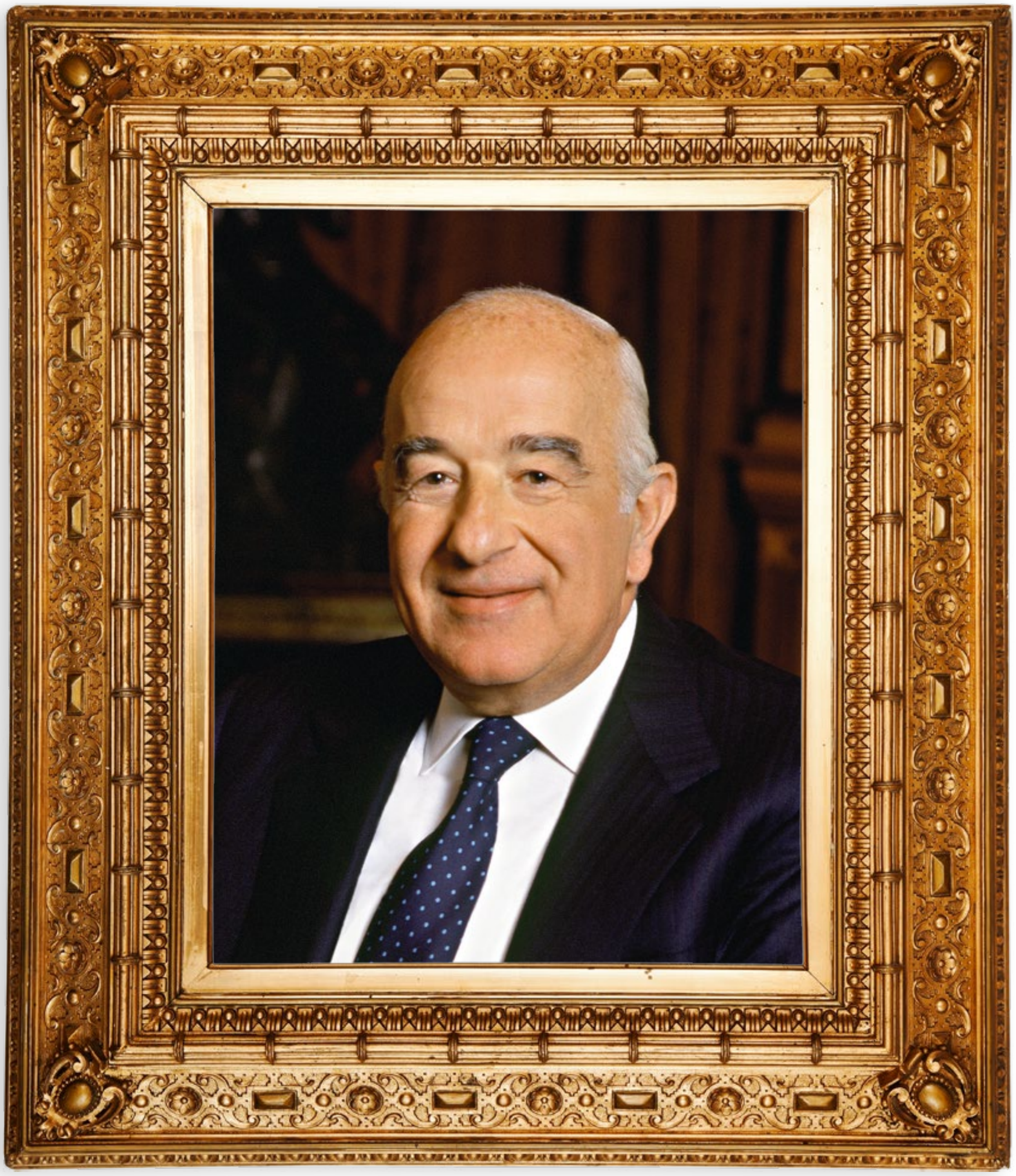
J. Safra Sarasin

Annual Report 2023

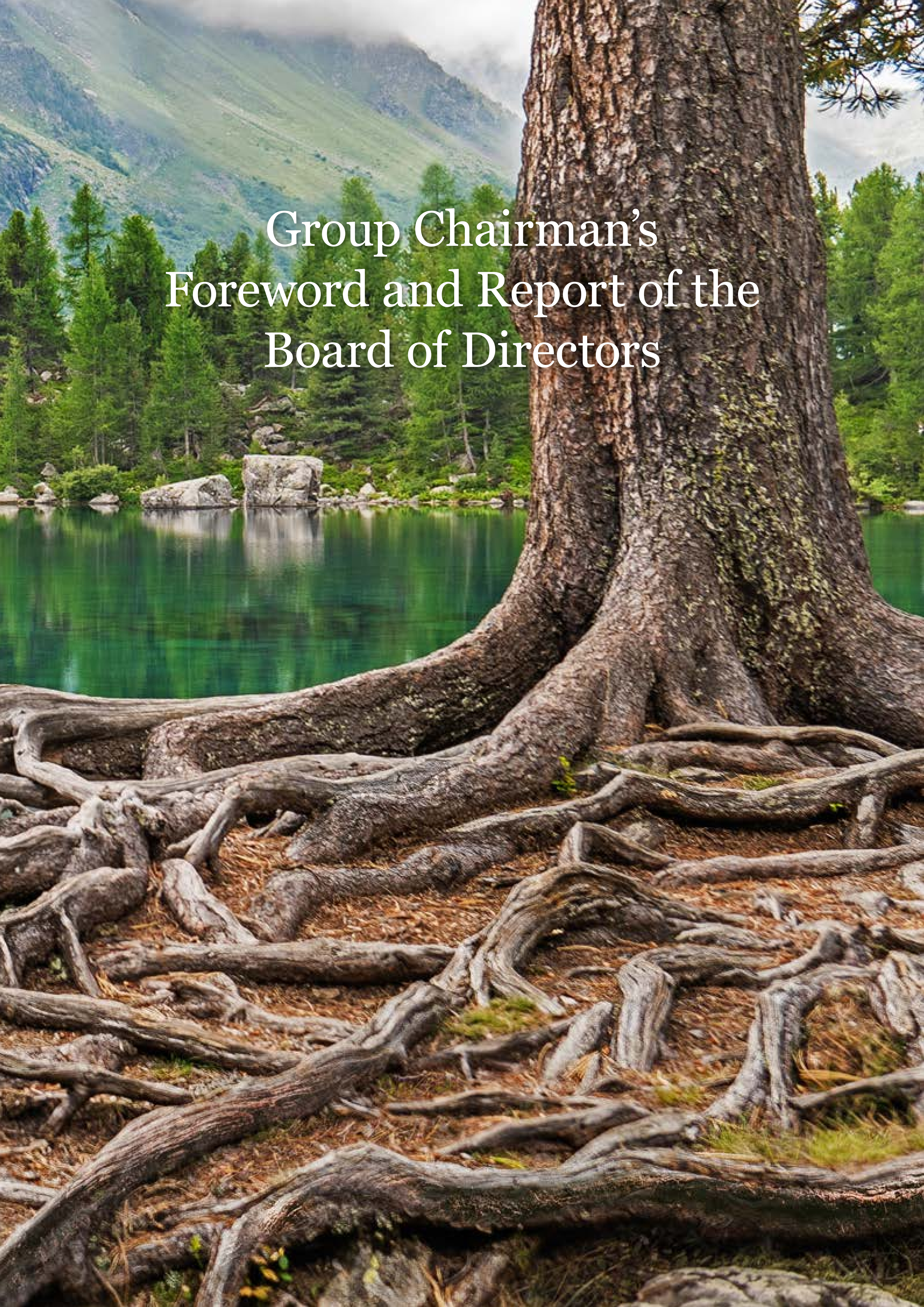
Sustainable Swiss Private Banking since 1841



"Every bank is like a child –
you have to nurture it
so it is able to grow and thrive."

Joseph Safra (1938 – 2020)

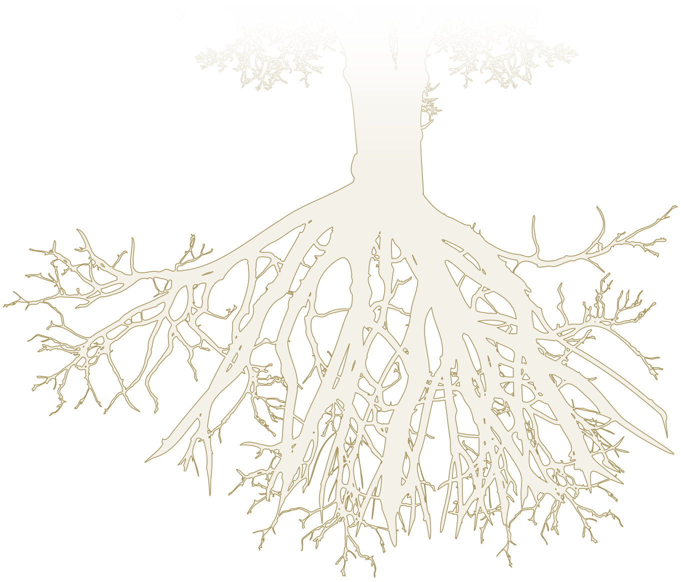
Group Chairman's Foreword and Report of the Board of Directors



Group Chairman's Foreword & Report of the Board of Directors

Welcome to the Annual Report 2023 of J. Safra Sarasin Group. We are pleased to announce that the Group delivered another year of robust performance – a testament to the vitality of its core business, which is characterised by prudence and financial discipline. We find ourselves standing firm as one of Switzerland's leading banking groups.

As we review the events of 2023, we take pride in the Group's resilience and ability to thrive in the face of persistent external challenges. Adapting to a complex economic and market environment marked by global conflicts, rising inflation and market volatility, we remain confident in our ability to consistently deliver an exceptional service to our clients. We have recorded a strong increase in operating profit, fuelled by net new money inflows and rising global interest rates, underscoring our longstanding reputation as a steadfast partner and a secure haven for our clients and their assets.



An approach based on reliability and long-term thinking

At the very core of our principles is our resolve to having a forward-thinking perspective. As a family-oriented business we are aware that to ensure the continued financial well-being of our clients over generations we must always keep sight of the long-term trends that will shape the future. This means embracing a strategic way of thinking in which we meticulously manage risks and opportunities, ensuring decisions align seamlessly with the financial aspirations of those we serve.

Client-focused wealth management

Our risk management approach is not just caution; it is a bold commitment, a testament to our ambition as dedicated stewards of our clients' wealth. Infused with a culture of entrepreneurship, the Group has a philosophy of personal accountability that not only bolsters the overall work ethic of its staff but also contributes to its resilience. Aligned with our clients' priorities, we tailor our wealth management approach to ensure a personalised and client-centric experience. Rooted in our heritage, we not only strengthen our reputation for stability but also strategically position ourselves to pursue valuable opportunities. Staying true to our role as a dependable partner highlights our skills in managing uncertainties and exercising sound judgment while remaining committed to the enduring values of preserving wealth for the next generation.

Pioneering sustainable wealth and asset management

Finance has a role to play in shaping a more sustainable future, and J. Safra Sarasin Group has long been a pioneer in devising sustainability policies and integrating them into concrete actions. This commitment originates from 1986, when a fire at a Basel-based pharmaceutical facility caused a hazardous chemical spill into the Rhine River. This was the catalyst for the Group's consideration of environmental, social and governance (ESG) factors. Our claim of being a sustainable Swiss private banking is not a mere assertion; it is a tangible, concrete commitment with 35 years of expertise in sustainable investments. We champion the adoption of differentiated solutions, advocate for complete transparency and maintain sustainability policies that lead to clear and measurable impact. The efforts of the Group's Corporate Sustainability Board and ESG Committee have been pivotal in fortifying its corporate sustainability and sustainable investment strategy, underscoring the importance of transparent sustainability policies.

Sustained momentum in 2023

Operating income rose by 20.4% to CHF 1.7 billion in 2023 compared to 1.4 billion in 2022 with a record net interest margin.

Operating expenses reached CHF 801.9 million in 2023 against CHF 753.2 million in 2022. This increase reflects our continuous efforts to strengthen the Group's client offering, which remains a high priority, including the hiring of new teams within private banking and asset management as well as in support functions to reinforce the expansion of the Group's activities.

The Group's net profit rose steadily by 6.9% to CHF 470.3 million for the year 2023, up from CHF 440.2 million in 2022.

The consolidated balance sheet at 31 December 2023 decreased to CHF 42.5 billion. The Group's liquid assets, held with different central banks, remained stable at CHF 15.0 billion at the end of 2023.

The Group remains strongly capitalised with shareholders' equity of CHF 5.8 billion and a CET1 ratio of 47.0% at the end of the year. Standard and Poor's continues to rate the Group as "A" for long-term and "A-1" for short-term counterparty credit.

With net new money inflows of CHF 7.4 billion for the year and positive market performance, client assets under management reached CHF 204.3 billion.

Total headcount (full-time equivalents) increased to 2,503 at the end of 2023, up by 3.2% from 2,425 a year ago.

The Group operates in more than 30 locations worldwide. In 2023, in line with the Group's strategy to strengthen its presence in key markets, we opened a new branch in Paris, focusing on private banking and institutional clients domiciled in France, and another branch in Baden (Switzerland), serving individuals, families and institutions in the region.

Outlook for 2024

We are now embarking on the next phase of the disinflation journey, one that should see central banks strive to align inflation rates with their targets. This is likely to be an increasingly complex challenge and will involve further curbing inflation in essential services, which are primarily shaped by the dynamics of the labour market. The persistently stringent monetary stance is expected to continue its influence on the economy, leading to a further slowdown in activity. Forecasts suggest an additional deceleration in the US economy, fostering a more balanced labour market.

We continue to monitor the major technological developments that are transforming and shaping global trends across sectors, particularly in the case of artificial intelligence (AI). Its multi-faceted applications may eventually reshape the investment landscape, unlock investment opportunities in new sectors, alter the value of traditional industries, influence global economic power balances and create new market trends in combination with other forms of disruptive technologies.

Despite the challenges at hand, the Group's unique set of values, diversified offering and solid financial position make it well equipped to continue its pursuit for excellence. Our robust balance sheet gives us complete confidence in our ability to weather any headwinds. We are committed to our core values of stability, trust, solidity, discretion, efficiency and sustainability and will continue to invest in our staff and technology to meet the evolving needs of our clients. We wish to recognise the efforts and ongoing dedication of all our employees as we work together to achieve our long-term goals. We are also deeply grateful for the continued confidence and support of our clients.

We are determined to transform the coming years into avenues for progress and positive evolution, while staying true to our values, traditions and pioneering spirit. We strive to honour the trust our clients have placed in us, year after year, generation after generation, and we are proud to stand at their side again in 2024.

Jacob J. Safra
Chairman of the Board of Directors
J. Safra Sarasin Holding Ltd.

Consolidated Key Data

Consolidated income statement	2023 CHF 000	2022 CHF 000
Operating income	1,735,908	1,441,497
Operating expenses	–801,972	–753,222
Consolidated profit	**470,329**	**440,159**

Consolidated balance sheet	31.12.2023 CHF 000	31.12.2022 CHF 000
Total assets	42,487,705	45,620,342
Due from customers	10,471,962	12,463,861
Due to customers	31,344,222	33,942,729
Equity	**5,757,234**	**6,187,870**

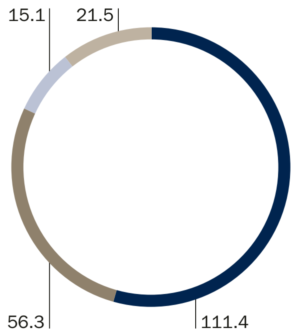
Ratios	2023	2022
Cost-income ratio	46.2%	52.3%
CET1 ratio	47.0%	44.1%

Assets under management	31.12.2023 CHF million	31.12.2022 CHF million
Assets under management	204,262	197,937

Headcount (full-time equivalents)	31.12.2023	31.12.2022
Consolidated headcount	2,503	2,425

Assets under management by booking centre

(CHF billion) **31.12.2023**

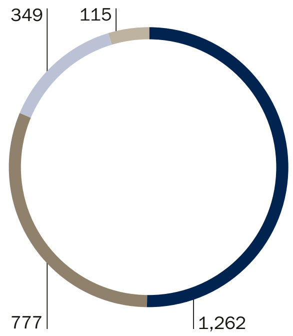


Total 204.3

- Switzerland
- Europe (excluding Switzerland)
- Asia
- Other

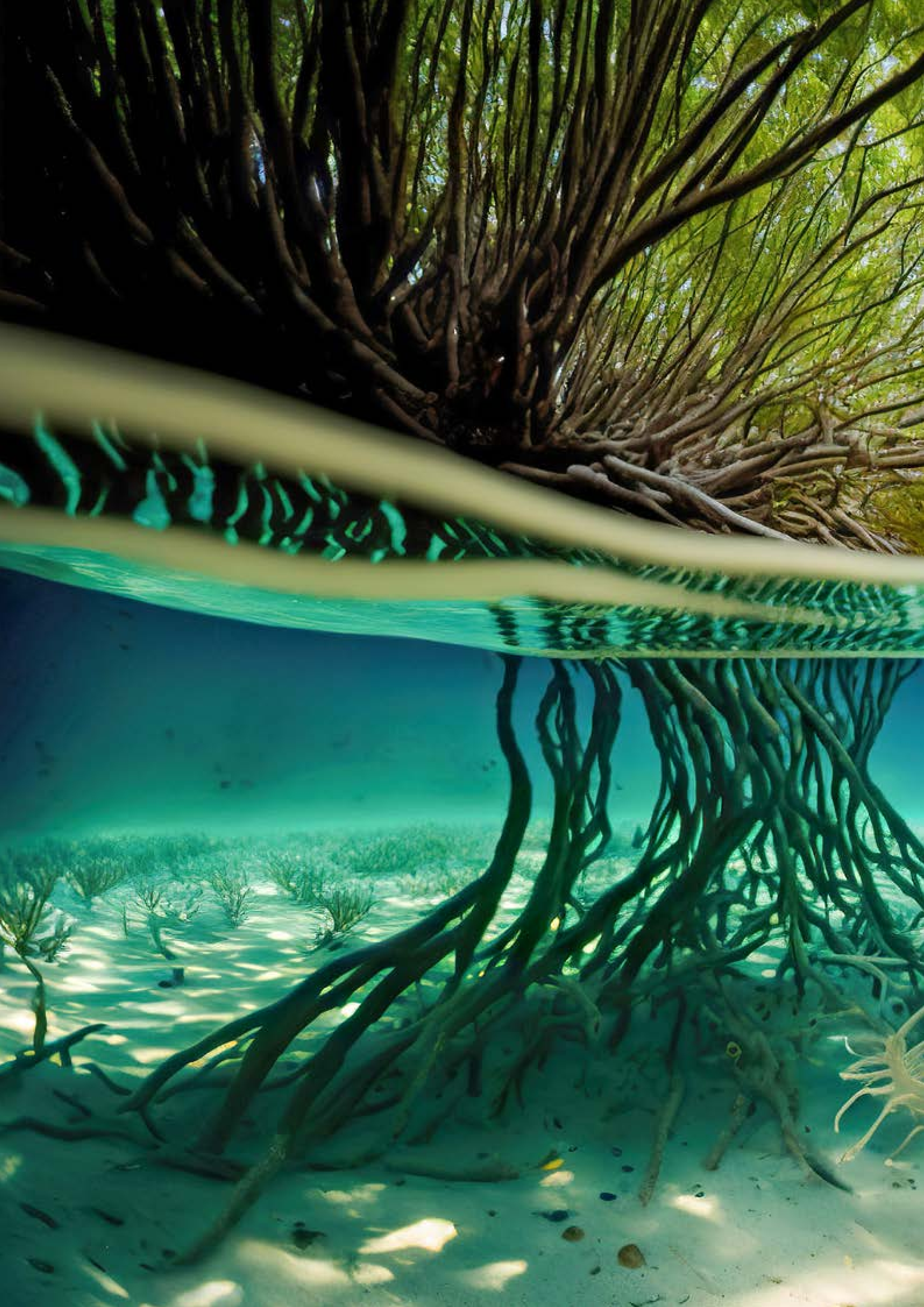
Headcount by location

(full-time equivalents) **31.12.2023**



Total 2,503

- Switzerland
- Europe (excluding Switzerland)
- Asia
- Other

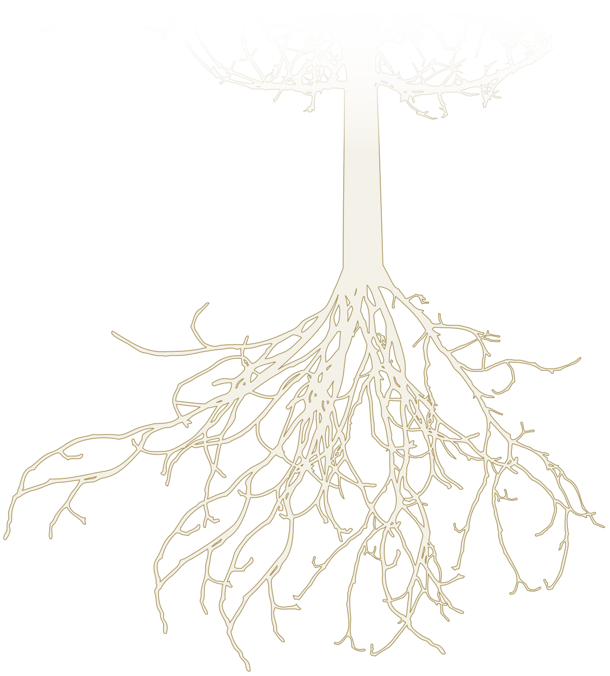


Year in Review

Year in Review

2023 was a year characterised by strategic milestones, commitment to our values and resilience in the face of challenges. These successes took place against a rugged backdrop of a slowing pace of global growth, high inflation and geopolitical crises.

The year 2023 was a period of tumultuous market conditions, propelled by a combination of factors: higher interest rates, persistent inflation concerns and the looming spectre of a potential recession. The Federal Reserve's assertive rate-tightening cycle, commencing in March 2022, took centre stage, introducing another layer of complexity to an already volatile environment and posing significant challenges for investors. Disinflation progressed over the year, leading central banks to halt their interest rate hike cycle.



Moving into 2024, China's business cycle is poised for stabilisation as policy support counters the effects of the housing downturn and the impact of regulatory changes continue to influence investor sentiment. China's strategic focus on robust expansion in manufacturing industries, coupled with weak domestic demand, is anticipated to amplify global goods supply. The conclusion of the hiking cycle signals an opportune moment for fixed income investments as US bond yields peak. The uncertain global economic outlook for 2024 presents opportunities which our team remains resolute in identifying. Our dedication to protecting clients' financial interests will continue to be our guiding principle.

Reinforcing our presence in key markets

We have taken another step to strengthen our foothold in our home market and established a new branch in Baden, Switzerland. This initiative underscores the Group's dedication to addressing the diverse financial needs of individuals, families and institutions in the region. Simultaneously, Banque J. Safra Sarasin (Luxembourg) SA has continued its expansion with the opening of a new branch in Paris, thereby asserting itself as a leading wealth and asset manager in Europe.

Building on our expertise and offering

In 2023, we further bolstered our business with the addition of a highly skilled Debt Capital Markets (DCM) team, based in Zurich. This is in line with the continued strengthening of our services to Swiss businesses and institutions and our position in the Swiss financial marketplace. Handpicked for their exceptional expertise, the DCM team enhances the Group's capabilities in navigating the intricate landscape of debt capital markets with a primary focus on bond origination and underwriting in Swiss francs for issuers. Comprising dedicated professionals covering the entire fixed income value chain, this allows us to deliver unparalleled service to both issuers and investors. We are focused on prudent expansion and tailored financial solutions as we anticipate that the DCM team's market intelligence and track record will contribute to the evolution of our offering. We are also pleased to note that the Group's existing businesses of private banking and asset management are thriving and will continue to experience growth in the future as we bolster the teams with new talent. Finally, we have deployed new digital banking solutions, providing clients with novel ways of accessing the Group's capabilities and expertise, and will continue to invest in relevant emerging technologies in the future.

Leading on sustainability reporting

For nearly two decades we have published sustainability reports detailing the Group's practices in a transparent manner. The Group's milestones, including the introduction of our proprietary Sustainability Matrix®, sustainable country ratings and becoming a founding signatory to the United Nations Principles for Responsible Banking (UN PRB), underscore our commitment and dedication to sustainability. Since the inception of the Group's sustainable investment offering in 1989 all the way to more recent initiatives like the Net Zero Asset Managers, we remain dedicated to sustainability practices which guide our development and ensure that the Group's sustainable investment offering is in keeping with the aspirations of clients seeking to combine financial growth with positive impact. Furthermore, the recalibration of our leading methodology for the Country ESG Rating, now factoring in income bias, is a tangible expression of our continuous improvement and leadership in this field.

A sound basis for achievement

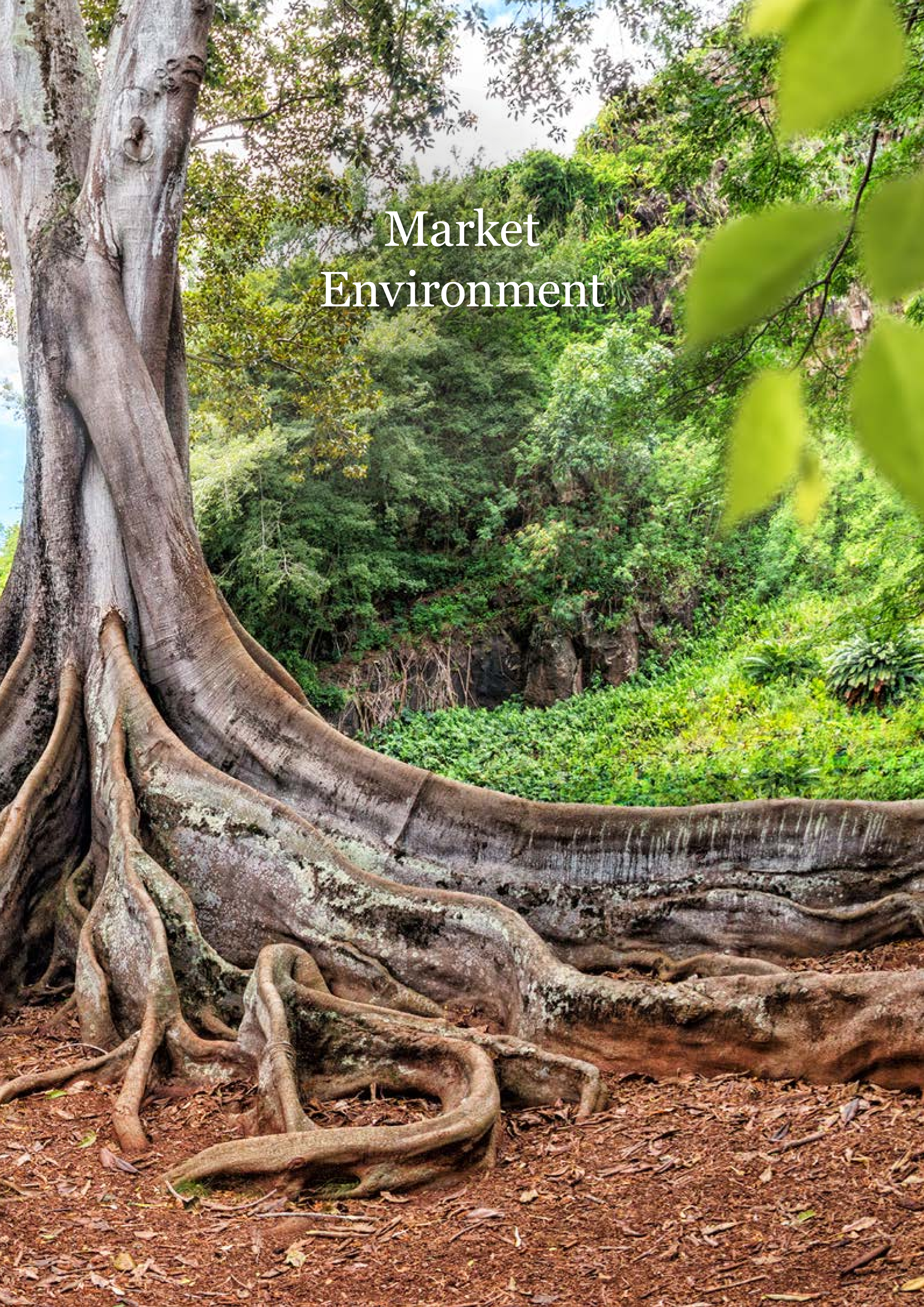
In choosing "Roots" as the theme for this year's Annual Report, we sought to reaffirm what makes the Group's approach to wealth and asset management distinctive: our activities anchored in more than 180 years of experience in devising and implementing strategies that protect and grow the wealth of our clients over generations. This deep rooting in stewardship is not only a mere historical marker but a fundamental basis for all the Group's decisions. Having strong roots also means being established in locations where clients are based, enabling them to benefit from our tailored and diverse offering. The Group's solid capitalisation, achieved over the years through careful financial management, provides a firm foundation from which we can make decisions in line with our growth ambitions.

We are proud to report that our efforts have been recognised through several prestigious awards: in 2023, we were honoured with the Global Finance award for the "Best Private Bank for Social Responsibility", the PWM/The Banker "Best Private Bank for Sustainable & Impact Investing" award as well as the ESG Investing Awards' "Best Bank for Sustainable Finance". We were also very pleased to receive the Global Finance awards for the "Best Private Bank in Switzerland" and "Best Private Bank for Social Responsibility" for 2024. These awards serve as an acknowledgment that our values and commitment to a tradition of private banking and asset management form a strong basis for future success.

In 2024, J. Safra Sarasin continues to stand strong, prioritising clients' asset growth with unwavering standards, driven by the Group's entrepreneurial spirit. We express gratitude to our teams and especially to our clients, for their trust as we forge ahead on our journey in the years ahead.

Juerg Haller	**Daniel Belfer**
Chairman	Chief Executive Officer
Bank J. Safra Sarasin Ltd	Bank J. Safra Sarasin Ltd

Market Environment



Market Environment

The resilience of the US economy surprised financial markets throughout 2023. Lower interest rates in 2024 should provide opportunities in bond and equity markets.

Review 2023

2023 was all about a swift disinflation after the world economy had experienced the highest inflation rates in 40 years in 2022. Supply-side bottlenecks and disruptions which led to the scarcity of many goods during the pandemic normalised. Goods inflation dropped quickly while food and energy costs fell as the initial commodity price shocks from the Ukraine war dissipated. As a result, headline inflation surprised to the downside for most of the year in the US and for the second half of the year in Europe. At the end of the year, US and euro area inflation rates returned to 3.1% and 3.4%, respectively. As disinflation progressed, central banks stopped their rate hike cycle in the second half of 2023, leaving their policy rates at high levels. Tight labour markets and the consequent concern of elevated services inflation kept central banks on hold through the rest of the year. Companies around the world have experienced difficulties in filling in job vacancies in the last three years. As a result, they became more hesitant to lay off workers. This stabilised household incomes and private consumption even in countries that experienced slower growth than the US.

In Switzerland, the strong Swiss franc helped contain the inflationary pressure, allowing the Swiss National Bank (SNB) to end its rate hike cycle earlier and at a much lower level than other central banks. Relatively small rate hikes in turn weighed less on the economy and contributed to stronger economic growth than in the euro area.

Many investors had anticipated that the fastest and strongest rate hikes since the 1980s would deliver weaker activity across the globe. Their expectations were met for Europe but not for the US. Fiscal expansion in the US turned out to be the largest in its history outside recession years, prompting upward revisions of growth expectations throughout the year. Job security and fiscal support provided US consumers with strong spending power. Tight monetary policy in Europe, however, did lead to weaker growth. The trade-heavy euro area was also weighed down by the downside surprise of China's reopening impetus. As China exited the pandemic curb at the end of 2022, there was great optimism surrounding the subsequent rebound to be similar to the ones experienced in the US and Europe before. Sentiment, however, turned from the second quarter as the housing correction deepened.

Another market consensus in 2023 was that bond yields would drop. However, strong growth and high services inflation led to rising US bond yields and the expectations of higher-for-longer interest rates. Such expectations drove the 10-year US government bond yield to peak at 5% in October. Once it became clear the Federal Reserve (Fed) was done with its rate hike cycle, bond yields declined sharply in the fourth quarter and ended the year at the same level of 3.9% as the start of the year. The US dollar followed bond yields, ending the year slightly weaker than at the start. Risk sentiment improved over the year and credit spreads tightened.

These macro surprises translated to divergent equity performance. Stable economic growth drove US equities 25% higher by year-end, while a weaker euro supported the 15% gain for euro area equities. Chinese equities started the year at the highest level and lost 11% by year-end as weak sentiment did not recover. Other emerging market equities performed well as growth remained resilient in large countries like Brazil and India.

Outlook 2024

The next phase of the disinflation process, where inflation rates drop back to central banks' targets, will be more challenging. It will require further compression of core services inflation, which is mainly driven by wage dynamics. The tight monetary stance should continue to work its way through the economy and cool activity further. Without another fiscal stimulus, the US economy should slow further and the labour market should become more balanced. This, however, might take some time given the structural demographic changes and the long and variable lags with which monetary policy is affecting the economy. In Europe, wage negotiations this year should reflect the more benign inflation environment.

In this environment, central banks walk a fine line to ensure inflation rates reach their targets. The Fed, with its dual objective of stable prices and maximum employment, might start its rate cut cycle around mid-year as the economic dynamic slows further and inflationary pressures subside. In other advanced economies, central banks will likely follow suit despite lingering inflation concerns. Weaker growth and relatively high interest rates could make investors more concerned about sovereign risks in 2024.

We expect China's business cycle to stabilise as policy support offsets the drag from the housing downturn. However, abrupt changes in various regulations and policies in the past two years might continue to weigh on investor sentiment. Weak domestic demand in China, together with its robust expansion in strategic manufacturing industries, should increase the supply of goods globally. This would contribute to lower goods prices but could also risk higher global trade tensions.

In Switzerland, the services sector should continue its expansion this year while the output in the export oriented industrial sector should remain below potential, reflecting the real appreciation of the Swiss franc. The perspective of lower inflation rates should allow the SNB to ease monetary conditions in the first half of the year.

The end of the hiking cycle typically marks the peak in US bond yields. Declining inflation rates should provide an opportunity for fixed income investments as bond yields fall further. Yield curves usually steepen when policy rates and rate expectations are falling. In this environment, high-quality bonds and developed market equities should provide good investment opportunities. Lower US rates could also lead to a depreciation of the US dollar and drive the gold price higher eventually. Finally, a weaker US dollar is also generally associated with a better performance of emerging market equities.

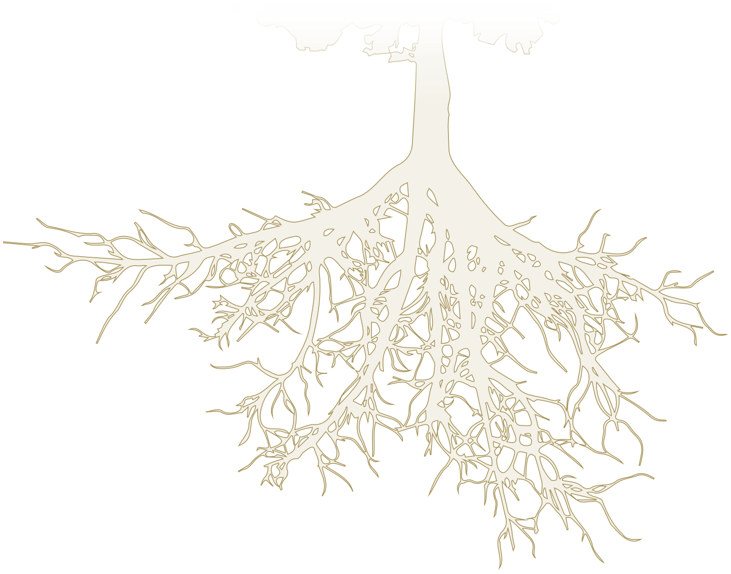
Corporate Governance

Corporate Governance

Corporate Governance at J. Safra Sarasin Holding Ltd. ensures that the management and supervision of the Group are focused on the long-term success of the organisation to the benefit of all stakeholders.

