Julius Bär

Principal Adverse Impacts information[1]

In addition to the ESG preferences already selected in a Client Investment Profile (Traditional Investment, Responsible Investment or Sustainable Investment as well as EU Taxonomy Alignment), the client can optionally expand these basic preferences with additional ESG preferences. By selecting the desired degree of consideration, the client can determine to which extent the portfolio(s) should consider Principal Adverse Impacts (PAI). PAIs are a set of standardized environmental, social and governance (ESG) indicators defined under the EU Sustainable Finance Disclosure Regulation (SFDR) that help investors assess the sustainability impacts of their investment decisions. Julius Baer will take expressed preferences for PAI-consideration into account as part of the suitability assessment after having considered the investment objectives, knowledge and experience, risk profile, investment strategy and leverage (if applicable). Due to the complexity and technical nature of these PAIs, Julius Baer has decided to integrate PAIs (for which reliable data is available) into its proprietary ESG theme scores and define two different levels of consideration of PAIs (Basic, Advanced) via these ESG theme scores.

The table below shows the PAIs considered within each ESG theme score and the threshold applied when selecting Basic / Advanced.

Date	PAIs considered & threshold applied			
		PAIs considered	Basic	Advanced
From 01.12.26	Climate score	GHG[2] emissions GHG intensity of investee companies	A threshold is applied to ESG theme score(s) that is consistent with "Responsible Investment", as defined by the Julius Sustainable Investment Framework[3].	A threshold is applied to ESG theme score(s) that is consistent with "Sustainable Investment", as defined by the Julius Sustainable Investment Framework[3].
	Natural capital score	Activities negatively affecting biodiversity-sensitive areas Emissions to water Hazardous waste ratio		
	Human capital score	Unadjusted gender pay gap		
	Governance score	Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principle and OECD Guidelines for Multinational Enterprises Board gender diversity		

[1] For more information about the Julius Baer locations where ESG Preferences are considered, please contact your relationship manager or www.juliusbaer.com/sustainable-finance.

[2] Greenhouse gas

[3] For more information about the Julius Baer Sustainable Investment Framework please refer to www.juliusbaer.com/sustainable-finance.