Julius Bär

SUSTAINABILITY REPORT 2022

JULIUS BAER GROUP

CONTENT

FOREWORD

A turbulent year for world affairs and finance has demonstrated the urgency of today's major challenges. The events of the past twelve months have strengthened our ambition to empower our clients, employees and broader stakeholder groups to have a positive impact, in line with our Group's strategy and our purpose to create value beyond wealth.

2022 was a challenging year for our industry and our clients. War broke out in Europe for the first time in decades, geopolitical tensions rose, and inflation spiralled in economies across the world, contributing to increasing cost of living for most. While 2022 felt like the first post-pandemic year in many regions, Covid-19 has left its mark in different sectors and across global supply chains. All these turbulences led to increasingly volatile markets, and we experienced the most difficult environment since the financial crisis. At the same time, extreme weather conditions were registered in many locations, illustrating existential issues for humanity such as climate change and inequalities, which have vital impacts not only on the environment but also on society.

To contribute to tackling these issues, Julius Baer follows a holistic approach to sustainability, which we continue to embed across our business. To understand current sustainability issues that may inform financial risks as well as our possible impact on society and the environment, we conducted a new materiality assessment in 2022. The 16 issues identified as most material to our company, with 'climate change and low carbon' as the most important issue in particular, broadly confirmed our sustainability strategy and provided insights into how we can further develop it. Addressing the overuse of natural resources and the underuse of human resources, our global sustainability strategy is a key enabler of our strategy for the new 2023–2025 cycle. As we aim to create value beyond wealth for our clients through responsible wealth management, we want to fulfil our obligations as a responsible citizen at the same time.

As a wealth manager, it is crucial that we provide our clients with all the credible information they need to make their own educated decisions and align their financial choices with their personal values. Not only have we identified sustainability as a growth and business opportunity, but it is also an excellent conversation starter, particularly as we aim to build bridges across generations. When our clients begin their sustainability journey, the starting point for us is always to identify what matters to them personally.

Empowering our clients for positive impact goes through responsible wealth management. In 2022, we focused on providing more transparency to our clients, for example through enhancing our proprietary ESG investment rating methodology or distributing our first ESG client reports to eligible clients in Switzerland and Luxembourg. We aim to further roll out this initiative globally until 2025. To create connections, we bring together like-minded clients particularly interested in sustainability with thought leaders, entrepreneurs and innovators. Hence, we built up our Sustainability Circle client community, organising events based on our Next Generation research themes, such as the circular economy or low-carbon.

To support all these activities and to provide the best services to our clients, we are aware that we also have to give our employees access to education opportunities. As a part of these efforts, we created the Sustainability Ambassador community consisting of 200 senior relationship managers, investment advisors and portfolio managers, who were enrolled in a two-day specialist sustainability training. We also conducted education sessions for client-facing employees dedicated to regulatory developments in sustainable finance.

Responsible wealth management is intertwined with our activities as a corporate citizen. While ethical business conduct and risk management lay the foundation for our business activities, we aim to be an employer of choice to attract the best talents and provide services to our clients with care, passion and excellence – our corporate values. A particular focus over the past twelve months has been on our climate strategy. To ensure our alignment with the Paris Agreement and the objective to cap global warming to 1.5°C above pre-industrial level, we defined net-zero emissions targets for our own operations as well as for our treasury, lending and mortgage books. Putting our words into action, this year, we considerably reduced greenhouse gas emissions from our own operations in comparison to our base year 2019. Additionally, we defined a comprehensive stewardship strategy, encompassing voting and engagement, to enter into a structured dialogue on climate actions with companies that we and our clients are invested in.

While we look back at significant progress at Julius Baer in 2022, the developments of the last twelve months have shown that it is more important than ever to focus on proposing true responsible wealth management to our clients and act accordingly as a responsible citizen – we are committed to 'walking the talk' and hence, avoiding greenwashing. The implementation of sustainability and ESG across business, citizenship and reporting activities is complex. Nevertheless, by working together with our key stakeholders – be it clients, employees, investors, peers, legislators or NGOs – we are convinced that we can contribute to achieving our common goal of tackling climate change and inequalities.

Romeo Lacher
Chairman

Philipp Rickenbacher
Chief Executive Officer

SELECTED HIGHLIGHTS OF THE YEAR

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

SUSTAINABILITY RATINGS AND INDICES[1]

AA-rated, MSCI ESG[2]	**Constituent,** FTSE4GOOD[5]	**Constituent,** Bloomberg Gender Equality Index[7]
'B', CDP rating for carbon disclosure[3]	**Constituent,** SIX ESG equity indices[6]	
20.5, Sustainalytics ESG Risk Rating[4]		

1 A previous version of this Sustainability Report stated that Julius Baer was a constituent of the SXI Sustainability Index. This was incorrect as of end-2022. Julius Baer was re-included in the index in 2023.
2 MSCI ESG ratings provide insight into ESG risks and opportunities within multi-asset class portfolios. Source: https://www.msci.com/esg-ratings
3 CDP is a not-for-profit charity that runs a global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts. Source: www.cdp.net
4 12th percentile. Sustainalytics' ESG Risk Rating measures a company's exposure to industry-specific material ESG risks and how well a company is managing those risks, with a lower percentile indicating low risk. Julius Baer is rated in the category of asset management and custody services. Source: https://www.sustainalytics.com/esg-data
5 The FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong ESG practices. Source: https://www.ftse.com/products/indices/ftse4good
6 ESG Indices from SIX are sustainable benchmarks for the Swiss Capital Market. The goal of SIX is to establish solid, sustainable and independent benchmarks for the Swiss bond and equity markets. We are constituents of the SPI ESG and SPI ESG Weighted indices.
7 The Bloomberg Gender Equality Index (GEI) tracks the performance of public companies committed to disclosing their efforts to support gender equality through policy development, representation and transparency. Source: https://www.bloomberg.com/gei

A CONVERSATION WITH YVONNE SUTER, OUR HEAD OF SUSTAINABILITY

Q: 2022 WAS A TURBULENT YEAR IN MANY RESPECTS – WHAT HAS THIS MEANT FOR THE SUSTAINABILITY AGENDA?

In a year of geopolitical fragility, energy insecurity and economic volatility, sustainability may not have been at the forefront of everyone's mind. Additionally, we face challenges such as an increasing number of regulations in this field, and discussions on greenwashing.

However, I think overall awareness of the topic remains very high. Climate change impacts in particular are becoming more and more tangible, while the war in Ukraine has hampered energy security. Both put a spotlight on the critical need to accelerate the transition to renewable energy sources. That is why I strongly believe that sustainability is a catalyst of change, and we should seize the opportunity and use the momentum. We continue to implement our sustainability strategy with efforts made throughout the business to reach our goals. In fact, we consider sustainability a key enabler of Julius Baer's recently refined Group strategy, and of our purpose to create value beyond wealth.

WHERE DO YOU SEE THE MAIN OPPORTUNITIES FOR SUSTAINABILITY TO CONTRIBUTE TO THE BANK'S OVERALL STRATEGY?

The integration of sustainability into our business strategy reflects how the topic has entered the mainstream. In finance, an ever-growing number of investors are placing greater importance on so-called 'non-financial' factors, recognising opportunities and risk mitigation strategies in addressing these issues responsibly. We consider sustainability as an important business lever for prompting and intensifying client interaction and strengthening trusted relationships. To meet our clients' expectations, we propose a range of sustainability solutions and services.

In addition, growing awareness of sustainability shows that the topic is increasingly a prerequisite for a business to be credible and maintain its reputation.

Yvonne Suter, Head of Sustainability

This is reflected in our sustainability framework, which depicts our priorities across two strategic pillars, responsible wealth management and responsible citizenship. And it is confirmed by the new materiality assessment, which we conducted in 2022 to identify the most important sustainability-related issues for us as a company.

THE FRAMEWORK DEFINES YOUR AMBITION AS EMPOWERING CLIENTS TO MAKE A POSITIVE IMPACT – HOW WILL YOU ACHIEVE THIS?

There are a number of points to consider when interacting with clients on sustainability. Initially, the key question is always what matters to them personally. Clients have their own preferences, and our aim is to accompany them on their sustainability journey. Therefore, we guide them towards sound metrics and transparent information that allows them to invest in line with their values, and of course by offering products and solutions. These span responsible, sustainable and impact investing, as well as philanthropy.

We also know that many clients are looking for more than products on their sustainability journey, so we go beyond these and offer an entire ecosystem of services in responsible wealth management. This ecosystem includes our rigorous ESG investment rating methodology and client reports, access to research and thought leadership, and opportunities for networking and acquiring ESG knowledge.

WHAT WOULD BE SOME OF YOUR RECENT EFFORTS ACROSS THIS ECOSYSTEM?

In 2022, we further refined our ESG investment rating methodology for equities, funds and bonds. We also issued ESG client reports to selected clients for the first time, a further step in our commitment to ensure transparency on the sustainability performance of investments. The client report includes a view at an aggregated portfolio level as well as scores on climate or human-capital metrics.

We also enable insight and dialogue, by working with Julius Baer research, topic experts and external thought leaders. Another key activity in 2022 was building up our Sustainability Circle, a dedicated client community that brings together investors, entrepreneurs and business leaders motivated to support the shift towards a more equitable future and a healthier planet. Members share insights, join forces, and use their experience to encourage positive change. In its first year, the Sustainability Circle offered a range of activities, including digital educational sessions, expert speeches, and events in London, Berlin and Zurich.

BEYOND ITS INTERACTION WITH CLIENTS, JULIUS BAER HAS A DUTY TO OPERATE RESPONSIBLY AS A CORPORATE CITIZEN. WHAT ARE SOME KEY RECENT EXAMPLES OF THIS?

We do indeed have a dual responsibility, both as a wealth manager and in our own corporate activities. We are committed to 'walking the talk' on sustainability and to fully integrating it into our organisation.

An important milestone in 2022 was the launch of our new climate strategy. At its core is a commitment to achieving net-zero greenhouse gas emissions. In our own operations, we strive to do this by 2030. Shifting to renewable energy, purchasing renewable energy certificates, and switching to biogas in our Swiss offices has allowed us to already significantly reduce our net emissions, compared to 2019. On our treasury, mortgage and lending book, we aim to achieve net-zero emissions by 2050. Supporting these efforts, we have defined a stewardship strategy that includes engagement and sustainability voting practices to foster change within high-emitting companies. Last but not least, we aim to limit air travel and have introduced an internal carbon price on it.

Another key focus area of our internal sustainability efforts is training. We have successfully built up our community of Sustainability Ambassadors, which consists of 200 experienced client-facing employees. The objective is to further increase their knowledge of the positive impact and business potential of sustainability. Ambassadors are empowered to address the topic in client meetings, and with the Ambassador community they have a platform to exchange ideas and experiences. In addition, all new joiners at the bank complete a sustainability e-learning module, and, last year, over 3,000 employees received training on regulatory developments in sustainable finance.

WHERE DO YOU THINK JULIUS BAER STANDS ON ITS OWN SUSTAINABILITY JOURNEY?

I believe that external benchmarks are an important indicator, recognising our efforts. This includes MSCI ESG, who increased our rating from A to AA in 2022, validating our sustainability strategy. Such accolades are testament to our continued commitment and work.

However, there is much work ahead of us and, while we have laid solid foundations, challenges are continual and evolving. We want to maintain the trust of our stakeholders, and to keep empowering for positive change. I think it is important to always bear in mind that sustainability is an ongoing journey, and we want to collaborate with our clients and broader stakeholder groups to shape the future together.

> "We have a dual responsibility when it comes to sustainability – as a wealth manager servicing our clients, and in 'walking the talk' in our own activities."
>
> YVONNE SUTER, HEAD OF SUSTAINABILITY

SUSTAINABILITY AT JULIUS BAER

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

The Julius Baer sustainability framework enables us to harness new market opportunities while mitigating risks and engaging stakeholders. At its heart is a commitment to act on two critical and urgent challenges: the overuse of natural resources and the underuse of human resources (see pages 26 and 27). To support us in tackling these issues, the framework is structured around two pillars: responsible wealth management (supporting shifts in capital flows towards a more equitable future and a healthier planet) and responsible citizenship (sustainability actions within our corporate activities).

In 2022, we revised certain elements of the framework, ensuring that our responsible wealth management ecosystem (see page 17) is fully reflected, and that our approach to responsible citizenship (see page 28) references all the key elements of our efforts to integrate sustainability into what we do as a company.

Strategic framework

SUSTAINABILITY GOVERNANCE

Strong, rigorous governance is critical to delivering on our sustainability strategy. To ensure this, Julius Baer has implemented a sustainability governance model with leadership from the top.

Board of Directors, Executive Board and Sustainability Board

The Board of Directors is the ultimate body that oversees Julius Baer's sustainability strategy, including the climate strategy. The Governance and Risk Committee of the Board of Directors is responsible for developing and upholding principles of corporate governance and sustainability, including setting the Group's risk tolerance framework. Other Board-level committees further integrate ESG-related considerations into their agendas and mandates. The Board of Directors discusses sustainability-related topics at least twice a year.

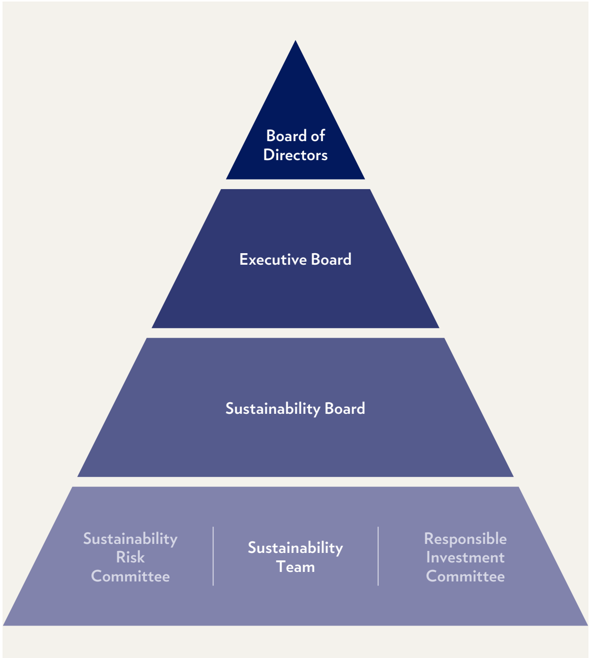
The Sustainability Board[1], a committee of our Executive Board chaired by the CEO, defines and steers our sustainability strategy. For decisions that have a direct strategic impact on the Group, the Sustainability Board requests the support of the Executive Board, which then formally submits the request for approval to the Board of Directors. The Sustainability Board, which comprises the key business leaders for sustainability-related topics in addition to the CEO, meets at least quarterly and is responsible for reviewing the materiality of new and existing sustainability issues at least every three years. In 2022, Julius Baer conducted a new in-depth materiality assessment of sustainability issues (see pages 11 to 13).

Sustainability Team

The Head of Sustainability leads the Sustainability team and defines the agenda for the Sustainability Board, providing guidance to its members and promoting cross-programme coordination and alignment. The Sustainability team is responsible for developing the sustainability strategy, including the climate strategy, and for proposing new strategic topics for the Sustainability Board's consideration. It leads the implementation of sustainability-related strategic initiatives, including the Group's climate action plan and its pathway to net-zero carbon emissions, as well as training, sustainability risk, regulatory developments, client engagement, positioning and partnerships. It ensures the overall coordination and alignment of sustainability activities carried out within different business functions. The team also engages with investors, clients and broader stakeholder groups, and provides regular status updates to the Sustainability Board, as well as to the Executive Board and the Board of Directors.

Sustainability Risk Committee

The Sustainability Risk Committee acts as a sub-committee of the Sustainability Board to oversee and provide guidance on the ongoing integration of ESG into the Julius Baer risk management framework. This process takes place across business lines and includes climate-related risk aspects as well as the application of reputational risk guidelines on environmental and social topics. More information on ESG risk management can be found on pages 31 and 32.



[1] Members of the Sustainability Board: Chief Executive Officer (Chair); Head of Sustainability; Chief Financial Officer; Chief Investment Officer; Chief Operating Officer; Chief Risk Officer; Head of Wealth Management Solutions; Region Head Switzerland & EMEA; Region Head Americas; Region Head Asia Pacific; Head Human Resources; Chief of Staff; Chief Communications Officer; Head of Public Policy; Head of Investor Relations.

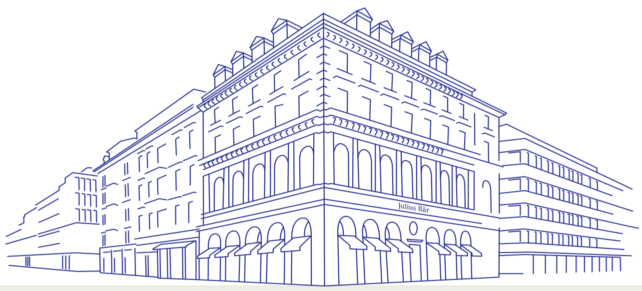
In light of the increasing number and complexity of ESG-related regulations and requirements on climate stress tests, the Sustainability Risk Committee also focuses on developments in these two areas. Under its oversight, in 2022, we have established new structured processes to monitor and act on both topics.

Responsible Investment Committee

The Responsible Investment Committee, established in 2015, oversees and provides guidance on Julius Baer's ESG investment rating methodology (see page 18), and our related ESG offering. The committee is structured into two panels: the Strategic Panel, which decides on the ESG investment and offering strategy as well as methodology, and the subsidiary Operational Panel, which applies and reviews the ESG methodology in day-to-day operations. Any decisions taken by the Responsible Investment Committee on any particular investment or company are binding for the Group.

OUR SUSTAINABILITY JOURNEY

For more than half a century, Julius Baer has been working together with clients and broader stakeholder groups, and supporting them in encouraging positive change. From establishing the Julius Baer Foundation in 1965 to introducing an ambitious climate strategy in 2022, our efforts have become more structured – and we have increasingly integrated sustainability into our governance and our core business.



1965
- Julius Baer Foundation

2006
- Launch of the sustainability mandate

2010
- Set-up of Next Generation research

2011
- Initiation of Julius Baer Cares (employee volunteering scheme)

2013
- First impact investment third-party fund offering

2014
- Membership of Swiss Sustainable Finance (SSF)
- Implementation of responsible wealth management offering
- Signatory of UN Principles of Responsible Investment (PRI)
- Founding Global Partner of Formula E

2015
- Establishment of Responsible Investment Committee
- Julius Baer Responsible Investment Fund Rating (RIFR)
- CO_2-neutral operations

2018
- Establishment of Julius Baer Sustainability Board (Executive Board Committee, chaired by the CEO)
- Launch of the Next Generation Fund

2019
- Founding Signatory of UNEP FI Principles for Responsible Banking (PRB)
- Establishment of Sustainability team

2020
- Launch of updated sustainability strategy
- Launch of Impact Investing Offering
- CDP submission to disclose climate impact

2021
- Development of new climate strategy
- Launch of employee-wide sustainability training
- Establishment of Sustainability Circle for clients
- Establishment of Diversity and Inclusion Committee

2022
- MSCI ESG AA rating
- Establishment of the Sustainability Risk Committee
- ESG Client Reporting
- ESG Investment Rating Methodology
- Launch of environmental and social reputational risk guidelines
- Launch of stewardship strategy as part of climate strategy

MATERIALITY

Our sustainability framework is designed to address the material issues important to stakeholders and to contribute to wider efforts in sustainable development. In 2022, we conducted a new materiality assessment to identify the sustainability issues that may inform financial risks and external impacts.

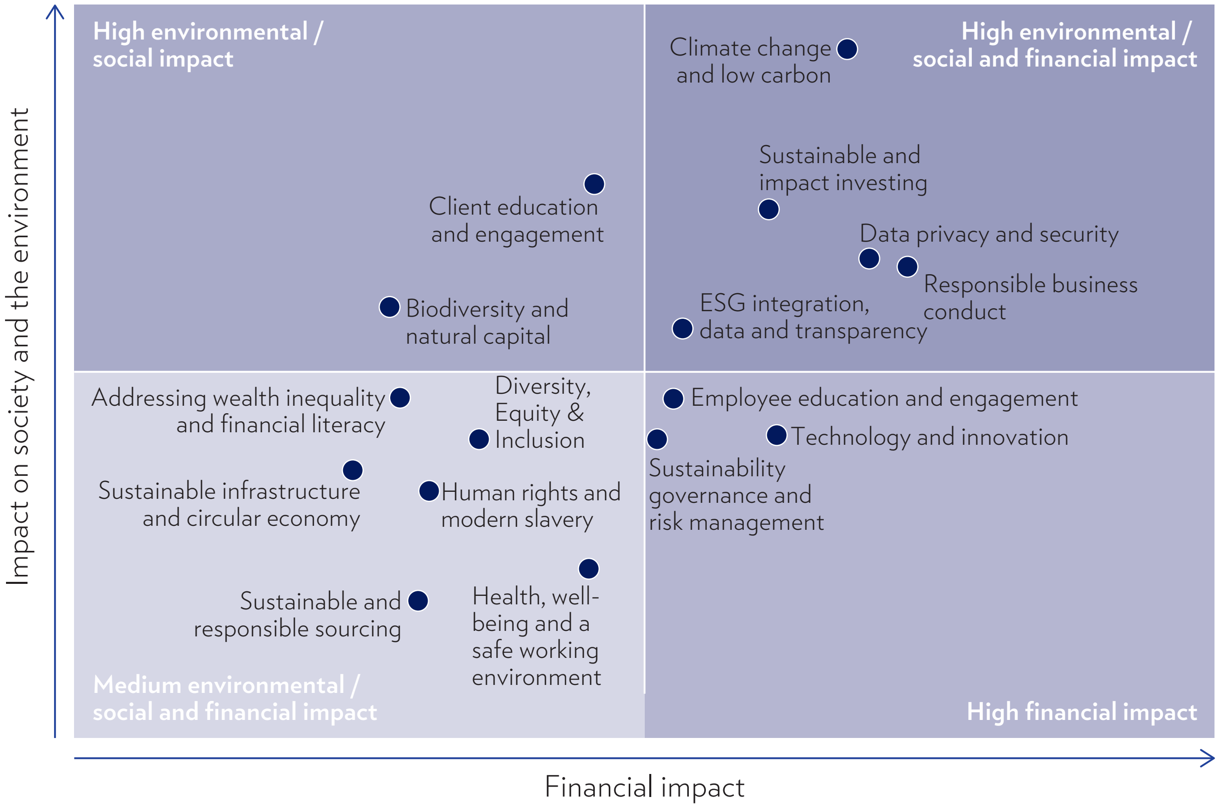
Since our previous assessment in 2019, we have adapted our approach to align with the principle of double materiality. This is in line with the European Commission's proposed Corporate Sustainability Reporting Directive and its related European Sustainability Reporting Standards. A double materiality assessment takes into account both the impact a business has on the environment and society, as well as how sustainability issues shape financial impacts. These impacts need to be considered independently, though they are often interrelated. Therefore, our new matrix plots issues on both an 'impact on society and the environment' and a 'financial impact' axis.