Group structure and shareholder

J. Safra Sarasin Holding Ltd. (JSSH) is a holding company incorporated under the laws of Switzerland with its registered office in Basel. JSSH is the shareholder of Bank J. Safra Sarasin Ltd (BJSS) and other direct and indirect subsidiaries and, as the case may be, their branches and representative offices (each a "Group Company" and together the "J. Safra Sarasin Group" or the "JSS Group"). Reference is made to the organisation chart on page 29 and the information provided in the section "Group Companies" of this report.



BJSS is a company incorporated under the laws of Switzerland with its registered office in Basel. It holds a banking licence and has the status of a securities firm.

J. Safra Holdings International (Luxembourg) S.A., Luxembourg, holds the entire share capital and voting rights of JSSH.

Both JSSH and BJSS are supervised by the Swiss Financial Market Supervisory Authority FINMA.

Consolidated supervision

The JSS Group qualifies as a financial group within the meaning of Article 3c al. 1 of the Swiss Banking Act over which FINMA exercises consolidated supervision. The scope of consolidated supervision applies to all direct and indirect subsidiaries, branches and representative offices of the JSS Group.

JSSH has delegated to BJSS governing bodies all duties, responsibilities and competencies related to the management and operation of its current business. These responsibilities include the organisation, the financial consolidation and risk diversification as well as the supervision on a consolidated basis of the JSS Group's activities.

Accordingly, the implementation of the criteria for the consolidated supervision of the JSS Group is the responsibility of the Board of Directors and the Group Executive Board (GEB) of BJSS, under the auspices of the Board of Directors of JSSH. The main functions and departments at the level of BJSS and, in particular, the following functions and departments exercise group-wide consolidated supervision over the JSS Group:

- Finance
- Credit
- Legal and Compliance
- Risk Office
- Trading and Treasury
- IT
- Group Internal Audit

The duties and responsibilities of the above functions are governed by the regulations, directives, working directives and guidelines issued by JSSH and/or BJSS. The implementation of an adequate and effective framework of consolidated supervision throughout the JSS Group ensures, inter alia:

- Compliance with the relevant accounting standards of the JSS Group;
- Compliance with consolidated capital adequacy provisions for the JSS Group;
- Compliance with risk provisions on a consolidated basis for the JSS Group;
- Compliance with the liquidity requirements of the JSS Group;
- Adequate system of internal controls and supervision of the governing bodies of all the Group Companies and separation of functions;
- Operation of a group-wide system of directives that serves as a management instrument for the implementation of regulations and processes which are necessary in the context of consolidated supervision;
- Group-wide measures to combat money laundering and the financing of terrorism;
- Group-wide regulatory compliance, risk management and internal audit; and
- Immediate access to any information required to ensure the integrated management of all Group Companies.

Board of Directors

Area of responsibility

The Board of Directors (the "Board") of JSSH is the ultimate governing body of the JSS Group. It lays down the JSS Group's objectives and business strategy and supervises the GEB, entrusted with the management of the business.

Furthermore, the Board is responsible for the financial situation and development of the JSS Group and approves the capital and liquidity plans as well as the financial statements.

The Board is also responsible for all business matters that the Articles of Association and the law do not specifically reserve for the General Meeting of shareholders.

The Board signs off the group-wide risk management framework and is responsible for monitoring and controlling the main risks of the JSS Group as required by Swiss banking regulation and for implementing an appropriate business organisation and the consolidated supervision framework.

The Board delegates the running of the JSS Group to the GEB (under the leadership of the CEO) in accordance with the applicable Organisational Regulations and is regularly briefed by the CEO and the other members of the GEB.

The allocation of responsibilities between the Board, the GEB and the CEO is further specified in the Regulations on Allocation of Competencies of JSSH.

Internal organisational structure

Meetings of the Board are convened by its Chairman or, should he be impeded, by the Vice-Chairman or another member of the Board. Meetings take place as often as business requires, generally once a quarter. In addition, any Board member may submit a request that a meeting be convened. Usually, the Boards of BJSS and JSSH meet on the same day and both meetings together last several hours. In 2023, the Boards of JSSH and BJSS each met four times.

Board members have access to all information concerning the business and the affairs of the JSS Group as may be necessary or appropriate for them to fulfil their duties. During Board meetings, any Board member is entitled to request information on any matter relating to the JSS Group regardless of the agenda.

The Board of BJSS has set up an Audit & Risk Committee.

Information and control instruments vis-à-vis senior management

The GEB and the CEO ensure the implementation of the Board's decisions and approved plans and projects. The GEB and the CEO are responsible for the operational management of the JSS Group.

In coordination with the Chairman of the Board, the CEO is responsible for promptly informing the Board and/or the Audit & Risk Committee of any aspects of the JSS Group or a Group Company that are material for decision-making and monitoring.

In addition, the CEO or, in certain cases, the competent Division Head (or Function Head) provides the Board with the information it requires to carry out its supervisory and control functions. This includes regular information about the general course of business, the JSS Group's financial performance and the implementation of the JSS Group's risk management framework.

The Board may invite Division Heads and/or Function Heads to Board meetings to discuss specific matters.

Composition of the Board

As of 31 December 2023, the composition of the Board of JSSH was as follows:

• Jacob J. Safra	Chairman
• Philippe Dupont	Member*
• Juerg Haller	Member*
• Jorge A. Kininsberg	Member*
• Flavio Romerio	Member*

* Independent member

As of 31 December 2023, the composition of the Board of BJSS was as follows:

• Juerg Haller	Chairman
• Flavio Romerio	Vice-Chairman
• Philippe Dupont	Member
• Jorge A. Kininsberg	Member
• Jacob J. Safra	Member

Collectively, the members of the Board have a thorough understanding of the banking and financial services sector in general and of the JSS Group in particular as well as the global regulatory environment.

Jacob J. Safra

Born in 1975; lives in Switzerland;
Bachelor of Sciences in Economics; Finance Major – Wharton School, University of Pennsylvania, Philadelphia, USA

Jacob J. Safra has been responsible for the main business activities of the J. Safra Group outside of Brazil since 1998. From 1998 until 2005, he served as COO and subsequently CEO of Safra National Bank of New York, USA, where he was also Vice-Chairman and, since 2021, Chairman of the Board of Directors. In 2002, he became a Director of the Joseph Safra Foundation, a position he holds to this day. Jacob J. Safra has been a member of the Board of Directors of BJSS (including Banque J. Safra (Suisse) SA) since 2005 and became Vice-Chairman of JSSH in 2008 and Chairman of the Board in December 2020. He is also a member of the Board of Directors of various entities of the J. Safra Group and member of the Board of Banque J. Safra Sarasin (Monaco) SA (from 2006 until 2014 as Vice-Chairman and since 2014 as Chairman). In addition, he has been a member of the Board of Directors of Chiquita Brands International since 2015. In 2023, he was distinguished by the Brazilian Government with The

Order of Rio Branco, Grand Cross degree, for his outstanding merits and honourable actions.

Philippe Dupont
Born in 1961; Luxembourg national;
lives in Luxembourg;
Master's Degree in Law – University of Paris, France;
Master of Laws (LL.M.) – London School of Economics and Political Science, UK; Member of the Luxembourg Bar

Philippe Dupont began his professional career as a lawyer in 1986. He is a founding partner of Arendt & Medernach and specialises in banking and finance with a focus on bank regulatory, lending, structured finance, securities laws and litigation. He is the correspondent of the International Institute for the Unification of Private Law (UNIDROIT) for Luxembourg and further acts as conciliator and arbitrator at the International Centre for Settlement of Investment Disputes of the International Bank for Reconstruction and Development. Philippe Dupont has been a member of the Board of Directors of BJSS and JSSH since 2012.

Juerg Haller
Born in 1957; Swiss national; lives in Switzerland;
Graduate of the Zurich University of Applied Sciences (ZHAW); Graduate of the Advanced Management Program – Harvard Business School

Juerg Haller began his professional career at Raiffeisen Bank Baden-Wettingen in 1973 and worked for J.P. Morgan in New York and Zurich from 1981 to 1984. He was employed with the UBS Group (originally Swiss Bank Corporation) in various senior leadership positions including 17 years as a Group Managing Director and Member of the Group Managing Board in the areas of Wealth Management, Corporate Banking and Investment Banking from 1984 until July 2019. His last function at UBS was Executive Vice-Chairman of Global Wealth Management. In 2019, Juerg Haller was elected as Chairman of the Board of Directors of BJSS and a member of the Board of Directors of JSSH.

Jorge A. Kininsberg
Born in 1950; Brazilian national;
Bachelor in Business Management – Mackenzie University, Faculty of Economics/Accounting and Administrative Science, São Paulo, Brazil

During his professional career, Jorge A. Kininsberg collected extensive experience in the banking sector both at the managerial level and as a member of boards of directors. Jorge A. Kininsberg held various leading managing positions at institutions such as Banco Safra de Investimento SA and Banco Safra SA, São Paulo, Brazil. In 1982, he became CEO of the Trade Development Bank (Uruguay) S.A., Montevideo, Uruguay. Between 1985 and 1989, he was CEO of Safra National Bank of New York, USA. In 1990, Jorge A. Kininsberg moved to Luxembourg, taking the position as CEO and member of the Board of Directors of Banque J. Safra Sarasin (Luxembourg) SA, positions he held until early 2017. Between 2008 and 2015, he was a member of the Board of Directors of Bank J. Safra Sarasin (Bahamas) Ltd., and in 2018 was again elected to this Board of Directors. Jorge A. Kininsberg has been a member of the Board of Directors of BJSS since 2017 and a member of the Board of Directors of JSSH since June 2019. Furthermore, in September 2021 he also became a member of the Board of Directors of Bank J. Safra Sarasin (QFC) LLC.

Flavio Romerio

Born in 1964; Swiss national; lives in Switzerland; Ph.D. in Law – University of Basel; Master of Laws (LL.M.) – University of California, Berkeley; Member of the Swiss Bar

Flavio Romerio has extensive experience in banking regulation, compliance and corporate governance. In 1995, he joined the law firm Homburger AG in Zurich and became Partner in 2002. Flavio Romerio has been the Head of Homburger's White Collar & Investigations Team since 2012. In 2019, he was elected as Managing Partner of Homburger AG and is responsible for developing and implementing the firm's strategy and overseeing the firm's management. He is a regular speaker on enforcement and compliance issues and hosts the annual seminar on internal and regulatory investigations at the Europa Institute of the University of Zurich. Flavio Romerio was appointed as a member of the Board of Directors of JSSH and as a member and Vice-Chairman of the Board of Directors of BJSS in June 2022.

Audit & Risk Committee

The Board of BJSS has set up an Audit & Risk Committee (the "ARC").

As of 31 December 2023, the ARC was composed of the following members:

• Jorge A. Kininsberg	Chairman
• Philippe Dupont	Member
• Flavio Romerio	Member

Collectively, the members of the ARC have a thorough understanding of all Group Companies and the international banking industry and its regulation. The ARC maintains regular contact with the audit committees of the Group Companies. It receives copies of minutes of such committees and ensures consistent implementation of its own decisions within the JSS Group.

The ARC is responsible for the definition of general guidelines on internal audit and financial reporting, the monitoring and assessment of financial reporting and the integrity of the annual financial statements before they are presented to the Board for approval.

The ARC regularly receives information regarding compliance with legal and regulatory obligations by the Group Companies as well as with regard to the existence of adequate and effective internal controls on financial reporting. The ARC is also responsible for monitoring and assessing the adequacy and effectiveness of the internal control systems, specifically risk controls, compliance and internal audit. The ARC defines the standards and methodologies for risk controls with regard to all types of risk (including legal and regulatory risks) in order to ensure compliance with the principles of the risk policy adopted by the competent supervisory authorities, the Board or management bodies within the JSS Group. The ARC reviews and proposes to the Board the group-wide framework for risk management and its guiding principles. It controls and assesses these periodically (at least annually), making recommendations of any required changes to that framework.

The ARC assesses the regulatory audit plan, audit rhythm and audit results produced by Group Internal Audit and the external auditors. It also ensures contact with the external auditors at the level of the Board and monitors their performance and independence as well as their cooperation with Group Internal Audit. The Chairman of the ARC regularly reports its activities and findings to the Board.

External audit firm

Deloitte Ltd was appointed as the external auditor of JSSH and all relevant Group Companies in 2013. For 2023, the audit firm and its affiliated companies were appointed by the General Meeting of shareholders of JSSH and most Group Companies for a one-year term for the financial and regulatory audits. Re-election is possible.

Sandro Schoenenberger is the responsible partner leading the audit activities. He has held this function for JSSH since 2018 and for BJSS since 2020.

Auditing fees

The JSS Group paid Deloitte Ltd and its affiliated companies fees totalling CHF 3,870,000 for services connected with the financial and regulatory audit for the year 2023.

Additional fees

The JSS Group paid Deloitte Ltd and its affiliated companies fees totalling CHF 120,000 for services not connected with the financial and regulatory audit for the year 2023.

Information instruments pertaining to external audit

The ARC holds regular discussions with representatives of the external audit firm regarding the audit planning, the results of the audit activity in relation to supervisory controls and the preparation of financial statements as well as the adequacy of internal control systems in light of the JSS Group's risk profile.

In 2023, representatives of Deloitte Ltd attended six meetings of the ARC and one meeting each of the Boards of JSSH and BJSS for specific agenda items.

The ARC monitors the scope and organisation of the audit activity and evaluates the performance of the external audit firm. The audit firm and its affiliated companies are independent from JSSH and its Group Companies.

Representatives of the external audit firm have direct access to the ARC at all times.

Group Internal Audit

Group Internal Audit (GIA) is the internal audit function responsible for the entire JSS Group.

The Board has issued regulations for GIA setting out its tasks, duties and responsibilities. GIA prepares its audit reports without instructions from any other party.

GIA reports directly to the Boards of JSSH and BJSS through the ARC. In addition, GIA representatives report to the respective boards of directors and audit committees of Group Companies for their related matters.

GIA has an independent and objective assurance and consulting role designed to add value and improve the operations of BJSS and the JSS Group. It helps each Group Company to accomplish its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, internal control systems and the JSS Group's governance by systematically assessing:

i. the appropriateness and effectiveness of processes implemented to define strategy and risk tolerance as well as overall adherence to the strategy approved by the Board;
ii. the appropriateness and effectiveness of governance processes;
iii. the effectiveness of risk management, including whether risks are appropriately identified and controlled;
iv. the appropriateness and effectiveness of internal controls, specifically whether they are commensurate with the risks taken;
v. the effectiveness and sustainability of the implementation of remedial actions;
vi. the reliability and integrity of financial and operational information, i.e. whether activities are properly, accurately and completely recorded as well as the quality of underlying data and models; and
vii. compliance with legal, regulatory and statutory requirements as well as with internal directives and contractual obligations.

GIA has unrestricted auditing rights within the JSS Group. It has access at all times to any relevant documents and information required to fulfil its auditing responsibilities.

GIA reports in a timely manner on all material findings directly to the Board through the ARC and the GEB. GIA publishes an annual report setting forth the key audit findings, including significant risk exposures and control issues as well as important activities. It submits this report to the ARC, the GEB and the external audit firm.

Group Executive Board

Under the leadership of the CEO, the Group Executive Board (GEB) has executive management responsibility for the steering of the JSS Group and its business in line with the direction given by the Board. The GEB is entitled to delegate certain responsibilities and authorities to other management bodies such as the Executive Committee or other operational committees according to the applicable Organisational Regulations of BJSS and the Regulations on Allocation of Competencies of JSSH. In his capacity as Chairman of the GEB, the CEO provides the Board with all information it requires to carry out its supervisory and control functions and requests the Board's approval for matters which are in the Board's competence according to relevant internal regulations.

The following individuals are members of the GEB:

Stephane Astruc

Born in 1969; Swiss and French national;
lives in Switzerland;
Master's Degree in Private Law – University of Nice Sophia Antipolis; Qualified French Lawyer – Bar of Paris

Stephane Astruc began his professional career in 1993 at HSBC Private Bank (Monaco) SA where his main responsibilities were Head of the Legal and Compliance department, Member of General Management and Corporate Secretary. In 2005, he moved to Geneva (Switzerland) and joined Banque J. Safra (Suisse) SA as Head Legal and Compliance. Stephane Astruc has been General Counsel of BJSS since 2013 and a member of the GEB since April 2017.

Daniel Belfer

Born in 1975; Brazilian national; lives in Switzerland;
Bachelor of Science in Business Administration – Boston University, Boston, USA; CFA Charterholder

Daniel Belfer began his professional career in 1997 at BancBoston Robertson Stephens Inc. in Boston, USA, in the Emerging Markets Sales, Trading & Research department. In 2000, he joined Safra National Bank of New York where he was responsible for Fixed Income Trading and Structured Products. In 2004, he was promoted to Head of Trading. From 2008 to 2010, he was CEO and member of the Board of Directors of Bank J. Safra Sarasin (Bahamas) Ltd. In 2010, he moved to Geneva (Switzerland) where he joined Banque J. Safra (Suisse) SA. In 2013, he became Head of the Trading & Treasury division and, in 2016, Head of the Trading, Treasury and Asset Management division of BJSS. Daniel Belfer has been CEO of BJSS since November 2019. He chairs the GEB.

Oliver Cartade

Born in 1976; UK national; lives in Switzerland;
Bachelor of Sciences in Economics – Wharton School, University of Pennsylvania, Philadelphia, USA;
MBA from INSEAD, Fontainebleau, France;
CFA Charterholder

Oliver Cartade began his professional career in 1998 at Prudential Securities in New York in the Investment Banking division focused on the technology sector. In 2000, Oliver Cartade joined PIPE9 Corporation, an internet start-up focused on B2B e-commerce, as a Vice President of Business Development. He then joined

Kaufman Bros. LP, a boutique investment bank in New York, where he focused on M&A and private equity transactions across various industries. In 2003, he joined Safra National Bank of New York, where he was primarily focused on performing research on and investing in hedge funds. In 2007, Oliver Cartade moved to London to open the London Branch of Bank J. Safra Sarasin (Gibraltar) Ltd, where he then became the General Manager. In 2009, he also helped set up the London Branch of J. Safra Sarasin Asset Management (Europe) Ltd, where he became the Managing Director. In November 2019, he became Head of the Trading, Treasury and Asset Management division. He has been Head of the Asset Management & Institutional Clients division of BJSS since March 2020. He is a member of the GEB.

Elie Sassoon

Born in 1954; Swiss and Brazilian national;
lives in Switzerland;
Studied Economics at the Pontificia Universidade Católica, São Paulo, Brazil

Elie Sassoon began his professional career in 1977 at Banco Safra SA in São Paulo where he was active in various back and front office functions. In 1985, he joined Banque Safra (Luxembourg) SA in Luxembourg first as director of Private Banking and then as managing director responsible for Operations. In 2000, he moved to Geneva (Switzerland) where he joined Banque J. Safra (Suisse) SA as a General Manager and where he was active in various management functions in the Private Banking division. Elie Sassoon has been Head of the Private Banking Region II & EXAM division of BJSS since 2013. He is a member of the GEB.

Marcelo Szerman

Born in 1977; Brazilian national; lives in Switzerland;
Bachelor in Business Administration – Finance –
EAESP – Fundação Getulio Vargas (FGV),
São Paulo, Brazil

Marcelo Szerman began his professional career in 1999 at Brascan S.A. CTV (Brascan Holdings/Mellon Bank) in São Paulo, Brazil, as an International Equities and Futures Sales trader. In 2000, he joined Safra National Bank of New York, where he acted as Vice President in the Investment Advisory Group. In 2005, he moved to Geneva (Switzerland) where he joined Banque J. Safra (Suisse) SA in the Trading & Treasury department and from 2008 as CEO. From 2012 to 2013, he was CEO of JSSH Group. Marcelo Szerman has been COO of the JSS since 2013. He is a member of the GEB.

Remuneration

Basic principles

The JSS Group's compensation principles are issued by the Board of BJSS and govern the fundamentals of the compensation systems for the entire JSS Group.

The compensation philosophy of the JSS Group is based on a transparent and sustainable approach to operating a performance-related compensation system. Compensation is based on quantitative and qualitative performance measurement criteria which are as objective as possible. Such criteria are graded according to specific responsibilities and positions held, with the aim to align reward closely with the performance and conduct of the JSS Group, the Group Company concerned and the individual employee.

Any performance measurement criteria shall in particular foster ongoing compliance with all applicable laws, rules and internal regulations and promote the general risk awareness of employees as well as encourage them to perform their business activities in a sustainable, compliant and client-orientated manner.

Elements of remuneration

The JSS Group aims to offer competitive remuneration aligned with the market in order to attract, develop and retain employees for the long term.

Total remuneration generally consists of fixed and variable remuneration and applicable fringe benefits.

The elements of compensation are communicated to employees in a transparent manner and form an integral part of their employment contracts.

Procedure for determining compensation

Certain members of the Board receive Board member fees, graded according to the position held and membership in committees.

The Board periodically reviews the compensation rules and obtains information each year on the operational implementation of and trends in the compensation systems. In accordance with the Regulations on Allocation of Competencies of JSSH, the Board approves the annual total pool for all variable pay and the annual salary increase, including for the GEB.

The payment of variable remuneration is at the discretion of management and is in principle contingent on the fulfilment of certain conditions, including performance and conduct.

Employees and senior executives who hold controlling, auditing, legal, compliance and risk management functions are generally paid a fixed salary in line with the market. The calculation of variable remuneration is not directly dependent on the performance of the business units, specific products or transactions.

Risk strategy and risk profile

Private banking and asset management are business activities which inevitably entail inherent direct and indirect risks.

The main risks are:

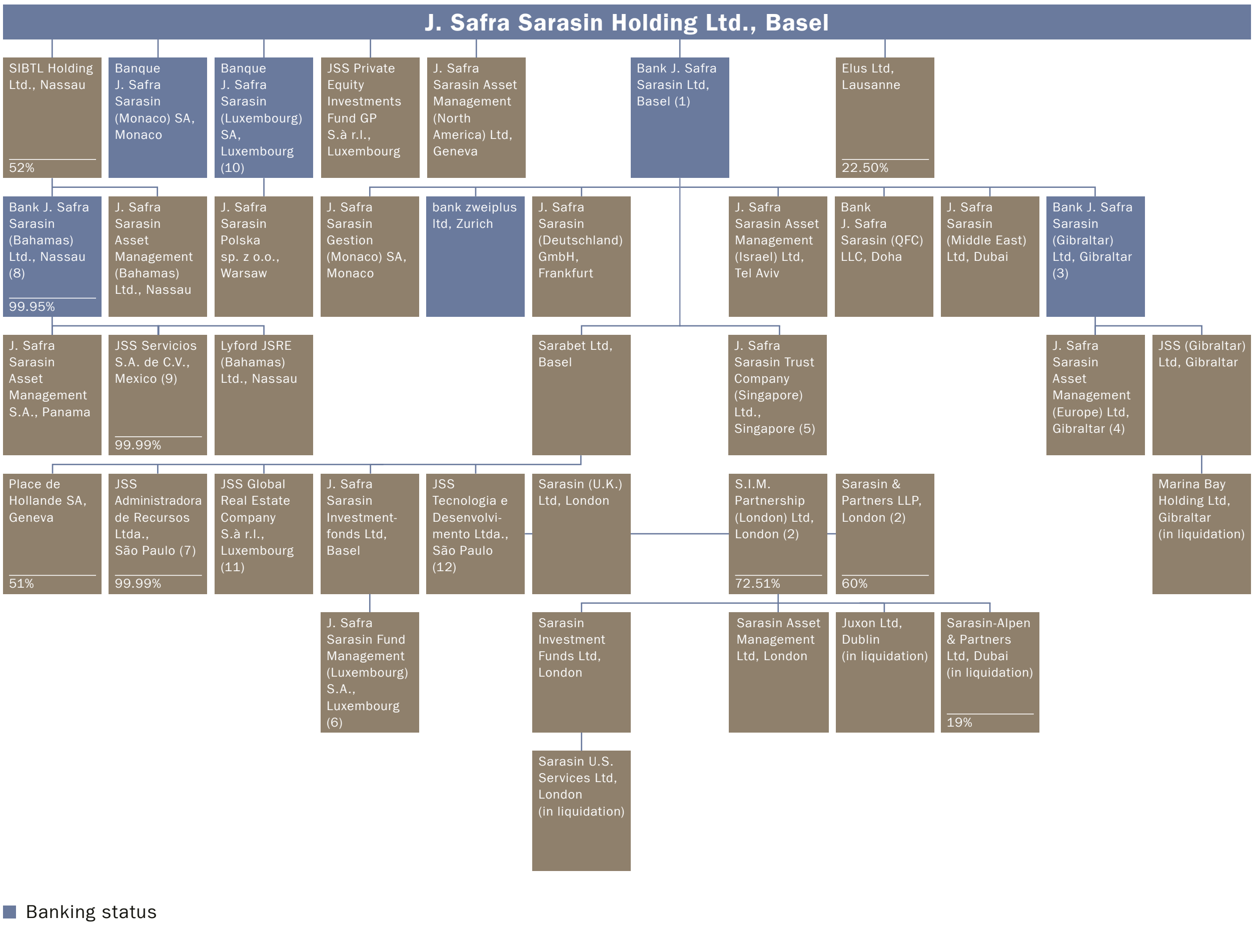
- Market, liquidity and financing risk;
- Credit risk;
- Operational and reputational risk;
- Legal conduct and compliance risk; and/or
- Business and strategic risk.

The section on Risk Management (page 54) describes in detail the main risks to which the JSS Group is exposed. The JSS Group considers that its risk management framework is a central component of its strategy, and keeping it aligned with the regulatory environment, business trends and client needs is an absolute condition for sustainable long-term success.

The Board defines the risk strategy by which certain risks are avoided, mitigated or transferred. Residual risks are assigned a level of appetite and tolerance. The strategy is implemented by the GEB, which ensures that the controls and processes are in place and efficiently performed. Sound monitoring and accurate reporting with a fast escalation process complete the risk management framework.

By complementing the expertise of the front units with a strong risk culture and adequate levels of controls, the JSS Group strives to preserve its client assets, keep a solid capital base and maintain its reputation in the long run.

Legal structure as of 31. 12. 2023



Except as indicated, 100% ownership.

(1) Branches in Baden, Berne, Geneva, Lucerne, Lugano, Zurich
Branches abroad: Guernsey, Hong Kong, Singapore
Representative Offices: Istanbul, Mexico City (joint), Tel Aviv
(2) Voting rights. Remaining percentage with Management
(3) Head Office: Gibraltar – Branch: London
(4) Head Office: Gibraltar – Branch: London
(5) The company owns the following subsidiaries: Asia Square Holdings Ltd. (BVI), Edinburgh Management Ltd. (BVI), Shenton Management Ltd. (BVI)
(6) Head Office: Luxembourg – Branch: Vienna
(7) The remaining 0.01% of the shares are held by Bank J. Safra Sarasin Ltd
(8) The remaining 0.05% of the shares are held by Fiduciary
Representative Office: Mexico City (joint)
(9) The remaining 0.01% of the shares are held by SIBTL Holding Ltd.
(10) Head Office: Luxembourg – Branches: Amsterdam, Madrid, Milan, Paris
Representative Offices: Mexico City (joint), Tel Aviv
(11) Not operational
(12) Not operational yet

Group Companies

Group Companies

Private banking is a global growth market, presenting opportunities that the J. Safra Sarasin Group actively seeks to exploit. The Group is represented in around 30 locations in Europe, Asia, the Middle East, Latin America and the Caribbean.

The companies described in this chapter are the main operating companies of the J. Safra Sarasin Group. For a complete list of all companies consolidated under J. Safra Sarasin Holding Ltd., please see the notes to the consolidated financial statements on page 67. A chart showing the legal structure of J. Safra Sarasin Holding Ltd. is available as part of the chapter on "Corporate Governance" on page 29. All subsidiaries of J. Safra Sarasin Holding Ltd. are subject to consolidated supervision by FINMA.

Bank J. Safra Sarasin Ltd

Bank J. Safra Sarasin Ltd was founded in 1841. As a leading Swiss private bank, its many years of banking experience have made it consciously opt for sustainability as a key component of its corporate philosophy.

Within Switzerland, the Bank has offices in Basel (head office), Baden, Bern, Geneva, Lucerne, Lugano and Zurich. It also has branches in Guernsey, Hong Kong and Singapore and representative offices in Israel, Mexico and Turkey.

The Bank is recognised as a leader among full-service banks in the private banking segment, offering all the advantages of the Swiss banking environment together with dynamic and personalised asset management and advisory services focusing on opportunities in international financial markets. Its team of highly experienced professionals develops tailor-made products to meet the needs of clients. In addition, the Bank offers a comprehensive array of financial services. Financial strength, excellent client service and outstanding quality are the key elements of its philosophy. The Bank provides a high level of service and expertise when acting as an investment advisor and asset manager for private and institutional clients.

Banque J. Safra Sarasin (Monaco) SA

Banque J. Safra Sarasin (Monaco) SA is one of the largest banks in the Principality of Monaco. It delivers the services of a global bank with the flexibility and agility of a private bank. With its trading desk, the Bank has direct and immediate access to the major international financial markets.

Banque J. Safra Sarasin (Luxembourg) SA

Established in 1985, Banque J. Safra Sarasin (Luxembourg) SA focuses on private and commercial banking, offering an array of products and personalised services tailored to the needs of clients. Thanks to its expertise in the banking sector, it meets its clients' expectations by developing financial strategies to

Zurich, Paradeplatz

Basel, Elisabethenstrasse

achieve their targets in accordance with their investment profiles. The Bank has branches in France, Italy, the Netherlands and Spain, a tied agent in Poland and representative offices in Israel and Mexico.

Bank J. Safra Sarasin Ltd, Hong Kong Branch
Bank J. Safra Sarasin Ltd, Hong Kong Branch, was established in 2010 by conversion from a Hong Kong-based investment services subsidiary and is an authorised institution licensed by the Hong Kong Monetary Authority and the Securities and Futures Commission. The Hong Kong Branch offers private banking services and accepts deposits both from individual and corporate clients.

Bank J. Safra Sarasin Ltd, Singapore Branch
Bank J. Safra Sarasin Ltd, Singapore Branch, was established in 2012 by conversion from a Singapore-based banking subsidiary and operates under a wholesale bank licence granted by the Monetary Authority of Singapore. The Singapore Branch offers private banking services and accepts deposits from both individual and corporate clients.

Bank J. Safra Sarasin (Bahamas) Ltd.
Incorporated in 1983 under the laws of The Bahamas, Bank J. Safra Sarasin (Bahamas) Ltd. focuses on asset management services as well as portfolio management for private clients. Its private banking operations have expanded strongly in recent years alongside successful activities in the wider international markets. The Bank has a representative office in Mexico.

Bank J. Safra Sarasin (Gibraltar) Ltd
Incorporated in 2001 with a full banking licence, Bank J. Safra Sarasin (Gibraltar) Ltd offers private banking services and accepts deposits both from individual clients and other banking institutions. From inception, the Bank has maintained its growth strategy and strong capitalisation.

Bank J. Safra Sarasin (Gibraltar) Ltd, London Branch
Bank J. Safra Sarasin (Gibraltar) Ltd, London Branch, started operating in 2007. The London Branch is authorised by the Gibraltar Financial Services Commission and subject to limited regulation in the United Kingdom by the Financial Conduct Authority and the Prudential Regulation Authority. It offers UK residents

Gibraltar, Neptune House

Geneva, Quai de l'Ile

London, Berkeley Square

and international clients access to one of the world's most important financial centres. The London Branch develops comprehensive and flexible private banking services to individuals and families as well as the full array of financial services to corporate clients.

Bank J. Safra Sarasin Ltd, Guernsey Branch

Bank J. Safra Sarasin Ltd established a presence in Guernsey in 1992. The Guernsey Branch accepts deposits from other banking institutions as well as institutional clients and offers a discretionary investment management service, mainly to private clients, in conjunction with Sarasin & Partners LLP, London. It is licensed and regulated by the Guernsey Financial Services Commission.

J. Safra Sarasin Asset Management (Europe) Ltd

J. Safra Sarasin Asset Management (Europe) Ltd is a subsidiary of Bank J. Safra Sarasin (Gibraltar) Ltd. It opened its London Branch in 2010 with the objective of focusing its service offering on investment funds, thus being attractive to wealth managers who want to invest across a wide range of asset classes.

J. Safra Sarasin (Middle East) Ltd

J. Safra Sarasin (Middle East) Ltd was incorporated in 2013 and is a wholly-owned subsidiary of Bank J. Safra Sarasin Ltd, located in the Dubai International Financial Centre (DIFC), Dubai, operating under a licence from the Dubai Financial Services Authority. It offers residents of the United Arab Emirates and other international clients comprehensive and bespoke advisory services.

Bank J. Safra Sarasin (QFC) LLC

Bank J. Safra Sarasin (QFC) LLC was incorporated in 2014 and is a wholly-owned subsidiary of Bank J. Safra Sarasin Ltd, located in the Qatar Financial Centre (QFC), Doha, and operating under a licence from the QFC Regulatory Authority. It offers residents of Qatar and other international clients comprehensive and bespoke advisory services.

J. Safra Sarasin Asset Management S.A.

Incorporated in 2008 under Panamanian laws, the wholly-owned subsidiary of Bank J. Safra Sarasin (Bahamas) Ltd. provides investment advisory services and operates as a broker. J. Safra Sarasin Asset Management S.A. is licensed as a broker by the Superintendency of the Securities Market (SMV) of Panama.

Paris, Rue du Faubourg Saint-Honoré

Monaco, La Belle Epoque


Madrid, Paseo de la Castellana

J. Safra Sarasin Asset Management (Bahamas) Ltd.

Incorporated in 2014 under the laws of The Bahamas, J. Safra Sarasin Asset Management (Bahamas) Ltd. focuses on asset management as well as administration and advisory services for in-house funds.

J. Safra Sarasin Asset Management (Israel) Ltd

Established in November 2017 in Tel Aviv, J. Safra Sarasin Asset Management (Israel) Ltd obtained the relevant licences for investment marketing and portfolio management from the Israel Securities Authority (ISA) in 2018. It provides investment services mainly to private clients.

J. Safra Sarasin Asset Management (North America) Ltd

Incorporated in 2018, J. Safra Sarasin Asset Management (North America) Ltd has its registered office and place of business in Geneva. It is registered with the U.S. Securities and Exchange Commission (SEC) as an investment adviser and operates as a portfolio manager in accordance with Swiss law. It is also a member of AOOS – Schweizerische Aktiengesellschaft für Aufsicht, a self-regulatory organisation (SRO) and supervisory organisation (SO) licensed and supervised by the Swiss Financial Market Supervisory Authority FINMA. The business focus consists in providing investment advisory and discretionary asset management services mainly to clients resident in the United States of America.

J. Safra Sarasin (Deutschland) GmbH

J. Safra Sarasin (Deutschland) GmbH is licensed under § 34f of the German Trade Act and supervised by the Chamber of Commerce of Frankfurt am Main, Germany. It provides investment advice and investment broking services in relation to domestic, foreign and EU registered open/closed-ended investment funds which may be marketed in accordance with the German Capital Investment Code.

J. Safra Sarasin Polska sp. z o.o.

J. Safra Sarasin Polska sp. z o.o. was incorporated in Warsaw and started its operations in 2019. It is a wholly-owned subsidiary of Banque J. Safra Sarasin (Luxembourg) SA and acts as its tied agent.

