decisions based on transparent, credible information.

The report addresses our strategic issues, identified in collaboration with internal and external stakeholders. It also reflects our commitments as a signatory to the United Nations Environment Programme Finance Initiative (UNEP FI) Principles for Responsible Investment (UN PRI) and Principles for Responsible Banking (UN PRB), as well as our alignment with the UN Sustainable Development Goals (SDGs). It has been prepared in accordance with Global Reporting Initiative (GRI) Standards: Core option. The GRI content index is included at the end of this report, alongside our UN PRB disclosure and our first forward-looking statement to the Taskforce on Climate-related Financial Disclosures (TCFD).

Unless indicated otherwise, this report covers the whole Julius Baer Group including all consolidated operational companies for the financial year ending 31 December 2020. The content has been reviewed and approved by the Julius Baer subject matter experts, the Sustainability Board, as well as the Executive Board and Board of Directors.

- [See our data and disclosures](#)
- [Read our Annual Report 2020](#)

Signatory of



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FOREWORD

A very warm welcome to our 2020 Sustainability Report. Over the following pages, you will see an extensive overview of how we are performing as both a responsible wealth manager and a responsible corporate citizen. Robust metrics help to tell our story of positive impact, as do insight article features that delve into special interest topics. Credibility is a cornerstone of our strategy and we align with the highest international guiding principles, such as the UN SDGs, UN PRB and UN PRI.

Today's investors are more discerning than ever, seeking to achieve not only a financial return but to channel their wealth to make a difference on what matters to them. With sustainability topics and investment products continually growing and evolving, our role is to provide accurate and straightforward insights so our clients can make their own informed choices. In turn, evidence suggests that responsible investors can realise more robust financial performance – during 2020, sustainable investing strategies outperformed the market in many areas.¹

Our new impact investment offering exemplifies how we enable responsible decision-making. Its 'ecosystem' of thought leadership (focusing on megatrends of the overuse of natural resources and the underuse of human resources), metrics and solutions gives investors the confidence to grow their wealth in line with their personal values. Credibility comes not only from demonstrating insight and forward thinking, but also integrity and transparency. We take very seriously our corporate and sustainability commitments, our conduct in the marketplace and our approach to risk – protecting our clients, employees and reputation is fundamental to the way we do business.

During a difficult year for our colleagues and their families, we have been humbled by the resilience and commitment shown. Employee engagement

scores reached their highest level yet, reflecting the innovative ways in which we enabled remote working and supported mental and physical well-being. As an inclusive employer, we were also pleased to see an increased portion of women in senior management roles (27.9% by end 2020). Our community activity was directed primarily at pandemic efforts and we have so far donated CHF 5 million globally as early as March 2020 and another CHF 5 million to charities in Switzerland in January 2021, with additional time and resources given by our employee-led network, Julius Baer Cares. The Julius Baer Foundation increased its grant funding by 18%, supporting 30 projects around the world that focus primarily on addressing Wealth Inequality and Solutions Replacing Plastics.

We have made steady progress against our environmental targets, meeting 100% of electricity needs from renewable sources at our Swiss hubs and maintaining carbon neutrality in our operations. We have engaged even more colleagues in sustainability, with 50 investment advisors and portfolio managers attaining an ESG certification from the Chartered Financial Analyst Institute. In addition, we now have 27 qualified ESG 'champions' across the Group and the number is growing.

¹ Julius Baer: <https://www.juliusbaer.com/en/insights/market-outlook/the-world-after-the-corona-crisis-digitalisation-investing/>

“If everyone were aware of the potential impact of their investment decisions, the effect on the world around us could be considerable. We could accelerate the development of green energy technologies, or protect vast swathes of our oceans and forests for future generations. I encourage you to challenge us, and those around you, to work harder to build a greener future for coming generations.”

PHILIPP RICKENBACHER, CHIEF EXECUTIVE OFFICER

When we look back to Julius Baer setting up a charitable foundation in 1965, we have come such a long way. We were the first Swiss bank to endorse the UN PRB, and such global principles will continue to inform our direction and will be particularly important as we align with the European Union (EU) Action Plan on Financing Sustainable Growth. And so it is timely that we are publishing an updated sustainability strategy. It sets out our path in responsible investment and our responsible citizenship priorities as a caring employer and trusted community partner, alongside our drive to conserve natural resources, including a new climate

strategy. The emergence of a new pandemic in 2020 reminds us that we operate on shifting sands and we know that climate change is a very real threat to societies. We must be ready to adapt and flex how we serve our clients and to apply the very latest market insights.

It only remains for us to thank our Julius Baer colleagues for their continued commitment to this vital journey of sustainable business. We invite you, our valued stakeholders, to share your thoughts with us as we stride forward in 2021.



Romeo Lacher
Chairman

A stylized, handwritten signature in black ink, consisting of a large, flowing 'R' followed by a series of connected loops and a horizontal stroke.



Philipp Rickenbacher
Chief Executive Officer

A stylized, handwritten signature in black ink, featuring a small 'P' followed by a long, horizontal, wavy line.

WE ARE JULIUS BAER

We are the leading Swiss wealth management group¹, with a strategy built on three principles: delivering a best-in-class experience to our clients, pursuing sustainable profitability and being the most admired and respected firm in our sector. With a heritage going back to 1890, today we rank among the largest publicly listed financial service providers in Switzerland.

OUR KEY BUSINESS FUNCTIONS

Discretionary mandates: managing assets on behalf of our clients.

Investment advisory offering: personal investment advice with various service models.

Wealth planning: solutions for asset structuring, financial planning, succession planning, taxation, relocation, retirement, sustainable and impact investment, as well as philanthropy.

Financing: a wide range of credit solutions, from Lombard lending and mortgages right through to structured financing transactions.

Trading/structured products: advice and access to structured products and direct investments for our private banking clients.

Proprietary research: analysis on economics, equities, fixed income, investment funds, currencies and commodities. Julius Baer Next Generation Research focuses on the structural trends that will shape the future.

Investment Insights app: this gives clients and intermediaries round-the-clock access to Julius Baer research and investment publications.

ROOTED IN OUR VALUES

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

→ Find out how our values underpin our ethical approach to business

Key figures as at 31 December 2020

	2020	2019
Assets under management (CHF bn)	433.7	426.1
Number of employees (FTE)	6,606.5	6,638.5
<i>Number of relationship managers (FTE)</i>	1,376	1,467
BIS total capital ratio (%)	21.0	22.1
Moody's long-term deposit rating of Bank Julius Baer & Co. Ltd.	Aa3	Aa2
MSCI ESG rating of Bank Julius Baer & Co. Ltd.	A	A

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

OVERVIEW

Europe



Switzerland



Our locations in other parts of the world

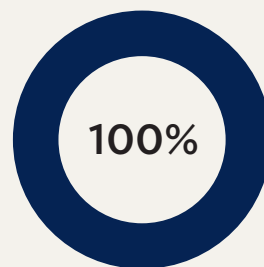
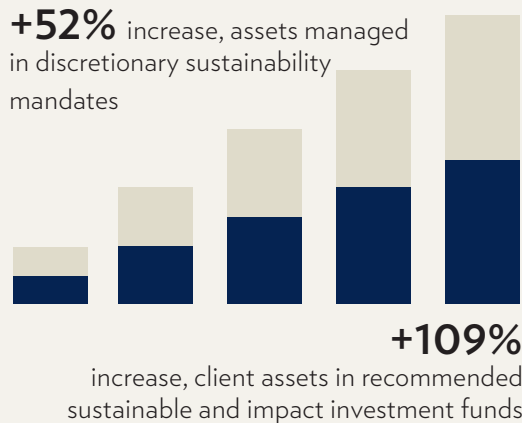


- Location
- Booking centre
- Julius Baer Family Office Brasil (integrated operations of GPS and Reliance Group), a fully owned subsidiary
- NSC Asesores, majority participation of 70%
Julius Baer is present in Mexico City with a representative office
- Strategic partnerships in Bangkok, Thailand, with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

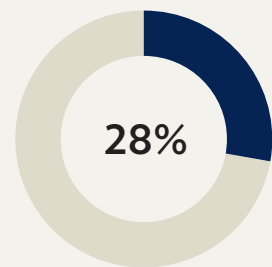
¹ Additional advisory locations in Bangalore, Chennai, Hyderabad, Kolkata and New Delhi

HIGHLIGHTS OF THE YEAR

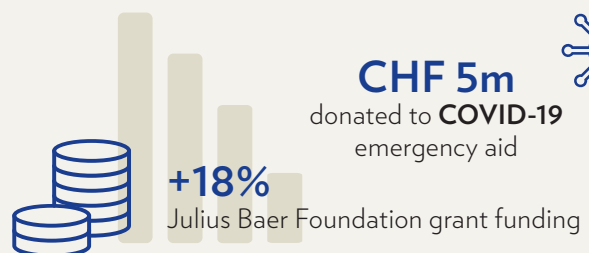
Despite a challenging operating environment in 2020, we continued to make strong progress against our strategic goals. Below is a selection of highlights.



Renewable electricity in Swiss offices



Women in senior management roles



HIGHEST employee engagement score to date (**7.8 out of 10**)

+CHF 150m invested in risk management systems, 2016–2020

6,500+ employees trained and signed up to the **Code of Ethics and Business Conduct**

New impact investing offering launched

HOW WE MEASURE UP IN SUSTAINABILITY RATINGS

A-rated, MSCI ESG¹

Constituent, SXI Sustainability Index³

'B', CDP rating for carbon disclosure⁵

85, S&P Global CSA percentile rank²

Constituent, FTSE4GOOD⁴

¹ MSCI ESG Ratings provide insight into ESG risks and opportunities within multi-asset class portfolios. Source: www.msci.com/esg-ratings

² The S&P Global Corporate Sustainability Assessment (CSA) is an annual evaluation of companies' sustainability practices. The resulting ESG rating is used, among others, to create the Dow Jones Sustainability Index. Source: www.spglobal.com/esg/csa/

³ The SXI Switzerland Sustainability 25 Index® includes 25 stocks from the SMI® Expanded Index with the best sustainability scores

⁴ The FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong ESG practices.

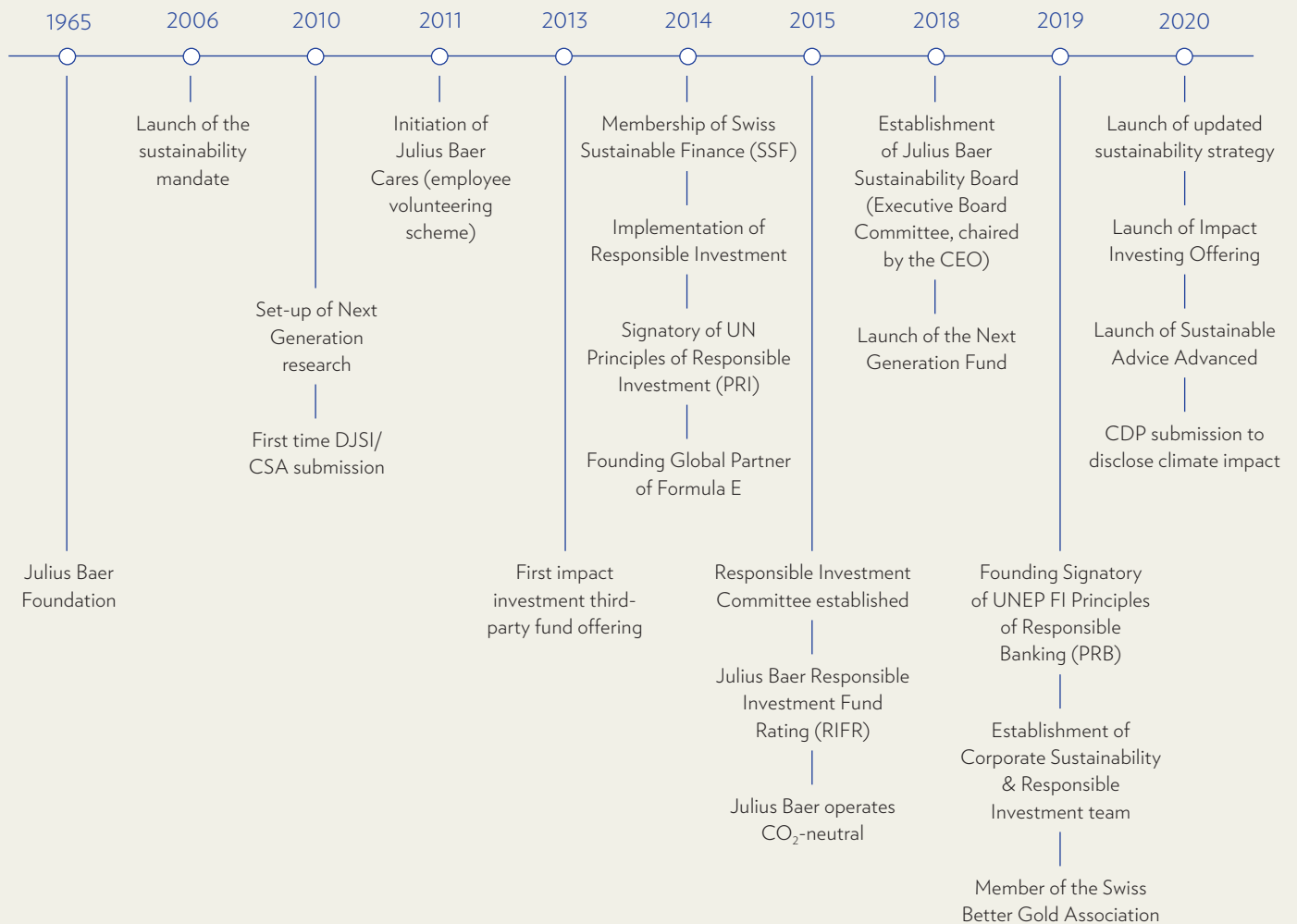
Source: www.ftserussell.com/products/indices/ftse4good

⁵ Carbon Disclosure Project is a not-for-profit charity that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts. Source: www.cdp.net

WHERE WE HAVE COME FROM

For over 130 years, we have enabled families and new generations to thrive. And as an institution, we have always taken our responsibilities towards stakeholders and society very seriously. Since establishing the Julius Baer Foundation back in 1965, we have continued to acknowledge the wider role

we can play in society and the environment. Today, sustainability is formalised and embedded within our core business but there is always more we can do and this report shows how we are continually adapting and evolving our approach to meet today's most pressing challenges.



THE WORLD CHANGED IN 2020

As a responsible business, we help our clients understand and shape the future in which we will live. This means sharing credible insights around global megatrends and new opportunities. In 2020, COVID-19 was the dominant challenge. At the same time, societies experienced rising inequality, social unrest and digital exclusion, whilst climate change and biodiversity losses continued unabated. These are just some of the issues that have had repercussions on global finance and our own corporate citizenship.

SOCIO-ECONOMIC CHANGE

Wealth inequality: ‘Leave no one behind’ was the rallying cry of the 2030 Agenda for Sustainable Development and reducing inequality within and among countries is Goal 10 of the SDGs. COVID-19 has accentuated global inequalities, with poorer people more exposed, less able to access medical care, most acutely impacted by loss of income (lockdown policies have particularly hurt the working poor in developing countries)¹ and more excluded from digital remote work and learning.²

- Find out how the Julius Baer Foundation is addressing wealth inequalities
- Find out how we have supported communities through COVID-19

Population growth and urbanisation: during 2020, the global population grew at a rate of around 1.05%³, with just over half (56%) of us living in cities.⁴ While crowded cities, combined with the threat of future pandemics, is reversing urbanisation trends in some developed countries, the share of the urban population is expected to reach more than two-thirds by the middle of this century.

- Find out about smart cities of the future

Technological innovation: accelerated digitalisation, as prompted by the COVID-19 pandemic, can be an engine of economic growth, offering new possibilities in health care, education, communication and productivity. But it can also exacerbate wage inequality and displace workers. With 5G infrastructure almost ready to deliver ultra-fast connectivity, big data, artificial intelligence and analytics will be far more prevalent in 2021.⁵ Aside from the digital divide challenge, technological innovation also brings cybersecurity and identity risks.⁶

- Find out how digital innovation is improving our client experience
- Find out how we are protecting client and employee data and privacy

Social unrest: race-based violence in 2020 reignited the Black Lives Matter movement to end systemic racism and inequality. The subsequent protests and riots soon spread globally. Many businesses and organisations used their platforms to promote inclusion and equity in the business community.⁷

- Find out about our diversity and inclusion goals and initiatives

¹ UNU-WIDER: <https://www.wider.unu.edu/publication/covid-19-and-employment>

² World Economic Forum: <https://www.weforum.org/agenda/2020/04/10-technology-trends-coronavirus-covid19-pandemic-robotics-telehealth/>

³ Worldometer: <https://www.worldometers.info/>

⁴ World Urbanization Prospects, UN: <https://population.un.org/wup/>

⁵ Forbes: <https://www.forbes.com/sites/danielnewman/2020/08/11/the-top-10-digital-transformation-trends-of-2020-a-post-covid-19-assessment/>

⁶ KPMG: <https://home.kpmg/ie/en/home/insights/2020/11/consumers-and-the-new-reality-retail-manufacturing.html>

⁷ World Economic Forum: <https://www.weforum.org/agenda/2020/06/companies-fighting-systemic-racism-business-community-black-lives-matter/>

“We can’t have healthy people on an unhealthy planet. The COVID-19 crisis has shown us that nature, health, inequality and the economy are all interrelated and people are at the centre.”

PAUL POLMAN, CITED IN WEF’S ‘NATURE IS EVERYONE’S BUSINESS’ REPORT (JUNE 2020)

STATE OF THE PLANET

Climate change: although global emissions are estimated to be as much as 7% lower in 2020 due to pandemic lockdowns,¹ NASA ranked 2020 as the hottest year on record. Without action, we risk missing the Paris Agreement’s ambition of holding global warming to well under 2 °C and limiting further devastation.

→ Find out how we are reducing and offsetting our own carbon footprint

Oceans and the blue economy: 90% of the large animals in the oceans are gone and studies forecast the collapse of most commercial fisheries by 2050 under ‘business as usual’ conditions. In addition, coral reefs, oyster beds, kelp forests, and marine ecosystems that provide food security and other key benefits for hundreds of millions of people are being hammered by ocean warming and acidification. The blue economy is gaining traction as a way of investing in ocean resources for long-term preservation. In Europe alone, it is estimated to have created 5.4 million jobs, with a gross added value of almost EUR 500 billion a year.²

→ Read our insight feature on the blue economy as an impact investment opportunity

Land use: unsustainable agricultural practices have contributed to the perilous situation the world now finds itself in. Shifting capital market finance towards sustainable food and agriculture is essential if we are to reverse some of the damage.

→ Find out how investors are realising returns through impact investments

Nature loss: with more than half of the world’s total GDP – USD 44 trillion of economic value – moderately or highly exposed to risks from nature loss, the WEF has spearheaded an initiative to expand global conservation areas to 30% by 2030 in order to mitigate potential losses in the agriculture, forestry, and fisheries industries.

→ Find out how investors are realising returns through impact investments

Climate change is among the top five global risks in the next ten years

¹ World Economic Forum: <https://www.weforum.org/agenda/2020/10/global-risks-interactive-map-shows-climate-issues-rising/>

² European Commission: https://ec.europa.eu/maritimeaffairs/policy/blue_growth_en

SECTOR TRENDS

Responsible investment: the UN PRI welcomed over 900 new signatories in 2020, bringing its represented assets under management to USD 86 trillion – an indicator of the growing momentum around responsible investing. We assume the sustainable investing market is now worth above USD 30 trillion globally, with impact investing the fastest growing investment approach in 2020 and the Swiss impact investing market growing by 209% in just a year.¹

Market surveys show that two thirds of investors want to consider ESG criteria and to generate a positive environmental and social impact with their investments while generating financial returns at the same time.

→ Find out more about our approach to responsible investment

Regulation and guiding principles: the financing gap to achieve the SDGs is currently estimated at USD 2.5 trillion per year. To meet this gap, the EU Action Plan on Financing Sustainable Growth mandates new regulatory requirements, as well as pushing for guiding principles such as UN PRB and UN PRI to be transferred into ‘hard’ law, whilst the European Green Deal will push for corporates to be climate-neutral and biodiversity-positive by 2050. The International Monetary Fund continues to argue for climate risk to be mandatory within international reporting, while voluntary disclosure initiatives such as the TCFD attract more companies. Finally, the EU has agreed a plan to invest up to EUR 750 billion in a greener future as part of its recovery and national governments are attaching environmental strings to their own COVID-19 state bailout packages.²

→ Find out how we are supporting the EU Action Plan on Financing Sustainable Growth
→ See our memberships and partnerships
→ See our statement to TCFD

¹ Swiss Sustainable Finance: https://www.sustainablefinance.ch/en/swiss-sustainable-investment-market-study-2020-_content---1--3037--35722.html

² Julius Baer: <https://www.juliusbaer.com/en/spotlight/vision-green/>

HOW WE ENABLE POSITIVE IMPACT

In 2020, the Julius Baer Sustainability Board approved an ambitious updated roadmap to enable positive impact. The sustainability framework seeks to elevate our thought leadership capabilities in responsible investment, whilst also challenging us to go further as a responsible corporate citizen. It is mapped to the UN SDGs, UN PRI and UN PRB, as well as Julius Baer's corporate strategy.

RESPONSIBLE INVESTMENT

At Julius Baer, this means incorporating ESG factors within the investment process and sustainable and impact investing as product offerings. This is complemented by philanthropy services. At the heart of our offer are trusted personal client relationships and respected market insights.