In alignment with the revised GRI standards, our materiality assessment involved three key stages:

1. *Research and defining the issues:* Desk research on market and regulatory developments as well as recent scholarship provided in-depth insights into industry context and trends, giving rise to a long list of about 50 potential material issues, refined to a short list of 20.
2. *Engagement and prioritisation:* In a quantitative survey, Julius Baer employees across different regions and divisions, as well as key external stakeholders, provided their views on the issues identified and their relative importance. We also conducted in-depth interviews with selected Julius Baer senior business leaders and important external stakeholders from different backgrounds, ranging from clients to specialists from industry associations and sustainability thought leaders, amongst others. Through these, we were able to assess the impact materiality and financial materiality of the issues and prioritise them accordingly.
3. *Analysis and validation:* We collated and analysed the results to build the materiality matrix, which was reviewed by key internal stakeholders before being endorsed by the Sustainability Board. For more details on each material issue, see page 48.

In total, we identified 16 material issues. These are mapped in the matrix according to their level of impact. The issues and their relative weight provide insight to us for further developing and refining our sustainability efforts.

2022 materiality matrix



The most material issues from both a societal or environmental, and a financial perspective are shown in the top-right quadrant. These are:
- Climate change and low carbon
- Sustainable and impact investing
- Data privacy and security
- Responsible business conduct
- ESG integration, data and transparency

We believe these top five issues, and the 16 issues identified overall, broadly align with our sustainability strategy and the holistic approach we take to the topic, built on the two pillars of responsible wealth management and responsible citizenship. Our ambition to address global challenges related to the overuse of natural resources and the underuse of human resources targets the identified material issues. In particular, the identification of climate change and low carbon as the most material issue illustrates the importance of the climate strategy we introduced in early 2022 (see pages 33 to 37).

MAPPING MATERIAL ISSUES TO THE UNITED NATIONS' SUSTAINABLE DEVELOPMENT GOALS (UN SDGS)

Reflecting our ongoing commitment to global standards and principles, in 2022, we considered how our efforts to address the identified material issues contribute to the UN SDGs. The table below sets out the corresponding SDGs to each material issue, with a link to the relevant chapter of this report for details on our approach and progress.

Material issue	Corresponding SDGs	More information
Climate change and low carbon	– SDG 13: Climate action	Climate and natural resources, including net-zero targets (see pages 33 to 37)
Sustainable and impact investing	– SDG 17: Partnerships for the goals	Products and solutions (see pages 20 to 23)
Data privacy and security	– SDG 8: Decent work and economic growth	Conduct and risk (see page 32)
Responsible business conduct	– SDG 8: Decent work and economic growth	Conduct and risk (see pages 29 to 30)
ESG integration, data and transparency	– SDG 8: Decent work and economic growth	ESG investment rating methodology and client reporting (see pages 18 to 19)
Client education and engagement	– SDG 17: Partnerships for the goals	Client community and ESG knowledge (see pages 24 to 25)
Biodiversity and natural capital	– SDG 8: Decent work and economic growth	Climate and natural resources (see pages 33 to 37)
Employee education and engagement	– SDG 4: Quality education – SDG 8: Decent work and economic growth	Caring employer and training (see pages 38 to 42)
Addressing wealth inequality and financial literacy	– SDG 4: Quality education – SDG 10: Reduced inequalities	JB Foundation and community partner (see pages 43 to 45)
Technology and innovation	– SDG 9 Industry, innovation and infrastructure	Research and thought leadership (see pages 26 to 27)
Sustainability governance and risk management	– SDG 8: Decent work and economic growth – SDG 16: Peace, justice and strong institutions	Sustainability Governance (see pages 9 to 10)
Diversity, equity and inclusion	– SDG 5: Gender equality – SDG 10: Reduced inequalities	Caring employer and training (see pages 38 to 42)
Sustainable infrastructure and circular economy	– SDG 12: Responsible consumption and production	Research and thought leadership (see pages 26 to 27)
Human rights and modern slavery	– SDG 10: Reduced inequalities – SDG 16: Peace, justice and strong institutions	Conduct and risk (see pages 29 to 32)
Health, well-being and a safe working environment	– SDG 3: Good health and well-being – SDG 8: Decent work and economic growth	Caring employer and training (see pages 38 to 42)
Sustainable and responsible sourcing	– SDG 12: Responsible consumption and production	Conduct and risk (see page 32)

PROGRESS TOWARDS STRATEGIC PRIORITIES IN 2022

	Strategic priority[1]	2022 progress
RESPONSIBLE WEALTH MANAGEMENT		
Methodology & Client Reporting	– Further develop our ESG investment rating methodology and continue applying it to the entire investment universe. – Gradual global roll-out of ESG client reporting, including climate metrics, to become available to all clients where possible by the end of 2023.	– We tested, approved and implemented our investment rating methodology now covering equities, funds and bonds. – We issued our first ESG client reports to eligible clients in booking centres Switzerland and Luxembourg.
Products & Solutions	– Further increase assets managed through sustainability discretionary and advisory mandates. – Further increase responsible and sustainable investment offering (Article 8 and Article 9 products according to Sustainable Finance Disclosure Regulation / SFDR). – Further increase impact investment offering in alignment with our thematic focus topics and our next generation research themes. – Continue to develop our philanthropy offering and associated solutions.	– With the ESG Investment Rating methodology being fully integrated into the advisory process, we provide advice in line with the client's ESG preferences, regardless of the mandate type. – AuM in Sustainability Discretionary Mandates decreased to CHF 2.9 billion, mainly caused by a decline in market valuations. – We further increased our responsible and sustainable offering, including mandates and funds categorised under SFDR Article 8. – We established our new impact investing methodology for private markets and launched one new impact investing fund. – We further increased the number of Philanthropy Advisory Mandates and improved our related service offering, e.g. by introducing a Family Philanthropy Day for clients interested in a philanthropy solution.
Client Community & ESG Knowledge	– Enhance the responsible wealth management ecosystem, expanding platforms for exchange such as the Sustainability Circle client community.	– We expanded the Sustainability Circle client community and conducted digital education sessions, dialogues with experts and physical events covering sustainable fashion, low carbon, green technologies and energy transition.
STAKEHOLDER ENGAGEMENT		
Materiality Assessment	– Conduct a new materiality assessment in 2022 to learn about the issues most material to our business and key stakeholder groups.	– We conducted a new materiality assessment on sustainability issues, engaging key internal and external stakeholders. The results are considered and integrated across the 2022 sustainability report, confirming the key elements of the bank's sustainability strategy and providing insights as a basis for refinement.

[1] Strategic priorities for 2022 have been arranged according to the refined sustainability framework.

	Strategic target	2022 progress
RESPONSIBLE CITIZENSHIP		
Conduct & Risk	– Further integrate ESG into our risk management framework including climate risks as well as environmental and social reputational risks.	– We issued our Group-wide reputational risk guidelines for environmental and social risks to ensure the integration of those considerations across the entire business and to mitigate related risks.
Climate & Natural Resources including net-zero targets[1]	– Achieve net-zero carbon emissions on our own operations by 2030, shifting energy sources to renewable energy wherever possible. – Achieve net-zero emissions on our treasury, lending[2] and mortgage books by 2050, with an interim reduction of 20% by 2030, defining an engagement strategy on climate topics over the course of 2022. – Implement a CHF 100 / tCO_2e internal carbon price on air travel. – Commitment of 30% reduction of business travel emissions by 2025 compared to 2019.	– We started the implementation of our net-zero emissions target in our own operations, achieving an important reduction of greenhouse gas emissions thanks to the shift to renewable energy or sourcing of corresponding certificates globally and the switch to biogas in Switzerland. – We defined our stewardship strategy, including an engagement approach and voting for Julius Baer Funds based on ESG considerations, thereby working towards our net-zero emissions target on our treasury, lending and mortgage books. – We implemented a carbon price on air travel of CHF 100 / tCO_2 and are on track to achieve our 2025 business travel reduction target.
Caring Employer & Training	– Further promote diversity and inclusion in the broadest sense. – Strive for 30% female representation at senior management level by the end of 2023 as part of ongoing developments and efforts. – Reduce long-term absences and continue to foster a good working environment for all employees. – Provide dedicated sustainability training to around 250 senior relationship managers by the end of 2022 and build a Sustainability Front Ambassador community. – Continue mandatory sustainability training for all new joiners, complemented by broader training efforts for all client-facing employees.	– We fostered diversity and inclusion with a particular focus on sexual orientation, gender, multi-generation, disability as well as social and cultural background. – The proportion of female senior managers rose to 29%. – We maintained our long-term absences on a level below industry average and certified 165 Mental Health First Aiders globally, contributing to a supportive work environment. The global employee engagement score increased to 7.9 out of 10 and our employee net promoter score increased to 35, slightly above the financial industry average. – We developed our Sustainability Front Ambassador Club, now including 200 senior relationship managers, investment advisors and portfolio managers having completed the two-day boot camp of the Ambassador training. Due to re-prioritisation, the roll-out beyond Europe will take place in 2023. We complemented these efforts by educating over 3,000 client-facing employees and we continued to provide onboarding training for every new joiner.
JB Foundation & Community Partner	– Further increase our volunteering activities and the number of volunteering hours.	– We organised a volunteering month, allowing us to more than triple our number of volunteering hours in comparison to 2021, amounting to a total of 5,968 in 2022.

[1] This 2022 target has been re-arranged to better reflect Julius Baer's ambitions, with content remaining the same as in the last edition.
[2] Our net-zero emissions target on lending includes loans to corporate clients only, according to the Partnership for Carbon Accounting Financials (PCAF).

STRATEGIC PRIORITIES IN 2023 AND BEYOND

RESPONSIBLE WEALTH MANAGEMENT	
Methodology & Client Reporting	– Continuously strengthen our ESG investment rating methodology and continue applying it to the investment universe. – Gradual global roll-out of ESG client reporting including climate metrics, prioritising according to market maturity and client needs by the end of 2025.
Products & Solutions	– Increase net inflows in sustainability discretionary mandates or any equivalent solution until 2025. – Further increase assets in private-equity impact investing solutions following our internal impact investment rating methodology and in alignment with next-generation research themes Energy Transition, Future Cities and Feeding the World. – Continue to develop our philanthropy offering and associated solutions.
Client Community & ESG Knowledge	– Expand platforms for best-practice exchange, sharing knowledge and networking, such as the Sustainability Circle client community.
Research & Thought Leadership	– Continue to provide thought leadership on relevant sustainability topics, with a particular focus on addressing the overuse of natural resources along next-generation research themes such as Energy Transition, Future Cities and Feeding the World.

RESPONSIBLE CITIZENSHIP	
Conduct & Risk	– Continue to integrate and apply ESG considerations into our risk management framework and processes, such as climate scenario analysis and the guidelines for environmental and social reputational risk.

Climate & Natural Resources, including net-zero targets	– Achieve net-zero carbon emissions:
	  – On our own operations (Scope 1 and 2) by 2030.
	  – On our own treasury, lending[1] and mortgage books by 2050, with an interim reduction of 20% by 2030.
	– Achieve a 30% reduction of business travel emissions by 2025 compared to 2019.
	– Further develop the stewardship strategy. By end-2023:
	  – Develop an engagement framework with selected investee companies.
	  – Exercise voting for all Julius Baer funds, taking into account sustainability considerations.

Caring Employer & Training	– Further promote diversity and inclusion with a particular focus on disability, multi-generation and gender. – Strive for 30% female representation at senior management level by the end of 2023. – Continue to foster a supportive and encouraging working environment for all employees, reflected by an employee engagement score above the industry benchmark and through a steadiness, if not reduction, of long-term absences. – Continue to educate all employees on sustainability challenges and opportunities, with a focus on client-facing employees. Expand the Sustainability Front Ambassador Club to 250 members by the end of 2023 and engage members.
JB Foundation & Community Partner	– Focus on reducing inequalities through the Julius Baer Foundation, by focusing on 20-25 projects at any given time with engagement horizons of around three to six years per project. – Further increase volunteering activities and the number of volunteering hours.

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

RESPONSIBLE WEALTH MANAGEMENT

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

IN THIS SECTION

2022 HIGHLIGHTS

First distribution of **ESG client reports**
Built up the Julius Baer **Sustainability Circle**
Expanded the Julius Baer **ESG investment rating methodology**
32% of total AuM classified as **responsible or sustainable investments**

ESG INVESTMENT RATING METHODOLOGY AND CLIENT REPORTING

We provide transparent reporting to clients to enable them to track the sustainability performance of their portfolios. To assess investments in ESG terms, we apply our structured ESG investment rating methodology.

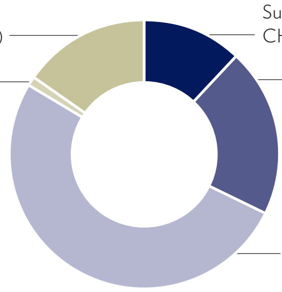
OUR ESG INVESTMENT RATING METHODOLOGY

We have implemented a structured, measurable and transparent ESG investment rating methodology. This methodology is based on a combination of data from external ESG data providers, and our own proprietary research for categorising equities, bonds and traditional funds. It generates a set of proprietary theme scores to determine how well a company is performing in ESG-related subjects. Defining different investment categories according to ESG criteria enables clients to closely align investments with their ESG preferences, supported by our advice.

We base our ESG investment rating methodology on evolving scientific findings and industry practices, as well as changing market conditions. We also consider the constant development of new and more comprehensive regulations around ESG topics, and their implication for our approach to these topics.

Our investment process integrates the ESG perspective and has done so for many years. We apply ESG criteria to the investment universe and, through specific selection criteria, define particular sub-categories (see box on next page). At the end of 2022, assets under management in responsible investing totalled CHF 55.7 billion and assets in sustainable investing totalled CHF 34.3 billion, equivalent to 20% and 12% of classified assets under management, respectively.[1]

Assets under management by the end of 2022[2]



[1] Assets under management in central mandates (only front regions, excluding intermediaries).
[2] Covered assets with data include bonds, equities and funds. Methodology for classification of other asset classes currently in development.

IMPACT IN ACTION

A rigorous scoring system

Before we calculate scores according to our ESG investment rating methodology, each investment undergoes screening to identify any risks that could severely violate ESG standards in areas such as human rights, child labour, the UNGC or exposure to certain industries. Where we find significant ESG risks, we exclude the investment from our recommended universe, applying scores only to investments that have passed the basic screening.

For those investments that receive an ESG score, at a first stage a status quo score is calculated which reflects the company's performance and/or industry average. To award companies that show significant improvement in an ESG area or penalise those active in certain industries, we then determine a transition score. Lastly, the scores are validated and can be adjusted based on complementary assessments by the Responsible Investment Committee.

Scores are awarded in the following areas:

- Climate: focuses on a company's greenhouse gas (GHG) emissions and its emission reduction plans (more information on our approach to climate topics can be found on pages 33 to 37)
- Natural capital: aims to estimate whether a company is working to reduce its negative impact on ecosystems
- Governance: assesses a company in three areas: whether it has responsible oversight; is not facing ethical issues (such as fraud or anti-trust violations); and provides honest corporate disclosures
- Human capital: looks at human capital development opportunities and employment conditions
- MSCI ESG rating: a third-party score that measures an issuer's resilience to long-term industry material ESG risk

If a company meets certain standards according to our scoring system, we rank it as a **responsible investment**. If it exceeds these standards significantly, we class it as a **sustainable investment**. We class all remaining investments – which are not **ESG risk-based exclusions** but do not meet the threshold for higher scores – as **traditional investments**. In case of inconsistencies or separate view to our ESG data providers, the Responsible Investment Committee composed of internal subject matter experts is tasked with reviewing any situations and does so on a regular basis.

CLIENT REPORTING

To empower our clients to take informed decisions, we began issuing annual ESG client reports to eligible clients booked in Switzerland and certain other European booking centres in 2022. The reports provide a view on aggregated portfolio level, asset class and instrument level. They include ESG category breakdowns for clients' complete portfolios and for each asset class, showing proportions of sustainable, responsible and traditional investments, as well as ESG risk. They also highlight our proprietary scores, a view on controversies and an MSCI ESG rating for comparison, ESG leaders and laggards and the largest positions. Going forward, we plan to gradually expand the reach of our ESG-related client reporting globally, and to offer ad hoc ESG reports on request. Clients for whom a full report would have been of limited value due to a lack of ESG positions received an explanatory ESG information letter as well as a Sustainable Finance e-brochure.

PRODUCTS AND SOLUTIONS

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

Sustainable investing: Enabling investors to look specifically for companies with a high sustainability performance and invest in ESG leaders (see pages 20 to 21 for more information).

Impact investing: Going a step further and intentionally seeking to generate a financial return as well as have a positive and measurable impact on society or the environment (see pages 21 to 22 for more information).

Philanthropy Services: Impact beyond investment for investors who want to donate money and create a legacy for future generations (see pages 22 to 23 for more information).

SUSTAINABLE INVESTING

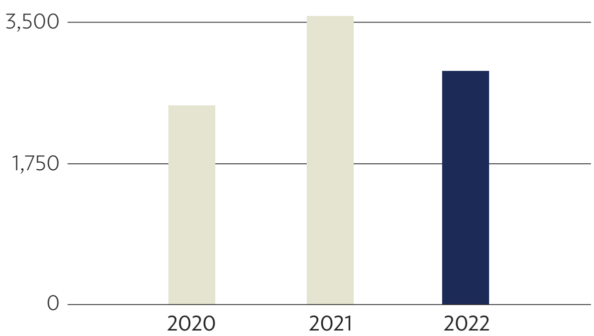
Sustainable investing looks for companies that score well on environmental, social and governance (ESG) criteria, or that have credible and ambitious transformation plans that support a low-carbon economy or the fight against social inequalities. Focusing on these companies, we support our clients in aligning their portfolios with their personal values. Spanning a range of asset classes and currencies, sustainability mandates help clients make investments with a specific ESG contribution in mind, and have shown consistent long-term financial performance in recent years.

Discretionary mandates[1]

We have a 16-year track record in discretionary mandates with a specific focus on sustainability. At the end of 2022, assets under these mandates were approximately CHF 2.9 billion, reflecting a decrease of 18.6% on 2021, mainly caused by the challenging market environment. For discretionary mandates, we apply a strict filter for responsible corporate governance and go through a process of screening: negative screening excludes companies or governments involved in certain business activities or unethical behaviour, based on specific criteria (e.g. defence or weapons, human-rights violations, labour issues, poor governance); and positive screening selects best-in-class ESG leaders (companies that perform best against a defined set of peers).

At the heart of our approach is the principle of thematic investing, focusing on companies that address issues such as climate action, water scarcity, natural-resource efficiency, nutrition innovation, health care innovation, and economic empowerment. We consider for inclusion only companies with solutions in the form of products or services that, in our view, support the positive transformation in a particular thematic field.

Discretionary sustainability mandates
(CHF m, including various asset classes)



[1] A discretionary mandate means the client delegates investment decisions to us, and we work with the client to define risk appetite, time horizon and specific needs. We then build a portfolio based on the client's preferences.

Advisory mandates[1]
Beyond discretionary mandates, we have fully integrated our ESG investment rating methodology into the advisory process, where we provide advice in line with the client's ESG preferences. With the help of our proprietary ESG investment rating methodology, clients are in a position to find a selection of investment recommendations based on their ESG preferences. For those clients seeking our expert recommendations, we offer direct access to investment advisors with sustainability expertise across all asset classes. These advisors recommend solutions tailored to the client's specific needs, including their sustainable investment preferences and risk appetite.

"Our sustainability offering provides our clients with opportunities and financial returns in investments that are aligned to their own values. From transition towards a low-carbon economy to reducing social inequalities, our investment strategies help our clients drive long-term change."

JULIANA BONFA, RELATIONSHIP MANAGER

IMPACT INVESTING

Impact investing can be a powerful catalyst in addressing the overuse of natural resources and the underuse of human resources. Our Private Markets team is responsible for developing and offering impact-investing solutions. With private equity, investors can provide long-term capital to companies that are closely aligned with their desire to have a positive impact on the environment and society. Investors can also directly influence companies to align more closely with their values by making their day-to-day operations more sustainable.

During 2022, we established our impact investing methodology to ensure products qualifying as impact investing meet the necessary criteria and follow market best practices. Firstly, they can do this by providing funding to early-stage technology companies in sectors in need of innovation to tackle the most pressing environmental and social issues: climate, finance and agriculture technologies. These can disrupt old industries and provide innovative products and services that support more sustainable growth. Secondly, they offer investment opportunities in later-stage companies, leading to an improvement in environmental and social practices in these companies' day-to-day operations.

Our impact offering
Our products focus on achieving market-rate returns while ensuring investments generate a genuine impact. In 2022, we offered investment opportunities into an emerging markets-focused fintech private equity fund. By backing fast-growing companies that enable access to banking and financial services, our products help a greater share of underserved consumers and small businesses in developing economies enjoy better-quality financial services. Fintechs, being considered among the main enabler of the SDGs, and the resulting increased access to banking and financial services, are key to improving the lives of many in developing economies: Quality financial services enable consumers and enterprises to conduct key financial transactions, such as paying utility bills, without waiting in long lines or borrowing to pay for home repairs, to invest in their businesses, saving to buy an asset or pay for schooling, or to insure their properties and lives against the unexpected. At the macro level, financial inclusion correlates positively with growth in gross domestic product (GDP), reduced income inequality, and more efficient capital markets.

[1] Advisory mandates involve us making recommendations based on the client's circumstances, objectives and attitude to risk. We act on these recommendations only with specific authority from the client.

Alongside our product offering, we provide a range of thought-leadership and peer-networking opportunities. As with responsible wealth management more broadly, we take a thematic approach, helping clients to leverage their investments to address critical challenges in moving towards a sustainable global economy.