Milan, Via Bigli

Luxembourg, Boulevard Joseph II

Singapore, Asia Square Tower 1

J. Safra Sarasin Trust Company (Singapore) Ltd.

Incorporated under the laws of Singapore, J. Safra Sarasin Trust Company (Singapore) Ltd. obtained its licence from the Monetary Authority of Singapore under the Trust Companies Act 2004 and commenced business in December 2010. It offers tailored trust and company management services for the wealth protection and succession planning needs of its clients.

bank zweiplus ltd

Incorporated in 2008 in Switzerland, bank zweiplus ltd offers custody services to clients of financial services providers, independent asset managers and insurance companies and, in so doing, supports these financial intermediaries in servicing their clients. The Bank also has a sophisticated product offering specifically tailored to clients of financial services providers, independent asset managers and insurance companies.

Sarasin & Partners LLP

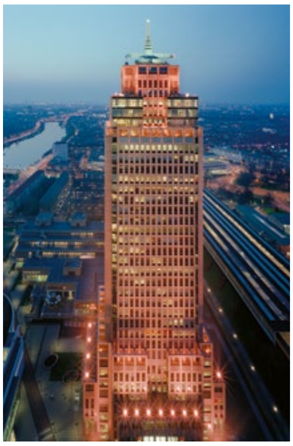
Sarasin & Partners LLP is a London-based asset management group that manages investments on behalf of charities, institutions, pension funds and private clients from the United Kingdom and around the world. It is known both as a leader in thematic investment and in long-term income and dividend management across multi-asset and equity mandates. Consistent with a longer-term approach is a commitment to "stewardship" principles, embedding environmental, social and governance considerations into the investment process. Bank J. Safra Sarasin Ltd indirectly holds 60% of the voting rights in Sarasin & Partners LLP.

JSS Administradora de Recursos Ltda.

Incorporated under the laws of Brazil, JSS Administradora de Recursos Ltda. commenced its activities in 2017 and operates under a portfolio manager licence of the Brazilian Securities and Exchange Commission (CVM). It offers investment advisory and discretionary asset management services mainly to private clients.

Mexico, Edificio Forum

Panama, BICSA Financial Center



Amsterdam, Rembrandt Tower

Istanbul, Süzer Plaza

Nassau, Lyford Financial Centre

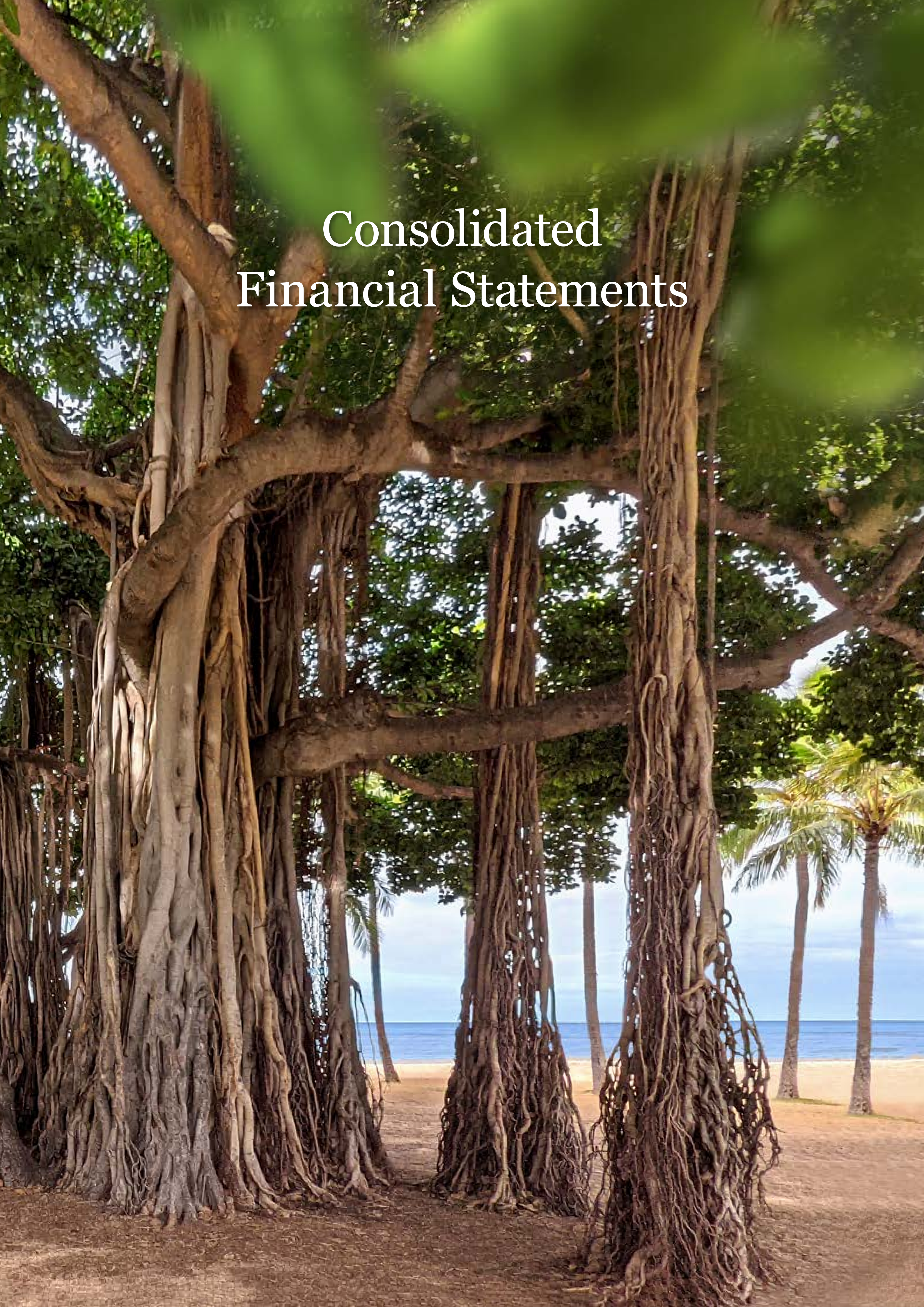
Tel Aviv, Sarona Azrieli Tower

Doha, Qatar Financial Centre

Dubai, Burj Daman

Hong Kong, Edinburgh Tower

Consolidated Financial Statements



Consolidated balance sheet

Assets	31.12.2023 CHF 000	31.12.2022 CHF 000
Liquid assets	3,232,033	3,562,667
Amounts due from banks	4,342,265	4,366,723
Amounts due from securities financing transactions	8,750,000	8,850,000
Amounts due from customers	7,866,436	9,289,808
Mortgage loans	2,605,526	3,174,053
Trading portfolio assets	2,762,464	2,660,715
Positive replacement values of derivative financial instruments	901,199	1,212,706
Other financial instruments at fair value	863,256	1,458,001
Financial investments	9,731,952	9,838,799
Accrued income and prepaid expenses	499,509	216,979
Non-consolidated participations	37,904	37,904
Tangible fixed assets	541,818	548,696
Intangible assets	0	0
Other assets	353,343	403,291
Total assets	**42,487,705**	**45,620,342**
Total subordinated claims	50,484	106,874
of which subject to mandatory conversion and/or debt waiver	–	–

Liabilities		
Amounts due to banks	1,089,010	1,720,192
Liabilities from securities financing transactions	741,000	100,000
Amounts due in respect of customer deposits	31,344,222	33,942,729
Trading portfolio liabilities	52,127	15,069
Negative replacement values of derivative financial instruments	1,152,692	1,249,376
Liabilities from other financial instruments at fair value	857,841	1,091,457
Bond issues and central mortgage institution loans	69,332	78,018
Accrued expenses and deferred income	722,777	414,629
Other liabilities	553,190	719,320
Provisions	148,280	101,682
Reserves for general banking risks	618,965	270,642
Share capital	848,245	848,245
Capital reserve	1,745,862	1,745,862
Retained earnings reserve	1,886,090	2,106,318
Currency translation reserve	–274,494	–108,513
Minority interests in equity	462,237	885,157
Consolidated profit	470,329	440,159
of which minority interests in consolidated profit	159,809	79,308
Total liabilities	**42,487,705**	**45,620,342**
Total subordinated liabilities	136,069	133,606
of which subject to mandatory conversion and/or debt waiver	–	–

Consolidated off-balance sheet

CHF 000	**31.12.2023**	31.12.2022
Contingent liabilities	287,794	297,434
Irrevocable commitments	25,370	21,727
Obligations to pay up shares and make further contributions	1,817	1,817
Credit commitments	0	0

Consolidated income statement

CHF 000	**2023**	2022
Interest and discount income	1,354,529	552,772
Interest and dividend income from trading portfolios	0	0
Interest and dividend income from financial investments	268,422	173,090
Interest expense	–941,849	–214,695
Gross result from interest operations	681,102	511,167
Changes in value adjustments for default risks and losses from interest operations	–18,193	–50,899
Subtotal net result from interest operations	662,909	460,268
Commission income from securities trading and investment activities	639,425	679,715
Commission income from lending activities	3,006	3,742
Commission income from other services	82,728	61,079
Commission expense	–82,680	–80,403
Subtotal result from commission business and services	642,479	664,133
Result from trading activities and the fair value option	432,705	288,308
Result from the disposal of financial investments	11,728	17,399
Income from participations	4,176	3,641
of which, participations recognised using the equity method	0	0
of which, from other non-consolidated participations	4,176	3,641
Result from real estate	9,518	9,433
Other ordinary income	2,648	3,779
Other ordinary expenses	–30,255	–5,464
Subtotal other result from ordinary activities	–2,185	28,788
Operating income	**1,735,908**	**1,441,497**
Personnel expenses	–641,045	–593,568
General and administrative expenses	–160,927	–159,654
Operating expenses	**–801,972**	**–753,222**
Depreciation and amortisation of tangible fixed assets and intangible assets and value adjustments on participations	–24,680	–59,281
Changes to provisions and other value adjustments, and losses	–56’969	–41,074
Operating result	**852,287**	**587,920**
Extraordinary income	27	618
Extraordinary expenses	0	–1
Changes in reserves for general banking risks	–348,323	–94,000
Taxes	–33,662	–54,378
Consolidated profit	**470,329**	**440,159**
of which minority interests in consolidated profit	159,809	79,308

Consolidated cash flow statement

	2023		2022	
CHF 000	**Source of funds**	**Use of funds**	Source of funds	Use of funds
Consolidated profit	470,329	0	440,159	0
Change in reserves for general banking risks	348,323	0	95,020	0
Value adjustments on participations, depreciation and amortisation of tangible fixed assets and intangible assets	24,680	0	59,281	0
Provisions and other value adjustments	48,069	0	34,183	0
Change in value adjustments for default risks and losses	18,193	0	50,899	0
Accrued income and prepaid expenses	0	–290,192	0	–50,539
Accrued expenses and deferred income	327,482	0	50,572	0
Other items	0	0	0	0
Previous year's dividend	0	–579,246	0	0
Cash flow from operating activities	**367,638**		**679,575**	
Share capital	0	0	0	0
Capital reserves	0	0	0	0
Retained earnings reserve	0	–1,833	0	–29,392
Minority interests in equity	0	–406,051	0	–45,549
Cash flow from equity transactions		**–407,884**		**–74,941**
Participating interests	0	–263	0	–361
Bank building	0	0	0	0
Other fixed assets	0	–19,255	0	–18,928
Intangible assets	0	0	0	0
Cash flow from transactions in respect of participations, tangible fixed assets and intangible assets		**–19,518**		**–19,289**

Consolidated cash flow statement

CHF 000	2023 Source of funds	2023 Use of funds	2022 Source of funds	2022 Use of funds
Medium and long-term business (>1 year)				
Amounts due to banks	16,636	0	17,333	0
Amounts due in respect of customer deposits	0	–163,929	58,179	0
Liabilities from other financial instruments at fair value	0	–216,567	0	–385,243
Bonds	0	0	0	0
Central mortgage institution loans	0	–2,462	0	–51,783
Loans of central issuing institutions	0	–2,001	0	–1
Other liabilities	0	–134,267	316,998	0
Amounts due from banks	0	–12,857	0	–2,064
Amounts due from customers	346,933	0	0	–62,471
Mortgage loans	340,169	0	175,577	0
Other financial instruments at fair value	112,640	0	100,149	0
Financial investments	514,206	0	3,266,463	0
Other accounts receivable	0	–558,835	0	–308,385
Short-term business				
Amounts due to banks	0	–631,762	906,756	0
Liabilities from securities financing transactions	641,000	0	100,000	0
Amounts due in respect of customer deposits	0	–887,010	2,047,474	0
Trading portfolio liabilities	37,058	0	1,056	0
Negative replacement values of derivative financial instruments	0	–80,755	379,274	0
Liabilities from other financial instruments at fair value	0	–10,259	27,954	0
Amounts due from banks	0	–153,630	0	–2,665,396
Amounts due from securities financing transactions	100,000	0	0	–8,850,000
Amounts due from customers	774,412	0	782,259	0
Trading portfolio assets	0	–139,830	495,693	0
Positive replacement values of derivative financial instruments	291,120	0	0	–589,949
Other financial instruments at fair value	475,753	0	681,376	0
Financial investments	0	–857,422	0	–2,225,385
Cash flow from banking operations		**–201,659**		**–5,784,136**
Conversion differences		**–69,211**		**–69,089**
Change in liquid assets		**–330,634**		**–5,267,880**

CHF 000	**31.12.2023**	31.12.2022
Liquid assets at beginning of the year (cash)	**3,562,667**	**8,830,547**
Liquid assets at the end of the year (cash)	**3,232,033**	**3,562,667**
Change in liquid assets	**–330,634**	**–5,267,880**

Presentation of the consolidated statement of changes in equity

CHF 000	Share capital	Capital reserve	Retained earnings reserve	Reserves for general banking risks	Currency translation reserve	Minority interests	Result of the period	**Total**
Equity on 01.01.2023	**848,245**	**1,745,862**	**2,467,169**	**270,642**	**–108,513**	**964,465**		**6,187,870**
Currency translation differences					–165,981	–96,177		–262,158
Dividends and other distributions			–579,246			–407,884		–987,130
Reserves for general banking risks				348,323				348,323
Transactions with minority shareholders			–1,833			1,833		0
Consolidated profit						159,809	310,520	470,329
Equity on 31.12.2023	**848,245**	**1,745,862**	**1,886,090**	**618,965**	**–274,494**	**622,046**	**310,520**	**5,757,234**

Share capital structure and disclosure of shareholders holding more than 5% of voting rights

	31.12.2023				31.12.2022			
CHF 000	Total nominal value	Number of units	Dividend bearing capital	%	Total nominal value	Number of units	Dividend bearing capital	%
J. Safra Holdings International (Luxembourg) S.A.								
Share capital	**848,245**	**848,245**	**848,245**	**100**	**848,245**	**848,245**	**848,245**	**100**

J. Safra Holdings International (Luxembourg) S.A., Luxembourg, holds the entire share capital and the voting rights of J. Safra Sarasin Holding Ltd. JSSH is ultimately owned by Ms Vicky Safra and her children.

Consolidated notes

Name, legal form and domicile

J. Safra Sarasin Holding Ltd. (the “Group” or the “Holding”) is a global banking group in private banking services and asset management. As an international group committed to sustainability and well established in more than 30 locations in Europe, Asia, the Middle East, Latin America and the Caribbean, the Group is a global symbol of private banking tradition, emphasising security and well-managed conservative growth for clients.

J. Safra Sarasin Holding Ltd. is headquartered in Basel.

Accounting and valuation principles

The Group’s financial statements are presented in accordance with the Accounting Ordinance of the Swiss Financial Market Supervisory Authority (FINMA-AccO) and the accounting rules for banks, investment firms, financial groups and conglomerates pursuant to FINMA Circular 2020/1. Capital adequacy disclosures under FINMA Circular 2016/1 are published on our website www.jsafrasarasin.com.

Changes in accounting and valuation principles

Accounting and valuation principles remained unchanged. Selectively, changes to the method of presentation were made to improve the level of information provided. Consequences are explained in the notes where meaningful. Comparative information has been reported accordingly.

Consolidation principles

The consolidated financial statements are prepared in accordance with the True and Fair View principle. The consolidation period for all Group entities is the calendar year ending 31 December. The accounting and valuation principles of the entities have been adjusted, where materially different, to the Group’s consolidation principles.

Consolidation perimeter

The consolidated financial statements comprise those of J. Safra Sarasin Holding Ltd., Basel, as well as those of its subsidiaries and branches listed on page 67. Newly acquired subsidiaries are consolidated as from the time control is transferred and deconsolidated once control is relinquished.

Consolidation method

Participating interests of more than 50% are wholly consolidated using the purchase method if the Group has the control, i.e. if the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Assets and liabilities, as well as costs and revenues, are stated in full (100%). Minority shareholders’ interests in the net assets and net profit are stated separately in the balance sheet and the consolidated income statement. Participating interests between 20% and 50% are consolidated according to the equity method. The net profit and assets corresponding to such holdings are reflected in the consolidated accounts according to the percentage owned by the Group. Minor participating interests and those of less than 20% are stated as unconsolidated participations at their acquisition cost, after deduction of provisions for any necessary depreciation in value. When acquiring a participation, the difference between the book value of the acquired participation and its net asset value is allocated to goodwill.

Elimination of intra-Group receivables and payables

All items stated in the balance sheet and income statement (including off-balance sheet transactions) resulting from business relationships between Group companies are eliminated from the consolidated accounts.

Recording of transactions

All transactions concluded are recorded according to the settlement date accounting principle. Foreign exchange spot transactions and security transactions concluded but not yet executed are recorded as derivative financial instruments in the balance sheet positions “Positive (or negative) replacement values of derivative financial instruments”. The corresponding assets and liabilities are recorded as contract volume in the off-balance sheet. Firm commitments to underwrite securities issues and money market time deposits are recognised at the settlement date.

Translation of foreign currencies

Income and expenses in foreign currencies arising during the year are translated at the exchange rates prevailing at the date of the transaction. Exchange differences are recorded in the statement of income. Assets and liabilities expressed in foreign currencies are converted at the daily rate of the balance sheet date. The income statements of Group entities are translated at the yearly average rate. The main exchange rates prevailing at the balance sheet dates are as follows:

Currency	31.12.2023	31.12.2022
USD/CHF	0.842	0.925
EUR/CHF	0.930	0.987

Outright forward exchange contracts are translated at the residual exchange rate prevailing at the balance sheet date. Profits and losses on these exchange positions are included in the foreign exchange results at the balance sheet date.

Consolidated supervision

The Group qualifies as a financial group within the meaning of Article 3c al. 1 of the Swiss Banking Act over which FINMA exercises consolidated supervision. The scope of consolidated supervision applies to all direct and indirect subsidiaries, branches and representative offices of the Group.

The Holding has delegated to the Bank’s governing bodies all duties, responsibilities and competencies related to the management and operations of its current business. This management includes the financial consolidation as well as the supervision, on a consolidated basis, of the activities of the Group.

The statutory financial statements of J. Safra Sarasin Holding Ltd. are not deemed representative of the banking activities of the Group and are therefore not published.

Cash, due from and to banks and clients

These items are stated at their nominal value. Known and foreseeable risks are reflected in individual value adjustments, which are stated directly under the corresponding headings of the balance sheet.

Amounts due from and liabilities from securities financing transactions

These items contain receivables and obligations from cash collateral delivered in connection with securities borrowing and lending transactions as well as from reverse repurchase and repurchase transactions. These items are stated at their nominal value. The transfer of securities in connection with a securities financing transaction does not require recognition of the securities in the balance sheet when the ceding party retains the economic power to dispose of the rights to the transferred securities.

Securities and precious metals trading portfolios

Trading balances are valued at market price on the balance sheet date. Realised and unrealised profits and losses are included in the item “Result from trading activities and the fair value option”. Securities that are not traded regularly are stated at their acquisition cost, after deduction of the necessary depreciation. Interest and dividend income from trading balances are credited to “Result from trading activities and the fair value option”. The Group offsets the interest and dividend income on trading portfolios with the cost of funding from these portfolios. Income from securities issuing operations (primary market trading activities of structured products) is recorded in the item “Result from trading activities and the fair value option”.

Positive and negative replacement values of derivative financial instruments

Derivative instruments include options, futures and swaps on equities, stock indices, foreign exchange, commodities and interest rates, forward rate agreements, and forward contracts on currencies, securities and commodities. Derivative instruments are marked to market. For trading balances, realised and unrealised profits and losses are stated under the result from trading activities. Hedging transactions are recorded according to the rules applicable to the underlying position. If the underlying position is not marked to market, then the market value change of the hedge instrument is recorded in the compensation account in “Other assets or liabilities”. In the case of an advance sale of an interest rate hedging instrument valued on the principle of accrued interest, the realised profit or loss is deferred and reported in the income statement over the initial duration of the instrument. If the impact of the hedging transactions is greater than that of the hedged positions, the surplus fraction is treated as a trading transaction.

Other financial instruments at fair value

The items “Other financial instruments at fair value” and “Liabilities from other financial instruments at fair value” contain self-issued structured products without inherent derivatives. Certificates issued are recorded in the balance sheet position “Liabilities from other financial instruments at fair value” and marked to market. The assets held for hedging purposes of the certificates (e.g. stocks, bonds, etc.) are recorded in the balance sheet position “Other financial instruments at fair value” and marked to market. If the hedging is effected with derivative financial instruments, the replacement values are recorded in the balance sheet positions “Positive (or negative) replacement values of derivative financial instruments”.

Financial investments

Financial investments, intended to be held until maturity date, are stated at acquisition cost, less amortisation of any difference to nominal value over the period until maturity date (accrual method). Financial investments which are not intended to be held until maturity date, shares and similar securities and rights are stated at the lower of cost or market value. An impairment test is performed on a regular basis to determine any potential depreciation in the credit quality of the issuer.

Fixed assets and intangible assets

Fixed assets and intangible assets are stated at their acquisition cost. Depreciation is computed using the straight-line method over the estimated useful life of the respective assets net of impairment considered necessary as follows:

	2023	2022
Fixed assets		
Bank premises and other buildings	50 years	50 years
Leasehold improvements/ renovations	10–20 years	10–20 years
Furniture and machines	3–10 years	3–10 years
Hardware	3–8 years	3–8 years
Software	3–8 years	3–8 years
Intangible assets		
Goodwill	5–10 years	5–10 years
Other intangible assets	3–10 years	3–10 years

If, when acquiring a business, the costs of acquisition are higher than the net assets acquired, the difference represents the acquired goodwill. The goodwill is capitalised in the balance sheet and amortised linearly over the estimated useful life. Other intangible assets consist of acquired clientele.

Impairment of non-financial assets

On the balance sheet date, the Group determines whether there are any reasons for an impairment of non-financial assets. Goodwill and other intangible assets with indeterminate useful life are checked for impairment at least once a year, and also whenever events suggest their value is too high. Any other non-financial assets are reviewed for impairment if there are signs that their book value exceeds the realisable amount of the fair value. The estimated fair value of non-financial assets is determined on the basis of three valuation methods:

i. Comparable transactions
ii. Market comparables
iii. Model of discounting of cash flows

Value adjustments and provisions

For all potential and identifiable risks existing at the balance sheet date, value adjustments and provisions are established on a prudent basis. Value adjustments due from banks or due from customers, mortgages and bonds intended to be held until maturity date are deducted from the corresponding asset in the balance sheet.

Applicable accounting and valuation principles require the creation of value adjustments for inherent risks of default on non-impaired receivables and provisions for inherent risks of default of off-balance sheet positions. Such value adjustments and provisions are designed to provide for not yet incurred losses that implicitly exist in the credit business.

For positions with a published rating (e.g. due from bank, financial investments and money market investments), the value adjustment for inherent default risk is calculated by multiplying the Exposures at Default * Probability of Default * Loss Given Default.

The three parameters are defined as follows:
- Probability of Default (PD): the default rates by rating and by tenor published in the "Moody's annual default study"
- Exposure at Default (EAD): the balance positions reported on the balance sheet date
- Loss Given Default (LGD): average bond and loan recoveries from 1983 to 2022 published in the "Moody's annual default study".

For positions with no published rating (e.g. due from clients, mortgages, guarantees), the value adjustment for inherent default risk is based on the risk classification of the underlying credit exposure. Each of the 7 Credit Risk Classes ("CRC") – CRC 1 being standard – has an inherent default risk factor based on the probability of default and loss given default of the net exposure. The higher the risk class, the riskier the underlying credit exposure and the respective inherent default risk factor. The highest CRC is not considered in the inherent risk calculation as it is the CRC non-performing loans which already are provisioned. The inherent default risk factors are based on market benchmark comparison and historic default analysis of the lombard and mortgage portfolios. For the lombard loan portfolio, the PD and LGD factors cannot be monitored from market data as for e.g. issuers, so to derive the risk factor a combination of knowledge of our book and market sources (available peer comparison) is used. For the mortgage book published LGD and PD figures since 1990 could also be taken into consideration to derive the final risk figures. In addition, we continuously monitor credit risk concentration. A geographical concentration risk add-on is recognized subject to specific criteria and conditions. Such criteria include exceeding a relative threshold of the total exposure in a said category or exceeding a relative threshold of Group CET1 capital. The add-on is determined with a quantitative approach that incorporates progressive PD and LGD factors over CRC.

Inherent default risk factors are determined separately for the Lombard and Mortgage categories. Positions which are already value-adjusted or provisioned individually are excluded from the inherent default risk calculation.

Value adjustments for inherent default risks are calculated on the book value of the positions and are deducted from the corresponding asset in the balance sheet. Value adjustments and provisions for inherent default risks are reassessed quarterly and changes recognised in the income statement as changes in value adjustments for default risks and losses from interest operations.

Value adjustments or provisions for inherent default risks may be used in exceptional situations for the establishment of individual value adjustments or provisions without income statement effect and without the requirement to immediately replenish the target level of value adjustments or provisions for inherent default risks. The Group evaluates in the event of an exceptional need for specific value adjustments whether to use such existing value adjustments or provisions for inherent default risks to partially or fully cover the necessary individual value adjustments or provisions. The need for individual value adjustments or provisions is considered exceptional if it exceeds 5 percent of the income statement item “gross result from interest operations”. The threshold is calculated on the previous year’s gross result from interest operations.

If the use of value adjustments or provisions for inherent default risks leads to a shortfall (a funding gap between remaining and target value adjustments or provisions), this shortfall must be eliminated within a maximum of five financial years by restoring the target level. In general, a linear approach will be taken to restore the target level. Depending on the course of business and the general economic situation and outlook, a faster elimination of the shortfall is possible. The determined level of value adjustments and provisioning for inherent default risks is fully funded as at balance sheet date (no shortfall).

Reserves for general banking risks

Reserves for general banking risks can be accounted for at the consolidated financial statements level or at the individual accounts level to cover risks inherent to the banking business. These reserves form part of equity and are subject to deferred tax. Reserves for general banking risks at the individual account level are not subject to tax.

Employee pension plans

The Group operates a number of pension plans for its employees in Switzerland and abroad, most of them comprising defined contribution plans. The adjusted contributions for the period are shown as personnel costs in the income statement. The corresponding adjustments or liabilities and the claims and commitments arising from legal, regulatory or contractual requirements are shown in the balance sheet. In accordance with the Swiss GAAP RPC 16, a study is performed on an annual basis to assess a potential financial benefit/commitment (surplus/deficit) from the Group’s point of view. A surplus is recorded only if the Group is legally permitted to use this surplus either to reduce or reimburse the employer contributions. In the case of a deficit, a provision is set up if the Group has decided to or is required to participate in the financing. When the surplus and/or deficit is recorded in the income statement, it is recognised under personnel costs. In the balance sheet, the surplus is recognised under other assets, whereas a deficit is recognised under provisions.

Taxes

Current taxes, in general income and capital taxes, are calculated on the basis of the applicable tax laws and recorded as an expense in the relevant period. One-off taxes or taxes on transactions are not included in current taxes. Deferred taxes are recorded in accordance with requirements. Accruals of current taxes due are booked on the liabilities side under accrued expenses and deferred income. The tax effects arising from temporary differences between the carrying value and tax value of assets and liabilities are recorded as deferred taxes under provisions in the liabilities section of the balance sheet or in other assets for deferred tax assets. Deferred taxes are calculated using the expected tax rates.

Risk management

Structure of risk management

General considerations

Achieving a high risk management standard is not simply a question of compliance with formalised internal and external rules. Moreover, quantitative criteria are only one component of comprehensive risk management. Indeed, risk awareness must be a key governance element to spur the appropriate risk culture and become an integral part of an organisation. Only then will such risk culture demonstrate itself through the discipline and thoroughness with which employees perform their tasks.

Governance

The Board of Directors carries the ultimate responsibility in the Group’s business strategy and principles for the corporate culture. It is responsible for establishing the business organisation, issuing the necessary rules and regulations and ensuring that the Group has adequate personnel and infrastructure.

The Board defines the risk strategy, approves the Group-wide Risk Management Framework and is responsible for establishing an effective risk management function and managing the Group’s overall risks. It ensures that the risk and control environment is adequate and that the internal control system is efficient. The Board of Directors formulates the Group’s risk policy and monitors its implementation by the Group Executive Board, which is responsible for running the operational business activities and for day-to-day risk management.

Risk Management Framework

The Risk Management Framework is developed by the Group Executive Board and approved by the Board of Directors. It is based on a comprehensive assessment of the inherent risks resulting from the activities of the Group. For each of these activities, the existing controls, testing and reviews of the first, second and third lines of defence are assessed and revised if necessary. These, together with other mitigating factors, will serve to derive the residual risks which are reported by risk category as defined in the Risk Management Framework.

Risk tolerance, defined as the level of risk that the Group is prepared to assume to achieve its business objectives, is determined for each risk category defined in the Risk Management Framework. Corresponding limits and Key Risk Indicators (KRIs) are set where applicable.

Under the responsibility of the Board of Directors, the Group Executive Board ensures that the necessary instruments and organisational structures allow for the identification, monitoring and reporting of all risk categories.

The elements of risk tolerance are integrated into internal regulations, directives and policies which govern the activities performed within the Group and contribute to enforce the risk culture. Those policies and related documents define the operating limits and describe the procedures to follow in case of breaches. Training and e-learning are also designed to educate and inform personnel on risks and restrictions as well as controls related to the activities.

The Risk Management Framework is reviewed annually.

Committees

To ensure holistic risk management, the Board of Directors and the Group Executive Board have appointed the necessary committees to deal with risks and act as decision-making bodies for key issues and risks. Their roles also include the promotion of risk awareness and compliance with the approved risk standards.

The **Audit and Risk Committee (ARC)** reports to the Board of Directors. The committee assesses the effectiveness of the internal control system, the risk controls, the compliance function and internal audit. It monitors the implementation of risk strategies and ensures that they align with the defined risk tolerance and risk limits. In addition, the ARC is responsible for assessing the effectiveness of the Risk Management Framework and makes relevant recommendations to the Board of Directors.

The **Risk Committee** is the Group's highest management committee concerned with risk. Its primary function is to assist the Group Executive Board and ultimately the Board of Directors in fulfilling their responsibilities by implementing the risk guidelines set by the Board and monitoring the Group's risk profile. When evaluating risks, the Risk Committee considers the findings and measures of other committees.

The **Operational Risk Committee** reviews the causes of operational incidents and when necessary may propose certain changes in the processes. Ad-hoc topics are analysed and reviewed, with the constant objective of reducing operational risks and improving efficiency.

The **Central Credit Committee (CCC)** administers the credit portfolio and controls the Group's credit risk. It is responsible for the review and approval of the Group's client credit exposure and non-client counterparty limits and utilisations and for reviewing the Group's credit policy.

The **Treasury Committee** is responsible for the consolidated supervision of the treasury, liquidity and investment activities and cash management of the Group. It controls and manages interest rate risk, short-term liquidity risk and mid- to long-term refinancing risks. The Treasury Committee is mandated in particular to supervise liquidity, refinancing, interest risk exposure, investment income and interest-bearing products and accounts.

The **Product Committees** oversee idea generation, development and sales support activities for new products offered within the Group. These committees bear ultimate functional responsibility for the product approval process and for managing the product development process.

The **IT Risk Committee** addresses IT and cyber risks. It monitors these risks in terms of availability, security and confidentiality, tracks developments in the cyber threat landscape, adapts the control environment when and where necessary and follows up on the initiatives and projects aiming to reduce those risks.

The **Risk and Performance Committee (RPC)** is the risk and performance controlling body for all asset management products. The RPC defines a suitable process for monitoring risk and performance and is informed on compliance with investment restrictions. It also reviews the Environmental, Social and Governance (ESG) metrics of asset management products as submitted by the Sustainability team.

All operational committees comprise representatives from different divisions and meet at regular intervals, but at least quarterly.

Organisation of risk management

Risk management is structured along three lines of defence. The first line of defence is operated by the revenue-generating and operational units as well as some specific control units. The second line is assured by independent control units. Finally, the third line of defence is provided by the Internal Audit function.

Independent controls are mostly executed by the Risk Office, Compliance, Legal and Business & Regulatory Development departments, which, from an organisational perspective, are all independent from the first line of defence units. This separation of functions ensures that the departments that analyse the risks assumed by the business units and monitor adherence to limits act independently from the business units taking decisions on the level and extent of risk exposure. This structure prevents potential conflicts of interest and incompatible objectives as early and as effectively as possible.

The Chief Risk Officer heads the Risk Office department, which is responsible for the comprehensive and systematic control of risk exposure. Risk Office, which has unlimited access to information, ensures that the risk profile of the Group is consistent with the risk tolerance and limits approved in the Risk Management Framework. Risk Office performs in-depth analyses of the Group's exposure to market, treasury, non-client credit, operational, cyber & IT and other risks. It anticipates risk, makes recommendations and takes necessary measures to maintain the risk profile within the Group's risk appetite limits. It is responsible for ensuring compliance of all business units with the risk management process and best practices. Risk Office has developed its own infrastructure allowing for efficient risk monitoring and robust reporting. The infrastructure undergoes regular updates and enhancements. Risk Office also submits periodic and ad-hoc reports to the Audit and Risk Committee, the Group Executive Board and business units.

The Legal and Compliance functions support the Group Executive Board and the management of Group Companies in their efforts to ensure that the Group's business activities in Switzerland and abroad comply with applicable legal and regulatory frameworks as well as with generally accepted market standards and practices. Compliance assures that an appropriate system of directives and procedures is in place and adequate training on compliance matters is provided to relevant staff. It also performs several controls of the second line of defence. Other controls related to areas such as suitability cross-border compliance, data protection and conduct risks are performed by the Business & Regulatory Development department. The Legal function guarantees that the Group structure and business processes adhere to a legally binding format, particularly in the areas of service provision to clients, product marketing and outsourcing activities. Regular and comprehensive risk reporting on compliance and legal risk is provided to the Audit and Risk Committee and the Group Executive Board.

The Credit department analyses, grants and records client credits and, if necessary, initiates measures to prevent credit losses. Client credits include cash loans, contingent liabilities and transactions with initial margin requirements such as forwards, futures or option contracts. The Credit department defines credit parameters relevant to credit, such as eligibility of assets for lending, lending-value rules and initial margin requirement according to the type of derivative transaction. An independent team monitors the client credit activity and the adherence to limits.

A clearly structured and transparent risk management process allows for the timely identification of risks, their documentation, escalation, resolution and/or close monitoring. The process is applied to all risk categories, both individually and collectively. When introducing new business transactions and procedures, the risk management process is the basis for the comprehensive assessment and rating of risks associated with a new activity or process. The Group has established a clear process to detect existing or potential risks before entering into any new business. The involvement of all relevant business units at an early stage ensures a comprehensive, cross-discipline assessment of every new business transaction or process and its associated risks.

