

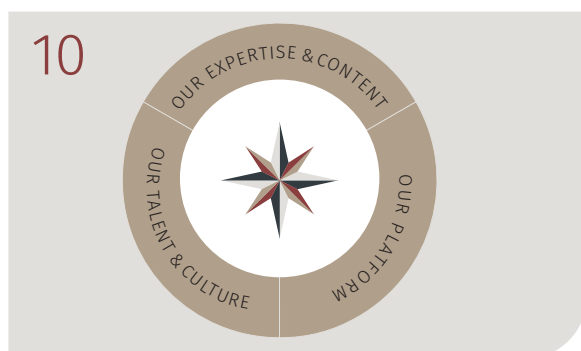


Entrepreneurial thinking.
Private banking.

Sustainability Report

2023

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Social commitments



Employer of choice

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About EFG

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EFG International is a global private banking group offering private banking and asset management services, headquartered in Zurich (“EFG Group”, “EFG”, “we”). EFG International’s registered shares (EFGN) are listed on SIX Swiss Exchange.

As a leading Swiss private bank, EFG has a presence in major financial centres and growth markets. It has strong roots in Switzerland, with Zurich, Geneva and Lugano serving as hubs for clients as well as the governance and operations of the bank.

EFG International serves clients in over 40 locations worldwide, with a network spanning Europe, Asia Pacific, the Americas and the Middle East.

An entrepreneurial spirit shapes EFG, enabling us to provide comprehensive advice, develop hands-on solutions and build long-term client relationships.

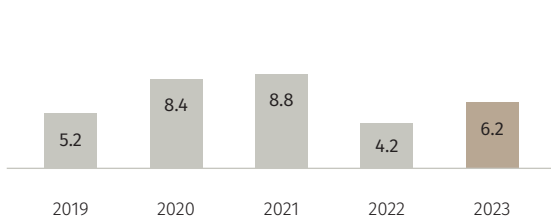
The content of this Report encompasses all main entities within EFG Group. Sections of text that refer to individual entities are marked accordingly. For further information on EFG Group, please refer to the Annual Report 2023 of EFG International.

EFG at a glance

→ GRI 201-1

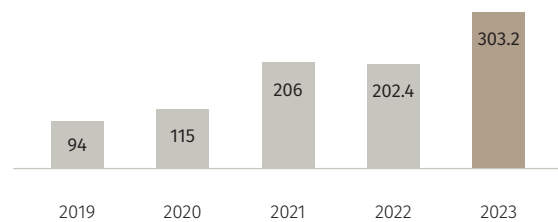
Net new assets

in CHF billion



IFRS net profit

in CHF million



Our Purpose

“Our north star”

Empowering entrepreneurial minds to create value – today and for the future.



Vision

“What we aspire to be”

As a leading Swiss private bank, we want to use our unique client approach to create sustainable and profitable growth.

Our 2025 ambition: Sustaining profitable growth, achieving scale

Drivers of sustainable profitable growth



Clients

Client-centric approach leveraging unique CRO model



Simplicity

Improving operating leverage via simplification

Growth accelerators and differentiators



Content innovation

Enhancing quality and enriching product offering to drive profitability



Digital acceleration

Embracing digital experiences and driving technological scalability



EFG's people

Fostering a culture in which people thrive and create value for our clients

Core foundation



Compliance and risk management

Robust compliance and risk management framework



Operational and financial resilience

Strong balance sheet and quick adaptability

Consistent financial performance



NNA growth

Continued revenue growth and diversified revenue streams



EPS growth

Consistent delivery of increasing profitability

Editorial

→ GRI 2-22



Alexander Classen, Chair of the Board (left)
Giorgio Pradelli, Chief Executive Officer



We expect the next generation of clients and investors to place an even stronger emphasis on *ESG aspects*.

Dear shareholders, clients and colleagues,

The importance of resilience and of maintaining the trust of clients, investors and other stakeholders was especially evident in 2023 in an environment marked by volatility and uncertainty. To ensure the successful execution of our strategy – sustaining profitable growth and achieving scale – and to create value over the long term, EFG strives to act as a reliable and professional partner and to embed sustainability into our business activities.

EFG's focus on long-term, multi-generational value creation is set to increase even further in the coming years, when the financial industry will see the biggest wealth transfer in history. We expect the next generation of clients and investors to place an even stronger emphasis on ESG aspects as they search for innovative solutions to major challenges such as climate change in order to achieve positive impact.

In our role as a responsible asset allocator, we are committed to supporting the transition to a more sustainable economy by providing opportunities to invest in companies that foster sustainable development and innovation, as well as by integrating ESG criteria into our investment process. We also believe that through our voting and engagement activities, we can positively influence the behaviour and corporate governance of investee companies. EFG's Asset Management business ranked first in the "Voting Matters 2023" ShareAction report, reflecting our efforts in this area.

Our approach to sustainability includes our commitment to protecting the environment. We recognise the importance of helping to protect our planet and of tackling challenges such as climate change. This is why we develop products and services with an ESG focus, promote the careful use of resources and implement operational measures to improve our own environmental footprint. In 2023, we also continued to work with our partner Team Malizia to raise awareness among school children about the vital importance of the ocean and its role in climate protection.

As a service provider, we know that our people are our most important asset. We strive to be an employer of choice, providing an inclusive workplace where all employees are valued equally and can thrive. In 2023, we signed the Advance Charter in line with our ambition to increase gender diversity within EFG. To support the communities around us, we also partner with organisations in the fields of art, music and sport, as well as with charitable and humanitarian projects globally.

At EFG, we believe that sustainability is ultimately about choosing the right path to balance economic, environmental and social interests. In this Sustainability Report, which we have prepared in accordance with GRI Standards we aim to transparently inform our stakeholders about our approach to sustainability and our progress in this area in 2023. To help foster a dialogue about this important topic, we welcome your feedback on any aspects of the Report.

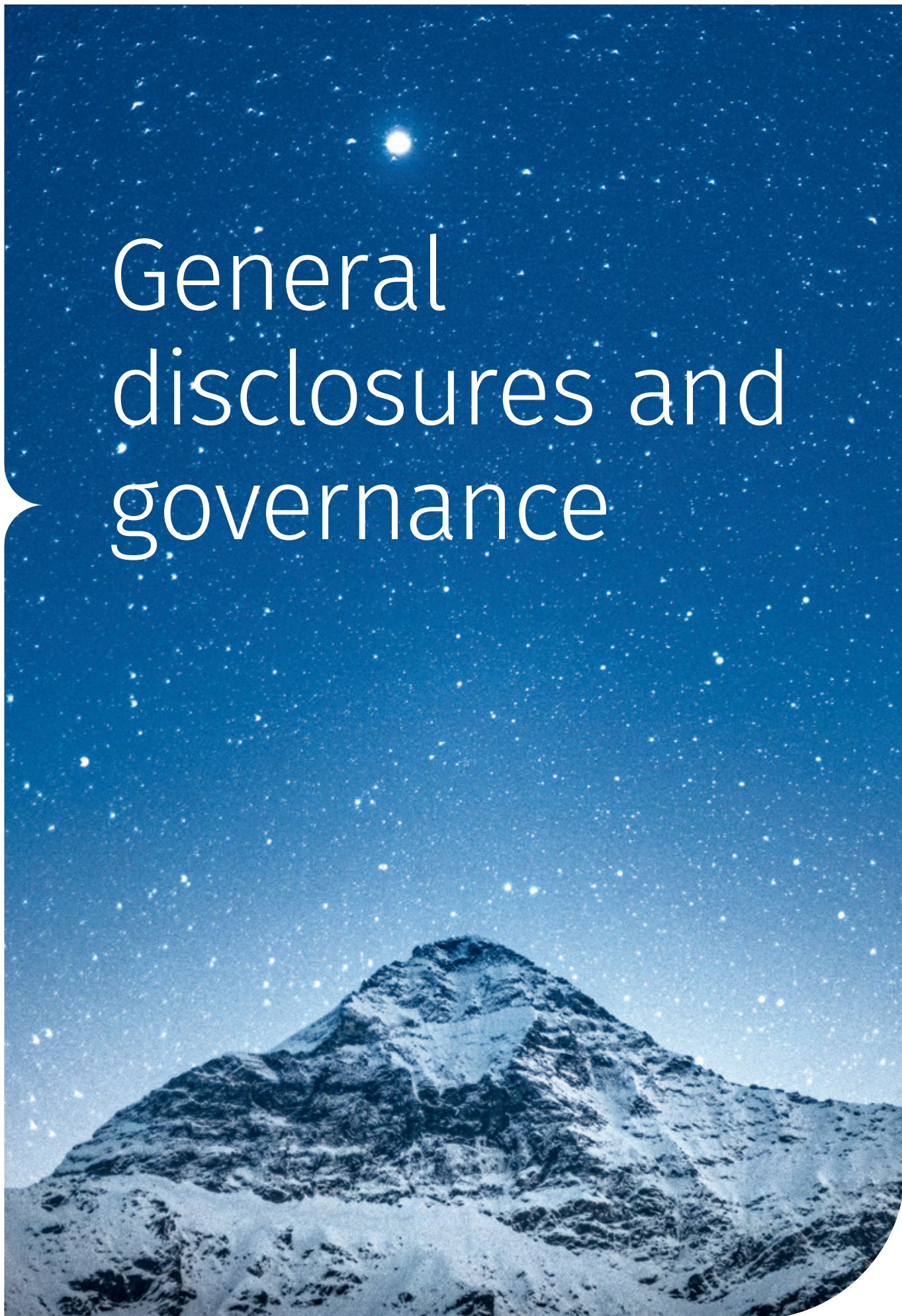


Alexander Classen
Chair of the Board



Giorgio Pradelli
Chief Executive Officer

General disclosures and governance



Governance

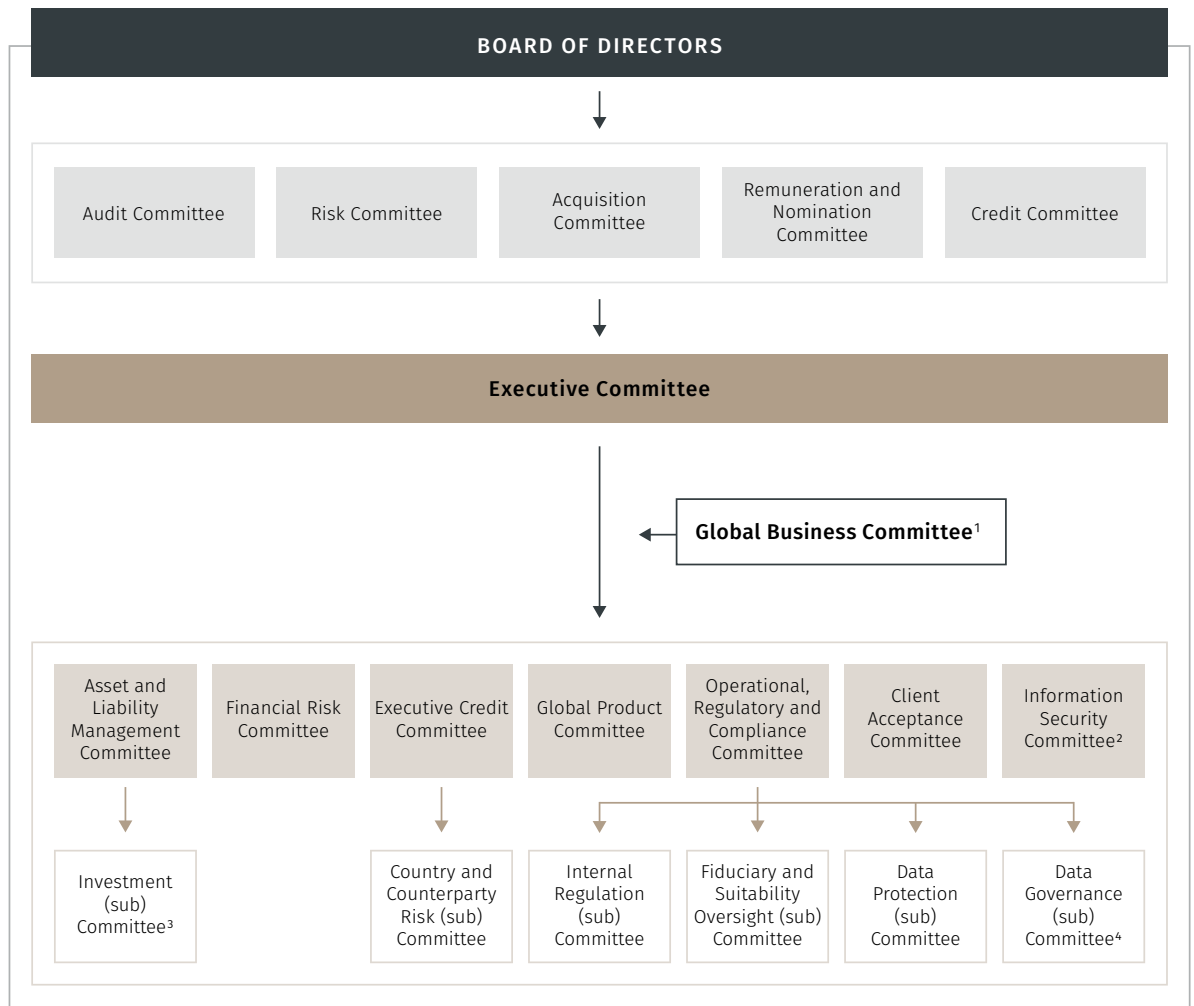
GRI 2-9

GRI 2-10

Governance structure and composition

EFG is committed to the principles of good corporate governance based on leading national and international standards while respecting the rights of shareholders. We maintain a clear separation of responsibilities between the Board of Directors and the Executive Committee in full compliance with Swiss banking law. Further information, including on the appointment, selection and composition of the Board of Directors and the Executive Committee, can be found in the Annual Report 2023 from page 32.

EFG International governing bodies



¹ Advisory role to the Executive Committee

² Delegated Committee of the Executive Committee of EFG International as of 05 December 2023.
Previously (sub) Committee of the Operational, Regulatory and Compliance Committee

³ Established on 23 January 2023

⁴ Established on 03 November 2022

The major shareholders of EFG International have representatives who serve as non-independent members of the Board of Directors. According to the Organisational and Management Regulations of EFG International, one-third of the members of the Board of Directors shall be independent. As of end-2023, seven out of 12 members of the Board of Directors were independent. Further information can be found in the Annual Report 2023 on pages 39–41.

Value creation model

→ GRI 2-6

This model is based on the IFRS Foundation's blueprint and shows how we generate sustained value through our business activities and interaction with our stakeholders, covering both financial and non-financial aspects.

Input¹

Intellectual capital

- Client-centric model
- Open product architecture
- IT platforms and partnerships
- Policies, directives and controls
- EFG brand value and reputation

Human capital

- Employees' skills and expertise (3,025 FTEs²)
- Global and diverse teams (70 nationalities)
- Learning and development opportunities

Financial capital

- Financial capital from investors (CHF 1.9 billion of shareholders' equity)
- Deposits and savings (CHF 30.1 billion of client deposits)
- Client Assets under Management (CHF 142.2 billion of Assets under Management)

Social and natural capital

- Stable political environment in our home market of Switzerland
- ESG-related products
- Engagement and participation in industry networks
- Climate action and carbon footprint

Drivers of value

Our Purpose

Empowering entrepreneurial minds to create value – today and for the future



Output¹

Clients and prospects

- Long-term client relationships
- Impartial advice
- Strong compliance culture and prudent risk management
- Content innovation and digital acceleration

Our brand proposition

“Bringing entrepreneurial thinking to Swiss private banking”

Employees

- Employer of choice (hired 141³ new Client Relationship Officers in 2023)
- Diverse, equitable and inclusive environment (41% women in the workforce)
- Empowering and fostering talents (average of 12.6 hours of training conducted per employee, graduate training programme)

Our corporate values

- Accountable
- Hands-on
- Passionate
- Solution-driven
- Partnership-oriented

Shareholders and investors

- Total dividend paid to shareholders CHF 136.7 million for the financial year 2022
- CHF 587 million increase in total market capitalisation through share price appreciation in 2023
- CHF 20.4 million of interest paid to AT1 holders in 2023
- CHF 16 billion of loans outstanding

Our 2023–2025 ambition

“Sustaining profitable growth, achieving scale”

Society and the environment

- Tax payments and goods and services procured from local SMEs
- CHF 1.9 billion of AuM in investment products/ services with a dedicated ESG focus⁴
- Employee volunteering and donations
- Strategic climate-related measures

Our approach to sustainability



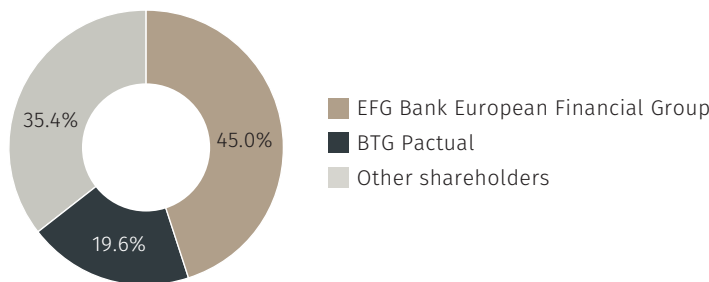
¹ All figures as of end-2023 unless otherwise stated.

² Total FTEs shown here are based on the disclosure in the Annual Report 2023 of EFG International. For the Sustainability Report 2023, a different scope applies as described on page 55 and pages 66–71.

³ Includes 21 CROs who joined Shaw and Partners in 2023.

⁴ This compares with a total of CHF 20.4 billion of Assets under Management invested in our New Capital business line of products as well as our discretionary managed assets.

EFG shareholder structure*



* as of 31 December 2023

The views and interests of our shareholders and other stakeholders are considered, discussed and taken into account by our Board of Directors and our Executive Committee (see pages 10–11).

GRI 2-11

Chair and Role of highest governance body in overseeing the management of impact

GRI 2-12

The Board of Directors is EFG International's most senior governing body and, as such, it has responsibility for the overall direction, supervision and monitoring of the business. It monitors EFG's role in the economy and society, its impact on the environment, and the resulting risks and opportunities for EFG. The Board of Directors has been chaired by Alexander Classen since November 2022. For further information, please refer to his biography in the Annual Report 2023 on page 45.

We are committed to driving the successful execution of our sustainability strategy across our business functions and regions. Our global Sustainability Framework was presented to the Board of Directors in 2021. EFG's strategic approach to sustainability was set out in the EFG Investor Day presentation in October 2022 when we outlined our 2025 ambition (see page 5). In July 2023, the Executive Committee, the Audit Committee and the Board of Directors confirmed the material topics for the financial year 2023.

In November 2023, the Executive Committee and the Risk Committee of the Board of Directors approved the updated Group risk management and risk appetite frameworks, which also include ESG-related elements and were approved by the Board of Directors in December 2023.

The Executive Committee also approved a General Directive on ESG-related Risks, describing the strategy, governance and risk management process around ESG-related aspects, in December 2023.

GRI 2-13

Delegation of responsibility for managing impacts

When exercising its duties, the Board of Directors is supported by designated committees. The Board delegates the execution of EFG's business strategy, including the sustainability strategy, and day-to-day management operations to the Executive Committee. Further information regarding the responsibilities of both governing bodies can be found in the Articles of Association and the Organisational and Management Regulations of EFG International.

The implementation of our sustainability strategy and the management and monitoring of ESG-related risks are overseen by the governing bodies, in line with their statutory competences and responsibilities. Regular updates on EFG's material topics are provided to the Board of Directors and to the Board-delegated committees by the management, as appropriate.

EFG's governing bodies are supported by a Sustainability Advisory Board (ESAB). The ESAB is co-chaired by the Chair of EFG International and the CEO. Members of the ESAB include Executive Committee members, as well as one further member of the Board of Directors and an external specialist.

The role of the ESAB is to provide strategic advice, recommendations and guidance to assist and support decisions of EFG's governing bodies on topics related to sustainability initiatives, targets, frameworks and strategies. In doing so, it helps to embed sustainability and ESG-related factors within EFG's business

strategy, governance and risk management framework. The ESAB meets as often as business requires, but at least twice a year.

To steer and monitor the operational implementation of sustainability projects and initiatives across EFG, a Sustainability Steering Committee (SSTC) was established in 2022. The SSTC is chaired by the CEO of EFG International, and its members include the Head of Corporate Sustainability as well as senior executives from relevant business areas, including experts on the ESG-related offering from Investment Solutions. The SSTC supports EFG's management in various areas, such as the analysis and proposal of ESG targets, the re-assessment of EFG's material topics, the development of non-financial reporting information as well as the non-financial data reporting process. The SSTC meets on a bimonthly basis and escalates relevant matters to the competent function heads or governance bodies, as appropriate. The development of our ESG-related product and service offering falls within the remit of Investment Solutions and the Global Product Committee, which is a delegated committee of the Executive Committee.

We continuously review our sustainability governance structure and processes to ensure we are effectively driving forward our sustainability strategy throughout EFG.

GRI 2-14 Role of the highest governance body in sustainability reporting

In line with the requirements of the Swiss Code of Obligations, the Board of Directors signed and approved the Sustainability Report 2023 (see page 73). The Board also acknowledged the outcome of the review performed by EFG with regard to Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labor (DDTrO).

The Sustainability Report is published online immediately after approval and will remain available to the public for at least ten years.

GRI 2-15 Conflicts of interest

We believe that our employees have a personal responsibility to promote a rigorous compliance culture by demonstrating the highest level of professional integrity at all times (see page 15). This includes preventing conflicts of interest by prohibiting unacceptable forms of private interests and being alert to circumstances in which such conflicts may arise.

Conflicts of interest are governed by the General Directive on Conflicts of Interest and the Group Business Code of Conduct, which are regularly updated. As stated in the General Directive, each division or unit within EFG is required to have clear and transparent rules for promptly documenting and escalating any potential or actual conflicts of interest, depending on the significance of the matter and the applicable internal or external regulations.

Actual or potential conflicts of interest are escalated to the local executive committee or local board of directors, as applicable. All actual or potential conflicts of interest must either be disclosed or be subject to appropriate mitigation measures. All employees are required to complete conflict of interest training on a biennial basis.

No member of the Board of Directors held a management position within EFG International in the last three years. No member of the Board of Directors (either in an individual capacity or as the representative of a third party) has any significant business connection with EFG International or any of its subsidiaries.

GRI 2-16 Communication of critical concerns

In accordance with internal policy, and in light of applicable regulatory requirements regarding the corporate governance of banks, EFG has appropriate governance arrangements in place to ensure that critical matters are escalated to the responsible governing bodies.

GRI 2-17 Collective knowledge of the highest governance body

In terms of competences, selected members of the Board, most notably the member of the Board of Directors who also represents the Board in the ESAB, have specific knowledge of ESG topics. In 2023, all members of the Board of Directors participated in dedicated Board training on ESG-related regulations and risks and were provided with further background information about all ESG-related priority projects with the support of an external consultant.

GRI 2-18 Evaluation of the performance of the highest governance body

The Board of Directors and its delegated committees perform a self-evaluation on an annual basis. Its aim is to enhance governance processes and improve overall performance. The evaluation covers the following aspects: (i) Focus of the Board to assess whether it addresses the right matters and priorities; (ii) Board processes to assess the efficiency of processes to support the effective functioning of the Board; (iii) Board composition and membership to assess the overall skills and suitability of the Board and its members, including its diversity and time commitment aspects; (iv) Board culture and interaction with management. The outcomes of the evaluation are translated into an action plan and its implementation is monitored by the Board of Directors.

GRI 2-19 Remuneration policies

The company's approach to compensation is governed by the Code of Obligations in Switzerland, as well as by the Articles of Association and Organisational and Management Regulations of EFG International. EFG deploys a total remuneration approach that includes fixed and variable remuneration components, as well as statutory and non-statutory benefits. For further information, see the Compensation Report in the Annual Report 2023.

