



| LEA 02 | Discipline: Mandatory | Principle: PRI 1, 2, 3 |
|---|--|---|
| <p>Reason for interaction</p> <p><input checked="" type="checkbox"/> To support investment decisionmaking in & company's material ESG issues</p> <p><input checked="" type="checkbox"/> To enhance corporate transition or identify the need to transition or</p> <p><input checked="" type="checkbox"/> To engage internal ESG decision</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage in internal staff</p> | <p>Type of engagement</p> <p>Individual/internal staff engagements</p> <p>Collaborative engagements</p> <p>Service provider engagements</p> | <p><input checked="" type="checkbox"/> To support investment decisionmaking in & company's material ESG issues</p> <p><input checked="" type="checkbox"/> To enhance corporate transition or identify the need to transition or</p> <p><input checked="" type="checkbox"/> To engage internal ESG decision</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage in collaborative engagements</p> <p><input type="checkbox"/> To support investment decisionmaking in & company's material ESG issues</p> <p><input type="checkbox"/> To enhance corporate transition or identify the need to transition or</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage in service provider engagements</p> |

RI TRANSPARENCY REPORT

2017

Bank Julius Baer & Co. Ltd.

About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2017 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

| Symbol | Status |
|--------|---|
| ✓ | The signatory has completed all mandatory parts of this indicator |
| ☑ | The signatory has completed some parts of this indicator |
| 🔒 | This indicator was not relevant for this signatory |
| - | The signatory did not complete any part of this indicator |
| Ⓜ | The signatory has flagged this indicator for internal review |

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

Principles Index

| Organisational Overview | | | | Principle | | | | | | General |
|-------------------------|---|--------|------------------------------|-----------|---|---|---|---|---|---------|
| Indicator | Short description | Status | Disclosure | 1 | 2 | 3 | 4 | 5 | 6 | |
| OO 01 | Signatory category and services | ✓ | Public | | | | | | | ✓ |
| OO 02 | Headquarters and operational countries | ✓ | Public | | | | | | | ✓ |
| OO 03 | Subsidiaries that are separate PRI signatories | ✓ | Public | | | | | | | ✓ |
| OO 04 | Reporting year and AUM | ✓ | Public | | | | | | | ✓ |
| OO 05 | Breakdown of AUM by asset class | ✓ | Asset mix disclosed in OO 06 | | | | | | | ✓ |
| OO 06 | How would you like to disclose your asset class mix | ✓ | Public | | | | | | | ✓ |
| OO 07 | Fixed income AUM breakdown | ✓ | Private | | | | | | | ✓ |
| OO 08 | Segregated mandates or pooled funds | ✓ | Private | | | | | | | ✓ |
| OO 09 | Breakdown of AUM by market | ✓ | Private | | | | | | | ✓ |
| OO 10 | RI activities for listed equities | ✓ | Public | | | | | | | ✓ |
| OO 11 | RI activities in other asset classes | ✓ | Public | | | | | | | ✓ |
| OO 12 | Modules and sections required to complete | ✓ | n/a | | | | | | | ✓ |
| OO End | Module confirmation page | ✓ | - | | | | | | | |

| Strategy and Governance | | | | Principle | | | | | | General |
|-------------------------|--|--------|------------|-----------|---|---|---|---|---|---------|
| Indicator | Short description | Status | Disclosure | 1 | 2 | 3 | 4 | 5 | 6 | |
| SG 01 | RI policy and coverage | ✓ | Public | | | | | | | ✓ |
| SG 02 | Publicly available RI policy or guidance documents | ✓ | Public | | | | | | | ✓ |
| SG 03 | Conflicts of interest | ✓ | Public | | | | | | | ✓ |
| SG 04 | Identifying incidents occurring within portfolios | ✓ | Private | | | | | | | ✓ |
| SG 05 | RI goals and objectives | ✓ | Public | | | | | | | ✓ |
| SG 06 | Main goals/objectives this year | ✓ | Private | | | | | | | ✓ |
| SG 07 | RI roles and responsibilities | ✓ | Public | | | | | | | ✓ |
| SG 08 | RI in performance management, reward and/or personal development | ✓ | Private | | | | | | | ✓ |
| SG 09 | Collaborative organisations / initiatives | ✓ | Public | | | | ✓ | ✓ | | |
| SG 10 | Promoting RI independently | ✓ | Public | | | | ✓ | | | |
| SG 11 | Dialogue with public policy makers or standard setters | - | n/a | | | | ✓ | ✓ | ✓ | |
| SG 12 | ESG issues in strategic asset allocation | ✓ | Public | ✓ | | | | | | |
| SG 13 | Long term investment risks and opportunity | ✓ | Private | ✓ | | | | | | |
| SG 14 | Allocation of assets to environmental and social themed areas | ✓ | Private | ✓ | | | | | | |
| SG 15 | ESG issues for internally managed assets not reported in framework | ✓ | Public | | | | | | | ✓ |
| SG 16 | ESG issues for externally managed assets not reported in framework | ✓ | Public | | | | | | | ✓ |
| SG 17 | Innovative features of approach to RI | ✓ | Private | | | | | | | ✓ |
| SG End | Module confirmation page | ✓ | - | | | | | | | |

| Direct - Listed Equity Incorporation | | | | Principle | | | | | | General |
|--------------------------------------|--|--------|------------|-----------|---|---|---|---|---|---------|
| Indicator | Short description | Status | Disclosure | 1 | 2 | 3 | 4 | 5 | 6 | |
| LEI 01 | Breakdown by passive, quantitative, fundamental and other active strategies | ✓ | Private | | | | | | | ✓ |
| LEI 02 | Reporting on strategies that are <10% of actively managed listed equities | 🔒 | n/a | | | | | | | ✓ |
| LEI 03 | Percentage of each incorporation strategy | ✓ | Public | ✓ | | | | | | |
| LEI 04 | Type of ESG information used in investment decision | ✓ | Private | ✓ | | | | | | |
| LEI 05 | Information from engagement and/or voting used in investment decision-making | 🔒 | n/a | ✓ | | | | | | |
| LEI 06 | Types of screening applied | ✓ | Public | ✓ | | | | | | |
| LEI 07 | Processes to ensure screening is based on robust analysis | ✓ | Public | ✓ | | | | | | |
| LEI 08 | Processes to ensure fund criteria are not breached | ✓ | Private | ✓ | | | | | | |
| LEI 09 | Types of sustainability thematic funds/mandates | ✓ | Public | ✓ | | | | | | |
| LEI 10 | Review ESG issues while researching companies/sectors | ✓ | Public | ✓ | | | | | | |
| LEI 11 | Processes to ensure integration is based on robust analysis | ✓ | Private | ✓ | | | | | | |
| LEI 12 | Aspects of analysis ESG information is integrated into | ✓ | Private | ✓ | | | | | | |
| LEI 13 | ESG issues in index construction | 🔒 | n/a | ✓ | | | | | | |
| LEI 14 | How ESG incorporation has influenced portfolio composition | ✓ | Private | ✓ | | | | | | |
| LEI 15 | Measurement of financial and ESG outcomes of ESG incorporation | ✓ | Private | ✓ | | | | | | |
| LEI 16 | Examples of ESG issues that affected your investment view / performance | - | n/a | ✓ | | | | | | |
| LEI 17 | Disclosure of approach to ESG incorporation | ✓ | Public | | ✓ | | | | | ✓ |
| LEI End | Module confirmation page | ✓ | - | | | | | | | |