Risk indicators

In-depth risk profiling entails defining adequate quantitative and qualitative risk indicators. In the case of quantitative indicators and depending on the required level of granularity, these will be measured at minimum against an internal limit as well as a regulatory limit (if applicable). Qualitative indicators are assessed in the "appetite statement" context defined in the Risk Management Framework. To the extent possible, these indicators are standardised throughout the Group. The Group makes use of stress testing in order to evaluate the impact of adverse scenarios on different elements such as capital adequacy, liquidity, interest rate sensitivity and collateral value of the credit portfolios. Different scenarios are considered in order to estimate the financial impacts on capital adequacy. They result from the combination of shocks applied for each significant type of risk to which the Group is exposed. All possible direct and indirect consequences on the profit and loss and on the equity of the Group are considered for each scenario. A detailed three-year schedule for capital planning and development describes the impact of each scenario on capital adequacy. This capital and liquidity planning is approved annually by the Board of Directors.

Risk categories

The Group is exposed to the following risks through its business activities and services:

- Market risk
- Liquidity risk
- Credit risk, including concentration risk
- Operational, IT and information security risks
- Legal and compliance risk, including conduct and data privacy related risks
- Business and strategic risks, including Environmental, Social and Governance (ESG) risks
- Reputational risk.

Market risk

Market risk refers to the risk of a loss due to changes in market parameters (asset prices, interest rates and foreign exchange rates) in on-balance or off-balance sheet positions. The Group is exposed to market risk on its trading book in a limited way. Specific limits are set on different parameters at a granular level. The monitoring of the limits is automated and performed on an ongoing basis ensuring a timely intervention when justified. A clear and efficient escalation process is in place so that in case of breach, the remediation measures are presented to the competent limit owner. Regarding the banking book, market risk limits are in place for the interest rate and foreign exchange exposures as well as regarding derivatives exposures. The interest rate risk in the banking book is measured using the predefined regulatory scenarios as well as additional internal scenarios. Specifically, the exposure to interest rate risk is measured via diverging maturities of interest-sensitive positions per currency (gap). The interest rate risk stress testing assesses the impact on the economic value of the balance sheet and the projected interest income for the following one to five years.

Liquidity risk

Liquidity risk refers to the potential inability of the Group to meet its payment obligations or failure to meet requirements imposed by banking regulations. The Treasury Committee is responsible for monitoring liquidity. The prime objective is to guarantee the Group's ability to meet its payment obligations at all times and to ensure compliance with legal requirements on liquidity. A key task of the Committee is to monitor all relevant liquidity risk factors. These include money flows between subsidiaries and the parent company, inflows and outflows of client funds and changes in the availability of liquidity reserves. The liquidity aspects are considered in aggregate but also per currency. As a supporting strategy, target bandwidths are set for surplus coverage of minimum liquidity. These are actively monitored and corresponding measures are taken if liquidity falls below the specified targets. A contingency funding plan may be triggered if certain conditions are met. Stress tests verify the impact of larger outflows combined with the deterioration of Group assets.

Credit risk

Credit or counterparty risk is the risk related to a client or a counterparty being either unable or only partially able to meet an obligation owed to the Group or an individual Group Company. Such potential counterparty failures may result in financial losses for the Group.

Lending business with clients

Lending activities mainly involve private client loans that are secured by securities or mortgages. Lending criteria are very strictly formulated and their appropriateness is continuously reviewed. The lending business with clients respects a strict separation rule between front and support functions where the assessment, approval and monitoring of such business is performed by the latter.

Credit is granted under a system of delegation of authority based on the size and risk class of the loan, where the Central Credit Committee examines applications and authorises them in line with the delegated authority and the defined policy. Client loans and mortgages are classified by risk classes through an internal rating system which considers criteria such as the applied lending value, collateral liquidity and potential concentrations or, for mortgages, the type of property.

When a loan is granted, the loan-to-value ratio is established on the basis of the current value of the collateral. The Group applies loan-to-value criteria which are in line with common Swiss banking industry practice. A system of alerts and internal controls is used to monitor individual situations in which credit risk has increased. The risk profile of the Group's loan portfolio distributed by type of exposure, risk class and collateral type is reviewed on a monthly basis and reported to management. Non-performing loans and collateral obtained are valued at liquidation value, taking into account any correction for the debtor's solvency. Off-balance sheet transactions are also included in this assessment. The need for provisions is determined individually for each impaired loan based on analysis performed according to a clearly defined procedure. A stress test on the collateral value of the credit portfolio is performed at least on a quarterly basis.

Lending business with banks, governments and corporates

Transactions entered into with banks, governments and corporates (non-client credit activities) may represent direct exposures or serve the Group's need to manage its foreign exchange, liquidity or interest rate risk and hedge client transactions.

An internal framework regulates the granting of credit limits to non-clients. This framework is based on the Group's general risk appetite, mainly measured in freely disposable capital, and the credit quality of the respective counterparty. The Central Credit Committee approves and reviews the limits granted to non-client counterparties.

The limit requests and the credit analyses of the respective counterparties are performed by credit analysts. The limits are reviewed regularly, but at least once a year or ad hoc if required by specific credit events. The Group's Risk Office is in charge of monitoring and reporting all exposures on a daily basis.

As a general rule, the emphasis when conducting business on the interbank market is on the quality of the counterparty, but strong focus is also on risk reduction measures wherever possible. Over-the-counter transactions with third-party banks are mainly executed under netting and collateralisation agreements and credit is provided against collateral (repo transaction) whenever appropriate.

The country risk is monitored via a specific framework and a set of limits which are both approved by the Board of Directors.

Large exposure and concentration risks

Large exposure risks are monitored for every counterparty and are based on the provisions of the Swiss Ordinance on Capital Adequacy and Risk Diversification for Banks and Securities Dealers. A group of related counterparties is regarded as a single counterparty. Large exposure risks are calculated on a risk-weighted basis taking into consideration available collateral provided. The upper limit per counterparty is 25% of the eligible capital calculated in accordance with the statutory requirements. While client receivables are mostly covered by readily realisable collateral and therefore do not represent large exposure risks from a regulatory point of view, prior to entering into positions involving non-clients the Group's Risk Office checks that the critical size of the concentrations is not exceeded.

Operational risk

Operational risk is defined as the risk of loss that arises through the inadequacy or failure of internal procedures, people or systems, or as a consequence of external events.

The risk of fraud is embedded in operational risk. In order to mitigate that risk, strict procedures are in place and their application is monitored.

All operational risk incidents are notified to and analysed by Risk Office. Various reports are produced and presented to the Group Executive Board. An Operational Risk Committee meets at regular intervals to review the incidents and, when necessary, issues recommendations. The continuous measurement, reporting and assessment of segment-specific key risk indicators allows potential weaknesses to be detected well in advance, monitored and escalated. Ongoing risk and control self-assessment is performed involving representatives from all business units and risk experts in order to identify and catalogue the risks and inadequacies of a specific area. If necessary, targeted action plans are designed to decrease the risk level and align with the Group's risk appetite.

Operational resilience is designed to preserve critical functions in case of a severe but plausible disruption scenario in the defined time period approved by the Board of Directors. Business Continuity Management ("BCM") aims at maintaining and restoring the activities as quickly as possible in the event of internal or external incidents. The BCM plan is reviewed by the BCM Board on a yearly basis. Regular crisis management exercises are conducted to validate the efficiency of the plan. Both operational resilience and BCM aim to minimise the financial impact and protect client assets as well as the Group's reputation.

In addition, the Group mitigates potential consequences of risk with tailored insurance solutions. These solutions are regularly reassessed to comply with new emerging risks and regulations.

IT and information security risk

IT risk refers to a subset of operational risk due to technology-related factors. It may lead to potential business disruptions as a result of a deficient implementation of IT risk governance. It comprises, but is not limited to, user access management, the evolution of the IT infrastructure, IT operations management and risks associated with the use of artificial intelligence.

Information security risk relates to the potential inability of the Group to anticipate, resist, or react to a threat that exploits vulnerabilities, causing harm to the organisation. This includes cyber risk, which is more specific to the use of technology.

It is the Group's aim and constant objective to establish and maintain an effective security infrastructure with up-to-date systems and technology. In parallel, the Group has put in place robust IT and information security risk management governance, implementing adequate controls for mitigating identified risks and providing continuous guidance and training for staff in this area. Large IT projects, including change management, are subject to a specific IT risk assessment.

The Group has defined and implemented operating principles, guidelines and procedures that are effective and operational. An IT and information security risk reporting and decision-making process is in place, ensuring that the governing bodies as well as operational functions address those risks as required.

Legal and compliance risk

Legal risks relate to potential financial loss as a result of the deficient drafting or implementation of contractual agreements or as a consequence of contractual infringements or illegal and/or culpable actions. It also covers the deficient implementations of changes in the legal and regulatory environment. The legal department is involved as soon as a potential risk has been identified. It assesses the situation and, if appropriate, retains an external lawyer with whom it works to resolve the issue. Such risks have been assessed and provisions have been set aside on a case-by-case basis.

Compliance risk is defined as the risk of legal sanctions, material financial loss, or loss of reputation that the Group may suffer as a result of its failure to comply with applicable laws, its own regulations, code of conduct and standards of best/good practice. Compliance risk relates to many areas, such as anti-money laundering and combating the financing of terrorism, regulatory tax compliance, breaches of cross-border rules, conduct risks including suitability and appropriateness of products and investments, or market conduct rules.

Legal and compliance risks also comprise risks related to non-compliance with data protection and data privacy laws and regulations. Internal directives set out the framework and minimum standards across the Group in connection with the processing of personal data.

Business and strategic risk

Business and strategic risk is inherent to external or internal events or decisions resulting in strategic and business objectives not being achieved. Assessment reviews are conducted on a regular basis to evaluate the impact of potential strategic and business risks and define mitigating measures.

Business and strategic risks, including ESG risks, are actively addressed by a strong corporate governance, a broad variety of investment offerings, a sustainable corporate culture and the efficient management of resources.

For further information, please refer to the Sustainability Report on page 84.

Reputational risk

Reputation is a critical element shaping stakeholders' perception of the Group's public standing, professionalism, integrity and reliability. Reputational risk can be defined as the existing or potential threat of negative commercial impacts on the Group created by stakeholders' negative perception of the Group. It is most often an event which has occurred as a direct consequence of another risk materialising. To identify potential reputational risks at an early stage and take appropriate preventive measures, the Group strives to instil an intrinsic risk culture in its staff, structures and processes.

Treatment of structured products

Self-issued structured products containing option components are separated into the fixed-income instrument and the embedded derivative. The fixed-income instrument is recognised in the balance sheet position "Amounts due in respect of customer deposits" and the derivative is recognised in the balance sheet position "Positive (or negative) replacement values of derivative financial instruments". Assets (stocks, bonds derivatives from third parties, etc.) bought to hedge self-issued structured products are recognised in the respective balance sheet position. For self-issued structured products where the fair value option is applied, the product itself and the corresponding hedging positions in stocks, bonds and funds are recognised in the balance sheet position "Liabilities from other financial instruments at fair value" or "Other financial instruments at fair value", as appropriate. Potential derivative positions also held for hedging purposes are reported under "Positive (or negative) replacement values of derivative financial instruments".

Explanation of the methods used for identifying default risks and determining the need for value adjustments

Based on the inherent risk of a credit facility, the Group establishes the individual Credit Risk Class (CRC), which in return defines the review cycle of the facility. All credits are regularly tracked by means of daily monitoring and the aforementioned credit reviews. Deviations from the agreed contractual terms with regard to interest payments and/or amortisation, representing potential indicators of default risk, are detected by the aforementioned regular credit-monitoring process and trigger a review and re-evaluation of the CRC.

With respect to Lombard facilities, lending value rules are set and periodically reviewed by the Group's Central Credit Committee for each asset type. Any lending value exceptions are approved in conjunction with the credit request in question. On this basis, each approved credit facility is given a CRC. Additionally, the country concentration embedded within the portfolios on which the Group lends is also reviewed periodically, as necessary. Lombard loans are monitored on a daily basis for margin purposes and in relevant periodic intervals for repayment purposes. The CRC of a Lombard facility or group of facilities is reassessed at each credit review interval. In addition, periodic interim controls are performed to flag CRC inconsistencies. Any adverse change in the Group's outlook with respect to the collateral will, on a case-by-case basis, trigger an assessment for the purpose of establishing a provision.

With respect to mortgage facilities, the value of the collateral is assessed based on a property valuation mandated by the Group and performed by a certified value and/or property valuation tool. In addition to the risk-class-based review process and in order to detect a potential material decrease in market value, market prices are analysed and documented against appropriate regional price statistics. If prices of certain regions and/or object types have significantly decreased in value or a corresponding decrease is deemed to be imminent by the Group, the respective mortgage facilities are assessed individually and provisions are set aside on a case-by-case basis.

Explanations of the valuation of collateral, in particular key criteria for the calculation of current market value and lending value

The lending business is basically limited to Lombard loans and mortgages. In the case of a Lombard loan, the collateral is accepted at a percentage of its market value according to the Group's credit policy. The lending value depends on the nature, solvency, currency and fungibility of the assets. In case of a mortgage, the maximum pledge rate is defined by the Group's credit policy, the property type and the appraised value of the property.

Explanations of the Group's business policy regarding the use of derivative financial instruments, including explanations relating to the use of hedge accounting

The Group enables clients to trade different types of derivatives. Client derivative trading activities include options, forwards, futures, swaps on equities, foreign exchange, precious metals, commodities and interest rates. The Group can trade derivative products for its own account, either for proprietary trading or for balance sheet management activities, as long as the necessary limits are approved by the Board of Directors, or square client transactions in the market with third parties in order to eliminate market risk incurred through the client transactions.

The use of derivatives in discretionary portfolio management is restricted to the transactions authorised by the Swiss Bankers' Association asset management guidelines and in accordance with the Group's investment policy.

The Group uses derivative financial instruments as part of its balance sheet management activities in order to manage the risk in its banking book. The Group may apply hedge accounting, if possible, to avoid asymmetric profit and loss recognition. Interest rate risks of assets and liabilities are typically hedged by interest rate swaps (IRS), but other instruments like forward rate agreements (FRA), futures or interest rate options could also be used. The Group can buy credit default swap (CDS) protection to hedge the counterparty risk of financial investments. The hedge relationships with underlying hedged item(s) and hedge transactions are documented and periodically reviewed.

The effectiveness of hedging transactions is measured prospectively either by the differential of sensitivity to the risk parameter, within a predefined corridor, of the hedged item(s) and the hedging transaction, or by matching the cash flows of the hedge and the risk position. The hedging relationships are periodically checked as to whether hedged item(s) and hedging transaction are still in place and hedge effectiveness is guaranteed.

Where the effect of the hedging transactions exceeds the effect of the hedged items, the excess portion of the derivative financial instrument is treated as equivalent to a trading position. The excess portion is recorded in the profit and loss item "Result from trading activities".

Subsequent events

No events affecting the balance sheet or income statement are to be reported for the financial year 2023.

Consolidated notes – Information on the balance sheet

Breakdown of securities financing transactions (assets and liabilities)

CHF 000	**2023**	2022
Book value of receivables from cash collateral delivered in connection with securities borrowing and reverse repurchase transactions (before netting agreements)[1]	8,750,000	8,850,000
Book value of obligations from cash collateral received in connection with securities lending and repurchase transactions (before netting agreements)	741,000	100,000
Book value of securities lent in connection with securities lending or delivered as collateral in connection with securities borrowing as well as securities in own portfolio transferred in connection with repurchase agreements	1,476,759	826,578
with unrestricted right to resell or pledge	720,759	725,578
Fair value of securities received and serving as collateral in connection with securities lending or securities borrowed in connection with securities borrowing as well as securities received in connection with reverse repurchase agreements with an unrestricted right to resell or repledge	9,569,638	9,757,727
of which, repledged securities	31,277	3,246
of which, resold securities	0	0

[1] CHF 8.75 bn (2022: CHF 8.85 bn) relates to tradable money market debt register claims issued by the Swiss National Bank (SNB Bills).

Presentation of collateral for loans / receivables and off-balance sheet transactions, as well as impaired loans / receivables

CHF 000	Mortgage collateral	Secured by other collateral	Without collateral	Total
Loans (before netting with value adjustments)				
Amounts due from customers	364,169	7,662,550	196,271	8,222,990
Mortgage loans				
Residential property	819,806	0	0	819,806
Office and business premises	1,654,497	0	0	1,654,497
Trade and industry	281,005	0	0	281,005
Others	10	0	0	10
Total loans (before netting with value adjustments)				
Current year	**3,119,487**	**7,662,550**	**196,271**	**10,978,308**
Previous year	3,651,571	9,174,672	105,664	12,931,907
Total loans (after netting with value adjustments)				
Current year	**2,787,564**	**7,519,364**	**165,034**	**10,471,962**
Previous year	3,364,980	9,026,596	72,285	12,463,861
Off-balance sheet transactions				
Contingent liabilities	0	185,873	101,921	287,794
Irrevocable commitments	0	25,370	0	25,370
Obligations to pay up shares and make further contributions	0	0	1,817	1,817
Total current year	**0**	**211,243**	**103,738**	**314,981**
Previous year	0	217,176	103,802	320,978

Impaired loans

CHF 000	Gross debt amount	Estimated liquidation value of collateral	Net debt amount	Individual value adjustments
Current year	**504,958**	**182,038**	**322,920**	**322,920**
Previous year	562,591	190,927	371,664	371,664

See note “Presentation of value adjustments and provisions, reserves for general banking risks and changes therein during the current year” for the full presentation of value adjustments for default and country risks (i.e. including value adjustments for inherent default risks).

Breakdown of trading portfolios and other financial instruments at fair value (assets and liabilities)

CHF 000	**31.12.2023**	31.12.2022
Assets		
Trading portfolios		
Debt securities	1,241,550	1,423,857
of which, listed	293,777	366,869
Equity securities	918,242	605,445
Precious metals and commodities	542,389	522,536
Other trading portfolio assets	60,283	108,877
Other financial instruments at fair value		
Debt securities	192,269	280,932
Structured products	1,970	2,316
Other	669,017	1,174,753
Total assets	**3,625,720**	**4,118,716**
of which, determined using a valuation model	0	0
of which, securities eligible for repo transactions in accordance with liquidity requirements	0	0
Liabilities		
Trading portfolios		
Debt securities	37,302	1,807
of which, listed	37,302	1,807
Equity securities	14,823	13,259
Precious metals and commodities	0	0
Other trading portfolio liabilities	2	3
Other financial instruments at fair value		
Debt securities	192,501	284,941
Structured products	0	0
Other	665,340	806,516
Total liabilities	**909,968**	**1,106,526**
of which, determined using a valuation model	0	0

Presentation of derivative financial instruments (assets and liabilities)

CHF 000	Positive replacement values	Negative replacement values	Contract volumes
Trading instruments			
Interest rate instruments			
Forward agreements	66	32	2,520,068
Swaps	310,701	112,564	18,283,082
Futures	233	218	27,428
Total interest rate instruments	**311,000**	**112,814**	**20,830,578**
Foreign exchange			
Forward agreements	40,217	38,286	5,691,339
Combined interest/currency swaps	289,894	819,159	35,111,803
Futures	0	0	778,652
Options (OTC)	38,865	33,315	7,071,492
Total foreign exchange	**368,976**	**890,760**	**48,653,286**
Equity securities/indices			
Forward agreements	391	310	99,432
Futures	39	0	2,081
Options (OTC)	68,806	54,171	2,496,763
Options (exchange traded)	82,663	53,889	1,917,030
Total equity securities/indices	**151,899**	**108,370**	**4,515,306**
Precious metals			
Forward agreements	2,605	3,556	163,673
Swaps	15,792	18,199	627,345
Options (OTC)	27,004	17,156	2,259,493
Total precious metals	**45,401**	**38,911**	**3,050,511**
Credit derivatives			
Credit default swaps	0	0	0
Total credit derivatives	**0**	**0**	**0**
Other			
Forward agreements	127	112	573,480
Total other	**127**	**112**	**573,480**
Total trading instruments before netting agreements on 31.12.2023	**877,403**	**1,150,967**	**77,623,161**
Total trading instruments before netting agreements on 31.12.2022	1,160,141	1,248,892	65,284,221
Hedge instruments			
Interest rate instruments			
Swaps	23,796	1,725	497,840
Total hedge instruments on 31.12.2023	**23,796**	**1,725**	**497,840**
Total hedge instruments on 31.12.2022	52,565	484	1,011,943
Total before netting agreements on 31.12.2023	**901,199**	**1,152,692**	**78,121,001**
of which, determined using a valuation model	0	0	–
Total before netting agreements on 31.12.2022	1,212,706	1,249,376	66,296,164
of which, determined using a valuation model	0	0	–
Total after netting agreements on 31.12.2023	**428,776**	**682,729**	
Total after netting agreements on 31.12.2022	669,054	706,580	

Breakdown by counterparty	Central clearing houses	Banks and securities dealers	Other customers
CHF 000			
Positive replacement values (after netting agreements) on 31.12.2023	**240,787**	**55,016**	**132,973**
Positive replacement values (after netting agreements) on 31.12.2022	375,991	75,277	217,786

Financial investments

CHF 000	**Book value 31.12.2023**	**Fair value 31.12.2023**	Book value 31.12.2022	Fair value 31.12.2022
Debt securities	8,446,789	8,424,729	8,625,142	8,602,388
of which, intended to be held until maturity	8,362,351	8,339,703	8,525,180	8,501,214
of which, not intended to be held to maturity (available for sale)	84,438	85,026	99,962	101,174
Equity securities	1,192,482	1,261,416	1,183,047	1,294,526
of which, qualified participations	0	0	0	0
Precious metals	0	0	0	0
Real estate	92,681	92,681	30,610	30,610
Total financial investments	**9,731,952**	**9,778,826**	**9,838,799**	**9,927,524**
of which, securities eligible for repo transactions in accordance with liquidity regulations	**555,139**		**49,288**	

Breakdown of counterparties by rating

CHF 000	AAA to AA–	A+ to A–	BBB+ to BBB–	BB+ to B–	Below B–	Unrated
Debt securities						
Book value on 31.12.2023	**6,879,312**[1)]	**1,158,613**	**231,823**	**61,938**	**2**	**115,101**
Book value on 31.12.2022	5,580,225	1,926,949	362,333	413,222	2	342,410

The above rating is based on the credit rating of Standard & Poor's.

1) CHF 4.5bn is attributable to treasury bills (no rating in accordance with Standard & Poor's) and are rated between AAA to AA-.

Participations

CHF 000	Acquisition costs	Accumulated value adjustments	Book value as at 31.12.2022	Reclassi-fications	Additions	Disposals	Value adjustments	**Book value as at 31.12.2023**	Market value
Participations valued using the equity method									
with market value	0	0	0	0	0	0	0	0	0
without market value	337	0	337	0	0	0	0	337	–
Other participations									
with market value	37,832	–265	37,567	0	0	0	0	37,567	127,848
without market value	0	0	0	0	0	0	0	0	–
Total participations	**38,169**	**–265**	**37,904**	**0**	**0**	**0**	**0**	**37,904**	**127,848**

Significant participating interests

	Place of incorporation	Activity	Currency	Share capital ’000s	% of equity/ votes	Direct/ indirect ownership
Fully consolidated participating interests						
Bank J. Safra Sarasin Ltd	Basel	Bank	CHF	22,015	100.00%	direct
Bank J. Safra Sarasin (Gibraltar) Ltd	Gibraltar	Bank	CHF	1,000	100.00%	indirect
J. Safra Sarasin Asset Management (Europe) Ltd	Gibraltar	Advisory	CHF	4,000	100.00%	indirect
JSS (Gibraltar) Ltd	Gibraltar	Holding	GBP	235	100.00%	indirect
Marina Bay Holding Ltd	Gibraltar	Holding	GBP	100	100.00%	indirect
Banque J. Safra Sarasin (Monaco) SA	Monaco	Bank	EUR	67,000	100.00%	direct
J. Safra Sarasin Gestion (Monaco) SA	Monaco	Asset Management	EUR	160	100.00%	indirect
Banque J. Safra Sarasin (Luxembourg) SA	Luxembourg	Bank	EUR	8,800	100.00%	direct
J. Safra Sarasin Polska sp. z o.o.	Warsaw	Advisory	PLN	250	100.00%	indirect
JSS Private Equity Investments Fund GP S.à r.l.	Luxembourg	Fund Management	EUR	12	100.00%	direct
J. Safra Sarasin Asset Management (North America) Ltd	Geneva	Asset Management	CHF	1,350	100.00%	direct
SIBTL Holding Ltd.	Nassau	Holding	USD	460,932	52.00%	direct
J. Safra Sarasin Asset Management (Bahamas) Ltd.	Nassau	Fund Management	USD	50	52.00%	indirect
Bank J. Safra Sarasin (Bahamas) Ltd.	Nassau	Bank	USD	18,000	51.97%	indirect
J. Safra Sarasin Asset Management S.A.	Panama City	Advisory	USD	3,250	51.97%	indirect
JSS Servicios S.A. de C.V.	Mexico D.F.	Administration	USD	3	51.97%	indirect
Lyford JSRE (Bahamas) Ltd.	Nassau	Real Estate	USD	50	51.97%	indirect
J. Safra Sarasin (Middle East) Ltd	Dubai	Advisory	USD	22,000	100.00%	indirect
Bank J. Safra Sarasin (QFC) LLC	Doha	Advisory	USD	2,000	100.00%	indirect
J. Safra Sarasin Asset Management (Israel) Ltd	Tel Aviv	Advisory	ILS	350	100.00%	indirect
bank zweiplus ltd	Zurich	Bank	CHF	35,000	100.00%	indirect
J. Safra Sarasin (Deutschland) GmbH	Frankfurt	Advisory	EUR	50	100.00%	indirect
J. Safra Sarasin Trust Company (Singapore) Ltd.	Singapore	Trust Company	USD	1,000	100.00%	indirect
Sarabet Ltd	Basel	Holding	CHF	3,250	100.00%	indirect
Sarasin (U.K.) Ltd	London	Holding	GBP	17,900	100.00%	indirect
S.I.M. Partnership (London) Ltd	London	Holding	GBP	727	72.51%[1]	indirect
Sarasin & Partners LLP	London	Asset Management	GBP	21,726	60.00%[1]	indirect
Sarasin Asset Management Ltd	London	Asset Management	GBP	250	60.00%[1]	indirect
Sarasin U.S. Services Ltd	London	Advisory	GBP	0.1	60.00%[1]	indirect
Sarasin Investment Funds Ltd	London	Fund Management	GBP	250	60.00%[1]	indirect
Juxon Ltd	Dublin	Fund Management	GBP	500	60.00%[1]	indirect
JSS Administradora de Recursos Ltda.	Sao Paulo	Advisory	BRL	1,711	100.00%	indirect
JSS Tecnologia e Desenvolvimento Ltda.[2]	Sao Paulo	IT Services	BRL	1,500	100.00%	indirect
JSS Global Real Estate Company S.à r.l.	Luxembourg	Fund Management	EUR	125	100.00%	indirect
J. Safra Sarasin Investmentfonds Ltd	Basel	Fund Management	CHF	4,000	100.00%	indirect
J. Safra Sarasin Fund Management (Luxembourg) S.A.	Luxembourg	Fund Management	EUR	1,500	100.00%	indirect
Place de Hollande SA	Geneva	Real Estate	CHF	100	51.00%	indirect

Associated companies

Elus Ltd	Lausanne	Multi-issuer Platform	CHF	1,500	22.50%	direct

Non-consolidated investments in subsidiary companies

SIX Group AG	Zurich	Stock exchange	CHF	19,522	2.49%	indirect
PFBK Schweizerische Hypothekarinstitute AG	Zurich	Mortgage company	CHF	1,100,000	0.30%	indirect
Euroclear Holding SA/NV	Brussels	Financial services	EUR	3,147	0.54%	indirect

[1] Voting rights.
[2] Consolidated for the first time.

Tangible fixed assets

CHF 000	Acquisition costs	Accumulated depreciation	Book value as at 31.12.2022	Change in scope of consolidation	Reclassi-fications	Additions	Disposals	Depreciation	**Book value as at 31.12.2023**
Real estate: bank buildings	321,390	–100,989	220,401	0	0	0	–1,119	–5,660	213,622
Real estate: other real estate	283,558	–7,757	275,801	0	0	0	0	–4,634	271,167
Proprietary or separately acquired software	37,671	–20,175	17,496	0	0	5,209	0	–6,648	16,057
Other fixed assets	91,230	–56,232	34,998	0	0	14,044	–332	–7,738	40,972
Tangible assets acquired under finance leases:	0	0	0	0	0	0	0	0	0
of which, bank buildings	0	0	0	0	0	0	0	0	0
of which, other real estate	0	0	0	0	0	0	0	0	0
of which, other tangible fixed assets	0	0	0	0	0	0	0	0	0
Total fixed assets	**733,849**	**–185,153**	**548,696**	**0**	**0**	**19,253**	**–1,451**	**–24,680**	**541,818**

Operating leases

CHF 000	**31.12.2023**	31.12.2022
Remaining maturity <1 year	15,681	15,878
Remaining maturity 1–5 years	27,647	36,756
Remaining maturity >5 years	3,088	1,981
Total liabilities from operating lease	**46,416**	**54,615**
of which, liabilities that can be terminated within one year	1,563	1,713

Intangible assets

CHF 000	Acquisition costs	Accumulated amortisation	Book value as at 31.12.2022	Reclassi-fications	Additions	Disposals	Amortisation	**Book value as at 31.12.2023**
Goodwill	563,895	–563,895	0	0	0	0	0	0
Patents	0	0	0	0	0	0	0	0
Licences	0	0	0	0	0	0	0	0
Other intangible assets	53,561	–53,561	0	0	0	0	0	0
Total intangible assets	**617,456**	**–617,456**	**0**	**0**	**0**	**0**	**0**	**0**

Other assets/Other liabilities

CHF 000	**31.12.2023**	31.12.2022
Other assets		
Compensation account	8,252	313
Accrued loss after sale of financial investments	155,923	218,166
Deferred income taxes recognised as assets	102,574	36,927
Amount recognised as assets in respect of employer contribution reserves	0	0
Amount recognised as assets relating to other assets from pension schemes	0	0
Others	86,594	147,885
Total	**353,343**	**403,291**
Other liabilities		
Compensation account	88,157	229,063
Accrued profit after sale of financial investments	240,791	307,300
Others	224,242	182,957
Total	**553,190**	**719,320**

Disclosure of assets pledged or assigned to secure own commitments and of assets under reservation of ownership

		Effective		Effective
	Book value	**commitment**	Book value	commitment
CHF 000	**31.12.2023**	**31.12.2023**	31.12.2022	31.12.2022
Financial instruments	431,689	413,464	253,577	243,945
Other assets	867,024	739,247	1,429,570	1,201,331
Total pledged assets	**1,298,713**	**1,152,711**	**1,683,147**	**1,445,276**

There are no assets under reservation of ownership. The assets are pledged for commitments from securities borrowing, for lombard limits at central banks and for stock exchange security.

Disclosure of liabilities relating to own pension schemes, and number and nature of equity instruments of the Group held by own pension schemes

CHF 000	**31.12.2023**	31.12.2022
Liabilities to own pension plans	**48,299**	**29,681**

Pension schemes

The Group operates a number of pension schemes for its employees in Switzerland and abroad. Employees in Switzerland are covered either by the pension fund of Bank J. Safra Sarasin or by the collective foundation “Trianon”. These pension schemes are defined contribution plans. Also all pension schemes based outside of Switzerland are defined contribution plans. There is neither a surplus nor a deficit coverage. The contributions for the period are shown as personnel costs in the income statement.

The purpose of the pension scheme is to provide pension benefits for employees of the Group upon retirement or disability and for the employees’ survivors after their death. It manages the mandatory retirement, survivors’ and disability benefits in accordance with the BVG (“Berufliche Vorsorge”) in Switzerland.

The Group does not have any patronage funds.

Employer’s contribution reserves (ECR)

CHF 000	**Nominal value 31.12.2023**	**Renunciation of use 31.12.2023**	**Creation 2023**	**Balance sheet 31.12.2023**	Balance sheet 31.12.2022	**Result from ECR in personnel expenses 2023**	Result from ECR in personnel expenses 2022
Patronage funds/pension schemes	**0**	**0**	**0**	**0**	0	**0**	0

Economic benefit / economic obligation and pension benefit expenses

CHF 000	**Surplus/ (deficit) 31.12.2023**[1]	**Economical part of the organisation 31.12.2023**	Economical part of the organisation 31.12.2022	**Change in the prior-year period or recognised in the current result of the period**	**Contributions concerning the business period**	**Pension benefit expenses within personnel expenses 2023**	Pension benefit expenses within personnel expenses 2022
Pension schemes							
with surplus	**50,776**	**0**	0	**0**	**25,840**	**25,840**	24,588
without surplus / (deficit)	**0**	**0**	0	**0**	**11,931**	**11,931**	12,336
Total	**50,776**	**0**	0	**0**	**37,771**	**37,771**	36,924

[1] At the publication date the final financial statements of the pension schemes were not available. Therefore the figures are based on the 2022 financial statements of the pension schemes.

The financial statements of the pension funds in Switzerland are prepared in accordance with Swiss GAAP FER 26.

Presentation of issued structured products

Underlying risk of the embedded derivative

CHF 000	Valued separately: Value of the host instrument	Value of the derivative	Total 31.12.2023	Valued separately: Value of the host instrument	Value of the derivative	Total 31.12.2022
Interest rate instruments						
With own debenture component (oDC)	**0**	**0**	**0**	0	0	0
Without oDC	**0**	**0**	**0**	0	0	0
Equity securities						
With own debenture component (oDC)	**367,506**	**–22,635**	**344,871**	469,786	–68,157	401,629
Without oDC	**0**	**0**	**0**	0	0	0
Foreign currencies						
With own debenture component (oDC)	**194,953**	**–676**	**194,277**	362,220	–1,407	360,813
Without oDC	**0**	**0**	**0**	0	0	0
Commodities/precious metals						
With own debenture component (oDC)	**38,706**	**–581**	**38,125**	38,792	–402	38,390
Without oDC	**0**	**0**	**0**	0	0	0
Total	**601,165**	**–23,892**	**577,273**	870,798	–69,966	800,832

Presentation of bonds outstanding and mandatory convertible bonds

Issuer		Year of issuance	Early termination possibilities	Weighted average interest rate	Maturity date	Amount outstanding CHF 000
Banque J. Safra Sarasin (Luxembourg) SA	Subordinated	2015	no	8.38%	06.04.26	67,332
Bank J. Safra Sarasin Ltd	Non-subordinated mortgage-backed bonds	2012	no	1.43%	2024	2,000

Overview of maturities of bonds outstanding

CHF 000	<1 year	>1–<2 ys	>2–<3 ys	>3–<4 ys	>4–<5 ys	>5 years	**Total**
Issuer							
Banque J. Safra Sarasin (Luxembourg) SA	0	0	67,332	0	0	0	**67,332**
Bank J. Safra Sarasin Ltd	2,000	0	0	0	0	0	**2,000**

Presentation of value adjustments and provisions, reserves for general banking risks and changes therein during the current year

CHF 000	Balance as at 31.12.2022	Use in conformity with designated purpose	Change in scope of con-solidation	Currency differences	Past due interest, recoveries	New creations charged to income	Release to income	**Balance as at 31.12.2023**
Provisions								
Provisions for deferred taxes	18,705	0	0	–389	0	4	–1,532	16,788
Provisions for pension benefit obligations	0	0	0	0	0	0	0	0
Provisions for inherent default risks (off-balance sheet)	1,736	0	0	0	0	2,238	–126	3,848
Provisions for other business risks	2,417	0	0	–57	–5	11,000	–343	13,012
Provisions for restructuring	0	0	0	0	0	0	0	0
Other provisions	78,824	–5,346	0	–1,025	0	42,184	–5	114,632
Total provisions	**101,682**	**–5,346**	**0**	**–1,471**	**–5**	**55,426**	**–2,006**	**148,280**
Reserves for general banking risks	**270,642**	**0**	**0**	**0**	**0**	**348,323**	**0**	**618,965**
Value adjustments for default and country risks								
Value adjustments for default risks in respect of impaired loans / receivables	371,664	–68,912	0	–4,844	20,483	4,559	–30	322,920
Value adjustments for inherent default risks	105,786	0	0	0	0	121,769	–40,519	187,036
of which, on customer loans	96,382	0	0	0	0	120,894	–33,852	183,424
of which, on amounts due from banks and financial investments	9,404	0	0	0	0	875	–6,667	3,612
Value adjustments for default risks in respect of amounts due from banks and financial investments	69,544	0	0	–348	–370	2	–67,588	1,240
Total value adjustments for default and country risks	**546,994**	**–68,912**	**0**	**–5,192**	**20,113**	**126,330**	**–108,137**	**511,196**

Disclosure of amounts due from/to related parties

	Amounts due from		Amounts due to	
CHF 000	**31.12.2023**	31.12.2022	**31.12.2023**	31.12.2022
Holders of qualified participations	–	–	–	–
Group companies	–	–	–	–
Linked companies	987,004	1,450,383	2,502,856	2,964,872
Transactions with members of governing bodies	73,239	74,203	9,162	12,984
Other related parties	117,736	132,432	454,332	693,251

Above-mentioned transactions are concluded at arm's length.