Additionally, a General Directive on Group Remuneration applies to all employees at EFG. It defines the remuneration framework and approach for the implementation of its remuneration system within the context of existing policies, processes and plans. It also outlines the roles and responsibilities of all EFG employees, describes the remuneration structure and instruments that are aligned with the principles of the overall framework, and defines the principles guiding the remuneration framework that supports EFG's long-term strategic objectives and risk capacity.

GRI 2-20 Process to determine remuneration

The Board of Directors is responsible for defining overall remuneration principles to support the delivery of the corporate strategy and its long-term objectives. The Board is assisted by the Remuneration and Nomination Committee in fulfilling its governance responsibilities regarding remuneration.

EFG has incorporated references to EFG's corporate values, the Group's Business Code of Conduct and Code of Ethics into remuneration decisions. Going forward, we will continue to review our remuneration processes with a view to the more formal integration of sustainability-related aspects to reflect the importance assigned to this topic within EFG.

GRI 2-21 Annual total compensation ratio

The annual total compensation ratio is not disclosed due to confidentiality reasons. General information on the compensation of members of the Board of Directors and the Executive Committee for the financial year 2023, together with details of our compensation framework, are disclosed in our Compensation Report in the Annual Report 2023.

Strategy, policies and practices

GRI 2-23

Policy commitments

To achieve long-term success, it is essential that we meet the highest standards of ethical conduct in every aspect of our work. We expect all our employees to act professionally, diligently and with integrity at all times to protect EFG's reputation. Our Business Code of Conduct forms part of the contractual agreements with all EFG employees, as well as members of the Board of Directors, and defines the professional standards that they must uphold to ensure compliance with applicable laws, regulations and internal rules that prohibit the misuse of inside information, fraudulent trading activity and market abuse, as well as preventing all forms of inappropriate conduct. The principles contained in the Business Code of Conduct are defined in more detail in general directives, policies and guidelines. Any violation of the Business Code of Conduct may result in disciplinary measures, possibly leading to the termination of employment in severe cases of misconduct.



All employees are also expected to follow our Code of Ethics efginternational.com/codeofethics, which is overseen by the Board of Directors and the Executive Committee. The Code of Ethics provides a moral and ethical framework for employee behaviour, addressing topics such as combating financial crime and preventing conflicts of interest. Our employees' professional conduct, in line with our corporate values and our Code of Ethics, forms part of our annual employee appraisal process. In 2022, we updated the Code of Ethics and issued a Human Rights Statement efginternational.com/humanrightsstatement setting out EFG's commitment to respecting human rights as an employer, as a provider of financial services, and in our relationship with the communities in which we operate. Our understanding of our human rights responsibilities is based on internationally agreed human rights principles and standards.

GRI 2-24

Embedding policy commitments

EFG's Purpose articulates our strengths as a private bank and what EFG stands for. It is designed to guide us through our 2023–2025 strategic cycle and beyond. Our Purpose builds on our existing Vision and Mission and our entrepreneurial DNA, as well as our five core values that foster a common understanding of EFG's culture and brand (see below). They form an integral part of our HR processes, including performance appraisals and compensation decisions that consider employee conduct and values. We also encourage employees to take ownership for their work by assuming responsibility for their actions and decisions and living up to EFG's standards.

Our strategic positioning

Purpose "Our north star"	 Empowering entrepreneurial minds to create value – today and for the future.
Vision "What we aspire to be"	As a leading Swiss private bank, we want to use our unique client approach to create sustainable and profitable growth.
Mission "What we do"	We are a private bank offering personalised solutions on a global scale to private and institutional clients. Our sustainable success is based on our talents and on how we partner with our clients and communities to create lasting value.
Values "How we do it"	 Accountable, Hands-on, Passionate, Solution-driven, Partnership-oriented

Our sustainability strategy

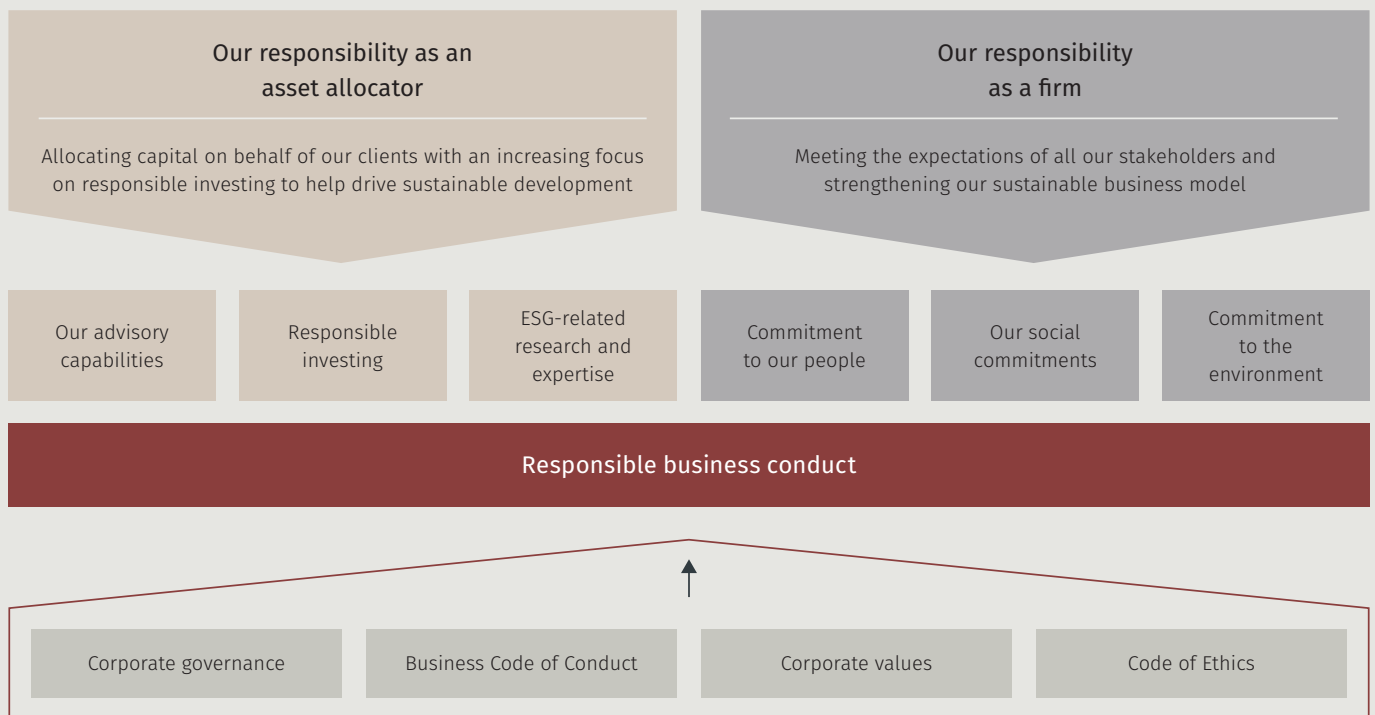
EFG's sustainability strategy is designed to integrate sustainability aspects and sustainability priorities, such as strategic climate-related measures (see page 51) into our business model and to meet our clients' demand for sustainable finance (see pages 38–44). It is based on two main pillars: Our responsibility as an asset allocator on behalf of our clients and our responsibility as a firm.

Our priority as a private bank is to deliver superior service and advice as well as high-quality investment, wealth and credit solutions to our clients around the globe. At the same time, EFG can support the transition to a more sustainable economy in our role as an asset allocator on behalf of our clients. We do so by providing greater transparency regarding investment opportunities (e.g. in transformative technologies and companies that support sustainable development and innovation), as well as by integrating ESG criteria and ESG-related risk considerations into our investment process. Further, we aim to continuously expand our responsible investment offering (see pages 38–44). Through these different measures, we are supporting global efforts to realise the UN Sustainable Development Goals (SDGs).



As a firm, we aim to be an employer of choice that attracts, develops and retains talented people. We are committed to providing an inclusive working environment in which all our employees are valued equally and can achieve their full potential. As an integral part of society, we are committed to serving the interests of the communities in which we live and work and to helping protect the environment.

Sustainability Framework










The EFG Sustainability Framework aims to create long-term value for our clients, employees and society as a whole to ensure the prosperity of future generations.

GRI 2-28

Membership associations

Selected memberships and partnerships

Organisation name	Purpose
	<p>Swiss Sustainable Finance (SFF) aims to reinforce Switzerland's position as a leading centre in the field of sustainable finance. It is supported in this mission by over 230 members and network partners – including financial service providers, investors, universities and public sector bodies. Through research, capacity-building and the development of tools and frameworks, Swiss Sustainable Finance promotes the integration of sustainability aspects into all financial services. EFG is an active member of the organisation.</p>
<p>• Swiss Banking</p>	<p>The Swiss Bankers Association (SBA) is the umbrella association of Switzerland's banks and has around 260 member institutions. The association represents the financial centre's interests vis-à-vis policymakers, the authorities and the general public. EFG is a member of the association and our CEO is a member of the SBA Board of Directors.</p>
	<p>The Association of Swiss Asset and Wealth Management Banks represents the interests of its 40 members, which are based in Switzerland and operate primarily in the areas of asset and wealth management. EFG is a member of the association and our CEO is a member of its Board.</p>
	<p>The Employers Association of Banks in Switzerland represents the interests of member banks and aims to promote attractive and competitive employment conditions in the Swiss financial centre. EFG is a member of the association.</p>
	<p>The Swiss-American Chamber of Commerce is a not-for-profit organisation that represents Swiss, American and multinational business interests in Switzerland, the US and globally. EFG is a member of the Chamber and our CEO is a member of its Board of Directors.</p>
	<p>The Swiss Risk Association (SRA) is an open forum for risk management that aims to strengthen Switzerland's position as a financial competence centre. EFG is a member of the association and our Chief Risk Officer is a member of the SRA Board of Directors.</p>
	<p>PRI is a United Nations-supported network of investors that works to promote sustainable investment through the incorporation of environmental, social and governance criteria into investment decisions based on the six Principles for Responsible Investment. EFG is a signatory to the PRI.</p>

Organisation name	Purpose
 TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES	<p>The Financial Stability Board established the Task Force on Climate-related Financial Disclosures (TCFD) in 2015 to develop recommendations for more effective climate-related disclosures. Its aim is to promote more informed investment, credit and insurance underwriting decisions and thus enable stakeholders to better understand the concentrations of carbon-related assets in the financial sector and its exposure to climate-related risks.</p> <p>EFG is a signatory to TCFD.</p>
 DISCLOSURE INSIGHT ACTION	<p>CDP is a not-for-profit organisation that runs a global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts.</p> <p>EFG Asset Management is a signatory to the CDP.</p>
<p>A proud participant of:</p>  Climate Action 100+ Global Investors Driving Business Transition	<p>Climate Action 100+ is an investor-led initiative to ensure the world's largest corporate greenhouse gas emitters take action on climate change. Its activities focus on 166 companies that are critical to the net zero emissions transition. EFG Asset Management is a member of the initiative.</p>
 FAIRR A COLLIER INITIATIVE	<p>The FAIRR Initiative is a collaborative investor network that raises awareness of the environmental, social and governance risks and opportunities brought about by intensive livestock production.</p> <p>EFG Asset Management is a member of the network.</p>
 Advance GENDER EQUALITY IN BUSINESS	<p>Advance is the leading business association for gender equality in Switzerland, a network of 145+ Swiss-based companies committed to increasing the share of women in management. EFG is a member of the association and is a signatory to its charter.</p>
 Taskforce on Nature-related Financial Disclosures	<p>The Task Force on Nature-related Financial Disclosure (TNFD) Forum is a global multi-disciplinary consultative group of institutions aligned with the TNFD mission and principles. EFG Asset Management is a member of the Forum.</p>

Stakeholder engagement

GRI 2-29

Approach to stakeholder engagement

As a globally active private banking group with strong Swiss roots, we engage directly with a wide range of stakeholders in Switzerland and our international markets – from clients and shareholders to our employees, partner organisations and the media. We also strive to maintain a constructive dialogue with regulators and policymakers across our different locations to monitor and anticipate regulatory expectations, meet regulatory requirements and follow industry best practices. We also recognise the indirect influence that our activities can have on other stakeholders, such as local communities, and we strive to make a positive contribution that goes beyond banking.

EFG's key stakeholder groups	Key topics and considerations	How we engage with our stakeholders
Clients and prospects	<ul style="list-style-type: none"> • Understanding and learning about the needs of our clients, including the Next Generation • Customised solutions for our clients, including ESG-related product offering • Suitability and/or appropriateness checks on the investment services offered • Data privacy and confidentiality • Digitalisation of our services and offering 	<ul style="list-style-type: none"> • Continuous engagement with our clients through our Client Relationship Officers (CROs), product specialists and management • Ongoing dialogue with our CROs • Targeted client meetings • Responding swiftly and appropriately to client feedback • Organisation of/active participation in events and conferences • Publication of our investment insights and market analysis
Investors, shareholders and analysts	<ul style="list-style-type: none"> • Corporate strategy and achievement of profitable and sustainable growth • Financial performance and results, as well as credit and ESG ratings • Robust compliance and risk management 	<ul style="list-style-type: none"> • Investor days (latest event was in 2022) • Meetings at investor conferences, investor roadshows and ongoing dialogue with Investor Relations and Corporate Sustainability departments • Publication of financial and non-financial reports and financial results presentations • Annual General Meeting (AGM) and Extraordinary General Meeting (EGM) • Regular Board of Directors meetings
Employees	<ul style="list-style-type: none"> • Attractive working conditions and fair business practices, including equal pay • Culture of diversity and equal opportunity • Learning and development • Health and wellbeing 	<ul style="list-style-type: none"> • Various internal communications, including regular CEO blog • Internal events, e.g. town halls and conferences • In-depth annual performance reviews and career development discussions • Periodic employee surveys • Staff Councils in Switzerland, Luxembourg and Monaco • Employee network to foster diversity • Participation in industry networks on topics such as employee health and wellbeing or diversity, inclusion and equal opportunity
Regulators and policymakers	<ul style="list-style-type: none"> • Compliance with applicable laws, regulations and professional standards • Timely reporting and transparent disclosures • Responsible business conduct 	<ul style="list-style-type: none"> • Direct engagement with supervisory bodies • Engagement with industry associations by various departments, including Regulatory Affairs, HR, IT Security or Corporate Sustainability
Media and the broader public	<ul style="list-style-type: none"> • Business strategy, performance and management • Financial results • Expertise and research (including ESG-related topics) 	<ul style="list-style-type: none"> • Media releases, media conferences, social media content, insights hub on EFG website, interviews and background discussions
Local communities, partner organisations, NGOs and academia	<ul style="list-style-type: none"> • Enabling education and empowering young people • Fostering talent and innovation • Raising awareness about environmental and social issues • Promoting culture and sport 	<ul style="list-style-type: none"> • Ongoing dialogue with various partner organisations, including selected universities • Employee engagement opportunities, e.g. volunteering

Materiality assessment

GRI 3-1

Process to determine material topics

EFG conducted a materiality assessment in 2022 to identify the most relevant sustainability-related material topics for our bank. We performed the materiality assessment based on the concept of “double materiality,” which is in line with the new Swiss legal requirements (Article 964a et seq. Swiss Code of Obligations ((CO)) and GRI Standards. This means that we assessed the relevance of each material topic from two perspectives:

- a) Inside-out: How significant are the impacts of our business activities on the economy, environment and people, including on their human rights, i.e. our impact on sustainable development.
- b) Outside-in: How relevant are economic, environmental and social impacts on our company’s long-term success, i.e. our ability to create value and successfully execute our strategy.

To define our material topics, we carried out a structured stakeholder engagement process in 2022 with guidance from an external sustainability consultancy. We began by reviewing our business model to map our value chain and supply chains and to identify our most important stakeholder groups. As the next step in the process, we created a “long list” of potential areas and related topics of significant impact by considering various sustainability reporting standards, ESG ratings and peers in the financial industry. We then consolidated and grouped these topics according to environmental, social and employee matters, human rights and corruption to create a “short list” of topics.

We subsequently identified and described the actual and potential negative and positive impacts of these topics from both perspectives (inside-out and outside-in). For the assessment of these impacts, we called on dedicated internal specialists from across the organisation (including Human Resources, Investor Relations, Private Banking, the Chief Operating Officer (COO) function and Investment Solutions). These specialists rated the impacts of each topic from both perspectives in an online survey. Their assessments of the relative significance of the different impacts were based on their expertise and the insights gained in their daily interaction with stakeholders. An interactive materiality workshop was held with these specialists to validate the assessment and define the material topics for EFG, as shown in the materiality matrix.

The materiality matrix for 2022 was approved by the Executive Committee and shared with the Board of Directors. They decided that a full materiality assessment will be conducted on a biennial basis, meaning that the existing materiality matrix remains valid for the 2023 reporting cycle.

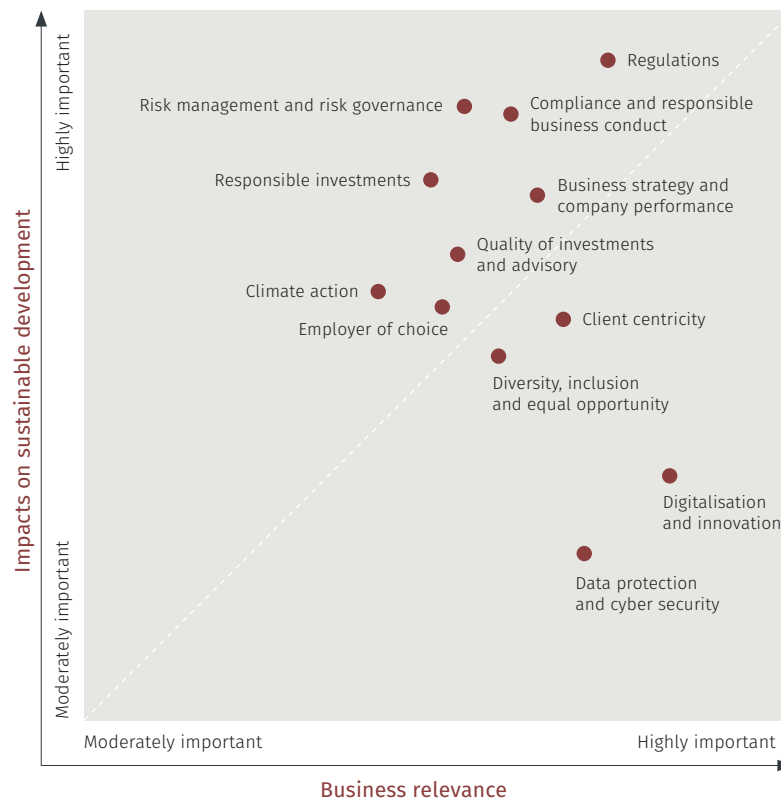
GRI 3-2(Art Art. 946b
Para. 1 CO)**List of EFG's material topics/EFG's materiality matrix**

The materiality matrix reflects the double materiality perspectives “business relevance” and “impacts on sustainable development”. The materiality matrix below shows the economic, environmental, social and governance-related topics that are determined to be material for EFG.

The topics included in the matrix form the basis for the scope of the information presented in this second sustainability report issued by EFG in accordance with GRI Standards. For each material topic, EFG's management approach and, where applicable, further indicators are published on the following pages.

Where topics appear below the diagonal line, this means that their business relevance for EFG is higher than their impact on sustainable development. In the case of topics that appear above the diagonal line, their business relevance for EFG is lower than their impact on sustainable development. Topics located in the top-right corner were determined to be highly important in terms of both their business relevance and their impact on sustainable development.

To embed sustainability considerations more systematically throughout EFG's value chain, we emphasise the material topics presented here not only in our sustainability reporting but also in the further development and execution of our business strategy.



12 topics were included in the assessment and were determined to not currently be sufficiently material to warrant explicit reporting: Consumer and investor protection; Occupational health and safety; Energy efficiency and renewable energies; Materials, waste, water; Transparent marketing and labelling (considered in the Responsible Investing chapter); Human rights in the supply chain; Local tax transparency; Local communities; Indirect economic impacts; Biodiversity; Rights of indigenous people; and Freedom of association and collective bargaining, minimum wage.

However, aspects of some of these topics are addressed in other chapters, for example “Customer and investor protection” in “Compliance and responsible business conduct” and “Regulations”, or “Occupational health and safety” in “Employer of choice”.

Responsible business conduct, compliance and regulations

GRI 3-3 Management of material topic

GRI 3-3-a & b Importance of topic and impacts

(Art. 964b Para. 2 No. 2 CO)

As a globally active private bank, we believe that responsible and compliant business conduct is essential to achieve sustainable and profitable growth and to create value for all our stakeholders. Given the size, structure, nature and complexity of our business and product and service offering, we are inherently exposed to certain compliance risks. It is therefore important that we fulfil our compliance obligations.

EFG adheres to the rules and regulations that apply to our activities, including those governing the proper management of financial crime risks, and compliance with business and market conduct requirements, as well as ESG requirements. In this way, we can safeguard our clients' interests, protect EFG from financial losses or damage, and help to preserve the integrity of the Swiss financial centre and that of other locations where we operate. We strive to foster an exemplary compliance culture and to act according to the letter and spirit of the law.

GRI 3-3-c How we manage this topic: Strategy, policies and governance

(Art. 964b Para. 2 No. 2 CO)

Strategy

Robust compliance and risk management form the core foundations of EFG's business strategy alongside operational and financial resilience. EFG is committed to the sound and effective management of compliance risks and to operating in strict adherence with the applicable rules and regulations across its different markets. We expect our employees to consistently demonstrate the highest levels of professionalism, integrity and personal accountability.

At EFG, we therefore maintain a robust compliance framework to address a variety of compliance risks. We define compliance risks as the risk of legal or regulatory sanctions, material financial loss or loss of reputation that the Group may suffer from failing to comply with laws, regulations, rules, related self-regulatory organisational standards, generally accepted practices and codes of conduct applicable to its banking activities.

We continuously invest in strengthening our human resources and technical infrastructure to support our global compliance efforts. We consider it vital for our employees to have an appropriate understanding of compliance risks and to be familiar with the latest applicable regulatory developments both at local and global levels.

All employees are therefore required to complete mandatory training courses on topics related to financial crime, such as anti-money laundering (AML), annually or as frequently as required to comply with evolving regulations. These courses are supplemented by targeted training for employees in client-facing roles or other specific areas, as required.

Combating money laundering and terrorist financing

EFG has implemented rigorous anti-money laundering policies, procedures and controls as well as dedicated tools to detect, investigate and prevent money laundering, terrorist financing and other forms of financial crime. This includes Know Your Client (KYC) and Know your Transaction (KYT) requirements, ongoing client screening, payment filtering and transaction monitoring. Client relationships with higher risks of financial crimes, such as relationships with politically exposed persons (PEPs), are monitored more frequently. Our control and monitoring processes are reviewed and reinforced on an ongoing basis. If we identify any suspicious transactions or activities, we immediately notify the relevant external money laundering reporting office.

Combating market abuse

We have adopted a Group-wide regulatory framework, principles, guidelines and measures to prevent all forms of market abuse, from insider dealing and the unlawful disclosure of inside information to market manipulation. In addition to the rules set out in our Group Code of Business Conduct, our General Directive on Market Abuse reinforces employees' awareness of their duties to prevent, detect and report suspicions or incidents of market abuse.

International sanctions

At EFG, we take all the requisite measures to keep abreast of international sanctions regimes that apply to our business. We have implemented strict policy and control measures to monitor and detect any exposure to sanctioned clients and we take the necessary steps to ensure that we adhere to the applicable requirements of key sanctions regimes worldwide.

GRI 205-2

(Art. 964b Para. 2
No. 5 CO)

Preventing bribery and corruption

EFG has a General Directive on the Prohibition and Prevention of Bribery and Corruption, which sets out the minimum standards that must be followed across the Group to combat all forms of bribery and corruption. This General Directive has been communicated to all staff globally. In addition, our local entities develop and implement their own procedures to ensure compliance with the General Directive and with any additional local regulatory requirements. All employees, including members of the Executive Committee, must complete anti-bribery and corruption training on a biennial basis, and the completion of the relevant courses is monitored. As of end-2023, 99% of employees had completed the relevant training. EFG has also implemented effective procedures to counter bribery and corruption in its procurement and contracting processes. During the reporting year, there were no reported incidents of bribery or corruption, and no legal action was taken against the bank or its employees in this matter.