Sustainable
investing

Impact
investing

Philanthropy
services

Client experience

RESPONSIBLE CITIZENSHIP

We strive to offer a great place to work that is inclusive to all and that innovates for a greener future. Beyond our boundaries, we are active in our neighbourhoods delivering positive impacts and inspiring wider change.

Caring
employer

Community
partner

Conserving
natural
resources

Engaging stakeholders

CONDUCT AND RISK

Today, more than ever, ethical conduct, robust risk management and compliance with rapidly evolving sustainability regulations are business-critical.

REPORTING AND DISCLOSURE

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

SUSTAINABILITY GOVERNANCE

Transparent, robust governance is critical to delivering our sustainability strategy.

Sustainability Board

As a committee of our Executive Board and chaired by the CEO, the Sustainability Board defines, oversees and steers the overall sustainability strategy and roadmap of the Group. Meeting quarterly, it also reviews and identifies the materiality of new and existing sustainability topics at least every third year. ESG strategic decisions and overall prioritisation of initiatives and deliverables are the responsibility of the Sustainability Board.

Decisions related to topics that have a direct strategic impact on the Group as a whole have to be forwarded to and decided on by the Executive Board and approved by the Board of Directors.

Corporate Sustainability & Responsible Investment team

The Director of the Sustainability Board leads the global Corporate Sustainability & Responsible Investment team and reports to the CEO Office via Chief of Staff. The team is responsible for the development and oversight of the sustainability strategy within the Group and proposes new strategic topics to the Sustainability Board to consider. It ensures the overall coordination and alignment of sustainability activities carried out within different business functions, drives strategic initiatives and deliverables, and regularly reports status updates of the initiatives and deliverables to the Sustainability Board.

→ Find out how we are engaging our people and suppliers in sustainability

Responsible Investment Committee

The Responsible Investment Committee ensures that investment decisions incorporate relevant ESG information. It actively engages with our analysts and portfolio managers to limit investment risks without compromising their independence. Potential investments with low ESG scores or public controversies are discussed among experts to assess value contribution and risks. The Committee evaluates investments with no ESG ratings and/or ESG laggards, while also conducting an annual review of the best-rated companies. Analysts and portfolio managers are required to consult the Committee if they disagree with poor ratings supplied by our providers.

→ Find out about our wider corporate governance



¹ Includes members and permanent guests as at 31.12.2020

IN CONVERSATION WITH OUR SUSTAINABILITY BOARD DIRECTOR

Yvonne Suter, our Head of Corporate Sustainability & Responsible Investment and also Director of the Sustainability Board, explains why now is such a critical juncture in Julius Baer's sustainability story. She also shares her outlook on what we can expect next.



Yvonne Suter, Head of Corporate Sustainability & Responsible Investment

HOW HAVE THE CHALLENGES OF 2020 IMPACTED THE FINANCE SECTOR – AND SPECIFICALLY SUSTAINABLE INVESTING?

Long before 2020, the world had been grappling with a number of existential challenges – from growing populations and wealth inequality, to climate change and ecosystem destruction. But it had also been making great strides in zero-carbon innovation and sustainable development. With the pandemic came an almost instantaneous reminder that we – and the systems we depend on – are fragile – and dependent on one another. For finance, the spotlight was firmly on sustainable investing – an approach that had already been on the rise for the last decade. Whilst the economic case for low-carbon investing had been well established, in 2020 social issues like unequal access to health care became part of the daily news.

Wealth inequality as a whole can erode trust in institutions and destabilise entire societal and political systems. It can also reduce consumer spending, creating deflation and asset bubbles. In sum, 2020 brought the issues already being addressed through sustainable investing even closer to home, reaffirming appetites to invest with integrity.

WHAT WERE THE KEY MILESTONES FOR JULIUS BAER'S SUSTAINABILITY JOURNEY IN THE LAST TWELVE MONTHS?

As with the wider industry, we saw the highest-ever uptake of our sustainable and impact investing offerings (see the [‘Responsible investment’](#) section for numbers). So it felt like the right time to launch a new impact investing ecosystem, bringing thought leadership and tailored solutions together to create a ‘menu’ from which clients can choose those items that will fulfil their own personal or family values. Another milestone was certifying 27 of our investment professionals in ESG through the UK Chartered Financial Analyst Institute in 2020 – I’m excited to see more and more colleagues building their expertise through this programme in the coming years. And finally, I’m proud of the extra mile that my team and colleagues across the business have gone to make sure our updated sustainability strategy raises the bar for Julius Baer in how we align with global best practices – and in how Julius Baer strives to create value beyond wealth.

WHAT ROLE CAN JULIUS BAER – AND YOUR WIDER SECTOR – PLAY IN A MORE SUSTAINABLE FUTURE?

As a leading wealth manager, we have an important role to play in redirecting capital towards a more equitable future and healthier planet for the next generations. We are ultimately led by our clients and in the last year, both client surveys and informal feedback have highlighted a growing appetite for ESG risk-screened portfolios and a desire to create societal and environmental value. Listening to our clients – and recognising our opportunity to enable responsible decision-making – we continue to refine our ESG integration approach, as well as enabling clients to finance topics they care about. Within Julius Baer – and through our excellent relationships with issue experts in sustainability – we’ve built a solid foundation in thought leadership around the myriad of risks and opportunities within sustainable economic development. In order to help our clients navigate this evolving landscape, we’ve established two strategic ‘super-themes’, or drivers of a sustainable economy: the overuse of natural resources and the underuse of human resources.

WHAT LIES BETWEEN THE CURRENT STATUS QUO AND A TRULY SUSTAINABLE FINANCIAL SYSTEM?

In two words: action and collaboration. At Julius Baer, we have committed to bringing together experts and non-experts to elevate the topic of sustainability. For example, our Insights article, [Profit with Purpose](#), asks how we can transform the wider financial system so that the notion of value is redefined and that associated incentives are established and priced effectively. But turning thoughts like this into action requires multilateral partnerships. For instance, if we are to steer capital away from fossil fuel subsidies towards impact-positive and lucrative investments for a zero-carbon future, we must work with many partners across both the governmental and non-governmental sphere.

WHAT’S NEXT FOR SUSTAINABILITY AT JULIUS BAER?

In our 2019 Sustainability Report, I stated three main ambitions: to improve our client reporting; to enhance our impact investing offer; and to deliver more front-line training in ESG management. In this report, you will see how we’ve delivered on our expectations in many areas. If 2020 was the year to develop our holistic sustainability framework and sharpen our focus, 2021 is the year to bring this framework to life and fully embed sustainability across the Group. We invite all business units to embrace our strategy and to truly unlock its potential. I’m excited to take this next step to empower our clients to create a positive impact for a better future.

“If 2020 was the year to develop our holistic sustainability approach, 2021 is the year to bring this enhanced strategy to life and fully embed sustainability across the Group. We invite all business units to embrace our strategy and to truly unlock its potential.”

YVONNE SUTER, HEAD OF CORPORATE SUSTAINABILITY
& RESPONSIBLE INVESTMENT

HOW STAKEHOLDERS INFORM OUR STRATEGY

The challenges we face as a society are increasingly complex and wide-reaching. To ensure we make a positive impact where it matters most, we are in regular and structured dialogue with our stakeholders.

ENGAGEMENT MECHANISMS

Listening to our stakeholders and their needs is the key driver of our strategy. From bilateral meetings and surveys, to consultations and formal partnerships – in 2020, we continued to

deploy diverse ways of engaging to understand from stakeholders how we can better address the issues that matter to them. Examples of these engagements are summarised below.

Key stakeholder groups engaged

Key stakeholder group (GRI 102-40)	Three key topics raised by stakeholder groups (GRI 102-44)	Engagement mechanisms and frequency (GRI 102-43)
Clients	<ul style="list-style-type: none"> • Understanding clients and their needs • Sustainable and impact investing • Employer of choice and education 	<ul style="list-style-type: none"> • Ongoing dialogue with our relationship managers • Client events and conferences • Stakeholder dialogue 2019
Employees	<ul style="list-style-type: none"> • Understanding clients and their needs • Data privacy • Fair business practices and integrity 	<ul style="list-style-type: none"> • Town hall meetings (at least once a year at Group, department and/or location level) • Annual performance review discussions • Frequent meetings with employees, e.g. team meetings
Investors	<ul style="list-style-type: none"> • Fair business practices and integrity • Digitalisation • Sustainable and impact investing 	<ul style="list-style-type: none"> • Annual General Meeting of shareholders • Regular road shows and participation in conferences • Dialogue with Investor Relations and Corporate Sustainability & Responsible Investment
Local communities	<ul style="list-style-type: none"> • Climate change • Philanthropy • Equal opportunity and diversity 	<ul style="list-style-type: none"> • Grant proposal discussions with non-profit partners of the Julius Baer Foundation • Support from employees for local community causes • Sponsorships
Regulators	<ul style="list-style-type: none"> • Fair business practices and integrity • Sustainable and impact investing • Digitalisation 	<ul style="list-style-type: none"> • Direct discussions with regulators • Engagement with industry associations by our Public Policy team and internal risk, legal and compliance specialists
Sustainability experts	<ul style="list-style-type: none"> • Climate change • Sustainable and impact investing • Understanding clients and their needs 	<ul style="list-style-type: none"> • Stakeholder dialogue 2019 • Ongoing exchange with sustainability experts

→ See our list of memberships and partnerships

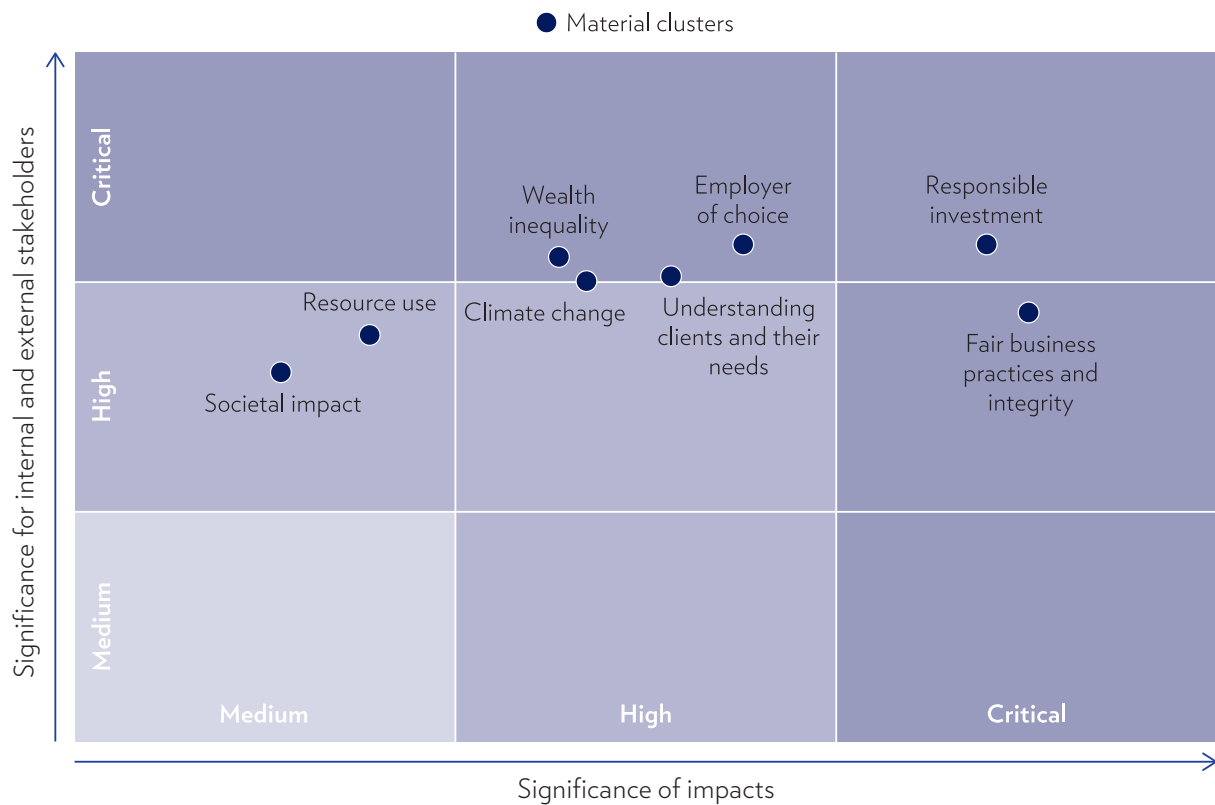
MATERIAL TOPICS

In order to formally understand stakeholder priorities, we invite a range of stakeholders to input to our materiality exercise at least every third year. Last conducted in 2019, the most material topics, shown in the top-right side of the matrix, inform our strategic direction and reporting.

We monitor these topics on an ongoing basis against global guiding principles, regulatory and media screenings and our own research.

→ [Find out more in our 2019 Sustainability Report](#)

Materiality assessment



GUIDING PRINCIPLES AND REGULATION

Our sustainability strategy and material topics are informed by international guiding principles and are also responsive to the evolving regulatory landscape.

GUIDING PRINCIPLES

The main principles we draw from are the UN PRI and UN PRB, the UN SDGs and the GRI standards. Below and throughout this report, you will see how material topics and strategic priority areas are mapped to specific UN SDGs, while our GRI mapping is included in the data and disclosure chapter.

REGULATORY DEVELOPMENTS









As described on page 9, the EU is our main driver of sustainable finance regulation, both within its boundaries and via global standard-setting bodies such as the Financial Stability Board. Switzerland, as a member of the International Platform on Sustainable Finance, closely assesses EU regulatory

developments, but has opted thus far for industry standards, rather than regulation in the field of sustainable finance. Our other locations, such as Singapore and Hong Kong, are increasingly focusing on sustainable finance regulation.

We are well underway with aligning with the EU Action Plan on Financing Sustainable Growth, for example integrating ESG factors into advisory and investment management processes and product governance, as well as our risk management framework. At the same time, we are preparing for the upcoming EU Green Bond Standard and updates to the Non-Financial Reporting Directive.

→ [See our memberships and partnerships](#)

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

Material clusters	Material topics	Significance to our long-term success	Related SDGs	Link to more information
Responsible investment	<ul style="list-style-type: none"> Sustainable investing Impact investing 	<ul style="list-style-type: none"> Growing priority for clients, investors and stakeholders Delivering long-term financial success 		Chapter 'Responsible investment'
Fair business practices and integrity	<ul style="list-style-type: none"> Responsible business conduct Corporate governance Corruption and bribery Data privacy Transparency 	<ul style="list-style-type: none"> Precondition for a successful and sustainable business Employer attractiveness 		Chapter 'Conduct and risk'
Employer of choice	<ul style="list-style-type: none"> Employer of choice Equal opportunities and diversity Health and well-being 	<ul style="list-style-type: none"> Attracting, developing and retaining the talent we need to serve our clients and achieve the company's business targets Improving the performance and creativity of the workforce Creating a work environment that enables professionals to perform at their best 		Chapter 'Caring employer'
Understanding clients and their needs	<ul style="list-style-type: none"> Understanding clients and their needs Digitalisation Data privacy and security 	<ul style="list-style-type: none"> Client experience as a key brand differentiator Transforming the client experience 		Chapter 'Client experience'
Wealth inequality	<ul style="list-style-type: none"> Education Livelihoods Health and well-being 	Addressing wealth inequalities by contributing to solutions in the areas of education, health and well-being, and livelihoods is one of the focus areas of the Julius Baer Foundation		Chapter 'Community partner'
Climate change	<ul style="list-style-type: none"> Climate change Clean energy Clean air 	The financial industry plays a significant role in tackling climate change		Chapter 'Conserving natural resources'
Resource use	<ul style="list-style-type: none"> Resource use Water Circular economy Waste treatment and recycling 	<ul style="list-style-type: none"> Reducing Julius Baer's own impact Considered in our sustainable investing offering Encouraging recycling is one of the focus areas of the Julius Baer Foundation 		Chapter 'Conserving natural resources'
Societal impact	<ul style="list-style-type: none"> Art and culture Volunteering Philanthropy Human rights 	Contributing to solving societal problems and to strengthening the social fabric		Chapter 'Community partner'

RESPONSIBLE INVESTMENT

Responsible investment at Julius Baer means incorporating ESG factors within the investment process and sustainable and impact investing as product offerings. This is complemented by philanthropy services. At the heart of our offer are trusted personal client relationships and respected market insights.

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52% increase, assets managed in discretionary sustainability mandates

109% increase, client assets in recommended sustainable and impact investment funds

New impact investing offering launched

Almost **100** philanthropy mandates

OUR APPROACH

Responsible investment at Julius Baer means incorporating ESG factors within the investment process and sustainable and impact investing as product offerings. We believe this holistic approach, which captures the full picture of risks and opportunities, enables us to deliver financial returns whilst creating social and environmental impact for our clients.

As such, in addition to more traditional financial metrics, our research analysts have been incorporating ESG criteria into our sustainability mandate investment process since 2006 and into other mandates since 2014. In 2020, we managed CHF 55,242 million assets with ESG integration, a 5.3% increase on 2019.

We source ESG information from independent providers and it is evaluated for quality and meaningfulness by our analysts.¹ In addition, we also make our own analysis and take advice from experts on our Responsible Investment Committee in order to separate ESG leaders from laggards. Incorporating such non-financial information improves our ability to identify risks and opportunities, ultimately yielding a superior investment performance for our clients.

We provide our research analysts, portfolio managers, investment advisors and clients with ESG ratings in the form of research reports and portfolio reports. Our research reports have a dedicated section in which analysts must provide relevant ESG factors for each company they are researching and explain how it relates to our investment thesis.

Rather than completely excluding companies with a poor environmental footprint or inferior corporate governance from the investment universe, our approach is holistic and focuses on risk control and sound investment advice.

→ [Find more in our 'Responsible investment matters' publication](#)

Key responsible investment indicators²

	2020	2019	Change in %
Assets with ESG integration (CHF m) ³	55,242	52,486	5.3
As percentage of total assets under management (%)	12.7	12.3	-
Discretionary sustainability mandates (CHF m) ⁴	2,468	1,625	51.9
Recommended sustainable and impact investment funds (CHF m) ⁵	1,118	535	108.9

¹ The service is comparable to the provision of credit ratings and, depending on the data provider, includes an overall rating and/or specific ratings in regard to key aspects of the company. This externally sourced ESG information is then evaluated for quality and meaningfulness by our analysts. Our experts check for subjective views, time lags and methodological biases that may occur because large corporations tend to disclose more information or because the assessment relative to peers is given more weight than the absolute business risk assessment.

² More detailed assets under management and financial data may be found at the end of this report in the section 'Key figures'.

³ Based on assets under management in central mandates (only front regions, excluding intermediaries).

⁴ Including various asset classes and currencies.

⁵ Total assets under management invested through Julius Baer in recommended Sustainable Investment and Impact Investment funds on the open product platform.

SUSTAINABLE INVESTING

Whether this appetite is reputation or values-driven, sustainable investing continues to follow an upward trajectory. At Julius Baer, we offer both discretionary and advisory sustainability mandates.

DISCRETIONARY MANDATES

We have a 15-year track record of discretionary mandates in sustainability, and in 2020, we increased the assets in discretionary sustainability mandates from CHF 1.6 billion in 2019 to CHF 2.5 billion. Our sustainable mandate enables clients to invest sustainably across different asset classes and currencies, in line with their individual needs and personal values. On top of ESG integration and rigorous financial analysis, a strict filter for good corporate governance is applied as an additional investment risk criterion.

If clients choose a discretionary mandate, a portfolio manager decides on investment-related issues on their behalf. Discretionary mandates go through a process of screening: negative screening excludes companies or governments that are involved in certain business activities or unethical behaviour based on specific criteria (e.g. defence/weapons, human rights violations, labour issues, poor governance); positive screening selects best-in-class ESG leaders in form of companies that perform best against a defined set of (sector) peers.

52% increase, assets managed in discretionary sustainability mandates

At the heart of our approach is the principle of thematic investing, focusing on themes such as low carbon footprint, water scarcity, natural resource efficiency, nutrition innovation, health care innovation and economic empowerment. Only companies that have solutions in place in the form of products or services that support the positive transformation of a respective theme are considered for inclusion.

→ [Find out more about ESG in our risk management](#)

ADVISORY MANDATES

We offer our clients direct access to dedicated and seasoned investment advisors with a multi-asset skillset in the field of sustainability. Our proactive and tailored advice and research in the area of sustainable investing aims to provide our clients with the best possible solution according to their specific needs and the full flexibility to choose from different sustainable investment strategies ranging from comprehensive sustainability portfolio overlays to theme-specific investments. It allows them to build and to manage a personalised portfolio in partnership with their advisors and to discuss all investment-related questions in order to make informed investment decisions.

FUND OFFERING

Julius Baer's fund selection is based on an open architecture and best practice approach. Our fund selection team handpicks funds by asset class, region and investment style. The selection is based on a thorough analysis of the fund provider's dedication to sustainable investing, the degree of integration of ESG standards across the organisation, the fund's investment philosophy and approach to sustainable

investing, as well as the drivers behind historical performance and risks. Since 2015, we have rated Julius Baer-recommended funds on ESG through our responsible investment fund rating. Funds are rated along a seven-point scale, ranging from AAA (best) to CCC (worst) and the information is provided to our clients to enable sound, holistic investment decisions.



SUSTAINABLE INVESTING: A SAFE HAVEN IN UNCERTAIN TIMES?

Investors embedding ESG factors into their asset selection had long believed that sustainable investments would be more resilient in times of crises, which indeed proved true during 2020's COVID-19 crisis. Index strategies clearly outperformed their benchmarks and the majority of sustainable funds held up better than peers. Some even maintained strong positive performance in the face of crumbling financial markets, not least due to a traditional sector bias towards information technology and health care, away from oil-related investments. But they also managed to outperform on a sector-neutral basis, as leading ESG corporates are likely less exposed to risk and more innovative, providing them with more cushion in difficult times.