> "Impact investing can mean different things to different people and have unintended outcomes if not done carefully. This is why, at Julius Baer, we have established clear selection criteria that enable us to offer products that will have a genuine impact."
>
> NICOLAS BAUMGARTNER, IMPACT INVESTING SPECIALIST

PHILANTHROPY ADVISORY SERVICES

Philanthropy is a growing opportunity for clients who are looking to reflect their purpose and their values through their philanthropic giving, and create a positive legacy. They can choose to support diverse and very personal causes, from conservation and the environment to wealth inequality and culture, through either the Julius Baer Foundation or their own charitable enterprise.

Over the last year, our Wealth Planning department established a global network of internal philanthropy experts, which we complement with our external network of experts on a case-by-case basis. This is scalable in all our regions and main markets, with a model that comprises the Head of Philanthropy Advisory, a philanthropy sounding board and a philanthropy expert group, as well as functional links to the Julius Baer Foundation and the Sustainability team. True to our Julius Baer purpose to create value beyond wealth, our specialists provide holistic guidance on philanthropic endeavours, governance and succession, based on clients' values.

Our eight-step philanthropy methodology is backed by a variety of tools, templates and practices. We offer one-to-one family meetings, events such as roundtables to discuss best practices, as well as financial and estate-planning services (including tax and legal implications). Furthermore, to support discussions with ultra-high net worth families, we created a branded set of Julius Baer values cards: '55 ways to discuss what matters to you'. Family members choose those cards that most relate to their personal values, and our certified wealth planners run workshops to find alignment between different generations of a family. These workshops can form part of a '3i' Family Philanthropy Day, where families come together for multi-generational discussions, which help them inform and inspire their children, and eventually involve them in creating the family's legacy based on values and philanthropic engagement.

Finally, aiming to inspire our clients' philanthropy ventures, in 2022, a number of clients were able to experience the impact of their giving by visiting their adopted projects from the Julius Baer Foundation. In addition, we published a special webcast featuring one client speaking about their experience in a conversation with our in-house impact investing and philanthropy experts, reaching around 200 participants globally. We also hosted a dinner in London with a panel of experienced philanthropists.

> "Our newly developed 3i Family Philanthropy Day provides a platform for families to inform, inspire and involve the next generation in their family's philanthropic commitments."

CAROLINE PIRAUD, HEAD OF PHILANTHROPY ADVISORY

IMPACT IN ACTION

Family Barometer 2022

Global families look back on challenging times, and face a global landscape that remains uncertain – travel and business have been disrupted, while markets have been shaken by geopolitical tensions and rising inflation. In addition, health and family remain crucial topics, and their management is likely to become ever more complex.

The 2022 Julius Baer Family Barometer results indicate that responsible, sustainable and impact investing are among the top investment topics experts expect to grow most in importance in the near future. They also show that the top three discussion topics – beyond investments – for families in the past year were family wealth, family governance, and health. These findings reinforce the view that not only can defining a purpose and bringing it to life be a fulfilling endeavour, but it is also often an important component of the long-term preservation and growth of family wealth, whether through improved governance, philanthropic giving or investments.

→ Read the full report

CLIENT COMMUNITY AND ESG KNOWLEDGE

To empower our clients to make a positive impact, we need to truly understand what matters to them. We offer opportunities for them to enhance their ESG knowledge through a variety of programmes, and an ESG-specific client community in our Sustainability Circle.

We increasingly deploy digital and virtual services to provide additional targeted and interactive content, delivered directly to clients through their preferred channels – all while protecting their data privacy and information security (see page 32). Adopting these as part of the client experience also helps us improve the sustainability impact of our client base. For instance, an ever-increasing number of clients are opting to receive only electronic documents, as well as using e-signatures. These measures help replace traditional paper documents, saving reams of paper each year.

UNDERSTANDING WHAT MATTERS TO OUR CLIENTS

In 2022, we conducted our second global client survey. We received around 4,000 responses, with 72 per cent of clients saying they were 'very satisfied' or 'extremely satisfied' with Julius Baer. The survey included a specific sustainability question, the responses indicating that around two thirds of our clients consider sustainability and ESG matters important aspects when making investment decisions. The results were consistent across the demographic groups surveyed, with only slight regional differences showing that sustainability and ESG were considered especially important by respondents in the Americas.

CONNECTING LIKE-MINDED CLIENTS

We offer a range of formats to help our clients improve their financial knowledge, including ESG insight. These formats are designed to offer basics on ESG knowledge, as well as more in-depth insight through access both to internal experts and external thought leaders. Our Wealth Matters programme, for example, offered additional virtual workshops in 2022, with topics including financial well-being and responsible wealth management. The Julius Baer Money Talk on sustainable finance inspired debates on topics of interest, such as *Sustainability: Why Does it Matter?* and *Decarbonisation: The Next Frontier in Sustainable Investing?*

IMPACT IN ACTION

Sustainability Circle client community

Bringing together investors and sharing insights is an important aspect of our approach to responsible wealth management. A key element of our efforts in this area is the Sustainability Circle. Launched in November 2021, this global community brings together Julius Baer clients motivated to support the shift towards a more equitable future and healthier planet for generations to come. Drawing on the bank's global network, it serves as a platform for its members to join forces, expand their network and use their experience to drive positive change.

In 2022, its first full year, the Sustainability Circle included a range of activities, from digital educational sessions and expert speeches, to events of one or several days in different European cities. Focus topics included sustainable fashion, the circular economy, low-carbon and green technologies, and the energy transition in the recent geopolitical context.

In addition to being able to participate in events and discuss matters with thought leaders and with each other, Sustainability Circle members receive access to research papers and videos. They also have the opportunity to present their own expertise on different aspects of sustainability, on peer-exchange platforms ranging from fireside chats to the community newsletter.

RESEARCH AND THOUGHT LEADERSHIP

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

A FUTURE SHAPED BY MEGATRENDS

While we do not know what tomorrow's world will look like, we can be sure that it will be different from today. The world around us is constantly evolving and we struggle to comprehend the complexity of the trends that are developing around us. With our thematic Next Generation investment philosophy, we aim to understand the long-lasting and structural shifts caused by these megatrends.

Over the past decade, we have built up extensive experience in thematic research and in investing based on such megatrends. The megatrends we identify help us define areas of focus where we believe we can make a targeted contribution. These areas – our Next Generation themes – range from clean energy and low carbon to healthy living and global education. We reflect this understanding in our sustainable and impact investing solutions, our philanthropy services, the activities of the Julius Baer Foundation as well as our research and thought-leadership activities.

Climate change – overuse of natural resources

Aspiring to be both a responsible wealth manager and a responsible corporate citizen, we aim to address the climate crisis and other environmental challenges, such as ocean depletion and nature loss, in the key areas of our research and thought-leadership activities. These include:

Circular economy: Turning a linear waste stream that ends in landfill into a circular one that enables the reuse of resources, reduces waste and preserves primary resources.

Low carbon: Supporting technologies that reduce carbon emissions or enable carbon removal.

Future mobility: Focusing on innovative and low-emission transportation technologies.

Future finance: Fostering financial innovation and financial inclusion through technological innovation.

Blue economy: Financing businesses that contribute to preserving life under water.

→ Jump to our net-zero climate strategy
→ Jump to our TCFD disclosure

READ OUR JULIUS BAER INSIGHTS

- → Climate change
- → Future cities
- → The blue economy
- → AgTech and FoodTech
- → Global education and wealth inequality

Wealth inequality – underuse of human resources

Enabling the transition to a more equitable world means addressing the inequalities arising from an uneven distribution of wealth and opportunities, such as access to education, health care and technological innovation. As a wealth manager with a dedicated private equity offering, we can help bridge this divide by addressing the need for funding of impactful projects and the desire – our clients' and our own – to make a difference. Some key areas of focus include:

Digital health: Enabling the financing of technologies and business models that improve access to technological health care solutions.

Global education: Facilitating investment (in our investment universe or through the Julius Baer Foundation) that improves access to education through new business models and educational technologies, helping to close the wealth gap.

Future finance: Enabling universal access to financial services through easily accessible technologies.

Wealth Inequality Initiative (driven by the JB Foundation): Raising awareness of wealth inequality, sharing knowledge, mobilising stakeholders and working towards more-equitable societies: https://www.wealth-inequality.net

→ Jump to JB Foundation & Community partner section

RESPONSIBLE CITIZENSHIP

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

IN THIS SECTION

2022 HIGHLIGHTS

200 Sustainability Front Ambassadors received specialist training
Implementation of **internal carbon pricing** on air travel
Issuance of environmental and social **reputational risk guidelines**
More than tripled our **volunteering hours** since 2021

CONDUCT AND RISK

Operating with integrity and taking a responsible approach to risk underpin the trusted relationships we maintain with clients and broader stakeholder groups.

ETHICAL CONDUCT

Based on Julius Baer's long-standing core values of care, passion and excellence, we have established a set of guiding principles and professional standards for business conduct, and formalised them in the Group's Code of Ethics and Business Conduct (the Code). The Code, which applies globally and was last updated in 2022, covers a range of topics, from values, beliefs and culture, to how behaviour affects clients, employees and business activities. It supports the Group's aspiration to act with the utmost professional expertise and integrity, and articulates its expectation to adhere to high standards of ethical business conduct and to comply with all applicable laws and regulations.

To ensure adherence to the Code, employees receive regular training on its content, and confirm their understanding and compliance through formal self-attestation. Further, instances of non-adherence to the Code are reflected in an employee's value and risk behaviour assessment and may lead to disciplinary action.

IMPACT IN ACTION

Combatting financial crime

The Code is supported by a comprehensive financial crime policy framework, which covers anti-money laundering (AML), combatting terrorism financing, anti-bribery and corruption measures, and sanctions compliance. The framework applies to all employees worldwide and, together with the Code, is extended to business partners through our purchasing policy. Among other activities, we carry out adverse media screening to mitigate financial crime risks, and we operate a payment 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 requirements for preventing financial crime.

Understanding our clients, and any risks related to them and their activities, is an ongoing priority. In 2022, we completed the global roll-out of our client risk rating system, further strengthening our anti-money laundering risk-management framework and enabling us to identify clients with elevated risk profiles more accurately. Our new methodology will also ensure we continue to meet international regulatory requirements. In addition, we have finalised the global implementation of our AML Transaction Monitoring Strategic Solution, which aims to establish a harmonised approach across the Group and to upgrade systems to detect potential money-laundering transactions more reliably.

→ Jump to Sustainability in risk management

How employees can raise concerns relating to conduct

At Julius Baer, we promote an open, 'speak up' culture. This means that we encourage colleagues to constructively challenge and raise concerns relating to processes or unethical behaviour, including misconduct. Employees are invited to address concerns directly with their line manager or with our Human Resources or control functions. We also offer a whistleblowing platform, which is accessible

24/7 and provides for anonymous reporting. Every whistleblowing triggers an independent investigation in line with Julius Baer Group's whistleblowing investigation framework. Employees may also approach Julius Baer Group's internal ombudsman. All whistleblowers acting in good faith are protected from any form of retaliation. Where cases of misconduct are found, our Group disciplinary policy mandates the steps required. For more information on discipline and non-retaliation, see our Annual Report 2022.

Transparent governance in compensation matters

Our corporate governance framework, definitions and reporting are in accordance with: the Directive Corporate Governance of SIX Exchange Regulation AG; 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 respectively the corresponding regulations as included in the Swiss law of corporation as part of the Swiss Code of obligations. Oversight bodies independent of our business functions are accountable for defining the company's strategic direction, managing risk, and ensuring fair and transparent compensation based on performance.

We strive to nurture a culture where our people can thrive at work, and where their contributions matter in achieving our strategic goals. As part of our pay-for-performance principles, we place great importance on variable compensation reflecting achievements and contributions to our strategic objective of sustainable profit growth. Employees are thereby remunerated according to criteria that demonstrate our corporate values and risk behaviours. We continue to review our compensation frameworks and integrate elements that ensure we compensate based not only on performance attained (e.g. project targets and quantitative elements) but also on how these achievements are reached, including when serving our clients. The Group has embedded these 'how' elements into the annual review process globally.

For information on our gender-equal pay analysis and parental benefits, see page 40. Detailed information on the Group's corporate governance and remuneration framework, as well as the responsibilities of the various committees of the Board of Directors, including the Nomination & Compensation Committee, is available in our Annual Report 2022.

RISK MANAGEMENT

As part of an annual review process, our risk management and risk tolerance[1] frameworks enable employees and business partners to identify, assess, manage, monitor and report risks. These risks may be financial (such as credit, market and treasury risks) or non-financial (including operational, legal, compliance, strategic and reputational risks).

Risk governance

Each year, our Board of Directors defines our qualitative risk strategy statement to reflect current regulations and international agreements. We decide certain risk tolerance limits at a regional, divisional or legal entity level to support local risk exposure monitoring. 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 of the Group, aiming at sustainable growth of the franchise. It acts as an independent partner in constructively challenging the business activities from a risk management perspective, and provides independent oversight, challenge and control on a global, regional and local level, to ensure risks are understood and managed according to the firm's risk tolerance.

[1] Risk tolerance is defined as the aggregate level of risk, subject to appropriate mitigating actions, that the Group is willing to accept across all relevant risk categories. It is formalised by a set of qualitative risk statements and quantitative risk metrics along key risk categories.

The Risk Assessment & Governance unit maintains and further develops our risk management and risk tolerance frameworks. This includes defining risk limits with risk-type owners and relevant business units, as well as monitoring the Group's risk profile and conducting stress tests and scenario analyses when required.

The Compliance department has the mandate to support the Group's senior management in ensuring compliance with laws and internal and external rules and regulations by managing operational, regulatory and reputational risks. In addition, Compliance assumes responsibility for developing and operating adequate risk-monitoring systems, and defining and applying principles and methods for risk analysis and assessment, as well as monitoring systems. The department's role also includes supporting business lines in their first-line-of-defence role and working closely with them.

Sustainability in risk management

Our approach to risk management also applies to ESG risks and we continue to fully integrate these into our risk management framework with associated procedures, practices and tools. In addition to a formal annual risk assessment process, ESG aspects are also considered during client onboarding and review; transaction monitoring, product development and investment decision processes; our own operations; supply chain management; and portfolio reviews. These processes are geared towards identifying clients, transactions or suppliers potentially in breach of our standards or otherwise subject to significant environmental or human rights controversies, including climate change. In this way, we embed risks arising from ESG objectives, events or conditions into existing individual risk categories and risk types.

We also consider ESG risks when defining risk tolerances, to further reduce exposure to carbon-related assets and, more broadly, to climate-sensitive sectors. Where appropriate, we seek to gradually supplement the bottom-up risk assessment process with top-down climate-risk-related stress scenario analysis to manage ESG risks over a sufficiently long term (see our TCFD disclosure from page 67 onwards for more information on ESG risk and related governance structures).

IMPACT IN ACTION

Launching reputational risk guidelines for environmental and social risks

We have established our reputational risk management framework, and continually further develop it as appropriate. The reputational risk guidelines for environmental and social risks were issued in 2022 and were designed to identify and govern certain sensitive activities the Group will not engage in – or will engage in only under stringent compliance criteria. Our objective with the guidelines is to foster a deeper understanding of potential reputational risks to which we may be exposed through our business activities and partners (including clients), given the heightened scrutiny of environmental and social topics in today's world. The guidelines provide a consistent framework to address these risks proactively and within existing approval processes. They apply to client relationships, credit business and suppliers, as well as investments, where our ESG investment rating methodology excludes products classified as 'ESG risk' from our product offering.

We do not engage in business activities with counterparties that fail to adhere to fundamental human rights standards, or that engage in certain practices that result in severe violations of environmental standards – apart from extraordinary circumstances, that require specific additional assessment. Furthermore, we conduct specific assessments for any potential business relationships that may have an elevated exposure to sensitive industries such as palm oil, forestry or thermal coal, or which may be exposed to incidents related to environmental or human rights issues.

In addition, the policy, 'Investment restrictions related to prohibited war materials', stipulates that we do not, directly or indirectly, finance producers of controversial weapons that are subject to the Swiss Federal Act on War Materials.

"Our reputational risk guidelines for environmental and social risks allow us to better identify and manage potential reputational risks that we face through our business activities. This is a journey we should all embrace."

LEONG YIP LAM, CHIEF RISK OFFICER ASIA PACIFIC

ESG risk in Procurement

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

Information security

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

In 2022, we further developed our security dashboard, first released in 2021. It enables us to measure compliance with information security requirements automatically and holistically, as opposed to carrying out periodic spot checks. At the end of 2022, we had incorporated 19 security domains[1], an increase of nine domains from 2021. We are due to integrate the remaining six domains in 2023. As part of an ecosystem that goes beyond our internal efforts to ensure confidentiality and data security, 2022 also saw the development of our first cyber security health check for clients.

Data privacy

Our global data privacy policy – which applies to all entities of Julius Baer worldwide and is supplemented by local data privacy policies – clearly outlines how we protect and safeguard all client data and other personal information we are entrusted with, whether this is in hard-copy or electronic format. It further sets out our obligation to enter into data protection agreements with our suppliers who process personal data, to contractually enforce our data protection and security standards. A global data protection organisation maintains a data privacy framework that supports and advises data owners across all business units, regarding their obligation to ensure and demonstrate compliance with data protection in all our global operations.

In 2022, we enhanced this collaboration within the data privacy framework by introducing a data protection board designed to establish frequent and efficient cross-regional exchange and standard-setting. In addition to the Group's risk management framework, local entities provide regular data-related risk reporting to ensure consistent updates on relevant events and any changes to local legal and regulatory environments. To reflect evolving standards in the EU and other jurisdictions, we also updated our internal and external data processing agreements and processes related to cross-border data exchanges. In addition, we enhanced our procedures for handling disclosure requests. There were no major breaches or complaints related to data privacy at Julius Baer in 2022.

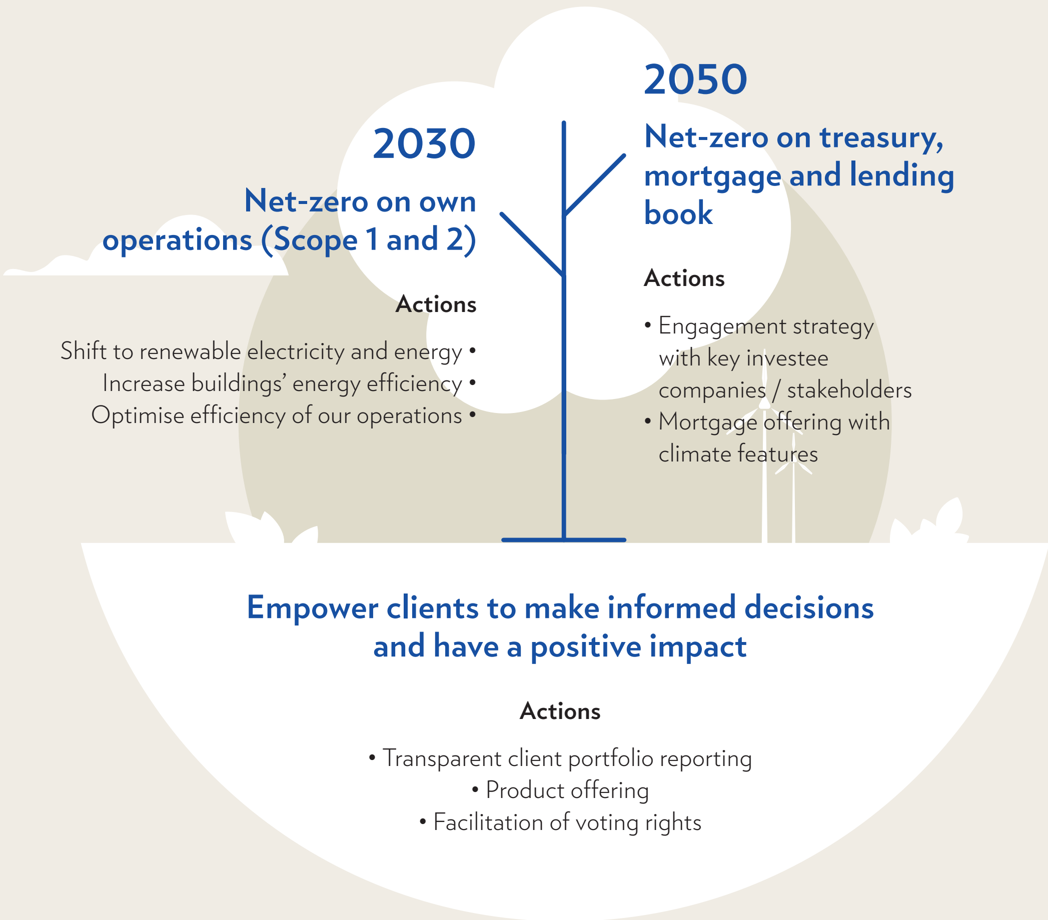
[1] A security domain is a set of security features that enables secure communication within a network and between network domains.

CLIMATE AND NATURAL RESOURCES, INCLUDING NET-ZERO TARGETS

We began implementing our climate strategy in 2022, setting ambitious and rigorous targets across our operations, investments and financing. At the same time, our environmental management framework and monitoring tools continued to support our strategic goal of addressing the overuse of natural resources.

STRATEGIC PROGRESS

Having defined and published our climate strategy in early 2022, we began taking action to progress towards our targets. In our own operations, we want to achieve net-zero carbon emissions (Scope 1 and 2) by 2030. For our treasury, mortgage and lending book, we aim to achieve net-zero emissions by 2050, with an interim reduction of at least 20% by 2030.[1] We have submitted our net-zero targets to the Science Based Targets initiative (SBTi) to certify their alignment with the Paris Agreement and the objective to limit global warming to no more than 1.5°C above pre-industrial levels.



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

Emissions accounting forms the basis of our strategy, and in 2022, we became the first Swiss wealth manager to formally join the Partnership for Carbon Accounting Financials (PCAF). This enabled us to access further data and revise our greenhouse gas emissions calculations. Despite this progress, we acknowledge that the methodology, data and tools supporting emissions accounting continue to evolve at a fast pace, and we expect that a degree of volatility will remain for some time in corporate disclosures.

OUR OWN OPERATIONS

In our own operations, our focus is on the ongoing transition to renewable energy across our sites globally. We continued to source 100% renewable electricity in Switzerland. Outside of Switzerland, we have either switched to renewable electricity or, in properties where we were not able to do this, purchased electricity attribute certificates. In addition, we have switched our heating source from natural gas to biogas in our main Swiss offices, which will help us further reduce our carbon footprint by approximately 15% a year.

