

Sustainability Report  
Excerpt from the  
Annual Report 2015



**Publishing-System**

Multimedia Solutions AG, Zürich

**Press**

Neidhart + Schön AG, Zürich

**Beratung GRI-Nachhaltigkeitsreporting**

Sustainserv, Zürich und Boston

## The topic of sustainability gains further momentum

The UN Conference on Climate Change in Paris, which is already regarded as historic, has confirmed the existential importance of climate protection and sustainability. In the finance industry, the topic of sustainability has also continued to gain strong momentum – as demonstrated by the powerful remarks made by Mark Carney, Governor of the Bank of England, on the subject of climate change and its potential implications for the financial markets. Carney pointed to the need for investors to consider alternative or sustainable investments at an early stage where possible, explaining that the transition to a low-carbon economy could prompt a significant reassessment of the value of assets. It is also striking that from 2016, pension funds in France will be legally required to disclose the carbon footprint of their portfolio. Similar moves are underway in other countries.

With our range of sustainable products and solutions, Vontobel has, for many years, been addressing the need to restructure the energy system, make efficient use of resources and supply clean technologies. The Vontobel Fund – Clean Technology received two awards in 2015, highlighting the extensive and impressive expertise acquired by our analysts and portfolio managers on these sustainability topics. The awards underscore our leading position in the field of sustainable and thematic investing. We conduct regular performance assessments based on our environmental, social and governance (ESG) criteria to measure the value created by our sustainability analyses. The results show that the systematic inclusion of sustainability criteria can generate demonstrable value for our clients. We are also in the process of introducing relevant CO<sub>2</sub> reporting for our ESG investment solutions.

We have a clear understanding of our corporate responsibility to promote the welfare and stability of the communities in which we operate. In 2015, we therefore reinforced our role as a good corporate citizen and intensified our cooperation with the International Committee of the Red Cross (ICRC). As a member of the ICRC's Corporate Support Group, we used our Christmas fundraising campaign to help refugees in and around Syria and – for the first time – launched a fundraising campaign among our employees. Other joint activities are planned for 2016. Our goal is to provide long-term support to assist the ICRC in its important work.

Performance creates trust. Based on this motto, we want to continue to enhance our sustainability performance and to position Vontobel as the preferred partner to discerning clients. The numerous awards received by our divisions – including being named "Best Private Bank in Switzerland 2015" by the Swiss business magazine "Bilanz" – confirm that we are on the right track.



Dr Zeno Staub, CEO of Vontobel

**Vontobel's commitment to sustainability – a strategic aspect of our approach to business**

As a financial services provider, Vontobel is closely connected with the economy and society in all the locations in which we operate. Consequently, the nature and design of our products and services and the way we conduct our banking operations have an impact on the sustainable development of this integrated world. We believe that promoting sustainable development in our markets in a variety of ways is both an economic necessity and a moral duty. This includes creating attractive jobs and offering innovative and sustainable products and services, as well as paying taxes. We also make a contribution by saving energy and resources, by serving communities and by engaging in an active dialogue with the public about the role of financial services providers.

Our mission statement forms the basis for our sustainability commitments. The core values and action principles defined by the Board of Directors in our mission statement are expressed in concrete terms in two documents:

- The Code of Conduct, which defines basic principles that employees must observe to ensure that we perform our business activities in a fair and forward-looking manner.
- The Sustainability Guidelines, which define the areas in which we take action to implement our sustainability strategy.

Our sustainability commitments are focused on our main groups of stakeholders: clients, shareholders, employees, society and the environment (G4–24; see page 110f). The Sustainability Committee, which is chaired by the CEO, defines the strategic thrusts of our Group-wide sustainability activities and formulates our objectives, as well as appropriate measures to achieve them. We strive to deliver constant improvements in this context. The gathering of key sustainability data is an important means of measuring our progress and of prioritizing our next steps. The Sustainability Committee consists of representatives from our three divisions – Private Banking, Asset Management and Investment Banking – as well as all relevant Group functions. The measures defined by the Sustainability Committee are implemented by Sustainability Management in collaboration with the relevant specialist departments.

In our annual Sustainability Report we provide comprehensive information about all the key data and changes. Our sustainability report has been produced for the fifth time in accordance with the principles set out in the Global Reporting Initiative (GRI). We transitioned to the G4 guidelines in 2014 and our reporting for 2015 follows these guidelines, with Vontobel having once again selected the “core” reporting option. No restatements or corrections were made versus 2014 (G4–22, 23). In line with the prior year, the following aspects were included in the Sustainability Report for 2015 and were accompanied by the corresponding indicators (G4–18, 19):

- Economic performance
- Indirect economic impacts
- Materials
- Energy
- Emissions
- Employment

- Training and education
- Diversity and equal opportunity
- Non-discrimination
- Anti-corruption
- Compliance
- Product and service labelling
- Customer privacy
- Product portfolio
- Active ownership

Unless stated otherwise, the report boundary encompasses Vontobel Holding AG with the subsidiaries listed in the consolidated annual financial statements as well as their locations. Unless stated otherwise, the reporting period is from 1 January to 31 December 2015. The environmental key figures relate to the period from 1 October 2014 to 30 September 2015. Information on the scope of consolidation can be found on page 220–221 of the Annual Report (G4–17). As a provider of financial products, we also seek to incorporate sustainability aspects into our products and services, as well as our partnerships and relationships with suppliers. More information on this topic can be found in the following chapters (G4–20, 21).

An open dialogue is important to us in order to gain a better understanding of the needs of our clients, employees, suppliers and cooperation partners and to take account of the interests of local communities and non-governmental organizations. We want to engage with our stakeholders by providing clear and comprehensible information on different environmental, social and governance challenges and opportunities. Regular employee and client surveys are key tools in this context, as are targeted discussions with our suppliers. In 2015, we implemented measures based on the results of the 2013 employee and client surveys. Issues raised by employees included calls for enhanced internal communication and targeted support in the area of career development. A second global employee survey was conducted in the year under review. The majority of clients indicated they were very satisfied with Vontobel but we nonetheless want to achieve improvements in this area and to further strengthen client satisfaction and client trust in our company (G4–25, 26, 27). We are making good progress in these efforts, with Vontobel having once again been assigned the rating “excellent” for its investment proposal in a private banking test carried out by the German investor magazine “Euro”, while the Swiss business magazine “Bilanz” named Vontobel “Best private bank in Switzerland 2015”.

The following sections show the progress achieved during the year under review.

### **Focusing on clients**

Our business philosophy centres on achieving client satisfaction, on gaining and maintaining client trust and on protecting and building the wealth that clients have entrusted to us. These tasks have become more complex in view of the increasing demands being placed on the financial sector as well as stricter regulatory requirements (both in Switzerland and worldwide). At the same time, clients have become more discerning, and the demand for individually tailored solutions has increased.

Sustainability aspects are playing a more significant role in this context, even purely in terms of economic risk considerations.

Offering each of our clients the right product or best possible service is therefore the primary focus of our three divisions – Private Banking, Asset Management and Investment Banking. Compliance with the product naming requirements defined by regulators is mandatory for all our divisions. Private Banking offers a comprehensive range of services to address a wide variety of financial needs, from portfolio management to investment advice and inheritance planning. Asset Management has a multi-boutique approach with six independent centres of competence and focuses on active asset management. Investment Banking ranks among the leading issuers of derivatives and structured products in Switzerland and Europe. Securities and forex trading, as well as the securities services provided by Transaction Banking, complete our offering.

In addition to being one of the leading issuers of structured products in Switzerland, we play a pioneering role in this business: Since 1 October 2014, Vontobel Financial Products has been disclosing the issuer margin on its own structured products in addition to the distribution fees, thus setting a new industry standard in terms of cost transparency. In response to changing information requirements and the growing client need for increased interaction, Vontobel is continuing to develop its derivatives website *derinet*<sup>®</sup>. This included the launch of the *derinews* blog – the first of its kind to be published by a Swiss issuer of structured products.