Off-balance sheet transactions with any of the above-mentioned parties are mainly foreign exchange operations.

Presentation of the maturity structure of financial instruments

CHF 000	At sight	Cancellable	Due within 3 months	Due within 3 to 12 months	Due within 12 months to 5 years	Due more than 5 years	No maturity	Total
Liquid assets	3,232,033	0	0	0	0	0	0	3,232,033
Amounts due from banks	1,460,963	0	2,881,302	0	0	0	0	4,342,265
Amounts due from securities financing transactions	0	0	8,750,000	0	0	0	0	8,750,000
Amounts due from customers	1,706,226	0	4,468,140	756,941	862,733	72,396	0	7,866,436
Mortgage loans	1,704	0	562,773	461,020	1,361,340	218,689	0	2,605,526
Trading portfolio assets	2,762,464	0	0	0	0	0	0	2,762,464
Positive replacement values of derivative financial instruments	901,199	0	0	0	0	0	0	901,199
Other financial instruments at fair value	863,256	0	0	0	0	0	0	863,256
Financial investments	1,284,726	0	6,813,175	964,470	501,130	168,451	0	9,731,952
Total 31.12.2023	**12,212,571**	**0**	**23,475,390**	**2,182,431**	**2,725,203**	**459,536**	**0**	**41,055,131**
Total 31.12.2022	13,869,701	0	23,096,441	2,877,250	3,886,517	683,563	0	44,413,472
Due to banks	560,644	0	510,968	17,398	0	0	0	1,089,010
Liabilities from securities financing transactions	0	0	741,000	0	0	0	0	741,000
Amounts due in respect of customer deposits	11,003,872	2,429,385	14,356,891	2,357,482	1,065,657	130,935	0	31,344,222
Trading portfolio liabilities	52,127	0	0	0	0	0	0	52,127
Negative replacement values of derivative financial instruments	1,152,692	0	0	0	0	0	0	1,152,692
Liabilities from other financial instruments at fair value	857,841	0	0	0	0	0	0	857,841
Bond issues and central mortgage institution loans	0	0	2,000	0	67,332	0	0	69,332
Total 31.12.2023	**13,627,176**	**2,429,385**	**15,610,859**	**2,374,880**	**1,132,989**	**130,935**	**0**	**35,306,224**
Total 31.12.2022	19,456,617	77,261	15,348,857	1,813,705	1,500,401	0	0	38,196,841

Assets and liabilities by domestic and foreign origin

	31.12.2023		31.12.2022	
CHF 000	**Swiss**	**Foreign**	Swiss	Foreign
Assets				
Liquid assets	3,121,397	110,636	3,428,881	133,786
Amounts due from banks	58,398	4,283,867	87,963	4,278,760
Amounts due from securities financing transactions	8,750,000	0	8,850,000	0
Amounts due from customers	1,349,069	6,517,367	1,318,046	7,971,762
Mortgage loans	404,177	2,201,350	483,349	2,690,704
Trading portfolio assets	1,467,728	1,294,736	1,069,145	1,591,570
Positive replacement values of derivative financial instruments	164,987	736,212	182,560	1,030,146
Other financial instruments at fair value	223,717	639,539	690,945	767,056
Financial investments	4,783,510	4,948,442	2,823,202	7,015,597
Accrued income and prepaid expenses	32,297	467,212	33,656	183,323
Non-consolidated participations	29,571	8,333	29,570	8,334
Tangible fixed assets	523,788	18,030	530,515	18,181
Intangible assets	0	0	0	0
Other assets	205,723	147,620	192,385	210,906
Total assets	**21,114,362**	**21,373,344**	**19,720,217**	**25,900,125**
Liabilities				
Amounts due to banks	374,230	714,780	571,959	1,148,233
Liabilities from securities financing transactions	541,000	200,000	100,000	0
Amounts due in respect of customer deposits	10,012,254	21,331,968	9,291,930	24,650,799
Trading portfolio liabilities	13,844	38,283	6,710	8,359
Negative replacement values of derivative financial instruments	249,064	903,628	384,273	865,103
Liabilities from other financial instruments at fair value	665,340	192,501	778,778	312,679
Bond issues and central mortgage institution loans	2,000	67,332	4,002	74,016
Accrued expenses and deferred income	227,851	494,926	173,421	241,208
Other liabilities	249,741	303,449	380,620	338,700
Provisions	117,202	31,078	82,325	19,357
Reserves for general banking risks	427,369	191,596	260,871	9,771
Share capital	848,245	0	848,245	0
Capital reserve	1,745,862	0	1,745,862	0
Retained earnings reserve	624,445	1,261,645	454,179	1,652,139
Currency translation reserve	138,873	–413,367	138,873	–247,386
Minority interests in equity	98	462,140	181	884,976
Consolidated profit	131,843	338,486	115,297	324,862
Total liabilities	**16,369,261**	**26,118,444**	**15,337,526**	**30,282,816**

Assets by countries/country groups

	31.12.2023		31.12.2022	
CHF 000	**Total**	**Part as a %**	Total	Part as a %
Europe	9,200,939	21.7%	10,518,119	23.1%
Americas	7,751,336	18.2%	10,267,964	22.5%
Asia	4,188,252	9.9%	4,839,684	10.6%
Others	232,817	0.5%	274,358	0.6%
Total foreign assets	**21,373,344**	**50.3%**	**25,900,125**	**56.8%**
Switzerland	21,114,362	49.7%	19,720,217	43.2%
Total assets	**42,487,706**	**100.0%**	**45,620,342**	**100.0%**

Breakdown of total net foreign assets by credit rating of country groups (risk domicile view)

	31.12.2023		31.12.2022	
	Net foreign exposure CHF 000	Part as a %	Net foreign exposure CHF 000	Part as a %
Standard & Poor's				
AAA to AA–	5,286,047	76.5%	7,902,223	93.6%
A+ to A–	69,193	1.0%	–	–
BBB+ to B–	1,550,309	22.5%	539,887	6.4%
Total net foreign assets	**6,905,549**	**100.0%**	**8,442,110**	**100.0%**

Basis for country ratings: Standard & Poor's Issuer Credit Ratings Foreign Currency LT (long term).

Balance sheet by currencies

CHF 000	CHF	EUR	USD	Others	Total
Assets					
Liquid assets	3,121,397	91,198	260	19,178	3,232,033
Amounts due from banks	193,487	3,007,030	660,865	480,883	4,342,265
Amounts due from securities financing transactions	8,750,000	0	0	0	8,750,000
Amounts due from customers	2,155,043	1,483,825	3,218,993	1,008,575	7,866,436
Mortgage loans	218,071	438,377	259,604	1,689,474	2,605,526
Trading portfolio assets	962,962	55,597	432,741	1,311,164	2,762,464
Positive replacement values of derivative financial instruments	359,315	90,679	341,930	109,275	901,199
Other financial instruments at fair value	138,411	91,884	482,520	150,441	863,256
Financial investments	4,850,507	351,641	2,271,615	2,258,189	9,731,952
Accrued income and prepaid expenses	129,502	91,632	215,758	62,617	499,509
Non-consolidated participations	29,571	8,333	0	0	37,904
Tangible fixed assets	525,787	866	13,958	1,207	541,818
Intangible assets	0	0	0	0	0
Other assets	198,842	72,207	80,600	1,694	353,343
Total balance sheet assets	**21,632,895**	**5,783,269**	**7,978,844**	**7,092,697**	**42,487,705**
Delivery entitlements from spot exchange, forward forex and forex option transactions	7,838,993	8,202,844	22,126,942	5,233,811	43,402,590
Total assets 31.12.2023	**29,471,888**	**13,986,113**	**30,105,786**	**12,326,508**	**85,890,295**
Liabilities					
Amounts due to banks	105,331	232,390	535,795	215,494	1,089,010
Liabilities from securities financing transactions	741,000	0	0	0	741,000
Amounts due in respect of customer deposits	6,142,307	6,157,043	15,026,218	4,018,654	31,344,222
Trading portfolio liabilities	15,434	1,925	34,716	52	52,127
Negative replacement values of derivative financial instruments	574,001	50,021	443,722	84,948	1,152,692
Liabilities from other financial instruments at fair value	108,929	144,815	555,509	48,588	857,841
Bond issues and central mortgage institution loans	2,000	0	67,332	0	69,332
Accrued expenses and deferred income	321,639	216,117	130,212	54,809	722,777
Other liabilities	59,495	138,819	316,621	38,255	553,190
Provisions	121,768	25,947	531	34	148,280
Reserves for general banking risks	609,194	9,771	0	0	618,965
Share capital	848,245	0	0	0	848,245
Capital reserve	1,745,862	0	0	0	1,745,862
Retained earnings reserve	1,089,440	379,975	404,373	12,302	1,886,090
Currency translation reserve	138,873	–225,673	–151,997	–35,697	–274,494
Minority interests in equity	98	0	451,953	10,186	462,237
Consolidated profit	–88,624	92,632	372,330	93,991	470,329
Total balance sheet liabilities	**12,534,992**	**7,223,782**	**18,187,315**	**4,541,616**	**42,487,705**
Delivery obligations from spot exchange, forward forex and forex option transactions	18,139,509	6,362,252	11,676,854	7,716,100	43,894,715
Total liabilities 31.12.2023	**30,674,501**	**13,586,034**	**29,864,169**	**12,257,716**	**86,382,420**
Net currency positions 31.12.2023	**–1,202,613**	**400,079**	**241,617**	**68,791**	**–492,125**

Consolidated notes – Information on off-balance sheet transactions

Breakdown and explanation of contingent assets and liabilities

CHF 000	**31.12.2023**	31.12.2022
Guarantees to secure credits and similar	174,123	191,486
Performance guarantees and similar	85,252	81,460
Irrevocable commitments arising from documentary letters of credit	0	0
Other contingent liabilities	28,419	24,488
Total contingent liabilities	**287,794**	**297,434**
Contingent assets arising from tax losses carried forward	13,283	16,015
Other contingent assets	0	0
Total contingent assets	**13,283**	**16,015**

Breakdown of credit commitments

CHF 000	**31.12.2023**	31.12.2022
Commitments arising from deferred payments	0	0
Commitments arising from acceptances (for liabilities arising from acceptances in circulation)	0	0
Other credit commitments	0	0

Breakdown of fiduciary transactions

CHF 000	**31.12.2023**	31.12.2022
Fiduciary investments with third-party banks	1,521,346	1,420,475
Fiduciary investments with linked companies	0	0
Fiduciary loans	233,736	253,485
Fiduciary transactions arising from securities lending and borrowing which the Group conducts in its own name for the account of customers	0	0
Other fiduciary transactions	0	0
Total fiduciary transactions	**1,755,082**	**1,673,960**

Breakdown of unused tax losses/unrecognised tax assets (by jurisdiction)

	2023			2022		
CHF 000	**Unused tax losses for which no deferred tax asset has been recognised**	**Relevant statutory corporate income tax rate**	**Potential tax benefit**	Unused tax losses for which no deferred tax asset has been recognised	Relevant statutory corporate income tax rate	Potential tax benefit
Germany	40,467	32%	12,949	45,012	32%	14,404
Switzerland	866	13%	117	1’426	13%	192
Qatar	2,171	10%	217	0	0%	0
Mexico	0	0%	0	4,055	35%	1,419
Total	**43,504**		**13,283**	**50,493**		**16,015**

Breakdown of managed assets and presentation of their development

CHF million	**2023**	2022
Type of managed assets		
Assets in collective investment schemes by the Group	20,889	21,035
Assets under discretionary asset management agreements	30,695	30,273
Other managed assets	152,678	146,629
Total managed assets (including double-counting)	**204,262**	**197,937**
Of which double-counted items	15,401	14,455

Development of managed assets		
Total managed assets (including double-counting) at beginning	197,937	224,739
+/– net new money inflow or net new money outflow	7,352	4,011
+/– price gains/losses, interest, dividends and currency gains/losses	–6	–29,934
+/– other effects	–1,021	–879
Total managed assets (including double-counting) at end	**204,262**	**197,937**

Assets under management mainly comprise amounts due to customers in the form of savings and investments, along with term accounts, fiduciary investments, all duly valued assets in custody accounts and linked sight accounts. Assets under management also include assets held for investment purposes by institutional investors, companies and individual clients, along with investment funds.

Discretionary managed accounts include clients' assets with signed discretionary management mandates in favour of an entity of the Group.

Other managed assets include client assets for whom one of the entities of the Group provides all services arising from stock exchange and foreign exchange transactions on the basis of instructions received, as well as safekeeping, loans and payments.

Net new inflows/outflows comprise all external inflows and outflows of cash and securities recorded on client accounts.

Consolidated notes – Information on the income statement

Breakdown of the result from trading activities and the fair value option

CHF 000	**2023**	2022
Breakdown by business area		
Trading profit with market risk	65,210	84,114
Trading profit without market risk	127,671	142,252
Trading profit from treasury activities	239,824	61,942
Total result from trading activities	**432,705**	**288,308**
Breakdown by underlying risk and based on the use of the fair value option		
Result from trading activities from:		
Interest rate instruments	168,755	185,230
Equity securities (including funds)	156,684	–130
Foreign currencies	100,678	89,369
Commodities/precious metals	6,588	13,839
Total result from trading activities	**432,705**	**288,308**
of which, from fair value option	–15,352	–229,587

Disclosure of material refinancing income in the item “Interest and discount income” as well as material negative interest

CHF 000	**2023**	2022
Material refinancing income in the item “Interest and discount income”	0	0
Material negative interest	19	38,411

Breakdown of personnel expenses

CHF 000	**2023**	2022
Salaries	542,608	497,942
of which, expenses relating to share-based compensation and alternative forms of variable compensation	140,161	128,359
Social charges	81,902	78,476
Changes in book value for economic benefits and obligations arising from pension schemes	0	0
Other personnel expenses	16,535	17,150
Total personnel expenses	**641,045**	**593,568**

Breakdown of general and administrative expenses

CHF 000	**2023**	2022
Office space expenses	30,528	28,520
Expenses for information and communications technology	25,033	23,291
Expenses for vehicles, equipment, furniture and other fixtures as well as operating lease expenses	605	513
Fees of audit firm	4,401	4,179
of which, for financial and regulatory audits	3,870	3,810
of which, for other services	120	369
Other operating expenses	100,771	103,151
of which, compensation for any cantonal guarantee	0	0
Total general and administrative expenses	**160,927**	**159,654**

Explanations regarding material losses, extraordinary income and expenses as well as material releases of hidden reserves, reserves for general banking risks and value adjustments and provisions no longer required

Changes in reserves for general banking risks reflect the creation of additional reserves for general banking risks recognised at Bank J. Safra Sarasin Ltd (CHF 63.1m) and at consolidated level (CHF 285.2m).

Disclosure of and reasons for revaluations of participations and tangible fixed assets up to acquisition cost at maximum

No revaluations of participations and tangible fixed assets up to acquisition cost have taken place.

Presentation of the operating result broken down according to domestic and foreign origin, according to the principle of permanent establishment

	2023			2022		
CHF 000	**Swiss**	**Foreign**	**Total**	**Swiss**	**Foreign**	**Total**
Subtotal net result from interest operations	636,476	26,433	662,909	216,780	243,488	460,268
Subtotal result from commission business and services	276,487	365,992	642,479	288,519	375,614	664,133
Result from trading activities and the fair value option	–138,855	571,560	432,705	135,732	152,576	288,308
Subtotal other result from ordinary activities	19,750	–21,935	–2,185	18,582	10,206	28,788
Operating income	**793,858**	**942,050**	**1,735,908**	**659,613**	**781,884**	**1,441,497**
Personnel expenses	–338,574	–302,471	–641,045	–321,986	–271,582	–593,568
General and administrative expenses	–80,971	–79,956	–160,927	–81,686	–77,968	–159,654
Subtotal operating expenses	**–419,545**	**–382,427**	**–801,972**	**–403,672**	**–349,550**	**–753,222**
Depreciation and amortisation of tangible fixed assets and intangible assets and value adjustments on participations	–22,433	–2,247	–24,680	–9,041	–50,240	–59,281
Changes to provisions and other value adjustments, and losses	–42,872	–14,097	–56,969	–33,141	–7,933	–41,074
Operating result	**309,008**	**543,279**	**852,287**	**213,759**	**374,161**	**587,920**

Presentation of capital taxes, current taxes, deferred taxes, and disclosure of tax rate

CHF 000	**2023**	2022
Current income and capital tax expenses	101,033	48,832
Allocation to provisions for deferred taxes	–1,528	4,530
Recognition of deferred income taxes	–65,843	1,016
Total	**33,662**	**54,378**

The weighted average tax rate amounts to 5.4% (2022: 9.8%).

In 2023, the ordinary net tax expense effect of the use of losses carried forward was nil (2022: nil).

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To the General Meeting of
J. Safra Sarasin Holding Ltd, Basel

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of J. Safra Sarasin Holding Ltd. and its subsidiaries (the Group), which comprise the consolidated balance sheet as at December 31, 2023, and the consolidated statement of income, consolidated cash flow statement, consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statements including accounting and valuation principles.

In our opinion, the consolidated financial statements (pages 44 to 81) for the year ended give a true and fair view of the consolidated financial position of the Group as at December 31, 2023 and of its consolidated financial performance and its consolidated cash flows in accordance with Swiss accounting rules for banks and comply with Swiss law.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Company in accordance with the provisions of Swiss law, together with the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Deloitte.

J. Safra Sarasin Holding Ltd.
Report of the statutory auditor
for the year ended
December 31, 2023

Board of Directors' Responsibilities for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the consolidated financial statements, which give a true and fair view in accordance with Swiss accounting rules for banks and the provisions of Swiss law, and for such internal controls as the Board of Directors determines are necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located on EXPERTsuisse's website at: https://www.expertsuisse.ch/en/audit-report-for-ordinary-audits. This description forms an integral part of our report.

Report on Other Legal and Regulatory Requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

Deloitte AG

Sandro Schönenberger
Licensed Audit Expert
Auditor in Charge

Christian Siebold
Licensed Audit Expert

Zurich, March 26, 2024

Sustainability Report

Sustainability Report 2023

The Sustainability Report 2023 captures the Group's endeavours in integrating sustainable practices throughout its business model and reflects its commitment to long-term business success while contributing to global sustainability.

In the dynamic and rapidly evolving landscape of sustainable finance, J. Safra Sarasin Group prides itself on being a reliable and forward-thinking private banking group, navigating sustainable finance with more than 30 years of expertise.

The global market environment: Global attention to sustainable finance and climate remained unchanged in 2023, with investors, companies and governments recognising the importance of finding solutions to these pressing issues. Despite headwinds in certain regions of the world, also driven by other developments such as fears of inflation and rising energy costs, the demand for sustainable investment strategies remained strong. In Europe, policymakers and regulators continued to tighten environmental, social and governance (ESG) related regulations, promoting a more transparent financial sector and moving from pure ESG integration to impact oriented investing. The implementation of the Sustainable Finance Disclosure Regulation (SFDR) remained a challenging task for investors and financial institutions alike. While the United States have seen a more fragmented landscape on ESG integration and perception of sustainable investing, the Securities and Exchange Commission (SEC) is also working on mandatory ESG disclosure requirements. Switzerland, as a key player in global finance, remains strongly dedicated to positioning itself at the forefront of sustainable finance. The adoption of its inaugural and mandatory non-financial reporting requirements for companies underscores the nation's commitment to transparency and accountability. Notably, the Swiss Climate Ordinance, in force since 1 January 2024, reinforces Switzerland's dedication to combatting climate change.

Overall, 2023 has made it even clearer that navigating the challenging environment of sustainable investing will continue to require a high level of expertise and know-how.

J. Safra Sarasin's approach: In this dynamic environment, J. Safra Sarasin Group can rely on its solid sustainability approach and over 30 years of experience in sustainable finance while continuously advancing its sustainability research and investing capabilities. As a major development in 2023, a revised methodology for the well-established Country ESG Rating Model has been developed, which now accounts for the different income levels of countries (correcting the income bias) when assessing their ESG performance and also incorporates vital biodiversity factors. The addition of new data points to the established and proprietary sustainable investment tools, and the regular review of existing methodologies ensure that the J. Safra Sarasin Group remains at the forefront of sustainable investing.

As another key development, the commitment to fostering collaboration and knowledge-sharing has led to the creation of a new internal sustainability analysis platform, the ESG Navigator. The ESG Navigator serves as a hub for cross-functional cooperation between sustainability research and portfolio management, further strengthening the integration of ESG considerations into investment strategies. In alignment with its dedication to sustainable finance, J. Safra Sarasin Sustainable Asset Management is working on a new strategy targeting the metal and mining industry as an important key player in the global transition towards net zero emissions. This innovative approach underscores the support for the global net zero transition and reinforces the commitment to find solutions and facilitate positive environmental change where needed.

About this report: This Sustainability Report has been prepared in accordance with the Swiss Code of Obligations and the UN Global Compact Principles. It includes information on the J. Safra Sarasin Group or, if specifically stated, on individual companies that are part of it. Throughout the report, key developments in 2023 and interesting case studies are presented in shaded boxes. Certain sections have been subject to a limited assurance process as described on pages 126–127. This Sustainability Report is published on www.jsafrasarasin.com.

I. J. Safra Sarasin Group

J. Safra Sarasin Holding Ltd. (JSSH) is the shareholder of Bank J. Safra Sarasin Ltd (the "Bank") and other direct or indirect subsidiaries, their branches and representative offices (overview see page 29), together forming the "J. Safra Sarasin Group" (the "Group"). As part of the Group, the Bank is a leading Swiss full-service private bank founded in 1841 with a presence in multiple Swiss and international locations and a strong commitment to sustainability. JSSH has delegated to the Bank's governing bodies all duties, responsibilities and competencies related to the management and operation of the Group's business, which includes the organisation, financial consolidation and risk diversification as well as the supervision on a consolidated basis of the Group's activities. In this context, the Group's Corporate Sustainability Board and the sustainability team are responsible for developing the sustainability framework and guidelines for the Group.

The Group's first and foremost commitment is to its clients and the long-term relationships that form the foundation of its business. Its multi-generational mindset ensures that all clients receive excellent advice and support, not just today, but for generations to come. The Group is committed to providing financial solutions tailored to the needs of each client. Through its core businesses of private banking, asset management and trading and advisory services, the Group offers its clients a comprehensive range of financial services.

Private Banking: The Group offers a comprehensive suite of wealth management services tailored to the specific needs of each client. As part of the offering, clients can choose from various services, including custody and execution as well as flexible investment and discretionary portfolio management services. Additionally, the Group provides tailored financing solutions. These services are designed to offer a holistic approach to wealth management, catering to a broad range of financial needs and the individual preferences of each client.

Asset Management: The Group is a leading provider of sustainable investment solutions. Its commitment to sustainability is reflected in its range of sustainable investment strategies across multiple asset classes and its thought leadership in proprietary sustainability research. With this approach, the Group provides clients with personalised investment services tailored to their needs, while actively mitigating long-term sustainability-related risks. These characteristics make the Group a trusted partner for investors seeking long-term returns while incorporating sustainable practices into their portfolios.

Trading and Advisory Services: Through its trading services, the Group offers access to world-class trading platforms across asset classes, combined with expert advice from skilled professionals dedicated to helping clients effectively navigate today's complex financial landscape. When providing investment advice, the Group considers the individual needs of each client in order to construct tailor-made strategies that reflect those needs.

With its long-term business perspective, the Group offers its clients the stability, trust and solidity that are key to long-term success. As a result of its business activities, the Group's net profit rose to CHF 470.3 million for the year 2023. The Group can rely on a CET1 ratio of 47.0%, one of the highest in the Swiss banking industry.

Commitment to sustainability

A series of events in quick succession from 1986 onwards, starting with the Chernobyl nuclear disaster and the spill from the Swiss chemical plant that polluted the Rhine River around Basel for years, made the Bank aware that the value of company shares is not determined purely by financial numbers. With sustainable investing as the default investment approach, sustainability factors are integrated in the investment process and supported by long-term experience, proprietary tools and robust processes.

The first sustainability analysis in 1989 started a new era in company analysis. Since then, the Bank has reinforced its commitment to sustainable finance, aligning its goals with global frameworks that advance ecological and social responsibility, and became a founding signatory of the UN Principles for Responsible Investment (UN PRI) in 2006. Since then, the Bank has made additional commitments, such as the alignment of its business practices with the UN Principles for Responsible Banking (UN PRB) and the goals of the Finance for Biodiversity Pledge.

Figure: Sustainability milestones at Bank J. Safra Sarasin Ltd

1989 Launch of the first sustainable mandates

1992 First UN-led Conference on the Environment and Development in Rio de Janeiro

1994 Launch of the world's first eco-efficiency fund

1997 Signing of global CO_2 reduction Kyoto Protocol

2001 Launch of the J. Safra Sarasin Sustainability Matrix®

2002 Launch of sustainable country ratings

mid-2000s Double-digit sustainable investing market growth in all world regions, led by Europe

2006 Launch of the UN Principles for Responsible Investment (UN PRI)
Founding signatory of the UN Principles for Responsible Investment (UN PRI)

2009 All Private Banking mandates become sustainable, earning the awards: FT Sustainable Finance, IPE ESG Leaders & Deutscher Nachhaltigkeitspreis
Launch of sustainable direct real estate funds

2010 Launch of sustainable emerging markets fund

2013 Full integration of ESG factors into each step of the investment process

2015 Launch of UN Sustainable Development Goals and Adaption of the Paris Agreement
J. Safra Sarasin Sustainability Matrix® awarded the Investment Innovation Benchmark

2018 Joined the United Nations Global Compact (UNGC)

2019 Launch of UN the Principles for Responsible Banking (UN PRB)
Founding signatory of the UN Principles for Responsible Banking (UN PRB)
Roll-out of carbon reporting and management framework geared towards net zero emissions

2020 Launch of the Finance for Biodiversity Pledge
Founding signatory of the Finance for Biodiversity Pledge
Launch of the J. Safra Sarasin Sustainable Asset Management Climate Pledge

2021 UN Climate Change Conference COP26 in Glasgow and launch of the Glasgow Financial Alliance for Net Zero (GFANZ)
Joined the Net Zero Asset Managers initiative (NZAM)

2022 Conceptual research on biodiversity and its further integration in the investment process
UN Biodiversity Conference (COP15) and the adoption of the Kunming-Montreal Global Biodiversity Framework

2023 New methodology for Country ESG Ratings, incorporating income bias data and biodiversity factors
Development of the Biodiversity Impact and Dependencies Tool for portfolio analysis

In blue: Milestones for sustainable investing at Bank J. Safra Sarasin
In green: Global events and international milestones in sustainable investing
Source: Bank J. Safra Sarasin Ltd, December 2023

Taking another significant step in its sustainability journey, in 2020, J. Safra Sarasin Sustainable Asset Management announced its ambitious Climate Pledge to become net zero by 2035 for all in-house managed sustainable strategies. This commitment highlights the determination to reduce the environmental impact and demonstrates the Group's leadership in setting strong targets in line with global climate objectives.

For over 30 years, the Bank has continuously evolved its sustainability strategy and has been a reliable partner for clients and international partners alike to respect sustainability in the investment process and advancing the sustainable finance field. This dedication to sustainable finance is not a static endeavour, but a dynamic commitment that continues to evolve. The Group's sustainability strategy is therefore regularly reviewed, refined and adapted to new sustainability standards, underscoring the commitment to its long-term evolution.

Sustainability strategy

Sustainability is part of the Group's mission statement, strategic goals and operational actions, as well as the mission statement of the Corporate Sustainability Board. The significance of sustainability for the Group and its business strategy is multidimensional and includes (1) the Group's own corporate sustainability, (2) the sustainability of the financial services and (3) its broader role as a collaborator within society.

Figure: J. Safra Sarasin sustainability strategy

Corporate sustainability: Within the Group, corporate sustainability encompasses three goals:

1. Applying sound governance practices
2. Fostering a sustainable corporate culture
3. Increasing resource efficiency

The Group's governance framework is designed to ensure transparency, accountability and sustainable behaviour across all levels of the organisation. As such, proactive governance not only strengthens the Group's commitment towards achieving its sustainability goals but also enhances stakeholder trust in the Group's ability to deliver on those commitments. In addition, the Group highly values a positive corporate culture based on innovation, entrepreneurial thinking and a high degree of personal responsibility and accountability. This enables the Group to attract top talent, adapt to an ever-changing market environment, proactively seize opportunities and maintain the Group's core values for long-term success.

Financial sustainability: The Group recognises that financial success and stability cannot be achieved without taking sustainability considerations into account. Therefore, the Group seeks to provide a sustainable core offering that generates long-term returns for clients, while respecting their sustainability preferences and the environmental and social impact of their investments. The Group's adherence to sustainable finance principles reflects its dedication to achieving both economic and sustainability targets.

Collaboration: The Group acknowledges that, to promote sustainability both internally and externally, collaboration is essential. To this end, the Group works closely with external stakeholders to advance sustainable finance across sectors, sharing knowledge and resources to make greater progress.

By prioritising these three aspects of sustainability in its business practices, the Group demonstrates its strong commitment towards creating long-term value. The Group understands that sustainability requires a comprehensive approach towards balancing economic growth alongside sustainable business practices and social well-being.

Table: Sustainability dimensions and key topics for the Group

Corporate sustainability	Financial sustainability	Collaboration
• Robust corporate governance • Compliant business behaviour • Employee recruitment/retention • Reduction of corporate emissions (Scope 1 and Scope 2)	• Long-term economic performance • Sound risk management • Evaluation of investment opportunities • Net Zero 2035 for the sustainable assets of J. Safra Sarasin Sustainable Asset Management managed in-house	• Collaboration to foster a sustainable financial industry • Advocate for standard setting • Sponsoring

Double materiality

Since the launch of its first sustainability mandate, the Group has started to not only think about sustainability from a risk and opportunity perspective, but also considers the potential effects of its business activities on the people and the planet.

Today, the more widely adopted concept of double materiality exactly reflects that way of thinking. The double materiality concept includes both the financial materiality and impact materiality. While financial materiality relates to how sustainability risks and opportunities can influence the Group's economic performance, impact materiality addresses the positive or negative effects that the Group's business activities could have on the environment and people. Material topics can arise from various environmental, social and governance topics along a company's value chain. Throughout this Sustainability Report, the Group demonstrates how environmental, social and governance topics are addressed and how they affect the environment and people. The Group's Corporate Sustainability Board, comprising representatives of the Group Executive Board, is responsible for identifying strategically relevant and material environmental, social and governance topics, as defined in the Group's Sustainability Governance Directive, and for ensuring that these issues are integrated into the Group's business strategy (details on page 89).

Figure: Double materiality

Material environmental topic: Climate change

Informed by scientific research, the Paris Agreement and the United Nations' Sustainable Development Goals, climate change mitigation has been long identified as an urgent issue for businesses and global development. Based on this and its conviction, the Group acknowledged at an early stage that climate change mitigation is an important issue with significant financial and impact materiality. The Group has identified the following areas for action to address climate change mitigation in its business activities:

1. Reduction of operational GHG emissions
2. Aligning the sustainable investment offering with the global climate change mitigation targets

Reduction of operational GHG emissions: The Group has been measuring and reducing its own operational greenhouse gas (GHG) emissions for over a decade. This represents a prime example of where financial and impact materiality intersect; fossil fuel dependency not only potentially increases operational expenses due to rising prices for fossil fuels, but also significantly contributes to global warming. By lowering its operational GHG emissions, the Group contributes to the global climate change mitigation efforts while lowering its exposure to climate change related risks. More information about the reduction of the corporate GHG emissions can be found on pages 94f.

Aligning the sustainable investment offering with global climate change mitigation targets: J. Safra Sarasin Sustainable Asset Management is dedicated to offering predominantly sustainable investment solutions and aligning these with global climate change mitigation targets. As a result, in 2020, J. Safra Sarasin Sustainable Asset Management launched its ambitious Climate Pledge, aiming to be net zero by 2035 for its sustainable assets under management managed in-house. The Climate Pledge reduces the overall climate-related risk in the asset management portfolio by lowering the financed GHG emissions (financial materiality) while simultaneously having a positive impact on the environment by contributing to the achievement of the goals of the Paris Agreement (impact materiality). More information on the implementation of the J. Safra Sarasin Sustainable Asset Management Climate Pledge and the related methodology can be found on pages 113f.

Looking ahead

To date, the Group's understanding of double materiality and the Sustainability Report have focused on the business operations as well as on the primary businesses of wealth and asset management. Looking ahead, the Group plans to leverage emerging and more granular frameworks as guidance for conducting its future double materiality assessments.

Sustainability risk management

The Group recognises the important role of robust risk management structures, including sustainability risks, in fostering a thriving and reliable business environment.

The roles and responsibilities for sustainability-related topics on a strategic level have been defined in the Group's Sustainability Governance Directive. Sustainability risks have been integrated within the Group's Risk Management Framework (RMF) and approved by the Board of Directors. The Board defines the risk strategy, approves the Risk Management Framework and is responsible for establishing an effective risk management function. The sustainability-related risks are identified in close collaboration between the Group Executive Board, the Risk Office and the sustainability team, involving the Chief Risk Officer and the Chief Sustainability Officer.

Sustainability risks are also considered in the annual Risk and Control Self-Assessment (RCSA) process.

Looking ahead, the Group is actively working on the integration of sustainability risks into traditional banking risks such as credit, market and operational risks. This includes the assessment of key risk indicators and, where appropriate, related limits and processes. With regard to climate-related risks, the Group is working towards the full adoption of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

The Group embraces the evolving global landscape of enhanced sustainability risk management processes and structures. As it continues its proactive efforts, the Group remains committed to promoting responsible business practices firmly embedded in a culture of sustainable excellence.

Case study: Adapting to the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD)

For almost 20 years, the Bank has published an annual Sustainability Report in the firm belief that providing additional financial information to its stakeholders is both valuable and in line with its core principle that sustainability is an integral part of a long-term and successful business strategy. Over the years, new standards for sustainability reporting have emerged and the wider market has also adapted to the practice of disclosing more information about the Bank's sustainability performance.

In 2019, the Bank was one of the first Swiss financial institutions to endorse the Task Force on Climate-related Financial Disclosures (TCFD) and had taken steps to align its reporting with the TCFD recommendations. The Group already reports transparently on the governance of its sustainability strategy (pages 92f) and on the integration of climate-related risks and opportunities into its investment process (pages 101f) and business strategy (pages 89f). It also publishes specific climate-related metrics and targets for its operations (pages 94f) as well as asset management business (pages 100f).