Finally, we have made energy efficiency a key criterion in selecting locations where we moved to or expanded offices across the globe. The graphic below gives an overview of certifications and standards for buildings we have recently opened or moved to, or where we plan to do so in the near future.

Improving Energy Efficiency where we are tenants

Another key milestone in our emissions reduction efforts in 2022 was the implementation of an internal carbon price on business air travel, charged quarterly to each division. The price has been set at CHF 100 per metric ton of carbon dioxide equivalent (tCO_2e), in line with the recommendations of the UNGC and as an incentive to change behaviour. Our goal is to reduce business travel emissions by 30% by 2025, relative to 2019.

IMPACT IN ACTION

Focusing on long-term carbon removal projects

In 2021, we moved away from carbon offsetting towards carbon removal for our remaining operational emissions. Going forward, we will deploy the funds generated by our internal carbon price to support projects that capture and remove carbon from the atmosphere. Today, nature-based initiatives are the main way of doing this, but in the future we may also support technological innovation in carbon capture.

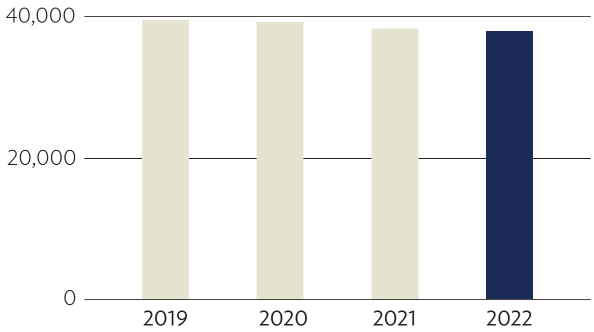
Operational emissions 2022

In 2022, our overall greenhouse gas emissions were 10,007 tCO_2e[1], a 73% increase on 2021. This was due to working conditions normalising after two years of significant pandemic-related restrictions. Even as more employees returned to the office, we managed to keep energy consumption stable through targeted energy savings measures. Business travel resumed to a certain extent, however still below 2019 levels.

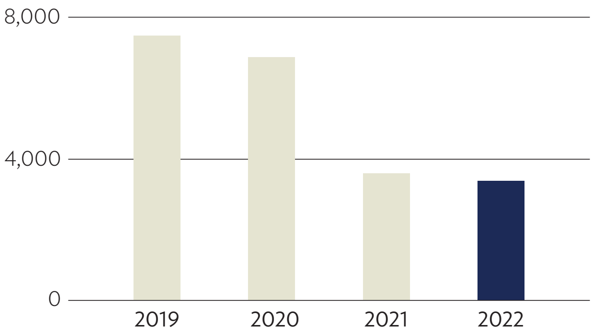
Renewable energy sourcing allowed us to save approximately 3,760 tCO_2e. When compared to the 2019 baseline, we have achieved reductions of 52% on our overall greenhouse gas emissions.

→ Jump to key climate data annex

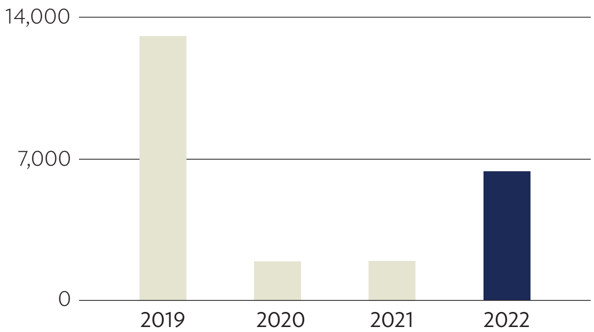
Energy consumption (MWh)



GHG emissions Scope 1 and 2 (tCO_2e)



Business travel (tCO2e)



[1] GHG emissions cover reported scope 1, scope 2 and scope 3 operational emissions for 95% of our total full-time equivalent (FTE) workforce extrapolated to 100% of FTEs using the average unit per FTE from the collected data. They are calculated according to guidelines issued by the WRI/WBCSD Greenhouse Gas Protocol.

Water and waste

Compared to 2021, water consumption rose by 25%, while waste decreased by 0.5%[1]. When compared to the 2019 baseline, we have achieved reductions of 44% for both water and waste.

Regional office initiatives around the world continue to support water conservation and waste-reduction efforts. In 2022, to strengthen these efforts and raise internal awareness, we established an exchange platform for representatives from the corporate services units to share lessons on environmental initiatives, from renewable and efficient energy, to transport, waste and water.

> "In 2022, we globally shifted to renewable electricity or bought electricity attribute certificates in locations where this is not possible, and switched to biogas heating in Switzerland. These measures allowed us to reduce our Scope 1 GHG emissions."
>
> TONI SCHEIWILLER, SUB-DIVISION HEAD GLOBAL CORPORATE SERVICES

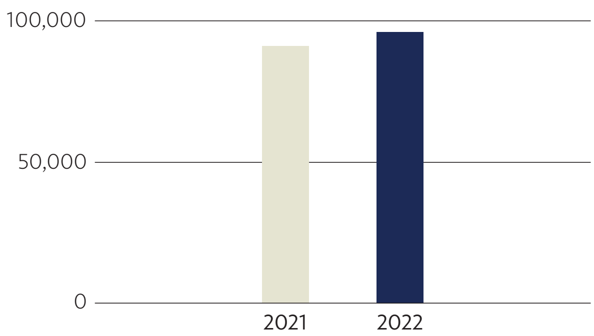
TREASURY, MORTGAGE AND LENDING BOOK

Achieving net-zero emissions on our treasury, mortgage and lending book is the second pillar of our climate strategy. Julius Baer is convinced of the benefits of a structured stewardship strategy to foster change within high-emitting companies, as we believe an approach focused on divestment is likely to have a more limited impact on the real economy. In 2022, we therefore defined a structured stewardship strategy that promotes active voting on ESG aspects across Julius Baer funds, and sets the framework to engage in dialogue with selected emissions-intensive companies that we and our clients invest in.

To gain insights into the alignment of our investment and lending portfolios with the Paris Agreement, we participated in the Paris Agreement Capital Transition Assessment (PACTA) exercise organised by the Federal Office of the Environment in Switzerland.

Our Treasury team has likewise started to work towards achieving our net-zero commitment, and it now considers climate insights provided by SBTi tools. Finally, we are seeking to join forces on engagement activities and support Climate Action 100+, to take action on climate change across the investor community.

Financed GHG emissions[1] (tCO_2e)



1 Treasury, mortgage and lending book

[1] The locations providing waste data cover approximately 80% of our total FTEs.

IMPACT IN ACTION

Empowering clients for positive impact

We are continuing to increase transparency on climate-related metrics, while developing investment solutions that help clients mitigate climate change. In 2022, we issued ESG client reports (see also page 19) providing details on ESG considerations. These reports will be enhanced with two pages focusing only on climate metrics. They show, for example, an estimated implied temperature rise based on the portfolio, calculated by looking at the temperature alignment of each underlying investment. The reports also show the proportion of investments in companies that disclosed net-zero emissions targets, or that had their targets approved by the SBTi, in addition to other metrics.

UNDERSTANDING CLIMATE RISKS AND OPPORTUNITIES

To meet our commitments on climate change and the conservation of natural resources, we must understand the climate risks and opportunities within the Group and in our services. To that end, we support the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) and continue to apply its framework to identify and disclose climate-related physical and transition risks that may affect our reputation, market, operations, regulatory exposure or financial outcomes. We also continue to incorporate climate-related risks into our overall risk management processes. This involves building in-house knowledge, strengthening our systems and data infrastructure, reviewing risk categorisation and incorporating ESG considerations where appropriate. We have also conducted scenario analyses in line with the recommendations of the TCFD and the Network for Greening the Financial System, and established a dedicated governance structure for climate stress testing.

→ Jump to our TCFD index

CARING EMPLOYER AND TRAINING

Our ambition is to be the employer of choice in wealth management, and we invest strategically in creating a fulfilling, healthy and inclusive workplace that celebrates diversity and brings out the best in our people. We also provide specialist training on sustainability across the organisation.

EMPLOYEE ENGAGEMENT

Ongoing employee feedback is an important aspect of how we build a culture where people can thrive at work, and where they contribute to how we create value beyond wealth. In 2022, we saw an average global engagement score of 7.9 out of 10 at the end of the year, and our employee net promoter score increased to 35 (+1 compared to 2021)[1], slightly above the financial industry benchmark. In comparison to 2021, we saw an increase of 1.2 illness days per employee in Switzerland and our global staff turnover increased by 1.2 percentage points, both figures normalising post-pandemic.

Since 2021, our employee engagement survey has also contained questions on diversity and inclusion, belonging and discrimination, including harassment. We use this feedback to better understand diversity challenges and create an even more inclusive and fair working environment. On the question regarding satisfaction with our efforts to support diversity and inclusion, we measured an average score of 8 out of 10.

We also added new questions on health and well-being to our employee engagement survey, with feedback showing that we should prioritise mental well-being support. Measures include the Mental Health First Aider (MFHA) certification for employees in different countries (for more information, see box on page 41), and further awareness training globally. These developments add to the existing free employee assistance advice on health and well-being, which is anonymous and accessible to employees in various locations, including Switzerland, the UK, Hong Kong and Singapore. In 2022, we also relaunched our sports and leisure offering, which is dependent on local feasibility.

"An open and inclusive culture, where everyone can bring in their personality and own ideas, creates the much-needed solutions diversity, which builds the base for a resilient organisation. This is key to providing value beyond wealth to our clients and our employees alike."

GUIDO RUOSS, HEAD OF HUMAN RESOURCES

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

IMPACT IN ACTION

Sustainability training and engagement

In 2022, we further expanded training and engagement in sustainability across the Group. A particular focus of these efforts was the creation of our Sustainability Ambassador community. To qualify as a Sustainability Ambassador, 200 senior relationship managers, investment advisors and portfolio managers received specialist sustainability training, which we conducted in partnership with the think tank Redesigning Financial Services, originally founded by representatives of the University of St. Gallen, and the Swiss Federal Institute of Technology ETH. The training consists of a two-day boot camp followed by sessions designed to help the Ambassadors understand in more depth the business potential of sustainability, feel comfortable in addressing the topic in client meetings, and to have a platform to exchange ideas and experiences. In addition, Ambassadors have access to exclusive exchanges and discussions with thought leaders, including through events organised for the Sustainability Circle client community (see page 25).

Furthermore, all client-facing employees received training on regulatory developments in sustainable finance. In total, over 3,000 employees received such training, with around 1,000 participants in classroom training, and over 2,400 employees completing e-learning on the topic. We have also continued to focus on Chartered Financial Analyst Institute (UK) ESG certification for Julius Baer investment advisors and portfolio managers.

Employees at Julius Baer also have the opportunity to access sustainability sessions during our Global Learning Week. Furthermore, all new employees must complete the e-learning module on sustainability that we introduced in 2021. The course contains an introduction to our sustainability strategy. Finally, new joiners in Switzerland additionally take part in a sustainability session at the Welcome Day as part of their introduction to the bank.

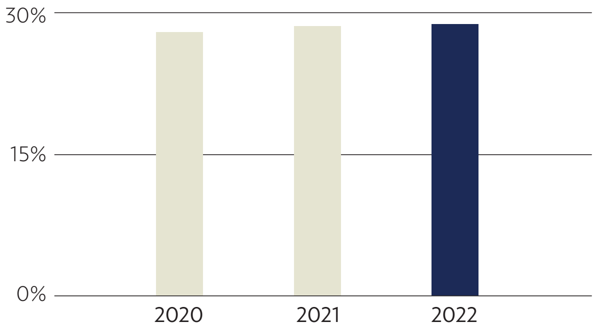
→ Jump to Training and development

DIVERSITY, INCLUSION AND WELL-BEING

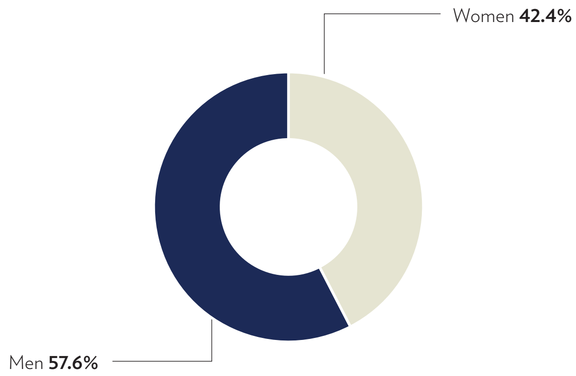
Diversity and inclusion (D&I), as well as fair compensation, are integral to our corporate strategy and culture, as we always aim to recruit, retain and promote diverse talent at all levels. In early 2023, we were inducted into the Bloomberg Gender Equality Index (GEI) for the first time, demonstrating our commitment to solve gender equality issues. In addition, we obtained the Swiss LGBTI Label in 2022. We significantly increased the number of D&I Volunteers, and continued to apply our broad approach to D&I issues (e.g. gender, multi-generation, disability, LGBT+, ethnicity), which we make highly visible through CEO communications, the work of our D&I Committee, and events such as the CEO’s D&I breakfast and dedicated awareness sessions.

In alignment with our D&I Roadmap 2025, our global D&I Committee, which includes members of the Executive Board, pursues the goal of recruiting more diverse candidates, tackling unconscious bias, and fostering inclusion for the benefit of different stakeholder groups.

Women in senior management[1] (% of total senior management headcount)



Ratio of women to men (% of total regular staff headcount)



As part of our efforts to promote an inclusive work environment, we hosted a number of awareness sessions on disability in collaboration with myAbility, an innovative social enterprise focusing on disability inclusion.

We are on track to achieve our goal of 30% female representation in senior management[1] by the end of 2023, with 29% at the end of 2022. The proportion of women on our Executive Board was 20%, and on our Board of Directors, 30% at the end of the reporting year.

→ Jump to Data and disclosures
→ Listen to our International Women's Day podcast

Our efforts to create a gender-balanced workplace begin at the recruitment stage and continue through all levels. As well as training and processes designed to remove unconscious bias, we have been running mentoring programmes to improve collaboration across all regions and divisions since 2017. In 2021, we passed a milestone of 700 mentoring pairs. While mentoring 'on demand' and reverse mentoring – a programme matching senior managers and younger employees to foster inter-generational exchange – is open to every employee, we also offer special mentoring programmes targeting women in senior positions, high-potential employees and working parents.

The Group compensates employees on a fair, equitable and gender-neutral basis, providing equal pay for work of equal value. We conduct internal reviews, as well as an annual external, independent equal-pay analysis. Since 2015, we have worked with Ernst and Young AG (EY) to conduct this assessment for our major locations worldwide. Following an audit of the assessed equal-pay gap for our Switzerland operations, we can confirm we meet the regulatory requirement and are significantly below the 5% regulatory threshold[2].

We continue to provide more than the statutory minimum in parental leave in many locations, applying Swiss regulations as a guiding principle for our locations abroad. In 2022, 318 employees took parental leave, with 106.6 and 13.5 average total days taken by women and men, respectively. We aim to encourage our employees to share their parenting responsibilities, regardless of their gender – and that means offering everyone the same flexibility. Consequently, in July 2022, we introduced new family benefits to support gender-neutral parental leave for primary and secondary caregivers.

For information on compensation and collective bargaining, please see the GRI index and the remuneration section of the Annual Report 2022. You can read more about our approach to diversity, inclusion and well-being in our Code of Ethics and Business Conduct.

[1] Julius Baer defines senior management as all employees with the rank of Director to Managing Director.
[2] The 5% regulatory threshold is set by the Swiss Federal Office for Gender Equality.

IMPACT IN ACTION

Mental Health First Aid (MHFA)

The Mental Health First Aid (MHFA) certification equips individuals and organisations with the skills to identify and help anyone who is undergoing a mental health challenge or experiencing a mental health crisis such as panic attacks or bouts of depression. Just as with physical first aid, in all situations, the goal is to provide support until appropriate professional help arrives. It is important to recognise and respond to someone who is experiencing a mental health issue, because the earlier a problem is detected and treated, the better the action that can be taken.

We currently offer MHFA training in Switzerland, Germany, Luxembourg, the United Kingdom, Guernsey, Singapore, Hong Kong, Spain, Monaco and the UAE, working with local providers on local versions of an MHFA programme originally developed in Australia. So far, 165 employees have acquired the MHFA certification globally. They are invited to quarterly MHFA Community meetings where they can share experiences, and receive further training. We also offer additional training opportunities in the area of mental well-being, covering topics such as sleep, nutrition, the use of technology and many more.

ATTRACTING TALENT

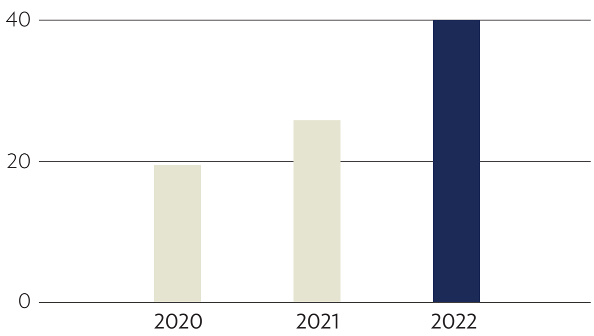
To align with digital transformation trends in wealth management, we need to attract top tech talent, which is scarce. We also need people in client-facing roles who understand what matters most to our clients and are able to tailor our offering to their needs. This is why we offer targeted employer-brand activities, such as career micro sites focusing on specific skills. In addition, our 'Be Bär Challenge' on Roblox encourages participants to apply for varied roles at Julius Baer, and win prizes. The challenge is one example of how we use innovation in recruiting people with analytical and creative thinking skills, while positioning Julius Baer as an employer of choice.

TRAINING AND DEVELOPMENT

Our employees' needs and development requirements are an important aspect of our approach to employee education. We support a culture of continuous learning and encourage our employees to improve their skills at any time, in or outside of work. To support this, we implemented funding policies and allow the use of working hours for education. The Julius Baer Academy manages the global offering and budget for employee education, coordinates external education service providers, and offers advice and recommendations.

In 2022, we registered a 17.3% increase of average training hours per employee, provided by our internal training unit Julius Baer Academy and

Average hours of training per employee



external cooperation partners. This equals 40 average hours of training per employee. Learning and development focus topics in 2022 were mental and financial well-being, mindfulness, resilience, business agility, stakeholder management and collaboration. Additionally, we offered products and services training for client-facing teams. Developments in 2022 included shifting to a fully hybrid learning model. In this way, employees can access training when and where it is convenient for them, while still being able to join face-to-face sessions on topics such as leadership development or client servicing.

We also held a Global Learning Week, introduced a new apprenticeship in IT application development, and expanded the account and assistant relationship manager training programmes. In addition, we received a number of awards, including from the Brandon Hall Group, for our innovative e-learning courses.

Looking ahead, we plan to investigate using new technology such as virtual reality in employee education, and to generally increase the size and scope of our development programmes. Overall, we strive for our learning and development opportunities, and our learning culture, to contribute significantly to our strategic initiatives, and play a major role in achieving business outcomes.

IMPACT IN ACTION

Global Learning Week 2022

The Julius Baer Academy hosted the Global Learning Week in June 2022, with 41 sessions attended by more than 990 employees. With most events held virtually, the event covered a different theme on each of the three days, designed to inspire professional and personal growth:

Day 1 – Our Well-being: Strengthening well-being enhances how we think, act and feel, helping us tackle challenges, handle stress, and deal with change. External and internal experts shared their expertise on physical and mental health, in sessions including running, yoga, nutrition, sleep-wake routines, and fighting fatigue.

Day 2 – Better Together: We explored how we can improve significantly as an organisation when we work together, and how this can boost innovation, creativity, partnership and success.

Day 3 – Going Beyond: On the final day, we focused on individuals who have dared to do the seemingly impossible, and applied their achievements to sustainability projects, future trends and creative approaches to upcoming challenges.

JB FOUNDATION AND COMMUNITY PARTNER

We work in partnership with local organisations to support social and environmental causes through our employee-led engagement movement JB Cares, the Julius Baer Foundation or the Julius Baer Art Collection. In 2022, our community giving amounted to more than CHF 6.6 million[1].

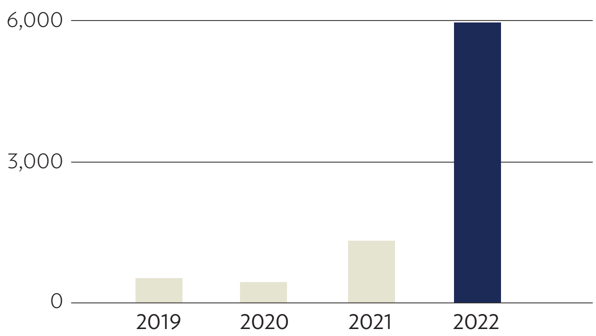
SUPPORT FOR UKRAINE HUMANITARIAN RELIEF

In March 2022, we donated CHF 2.0 million to the Swiss Red Cross to support Ukrainian refugees in Moldova and Poland (CHF 1.5 million) and the Swiss Refugee Council (CHF 500,000), which organises host families for Ukrainian refugees in Switzerland. Additionally, JB Cares, our employee-led network for giving and volunteering, issued an appeal for employees to donate to the Swiss Red Cross as a way to help the most vulnerable civilians in this conflict. In total, our employees raised over CHF 450,000 – including a matching donation from the Julius Baer Foundation – to support this cause.

JB CARES AND CORPORATE VOLUNTEERING

We encourage employee volunteering through JB Cares. Employees can take two paid leave days each year to volunteer. In 2022, 734 employees volunteered for a total of 5,968 community hours (746 days), resulting in more than 3.5 times our volunteering hours in 2021, much of it due to our pilot 'volunteering month'[2] (see box below).

JB Cares volunteering hours



IMPACT IN ACTION

Our first volunteering month in 2022

We support community engagement at all our locations, encouraging employees to volunteer. Aiming to support the bank's purpose to create value beyond wealth, we ran a 'volunteering month' for two divisions in June 2022, supported by JB Cares. Our employees became involved in various projects, some helping to promote environmental sustainability, and others focusing on sharing knowledge and on social volunteering. For example, employees in Singapore, Dubai and Guernsey participated in beach and park cleaning initiatives, and volunteers in the UK and Switzerland provided meals to people in need. All in all, we counted over 870 registrations in 35 projects at 16 different locations worldwide. Building on this success, we are planning a bank-wide volunteering month for all employees in 2023.