| Direct - Fixed Income | | | | Principle | | | | | | General |
|-----------------------|---|--------|------------|-----------|---|---|---|---|---|---------|
| Indicator | Short description | Status | Disclosure | 1 | 2 | 3 | 4 | 5 | 6 | |
| FI 01 | Breakdown by passive,active strategies | ✓ | Private | | | | | | | ✓ |
| FI 02 | Option to report on <10% assets | 🔒 | n/a | | | | | | | ✓ |
| FI 03 | Breakdown by market and credit quality | ✓ | Private | | | | | | | ✓ |
| FI 04 | Incorporation strategies applied | ✓ | Public | ✓ | | | | | | |
| FI 05 | ESG issues and issuer research | ✓ | Private | ✓ | | | | | | |
| FI 06 | Processes to ensure analysis is robust | ✓ | Public | ✓ | | | | | | |
| FI 07 | Types of screening applied | ✓ | Public | ✓ | | | | | | |
| FI 08 | Negative screening - overview and rationale | ✓ | Public | ✓ | | | | | | |
| FI 09 | Examples of ESG factors in screening process | ✓ | Private | ✓ | | | | | | |
| FI 10 | Screening - ensuring criteria are met | ✓ | Public | ✓ | | | | | | |
| FI 11 | Thematic investing - overview | ✓ | Private | ✓ | | | | | | |
| FI 12 | Thematic investing - themed bond processes | ✓ | Public | ✓ | | | | | | |
| FI 13 | Thematic investing - assessing impact | ✓ | Public | ✓ | | | | | | |
| FI 14 | Integration overview | ✓ | Public | ✓ | | | | | | |
| FI 15 | Integration - ESG information in investment processes | ✓ | Public | ✓ | | | | | | |
| FI 16 | Integration - E,S and G issues reviewed | ✓ | Public | ✓ | | | | | | |
| FI 17 | ESG incorporation in passive funds | 🔒 | n/a | ✓ | | | | | | |
| FI 18 | Engagement overview and coverage | ✓ | Private | | ✓ | | | | | |
| FI 19 | Engagement method | 🔒 | n/a | ✓ | ✓ | | | | | |
| FI 20 | Engagement policy disclosure | 🔒 | n/a | ✓ | ✓ | | | | | |
| FI 21 | Financial/ESG performance | ✓ | Private | | | | | | | ✓ |
| FI 22 | Examples - ESG incorporation or engagement | - | n/a | ✓ | ✓ | | | | | |
| FI 23 | Communications | ✓ | Public | | ✓ | | | | ✓ | |
| FI End | Module confirmation page | ✓ | - | | | | | | | |

Bank Julius Baer & Co. Ltd.

Reported Information

Public version

Organisational Overview

PRI disclaimer

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Basic Information

OO 01

Mandatory

Public

Gateway/Peering

General

OO 01.1

Select the services you offer.

Fund management

% of assets under management (AUM) in ranges

- <10%
- 10-50%
- >50%

Fund of funds, manager of managers, sub-advised products

% of assets under management (AUM) in ranges

- <10%
- 10-50%
- >50%

Other, specify

Execution and advisory services

OO 02

Mandatory

Public

Peering

General

OO 02.1

Select the location of your organisation's headquarters.

Switzerland

OO 02.2

Indicate the number of countries in which you have offices (including your headquarters).

- 1
- 2-5
- 6-10
- >10

OO 02.3

Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

6026

OO 02.4 Additional information. [Optional]

The figure described in OO 02.3 is dated as of 31.12.2016

OO 03 **Mandatory** **Public** **Descriptive** **General**

OO 03.1 Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- Yes
- No

OO 04 **Mandatory** **Public** **Gateway/Peering** **General**

OO 04.1 Indicate the year end date for your reporting year.

31/12/2016

OO 04.2 Indicate your total AUM at the end of your reporting year, excluding subsidiaries you have chosen not to report on.

| | trillions | billions | millions | thousands | hundreds |
|---------------|-----------|----------|----------|-----------|----------|
| Total AUM | | 54 | 904 | 000 | 000 |
| Currency | CHF | | | | |
| Assets in USD | | 54 | 371 | 421 | 870 |

OO 04.4 Additional information. [Optional]

OO04.2 Note: Assets with discretionary mandate

OO 06 **Mandatory** **Public** **Descriptive** **General**

New selection options have been added to this indicator. Please review your prefilled responses carefully.

OO 06.1 How you would like to disclose your asset class mix.

- as percentage breakdown
- as broad ranges

| | Internally managed (%) | Externally managed (%) |
|---------------|------------------------|------------------------|
| Listed equity | 10-50% | <10% |

| | | |
|--------------------|--------|------|
| Fixed income | 10-50% | <10% |
| Private equity | <10% | 0 |
| Property | <10% | <10% |
| Infrastructure | 0 | 0 |
| Commodities | <10% | <10% |
| Hedge funds | 0 | <10% |
| Forestry | 0 | 0 |
| Farmland | 0 | 0 |
| Inclusive finance | 0 | 0 |
| Cash | 10-50% | <10% |
| Other (1), specify | <10% | <10% |
| Other (2), specify | 0 | 0 |

'Other (1)' specified

Structured products, derivatives and other investments which cannot be categorized to the provided asset classes.

OO 06.2

Publish our asset class mix as per attached image [Optional].

Gateway asset class implementation indicators

OO 10

Mandatory

Public

Gateway

General

OO 10.1

Select the direct or indirect ESG incorporation activities your organisation implemented for listed equities in the reporting year.

- We incorporate ESG in our investment decisions on our internally managed assets
- We address ESG incorporation in our external manager selection, appointment and/or monitoring processes
- We do not incorporate ESG in our directly managed listed equity and/or we do not address ESG incorporation in our external manager selection, appointment and/or monitoring processes.

OO 10.2

Select the direct or indirect engagement activities your organisation implemented for listed equity in the reporting year.