GRI 205-3

(Art 964 j-l CO)

Due Diligence and Transparency in relation to Conflict Minerals and Metals and Child Labour

To address new regulatory obligations deriving from the Swiss Code of Obligations (Article 946j-l) and the Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour (DDTrO), in 2023, EFG performed a review with the support of an external consultant and a legal firm to assess whether it falls within the scope of the relevant additional reporting requirements. The review indicated that EFG is exempt from the Swiss due diligence and reporting requirements for minerals and metals from conflict and high-risk areas as well as from child labour for the reporting year 2023.

GRI 207-1

Responsible and transparent approach to tax



EFG offers a wide range of services to clients in approximately 40 locations around the globe. We are committed to complying with all relevant international standards and tax laws in the respective tax jurisdictions and to ensuring taxes are paid where economic value is created. Our approach to corporate taxation is founded on two key principles:

- To act lawfully and with integrity, including complying with all corporate tax requirements.
- To maintain open and constructive relationships with tax authorities worldwide.

EFG has a corporate tax strategy that is reviewed and approved by the Group's Chief Financial Officer. Further, EFG has a robust corporate tax risk framework in place that is based on tax directives, procedures and internal controls, to ensure compliance with its tax approach and principles. This framework and our directives and policies are updated to reflect the latest developments in this area.

EFG is committed to maintaining a robust tax compliance and tax reporting approach. As a matter of principle, EFG does not accept clients who are not willing to meet requirements for the transparent disclosure of financial information to help prevent financial crime. Client-related tax issues are governed by internal regulations, primarily the General Directive on Tax Transparency, the General Directive on Doing Business in the United States, the General Directive on the Foreign Account Tax Compliance Act (FATCA) and the Qualified Intermediary Regime, and the General Directive on the Common Reporting Standard (CRS).

Suitability



To comply with regulations governing the suitability of our advice, we obtain and regularly review the investor profiles of our clients. In this way, we understand our clients' investment objectives, financial situation, and prior investment knowledge and experience. We use this information to ensure that our investment advice is aligned with and suitable for their investor profile. We maintain oversight over our advisory activities through local and global governance. In addition, we maintain a local and global product governance framework to ensure that products that can be recommended to clients for investment are subject to an approval and ongoing review process.

Cross-border business

EFG offers comprehensive investment, wealth and credit solutions to private and institutional clients globally. We strive to maintain the highest standards in our cross-border business activities, and we have implemented an effective cross-border framework and defined clear rules governing the cross-border services we provide using country-specific manuals developed for our major markets. We have also implemented mandatory employee training to ensure adherence to these standards and to EFG's own country-specific rules, and we perform ongoing monitoring and testing of compliance with applicable rules. Our cross-border control framework is regularly updated to reflect regulatory changes.

GRI 2-26

Alert mechanisms and whistleblowing

EFG strives to foster an atmosphere of trust in which employees are encouraged to report any incident or irregularity they encounter at work without fear of reprisals – thus helping EFG to take appropriate corrective action as necessary. EFG has appropriate measures in place to ensure that critical issues or concerns are escalated to the responsible governing bodies. In addition to the normal escalation protocols, EFG also maintains a separate channel for escalation through the Compliance and/or other relevant functions. Further, the General Directive on Whistleblowing sets out a framework and process for employees to follow if they become aware of any misconduct or wrongdoing, notably in the areas of fraud, criminal misconduct, breaches of applicable laws and/or external regulations, breaches of internal directives, money laundering, breaches of employment practices, workplace safety failures, discrimination or harassment. A consolidated report containing details of notifications or breaches reported via the whistleblowing channels, and the subsequent measures taken, is provided to the Board of Directors on a biannual basis. In 2023, 12 cases were reported via these channels.

Governance and policies

At EFG, compliance risk is managed in accordance with the three lines of defence model, which clearly distinguishes between the responsibilities of the business and those of the Compliance and the Risk Management functions, as well as the responsibilities of the Internal Audit function, to ensure a coherent and comprehensive approach to risk management (see pages 26 – 29). Our independent Compliance function is managed centrally and reports to the Group Head of Legal & Compliance. Together with its dedicated units and local compliance officers around the globe, the Compliance function is responsible for overseeing the identification, assessment, monitoring, mitigation and reporting of the key compliance risks. It operates in accordance with the roles and responsibilities defined in EFG's overall risk management and risk appetite frameworks.

The Compliance Risk Policy, approved at Board of Directors' level, sets Group-wide standards to ensure adherence to all applicable internal and external rules and regulations across all areas of our business. The Policy is complemented by and implemented through a comprehensive set of internal directives and tools. Those directives primarily address compliance requirements pertaining to applicable sanction regimes, as well as policy and control requirements, to appropriately manage the risks of money laundering, market abuse, bribery and corruption, cross-border and suitability. This organisational framework is completed by dedicated and/or automated tools (e.g. name screening, Bankers Front tool, market surveillance tools and system blocks).

Additionally, the General Directive on Complaints Handling was updated in 2023 to include the requirement for a root cause/trend analysis to be performed with respect to client complaints to identify and address

common patterns or frequent incidents, and to thus reduce the likelihood of repeat complaints or similar issues that may otherwise affect the reputation of the bank.

GRI 3-3-d

(Art. 964b Para. 2
No. 3 CO)

Progress in 2023

In 2023, we further strengthened our consolidated supervision framework for the Compliance function together with the operational effectiveness of the internal control system with a particular focus on suitability, in addition to anti-money laundering and sanction risk. A Group-wide ESG regulation project focusing on evolving ESG-related requirements was also launched during the year. Further, dedicated projects have been established to implement ESG guidelines in local markets or regions, such as the Swiss Bankers Association self-regulations in Switzerland and the MiFID requirements on ESG preferences in European markets. A new General Directive on ESG-related Risks was approved in December 2023 by the Executive Committee.

(Art. 964b Para. 2
No. 4 CO)

Addressing challenges and mitigating risks

The volume and pace of regulatory change remains a significant challenge for financial institutions around the world. To address this challenge, we have a defined regulatory change management approach governed by a General Directive, which sets out the processes for the monitoring of new regulatory developments and the oversight of regulatory projects. Progress in the implementation of key regulatory projects and initiatives is tracked and reported through our governance structures and systems. External events that may result in regulatory initiatives impacting EFG, such as sanctions, are closely monitored using a database managed by the Group Regulatory Affairs function and updated on a quarterly basis. Compliance is involved in the assessment, monitoring and oversight of regulatory change requirements that fall within its remit.

Further, events that unfolded in the financial industry in 2023, both in Switzerland and in international markets, underscore the importance of maintaining a rigorous compliance and risk management approach, given the implications for clients, investors and employees, as well as the resilience and reputation of the financial industry as a whole.

GRI 3-3-e & f

(Art. 964b Para 2
No. 3 CO)

Monitoring and measuring effectiveness

If any issue is identified that could give rise to compliance risks, the issue is escalated through regular reporting processes by the Compliance function to the Executive Committee or a delegated committee, which ensures appropriate follow-up until the matter is resolved. The Compliance function also provides the Executive Committee and the Risk Committee of the Board of Directors with an annual compliance risk assessment setting out an independent view on the strength of the risk and control framework, as well as the activities it has conducted during the year to test the effectiveness of the compliance framework. If weaknesses are identified in the design or operation of the control framework, additional measures are recommended to reinforce the control environment, which can range from additional controls to training or communication.

EFG has implemented a risk scorecard for Client Relationship Officers (CROs) to foster a risk-aware and compliant culture and reduce operational risks. The scorecard comprises a set of Key Risk Indicators (KRIs) to monitor CRO adherence to internal policies and regulations, with any breaches resulting in penalty points that can impact the CRO's annual variable compensation. The KRIs cover areas such as compliance with AML and KYC requirements or sanctions, adherence to investment suitability and cross-border policies, as well as regulatory change risk or litigation. The outcome of the scorecard process is reported on a quarterly basis to the Operational Regulatory and Compliance Committee (which is a delegated committee of the Executive Committee) and to the Global Business Committee.

Internal and external audits are of key importance in monitoring the effectiveness of the compliance framework and remedying any deficiencies that are identified. Open issues arising from internal audit reviews are regularly monitored to ensure they are resolved within agreed deadlines, with progress reports submitted to the Audit Committee. Any open issues identified during the external audit and regulatory inspections are similarly tracked and reported to the Executive Committee and to the Audit Committee.

GRI 2-27 For further information regarding legal arbitration proceedings that the Group is involved in, please refer to the Annual Report 2023, note 49 “Provisions” on pages 186–187.

GRI 206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices

(Art. 964b Para. 2
No. 5 CO)

EFG recognises the importance of compliance with relevant anti-trust rules. EFG is not aware of any incidents of anti-competitive behaviour, anti-trust and monopoly practices, and no legal action was taken against the bank or its employees in these matters in 2023.

Outlook

In 2024, we will continue to further strengthen our compliance framework, focusing primarily on three key areas of compliance risk: First, financial crime risk management, which remains the primary risk for private banks of our size and international footprint. Second, cross-border requirements and investment suitability, to ensure that the bank provides appropriate and suitable advice to clients, in line with applicable cross-border requirements, whilst navigating a complex and challenging market environment. Third, compliance with ESG-related requirements will continue to be an area of focus. Furthermore, we will continue to track regulatory developments across all compliance risk topics to ensure that EFG remains abreast of and compliant with evolving and increasing requirements and implements them effectively across all regions, divisions and support functions.

Risk management and risk governance

GRI 3-3-a & b Importance of topic and impacts

(Art. 964b Para. 2
No. 4 CO)

As a global private banking group, EFG operates in an increasingly complex environment with volatile markets, ever stricter regulatory requirements, growing stakeholder expectations and multiple sustainability challenges. We are therefore exposed to a variety of risks in the normal course of business that may impact our financial performance, business goals, reputation, and social, environmental or other objectives. At the same time, our operations and business activities, including our products or services, may have impacts on the economy, society and the environment.

We therefore regard prudent risk management as an essential part of the way we do business. EFG strives to systematically and effectively manage risks across business units, geographies and functions to protect the interests of our clients, investors and our business, to drive sustainable and profitable growth, and to create long-term value for all our stakeholders. This diligent approach also helps to safeguard EFG’s reputation and the integrity of the Swiss financial centre.

We have developed a multi-dimensional approach to risk management that encompasses our business activities and decision-making processes. This approach enables us to increase the resilience of our business, including our products and services as well as our investment processes, with regard to financial risks (including credit, market and liquidity risks) or non-financial risks (such as operational, compliance or legal risks). This also allows us to evaluate the financial materiality of the different risks we face as a bank. At the same time, we see new opportunities emerging in the form of new markets that we can serve and new products and services that we can offer, as well as increased resource efficiency.

EFG is embedding ESG aspects into its risk management process to help us identify and manage potential adverse impacts that our operations and business activities could have on the environment and society, as well as any associated reputational consequences or other risks (such as greenwashing risks) affecting EFG and our clients. Equally, we carefully monitor potential negative effects of external ESG factors, including climate issues that could affect our business activities and our ability to operate.

GRI 3-3-c & d How we manage risk: Strategy, policies and governance

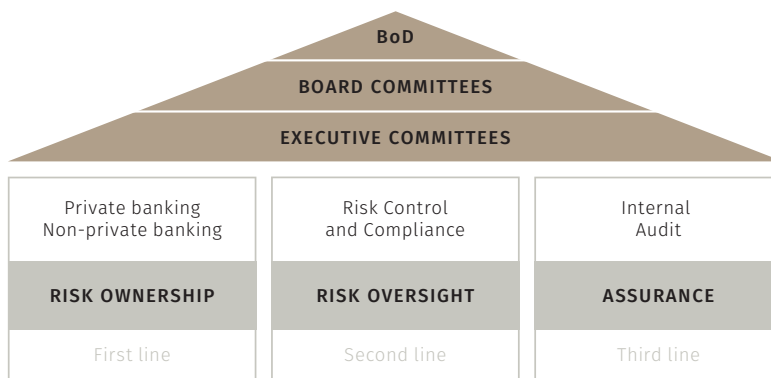
(Art. 964b Para. 2
No. 2 and No. 3 CO)

Prudently managing risks is an inherent part of the way we do business at EFG. Our robust risk management and risk appetite frameworks enable us to identify, measure and mitigate a broad spectrum of financial and non-financial risks, allowing us to run our business responsibly and effectively.

Risk management with three lines of defence

EFG manages its risks in accordance with a three lines of defence model. The model delineates the key responsibilities for the business, the Risk Control and Compliance functions, and Internal Audit to ensure that the organisation has a coherent and comprehensive approach to risk identification, management and monitoring.

Three lines of defence model



EFG's approach to risk management is based on a three lines of defence model with:

- Risk ownership across all regions, divisions and support functions
- Risk oversight by the Risk Control and Compliance function
- Risk assurance by Internal Audit

Risk frameworks

EFG's risk management framework sets out the overall governance of risks. It comprises people, policies and processes, as well as systems and controls that are designed to ensure that risks are appropriately identified, measured, monitored, reported and mitigated on an ongoing basis. To achieve this, we have defined different categories in our risk taxonomy, ensuring that defined risk exposures are carefully monitored and controlled.

EFG's overall risk management framework is underpinned by our risk appetite framework, approved by the Board of Directors, which defines the level of risk that EFG is prepared to incur to achieve its strategic business objectives. That level of risk is linked to the risk limit system and influenced by EFG's overall risk capacity. These two frameworks are supplemented by a coherent and comprehensive set of policies, directives and procedures, with accountability being clearly assigned to specific functions across the three lines of defence. Further information can be found in the Annual Report 2023 from page 98.

Focus on ESG-related risks

The assessment and management of ESG-related risks form an integral part of EFG's sustainability strategy. We are integrating ESG factors into EFG's risk management framework. We pursue a risk-based approach, focusing on material ESG topics associated with our products and services and with the industry sectors to which our clients, investments or transactions are linked. Our ESG due diligence procedures are evolving as EFG's approach to this topic matures.

As climate-related risks in particular may affect the existing major risk categories (credit, market, liquidity, business, legal and operational risks), EFG is in the process of monitoring climate risks. The governance of ESG-related risks, including climate change, is formalised in our General Directive on ESG-related Risks that was approved by the Executive Committee in late 2023.

Governance

The Board of Directors, with the support of its specialised sub-committees, has oversight of the overall risk management approach and monitors its effectiveness through regular internal risk assessments, audits and controls. The Board's oversight role includes ensuring that EFG has the appropriate number of qualified employees and the necessary resources in place in terms of both infrastructure and technology, and that it follows best practice. Furthermore, the Board ensures that EFG maintains appropriate compensation policies and models that foster an entrepreneurial approach but do not encourage excessive risk-taking.

The Board of Directors is supported in this role by specialised sub-committees: The Risk Committee, the Credit Committee, the Remuneration & Nomination Committee and the Audit Committee. The Risk Committee is the primary advisory committee to the Board for all matters relating to risk and compliance. It advises the Board, reviews and acts as an expert on EFG's overall current and future risk appetite and oversees the implementation of the risk management framework, as well as monitoring the risk profile and reporting on the state of the risk culture. Further information can be found in the Annual Report 2023 on page 42.

The Executive Committee includes the Chief Risk Officer and the Group Head of Legal & Compliance. The Chief Risk Officer leads the Risk Control function, while the Group Head of Legal & Compliance focuses on all compliance risks and all legal matters of the Group, as well as regulatory affairs. These two independent functions have clearly defined responsibilities and objectives. Further, the Executive Committee has several dedicated risk management sub-committees to ensure cross-functional alignment on risk topics.

The Executive Committee and its delegated committees perform a first and second line of defence role in managing risks, in alignment with the risk strategy and risk appetite.

As part of its remit, the Executive Committee also reviews and validates the Sustainability Report, which is then endorsed by the Audit Committee and approved by the Board of Directors. The Executive Committee further reviews and approves the TCFD Report.

GRI 3-3-d

(Art. 964b Para. 2
No. 3 CO)

Progress in 2023

Since we believe that appropriate employee conduct is key to ensuring effective risk management, we provide mandatory training to maintain a robust risk culture across our organisation and to reinforce employee risk awareness. In 2023, mandatory training courses covered compliance-related topics, data protection and cyber security (see pages 22–28 and page 48).

With regard to ESG and climate-related risks, we reached a milestone in 2023 with the publication of our first TCFD Report for the reporting year 2022 at Group level. The report addresses climate-related risks and opportunities that can affect our business. We also continued to evolve our risk identification processes based on the Basel Committee on Banking Supervision's principles for the effective management and supervision of climate-related financial risks in consultation with an external specialist.

During the year, EFG extended its set of risk metrics to also capture climate-related risks. In line with regulatory requirements and expectations, EFG is monitoring a set of climate-related risk metrics at single entity and Group level for key portfolios (loans, own investments and securities in assets under management) to assess the main exposures, run stress simulations and track key risk indicators pertaining to market risk, liquidity risk (own investments), credit risk (loans) and business risk (securities in assets under management).

The strengthening of ESG risk management and the integration of climate-related risks into EFG's overall risk management framework are supported by a dedicated General Directive on ESG-related Risks. This directive provides clarity on roles and responsibilities and defines common language on ESG-related risks.

(Art. 964b Para. 2
No. 4 CO) **Addressing challenges and mitigating risks**

To address challenges and manage and mitigate risks in a rapidly evolving and highly volatile operating environment in 2023, EFG deployed a variety of risk management measures, including conducting regular assessments, to identify and address emerging risks that could affect our future financial performance, regulatory compliance and reputation. This included monitoring the economic, regulatory and political landscape. Our risk governance and our risk management framework proved to be effective in this challenging environment. EFG's financial performance for the full year 2023 is a testimony to the strength and resilience of our business model and our ability to deliver attractive risk-adjusted returns throughout the economic cycle.

GRI 3-3-e & f Monitor and measure effectiveness

(Art. 964b Para. 2
No. 2, No. 3, and
No. 5 CO)

The Board of Directors, supported by designated committees, is the most senior body monitoring EFG's role in the economy and society, its impact on the environment, and the resulting risks and opportunities for EFG Group. EFG also monitors economic, regulatory or political developments that could create potential financial or non-financial risks or affect its future income generation capacity.

In 2023 the Board of Directors defined specific metrics to monitor progress in this area. These include: i) A reduction of greenhouse gas (GHG) emissions from our own operations; ii) an increase in female representation in senior management (in percentage terms); and iii) Assets under Management in investment products and services with a dedicated ESG focus.

Outlook

EFG will continue to define and integrate ESG-related risks into the Group's risk management framework to meet evolving ESG regulatory requirements and further strengthen our procedures in this area.

Economy



Business strategy and company performance

GRI 3-3 Management of material topic

GRI 3-3-a & b Importance of topic and impacts

(Art. 964b Para. 2 No. 2 CO)

EFG aims to generate sustainable and profitable growth and to achieve scale through the consistent delivery of operating leverage and by placing a strong focus on drivers of growth. By running our core business with a high level of professionalism and integrity, and by delivering high-quality service and advice to our clients, EFG aims to generate consistent and sustainable profit growth and performance, thus ensuring the stability and financial solidity of our company. This is vital, given the impact that substantial financial losses, the erosion of trust in the banking sector and reputational harm to the industry can have on the economy and society as a whole, as was clearly visible in the Swiss financial centre and beyond in 2023. At EFG, we are therefore committed to being a reliable and resilient financial partner to our clients, shareholders, employees and other stakeholders.

The model on pages 10–11 illustrates how EFG creates sustained value in line with our Purpose Statement “Empowering entrepreneurial minds to create value – today and for the future.” It is based on the IFRS Foundation’s blueprint and offers an overview of our company’s approach to generating value through our business activities (value drivers) and interactions with our stakeholders to produce outputs, covering both financial and non-financial aspects of our business.

GRI 3-3-c

(Art. 964b Para. 2 No. 2 CO)

How we manage our business strategy and company performance: Strategy, policies and governance

As a global private banking group offering private banking and asset management services, EFG is committed to delivering superior service and advice, as well as high-quality investment, wealth and credit solutions, to our clients worldwide, including members of the Next Generation. By delivering on our Purpose-led business strategy, we strive to create long-term economic value and to contribute to economic development for the benefit of all our stakeholders, while complying with applicable legal and regulatory requirements.

Our 2025 ambition: Sustaining profitable growth, achieving scale



The Board of Directors is responsible for the overall strategic direction, supervision and monitoring of the business. It monitors EFG's role in the economy and society, its impact on the environment, and the resulting risks and opportunities for the company. The Board delegates the execution of EFG's strategy and the day-to-day management of operations to the Executive Committee. Further information can be found on page 12.

We publicly communicated our 2025 strategic ambition (see page 5) in October 2022, including the drivers of sustainable and profitable growth as well as the accelerators and differentiators that we plan to invest in. To achieve our ambition, we are currently implementing our 2023–2025 strategic plan, which is focused on creating value for our clients, investors, employees and other stakeholders.

In 2022, we defined EFG's Purpose, which is designed to guide us through the 2023–2025 strategic cycle and beyond and fosters a common understanding of EFG's culture and brand. Our Purpose builds on our existing Vision and Mission and our entrepreneurial DNA, as well as our five core values (see pages 11 and 15). They form an integral part of our HR processes, including performance appraisals and compensation decisions, which consider employee conduct and values.

GRI 3-3-d

(Art. 964b Para. 2
No. 3 CO)

Progress in 2023

In an environment shaped by strong market volatility and turmoil in the banking sector, as well as continued economic uncertainty, high inflation and elevated geopolitical risks, EFG successfully and consistently started to deliver against its 2023–2025 strategic plan. Our performance in 2023 will allow EFG to make strategic investments in future growth.

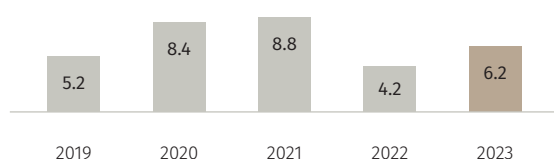
To capture the potential for organic growth, EFG hired a significant number of new Client Relationship Officers (CROs) and other talents across key functions in various locations in 2023 (see pages 35 and 64).

GRI 201-1

Financial highlights 2023

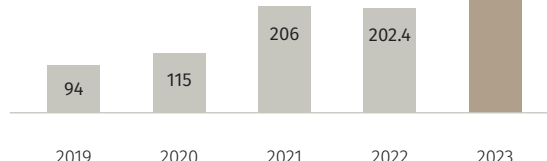
Net new assets

in CHF billion



IFRS net profit

in CHF million



EFG's strong balance sheet and strong capital and liquidity position are the result of our strategic efforts to ensure our financial and operational resilience.

(Art. 964b Para. 2
No. 4 CO)

Addressing challenges and mitigating risks

The macro environment in which we operate remains complex. Current challenges include geopolitical tensions, an inflationary economic environment and uncertainty around interest rates. Prudently monitoring and managing financial and non-financial risks, including in stress situations, is an inherent part of the way we do business at EFG (see pages 26–29).

We are building on our strong foundations, with our strong balance sheet and robust compliance and risk management frameworks. Industry events in 2023 also served as a reminder of the importance of preserving the trust of stakeholders and of maintaining a high level of operational and financial resilience.