[1] This figure can be broken down into CHF 2.0 million from the Bank, CHF 4.2 million from the Julius Baer Foundation (including matching contribution to JB Cares), CHF 337,000 from JB Cares Switzerland, CHF 85,600 from JB Cares Hong Kong, CHF 21,900 from JB Cares Singapore, CHF 21,800 from JB Cares Guernsey, CHF 1,600 from JB Cares UK and CHF 700 from JB Cares Germany. These amounts exclude corporate sponsorships and other donations from any other international locations.

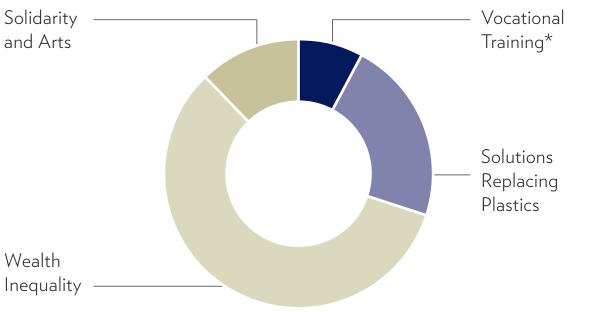
[2] Employees might register more than one time and volunteering activities might be scheduled for less than one day.

THE JULIUS BAER FOUNDATION

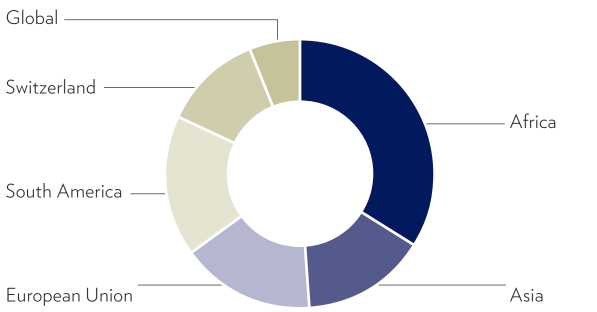
Since its establishment in 1965 by Walter J. Bär (1895–1970), the Julius Baer Foundation has dedicated itself to making meaningful and impactful contributions to society. In 2022, it collaborated with 28 partner organisations in 22 countries. Having sharpened its philanthropic focus, the Foundation now focuses on resolving inequalities in wealth and education, creating equal opportunities around the globe.

The Foundation is transforming from a traditional grant foundation to a more participatory model by increasingly involving the employees of Julius Baer. For instance, it launched its internal 'project of the year' campaign with Fa.Vela, a Brazilian social enterprise that advances the digital skills of youth in the favelas of Belo Horizonte. Employees met the founders during an event in October 2022, in addition to learning about the project through the 'Purpose' podcast series. Additionally, Julius Baer also reinforced its commitment to the Foundation by increasing its annual contribution for the coming years and matching each incoming donation with the same amount up to CHF 1.0 million per year – be it from clients or employees.

Grant distribution by core area 2022



Grant distribution by region 2022



Partner organisations in 2022

SPONSORSHIPS

Our sponsorships are considered expressions of our purpose to create value beyond wealth for our clients, the platforms we support and society at large. Our projects focus on emerging talent and forward-thinking endeavours that spark innovation and progress for a better future in the communities in which we live and work. They encourage dialogue across generations, be it through sports or culture. The projects we support include, amongst others:

ABB FIA Formula E World Championship: Reflecting our sustainability commitments, we are the founding Global Partner of the world's first fully electric racing series, which serves as a test bed for innovations that advance the future of mobility for a cleaner future for all of us. It also plays a substantial role in shaping 'smarter' cities.

Greentech Festival: The festival, taking place in four locations around the globe, is designed to inspire people, companies and organisations to change the world for the better and advance new ideas, particularly in the sustainability space. It was founded by Nico Rosberg, former Formula 1 world champion, now sustainability entrepreneur and Julius Baer brand ambassador.

Champions Chess Tour: We are a founding partner of the world's largest online chess tournament, with world chess champion Magnus Carlsen as its patron. The tour encourages innovation in chess, aiming to take a sport that has existed for millennia into the future, connecting generations and promoting fair play, respect and gender equality, mirroring our own commitment to diversity and inclusion.

Montreux Jazz Festival: Supporting art and music by focusing on emerging talent has been integral to Julius Baer's philosophy and cultural commitment for a long time, and 2022 marked the beginning of our Global Partnership with the Montreux Jazz Festival. Besides supporting the core festival, we enable projects of the Montreux Jazz Artists Foundation with 'Autumn of Music' and its 'Prix Coup de Coeur', focusing on young Swiss jazz artists. Moreover, with MJF Spotlight, stars of tomorrow are showcased in a contemporary intimate way. This format presents promising emerging artists in pop, soul and RnB music.

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. Beyond its stunning architecture and world-class acoustics, the hall's commitment to sustainability, accessibility and community underlines its important role in promoting responsible citizenship and inspiring others to follow. With our commitment, we support various concert series, new formats and 'next gen' talent competitions like the 'Berlin Prize for Young Artists', which provides a platform for young musicians to present their skills to a larger audience and kickstart their careers.

THE JULIUS BAER ART COLLECTION

Since 1981, the Julius Baer Art Collection has focused on acquiring and promoting visual art in Switzerland. Today, it holds over 5,000 artworks. With its diversity of artistic movements and sense of responsibility to Switzerland's artistic community, the collection presents its work on its website and Instagram account, and regularly lends artworks to museums. One of the loans in 2022 was of the young artist Andriu Deplaze's 'Liegen zwischen Sonnenblumen' (2021) to the Centre PasquArt in Biel/Bienne, Switzerland. We have also increased the focus on diversity in our art collection, with 24 new female artists and 20 new male artists represented in 42 new works[1].

Our offices continue to display artworks to inspire clients and employees alike, and we open the collection to the public with guided art tours. In 2022, we invited our relationship managers to join workshops on 'how to talk about art', and we launched the Julius Baer Art Club – open to all employees in Switzerland – to visit exhibitions, take part in guided tours and talk to curators, art experts and artists.

[1] Two works were created by duos.

DATA AND DISCLOSURE

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

IN THIS SECTION

ABOUT THIS REPORT

All content in this report has been approved by Julius Baer subject matter experts, the Sustainability Board, Executive Board and Board of Directors. Unless indicated otherwise, it covers the entire Julius Baer Group including all consolidated operational companies for the financial year ending 31 December 2022.

The report is aligned with international best practice standards and principles including UN PRB, PRI and SDGs, SASB and TCFD. It takes account of the GRI standards as well as the material issues identified in collaboration with internal and external stakeholders through our materiality assessment.

ABBREVIATIONS

The report includes the following abbreviations:

AML	Anti-Money Laundering
APM	Alternative Performance Measures
AuM	Assets under Management
BCA	Building and Construction Authority
BREEAM	Building Research Establishment assessment rating
bn	billion
CEO	Chief Executive Officer
CH	Switzerland
CHF	Swiss Francs (currency)
CO_2	Carbon dioxide
CVaR	Conditional Value at Risk
D&I	Diversity and Inclusion
EMEA	Europe, Middle East and Africa
ESG	Environmental, Social and Governance
ETH	Eidgenössische Technische Hochschule (Swiss Federal Institute of Technology)
EU	European Union
EY	Ernst and Young AG
FIA	Fédération Internationale de l'Automobile
FINMA	Financial Market Supervisory Authority
FTE	Full-time equivalent
FTSE	Financial Times Stock Exchange
GDP	Gross domestic product
GHG	Greenhouse gas emissions
GRI	Global Reporting Initiative
HR	Human Resources
IFRS	International Financial Reporting Standards
ISO	International Organization for Standardization
IT	Information technology
JB	Julius Baer
kg	Kilogram
km	Kilometre
KPI	Key performance indicator
LEED	Leadership in Energy and Environmental Design
LGBT+	Lesbian, gay, bisexual, transgender/transsexual plus
m	million
m^3	Cubic metre
MHFA	Mental Health First Aider
MJF	Montreux Jazz Festival
MSCI	Morgan Stanley Capital International
MWh	Megawatt hour
PACTA	Paris Agreement Capital Transition Assessment PCAF
PCAF	Partnership for Carbon Accounting Financials
SASB	Sustainability Accounting Standards Board
SBTi	Science Based Targets initiative
SFDR	Sustainable Finance Disclosure Regulation
SIX	Swiss Exchange
SMART	Specific, measurable (qualitative or quantitative), achievable, relevant and time-bound
t	Ton
TCFD	Task Force on Climate-related Financial Disclosures
tCO_2e	Ton of carbon dioxide equivalent
UAE	United Arab Emirates
UK	United Kingdom
UNGC	United Nations Global Compact
UN PRB	United Nations Principles of Responsible Banking
UN PRI	United Nations Principles of Responsible Investment (UN)
UN SDGs	United Nations Sustainable Development Goals
UNEP	United Nations Environment Programme
USD	United States Dollar
VAV	Association of Swiss Asset and Wealth Management Banks
WBCSD	World Business Council for Sustainable Development
WRI	World Resources Institute

MATERIAL TOPICS

DEFINITIONS OF THE MATERIAL TOPICS

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

ENGAGING STAKEHOLDERS

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

Stakeholder group	Material topics of relevance	Engagement mechanism	2022 examples
Clients	– Client education and engagement – Data privacy and security – ESG integration, data and transparency – Sustainable and impact investing	– Ongoing dialogue with relationship managers – Global client survey – Client events and conferences – Materiality consultation (every three years)	– Materiality Assessment 2022 – Development of Sustainability Circle Client Community – Client education series: Wealth Matters (CH&EMEA), JB Money Talk (Americas) – Launch of responsible wealth management marketing campaign → Jump to Materiality / Responsible Wealth Management
Employees	– Data privacy and security – Diversity, equity and inclusion – Employee education and engagement – Health, well-being and a safe working environment – Responsible business conduct	– Annual performance review – Global employee engagement survey in collaboration with external provider Peakon – Diversity & Inclusion Committee – Townhall meetings (at least annually) – Frequent meetings with employees, e.g. team meetings – Training in ESG investment-rating methodology and categorisation of our financial instrument offering along sustainable criteria	– Materiality Assessment 2022 – Around 1,400 subscribers to our internal sustainability newsletter – Development of Sustainability Front Ambassador Club comprising 200 members → Jump to Materiality / Caring employer and Training
Investors	– Responsible business conduct – Sustainable and impact investing – Sustainability governance and risk management	– Annual General Meeting of shareholders – Ongoing dialogue with investors	– Responsibility for sustainability topics within Investor Relations and strong collaboration with Sustainability team – Regularly answered questions from investors on ESG topics such as climate-related disclosures, diversity and inclusion efforts or Board compositions → Jump to Sustainability Governance / Responsible Wealth Management / Responsible Citizenship
Communities	– Addressing wealth inequality and financial literacy – Biodiversity and natural capital – Climate change and low carbon – Diversity, equity and inclusion – Human rights and modern slavery – Sustainable and responsible sourcing – Sustainable infrastructure and circular economy – Technology and innovation	– Grant proposal discussions with non-profit partners of the Julius Baer Foundation – Support from employees for local community causes – Sponsorships	– Over CHF 2 million donated to communities in Ukraine – The Julius Baer Foundation worked with 28 partner organisations in 22 countries – Organisation of bank-wide volunteering month; community volunteering hours more than tripled, amounting to 5,968 in 2022 – The Julius Baer Art Collection raised awareness of the importance of diverse artists through community tours, events and open discussion → Jump to Community partner
Regulators[1]	– Data privacy and security – Employee education and engagement – ESG integration, data and transparency – Responsible business conduct – Sustainable and responsible sourcing – Sustainability governance and risk management	– Direct discussions with regulators and supervisors – Engagement with industry associations by our Public Policy team and other internal specialists	– Public policy engagements and industry association memberships were valued at approximately CHF 3 million. This includes CHF 100,000 for political contributions in Switzerland only due to the political system based on the militia principles. No political contributions are made in other jurisdictions. → Find out more in our Annual Report 2022
Industry and sustainability initiatives	– See a summary of finance sector partnerships and sustainability-related memberships on page 50.		

[1] The EU is our main source of sustainable finance regulation, both within its boundaries and via global standard-setting bodies such as the Financial Stability Board. Switzerland, as a member of the International Platform on Sustainable Finance, closely assesses EU regulatory developments, but has opted thus far for industry standards, rather than regulation in the field of sustainable finance. Our other locations, such as Singapore and Hong Kong, are increasingly focusing on sustainable finance regulation.

INDUSTRY MEMBERSHIPS AND SUSTAINABILITY PARTNERSHIPS

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

Organisation or association	Engagement mechanism	2022 example
Swiss Bankers Association	Our CEO is a member of the Board of Directors and the Board of Directors Committee and we participate in various expert committees and working groups.	In June 2022, the Swiss Bankers Association published self-regulations on the topic of sustainable finance for the advisory process and for mortgage advisory, which is binding for all members.
Association of Swiss Asset and Wealth Management Banks (VAV)	Our CEO is the Chairman and our Head of Public Policy is the Managing Director.	Following the publication of a set of priorities for sustainable finance in 2021, the association published a progress report in September 2022, providing information about the state of implementation.
Employers Association of Banks in Switzerland	The bank is a member and our Head Human Resources is a member of the Board.	No specific updates for 2022
Zurich Banking Association	We are represented in the Board and in various expert committees.	No specific updates for 2022
World Economic Forum	We participate in various working groups and projects focusing on topics of interest to the financial services industry.	No specific updates for 2022
Avenir Suisse	Our chairman is a member of the Board of Trustees.	No specific updates for 2022
Institute of International Finance	We participate in various working groups.	Various position papers and interactions with global standard setters, with a strong focus on sustainable finance and digital finance.
UNEP FINANCE INITIATIVE PRINCIPLES FOR RESPONSIBLE BANKING	As the first Swiss Bank to endorse the PRB, we consider these principles as integral to our approach to responsible wealth management.	See our PRB disclosure on page 54.
PRI Principles for Responsible Investment	As a signatory to the PRI, we commit to incorporating ESG considerations into our investment approach.	The PRI are reflected throughout this report and our responsible wealth management activities through 2022.
Swiss Sustainable Finance	As a member since 2014, we are active within the workstream to integrate sustainability into investment processes within wealth and asset management.	We participated in the group's annual market study report.
ENERGIE-MODELL ZÜRICH	As a member since 2016, we participate in a range of workstreams.	We continued to exchange experiences with other members.

KEY FIGURES

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

Key financial indicators[1]

	2022	2021	*Change in %*
Assets under management (CHF bn)	424	482	*-12.0*
Responsible wealth management			
Discretionary sustainability mandates (CHF m)[2]	2,912	3,579[3]	*-18.6*

Key HR indicators

	2022	2021	*Change in %*
Our people			
Total headcount (total workforce excl. externals)[4]	7,236	7,060	*2.5*
Of which regular staff	7,006	6,845	*2.4*
Number of employees (FTE) (total workforce excluding externals)[4]	6,890.8	6,727.3	*2.4*
Of whom in Switzerland (%)	52.7	52.2	
Of whom in rest of Europe (%)	17.1	17.6	
Of whom in Asia-Pacific (%)	23.6	22.6	
Of whom in Latin America (%)	4.0	5.2	
Of whom in Middle East and Africa (%)	2.6	2.4	
Total net employee turnover (%)[5]	10.8	9.6	
Total voluntary turnover (%)[6]	9.1	7.2	
Average employee tenure (years)	8.5	8.6	*-1.2*

[1] The document Alternative Performance Measures available at www.juliusbaer.com/APM provides a reconciliation of adjusted performance measures to reported results under IFRS as well as definitions of adjusted performance measures and other alternative performance measures.
[2] Including various asset classes and currencies.
[3] The version of this document published on March 20, 2023 erroneously stated the figure for the year 2020 in the column for the year 2021. This has been corrected in the version published on April 6, 2023.
[4] 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.
[5] Fluctuation rate / net turnover of regular staff in %, including resignations and terminations.
[6] Resignations as a percentage of regular staff.

Key HR indicators

	2022	2021	*Change in %*
Diversity			
Ratio of women (% of total regular staff headcount)	42.4	42.4	
Women in senior management (% of total senior management headcount)[1]	28.9	28.5	
Women on the Executive Board (%)[2]	20.0	11.1	
Women on the Board of Directors (%)[3]	30.0	40.0	
Promotions of women in all ranks (% of total promotions)	43.8	43.9	
Promotions of women in senior management (% of total promotions)	31.6	37.0	
Number of nationalities employed	103	103	*0.0*
Average age of employees (years)	43.9	43.8	*0.2*
Employee well-being and benefits			
Illness days per employee[4]	3.9	2.7	*44.4*
Part-time employees (% of total regular staff headcount)	11.5	11.7	
Male part-time employees (% of total male staff)	4.1	4.0	
Female part-time employees (% of total female staff)	21.6	22.1	
Total number of employees taking parental leave	318	316	*0.6*
by women	156	161	*-3.1*
by men	162	155	*4.5*
Parental leave in average total days taken			
by women	106.6	117.0	*-8.9*
by men	13.5	11.7	*15.4*
Share of women on maternity leave the previous year still employed (%)[5]	85	87	
Training and development			
Average number of classroom training sessions per employee (including virtual classroom)	5.0	6.5	*-23.1*
Average hours of internal training per employee	40.0	34.1	*17.3*
Of which internal classroom training	33.6	27.4	
Of which internal online training	6.4	6.8	
Share of total internal training sessions using digital platforms (%)	91	90	*1.1*

1 Julius Baer defines senior management as all employees with the rank of Director to Managing Director.
2 This number includes members of both the Group's Executive Board and the Bank's Executive Board.
3 Out of 10 Board of Directors members in 2022.
4 This number reflects illness days in Switzerland (52.2% of our employees are based in Switzerland).
5 Please note that some women on maternity leave in any given year started their leave the previous year.

Key operational environmental indicators[1,2]

	2022	2021	*Change in %*
Energy consumption (MWh)	37,951	38,340	-1.0
Electricity (MWh)	26,746	25,979	*3.0*
Heating and other fuels (MWh)	11,206	12,361	*-9.3*
Energy intensity (MWh/FTE)	5.5	5.7	*-3.4*
Greenhouse gas emissions (tCO_2e)[3]	10,007	5,797	*72.6*
Scope 1 (tCO_2e)[4]	2,496	2,747	*-9.1*
Heating and other fuels (tCO_2e)	1,856	2,019	*-8.1*
Volatile emissions (refrigerants) (tCO_2e)[5]	640	728	*-12.1*
Scope 2 (electricity and district heat) (tCO_2e)[6,7]	878	845	*4.0*
Scope 3 operational emissions (tCO_2e)[8]	6,633	2,205	*200.8*
Business travel (tCO_2e)[9]	6,394	1,967	*225.0*
Purchased goods and waste from operations (tCO_2e)[10,12]	239	238	*0.3*
Scope 3 investments (tCO_2e)[11]	~962,000	~912,000	*~6.0*
Treasury book (tCO_2e)	~902,000	~835,000	*~8.0*
o/w Scope 1&2 of underlying investments (tCO_2e)	~588,000	~828,000	*~-29.0*
o/w Scope 3 of underlying investments (tCO_2e)	~314,000	~6,000	*~5133.0*
Lending book (tCO_2e)	~44,000	~61,000	*~-28.0*
Mortgage book (tCO_2e)	~16,000	~17,000	*~-6.0*
Greenhouse gas intensity (tCO_2e/FTE)[13]	1.5	0.9	*61.4*
Business travel (km/FTE)[9]	5,127	1,950	*163.0*
Paper consumption (t)	151	168	*-10.1*
Paper consumption intensity (kg/FTE)	22	25	*-12.3*
Water consumption (m^3)	77,746	62,114	*25.2*
Water consumption intensity (m^3/FTE)	11	9	*22.2*
Waste (t)[12]	452	454	*-0.5*
Residual office waste (t)	230	183	*25.7*
Recycling (t)	171	224	*-24.0*
Special waste (t)[14]	51	47	*9.8*
Waste intensity (kg/FTE)	66	67	*-2.1*

1 Unless stated otherwise, the numbers in this table are based on information from Julius Baer's main business locations. These are Zurich, Geneva, Lausanne, Lugano, Basle and Bern in Switzerland, as well as our locations in Italy, Luxembourg, Brazil, Chile, Germany, India, Guernsey, Hong Kong, Monaco, Singapore, Spain, the UK, the UAE, and Uruguay. These locations cover approximately 95% of our total employees. 2019-2022 data are extrapolated to 100% of FTEs using the average unit per FTE from the collected data (e.g., in 2022 figures are extrapolated by 5% for missing FTEs). Extrapolation for refrigerants is performed for all sites with no refrigerant data (in 2022 sites with no refrigerant data represent 46% of total FTE). No extrapolation for business travel required as 100% FTEs are covered.

2 GRI 102-48: Based on footnote 1, data from 2019-2021 has been restated.

3 Greenhouse gas emissions were calculated according to guidelines issued by the WRI/WBCSD Greenhouse Gas Protocol.

4 Emissions from directly owned or controlled sources.

5 Refrigerants are replenished periodically as part of maintenance work. The refills do not take place to the same extent every year, which can lead to significant differences in year-on-year comparisons.

6 Emissions from purchased electricity and district heat/cooling.

7 Scope 2 emissions were calculated using the 'market-based' approach in accordance with the Greenhouse Gas Protocol Scope 2 Guidance. When reported according to the 'location-based' approach, the emissions totalled 4638 tCO_2e (2021: 5,340 tCO_2e). As of 2021, all locations in scope either directly sourced renewable electricity or purchased electricity attribute certificates to cover 100% of their demand with electricity from renewable sources.

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

9 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.

10 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).

11 Measurement performed with the market-standard PCAF methodology published in 2020. Estimations and assumptions had to be taken to compensate data gaps and will be refined over time.

12 The locations providing waste data cover approximately 80% of our total FTEs.

13 Greenhouse gas intensity has been calculated using the reported Scope 1, Scope 2 and Scope 3 emissions divided by total FTEs.

UN PRB SELF-ASSESSMENT

As a founding signatory of the UN PRB, we use this self-assessment to provide details of our actions under the framework's six principles.

Principle 1: Alignment

We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.

Business model

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

As a leading Swiss wealth manager, our services mainly target HNW and UHNW individuals and include:

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

Investing: From investment advisory and discretionary mandates to global custody services – our solutions are tailored to the client's specific needs and risk appetite.