Vontobel assigns the highest importance to protecting client data and to complying with all applicable legal requirements. The Legal & Compliance department is responsible for regulating and monitoring both of these aspects throughout Vontobel. There were no cases involving breaches of client privacy in 2015. Equally, Vontobel did not receive any fines for non-compliance with regulations governing the provision of products and services.

In Private Banking, the individual service offered by Vontobel forms the cornerstone of our good relationship with clients. Our relationship managers take time to understand the wishes and needs of each client and make a structured assessment of their personal circumstances in order to offer them services that are tailored to their individual requirements. To ensure that our clients only purchase products that are suitable and appropriate for them in terms of their personal financial market experience and risk capacity, a specially developed risk profile was introduced in 2013 and has since been continuously adapted and improved. This enables relationship managers to issue investment recommendations that are in line with the risk profile of each client, taking account of both their personal experience and the expected development of the market. In this way, we can serve our clients and address their needs in a more targeted manner. We conduct regular surveys of our private clients. We want to continuously improve on our high level of client satisfaction of 84% (2013 client survey). The next client survey is scheduled for 2016.



Vontobel began to systematically introduce retrocession-free share classes in the area of portfolio management in 2014. This measure is aimed at further enhancing the cost transparency of our portfolio management mandates and is also a key factor driving client satisfaction.

To ensure that our relationship managers are ideally prepared to meet the needs of our clients, we once again invested in a range of training programmes in 2015. This included the relaunch of our induction courses for new hires in Private Banking to inform employees about the bank's products, services and processes more rapidly and effectively. In addition, we created a dedicated function in Private Banking with responsibility for the further development of our training for relationship managers and for ensuring a high level of professionalism in this area, and we appointed a specialist to this post. Our cross-border e-learning platform was also expanded in 2015 with a focus on the advisory business and our advisory process. As a final point, we invested in a series of training courses during the year to enable relationship managers to acquire additional technical expertise.

We also enhanced and sharpened the focus of our investment communications for clients. They now receive market updates with more comprehensive and transparent information based on the current market environment. For example, we promptly informed them about the SNB's decision relating to the Swiss franc, developments in the Greek crisis, Brazil's credit rating downgrade by S&P, the market turmoil in China, the US Fed's interest rate hike, and commodities news.

In 2015, we once again published our magazine for private clients. The three issues focused on the topics "Preparing for Change", "Digitalization" and "Successfully different" – thus appealing to a broad and interested readership while also incorporating sustainability topics. The November edition of our monthly Investor's Outlook was devoted to the subject of climate change and featured a specialist article about sustainable investments.

Vontobel offers private clients a portfolio management mandate that takes account of sustainability criteria and is broadly diversified across several asset classes, the "Vontobel Sustainable Mandate". Three different investment strategies are available. Unlike in the case of traditional portfolio management mandates, all of the investments undergo a clearly defined sustainability review. This gives investors the opportunity to participate in the success of sustainable companies and to combine their personal values with their investment activities.

In 2015, Vontobel extended its range of products for private clients with the addition of an insurance solution. Clients can now grow and protect their wealth through flexible or tied pension products. In cooperation with our partners, Vontobel offers flexible investment solutions in the areas of vested benefits, management pensions and Pillar 3a pension provision. Depending on the needs of the client, Vontobel offers mandates or fund solutions. We have launched our own funds for the fund solution. The Vontobel funds "Pension Invest Yield" and "Pension Invest Balanced" invest globally and combine the goals of capital preservation and capital growth with ethical, environmental and social aspects.

For all sustainable investment products, Private Banking works closely with specialists in Vontobel Asset Management in line with the principles of the integrated business model. In 2015, Vontobel strengthened its cooperation with selected external fund partners. One of the main goals of this cooperation is to intensify the active exchange of knowledge and experience with other investment and finance experts and to incorporate newly acquired insights into our investment decisions.

One of the trends that Vontobel has long been actively following is digitalization. Against this backdrop, Vontobel defined a comprehensive digitalization strategy and – as part of this strategy – launched the Vontobel Mobile Private Banking project in 2014. In view of the increased use of digital media, we have developed a multi-channel strategy for client communications in connection with this project and launched the digital channel “Vontobel Mobile Private Banking App” at the start of 2015. This digital solution enables our clients in selected countries to obtain a detailed overview of their portfolios and accounts and to obtain access to specific investment ideas, detailed research information and current market prices in key markets. Clients can also compile their own individual “watch list” of financial investments that are of interest to them. The messaging function allows them to communicate directly with their relationship manager or other contacts at Vontobel. In the course of the first quarter 2016, a trading function to simplify the buying and selling of securities will be added. In addition, the informational content will be expanded in 2016. We use encryption technology to ensure the very highest standards of security for the transfer of data. This mobile solution is available on smartphones and tablets for iOS and Android. Our clients have responded positively to this innovation.

#### **Awards and events**

Our divisions once again received various awards in 2015 in recognition of our services and funds. In the private banking test conducted by the German investor magazine “Euro”, Vontobel was assigned the highest rating of “excellent” for its investment proposal. In conjunction with the Munich-based Institut für Vermögensaufbau (IVA), the magazine “Euro” conducted its eighth annual private banking test of 20 banks in Germany. The test was based on “mystery shopping” research conducted with real test clients, and it assessed how well the investment proposals presented by the private banks corresponded to the needs of the clients. The consultation with the test client was successful, with no questions left unanswered. Vontobel also performed well in the mystery shopping test carried out by the Swiss business magazine “Bilanz”, which named it “Best Private Bank in Switzerland 2015”. This was the second consecutive year in which Vontobel received these two awards.

Vontobel Asset Management was named “Best EUR Corporate Bond Manager”. The European rating agency FERI EuroRating Services AG and Handelsblatt Publishing Group named the Vontobel Fund – EUR Corporate Bond Mid Yield as the best fund in the “EUR Corporate Investment Grade” category in Germany, Austria and Switzerland.

In 2015, Vontobel Asset Management won three coveted industry awards in the UK. Two of the accolades went to the Vontobel Fund – Clean Technology, the third went to our London-based fixed income boutique TwentyFour Asset Management. The



Vontobel Fund – Clean Technology was named “Best Environmental Fund” in the 2015 Sustainable Investment Awards and “Best Fund” in the category “Natural Resources Equity” in the 2015 Investment Week Specialist Investment Awards. These awards underscore our position as a leader in sustainable and thematic investing. TwentyFour was named “Specialist Fixed Income Group of the Year” at the 2015 Investment Week Specialist Investment Awards. TwentyFour offers a comprehensive line-up of fixed income strategies, including unconstrained fixed income and asset-backed securities (ABS).

At this year's award ceremony for the most successful derivatives providers in Germany, Vontobel Investment Banking followed on from its success in 2013 and 2014 by once again securing first place in the “Reverse Convertibles” category. The “Zertifikate-Awards” are regarded as the most prestigious accolades for leading providers and products in the German market for retail certificates. The awards are organized by the specialist publication “Der Zertifikateberater”, “Die Welt” Group and the two major stock exchanges Börse Frankfurt and Börse Stuttgart.

Vontobel considers it important to promote a sustainable approach to finance and to actively participate in a dialogue on this topic. Reflecting this commitment, representatives of Vontobel Asset Management took part in panel discussions at the Responsible Investor Europe Conference 2015 and the Impact Forum Europe in Berlin. The topics discussed were ESG integration as well as labels and certifications for sustainable investment funds. In addition, Vontobel hosted and sponsored an event entitled “The new Swiss Foundation Code – promoting the professional management of foundation assets”.

#### **Vontobel Asset Management: quality certification for investment management services**

Vontobel Asset Management has obtained ISAE (International Standards for Assurance Engagements) 3402 Type 2 certification. ISAE 3402 is a global assurance standard for reporting on controls at service organizations. It was introduced in 2011, largely in response to regulatory changes resulting from the Enron and WorldCom financial scandals to protect shareholders and the general public from accounting errors and fraudulent practices. The standards were established by the International Auditing and Assurance Standards Board. This certification confirms Vontobel Asset Management's commitment to applying international principles in relation to process quality for the benefit of its clients.