- We engage with companies on ESG factors via our staff, collaborations or service providers
- We require our external managers to engage with companies on ESG issues on our behalf
- We do not engage directly and do not require external managers to engage with companies on ESG factors.

Please explain why you do not.

Julius Baer signed the United Nations-supported Principles for Responsible Investment (PRI) Initiative in September 2014, and we are in the process of incorporating the Principles throughout Julius Baer. As a signatory, we are committed to following the PRI guidelines by incorporating ESG metrics into our investment decision-making and ownership practices. The 1st phase of Responsible Investment implementation focuses on internal ESG integration which took place in 2015 and 2016. In 2016, we've completed the internal alignment and preparation for setting up our Active Ownership approach. We will start the engagement activities after setting up internal Active Ownership policy and process.

OO 10.3

Select the direct or indirect voting activities your organisation implemented for listed equity in the reporting year

- We cast our (proxy) votes directly or via dedicated voting providers
- We require our external managers to vote on our behalf
- We do not cast our (proxy) votes directly and do not require external managers to vote on our behalf

OO 10.4

Indicate why you do not cast your votes

- Indicate why you do not cast your votes

Julius Baer signed the United Nations-supported Principles for Responsible Investment (PRI) Initiative in September 2014, and we are in the process of incorporating the Principles throughout Julius Baer. As a signatory, we are committed to following the PRI guidelines by incorporating ESG metrics into our investment decision-making and ownership practices. The 1st phase of Responsible Investment implementation focuses on internal ESG integration which took place in 2015 and 2016. In 2016, we've completed the internal alignment and preparation for setting up our Active Ownership approach. We will start the proxy voting activities after setting up internal Active Ownership policy and process.

- We do not cast our votes but provide substantive research and voting recommendations to our clients.

OO 11**Mandatory****Public****Gateway****General**

OO 11.1

Select the internally managed asset classes in which you addressed ESG incorporation into your investment decisions and/or your active ownership practices (during the reporting year).

- Fixed income - SSA
- Fixed income - corporate (financial)
- Fixed income - corporate (non-financial)
- Private equity
- Property
- Commodities
- Cash
- Other (1)
- None of the above

'Other (1)' [as defined in OO 05]

Structured products, derivatives and other investments which cannot be categorized to the provided asset classes.

OO 11.2

Select the externally managed assets classes where you addressed ESG incorporation and/or active ownership in your external manager selection, appointment and/or monitoring processes (during the reporting year)

- Fixed income - SSA
- Fixed income - corporate (financial)
- Fixed income - corporate (non-financial)
- Property
- Commodities
- Hedge funds
- Cash
- Other (1)
- None of the above

'Other (1)' [as defined in OO 05]

Structured products, derivatives and other investments which cannot be categorized to the provided asset classes.

OO 11.3

Additional information. [Optional]

Julius Baer Fund Solutions conducts in-depth research and analysis for funds to provide the Julius Baer Responsible Investment Fund Rating (Julius Baer RIFR). The Julius Baer RIFR is a rating expressing fund's investment risks and opportunities in terms of environmental, social and governance (ESG). The Julius Baer RIFR is expressed on a seven-point scale ranging from AAA (best) to CCC (worst). The Julius Baer RIFR rating is a combination of two qualitative analysis: 1) fund provider 2) fund strategy. 1) Fund provider analysis assesses our business partners on their financially material risks and opportunities arising from ESG factors. We use MSCI ESG ratings when available. When unavailable, we rely on our in-house Julius Baer questionnaire. 2) Fund strategy analysis assesses the fund manager's investment process regarding the inclusion of ESG factors using our in-house Julius Baer questionnaire.

Bank Julius Baer & Co. Ltd.

Reported Information

Public version

Strategy and Governance

PRI disclaimer

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Investment policy

SG 01

Mandatory

Public

Core Assessed

General

New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 01.1

Indicate if you have an investment policy that covers your responsible investment approach.

Yes

SG 01.2

Indicate the components/types and coverage of your policy.

Select all that apply

| Policy components/types | Coverage by AUM |
|--|--|
| <input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> Formalised guidelines on environmental factors <input checked="" type="checkbox"/> Formalised guidelines on social factors <input checked="" type="checkbox"/> Formalised guidelines on corporate governance factors <input checked="" type="checkbox"/> Asset class-specific RI guidelines <input type="checkbox"/> Sector specific RI guidelines <input checked="" type="checkbox"/> Screening / exclusions policy <input type="checkbox"/> Engagement policy <input type="checkbox"/> (Proxy) voting policy <input type="checkbox"/> Other, specify (1) <input type="checkbox"/> Other, specify(2) | <input type="radio"/> Applicable policies cover all AUM <input checked="" type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM |

SG 01.4

Indicate what norms you have used to develop your investment policy that covers your responsible investment approach.

- UN Global Compact Principles
- UN Guiding Principles on Business and Human Rights
- Universal Declaration of Human Rights
- International Bill of Human Rights
- International Labour Organization Conventions
- United Nations Convention Against Corruption
- OECD Guidelines for Multinational Enterprises
- Other, specify (1)

other (1) description

Principles for Responsible Investment

- Other, specify (2)
- Other, specify (3)
- None of the above
- No

| | | | | |
|-------|-----------|--------|---------------|-------|
| SG 02 | Mandatory | Public | Core Assessed | PRI 6 |
|-------|-----------|--------|---------------|-------|

New selection options have been added to this indicator. Please review your prefilled responses carefully.

| | |
|---------|--|
| SG 02.1 | Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document. |
|---------|--|

Policy setting out your overall approach

| |
|----------------|
| URL/Attachment |
|----------------|

URL

| |
|-----|
| URL |
|-----|

{[hyperlink:http://www.juliusbaer.com/global/en/investment-excellence/investment-approach/julius-baers-investment-approach/](http://www.juliusbaer.com/global/en/investment-excellence/investment-approach/julius-baers-investment-approach/)}

- Attachment (will be made public)
- Formalised guidelines on environmental factors
- Formalised guidelines on social factors
- Formalised guidelines on corporate governance factors
- Asset class-specific RI guidelines
- Screening / exclusions policy
- We do not publicly disclose our investment policy documents

| | |
|---------|------------------------------------|
| SG 02.4 | Additional information [Optional]. |
|---------|------------------------------------|

Responsible Investment considerations - integral part of our investment philosophy

At Julius Baer, we follow an investment approach that expertly mixes assets by taking advantage of both the current investment horizon and decade-long economic developments. We enhance returns through active structuring of the asset allocation according to secular trends and by tactically spotting clues in markets. Taking financial material Environmental, Social and Governance (ESG) risks into consideration further helps to take well-educated decisions and identify the winning companies and sectors of the future.