While continuing this transparent reporting, the Group is preparing to publish a TCFD-aligned Sustainability Report, including information on all business areas affected as well as aggregated metrics and targets, starting with the financial year 2024. The Group is convinced that further alignment with the TCFD recommendations will contribute to the global advancement of sustainable finance while enhancing the resilience of its business strategy.

II. Corporate sustainability

As a responsible financial institution, it is imperative for the Group to address sustainability in its own business operations as part of its corporate sustainability strategy to ensure that best practices are embedded within the organisational structure.

Governance

The **Group Executive Board** has taken a proactive approach in ensuring that sustainability is fully integrated into the business strategy, by establishing the Sustainability Governance Directive and outlining the purpose and responsibilities of the official committees governing the sustainability strategy of the Group.

The **Corporate Sustainability Board (CSB)** has been set up by the Group Executive Board to ensure high sustainability standards, including governance of climate-related risks, are incorporated into the core business strategy. It comprises members of the Group Executive Board, the Executive Committee and managers from different departments across the Group. The CSB reports directly to the Group Executive Board.

The duties of the CSB include defining the sustainability strategy as part of the Group's strategy, recognising strategically important environmental and social topics – particularly those related to climate change – and assessing how the measures based on environmental and social key performance indicators (KPIs) have been put in place. Multiple meetings are held annually to define and track progress against these established objectives.

The **ESG Committee** focuses on the sustainable investment strategies, i.e. issues in the scope of J. Safra Sarasin Sustainable Asset Management and, more generally, topics related to sustainable investments. As part of the implementation of the Sustainable Investment Policy (available on the website), the ESG Committee also decides on operational topics and proposes updates to the Sustainable Investment Policy and related documents and processes. The specialised **Corporate Governance and Proxy Voting** subcommittee is responsible for formulating and maintaining the proxy voting policies, reporting to the ESG Committee.

The **Sustainability Advisory Council (SAC)** brings together leading experts from academic institutions and the industry to offer independent perspectives on emerging trends and best practices in sustainable development. The SAC was created to ensure the Group's Corporate Sustainability Board and the ESG Committee receive advice and guidance on the sustainability strategy, as well as on current developments in sustainable investments. In addition, the SAC can form part of joint presentations at both internal training sessions and external client meetings. The CSB and the ESG Committee may also collaborate with SAC members on investment research initiatives to further enhance the sustainable investment approach and to gain external expertise and experience.

The **Sustainability Manager** serves as a facilitator and catalyst for embedding sustainability in the Group's corporate strategy and enhancing its sustainability profile, working closely with the Corporate Sustainability Board and the ESG Committee.

These committees work collaboratively to align strategic priorities with stakeholder expectations while balancing economic growth with sustainable business practices. By embedding sustainability into the Group's core business strategy and its operations, the Group positions itself for long-term success while contributing positively to sustainable business practices.

Figure: Sustainability governance and committees

Compliance

The Group adheres to all applicable statutory and regulatory provisions, as well as established rules of conduct for the banking industry. The Group Executive Board and the management of the business divisions are responsible for compliance with all legal and regulatory provisions. Legal & Compliance provide support to the management in meeting this responsibility. Legal & Compliance units functionally report to the General Counsel, thereby ensuring their independence from the operating business.

The Group's Code of Compliance outlines the key principles and regulations that ensure responsible business practices meet with relevant regulations. Every employee must adhere to its standards and confirm written agreement upon joining the Group. Internal directives oversee each key process and function, and procedures are conducted in a standardised form, creating uniformity in their establishment. The Code of Business Conduct also outlines the ethical and behavioural expectations for each employee of the Group.

Preventing corruption: The Group is strongly committed to preventing any form of corruption and has established the necessary governance mechanisms, including the Group's Anti-Corruption Directive. Observance of this directive ensures ethical business practices by employees, protects the Group's reputation and promotes compliance with all applicable laws. The Know Your Customer principle ensures that all clients are identified and regularly reviewed to ensure no misuse of the financial services offered. In line with and to support this commitment, the Group's Whistleblowing Directive provides the foundation for a process for employees to raise any observations and concerns relating to irregularities such as fraud, misconduct, violations of rules and regulations or internal directives. Employees are encouraged to raise such concerns as early as possible and to report them to the Head of Group Internal Audit.

In 2023, there were no legal actions on the basis of anticompetitive conduct or the formation of cartels or monopolies.

Operations

In alignment with its core values, the Group addresses its operational greenhouse gas (GHG) emissions and the responsible management of its supply chain. Driven by its commitment to sustainable business practices, the Group conscientiously manages its supply chain and takes targeted action to reduce its operational GHG emissions.

Responsible supply chain

The Bank maintains a systematic approach to responsible supply chain due diligence to address the issue of child labour in the products and services it procures.

The Bank identifies products with potential child labour risks and, depending on the geographical area in which the supplier operates, has processes in place to assess the company's practices to prevent these risks. For example, the Bank analyses suppliers' declarations of compliance with international standards such as the ILO Conventions, the OECD Due Diligence Guidance for Responsible Business and the UN Guiding Principles on Business and Human Rights, or uses its Supplier Code of Conduct to include these requirements in procurement contracts. The same procedure applies for services sourced in countries with enhanced or heightened risk of child labour. In 2023, there were no instances of supplier breaches with regard to child labour within the supply chain.

Corporate greenhouse gas emissions

The landmark Paris Agreement set the global goal to limit global warming to well below 2 °C compared to pre-industrial levels, and has been adopted by over 190 countries worldwide. Switzerland, as a supporter of the Paris Agreement, has also set the goal to reduce its GHG emissions by 50% compared to 1990 by 2030 and to achieve net zero GHG emissions by 2050 at the latest.

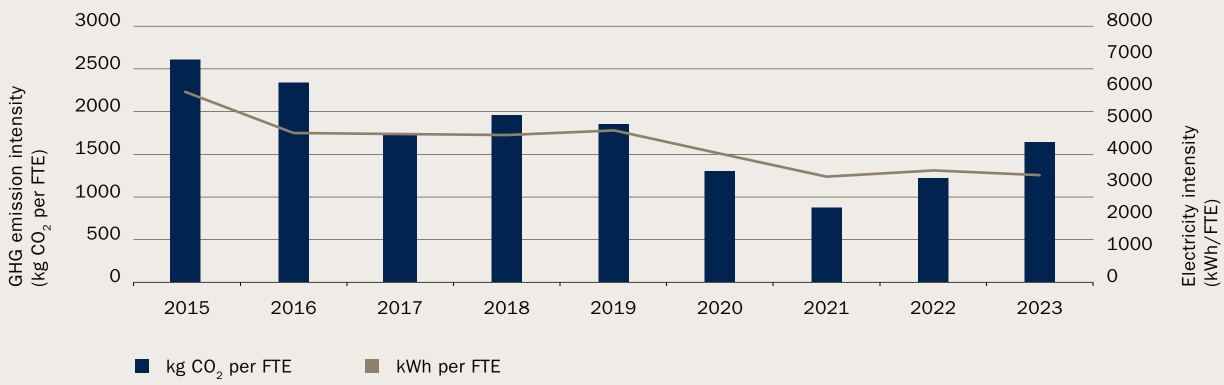
Aware of the strong global commitment and as a financial institution known for its sustainable business practices, the Group is committed to reducing its operational GHG emissions. The Group has adopted a number of strategies to achieve this, including the use of renewable energy for its offices. The Corporate Sustainability Board monitors the development of the Group's global operational carbon footprint.

Actions and targets for Swiss locations in Basel, Geneva and Zurich: The Group has been at the forefront of environmental protection since 1993, starting with the installation of a photovoltaic system on the roof of its headquarter in Basel. This system continues to provide energy equivalent to the annual consumption of several four-person households. In 2019, the Bank secured multi-year hydroelectric power contracts for its major locations in Switzerland, aligning with its commitment to renewable energy. Additionally, the Basel office exclusively uses district heating, sourced from 100% renewable process heat produced by the nearby Basel refuse incineration plant.

Since 2013, the Bank participates in the banking sector group of the energy efficiency and decarbonisation programme of the Swiss Private Sector Business Energy Agency (EnAW). EnAW is mandated by the Swiss government to set energy efficiency and decarbonisation targets for different economic sectors. This is achieved through the implementation of annual energy efficiency measures and by giving preference to renewable energy. The Bank regularly liaises with EnAW to monitor and review measures and their effectiveness.

In 2023, the Bank again implemented additional measures to increase its energy efficiency, such as the replacement of energy-intensive lighting and other operational equipment, saving approximately 315,000 kWh per year. The Geneva office also has installed a

Figure: Development of greenhouse gas (GHG) emission intensity and electricity intensity at the Group



Note: GHG Emissions include Scope 1, 2 and 3 emissions as listed in the table on page 96. Values are calculated for all locations with more than 15 FTEs. Source: Bank J. Safra Sarasin Ltd, December 2023 new solar system with a production capacity of around 38,000 kWh per year.

As a result of all the measures taken for the Swiss locations and according to the EnAW methodology, the Bank increased its energy efficiency (amount of energy savings achieved in relation to the total energy consumption) between 2013 and 2023 by approximately 27% and reduced the CO_2-intensity (amount of CO_2 reductions achieved relative to the total CO_2 emissions) by approximately 19%. Therefore, the Bank and the EnAW banking group exceeded the set target pathways.

Process for other locations: For other locations, GHG emissions from operations are measured and disclosed on an aggregated basis. The Corporate Sustainability Board closely monitors the annual development of the Group's total carbon footprint.

By joining forces with local initiatives, individual locations contribute to the overall goal of reducing GHG emissions for a better future. A prime example of this is Banque J. Safra Sarasin (Monaco) SA, which joined the Energy Transition Pact of Monaco in 2023. The initiative aims at accelerating sustainable development through innovative solutions and promoting renewable energy sources on the national level to reduce GHG emissions by 55% by 2030 compared to 1990 levels, and reach carbon neutrality by 2050.

Results: In 2023, the Group's GHG emission intensity per full-time employee (FTE) increased to 1,653 kg CO_2e. This increase is linked to the phased return of business travel activities to their pre-pandemic state in 2019, following the lifting of Covid-19 restrictions. This step-by-step increase in travel activity, especially for client meetings returning to their usual frequency since 2021, marked a transitional phase and the Group seeks to use ecologically appropriate means of transport for business travel whenever possible.

Despite this short-term elevation in Scope 3 emissions, the Group's dedication to long-term environmental sustainability remains strong, with stable Scope 1 and 2 emissions, 64% renewable energy use in 2023, and significant decreases in operational GHG emissions and electricity intensity per FTE of 37% and 44%, respectively, since 2015. The Group maintains its long-term commitment to sustainability and the reduction of the operational greenhouse gas emissions.

Corporate GHG emissions measurement

For all locations with more than 15 FTEs (covering approximately 97% of the total workforce), the Group systematically measures and monitors the environmental KPIs in a third-party corporate sustainability reporting system. As recommended by the Greenhouse Gas Protocol, the Scope 2 GHG emissions are calculated using both the market-based (contractual energy source emissions factors) and the location-based (grid-average emissions factors) approach.

Table: J. Safra Sarasin Group environmental indicators 2023

	31.12.2023	31.12.2022	31.12.2021
General data[1]			
Total FTEs covered in analysis	2,426	2,330	2,339
m^2 of office space	54,135	52,660	60,615
GHG emissions Scope 1 (t CO_2e)	477	485	275
Intensity per FTE (kg CO_2e)	197	208	118
Intensity per m^2 (kg CO_2e)	8.8	9.2	4.5
GHG emissions Scope 2 (market-based, t CO_2e)[2]	937	800	1,474
Intensity per FTE (kg CO_2e)	386	343	630
Intensity per m^2 (kg CO_2e)	17.3	15.2	24.3
Share of energy from renewable sources	64	69	61
Electricity consumption (MWh)	8,139	8,151	7,723
Electricity consumption per FTE (kWh)	3,355	3,498	3,302
GHG emissions Scope 2 (location-based, t CO_2e)	1,554	–	–
GHG emissions Scope 3 (t CO_2e)[3]	2,596	1,547	286
Intensity per FTE (kg CO_2e)	1,070	664	122
Waste water (m^3/FTE)	9.0	–	–
Business travel (km/FTE)	4,774	3,973	903
Paper consumption (kg/FTE)	30	36	40
Proportion of recycled or FSC certified paper (% of total paper usage)	75	80	79
Total GHG emissions (market-based, t CO_2e)[2]	4,010	2,832	2,035
Intensity per FTE (kg CO_2e)	1,653	1,215	870

1) As a rule, all locations with more than 15 full-time employees (FTEs) are in scope of the environmental indicator calculation, other locations are not being measured. Consequently, the FTEs and total square meters (m^2) used to calculate the intensity-based figures are also based on that criteria, representing the respective totals from the locations in scope. This ensures that the intensity-based figures are accurate and relevant to the scope set. As of 31.12.2023, 97% of the total FTEs are covered in the analysis. At a local level, estimates are used if no exact figures are available.

2) As recommended by the GHG-Protocol, the Group discloses the "market-based" as well as the "location-based" Scope 2 emissions. The location-based method is based on intensity factors for the grids on which companies operate, whereas the market-based method uses emission factors based on actual electricity purchased, making the latter more representative. For the market-based emissions, the contractual energy sources were used. If non-contractual energy sources were available for a location, either the country-specific residual mix (priority one) or the country-based average grid emissions (priority two) have been taken.

3) Scope 3 emissions include employee business travel (air, rail and road travel), office paper as well as water consumption. Water consumption in buildings is systematically measured for the Swiss locations in scope. For locations outside of Switzerland, water consumption is measured where data is available.

Employees

The Group understands that employees are its most valuable asset and investing in them yields significant returns for both itself and clients. The Group believes in fostering a culture of entrepreneurship and growth where all individuals can develop their skills, take responsibility and have opportunities for personal and professional development. Equal treatment of all employees, including zero tolerance for discrimination and fair working conditions have been identified as key social aspects for the Group.

Equal treatment and employee protection

The Group takes pride in upholding the highest standards of ethical conduct and professionalism across all levels of its operations. The Group's Code of Business Conduct is a testament to this commitment and sets out best practice for employees and members of the Board of Directors in their dealings with clients, colleagues and all other stakeholders.

The Group's employees originate from 73 different countries. It values inclusivity, equal opportunities and integrity, as it recognises that diversity brings different ways of thinking and leads to more innovative solutions that ultimately benefit clients' needs. The Group's Protection against Sexual Harassment, Bullying and Discrimination in the Workplace Directive ensures a safe working environment where everyone is treated fairly and respectfully, regardless of gender, ethnic background, religion, age, nationality or sexual orientation. This directive highlights the Group's zero-tolerance stance on any form of discrimination or harassment. The Head of Human Resources as well as the Chief Executive Officer are responsible for formal procedures to investigate any allegations.

To strengthen this position and based on the Swiss Federal Act on Gender Equality, in 2021, Bank J. Safra Sarasin conducted an in-depth analysis of its remuneration practices, focusing on potential gender disparities, which was also reviewed by an independent external auditor. The analysis confirmed that the Bank has no statistically relevant gender-based disparities in its remuneration practices, thus confirming the Bank's high standards of equal treatment of employees.

In 2015, the Bank created the women@jssnetwork. Throughout the year, the network promotes the exchange of knowledge and experience among employees as well as sharing different perspectives on the challenges they face. In 2023, the network continued its activities and conducted a digital event together with the Pension Fund of Bank J. Safra Sarasin on pension planning for women and the specific challenges associated with it.

Table: Age structure of employees (full-time equivalent in %)

Men	Years	Women
1	<25	2
17	25–34	19
30	35–44	30
33	45–54	30
19	>55	19

Table: Headcount by job title (full-time equivalent in %)

Men	Title	Women
10	Managing Director	5
18	Executive Director	7
21	Director	12
20	Vice President	23
13	Assistant Vice President	25
9	Authorised Officer	14
9	Staff	14

Fair working conditions

The staff regulations for each Group company transparently outline employees' rights, obligations and entitlements, such as working hours, holidays, social and fringe benefits. The Group's Human Resources Directive defines the principles on sound human resources recruitment and management, and is complemented with local directives such as the Swiss Human Resources Directive. These rules are an integral part of employment contracts and apply to all employment relationships. The employee benefits are at least equivalent to the legal requirements at individual locations, if not higher.

In Switzerland, rights of non-senior management employees are also regulated by the Collective Labour

Agreement on Conditions for Bank Employees (VAB). The Bank has a Staff Representative Council (ANV) for the protection of employees' common interests in the domestic market. The regulations on employee participation through the ANV are based on the Swiss Federal Act on Information and Consultation of Employees in the Workplace, providing information and consultation rights to members elected for three years. With information and consultation rights allotted to the ANV depending on the particular matter, this cooperation between management and employees helps promote constructive dialogue and fosters the collaboration between the employees and the Bank, resulting in greater motivation and performance.

Investing in the Group's employees

Health: The Group views the promotion of health as an important element of corporate culture and has established an intranet site that promotes physical and psychological well-being. Employees in Switzerland can benefit from discounts on supplementary insurance coverage that goes beyond the basic coverage required by law. In selected locations, fitness centres may offer employees membership discounts. In 2023, employees participated in the Zurich and Basel edition of the annual B2Run and the Bike to Work Challenge. Also, in 2023, employees represented the Bank at the traditional "Course de l'Escalade" in Geneva.

Education: The Group recognises the value of training and learning to maximise the potential of its multinational teams and ensure that employees always act in a compliant way. To this end, the Group has implemented a learning management system that enables the delivery of online courses, classroom sessions and blended learning experiences. The sustainability department frequently carries out specialised trainings on sustainability topics and works together with universities to offer interesting employment opportunities for recent graduates.

In 2022, the J. Safra Sarasin Sustainability Ambassador Network was established, with voluntary sustainability ambassadors throughout the Group. The network is used to transfer sustainability expertise from the sustainability team to all employees and to promote an active dialogue on sustainability topics. In 2023, nine dedicated digital training sessions providing over 16 hours of education on sustainable finance were delivered to employees from different functions and locations to deepen their knowledge on topics such as the use of the Group's proprietary ESG tools. The sustainability ambassadors attending the training then educate their local colleagues, passing on the knowledge within the Group. Each session is followed by a debriefing to analyse areas for improvement and evaluate topics for the next training sessions. In addition, the sustainability team held numerous meetings with teams across the Group to provide in-depth training on team-specific sustainability topics.

The Group also provides staff education through other initiatives such as monthly sessions with the Investment Office covering the sustainable investment process, methodological updates and the use of the proprietary sustainable investment tools. Regulatory trainings ensure that concerned staff members receive guidance on new regulatory guidelines and their implementation. Finally, the Board of Directors and the Group Executive Board receive training at least once a year on sustainability-related regulatory developments and are up-dated on the Group's sustainability strategy developed and implemented by the Corporate Sustainability Board.

Remuneration: The Group's employee benefits meet or exceed the legal requirements in each location. When determining the remuneration of an employee, their qualifications, performance and conduct is considered, in addition to the performance of the Group's subsidiaries. Compensation and reward structures follow the principles of performance, conduct and risk awareness, client orientation, conflicts of interest and malus or clawback. The Group's remuneration structure and performance management incentivise employees to apply sustainability considerations and to conduct their duties in a sustainable, client orientated manner.

Pension fund: By signing the UN Principles for Responsible Investment (UN PRI), the pension fund of Bank J. Safra Sarasin emphasised its long-standing commitment to integrate ESG considerations into its investment decisions. The investment regulations of the pension fund aim to incorporate environmental, social and governance (ESG) factors into investment decisions, to better manage potential risks and generate sustainable, long-term returns.

Table: J. Safra Sarasin Group social indicators 2023

	2023	2022	2021
Number of employees (Full-time equivalents, FTEs)	2,503	2,425	2,339
Switzerland	1,263	1,208	1,155
Abroad	1,240	1,217	1,183
Part-time employees (Headcounts)	141	163	155
Proportion of female FTEs (%)	36.6	35.9	37.5
Proportion of female FTEs in management positions (%)[1]	19.6	19.9	21.2
Employee turnover rate (%)[2]	14.0	13.9	12.6

1) Female FTEs with the two uppermost management level titles Managing Director or Executive Director.
2) Calculation of employee turnover: Number of employee separations (resignations/dismissals/retirements) during the past 12 months/number of active employees. Leavers with limited contracts are not included and calculation is based on headcounts.

III. Financial sustainability

Reflecting its commitment to promote positive long-term financial as well as environmental and social outcomes, the sustainability of its financial activities is one of the Group's core objectives. Drawing on more than three decades of experience in sustainable investing, the Group is convinced that identifying, analysing and managing sustainability-related environmental, social and governance (ESG) risks and opportunities enhances investment decisions. Sustainability is therefore not seen as a separate product offering, but as an important aspect to be integrated into the core investment process. This approach promotes stability that benefits stakeholders in all sectors, including finance, over the long term.

Recognising that informed decisions are critical to successful investment, the Group prioritises empowering its wealth and asset management clients to make informed investment decisions by providing insightful sustainability reports and sustainable investment solutions that can further facilitate the transition to a sustainable future. Knowing that each client has unique preferences when it comes to investing in sustainable strategies and to ensure that these preferences are met accordingly, the Group has started to systematically integrate sustainability preferences of clients into the advisory process.

Investments

In aggregate, the Group invests CHF 48.8 billion[3] on behalf of its asset management clients, whereof CHF 43.2 billion[3] are classified as sustainable assets and CHF 5.6 billion are white-label strategies or strategies that do not explicitly incorporate ESG factors in the investment decision process. Out of the sustainable assets, CHF 20.3 billion are managed by J. Safra Sarasin Sustainable Asset Management and CHF 22.9 billion[3] by Sarasin & Partners LLP (Sarasin & Partners).

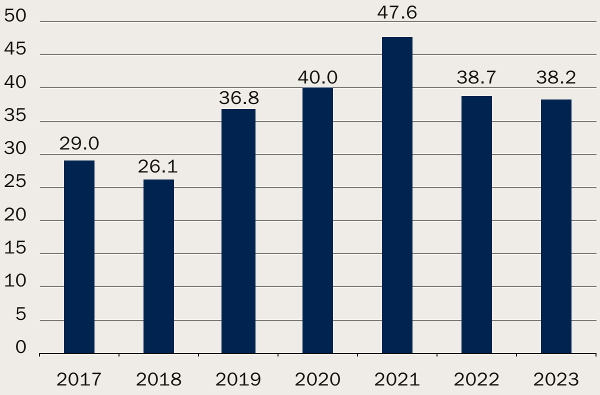
The sustainable assets under management can be classified as either **ESG Consideration** or **ESG Contribution**, together being referenced as sustainable assets. ESG Consideration strategies integrate ESG factors in the investment process from a risk and opportunities perspective, improving the overall risk management of the strategy and supporting long-term value creation. On top of integrating ESG factors in the investment process, ESG Contribution strategies have an explicit sustainable objective and/or contribute to an environmental or social outcome (such as the Paris Agreement). Strategies that do not explicitly incorporate ESG factors are labelled as **Classic**.

The internal sustainability classifications Classic, ESG Consideration and ESG Contribution are based on the key characteristics of the European Sustainable Finance Disclosure Regulation (SFDR) set by the European Union. ESG Consideration, representing the Group's default investment approach, is generally reflective of Article 8 criteria under the SFDR. ESG Contribution strategies are oriented towards explicit sustainability outcomes as outlined in Article 9 requirements of the SFDR. Finally, Classic Strategies with no explicit ESG focus are reflected under Article 6. These classifications are central to enabling clients to confidently understand product characteristics and make informed choices that align with their goals. This underscores the Group's dedication to fostering trust and empowering clients in their pursuit of sustainable investments.

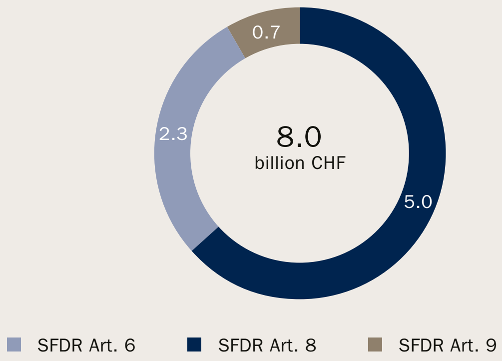
3) Thereof CHF 5.1 billion of double counting.

Figure: Sustainably managed assets by the Group

Sustainable assets managed by the Group over time (billion CHF)[1]



J. Safra Sarasin funds domiciled in Luxembourg and Germany according to their SFDR classification (billion CHF)



Source: Bank J. Safra Sarasin Ltd, December 2023. Note: The definition of sustainable assets follows the internal classification methodology of J. Safra Sarasin Sustainable Asset Management to classify its assets under management according to the sustainability profile. For funds domiciled in Luxembourg and Germany, the official product classification according to the Sustainable Finance Disclosure Regulation (SFDR) is displayed.

Table: J. Safra Sarasin Group financial indicators 2023

	2023	2022	2021
CET1 ratio (%)	47.0	44.1	38.7
Total assets under management (billion CHF)	204.3	197.9	224.7
Sustainable assets under management (billion CHF)[1]	38.2	38.7	47.6
thereof ESG Consideration (billion CHF)[2]	37.1	–	–
thereof ESG Contribution (billion CHF)[2]	1.1	–	–
Volume of J. Safra Sarasin sustainable investment funds domiciled in Luxembourg and Germany (billion CHF)	5.7	5.9	8.6
SFDR Art. 8	5.0	5.3	7.9
SFDR Art. 9	0.7	0.6	0.7

2) The classification of ESG Consideration and ESG Contribution follows the internal classification methodology of J. Safra Sarasin Sustainable Asset Management to classify assets under management according to their sustainability profile.

The following sections provide a high-level overview of the investment process of the sustainable assets managed by J. Safra Sarasin Sustainable Asset Management. The sustainable investment process is integral for both collective investment solutions and discretionary assets. It forms a central part of the fiduciary duty with regard to advised clients as well as client's assets managed on a discretionary basis. The sustainability team of J. Safra Sarasin Sustainable Asset Management together with the ESG Committee define the sustainable investment process and ensure that it is regularly reviewed and updated according to the latest market developments and research outcomes.

An in-depth description of the sustainable investment process can be found in the Sustainable Investment Policy of J. Safra Sarasin Sustainable Asset Management, published on the website. Individual products or strategies may deviate from the standard sustainable investment process described. Strategy specific investment processes or restrictions can be found in the respective investment guidelines. The sustainable assets managed by Sarasin & Partners follow their own sustainable investment approach, which is described in the Stewardship Report on their website[3].

1) Sustainable assets under management corrected for double counting.
3) https://sarasinandpartners.com/

Sustainable investment process

J. Safra Sarasin Sustainable Asset Management is convinced that successful and long-term economic growth is dependent on a long-term mindset. Consistently merging sustainability considerations into investment strategies enhances the investment analyses and leads to better outcomes for both investors and society as a whole. This entails investing in companies that are proficient at managing sustainability-related risks and opportunities, while disregarding those that fail to acknowledge significant trends. J. Safra Sarasin Sustainable Asset Management follows three goals with the sustainable investment process:

Figure: Sustainable investing goals

Reduce risks and deliver returns: J. Safra Sarasin Sustainable Asset Management looks at both traditional financial and material ESG risks when making investment decisions, to avoid longer-term risks that are often overlooked. J. Safra Sarasin Sustainable Asset Management invests in companies with solid ESG practices and identifies attractive opportunities by understanding long-term transformational trends.

Be an active and engaged investor: J. Safra Sarasin Sustainable Asset Management seeks to create positive outcomes by promoting good corporate governance, shareholder rights, and social and environmental responsibility. This is achieved through stewardship activities like engaging with companies and voting at shareholder meetings.

Generate sustainable outcomes: J. Safra Sarasin Sustainable Asset Management aims at positively contributing to the Sustainable Development Goals established by the United Nations. For instance, J. Safra Sarasin Sustainable Asset Management has established a target for net zero by 2035 and has signed

Figure: Sustainable investment process

Source: Bank J. Safra Sarasin Ltd, December 2023

the Finance for Biodiversity Pledge to address the increased risk of global biodiversity loss.

To achieve these goals, J. Safra Sarasin Sustainable Asset Management relies on its well-established sustainable investment process composed of the four main steps of Universe Definition, Investment Analysis, Portfolio Construction as well as Monitoring and Stewardship. In all four steps, J. Safra Sarasin Sustainable Asset Management leverages proprietary tools and methodologies to respect and integrate different sustainability objectives.

Depending on the strategy or client-specific sustainability requirements, the structured four-step sustainable investment process addresses different perspectives, each focusing on a specific investment objective. While the Exclusion perspective focuses on reflecting individual values and beliefs, the Integration perspective aims to consider financially material ESG factors in the investment process for improved risk-adjusted returns. The Contribution/Impact perspective goes one step further and focuses on creating positive outcomes for society and/or the planet alongside financial returns. Additionally, the Stewardship Overlay is applied to address all three perspectives by influencing investee behaviour.

While the sustainable investment process ensures a consistent approach to sustainable investing, the sustainability perspectives take into account the different underlying intentions that clients may have with their investments.

Figure: Sustainable investment perspectives

Source: Bank J. Safra Sarasin Ltd, December 2023

Universe definition

The first step of J. Safra Sarasin Sustainable Asset Management's investment process is the definition of the strategy-specific eligible investment universe. This stage comprises the mandatory exclusion of controversial activities as well as the product specific positive and negative ESG screening, either a best-in-class or a worst-out approach.

Table: J. Safra Sarasin Sustainable Asset Management exclusion list

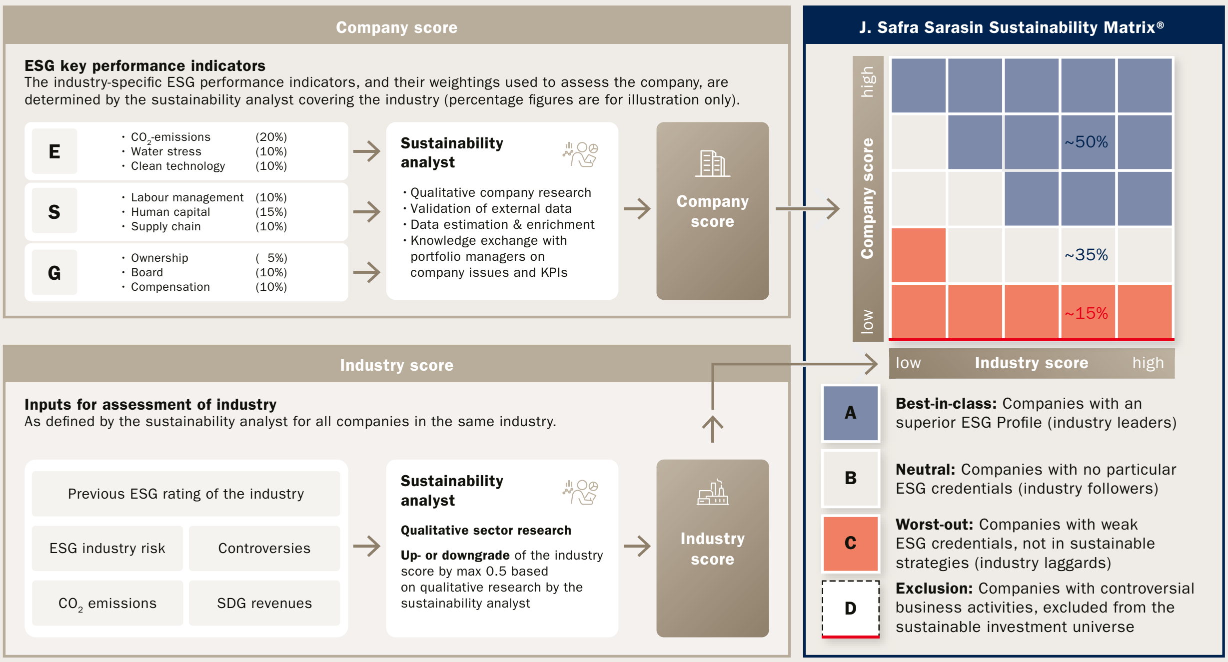
Criterion	Description	Revenue threshold
Coal	Companies that simultaneously have a significant involvement in the coal business and lack a solid transition strategy towards a low-carbon economy	5% mining 10% thermal
GMO – agriculture	Companies that genetically modify organisms for agricultural use	0%
GMO – medicine	Human cloning and other manipulations of the human gene line	0%
Palm oil	Producers of palm oil where less than 75% of sites are certified by the Roundtable on Sustainable Palm Oil (RSPO)	5%
Defence and armament	Producers of civilian firearms, conventional weapons (systems and critical components) and weapon support systems & services (e.g. weapon control systems, target navigation systems, etc.)	5%
Tobacco	Producers of tobacco products	5%
Adult entertainment	Producers of adult entertainment materials	5%
Violation of human rights and global compact principles	Companies involved in severe violations of human rights or other breaches of the UN Global Compact Principles, in line with international standards	0%

Exclusion of controversial activities: A number of standard criteria are used by the Bank to exclude business practices that violate global norms and/or are highly controversial, such as controversial weapons. As defined by the Corporate Sustainability Board and the Sustainability Advisory Council, these standards are embedded in the Bank's Corporate Sustainability Governance as well as its exclusion criteria. The exclusion criteria include, in particular, the violation of human rights, based on established international standards and principles such as the compliance with the ten principles of the UN Global Compact as well as the fight against corruption in all forms. The Group meets its responsibility when it comes to controversial weapons and has implemented internal guidelines outlining its binding principles in this area. Controversial weapons are categorised as controversial because of their long-term humanitarian impact and/or the large number of civilian casualties they cause. They include biological, chemical and nuclear weapons, cluster munitions and anti-personnel mines. The Group has committed itself not to invest its treasury funds in companies that are active in the domain of controversial weapons. The sustainable investment universe excludes companies engaged in the activities listed in the exclusion list (the latest version of the exclusion list can be found in the Sustainable Investment Policy, available on the website). The exclusion list forms part of the official product monitoring, and breaches are reported and resolved accordingly.

Positive and negative screening: In the ESG screening process, a sustainability analysis is conducted for each industry and company to further define the investable universe.

In the company rating process, several industry-specific ESG key performance indicators (KPIs) are selected and weighted according to their financial materiality by the sustainable investment analyst. Company-specific ESG data, sourced from external providers and supplemented by internal investment research, is then used to analyse each company's performance against these industry-specific KPIs and to derive the final company score. Beyond this quantitative approach, the sustainable investment analysts also conduct a qualitative media and stakeholder analysis for the most material holdings. This analysis focuses on public controversies and incidents involving the rated company, with information sourced from the

Figure: J. Safra Sarasin Sustainability Matrix®



Note: The distribution of firms to the universes A-D is based on a global investment universe. In regional subsets, the respective figures can vary. Source: Certain information ©2023 MSCI ESG Research LLC. Reproduced by Bank J. Safra Sarasin Ltd with permission.

public domain rather than company-issued materials, i.e. news and events concerning the company. In doing so, the news value (influence of the source, severity of criticism, newness of the issue), the news intensity (frequency and timing) as well as the company's reaction (transparency, pro-activeness and remediation efforts) are considered.

The industry rating is formulated using a proprietary input-output model that evaluates the ESG risks and opportunities unique to different industries. The sustainable investment analyst defines the material externalities for the industry, taking into account both direct and indirect impacts along the value chain and the alignment with the UN Sustainable Development Goals (SDGs). As a result, each industry receives its industry score.

In a subsequent step, the company and the industry scores are combined and displayed in the proprietary J. Safra Sarasin Sustainability Matrix® with four ESG rating areas from A to D. In the Bank's Sustainability Matrix, the x-axis displays the industry score between 0 (low) and 5 (high), and the y-axis displays the company score between 0 (low) and 5 (high). The ESG ratings are reviewed at least annually by sustainable investment analysts and are cross-referenced with other credible sources.