#### **Sharper focus on opportunities and risks in the investment business**

For a wealth and asset manager, the consideration of ESG aspects in the investment business is a key element of its sustainability strategy. This reflects the fact that the integration of sustainability criteria into its product and services portfolio is a very effective lever when it comes to fostering sustainable development. Since 2010, Vontobel has therefore been a signatory to the Principles for Responsible Investment (PRI), a UN initiative to promote sustainable investing, as well as to the European SRI Transparency Code.

**Sustainable investment products to meet client needs**

When requesting investment proposals, private and institutional clients are increasingly looking for an investment process that incorporates ESG criteria. Our investment products taking sustainability criteria into account enable clients to achieve financial returns while contributing to sustainable development. Our clients can select investment themes that reflect their own values and investment objectives. The primary focus here is on a range of funds that use different approaches to address aspects of global change and sustainable business. Each of our divisions performs functions relating to product development, client communications and marketing to ensure continued progress in these areas. The Principles for Responsible Investment (PRI) provide guidance in this area. We also comply with the requirements of the European SRI Transparency Code.

In our Global Thematic Boutique, the “Sustainable Global Leaders” fund line was renamed “mtx Sustainable Global Leaders”. The “mtx” component of the name is an abbreviation of “matrix” and is derived from the underlying investment process used by the portfolio management team. Our analysis is based on four pillars: profitability, industry position, intrinsic value and the examination of specific ESG criteria. Sustainability-related issues and challenges relating to each sector are defined in detail in “Minimum Standard Frameworks” (MSFs) and divided into nine different fields. Analysts use the sustainability matrix to assess the sustainability performance of companies.

The assessment of individual companies is conducted by specialist internal financial analysts with many years of experience in evaluating sustainability criteria. Their combined expertise in the areas of financial and ESG analysis is an important success factor for Vontobel Asset Management in view of the importance of identifying financially attractive and highly sustainable companies in each sector: Within each MSF, companies must meet the defined minimum criteria in order to be considered for investment. Information from external research agencies (Vigeo, GMI, Inrate, Bloomberg), reports by Hermes Equity Ownership Services (HEOS) and publicly accessible NGO assessments are included in the analyses.

We believe that in an increasingly globalized and dynamic world, companies that actively address sustainability challenges from a long-term perspective have better prospects of success and gain a competitive advantage over their peers. Our regular performance assessments based on ESG criteria are an indication that the consideration of ESG criteria can create clear added value for our clients. In total, the mtx Sustainable Global Leaders funds reported CHF 1,008 mn of assets under management at the end of 2015.

In regular sustainability meetings, analysts and portfolio managers discuss current assessments and ensure that the findings are incorporated into the investment process. We not only analyze new stocks but also regularly examine previously defined MSF profiles to identify investment risks and opportunities at an early stage. A regular dialogue with portfolio managers in other areas also helps to ensure that recommendations are incorporated into other products such as balanced mandates.

In addition to the mtX Sustainable Global Leaders fund line, Vontobel offers the New Power, Future Resources and Clean Technology theme funds. They address current trends such as the restructuring of the energy system, the efficient use of resources and the supply of clean technologies. At the end of 2015, these three funds had a total volume of CHF 447 mn.

### **Voting and engagement**

For all companies in our sustainable investment funds, Vontobel regularly exercises its voting rights. We have been working with Hermes Equity Ownership Services (HEOS) in this context since 2011. This strengthens our position as a result of our cooperation with other investors. The HEOS service covers all of Vontobel's funds that take account of sustainability criteria, as well as our thematic funds: mtX Sustainable Global Leaders, mtX Sustainable Emerging Markets, mtX Sustainable Asian Leaders (ex Japan), Sustainable Swiss Equity, New Power, Clean Technology and Future Resources. All other funds come under the internal "Management Company Voting" policy.

The guidelines followed by HEOS have been reviewed and approved by Vontobel. Whenever voting rights are exercised, the decision-making authority always lies with Vontobel, which checks the proposals put forward by HEOS on voting and engagement. These proposals may also be amended or rejected.

Each year, Vontobel publishes a Voting & Engagement Report. The report for 2015 will be published in mid-2016. In 2014, we voted on 3,129 resolutions at 257 general meetings worldwide for the above mentioned funds. We voted with management on 55% of the resolutions, against management on 43% of the resolutions and we abstained on 2%. We engaged in a dialogue with 41 companies on 101 different issues, of which 14% related to environmental, 25% to social and 10% to strategy and risk matters. Corporate governance was once again the main topic discussed, accounting for 52% of all issues.

In addition to formal engagement programmes, our analysts established direct contact with companies on a more frequent basis in 2014. Our consumer goods analyst contacted Samsonite and expressed concern over its clearly below-average environmental and governance performance. The company subsequently committed to further reduce the use of hazardous materials in its production process. In 2014, Samsonite separated the functions of CEO and Chairman – a move that we regard as clear progress in its corporate governance. Our IT analyst cultivated a productive dialogue with Colopl surrounding corporate governance issues. Detailed information is available in our Voting & Engagement Report at: [www.vontobel.com/voting](http://www.vontobel.com/voting)

All Vontobel funds where sustainability aspects are integrated in the investment process bear the Eurosif transparency logo, which guarantees that investors are fully informed about the funds' investment processes and selection criteria.

Vontobel Asset Management also manages sustainability and theme funds with a volume of CHF 3,897 mn for various cooperation partners. Through its involvement

in “responsAbility”, an organization specializing in social investments and microfinance investing, Vontobel supports the provision of microfinance funds and other innovative financial products.

<b>Sustainable and theme funds managed by Vontobel</b>	2015	2014
Volume of sustainable funds (CHF mn)	<b>4,852</b>	4,106
Volume of theme funds (CHF mn)	<b>516</b>	476

<b>Sustainable investments</b>	2015	2014
Volume of sustainable investments (CHF mn) <sup>1</sup>	<b>6,445</b>	5,659
Share of sustainable investments (in % of AuM) <sup>2</sup>	<b>4.7</b>	4.5

1 Including volume of structured products

2 Excluding volume of structured products

The volume of sustainable investments managed by Vontobel rose by over 13% in 2015 compared to the previous year. Measured as a proportion of total assets under management, sustainable investments increased from 4.5% to 4.7%. The growth of this segment therefore slightly exceeded that of other investments.

#### **No investments in controversial weapons**

Cluster munitions and land mines are banned by international conventions. As early as 2012, Vontobel approved a Group-wide guideline that prohibits investments in companies that manufacture these types of arms. Therefore, our sustainable investment process begins with the systematic exclusion of companies that manufacture controversial weapons from our investment universe. Stringent processes ensures that no manufacturers of cluster munitions and land mines are included in our investment funds, discretionary mandates or investment recommendations.

#### **Vontobel charitable foundation**

Since 2004, clients have been able to lend their support to a variety of projects focusing on social issues, culture, ecology, education or medicine through Vontobel's charitable foundation. In the year under review, for example, the charitable foundation provided support to the Eriwis nature workshop for the second time. Located near to Schinznach-Dorf in the Canton of Aargau, it covers an area of 135,000 m<sup>2</sup> and is home to a number of rare amphibian species. It also provides an important habitat for birds and reptiles, including smooth snakes and grass snakes. A high level of personal commitment and in-depth expertise is required to preserve these sites of natural importance. The Eriwis nature workshop is committed to promoting biodiversity and to preserving different habitats. Another project supported by the charitable foundation in 2015 was the “Verein Läbesruum” in Winterthur, which has been promoting the social and professional integration of unemployed people for 25 years by offering them low-threshold employment. This paid work enables people to establish a daily routine, gives them the feeling of being needed, creates a sense of self-worth and, in many cases, restores their confidence in their own abilities. These are all prerequisites that enable many of the individuals concerned to find a job in the regular labour market after their time at “Läbesruum”. In total, the charitable foun-

dition contributed more than CHF 840,000 (2014: CHF 708,000) of donations and sponsorship funding in 2015.