Financing: A broad range of financing solutions and advisory services for different needs.

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

At the end of December 2022, assets under management amounted to CHF 424 billion and our balance sheet stood at CHF 105.6 billion. Bank Julius Baer & Co. Ltd., the renowned Swiss private bank with origins dating back to 1890, is the principal operating company of Julius Baer Group Ltd., whose shares are listed on the SIX Swiss Exchange (ticker symbol: BAER) and are included in the Swiss Leader Index, comprising the 30 largest and most liquid Swiss stocks.

About us (juliusbaer.com)

Strategy alignment

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

☒ Yes ☐ No

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

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

☒ UN Guiding Principles on Business and Human Rights

☒ International Labour Organization fundamental conventions

☐ UN Global Compact

☒ UN Declaration on the Rights of Indigenous Peoples

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

☐ Any applicable regulatory reporting requirements on social risk assessments, e.g. on modern slavery – please specify which ones:

☐ None of the above

Julius Baer's purpose is to create value beyond wealth. This purpose is also reflected in a sustainability strategy that supports us in our ambition to empower clients, employees and broader stakeholder groups to make a positive impact on the world.

With governance oversight from the highest levels of the business, the Julius Baer sustainability framework is mapped to the SDGs, the UN PRI and PRB, and the Paris Climate Agreement. It also refers to TCFD and includes our climate strategy.

The framework is additionally rooted in material sustainability issues that have been identified in consultation with stakeholders (see 4.1).

In 2022, we refined the wording of certain elements of the framework: while keeping its fundamental structure intact, we wanted to ensure that our responsible wealth management ecosystem is fully reflected, e.g. to include aspects such as Methodology & Client Reporting or Client Community & ESG Knowledge.

Foreword, p. 3-4

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

Principle 2: Impact and Target Setting

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

Impact Analysis (Key Step 1)

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

a) Scope: What is the scope of your bank's impact analysis? Please describe which parts of the bank's core business areas, products/services across the main geographies that the bank operates in (as described under 1.1) have been considered in the impact analysis. Please also describe which areas have not yet been included, and why.

[1] That means that where the initial impact analysis has been carried out in a previous period, the information should be updated accordingly, the scope expanded as well as the quality of the impact analysis improved over time.
[2] Further guidance can be found in the Interactive Guidance on impact analysis and target setting.

Thematic focus:

Impact analysis remains a challenge given the current limitations in terms of data and tools availability. Therefore, in 2021 we decided to focus our efforts in a first step on climate change mitigation as a main impact area in which we seek to better understand our negative and positive impacts.

As a bank with a highly diversified and international portfolio, we aim to focus on sustainability topics of global relevance in our impact analysis. We identified climate change mitigation as a topic where most robust methodologies were in place.

We leverage different **tools and methodologies** for impact analysis on climate mitigation:

- We calculate the financed emissions from our global treasury, mortgage and lending book using the PCAF methodology.[1]
- We follow the TCFD standards to identify and disclose climate-related risks and opportunities and implemented climate scenario analysis to understand the CVaR of our global treasury and client assets, both in terms of transition risk and physical risk. In 2022, we made several improvements to our CVaR analysis.
- In 2022, we participated in the Paris Agreement Capital Transition Assessment (PACTA) exercise offered by the Federal Office of the Environment in Switzerland (FOEN). This helped us understand the exposure of our global treasury and client assets to climate-relevant sectors, how the portfolio is aligned with climate scenarios and finally, which companies in the portfolio are the main contributors to these results. For example, the results showed that most of the emissions from our treasury book were linked to a handful of companies in the energy sector. Further, the results showed the temperature alignment of our mortgage book for Switzerland and indicated that the emission intensity of our book, whilst still slightly above the path for net zero by 2050, was significantly better than the average of the participants in the survey. This confirms that some efforts are still required but that we are in a comparably better position to achieve our ambitions.

Going forward, we aim to continue our efforts to define a meaningful target and further extend our impact analysis in the context of PRB and seek to ensure insights with an appropriate level of depth:

- We apply a rigorous ESG investment rating methodology across our universe of investments. It generates a set of proprietary 'theme' scores on e.g. climate, natural capital, governance, and human capital aspects which help us understand the negative and positive exposures of our offered universe in relation to these themes.
- We will continue to review the other tools and methodologies available, and identify the most meaningful to our business to support the further development of our impact analysis.

ESG Investment Rating Methodology and Client Reporting, p. 18-19

Climate and Natural Resources, p. 33-37

TCFD Disclosure, p. 67-72

Sustainable finance report (juliusbaer.com)

About us (juliusbaer.com)

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

Geographic scope:

We are a global wealth manager with a presence in around 60 locations (see 1.1). Most importantly, our clients and we as a bank invest globally, and we therefore aim to focus on sustainability topics of global relevance in our impact analysis (e.g. climate change).

Target setting scope:

For our target setting, we focus on our treasury, mortgage and lending book.

In line with the UNEP FI guidelines for climate change target setting, off-balance sheet activities as well as our trading book (on-balance sheet securities held for client facilitation and market-making purpose) are not in scope of our targets; however, we aim to further share expertise and engage our clients on sustainability topics to empower them for taking investment decisions aligned with their needs.

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

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

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

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

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

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

Treasury (excl. cash and sovereign bonds; incl. corporate bonds):

Financials, ~75.5%

Industrials, ~6.4%

Utilities, ~4.0%

Mortgages:

Residential, ~88.6%

Commercial, ~8.8%

Land: ~2.6%

Lending:

Real Estate Industry, ~25.4%

Consumer discretionary, ~24.6%

Financials, 22.6%

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

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

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

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

Materiality, p. 11-13

In 2022, we conducted a materiality assessment which helped inform the context of our impact analysis. The five most material issues reflected the global challenges of climate change and low carbon; sustainable and impact investing; data privacy and security; responsible business conduct; and ESG integration, data and transparency.

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

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

We have identified and prioritised climate change mitigation as a first area of most significant impact. In our target setting we focus on climate change mitigation on our treasury, mortgage and lending book and further seek to empower clients to take informed and conscious decisions in terms of their investments in the context of sustainability and climate considerations. To pursue this, we develop client reports to foster transparency, provide educational and insightful content on various platforms and continuously enhance our service and product offering with specific investment instruments. We have not yet identified a second area of most significant impact and will further leverage available tools and methodologies (e.g. proprietary methodologies such as the ESG investment rating methodology and externally available tools) in order to progress in this respect in 2023.	Materiality, p. 11-13 Strategic Priorities in 2023 and Beyond, p. 16 TCFD Disclosure, p. 67-72
d) For these (min. two prioritized impact areas): Performance measurement: Has your bank identified which sectors & industries as well as types of customers financed or invested in are causing the strongest actual positive or negative impacts? Please describe how you assessed the performance of these, using appropriate indicators related to significant impact areas that apply to your bank's context. In determining priority areas for target-setting among its areas of most significant impact, you should consider the bank's current performance levels, i.e. qualitative and/or quantitative indicators and/or proxies of the social, economic and environmental impacts resulting from the bank's activities and provision of products and services. If you have identified climate and/or financial health & inclusion as your most significant impact areas, please also refer to the applicable indicators in the Annex. If your bank has taken another approach to assess the intensity of impact resulting from the bank's activities and provision of products and services, please describe this. The outcome of this step will then also provide the baseline (incl. indicators) you can use for setting targets in two areas of most significant impact.	
To identify the sectors and industries causing the most impact and determine the priority areas, we have conducted several analyses (including using PCAF, PACTA and tools provided by SBTi, see details above). Please refer to the breakdown above which shows the sectorial exposure of the assets and business volumes in the different activities related to our targets. More information on the indicators used can be found under 2.2 Target Setting (Baseline).	ESG Investment Rating Methodology and Client Reporting, p. 18-19 TCFD Disclosure, p. 67-72

Self-assessment summary:

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

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

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

Climate change mitigation

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

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

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

2.2 Target Setting (Key Step 2)

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

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

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

You can build upon the context items under 2.1.

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

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

Our most important strategic priority is around climate change (see 2.1). Our target setting is aligned with the Paris Agreement and contributes to SDG 13 (Climate Action) on a global level. On a national level, we align with the sustainability priorities of the Association of Swiss Asset and Wealth Management Banks (VAV).

In the context of PRB, we established our first SMART target, focusing on climate mitigation: a net-zero commitment on our treasury, mortgage and lending book by 2050, from a 2021 baseline.

Emissions accounting forms the basis of our target-setting and in 2022 we became the first Swiss wealth manager to formally join PCAF. This enabled us to access further data and revise our greenhouse gas emissions calculations.

We have submitted our net-zero targets to the SBTi for validation and expect this process to happen in 2023.

Strategic Priorities in 2023 and Beyond, p. 16

Climate and Natural Resources, p. 33-37

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

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

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

Impact area	Indicator code	Response	
Climate change mitigation	A.1.1	**Climate strategy:** Does your bank have a climate strategy in place? Yes, we developed a climate strategy in 2021 and published it in 2022.	Climate and Natural Resources, p. 33-37
	A.1.2	**Paris alignment target:** Has your bank set a long-term portfolio-wide Paris-alignment target? To become net zero by when? Yes, we have set a long-term net-zero target (aligned with the Paris Agreement) on our treasury, mortgage and lending book by 2050. Baseline: 2021 Multiple climate scenarios were used in this context.	TCFD Disclosure, p. 67-72
	A.1.3	**Policy and process for client relationships:** Has your bank put in place rules and processes for client relationships (both new clients and existing clients), to work together towards the goal of transitioning the clients' activities and business model? In progress. We are currently assessing initiatives to promote real estate energy efficiency measures with clients of our mortgage book. In addition, our goal is to empower clients to make informed decisions in their investment activities, supported by our ESG client report and engagement tools such as Wealth Matters or the Sustainability Circle.	ESG Investment Rating Methodology and Client Reporting, p. 18-19

A.1.4	**Portfolio analysis:** Has your bank analyzed (parts of) its lending and/or investment portfolio in terms of financed emissions (Scope 3, category 15); technology mix or carbon-intensive sectors in the portfolio? Yes, we have calculated the financed emissions of our treasury, mortgage and lending books and identified the carbon-intensive sectors in these books (see details above).	TCFD Disclosure, p. 67-72
A.1.5	**Business opportunities and financial products:** Has your bank developed financial products tailored to support clients' and customers' reduction in GHG emissions (such as energy efficient mortgages, green loans, green bonds, green securitisations etc.)? In progress. Our ESG-related product offering is continuously being developed further. Our goal is to empower clients to make informed decisions, supported by our ESG client report and engagement tools such as Wealth Matters and the Sustainability Circle.	Climate and Natural Resources, p. 33-37
A.2.1	**Client engagement process:** Is your bank in an engagement process with clients regarding their strategy towards a low(er)-carbon business model? Yes, as a wealth manager our goal is to empower clients to make informed decisions, supported by our ESG client report and engagement tools such as Wealth Matters and the Sustainability Circle.	Products and Solutions, p. 20-23
A.2.3	**Absolute emissions:** What are your absolute emissions (financed emissions = scope 3, category 15) in your lending and/or investment portfolio? Our absolute financed emissions in tCO_2e (see TCFD for more details): Treasury: ~902,000 Mortgages: ~16,000 Lending: ~44,000	TCFD Disclosure, p. 67-72
A.3.1	**Reduction of GHG emissions:** How much have the GHG emissions financed been reduced? During 2022, financed GHG emissions from our treasury, mortgage and lending books increased ~5.5% (see TCFD). We acknowledge that the methodology, data and tools supporting emissions accounting continue to evolve at a fast pace, and we expect a degree of volatility will remain for some time in corporate disclosures.	TCFD Disclosure, p. 67-72

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

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

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

For our treasury, mortgage and lending books, we aim to achieve net-zero emissions by 2050 from a 2021 baseline, with an interim reduction of at least 20% by 2030. The KPIs used to monitor progress towards reaching the target have been listed in the table above; one key indicator remains the A.2.3: absolute GHG emissions in our treasury, mortgage and lending books. Further to our work to set robust climate mitigation targets, we are now working towards the definition of a second SMART target.	TCFD Disclosure, p. 67-72

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

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

In our treasury, mortgage and lending books, our action plan includes: – Including climate considerations in the treasury book investment process – Voting on ESG including climate aspects across Julius Baer funds, while engaging with selected emissions-intensive companies – Assessing initiatives to promote real estate energy efficiency with our mortgage clients – Collaborating within the financial industry and more widely through partnerships with the SBA, VAV, and the PRB, amongst others We are aware that some of these aspects may come with potential indirect negative impacts on other sustainability topics, and are committed to address these appropriately. For example, we recognise that divestment strategies may have negative indirect effects e.g. on social aspects and decided to rather promote stewardship activities within our action plan (e.g. through voting and engagement dialogue). Similarly, on the mortgage side, we are looking into possible incentives to promote energy efficiency instead of penalties for properties that are not energy-efficient.	Climate and Natural Resources, p. 33-37 TCFD Disclosure, p. 67-72

Self-assessment summary

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

	... first area of most significant impact: Climate change mitigation	... second area of most significant impact: ... (please name it)	(If you are setting targets in more impact areas) ... your third (and subsequent) area(s) of impact: ... (please name it)
Alignment	☒ Yes ☐ In progress ☐ No	☐ Yes ☐ In progress ☒ No	☐ Yes ☐ In progress ☒ No
Baseline	☒ Yes ☐ In progress ☐ No	☐ Yes ☐ In progress ☒ No	☐ Yes ☐ In progress ☒ No
SMART targets	☒ Yes ☐ In progress ☐ No	☐ Yes ☐ In progress ☒ No	☐ Yes ☐ In progress ☒ No
Action plan	☒ Yes ☐ In progress ☐ No	☐ Yes ☐ In progress ☒ No	☐ Yes ☐ In progress ☒ No

Target implementation and monitoring (Key Step 2)

For each target separately:

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

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

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

Please see the section above and our TCFD disclosures for details on the evolution of our GHG emissions.
These actions are being implemented to support climate mitigation on our treasury, mortgage and lending books:
– We are currently developing a stewardship strategy, reflecting our approach to collaborating for positive impact, as opposed to divestment:
  – A proxy voting company has been contracted to facilitate voting on ESG including climate aspects across Julius Baer funds in 2023
  – We are seeking to join forces on engagement activities and support Climate Action 100+, to take action on climate change across the investor community and start dialogues with selected emissions-intensive companies
	Climate and Natural Resources, p. 33-37
	TCFD Disclosure, p. 67-72

- The assessment of initiatives to promote real estate energy efficiency with our mortgage clients has been kicked off
- We continued to collaborate within our sector and more widely through partnerships with the SBA, VAV, and the PRB, amongst others

It is important to us to transparently report on the progress of these initiatives, and therefore a progress report on our climate strategy is shared with the Sustainability Board on a quarterly basis.

Principle 3: Clients and Customers

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

3.1 Client engagement

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

☒ Yes ☐ In progress ☐ No

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

☒ Yes ☐ In progress ☐ No

Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities[11]. It should include information on relevant policies, actions planned/implemented to support clients' transition, selected indicators on client engagement and, where possible, the impacts achieved.

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

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

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

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

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

Our reputational risk guidelines for social and environmental risk form the basis for identifying sectors and business activities with the highest (potential) negative impact. The guidelines provide a consistent framework to address these risks proactively and within existing approval processes. They apply to client relationships, credit business and suppliers as well as investments.

ESG Investment Rating Methodology and Client Reporting, p. 18-19

Conduct & Risk, p. 29-32

Caring Employer and Training, p. 38-42

Business opportunities

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

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

Covered assets with data include bonds, equities and funds. Methodology for classification of other asset classes is currently in development. The percentage indicates the share of the total assets covered by the ESG investment rating methodology.

Sustainable investing: CHF 34.4bn (12%)

Responsible investing: CHF 55.7bn (20%)

Traditional investing: CHF 141.4bn (51%)

Assets classified as ESG risk: CHF 3.1bn (1%)

No data: CHF 41.0bn (15%)

Impact investing: In 2022, we focused our offering on fintech in emerging markets to help underserved consumers and small businesses in developing economies access financial services for better financial inclusion.

ESG Investment Rating Methodology and Client Reporting, p. 18-19

Principle 4: Stakeholders

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

4.1 Stakeholder identification and consultation

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

☒ Yes ☐ In progress ☐ No

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

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

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

Please refer to the respective section in the report for a high-level overview of how we identified relevant stakeholders and what issues were addressed. As seen in our latest materiality assessment, climate change has been identified as a key material topic and action planning has been informed by exchanges with internal stakeholders and through industry partnerships.

Materiality, p. 11-13

Engaging Stakeholders, p. 49

Principle 5: Governance & Culture

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

Governance Structure for Implementation of the Principles

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

☒ Yes ☐ In progress ☐ No

Please describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support the effective implementation of the Principles. This includes information about which committee has responsibility over the sustainability strategy as well as targets approval and monitoring (including information about the highest level of governance the PRB is subjected to), details about the chair of the committee and the process and frequency for the board having oversight of PRB implementation (including remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected), as well as remuneration practices linked to sustainability targets.

The effective implementation of the Principles is supported by our robust governance structure for sustainability aspects:

The Board of Directors is the ultimate body that oversees Julius Baer's sustainability strategy, including the climate strategy. The Governance & Risk Committee of the Board of Directors is responsible for developing and upholding principles of corporate governance and sustainability. Sustainability is discussed semi-annually in the Board of Directors.

The Sustainability Board, a committee of our Executive Board chaired by the CEO, defines and steers our sustainability strategy. For decisions that have a direct strategic impact on the Group, the Sustainability Board requests the support of the Executive Board. The Sustainability Board meets at least quarterly.

The Sustainability Risk Committee acts as a sub-committee of the Sustainability Board to oversee and provide guidance on the ongoing integration of ESG risks into the Julius Baer risk management framework. This process takes place across business lines and includes climate-related risk aspects as well as the application of reputational risk guidelines on environmental and social topics. The Sustainability Risk Committee meets at least quarterly.

The Responsible Investment Committee, established in 2015, oversees and provides guidance on Julius Baer's ESG investment rating methodology and our related ESG offering. The group in charge of strategic decisions meets 2–3 times per year or when required, and the group in charge of operational questions typically meets monthly, or at a frequency deemed appropriate.

Sustainability at Julius Baer, p. 9-10 (Sustainability Governance)

5.2 Promoting a culture of responsible banking:

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

All employees are trained in and must sign the Code of Ethics and Business Conduct. We promote a 'speak up' culture, including an anonymous whistleblowing channel and internal ombudsman. Employees are remunerated according to criteria that reflect demonstration of our corporate values and risk behaviours. They are trained in responsible wealth management and responsible citizenship topics, depending on job function. Furthermore, all new employees globally are required to complete the e-learning module on sustainability that we introduced in 2021. Client-facing employees receive extensive training in principles of responsible investing and ethical conduct. In 2022, we trained 200 Sustainability Front Ambassadors. In addition, all client-facing employees received training on regulatory developments in sustainable finance. Goals related to our sustainability strategy are part of the key performance objectives of the Group CEO and Executive Board. They are summarised as qualitative KPIs on their Scorecard.	Conduct and Risk, p. 29-32 Caring Employer and Training, p. 38-42 Annual Report 2022, p. 64-65; 73-74

5.3 Policies and due diligence processes

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

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

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

Our ESG investment rating methodology, including thematic scoring, is a key due diligence mechanism. See 2.1 above. It is overseen by the Responsible Investment Committee. See 5.1 above. Our reputational risk guidelines for social and environmental risk form the basis for identifying sectors and business activities with the highest (potential) negative impact. The guidelines provide a consistent framework to address these risks proactively and within existing approval processes. They apply to client relationships, credit business and suppliers, as well as investments.	ESG Investment Rating Methodology and Client Reporting, p. 18-19 Conduct and Risk, p. 29-32

Self-assessment summary

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

☒ Yes ☐ No

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

☒ Yes ☐ No

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

☒ Yes ☐ In progress ☐ No

Principle 6: Transparency & Accountability

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

6.1 Assurance

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

☒ Yes ☐ Partially ☐ No

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

BDO Ltd has been mandated to conduct a limited assurance engagement in compliance with the International Standard on Assurance Engagements (ISAE) 3000 to reach a conclusion on sections 2.1, 2.2, 2.3 and 5.1 of our UN PRB self-assessment. According to their report, based on the procedures performed, except for the fact that the second impact area and second SMART target have (as adequately disclosed by us) not yet been defined, nothing has come to attention that causes BDO Ltd to believe the UN PRB self-assessment for the reporting period ended in 2022 is not presented fairly, in material respects, in accordance with UN PRB requirements for the self-assessment.

Reporting on other frameworks Does your bank disclose sustainability information in any of the listed below standards and frameworks? ☒ GRI ☒ SASB ☒ CDP ☐ IFRS Sustainability Disclosure Standards (to be published) ☒ TCFD ☐ Other:	
Our sustainability report includes detailed disclosures on the above.	SASB Disclosure, p. 65-66 TCFD Disclosure, p. 67-72 GRI Standards Content Index, p. 73-78
Outlook What are the next steps your bank will undertake in next 12 month-reporting period (particularly on impact analysis[14], target setting[15] and governance structure for implementing the PRB)? Please describe briefly. [14] For example outlining plans for increasing the scope by including areas that have not yet been covered, or planned steps in terms of portfolio composition, context and performance measurement. [15] For example outlining plans for baseline measurement, developing targets for (more) impact areas, setting interim targets, developing action plans etc ..	
We will continue to assess our impact related to climate change and implement further initiatives to support climate mitigation. We will work towards the identification of a second area of most significant impact and will further leverage available tools and methodologies in order to progress in this respect in 2023.	Strategic Priorities in 2023 and Beyond, p. 16
Challenges Here is a short section to find out about challenges your bank is possibly facing regarding the implementation of the Principles for Responsible Banking. Your feedback will be helpful to contextualise the collective progress of PRB signatory banks. What challenges have you prioritized to address when implementing the Principles for Responsible Banking? Please choose what you consider the top three challenges your bank has prioritized to address in the last 12 months. ☐ Embedding PRB oversight into governance ☐ Gaining or maintaining momentum in the bank ☐ Getting started: where to start and what to focus on in the beginning ☒ Conducting an impact analysis ☐ Assessing negative environmental and social impacts ☐ Choosing the right performance measurement methodology/ies ☐ Setting targets ☐ Customer engagement ☐ Stakeholder engagement ☒ Data availability ☒ Data quality ☐ Access to resources ☐ Reporting ☐ Assurance ☐ Prioritizing actions internally ☐ Other: ... If desired, you can elaborate on challenges and how you are tackling these:	

SASB DISCLOSURE

We have taken the decision to adopt early the Asset Management & Custody Activities Industry Standard that is effective for all entities for annual periods beginning on or after January 1, 2022.