The Julius Baer Investment Approach consists of three components: secular outlook, understanding market patterns and positioning, and taking financially material ESG risk into consideration (Responsible Investment).

Responsible Investment combines financial assessment with information regarding ESG risks, and is built upon the understanding that key extra-financial factors, such as corporate governance, vulnerability to climate change, water supply stress, product safety and quality, and corruption and instability can have a significant influence on a company's financial success. We are convinced that firms recognising the importance of these factors manage industry-specific risks more efficiently than their competitors, and will be able to report more perennial profitability and creditworthiness. In doing so, the underlying goal is to capture the entire spectrum of risks to achieve what is economically profitable for our clients in the long-run.

| | | | | |
|-------|-----------|--------|---------------|---------|
| SG 03 | Mandatory | Public | Core Assessed | General |
|-------|-----------|--------|---------------|---------|

SG 03.1

Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.

Yes

SG 03.2

Describe your policy on managing potential conflicts of interest in the investment process.

The Conflict Resolution Committee aims to minimize the ESG (Environmental, Social and Governance) risks for the investments of our clients within the investment strategy of Bank Julius Baer & Co. Ltd. and the defined investment universe.

The Conflict Resolution Committee is responsible for defining and implementing the criteria of investment approval for MSCI ESG Research CCC rated or unrated/internally rated instruments; reviewing the approved instruments; and developing a policy with clear decision principles on specific ESG issues to guarantee a consistent decision process.

No

Objectives and strategies

SG 05

Mandatory

Public

Gateway/Core Assessed

General

SG 05.1

Indicate if and how frequently your organisation sets and reviews objectives for its responsible investment activities.

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc basis
- It is not reviewed

Governance and human resources

SG 07

Mandatory

Public

Core Assessed

General

SG 07.1

Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment.

Roles present in your organisation

- Board members or trustees
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Other Chief-level staff or head of department, specify
 - Heads Investment Management & Advisory Solutions**
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Portfolio managers
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Investment analysts
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Dedicated responsible investment staff
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- External managers or service providers
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Investor relations
- Other role, specify (1)
- Other role, specify (2)

SG 07.3

Indicate the number of dedicated responsible investment staff your organisation has.

Number

SG 07.4

Additional information. [Optional]

Julius Baer has a full-time dedicated Responsible Investment (RI) specialist, under the supervision of a part-time RI line manager. In addition, we have mandated 6 members from different business units to form the Conflict Resolution Committee which is responsible for minimizing the ESG risks within the investment strategy of Bank Julius Baer & Co. Ltd. Julius Baer has set up a Responsible Investment Board. The Board is chaired by the Head of Advisory Solutions and with the following members: Head of Investment Management and CIO, Head of Region Switzerland, Head of Region Europe, Head of Corporate Sustainability.

Promoting responsible investment

SG 09

Mandatory

Public

Core Assessed

PRI 4,5

New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 09.1

Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.

Select all that apply

Principles for Responsible Investment

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced
- AFIC – La Commission ESG
- Asian Corporate Governance Association
- Australian Council of Superannuation Investors
- BVCA – Responsible Investment Advisory Board
- CDP Climate Change
- CDP Forests
- CDP Water
- CFA Institute Centre for Financial Market Integrity
- Code for Responsible Investment in SA (CRISA)
- Code for Responsible Finance in the 21st Century
- Council of Institutional Investors (CII)
- ESG Research Australia
- Eumedion
- EVCA – Responsible Investment Roundtable
- Extractive Industries Transparency Initiative (EITI)
- Global Investors Governance Network (GIGN)
- Global Impact Investing Network (GIIN)
- Global Real Estate Sustainability Benchmark (GRESB)
- Green Bond Principles
- Institutional Investors Group on Climate Change (IIGCC)
- Interfaith Center on Corporate Responsibility (ICCR)
- International Corporate Governance Network (ICGN)
- Investor Group on Climate Change, Australia/New Zealand (IGCC)
- International Integrated Reporting Council (IIRC)
- Investor Network on Climate Risk (INCR)/CERES
- Local Authority Pension Fund Forum
- Principles for Sustainable Insurance
- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify
- Responsible Finance Principles in Inclusive Finance
- Shareholder Association for Research and Education (Share)
- United Nations Environmental Program Finance Initiative (UNEP FI)
- United Nations Global Compact
- Other collaborative organisation/initiative, specify
Swiss Sustainable Finance

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced
- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify

SG 10

Mandatory

Public

Core Assessed

PRI 4

SG 10.1

Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

- Yes

SG 10.2

Indicate which of the following actions your organisation has taken to promote responsible investment, independently of collaborative initiatives.

- Provided or supported education or training programmes for clients, investment managers, broker/dealers, investment consultants, legal advisers or other investment organisations
- Provided financial support for academic or industry research on responsible investment
- Encouraged better transparency and disclosure of responsible investment practices across the investment industry
- Spoke publicly at events and conferences to promote responsible investment
- Wrote and published in-house research papers on responsible investment
- Encouraged the adoption of the PRI
- Wrote articles on responsible investment in the media.
- Other, specify

specify description

Julius Baer is the incubator and first-reference client of Morningstar's ESG score for funds.

- No

Implementation not in other modules

SG 12

Mandatory

Public

Descriptive

PRI 1

New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 12.1

Indicate if your organisation executes scenario analysis and/or modelling in which the risk profile of future ESG trends at portfolio level is calculated.

- We execute scenario analysis which includes factors representing the investment impacts of future environmental trends
- We execute scenario analysis which includes factors representing the investment impacts of future social trends
- We execute scenario analysis which includes factors representing the investment impacts of future governance trends
- We execute other scenario analysis, specify
 - In Sustainability Mandate, and Next Generation research
- We do not execute such scenario analysis and/or modelling

SG 12.2

Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.