### Support for employees

The skills and expertise of Vontobel's 1,566 employees, who work at 6 locations in Switzerland and 17 locations internationally, are vital to Vontobel's long-term success. Vontobel is very aware of the competition that exists for skilled employees. As a medium-sized wealth and asset manager, Vontobel has to compete with major global players both in its Swiss home market and abroad. Individual career planning and suitable training and development opportunities are therefore especially important in positioning Vontobel as an attractive employer. Another key factor is the provision of a pleasant working environment that is free from discrimination and promotes diversity and equal opportunities. No cases of discrimination were reported in 2015.

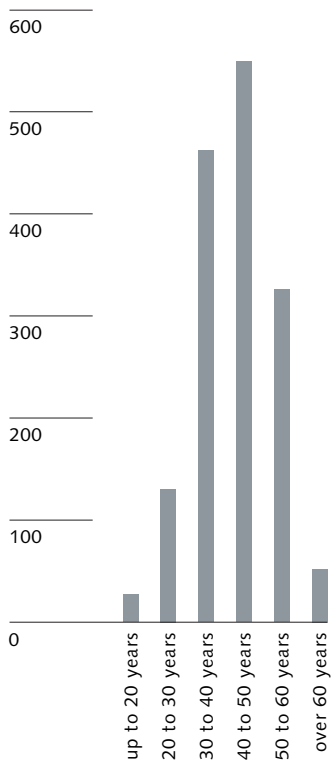
To ensure these requirements are addressed properly, we consider it important for employees to play an active role in their own professional development. As part of the annual performance management process for all employees – comprising the assessment of behavioural competencies and the setting of individual goals – they are given the opportunity to draw up a personal development plan. This forms the basis for their personal career development and is defined by employees in consultation with their line manager. Vontobel provides appropriate online tools for this process and employees are supported by Human Resources and business partners in the individual divisions. The strengthening of individual development planning forms part of the measures that were defined based on the results of the 2013 employee survey.

### Number of employees by domicile

	Number of women	Number of men	31-12-15 Total	Number of women	Number of men	31-12-14 Total
Switzerland	376	888	<b>1,264</b>	353	845	1,198
Germany	39	44	<b>83</b>	36	49	85
USA	32	46	<b>78</b>	30	35	65
Austria	2	1	<b>3</b>	3	1	4
U.A.E	2	12	<b>14</b>	2	10	12
Italy	6	9	<b>15</b>	6	6	12
Luxembourg	7	10	<b>17</b>	9	8	17
Liechtenstein	10	6	<b>16</b>	9	5	14
United Kingdom	12	35	<b>47</b>	5	6	11
Hong Kong	9	7	<b>16</b>	9	8	17
Singapore	4	4	<b>8</b>	3	7	10
Sweden	0	0	<b>0</b>	0	1	1
Spain	1	2	<b>3</b>	0	2	2
Australia	1	1	<b>2</b>	0	0	0
Cayman Islands	0	0	<b>0</b>	1	0	1
<b>Total</b>	<b>501</b>	<b>1,065</b>	<b>1,566</b>	<b>466</b>	<b>983</b>	<b>1,449</b>

Numbers include trainees

Age structure 2015



Of the total of 1,566 employees at Vontobel, 1,333 held full-time positions. In addition to employees with permanent contracts, a total of 88 temporary employees worked for Vontobel as of the end of 2015. These individuals either have fixed-term contracts or are available on an “on call” basis to assist the company when needed. The total headcount increased by around 8% year on year, including 65 positions resulting from the acquisition of Finter Bank and 34 of TwentyFour.

**Second global employee survey in 2015**

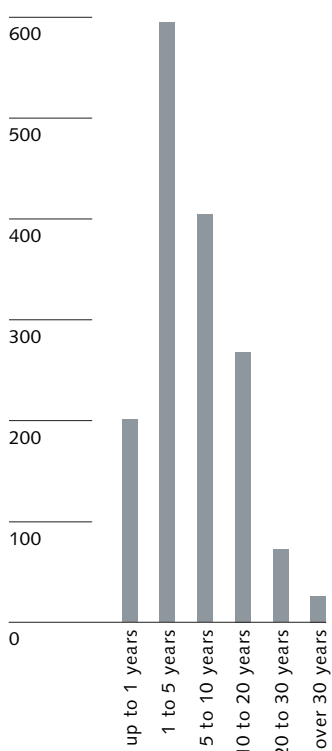
In 2015, we conducted our second global survey to assess employee satisfaction at Vontobel. A total of 86% of employees participated in the survey (2013: 79%). This response rate is well above average compared to Vontobel’s peers as well as companies in other sectors. Compared to the results of the 2013 survey, we achieved improvements in all 13 categories. The survey indicated that the large majority of employees is proud of Vontobel’s excellent reputation in the market and therefore pleased to be associated with the Vontobel brand. To achieve global growth, it is, however, important for Vontobel to have teams with an even more international dimension and for us to view diversity as part of our corporate culture.

In the area of individual professional development, our employees identified a clear improvement compared to 2013. We continue to implement the measures that were initiated and expand them where necessary. As a response to the employee survey 2013, we also strengthened our internal communications. Our various internal communications measures proved effective, resulting in the improved flow of information. We will continue to actively implement these measures.

The survey also revealed the need to further strengthen employee awareness about diversity and inclusion. We have therefore defined three main areas that we will focus on going forward: Gender, Nationality and Demography. Appropriate and realistic goals – referred to as “Aspirations 2020” – have been formulated for each area and measures have been defined that will now be implemented. In the “Gender” focus area, we will strive to continuously increase the number of women at senior management level. In the “Nationality” focus area, we want to ensure that the composition of our workforce reflects our target markets while, at the same time, preserving the “Swissness” that is valued by our clients. Finally, in the “Demography” focus area, we will aim to achieve a more balanced age mix.

Long-term succession planning that addresses the needs of the divisions is an essential part of Vontobel’s long-term human resources planning. This is another area in which we will focus on the topic of diversity and inclusion. The number of different nationalities among our workforce remained largely stable in 2015 compared to the previous year. The age structure shows that most employees are aged between 30 and 50. Targeted support is important to align the potential of this age group with the division’s staffing needs.

Seniority structure 2015





Nationalities of employees	31-12-15		31-12-14	
	Number	in %	Number	in %
Switzerland	1,048	67	1,000	69
Germany	173	11	168	12
Austria	18	1	17	1
Italy	64	4	50	3
USA	64	4	59	4
Spain	13	1	11	1
France	23	1	20	1
United Kingdom	55	4	24	2
Other	108	7	100	7
<b>Total</b>	<b>1,566</b>	<b>100</b>	<b>1,449</b>	<b>100</b>

Age structure	31-12-15		31-12-14	
	Number	in %	Number	in %
Up to 20 years old	27	2	26	2
20 to 30 years old	132	8	122	8
30 to 40 years old	468	30	450	31
40 to 50 years old	556	36	516	36
50 to 60 years old	330	21	285	20
More than 60 years old	53	3	50	3
<b>Total</b>	<b>1,566</b>	<b>100</b>	<b>1,449</b>	<b>100</b>

Age structure Board of Directors	31-12-15		31-12-14	
	Number	in %	Number	in %
30 to 40 years old	1	14	0	0
40 to 50 years old	1	14	1	14
50 to 60 years old	3	43	3	43
More than 60 years old	2	29	3	43
<b>Total</b>	<b>7</b>	<b>100</b>	<b>7</b>	<b>100</b>

Seniority structure	31-12-15		31-12-14	
	Number	in %	Number	in %
Up to 1 year	201	13	202	14
1 to 5 years	595	38	551	38
5 to 10 years	404	26	351	24
10 to 20 years	268	17	252	17
20 to 30 years	72	4	71	5
More than 30 years	26	2	22	2
<b>Total</b>	<b>1,566</b>	<b>100</b>	<b>1,449</b>	<b>100</b>

### Targeted training and development

In 2015, internal training and development measures focused, among other things, on the newly created Leadership Curriculum – with programmes that actively involve members of the Executive Board – and on the expansion of the offering to include eLearning modules such as the Vontobel Ambassador programme. The completion of various modules is now a mandatory requirement for new hires. In addition, a “Welcome Day” is held four times a year in order to introduce the divisions and to

provide new employees with valuable information about Vontobel's strategy, objectives and corporate culture. With effect from 2016, the Welcome Day will be mandatory for all employees from the rank of Director. In 2015, we also introduced an additional "Manager Onboarding" module for employees with management responsibility. Completion of the module – which is designed to help managers learn about and adopt Vontobel's corporate culture – is mandatory. During the year, the Vontobel Academy once again offered a large number of internal and external courses on specialist, personal development and management topics. Expenditure on training slightly decreased year on year, both in absolute terms and per employee.