Whilst we do not currently disclose all metrics included in the SASB standards for our sector (Asset Management & Custody Activities), we plan to review these and to further develop our disclosure over time.

Topic	Accounting metric	Category	Unit of measure	Code	Response
Transparent Information & Fair Advice for Customers	(1) Number and (2) percentage of covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings	Quantitative	Number, percentage (%)	FN-AC-270a.1	This information is not available.
	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of financial product-related information to new and returning customers	Quantitative	Reporting currency	FN-AC-270a.2	This information is not available.
	Description of approach to informing customers about products and services	Discussion and Analysis	n/a	FN-AC-270a.3	Sustainability Report 2022, 'ESG investment rating methodology and client reporting', p. 18-19
Employee Diversity & Inclusion	Percentage of gender and racial/ethnic Group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees	Quantitative	Percentage (%)	FN-AC-330a.1	Sustainability Report 2022, 'Diversity, inclusion and well-being', p. 39-41 Information on racial/ethnic group representation is not available.
Incorporation of Environmental, Social, and governance factors in Investment Management & Advisory	Amount of assets under management, by asset class, that employ (1) integration of environmental, social, and governance (ESG) issues, (2) sustainability themed investing, and (3) screening	Quantitative	Reporting currency	FN-AC-410a.1	Sustainability Report 2022, 'Products and solution', p. 20-23
	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment and/or wealth management processes and strategies	Discussion and Analysis	n/a	FN-AC-410a.2	Sustainability Report 2022, 'ESG investment rating methodology and client reporting', p. 18-19
	Description of proxy voting and investee engagement policies and procedures	Discussion and Analysis	n/a	FN-AC-410a.3	We defined a structured stewardship strategy that promotes active voting on ESG aspects across Julius Baer funds, and sets the framework to engage in dialogue with selected emission-intensive companies that we and our clients invest in. However, Julius Baer does not provide proxy advice.

Topic	Accounting metric	Category	Unit of measure	Code	Response
Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	Quantitative	Reporting currency	FN-AC-510a.1	This information is not available.
	Description of whistleblower policies and procedures	Discussion and Analysis	n/a	FN-AC-510a.2	Sustainability Report 2022, 'How employees can raise concerns relating to conduct', p. 29-30
	(1) Total registered and (2) total unregistered assets under management (AuM)	Quantitative	Reporting currency	FN-AC-000.A	See p. 1 of our Annual Report for total assets under management. Julius Baer does not disclose the share of registered and unregistered assets as per the regulations of the jurisdictions in which the bank operates, as this number is volatile and registration is often short-term. Providing this number for any given calendar date would hence provide very limited information.
	Total assets under custody and supervision	Quantitative	Reporting currency	FN-AC-000.B	See p. 212 of our Annual Report.

TCFD DISCLOSURE

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

Recommended Disclosure	Direct response/link to relevant report section	Reference
Governance		
A) Describe the board's oversight of climate-related risks and opportunities	The **Board of Directors** is the ultimate body that oversees Julius Baer's sustainability and climate strategy. The scope of its oversight includes our own operations as well as our own and clients' investments. The **Governance & Risk Committee** of the Board of Directors is responsible for developing and upholding principles of corporate governance and sustainability, including setting Julius Baer's risk tolerance framework, which covers climate-related risks amongst other topics. Other Board-level committees further integrate ESG including climate-related considerations into their agendas and mandates. Twice a year at a minimum, the Board of Directors receives a progress update across all sustainability-related strategic initiatives, including the climate strategy, and discusses sustainability-related risks and opportunities.	Sustainability Report: – Sustainability at Julius Baer (Sustainability Governance), p. 9-10
B) Describe management's role in assessing and managing risks and opportunities	The **Sustainability Board**, a committee of our Executive Board chaired by the CEO, defines and steers our sustainability strategy, including the climate strategy. For decisions that have a direct strategic impact on the Group, the Sustainability Board requests the support of the Executive Board, which then formally submits the request for approval to the Board of Directors. The Sustainability Board, which comprises, next to the CEO (acting as chair), the key business leaders for sustainability (including climate-related topics), meets at least quarterly and is responsible for reviewing the materiality of new and existing sustainability issues at least every three years. The Sustainability Board ensures that climate-related risks and opportunities are properly assessed and managed throughout our operations as well as in our and our clients' investments. It steers the ongoing development of our climate strategy and oversees its implementation. As a specific focus topic, regular progress reports are submitted to the Sustainability Board in respect of the Group's overall net-zero targets and the initiatives contributing towards the achievement of these commitments. A key development identifying, assessing and mitigating climate risks has been the implementation of a Sustainability Risk Committee in early 2022. Chaired by the Chief Risk Officer, the **Sustainability Risk Committee** is a sub-committee of the Sustainability Board. It oversees and provides guidance on operational aspects related to sustainability and climate risks, and the ongoing integration of ESG into the Julius Baer risk management framework. This process takes place across business lines and includes climate-related risk considerations as well as the application of reputational risk guidelines on environmental and social topics. The Sustainability Risk Committee also monitors sustainability-related regulatory developments and steers the required actions to meet the increasing number and complexity of these requirements, especially regarding climate scenario analysis and disclosures. In addition, an appropriate stress testing process has been established to evaluate the Group's business and risk exposure to climate scenarios. The Sustainability Risk Committee works in close cooperation with the **Responsible Investment Committee** (see p. 10), the Sustainability team and divisional and regional stakeholders.	Sustainability Report: – Sustainability at Julius Baer (Sustainability Governance), p. 9-10
Strategy		
A) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	Due to the nature of its business as a pure wealth manager, Julius Baer is naturally less affected by climate risks in the short term (next 3–5 years) than certain other market participants with direct engagements with corporates (e.g. with commercial financing) or in their role as institutional asset managers. Despite these considerations, the Sustainability Board recognises the mid- (5–10 years) and long-term (more than 10 years) challenges and opportunities stemming from climate change. We have applied the TCFD recommendations to identify climate-related physical and transitional risks and opportunities that may not only influence our overall reputational standing but also our market, operations and regulatory exposure or financial outcomes. In respect of climate-related risks, the Group may be exposed to both financial risks, such as credit, market and treasury risks, and non-financial risks, including operational, legal, compliance, strategic and reputational risks. Given our activities as a pure wealth manager, climate-related opportunities are primarily linked to our clients' and our own investments. Our sustainability strategy focuses on providing transparency to our clients and supporting them in making well-informed investment decisions in line with their ESG preferences.	Sustainability Report: – Responsible Wealth Management, p. 17-27 – Conduct and Risk (Risk Management), p. 30-32 – Climate and Natural Resources, p. 33-37

Recommended Disclosure	Direct response/link to relevant report section	Reference
	Enabling responsible investment decisions includes, amongst other things, appropriate actions to address the overuse of natural resources, which we see as a key barrier towards a more sustainable economy. In this context, our discretionary sustainability mandate focuses on sustainability themes, including but not limited to companies with a low carbon footprint and companies that offer solutions for positive transformation in respect of relevant sustainability themes. As part of our impact investing offering, we also curate a multi-asset-class product platform comprised of proprietary and third-party solutions.	
B) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning	Out of the identified risks listed above, two risks appear more prominent given Julius Baer's business activities, namely reputational and market risks and opportunities. Reputational risks and opportunities from environmental (including climate) and social aspects are critical, given the growing awareness of climate change topics and an ever-increasing focus on it from various stakeholders. Market risks and opportunities stemming from climate aspects can materialise fast and influence our and our clients' investments. As recommended by the TCFD, we use climate scenario analysis to assess market risks and opportunities, specifically the climate-related impacts on our treasury portfolio as well as our clients' investments. By calculating a Climate Value at Risk ('CVaR'), we aim to identify investment opportunities, as well as concentrations of investments that may be exposed to climate-related risks more strongly than others. Overall, these results show that the direct financial climate risks are low in most scenarios. For our treasury book, the CVaR appears insignificant. Equally, a CVaR for our clients' assets remains in general below a 10% price range. As expected, our quantitative stress analysis shows that disorderly and extreme climate scenarios increase the CVaR. As a consequence, our climate strategy aims to support domestic and international policy efforts to ensure an orderly transition of our economy to mitigate climate change. Given these results, we will continue to monitor the CVaR of our own and our clients' investments and seek to develop this further in line with emerging regulatory expectations and industry standards. For more details about our CVaR models and the results in the different scenarios, please refer to the TCFD section on Risk Management.	
C) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Despite the limited short-term risks, the Sustainability Board recognises the mid- and long-term challenges stemming from climate change. The results of our CVaR analysis as well as the formal annual risk assessment process confirmed our approach in enhancing the resilience of our strategy. Currently, different elements contribute to our resilience: – Our commitments to achieve net-zero emissions in our operations (scope 1 and 2) by 2030, as well as net-zero emissions in our own treasury, lending and mortgage books by 2050, which will help in the short, medium and long term to capture climate-related opportunities and reduce the overall climate-related risks for Julius Baer and its clients. – Our business model as a pure wealth manager, with limited exposure to corporate lending or investment banking activities. – Our relatively low exposure to clients and sectors with elevated climate-related risks. – The diversity in geographic areas in terms of investments and clients, which mitigates both physical and transition risks. – Our continuous efforts to incorporate climate-related risk assessments and mitigation into our risk-management processes and strategy, e.g. by developing in-house knowledge and strengthening our system and data infrastructure, and establishing processes such as the reputational risk guidelines for environmental and social risks. – Finally, our upcoming stewardship strategy will, amongst other things, focus on establishing dialogues with high-emitting investee companies, which should further mitigate the indirect market risks from climate change on our and our clients' investments. We are also committed to enhancing the resilience of our strategy within our own operations. Our Business Continuity Management ensures the resilience of Julius Baer's business in the event of climate-related disruption, amongst others. We respond to these risks by ensuring that our infrastructure is not only efficient but also highly resilient, to withstand current and future environmental conditions. As stated, climate-related risks for both our own and clients' investments appear low. Nevertheless, in 2022 we have: – added CVaR as an important element in our standard product risk-rating methodology, – established our ESG investment rating methodology, which includes a climate score reflecting the positioning of investee companies with regard to climate risks and opportunities, – issued ESG client reports to eligible clients, which include climate metrics and provide them with relevant information to take informed investment and voting decisions and, if they wish, limit their exposure to climate-related risks, and – enhanced our climate-related product offering to support our clients in seizing climate-related opportunities and investing into the companies that will emerge as leaders in a low-carbon economy. These initiatives increase our climate resilience, enable our clients to capture market opportunities and accelerate the redirection of capital towards a low-carbon economy.	Sustainability Report: – Responsible Wealth Management, p. 17-27 – Climate and Natural Resources, p. 33-37

Recommended Disclosure	Direct response/link to relevant report section	Reference

Risk management

Recommended Disclosure	Direct response/link to relevant report section	Reference

A) Describe the organisation's processes for identifying and assessing climate-related risks.
 	
B) Describe the organisation's processes for managing climate-related risks.
 	
C) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk.
	We have established several processes to identify, assess and manage climate-related risks. We do not look at those risks as a new risk category, but rather as an aggravating factor for categories already covered by the bank's risk management system and have therefore integrated these new processes into the existing risk governance and processes.
	
	Identification, assessment and management of climate-related risks across the risk spectrum
	
	ESG risks are fully integrated into our risk management framework with associated procedures, practices and tools. Covering all activities of Julius Baer, our risk-management and risk-tolerance frameworks enable employees and business partners to identify, assess, manage, monitor and report risks. In the application of these frameworks, all risk type owners performed a re-assessment of the risks they own in 2022, to include potential impacts of ESG or climate change concerns. We consider ESG and climate risks when defining risk tolerances, for example by further reducing exposure to carbon-related assets or more broadly to climate-sensitive sectors.
	
	In addition to this formal annual risk assessment process, we consider ESG, including climate, aspects during client onboarding and review; transaction monitoring, product development and investment decision processes; our own operations; supply chain management; and portfolio reviews. These processes are geared towards identifying clients, transactions or suppliers potentially in breach of our standards or otherwise subject to significant environmental and human rights controversies, including related to climate change.
	
	The risk management department (incl. the Risk Assessment & Governance unit) oversees the application of our risk management and risk tolerance frameworks. This includes defining risk limits with risk type owners and relevant business units, as well as monitoring Julius Baer's risk profile and conducting stress tests and scenario analyses. We continue to incorporate climate-related risks into our overall risk management processes. This involves building in-house knowledge, strengthening our systems and data infrastructure, reviewing risk categorisation and incorporating ESG considerations where appropriate.
	
	Focus on the identification, assessment and mitigation of climate-related market risk:
	
	Several steps have been taken in 2022 to improve the identification, assessment and mitigation of climate-related market risks:
	
	– Pursuing our efforts from the last years, and in line with TCFD recommendations and regulatory trends, we have taken the initiative to apply a more quantitative approach identifying and assessing climate-related market risks by evaluating the potential financial climate impact in respect of our own and clients' investment holding ('CVaR').
	
	– Our climate scenario analysis provides an assessment of two risk dimensions: 'Physical risks' and 'transition risks and opportunities'. 'Physical risks' stem from the increased severity and frequency of extreme weather events, and impact a company's facilities and infrastructure, its operations, water and raw material availability and supply chain disruptions. 'Transition risks and opportunities' are associated with the transition to a low-carbon economy, and include policy, legal, technology and market changes that might arise to address mitigation and adaptation requirements related to climate change.
	
	– In applying a quantitative CVaR model, we acknowledge certain limitations of our scenario analysis:
	
	  – Our quantitative scenario-based simulations are built on CVaR data delivered by the external data provider MSCI ESG. These CVaR values are calculated until 2100 and discounted to a present value using the weighted average cost of capital. The financial impacts from physical risks and transition risks and opportunities are estimated on company level and translated into a potential value loss or gain. A negative figure indicates the share of the company value that might be at risk of being lost over the whole period of the scenario, whilst a positive figure indicates that the company is well positioned to increase its value with climate change. We have not conducted an independent validation of the underlying data sets of the external data provider.
	
	  – The results represent a current 'snapshot' assessment and cannot fully capture future regulatory and business developments and behavioural changes. Climate risks and opportunities in a portfolio will fluctuate over time as our own and our clients' investment portfolios naturally change. Equally, investee companies are naturally expected to actively manage climate risks and opportunities over the coming years, which will influence the estimated CVaR as well as the valuation of the investments.
	
	  – The methodologies and models supporting those climate scenarios have evolved fast over the past year and are expected to continue to do so whilst climate science continues to progress. Despite the multiple limitations to the underlying data sets, we believe that this scenario analysis provides useful indications and insight about trends and climate-related risks and opportunities as well as possible concentrations in our own and our clients' investment portfolios.
		Sustainability Report:
		
		– Conduct and Risk, p. 29-32

Recommended Disclosure	Direct response/link to relevant report section	Reference
	To strengthen the analysis, we made several improvements to our CVaR scenario analysis in 2022: – Instead of using sectorial CVaR averages throughout the model, we now allocate the specific CVaR calculated for a company to this company's equity and debt instruments. We only use sectorial CVaR averages as a fallback value in case the company CVaR is not available. – We consciously moved away from a continental split to calculate sectorial CVaR averages, since large companies typically have operations across continents, not only where their headquarters are based. We therefore think that this distinction might be misleading and preferred to group more companies within a sector to calculate a more representative sectorial average. – We also improved the transparency of our model to facilitate deep dive analysis of the results going forward. – More importantly, we have been able to expand the range of scenarios we looked into. For example, we ran models to assess if significant risk and opportunity variations would occur if the transition were to happen in an orderly way (where climate policies are introduced early and become gradually more stringent), or in a disorderly way (where policies are delayed or divergent across countries and sectors). We looked at variations between 'average' CVaR scenarios, that reflect an expected CVaR, and 'aggressive' scenarios, which look at an extreme / worst case (95th percentile) downside or upside potential. Finally, we ran scenarios with 1.5°C and 2°C levels of warming, where physical risks are typically lower and transition risks higher; but we also looked at scenarios with 3°C, 4°C and 5°C warming for physical risks. These last scenarios typically estimate low or no transition risks and opportunities as they assume limited policy changes, but higher physical risks as the intensity and frequency of weather hazards linked to climate change are higher. Overall, the results show that the financial CVaR is very limited in most scenarios: For our treasury book, the CVaR in the 1.5°C and 2°C scenarios amounts on average to 5% of the company value for transition risks and 1% for physical risks, in line with the values calculated in the 2021 TCFD report (respectively, 3% and 0.8%, in an orderly 1.5°C scenario). Technological opportunities are negligible for this portfolio. In warmer scenarios of 3°C, 4°C and 5°C, the CVaR from physical risks amounts to 2% on average. In respect of clients' assets, the CVaR in the 1.5°C and 2°C scenarios amounts on average to 15% of the company value for transition risks and 6% for physical risks, largely in line or slightly lower than the values calculated in the 2021 TCFD report (respectively, 17% and 10%, in an orderly 1.5°C scenario). For some companies, these scenarios estimate an opportunity to increase the company value through gaining a technological edge, amounting to 5% of the current company value on average. In warmer scenarios of 3°C, 4°C and 5°C, the CVaR from physical risks amounts to 9% on average. Going forward, we will continue to aim and further improve our models and scenario analysis with more complete and updated data as they become available. We will further report on these results in the next reporting periods. – The CVaR analysis was completed in 2022 with the PACTA exercise organised by the Federal Office of the Environment in Switzerland. This helped us to understand the exposure of our global treasury and client assets to climate-relevant sectors, how the portfolios are aligned with climate scenarios and finally, which companies in the portfolio are the main contributors to these results. For example, the results showed that most of the emissions from our treasury book were linked to a handful of companies in the energy sector. Further, the results showed the temperature alignment of our mortgage book for Switzerland and indicated that the emission intensity of our book, whilst still slightly above the path for net zero by 2050 was significantly better than the average of the participants to the survey. This confirms that some efforts are still required and that we are in a comparably better position to achieve our ambitions. – Climate value at risk considering a 2°C warming scenario has been embedded in the existing product risk rating process. This ensures that market risks related to climate risks are identified and reflected in our existing products risk rating. – Our ESG investment rating methodology includes a climate score that identifies if a company is exposed to climate risks, or well positioned to seize climate-related opportunities. It looks into aspects such as the company's GHG emissions and its emission reduction plans, exposure to coal or other high GHG emissions activities, or its readiness to transition to a low-carbon economy. – We continue to increase transparency of climate-related metrics, while developing investment solutions that help clients mitigate climate change. The ESG investment rating assessments are shared in our ESG client reports. These ESG client reports have recently been enhanced with climate metrics. **Focus on the identification, assessment and mitigation of climate-related reputational risks:** On reputational risks, the launch of the reputational risk guidelines for environmental and social risks was a key milestone achieved in 2022. As the guidelines focus especially on some climate-sensitive sectors (such as thermal coal, palm oil and forestry), they further support the identification and assessment of climate-related risks. The guidelines provide a framework to identify reputational risks and govern certain sensitive activities and other areas of concern the Group will not engage in – or where it will do so only under particularly stringent compliance criteria.	

Recommended Disclosure	Direct response/link to relevant report section	Reference
	We conduct dedicated assessments for any potential business relationships that may have an elevated exposure to sensitive industries such as palm oil, forestry or thermal coal, or which may be exposed to incidents related to environmental or human rights issues. Our objective is to ensure a deeper understanding of potential reputational risks we may be exposed to through our business activities and partners (including clients), given the heightened scrutiny of environmental and social topics in today's world. The guidelines provide a consistent framework to address and mitigate these risks proactively within the existing approval processes. They apply to client relationships, credit business, suppliers as well as investments, where our ESG investment rating methodology excludes products classified as 'ESG risk' from our recommended product universe. To mitigate climate-related reputational risks, we do not engage in business activities with counterparties that fail to adhere to fundamental human rights standards, or that engage in certain practices that result in severe violations of environmental standards – apart from extraordinary circumstances that require specific additional assessment.	