- We do the following
- We do not consider ESG issues in strategic asset allocation

| | | | | |
|--------------|------------------|---------------|--------------------|----------------|
| SG 15 | Mandatory | Public | Descriptive | General |
|--------------|------------------|---------------|--------------------|----------------|

SG 15.1

Describe how you address ESG issues for internally managed assets for which a specific PRI asset class module has yet to be developed or for which you are not required to report because your assets are below the minimum threshold.

| Asset Class | Describe what processes are in place and the outputs or outcomes achieved |
|--------------------------------|--|
| Listed equity - (proxy) voting | Julius Baer signed the United Nations-supported Principles for Responsible Investment (PRI) Initiative in September 2014, and we are in the process of incorporating the Principles throughout Julius Baer. As a signatory, we are committed to following the PRI guidelines by incorporating ESG metrics into our investment decision-making and ownership practices. The 1st phase of Responsible Investment implementation focuses on internal ESG integration which took place in 2015 and 2016. In 2016, we've completed the internal alignment and preparation for setting up our Active Ownership approach. We will start the proxy voting activities after setting up internal Active Ownership policy and process. |
| Cash | Julius Baer considers investment grade money market instruments a greenfield for Responsible Investment, because the ability to pay back the credit is the utmost financially material factor for investment grade instruments. For corporate money market instruments with high yield credit rating, the issuers' MSCI ESG ratings are used to determine if an instrument is investable for Julius Baer. All the instruments with issuer ESG rating above CCC are investable. If the issuer's ESG rating is CCC, the responsible portfolio manager has to go through the Conflict Resolution Committee to assess whether the issuer is investable based on ESG risks analysis. If the issuer does not have an ESG rating, an internal ESG rating process must be triggered by the respective portfolio manager in order to obtain an ESG rating and identify if the Conflict Resolution Committee approval is needed. |

| | | | | |
|--------------|------------------|---------------|--------------------|----------------|
| SG 16 | Mandatory | Public | Descriptive | General |
|--------------|------------------|---------------|--------------------|----------------|

SG 16.1

Describe how you address ESG issues for externally managed assets for which a specific PRI asset class module has yet to be developed or for which you are not required to report because your assets are below the minimum threshold.

| Asset Class | Describe what processes are in place and the outputs or outcomes achieved |
|--|---|
| Listed equities - ESG incorporation | <p>Julius Baer Fund Solutions conducts in-depth research and analysis for funds to provide the Julius Baer Responsible Investment Fund Rating (Julius Baer RIFR). The Julius Baer RIFR is a rating expressing fund's investment risks and opportunities in terms of environmental, social and governance (ESG). The Julius Baer RIFR is expressed on a seven-point scale ranging from AAA (best) to CCC (worst). The Julius Baer RIFR rating is a combination of two qualitative analysis: 1) fund provider 2) fund strategy. 1) Fund provider analysis assesses our business partners on their financially material risks and opportunities arising from ESG factors. We use MSCI ESG ratings when available. When unavailable, we rely on our in-house Julius Baer questionnaire. 2) Fund strategy analysis assesses the fund manager's investment process regarding the inclusion of ESG factors using our in-house Julius Baer questionnaire.</p> |
| Fixed income - Corporate (financial) | <p>Julius Baer Fund Solutions conducts in-depth research and analysis for funds to provide the Julius Baer Responsible Investment Fund Rating (Julius Baer RIFR). The Julius Baer RIFR is a rating expressing fund's investment risks and opportunities in terms of environmental, social and governance (ESG). The Julius Baer RIFR is expressed on a seven-point scale ranging from AAA (best) to CCC (worst). The Julius Baer RIFR rating is a combination of two qualitative analysis: 1) fund provider 2) fund strategy. 1) Fund provider analysis assesses our business partners on their financially material risks and opportunities arising from ESG factors. We use MSCI ESG ratings when available. When unavailable, we rely on our in-house Julius Baer questionnaire. 2) Fund strategy analysis assesses the fund manager's investment process regarding the inclusion of ESG factors using our in-house Julius Baer questionnaire.</p> |
| Fixed income - Corporate (non-financial) | <p>Julius Baer Fund Solutions conducts in-depth research and analysis for funds to provide the Julius Baer Responsible Investment Fund Rating (Julius Baer RIFR). The Julius Baer RIFR is a rating expressing fund's investment risks and opportunities in terms of environmental, social and governance (ESG). The Julius Baer RIFR is expressed on a seven-point scale ranging from AAA (best) to CCC (worst). The Julius Baer RIFR rating is a combination of two qualitative analysis: 1) fund provider 2) fund strategy. 1) Fund provider analysis assesses our business partners on their financially material risks and opportunities arising from ESG factors. We use MSCI ESG ratings when available. When unavailable, we rely on our in-house Julius Baer questionnaire. 2) Fund strategy analysis assesses the fund manager's investment process regarding the inclusion of ESG factors using our in-house Julius Baer questionnaire.</p> |
| Cash | <p>Julius Baer Fund Solutions conducts in-depth research and analysis for funds to provide the Julius Baer Responsible Investment Fund Rating (Julius Baer RIFR). The Julius Baer RIFR is a rating expressing fund's investment risks and opportunities in terms of environmental, social and governance (ESG). The Julius Baer RIFR is expressed on a seven-point scale ranging from AAA (best) to CCC (worst). The Julius Baer RIFR rating is a combination of two qualitative analysis: 1) fund provider 2) fund strategy. 1) Fund provider analysis assesses our business partners on their financially material risks and opportunities arising from ESG factors. We use MSCI ESG ratings when available. When unavailable, we rely on our in-house Julius Baer questionnaire. 2) Fund strategy analysis assesses the fund manager's investment process regarding the inclusion of ESG factors using our in-house Julius Baer questionnaire.</p> |

Bank Julius Baer & Co. Ltd.

Reported Information

Public version

Direct - Listed Equity Incorporation

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

ESG incorporation in actively managed listed equities

Implementation processes

| | | | | |
|--------|-----------|--------|---------|-------|
| LEI 03 | Mandatory | Public | Gateway | PRI 1 |
|--------|-----------|--------|---------|-------|

New selection options have been added to this indicator. Please review your prefilled responses carefully.

| | |
|-----------------|--|
| LEI 03.1 | Indicate (1) which ESG incorporation strategy and/or combination of strategies you apply to your actively managed listed equities and (2) the breakdown of your actively managed listed equities by strategy or combination of strategies (+/- 5%) |
|-----------------|--|

ESG incorporation strategy (select all that apply)

- Screening alone (i.e. not combined with any other strategies)
- Thematic alone (i.e. not combined with any other strategies)
- Integration alone (i.e. not combined with any other strategies)
- Screening and Integration strategies
- Thematic and integration strategies
- Screening and thematic strategies
- All three strategies combined

| | |
|---|-----|
| Percentage of active listed equity to which the strategy is applied | |
| | 100 |

- We do not apply incorporation strategies

Total actively managed listed equities

100%

LEI 03.2

Describe your organisation's approach to incorporation and the reasons for choosing the particular ESG incorporation strategy/strategies.

Responsible Investment ensures Julius Baer's overall investment process takes financial material Environmental, Social and Governance (ESG) risks into consideration in order to achieve long-term economic benefits for our clients, and raise awareness and transparency of these risks.