MORE THAN A FEEL-GOOD INVESTMENT

The coronavirus has shown once again that sustainable investments are not merely a feel-good investment, but can additionally serve as a hedge in difficult times. During the current downturn, investments with a

strong backdrop on the ESG scale have proven to be more resilient. They have fallen noticeably less than their peers, not only due to lower exposure to oil-related investments, but also within their respective sector and when comparing companies of similar size. This higher resilience, in turn, has served as a catalyst for further demand and is poised to continue to do so in the future.

Even in the midst of financial turmoil and massive selling in March 2020, sustainable investment funds still saw inflows. ESG companies outperformed as they are agile and limit risk through responsible business conduct, taking a stakeholder view that goes well beyond shareholders' interests. This can result not only in more stable balance sheets but also in a more robust structure in general, allowing for better preparedness and higher resilience in times of crisis.

→ [Read the full article here](#)

IMPACT INVESTING

As more private and institutional investors look to combine financial return with positive societal impact, impact investing has become the fastest growing investment approach.¹ In 2020, we launched an impact ecosystem to empower clients to take an active role and make educated choices that lead to a positive impact.

THE JULIUS BAER IMPACT ECOSYSTEM

In our thematic approach to impact investing, we address two of humanity's most critical challenges in transitioning towards a sustainable global economy: the overuse of natural resources and the underuse of human resources. Our goal is to provide clients with an ecosystem that empowers them to take an active role and make educated investment choices that lead to a positive impact. This includes the access to thought leadership, a community of like-minded investors and transparency on the impact created through a product platform of curated impact investment solutions.

The curated investment products across asset classes give our clients access to our focus themes. An example is the blue economy, which encourages better protection of our oceans. With the plight of the world's oceans becoming a high-profile issue, the prospect of investing in marine resources for long-term preservation is gaining traction. In 2020, we successfully launched an exclusive impact investing solution providing our clients access to innovative, tech-enabled companies focused on reducing pressure on the oceans, while generating financial returns.

CHF 182m client assets in recommended impact investment funds

Impact thought leadership	Impact experience	Impact measurement	Impact solutions
We provide innovative thinking about how impact can be created through finance and where it is most needed.	We invite clients to personally engage in impact creation, as part of a like-minded client impact community.	We monitor and measure the impact created through transparent methodologies and modern technology.	We curate a multi-asset class product platform comprised of proprietary and third-party solutions to meet diverse client preferences. Products will be selected among several impact themes and will be available across public and private markets.

¹ GIIN Annual Impact Investor Survey 2020: <https://thegiin.org/research/publication/impinv-survey-2020>

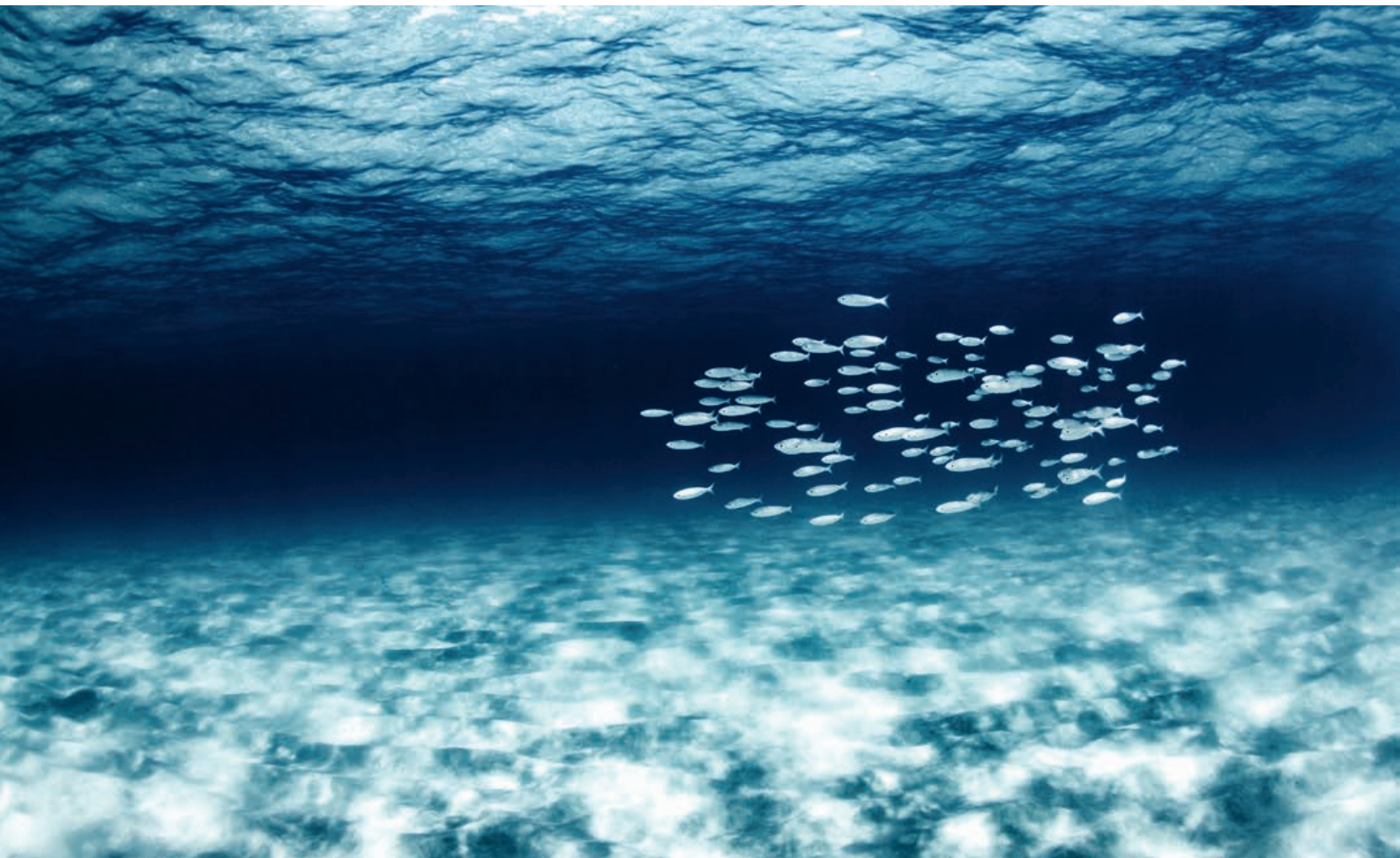
GROWING OUR ECOSYSTEM

The Economist publication recently highlighted that 87% of young investors believe corporate success should be measured by more than financial performance. Many young investors want more than just returns; they want a viable planet that can sustain them and generations to come. It is only by

working together through our ecosystem approach that we can give our future clients access to industry leaders, change makers and Julius Baer experts, so that collaboratively we identify impact ambitions and the right investment path for the individual and their family's values.

“Investments in nature are, at their heart, investments in our own prosperity. Diverse ecosystems are more stable, productive and resilient to change. Just as diversity within a financial portfolio reduces risk to returns, greater biodiversity reduces risks within a portfolio of natural assets.”

INGER ANDERSEN, UNDER-SECRETARY-GENERAL, UNITED NATIONS & EXECUTIVE DIRECTOR,
UNITED NATIONS ENVIRONMENT PROGRAMME, CITED IN OUR EARTH MATTERS PUBLICATION





BLUE IS THE NEW GREEN

Ocean life is a critical component of humanity's life support system, generating more than half the oxygen we breathe, providing food for billions and capturing a quarter of our carbon pollution every year, among many other benefits. The ocean also provides at least USD 2.5 trillion in goods and services every year, from fisheries to tourism. If the ocean were a country, it would be the world's seventh-largest economy.

And yet, oceans are under unprecedented strain from climate change, overfishing, pollution and habitat destruction.

USD 2.5 trillion value of ocean goods and services per year

Private investors have a unique opportunity to invest in a sustainable ocean economy while preserving our life support system. The blue economy is defined by the World Bank as "the sustainable use of ocean resources for economic growth, improved livelihoods and jobs, and ocean ecosystem health."¹ Predicted to be worth USD 3 trillion by 2030 (OECD), it is a compelling impact investing opportunity that makes a positive impact on multiple SDGs.

Nine out of ten investors
are interested in
blue economy investments

JULIUS BAER'S BLUE ECONOMY OFFERING

In 2020, we launched an exclusive impact investing solution providing our clients access to innovative, tech-enabled companies focused on reducing pressure on the oceans, while generating financial returns and making a measurable positive impact on three SDGs: life under water (SDG 14), sustainable food production (SDG 12) and climate transition (SDG 13).

An impact report will be produced and released to investors on an annual basis featuring quantitative data and qualitative case studies relating to their investment. Key performance indicators such as waste, bycatch, water, carbon and sustainably produced proteins will track the direct impact of the portfolio on a sustainable blue economy and the indirect impacts on marine challenges.

Also during 2020, we held our first webcast on impact investing, giving our clients access to renowned experts such as Kristin Rechberger, CEO and Founder of Dynamic Planet, and Matthew McLuckie, Managing Partner at Posaidon Capital. We look forward to offering more such knowledge-sharing platforms in the year ahead.

→ Read 'Turning the Tide' in our Earth Matters publication

¹ The World Bank: <https://www.worldbank.org/en/news/infographic/2017/06/06/blue-economy>

PHILANTHROPY SERVICES

As a private bank, we recognise an increased interest among our clients to engage philanthropically, through a strategic approach that is aligned with their values. Our philanthropy services enable clients to create positive impact in their areas of personal interest to make a social and/or environmental impact.

HELPING PEOPLE MAKE THEIR MARK ON THE WORLD

With over 120 wealth planning specialists worldwide and a strong heritage in our own philanthropy (having set up the Julius Baer Foundation back in 1965), today we offer a range of in-house solutions and access to a broad network of external specialists. Together, we can assist clients with advice on charitable giving, setting up a charitable structure, defining their values and philanthropic mission in addition to sustainable and impact investing. Whether the client has received a large inheritance, is an entrepreneur who sold a company or was born into a high net worth family, we have developed a unique seven-step methodology to meeting

individual philanthropic aims. Our approach is supported by one-to-one and family meetings for clients to discover and map out their values, vision and mission; roundtables to understand best practices and share experiences; financial and estate planning services (including tax and legal implications).

The COVID-19 crisis created an additional demand for our philanthropy expertise as people sought to review their estate planning and donate to health and social causes. In 2020, the advisory offering was further developed to become scalable across the Julius Baer universe and we recorded almost 100 philanthropy advisory mandates at the end of the year.



A POSITIVE IMPACT BY GIVING

Effective philanthropy requires a heart-felt yet strategic approach. “Good intentions are not enough,” our Philanthropy Advisor Caroline Piraud explains. “As a philanthropist, you want to be passionate about giving while knowing it’s actually having the envisioned positive impact.” No matter your financial situation, she believes the gift of giving is accessible to all. Here is her 4-T approach to channelling your inner philanthropist.

Time: “Giving time is just as important as giving money,” Caroline explains. “Firstly, there is the gift of your presence, which is not to be underestimated in a world where loneliness is often referred to as an epidemic with real social, health and economic impacts. And secondly, there’s no shortage of tasks that need volunteers, such as shopping for those in a risk group.”

Talent: Your combination of talent is unique to you. While accounting, Board experience and fundraising are skills frequently associated with philanthropy, it pays to cast the net much wider.

Treasure: This is about maximising the positive impact of what you can afford to spend, even if that is simply aligning existing outflows with your cause, such as shopping small or local.

Ties: Caroline suggests screening your personal network of family, sports teammates, friends and work colleagues to see who you can join forces with.

→ [Read the full article here](#)

CLIENT EXPERIENCE

For more than 130 years, we have managed our clients' wealth and served them as trusted, truly personal and holistic advisors. With our roots as a family business, we know the value of long-term relationships, and the challenges and opportunities of creating wealth, protecting it and passing it on.

The past year also underscored the value of being truly relevant to clients. Our high-quality advice, providing steady orientation despite rapidly changing circumstances, helped us strengthen client loyalty and engagement. Today, empowering our clients to make informed decisions and sound judgments requires us to truly understand what matters to them. Applying our values of care, passion and excellence to support our clients remains a constant – especially in tough times.

We are proud of the personal, enduring relationships we have built with our clients over decades. Having a deep understanding of their unique needs, from wealth accumulation or preservation, to transferring it to the next generation, is what sets us apart in the marketplace. With our strategic programmes, including the client experience and coverage programme, we are continually strengthening client servicing and anticipating future needs, including digital expectations.

RISK AT THE FRONT LINE

In 2020, we created front-line risk management teams in all global regions. Overall, we now have 30 employees in front-line risk management roles, making the delivery of our risk management framework faster and locally adaptable.

→ Find out how we protect clients from privacy and data risks

STRENGTHENING CLIENT SERVICING

Likened to the backbone of client service, our assistant relationship managers play a crucial role in client care. It is why we launched a dedicated training programme in June 2020 for 300 such managers in Switzerland. The programme offered a blend of classroom and online training, as well as an exchange and knowledge-sharing platform. All 300 have now certified, with the programme to be extended to colleagues in other booking centres in 2021. We also added a new account manager role to serve our clients on a long-term basis and accompany the next generation of clients.

“The certification programme has been developed not only to provide a platform that fosters networking and collaboration [...] but also to help create various career and development opportunities, making this dedicated training programme an invaluable offering.”

YVES ROBERT-CHARRUE,
HEAD REGION SWITZERLAND & EMEA

→ Find out about ESG certification training

PERSONAL EXPERIENCES WITH A DIGITAL TOUCH

At Julius Baer, we see innovation as the ability to identify new technologies, business model innovations and behavioural trends at an early stage. For our clients, this includes our ability to share information quickly and safely, and in 2020, we introduced a new cloud-like central document storage which allows documents to be shared easily and safely via web link. Within days of the WHO's pandemic confirmation in March 2020, we were delivering research livestreams, alongside investment insights and e-newsletters.

Client-facing colleagues were rapidly enabled to fully service their clients remotely through secure digital channels. Throughout the year, they were able to maintain the highest standards of personal client experience – with a digital rather than physical touch. Feedback from our client-facing teams has been central to our approach and during the year, we interviewed 88 relationship managers and their assistants to understand the digital needs of our clients. We have directed an additional CHF 15 million to accelerate the expansion of our digital capabilities

to address the contact restrictions imposed by the pandemic. These innovations have been part of our wider digital client roadmap. Alongside our accelerated digital response, the focus in 2020 was on piloting and launching numerous features for our clients domiciled in Switzerland and Asia Pacific (see our timeline on the following page). In 2021, we will scale up and expand them to other operating regions.

Strategic investments **of approximately CHF 90 million** in digital and client-facing solutions and tools

“We are passionate about serving our clients, about making the interaction easy and convenient for them. And digitalisation plays a key role in enabling this.”

MARZIA THUERING,
HEAD OF BUSINESS TRANSFORMATION



OUR TRUE CONNECTIONS PODCAST

Our True Connections podcast is a popular feature to enable clients – and wider audiences – to hear from experts on topics as diverse as entrepreneurship, mental health, innovation and sustainable development.

August's episode involved our CEO of Julius Baer International Limited, David Durlacher, speaking with Dr. Peter Drobac, Director of the Skoll Centre for Social Entrepreneurship at the University of Oxford, about what the pandemic has taught us about global health care and what trends we may see in the future. The speed and intensity of the response from the global scientific community to develop treatments and vaccines has been remarkable. Not only has a vaccine been developed in record time, but Peter Drobac suggests that we may also see a spillover in terms

of bio-medical discovery from the work done to combat COVID-19 that will help in our response to health crises in the future.

On the other hand, the pandemic has thrown a spotlight on a number of problems with our current assumptions of our health care systems. An example of this is society's focus on medical care – what happens in response to people getting sick – as opposed to public health, which is what happens upstream to stop people from getting sick in the first place. As Peter Drobac explains, prior investment of a few billion into public health systems could have offset trillions in economic losses in places like the UK and US. However, it is important to remember that a nationalistic approach will not solve the issue entirely.

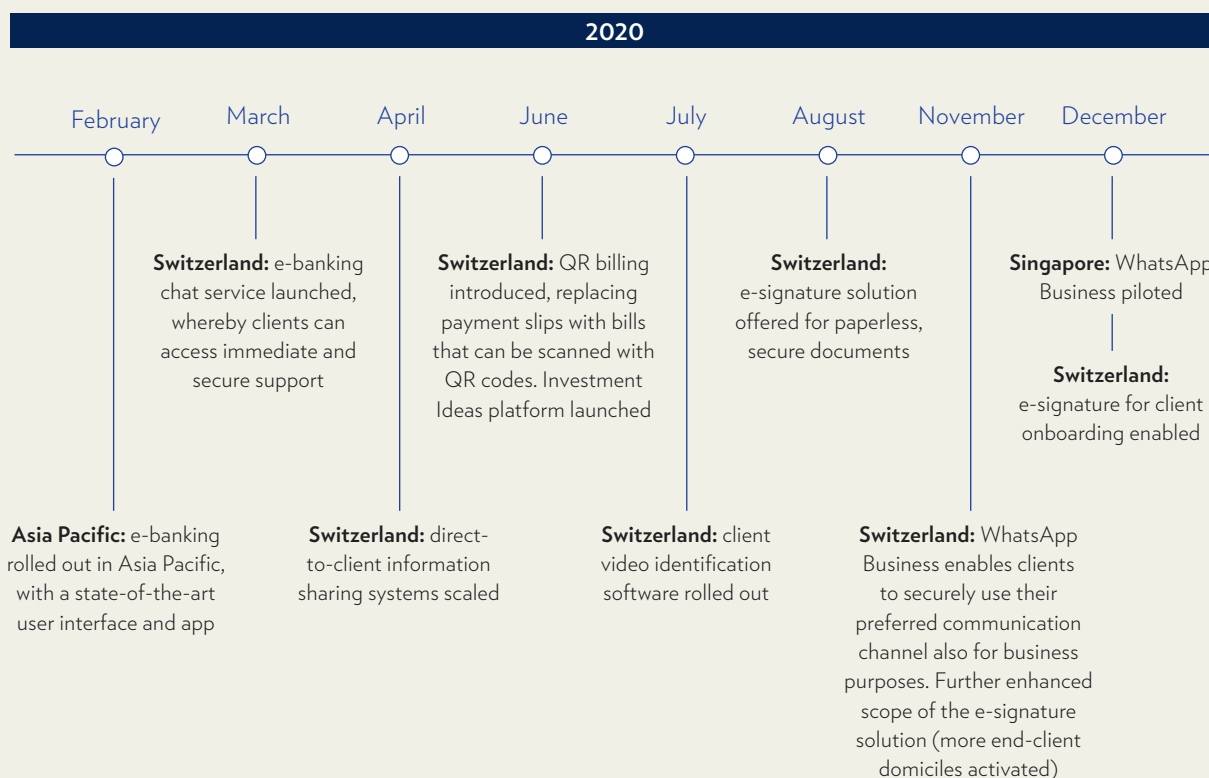
→ [Listen to the podcast here](#)

IMPACT IN ACTION

Digital client innovation highlights 2020

The pandemic crisis further validated our ongoing push to foster seamless client interaction, with an industry-leading, personalised and consistent client experience across all physical and digital touchpoints. The foundation is formed by harmonised mobile and e-banking platforms. In Switzerland, a secure chat feature now enables clients to interact with their relationship managers in a convenient and safe manner.

Mirroring the Swiss functionalities, our clients in Asia now benefit from an entirely new e-banking solution that enables them to view their financial data on the go, use a digital token to access online services and benefit from the newly set up e-Channel Service Centre. Clients' propensity to use digital channels further increased. The introduction of e-signature simplified dealing with administrative tasks, and the direct-to-client feature allows for coordinated and efficient content distribution. Aiming for seamless digital onboarding, video identification has been introduced for prospective clients, to be enriched with the capability to digitally sign account-opening documents in 2021.



RESPONSIBLE CITIZENSHIP

We strive to offer a great place to work that is inclusive to all and that innovates for a greener future. Beyond our boundaries, we are active in our neighbourhoods delivering positive impacts and inspiring wider change.

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Highest employee engagement score to date (7.8 out of 10)

28% women in senior management roles

CHF 5m donated to COVID-19 emergency aid¹

+18%, Julius Baer Foundation grant funding

100% renewable electricity, Swiss locations

27 certified ESG champions

¹ A further CHF 5m has been added so far in 2021

CARING EMPLOYER

Our ambition to be the employer of choice in wealth management is greatly supported by our work culture which brings out the best in people. We apply our corporate value of 'care' to ensure happy, healthy and inclusive workplaces.

EMPLOYEE ENGAGEMENT

As a follow-up of our first global employee engagement survey in 2019, in the last twelve months we have added bimonthly pulse surveys. These are designed to be less comprehensive but more responsive, consisting of 9 to 13 questions randomly taken from an overall question set, ranging from whether employees would recommend Julius Baer as a place to work, to satisfaction with our working environment, to our core values. New joiners and voluntary leavers receive additional questions such as satisfaction with the onboarding and recruitment processes. The pulse surveys proved invaluable in our understanding of employee needs during the pandemic. For instance, in May

and September we added additional questions around working from home confidence, well-being and required support.