The "Seitenwechsel" programme gives senior managers the opportunity to further develop their leadership and social skills. Vontobel executives spend one week in a social institution of their choice – ranging from homes for people with disabilities and clinics for people suffering from addiction to asylum centres. The programme enables them to discover a very different type of working environment and provides them with a new perspective. Managers from all of the bank's divisions took part in the programme again in 2015. They found the experience to be enriching and gave very positive feedback about the programme.

Vontobel is convinced that compensation should be determined solely on the basis of an employee's abilities and function. Consequently, Vontobel does not measure wage equality in specific cases or by gender. Vontobel's compensation concept is designed to motivate employees at all levels of the company to achieve shared and individual objectives. The concept is based on an integrated approach. Vontobel's compensation system is structured in such a way that the interests of all stakeholders are closely aligned. The share participation plan, which is based on a long-term perspective, also incorporates risk aspects. It thus provides incentives for employees to contribute to the sustained success and stability of Vontobel, in accordance with the principles defined by the Swiss Financial Market Supervisory Authority FINMA. Vontobel's compensation system has the following objectives: It promotes a performance-oriented culture and fosters teamwork and a prudent approach to risk; it encourages an enterprising philosophy and actions among employees; it promotes a long-term commitment to the company among top performers; and it positions Vontobel as a competitive employer. Further information on this topic can be found in the Compensation Report (Annual Report 2015, page 61 f.).

#### Proportion of males/females at different levels of management in 2015

	Number of women	Proportion of women	Number of men	Proportion of men
Employee	146	52%	134	48%
Middle management	235	45%	284	55%
Senior management	120	16%	641	84%
Group Executive Management	0	0%	6	100%
<b>Total</b>	<b>501</b>	<b>32%</b>	<b>1,065</b>	<b>68%</b>
Board of Directors	2	29%	5	71%

### Proportion of males/females in part-time positions in 2015

	Number of women	Proportion of women	Number of men	Proportion of men	Total number	Proportion of total
20 – 49%	20	4%	6	1%	26	2%
50 – 79%	63	13%	31	3%	94	6%
80 – 99%	68	13%	45	4%	113	7%
100%	350	70%	983	92%	1,333	85%
<b>Total</b>	<b>501</b>	<b>100%</b>	<b>1,065</b>	<b>100%</b>	<b>1,566</b>	<b>100%</b>

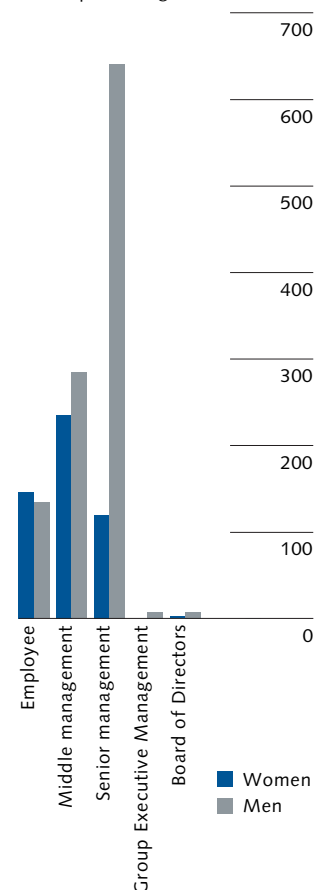
There was virtually no overall change in the proportion of employees who worked on a part-time basis in 2015 compared to 2014: The proportion of female employees working part-time decreased slightly from 31% to 30%, while the proportion of male employees in part-time positions was unchanged at 8%. In principle, part-time employees receive the same benefits as full-time employees. Different benefits apply in the case of temporary employees or staff who are available on an “on call” basis.

### Fully committed to providing attractive employment conditions

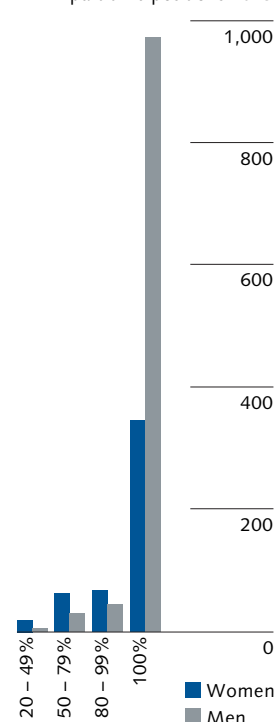
Offering attractive working conditions is an important part of targeted employee development measures. This is why Vontobel promotes the compatibility of work and family life. The benefits granted to working parents go beyond the statutory minimum in terms of both maternity and paternity leave. After completing six years of service, female employees benefit from six months of maternity leave on full pay, while members of staff who have been with the company for a shorter period of time are entitled to four months of maternity leave. New fathers are granted five days of paternity leave. Vontobel is a long-standing member of Childcare Service, an organization that advises parents on childcare issues and runs a group of nurseries. Vontobel is also a member of kcc group (globegarden), which offers families complete childcare solutions. Wherever possible from an operational perspective, Vontobel endeavours to meet requests for part-time working arrangements from employees, including members of middle management. In justified cases, our employees have the opportunity to work from a home office. Since 2015, they have also had the option of purchasing additional individual days of holiday.

Employee health is also assigned considerable importance at Vontobel. The employee restaurant at Vontobel's head office therefore serves healthy meals every day. The salad buffet, starters, main courses and open drinks are offered free to employees, deserts are subject to a charge. Fresh fruit is always available to employees in Vontobel's offices. In addition, Vontobel's own sports club gives employees various opportunities to exercise as a means of striking a balance with their work. Vontobel intends to provide suitable changing areas for employees in each of its office buildings and has therefore modernized and extended the existing changing rooms for women in one of its buildings in Zurich.

Male/female proportion per management level 2015



Male/female proportion in part time positions 2015



When equipping new work spaces or renovating offices, electronically adjustable desks are usually installed to allow employees to alter their height of their work station – reflecting ergonomic recommendations that employees should switch positions while working. Studies have confirmed the benefits of this approach: By reducing the amount of time that employees spend sitting by up to 30%, it is possible to mitigate health problems.

During the year under review, Vontobel participated in National Future Day for the tenth time. Hundreds of companies, organizations and universities across Switzerland open their doors on this day and children in grades 5 to 7 are invited to accompany an adult with whom they have close ties (parents, god parents, aunts or uncles) to work. During the morning session of Future Day at Vontobel, the children learn interesting facts about the bank and then spend the remainder of the day – i.e. lunch and the afternoon session – with the accompanying adult. In 2015, more than 60 children visited Vontobel on Future Day.

<b>Turnover and training</b>	<b>2015</b>	<b>2014</b>
Turnover rate (in %)	<b>11.4</b>	11.8
Training costs (CHF 1,000)	<b>1,618</b>	1,720
Training costs (CHF/FTE <sup>1</sup> )	<b>1,083</b>	1,178
Number of trainees	<b>29</b>	24

<sup>1</sup> FTE = Full Time Equivalent

There was a decline in the turnover rate to 11.4% in 2015 compared to the previous year. A total of 73 female employees and 101 male employees left the company during the year. The leavings by age were as follows: below 24: 3, 25–39: 76, 40–54: 68, 55–64: 23, above 65: 4. Meanwhile, a total of 240 new employees were hired during the year under review (83 women and 157 men). New hires by age: below 24: 24, 25–39: 134, 40–54: 75, 55–64: 6, above 65: 1.