GRI 3-3-e & f

(Art. 964b Para 2
No. 3 and No. 5
CO)

Monitor and measure effectiveness

Measuring and regularly reporting on our performance is crucial to keep our investors and other stakeholders informed about our progress against our strategic plan, especially given existing and emerging challenges in our operating environment

Financial targets¹

NNA growth	Revenue margin	Cost/income ratio	RoTE ³
4–6% p.a. ²	85bps	69%	15–18%

¹ Based on IFRS reported metrics

² Compound Annual Growth Rate (CAGR) over the period 2023–2025

³ Return on tangible equity

In addition to publishing and communicating updates on our performance against our financial targets, we use a variety of methods to ensure our strategy is progressing effectively. These include:

- **Audits, reporting and benchmarking:** External financial and regulatory audits, internal audit, proprietary internal management accounting and reporting system, employee surveys, industry peer benchmarking and compensation benchmarking.
- **External and internal peer group analysis:** Monitoring, tracking and comparing EFG's financial performance versus its main competitors in the market.
- **External stakeholders:** Ongoing communication with key stakeholders, such as clients, investors and analysts, regulators, journalists and employees. We continuously monitor and track how EFG and its performance are perceived in the media and by investors and analysts.

Outlook

Building on our strong talent base, a scalable global platform and a well-diversified and capital-light business model, EFG will pursue its strategy of sustaining profitable growth, achieving scale and further expanding our activities in key markets. We believe there is significant potential to further grow our business based on economies of scale and increased operational efficiency, especially through digitalisation, process automation and cost management. Like in 2023, we will continue to seize strategic opportunities to accelerate growth, strengthen our competitive market position and further increase brand awareness. We believe that EFG is well positioned to benefit from wealth creation across different geographies and client segments.

Client centricity

GRI 3-3 Management of material topic

GRI 3-3-a & b Importance of topic and impacts

(Art. 964b Para. 2 No. 2 CO)

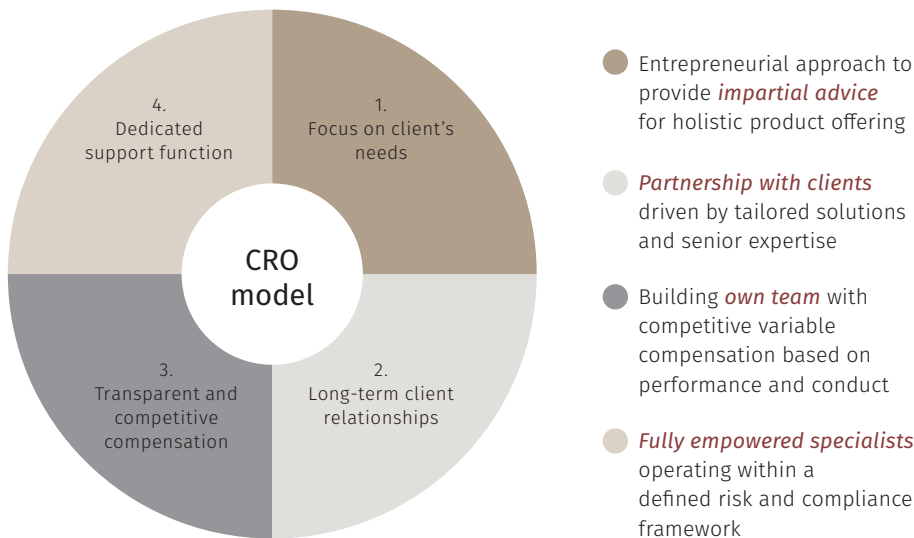
At EFG, we are committed to building successful long-term client relationships founded on transparency and trust. With our entrepreneurial mindset and strong client focus, we aim to deliver impartial advice and high-quality investment, wealth and credit solutions to meet the individual needs of our clients – including members of the Next Generation. Acting with integrity, putting our clients' interests first and diligently managing risks are vital to avoid the risk of dissatisfaction among our client base and to thus ensure the continued success of our business. This approach helps us to not only maintain the reputation and competitiveness of EFG but also that of the financial center as a whole. Further, it enables us to have a significant positive impact across the entire value chain and it also ensures the stability and profitability of our business, our competitiveness in the market and consequently also the long-term success of our company.

GRI 3-3-c How we manage client centricity: Strategy, policies and governance

(Art. 964b Para. 2 No. 2 CO)

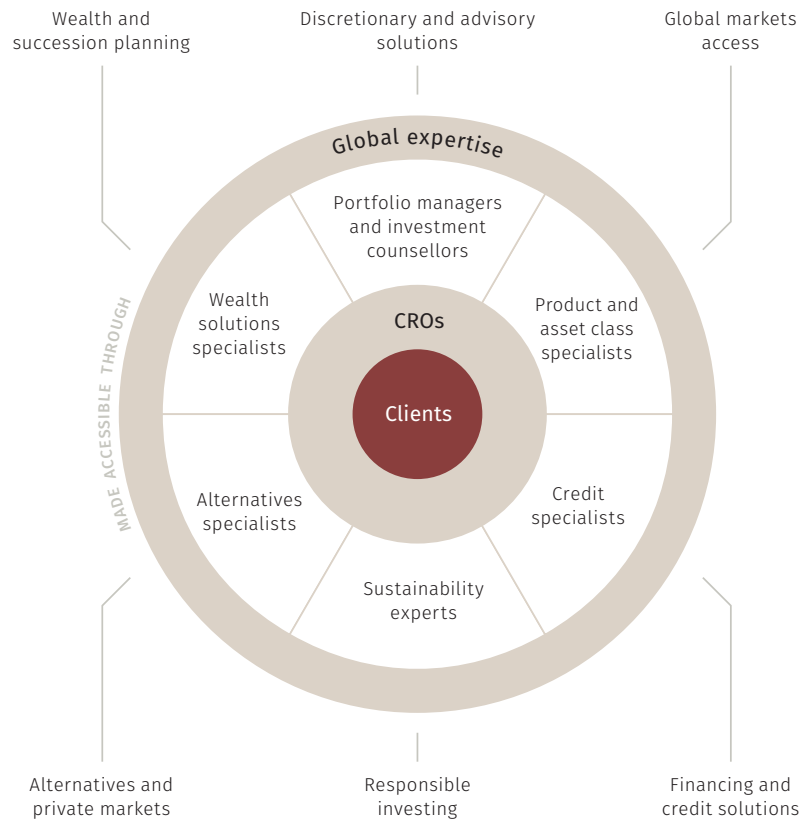
Our distinctive, client-centric approach is at the heart of EFG's strategy and is embedded in EFG's Purpose and Vision, as well as in our Code of Ethics. Our Client Relationship Officer (CRO) model combines personalisation and proximity to our clients with continuity, efficiency and scale – leveraging our global platform and markets expertise. This model helps us to engage with clients to gain a clear understanding of their financial situation, needs and goals. Based on these insights, we can offer them truly client-centric advice, customised services and innovative solutions. Our CRO model is supported by our corporate values, which are a core part of our HR processes (including compensation decisions), as well as by our core foundation with robust risk and compliance frameworks.

Our CRO model



As our client-centric approach is an integral part of our business strategy, its implementation and effectiveness are overseen by the respective Heads of Private Banking and/or Market Group Heads, with further supervision by the Regional Business Heads. Client centricity is also one of the two overarching principles – alongside accountability – on which our Code of Ethics is based (see also page 15).

Serving clients with our global expertise and holistic product offering



GRI 3-3-d

(Art. 964b Para. 2
No. 3 CO)

Progress in 2023

For the full year 2023, we recorded net new asset growth of 4.4%, underscoring client confidence in EFG (see also page 32) as we continued to deliver on our value proposition, leveraging our platform to deliver superior service and first-class wealth, investment and credit solutions to private and institutional clients around the globe. This included the launch of new Discretionary Mandate solutions as well as enhanced Advisory Mandate solutions (see also pages 37–38). To meet the growing interest of clients, including members of the Next Generation, in sustainable investments, we are also continuing to develop ESG-related products and other services (see pages 38–44).

Based on our human capital and growth strategies, we aim to hire 50–70 CROs globally per annum from 2023–2025. In 2023, we further expanded our CRO population to ensure the seamless delivery of service and advice to our growing international client base. Our success in attracting 141¹ talents in 2023 reflects our reputation as an employer of choice and confirms that our CRO model is regarded as highly competitive and attractive among professionals in the global wealth management industry.

We are also taking steps to further enhance the productivity of existing CROs by increasing their average portfolio size, applying performance measures that reflect our ambition to deliver best-in-class quality and content to drive growth and profitability.

As part of our efforts to ensure our CROs are equipped with the necessary skills and expertise to serve clients effectively in an increasingly complex environment, we have further expanded our “CRO Learning Journey” to include ESG-related courses, complementing an extensive range of training on risk and regulatory compliance, cross-border matters, products and services, and IT tools, among other topics.

¹ Includes 21 CROs who joined Shaw and Partners in 2023.

Client proximity is at the core of our strategy and business model. In our Swiss home market, we therefore recently opened new offices in Gstaad and St. Moritz. In the last two years, we have also opened representative offices in locations including Tel Aviv, Rio de Janeiro and São Paulo, and we hired a team of experienced industry professionals in Panama as part of our growth strategy to further expand our existing business in target markets in Central and Latin America. Our presence in these key markets enhances our existing global footprint and client-centric approach and allows us to broaden our range of services. When hiring new talents in these and other markets, we assign high importance to ensuring that we attract professionals who share our corporate values and our prudent approach to risk and fit well with EFG's culture.

In today's highly competitive environment, it is vital to engage with clients across multiple channels, including state-of-the-art digital touch points, and to offer a compelling user experience supported by a strong brand. In 2023, our efforts to create brand awareness and visibility were acknowledged by Brand Finance, which named EFG as one of the 500 most valuable banking brands worldwide.

(Art. 964b Para. 2
No. 4 CO)

Addressing challenges and mitigating risks

Industry events in 2023 demonstrated that the erosion of client trust is one of the most significant threats to financial institutions in Switzerland and around the globe. At EFG, we recognise the importance of staying close to our clients to inspire trust and to build long-term relationships. By gaining a deep understanding of our clients' needs, we aim to ensure that our service and advice are aligned with their profile and aspirations both as clients and investors. In doing so, we are committed to creating attractive long-term investment opportunities for our clients while acting with integrity and safeguarding EFG's reputation.

The swift and effective handling of any client complaints is also vital to avoid the risk of having dissatisfied clients who may seek an alternative financial partner. Reflecting the importance that we assign to this topic, senior management has primary responsibility for ensuring that complaint handling procedures and redress mechanisms are effective. Complaints, including the results of root cause analysis, are regularly reported to management. If we receive a complaint, we handle it promptly and professionally in accordance with the General Directive on the Handling of Client Complaints and Litigation. Our complaint management process sets out specific response timelines and defines escalation procedures, including the referral of the most sensitive matters to the Executive Committee and the Board of Directors. This systematic approach is designed to ensure that complaints are addressed promptly, diligently and fairly, allowing us to achieve a satisfactory outcome for clients and to use the lessons learned to further improve our processes and offering.

GRI 3-3-e & f

(Art. 964b Para 2
No. 3 and No. 5
CO)

Monitor and measure effectiveness

We assess client centricity in several ways, the most important being client feedback that we gather directly during meetings and through other channels. In 2023, for example, we mandated an external research and market intelligence firm to support EFG in a project to further increase our brand identity in key client groups and markets. As part of this project, interviews were conducted with selected clients focusing on aspects such as client satisfaction, expectations regarding digital access and offerings, and other topics. We carefully analyse all client feedback to gain valuable insights, allowing us to further improve the client experience and to continuously enhance the quality of our service.

By participating in benchmarking by renowned consultancy firms, we assess our performance relative to other industry players and ensure the effectiveness of our client approach.

Outlook

We will continue to leverage cutting-edge technology and are targeting greater connectivity between clients and CROs, as well as offering personalised content and investment ideas across devices (see pages 45–47).

Quality of investment and advisory

GRI 3-3 Management of material topic

GRI 3-3-a & b Importance of topic and impacts

(Art. 964b Para. 2
No. 2 CO)

EFG is committed to offering high-quality products and services to our clients to meet their individual needs and expectations. We are continuing to evolve our services to meet client and investor demand for risk-adjusted returns and profitable asset allocation, while also improving our advisory services with a view to integrating ESG, transition risk and transition opportunities into EFG's Advisory solutions (see pages 38–44). In doing so, we aim to create value, to deliver sustainable performance for our clients, investors and other stakeholders, and to ensure the long-term success of our bank. This is key to avoid the risk of client dissatisfaction and of our competitive position being undermined.

We recognise the importance of keeping pace with developments in the advisory space, including technological advances and innovation, and of adapting our product and service offering accordingly. We also closely monitor evolving regulatory requirements (e.g. MIFID and FINSA) and strive to comply with them promptly in all relevant markets.

GRI 3-3-c How we manage the quality of investments and advisory: Strategy, policies and governance

(Art. 964b Para. 2
No. 2 CO)

EFG's Advisory team operates in 13 locations worldwide, ensuring a high level of availability and proximity to our clients. To deliver a comprehensive, state-of-the-art offering and fast and seamless processes, our Advisory and Sales teams collaborate closely with our CROs and business units across EFG. Our global and local Advisory Directives and our global Suitability Directive ensure that investment counsellors follow industry standards while remaining flexible enough to meet specific local requirements. For matters related to ESG investing, the ESG Product Committee oversees, approves and regularly reviews our policies and strategies (see page 40).

All advisory processes are subject to stringent internal controls. Starting in 2024, all investment counsellors will be subject to individual risk scorecard measurements. This is supported by an IT infrastructure that ensures regulatory compliance, as well as the rapid delivery of client services via different channels. Finally, digitalisation benefits our clients by accelerating time-to-market, and we continue to deepen our efforts in this area.

GRI 3-3-d Progress in 2023

(Art. 964b Para. 2
No. 3 CO)

2023 was a year of progress on several fronts: We continued to enhance our digitalised advisory tools and we are implementing enhancements across our processes and IT systems. We also harmonised our offering across locations and completed an extensive review of EFG's Advisory Directive.

In the area of ESG, we worked on the development of the questionnaire to assess client sustainability preferences, in line with new requirements under MiFID II. As another important step in this area, we established the basis for the Transition Offering (see pages 38–44) to further enhance our ESG offering as part of our advisory services and to define the management of our global investment universe from an ESG perspective. In this way, we aim to provide transparency regarding the ESG characteristics of the companies within our investment universe in order to make sustainability challenges and opportunities more visible and enable our CROs and investment counsellors to provide specialist advice to our clients.

We partnered with UNPRI to launch the course "Understanding ESG" which provides an introduction to the materiality of ESG issues and a systematic approach to incorporating ESG factors into investment decisions (see also pages 38–44), including a certification. EFG also provides specific training to its CROs and investment counsellors to help them stay abreast of the latest industry developments and we intensified internal training on topics including alternative investments and structured products.

(Art. 964b Para. 2 No. 4 CO) Addressing challenges and mitigating risks

As a result of evolving Swiss and EU regulations, including self-regulations as promulgated by the SBA, financial institutions have an obligation to evaluate the knowledge and interest of individual clients in ESG

investing. Consequently, CROs must now have sufficient understanding of ESG aspects to allow them to clearly explain EFG's responsible investment offering for clients, including the associated opportunities and risks. Failing to provide ESG-related services in Advisory or an appropriate offering for interested clients could result in client dissatisfaction and could potentially also have legal or financial consequences and undermine EFG's competitive position.

GRI 3-3-e & f

(Art. 964b Para 2 No. 3 and No. 5 CO)

Monitor and measure effectiveness

The overall performance of the Advisory function is monitored in several ways. These include qualitative discussions in management meetings, feedback from clients, CRO audits and clearly defined performance measurement KPIs for investment counsellors. We communicate and apply lessons learned across the entire organisation. Client experience and client satisfaction are of critical importance to EFG and EFG Asset Management (EFGAM). We utilise client feedback to enhance the quality of our client advice in the Fund, Discretionary Portfolio Management and Advisory businesses. If issues are raised by clients, we have an established client complaint process in place to immediately escalate concerns to the appropriate compliance personnel as well as the Head of the relevant investment department, followed by the Head of Investment Solutions. We analyse each situation individually and, if needed, address it with the relevant Investment team. We also communicate and apply lessons learned across the entire organisation.

Outlook

In 2024 and beyond, we will continue to develop and improve our Advisory services to meet the client demand for ESG advisory solutions (see pages 38–44). In view of the continued volatile market environment as well as changing local and global regulatory requirements, we will also further adapt and refine our service model and offering. In combination with the introduction of a new Advisory tool, which is planned for 2025, this should enable our investment counsellors to better analyse and align clients' ESG preferences with the eligible investment universe, thus creating a significantly enhanced client experience.

Responsible investments

GRI 3-3-a & b

(Art. 964b Para. 2 No. 2 CO)

Importance of topic and impacts

Global awareness of the importance of sustainability is constantly increasing. Banks, asset managers, clients, shareholders and society as a whole are shifting their focus to sustainable investing and to ESG considerations in general.

Against this backdrop, financial regulations with a focus on ESG are evolving rapidly around the globe, as regulators place a particular emphasis on the achievement of net zero targets and issue new sustainability and climate policies. These regulations are, at the same time, aimed at preventing greenwashing, with enforcement action against non-compliant firms expected to accelerate going forward.

At EFG, we recognise the urgent need to transition to a more sustainable world in alignment with global climate commitments and the UN Sustainable Development Goals (SDGs). Investments, both public and private, have a key role to play in facilitating and supporting this change. The financing of companies can be a decisive factor in determining whether a business activity with negative or positive effects takes place. EFG can support this transition as an asset allocator on behalf of our clients: As part of our approach to responsible investing, and in alignment with our fiduciary duty, we strive to take ESG criteria increasingly into account when selecting and managing investments. In this way, we can help to generate economic, social and environmental impacts and meet the demand for sustainable finance solutions. These efforts also help us to attract new clients and investors worldwide – including members of the Next Generation – thus reinforcing EFG's long-term competitiveness.

GRI 3-3-c(Art. 964b Para. 2
No. 2 CO)**How we manage responsible investments: Strategy, policies and governance****Strategy**

As a wealth manager and asset manager, our investment strategy focuses on generating risk-adjusted returns for investors and creating long-term value for our clients and other stakeholders. We strive to incorporate ESG considerations into our investment analysis and into the development of products and services. Based on this approach, we aim to identify and evaluate ESG-related risks that may impact the value of our clients' investments, or that may be linked to our clients' or our own investments.

EFG's approach to responsible investing focuses on the following areas:

- Enhancing our proprietary ESG rating methodology, the Global Responsible Investment Platform (GRIP).
- Integrating ESG criteria into our investment and advisory processes for our clients' and our own assets (treasury).
- Further developing our responsible investment offering with a focus on new themes
- Engagement and proxy voting for our New Capital funds.

EFGAM began considering and integrating ESG criteria into investment decisions more than a decade ago, when the initial version of our proprietary ESG measurement tool GRIP (see page 41) was developed. GRIP allows us to identify ESG-related risks and opportunities that are typically not captured by purely fundamental investment analysis. GRIP integrates data and analysis from multiple ESG rating agencies into a single framework, providing us with a holistic view. Our approach, including the structure of our KPIs, is closely aligned with the GRI Reporting Framework. Ever since we began considering and integrating ESG criteria into investment decisions, we have been continuously adapting and improving our platform, factoring in new criteria as well as changes in the market and regulatory landscape. As part of our efforts to refine our methodology, we have integrated input from subject matter experts, including specialists at the Sustainability Initiative of the Massachusetts Institute of Technology (MIT).

At EFG, we aim to deliver investment solutions with a dedicated focus on ESG-related topics to enable our clients to participate in structural trends and future markets. In this way, we can help to steer capital flows towards transformative technologies and companies that support innovation and sustainable development. Our responsible investment offering consists of:

- i) Specific New Capital funds classified under Article 8 of the Sustainable Finance Disclosure Regulation (SFDR; see footnote on page 44) (see list on www.newcapital.com/responsible-investing)
- ii) New Capital Climate Transition Equity Fund under Article 9 of the SFDR (see also below and page 42)
- iii) Actively Managed Certificates with a focus on specific sustainability themes (namely Smart Cities and Food Revolution)
- iv) Discretionary mandates focused on the climate transition

As of 31 December 2023, the volume of Assets under Management in investment products and services with a dedicated ESG focus was CHF 1.9 billion (2022: CHF 2.0 billion). This compares with a total of CHF 20.4 billion of Assets under Management invested in our New Capital business line of products as well as our discretionary managed assets.

More information about EFG's approach to ESG promotion and sustainable Investing is available at: efginternational.com/responsible-investing. EFG's responsible investment offering classification does not supersede any regulatory commitment, nor does our responsible investment offering classification determine or indicate whether or not an investment solution will be labelled as "sustainable" (or any other such term) under any given regulatory regime.

Engagement and proxy voting

EFGAM also strives to invest in companies that focus on the creation of long-term shareholder value while minimising any potentially adverse impacts of their activities on society or the environment. As an investment manager, we have an important role to play in improving shareholder value and corporate governance through engagement and voting, which are key elements of the ESG investment process. More details can be found in our Engagement Report, which is published in the "Responsible investing" section of our website.

The voting policy we apply with our proxy voting provider to our New Capital Irish equity funds emphasises the need for companies to actively address challenges related to climate change. This model draws on research by our partner Institutional Shareholder Services (ISS) and takes into account widely recognised frameworks including the Task Force on Climate-related Financial Disclosures (TCFD). ISS' approach balances the need for the robust disclosure of climate-related risks with the analysis of a company's performance across a number of key criteria, such as its greenhouse gas (GHG) emissions, climate strategy and the impact of its climate-related measures. These criteria are also considered in the context of each company's sector and incident-based climate risk exposure. The strength of our voting has been assessed by ShareAction, a UK non-profit organisation. It ranked EFGAM first among 69 global asset managers in its "Voting Matters 2023" Report.

Policies and governance

Within EFGAM, the ESG Committee that was established in 2018 to oversee ESG investment activities has been renamed as the ESG Product Committee and its remit was expanded to cover all ESG products and services across EFG. The ESG Product Committee reports to a sub-committee of the Executive Committee of EFG International. Its responsibilities include:

- Defining and revising the ESG investment policies and related documents for asset management and wealth management services and products;
- Determining how the above policies are applied to in-house and third-party products and services where EFG acts as the manufacturer, portfolio manager, advisor or distributor;
- Defining the strategies and rules of the Transition Offering with particular reference to exclusion criteria.

EFG is a member of the Swiss Bankers Association (SBA) and the Association of Swiss Asset and Wealth Management Banks (VAV) and we support their efforts to drive ESG practices and standards within the industry, including through self-regulations, and to help establish the Swiss financial sector as a centre of expertise in sustainable finance and investing.

GRI 3-3-d

(Art. 964b Para. 2
No. 3 CO)

Progress in 2023

Transition Offering

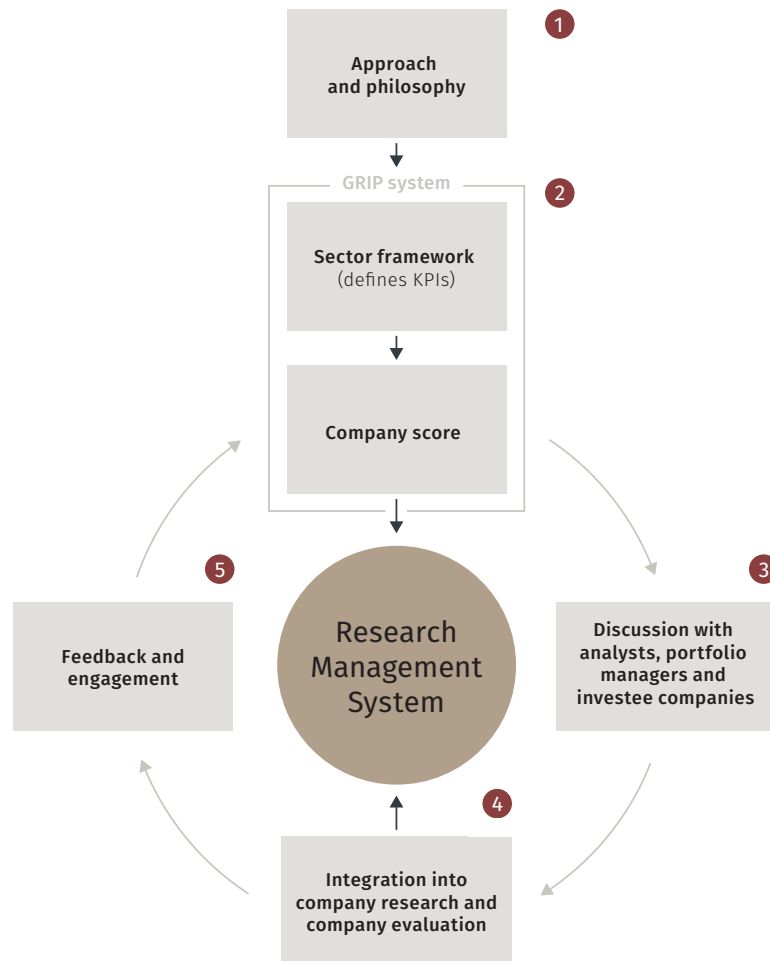
In 2023, we established the basis for the definition of EFG's Transition Offering, which addresses the need for a global shift of focus towards sustainable finance and takes account of increasing regulatory requirements in this area. With our Transition Offering, we aim to align stakeholders' interests by balancing performance, risk and economic, environmental and social needs in a systematic and comprehensive way. Our objective is to help interested clients to understand the ESG transition risks and opportunities in their financial investments while helping them to advance towards their financial goals.