Overall, participation rates in all survey rounds were above 70% and showed an average global engagement score of 7.8 out of 10 at the end of the year (+0.2 compared to the 2019 survey). This was also reflected in a rising employee net promoter score of 33 (+5 compared to the 2019 survey)¹, above the financial industry average. Furthermore, we saw a 25.4% reduction in staff turnover globally, and a 34.9% reduction in illness days per employee in Switzerland. In a year of significant disruption for colleagues and their families, we are truly proud to achieve our highest employee engagement score to date.

IMPACT IN ACTION

Helping colleagues and their families adapt to a new normal

Just as we rapidly flexed our client services following the World Health Organization pandemic announcement in March 2020, we also took proactive measures to ensure our teams were fully supported, both professionally and personally. Within days, more than 90% of our staff had a home office solution.

As well as enabling colleagues to work as normal, we also adapted our remote learning system, with extra modules around remote working and remote leading, well-being, team resilience and even activities for children. Within weeks, we were able to move former face-to-face classroom offerings and certifications to online and virtual events. We also used hybrid solutions where possible. Even during these exceptional months, we launched a number of strategic programmes, for instance the career development programme for assistant relationship managers, the ESG exam programme and a future leader programme, in collaboration with the Institute for Management Development.

Colleague well-being has been our priority during the pandemic and remote services have included yoga and meditation classes, a mental health hotline and psycho-social support from external experts (in confidence). While some needed encouragement to retain a healthy work-life balance when home-working, others experienced loneliness and isolation. In all cases, line managers made more frequent contact than normal, ensuring colleagues felt connected to the 'Julius Baer family' and necessary support.

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

A VALUES-DRIVEN CULTURE

To further embed the Julius Baer's values of care, passion and excellence within our culture, in 2020 we added more detailed performance measures. These measures reflect not only our commitment to the corporate values but also 'risk behaviours', with detailed rating guidance around expectations. For key client-facing roles, we further aligned non-financial goals with the respective responsibilities specified as part of the job.

INCLUSIVE, FAIR WORKPLACES

At Julius Baer we believe that an inclusive business is a successful business; after all, our continued success as a wealth management leader relies on a diversity of perspectives and experiences, and this will only become more important as we strive to become a sustainability thought leader as well. Diversity, inclusion and fair pay are thus integral to our corporate strategy as we are committed to recruiting, retaining and promoting diverse talent at all levels of the organisation. We enhance and support the employability of our global employees throughout their careers and also facilitate intergenerational dialogue between different age ranges and knowledge backgrounds.

We strive for 30% female representation in senior management by end of 2023. In 2020, 39 more women took senior management positions (952 in total), bringing the proportion to 27.9%. Furthermore, we saw a 33.3% increase in women

on our Board, now achieving a 40/60 ratio of women to men. Our experience tells us that mentoring is one of our most effective tools to empower women into leadership roles, with approximately 80% of mentees citing improvements to their career progression since we began the programme in 2017. In 2020, more than 230 mentoring pairs came together – the highest number yet (and unhindered by the COVID-19 pandemic since virtual mentoring proved equally effective). Through the programme, mentors share personal experiences and constructive feedback, while also guiding mentees in career progression.

Achieving a gender-balanced company requires proactive measures across talent management, promotion and hiring. Identifying obstacles within our systems and processes that may trigger conscious or unconscious bias is central to our approach. In 2020, our Executive Board endorsed the global female executive talent acquisition programme, which aims at building a talent pipeline of female senior managers within the next two years.

We offer an attractive market-oriented, performance-based compensation system (see our GRI index for our approach). Since 2015, we have been conducting annual gender pay gap analyses in line with best practice. For information on collective bargaining and remuneration, please see the GRI index and the remuneration report section of the [Annual Report 2020](#).

Key diversity indicators¹

	2020	2019
Ratio of women (% of total regular staff headcount)	42.5	42.2
Women in senior management (% of total senior management headcount) ²	27.9	27.2
Women on the Executive Board (%) ³	11.1	13.3
Women on the Board of Directors (%) ⁴	40.0	30.0
Promotions of women in all ranks (% of total promotions)	42.1	45.6
Promotions of women in senior management (% of total promotions)	28.2	36.5
Number of nationalities employed	102	105
Average age of employees (years)	43.1	42.8

¹ More detailed HR data may be found at the end of this report in the section 'Key figures'.

² Julius Baer defines senior management as all employees with the rank of Director to Managing Director.

³ This number includes members of both the Group's Executive Board and the Bank's Executive Board.

⁴ Out of 10 Board of Directors members in 2020.

IMPACT IN ACTION

Support for working parents

In total, 307 employees took parental leave in 2020, almost equally balanced between men (149) and women (158). The Parents@Work initiative supports new parents to prepare for the challenges of combining work and family. In 2020, eleven Julius Baer employees were coached by six colleagues who are also parents themselves. We continue to provide more than the statutory minimum in parental leave in many locations.

For example, in Switzerland, we offer six months of maternity leave (20 weeks at full pay) and we have increased paternity leave to two weeks at full pay. Adoption leave is offered at 80% pay for 16 weeks. As local requirements differ, Swiss regulations for parental leave serve as a guiding principle for our locations abroad.

TRAINING AND DEVELOPMENT

To ensure our approach is locally appropriate, we partner with global and local providers to tailor specific development programmes. In 2020, each employee received an average of 18% more training sessions compared to the previous year. Moving to virtual learning (88% of all training, versus 68% in 2019) as a result of the pandemic even had some advantages, as colleagues from different locations were able to collaborate together online.

18% increase in training sessions per employee

- [Find out about training for front-line client teams](#)
- [Find out about colleague ESG training](#)

Parental leave¹

	2020	2019
Total number of employees taking parental leave	307	301
<i>whereof women</i>	158	157
<i>whereof men</i>	149	144
Parental leave (average number of total days taken)		
<i>by women</i>	99.5	106.3
<i>by men</i>	9.0	8.7
Share of women still employed in year after taking maternity leave (%) ²	79	75

¹ More detailed HR data may be found at the end of this report in the section 'Key figures'.

² Please note that some women on maternity leave in any given year started their leave the previous year.

Training and development

	2020	2019
Average number of classroom training sessions per employee (including virtual classroom)	4.5	3.8
Average hours of internal training per employee	19.3	14.5 ³
<i>Of which internal classroom training</i>	12.6	10.5 ³
<i>Of which internal online training</i>	6.7	4.0 ³
Share of total internal training sessions using digital platforms (%)	88	68

³ GRI 102-48: 2019 data was restated to show only mutually exclusive numbers and therefore has been corrected.

IMPACT IN ACTION

A promising career start with Julius Baer

In 2020, we continued to operate our apprenticeship and our graduate training programmes as normal, welcoming twelve apprentices, eight undergraduates and ten graduates.

Our ambitious training programme for apprentices offers the opportunity for secondary school pupils to obtain a Federal VET Diploma as a bank clerk, as an IT professional focusing on either system technology or application development, or as an information and communication technology specialist. The programme includes comprehensive training, network-building across the company and support to develop overall skills to prepare for a career in banking.

In Singapore, for those that want to gain working experience during their studies at university, we offer a five-month rotation for undergraduates in their second or third year. Students are enabled to grow professionally and sharpen their academic interests whilst having an active role at the bank.

In 2020, once again ten university graduates from diverse educational backgrounds started their graduate programme. Due to COVID-19, the planned international assignment in the second rotation (April to October 2021) had to be rescheduled. Nevertheless, we are hoping for more promising circumstances to make this international experience possible in 2021. With a redesigned graduate programme, we will offer placements to 18 graduates in 2021, with a focus on career tracks that allow graduates to specialise at an early stage.

“The graduate programme offers me a great opportunity to get a deep dive in several areas of Julius Baer. Thanks to the rotations, I gain insights and inspiration for my further career path, and all of those position changes come with a steep learning curve, which I highly appreciate.”

ALICE MAURER, GRADUATE IN HR BUSINESS MANAGEMENT

COMMUNITY PARTNER

We work in partnership with local organisations to support social and environmental causes, either directly as a sponsor, or via our employee-led engagement movement JB Cares, the Julius Baer Foundation or our Julius Baer Art Collection.

CORPORATE VOLUNTEERING AND JB CARES

In 2020, Julius Baer's total community giving amounted to more than CHF 8.59 million¹. Our employee-led giving and volunteering network, JB Cares, enables our people to give time and resources to causes they care about. In 2020, the network launched a COVID-19 fundraising initiative, with the Julius Baer Foundation matching employee contributions.

As the pandemic emerged in February, we sent 100,000 medical masks to those on the front line in China and in March 2020, we donated CHF 5 million to support those most affected in our global communities. From Switzerland, the UK and Hong Kong, to Singapore and the Bahamas – employees generously gave their time and resources to support those affected by the pandemic. Just a few examples are shown below.

IMPACT IN ACTION

Switzerland: CHF 135,000 was raised for families affected by COVID-19 (from colleagues, matched by the Julius Baer Foundation and JB Cares). Colleagues also walked with elderly people, supported young immigrants through Netz4 and distributed food vouchers and Christmas gifts for marginalised people. Two blood donation drives resulted in 63 life-saving litres of blood.

UK: with The Felix Project, staff delivered meals to those in need and to National Health Service staff in London hospitals. They also launched a food hamper appeal and raised money for homeless charities St Mungo's and Centrepoin. Many gave their time as virtual mentors via the Social Mobility Foundation.

Hong Kong: matched giving raised CHF 76,000 for four local NGOs. Staff also helped Handson Hong Kong deliver essential protective equipment for vulnerable elderly people, as well as donating AI robots to elderly homes via Asia Women's League Limited and giving time to the Chicken Soup Foundation and Hong Kong Family Welfare Society's e-storytelling and e-learning initiatives.

Singapore: colleagues raised more than CHF 131,000 through a number of creative initiatives, including their first ever e-fundraiser while working from home to help Beyond Social Services support families struggling through COVID-19 – staff donations funded 'Back to School' packs for kids.

Bahamas: despite the closure of the Bahamas Booking Centre, colleagues donated items to a local food bank in response to significant unemployment.

¹ This can be broken down into CHF 5 million from the Bank in 2020, CHF 3.1 million from the Julius Baer Foundation (excluding matching contribution to JB Cares), CHF 135,000 from JB Cares Switzerland, CHF 76,000 from JB Cares Hong Kong, CHF 131,241 from JB Cares Singapore and CHF 150,000 for Lebanon aid. The figure excludes corporate sponsorships and other donations from international locations.

We encourage volunteering by offering our employees two paid days per year to engage in local community projects and fundraisers. Overall, despite 2020 lockdowns preventing many Julius Baer colleagues from being physically active in their communities, we recorded 432 volunteering

hours through JB Cares during working time. Going forward, we aim to increase the number of volunteers and volunteering hours by building joint forces with JB Cares, Julius Baer Foundation and our HR and Corporate Sustainability & Responsible Investment departments.

IMPACT IN ACTION

Emergency aid to Lebanon

Notwithstanding our coronavirus efforts, in August 2020 JB Cares and the Julius Baer Foundation immediately stepped up in support of the Beirut explosion recovery efforts, raising approximately CHF 150,000 (USD 170,000) to support the recovery work of the Lebanese Red Cross, the Lebanese Hospital Geitaoui, the Saint George Hospital University Medical Center and the Assameh Birth and Beyond Pediatric Unit in Karantina Hospital.

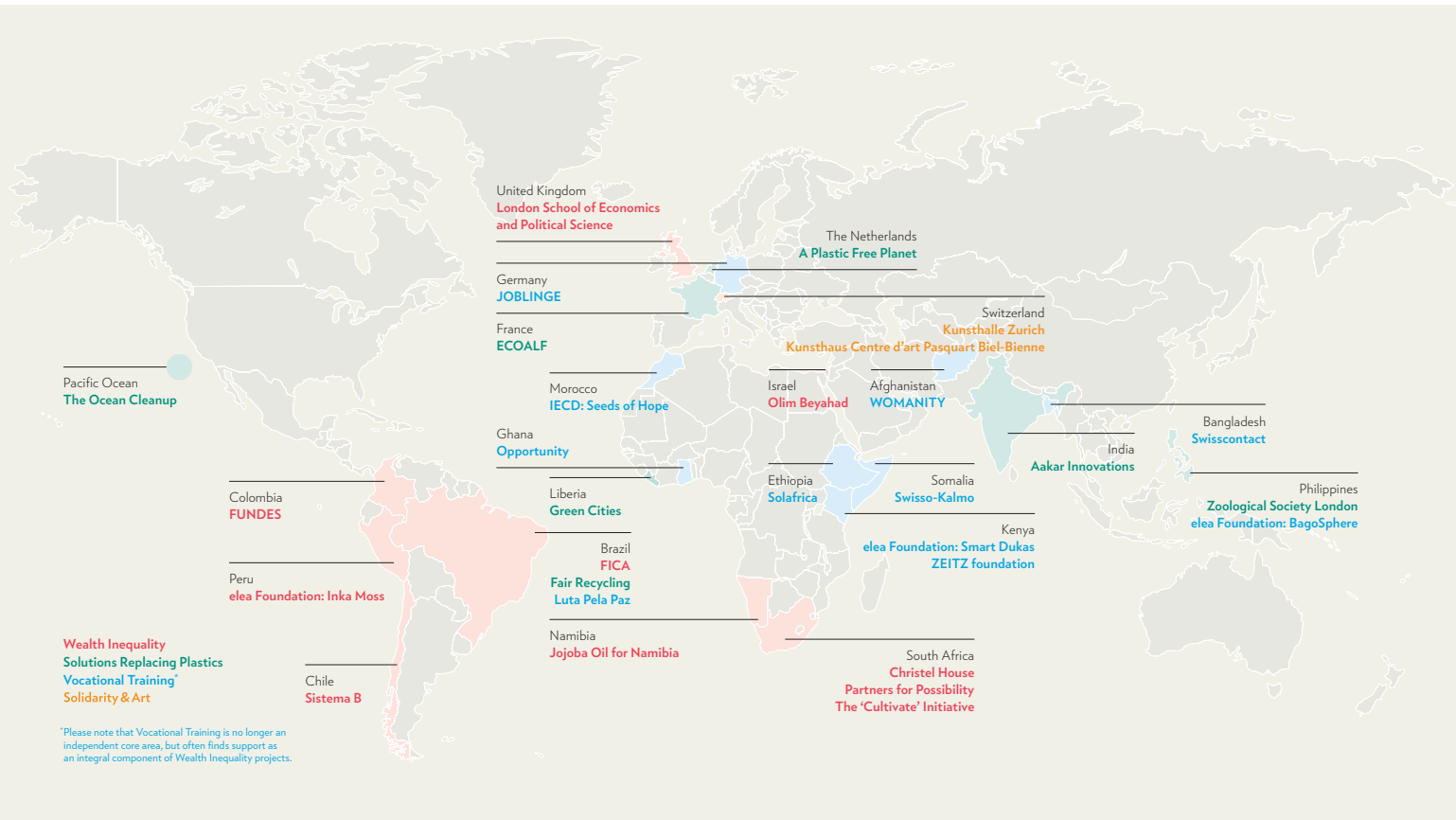
“Our thoughts and prayers remain with all affected people across Lebanon. We hope that our humble contribution will support the rebuilding efforts in Beirut and create a safe environment for its communities that are in need of emergency aid.”

RÉGIS BURGER, HEAD OF MIDDLE EAST & AFRICA

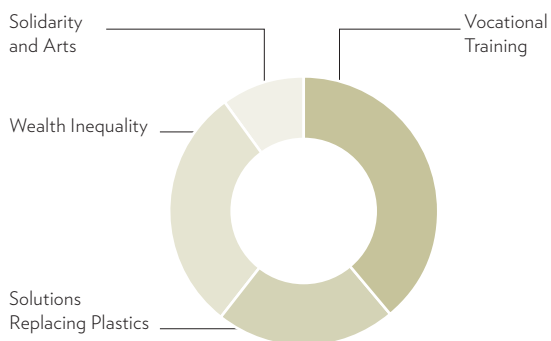
THE JULIUS BAER FOUNDATION

For more than 50 years, the Julius Baer Foundation has dedicated itself to making a meaningful and impactful contribution to society. In 2020, it collaborated with 27 partner organisations in 22 countries and initiated 30 projects dedicated

to the strategic core areas of Wealth Inequality and Solutions Replacing Plastics. Additionally, the Foundation supports art engagement and JB Cares, as well as selected art museums in Switzerland. The overall grant funding in 2020 increased by approximately 18%, to CHF 3.3 million.

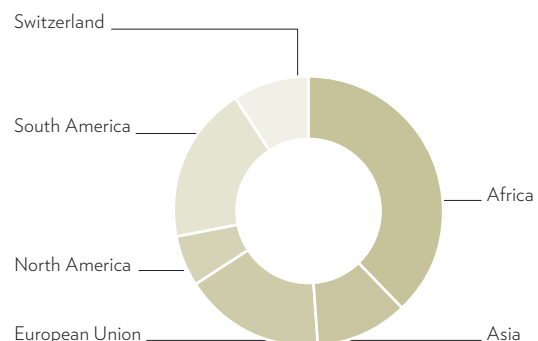


Julius Baer Foundation grant distribution by core area 2020



Source: Company data, Julius Baer

Julius Baer Foundation grant distribution by region 2020



IMPACT IN ACTION

Ending the cycle of wealth inequality: Christel House, South Africa

According to the World Bank, South Africa is one of the most unequal countries in the world with a Gini coefficient of 0.63. With this issue being a strategic priority for the Julius Baer Foundation, we are supporting Christel House. Located in Cape Town, the junior school provides education to more than 700 underprivileged kids and offers ongoing support to over 200 alumni. Classes are kept small to ensure a high-quality learning environment.

The attendance rate for grades 'R' to '12' is 97%. Mathematics and English test results from grades 3, 6 and 9 show that Christel House students outperform the schools they would have attended by 400%. Crucially, a total of 99% of students graduate, and 93% go on to tertiary education or are placed in their first job. In November 2020, the Foundation helped enable Christel House to host an inter-schools day. Themed Simunye ('we are one'), the event provided an opportunity for children to meet on equal ground, in order to foster relationships, build a foundation for understanding, respect and acceptance, and minimise unconscious bias.

“Our intention is to bring students from all walks of life together, so that we can remove barriers and ultimately build bridges for the youth, our future leaders. We are able to make a difference by working with other schools and with the help of our generous donor.”

CAROL KRIEL, PRINCIPAL, CHRISTEL HOUSE



SPONSORING

We continued to sponsor innovative, sustainable and pioneering initiatives across sports and culture in 2020, including:

ABB FIA Formula E Championship: we are the founding Global Partner of the world's first fully electric racing series, which plays a substantial role in shaping the future of mobility and smarter cities. In 2020, Formula E announced that it was the first sport in history to achieve a certified net-zero carbon footprint dating back to its inception.

Greentech Festival: with the motto, #celebratechange, the festival brings together entrepreneurs, neo-green idealists and visitors from all over the world to be inspired by the most innovative technologies and ideas for sustainable lifestyles. We began our support in 2020, not only financially but also by contributing our own thought leadership around sustainable futures.

Elbphilharmonie & Laeiszhalle Hamburg: we are the Principal Sponsor of this iconic concert hall, which offers a diverse range of music styles and formats and plays host to major stars and rising talent alike. The architectural and cultural landmark

of Hamburg has attracted 3 million visitors to its two halls (since their opening in January 2017 until January 2021).

The Magnus Carlsen Chess Tour and the Champions Chess Tour are an unprecedented series of online chess tournaments featuring most of the world's best players. In 2020, the first year of our sponsorship as the tour's education partner, we donated unlimited free memberships to the Magnus Trainer app and 400 online chess lessons, which benefited schoolchildren around the world.

THE JULIUS BAER ART COLLECTION

Established in 1981, the Collection contains today over 5,000 works. Through our acquisitions, we aim to promote and preserve visual art in Switzerland. We also seek to enable conversation and debate through art, displaying it primarily in our workplaces for employees and clients alike. In turbulent times such as the COVID-19 pandemic, the collection offers a particular source of inspiration and continuity as the art unit increased also its communication via digital channels. In 2020, to celebrate the Bank's 130-year jubilee, we launched 'Surrounded by Art', a publication that showcases the dynamic mix of artworks over four decades, from established Swiss artists to emerging talent.



CONSERVING NATURAL RESOURCES

As a responsible corporate citizen, we recognise the imperative to conserve natural resources and reduce emissions across our operations. Our environmental management framework and online monitoring tool help keep us on track to meet our targets. In the last seven years, we have steadily increased the scope and rigour of our environmental data collection.

ENERGY AND CARBON

Seven years ago, we set out to reduce our energy consumption by 10% and source 100% renewable electricity where possible – both by 2020. During this period, we have reduced absolute energy use by just over 3% and have achieved 100% renewable electricity sourcing for our Swiss locations (representing 69% of our measured global electricity consumption). While falling short of our absolute energy target, it is notable to highlight that, when normalised by full-time equivalent employees (FTE), we have achieved a 12% reduction¹.

Focusing on our main buildings in Zurich, in 2014 we committed to increase energy efficiency by 1.3% a year as part of our membership of Swiss regional energy-saving programme Kantonale Zielvereinbarung. During this time, we have achieved average annual reductions

of 2.6%, exceeding our commitment. The last twelve months have been exceptional in terms of COVID-19, inflating our carbon reduction to over 59% in a single year, primarily due to far less business travel and reduced office goods/waste procurement (86% and 42% reductions, respectively)². For five years, we have been carbon neutral in our operations by investing in carbon credits. To do so, we used the scope 1, 2 and 3 emissions laid out in this report (approximately 92% of our business, based on full-time equivalents), extrapolated to cover 100% of our workforce. In 2020, our credits supported Gunung Salak Geothermal Energy, which is providing clean power and jobs in a remote region of Indonesia, as well as vocational training in the local garment industry. The project is making a measurable contribution to eight SDGs.