Metrics and targets

A) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	In line with the TCFD recommendations and as part of our climate strategy, we established relevant climate-related metrics that support performance and transparency with our goals: – We continued to measure our scope 1, 2 and 3 (most importantly category 15 investments and category 6 business travel) emissions according to guidelines issued by the WRI/WBCSD Greenhouse Gas Protocol, using the PCAF methodology for scope 3 category 15. As of 2022, Julius Baer is the first pure Swiss wealth manager to support PCAF. – As a result of our scenario analysis and CVaR assessment, as well as our participation in the PACTA exercise, we have been able to estimate the share of our and our clients' investments that may be impacted by transition and physical risks or aligned with climate-related opportunities. – An internal carbon price of CHF 100 per ton of CO_2 equivalent has also been implemented on our business air travel. The price is aligned with the recommendations of the UN Global Compact's call for action on carbon pricing and designed to incentivise behaviour and decisions leading to the decarbonisation of the economy.	Sustainability Report: – Climate and Natural Resources, p. 33-37
B) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	Emissions accounting forms the basis of our strategy. We have measured our scope 1, 2 and 3 emissions according to guidelines issued by the WRI/WBCSD Greenhouse Gas Protocol and the Partnership for Carbon Accounting Financials (PCAF). Joining PCAF in 2022 enabled us to access further quantitative data and revise our greenhouse gas emissions calculations. Despite this progress, we acknowledge that the methodology, data and tools supporting emissions accounting continue to evolve at a fast pace, and we expect a degree of volatility will remain for some time in corporate disclosures. For example, in December 2022, PCAF released a new version of its standard to allow for the calculation of investments emissions from sovereign debt instruments. This will be part of the enhancements that we aim to develop in our emission accounting in 2023. In 2022, the highest degree of volatility in terms of investment emissions has been seen on the treasury book, where the accounted emissions from the scope 1 and 2 of underlying investee companies have fallen by about 30%, largely driven by a reduction of exposure to companies active in the energy and utilities sectors. This reduction was more than offset by an increase in the accounted scope 3 emissions of investee companies in the energy sector, as more scope 3 estimated data became available. The variation of emissions in the lending and mortgage books relate to standard exposure variations for some larger clients, as well as further improvements to emission data quality. In 2023, we will aim to continue and improve our tracking, refining and reporting of emissions across our value chain.	Sustainability Report: – Climate and Natural Resources, p. 33-37 – Key Figures, p. 51-53

Recommended Disclosure	Direct response/link to relevant report section	Reference

Indicators[1]	2022	2021	2020	2019	Change in %
Scope 1 (tCO_2e)[2]	2,496	2,747	2,232	2,737	-9.1
Heating and other fuels (tCO_2e)	1,856	2,019	1,980	1,939	-8.1
Volatile emissions (refrigerants) (tCO_2e)[3]	640	728	253	799	-12.1
Scope 2 (electricity and district heat) (tCO_2e)[4, 5]	878	845	4,647	4,756	4.0
Scope 3 operational emissions (tCO_2e)[6]	6,633	2,205	2,215	13,550	200.8
Business travel (tCO_2e)[7]	6,394	1,967	1,949	13,087	225.0
Purchased goods and waste from operations (tCO_2e)[8]	239	238	266	463	0.3
Scope 3 investments[9]	~962,000	~912,000	n/a	n/a	~6.0
Treasury book (tCO_2e)	~902,000	~835,000	n/a	n/a	~8.0
o/w Scope 1&2 of underlying investments	~588,000	~828,000	n/a	n/a	~-29.0
o/w Scope 3 of underlying investments	~314,000	~6,000	n/a	n/a	~5133.0
Lending book (tCO_2e)	~44,000	~61,000	n/a	n/a	~-28.0
Mortgage book (tCO_2e)	~16,000	~17,000	n/a	n/a	~-6.0

1 2019-2022 data are extrapolated to 100% of FTEs using the average unit per FTE from the collected data. (e.g., in 2022 figures are extrapolated by 5% for missing FTEs). Extrapolation for refrigerants is performed for all sites with no refrigerant data (in 2022 sites with no refrigerant data represent 46% of total FTE). No extrapolation for business travel required as 100% FTEs are covered.
2 Emissions from directly owned or controlled sources.
3 Refrigerants are replenished periodically as part of maintenance work. The refills do not take place to the same extent every year, which can lead to significant differences in year-on-year comparisons.
4 Emissions from purchased electricity and district heat/cooling.
5 Scope 2 emissions were calculated using the 'market-based' approach in accordance with the Greenhouse Gas Protocol Scope 2 Guidance. When reported according to the 'location-based' approach, the emissions totalled 4638 tCO_2e (2021: 5,340 tCO_2e). As of 2021, all locations in scope either directly sourced renewable electricity or purchased electricity attribute certificates to cover 100% of their demand with electricity from renewable sources.
6 Emissions from sources not owned or controlled by Julius Baer, but associated with Julius Baer's operational activities.
7 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.
8 Emissions associated with the consumption of purchased paper and water, as well as emissions from waste treatment by waste generated in Julius Baer's operations (incl. wastewater treatment).
9 Measurement performed with the market-standard PCAF methodology published in 2020. Estimations and assumptions had to be taken to compensate data gaps and will be refined over time.

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

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

Strategic target	2022 progress
– Achieve net-zero carbon emissions on our own operations by 2030, shifting energy sources to renewable energy wherever possible. – Achieve net-zero emissions on our treasury, lending and mortgage books by 2050, with an interim reduction of 20% by 2030, defining an engagement strategy on climate topics over the course of 2022. – Commitment of 30% reduction of business travel emissions by 2025 compared to 2019.	– Taking out first implementation step towards our net-zero emissions target in our own operations, we achieved some reduction of greenhouse gas emissions thanks to the shift to renewable electricity where available or the purchase of corresponding certificates globally and the switch to biogas energy in Switzerland. – We defined our stewardship strategy, including an engagement approach and voting for Julius Baer Funds based on ESG considerations, thereby working towards our net-zero emissions target on our treasury, lending and mortgage books. – We implemented a carbon price on air travel of CHF 100 / tCO_2 charged across the bank and are on track to achieve our 2025 business travel reduction target.

We have submitted our net-zero targets to the Science Based Targets initiative (SBTi) to certify their alignment with the Paris Agreement and the objective to limit global warming to no more than 1.5°C above pre-industrial levels.

Sustainability Report:

– Climate and Natural Resources, p. 33-37

GRI STANDARDS CONTENT INDEX

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

Julius Baer has reported the information cited in this GRI Content Index for the financial year ending 31 December 2022 with reference to the GRI Standards.

GRI Standard	Disclosure	Location
GENERAL DISCLOSURES		
The organization and its reporting practices		
2-1	Organisational details	Annual Report 2022, 'Corporate Governance', p. 8-10
2-2	Entities included in the organisation's sustainability reporting	Sustainability Report 2022, 'About This Report', p. 47; Annual Report 2022, 'Companies Consolidated', p. 197-200
2-3	Reporting period, frequency and contact point	The reporting period is 01.01.2022–31.12.2022 and the reporting frequency is annual. Sustainability Report 2022, 'About This Report', p. 47; 'Corporate Contacts', p. 78
2-4	Restatements of information	Sustainability Report 2022, 'Progress Report 2022', p. 14-15; 'Key Figures', p. 53
2-5	External assurance	PRB assessment externally assured: Sustainability Report 2022, 'UN PRB Self-Assessment', p. 63
Activities and workers		
2-6	Activities, value chain, and other business relationships	Business Review 2022, 'About Julius Baer'; 'Developments in 2022', p. 14-20; 'Julius Baer's Holistic Services and solutions Offering', p. 21-24 Julius Baer did not experience significant changes compared to the previous reporting period.
2-7	Employees	Sustainability Report 2022, 'Key Figures', p. 51-52
Governance		
2-9	Governance structure and composition	Sustainability Report 2022, 'Sustainability Governance', p. 9-10 Annual Report 2022, 'Corporate Governance', p. 8; 'Group Structure and Shareholders', p. 9-10; 'Board of Directors', p. 14-41
2-10	Nomination and selection of the highest governance body	Annual Report 2022, 'Board of Directors', p. 21
2-11	Chair of the highest governance body	Annual Report 2022, 'Board of Directors', p. 14-41
2-12	Role of the highest governance body in overseeing the management of impacts	Sustainability Report 2022, 'Sustainability Governance', p. 9-10; 'About This Report', p. 47; 'UN PRB Self-Assessment: Governance & Culture', p. 62-64; 'TCFD Disclosure', p. 67-72
2-13	Delegation of responsibility for managing impacts	Sustainability Report 2022, 'Sustainability Governance', p. 9-10; 'UN PRB Self-Assessment: Governance & Culture', p. 62-64; 'TCFD Disclosure', p. 67-72
2-14	Role of the highest governance body in sustainability reporting	Sustainability Report 2022, 'About This Report', p. 47
2-15	Conflicts of interest	Annual Report 2022, 'Board of Directors', p. 14; 'Compensation Governance', p. 60-66
2-16	Communication of critical concerns	Sustainability Report 2022, 'Ethical conduct', p. 29-30 Annual Report 2022, 'Comment on Risk Management', p. 98-110
2-18	Evaluation of the performance of the highest governance body	Annual Report 2022, 'Board of Directors', p. 26-27
2-19	Remuneration policies	Annual Report 2022, '2022 Remuneration Highlights', p. 58-59; 'Compensation Governance', p. 60-66
2-20	Process to determine remuneration	Annual Report 2022, '2022 Remuneration Highlights', p. 58-59; 'Compensation Governance', p. 60-66

GRI Standard	Disclosure	Location
Strategy, policies and practices		
2-22	Statement on sustainable development strategy	Sustainability Report 2022, 'Foreword', p. 3-4
2-23	Policy commitments	Sustainability Report 2022, 'Conduct and Risk', p. 29-32; 'Caring Employer and Training', p. 38-42
2-25	Processes to remediate negative impacts	Sustainability Report 2022, 'Ethical Conduct', p. 29-30; 'UN PRB Self-Assessment: Impact and Target Setting', p. 55-61
2-26	Mechanisms for seeking advice and raising concerns	Sustainability Report 2022, 'Ethical Conduct', p. 29-30
2-27	Compliance with laws and regulations	Annual Report 2022, 'Additional Information', p. 212-215
2-28	Membership associations	Sustainability Report 2022, 'Industry Memberships and Sustainability Partnerships', p. 50
Stakeholder engagement		
2-29	Approach to stakeholder engagement	Sustainability Report 2022, 'Materiality', p. 11-13; 'Engaging Stakeholders', p. 49
2-30	Collective bargaining agreements	We are represented within the Employers Association of Banks in Switzerland and we are in regular dialogue with works councils, employee representative bodies and social partners. Our employees in Austria, Brazil, Luxembourg, Monaco, Spain and Switzerland are covered by collective bargaining agreements, representing 33% of our total workforce. No significant proportion of our workforce is employed in the low-wage segment. For further details, please refer to the remuneration report section of the Annual Report 2022.

MATERIAL TOPIC DISCLOSURES

3-1	Process to determine material topics	Sustainability Report 2022, 'Materiality', p. 11-13
3-2	List of material topics	Sustainability Report 2022, 'Materiality', p. 13; 'Material Topics', p. 48

SPECIFIC STANDARDS DISCLOSURES

201: Economic Performance (2016)		
3-3	Management of material topics	Sustainability Report 2022, 'Sustainability at Julius Baer', p. 8-10; 'Materiality', p. 11-13; 'Responsible Wealth Management', p. 17-27; 'Engaging Stakeholders', p. 50
201-1	Infrastructure investments and services supported	Sustainability Report 2022, 'Key Figures', p. 51-53; Annual Report 2022, 'Consolidated Financial Statements', p. 112-119
201-2	Financial implications and other risks and opportunities due to climate change	Sustainability Report 2022, 'Research and Thought Leadership', p. 26-27; 'Understanding Climate Risks and Opportunities', p. 37; 'TCFD Disclosure', p. 67-72
201-3	Defined benefit plan obligations and other retirement plans	Annual Report 2022, 'Remuneration Report', p. 54-96
203: Indirect economic impacts (2016)		
3-3	Management of material topics	Sustainability Report 2022, 'Sustainability at Julius Baer', p. 8-10; 'Materiality', p. 11-13; 'JB Foundation and Community partner', p. 43-45; 'Engaging Stakeholders', p. 49
203-1	Infrastructure investments and services supported	Sustainability Report 2022, 'JB Foundation and Community partner', p. 43-45
205: Anti-corruption (2016)		
Material topic: Responsible business conduct		
3-3	Management of material topics	Sustainability Report 2022, 'Sustainability at Julius Baer', p. 8-10; 'Materiality', p. 11-13; 'Conduct and Risk', p. 29-32; 'Engaging Stakeholders', p. 49; Annual Report 2022, 'Comment on Risk Management', p. 98-110
205-1	Operations assessed for risk to corruption	Sustainability Report 2022, 'Combatting Financial Crime', p. 29
205-2	Communication and training about anti-corruption policies and procedures	Sustainability Report 2022, 'Combatting Financial Crime', p. 29
205-3	Confirmed incidents of corruption and actions taken	Sustainability Report 2022, 'Combatting Financial Crime', p. 29 Annual Report 2022, 'Notes to the Consolidated Financial Statements', p. 150-153
206: Anti-competitive behaviour (2016)		
Material topic: Responsible business conduct		
3-3	Management of material topics	Sustainability Report 2022, 'Sustainability at Julius Baer', p. 8-10; 'Materiality', p. 11-13; 'Conduct and Risk', p. 29-32; 'Engaging Stakeholders', p. 49
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Annual Report 2022, 'Notes on the Consolidated Financial Statements', p. 150-153

GRI Standard	Disclosure	Location
207: Tax (2019)		
3-3	Management of material topics	Sustainability Report 2022, 'Sustainability at Julius Baer', p. 8-10; 'Materiality', p. 11-13; 'Conduct and Risk', p. 29-32; 'Engaging Stakeholders', p. 49
207-1	Approach to tax	Sustainability Report 2022, 'Ethical conduct', p. 29-30; Annual Report 2022, 'Notes to the Consolidated Financial Statements', p. 133-136
207-2	Tax governance, control and risk management	Annual Report 2022, 'Board of Directors', p. 29-31
301: Materials (2016)		
Material topic: Biodiversity and natural capital		
3-3	Management of material topics	Sustainability Report 2022, 'Sustainability at Julius Baer', p. 8-10; 'Materiality', p. 11-13; 'Climate and Natural Resources', p. 33-37; 'Engaging Stakeholders', p. 49
301-1	Materials used by weight or volume	Sustainability Report 2022, 'Key Figures', p. 53
302: Energy (2016)		
Material topic: Climate change and low carbon		
3-3	Management of material topics	Sustainability Report 2022, 'Sustainability at Julius Baer', p. 8-10; 'Materiality', p. 11-13; 'Climate and Natural Resources', p. 33-37; 'Engaging Stakeholders', p. 49
302-1	Energy consumption within the organisation	Sustainability Report 2022, 'Key Figures', p. 53
302-3	Energy intensity	Sustainability Report 2022, 'Key Figures', p. 53
302-4	Reduction of energy consumption	Sustainability Report 2022, 'Climate and Natural Resources', p. 33-37; 'Key figures', p. 53
303: Water and effluents (2018)		
Material topic: Biodiversity and natural capital		
3-3	Management of material topics	Sustainability Report 2022, 'Sustainability at Julius Baer', p. 8-10; 'Materiality', p. 11-13; 'Climate and Natural Resources', p. 33-37; 'Engaging Stakeholders', p. 49
303-5	Water consumption	Sustainability Report 2022, 'Key Figures', p. 53
305: Emissions (2016)		
Material topic: Climate change and low carbon		
3-3	Management of material topics	Sustainability Report 2022, 'Sustainability at Julius Baer', p. 8-10; 'Materiality', p. 11-13; 'Climate and Natural Resources', p. 33-37; 'Engaging stakeholders', p. 49
305-1	Direct (Scope 1) GHG emissions	Sustainability Report 2022, 'Key Figures', p. 53
305-2	Energy indirect (Scope 2) GHG emissions	Sustainability Report 2022, 'Key Figures', p. 53
305-3	Other indirect (Scope 3) GHG emissions	Sustainability Report 2022, 'Key Figures', p. 53
305-4	GHG emissions intensity	Sustainability Report 2022, 'Key Figures', p. 53
305-5	Reduction of GHG emissions	Sustainability Report 2022, 'Key Figures', p. 53
306: Waste (2020)		
Material topic: Biodiversity and natural capital		
3-3	Management of material topics	Sustainability Report 2022, 'Sustainability at Julius Baer', p. 8-10; 'Materiality', p. 11-13; 'Climate and Natural Resources', p. 33-37; 'Engaging Stakeholders', p. 49
306-2	Management of significant waste-related impacts	Sustainability Report 2022, 'Climate and Natural Resources', p. 33-37
306-3	Waste generated	Sustainability Report 2022, 'Key Figures', p. 53
401: Employment (2016)		
Material topic: Employee education and engagement		
3-3	Management of material topics	Sustainability Report 2022, 'Sustainability at Julius Baer', p. 8-10; 'Materiality', p. 11-13; 'Caring Employer and Training', p. 38-42; 'Engaging Stakeholders', p. 49
401-1	New employee hires and employee turnover	Sustainability Report 2022, 'Caring Employer and Training', p. 38-42; 'Key Figures', p. 51-52
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Sustainability Report 2022, 'Diversity, Inclusion and Well-being', p. 39-40; 'Key figures', p. 51-52 Annual Report 2022, 'Notes to the Consolidated Financial Statements', p. 158
401-3	Parental leave	Sustainability Report 2022, 'Diversity, Inclusion and Well-being', p. 39-40; 'Key Figures', p. 51-52

GRI Standard	Disclosure	Location
403: Occupational health and safety (2018)		
Material topic: Health, well-being and a safe working environment		
3-3	Management of material topics	Sustainability Report 2022, 'Sustainability at Julius Baer', p. 8-10; 'Materiality', p. 11-13; 'Caring Employer and Training', p. 38-42; 'Engaging Stakeholders', p. 49
403-3	Occupational health services	Sustainability Report 2022, 'Caring Employer and Training', p. 38-42
403-4	Worker participation, consultation, and communication on occupational health and safety	Sustainability Report 2022, 'Caring Employer and Training', p. 38-42
403-5	Worker training on occupational health and safety	Sustainability Report 2022, 'Caring Employer and Training', p. 38-42; 'Key Figures', p. 51-52
403-6	Promotion of worker health	Sustainability Report 2022, 'Caring Employer and Training', p. 38-42; 'Key figures', p. 51-52
404: Training and Education (2016)		
Material topic: Employee education and engagement		
3-3	Management of material topics	Sustainability Report 2022, 'Sustainability at Julius Baer', p. 8-10; 'Materiality', p. 11-13; 'Caring Employer and Training', p. 38-42; 'Engaging Stakeholders', p. 49
404-1	Average hours of training per year per employee	Sustainability Report 2022, 'Caring Employer and Training', p. 38-42; 'Key Figures', p. 51-52
404-2	Programs for upgrading employee skills and transition assistance programs	Sustainability Report 2022, 'Caring Employer and Training', p. 38-42; 'Engaging Stakeholders', p. 49
404-3	Percentage of employees receiving regular performance and career development reviews	Sustainability Report 2022, 'Engaging Stakeholders', p. 49
405: Diversity and equal opportunity (2016)		
Material topic: Diversity, Equity & Inclusion		
3-3	Management of material topics	Sustainability Report 2022, 'Sustainability at Julius Baer', p. 8-10; 'Materiality', p. 11-13; 'Diversity, Inclusion and Well-being', p. 39-40; 'Engaging stakeholders', p. 49
405-1	Diversity of governance bodies and governance	Sustainability Report 2022, 'Diversity, Inclusion and Well-being', p. 39-40; 'Key Figures', p. 51-52
405-2	Ratio of basic salary and remuneration of women to men	Annual Report 2022, 'Remuneration Report', p. 54-96
406: Discrimination (2016)		
Material topic: Diversity, Equity & Inclusion		
3-3	Management of material topics	Sustainability Report 2022, 'Sustainability at Julius Baer', p. 8-10; 'Materiality', p. 11-13; 'Diversity, Inclusion and Well-being', p. 39-40; 'Engaging Stakeholders', p. 49
406-1	Incidents of discriminations and corrective actions taken	Sustainability Report 2022, 'Diversity, Inclusion and Well-being', p. 39-40
413: Local communities (2016)		
Material topic: Addressing wealth inequality and financial literacy		
3-3	Management of material topics	Sustainability Report 2022, 'Sustainability at Julius Baer', p. 8-10; 'Materiality', p. 11-13; 'JB Foundation and Community Partner', p. 43-45; 'Engaging Stakeholders', p. 49
413-1	Operations with local community engagement, impact assessment and development programmes	Sustainability Report 2022, 'JB Foundation and Community Partner', p. 43-45; 'Engaging Stakeholders', p. 49
415: Public policy (2016)		
3-3	Management of material topics	Sustainability Report 2022, 'Sustainability at Julius Baer', p. 8-10; 'Materiality', p. 11-13; 'Engaging Stakeholders', p. 49; 'Industry Memberships and Sustainability Partnerships', p. 50
415-1	Political contributions	Sustainability Report 2022, 'Industry Memberships and Sustainability Partnerships', p. 50
417: Marketing and labelling (2016)		
Material topic: ESG integration and transparency		
3-3	Management of material topics	Sustainability Report 2022, 'Sustainability at Julius Baer', p. 8-10; 'Materiality', p. 11-13; 'ESG Investment Rating Methodology and Client Reporting', p. 18-19; 'Client Community and ESG Knowledge', p. 24-25; 'Engaging Stakeholders', p. 49

GRI Standard	Disclosure	Location
417-1	Requirements for product and service information and labelling	Sustainability Report 2022, 'ESG Investment Rating Methodology and Client Reporting', p. 18-19; 'Client Community and ESG Knowledge', p. 24-25 'Sustainability-related disclosures', please see on our website: https://www.juliusbaer.com/en/legal/sustainability-related-disclosures/
418: Customer privacy (2016)		
Material topic: Data privacy and security		
3-3	Management of material topics	Sustainability Report 2022, 'Sustainability at Julius Baer', p. 8-10; 'Materiality', p. 11-13; 'Data Privacy', p. 32; 'Engaging Stakeholders', p. 49
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Not disclosed. Julius Baer considers this information to be confidential.
Material topic: Sustainability governance and risk management		
3-3	Management of material topics	Sustainability Report 2022, 'Sustainability at Julius Baer', p. 8-10; 'Materiality', p. 11-13; 'Conduct and Risk', p. 29-32; 'Engaging Stakeholders', p. 49
Material topic: Sustainable and impact investing		
3-3	Management of material topics	Sustainability Report 2022, 'Sustainability at Julius Baer', p. 8-10; 'Materiality', p. 11-13; 'Products and Solutions', p. 20-23; 'Engaging Stakeholders', p. 49
Material topic: Client education and engagement		
3-3	Management of material topics	Sustainability Report 2022, 'Sustainability at Julius Baer', p. 8-10; 'Materiality', p. 11-13; 'Client Community and ESG Knowledge', p. 24-25; 'Engaging Stakeholders', p. 49
Material topic: Technology and innovation		
3-3	Management of material topics	Sustainability Report 2022, 'Sustainability at Julius Baer', p. 8-10; 'Materiality', p. 11-13; 'Client community and ESG Knowledge', p. 24-25; 'Research and Thought Leadership', p. 26-27; 'Engaging Stakeholders', p. 49
Material topic: Sustainable infrastructure and circular economy		
3-3	Management of material topics	Sustainability Report 2022, 'Sustainability at Julius Baer', p. 8-10; 'Materiality', p. 11-13; 'Research and Thought Leadership', p. 26-27; 'Engaging Stakeholders', p. 49
Material topic: Human rights and modern slavery		
3-3	Management of material topics	Sustainability Report 2022, 'Sustainability at Julius Baer', p. 8-10; 'Materiality', p. 11-13; 'Conduct and Risk', p. 29-32; 'Engaging Stakeholders', p. 49
Material topic: Sustainable and responsible sourcing		
3-3	Management of material topics	Sustainability Report 2022, 'Sustainability at Julius Baer', p. 8-10; 'Materiality', p. 11-13; 'Conduct and Risk', p. 29-32; 'Engaging Stakeholders', p. 49

FEEDBACK

We value any feedback or input 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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