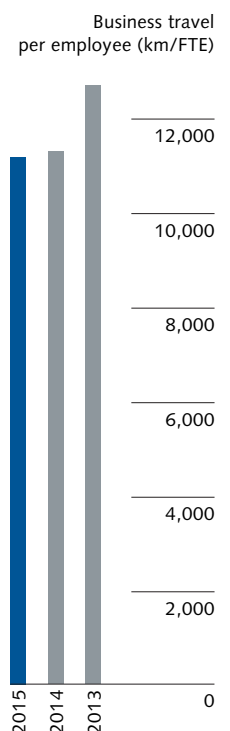
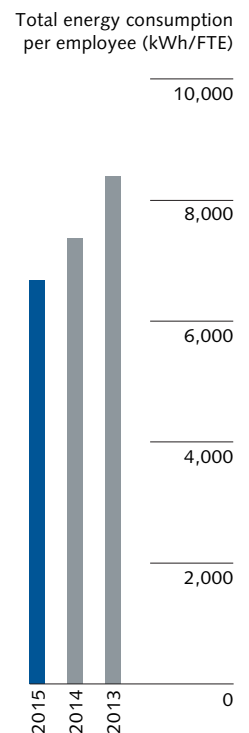
Vontobel once again provided attractive training positions for young people in the form of 29 apprenticeships in 2015 (including one trainee position). This, in turn, benefits Vontobel by giving it access to a pool of well-qualified young professionals who can be offered a permanent position. In Switzerland, all employees up to and including middle management are covered by the Agreement on Conditions of Employment for Bank Employees (VAB) issued by the Employers Association of Banks in Switzerland (AVG).

### Environmental and climate protection

Appropriate processes protecting both climate and environment are of high importance to Vontobel. We gather comprehensive environmental data each year in order to measure our progress. When conducting our operations, we strive to use materials as sparingly as possible and place an emphasis on energy efficiency and the reduction of greenhouse gas emissions. The Sustainability Committee, coordinated by Sustainability Management, is responsible for the strategic management of these aspects. The Committee, which is chaired by the CEO, meets twice a year. Representatives of Human Resources, Operations, Legal & Compliance and the divisions attend the meetings. Line managers are directly responsible for implementing the decisions taken by the Sustainability Committee. In 2015, the Sustainability Committee selected three new projects for the period from 2015 to 2017 to contribute to the achievement of climate neutrality at Vontobel. This time, the Sustainability Committee focused on the areas of forestry, water and landfill gas, since they effectively complement the GoldPower certificates purchased separately by Vontobel. Projects were selected in Brazil, China and Kenya to ensure broadly diversification across different regions. Information about the projects is available at: [www.vontobel.com/sustainability](http://www.vontobel.com/sustainability).

The first table on page 102 shows environmental key figures on an absolute basis, while the second table shows the figures per employee (FTEs). When selecting and renovating premises, we systematically focus on environmentally friendly and energy-efficient measures to save energy. High energy standards and good insulation of the building envelopes are part of this approach. The use of energy-saving LED lighting is standard in all new and renovated office buildings. Wherever possible, we are also switching to LED lighting in our existing buildings in view of the massive reductions in electricity and maintenance costs that can be achieved. In addition, this form of lighting does not result in waste products requiring special disposal. During the year under review, the entire lighting system at Vontobel's offices in Berne was replaced with LED lighting. At the head office in Zurich, individual areas switched to LED lighting and it is planned that the entire building will be equipped with LED lighting in the course of 2016.

As part of our digitalization strategy, we have altered the publication schedule of derinews so that the client magazine now appears every two months rather than on a monthly basis. At the same time, we launched our derinews blog – the first of its kind to be produced by a Swiss issuer of structured products. With these steps, we are not only exploiting the full potential of the Web 2.0 (social media) but are also reducing paper consumption.



<b>Environmental key figures absolute</b>	<b>2015<sup>1</sup></b>	<b>2014<sup>1</sup></b>	<b>2013<sup>1</sup></b>
<b>Total energy consumption (MWh)</b>	<b>9,447</b>	10,164	11,141
Electricity consumption (MWh)	<b>6,362</b>	6,804	7,447
Heat consumption (MWh)	<b>2,709</b>	2,986	3,469
District heating/cooling usage (MWh)	<b>376</b>	374	225
<b>Business travel (1,000 km)</b>	<b>15,773</b>	15,553	16,812
<b>Paper consumption (t)</b>	<b>155</b>	161	198
Proportion of recycled paper used (%)	<b>29</b>	19	13
Proportion of FSC-label paper used (%)	<b>87</b>	88	80
<b>Water consumption (drinking water, m<sup>3</sup>)</b>	<b>18,217</b>	17,432	17,509
<b>Volume of waste (t)</b>	<b>218</b>	265	254
Recycling ratio (%)	<b>49</b>	67	67
<b>Total greenhouse gas emissions (CO<sub>2</sub> equivalents in t)<sup>2</sup></b>	<b>3,513</b>	3,884	4,039
Greenhouse gas emissions: scope 1 and 2 (CO <sub>2</sub> equivalents in t) <sup>2,3,4</sup>	<b>1,174</b>	1,447	1,432
Greenhouse gas emissions: scope 3 (CO <sub>2</sub> equivalents in t) <sup>2,5</sup>	<b>2,339</b>	2,437	2,607

1 The figures are based on the period from 1 October in the previous year to 30 September

2 Definition according to Greenhouse Gas Protocol

3 Of which 108t CO<sub>2</sub> equivalents from business travel with own fleet (Scope 1).

4 The greenhouse gas emissions associated with electricity consumption of 349 t CO<sub>2</sub> equivalents are reported according to the market-based approach, as defined in the Greenhouse Gas Protocol Scope 2 Standard. When reported according to the location-based approach, the emissions totalled 1,050 t CO<sub>2</sub> equivalents.

5 Of which 1,538 t CO<sub>2</sub> equivalents from business travel by air, rental car and train. Other Scope 3 categories covered: upstream activities in energy production, water, paper, waste.

<b>Environmental key figures per FTE<sup>2</sup></b>	<b>2015<sup>1</sup></b>	<b>2014<sup>1</sup></b>	<b>2013<sup>1</sup></b>
<b>Total energy consumption (kWh/FTE)</b>	<b>6,677</b>	7,365	8,390
Electricity consumption (kWh/FTE)	<b>4,497</b>	4,930	5,608
Heat consumption (kWh/FTE)	<b>1,915</b>	2,164	2,612
District heating/cooling usage (kWh/FTE)	<b>265</b>	271	170
<b>Business travel (km/FTE)</b>	<b>11,149</b>	11,271	12,660
<b>Paper consumption (kg/FTE)</b>	<b>110</b>	116	149
<b>Water consumption (drinking water, l/FTE)</b>	<b>12,876</b>	12,632	13,185
<b>Volume of waste (kg/FTE)</b>	<b>154</b>	192	191
<b>Total greenhouse gas emissions (CO<sub>2</sub> equivalents in kg/FTE)<sup>3</sup></b>	<b>2,483</b>	2,815	3,014
Greenhouse gas emissions: scope 1 and 2 (CO <sub>2</sub> equivalents in kg/FTE) <sup>3</sup>	<b>830</b>	1,049	1,055
Greenhouse gas emissions: scope 3 (CO <sub>2</sub> equivalents in kg/FTE) <sup>3</sup>	<b>1,653</b>	1,766	1,959

1 The figures are based on the period from 1 October in the previous year to 30 September

2 FTE = Full Time Equivalent

3 Definition according to Greenhouse Gas Protocol

The decline in our total energy consumption and in the volume of waste was mainly attributable to the renovation of one of our office buildings. Paper consumption remained largely stable in 2015. To date, Vontobel has not imposed any binding targets in respect of paper consumption. One exception is our goal of ensuring that over 90% of the paper we use bears the FSC label or has been produced using recycled paper.