The Transition Offering that we are developing incorporates multiple layers and controls:

- 1) Ban on direct investment in or financing of companies producing controversial weapons.
- 2) Increased transparency of ESG characteristics of securities to match specific client preferences and build portfolios with a closer alignment to transition requirements.
- 3) Additional layer of exclusions for clients with sustainability interests to remove companies with significant transition risks or characteristics that are deemed unacceptable. These include an involvement in the production of key components of controversial weapons or an involvement in thermal coal production (>20% of revenues), which are considered breaches of the UN Global Compact, OECD Guidelines or ILO Standards. This layer of exclusions also removes companies that are exposed to significant controversies.
- 4) To support the development of our Transition Offering and help Client Relationship Officers (CROs) to analyse the potential interest of clients in ESG investing – in line with new regulatory requirements – we continued to invest in the provision of targeted training modules. The courses are designed to give employees a deeper understanding of how EFG is integrating ESG-related factors and investment opportunities into the investment and advisory process. The "UN PRI – Understanding ESG" course, including a certification element, has become mandatory for CROs, investment counsellors and members of the Executive Committee and the Global Business Committee. Additional training courses are also planned for 2024 with a focus on the concept behind the Transition Offering, the products that are currently available and the related opportunities and risks. Further training topics include greenwashing and ESG-related regulatory developments (e.g. MiFID).

Global Responsible Investment Platform (GRIP)

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1 Approach and philosophy

Our approach and philosophy define our goals and governance.

2 GRIP system

Our proprietary ESG system GRIP (Global Responsible Investment Platform), which is managed by the ESG team, systematically assesses and scores investee companies (equities and fixed income securities), highlighting their main positive and negative ESG aspects and other characteristics such as SDG alignment.

3 Discussion with analysts, portfolio managers and investee companies

When needed, GRIP is the starting point for discussions among the ESG team, analysts and portfolio managers about ESG. A set of questions designed to improve our ESG understanding of

investee companies and an ESG Checklist have been developed to deepen, improve and better monitor the integration of ESG matters.

4 Integration into company analysis and company evaluation

GRIP data and feedback are shared internally through our Research Management System and are integrated into company assessments. Feedback can also result in changes to the industry materiality assessment, which is integrated into GRIP.

5 Feedback and engagement

In our engagement with companies, we consider the outcome of our assessment. If weaknesses are identified, EFGAM assesses whether to start an engagement process. Proxy voting is also performed according to the ISS climate change proxy voting policy.

Another key step in 2023 was the further development of our GRIP software to build a more comprehensive and more scalable data warehouse.

Launch of New Capital Climate Transition Equity Fund

We launched the New Capital Climate Transition Equity Fund in September 2023. It is a long-only Article 9 equity fund under SFDR and aims to invest in companies that are either aligned with or are in the process of aligning with climate transition goals, or those that provide solutions to environmental challenges. Such solutions might include renewable energy sources such as solar, wind and hydropower that can help to reduce the reliance on fossil fuels, electrification of transportation (transition from the combustion engine to electric vehicles), or sustainable agriculture (use of regenerative farming practices to help lower the environmental impact of food production). The portfolio encompasses seven transition sectors that we have identified as drivers of the transition to a regenerative economy: Power Generation, Transport, Buildings & Construction, Industry, Agriculture, Technology and People.

EFG supports construction of new wind farm in Poland

EFG recognises the importance of investing in renewable sources of clean energy such as solar, wind and hydropower to support the global energy transition. In October 2023, EFG Bank AG therefore signed an agreement to provide a five-year loan of PLN 360 million (EUR 81 million) to the Polish TMT group Cyfrowy Polsat to support the development of a new wind farm project in Przyrów in the Silesia Province of southern Poland. Once completed, the wind farm – consisting of 14 wind turbines – will have an installed capacity of around 50.4 MW, allowing for the generation of around 105 GWh of electricity annually. The Przyrów wind farm will help to increase the proportion of clean and green energy in Poland's energy mix and benefit companies such as Google in the decarbonization of cloud operations.



(Art. 964b Para. 2
No. 4 CO)

Addressing challenges and mitigating risks

We consider it vital to offer a range of responsible investment opportunities. Failing to do so could expose EFG to multiple risks. Not taking ESG factors into account could, for example, mean that we are unable to satisfy the needs and expectations of clients, investors and other stakeholders. This could subsequently lead to reputational harm and ultimately undermine EFG's competitiveness and long-term success.

In order to meet evolving regulatory requirements as well as to strengthen our management of climate-related risks, EFG is enhancing its approach to climate stress testing and its understanding of transition risks and opportunities.

Enhanced stress testing and transition assessment

During 2023, EFG improved the tools it uses to identify and understand the challenges and risks arising from the transition to a greener economy. According to TCFD recommendations, companies should apply scenario analysis as a tool that links strategy with risk management. In 2023, EFG started to work on an evaluation of the viability of various climate change scenarios. For further information, see the TCFD Report.

Climate transition creates new opportunities and risks related to products or business practices. To help assess transition opportunities and risks from a quantitative perspective, EFGAM developed a "Climate Engine" that it uses to select companies for inclusion in the Climate Transition Equity Fund and will also leverage for the Transition Offering.

ESG-related research and expertise

Understanding and interpreting relevant ESG trends is vital when developing sustainable financial solutions. Our experts therefore produce research on key trends and developments in the ESG space that we share with investors, clients and the wider public. In 2023, for example, we published a series of thought leadership pieces on topics ranging from the importance of regenerative food systems to the need to find sustainable solutions for energy generation and the decarbonisation of transportation to support the transition to a more sustainable economy. We also issued a publication on EU initiatives designed to support the move to a greener world, including the new Carbon Border Adjustment Mechanism. In addition, we showcased our expertise by contributing guest articles on subjects such as investment opportunities that support accelerated decarbonisation or the convergence of impact investing and ESG in anticipation of COP 28.

In 2023, we also introduced the new EFG Future Leaders Network. Operating as a thinktank, it brings together innovators, entrepreneurs, industry experts and academics who share their thoughts on the most pressing issues on the corporate agenda. In doing so, they offer an independent layer of expertise that our investment teams can tap into, fostering well-informed investment decision-making.

EFG specialists also take part in industry initiatives, working groups and conferences. As a member of Swiss Sustainable Finance (SSF), we aim to support the development of sustainable investment products, practices and standards within the industry and to position Switzerland as a leading hub for sustainable finance. We also work with other members of the Association of Swiss Asset and Wealth Management Banks (VAV) to help shape the transformation process needed to build a more sustainable economy. During the year, VAV members continued to implement the 14 priorities they defined for 2023 with a focus on the reduction of GHG emissions, offering and advisory, training, and disclosure. They also introduced two additional measures around the application of Swiss Climate Scores indicators for financial assets and client portfolios, as well as stewardship, to keep pace with evolving sustainable finance standards and regulations.

Advancing sustainable finance in Switzerland and beyond

In October 2023, EFG sponsored and took part in “Building Bridges” in Geneva for the third time. This collaborative event brings together a variety of partners from the financial industry, the United Nations and other international organisations, as well as NGOs, academia, and local,



cantonal and national authorities – all with a common goal: To accelerate the transition to a more sustainable financial system in Switzerland and worldwide. The 2023 edition of “Building Bridges” explored ways of aligning finance with sustainability. During the event, EFG co-hosted a panel discussion about sustainable food systems at which panellists, including a Senior Portfolio Manager from EFGAM, examined the role that financial institutions can play in developing sustainable food systems to help address global concerns around food insecurity and reduce the impacts of food production and consumption on the climate.

EFG Gamma Foundation

We support the EFG Gamma Foundation, which fosters knowledge building and discussions around asset management, capital markets, fund management, governance and ESG. The Foundation organises conferences and funds research projects into these different themes. In April 2023, for example, it hosted a virtual event on “AI-driven business model disruption across sectors: What’s next?” A panel of experts, including EFG’s Global CIO, discussed the increasing importance of technology across industries and looked at how digital acceleration and AI are transforming ways of doing business. This was followed in June by an event in Rome at which the Chairman of the EFG Gamma Foundation and other experts from finance and academia highlighted the importance of financial education and its impacts on society. Finally, against the backdrop of heightened geopolitical tensions, the Foundation held an event in Milan in November dedicated to the topic “Dealing with geopolitical instability: How to manage companies and navigate markets?” with a panel of international experts, including a member of the Board of EFG.

The Climate Engine forecasts companies' future emissions¹ and assesses whether they are aligned with the objectives of the Paris Agreement. It does so by establishing a baseline emissions intensity for each company based on historical data and calculating its carbon intensity for each year. Using linear regression, the Climate Engine estimates the rate of emissions reductions needed in order for the company to achieve net zero emissions by 2050. The findings are then compared to the decarbonisation path for the sector to assess the feasibility of achieving net zero emissions by the prescribed date.

GRI 3-3-e & f Monitor and measure effectiveness

With reference to New Capital funds classified as Article 8 or Article 9 funds under SFDR², multiple ESG datapoints are reported to the relevant governance bodies, including the most relevant Principal Adverse Impact (PAI) indicators such as the GHG emissions, footprint and carbon intensity of portfolios, as well as the emissions to water and hazardous waste ratio, on a periodic basis. These datapoints, compared with the reference benchmark of the funds, allow us to evaluate the externalities created by those investments and to plan mitigating activities where necessary.

To monitor the effectiveness of our engagement activities with investee companies, we record the outcome of our meetings and we review their progress over time and, where applicable, follow up on issues that are identified. In cases where companies underperform against the targets that are defined, this may be reflected in EFG's voting activities. Further information on engagement activities can be found in EFG's Engagement Report, which is published in the "Responsible investing" section of our website.

Outlook

We expect to continue to adapt to the evolving regulations governing investment processes, instruments, control measures and the risk management framework. We will continue to focus on enhancing and expanding our ESG capabilities and improving our approach, data collection and tools throughout 2024. In particular, we will pursue our efforts to increase knowledge about the newly defined Transition Offering among EFG's client-facing employees and clients themselves. In addition, we will continue to refine our approach to climate stress testing and further leverage and develop our Climate Engine.

¹ The model currently considers Scope 1 and Scope 2 emissions.

² The Sustainable Finance Disclosure Regulation (SFDR) is a regulation implemented by the European Union (EU) to promote sustainability and transparency in the financial sector. It came into effect on 10 March 2021. It is designed to address environmental, social and governance (ESG) considerations in financial markets and to ensure that investors have access to relevant information when making investment decisions.

The SFDR classifies investment funds regarding their sustainability features.

According to SFDR, Article 8 funds are investment funds that do not have sustainable investment as an objective but promote environmental or social characteristics. These characteristics can include factors related to sustainability, such as reducing carbon emissions, supporting clean energy, promoting gender equality, or focusing on other specific ESG criteria. Article 8 funds are expected to integrate relevant ESG criteria into their investment processes. This means that they consider environmental and/or social factors when selecting investments and managing the fund's portfolio. Article 8 funds are designed to cater to investors who wish to align their investments with specific environmental or social goals without necessarily pursuing a fund with a primary focus on sustainability or impact investing.

According to SFDR, Article 9 funds are investment funds that are designed with the primary objective of making a substantial contribution to environmental or social sustainability. Unlike Article 8 funds, which merely integrate ESG aspects, Article 9 funds have sustainability as their primary investment objective. This means that their core purpose is to achieve specific environmental or social sustainability goals, and they are explicitly marketed as such. Hence, Article 9 funds are expected to have a demonstrable and positive impact on sustainability. They should not only consider ESG factors but actively seek to address and promote specific environmental or social goals.

Under SFDR, so-called PAIs (short for "principal adverse impacts on sustainability") refer to negative effects or consequences on ESG factors that result from an investment firm's investment decisions and activities. SFDR requires asset managers and investment firms to disclose information related to these PAIs on their websites or in periodic reports in a specific format outlined in SFDR regulatory technical standards.

Digitalisation and innovation

GRI 3-3 Management of material topic

GRI 3-3-a & b Importance of topic and impacts

(Art. 964b Para. 2
No. 2 CO)

EFG has a strong culture of entrepreneurship and innovation – supporting the development of new products and services to meet the evolving needs of our international client base, including future generations. Digitalisation has a vital role to play in this context, since the use of digitally enhanced solutions allows for the swift and seamless delivery of high-quality, customised services to our private and institutional clients around the globe. Failing to keep pace with technological developments could impact the client experience, reduce client satisfaction and ultimately weaken our competitive position. Given the importance of maintaining direct contact with these clients in order to foster successful long-term relationships, we aim to provide an attractive hybrid offering that combines personal service and advice with the benefits of digitalisation.

At EFG, we also recognise the importance of digitalisation in supporting sustainable profitable growth. Digitalisation, automation and the centralisation of core operational processes allow us to generate efficiency gains, improve productivity, strengthen resilience and increase scalability, while optimising costs in a volatile operating environment. Digitalisation is therefore a key component of our strategy and has been defined as one of our growth accelerators and differentiators with a direct impact on revenue growth.

GRI 3-3-c How we manage digitalisation and innovation: Strategy, policies and governance

(Art. 964b Para. 2
No. 2 CO)

EFG has a clearly defined digitalisation strategy that is based on five main pillars (see below). To deliver on this strategy, we are following the digital roadmap (see page 46) for our 2023–2025 strategic cycle.

Digitalisation strategy



EFG has established a Digital Governance Authority to support its governing bodies in the decision-making process for topics related to digitalisation and innovation. It is headed by the Group CEO and comprises members of the Executive Committee and senior managers. The Digital Governance Authority identifies key digitalisation projects, directly oversees their delivery, assesses interdependencies and measures the achievement of targets. The Digital Governance Authority is complemented by various project steering committees, which include regional sounding boards to ensure the adequate coverage and delivery of local requirements. They regularly discuss the status of EFG's digital transformation. The Executive Committee and the Board of Directors are regularly updated on the progress of digital acceleration initiatives.

GRI 3-3-d(Art. 964b Para. 2
No. 3 CO)**Progress in 2023**

In 2023, we began implementing the next phase of our digital roadmap, building the foundations for a digitally enhanced offering to enable the delivery of secure, personalised and intuitive services to clients while supporting the work of our CROs. This includes the development of a new Online & Mobile Banking offering. A key achievement during the year was the upgrading of applications that support the client lifecycle, with significant enhancements to our credit risk management and transaction monitoring systems, as well as our Know Your Client (KYC) screening application. Other major milestones in 2023 were the finalisation of the rollout of our new T24 core banking platform across all of our booking centres worldwide, as well as the implementation of a new pricing and credit management tool.

We have developed and approved a robust cloud strategy, encompassing both cloud governance aspects and the related operating model as the basis for our progress in the area of digitalisation. Progress has been achieved with the Online Data Service that is now on the cloud and in taking on-premises applications through the cloud readiness scoring model.

To lead and accelerate the digital transformation at EFG, we appointed a Chief Digital Officer in 2023. The relevant digital functions were established, complementing existing IT knowhow and resources with additional capabilities and skills through an ongoing strategic recruiting approach – in particular in the area of digitalisation.

Digital roadmap for 2023–2025 strategic cycle**Improving client/user experience and operational efficiency**

- Implementing CRO Cockpit
- Rolling out new Online & Mobile Banking platform
- Transitioning to cloud set-up including flexible infrastructure
- Implementing target accounting solution and order management system
- Upgrading client output, incl. advice and personalised reports

Introducing next-generation technology

- Launching T24 phase 2
- Advancing data analytics capabilities
- Implementing new advisory tool
- Upgrading to next generation client lifecycle management
- Establishing strategic partnership with tech providers to support artificial intelligence (AI), virtual reality (VR) and data analytics development

(Art. 964b Para. 2
No. 4 CO)**Addressing challenges and mitigating risks**

We believe that sustained progress in the area of digitalisation and innovation is key to ensure that EFG can keep pace with the latest trends and developments and to future-proof our business. In view of ever fiercer competition within the industry, such as from digital banks entering the market, and the resulting client retention risks, we aim to also leverage digital third-party vendor solutions to deliver the swift, seamless client experience that tech-savvy clients demand – especially members of the Next Generation.

EFG works with external specialists to ensure we have access to cutting-edge digital solutions. However, as a financial institution that is subject to strict requirements on data protection, security and business readiness (see pages 47–49), we are mindful of the need to rigorously test all new technologies, including third-party solutions, prior to their rollout to mitigate any potential risks to our systems and operations.

GRI 3-3-e & f(Art. 964b Para. 2
No. 3 CO)**Monitor and measure effectiveness**

EFG regularly monitors its progress against its strategy and has defined specific objectives in the area of digital acceleration and it is already delivering tangible results, including:

- Enhance digital client experience: Progress achieved in this area in 2023 includes a reduction in the average response time for digital inquiries.
- Increase efficiency and productivity by streamlining internal processes through digitalisation: Progress in this area includes a decrease in the average time to produce a portfolio health check and a reduction in manual data entry errors during the year.

- Building a skilled digital workforce: Progress in 2023 includes the provision of training in digital banking and emerging technologies and the launch of a digital literacy program for employees.

Outlook

We are focused on delivering on our digital strategy and the digital roadmap for our 2023–2025 strategic cycle, while carefully monitoring technological trends that are of significance for EFG. Going forward, we will place a strong focus on delivering technological improvements for the front office and clients, with the planned launch of the new Online & Mobile Banking offering, the completion of the Client Lifecycle platform upgrade, the implementation of the new target Order Management System, enhancements to the Work@EFG platform, and preparations for advisory tool upgrades.

Data protection and cyber security

GRI 3-3 Management of material topic

GRI 3-3-a & b Importance of topic and impacts

(Art. 964b Para. 2 No. 2 CO)

We assign the utmost importance to upholding our duty of confidentiality and to safeguarding the privacy of our clients, employees and other stakeholders – protecting their personal data from unauthorised access or misuse. We also strive to ensure the fair and transparent processing of such data in line with applicable rules and regulations. This is essential to maintain the trust of our stakeholders and thus build lasting relationships that contribute to the long-term success of EFG. We recognise the direct financial impact that any shortcomings in our systems and controls could have in the form of regulatory fines, financial losses or outflows of client assets. We believe that effective data protection and a robust cyber security approach are vital to protect our reputation as a bank and to help preserve the integrity of the financial centre in Switzerland and other markets.

GRI 3-3-c How we manage data protection and cyber security: Strategy, policies and governance

(Art. 964b Para. 2 No. 2 CO)

In today's rapidly evolving cyber risk landscape, EFG continuously reviews its cyber security strategy and assesses and improves its cyber defences against external threats or major incidents. In this way, we strive to ensure adequate mitigation of risks and adherence to strict regulatory requirements in this area, including the EU General Data Protection Regulation (GDPR) where applicable, and we maintain an open information exchange with our regulators and independent auditors. Our cyber security programmes are designed to protect our business, maintain the resilience of our operations and preserve the interests of all our stakeholders.

Information security and cyber security at EFG are overseen by the Information Security Committee (ISC), whose members include the Chief Operating Officer, the Chief Risk Officer, the Head of Legal & Compliance, the Head of IT, the Global Head of Operational Risk, the global Chief Information Security Officer and subject matter experts. The Committee's primary role is to assist EFG in fulfilling its duty of oversight regarding cyber and information security risks. The Committee does so by defining the strategic direction of EFG's information security efforts, examining issues escalated by the Group's Chief Information Security Officer and determining an appropriate response. It also approves internal regulations governing information security and serves as the steering committee for information security projects.

EFG has successfully completed its two-year Information Security Enhancement Programme (ISEP) to uplift its cyber defence and information security capabilities in accordance with regulatory requirements and

industry best practices. EFG recognises the increasing sophistication of cyber attacks. We are therefore investing in further strategic projects as we continue to strengthen our cyber defences and information security capabilities.

EFG has policies and general directives in place to manage and protect data. EFG's suppliers are contractually bound to comply with EFG's internal security policy and practices. To ensure the policies and general directives reflect the latest developments, they are updated on a biennial basis, or as frequently as required. The Board of Directors, the Executive Committee or the relevant expert committee approves these policies and directives in line with the required approval authority level. Key Risk Indicators (KRIs) have been defined covering all information and cyber security domains, and they are regularly reviewed by the Information Security Committee and presented to the Board of Directors.

GRI 3-3-d

(Art. 964b Para. 2
No. 3 CO)

Progress in 2023

In 2023, we continued to reinforce our capabilities in the area of data protection and cyber security. This includes increasing the number of specialists within our Information Security department with a focus on incident response, brand protection, data leakage prevention, threat and vulnerability management, as well as the management of third-party risks. As we move more services to the cloud, we are increasing our dependence on suppliers and third parties and are therefore carefully monitoring our supply chain to identify potential data security risks.

In addition, with our Information Security Enhancement Programme (ISEP) we continued to drive the further development of EFG's cyber security organisation and posture and aligned it with best practice. The ISEP is structured into several independent workstreams, with objectives ranging from governance and documentation to the promotion of secure coding practices. In 2023, we launched two important ISEP projects focusing on Identity Governance and Administration (IGA) and Information and Technology Asset Management (ITAM).

To further improve our approach to managing financial, operational and reputational risks and meet the increasing regulatory requirements governing business relationships with third parties, EFG introduced a scalable platform for end-to-end third-party risk management (TPRM) in 2023. This enables EFG to reduce the risk of data breaches by continuously monitoring our third-party vendors and their security posture.



Reflecting the pivotal role that employees play in the areas of information security and cyber security, 99% of our workforce once again completed mandatory annual training in information security and cyber security in 2023. We consider malware infections and social engineering to be among the main threats to EFG and place an emphasis on these risks in our training offering. In addition, EFG's senior management received targeted training in the area of incident response based on simulated cyber attacks. Simulated phishing campaigns are carried out on a regular basis to assess and improve our employees' ability to identify and manage unsolicited and malicious e-mails. We also actively inform clients and other relevant external parties about security-related information through notifications on our website.

GRI 418-1

(Art. 964b Para 2
No. 5 CO)

In 2023, there were no identified leaks or losses of client data by EFG, nor did EFG receive any complaints related to breaches of client privacy.

In 2023, EFG worked on identifying its critical functions, the processes that implement them and the data that is required for the execution of these processes. By improving the management of our critical assets, we will further strengthen information security and cyber security in areas where further investment is justified to increase operational resilience.

(Art. 964b Para. 2
No. 4 CO)

Addressing challenges and mitigating risks

EFG continuously invests in business continuity management (BCM) and operational resilience to ensure the continuity of critical operations in the event of a major disruptive event. Key elements of business continuity management include back-up operating facilities and IT disaster recovery plans, which are in place throughout EFG.