Energy and carbon data^{3, 4, 5}

	2020	2019	Change in %
Energy consumption (MWh)	34,682	34,891	-0.6
Energy intensity (MWh/FTE)	5.7	5.8	-1.5
Greenhouse gas emissions (tCO ₂ e) ²	8,051	19,803	-59.3
Greenhouse gas intensity (tCO ₂ e/FTE) ⁶	1.3	3.3	-59.7

¹ In 2014, data covers 4,198 FTE working at sites in Zurich, Geneva, Lugano, datacentres in Switzerland, Singapore, Hong Kong, the UK and Uruguay – representing 80% of all Julius Baer FTEs in 2014. For 2020 comparison, we used the same locations, which now cover 4,616 FTE.

² Greenhouse gas emissions cover scopes 1 to 3 and approximately 92% of our total FTE, as specified under footnote 4. They are calculated according to guidelines issued by the WRI/WBCSD Greenhouse Gas Protocol. We offset all our CO₂ emissions through a certification scheme.

³ More detailed environmental data may be found at the end of this report in the section 'Key figures'.

⁴ Unless stated otherwise, the numbers in this table are based on information from Julius Baer's main business locations. These are Zurich, Geneva, Lugano, Basle and Bern in Switzerland, as well as our locations in Italy, Luxembourg, Brazil, Germany, India, Guernsey, Hong Kong, Monaco, Singapore, Spain, the UK, the UAE and Uruguay. These locations cover approximately 92% of our total FTE.

⁵ GRI 102-48: 2019 data was restated to account for additional business locations in Switzerland (Zurich), Italy and Luxembourg.

⁶ Greenhouse gas intensity has been calculated using Scope 1, Scope 2 and Scope 3 (including company car data) emissions representing approximately 92% of employees. Business travel through air, rental cars and train travel has global coverage and has not been adjusted for this calculation. The FTE base used for the calculation is in line with the other intensity figures and covers approximately 92% of employees, as specified under footnote 4.

Like other businesses in Switzerland, Julius Baer is subject to the national carbon levy¹. With a portion of the CO₂ tax reimbursement we supported the Swiss Climate Foundation, which funds small and medium-sized enterprises in energy efficiency and low-carbon innovation. As well as funding, we provide experts to serve on the Swiss Climate Foundation's Board of Trustees and Advisory Board. We also reinvested our reimbursement in our own energy efficiency projects across the Group. Going forward, we will be further strengthening our commitment to carbon reduction with a new climate strategy, including a net-zero target. Find out more in our 'Outlook and ambitions' chapter.

→ [See our energy and carbon data](#)

→ [Read our forward-looking statement to the TCFD](#)

RESOURCE EFFICIENCY

Since 2014, we have reduced our total water consumption by 64%, exceeding our 5% target. In the last twelve months alone, we delivered a 47% reduction, as well as 40% for paper and 36% for waste. While all 2020 data are inflated by the 'outlier' year of COVID-19, we can nonetheless be proud of what we have achieved. Resource-savings reflect local innovative initiatives implemented around the world, from replacing single-use plastics in Singapore, to LED retrofits in Mumbai and relocation to a LEED platinum building in Dubai.

→ [See our resource efficiency data](#)

Resource efficiency data²

	2020	2019	Change in %
Paper consumption (t)	173	288	-40.0
Paper consumption intensity (kg/FTE)	28	48	-40.5
Water consumption (m ³)	67,971	128,162	-47.0
Water consumption intensity (m ³ /FTE)	11	21	-47.4
Waste (t) ³	480	745	-35.6
Waste intensity (kg/FTE)	79	123	-37.5

¹ This incentive tax on fossil combustible fuels, such as heating oil and natural gas, has been levied since 2008 to consumers and businesses. Its revenues are fully redistributed to businesses as a percentage of wages paid.

² More detailed environmental data may be found at the end of this report in the section 'Key figures'.

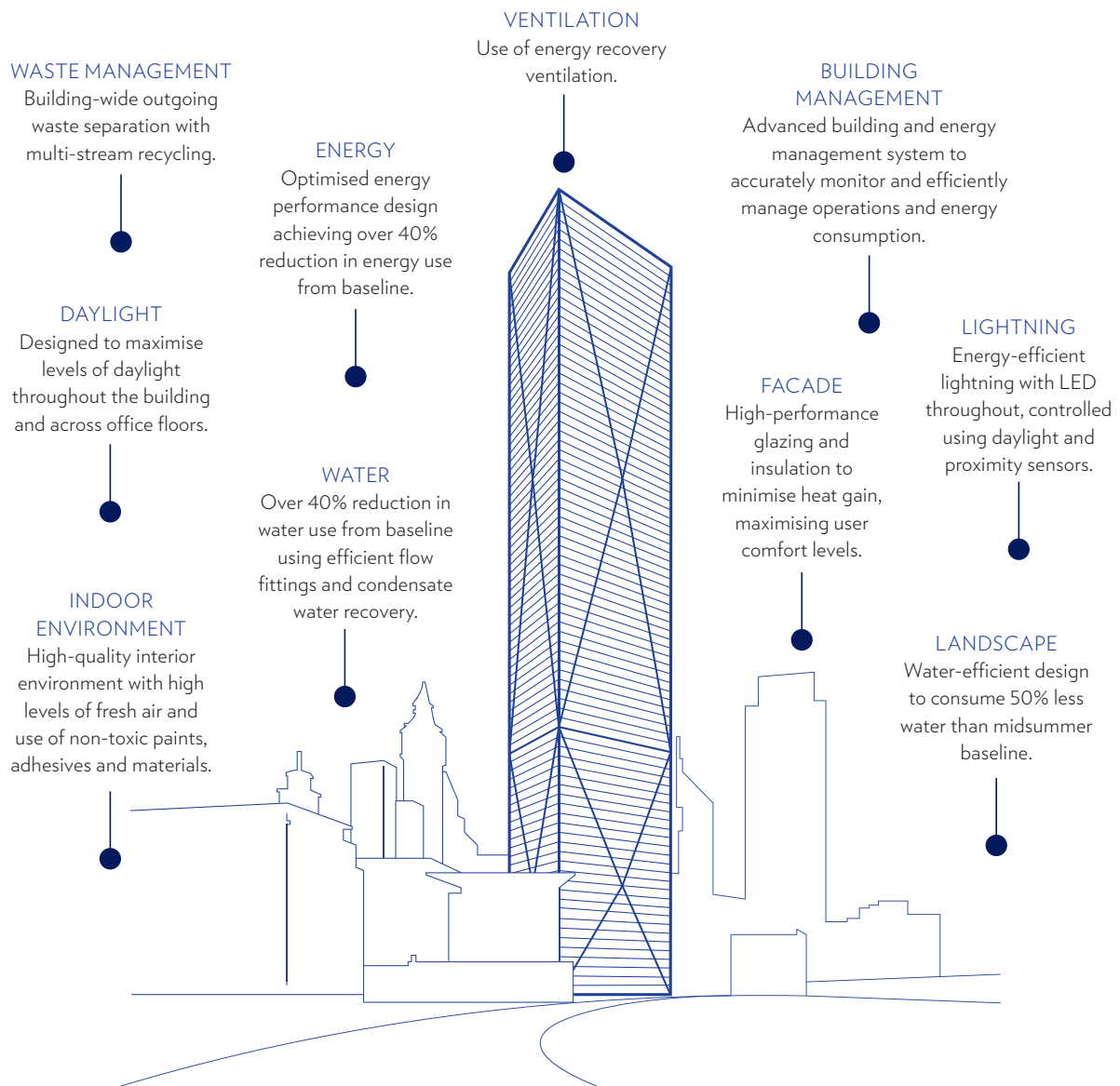
³ The locations providing waste data cover approximately 79% of our total FTEs.

IMPACT IN ACTION

Our new LEED platinum-rated Dubai workplace

In September 2020, our Dubai team moved into their new leased office at ICD Brookfield Place in the city's International Financial Centre. As a certified LEED platinum building¹, the offices benefit from the very highest standards of environmental innovation. These range from heat-moderating facades and smart energy management systems, to low-flow water fittings and fresh air inflows.

Environmentally innovative offices are only a part of our sustainability story in the Middle East.



→ Find out more about how we are inspiring forward-facing solutions to future cities

¹ Leadership in Energy and Environmental Design (LEED) is a voluntary environmental certification system developed by the U.S. Green Building Council in 2000.

ENGAGING STAKEHOLDERS

Engaging others around our sustainability strategy is fundamental to how we scale and deepen our own positive impact. For 2020, our focus was on empowering our people to become sustainability champions and engaging suppliers.

ENGAGING EMPLOYEES

To allow our clients to make educated decisions, we must also empower Julius Baer staff. We introduce the topic of corporate sustainability and responsible investment to our new joiners in Switzerland on their Welcome Day. In 2020, 50 investment advisors and portfolio managers undertook our ESG training programme and went on to begin an ESG certification course with the Chartered Financial Analyst Institute, UK, comprising 20 hours of classroom training (virtual in 2020), 130 hours of self-study and a final exam. We are delighted that 27 attained certification by end of 2020 and we are now extending the certification opportunity to more colleagues globally.

“We’re proud to have successfully trained ESG champions in all of the locations we offer our advisory services, therefore making sure that our clients across the globe will benefit from professional portfolio management which takes into account the sustainability dimension as well.”

DIEGO WÜRGLE, HEAD OF INVESTMENT ADVISORY

Alongside formally accredited ESG training, we are currently developing a modular training programme to raise awareness around sustainability across Julius Baer and engage colleagues in our strategy, solutions and services. For client-facing colleagues particularly, we will cover the responsible investment offering and support them to proactively raise the advantages to this investment approach in meetings and interactions with clients.

We aim to train all employees through a mandatory corporate sustainability and responsible investment e-learning as well as to provide access to deep-dive training for client-facing employees in 2021.

“I’m proud to be one of the first at Julius Baer to have passed the Certificate in ESG Investing exam. The subject is relevant, trending and key to providing the correct professional advice to our clients.”

STEFANO AMBROGI, COURSE PARTICIPANT

ENGAGING SUPPLIERS

As a responsible corporate citizen, we believe that in addition to cost and quality, the products and services we purchase should reflect environmental and social considerations. Key supply chain risks include human and labour rights, health and safety, environmental protection and anti-corruption. Ensuring our suppliers comply with our [Code of Conduct for Business Partners](#), which has been a mandatory part of supplier contracts since 2008, is the first step in helping manage these risks.

In 2020, we began a partnership with IntegrityNext, a platform that enables us to monitor our suppliers for compliance and good practice on key sustainability and business continuity factors. It also issued a specific questionnaire to suppliers on COVID-19 management and preparedness. Starting initially with the most significant suppliers in terms of volume, criticality and importance for Julius Baer’s business, going forward we will expand the scope so that the platform becomes an enhanced framework.

CONDUCT AND RISK

Today, more than ever, ethical conduct, robust risk management and compliance with rapidly evolving sustainability regulations are business-critical.

IN THIS SECTION

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Ethical conduct

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Risk and compliance

HIGHLIGHTS 2020

All **6,500+** employees trained and signed the Code of Ethics and Business Conduct

+CHF 150m invested in risk management systems, 2016–2020

ETHICAL CONDUCT

Maintaining our reputation for integrity requires ongoing engagement backed by rigorous policies and processes that define and monitor ethical conduct.

In 2020, reflecting the operating environment and Group strategic objectives, we revised and re-published our [Code of Ethics and Business Conduct](#). It covers topics including tax, conflicts of interest, combating financial crime, confidentiality, human rights, diversity and environmental protection. The roll-out of the revised Code was accompanied by global mandatory web-based training for all staff globally and onboarding activities for new employees. To raise further awareness, a promotion campaign included videos of employees explaining the importance of the Code in their daily business, as well as intranet features.

All 6,500+ employees trained and signed up to the Code of Ethics and Business Conduct

REPORTING CONCERNS AND NON-RETALIATION

All employees must adhere to the Code, comply with laws and regulations and be responsive to changes in our operating environment. As a starting point, we ask employees to discuss concerns directly with their line manager, our legal and compliance team and/or human resources. Alternative channels are available to report a concern, observation or complaint, such as contacting the Group's ombudsman or reporting the incident anonymously through the Group's reporting tool (Integrity Line). Julius Baer will not retaliate against any employee using the reporting tool in good faith (for more information, see also our [Annual Report 2020](#)).

In cases of misconduct, a comprehensive breach process is in place which is summarised in our Group disciplinary policy. In 2020, we updated the policy to further increase transparency around the breach process with local Disciplinary Committees, independent disciplinary managers and a global

Disciplinary Escalation Committee ensuring fair and equal treatment of employees in line with local employment laws.

COMBATING FINANCIAL CRIME

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

TRANSPARENT GOVERNANCE

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

As a result, we have the necessary structures, policies, controls and processes in place to ensure strong governance of our company. This is reflected in our solid financial footing, our independent oversight bodies responsible for defining the company's strategic direction, our thorough corporate risk-controlling framework, and our effective, incentive-based remuneration schemes within the Group.



At the beginning of 2020, we fundamentally shifted from an asset-gathering strategy to one focused on sustainable profit growth. In order to align the remuneration and incentive structure of the client-facing organisation with the new strategic objectives, we introduced a new relationship manager compensation framework. It is a meritocratic model, assessing performance in a holistic manner taking

into account financial and non-financial elements. It rewards excellent conduct and behaviour in serving our clients – both of which are essential for achieving sustainable profit growth. Detailed information on the corporate governance framework of the Julius Baer Group as well as its compensation governance and framework is available in our [Annual Report 2020](#).

RISK AND COMPLIANCE

In pursuing our strategy and business, Julius Baer is exposed to risks that may have an impact on our financial, business, regulatory and reputational standing. Managing sustainability and reputational issues has become increasingly important, as we – and our clients – face growing economic, environmental and societal challenges.

We manage these risks in accordance with the Group's risk management and risk tolerance frameworks, which are an integral part of the Group's business model and has been designed to protect our franchise and reputation.

RISK MANAGEMENT FRAMEWORK

Our risk management and tolerance frameworks are approved by the Board of Directors each year and integrates all relevant activities, governance and processes to identify, assess, manage, monitor and report risks across the organisation. Risk and compliance management activities are structured according to our risk categorisation, which represents the material risks for the organisation. In addition to credit, market and treasury risk, the Group is also exposed to non-financial risks, including operational, legal and compliance risks, as well as strategic, business and reputational risks. For ESG risks we further integrate the identification, assessment and monitoring of environmental and social risks into our standard risk, compliance and operations processes.

Not all risks can be eliminated, fully controlled and mitigated at all times. However, our risk tolerance framework ensures that risk-taking is in line with the strategic objectives and within the Group's overall risk capacity. Risk tolerance is defined as the aggregate level of risk, subject to appropriate mitigating actions, that the Group is willing to accept across all relevant risk categories. It is formalised by a set of qualitative risk statements and quantitative risk metrics along key risk categories. The Board of Directors defines the qualitative risk strategy statement, defining the objectives and principles underpinning its approach to ESG issues in all of its business activities. It refers to upcoming regulations, as well as international agreements that Julius Baer has voluntarily pledged to uphold.

RISK GOVERNANCE AND MANAGEMENT

The Chief Risk Officer division develops and oversees the global framework for risk identification, assessment, management, monitoring and reporting within the risk tolerance for the various business activities. It acts as an independent partner in constructively challenging the business activities from a risk management perspective and also provides independent oversight, challenge and control on a global, regional and local level, in order to ensure risks are understood, owned and managed to the firm's risk tolerance.

Reporting into the Chief Risk Officer division, the Risk Management department supports the organisation with the design and application of the risk management and risk tolerance frameworks. The department's overall responsibilities include the definition of risk limits jointly with business units, consistent with the defined risk tolerance. They further include the comprehensive and systematic monitoring of the Group's risk profile against risk tolerances and limits, as well as stress tests and quantitative and qualitative scenario analyses.

The Compliance department is part of the Chief Risk Officer division, with the mandate to support senior management in ensuring compliance with internal and external rules and regulations. It sets Group-wide standards for compliance and operational risk-related subjects and validates adherence to these standards to ensure conformity with all applicable regulatory obligations, as well as to our risk management and risk tolerance frameworks and policies. The department also supports business lines in their first-line-of-defence role. Finally, Compliance is responsible for independent oversight of the Group's risk and

control framework and integrating the global compliance risk management framework into it, as well as aligning their governance and processes.

STRENGTHENING OUR RISK AND COMPLIANCE PROCESSES

Since 2016, we have been investing heavily in our risk management and control processes to close remaining regulatory risk gaps. Leveraging our innovation framework has been key to successful outcomes and in 2020, we introduced a number of software measures to strengthen our systems. As part of the further evolution of our risk management framework, we completed the roll-out of a holistic risk management cycle and the integration of a risk categorisation concept, which

allows for individual assignment of responsibilities to risk type owners who maintain the risk management framework of each risk type.

Also, by revising our key risk taker framework, we have strengthened risk accountability and ownership. The framework governs the identification of Julius Baer employees who have significant influence on the direction-setting and risk-taking of the firm and corresponding performance and remuneration considerations. Further, within the revised risk tolerance framework, we allocate certain risk tolerance limits to regional, divisional level or legal entity, which allows us a more detailed monitoring of the overall risk exposure.

IMPACT IN ACTION

Integrating ESG into risk management

Julius Baer is exposed to ESG risks across its activities – from client onboarding, advisory and investments, to financing, sourcing and periodic reviews. In line with the Code of Ethics and Business Conduct, we are committed to ensure our business practices meet regulatory requirements and expectations related to ESG risks, which are therefore integrated in the individual assessment of our existing risk categories.

In recent years, there has been a proliferation in international guiding principles around incorporating sustainability risks (notably environmental and climate risks) into wider risk management systems. Indeed, the EU Action Plan on Sustainable Finance requires financial institutions to take a proactive approach to ESG-related risk and, as a minimum, ensure they are formalised within risk management frameworks. Alongside growing expectations from UN PRB and UN PRI, we have therefore established a cross-departmental working group to address EU Action Plan requirements, with stakeholders from the Head Office and European locations.

The objective is to further integrate ESG considerations as part of the existing risk management framework. In addition, we continue with high efforts to continuously strengthen our ESG-related reputational risk assessment approach (see [‘Outlook and ambitions’](#)).

The global compliance framework is continuously being improved and adapted to the current, constantly expanding and expected local regulatory requirements. The Compliance organisation was further strengthened through the adjustment of the strategy last year and through targeted organisational changes. Improved analytical skills through investments in technology and technical

skills are the key to achieving efficiency and effectiveness gains within Risk and Compliance. By simplifying and streamlining existing frameworks and processes, the Compliance function can cope with the economic challenges in line with regulatory expectations and maintain and sometimes increase the control effectiveness of the compliance framework.

ADDRESSING LEGACY ISSUES RESOLUTELY AND CONSTRUCTIVELY

Culmination of multi-year effort in 2020 – all critical design elements of the comprehensive overhaul of our risk-related standards and processes are in place.

+CHF 150m investments in upgraded risk management systems and infrastructure, 2016–2020

Global KYC upgrade programme completed in 2019	Due diligence in RM onboarding and ongoing RM conduct risk assessment extended	Enhanced Group risk management framework established, incl. Front Risk Management units	Revised Code of Ethics and Business Conduct rolled out globally
Various AML transaction monitoring processes and tools upgraded	Global client view (e.g. PEP database and Unwanted Client List) implemented	New client risk rating methodology introduced	New disciplinary policy and process implemented

A key intervention in 2020 was the introduction of a new client risk rating methodology to strengthen the Bank's financial crime risk framework, specifically around anti-money laundering. The new risk rating was initially rolled out at booking centres Switzerland and Guernsey to replace the client risk rating and add a more granular risk classification of our clients. Over the next few years, the methodology will be implemented in further international booking centres.

Moreover, the compliance processes have been strengthened among others through a new global case management tool to standardise and digitalise compliance client reviews, a state-of-the-art anti-money laundering transaction monitoring solution in several international locations, a global database to monitor politically exposed persons and a global Unwanted Client List to mitigate financial crime risk. Julius Baer has successfully undertaken significant efforts to 'de-risk' its profile and align its footprint with regulatory developments and expectations. Further, our client documentation project has been completed in time and quality by end of 2019.

IMPACT IN ACTION

Learning from past shortcomings

The critical importance of our Code of Ethics and Business Conduct – and its associated policies – has been highlighted in recent years as we cooperated with the U.S. Department of Justice in its investigation into alleged money laundering and corruption involving officials and affiliates of FIFA and associated sports media and marketing companies.

In November 2020, we reached an agreement in principle to settle the FIFA-related investigation with a three-year deferred prosecution agreement entailing a financial component of USD 79.7 million, as charged against the 2020 financial results. Measures already taken include de-risking the business by re-documenting each one of the Bank's client relationships and discontinuing certain individual relationships and operations not commensurate with Julius Baer's risk appetite; renewing and strengthening the entire risk organisation; as well as introducing an enhanced Code of Ethics and Business Conduct.

On 20 February 2020, the Swiss Financial Market Supervisory Authority FINMA announced the closure of its enforcement proceeding against Julius Baer concerning PDVSA, a Venezuelan state-owned oil company, and the world football federation FIFA by ordering Julius Baer to continue and conclude a set of remedial measures which had been largely initiated by Julius Baer already in the years before. Julius Baer is cooperating with an independent review agent as commissioned by FINMA to review the progress and effectiveness of the implemented measures. As highlighted in our 2019 Sustainability Report, we introduced various changes, and in 2020, we took further strategic measures to improve our anti-money-laundering processes, including among others a new client risk rating system; establishing a new front risk management function; enhancing the compensation and disciplinary framework; and improving our anti-money-laundering risk appetite and global control framework.