To offset our CO<sub>2</sub> emissions, Vontobel has been carbon neutral since 2009. This has been achieved through the purchase of emission reduction certificates. Working with our partner South Pole Group, we purchase emission credits relating to a forest project in Brazil, a waste gas recovery project in China and a project involving cooking stoves and water purification devices in Kenya. Detailed information on the individual projects is available on our website.

Vontobel has been purchasing electricity from renewable sources for all its locations worldwide since 2013. Wherever possible, we do so directly and otherwise indirectly via the “Gold Power” solution offered by South Pole. This product enables companies to purchase renewable energy no matter where they consume electricity, thus promoting the expansion of global capacity for the production of renewable energy.

#### **New concept for the disposal of electronic devices**

Electronic devices used within the business must comply with the highest standards and requirements. In the past, Vontobel disposed of equipment as soon as its compliance with these requirements could no longer be guaranteed. However, many of these devices still worked – meaning they can be put to reliable use in a non-profit environment. The extension of the useful lives of electronic equipment also makes sense from an environmental perspective. Consequently, Vontobel decided in 2015 that functioning electronic devices will, in future, be given to the Berg Foundation in Gossau in the Canton of Zurich. As in the past, data carriers are first removed from the devices and destroyed.

#### **Employee restaurant: Successful participation in the “One Two We” programme**

The Vontobel employee restaurant adopted the “One Two We” programme in 2013. The “One Climate Menu” that was introduced in connection with the programme continued to be offered to employees in 2015. On average, our partner SV Group served 668 meals to employees and guests each day. “One Two We” is a sustainability programme launched in conjunction with WWF Switzerland. The aim is to offer more meals that mainly use seasonal produce and include fewer products that are transported by air and less meat, while making increased use of different types of cereals as an alternative to rice – thus reducing the carbon footprint in the food chain. With “One Two We”, the volume of CO<sub>2</sub> emissions generated by the employee restaurant has fallen by over 14%. This was driven by a reduction in the use of foods that are transported by air and lower meat consumption, as well as the inclusion of a greater proportion of fruit and vegetables on the menu. The amount of foods transported by air that were purchased for use in the employee restaurant decreased from more than 2.6 tons to 590 kilograms. The “One Climate Menu” made it possible to reduce the volume of meat consumed by more than 1 ton. Due to the expansion of the range of vegetarian meals on offer, the volume of fruit and vegetables purchased rose from 51 tons to 62 tons over the last two years. In total, CO<sub>2</sub> emissions per main meal decreased from 3.17 kilograms to 2.72 kilograms of CO<sub>2</sub> as a result. Since the start of the programme, the restaurant has saved around 108 tons of CO<sub>2</sub>.

### **Commitment to sustainable mobility**

Vontobel continued its commitment to sustainable mobility in 2015. Our participation in the “Bike to Work” initiative proved successful once again, with 69 employees in 15 teams cycling to work despite the high summer temperatures. They covered a total of 12,525 kilometres. Based on the principle that each kilometre cycled saves the equivalent to 160 grams of CO<sub>2</sub> (the CO<sub>2</sub> output of an average Swiss mid-sized car, according to the Swiss Federal Statistical Office), this corresponds to a CO<sub>2</sub> saving of 2,004 kilograms. Furthermore, the Mail Services department (internal dispatch) acquired two Citroën Berlingo electric vehicles in 2015. The decision to purchase the electric vehicles was based on the fact that an electric motor is the most suitable option to meet the requirements of Mail Services: Its employees only travel short distances within the city and the motors in their vehicles have to be switched off and on frequently. Another advantage of electric vehicles is that the maintenance costs are substantially lower than in the case of diesel or petrol vehicles. A charging station has been installed in the building where Mail Services has its main office.

Vontobel representatives participated again in the mobility dialogue for major companies in the City of Zurich. This year, the topic “City Traffic 2025” was debated with a focus on the Europaallee complex, the project “Züri Velo” and the “WeAct” platform.

In future, monthly travel statistics will be published to encourage commuters to consider their travel habits and to help them cut down on journeys. In addition, Vontobel will call on employees to make increased use of video-conferencing as an alternative to business travel.

### **Comprehensive measures to ensure compliance with applicable laws and regulations**

Vontobel implements comprehensive measures to ensure compliance with laws and regulations. This is essential – especially to avoid reputational risks. As part of Vontobel’s Group-wide risk analysis – and with the application of suitable compliance processes – all divisions are monitored continuously to check their adherence to legal requirements. On the client side, the primary focus of the risk analysis is on risks arising from money laundering (including terrorist financing). Politically exposed persons are subject to a special monitoring process in this context.

Upon joining Vontobel, all employees receive appropriate training on compliance guidelines and are issued with the Employee Handbook. This document contains specific regulations and instructions as well as the Code of Conduct. The most recent version of the Employee Handbook is available on the intranet. To ensure a working environment that is free from discrimination, the Employee Handbook clearly sets out the principle of non-discrimination. No incidents of discrimination were reported in 2015.

Thanks to regular training, our employees remain informed about compliance aspects relating to existing and new legal and regulatory requirements, thus preventing infringements of internal and external rules and regulations. In 2015, additional Group-wide training was provided about the Foreign Account Tax Compliance Act (FATCA). This legislation is aimed at ensuring the taxation of accounts held abroad by individual and legal persons who are US taxpayers. As an extraterritorial application of US tax law,

FATCA essentially requires all foreign financial institutions to regularly and automatically report to the US authorities the identity and assets of US clients they serve.

Training on selected business-specific topics was also provided during the year. Examples include courses about changes related to the Swiss Federal Act for Implementing Revised FATF Recommendations of 2012 as well as the "Agreement of the Swiss banks' code of conduct with regard to the exercise of due diligence" (CDB 16). Other key topics covered included the prevention of money laundering (review of transactions, Know Your Customer rules and the prevention of terrorist financing) and compliance with cross-border regulations. Vontobel also revised several policies to take account of current internal and external requirements. In the case of suspected breaches of legal or regulatory requirements, internal regulations or ethical standards, a whistleblowing system is in place to allow employees to report these incidents on an anonymous basis.

#### **Corporate Citizenship: our commitment to culture and society creates value**

There is a long tradition of social responsibility at Vontobel. We want to deliver on our brand promise "Performance creates trust" – including when it comes to being a good corporate citizen. Our company is an integral part of the global economic system and we benefit, in particular, from the excellent operating conditions in our Swiss home market in terms of high standards of education, a good infrastructure and political stability. In this context, we are responsible for promoting the welfare, cohesion and stability of the communities in which we work.

To assume our responsibilities, we must always stay fully focused on the needs of our clients and take account of risks, while achieving long-term business success. In doing so – and by complying with ethical business standards – we make a contribution to the economy as a whole. We help to drive value creation in the regions in which we operate through our role as an employer, taxpayer and active participant in economic life – including as a purchaser of goods and services and as an investor. The corporate taxes we pay each year are part of these social responsibilities, as are the payment of employee compensation and the provision of financial services to private and institutional clients.

Compared to the previous year, added value increased by almost 15% in 2015, resulting in a 15% increase in the taxes paid by Vontobel. As a result of the improvement in net profit in 2014, Vontobel Holding AG once again increased its dividend payout.