The management of information security risk, including technology, cyber security, data protection and third-party risks, is an essential component of operational resilience. As such it is strongly interconnected with the bank's business continuity management. The management of cyber security and data protection risks is aligned with international standards and applicable regulations. Efforts are sustained to ensure ex-ante and ex-post controls are fully functional to protect the bank against evolving and highly sophisticated attacks.

GRI 3-3-e & f

Monitor and measure effectiveness

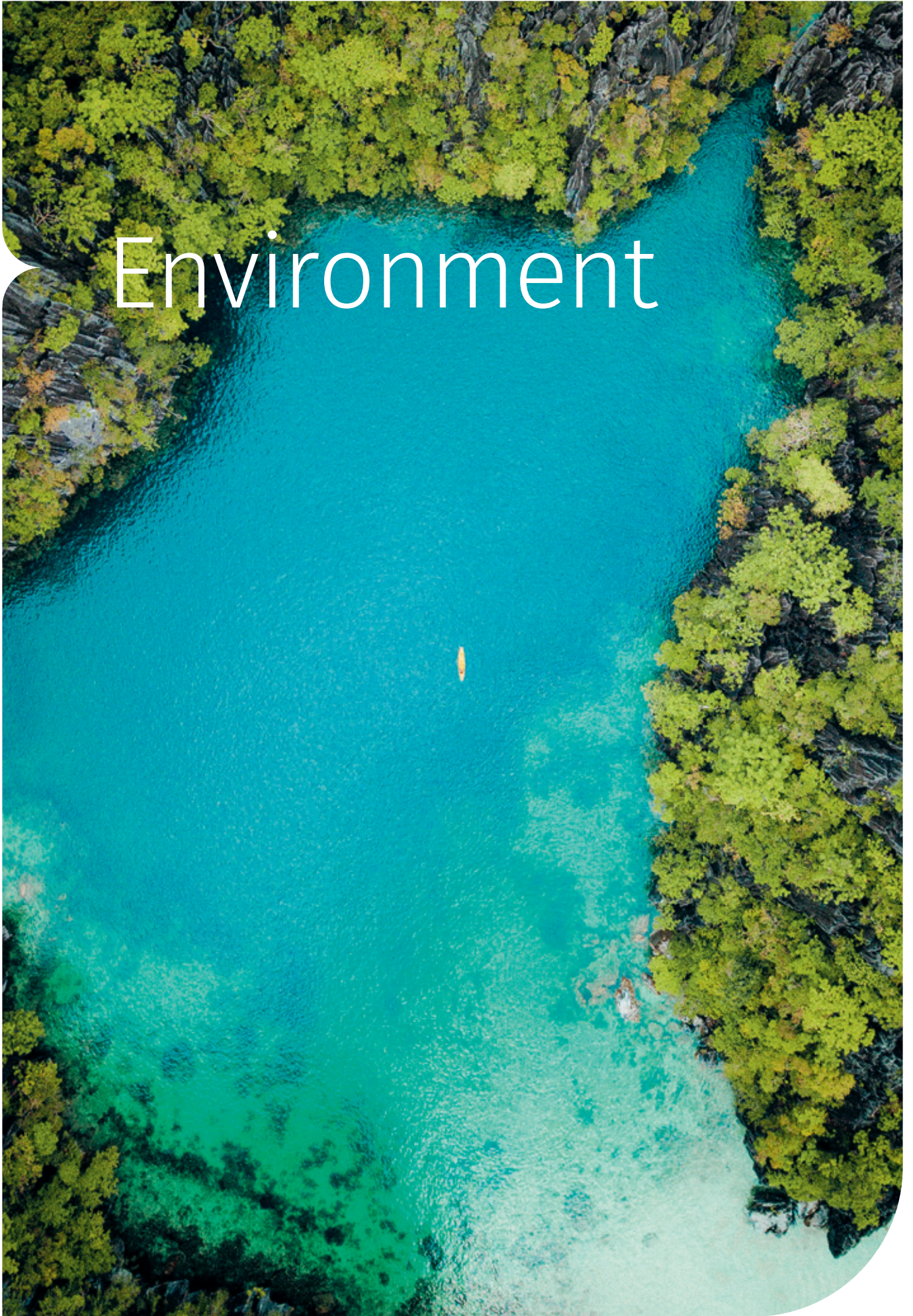
(Art. 964b Para 2
No. 3 CO)

To ensure the continued effectiveness of our information security and cyber security systems, we review them on a regular basis; this includes checks by Internal Audit. As a bank that is headquartered in Switzerland, EFG is also subject to periodic regulatory reviews conducted by the Swiss Financial Market Supervisory Authority (FINMA) or a reputable audit firm appointed by it. Further, we exchange information on best practices and share insights with our peers by participating in relevant industry forums. We regularly seek guidance from external consultants on ways to enhance our resilience, and our systems are scrutinised by our cyber insurance providers before they offer us the appropriate cover.

Outlook

Cyber security and data protection have undergone significant changes in terms of both technology and regulation in recent years and we expect this trend to continue going forward. Against this backdrop, it is essential for EFG to further reinforce existing controls while implementing additional measures to optimise our cyber security and data protection framework. EFG's management recognises the importance of information security and of maintaining strong capabilities in this area to ensure the long-term success of our business and to protect the interests of our clients.

Environment



Climate action

GRI 3-3 Management of material topic

GRI 3-3-a & b Importance of topic and impacts

(Art. 964b Para. 2 No. 2 CO)

As a global financial institution, EFG recognises its responsibility to help drive the transition to a low-carbon economy. EFG is therefore committed to supporting the Paris Agreement and its goal of keeping the rise in global temperatures to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels. In this way, we can make a direct contribution towards protecting the environment and the climate. Further, by addressing climate-related challenges and risks, but also opportunities, we can ensure that our business is well positioned for the future and can create sustained value for all our stakeholders.

When conducting our operations, we generate greenhouse gas emissions (GHG), primarily from the consumption of electricity and fuels in our buildings for heating, cooling and lighting, as well as from business travel. We strive to reduce these emissions in view of their negative impacts on the environment and climate and we continue to integrate ESG aspects into our own business activities where possible to mitigate existing risks and prevent other ESG-related risks from arising.

In our role as a responsible asset allocator on behalf of our clients, we are continuously expanding our range of ESG-related products and services to facilitate the investment of client assets in innovative technologies and future markets, such as through our New Capital Climate Transition Equity Fund (see pages 38–44).

GRI 3-3-c & d How we manage climate action: Strategy, policies and governance

(Art. 964b Para. 2 No. 2 CO)

Our commitment to protecting the environment and climate when conducting our business is a key component of our sustainability strategy (see page 16). This strategy and the accompanying EFG Sustainability Framework set out in concrete terms our sustainability initiatives and measures in areas including environmental protection and climate action. The strategy is designed to help us systematically consider and actively integrate sustainability aspects, such as strategic climate-related measures or ESG-related risks (see pages 26–29), into our business model and to expand our offering to meet the growing client demand for sustainable finance (see pages 38–44).

In 2023, we continued with the implementation of EFG's five climate-related measures (see page 52):

- 1) Measure and disclose GHG emissions (Scope 1, Scope 2 and Scope 3, category 6: Business Travel) in our own operations.
- 2) Achieve a 50% reduction in our GHG emissions per full-time equivalent (FTE) (compared to our 2023 baseline) by 2030 and aim to reach net zero in our operations by 2050.
- 3) Publish Task Force on Climate-Related Financial Disclosures (TCFD) Report at Group level.
- 4) Further develop innovative transition and climate-related offerings for our clients, creating opportunities to invest in the move towards a more regenerative economy.
- 5) Define a GHG reduction path for our own assets (treasury book) by 2030/2050.

Strategic climate-related measures

Measure and disclose GHG emissions in our operations	Net zero in our operations	TCFD disclosures	Transition offering	GHG reduction path for our own assets
Measure and disclose carbon emissions resulting from all aspects of own operational processes (Scope 1, 2, 3)	Define and pursue a GHG reduction path to achieve a net zero target based on the 1.5° scenario, as outlined by the Science Based Targets initiative	Endorse the recommendations of the TCFD by becoming a signatory and by providing disclosure in line with its recommendations	Guide our clients through transition Further enhance offering and services dedicated to transition and climate-related investments	Pursue a GHG reduction path for treasury, aiming for a reduction of CO ₂ emissions in line with market standards
Responsibility as a firm			Responsibility as an asset allocator	

EFG's strategic climate-related measures consider the priorities regarding sustainable finance and the reduction of GHG emissions defined by the Association of Swiss Wealth and Asset Managers (VAV), of which EFG is an active member.

Governance

With the launch of our sustainability strategy and the accompanying Sustainability Framework, the Board of Directors confirmed the importance of driving sustainability initiatives and measures across the organisation, including climate action and environmental protection (see pages 12–13). Further, the COO function is specifically responsible for managing energy efficiency and the reduction of our own carbon footprint. For information on governance aspects related to responsible investments, see page 40. For further information on risk management and risk governance, see pages 26–29.

GRI 3-3-d

(Art. 964b Para. 2
No. 3 CO)

Progress in 2023

1) Measure and disclose GHG emissions in our own operations

In 2022, EFG systematically measured its GHG emissions in its operations for the first time with the support of an external consultant. We continued these efforts in 2023, conducting a carbon footprint analysis covering Scope 1 (from using combustibles in the company's own heating systems), Scope 2 (from the production of electricity and district heat obtained from third parties), and some impactful categories of Scope 3 (which encompasses all other indirect emissions that occur in EFG's value chain) to gain a clear view of current consumption patterns in our own operations. In reference to Scope 1 and Scope 2, EFG's carbon footprint analysis involved systematically requesting data on our global consumption of electricity and fuels, as well as business travel activities, from our different locations around the globe. In reference to Scope 3, in this Report, EFG only discloses emissions resulting from business travel. The number of locations covered in the analysis increased from 36 at the end of 2022 to 38 (excluding Shaw and Partners Limited, Australia) at the end of 2023 (see page 55).

2) Reducing operational GHG emissions

During 2023, we continued to implement measures to achieve our goals of reducing GHG emissions by 50% by 2030 and of reaching net zero in our own operations by 2050. These measures include optimising the settings of our power, heating, cooling, ventilation and lighting systems in our own buildings – primarily those located in Switzerland – to lower our energy usage. We also installed energy-saving technologies and implemented energy-efficient measures and materials where possible when renovating offices in line with green energy standards. This resulted in energy savings of more than 10% in 2023 compared to 2022 levels for the properties owned by EFG. Ensuring the landlords of the properties we lease commit to the same high standards and plans in their property investments remains a challenge.

In 2023, we continued to promote energy efficiency at our European locations, in particular in Switzerland, Luxembourg, Monaco and UK, and we expanded these efforts to Asia and Latin America. Our measures to lower our electricity consumption not only help to reduce our environmental footprint but also had a positive financial impact on energy costs.

In view of the impacts of business travel – especially air travel – on the environment, we encourage employees to make use of telephone and video conferencing where possible. In 2023, the use of videoconferencing was therefore extended to include larger-scale meetings (e.g. virtual townhalls) at a regional and global level. Video and audio tools now also form an integral part of the flexible office set-up. Nevertheless, as a global banking group, we recognise the need for our Client Relationship Officers to maintain direct and personal contact with our clients around the globe. In 2023, EFG recorded a marked increase in business travel. This partly reflects the complete removal of travel restrictions that were imposed during the Covid-19 pandemic. Where business travel is essential, we encourage employees to use public transport whenever possible, especially for shorter distances. In addition, and depending on the availability of local public transport, EFG supports local initiatives to provide partially subsidised annual tickets for public transport for employees as an alternative to business travel by car (e.g. Arcobaleno programme in Switzerland). EFG is in the process of evaluating possible approaches to lower emissions from business travel in the future.

EFG also promotes the responsible use of natural resources and motivates all employees to actively contribute to these efforts. In 2023, we discouraged employees from using plastic water bottles by installing eco-friendly water dispensers in our offices in Switzerland and we plan to roll out this initiative at larger office locations in other regions. Reflecting the importance of effective waste management and recycling, we installed easily accessible recycling points in further offices across our regions. In 2023, we continued our efforts to limit paper usage by digitalising certain processes and optimising printer use and settings. In addition, we pursued regional efforts such as the “EFGreen Initiative” in Asia to achieve a paperless office approach as part of our overall aim to reduce our paper usage in the future. In the reporting year, we recorded 59 tonnes of purchased paper from 38 locations. This corresponded to 100% of the total reported floor area (99,543 m²). In 2022, we recorded 57 tonnes of purchased paper from 31 locations on 92,206 m². In 2023, we recorded water consumption¹ of 53,387 m³ from 33 locations for the first time. This corresponds to 95.3% of the total reported floor area (99,543 m²).

3) Task Force on Climate-Related Financial Disclosures (TCFD)

In late 2022, as part of our commitment to climate protection and to better understand our climate-related risks and prepare for Swiss regulatory developments, such as the Swiss Federal Ordinance on Climate Disclosures, EFG became a signatory to the Task Force on Climate-Related Financial Disclosures (TCFD), established by the Financial Stability Board. In 2023, we published our first TCFD Report at Group level for the reporting period 2022 to address the recommendations for more effective climate-related disclosures and to transparently inform our stakeholders. During the reporting year 2023, we consulted with an external specialist to further improve the quality of disclosures in our second TCFD Report. For further information, see the TCFD Report 2023 of EFG International.

4) Transition and climate-related offering

EFG sees opportunities arising to serve new markets and clients with emerging products and services. In 2023, we continued to develop our offering to support the transition to a low-carbon economy and assist our private clients in also making this transition. This includes identifying climate-related risks and opportunities in our product offering and expanding our range of solutions with a specific climate focus. To enable our private clients to participate in the transition to a low-carbon economy, we launched the New Capital Climate Transition Equity Fund in 2023 (see page 42).

5) Define a GHG reduction path for our own assets (treasury book)

Treasury and Global Markets aligned their investment activities with EFG Asset Management (EFGAM) in 2021, based on the GRIP framework, adopting the same threshold and exclusion criteria.

¹ Water consumption data for 2023 based on actuals from January to December 2023 where available. In certain locations, the latest available actuals that have been used are actuals from January to December 2022 (6 locations representing 11.8% of 94,901 m²) or from July 2022 to June 2023 (1 location representing 3.9% of 94,901 m²). 2022 actuals were not disclosed in the Sustainability Report.

(Art. 964b Para. 2
No. 4 CO)

Addressing challenges and mitigating risks

As climate issues have effects across different risk categories that EFG is exposed to, we are assessing the impact of these risks, and related opportunities, on an ongoing basis.

EFG is currently building up capacity in its operations to define suitable metrics to assess our climate-related risks and opportunities. For further information, see pages 26–29.

Identifying physical and transitional climate-related risks

EFG identifies climate-related physical and transitional risks that could impact our reputation, market, operations, regulatory exposure, or financial outcomes and opportunities. They may also indirectly affect counterparties, clients or collateral. These risks include:

- **Physical risks:** These result from climate change and can be event-driven (acute) or driven by longer-term (chronic) shifts in climate patterns. Damage caused by storms, higher global temperatures, floods, droughts and rising sea levels has become increasingly apparent in recent years.
- **Transition risks:** These are associated with the uncertain financial impacts that could result from a rapid low-carbon transition, including policy changes, reputational impacts, technological breakthroughs or limitations, and shifts in market preferences and social norms.

We aim to integrate these risks into our risk management and are monitoring climate-related financial risks affecting key portfolios, i.e. own investments (including the trading portfolio), loans and assets under management. The lack of clarity about the timeframe as to when climate risks may become evident presents a considerable challenge for risk quantification.

- EFG considers physical risks to have a longer-term horizon. The probability of a disorderly transition may increase if regulators and markets fail to implement relevant policies to mitigate the effects of climate change. In this scenario, the severity of the impact of physical risks on our operations would be much greater than in an orderly transition scenario.
- EFG believes that transition risks may have a more short- to mid-term horizon, as new regulations may be defined and enter into force over the next few years.

EFG is also evaluating how climate change may have not only negative impacts (risks) but could also generate opportunities. In the case of EFG, such opportunities may relate to resource efficiency, energy sources, products and services, clients, markets and resilience.

Resilience and evolving risk identification processes

EFG continues to incorporate climate-related risk assessments and mitigation into its risk management processes and strategy, as well as to promote initiatives that reduce its exposure.

We are continuing to evolve our risk identification processes based on the guidance and recommendations of the Financial Stability Board (FSB) Task Force on Climate-related Financial Disclosures (TCFD) and the Swiss Financial Market Supervisory Authority FINMA.

For further information on the management of ESG-related risks in general, and climate risks in particular, please see pages 26–29 or refer to the TCFD Report.

GRI 3-3-e & f

Monitor and measure effectiveness

(Art. 964b Para. 2
No. 3 and
No. 5 CO)

In 2022, EFG started developing strategic climate-related measures at Group level. Our main focus in 2023 was on improving our data collection processes. Building on our increased transparency regarding our environmental footprint, we were able to create greater employee awareness about energy and resource efficiency across our regions, to identify additional areas for improvement and to measure our progress on a regular basis. This process includes the use of an IT platform that facilitates data collection, analysis, verification and reporting.

GRI 302-1
GRI 302-3

(Art. 964b Para 2
No. 5 CO)

Energy consumption within the organisation
Energy intensity

Energy consumption in MWh	2022¹	2023¹
Total energy consumption	16,556	16,448
Electricity	12,438	9,721
Electricity ²	12,438	9,721
Heating	4,117	6,679
Heating oil	841	1,145
Natural gas	2,372	1,440
District heating and cooling ³	904	4,094
Other	n.a.⁴	48
Diesel	n.a	13
Petrol	n.a	36
Energy intensity (MWh/FTEs)⁵	6.0	5.6

¹ The indicators are calculated using 12 months actual data collected by 38 locations representing 99,543 m² (2022: 35 locations, representing 98,973 m²), unless otherwise stated.

² 2022 data restated (for the exclusion of Shaw and Partners Limited, Australia).

³ 2022 data was collected for 1 location, with a total floor area of 9,935 m². 2023 data was collected for all 8 locations using district heating and cooling (with a total floor area of 67,183 m²).

⁴ n/a as comparative data from the previous year was not presented.

⁵ Energy intensity has been calculated using the reported energy consumption in MWh divided by total FTEs, as per the below perimeter. FTE perimeter: Permanent employees (excluding exiting) and temporary employees (including apprentices, interns, trainees), excluding Shaw and Partners Limited, Australia. 2022 (restated): 2,772 FTEs; 2023: 2,949 FTEs.

GRI 305-1
GRI 305-2
GRI 305-3
GRI 305-4

Direct (Scope 1) GHG emissions
Energy indirect (Scope 2) GHG emissions
Other indirect (Scope 3) GHG emissions
GHG emissions intensity

GHG emissions in tCO₂e	2022¹	2023¹
Total GHG emissions	4,730	6,253
Scope 1²	698	617
Fossil fuels	698	617
Scope 2³	2,107	2,556
Electricity ⁴	1,953	1,821
District heating and cooling	154	735
Scope 3⁵	1,924	3,080
Business travel ⁶	1,924	3,080
GHG intensity (tCO₂e/FTEs)⁷	1.7	2.1

¹ The indicators are calculated using 12 months actual data collected by 38 locations representing 99,543 m² (2022: 35 locations, representing 98,973 m²), unless otherwise stated.

² Scope 1 emissions are generated using combustibles for EFG's own heating systems and vehicle fleet. Emission factors sourced from Defra 2023.

³ Scope 2 emissions are generated by the production of electricity and district heat that EFG obtains from third parties. Scope 2 emissions were calculated using a location-based approach. Emission factors sourced from Defra 2023 and IEA 2023.

⁴ 2022 data restated (for the exclusion of Shaw and Partners Limited, Australia).

⁵ Scope 3 emissions are all other indirect emissions that occur in EFG's value chain. EFG currently discloses only Scope 3 emissions from business travel (Category 6), which are considered as relevant and constitute a small part of our Scope 3 emissions. The majority of our Scope 3 emissions are associated with our investments, as defined by the Greenhouse Gas Protocol (Scope 3, Category 15). EFG is working towards broader reporting of its Scope 3 emissions but is not yet in a position to disclose them. Scope 3 emissions Category 6 Business Travel are calculated with Exiobase 2023 using a spend-based method or reported from the locations directly.

⁶ 2022 data covers 32 locations while 2023 data covers 38 locations. GHG emissions Scope 3 Category 6 Business Travel for 2022 were restated to account for a methodology enhancement following the adoption of a new tool. 2022 restated data and 2023 data are calculated with Exiobase 2023 using a spend-based method.

⁷ Greenhouse gas (GHG) intensity has been calculated using the reported Scope 1, Scope 2 and Scope 3 (Category 6 Business Travel) emissions divided by total FTEs, as per the above perimeter.

Outlook

Going forward, we aim to further refine our quantitative data collection processes and disclosures to report more comprehensively on our carbon footprint and consumption of resources. We will continue to monitor our progress and to promote the efficient and environmentally conscious use of our office space while seeking to lower emissions through measures to optimise energy, lighting, office temperature and ventilation. In addition, we are working with landlords to find ways to further reduce our carbon footprint.

We will continue to raise employee awareness about the need for a conscious approach to business travel, highlighting digital options to connect. In addition, we aim to develop initiatives to reduce our consumption of resources such as paper and water to support the transition to a sustainable, green and circular economy.

Our social commitments

EFG partners with a variety of cultural and sporting organisations at a local and global level. Through these engagements, we aim to foster talent development and empower young people to realise their full potential. We also support charitable and humanitarian projects around the globe to help address social challenges and generate impact.

Social commitments

In 2023, EFG continued to partner with the charitable organisation Right To Play, providing targeted financial support for its projects around the world. Right To Play focuses on four key areas: Quality education, gender equality, health and wellbeing, and child protection. Each year, this international non-profit organisation supports more than 2.5 million children across 15 countries who are affected by conflict, poverty or illness – empowering them through different forms of play to help improve their lives, drive change and achieve better outcomes for their families and communities. The organisation also provides training for teachers and volunteers.

Alongside various global commitments, EFG engaged in a variety of projects and initiatives at a local and regional level during the year. In Switzerland, for example, we

continued to support the Fondation Otium in Geneva, which strives to improve the quality of life of cancer sufferers and their families. In Luxembourg, EFG supported LëtZ Go Gold and the Fondatioun Kriibskrank Kanne to help raise funds for research into childhood cancers and to finance selected projects to support affected children and their families. In Asia, members of our Hong Kong team and their families took part in a tree planting initiative in Tai Lam Country Park in May 2023.

In the run-up to the festive season, EFG once again organised an employee fundraising campaign and additionally made a corporate donation to support the valuable work of the International Committee of the Red Cross (ICRC) as well as a number of our partners, including Right to Play, Team Malizia and its Malizia Mangrove Park project, and the Swiss non-profit Fondation Otium.



© Picture: Right To Play



© Picture: Antoine Aurioi

Sponsorship

EFG actively supports a number of partners in different cultural and sporting disciplines – from jazz, classical music and fine art to sailing, tennis and golf. In recent years, we have adapted our sponsorship model by strengthening our multichannel strategy and moving towards more digital initiatives with content that reaches a global audience.

Selected initiatives

Peggy Guggenheim Collection

Featuring contemporary art from the 20th century, the Peggy Guggenheim Collection in Venice is a unique source of fascination for art enthusiasts from around the world. EFG has supported its development and exhibitions since 2001. This includes collaborating on a number of restoration projects to preserve inspiring works of art such as “Boîte-en-Valise” by Marcel Duchamp, which was displayed as part of the exhibition “Marcel Duchamp and the Lure of the Copy” in 2023. Our successful collaboration with the Peggy Guggenheim Collection is based on our closely aligned cultural and educational values, including a mission to make the artwork in the Collection accessible to a wider audience and protect it for current and future generations to enjoy.