→ [Read more in our Annual Report 2020](#)

INFORMATION SECURITY AND DATA PRIVACY

Information security and data privacy risks evolve on a daily basis and, with more of us working virtually as a result of COVID-19, these risks have further increased. While our systems, which are derived and adopted from ISO 27001, have proven to be robust throughout the pandemic so far, in 2020 we refined our data privacy framework within the scope of the data privacy roadmap (part of Julius Baer's strategic roadmap).

In 2020, we started to roll out a new way to implement our control objectives by further operationalising security control objectives. The measurements are shown on dashboards and scorecards and allow for quick remediation if issues are detected. This effort is at the centre of our goal to enable continuous information and cyber security assurance within three to five years and we have introduced a new Information Security Assurance Officer role to deliver this.

Also during the year, we continued to roll out globally the smart card authentication. Data privacy training is mandatory for all employees, and staff also participate in annual information security refresher training. In addition to formal training, our Information and Cyber Security team offers an 'open door' approach to supporting colleagues with concerns. As well as awareness sessions on specific risks, such as regular phishing training, the team welcomes any questions with those across the Group (e.g. Family Offices, Business Owners/Entrepreneurs or External Asset Managers). The goal in the years ahead is to transform information and cyber security into a production factor of Julius Baer by, for instance, expanding advice to employees or clients. This is integral to building our thought leadership competencies around the growing risks in this area.

OUTLOOK AND AMBITIONS

As we begin to deliver on our updated sustainability strategy in 2021, we have revised and defined our ambitions. This includes identifying measurable objectives against our strategic priorities, in line with guiding principles.

RESPONSIBLE INVESTMENT

Our approach	To further integrate our enhanced approach – meeting client, market, regulatory expectations – into our advisory and investment management processes.
Sustainable investing	To embed our enhanced approach into the investment strategy of our discretionary mandates where appropriate, our proprietary investment products and in our advisory process.
Impact investing	To further develop our impact investing product offering, complemented by thought leadership publications and by providing transparency on the impact created.
Philanthropy services	To further increase our philanthropy mandates across the globe.
Client experience	To expand our thought leadership offer around Julius Baer's key themes. By end of 2021, offer sustainability portfolio 'health checks' upon request to help our clients make informed choices.

RESPONSIBLE CITIZENSHIP

Caring employer	To maintain high employee engagement scores. To further promote diversity and inclusion, and strive for 30% female representation at senior management level by end of 2023.
Community partner	To increase the number of volunteers and volunteering hours by building joint forces with JB Cares, the Julius Baer Foundation and our HR and Corporate Sustainability & Responsible Investment departments.
Conserving natural resources	By end of 2021, complement our environmental efforts with a new climate strategy, including a net-zero CO ₂ emission target.
Engaging stakeholders	By end of 2021, ensure all employees engage in sustainability e-learning and provide access to deep-dive training for client-facing employees.

CONDUCT AND RISK

Risk management	To further integrate sustainability risks into our risk categories and processes. To further strengthen our reputational risk assessment approach.
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REPORTING AND DISCLOSURE

Disclosure	To disclose information annually in line with best practice sustainability disclosure commitments such as the GRI, UN PRB, UN PRI, CDP, S&P Global CSA and TCFD.
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REPORTING AND DISCLOSURE

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

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HIGHLIGHTS 2020

A-rated, MSCI ESG

Constituent, S&P Global Sustainability Index

'B', CDP rating for carbon disclosure

85, S&P Global CSA percentile rank

Constituent, FTSE4GOOD

GRI STANDARDS CONTENT INDEX

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

102	GENERAL DISCLOSURES	
	Organisational profile	
102-1	Name of the organisation	Sustainability Report 2020, 'We are Julius Baer', p. 6
102-2	Activities, brands, products and services	Sustainability Report 2020, 'We are Julius Baer', p. 6
102-3	Location of headquarters	Sustainability Report 2020, 'We are Julius Baer', p. 7
102-4	Location of operations	Sustainability Report 2020, 'We are Julius Baer', p. 7
102-5	Ownership and legal form	Annual Report 2020, 'Corporate governance', pp. 10–12
102-6	Markets served	Business Review 2020, 'Developments in 2020', pp. 14–19
102-7	Scale of the organisation	Sustainability Report 2020, 'We are Julius Baer', pp. 6–7
102-8	Information on employees and other workers	Sustainability Report 2020, 'Caring employer', pp. 35–36; 'Key figures', pp. 73–74
102-9	Supply chain	Sustainability Report 2020, 'Engaging stakeholders', p. 45
102-10	Significant changes to the organisation and its supply chain	No significant changes
102-11	Precautionary principle or approach	Sustainability Report 2020, 'The world changed in 2020', pp. 10–12; 'How we enable positive impact', pp. 13–14; 'How stakeholders inform our strategy', pp. 17–18; 'Guiding principles and regulation', pp. 19–20; 'Responsible investment', pp. 22–28; 'Conduct and risk', pp. 47–52; 'Outlook and ambitions', p. 53; 'Reporting and disclosure', pp. 54–71
102-12	External initiatives	Sustainability Report 2020, 'Memberships and partnerships', pp. 76–77
102-13	Membership of associations	Sustainability Report 2020, 'Memberships and partnerships', pp. 76–77
	Strategy	
102-14	Statement from senior decision-maker	Sustainability Report 2020, 'Foreword', pp. 4–5
	Ethics and integrity	
102-16	Values, principles, standards and norms of behaviour	Sustainability Report 2020, 'We are Julius Baer', pp. 6–7; 'Caring employer', pp. 33–34; 'Ethical conduct', pp. 47–48
102-17	Mechanisms for advice and concerns about ethics	Sustainability Report 2020, 'Ethical conduct', p. 47

Governance		
102-18	Governance structure	Sustainability Report 2020, 'How we enable positive impact', p. 14; 'Ethical conduct', pp. 47–48; Annual Report 2020, 'Corporate governance', pp. 10–12; 'Board of Directors', pp. 16, 23–40
102-19	Delegating authority	Sustainability Report 2020, 'How we enable positive impact', p. 14
102-20	Executive-level responsibility for economic, environmental and social topics	Sustainability Report 2020, 'How we enable positive impact', p. 14
102-22	Composition of the highest governance body and its committees	Annual Report 2020, 'Group structure and shareholders', p. 11; 'Board of Directors', pp. 16–35
102-23	Chair of the highest governance body	Annual Report 2020, 'Board of Directors', pp. 16–20
102-24	Nominating and selecting the highest governance body	Annual Report 2020, 'Board of Directors', p. 20
102-25	Conflicts of interest	Annual Report 2020, 'Board of Directors', p. 16
102-26	Role of highest governance body in setting purpose, values and strategy	Sustainability Report 2020, 'How we enable positive impact', p. 14
102-29	Identifying and managing economic, environmental and social impacts	Sustainability Report 2020, 'The world changed in 2020', pp. 10–12; 'How stakeholders inform our strategy', pp. 17–18; 'Guiding principles and regulation', pp. 19–20
102-32	Highest governance body's role in sustainability reporting	Sustainability Report 2020, 'This report', p. 3
102-33	Communicating critical concerns	Sustainability Report 2020, 'Conduct and risk', pp. 47–52; Annual Report 2020, 'Comment on risk management', pp. 115–132
102-35	Remuneration policies	Annual Report 2020, '2020 remuneration highlights', pp. 56–57; 'Executive Board and senior management compensation', p. 69
102-36	Process for determining remuneration	Annual Report 2020, '2020 remuneration highlights', pp. 56–57; 'Compensation governance', pp. 58–64
102-37	Stakeholders' involvement in remuneration	Annual Report 2020, 'Compensation governance', pp. 58–64
Stakeholder engagement		
102-40	List of stakeholder groups	Sustainability Report 2020, 'How stakeholders inform our strategy', p. 17
102-41	Collective bargaining agreements	Sustainability Report 2020, 'Caring employer', p. 34 We are represented within the Employers Association of Banks in Switzerland and we are in regular dialogue with works councils, employee representative bodies and social partners. In Austria, Luxembourg, Monaco, Spain and Switzerland, we are also part of collective bargaining agreements. No significant proportion of our workforce is employed in the low-wage segment. For further details, please refer to the remuneration report section of the Annual Report 2020.
102-42	Identifying and selecting stakeholders	Sustainability Report 2020, 'How stakeholders inform our strategy', pp. 17–18
102-43	Approaches to stakeholder engagement	Sustainability Report 2020, 'How stakeholders inform our strategy', p. 17
102-44	Key topics and concerns raised	Sustainability Report 2020, 'How stakeholders inform our strategy', p. 17

REPORTING AND DISCLOSURE

Report practice		
102-45	Entities included in the consolidated financial statements	Sustainability Report 2020, 'This report', p. 3; Annual Report 2020, 'Additional information', pp. 204–207
102-46	Defining report content and topic boundaries	Sustainability Report 2020, 'This report', p. 3; 'How we enable positive impact', p. 13; 'How stakeholders inform our strategy', pp. 17–18; 'Guiding principles and regulation', p. 20
102-47	List of material topics	Sustainability Report 2020, 'How stakeholders inform our strategy', pp. 17–18; 'Guiding principles and regulation', p. 20
102-48	Restatements of information	Sustainability Report 2020, 'Caring employer', p. 35; 'Conserving natural resources', p. 42; 'Key figures', pp. 74, 75
102-49	Changes in reporting	Sustainability Report 2020, 'This report', p. 3
102-50	Reporting period	01.01.2020–31.12.2020
102-51	Date of most recent report	March 2021
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	Sustainability Report 2020, 'Corporate contacts', p. 79
102-54	Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards: Core option
102-55	GRI content index	Sustainability Report 2020, 'GRI Standards content index', pp. 55–61
102-56	External assurance	Not externally assured

SPECIFIC STANDARDS DISCLOSURE

201 ECONOMIC PERFORMANCE

103-1/2/3	Management approach	Sustainability Report 2020, 'How we enable positive impact', p. 13; 'How stakeholders inform our strategy', pp. 17–18; 'Guiding principles and regulation', pp. 19–20; 'Responsible investment', pp. 21–31; Business Review 2020, 'Developments in 2020', pp. 10–22; 'Our strategy', pp. 23–25
201-1	Direct economic value generated and distributed	Sustainability Report 2020, 'Key figures', p. 72; Business Review 2020, 'Financial performance in 2020', pp. 5, 8–9; Annual Report 2020, 'Financial statements Julius Baer Group 2020', pp. 96–224
201-2	Financial implications and other risks and opportunities due to climate change	Sustainability Report 2020, 'The world changed in 2020', pp. 10–12; 'Responsible investment', pp. 22–28; 'Conserving natural resources', pp. 42–44; 'TCFD statement', pp. 70–71
201-3	Defined benefit plan obligations and other retirement plans	Annual Report 2020, 'Remuneration report', pp. 52–94

203 INDIRECT ECONOMIC IMPACTS

103-1/2/3	Management approach	Sustainability Report 2020, 'How stakeholders inform our strategy', pp. 17–18; 'Guiding principles and regulation', p. 20; 'Community partner', pp. 37–41
203-1	Infrastructure investments and services supported	Sustainability Report 2020, 'Community partner', pp. 37–40

205 ANTI-CORRUPTION

103-1/2/3	Management approach	Sustainability Report 2020, 'How stakeholders inform our strategy', pp. 17–18; 'Guiding principles and regulation', p. 20; 'Conduct and risk', pp. 47–52; Annual Report 2020, 'Comment on risk management', pp. 115–132
205-1	Operations assessed for risks related to corruption	Sustainability Report 2020, 'Risk and compliance', pp. 49–52
205-2	Communication and training about anti-corruption policies and procedures	Sustainability Report 2020, 'Ethical conduct', p. 47
205-3	Confirmed incidents of corruption and actions taken	Sustainability Report 2020, 'Risk and compliance', pp. 50–52; Annual Report 2020, 'Information on the consolidated balance sheet', pp. 157–161

206 ANTI-COMPETITIVE BEHAVIOUR

103-1/2/3	Management approach	Sustainability Report 2020, 'How stakeholders inform our strategy', pp. 17–18; 'Guiding principles and regulation', p. 20; 'Ethical conduct', p. 47
206-1	Legal actions for anti-competitive behaviour, anti-trust and monopoly practices	Annual Report 2020, 'Information on the consolidated balance sheet', pp. 157–161

207 TAX

103-1/2/3	Management approach	Sustainability Report 2020, 'How stakeholders inform our strategy', pp. 17–18; 'Guiding principles and regulation', p. 20; 'Ethical conduct', pp. 47–48
207-1	Approach to tax	Sustainability Report 2020, 'Ethical conduct', pp. 47–48; Annual Report 2020, 'Information on the consolidated income statement', pp. 139–141
207-2	Tax governance, control and risk management	Annual Report 2020, 'Board of Directors', pp. 27–32

301 MATERIALS

103-1/2/3	Management approach	Sustainability Report 2020, 'How stakeholders inform our strategy', pp. 17–18; 'Guiding principles and regulation', p. 20; 'Conserving natural resources', pp. 42–44
301-1	Materials used by weight or volume	Sustainability Report 2020, 'Key figures', p. 75

302 ENERGY

103-1/2/3	Management approach	Sustainability Report 2020, 'How stakeholders inform our strategy', pp. 17–18; 'Guiding principles and regulation', p. 20; 'Conserving natural resources', pp. 42–44
302-1	Energy consumption within the organisation	Sustainability Report 2020, 'Key figures', p. 75
302-3	Energy intensity	Sustainability Report 2020, 'Key figures', p. 75
302-4	Reduction of energy consumption	Sustainability Report 2020, 'Conserving natural resources', pp. 42; 'Key figures', p. 75

303 WATER AND EFFLUENTS

103-1/2/3	Management approach	Sustainability Report 2020, 'How stakeholders inform our strategy', pp. 17–18; 'Guiding principles and regulation', p. 20; 'Conserving natural resources', pp. 42–44
303-5	Water consumption	Sustainability Report 2020, 'Key figures', p. 75

REPORTING AND DISCLOSURE

305 EMISSIONS

103-1/2/3	Management approach	Sustainability Report 2020, 'How stakeholders inform our strategy', pp. 17–18; 'Guiding principles and regulation', p. 20; 'Conserving natural resources', pp. 42–44
305-1	Direct (Scope 1) GHG emissions	Sustainability Report 2020, 'Key figures', p. 75
305-2	Energy indirect (Scope 2) GHG emissions	Sustainability Report 2020, 'Key figures', p. 75
305-3	Other indirect (Scope 3) GHG emissions	Sustainability Report 2020, 'Key figures', p. 75
305-4	GHG emissions intensity	Sustainability Report 2020, 'Key figures', p. 75
305-5	Reduction of GHG emissions	Sustainability Report 2020, 'Key figures', p. 75

306 EFFLUENTS AND WASTE

103-1/2/3	Management approach	Sustainability Report 2020, 'How stakeholders inform our strategy', pp. 17–18; 'Guiding principles and regulation', p. 20; 'Conserving natural resources', pp. 42–44
306-2	Waste by type and disposal method	Sustainability Report 2020, 'Key figures', p. 75

401 EMPLOYMENT

103-1/2/3	Management approach	Sustainability Report 2020, 'How stakeholders inform our strategy', pp. 17–18; 'Guiding principles and regulation', p. 20; 'Caring employer', pp. 33–36
401-1	New employee hires and employee turnover	Sustainability Report 2020, 'Caring employer', p. 33; 'Key figures', p. 73
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Sustainability Report 2020, 'Caring employer', pp. 33–36; 'Key figures', p. 74; Annual Report 2020, 'Additional information', p. 166
401-3	Parental leave	Sustainability Report 2020, 'Caring employer', pp. 34–35; 'Key figures', p. 74

403 OCCUPATIONAL HEALTH AND SAFETY

103-1/2/3	Management approach	Sustainability Report 2020, 'How stakeholders inform our strategy', pp. 17–18; 'Guiding principles and regulation', p. 20; 'Caring employer', p. 33
404-6	Promotion of worker health	'Sustainability Report 2020, 'Caring employer', p. 33; 'Key figures', p. 74

404 TRAINING AND EDUCATION

103-1/2/3	Management approach	Sustainability Report 2020, 'How stakeholders inform our strategy', pp. 17–18; 'Guiding principles and regulation', p. 20; 'Caring employer', p. 35
404-1	Average hours of training per year per employee	Sustainability Report 2020, 'Caring employer', p. 35; 'Key figures', p. 74
404-2	Programmes for upgrading employee skills and transition assistance programmes	Sustainability Report 2020, 'Caring employer', pp. 34–35; 'Engaging stakeholders', p. 45
404-3	Percentage of employees receiving regular performance and career development reviews	Sustainability Report 2020, 'Caring employer', p. 34

REPORTING AND DISCLOSURE

405 DIVERSITY AND EQUAL OPPORTUNITY

103-1/2/3	Management approach	Sustainability Report 2020, 'How stakeholders inform our strategy', pp. 17–18; 'Guiding principles and regulation', p. 20; 'Caring employer', pp. 34–36
405-1	Diversity of governance bodies and employees	Sustainability Report 2020, 'Caring employer', p. 34; 'Key figures', p. 73
405-2	Ratio of basic salary and remuneration of women to men	Sustainability Report 2020, 'Caring employer', p. 34

406 NON-DISCRIMINATION

103-1/2/3	Management approach	Sustainability Report 2020, 'How stakeholders inform our strategy', pp. 17–18; 'Guiding principles and regulation', p. 20; 'Ethical conduct', p. 47
406-1	Incidents of discrimination and corrective actions taken	Sustainability Report 2020, 'Ethical conduct', p. 47

413 LOCAL COMMUNITIES

103-1/2/3	Management approach	Sustainability Report 2020, 'How stakeholders inform our strategy', pp. 17–18; 'Guiding principles and regulation', p. 20; 'Community partner', pp. 37–41
413-1	Operations with local community engagement, impact assessment and development programmes	Sustainability Report 2020, 'How stakeholders inform our strategy', pp. 17–18; 'Guiding principles and regulation', p. 20; 'Community partner', pp. 37–41

415 PUBLIC POLICY

103-1/2/3	Management approach	Sustainability Report 2020, 'How stakeholders inform our strategy', pp. 17–18; 'Guiding principles and regulation', pp. 19–20; 'Memberships and partnerships', pp. 76–77
415-1	Political contributions	Sustainability Report 2020, 'Memberships and partnerships', pp. 76–77

417 MARKETING AND LABELLING

103-1/2/3	Management approach	Sustainability Report 2020, 'How stakeholders inform our strategy', pp. 17–18; 'Guiding principles and regulation', p. 20; 'Client experience', pp. 29–30
417-1	Requirements for product and service information and labelling	Sustainability Report 2020, 'Client experience', pp. 29–30; 'Sustainability-related disclosures', please see on our website: https://www.juliusbaer.com/en/legal/sustainability-related-disclosures/

418 CUSTOMER PRIVACY

103-1/2/3	Management approach	Sustainability Report 2020, 'How stakeholders inform our strategy', pp. 17–18; 'Guiding principles and regulation', p. 20; 'Client experience', pp. 29–30; 'Risk and compliance', p. 52
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Not disclosed Julius Baer considers this information to be confidential

419 SOCIO-ECONOMIC COMPLIANCE

103-1/2/3	Management approach	Sustainability Report 2020, 'How stakeholders inform our strategy', pp. 17-18; 'Guiding principles and regulation', p. 20; 'Conduct and risk', pp. 47-52; Annual Report 2020, 'Information on the consolidated balance sheet', p. 157
419-1	Non-compliance with laws and regulations in the social and economic area	Annual Report 2020, 'Information on the consolidated balance sheet', pp. 157-161

RESPONSIBLE INVESTMENT

103-1/2/3	Management approach	Sustainability Report 2020, 'How stakeholders inform our strategy', pp. 17-18; 'Guiding principles and regulation', p. 20; 'Responsible investment', pp. 22-51
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FAIR BUSINESS PRACTICE AND INTEGRITY

103-1/2/3	Management approach	Sustainability Report 2020, 'How stakeholders inform our strategy', pp. 17-18; 'Guiding principles and regulation', p. 20; 'Conduct and risk', pp. 47-52
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UNDERSTANDING CLIENTS AND THEIR NEEDS

103-1/2/3	Management approach	Sustainability Report 2020, 'How stakeholders inform our strategy', pp. 17-18; 'Guiding principles and regulation', p. 20; 'Client experience', pp. 29-31
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WEALTH INEQUALITY

103-1/2/3	Management approach	Sustainability Report 2020, 'How stakeholders inform our strategy', pp. 17-18; 'Guiding principles and regulation', p. 20; 'Community partner', pp. 39-40
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CLIMATE CHANGE

103-1/2/3	Management approach	Sustainability Report 2020, 'How stakeholders inform our strategy', pp. 17-18; 'Guiding principles and regulation', p. 20; 'Responsible investment', pp. 22-38; 'Conserving natural resources', pp. 42-44; 'Risk and compliance', p. 50; 'TCFD statement', pp. 70-71
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UN PRB SELF-ASSESSMENT

As a founding signatory of the UNEP FI Principles of Responsible Banking (PRB), this is our first self-assessment against its six principles. It details the work we are undertaking to further align our business with the SDGs and the Paris Climate Agreement. Our aim is to be transparent on our progress implementing the six principles.