The definition of the A-rated universe ensures that approximately 50% of the total global investment universe of issuers for which ESG data is available, is excluded. A- and B-rated companies together represent about 85% of the global investment universe for which ESG data is available. The C-rated universe (worst-out), which is not eligible for sustainable investment strategies, consists of about 10-15% of issuers, with the remaining part forming the exclusion list of controversial business activities (D-rated universe).

Case study: Upgraded Country ESG Rating

Building on its first Sustainable Country Rating established in 2002 and the expertise developed since then, the Bank has taken significant steps in 2023 to provide a more nuanced and equitable assessment of countries' environmental, social and governance (ESG) performance. The most noteworthy advancements in the new Country ESG Rating model is its approach to correcting for income bias. Traditional models often result in higher income levels being strongly correlated with better ESG practices, which limits the meaningfulness and application of the resulting ESG ratings.

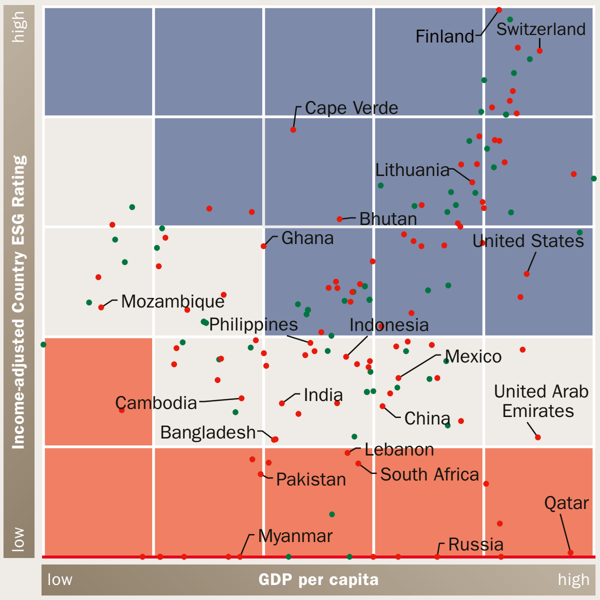
The Bank's new methodology corrects for this ingrained income bias via a statistical framework, whereby log linear relations between GDP per capita (PPP adjusted) and ESG Key Issue scores are estimated. This adjustment accounts for variations in the level of wealth, the cost of living and services across countries, providing a more relative picture of the ESG performance of countries. By using this income-adjusted data, the upgraded Country ESG Matrix now offers valuable insights into which economically disadvantaged countries are effectively managing ESG risks. These countries also urgently need funding to reach their Sustainable Development Goals. At the same time, the Country ESG Matrix identifies wealthier nations that are not fully utilising their wealth to manage ESG risks and are lagging their developed peers.

This innovative approach gives investors a clearer understanding of relative ESG performance, unbiased by income level.

The Country ESG Rating incorporates material key issues such as biodiversity, environmental resilience, climate transition, potential for social unrest and political governance. The Country ESG Rating is also adjusted downwards for countries that have not ratified key environmental and social treaties and conventions. As additional information, the Country ESG Matrix indicates whether a country displays a positive or negative ESG momentum across material indicators such as corruption perception, business sophistication, rule of law and private civil liberties. This is a valuable piece of information and recent research has shown that it can be of benefit to investors.

The Group is convinced that the updated Country ESG Rating methodology enables a better identification and participation in the relative outperformance of countries that have the potential to achieve their SDGs.

Figure: Bank J. Safra Sarasin Country ESG Matrix



JSS ESG A-rated best-in-class

JSS ESG B-rated neutral

JSS ESG C-rated worst-out

war or conflict

Countries undergoing **war or conflict**, or against which Switzerland has issued a comprehensive military or repression goods embargo due to a violation of international law, namely human rights, are D-Rated

positive trend

negative trend

Countries exhibiting a **positive/negative trend** across equally weighted basket of indicators, related to level of corruption, business sophistication, rule of law and civil liberties

Source: Bank J. Safra Sarasin Ltd, December 2023

Investment analysis

In the second step of the investment process, J. Safra Sarasin Sustainable Asset Management uses proprietary bottom-up investment research to analyse long-term sustainability trends. ESG factors are fundamentally embedded in the individual investment cases. The portfolio manager/analyst enhances the financial assessment with ESG, SDG, climate and other sustainability performance data to get a more comprehensive view of the investment case and to make a better-informed decision. In the top-down allocation process, long-term sustainability trends can determine the definition of structural over- or underweights with regard to regional or industry allocation in a specific strategy. Sustainability trends can also have an impact on the selection of investment themes or clusters in specific strategies. In the bottom-up security selection, ESG factors are combined with traditional financial data and integrated into the investment process in order to get a holistic view of an investment case. For strategies where detailed financial models are built, financially material ESG factors can have an impact on the determination of a security's fair value. This process also includes defining sustainable key performance indicators for each investment case.

Portfolio construction

In the third step, portfolio managers construct the strategy and assess the sustainability-related risks. For the majority of strategies and to complement the fundamental research, the portfolio construction process relies on a quantitative multifactor risk model to construct portfolios and control for external risks. The (ex ante) risk attribution and the (ex post) performance attribution are based on the same multi-factor model. The portfolio construction process considers inputs based on the investment strategy's universe and benchmark (if available), the sustainability rating of issuers, specific sustainability risk factors as well as SDG revenue percentage. The implementation is an iterative process, respecting the impact on portfolio factor exposures, risk measures and restrictions, and the impact on the risk/return profile. The change of ESG profile and the ESG tail risk assessment are also taken into consideration. Tailoring the investment solutions to the client's needs, J. Safra Sarasin Sustainable Asset Management utilises a set of proprietary engines to construct and monitor the respective strategies, and set contribution and/or impact goals (if applicable).

Climate Engine and ESG performance: For a number of strategies, the Bank assigns ESG and climate objectives which the portfolio managers must adhere to. Climate objectives often relate to the carbon footprint of the strategies against the benchmark. Climate risk analysis focuses on long-term and tail risks arising from climate change and the respective changes in the regulatory environment. By using climate-related data, such as the CO_2 footprint or stranded asset exposure, transitional and physical climate risks are identified and measured within the portfolio context. The focus of the analysis is to highlight and reduce tail risks. In the portfolio construction step of the investment process, changes in the investment portfolio are being analysed with reference to the change in the climate profile (ex ante).

Sustainable Development Goal (SDG) Engine: Certain strategies may use outcome-oriented data on SDG-related corporate revenues and have explicit targets to achieve a higher number of portfolio holdings with SDG-related revenues. Strategies may have explicit targets in relation to the percentage of aggregated SDG-related revenues.

Biodiversity Engine: As its newest improvement during 2023, J. Safra Sarasin Sustainable Asset Management has developed a new biodiversity engine for its toolbox. This new engine facilitates the integration of biodiversity factors into the portfolio analysis process as well as the monitoring of the strategy according to biodiversity impacts (the impact of companies on biodiversity) and dependencies (the dependency of companies on biodiversity). The Group is working on integrating the new tool into existing investment processes and strategy specific reporting.

Once set up, portfolio managers will monitor the aggregated ESG and climate-related metrics of their strategies and compare them with the benchmark or reference portfolio in their risk management systems on an ex ante basis.

Case study: Achieving sustainable outcomes

With a selection of its investment strategies, the Bank aims for sustainable outcomes by positively contributing to one or several of the 17 Sustainable Development Goals (SDGs) established by the United Nations. Such contributions are targeted alongside financial returns and result from the invested company's products and services, or the best operational practice in the respective industry. The approach is also seeking exposure to firms which are transition leaders in their respective fields.

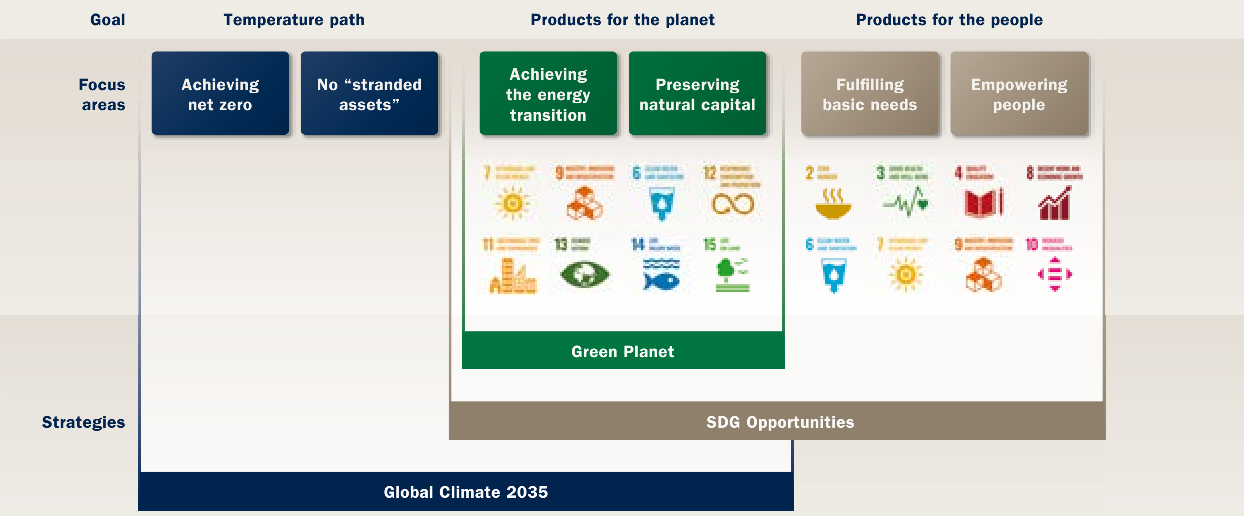
The Bank has therefore developed a robust framework to translate the 17 SDGs and its 169 sub-targets into quantifiable and actionable investment cases by regrouping them into four areas – two for the people: Fulfilling Basic Needs and Empowering People, and two for the planet: Preserving Natural Capital and Achieving the Energy Transition. The alignment of a strategy with the SDGs is measured in two dimensions. First, for each portfolio, the percentage of revenues generated by products and services which support the SDGs is shown (referenced as SDG revenues). Second, the average percentage of SDG revenues is calculated at the portfolio level.

Leveraging in-house expertise for customised solutions

In addition to offering collective investment strategies aligned with the SDGs, the Bank also acts as a trusted advisor for the creation of bespoke strategies. In 2023, the Bank was proud to be selected as a partner for a European bank to advise on the implementation of its first investment strategy with the explicit and strong objective of supporting the SDGs, in particular the environmental dimension.

In the process, the Bank was able to use its well-established SDG Engine, which analyses the revenues of companies and calculates their individual contribution to the SDGs. The Bank demonstrated its expertise on how to target specific SDGs in the investment process by analysing the SDG exposure of each company, while achieving a well-diversified investment portfolio.

Figure: Sustainable outcomes at J. Safra Sarasin Sustainable Asset Management



Source: Bank J. Safra Sarasin Ltd, December 2023

Monitoring & stewardship

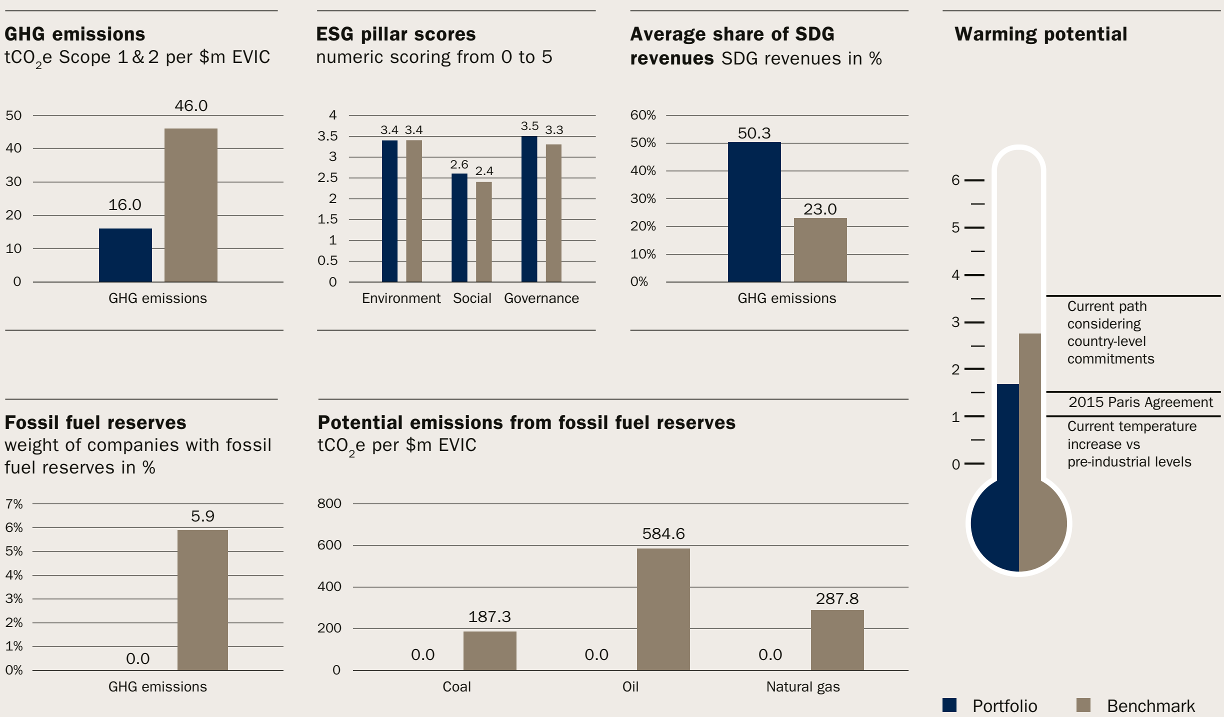
Monitoring: In the fourth step of the investment process, the Risk and Performance Committee (RPC) as well as Risk Office (RIOF) monitor performance and risk figures for each investment strategy compared to its pre-defined benchmark, strategic asset allocation or peer group as well as the strategy specific threshold and limitations defined. The monitoring includes defined sustainability factors and respective targets. Deviations from the targets and thresholds set are discussed and explained in the RPC. Both passive and active deviations of the investment guidelines are flagged and monitored accordingly until resolution.

The ESG portfolio-reporting framework aims to provide greater insight into the ESG characteristics of the portfolio and its individual holdings. It provides a relative and absolute assessment of the aggregated ESG performance of the portfolio on a range of strategically relevant metrics and key insights. To inform clients on the sustainability aspects of specific sustainable strategies, multiple metrics are made available via the strategy specific reports as well as other documents.

Going one step further, upon request, J. Safra Sarasin Sustainable Asset Management provides clients with an even more detailed ESG report by sustainability strategy with additional KPIs such as the contribution to the Sustainable Development Goals (SDGs) or the strategy's warming potential.

With this extensive set of sustainability-related data points and KPIs, J. Safra Sarasin Sustainable Asset Management enables clients to make informed investment decisions, considering the sustainability dimension of their portfolios.

Figure: Sustainability reporting for the Global Climate 2035 Strategy (example)



Sources: Bank J. Safra Sarasin Ltd; Certain information ©2023 MSCI ESG Research LLC. Reproduced by Bank J. Safra Sarasin Ltd with permission. Data as of 30.09.2023. Allocations and underlying holdings may change without notice. Strategy: Global Climate 2035. Benchmark: 100% MSCI World NR, Source: MSCI.

Case study: Incorporating biodiversity in the investment process

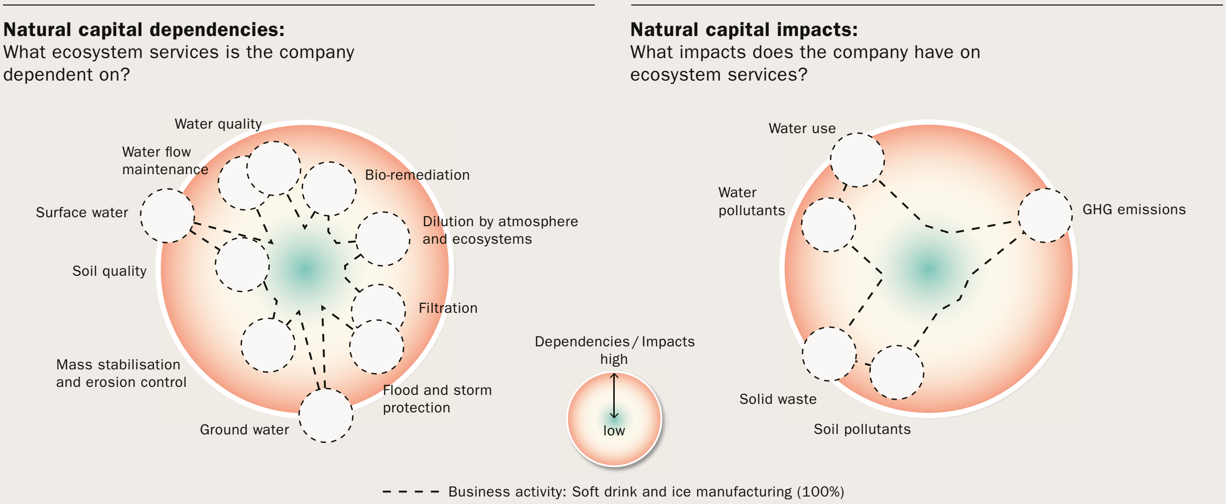
By embracing biodiversity as a vital consideration in the investment process, the Bank sets a precedent for responsible investment practices that prioritise both financial returns and positive environmental impact. In 2023, the Bank has achieved notable progress in integrating biodiversity considerations into its investment approach.

Biodiversity engagement: J. Safra Sarasin Sustainable Asset Management's commitment to biodiversity preservation is evident through its active engagements on critical biodiversity issues. By leveraging the FAIRR network (a collaborative investor network that raises awareness of material ESG risks and opportunities in the global food sector), it has participated in collective engagements targeting key concerns like animal pharma or waste and pollution. These engagements underline the dedication to addressing biodiversity challenges head-on and contributing to a positive impact on the ecosystem. In 2023, the Bank also joined the Nature Action 100 initiative to collectively engage with companies to take meaningful actions to reduce their environmental footprint in four out of five key drivers of nature and biodiversity loss: land and ocean use change, overexploitation of natural resources, pollution and invasive species. By targeting these critical topics, J. Safra Sarasin Sustainable Asset Management is actively contributing to more sustainable business practices respecting biodiversity within the relevant industries.

Integration of biodiversity factors in the new Country ESG Ratings: J. Safra Sarasin Sustainable Asset Management has taken a pioneering step in the integration of biodiversity in the investment process by incorporating biodiversity and ecosystem services as financially material factors in the new Country ESG Ratings. This approach represents an important step, as it recognises the intrinsic value of biodiversity for economies and societies. By adding biodiversity as a key issue in the environmental rating of countries, J. Safra Sarasin Sustainable Asset Management is setting a precedent for incorporating the comprehensive assessment of biodiversity into investment decisions.

Biodiversity Engine: J. Safra Sarasin Sustainable Asset Management has developed a new tool that analyses portfolio holdings to determine the impacts and dependencies of their business activities on biodiversity at an ecosystem service level. This empowers investors with critical insights for making informed investment decisions and can serve as valuable input for internal investment analysis and stewardship

Figure: Biodiversity Engine – Exemplary illustration for a beverage company



Sources: Bank J. Safra Sarasin Ltd, December 2023 activities. The biodiversity engine will enable J. Safra Sarasin Sustainable Asset Management to scrutinise biodiversity aspects within its portfolio, leading to more effective integration and engagement strategies.

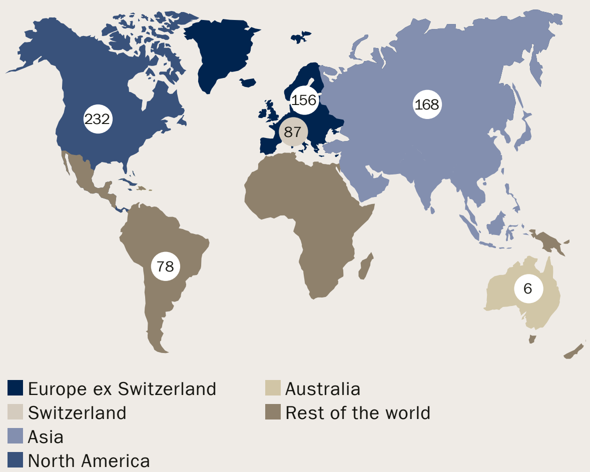
Advancing standard setting: In 2023, Bank J. Safra Sarasin actively participated in the development of the UN Principles for Responsible Banking (UN PRB) Guidance on Nature Target Setting. This industry-first guide, created collaboratively by 34 signatory banks and key nature finance organisations, sets a precedent for banks to systematically address nature and biodiversity loss. It offers a comprehensive strategy for banks to integrate nature within their core operations and set practical targets aligned with the Global Biodiversity Framework, accelerating the banking sector's progress towards a nature-positive economy.

Stewardship: J. Safra Sarasin Sustainable Asset Management sees its role as an asset manager with a long-term perspective. Stewardship, comprising engagement and proxy voting activities, is an important component of this principle. J. Safra Sarasin Sustainable Asset Management aims to foster robust corporate governance structures and shareholder rights within investee companies, as well as strong social and environmental performance and transparency.

Table: Overview of voting activity

	2023	2022
Number of meetings	727	682
Number of proposals	10,283	9,258
"Against" management votes	18%	25%
E and S Shareholder proposals	139	140

Figure: Number of meetings by region

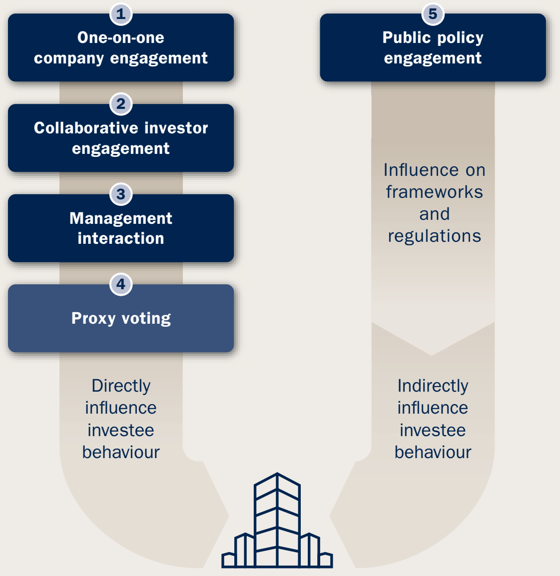


The Stewardship Policy and the Corporate Governance and Proxy Voting Guidelines serve as guiding documents for this endeavour and are available on the website. The Stewardship Policy outlines the Bank's approach to engagement and voting activities, documenting the guiding principles and the goals. The Corporate Governance and Proxy Voting Guidelines set out the Bank's specific understanding of how to vote on various topics that are routinely presented to shareholders, such as the election of the Board of Directors, executive remuneration structures, and environmental and social resolutions. The approach is aligned with the sustainable investment methodology and considers numerous international guidelines and standards such as the UN Global Compact, the OECD Guidelines for Multinational Enterprises or ICGN recommendations.

The Stewardship Strategy is based on five different ways of addressing and communicating sustainability issues either directly by engaging with companies or indirectly by contributing to change the regulatory landscape.

The dedicated Stewardship team pursues one-on-one engagements with the companies (see figure J. Safra Sarasin Stewardship Approach, box 1), discussing company specific ESG-issues such as the corporate sustainability strategy or climate transition plans. As a second instrument, collaborative investor engagements (2) with other investors are used to leverage collective power and address ESG issues that affect an industry as a whole, such as biodiversity loss or deforestation, or to advocate for change towards more sustainable business practices. Additionally, management interactions (3) on ESG topics through the investment teams themselves represent another way of communicating with companies and addressing material ESG topics. In the case of shareholdings, proxy voting rights (4) may also be used to directly accept or reject items on the agenda of the Annual General Meetings or Extraordinary General Meetings. For the execution of proxy voting rights, J. Safra Sarasin Sustainable Asset Management receives operational support from an external proxy advisor to

Figure: J. Safra Sarasin stewardship approach



Source: Bank J. Safra Sarasin Ltd, December 2023

analyse individual proposals based on the custom proxy voting guidelines. In-house expertise is considered for an in-depth analysis of specific company transactions and other key voting issues.

As an instrument to indirectly influence companies by changing their framework conditions, participation in public policy engagements (5) are directed to influence local or international frameworks, such as reporting or accounting standards. Through involvement in leading sustainable investment initiatives and organisations, such as Swiss Sustainable Finance (SSF), J. Safra Sarasin Sustainable Asset Management fosters contacts with policymakers and other stakeholders to promote the consideration and integration of relevant ESG themes on a regulatory level.

In 2023, J. Safra Sarasin Sustainable Asset Management participated in the following collective and public policy engagements:

Collective engagements

- Access to Medicine (ATM) Index
- Carbon Disclosure Project (CDP) – Non-Disclosure Campaign 2023
- Farm Animal Investment Risk and Return (FAIRR) – Animal Pharma
- FAIRR – Protein Diversification
- FAIRR – Restaurant Antibiotics
- FAIRR – Waste & Pollution
- Nature Action 100
- UN PRI – Advance

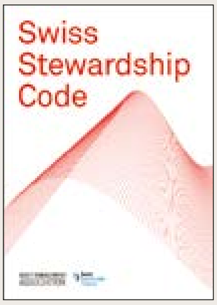
Public policy engagement / work groups

- Association of Foreign Banks in Switzerland (AFBS) – Sustainable Finance Group
- Asset Management Association Switzerland (AMAS) and Swiss Sustainable Finance (SSF) – Working Group on the Swiss Stewardship Code
- Swiss Sustainable Finance – Focus Group Regulatory
- Swiss Sustainable Finance – Focus Group Sustainable Real Estate Investments
- Swiss Sustainable Finance – Focus Group Active Ownership in Wealth Management
- Vereinigung Schweizerischer Assetmanagement- und Vermögensverwaltungsbanken (VAV) – Sustainable Finance Working Group

Case study: Contribution to the Swiss Stewardship Code

In a move that underscores Switzerland's ambition to be a key player in sustainable finance, in 2023, the Bank and other financial institutions were invited to collaborate with Swiss Sustainable Finance (SSF) and the Asset Management Association Switzerland (AMAS) on the development of the new Swiss Stewardship Code.

The Swiss Stewardship Code is comprised of nine core principles for effective stewardship and serves as a comprehensive framework to guide responsible and ethical investment practices. These principles mirror the core values that have been already largely entrenched in J. Safra Sarasin Sustainable Asset Management's Stewardship Policy.



The Bank is proud to be recognised as a stewardship expert, being able to contribute to the important Swiss Stewardship Code with its in-depth knowledge of voting and engagement.

Case study: Site visit to the Ivory Coast

When enjoying a chocolate bar, few consider the origins of its ingredients or the environmental and social impact of its production. To fully understand the origins of the cocoa bean and the complexities of the chocolate value chain, the Head of Stewardship of J. Safra Sarasin Sustainable Asset Management travelled to the Ivory Coast on a trip led by a Swiss-based chocolate producer. The goal of the mission was to understand the barriers to the long-term sustainability of the cocoa supply chain, and to assess whether the industry is taking concrete steps.

Nearly half of the world's cocoa supply is grown in the Ivory Coast. Not only is the economy heavily reliant on cocoa, it also plays an integral part of the culture. Yet, many cocoa farmers are barely living at subsistence levels.

Systemic issues and the path to sustainability

One clear takeaway from the trip to the Ivory Coast is that for cocoa to be sustainable – and for cocoa farmers to earn a living while protecting nature and the rights of vulnerable groups – governments, industry and investors must all work together to drive significant and systematic change.

Improving yields to improve livelihoods: One of the key problems for the sector is declining yields, which have dropped from a peak of 700 kilograms per hectare to 520 kilograms[1]. A recent report by Cocoa Barometer estimates that the amount of cocoa produced per hectare worldwide has slumped to around 350 kilograms per hectare, with the typical farming plot covering around three hectares[2].

Climate change: Cocoa crops are highly sensitive to the changing climate. The Ivory Coast is experiencing desertification from the north, which, combined with deforestation to clear land for agricultural crops, is reducing the land available to grow cocoa.

Child labour: Child labour has been, and still is, a deep-rooted problem in the global chocolate value chain. In the Ivory Coast, the practice is illegal and is officially discouraged. But the reality is different. In 2020, the US Labor Department estimated that that 1.6 million children were working in the industry in Ivory Coast and Ghana alone[3].

Driving positive change: a multi-stakeholder effort

The trip to the Ivory Coast demonstrated that the industry has begun to shift to a more practical multi-stakeholder approach to tackle some of the problems associated with cocoa production. The Swiss-based chocolate producer and its clients are working on numerous pilot projects to address some of the issues. They aim to improve yields through better irrigation techniques, fertilisers and crop diversification. By providing farmers with direct assistance in the fields, the company has moved towards aiding farmers to reduce child labour. The chocolate industry has also responded with its own sustainability certification programmes, which have set specific goals and timelines.

Our role as investors

Investors can play their part by participating in collaborative investor initiatives or one-on-one company discussions. For its part, J. Safra Sarasin Sustainable Asset Management uses its influence with investee companies through stewardship activities. The Stewardship team believes that the best engagement results come from nurturing long-term relationships with companies. The Bank maintains an ongoing dialogue on cocoa certification, child labour and deforestation to monitor progress on sustainability programmes in cocoa-producing countries.

This approach also helps companies improve the transparency of their sustainability initiatives, which is essential for effective investor oversight.

While challenges remain, the collaborative efforts of various stakeholders are key to fostering a more sustainable cocoa sector, ultimately mitigating the negative impact on farmers and the environment alike.

1) Our World in Data, Cocoa bean yields 1961 to 2021.
2) Cocoa Barometer 2022.
3) US Department of Labor, Child Labor in the Production of Cocoa, 2020.

More detailed information on the stewardship approach of J. Safra Sarasin Sustainable Asset Management can be found in the Stewardship Policy available on the website and in the Stewardship Report, showcasing the stewardship activities of the year. In addition, each vote executed can be reviewed online on the proxy voting portal.

Net zero target

In order to contribute to the achievement of the Paris Agreement, in 2020, J. Safra Sarasin Sustainable Asset Management formulated its Climate Pledge, aiming for a carbon-neutral outcome by 2035 for the in-house managed sustainable assets. The Climate Pledge for sustainable strategies managed by J. Safra Sarasin Sustainable Asset Management is complemented by a net zero Action Plan covering the assets managed discretionally by Sarasin & Partners.

The Climate Pledge and the net zero Action Plan together cover the sustainable assets of the Group and underline the strategic commitment to align with the net zero goals of the Paris Agreement. Both commitments are governed by the Net Zero Asset Managers initiative (NZAM) of which both entities are members.

Climate Pledge

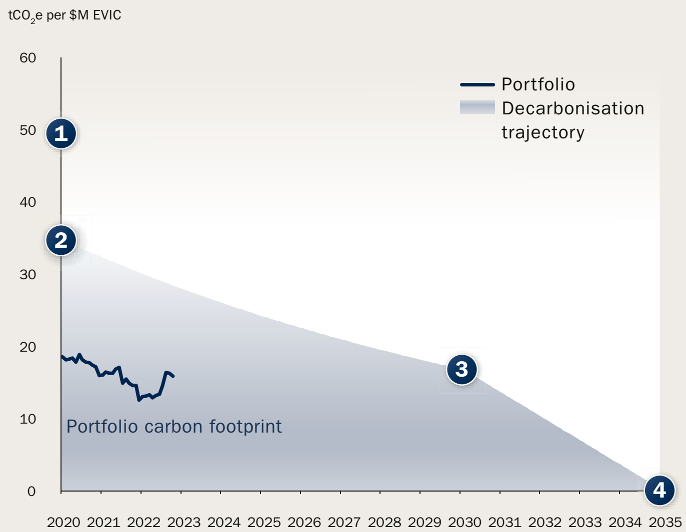
As part of its Climate Pledge, J. Safra Sarasin Sustainable Asset Management has defined four action areas to achieve its climate goals:

1. Investing in companies whose solutions enable emissions reduction
2. Engaging with financial market participants and fostering collaboration
3. Focusing on analysing, mitigating and reporting financial risks of climate change investment strategies
4. Aiming for net zero outcome for all sustainable assets managed in-house by 2035

For the first objective, J. Safra Sarasin Sustainable Asset Management offers several investment strategies for investing in solution providers and has a well-established engagement and proxy voting strategy to influence companies as part of its stewardship approach. In order to engage with market participants and to foster collaboration, J. Safra Sarasin Sustainable Asset Management is involved in various sustainability initiatives such as Swiss Sustainable Finance (SSF), where it proactively

Figure: J. Safra Sarasin Sustainable Asset Management Climate Pledge net zero 2035 – Example of transition pathway

1. The reduction target is based on the carbon footprint of the benchmark as of 31 December 2020.
2. As a first step, the carbon footprint of the portfolio has to be reduced by -30% compared to the benchmark.
3. After the initial reduction, the carbon footprint is reduced by 7% per year until 2030.
4. From 2030 onwards, the carbon footprint has to be reduced linearly to reach zero carbon emissions in 2035.



Sources: Bank J. Safra Sarasin Ltd; Certain information ©2023 MSCI ESG Research LLC. Reproduced by Bank J. Safra Sarasin Ltd with permission. Allocations and underlying holdings may change without notice. Data as of: 30.09.2023. Strategy: JSS Sustainable Equity – Global Climate 2035. Benchmark: 100% MSCI World NR, Source: MSCI. Note: Carbon Footprint data is based on Scope 1 and Scope 2 GHG emissions.

participates in working groups to steer the financial markets towards more sustainable business practices and to further promote sustainability standards.

To analyse, mitigate and report on climate-related financial risks, J. Safra Sarasin Sustainable Asset Management uses multiple metrics to monitor the strategies and report to clients. This approach ensures that climate-related financial risks are handled in an effective manner.

To achieve a carbon neutral outcome by 2035, the methodology was derived from the EU Benchmark Regulation as part of the EU Action Plan on Financing Sustainable Growth. In line with the Climate Transition Benchmarks, the reduction target is based on the carbon intensity of the strategy's benchmark per 31 December 2020. The initial target is a 30% reduction of the benchmark carbon intensity. In each following year, the maximum intensity is reduced by 7%, which amounts to a reduction of approximately 50% by 2030. From 2030 onwards, the target reduces linearly until the net carbon intensity reaches 0 in 2035. In order to ensure a strict monitoring, the Climate Pledge adherence for in-scope portfolios was added to the monthly Risk and Performance Committee (RPC) dashboard.

Currently, the Climate Pledge includes Scope 1 and Scope 2 GHG emissions of the portfolio holdings with the long-term goal to also increasingly include Scope 3 emissions once the data quality is improved. The ESG Committee oversees the yearly progress of the portfolio share covered by the Climate Pledge, with the final goal to cover the sustainable strategies of J. Safra Sarasin Sustainable Asset Management.

By the end of 2023, 38.1% (+12.2% compared to December 2022[1]) of the sustainable assets managed in-house by J. Safra Sarasin Sustainable Asset Management are invested in line with the 2035 net zero target of the Climate Pledge. More information on the implementation of the Climate Pledge can be found in the J. Safra Sarasin Sustainable Asset Management Climate Policy available on the website.

[1] As of 2023, the Climate Pledge of J. Safra Sarasin Sustainable Asset Management focuses on in-house managed sustainable assets, excluding white-label and non-sustainable strategies. The reported increase of 12.2% reflects this change in methodology and uses an adjusted Climate Pledge coverage of 25.9% as of 31.12.2022.

Net Zero Action Plan of Sarasin & Partners

In line with the Net Zero Asset Managers' Commitment (NZAM), to which it was a founding signatory in December 2020, Sarasin & Partners seeks to align its investment service with the goals of the Paris Agreement. It has specifically committed to reducing its financed emissions (those associated with investee entities) in line with a 1.5 °C pathway and, thus, to net zero greenhouse gas emissions by 2050 or sooner. It will gradually extend its net zero methodology to 100% of the assets over which it has unencumbered investment and stewardship discretion by 2025.