Team Malizia

EFG has been the Official Partner of Team Malizia and its skipper Boris Herrmann since 2016. We are supporting their efforts to foster young talent and, at the same time, to raise public awareness about the need to find solutions to future sustainability challenges – with a particular focus on the ocean and climate change. Part of Team Malizia’s mission involves working with schools around the globe to inspire and educate children about sailing, ocean science and the environmental factors currently affecting our seas (see box).

As an extension of our work with Team Malizia and its skipper Boris Herrmann, EFG is also supporting The Malizia Mangrove Park in the Philippines. This ground-breaking project highlights the importance of mangrove forests as one of the world’s most important ecosystems alongside rainforests and the role they play in mitigating climate change, protecting coastal areas and providing a habitat for vast numbers of animals, plants and other organisms. (On average, mangroves can absorb 2–4 times more CO₂ than other types of forests, including tropical rainforests or temperate forests.) Funded through donations, Team Malizia and the Mama Earth Foundation are working with local communities, as well as the local university, to plant a forest of over two million mangroves by the end of 2024. Since spring 2023, we have additionally funded the planting of 100 mangroves for each new employee joining EFG.



Golf

2023 marked the launch of the EFG Young Athletes Foundation International Golf Challenge, bringing together top golfers from Hong Kong and Singapore to compete against each other ahead of the Asian Games in a Ryder Cup style match. This tournament helped to raise over USD 200,000 for both the EFG Young Athletes Foundation and the Singapore Golf Association in support of promising high-performing young athletes in Hong Kong and Singapore.

EFG London Jazz Festival

In November 2023, EFG once again supported the EFG London Jazz Festival as its title sponsor. The event, which has been running for over three decades, featured a programme of more than 350 live performances by over 2,000 artists – from global jazz icons to the next generation of emerging talent. The ten-day Festival was enjoyed by enthusiasts at 60 venues across London.

Southbank Sinfonia

EFG has been the Principal Partner of Southbank Sinfonia in the UK since 2009. This unique orchestra provides a springboard for talented young classical musicians from around the globe. In 2023, a total of 33 graduate musicians once again had the opportunity to spend nine months playing and performing with the orchestra, gaining valuable experience to later thrive in the professional world.



Volunteering for greater impact



We believe that by leveraging the skills and dedication of our employees, EFG can help partner organisations such as Team Malizia to increase the reach and impact of their initiatives. In 2023, we continued our pilot volunteering programme that allows employees to dedicate one working day per year on full pay to help raise awareness about ocean conservation. The volunteers can make a personal contribution to support the international school programme “My Ocean Challenge” created by Boris Herrmann, skipper of Team Malizia, and his wife Birte Lorenzen-Herrmann. The volunteering assignment involves visiting a local school to teach a lesson on this key environmental topic to children aged from 8 to 14 years. Since the start of the initiative, EFG volunteers have helped to educate more than 600 children about ocean conservation and the role of our seas in combating climate change.

EFG believes that volunteering also benefits our people by giving them an opportunity to engage with their communities while enhancing their own skillset in areas such as leadership or communication. We are convinced that our volunteering programme offers an exciting platform to put our corporate values into practice and thus strengthen our corporate culture.

Society



Employer of choice

GRI 3-3

Management of material topic

GRI 3-3-a & b

(Art. 964b Para. 2 No. 2 CO)

Importance of topic and impacts

As a global private bank, we believe that our people are our most important asset, since the long-term success of our business ultimately depends on their ability to deliver best-in-class service and advice to our clients and to create lasting value for all our stakeholders. Our employees' knowledge, diverse backgrounds and responsible conduct are all key to fostering trust and building strong and lasting relationships with our clients worldwide. Failing to attract, develop and retain talented professionals could lead to a decrease in innovation and productivity, adversely impacting our competitiveness. To successfully position EFG as an employer of choice in today's highly competitive labour market, we strive to offer attractive employment conditions and an inclusive working environment in which all our employees can thrive and be the best version of themselves.

Further, EFG is convinced that by investing in the training and development of our people and by actively fostering employee engagement, we can ensure we have a strong pool of talent, which is key to remain the preferred financial partner for our clients, including members of the Next Generation, today and in the future, and to thus continue our trajectory of sustainable growth.

GRI 3-3-c

(Art. 964b Para. 2 No. 2 CO)

How we manage the topic "employer of choice": Strategy, policies and governance

We recognise that a robust corporate culture built on strong values and good conduct is key to ensure the long-term success of our company. When recruiting employees, we therefore assign a high level of importance to ensuring we attract talents who share EFG's values and entrepreneurial mindset, and we expect all our people to act professionally, diligently and with integrity at all times. In this way, we can inspire trust in our clients, shareholders and other stakeholders. For further information, see page 15.

At EFG, we pursue a people strategy that is structured along three pillars:



Attracting the right talent: We want to attract and retain talented professionals with the skills, experience and mindset that fit our values, purpose and strategic ambitions.



Developing our people: We want to support our employees at all stages of their career, enabling them to progress professionally and invest in their future skills.



Engaging our people: We want to interact and engage with our people by creating a shared ambition, bringing our corporate values to life and fostering a diverse and inclusive workplace.

1) How we attract and retain talent

We strive to position EFG as an employer of choice both when attracting young talents and when hiring experienced professionals.

We recognise the important contribution that our younger employees can make to our business by bringing new insights and perspectives, thus ensuring that we understand the specific needs and expectations of the Next Generation. We want to attract talented graduates from around the world and therefore run an 18-month EFG Global Graduate Programme covering three different paths – Business Functions, Corporate Functions, and Digital, IT and Operations – with multiple rotations across different business units. We also partner with leading universities to position EFG as an attractive employer and to identify students with high potential who are interested in pursuing a career in finance. In addition, EFG is partnering with the Master in Quantitative Finance degree programme offered jointly by the University of Zurich and the Swiss Federal Institute of Technology (ETH) Zurich.

To attract experienced professionals in a highly competitive industry, we are committed to offering a dynamic and inspiring working environment with interesting career development opportunities and to fostering a culture that encourages and rewards excellence and incentivises long-term success (see pages 14 – 15).

To preserve and foster our pool of experienced professionals within EFG, we practise an “Internals First” approach where possible, giving our own people the opportunity to apply for open positions that match their skillset and to thus advance their career within the company.

2) Developing our people

We recognise the importance of enabling our people to engage in training and development throughout their career. We therefore invest continuously in their future skills and support them in pursuing a lifelong learning journey. In this context, we have defined the EFG Competency Model with eight essential competencies to enable EFG employees to continuously develop their professional and personal skills in a targeted manner.

EFG Competency Model



GRI 404-2 EFG employees have flexible access to over 20,000 courses via the LinkedIn Learning platform, including dedicated learning journeys covering the eight EFG Competencies, as well as topics ranging from banking, capital markets and asset management to diversity, equity and inclusion. In addition, we run a number of mandatory regulatory training courses to ensure that our people stay abreast of the latest regulatory and industry developments, with an average of three or four courses launched every quarter. The topics covered range from compliance with sanctions and anti-money laundering rules to GDPR, security awareness and banking confidentiality. We also offer our CROs and investment counsellors a range of product training courses, including a certification in structured products from IMD Lausanne.

GRI 404-3
(Art. 964b Para 2 No. 5 CO) To ensure an efficient, effective and targeted approach to talent management, all eligible EFG employees¹ globally complete a performance review and discuss their development on an annual basis. This consists of a self-assessment followed by an appraisal by their line manager. The individual performance of employees and their contribution to EFG's long-term success are measured against the personal goals set at the beginning of the year, as well as EFG's corporate values. The outcome of the annual appraisal not only enables us to offer targeted training in essential skills but also guides our compensation decisions.

3) Engaging our people and providing an attractive working environment

Protecting the health and wellbeing of our employees is a key priority for EFG. We therefore strive to offer flexible working conditions and a supportive and inclusive working environment where employees can thrive. Our Group-wide hybrid working model “New Ways of Working” combines work-from-home days with time in the office, ensuring business needs are met while giving employees the opportunity to strike a balance between their professional commitments and their personal or family life.

¹ Excluding new joiners and leavers, temporary employees and contractors, employees on parental or longer-term sick leave, and employees of our subsidiary Shaw and Partners, as well as the Swiss Pension Fund.

In 2023, EFG continued to grant new mothers (or primary carers) in Switzerland four months of maternity leave on full pay, with this entitlement increasing to six months once they have completed five years of service. New fathers or secondary caregivers are also offered paternity leave. Effective 01 January 2024, EFG increased the amount of leave available to new parents (see page 65). Recognising the need for employees to have time to rest and recuperate, the holiday entitlement for EFG employees exceeds statutory requirements. In addition, we award loyalty premiums to long-serving employees on reaching milestone service anniversaries. The benefits vary from country to country and range from cash premiums or selected gifts to additional holiday, depending on the period of service.

Other benefits include the provision of private health insurance offerings at attractive rates for employees and their families. To boost our employees' wellbeing and help them deal effectively with pressures at work, we also provide courses and guidance around topics such as stress and time management or mindfulness through the LinkedIn Learning platform. In Switzerland, we work with Fondation Otium, a non-profit organisation that seeks to improve the quality of life of cancer sufferers and their families. The partnership allows affected employees in Switzerland to benefit from the care, support and counselling provided by Fondation Otium. In addition, in 2023 we offered specialised training to HR Business Partners in Switzerland on the topic of long-term disease and employment in collaboration with Fondation Otium.

To celebrate our corporate values, we present our Extra (S)mile Award each year. Employees can nominate colleagues who truly embody EFG's values. Through this award programme, we recognise employees who demonstrate exemplary conduct and the valuable contribution they make to our success.

Governance and policies

The Global Head of HR is responsible for managing the Group-wide Human Resources (HR) function and oversees the development and implementation of EFG's people strategy. Reflecting the importance of this function, the Global Head of HR is a member of the Global Business Committee of EFG International. The activities of the HR function are governed by EFG's HR Policy, which sets out principles that apply to every aspect of human resource management – from recruitment to talent management, performance management, succession planning and compensation. The HR Policy is supplemented by detailed general directives on specific topics, ranging from health, safety and wellbeing to diversity, equal opportunity and inclusion, as well as whistleblowing. Employees are encouraged to report any irregularities they may encounter at work in good faith and without fear of reprisals by contacting their supervisor, HR or Control functions. For further information, see page 24.

EFG's [Human Rights Statement](#), which we issued in 2022, sets out our commitment to respecting human rights in our role as an employer, as a financial services provider and in our relationship with the communities in which we operate. Our understanding of our human rights responsibilities is based on internationally agreed human rights principles and standards, including the International Bill of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the UN Guiding Principles on Business and Human Rights, and the OECD Guideline for Multinational Enterprises.

GRI 2-30

In our Swiss home market, we have established collective bargaining agreements for all our employees. We are also represented in the Employers Association of Banks in Switzerland and engage in a regular dialogue with employee representative bodies and social partners.

GRI 3-3-d

(Art. 964b Para. 2
No. 3 CO)

Progress in 2023

In 2023, we made further progress in executing our HR strategy along its three pillars.

1) Attracting the right talent

We continued our efforts to attract talented professionals to EFG during the year. EFG hired 141¹ new CROs in 2023, bringing our total number of CROs worldwide to around 693². Our success in hiring experienced CROs with sizeable portfolios reflects our increased competitiveness in the market and our attractive CRO model (see page 34). Over the course of the year, we also hired a total of over 350 non-CROs, underscoring our reputation as an employer of choice in global wealth management.

During the year, we carried out various events and initiatives to attract young talent by informing them about career opportunities at our bank:

- In Switzerland, EFG is partnering with the Master in Quantitative Finance degree programme offered jointly by the University of Zurich and the Swiss Federal Institute of Technology (ETH) Zurich. In addition, we entered into a new partnership with the University of St. Gallen (HSG). We host events at both of these internationally renowned universities to attract top talent to EFG as part of our people strategy.
- In 2023, the participants on EFG's first Graduate Programme continued their training and over 60 young people started or completed an internship at EFG.
- In the UK, EFG became the official sponsor of the King's Entrepreneurship Lab at the University of Cambridge in 2023 to promote entrepreneurship. In addition, senior representatives of EFG took part in an EFG-branded event entitled "Bringing Entrepreneurial Thinking to Banking" at the University of Cambridge in October 2023 to offer students an insight into their career paths and to showcase EFG as an employer of choice for young talent.
- In Asia Pacific, EFG's campus outreach activities during the year included hosting events at our offices in Hong Kong and Singapore to inform students about the EFG Global Graduate Programme as well as internship programmes for graduates.
- In a further step, we entered into a partnership with the non-government organisation Powercoders that helps skilled refugees and migrants to enter the labour market and pursue a career in IT. As a result of this partnership, we have two Powercoders interns joining EFG Geneva in early 2024.

In 2023, we further improved our onboarding process for new joiners, rolling out a refreshed induction day programme, together with surveys for participants to establish a feedback culture among new employees. We also launched a dedicated intranet page with helpful information for new joiners in our different regions.

GRI 404-2**2) Developing our people**

In 2023, we further expanded our learning and development offering to help employees across the organisation to advance in their careers. In this context, we launched our Learning & Development Quarterly Update to actively inform employees about new developments – from mandatory training requirements to mobile learning. Topics added to the range of courses in 2023 included a new learning path on digital transformation and the launch of compulsory PRI training courses for CROs on responsible investing to ensure they have the requisite skills and knowhow to advise clients on sustainable investing. We also launched the IMD "Investing in Structured Products Program" with certifications for participants. In Switzerland, employees were also given the opportunity to enrol on a range of Swiss Finance Institute (SFI) Master Classes. In addition, we offered employees additional training on Diversity, Equity and Inclusion (see pages 67–71).

A key initiative launched during the year was the EFG Global Mentoring Programme for Graduates. It is designed to promote our values and culture among the next generation of professionals at EFG and recognises the key role that experienced colleagues have to play in this transfer of knowledge.

We continued to nurture EFG's pool of internal talent and to promote internal mobility within the company through our "Internal First" approach. In 2023, a total of 6% of vacancies were filled by internal candidates. In addition, close to 8% of EFG's employees received promotions in 2023 in recognition of their excellent

¹ Includes 21 CROs who joined Shaw and Partners in 2023.

² Includes 223 CROs at Shaw and Partners.

performance and conduct, thus supporting the advancement of their careers. During the year, EFG also launched a succession planning process to fill senior positions internally whenever possible and ensure maximum consistency and continuity in areas such as client service.

3) Engaging our people

In 2023, we amended our General Staff Regulations in Switzerland to further enhance working conditions for our people in our home market. Among other changes, the updated General Staff Regulations now include a section dedicated to “New Ways of Working” and they refer explicitly to our new General Directive on Diversity, Equity and Inclusion and our General Directive on Health, Safety and Wellbeing. Other important changes to the General Staff Regulations relate to maternity, paternity and adoption leave for employees. In particular, the Regulations stipulate that effective 01 January 2024, new mothers can take six months of maternity leave on full pay, irrespective of their number of years of service at EFG, and that the period of maternity leave can begin up to two weeks before the birth of a child. Further, paternity leave has been increased to three weeks on full pay. In addition, primary caregivers are now granted 12 weeks and secondary caregivers are entitled to three weeks of leave on full pay when adopting a child aged less than four years.

EFG was awarded the prestigious “Employer of the Year Award” at the 2023 Asian Private Banker 13th “Awards for Distinction”. This accolade highlights our commitment to offering an exceptional workplace. As the benchmark award for excellence in private banking and wealth management in the Asia Pacific region, it recognises our dedication to implementing initiatives that make EFG an outstanding place to work.



(Art. 964b Para. 2
No. 4 CO)

Addressing challenges and mitigating risks

We recognise the operational and reputational risks that our business would face if our corporate culture were to be eroded or the quality of our workforce were to decline. In particular, any such development would hamper our ability to serve our global client base with skill and professionalism and to execute our operations efficiently, effectively and in a compliant manner. These risks could arise if, for example, we failed to meet employee expectations regarding development opportunities, working conditions or compensation. Any such development could adversely impact our ability to attract new talent or could lead to the loss of key employees (e.g. CROs) to other firms.

To mitigate these risks, we strive to maintain a high level of employee satisfaction and carefully monitor and analyse staff turnover (see table on page 66). Further, we strive to foster an open dialogue with our people – both individually and within teams – through measures including career development discussions, internal events and periodic employee surveys (see below). Through our participation in industry networks and our work with representative bodies and social partners, we can gain valuable insights on topics such as employee health and wellbeing or diversity, inclusion and equal opportunity.

GRI 3-3-e & f
GRI 404-1

(Art. 964b Para 2
No. 3 and No. 5
CO)

Monitor and measure effectiveness

EFG regularly monitors progress against our strategy and our targets to measure the effectiveness of our HR initiatives and to identify scope for improvement.

We collect HR data on a monthly basis on various key metrics such as employee turnover or work-related absences (see tables on pages 66–67) via various HR systems and tools and we disclose the information in our annual Sustainability Report. Further, we measure training and development on an annual basis. In 2023, the average amount of training per employee was 12.6¹ hours, compared to 11.7 hours² in 2022. We also saw an increase in the take-up of training offerings via LinkedIn Learning that has been accessible to all our employees globally since July 2022, with more than 70% of our people having now activated the platform.

¹ * Employees considered are: Permanent and temporary, full-time and part-time employees. The figure includes all training captured in HRIS Fusion but excludes individual external training. The figure also includes training captured in LinkedIn Learning (2023 only).

² This figure was restated from 10 hours to 11.7 hours in 2023.

EFG's global HRIS system is designed to help us deliver on our HR strategic priorities and includes modules and tools for talent management and succession planning. EFG's social data collection process was reviewed and audited in 2023.

GRI 2-7

Employees

Composition of the workforce (in headcount)¹

Workforce according to employment contract

	2022		2023	
	Perma- nent	Tempo- rary	Perma- nent	Tempo- rary
Gender				
Men	1,581	43	1,691	38
Women	1,118	43	1,196	35
Total	2,699	86	2,887	73

Workforce by employment relationship

	2022		2023	
	Full time	Part time	Full time	Part time
Gender				
Men	1,591	33	1,694	35
Women	998	163	1,066	165
Total	2,589	196	2,760	200

¹ Excluding apprentices, interns, trainees, externals and permanent leavers, as well as Shaw and Partners Limited, Australia.

GRI 401-1

New employee hires and employee turnover

Turnover (gender and age group)^{1, 2}

Permanent employees (in headcount)

	2022		2023	
	Entries	Exits	Entries	Exits
Total	368	602	476	315
Gender				
Men	191	311	260	170
Women	177	291	216	145
Age				
< 30	91	52	60	32
30 – 50	222	392	335	183
> 50	55	158	81	100

Permanent employees (in %)

	2022		2023	
	Entries	Exits	Entries	Exits
Gender				
Men	12.1%	19.7%	15.4%	10.1%
Women	15.8%	26.0%	18.1%	12.1%
Age				
< 30	48.4%	27.7%	33.0%	17.6%
30 – 50	13.8%	24.3%	19.5%	10.6%
> 50	6.1%	17.6%	8.2%	10.2%

¹ Restated for data consistency.

² Excluding temporary employees, and apprentices, interns, trainees and externals, as well as Shaw and Partners Limited, Australia.

GRI 403-10

Work-related ill health

Absence rate

Occupational health and safety

Target hours ¹	2022	2023
Men	1,571,646	1,615,657
Women	794,177	804,882
Total	2,365,823	2,420,539

Absence rate ²	2022	2023
Men	1.9%	2.2%
Women	4.4%	4.0%

¹ From 2023 onwards, EFG is able to separate the records for occupational and non-occupational accidents by updating the internal calculation tool. The data for 2022 was revised to include only occupational accidents and the year-end 2023 data was reported accordingly.

² Covers employees based in Switzerland. The health and safety data for 2022 was restated on the basis of the expanded scope and the year-end 2023 data was reported accordingly.

Outlook

Reflecting our commitment to being an employer of choice and to fostering an open and transparent feedback culture with our people, we conducted our third Global Employee Survey in the first quarter of 2024. Such employee surveys are a valuable tool to help us gauge our organisational health and assess employee views on a number of important topics, ranging from strategy and leadership to collaboration, client focus, integrity, career development or diversity and inclusion.

These findings will not only give us an overall picture of our organisational health but will enable us to define concrete actions for 2024 and beyond.

For the first time, our 2024 goal-setting process for employees will reference the EFG Competency Model, which sets out all the key skills that EFG employees are expected to acquire in order to perform their role skilfully and professionally. Beginning in 2024, one specific EFG Competency will be selected for employees to focus on and it will be incorporated into their individual goal plan.

Diversity, equity and inclusion

GRI 3-3

Management of material topic

GRI 3-3-a & b

(Art. 964b Para. 2
No. 2 CO)

Importance of topic and impacts

The diversity of our workforce reflects the diversity of our global client base and gives us a deeper understanding of the expectations and cultural backgrounds of our clients across different regional markets, enabling us to deliver better service and advice. We strongly believe that the diversity of our teams gives us a competitive advantage by fostering better decision-making and greater innovation and thus contributing to the success of our company.

EFG is committed to providing an equitable and inclusive working environment that is founded on the principle of mutual respect. We want to foster a sense of belonging among all our employees and to empower them to realise their full potential by creating a workplace in which every employee can be the best version of themselves. Shortcomings in this regard may lead to dissatisfaction among employees, reducing innovation and productivity and also adversely impacting the quality of service we deliver to clients across different regions.

We also strive to ensure equal opportunity and the fair and equal treatment of all existing and prospective employees at all times and to protect them from discrimination.

GRI 3-3-c

(Art. 964b Para. 2
No. 2 CO)

How we manage diversity, equity and inclusion: Strategy, policies and governance

Strategy

We are committed to providing a supportive and inclusive working environment based on EFG's corporate values and the cultivation of mutual respect for all our employees. We take a zero tolerance approach to all forms of harassment and discrimination, including those related to ethnicity, nationality, religion, age, gender, sexual orientation, gender identity, marital or family status, pregnancy, disability or any other status protected by local law. Two incidents of harassment were reported in 2023. No cases of discrimination were reported in 2023.

GRI 406-1

(Art. 964b Para 2
No. 5 CO)

We base our decisions – especially in the areas of recruitment, training and development, and promotions – on merit, taking account of the qualifications, skillsets, experience, performance and achievements of existing and prospective employees. As part of our commitment to being an equal opportunity employer, we also ensure that compensation decisions are based solely on each employee's performance, conduct and contribution to EFG's success. Our equal pay practices in Switzerland have been externally recognised and certified according to the Swiss Gender Equality Act since 2022. Further, EFG aims to achieve appropriate female representation at all levels of our organisation and we strive to attract women to our company by supporting them in their professional training and development and in the advancement of their careers.

Governance and Policies

EFG's Human Resources (HR) function is responsible for ensuring the implementation of the General Directive on Diversity, Equity and Inclusion that sets out the standards of conduct expected from everyone at EFG. This helps us to prevent harassment and discrimination and to ensure that the integrity of each individual is protected at all times. This new general directive was included in the 2023 update to our General Staff Regulations in Switzerland, which form an integral part of EFG employment contracts.

In line with the Group Code of Ethics and our Group Business Code of Conduct, EFG and its employees commit to uphold all applicable laws, rules and regulations in the jurisdictions in which we operate. It is the responsibility of local management to be familiar with local equality laws and with regulations governing the business activities they engage in. The extent to which employees and management fulfil their professional duties and adhere to the Code of Conduct is assessed as part of the annual performance appraisal.

If an employee or manager acts in a discriminatory way or harasses or victimises another employee, external consultant, contractor, client, supplier or any other stakeholder, appropriate action is taken in line with the established disciplinary procedures. In such cases, EFG applies appropriate disciplinary measures, taking into account the relevant regulations and legal provisions that are in place, as well as the gravity and extent of the harassment in accordance with the General Directive on Psychological and Physical Harassment. We strive to ensure the prompt resolution of any complaints within the timeframe prescribed by the applicable local guidelines, but no later than 60 days after the complaint is made.