Reporting and Self-Assessment Requirements	High-level summary of bank's response	Link(s) to bank's full response/relevant information
Principle 1: Alignment We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.		
1.1 Describe (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities, and where relevant the technologies financed across the main geographies in which your bank has operations or provides products and services.	<p>Julius Baer is a leading Swiss wealth management group. We focus on providing personal advice to private clients around the world. Based on our modern investment approach and open product platform, we offer clients holistic advice and comprehensive services in the areas of wealth management, wealth planning and wealth financing.</p> <p>Our key business functions are:</p> <p>Discretionary mandates: managing assets on behalf of our clients.</p> <p>Investment advisory offering: personal investment advice with various service models.</p> <p>Wealth planning: solutions for asset structuring, financial planning, succession planning, taxation, relocation, retirement, sustainable and impact investment, as well as philanthropy.</p> <p>Financing: a wide range of credit solutions, from Lombard lending and mortgages right through to structured financing transactions.</p> <p>Trading/structured products: advice and access to structured products and direct investments for our private banking clients.</p> <p>Proprietary research: analysis on economics, equities, fixed income, investment funds, currencies and commodities. Julius Baer Next Generation Research focuses on the structural trends that will shape the future.</p> <p>Investment Insights app: this gives clients and intermediaries round-the-clock access to Julius Baer research and investment publications.</p> <p>The Julius Baer Group is present in more than 50 locations worldwide, including Zurich (Head Office), Dubai, Frankfurt, Geneva, Hong Kong, London, Luxembourg, Mexico City, Milan, Monaco, Montevideo, Moscow, Mumbai, São Paulo, Singapore and Tokyo.</p>	<p>‘We are Julius Baer’, p. 6</p> <p>‘We are Julius Baer’, p. 7</p>
1.2 Describe how your bank has aligned and/or is planning to align its strategy to be consistent with and contribute to society's goals, as expressed in the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks	<p>The corporate strategy of Julius Baer is built on three principles: delivering a best-in-class experience to our clients, pursuing sustainable profitability and being the most admired and respected firm in our sector. With sustainability topics and investment products continually growing and evolving, our role is to provide accurate and credible insight so our clients can make their own informed choices. Our sustainability framework thus focuses on how we enable responsible investment choices but it also covers our operational role as a responsible corporate citizen. Both priorities incorporate Julius Baer's commitment to ethical conduct, risk management (including ESG risk) and transparent disclosure.</p>	<p>‘We are Julius Baer’, p. 6</p> <p>‘How we enable positive impact’, p. 13</p>

Our material issues (see 2.1), as identified in consultation with stakeholders (see 4.1), are mapped to the SDGs and Julius Baer's corporate strategy and purpose. For example, empowering investors to channel their wealth towards a low-carbon economy, combined with our own operational carbon reductions and neutrality contributes to SDGs 7 and 13. Indeed, impact investing is defined as making a measurable positive impact on society and/or the environment. Our first proprietary impact investing product includes SDGs 12, 13 and 14 to track such measurable impact.

[‘How stakeholders inform our strategy’](#), pp. 17–18

[‘Guiding principles and regulation’](#), p. 20

[‘Impact investing’](#), pp. 25–27

In our own operations, we are committed to the Swiss regional energy-saving programme, Kantonale Zielvereinbarung, and have increased energy efficiency on average by 2.6% annually as a result since 2014. Like other businesses in Switzerland, Julius Baer is subject to the national carbon levy. With a portion of the CO₂ tax reimbursement, we support the Swiss Climate Foundation, which funds small and medium-sized enterprises in energy efficiency and low-carbon innovation. Our carbon offset credits support Gunung Salak Geothermal Energy, mapped to eight SDGs. In 2021, we plan to develop a climate strategy, including a net-zero emission target aligned with the Paris Agreement.

[‘Conserving natural resources’](#), pp. 42–43

Principle 2: Impact and Target Setting

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

2.1: Impact Analysis:

Show that your bank has identified the areas in which it has its most significant (potential) positive and negative impact through an impact analysis that fulfils the following elements:

a) Scope: The bank's core business areas, products/ services across the main geographies that the bank operates in as described under 1.1 have been considered in the scope of the analysis.

b) Scale of Exposure: In identifying its areas of most significant impact the bank has considered where its core business/its major activities lie in terms of industries, technologies and geographies.

c) Context and Relevance: Your bank has taken into account the most relevant challenges and priorities related to sustainable development in the countries/regions in which it operates.

d) Scale and intensity/ salience of impact: In identifying its areas of most significant impact, the bank has considered the scale and intensity/salience of the (potential) social, economic and environmental impacts resulting from the bank's

As shown in our updated sustainability strategy, the impacts we have as a Bank on society are primarily via our role as a wealth manager and secondly via our role as a corporate citizen. Analysing the impact we are making across both of these strategic pillars is an ongoing process, involving ESG screening, stakeholder engagement (see 4.1), trends analysis and our renowned research.

The impact we have via our clients' investment decisions:

Our research analysts have been incorporating ESG criteria into our sustainability mandate investment process since 2006 and into other mandates since 2014. We source ESG information from independent providers and it is evaluated for quality and meaningfulness by our analysts. In addition, we also undertake our own analysis and take advice from experts on our Responsible Investment Committee in order to separate ESG leaders from laggards. Incorporating such non-financial information improves our ability to identify risks and opportunities, ultimately yielding a superior investment performance for our clients.

[‘How we enable positive impact’](#), p. 13

[‘Our approach’](#), p. 22

We have made progress in identifying the environmental impact of our discretionary mandates booked in Switzerland by participating in the Paris Agreement Capital Transition Assessment via the Swiss Federal Office for the Environment. In impact investing, we will regularly report on the impact of our proprietary products. To further deepen our client impact analysis, going forward we plan to introduce portfolio ‘health checks’ upon request to provide clients with enhanced transparency on the sustainability performance of their portfolios.

Furthermore, we are actively involved in a UN PRB working group on impact analysis, which is currently developing an analysis tool for Private Banks/Asset Managers. We strive to using this tool to complement our own impact analysis in the near future (upon completion).

[‘Impact investing’](#), pp. 25–27

[‘This report’](#), p. 3
[‘Memberships and partnerships’](#), p. 76

The impact we have as a corporate citizen:

At least every three years, we take a formal assessment of sustainability issues via a robust materiality analysis. The last analysis was conducted in 2019, involving key stakeholder groups (see 4.1). Stakeholders were asked to prioritise issues via online surveys and dialogue. These consultations revealed our most important material issues to be:

- understanding clients and their needs
- sustainable and impact investment offering
- climate change
- employer of choice

Finally, our first TCFD statement and previous CDP disclosures give detail around our climate analysis in terms of business exposure to risk and opportunities.

[‘How stakeholders inform our strategy’](#), pp. 17–18
[Sustainability Report 2019](#), pp. 11–13

[‘TCFD statement’](#), pp. 70–71

activities and provision of products and services.

Your bank should have engaged with relevant stakeholders to help inform your analysis under elements c) and d).

Show that building on this analysis, the bank has

- Identified and disclosed its areas of most significant (potential) positive and negative impact
- Identified strategic business opportunities in relation to the increase of positive impacts / reduction of negative impacts

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

We are continually assessing our positive and negative impacts, as part of our stakeholder engagement and analysis of global trends. This work covers our core business activities as a wealth manager (the part of our business that is at greatest exposure but also has greatest salience of impact), as well as our direct operations. We will be deepening and broadening our analysis approach going forward.

2.2 Target Setting

Show that the bank has set and published a minimum of two Specific, Measurable (can be qualitative or quantitative), Achievable, Relevant and Time-bound (SMART) targets, which address at least two of the identified "areas of most significant impact", resulting from the bank's activities and provision of products and services.

Show that these targets are linked to and drive alignment with a greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks. The bank should have identified a baseline (assessed against a particular year) and have set targets against this baseline.

Show that the bank has analysed and acknowledged significant (potential) negative impacts of the set targets on other dimensions of the SDG/climate change/ society's goals and that it has set out relevant actions to mitigate those as far as feasible to maximise the net positive impact of the set targets.

An outcome of the impact identification activities explained under 2.1 has been establishing SMART environmental targets and ambitious objectives across other areas, as part of our updated sustainability strategy in 2020.

Our environmental targets were:

1. To reduce energy consumption by 10% by 2020 (2014 baseline).
2. To reduce water consumption by 5% by 2020 (2014 baseline).

We have set forward-looking qualitative time-bound objectives in three key areas that reflect our impact analysis and most material issues:

1. By end of 2021, offer sustainability portfolio 'health checks' upon request to help our clients make informed choices.
2. By end of 2021, complement our environmental efforts with a new climate strategy, including a net-zero target.
3. By end of 2021, ensure all employees engage in sustainability e-learning and provide access to deep-dive training for client-facing employees.

Our targets, objectives and ambitions are grouped under strategic priorities (see 1.2). Going forward, we will be updating our environmental targets and further establishing SMART targets across our wider sustainability strategy. For example, in developing our climate strategy in 2021, we propose a net-zero emission target aligned with the Paris Agreement.

[‘Conserving natural resources’, pp. 42–43](#)

[‘Outlook and ambitions’, p. 53](#)

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

We have defined our ambitions and objectives and published them with our Sustainability Report 2020. Based on our continuous impact identification efforts which draw from different activities and tools (materiality analysis, upcoming PRB Tool etc.), we will be strengthening our target setting in 2021.

2.3 Plans for Target Implementation and Monitoring

Show that your bank has defined actions and milestones to meet the set targets.

Show that your bank has put in place the means to measure and monitor progress against the set targets. Definitions of key performance indicators, any changes in these definitions, and any rebasing of base-lines should be transparent.

We have been monitoring progress against our SMART environmental targets since 2014 and our environmental management framework and online monitoring tool help keep us on track.

Our Sustainability Board, supported by the Corporate Sustainability & Responsible Investment team, closely monitors progress on our wider ambitions and objectives. For example, for our net-zero emission target, the Sustainability Board is aiming to approve a climate strategy in 2021. For staff e-learning, we already track participation rates. Overall, this is an area that we are committed to focus on in 2021 as we deliver on our new sustainability strategy priorities across the business.

[‘Conserving natural resources’, pp. 42–43](#)

[‘How we enable positive impact’, p. 14](#)

[‘Outlook and ambitions’, p. 53](#)

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

Having revised our sustainability strategy in 2020, our target-setting remains in development as we engage stakeholders to understand appropriate milestones and SMART metrics. We strive to translate our ambitions and objectives into tangible targets.

2.4 Progress on Implementing Targets

For each target separately:

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

Or explain why actions could not be implemented/needed to be changed and how your bank is adapting its plan to meet its set target.

Report on your bank's progress over the last 12 months (up to 18 months in your first reporting after becoming a signatory) towards achieving each of the set targets and the impact your progress resulted in (where feasible and appropriate, banks should include quantitative disclosures).

In 2020, we met ambitions set out in our 2019 sustainability report: to enhance our client reporting and impact investing offers; and to deliver more front-line training in ESG management. In addition, seven years ago, we set environmental targets which we partially met (see 2.2). Going forward, we will be updating our environmental targets by developing a new climate strategy.

[Sustainability Report 2019, p. 19](#)

[‘Conserving natural resources’, pp. 42–43](#)

[‘Outlook and ambitions’, p. 53](#)

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

As per the previous conclusion, strategic target-setting is currently in development.

Principle 3: Clients and Customers

We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

3.1 Provide an overview of the policies and practices your bank has in place and/or is planning to put in place to promote responsible relationships with its customers. This should include high-level information on any programmes and actions implemented (and/or planned), their scale and, where possible, the results thereof.

Our Code of Ethics and Business Conduct forms the basis of how we serve our clients with integrity. A key intervention in 2020 was the introduction of a new client risk rating methodology, which was initially rolled out at booking centres Switzerland and Guernsey and over the next few years it will be implemented more widely. We also have a new case management tool to standardise and digitalise compliance client reviews at Head Office, including a global database to monitor politically exposed persons and a global Unwanted Client List to mitigate financial crime risk.

[‘Risk and compliance’, pp. 49–52](#)

In 2020, we created front-line risk management teams in all global regions. Overall, we now have 30 employees in such roles, helping to protect clients, employees and Julius Baer from a range of risks. We have also strengthened how we service clients responsibly with a new training programme for client-facing colleagues, certifying all 300 assistant relationship managers in Switzerland, and the programme will be extended to colleagues in other booking centres in 2021. We also added a new account manager role to serve our clients on a long-term basis and accompany the next generation of clients. Finally, our new Relationship Manager compensation framework considers financial and non-financial elements.

[‘Client experience’, p. 29](#)

Immediately following the coronavirus pandemic outbreak in 2020, we directed an additional CHF 15 million to accelerate the expansion of our digital capabilities to enable us to protect our staff and service clients seamlessly – and to relay important information about potential financial vulnerabilities or exposures. Expanding our digital servicing brings with it cyber security challenges. Our data security systems are derived and adopted from ISO 27001 and in 2020, we refined our data privacy framework and rolled out a new process of implementing control objectives, as we embark on an ambitious three to five year programme of continuous information and cyber security assurance, with a new Information Security Assurance Officer role to deliver it.

[‘Client experience’, p. 30](#)

[‘Risk and compliance’, p. 52](#)

3.2 Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities. This should include information on actions planned/implemented, products and services developed, and, where possible, the impacts achieved.

At Julius Baer, we incorporate ESG factors within the investment process and in our sustainable and impact investing as product offerings for clients. This is complemented by philanthropy services. We have a 15-year track record of discretionary sustainability mandates, and in 2020, we increased the assets in them by 52%. These mandates enable clients to invest sustainably across different asset classes and currencies, in line with their individual needs and personal values. On top of ESG integration and rigorous financial analysis, a filter for good corporate governance is applied.

[‘Our approach’, p. 22](#)

[‘Sustainable investing’, pp. 23–24](#)

We offer our clients direct access to seasoned investment advisors with a multi-asset skillset in the field of sustainability. Our proactive and tailored advice and research in the area of sustainable investing aims to provide our clients with the best possible solution according to their specific needs and the full flexibility to choose from different sustainable investment strategies.

In 2020, we launched an impact ecosystem to empower clients to take an active role and make educated choices that lead to a positive impact. The ecosystem includes access to thought leadership and provides transparency of the impact created through a product platform of curated impact investment solutions.

[‘Impact investing’, pp. 25–27](#)

Our relationship and portfolio managers are trained to empower clients in the value of responsible investing. Tools to support them include our Responsible Investment Brochure and Sustainability Report, responsible investing webcasts and events, Insight articles and pitchbooks. As well as our mandatory corporate sustainability and responsible investment e-learning programme, client-servicing employees can also attain formal ESG certification from the Chartered Finance Institute. By end of 2020, we recorded 27 certified ESG ‘champions’ across Julius Baer and the number is growing.

[‘Engaging stakeholders’, p. 45](#)

Principle 4: Stakeholders**We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.**

4.1 Describe which stakeholders (or groups/types of stakeholders) your bank has consulted, engaged, collaborated or partnered with for the purpose of implementing these Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders and what issues were addressed/ results achieved.

In order to make a meaningful and targeted contribution to society's goals, we take a proactive approach to consult and partner with those who are impacted by us. Our key stakeholders are clients (see 3.1 and 3.2 above), employees, investors, local communities, regulators and sustainability experts. Listening to their needs is a key driver of our strategy. From bilateral meetings and surveys, to consultations and formal partnerships – in 2020, we continued to deploy diverse ways of engaging in order to understand how we can better address the issues that matter to them. This includes inviting them to input to our materiality exercise at least every third year (see 2.1).

Employees: We introduce the topic of corporate sustainability and responsible investment to our new joiners in Switzerland on their Welcome Day. See 3.2 above.

Communities: We work in partnership with local organisations to support social and environmental causes, either directly as a sponsor, or via our employee-led engagement movement JB Cares, the Julius Baer Foundation or our Julius Baer Art Collection.

Regulators: We engage formally with a wide range of regulatory partners, and our membership contributions and other spending for public policy engagements in 2020 totalled approximately CHF 2.8 million (compared to CHF 2.9 million in 2019).

Sustainability experts: We are in an ongoing exchange with sustainability experts. A particular example is our impact investing ecosystem that connects clients with external ESG experts and our growing thought leadership ambitions bring together experts and non-experts to elevate the topic of responsible investing.

Suppliers: In 2020, we began a partnership with IntegrityNext, a platform that enables us to additionally monitor our suppliers for compliance and good practice on key sustainability and business continuity factors.

[‘How stakeholders inform our strategy’, pp. 17–18](#)

[‘Engaging stakeholders’, p. 45](#)

[‘Community partner’, pp. 37–41](#)

[‘Guiding principles and regulation’, p. 19](#)

[‘Memberships and partnerships’, pp. 76–77](#)

[‘Impact investing’, pp. 25–27](#)

[‘Engaging stakeholders’, p. 45](#)

Principle 5: Governance and Culture**We will implement our commitment to these Principles through effective governance and a culture of responsible banking**

5.1 Describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support effective implementation of the Principles.

As a committee of our Executive Board and chaired by the CEO, the Sustainability Board defines, oversees and steers the overall sustainability strategy and roadmap of the Group. Meeting quarterly, it also reviews and identifies the materiality of new and existing sustainability topics at least every third year. ESG-strategic decisions and overall prioritisation of initiatives and deliverables are the responsibility of the Sustainability Board.

The Director of the Sustainability Board leads the Corporate Sustainability & Responsible Investment team and reports to the CEO Office via Chief of Staff. The team is responsible for the development and oversight of the sustainability strategy within the Group and proposes new strategic topics to the Sustainability Board to consider. It ensures the overall coordination and alignment of sustainability activities carried out within different business functions, drives strategic initiatives and deliverables, and regularly reports status updates of the initiatives and deliverables to the Sustainability Board.

The Responsible Investment Committee ensures that investment decisions incorporate relevant ESG information. It actively engages with our analysts and portfolio managers to limit investment risks without compromising their independence. Potential investments with low ESG scores or public controversies are discussed among experts to assess value contributions and risks. Our corporate governance framework, definitions and reporting are in accordance with the Directive Corporate Governance of the SIX Swiss Exchange; the guidelines and recommendations of the Swiss Code of Best Practice for Corporate Governance of the Swiss business federation *economiesuisse* (including the appendix on executive compensation); Circular 2017/1 Corporate Governance – Banks of the Swiss Financial Market Supervisory Authority FINMA; and the Swiss Federal Council's Ordinance against excessive compensation in listed companies.

[‘How we enable positive impact’, p. 14](#)

[‘Ethical conduct’, pp. 47–48](#)

<p>5.2 Describe the initiatives and measures your bank has implemented or is planning to implement to foster a culture of responsible banking among its employees. This should include a high-level overview of capacity building, inclusion in remuneration structures and performance management and leadership communication, amongst others.</p>	<p>Our updated sustainability strategy and ambitions seek to embed international principles such as the UN PRB and UN PRI, as well as regulatory requirements such as the EU Action Plan on Financing Sustainable Growth, into 'business as usual' functions across the Group, thus helping to build a culture of responsible banking. Alongside formally accredited ESG training (see 4.1 above), we are currently developing a mandatory training programme to raise sustainability awareness across Julius Baer and engage colleagues in our strategy, solutions and services. For client-facing colleagues particularly, we will cover the responsible investment offer and support them to proactively raise the advantages to this investment strategy in their client meetings and interactions. We aim to train all employees through a mandatory corporate sustainability and responsible investment e-learning as well as to provide access to deep-dive training for client-facing employees in 2021.</p> <p>To further embed Julius Baer's values of care, passion and excellence within our culture, in 2020 we added more detailed performance measures. These measures reflect not only our commitment to the corporate values but also 'risk behaviours', with rating guidance. For key client-facing roles, we further aligned non-financial goals with the respective responsibilities specified as part of the job.</p> <p>All 6,500+ employees are trained in and must sign up to the Code of Ethics and Business Conduct. As a starting point, we ask employees to discuss concerns directly with their line manager, our legal and compliance team and/or human resources. Alternative channels are available to report a concern, observation or complaint, such as contacting the Group's ombudsman or reporting the incident anonymously through the Group's reporting tool (Integrity Line). Julius Baer will not retaliate against any employee using the reporting tool in good faith.</p> <p>In cases of misconduct, a comprehensive breach process is in place which is summarised in our Group Disciplinary Policy. In 2020, we updated the policy to further increase transparency around the breach process with local Disciplinary Committees, independent disciplinary managers and a global Disciplinary Escalation Committee ensuring fair and equal treatment of employees in line with local employment laws.</p>	<p>'How we enable positive impact', p. 13</p> <p>'Guiding principles and regulation', p. 19</p> <p>'Engaging stakeholders', p. 45</p> <p>'Caring employer', p. 34</p> <p>'Ethical conduct', p. 47</p>
<p>5.3 Governance Structure for Implementation of the Principles</p> <p>Show that your bank has a governance structure in place for the implementation of the PRB, including:</p> <p>a) target-setting and actions to achieve targets set</p> <p>b) remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected.</p>	<p>See 5.1 above.</p> <p>Our global Corporate Sustainability & Responsible Investment team develops our strategy, including setting ambitions and proposing targets to the Sustainability Board, which agrees targets and measures and will monitor the implementation process.</p> <p>As we continue to deliver on our updated sustainability strategy in 2021, we have revised and defined our ambitions. This includes identifying measurable objectives against our strategic priorities, in line with guiding principles.</p>	<p>'How we enable positive impact', p. 14</p> <p>'Outlook and ambitions', p. 53</p>

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

Transparent, robust governance is critical to delivering our sustainability strategy – just as it is to our wider corporate strategy. Clear lines of accountability and leadership underpin our culture of responsible citizenship and responsible investing at Julius Baer.