A key pillar of Sarasin & Partners approach is its focus on delivering real-world emission reductions in underlying investee entities, rather than purely through buying and selling securities. Consequently, the approach emphasises company engagement and policy outreach as core drivers of decarbonisation.

The key elements of Sarasin & Partners' Net Zero Action Plan are:

Climate-aware investing: This incorporates two aspects: 1) undertaking climate risk assessments (both physical and transition risks) in the most exposed holdings, known as the Climate Amber List; and 2) seeking climate solutions through Sarasin & Partners thematic process.

Stewardship: Engaging with investee companies to encourage them to adopt net zero targets and credible transition plans. Sarasin & Partners introduced a supportive net zero voting policy in 2018, and continues to enhance this to ensure its voting power is used not just to support climate-related resolutions that are in keeping with its NZAM commitments, but critically to hold board of directors and auditors to account at shareholder meetings.

Market outreach: In keeping with the systemic nature of climate change, Sarasin & Partners recognises the importance of pressing for market-wide behavioural change. A key pillar of its Action Plan, is to lead and support collective investor initiatives that call for policy or other market changes in support of delivering a 1.5 °C pathway.

More details on the Net Zero Action Plan can be found in the separate description available on the website.

Case study: Sustainable real estate management

For the management of its sustainable real estate strategies, the Bank relies on a sustainable investment process focused on the management of climate-related risks as promoted in the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

Strategy: The Bank is convinced that climate-related transition and physical risks are financially material for real estate investments and has therefore implemented processes to measure and monitor climate-related risks (and ESG-risks more broadly) in the investment process.

The Bank's Sustainability Real Estate Analysis leads to a deeper understanding of real estate investments, as it shows the interdependence between economic, social and environmental criteria. Three themes are assigned to each of the three sustainability dimensions: society, economy and environment. These themes are in turn subdivided into criteria and are included in the evaluation. The differentiated assessment ensures that sustainability is an integral component throughout the entire life cycle of the property.

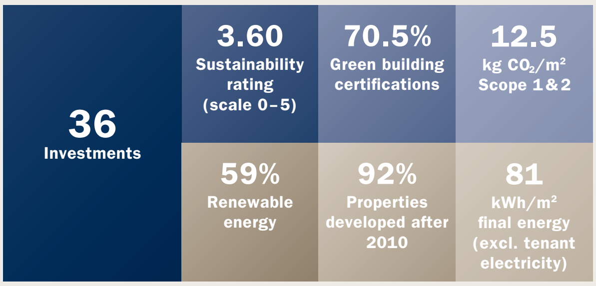
Risk management: Depending on the specific strategy, the Bank uses multiple tools to assess the climate-related risks of its real estate investments. The proprietary Climate Monitor tracks the greenhouse gas (GHG) intensity and the energy intensity of each property, providing a high-level overview of the aggregated portfolio and its comparison to peer portfolios. The complementary Climate Transition Risk Monitor analyses the risks associated with the transition to a low-carbon economy. The following factors are considered as part of this climate-risk assessment:

- Excessive energy: potential regulatory risk of properties based on energy consumption intensity
- Greenhouse gas emissions: high GHG emissions are directly linked to a stranded asset risk
- Reliance on fossil fuels: heating systems based on gas and fossil fuels present a high transition risk
- Health & well-being: disregard of health and well-being of tenants resulting in a higher transition risk

In order to gain a full understanding of climate-related risks in its real estate strategies, the Bank is actively working to enhance its current climate risk assessment methodology by further integrating physical risks.

Metrics and targets: With a net zero target by 2035 as part of the J. Safra Sarasin Sustainable Asset Management Climate Pledge, selected real estate strategies are in scope of the Climate Pledge tracking and reducing their GHG emissions over time, following a strategic carbon reduction pathway. Different KPIs of the individual properties and the overall portfolio are measured, such as GHG emissions per square meter. Climate-related risks are covered by an additional set of metrics. As an example, the climate risk KPI uses an internal carbon price in order to assess the overall potential financial exposure based on the GHG emissions of the portfolio, as well as the impact of a potential carbon tax on returns.

Figure: Example of sustainability KPIs for real estate strategies



Source: Bank J. Safra Sarasin Ltd, December 2023

Labels and awards

Depending on the investment strategy, J. Safra Sarasin Sustainable Asset Management cooperates with different sustainability labels in order to adhere to the respective criteria and underline its commitment to sustainable investments.

Forum Nachhaltige Geldanlagen (FNG)

The FNG-Label is the leading quality standard for sustainable investment funds in German-speaking countries and must be renewed annually. The credibility of the FNG-Label is underpinned by an independent audit and goes far beyond a pure portfolio assessment and is holistic and meaningful. Through its in-depth analysis and consistent standards, the FNG-Label provides investors with a stable source for further analysing the sustainability of funds, even in a sometimes-volatile regulatory environment. The ratings in the form of stars (zero to three) are an expression of the potential for the fund to achieve real impact in terms of (greater) sustainability. Each star is a recognition of a higher quality already implemented than just the bare minimum. Only high-quality sustainability funds that excel in the areas of institutional credibility, product standards and impact are awarded up to three stars.

In 2023, the Bank had seven strategies in scope to receive the FNG-Label. The quality standard for sustainable investment funds awarded three stars (the highest possible rating) to five strategies and two stars to two strategies of J. Safra Sarasin Sustainable Asset Management, for their ambitious and comprehensive sustainability strategy. FNG's high ratings reflect the Bank's strong commitment to sustainability and its above-average performance in sustainability practices.

MSCI Fund ESG Quality Score

The MSCI ESG Fund Quality Score measures the overall ESG quality (for example, of the holdings of mutual funds) as measured by the ability of constituent companies to manage medium- to long-term risks and opportunities arising from ESG exposures. It assesses funds on a scale from 0 to 10. A score of 10 reflects underlying holdings that rank best-in-class globally based on their exposure to and management of ESG risks and opportunities. A score of 0 reflects holdings that generally rank worst-in-class globally based on their exposure to similar factors. Numerous flagship strategies of Bank J. Safra Sarasin were ranked in the top 10% of funds globally on the basis of their ESG credentials, and even more strategies were ranked in the top 10% of their fund peer group.

Austrian Ecolabel

Bank J. Safra Sarasin is a holder of the Austrian Ecolabel, granted by the Austrian government, which certifies ethically oriented projects and companies that generate profits through sustainable investments.

PWM/The Banker Global Private Banking Awards 2023 – Best Private Bank for Impact and Sustainable Investing

Bank J. Safra Sarasin is proud to have been awarded the "Best Private Bank for Impact and Sustainable Investing" by PWM/The Banker for the second consecutive year.

Global Finance Best Private Bank Awards 2024

Bank J. Safra Sarasin was awarded two prestigious awards by Global Finance:

- Best Private Bank in Switzerland
- Best Private Bank for Social Responsibility

These awards "… honour banks that best serve the specialised needs of high-net-worth individuals as they seek to enhance, preserve and pass on their wealth. The winners are not always the biggest institutions, but rather the best — those with qualities that individuals rate highly when choosing a provider."

The Bank is proud to be recognised as a leading Swiss private bank and partner for social responsibility. This is the fourth time that the Bank received the award for "Best Private Bank for Social Responsibility" and the second year in a row.

ESG Investing – Best Bank for Sustainable Finance

In 2023, Bank J. Safra Sarasin received the "Best Bank for Sustainable Finance" award from ESG Investing as part of their annual "ESG Investing Awards". The Bank is proud to be recognised as a leading bank for sustainable finance.

Der Boersianer – Most Sustainable Fund Company in Austria 2023

J. Safra Sarasin Fund Management has received the award as "Austria's most sustainable fund company in 2023" from the Boersianer, a special category under "Best fund companies". 188 financial companies from six sectors, including 55 fund companies, were nominated and the Group is proud that its focus on sustainability has been recognised with this award.

Scope Alternative Investment Award 2024 – Best Asset Manager ESG Commercial Real Estate

Bank J. Safra Sarasin received the award "Best Asset Manager – ESG Commercial Real Estate" from Scope for the European real estate strategy for the third time in a row. The Scope fund analysts identify outstanding asset management achievements and the most convincing fund concepts to honour them with the Scope award. The Scope Alternative Investment Awards take into consideration both quantitative and qualitative criteria and look back on a history of more than 15 years.

IV. Collaboration

For the Bank, the concept of sustainability is not just limited to the provision of financial services, but extends to a broader perspective, in which it sees itself as an actor in shaping society's path towards sustainability. Hence, it has taken on multiple initiatives to advance sustainable finance practices and strives towards enhancing existing standards. By doing so, the Bank has proven its commitment to promoting social welfare while simultaneously ensuring profitable business growth for itself and its stakeholders. The Paris Agreement presents one such goal that aligns perfectly with the Bank's objectives, which aim to contribute to reduce carbon emissions and limit global warming within two degrees Celsius by 2050.

Memberships

For many years, the Bank has been actively involved in numerous initiatives and organisations which work towards sustainable development. The Bank participates in political opinion-forming via these initiatives and its membership in various organisations.

Table: Overview of the commitments and memberships

Strategic commitments
• Energy Agency of the Swiss Private Sector (EnAW) • Finance for Biodiversity Pledge* • Net Zero Asset Managers initiative (NZAM) • Science Based Targets initiative (SBTi) • UN Principles for Responsible Banking (UN PRB)*
Reporting and disclosure standards
• Task Force on Climate-related Financial Disclosures (TCFD) • UN Global Compact (UNGC) • UN Principles for Responsible Investment (UN PRI)*
Collaboration
• Carbon Disclosure Project (CDP) • Climate Action 100+ (CA100+) • European Sustainable Investment Forum (Eurosif) • Farm Animal Investment Risk and Return (FAIRR) • Forum Nachhaltige Geldanlagen (FNG) • Institutional Investors Group on Climate Change (IIGCC) • International Corporate Governance Network (ICGN) • Nature Action 100 • öbu – Network for sustainable business • ShareAction • Sustainable Finance Geneva (SFG) • Swiss Climate Foundation* • Swiss Sustainable Finance (SSF)* • UN Environment Programme Finance Initiative (UNEP FI)

* Founding member

UN Principles for Responsible Investment

The UN Principles for Responsible Investment (UN PRI) established a framework for incorporating ESG-factors into investment practices. The UN PRI were founded in 2006 and the Bank is proud to be a founding signatory. The UN PRI have grown consistently since 2006 and currently have more than 5,300 signatories globally, representing over USD 121 trillion assets under management.

The signatories commit to the following principles:

- Principle 1: We will incorporate ESG issues into investment analysis and decision-making processes.
- Principle 2: We are active owners and incorporate ESG issues into our stewardship policies and practices.
- Principle 3: We seek appropriate disclosure on ESG issues by the entities in which we invest.
- Principle 4: We promote acceptance and implementation of the Principles.
- Principle 5: We will work together to enhance our effectiveness in implementing the Principles.
- Principle 6: We will each report on our activities and progress towards implementing the Principles.

The UN PRI Report assesses its signatories' implementation of responsible investment practices across asset classes, providing a year-on-year comparison as well as with peers. In the UN PRI Report, the Bank received high scores for all modules for which it was assessed, well above the industry average.

In the 2023 UN PRI rating, the Bank was awarded five out of five stars for the modules of Direct Listed Equity-Active Quantitative and Direct Listed Equity-Active Fundamental (scoring 93% for each one). For the modules Policy Governance and Strategy (85%), Direct Fixed Income SSA (83%) and Direct Fixed income Corporate (83%), the Bank received four out of five stars, positioning itself clearly above the median of all participants. Four out of five stars were also awarded for the module of Confidence Building Measures (80%).

The scores reflect the Bank's pioneering position in the field of sustainable investments and its firm commitment to integrating ESG principles into each step of its investment process.

UN Principles for Responsible Banking

In 2019, the Bank joined the UN Principles for Responsible Banking (UN PRB) as a founding signatory, making another significant commitment towards a more sustainable future. The UN PRB's principles were developed by banks for banks and gathered strong support from 342 signatory banks, representing over 54% of all banking assets globally. Targeting six key areas, the UN PRB provide a framework for a sustainable banking system and guides signatories to achieving society's goals as expressed in the UN Sustainable Development Goals (SDGs) and the Paris Agreement. In 2023, the Bank published its third UN PRB Progress Report and received positive feedback as part of the review process with the UN PRB bodies.

As part of its UN PRB commitment, the Bank has defined Climate Change Mitigation as well as Biodiversity as the two main impact areas where it aims to make a positive contribution. This is closely aligned with the goals of the Paris Agreement, the Sustainable Development Goals, as well as internal targets such as the Climate Pledge. The most recent UN PRB Progress Report can be found on the website.

Net Zero Asset Managers Initiative

In April 2021, J. Safra Sarasin Sustainable Asset Management joined the Net Zero Asset Managers initiative (NZAM). The initiative aims to mobilise the asset management industry to transition to net zero emissions and deliver ambitious climate action and investment strategies to achieve the goals set out by the Paris Agreement. By December 2023, NZAM had 315 signatories managing USD 57 trillion assets under management. The signatories commit to supporting the goal of net zero greenhouse gas emissions by 2050 or sooner. These are in line with global efforts to limit global warming to 1.5 °C and support net zero emissions investing by 2050 or sooner. At the UN Climate Change Conference COP26 in October 2021, J. Safra Sarasin Sustainable Asset Management participated in the inaugural NZAM Progress Report.

Finance for Biodiversity Pledge

In 2020, the Bank joined the Finance for Biodiversity Pledge as a founding signatory and the first Swiss institution. With global wildlife populations declining and facing mass extinction, the planet is facing far-reaching consequences. Financial institutions can play an important role in helping to reverse nature's losses. As a signatory, the Bank recognises the need to protect biodiversity. Besides collaborating and sharing knowledge, the Bank commits to engaging with companies by including biodiversity in its investment processes and policies. The Bank also pledges to assess its biodiversity impact and set science-based targets in order to significantly increase the positive impact while minimising any negative effects. As a pioneer in sustainable investments with over 30 years of experience, the Bank has long embedded environmental issues across the investment process. It is also a focus topic in its engagement with corporate leaders.

Swiss Climate Foundation

The Bank has been a founding member of the Swiss Climate Foundation for over 15 years. Catering to its claim "Protecting the climate. Strengthening small and medium enterprises (SMEs)", the Climate Foundation supports projects of SMEs that help to reduce carbon dioxide emissions. The Swiss Climate Foundation is a voluntary initiative by the Swiss financial sector which has benefitted from the reimbursement of the proceeds of the CO_2-levy introduced by the Swiss Federal Government in 2008. As service providers are lower CO_2 emitters, the Bank and other financial service companies decided to voluntarily use these proceeds to make an active contribution to mitigating climate change through financing climate solutions and projects.

In 2023, the Bank continued its long-standing partnership with the Swiss Climate Foundation to reflect its sustainability commitments related to climate action. On top of its membership, the Group's Chief Sustainability Officer serves as a member of the Board of Trustees.

Swiss Sustainable Finance

The Bank is a founding member of Swiss Sustainable Finance (SSF), a platform to promote sustainable finance set up in 2014. Its mission is to promote Switzerland in the global marketplace as a leading centre for sustainable finance by informing, educating and catalysing growth. The Bank actively participates in SSF working groups like the "SSF Focus Group Regulatory" and contributes to publications such as the annual Swiss Sustainable Investment Market Study.

Knowledge-sharing

In 2023, the Group maintained a strong focus on thought leadership in sustainable investing. The Group has a dedicated sustainability team responsible for this endeavour, involving experts from various departments to ensure a comprehensive approach. Recognising the importance of education and information dissemination in advancing sustainability, the team was instrumental in publishing reports and raising awareness on sustainable investing. Among the notable publications in 2023 authored by J. Safra Sarasin Sustainable Asset Management are:

- **"Targeting positive outcomes with ESG-labelled bonds"** – How can labelled bonds add value to a portfolio?
- **"Does sustainability lead to better returns in emerging markets bonds?"** – Some believe that taking sustainability into account means sacrificing on returns. Yet, when it comes to emerging market debt in particular, integrating ESG can offer better downside protection and improves overall risk-adjusted returns.
- **"Adapting to a warmer world"** – Extreme weather events are escalating in our warming world, impacting nations unevenly. To safeguard against losses, the climate adaptation process requires investments in resilient technologies and infrastructure. How can investors contribute to creating a more climate-adapted world?
- **"Country ESG Ratings – Sovereign ESG performance through a new lens"** – This paper examines how the updated Country ESG Framework of the Bank can help best assess country ESG performance and add value to the sovereign investment process.
- **"Cocoa supply chain"** – An in-depth case study on the challenges of cocoa farming in the Ivory Coast.

By producing these research papers, the Group not only provides valuable resources for its clients and the broader financial community but also solidifies its commitment to spearheading thought leadership in sustainable investing.

Throughout 2023, several events to share knowledge were also organised by the Group. These events were arranged for private and institutional clients and professional audiences. Experts and analysts from the Sustainable Investment and Sustainability teams participated in a range of conferences to advance the global sustainability agenda and provide insights on the Group's sustainable investment approach.

Sponsorship

Philanthropy, art, sports and other projects in the areas of culture and education remained the main strategic focus for the Group's sponsoring engagements in 2023. As part of its cultural sponsorship of institutions promoting art, the Bank continues to support organisations, institutions and communities in general.

In Switzerland, the long-standing partnership with Foundation Beyeler was maintained. The sponsoring of the Esmeralda Charity Golf Cup 2023 organised by the Limmat Foundation in Zurich, a philanthropic initiative supporting projects and schools for children in Colombia, was also continued. The Bank also remains one of the longest-standing partners to Swiss Indoors, the largest annual Swiss sporting event.

In the UK, Sarasin & Partners concluded a second year of supporting Grief Encounter, a charity that supports bereaved children and young adults. Over the past two years the business raised funds for the charity through various events, including its annual summer party auction, a Three Peaks Challenge undertaken by staff members, static bike rides, raffles and cake sales.

In the Netherlands, the Group was again the main sponsor of PAN Amsterdam, the country's leading fair in art, antiques and design. The Group also sponsored PYM, an independent foundation that connects and guides wealth owners to invest their capital consciously for a better world.

In Panama, aiming to support organisations that promote education, the Group sponsored the Magen David Academy, the Albert Einstein institute and Mitzvah tots, which provides social work and education for children.

Basis of reporting for this Sustainability Report

This Sustainability Report is prepared by the Group's sustainability team in close collaboration with various departments and under the oversight of the Chief Sustainability Officer. The report, while primarily based on the Group's own sustainability framework, thoughtfully considers the structural elements of the Global Reporting Initiative (GRI) standards and the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in order to facilitate comparability, however, it does not strictly adhere to these external standards.

Corporate sustainability

The Group adheres to the Greenhouse Gas Protocol (GHG Protocol) Corporate Standard as a guiding framework for its corporate greenhouse gas (GHG) accounting. It reports GHG emissions for locations with more than 15 full-time equivalents (FTEs) and where it has the operational control to introduce and implement its operating policies (operational control approach). The Group uses the Sphera Corporate Sustainability tool for the calculation of GHG emissions. The measured activities and the reported GHG emissions are grouped according to the scope definition of the GHG Protocol, with the following activity data included for each location in scope where data is available:

Scope 1: GHG emissions from sources that are directly owned or controlled by the Group
• Fuel combustion in boilers and furnaces • Fuel combustion from company leased vehicles
Scope 2: GHG emissions from the generation of electricity purchased by the Group
• Scope 2 location-based • Scope 2 market-based
Scope 3: GHG emissions that occur in the value chain of the Group
• Business travel • Paper usage • Waste water generated

The Group employs both location-based and market-based methods for calculating Scope 2 emissions. The location-based approach uses average grid emissions factors, derived from the typical mix of energy sources in a region's power grid. This method provides an estimate of emissions based on the average energy production in a particular region. The market-based methodology calculates carbon emissions by incorporating emission factors linked to the specific type of energy procured from the energy provider. For electricity from non-renewable sources, the local residual mix is used, i.e. the local electricity mix minus the production from renewable sources that is clearly allocated to specific consumers. In instances where residual mix data is not available, the calculation defaults to the location-based emission factor. This approach reflects the direct environmental influence of the Group's energy purchasing decisions.

GHG data collection and calculation

The sustainability team manages the data collection and assessment process for all locations in scope. The data is reported by local data collectors at each location and centrally collected by the Sustainability Manager, who reviews the data and performs a quality and plausibility check before submitting it to the GHG accounting tool. The aggregated results undergo an internal review by the Chief Sustainability Officer.

Calculation of GHG emissions: In principle, the Group uses reported activity data (such as electricity consumption), which is based on actual consumption values that can be substantiated by supporting documentation. Data is only estimated in case there is no measured activity data available (i.e. if the electricity consumption for a location is not available for one month, the annual average is considered). Internal follow-ups are carried out to ensure these cases remain limited. The activity data collected is multiplied by corresponding conversion and emission factors within the tool provided by Sphera Corporate Sustainability. These emission factors express the amount of GHG emissions generated by specific activities, such as tons of CO_2e per kWh of electricity. The Group uses 100-year GWP emission factors. For this Sustainability Report, the following emission factors are used:

Scope	Emission factors
Scope 1	• Defra 2023 Greenhouse Gas Reporting Conversion Factors (Defra V12, 09/2023)
Scope 2 – location-based	• IEA Standard Emissions Factors 2023 (IEA Version 3.0, 12/2023)
Scope 2 – market-based	• Sphera Residual Mixes 2023 (Version 11.0, 09/2023) • Sphera Managed Life Cycle Assessment Data (Version 16.0, 10/2023)
Scope 3	• Defra 2023 Greenhouse Gas Reporting Conversion Factors (Defra V12, 09/2023) • Sphera Managed Life Cycle Assessment Data (Version 16.0, 10/2023)

Financial sustainability

The indicators presented in the financial sustainability chapter for the asset management activities are provided at the Group level, unless otherwise stated. The assets under management are divided into the following categories:

- J. Safra Sarasin total assets: all assets managed by the Group independent of the sustainability classification
- J. Safra Sarasin Sustainable Assets: all assets classified as sustainable managed by J. Safra Sarasin Sustainable Asset Management and Sarasin & Partners LLP
- J. Safra Sarasin non-sustainable assets (Classic)

The definition of sustainable assets is derived from the Group's internal sustainable product classification, which was developed under consideration of the EU Sustainable Finance Disclosure Regulation (SFDR) and the Swiss self-regulation of the Asset Management Association Switzerland (AMAS).

The following classifications are used:

Classic: Strategies which fall under this classification have no explicit integration of ESG factors in the investment process and do not have an ESG focus or claim. Typically, these are white-label strategies or strategies for which the Group does not yet have an ESG methodology in place.

ESG Consideration: ESG Consideration strategies integrate ESG factors into the investment process, but do not have an explicit non-financial outcome objective. The focus is on the integration of financially material ESG factors into investment decisions, negative screening, climate alignment and stewardship, with at least two of these elements used per strategy. This classification reflects, where applicable, the general principles of Article 8 of the Sustainable Finance Disclosure Regulation (SFDR) and the minimum requirements of the AMAS self-regulation for sustainable investments.

Assets managed by J. Safra Sarasin Sustainable Asset Management that are classified as ESG Consideration generally use the J. Safra Sarasin Sustainability Matrix® as a foundation for the ESG information used in the investment process. Using the J. Safra Sarasin Sustainability Matrix®, strategies classified as ESG Consideration can only invest in A- and B-rated companies, excluding C-rated companies due to their poor ESG performance and D-rated companies due to their involvement in business practices that are part of the standard exclusion list (negative screening). If a strategy invests in A- and B-rated companies, an additional sustainability approach such as fundamental ESG integration, climate alignment (reducing the strategy's GHG emissions over time) or stewardship is required. By investing exclusively in A-rated companies, some strategies adopt a best-in-class approach according to AMAS guidelines and, in combination with the mandatory exclusion of D-rated companies, qualify as ESG Consideration.

For strategies where the J. Safra Sarasin Sustainability Matrix cannot be used, i.e. sustainable real estate investment strategies and strategies managed by third-party asset managers, a qualitative assessment of the sustainability approach against the sustainability standards of J. Safra Sarasin Sustainable Asset Management is carried out to determine whether the strategy qualifies for ESG consideration.

Assets managed by Sarasin & Partners LLP are classified as ESG Consideration. During the investment selection process, the Sustainability Impact Matrix (SIM) is used to conduct a comprehensive ESG analysis and to derive an ESG rating. Where concerns are identified, these are assessed for materiality as part of the investment analysis. The most material concerns are prioritised in stewardship activities to mitigate the identified risks. Further information on the investment process of Sarasin & Partners LLP can be found in their annual Stewardship Report under Principle 7 "Stewardship, investment and ESG integration", available on the website www.sarasinandpartners.com in the section "Stewardship at Sarasin".

ESG Contribution: ESG Contribution strategies use the J. Safra Sarasin Sustainability Matrix®, therefore only investing in A- and B-Rated companies and applying the standard exclusion list of J. Safra Sarasin Sustainable Asset Management, and also have a specific, non-financial outcome objective. The ESG Contribution classification is based on the requirements of Article 9 of the Sustainable Finance Disclosure Regulation (SFDR).

Climate pledge coverage

To calculate the percentage of assets under management (AuM) that are in line with J. Safra Sarasin

Sustainable Asset Management's climate pledge, the following methodology is applied: the numerator is given by the AuM of all strategies that have implemented the climate pledge by following the required carbon reduction pathway. The sustainability team measures the adherence to the climate pledge of each strategy and reports to the Risk and Performance Committee (RPC). The denominator is the total AuM of all sustainable assets managed in-house by J. Safra Sarasin Sustainable Asset Management.

Review and approval process

This Sustainability Report is subject to an extensive internal validation process before its publication. This process involves the critical assessment and review by the Chief Sustainability Officer. Complementing this internal review process, the reported key performance indicators (KPIs) are subject to a limited assurance review by an independent external auditor, as reflected in the accompanying audit statement. This review entails a systematic evaluation by the auditor in order to verify the KPIs' conformity with established reporting frameworks and the absence of material misstatements. Notably, the audit statement provides a detailed description of the scope of the limited assurance review, outlining the specific areas and aspects covered by the auditor.

The review process, combining an internal review process and the external limited assurance by the auditor, ensures a robust and transparent presentation of the Group's sustainability performance metrics.

This Sustainability Report has been approved by the Board of Directors of J. Safra Sarasin Holding Ltd.

Juerg Haller
Member of the
Board of Directors

Jorge Kininsberg
Member of the
Board of Directors

UN Global Compact

Launched in 2000, the United Nations Global Compact is a call to companies around the world to align their strategies and operations with ten universal principles in the areas of human rights, labour, environment and anti-corruption, and to act in support of broader UN goals. It is the world's largest voluntary corporate responsibility initiative, with more than 15,000 signatories in over 160 countries.

The Ten Principles of the UN Global Compact	Implementation at J. Safra Sarasin	Report reference
Human Rights		
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.	**Bank specific: non-discrimination and equal treatment**	
	• Code of Compliance	93
	• Code of Business Conduct	93
	• Whistleblowing Directive	93
	• Staff Regulation	97
	• Directive "Protection against Sexual Harassment, Bullying and Discrimination in the Workplace"	97
	Financial sector-specific indicators: product portfolio and stewardship	
	• Portfolio-based Stewardship Strategy on social or environmental issues	110
	• Exclusion of companies violating UN Global Compact Principles	102
	• Portfolio-based commitment to social and environmental issues	107
	• Assets subject to environmental or social screening	102
Principle 2: Make sure that they are not complicit in human-rights abuses.	**Bank specific:**	
	• Code of Compliance	93
	• Code of Business Conduct	93
	• Whistleblowing Directive	93
	• Staff Regulation	97
	• Directive "Protection against Sexual Harassment, Bullying and Discrimination in the Workplace"	97
	Financial sector-specific indicators: product portfolio stewardship:	
	• Portfolio-based Stewardship Strategy on social or environmental issues	110
	• Exclusion of companies violating Global Compact Principles	102
	• Portfolio-based commitment to social and environmental issues	107
	• Assets subject to environmental or social screening	102
Labour		
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	**Bank specific:**	
	• Regulations on Employee Participation	98
	• Swiss Collective Labour Agreement (Agreement on Conditions of Employment for Bank Employees, VAB)	98
Principle 4: The elimination of all forms of forced and compulsory labour.	**Bank specific:**	
	• Code of Business Conduct	93
	• Whistleblowing Directive	93
	• Staff Regulation	97
	Financial sector-specific indicators: product portfolio and stewardship:	
	• Exclusion of companies violating UN Global Compact Principles	102
Principle 5: The effective abolition of child labour.	**Bank specific:**	
	• Code of Business Conduct	93
	• Whistleblowing Directive	93
	• Supply chain due diligence for child labour issues	93
	Financial sector-specific indicators: product portfolio and stewardship:	
	• Exclusion of companies violating UN Global Compact Principles	102

The Ten Principles of the UN Global Compact	Implementation at J. Safra Sarasin	Report reference
Principle 6: The elimination of discrimination in respect of employment and occupation.	**Bank specific:**	
	• Code of Business Conduct	93
	• Employee Rules and Regulations – Bank J. Safra Sarasin Ltd	97
	• Directive “Protection against Sexual Harassment, Bullying and Discrimination in the Workplace”	97
Environment		
Principle 7: Businesses should support a precautionary approach to environmental challenges.	**Bank specific:**	
	• Reduction of energy consumption	94
	• Reduction of greenhouse gas emission	94
	• Reduction of the use of materials	94
	Financial sector-specific indicators: product portfolio and stewardship:	
	• Portfolio-based Stewardship Strategy on social or environmental issues	110
	• Implementation of the Net Zero Targets	113
	• Exclusion of high-emitting sectors	102
Principle 8: Undertake initiatives to promote greater environmental responsibility.	**Bank specific:**	
	• Sustainability training	98
	Financial sector-specific indicators: product portfolio and stewardship:	
	• Portfolio-based Stewardship Strategy on social or environmental issues	110
	• Implementation of the Net Zero Targets	113
	• Exclusion of high-emitting sectors	102
Principle 9: Encourage the development and diffusion of environmentally friendly technologies.	**Bank specific:**	
	• Reduction of energy consumption	94
	• Reduction of greenhouse gas emission	94
	Financial sector-specific indicators: product portfolio and stewardship:	
	• Portfolio-based Stewardship Strategy on social or environmental issues	110
	• Implementation of the Net Zero Targets	113
	• Portfolio-based commitment to social and environmental issues	107
	• Assets subject to environmental or social screening	102
Anti-Corruption		
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	**Bank specific:**	
	• Code of Business Conduct	93
	• Code of Compliance	93
	• Whistleblowing Directive	93
	Financial sector-specific indicators: product portfolio and stewardship:	
	• Exclusion of companies violating UN Global Compact Principles	102

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To the Management of
J. Safra Sarasin Holding Ltd., Basel

Our engagement

We have been engaged to conduct a limited assurance engagement on selected sustainability indicators presented in the Sustainability Report 2023 of J. Safra Sarasin Group (comprising J. Safra Sarasin Holding Ltd. and its subsidiaries) for the year ended 31 December 2023.

Basis of our assurance work

Our work was carried out by a multi-disciplinary team of sustainability and assurance specialists in accordance with the International Standard on Assurance Engagements 3000 (ISAE 3000) (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board (IAASB). To achieve limited assurance, ISAE 3000 (Revised) requires that we review the processes, systems and competencies used to compile the areas on which we provide assurance. It does not include detailed testing of source data or the operating effectiveness of processes and internal controls.

Scope and subject matter

Our limited assurance procedures focused on the sustainability indicators for the year ended 31 December 2023 presented in the Sustainability Report 2023 as listed below:

Financial indicators:

- Sustainable assets under management (billion CHF), thereof ESG consideration (billion CHF) and thereof ESG contribution (billion CHF) on page 100
- Volume of J. Safra Sarasin sustainable investment funds domiciled in Luxembourg and Germany (billion CHF), thereof SFDR Art. 8 and thereof SFDR Art. 9 on page 100

Social indicators:

- The total number of employees (FTE), breakdown between Switzerland and abroad on page 99
- The proportion of part-time employees (headcount) on page 99
- The proportion of female FTEs (%) on page 99
- The proportion of female FTEs in management positions (%) on page 99
- Employee turnover rate (%) on page 99

Environmental indicators:

- Total office space (m^2) on page 96
- Total GHG emissions Scope 1 (t CO_2e), breakdown by intensity per FTE (kg CO_2e) and intensity per m^2 (kg CO_2e) on page 96
- Total GHG emissions Scope 2 (market-based, t CO_2e), breakdown by intensity per FTE (kg CO_2e) and intensity per m^2 (kg CO_2e) on page 96
- Share of energy from renewable sources, breakdown by electricity consumption (MWh) and electricity consumption per FTE (kWh) on page 96
- Total GHG emissions Scope 2 (location-based, t CO_2e) on page 96

Criteria

The reporting criteria ("Applicable Criteria") are described in the Basis of Reporting document prepared by J. Safra Sarasin Group (page 121) which considers the structural element of the Standards of the Global Reporting Initiative (GRI), and the Greenhouse Gas Protocol (GHG Protocol), as well as own developed criteria.

Inherent limitations

The accuracy and completeness of non-financial information is subject to inherent limitations given its nature and methods for determining, calculating and estimating such data. Our assurance report should therefore be read in connection with J. Safra Sarasin Group's reporting guidelines used to present such non-financial information.

Responsibility of J. Safra Sarasin Group's Management

The Management of J. Safra Sarasin Group is responsible for the preparation of the Sustainability Report and the information contained therein in accordance with the aforementioned Applicable Criteria. This responsibility includes developing, implementing and safeguarding internal controls of material importance for the preparation of a report that is free of material misstatements, whether due to fraud or error. This responsibility includes selecting and applying Applicable Criteria as well as measurement methods and estimates deemed suitable in view of the circumstances.

Our responsibility

Our responsibility is to express a conclusion on the selected sustainability indicators based on our limited assurance procedures. ISAE 3000 (Revised) requires that we plan and perform our procedures to obtain limited assurance, whether the selected sustainability indicators have been prepared, in all material respects, in accordance with the Applicable Criteria.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Limited assurance procedures performed

Our procedures consisted primarily of:

- Inquiring of the J. Safra Sarasin Group Sustainability Team to understand the governance and review process for data management and collection, the process around reporting, the review and challenge made internally over the data and expectations of year end performance given the understanding of the operations during the year;
- Inquiring of key personnel involved in the data collection, management and reporting processes, to obtain an understanding of the process for how the information is captured, processed and reported including how these feeds up to the Group;
- Inspecting documentation to corroborate the results of these inquiries, including seeking supporting evidence for the statements made, and documentation of reporting processes and minutes of relevant meetings; and
- Conducting analytical procedures, inspecting and testing underlying data on a non-statistical sample basis to assess whether the data has been collected and reported in accordance with the Applicable Criteria, including inspecting source documentation.

Our independence and quality controls

We have complied with the independence and other ethical requirements established by the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which are based on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Deloitte AG applies International Standard on Quality Management 1 and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Conclusion

Based on procedures performed, nothing has come to our attention that causes us to believe that the sustainability indicators are not prepared, in all material respects, in accordance with the Applicable Criteria.

Deloitte AG

Marcel Meyer
Licensed Audit Expert
Auditor in Charge

K. Meier

Konstantin Meier
Director

Zurich, 26 March, 2024

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"If you choose to sail upon the seas of banking, build your bank as you would your boat, with the strength to sail safely through any storm."

Jacob Safra (1891 – 1963)

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Concept, design, layout and text: Bank J. Safra Sarasin Ltd, Cabinet Privé de Conseils s.a.
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