To oversee and advance global diversity, equity and inclusion (DEI) initiatives, EFG appointed a Senior People Engagement and DEI Specialist in 2023. This specialist engages in a constant dialogue with internal stakeholders in all of EFG's key regions to oversee and monitor the implementation and support of global and local DEI initiatives in collaboration with local managers at all levels.

**GRI 3-3-d****GRI 3-3-e**

(Art. 964b Para. 2
No. 3 CO)

Progress in 2023

EFG aims to achieve appropriate female representation at all levels of the organisation and has set a dedicated target of 30% by 2030 to monitor the development of female representation in the senior manager population.

To support this, EFG has defined a set of actions:

- i) Ensure diversity within the hiring team and establish diverse talent pipelines (i.e. ensure as far as possible that there is a female candidate for every position)
- ii) Strengthen our collaboration with relevant partners (e.g. Advance)
- iii) Ensuring diversity in internal succession planning: Diversify senior management succession planning pipelines to ensure appropriate female representation
- iv) Intensify training on DEI for all employees

In 2023, EFG signed up to the Advance Charter. Advance is the leading business network for gender equality in Switzerland, with over 140 Swiss-based companies as members. Its Charter represents a letter of intent governing gender balance in Swiss business.

In addition, EFG became an official partner of “Diversity and Inclusion Week” at the University of St. Gallen (HSG) that was organised by the HSG Competency Center for Diversity & Inclusion at HSG. Through our sponsorship of the event in September 2023, we supported the provision of lectures and training courses on DEI and the publication of the latest research findings on this topic. In 2023, EFG also contributed for the first time to the Gender Intelligence Report that is published jointly by Advance and HSG and examines gender equality in Swiss companies.

To further expand our training offering around DEI, we have created a dedicated learning path on LinkedIn Learning. Additional DEI training resources were made available for all employees as part of our membership of Advance and our partnership with “Diversity and Inclusion Week” at HSG. In addition, we launched a global DEI learning challenge on LinkedIn Learning.

To support the advancement of female talent, our employees launched the EFG Women Network (EFGWN) two years ago to enable women across our company to connect with and mentor one another. The network also encourages knowledge-sharing and has hosted a number of events across different regions.

In Asia Pacific, we established a dedicated DEI Council that hosts DEI-related events, such as its LGBTQIA+ event with a guest speaker in Hong Kong. The DEI Council also launched a regional Women's Network in Singapore, adding a second branch to the existing network in Hong Kong, and it conducted a dedicated survey to better understand DEI concerns and needs in the region.

(Art. 964b Para. 2
No. 4 CO)

Addressing challenges and mitigating risks

Successfully managing DEI-related challenges and mitigating the related risks remains a key priority for EFG in order to deliver on our people strategy and thus contribute to the long-term success of our business and, in particular, to ensure we comply with all DEI-related rules and regulations. In Switzerland, for example, we must comply with regulatory requirements governing gender quotas (Article 734f of the Swiss Code of Obligations).

In addition, the effective management of DEI is vital to safeguard our reputation as an employer of choice and to meet the expectations of a wide range of existing and prospective employees, including members of the Next Generation and female talent.

To mitigate DEI-related risks, we follow strict disciplinary procedures in the event that any acts of harassment or discrimination are detected. Employees are encouraged to report any irregularities they may encounter at work in good faith and without fear of reprisals, as described in our General Directive on Whistleblowing.

GRI 3-3-e & f

(Art. 964b Para. 2
No. 3 and No. 5
CO)

Monitor and measure effectiveness

EFG regularly monitors progress against our people strategy and related targets to measure the effectiveness of our DEI initiatives and identify scope for improvement. Using our HR system, we track results and progress and disclose them in our Annual Report and our Sustainability Report.

We collect HR data on an annual basis on various key metrics such as gender representation and demographics (see tables and metrics on next page) via various HR systems and tools and we disclose the information in our annual Sustainability Report. EFG's social data collection process was reviewed in 2023.

EFG's global HRIS system is designed to help us deliver on our HR strategic priorities and includes modules and tools for talent management and succession planning.

GRI 405-1**Diversity of the management body and workforce**(Art. 964b Para 2
No. 5 CO)**Board of Directors**

	2022		2023	
Gender				
Men	10	83%	10	83%
Women	2	17%	2	17%
Age				
< 30	—	0%	0	0%
30 – 50	2	17%	2	17%
> 50	10	83%	10	83%

Executive Management

	2022		2023	
Gender				
Men	12	92%	11	85%
Women	1	8%	2	15%
Age				
< 30	0	0%	—	0%
30 – 50	3	23%	1	8%
> 50	10	77%	12	92%

Senior Management ^{1,2}

Men	90	77%	106	76%
Women	27	23%	33	24%

Employees with management functions ³

	2022		2023	
Gender				
Men	473	71%	503	72%
Women	189	29%	195	28%
Age				
< 30	12	2%	5	1%
30 – 50	347	52%	356	51%
> 50	303	46%	337	48%

Employees without management functions ³

	2022		2023	
Gender				
Men	1,108	54%	1,188	54%
Women	929	46%	1,001	46%
Age				
< 30	176	9%	177	8%
30 – 50	1,267	62%	1,366	62%
> 50	594	29%	646	30%

¹ Senior Management definition: Direct reports of the Executive Committee/Global Business Committee serving as: i) Local Business Head / Local CEO; ii) Global Function Head; iii) Local Function Head or iv) Head of Private Banking with direct reporting line (hierarchical or functional) to a Global Business Committee member (GBC) or, in exceptional cases, due to strategic relevance and criticality of role as decided by the Global Business Committee.

² Senior Management data: 2022 data was not published in 2022.

³ Excludes temporary employees and permanent leavers, as well as Shaw and Partners Limited, Australia.

Outlook

Diversity, equity and inclusion is one of the key topics that we will evaluate in our third Global Employee Survey in the first quarter of 2024. It includes a new section addressing DEI-related questions to enable us to gain important insights into the subject and better understand our employees' concerns and needs.

EFG plans to further expand its DEI training offering in 2024 and beyond to ensure that our entire workforce understands key DEI-related concepts and is able to identify and avoid unconscious bias.

About this Report

→ GRI 2-3, 2-4, 2-5

In 2024, EFG published its Sustainability Report for the reporting year 2023, which has been prepared in accordance with GRI Standards for the second time. In addition, this publication meets the new legal reporting requirements under the Swiss Code of Obligations.

We also have established internal procedures for gathering, collecting and aggregating data for the sustainability indicators.

Unless otherwise indicated, we use the same boundary as for the consolidated financial statements presented in our Annual Report for sustainability indicators. Exceptions to this principle include the exclusion of Shaw and Partners Limited, Australia. 2022 data have been restated accordingly. For further information on EFG Group, please refer to the Annual Report 2023 of EFG International AG.

For the purpose of this Sustainability Report, we identified material topics through a formal materiality assessment conducted in the last reporting cycle 2022, which is still applicable to the current reporting cycle 2023 (see pages 20 – 21).

Reporting frequency and timing

We gather sustainability data internally on a quarterly basis and report publicly on an annual basis in the Sustainability Report 2023 of EFG International AG. The reporting period for this Sustainability Report is our financial year 2023, which ran from 01 January 2023 to 31 December 2023 (in alignment with our financial reporting), unless otherwise stated. The publication date is 21 February 2024.

Data sources and systems

Our sustainability data reporting processes, procedures and systems are evolving, and we continue to work to align data recording and reporting methods throughout our subsidiaries and global functions. Data sources and systems for each sustainability indicator are as follows: Social data is collected through the central HR system HRIS; environmental data is measured using meters, data or invoices and is reported in a dedicated SharePoint database by subsidiaries; AuM with a dedicated ESG focus are recorded using Investment Solutions tools and by applying EFG's approach to [ESG promotion and sustainable investing](#). We will continue to work on enhancing our sustainability data processes, procedures and systems, as well as governance of sustainability data, to continuously improve the quality of our data and to meet evolving regulatory requirements.

Corrections and restatements

We make every effort to capture all information as accurately as possible. Unless otherwise stated, the indicators disclosed are based on actuals data during the 12 months of the reporting year. Any data that is subsequently found to be materially in error is clearly indicated in the following year's disclosures. Materiality is assessed by indicator and based on management's judgment of what we believe would impact the decision of the users of our sustainability data. If an error or correction is deemed material, the respective data is restated in the following year's report, with the details provided in the respective footnotes.

Assurance

Independent limited assurance is provided by PricewaterhouseCoopers AG for the current reporting year 2023 on the selected indicators in the Sustainability Report 2023 of EFG International AG. The limited assurance engagement is conducted in accordance with International Standards on Assurance Engagements ISAE 3000 (Revised) and with International Standard on Assurance Engagements 3410 Assurance Engagements on Greenhouse Gas Statements (ISAE 3410) and is published as part of the Sustainability Report 2023 of EFG International AG (see page 80). (Note: The indicators in the Sustainability Report 2022 were not externally assured).

The Sustainability Report 2023, including performance indicators, was fully approved by the Board of Directors on 20 February 2024.



Alexander Classen
Chair of the Board



Giorgio Pradelli
Chief Executive Officer

If you have questions about the Sustainability Report, please contact Corporate Communications at: mediarelations@efginternational.com or phone +41 44 226 12 72



Read more about our strategy
and value proposition
in our Annual Report 2023.

GRI content index



CONTENT INDEX
ESSENTIALS SERVICE

2024

EFG International has reported in accordance with the GRI Standards for the period 01 January 2023 to 31 December 2023. For the Content Index – Essentials Service, GRI Services reviewed that the GRI content index has been presented in a way consistent with the requirements for reporting in accordance with the GRI Standards, and that the information in the index is clearly presented and accessible to the stakeholders.

This service was performed on the English version of the Sustainability Report.

GRI Standard	Disclosure	Location *	Omission		
			Requirement(s) omitted	Reason	Explanation
GRI 1: Foundation 2021					
GRI 2: General Disclosures 2021					
The organization and its reporting practices					
GRI 2: General Disclosures 2021	2–1 Organizational details	p. 4 Annual Report 2023, p. 12–21			
	2–2 Entities included in the organization’s sustainability reporting	p. 4 Annual Report 2023, p. 12, 20–21			
	2–3 Reporting period, frequency and contact point	p. 72–73			
	2–4 Restatements of information	p. 72			
	2–5 External assurance	p. 72			
Activities and workers					
GRI 2: General Disclosures 2021	2–6 Activities, value chain and other business relationships	p. 4, 10, 11 Annual Report 2023, p. 10–15			
	2–7 Employees	p. 66			
	2–8 Workers who are not employees		Workers who are not employees	Information not available	EFG plans to disclose this information in the future
Governance					
GRI 2: General Disclosures 2021	2–9 Governance structure and composition	p. 9 Annual Report 2023, p. 31 ff.			
	2–10 Nomination and selection of the highest governance body	p. 9 Annual Report 2023, p. 39 ff.			
	2–11 Chair of the highest governance body	p. 12 Annual Report 2023, p. 45			
	2–12 Role of the highest governance body in overseeing the management of impacts	p. 12			

*Page references refer to EFG International's Sustainability Report 2023, unless indicated otherwise.

GRI Standard	Disclosure	Location *	Omission		
			Requirement(s) omitted	Reason	Explanation
	2-13 Delegation of responsibility for managing impacts	p. 12-13			
	2-14 Role of the highest governance body in sustainability reporting	p. 13			
	2-15 Conflicts of interest	p. 13			
	2-16 Communication of critical concerns	p. 13, p.24			
	2-17 Collective knowledge of the highest governance body	p. 14			
	2-18 Evaluation of the performance of the highest governance body	p. 14			
	2-19 Remuneration policies	p. 14 Annual Report 2023, p. 65 ff.			
	2-20 Process to determine remuneration	p. 14 Annual Report 2023, p. 65 ff.			
	2-21 Annual total compensation ratio	p. 14			
Strategy, policies and practices					
GRI 2: General Disclosures 2021	2-22 Statement on sustainable development strategy	p. 6-7			
	2-23 Policy commitments	p. 15			
	2-24 Embedding policy commitments	p. 15-16			
	2-25 Processes to remediate negative impacts	p. 24			
	2-26 Mechanisms for seeking advice and raising concerns	p. 24			
	2-27 Compliance with laws and regulations	p. 22-26			
	2-28 Membership associations	p. 17-18			
Stakeholder engagement					
GRI 2: General Disclosures 2021	2-29 Approach to stakeholder engagement	p. 18-19			
	2-30 Collective bargaining agreements	p. 63			

* Page references refer to EFG International's Sustainability Report 2023, unless indicated otherwise.

GRI Standard	Disclosure	Location *	Omission		
			Requirement(s) omitted	Reason	Explanation
GRI 3: Material Topics 2021	3–1 Process to determine material topics	p. 20			
	3–2 List of material topics	p. 21			
Regulations					
GRI 3: Material Topics 2021	3–3 Management of material topics	p. 22–26			
Compliance and responsible business conduct					
GRI 3: Material Topics 2021	3–3 Management of material topics	p. 22–26			
GRI 205: Anti-corruption 2016	205–2 Communication and training about anti-corruption policies and procedures	p. 23			
	205–3 Confirmed incidents of corruption and actions taken	p. 23			
GRI 206: Anti-competitive behavior 2016	206–1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	p. 26			
GRI 207: Tax 2019	207–1 Approach to tax	p. 23			
Risk management and risk governance					
GRI 3: Material Topics 2021	3–3 Management of material topics	p. 26–29			
Business strategy and company performance					
GRI 3: Material Topics 2021	3–3 Management of material topics	p. 31–33			
GRI 201: Economic performance 2016	201–1 Direct economic value generated and distributed	p. 32 Annual Report 2023, p. 10–11			
Client centricity					
GRI 3: Material Topics 2021	3–3 Management of material topics	p. 34–36			
Quality of investments and advisory					
GRI 3: Material Topics 2021	3–3 Management of material topics	p. 37–38			
Responsible investments					
GRI 3: Material Topics 2021	3–3 Management of material topics	p. 38–44			
Digitalisation and innovation					
GRI 3: Material Topics 2021	3–3 Management of material topics	p. 45–47			

*Page references refer to EFG International's Sustainability Report 2023, unless indicated otherwise.

GRI Standard	Disclosure	Location *	Omission		
			Requirement(s) omitted	Reason	Explanation
Data protection and cyber security					
GRI 3: Material Topics 2021	3–3 Management of material topics	p. 47–49			
GRI 418: Customer Privacy 2016	418–1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	p. 48			
Climate action					
GRI 3: Material Topics 2021	3–3 Management of material topics	p. 51–56			
GRI 302: Energy 2016	302–1 Energy consumption within the organization	p. 55			
	302–3 Energy intensity	p. 55			
GRI 305: Emissions 2016	305–1 Direct (Scope 1) GHG emissions	p. 55			
	305–2: Energy indirect (Scope 2) GHG emissions	p. 55			
	305–3 Other indirect (Scope 3) GHG emissions	p. 55			
	305–4 GHG emissions intensity	p. 55			
Employer of choice					
GRI 3: Material Topics 2021	3–3 Management of material topics	p. 61–66			
GRI 401: Employment 2016	401–1 New employee hires and employee turnover	p. 66			
GRI 403: Occupational Health and Safety 2018	403–10 Work-related ill health	p. 67			
GRI 404: Training and Education 2016	404–1 Average hours of training per year per employee	p. 65			
	404–2 Programs for upgrading employee skills and transition assistance programs	p. 62, p. 64			
	404–3 Percentage of employees receiving regular performance and career development reviews	p. 62			

*Page references refer to EFG International's Sustainability Report 2023, unless indicated otherwise.

GRI Standard	Disclosure	Location *	Omission		
			Requirement(s) omitted	Reason	Explanation
Diversity, inclusion and equal opportunity					
GRI 3: Material Topics 2021	3–3 Management of material topics	p. 67 – 70			
GRI 405: Diversity and equal opportunity 2016	405–1 Diversity of governance bodies and employees	p. 71			
GRI 406: Non-discrimination 2016	406–1 Incidents of discrimination and corrective actions taken	p. 68			

*Page references refer to EFG International's Sustainability Report 2023, unless indicated otherwise.

Independent practitioner's limited assurance report

on the selected 2023 indicators in the Sustainability Report 2023 to the Board of Directors of EFG International AG

Zürich

We have been engaged by the Board of Directors to perform assurance procedures to provide limited assurance on the selected 2023 indicators of EFG International AG and its consolidated subsidiaries ("EFG Group" or "EFG") included in the EFG Group Sustainability Report 2023 (including the GHG statement) ("Sustainability Report") for the period from 1 January to 31 December 2023.

Scope and subject matter

The following selected 2023 indicators (including the GHG statements) contained within EFG's Sustainability Report are within the scope of our limited assurance engagement ("Selected 2023 Indicators") and represent the subject matter information:

Responsible Investment:

- Volume of AuM in investments products and services with a dedicated ESG focus in CHF billion on page 39

Environment:

- Total energy consumption in MWh on page 55,
- Energy consumption in kWh per FTE on page 55,
- GHG emissions (Scope 1, Scope 2 and Scope 3 category "Business travel") in tons of CO₂e on page 55,
- Water consumption in m³ on page 53,
- Paper consumption in tonnes on page 53.

Society:

- Average Hours of Training per year per employee on page 65,
- Composition of the workforce (in headcount) on page 66,
- Turnover of permanent employees (gender and age group) (in headcount and %) on page 66,
- Absence rate in 2023 in % on page 67,
- Diversity of the management body & workforce (in headcount and %) on page 71.

We do not comment on, nor conclude on any prospective information nor we did perform any assurance procedures on the information other than those stated above for the reporting period 2023, accordingly we provide no assurance on other information.

Criteria

The Selected 2023 Indicators in the EFG's Sustainability Report were prepared by the Management based on the criteria with respect to the Responsible Investment Selected Indicator and with respect to Environmental and Social indicators as described in the section "About this report" on page 72 of the Sustainability Report.

The section "About this report" was developed based, among others, on the GRI Sustainability Reporting Standards (GRI Standards 2021) published by the Global Reporting Initiative (GRI) and the definition of EFG's AuM in investments products and services with a dedicated ESG focus, available on page 39 of the Sustainability Report, (together the "Suitable Criteria").

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Inherent limitations

The accuracy and completeness of the Selected 2023 Indicators in the Sustainability Report (including the GHG statement) are subject to inherent limitations given their nature and methods for determining, calculating and estimating such data. In addition, the quantification of the GHG emissions is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases. Our assurance report will therefore have to be read in connection with the Suitable Criteria used by EFG, its descriptions and procedures in the "About this report" (page 72) and on the respective pages where the above mentioned indicators were disclosed in the Sustainability Report .

Board of Directors' responsibility

The Board of Directors of EFG is responsible for the preparation of the Sustainability Report (including the GHG statement) in accordance with the Suitable Criteria, and the description of its application, as well as its presentation. This responsibility includes the designing, implementing and maintaining an internal control system related to the preparation and the presentation of the Sustainability Report (including the GHG statement) that are free from material misstatement, whether due to fraud or error. Further, the Board of Directors is also responsible for selecting and applying appropriate reporting policies and making estimates that are reasonable in the circumstances as well as for an adequate record keeping.

Independence and quality management

We are independent of the EFG International AG in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

PricewaterhouseCoopers 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.

Practitioner's responsibility

Our responsibility is to perform a limited assurance engagement and to express a conclusion on the Selected 2023 Indicators in the Sustainability Report (including the GHG statement). We conducted our engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) 'Assurance engagements other than audits or reviews of historical financial information' and ISAE 3410 'Assurance Engagements on Greenhouse Gas Statements'. Those standards require that we plan and perform our procedures to obtain limited assurance whether the Selected 2023 Indicators in the Sustainability Report (including the GHG statement) are prepared, in all material aspects, in accordance with the Suitable Criteria on page 72 and description of its application in the Sustainability Report (including the GHG statement) for the period from 1 January to 31 December 2023.

Based on risk and materiality considerations, we performed our procedures to obtain sufficient and appropriate assurance evidence. The procedures selected will depend on the assurance provider's judgement. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. Consequently, the nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement and therefore less assurance is obtained with a limited assurance engagement than for a reasonable assurance engagement.

The procedures we performed included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

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

Conclusion

Based on the work we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected 2023 Indicators of EFG International AG for the period from 1 January 2023 to 31 December 2023 are not prepared, in all material respects, in accordance with the Suitable Criteria described above.

Intended users and purpose of the report

This report is prepared for, and only for, the Board of Directors of EFG International AG, and solely for the purpose of reporting to them on the Selected Indicators and no other purpose. We do not, in giving our conclusion, accept or assume responsibility (legal or otherwise) or accept liability for, or in connection with, any other purpose for which our report including the conclusion may be used, or to any other person to whom our report is shown or into whose hands it may come, and no other persons shall be entitled to rely on our conclusion.

We permit the disclosure of our report, in full only and in combination with the Suitable Criteria applied, to enable the Board of Directors to demonstrate that they have discharged their governance responsibilities by commissioning an independent practitioner's assurance report over the Selected Indicators, without assuming or accepting any responsibility or liability to any third parties on our part. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board of Directors of EFG International AG for our work or this report.

PricewaterhouseCoopers SA

Alex Astolfi

Omar Grossi

Geneva, 20 February 2024

“The maintenance and integrity of EFG International AG’s website and its content are the responsibility of the Board of Directors; the work carried out by the assurance provider does not involve consideration of the maintenance and integrity of the EFG International AG’s website, accordingly, the assurance providers accept no responsibility for any changes that may have occurred to the reported Selected 2023 Indicators or Suitable Criteria applied in the Sustainability Report since they were initially presented on the website.”

Cautionary statement

EFG International's business is exposed to different risks that could adversely impact its sustainability-related results. These risk factors are described in detail in the "Risk management and risk governance" section of the Sustainability Report 2023. As a result of our strategic review announced on 12 October 2022, our sustainability-related commitments, targets and indicators may be reviewed and adjusted accordingly depending on future changes, which may result in restatements in future reporting periods. Practices evolve quickly with regard to sustainability reporting. The disclosures contained in this Report are inherently limited by the emerging science and market practices, the requirement to use estimates for certain figures, the dependence on management judgments in the absence of established methodologies, including in the context of ever-evolving regulatory disclosure requirements and expectations, and the reliance on third-party and other data that may be immature in some instances. The assumptions and estimates we use in our sustainability reporting may change over time, and the information in our Report includes non-financial indicators, estimates or other information that remain subject to significant uncertainties, such as the collection and verification of data, and assumptions, as well as underlying data obtained from third parties, some of which may not be independently verifiable. We strive to be transparent about these limitations to our disclosures throughout the Report. We are committed to advancing our non-financial disclosures and we recognise that greater comparability insight in the future will further aid our readers' understanding. We continue to review and enhance our approach to data, frameworks and methodologies to align with ever-evolving regulatory standards and market principles as this subject area matures, and we provide the disclosures in this Report as a means of being transparent about our sustainability initiatives and activities. In addition, the term "materiality" and other similar terms, as used in this document, are distinct from, and should not be confused with, such terms as used and defined in the Annual Report 2023 of EFG International. In conclusion, while our Sustainability Report 2023 shows progress, we note that this should also be viewed as preliminary progress in some areas, as a result of the above-mentioned factors. The information we have provided in this Report reflects our approach to sustainability at the time of this Report being published and is subject to change without notice. We expect that certain disclosures, including our climate-related disclosures, may be amended, updated, recalculated and restated in the future based on continued improvements to the quality and comprehensiveness of our data and methodologies.

This Report contains certain forward-looking statements that can generally be identified by words or phrases such as "potential," "expect," "will," "plan," "may," "could," "going forward," "target," "believe," "goal," "estimate," "intend" or similar expressions, or by express or implied discussions regarding our sustainability-related commitments, targets and indicators, as well as our strategy, plans, expectations or intentions. Such forward-looking statements are based on the current beliefs and expectations of management regarding future events, and they are subject to significant known and unknown risks and uncertainties. Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary materially from those set forth in the forward-looking statements. You should not place undue reliance on these statements.

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