Principle 6: Transparency and Accountability

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

6.1 Progress on Implementing the Principles for Responsible Banking

Show that your bank has progressed on implementing the six Principles over the last 12 months (up to 18 months in your first reporting after becoming a signatory) in addition to the setting and implementation of targets in minimum two areas (see 2.1–2.4).

Show that your bank has considered existing and emerging international/regional good practices relevant for the implementation of the six Principles for Responsible Banking.

Based on this, it has defined priorities and ambitions to align with good practice.

Show that your bank has implemented/is working on implementing changes in existing practices to reflect and be in line with existing and emerging international/regional good practices and has made progress on its implementation of these Principles.

As evidenced in this submission, we are confident to have already made meaningful progress across all six principles. With our updated sustainability strategy, this agenda is more embedded than ever into Julius Baer's wider corporate strategy (principle 1). On impact and target setting (principle 2), we have moved forward during 2020. Our client centricity and empowerment (principle 3) has progressed significantly, among others, with new offerings and thought leadership.

On stakeholder engagement (principle 4), we have recorded numerous constructive engagements with all key groups, and on governance (principle 5), we are proud of the transparent structures that enable every one of us at Julius Baer to conduct business with integrity. And finally, on principle 6, we are pleased to issue our Sustainability Report 2020 as our most transparent report to date, including our first TCFD statement.

[‘How we enable positive impact’](#), p. 13

[‘How stakeholders inform our strategy’](#), pp. 17–18

[‘Reporting and disclosure’](#), pp. 54–77

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

Throughout this self-assessment, we have set ambitions in relation to how we assess impact and develop tools, methodologies and client opportunities in line with the six principles. The disclosures above are based on our Sustainability Report 2020, which has been reviewed and approved by Julius Baer subject matter experts, the Sustainability Board, as well as the Executive Board and Board of Directors. Since this is our first such disclosure, we are transparent in acknowledging where we need to go further. We look forward to learning further from UNEP FI and its members to explore and implement best practices that support the principles.

TCFD STATEMENT

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

The Swiss financial centre plays a leading global role – indeed, in 2018, the Board of Directors of the Swiss Bankers Association made sustainable finance one of its strategic priorities. As a member of the Association, sustainable growth underpins our corporate strategy (see our [Annual Report 2020](#)). We are already contributing to the EU Action Plan on Financing Sustainable Growth by integrating ESG factors into advisory and investor management processes and product governance, as well as our risk management framework. At the same time, we are preparing for the upcoming EU Green Bond Standard and updates to the Non-Financial Reporting Directive.

We are currently in the process of re-evaluating climate-related risks which have the potential to have substantial financial and strategic impact on our business. As part of delivering on our updated sustainability strategy, we will continue to revise and define our ambitions around climate change, drawing on the recommendations of the TCFD. By the end of 2021, we aim to complement our environmental efforts with a new climate strategy, including a net-zero target. This is Julius Baer's first year of reporting with reference to the TCFD. We aim to enhance our disclosure over the coming years.

GOVERNANCE

Since climate-related risks and opportunities have the potential to impact all areas of Julius Baer's business, ultimate responsibility lies with our Sustainability Board, chaired by the Group CEO. The CEO reports on a quarterly basis to the Board of Directors on both assessing and managing climate-related risks and opportunities and on risks and opportunities related to our other products and services. The Sustainability Board has oversight of climate-related risks and opportunities to our own operations; and in our products and services we provide to our clients.

MEMBERSHIPS AND PARTNERSHIPS

We are a signatory to the UN PRI and the UN PRB. We also actively engage with the following memberships and partnerships to further the dialogue and advance sustainability efforts in the financial industry:

- Association of Swiss Asset Wealth Management Banks
- Employers Association of Banks in Switzerland
- World Economic Forum
- Avenir Suisse
- Institute of International Finance
- Swiss Sustainable Finance

STRATEGY

The greatest climate impact we have is in our value chain – i.e. how clients choose to direct their wealth. Therefore our sustainability strategy focuses on how we can enable responsible investment decisions among our clients. This includes action on climate change under our strategic theme to address the overuse of natural resources as a key barrier to a more sustainable economy. Our discretionary sustainability mandate focuses on themes, including low carbon footprint, and only companies that have solutions for positive transformation around that theme are considered as investment opportunities. As part of our impact investing ecosystem, we also curate a multi-asset class product platform comprised of proprietary and third-party solutions to meet diverse client preferences.

Operationally, climate change is part of our responsible citizenship commitment, under which we set energy efficiency and renewable energy targets. Our environmental management framework and online monitoring tool help keep us on track to meet these targets, whilst our IntegrityNext partnership platform helps to identify and monitor climate risks in our supply chains. We report on the emissions of our own operations and supply chain via CDP and achieved a score of B for our 2020 disclosure, reaching the 'Management' level of disclosure, which is awarded to companies taking coordinated action on climate issues. Our result places us above both the European and global overall average scores. Going forward, we anticipate using qualitative and/or quantitative analysis as part of our new climate strategy and to implement the recommendations of the TCFD. We anticipate using one of the recognised scenarios by the IEA, IPCC and others. Julius Baer considers sustainability risks as critical aspects in the overall risk management framework.

RISK MANAGEMENT

Climate-related risks and opportunities are currently formally embedded within our risk management systems, alongside other ESG risks. The risk management framework is approved by the Board of Directors each year. We actively manage climate-related risks in:

Client asset risk screening: Sustainable mandates go through a process of negative and positive screening and apply a thematic overlay, including low carbon footprint. We plan to offer enhanced client portfolio reports and 'health checks' upon request covering climate topics.

Operational risks: Our state-of-the-art global environmental management tool includes progress against our environmental KPIs.

Supply chain risks: Building on our IntegrityNext partnership, we are aiming to build an enhanced framework to additionally manage our suppliers and to further control compliance with environmental protection.

Managing climate risk robustly includes assessing emerging and future risks. When considering climate-related risks, Julius Baer has categorised short, medium and long-term timescales. For example, our risk management framework considers the impact of factors as diverse as extreme weather events (an acute risk), to disruptive technologies for zero-carbon innovation.

METRICS AND TARGETS

Seven years ago, we set out to reduce our energy consumption by 10%, switch to renewable electricity where possible and reduce water consumption by 5% – all by 2020. During this period, we have reduced absolute energy use by just over 3% and have achieved 100% renewable electricity sourcing for our Swiss locations (representing 69% of our measured global electricity consumption). While falling short of our absolute energy target, it is notable to highlight that, when normalised by full-time equivalent employees (FTE), we have achieved a 12% reduction. In addition, we have reduced our water consumption by 64%, exceeding our 5% target. We are now assessing specific, time-bound and measurable targets within a net-zero goal.

KEY FIGURES

Key financial indicators¹

	2020	2019	Change in %
Assets under management (CHF m)	433,672	426,060	1.8
Responsible investment			
Assets with ESG integration (CHF m) ²	55,242	52,486	5.3
As percentage of total assets under management (%)	12.7	12.3	-
Discretionary sustainability mandates (CHF m) ³	2,468	1,625	51.9
Recommended sustainable and impact investment funds (CHF m) ⁴	1,118	535	108.9
Operating income (CHF m)	3,583.1	3,382.9	5.9
Adjusted personnel expenses (CHF m)	1,589.4	1,613.3	-1.5
Adjusted general expenses (CHF m)	697.5	683.3	2.1
Adjusted depreciation, amortisation and impairment (CHF m)	181.7	169.4	7.3
Adjusted profit before taxes (CHF m)	1,114.5	916.9	21.5
Adjusted income taxes (CHF m)	157.9	144.9	8.9
Adjusted net profit (CHF m)	956.6	772.0	23.9
Key performance ratios			
Adjusted cost/income ratio (%)	66.4	71.1	-
BIS total capital ratio (%)	21.0	22.1	-
Adjusted pre-tax margin (basis points)	27.2	22.1	-
Adjusted tax rate (%)	14.2	15.8	-
Dividend proposal 2020 and dividend 2019 (CHF) ⁵	1.75	1.50	-
Moody's long-term deposit rating for Bank Julius Baer & Co. Ltd.	Aa3	Aa2	-

¹ The document Alternative Performance Measures available at www.juliusbaer.com/APM provides a reconciliation of adjusted performance measures to reported results under IFRS as well as definitions of adjusted performance measures and other alternative performance measures.

² Based on assets under management in central mandates (only front regions, excluding intermediaries).

³ Including various asset classes and currencies.

⁴ Total assets under management invested through Julius Baer in recommended sustainable investment and impact investment funds on the open product platform.

⁵ 2020 dividend is subject to confirmation by the Annual General Meeting (14 April 2021).

Key HR indicators

	2020	2019	Change in %
Our people			
Total headcount (total workforce excl. externals) ¹	6,897	6,958	-0.9
<i>Of which regular staff</i>	6,762	6,773	-0.2
Number of employees (FTE) (total workforce excluding externals) ¹	6,606.5	6,638.5	-0.5
<i>Of whom in Switzerland (%)</i>	52.0	51.6	-
<i>Of whom in rest of Europe (%)</i>	18.0	17.7	-
<i>Of whom in Asia-Pacific (%)</i>	22.1	21.6	-
<i>Of whom in Latin America (%)</i>	5.0	6.0	-
<i>Of whom in Middle East and Africa (%)</i>	2.8	3.0	-
Total net employee turnover (%) ²	8.5	11.4	-25.4
Total voluntary turnover (%) ³	5.0	8.3	-39.8
Average employee tenure (years)	8.0	7.7	3.9
People and diversity			
Ratio of women (% of total regular staff headcount)	42.5	42.2	-
Women in senior management (% of total senior management headcount) ⁴	27.9	27.2	-
Women on the Executive Board (%) ⁵	11.1	13.3	-
Women on the Board of Directors (%) ⁶	40.0	30.0	-
Promotions of women in all ranks (% of total promotions)	42.1	45.6	-
Promotions of women in senior management (% of total promotions)	28.2	36.5	-
Number of nationalities employed	102	105	-2.9

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

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

³ Resignations as a percentage of regular staff.

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

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

⁶ Out of 10 Board of Directors members in 2020.

REPORTING AND DISCLOSURE

	2020	2019	Change in %
Employee well-being and benefits			
Illness days per employee ⁷	2.8	4.3	-34.9
Part-time employees (% of total regular staff headcount)	11.4	10.8	-
Male part-time employees (% of total male staff)	3.9	3.4	-
Female part-time employees (% of total female staff)	21.6	20.8	-
Total number of employees taking parental leave	307	301	2.0
by women	158	157	0.6
by men	149	144	3.5
Parental leave in average total days taken			
by women	99.5	106.3	-6.4
by men	9.0	8.7	3.4
Share of women on maternity leave the previous year still employed (%) ⁸	79	75	-
Training and development			
Average number of classroom training sessions per employee (including virtual classroom)	4.5	3.8	18.4
Average hours of internal training per employee	19.3	14.5 ⁹	33.1
Of which internal classroom training	12.6	10.5 ⁹	
Of which internal online training	6.7	4.0 ⁹	
Share of total internal training sessions using digital platforms (%)	88	68	29.4

⁷ This number reflects illness days in Switzerland (52% of our employees are based in Switzerland).

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

⁹ GRI 102-48: 2019 data was restated to show only mutually exclusive numbers and therefore has been corrected.

Key environmental indicators^{1,2}

	2020	2019	Change in %
Energy consumption (MWh)	34,682	34,891	-0.6
Electricity (MWh)	25,122	26,045	-3.5
Heating and other fuels (MWh)	9,559	8,846	8.1
Energy intensity (MWh/FTE)	5.7	5.8	-1.5
Greenhouse gas emissions (tCO ₂ e) ³	8,051	19,803	-59.3
Scope 1 (tCO ₂ e) ⁴	1,957	2,114	-7.4
Heating and other fuels (tCO ₂ e)	1,828	1,712	6.7
Volatile emissions (refrigerants) (tCO ₂ e)	129	402	-67.9
Scope 2 (electricity and district heat) (tCO ₂ e) ^{5,6}	3,962	4,184	-5.3
Scope 3 (tCO ₂ e) ⁷	2,133	13,506	-84.2
Business travel (tCO ₂ e) ⁸	1,884	13,076	-85.6
Purchased goods and waste from operations (tCO ₂ e) ⁹	249	429	-42.0
Greenhouse gas intensity (tCO ₂ e/FTE) ¹⁰	1.3	3.3	-59.7
Business travel (km/FTE) ⁸	2,280	10,408	-78.1
Paper consumption (t)	173	288	-40.0
Paper consumption intensity (kg/FTE)	28	48	-40.5
Water consumption (m ³)	67,971	128,162	-47.0
Water consumption intensity (m ³ /FTE)	11	21	-47.4
Waste (t) ¹¹	480	745	-35.6
Residual office waste (t)	192	307	-37.5
Recycling (t)	249	387	-35.6
Special waste (t) ¹²	39	51	-24.0
Waste intensity (kg/FTE)	79	123	-36.2

¹ Unless stated otherwise, the numbers in this table are based on information from Julius Baer's main business locations. These are Zurich, Geneva, Lugano, Basle and Bern in Switzerland, as well as our locations in Italy, Luxembourg, Brazil, Germany, India, Guernsey, Hong Kong, Monaco, Singapore, Spain, the UK, the UAE and Uruguay. These locations cover approximately 92% of our total FTEs.

² GRI 102-48: 2019 data was restated to account for additional business locations in Switzerland (Zurich), Italy and Luxembourg.

³ Greenhouse gas emissions were calculated according to guidelines issued by the WRI/WBCSD Greenhouse Gas Protocol. We offset all our CO₂ emissions through a certification scheme.

⁴ Emissions from directly owned or controlled sources.

⁵ Emissions from purchased electricity and district heat/cooling.

⁶ Scope 2 emissions were calculated using the 'market-based' approach in accordance with the Greenhouse Gas Protocol Scope 2 Guidance. When reported according to the 'location-based' approach, the emissions totaled 5,145 tCO₂e (2019: 5,491 tCO₂e).

⁷ Emissions from sources not owned or controlled by Julius Baer, but associated with Julius Baer's activities.

⁸ Business travel figures are a sum of emissions from air, rental car and train travel data provided by our central Global and Hong Kong travel offices (covering all employees globally), as well as emissions from company cars used at sites specified under footnote 1. Kilometres/FTE are calculated using the same input.

⁹ Emissions associated with the consumption of purchased paper and water, as well as emissions from waste treatment by waste generated in Julius Baer's operations (incl. wastewater treatment).

¹⁰ Greenhouse gas intensity has been calculated using Scope 1, Scope 2 and Scope 3 (including company car data) emissions representing approximately 92% of employees. Business travel through air, rental cars and train travel has global coverage and has not been adjusted for this calculation. The FTE base used for the calculation is in line with the other intensity figures and covers approximately 92% of employees, as specified under footnote 1.

¹¹ The locations providing waste data cover approximately 79% of our total FTEs.

¹² Special waste comprises electronic scrap, toner cartridges, fluorescent lamps, street sludge and cooking oil.

MEMBERSHIPS AND PARTNERSHIPS

Our membership contributions and other spending for public policy engagements in 2020 totalled approximately CHF 2.8 million (compared to CHF 2.9 million in 2019).

Sustainability memberships

	Role of Julius Baer	Purpose of the initiative/network
 UNEP FINANCE INITIATIVE	PRINCIPLES FOR RESPONSIBLE BANKING Julius Baer was the first Swiss Bank to endorse the UN Principles for Responsible Banking. By becoming a signatory in September 2019, we demonstrated that we want to take a more active role with regard to sustainability.	The principles provide a framework for a sustainable banking system and help the industry to demonstrate how it makes a positive contribution to society. They are accelerating the banking industry's contribution to achieving society's goals as expressed in the Sustainable Development Goals and the Paris Climate Agreement.
 PRI	Principles for Responsible Investment Julius Baer became a signatory to the UN-supported Principles for Responsible Investment in 2014 and is committed to progressively integrating environmental, social and governance considerations into its investment approach.	The PRI is the world's leading proponent of responsible investment. The six Principles for Responsible Investment are a voluntary and aspirational set of investment principles that offer a menu of possible actions for incorporating ESG issues into investment practice.
 Swiss Sustainable Finance	Julius Baer joined the organisation in 2014 and is an active participant in broader discussions within Swiss Sustainable Finance (SSF); this includes the work stream on integrating sustainability into the investment process within the wealth management and asset management sector.	SSF promotes sustainability in the Swiss financial market and brings together financial and non-financial service providers, investors, academia, public sector entities and other interested organisations. SSF provides a platform to foster the integration of sustainability principles into all financial services.
 Swiss Climate Foundation	Julius Baer became a member of the Swiss Climate Foundation in 2015 and contributes a significant portion of net gains received from redistributed Swiss CO ₂ levies to the foundation.	The Swiss Climate Foundation is a non-profit organisation that provides funding to small and medium-sized enterprises (SMEs) in Switzerland and Liechtenstein. The foundation's funding helps SMEs improve their energy efficiency and develop climate-friendly products. In addition, the foundation supports SMEs that agree voluntary energy-efficiency goals with either the Energy Agency Swiss Private Sector or Cleantech Agency Switzerland.
 ENERGIE-MODELL ZÜRICH	Julius Baer has been a member of the Zurich Energy Model since 2016 and participates in various work streams, in which member companies discuss strategies and technologies.	The Zurich Energy Model is based on the idea that increased energy efficiency and reduced CO ₂ levels are easier to achieve if companies jointly and voluntarily commit to ambitious goals. In agreement with the province of Zurich and the Swiss federal government, members have set the collective goal of increasing energy efficiency by 43% by 2020 (compared with 2000).
 SBGA	SWISS BETTER GOLD ASSOCIATION Julius Baer joined the Swiss Better Gold Association (SBGA) in 2019.	SBGA is a not-for-profit association created by Swiss players of the gold supply chain, from refiners to retailers. The aim of the SBGA is to create a simple, market-driven mechanism that enables formalised gold mining entities to adopt better social and environmental practices.

Public policy memberships

Swiss Bankers Association (SBA)	This umbrella organisation represents the interests of Swiss banks in the political process. We are represented on its board by our CEO. In addition, Julius Baer participates in various expert committees and working groups of the SBA.
Association of Swiss Asset Wealth Management Banks (VAV)	This association comprises 25 independent banks that are focused mainly on wealth management and domiciled in Switzerland. VAV represents these banks' shared interest in the governing bodies and committees of the SBA and vis-à-vis the authorities, giving them a voice in matters of banking policy. Our CEO is the nominated Vice-President of the VAV. Our Head of Public Policy is its Managing Director.
Employers Association of Banks in Switzerland	This association represents the interests of its members relating to employment conditions. Julius Baer is a member of this association. Our Head of HR is a member of the Board.
World Economic Forum (WEF)	Julius Baer actively collaborates with the WEF by participating in various working groups and projects focusing on topics of interest to the financial services industry.
Avenir Suisse	Avenir Suisse is an independent think tank based on the Anglo-Saxon model. It develops ideas for Switzerland's sociopolitical and economic development, and consistently represents a market economy perspective and liberal views of society and the world. Our Chairman is a member of its Board of Trustees.
Institute of International Finance (IIF)	The IIF is the global association for the financial industry. Its mission is to support the financial industry in the prudent management of risks, to develop sound industry practices, and to advocate for regulatory, financial and economic policies that are in the broad interests of its members and foster global financial stability and sustainable economic growth. Julius Baer participates in various IIF working groups.

ABBREVIATIONS

AML	Anti-Money-Laundering	NASA	National Aeronautics and Space Administration
CDP	Carbon Disclosure Project	NGO	Non-Governmental Organisation
CEO	Chief Executive Officer	OECD	Organisation for Economic Cooperation and Development
CHF	Swiss Francs (Currency)	PDVSA	Petróleos de Venezuela, S.A.
CO ₂	Carbon Dioxide	PEP	Politically Exposed Person
CSA	Corporate Sustainability Assessment	QR	Quick Response
DJSI	Dow Jones Sustainability Index	RIFR	Responsible Investment Fund Rating (Julius Baer)
ESG	Environmental, Social and Governance	RM	Relationship Manager
EU	European Union	S&P	Standard & Poor's
EUR	Euro	SMART	Specific, Measurable, Achievable, Relevant and Time-bound
FIA	Fédération Internationale de l'Automobile	SSF	Swiss Sustainable Finance
FIFA	Fédération Internationale de Football Association	SIX	Swiss Exchange
FINMA	Financial Market Supervisory Authority	t	Ton
FTE	Full Time Equivalent	TCFD	Task Force on Climate-related Financial Disclosures
FTSE	Financial Times Stock Exchange	UK	United Kingdom
GDP	Gross Domestic Product	UN PRB	United Nations Principles of Responsible Banking
GIIN	Global Impact Investing Network	UN PRI	United Nations Principles of Responsible Investment
GRI	Global Reporting Initiative	UN SDGs	United Nations Sustainable Development Goals
ICD	Investment Corporation of Dubai	UNEP FI	United Nations Environment Programme Finance Initiative
ISO	International Organisation for Standardisation	US	United States
IT	Information Technology	USD	United States Dollar
JB	Julius Baer	VET	Vocational Education and Training
kg	Kilogram	WEF	World Economic Forum
KYC	Know Your Client		
LED	Light-emitting diode		
LEED	Leadership in Energy and Environmental Design		
m	Meter		
MSCI	Morgan Stanley Capital International		
MWh	Megawatt-hour		

YOUR FEEDBACK

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

MORE INFORMATION

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

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The Annual Report 2020 of Julius Baer Group Ltd. containing the audited IFRS financial accounts of the Julius Baer Group for the year 2020 is available at www.juliusbaer.com.

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