Responsible Investment combines financial assessment with information regarding ESG risks, and is built upon the understanding that key extra-financial factors, such as corporate governance, vulnerability to climate change, water supply stress, product safety and quality, and corruption and instability can have a significant influence on a company's financial success. We are convinced that firms recognising the importance of these factors manage industry-specific risks more efficiently than their competitors, and will be able to report more perennial profitability and creditworthiness. In doing so, the underlying goal is to capture the entire spectrum of risks to achieve what is economically profitable for our clients in the long-run.

Aiming to minimise ESG risks in the investments of our clients, Julius Baer uses company ESG ratings to assist research analysts, portfolio managers and investment advisors to identify financial material ESG risks in the

investment process. Julius Baer takes an inclusive approach by actively screening our investment universe and challenging companies with the lowest ESG ratings, in order to fully understand the entailed ESG risks in addition to traditional financial analyses. Julius Baer has set up a Responsible Investment Board to ensure governance of this integration.

In addition, Julius Baer strongly believes in the importance of sustainable investment. We aim to offer our clients a diversified portfolio of sustainable investments in various asset classes and currencies in line with their individual requirements. Julius Baer introduced a dedicated sustainability mandate over ten years ago, highlighting a longstanding dedication to sustainable investment. As a specific sub-category of our discretionary management offering, the sustainability mandate also applies the best-in-class filter in addition to the ESG integration. It offers our clients the possibility to participate in a globally diversified universe of forward-thinking, responsible and innovative companies. The top 30% companies related to each sub-sector become part of the investable universe. The investments are made according to themes, specifically addressing the relevant challenges of the near future, such as energy efficiency, education, mobility, biodiversity or water.

(A) Implementation: Screening

| | | | | |
|--------|-----------|--------|-------------|-------|
| LEI 06 | Mandatory | Public | Descriptive | PRI 1 |
|--------|-----------|--------|-------------|-------|

| | |
|----------|--|
| LEI 06.1 | Indicate and describe the type of screening you apply to your internally managed active listed equities. |
|----------|--|

Type of screening

- Negative/exclusionary screening

Screened by

- Product
- Activity
- Sector
- Country/geographic region
- Environmental and social practices and performance
- Corporate governance

Description

Julius Baer's sustainability mandate applies weapon, nuclear and human right violations screening for internally managed active listed equities.

- Positive/best-in-class screening

Screened by

- Product
- Activity
- Sector
- Country/geographic region
- Environmental and social practices and performance
- Corporate governance

| | |
|--|-------------|
| | Description |
|--|-------------|

Julius Baer's sustainability mandate only selects the top 30% ESG performers in each sector for internally managed active listed equities.

Norms-based screening

| | |
|-----------------|---|
| LEI 06.2 | Describe how the screening criteria are established, how often the criteria are reviewed and how you notify clients and/or beneficiaries when changes are made. |
|-----------------|---|

The screening criteria are established in collaboration with external partners. In principle the criteria are reviewed annually, and ad-hoc review is conducted in case of major controversies. Client and beneficiaries can access relevant information through our dedicated website, but there's no active communication in terms of ESG to our clients yet.

| | | | | |
|---------------|------------------|---------------|----------------------|--------------|
| LEI 07 | Mandatory | Public | Core Assessed | PRI 1 |
|---------------|------------------|---------------|----------------------|--------------|

| | |
|-----------------|--|
| LEI 07.1 | Indicate which processes your organisation uses to ensure screening is based on robust analysis. |
|-----------------|--|

- Comprehensive ESG research is undertaken or sourced to determine companies' activities and products.
- Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- External research and data used to identify companies to be excluded/included is subject to internal audit by ESG/RI staff, the internal audit function or similar
- Company ESG information/ratings are updated regularly to ensure that portfolio holdings comply with fund policies
- A committee or body with representatives independent of the individuals who conduct company research reviews some or all screening decisions
- A periodic review of the quality of the research undertaken or provided is carried out
- Other, specify
- None of the above

(B) Implementation: Thematic

| | | | | |
|---------------|------------------|---------------|--------------------|--------------|
| LEI 09 | Mandatory | Public | Descriptive | PRI 1 |
|---------------|------------------|---------------|--------------------|--------------|

| | |
|-----------------|---|
| LEI 09.1 | Indicate the type of sustainability thematic funds or mandates your organisation manages. |
|-----------------|---|

- Environmentally themed funds
- Socially themed funds
- Combination of themes

(C) Implementation: Integration of ESG issues

| | | | | |
|---------------|------------------|---------------|----------------------|--------------|
| LEI 10 | Mandatory | Public | Core Assessed | PRI 1 |
|---------------|------------------|---------------|----------------------|--------------|

LEI 10.1

Indicate if E, S and G issues are reviewed while researching companies and/or sectors in active strategies.

| ESG issues | Coverage/extent of review on these issues |
|----------------------|---|
| Environmental | <div style="background-color: #0070C0; color: white; padding: 2px; display: flex; align-items: center;"> Environmental </div> <p><input checked="" type="radio"/> We systematically review the potential significance of environmental issues and investigate them accordingly</p> <p><input type="radio"/> We occasionally review the potential significance of environmental issues and investigate them accordingly</p> <p><input type="radio"/> We do not review environmental issues</p> |
| Social | <div style="background-color: #0070C0; color: white; padding: 2px; display: flex; align-items: center;"> Social </div> <p><input checked="" type="radio"/> We systematically review the potential significance of social issues and investigate them accordingly</p> <p><input type="radio"/> We occasionally review the potential significance of social issues and investigate them accordingly</p> <p><input type="radio"/> We do not review social issues</p> |
| Corporate Governance | <div style="background-color: #0070C0; color: white; padding: 2px; display: flex; align-items: center;"> Corporate Governance </div> <p><input checked="" type="radio"/> We systematically review the potential significance of corporate governance issues and investigate them accordingly</p> <p><input type="radio"/> We occasionally review the potential significance of corporate governance issues and investigate them accordingly</p> <p><input type="radio"/> We do not review corporate governance issues</p> |

Communication

LEI 17**Mandatory****Public****Core Assessed****PRI 2,6****LEI 17.1**

Indicate if your organisation proactively discloses information on your approach to ESG incorporation in listed equity.

- We disclose it publicly
- We disclose it to clients and/or beneficiaries only

LEI 17.5

Indicate the information your organisation proactively discloses to clients/ beneficiaries regarding your approach to ESG incorporation.

- Broad approach to ESG incorporation
- Detailed explanation of ESG incorporation strategy used

LEI 17.6

Indicate how frequently you typically report this information.

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc/when requested
- We do not proactively disclose it to the public and/or clients/beneficiaries

Bank Julius Baer & Co. Ltd.

Reported Information

Public version

Direct - Fixed Income

PRI disclaimer

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ESG incorporation in actively managed fixed income

Implementation processes

| FI 04 | Mandatory | Public | Gateway | PRI 1 |
|---------|---|--------|---------|-------|
| FI 04.1 | Indicate 1) Which ESG incorporation strategy and/or combination of strategies you apply to your actively managed fixed income investments; and 2) The proportion (+/- 5%) of your total actively managed fixed income investments each strategy applies to. | | | |

| | | |
|---------------------------|-------------------------------------|------|
| Corporate (financial) | Screening alone | 0 |
| | Thematic alone | 0 |
| | Integration alone | 0 |
| | Screening + integration strategies | 0 |
| | Thematic + integration strategies | 0 |
| | Screening + thematic strategies | 0 |
| | All three strategies combined | 100 |
| | No incorporation strategies applied | 0 |
| | | 100% |
| Corporate (non-financial) | Screening alone | 0 |
| | Thematic alone | 0 |
| | Integration alone | 0 |
| | Screening + integration strategies | 0 |

| | | |
|--|-------------------------------------|------|
| | Thematic + integration strategies | 0 |
| | Screening + thematic strategies | 0 |
| | All three strategies combined | 100 |
| | No incorporation strategies applied | 0 |
| | | 100% |

FI 04.2 Describe your reasons for choosing a particular ESG incorporation strategy and how combinations of strategies are used.

Responsible Investment ensures Julius Baer's overall investment process takes financial material Environmental, Social and Governance (ESG) risks into consideration in order to achieve long-term economic benefits for our clients, and raise awareness and transparency of these risks.

In addition, we aim to offer our clients a diversified portfolio of sustainable investments in various asset classes and currencies in line with their individual requirements. As a specific sub-category of our discretionary management offering, the sustainability mandate also applies the best-in-class filter in addition to the ESG integration. It offers our clients the possibility to participate in a globally diversified universe of forward-thinking, responsible and innovative companies. The top 30% companies related to each sub-sector become part of the investable universe. The investments are made according to themes, specifically addressing the relevant challenges of the near future, such as energy efficiency, education, mobility, biodiversity or water.

| | | | | |
|--------------|------------------|---------------|----------------------------|--------------|
| FI 06 | Mandatory | Public | Additional Assessed | PRI 1 |
|--------------|------------------|---------------|----------------------------|--------------|

FI 06.1 Indicate how you ensure that your ESG research process is robust:

- Issuers are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- Issuer information and/or ESG ratings are updated regularly to ensure ESG research is accurate
- Internal audits of ESG research are undertaken in a systematic way
- ESG analysis is benchmarked for quality against other providers
- Other, specify
- None of the above

FI 06.2 Describe how your ESG information or analysis is shared among your investment team.

- ESG information is held within a centralised database and is accessible to all investment staff
- ESG information is a standard item on all individual issuer summaries, 'tear sheets', 'dashboards' or similar documents
- Investment staff are required to discuss ESG information on issuers as a standard item during investment committee meetings
- Records capture how ESG information and research was incorporated into investment decisions
- Other, specify
- None of the above

(A) Implementation: Screening

FI 07 **Mandatory** **Public** **Gateway** **PRI 1**

FI 07.1 Indicate the type of screening you conduct.

Select all that apply

| | Corporate (financial) | Corporate (non-financial) | |
|----------------------------------|-------------------------------------|-------------------------------------|--|
| Negative/exclusionary screening | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | |
| Positive/best-in-class screening | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | |
| Norms-based screening | <input type="checkbox"/> | <input type="checkbox"/> | |

FI 07.2 Describe your approach to screening for internally managed active fixed income

Julius Baer's sustainability mandate applies weapon and nuclear screening and only selects the top 30% ESG performers for internally managed active fixed income investment.

FI 08 **Mandatory** **Public** **Descriptive** **PRI 1**

Corporate (financial)

Corporate (fin)

- For legal reasons
- For non-legal reasons

Corporate (non-financial)

Corporate (non-fin)

- For legal reasons
- For non-legal reasons

FI 08.2 Describe your approach to ESG-based negative screening of issuers from your investable universe.

The following types of company are excluded from the sustainability mandate universe: 1) companies that manufacture strategic elements or complete solutions for nuclear weapons systems; 2) manufacturers of complete weapons systems; 3) owners or operators of nuclear power plants

FI 10 **Mandatory** **Public** **Core Assessed** **PRI 1**

FI 10.1 Indicate which systems your organisation has to ensure that fund screening criteria are not breached in fixed income investments.

| Type of screening | Checks |
|---|--|
| Negative/exclusionary screening? | <input checked="" type="checkbox"/> Checks are performed to ensure that issuers meet screening criteria <input checked="" type="checkbox"/> Data used for the screening criteria is updated at least every 2 years <input type="checkbox"/> Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria <input checked="" type="checkbox"/> Audits of fund holdings are undertaken regularly by internal audit or compliance functions <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above |
| Positive/best-in-class screening | <input checked="" type="checkbox"/> Checks are performed to ensure that issuers meet screening criteria <input checked="" type="checkbox"/> Data used for the screening criteria is updated at least every 2 years <input type="checkbox"/> Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria <input type="checkbox"/> Audits of fund holdings are undertaken regularly by internal audit or compliance functions <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above |

(B) Implementation: Thematic

FI 12 **Mandatory** **Public** **Core Assessed** **PRI 1**

| | |
|----------------|--|
| FI 12.1 | Indicate whether you encourage transparency and disclosure relating to the issuance of themed bonds as per the Green Bonds Principles: |
|----------------|--|

- We require that themed bond proceeds are only allocated to environmentally or socially beneficial projects
- We require the issuer (or 3rd party assurer) to demonstrate a process which determines the eligibility of projects to which themed bond proceeds are allocated
- We require issuers to demonstrate a systematic and transparent process of disbursing themed bond proceeds to eligible projects until all funds are allocated
- We require issuers to report at least once per year on the projects to which proceeds have been allocated including a description of those projects
- Other, specify
- None of the above

| | |
|----------------|--|
| FI 12.2 | Describe the actions you take when issuers do not disburse bond proceeds as described in the offering documents. |
|----------------|--|

We have not encountered any such issues, as transparency is hugely improved in the green bond market.

| | | | | |
|--------------|------------------|---------------|----------------------------|--------------|
| FI 13 | Mandatory | Public | Additional Assessed | PRI 1 |
|--------------|------------------|---------------|----------------------------|--------------|

| | |
|----------------|---|
| FI 13.1 | Indicate how you assess the environmental or social impact of your thematic investments |
|----------------|---|

- We require issuers to report at least once per year on specific environmental or social impacts resulting from our themed investments
- We ensure independent audits are conducted on the environmental or social impact of our investments
- We have a proprietary system to measure environmental and social impact
- We measure the impact of our themed bond investments on specific ESG factors such as carbon emissions or human rights
- Other, specify
- None of the above

(C) Implementation: Integration

| | | | | |
|--------------|------------------|---------------|--------------------|--------------|
| FI 14 | Mandatory | Public | Descriptive | PRI 1 |
|--------------|------------------|---------------|--------------------|--------------|

| | |
|----------------|--|
| FI 14.1 | Describe your approach to integrating ESG into traditional financial analysis. |
|----------------|--|

Responsible Investment ensures Julius Baer's overall investment process takes financial material Environmental, Social and Governance (ESG) risks into consideration in order to achieve long-term economic benefits for our clients, and raise awareness and transparency of these risks.

Responsible Investment combines financial assessment with information regarding ESG risks, and is built upon the understanding that key extra-financial factors, such as corporate governance, vulnerability to climate change, water supply stress, product safety and quality, and corruption and instability can have a significant influence on a company's financial success. We are convinced that firms recognising the importance of these factors manage industry-specific risks more efficiently than their competitors, and will be able to report more perennial profitability and creditworthiness. In doing so, the underlying goal is to capture the entire spectrum of risks to achieve what is economically profitable for our clients in the long-run.

Aiming to minimise ESG risks in the investments of our clients, Julius Baer uses company ESG ratings to assist research analysts, portfolio managers and investment advisors to identify financial material ESG risks in the investment process. Julius Baer takes an inclusive approach by actively screening our investment universe and

challenging companies with the lowest ESG ratings, in order to fully understand the entailed ESG risks in addition to traditional financial analyses. Julius Baer has set up a Responsible Investment Board to ensure governance of this integration.

Corporate (financial)

Julius Baer does not differentiate fixed income between Corporate (financial) and Corporate (non-financial) in the Responsible Investment approach. We consider fixed income investment grade a greenfield for Responsible Investment, because the ability to pay back the credit is the utmost financially material factor for investment grade fixed income. For corporate fixed income instruments with high yield credit rating, the issuers' MSCI ESG ratings are used to determine if an instrument is investable for Julius Baer. All the instruments with issuer ESG rating above CCC are investable. If the issuer's ESG rating is CCC, the responsible portfolio manager has to go through the Conflict Resolution Committee to assess whether the issuer is investable based on ESG risks analysis. If the issuer does not have an ESG rating, an internal ESG rating process must be triggered by the respective portfolio manager in order to obtain an ESG rating and identify if the Conflict Resolution Committee approval is needed.

Corporate (non-financial)

Julius Baer does not differentiate fixed income between Corporate (financial) and Corporate (non-financial) in the Responsible Investment approach. We consider fixed income investment grade a greenfield for Responsible Investment, because the ability to pay back the credit is the utmost financially material factor for investment grade fixed income. For corporate fixed income instruments with high yield credit rating, the issuers' MSCI ESG ratings are used to determine if an instrument is investable for Julius Baer. All the instruments with issuer ESG rating above CCC are investable. If the issuer's ESG rating is CCC, the responsible portfolio manager has to go through the Conflict Resolution Committee to assess whether the issuer is investable based on ESG risks analysis. If the issuer does not have an ESG rating, an internal ESG rating process must be triggered by the respective portfolio manager in order to obtain an ESG rating and identify if the Conflict Resolution Committee approval is needed.

| | | | | |
|--------------|------------------|---------------|----------------------|--------------|
| FI 15 | Mandatory | Public | Core Assessed | PRI 1 |
|--------------|------------------|---------------|----------------------|--------------|

FI 15.1 Indicate how ESG information is typically used as part of your investment process.

Select all that apply

| | Corporate (financial) | Corporate (non-financial) | |
|---|-------------------------------------|-------------------------------------|--|
| ESG analysis is integrated into fundamental analysis | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | |
| ESG analysis is integrated into security weighting decisions | <input type="checkbox"/> | <input type="checkbox"/> | |
| ESG analysis is integrated into portfolio construction decisions | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | |
| ESG analysis is a standard part of internal credit ratings or assessment | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | |
| ESG analysis for issuers is a standard agenda item at investment committee meetings | <input type="checkbox"/> | <input type="checkbox"/> | |
| ESG analysis is regularly featured in internal research notes or similar | <input type="checkbox"/> | <input type="checkbox"/> | |
| ESG analysis is a standard feature of ongoing portfolio monitoring | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | |
| ESG analysis features in all internal issuer summaries or similar documents | <input type="checkbox"/> | <input type="checkbox"/> | |
| Other, specify | <input type="checkbox"/> | <input type="checkbox"/> | |

| | | | | |
|-------|-----------|--------|---------------------|-------|
| FI 16 | Mandatory | Public | Additional Assessed | PRI 1 |
|-------|-----------|--------|---------------------|-------|

FI 16.1 Indicate the extent to which ESG issues are reviewed in your integration process.

| | Environment | Social | Governance |
|---------------------------|---|--|--|
| Corporate (financial) | <div style="background-color: #0072bc; color: white; padding: 2px;">Environmental</div> <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all | <div style="background-color: #0072bc; color: white; padding: 2px;">Social</div> <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all | <div style="background-color: #0072bc; color: white; padding: 2px;">Governance</div> <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all |
| Corporate (non-financial) | <div style="background-color: #0072bc; color: white; padding: 2px;">Environmental</div> <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all | <div style="background-color: #0072bc; color: white; padding: 2px;">Social</div> <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all | <div style="background-color: #0072bc; color: white; padding: 2px;">Governance</div> <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all |

Corporate (financial)

At Julius Baer we conduct an annual ESG rating review of companies in our investment universe that has been approved by the Conflict Resolution Committee or internally rated, and an ad-hoc review is conducted in case of major controversies. The review criteria are established in collaboration with external partners.

Corporate (non-financial)

At Julius Baer we conduct an annual ESG rating review of companies in our investment universe that has been approved by the Conflict Resolution Committee or internally rated, and an ad-hoc review is conducted in case of major controversies. The review criteria are established in collaboration with external partners.

Communication

FI 23

Mandatory

Public

Core Assessed

PRI 2,6

FI 23.1

Indicate if your organisation proactively discloses information on your approach to RI across all of your fixed income investments.

- We disclose it publicly
- We disclose it to clients and/or beneficiaries only

FI 23.5

Indicate the information your organisation proactively discloses to clients/ beneficiaries regarding your approach to RI incorporation.

- Broad approach to RI incorporation
- Detailed explanation of RI incorporation strategy used

FI 23.6

Indicate how frequently you typically report this information.

- Quarterly or more frequently
 - Biannually
 - Annually
 - Less frequently than annually
 - Ad-hoc/when requested
- We do not proactively disclose it to the public and/or clients/beneficiaries