<b>Distributed economic value</b>	<b>2015</b>	<b>2014</b>
Added value (CHF mn) <sup>1</sup>	<b>755.4</b>	658.5
Taxes and dues (CHF mn) <sup>2</sup>	<b>47.3</b>	41.2
Dividends paid (CHF mn)	<b>86.7</b>	83.5

<sup>1</sup> Operating income less depreciation of fixed assets and intangible assets

<sup>2</sup> Includes profit tax, capital tax and other taxes and contributions

In addition, Vontobel purchases a large quantity of products and services from external providers such as facility management services, IT infrastructure, the design and production of printed materials, as well as catering and cleaning services. Wherever possible, we work with local suppliers and focus on establishing long-term business relationships. Vontobel strives to achieve high environmental and social standards in its own business activities and expects its business partners to help protect the environment and to offer good employment conditions, too. The corresponding requirements are set out in our "Guidelines for sustainable procurement". They address issues such as employment standards, forced and child labour, environmental protection and the prevention of corruption. These guidelines are available at [www.vontobel.com](http://www.vontobel.com) and form part of our general purchasing guidelines.

#### **Vontobel is committed to culture and education**

We want to give some of the value we create back to society in view of the contribution that renowned cultural institutions and events make to a location's appeal and quality of life. The promotion of culture requires investment, which is why Vontobel is so closely involved in supporting the arts. Our primary focus at present is on classical music. Another area of focus is modern art. On the education side, we are involved in initiating and supporting platforms that promote discussions about key issues of our time.

Vontobel is a theme sponsor of the internationally renowned Lucerne Festival in Summer, which is one of the world's most renowned classical music festivals. Vontobel is also one of the main supporters of the American Friends of Lucerne Festival. NZZ Podium, an event series organized by the newspaper *Neue Zürcher Zeitung*, focuses on contemporary topics. In speeches and discussions, recognized experts address current questions and challenges in the areas of politics, the economy, culture and science. NZZ Podium takes place six to eight times a year. In 2015, it addressed the following topics: Beauty and Lifestyle, The Future of Banking, The Fight for Ukraine, The Culture of Mass Surveillance, and Latin America. Vontobel has been a partner and sponsor of NZZ Podium since it was launched.

In addition to building up our own art collection with a focus on contemporary photography, we support leading modern art institutions in selected locations. Vontobel is one of the sponsors of the association of the friends of the Pinakothek der Moderne museum in Munich (PIN). We support the association's annual PIN.PARTY, which includes a charitable auction.

Vontobel is also one of the supporters of the internationally recognized Munich Security Conference (MSC). Over the past five decades, the MSC has become a leading forum for the international strategic community. It brings together heads of state and government, ministers, leading figures in international and non-governmental organizations, CEOs and other specialists to debate key security policy challenges. A study by the University of Pennsylvania once again named the MSC 2015 as the "Best Think Tank Conference" in the world.

Vontobel is especially committed to promoting academic research into finance and investment. The bank's late Honorary Chairman Dr Hans Vontobel therefore personally established a chair for a Professor of Financial Engineering at the University of Zurich. Research projects conducted by the professors and students provide important insights for our work.

As a member of the Swiss Climate Foundation, we donate a significant portion of our re-distributed CO<sub>2</sub> levies to the foundation, which then uses these funds to support climate protection projects at small and medium-sized Swiss enterprises. Projects supported by the Climate Foundation during the year under review include the installation of a sophisticated heat management system at the firm G. Bopp + Co. AG, the WindRail module from Anergdy, the purchase of new plastic injection moulding machines for Plaston AG and the erection of greenhouses to allow for sustainable salad production at the company CombaGroup. These projects also have a positive impact on economic growth and help to enhance the efficiency of the Swiss economy.

### **Serving communities**

Beyond these commitments, we want to get involved in issues and projects that are relevant in terms of the stability and development of the local community. Vontobel has decided to focus its social commitments on three key areas:

- Initiatives that help people to establish their own livelihood or improve their future prospects
- Efforts to encourage young people to develop their talents and skills
- Projects that address cases of acute hardship by providing direct assistance where it is needed

In this context, Vontobel is actively supporting the Swiss financial services provider IndigoDigital. This company has developed a solution that gives people in countries with underdeveloped financial systems access to a full range of financial services. The platform operates exclusively via mobile phones: payment transactions, such as transfers of funds by migrant workers from developing countries, can be made at a fraction of the current costs. Vontobel has a stake in IndigoDigital and offers it specialist support. By supplying financial and technical assistance, Vontobel is making an important contribution from a social perspective and also in terms of development policy: Financial inclusion has a key role to play in efforts to combat poverty and has been classed as a civil right in many European countries for over a century.

Furthermore, Vontobel is a member of the Corporate Support Group of the International Committee of the Red Cross (ICRC). This group was established by the ICRC in conjunction with selected Swiss companies in order to build an innovative, long-term partnership to provide effective humanitarian aid in the coming years. In 2015, the Vontobel Christmas fundraising campaign supported refugee aid work in Syria and neighbouring countries. For every Christmas card sent by Vontobel in 2015, the bank made a donation to the ICRC. In addition, Vontobel launched its first employee fundraising campaign. Vontobel also provided support to a local organization – the Children's Hospital in Zurich (Kispi): During Advent, Vontobel employees set up a stall in front of our Bleicherweg offices in Zurich and sold warm punch to passers-by.

A donation was made for each glass of punch sold. In total, Vontobel was able to donate more than CHF 40,000.

It is not only monetary contributions that are beneficial: society can also profit from the transfer of knowledge. A number of Vontobel employees share their expertise with others by giving talks and presentations at training events that are held internally or at external educational establishments. This makes it possible to ensure the transfer of knowledge within the company and to raise public awareness about the complex interrelationships within the financial markets and the importance of the finance industry for the Swiss economy.

**Vontobel is an active member of several organizations and networks**

With a view to promoting the active exchange of knowledge and experience, Vontobel participates in various organizations and networks and is, in particular, committed to ensuring that greater attention is paid to sustainability issues in the finance industry. In its role as a member of Swiss Sustainable Finance and the Sustainable Investment Forum (FNG), Vontobel hosted and sponsored an event entitled “The new Swiss Foundation Code – promoting the professional management of foundation assets” on 27 October 2015. SwissFoundations, the association of Swiss grant-making foundations, joined forces with various experts to present the new code and discussed the opportunities that it creates for foundations as well as its implications for the management of foundation assets. Around 100 participants listened to the presentations and panel discussion.

At the end of 2015, Vontobel withdrew from its direct membership of the Sustainable Investment Forum (FNG) in Germany. In future, Vontobel will engage selectively in activities with the FNG through the Swiss Sustainable Finance association.



**Vontobel is a member of several organizations committed to the sustainable development of the economy and finance industry:**

- **Swiss Sustainable Finance (SSF)** strengthens the position of Switzerland in the global marketplace for sustainable finance by informing, educating and catalyzing growth. Founded in 2014, SSF unites members and network partners from financial service providers, investors, universities and business schools, public sector entities and other interested organizations. Vontobel is a founding member of SSF and played a significant role in setting up the organization.
- **Climate Foundation Switzerland**, an organization that provides financial support for projects to improve the energy efficiency of small and medium-sized enterprises. Vontobel is one of its founding members and is represented on the Board of Trustees and Advisory Board.
- **Öbu**, a think-tank for environmentally conscious management. This association of Swiss firms conducts company-specific initiatives as well as projects relating to economic policy.
- **Energy Agency for the Economy (EnAW)**, which was founded by business associations with the aim of enhancing energy efficiency among its members and encouraging them to reduce their CO<sub>2</sub> emissions.
- **Principles for Responsible Investment (PRI)**, a UN initiative. When it became a signatory to the PRI in 2010, Vontobel pledged to gradually implement six principles relating to the broad-based integration of sustainability criteria into investment processes.
- **Forum per la Finanza Sostenibile**, an Italian forum for sustainable investing.

Taking account of sustainability issues across all areas of our business is a long-term commitment. Vontobel will strive to achieve continued improvements in the many fields of sustainable business management going forward. We provide regular updates on our progress at: [www.vontobel.com/sustainability](http://www.vontobel.com/sustainability).



## GRI G4 Content Index

Dimensions/Indicators	Materiality/ Reasons for Omission	Page in Sustainability Report/ (Annual Report)
<b>Strategy and Analysis</b>		
G4-1	CEO Statement	a. 3/(85)
G4-2	Sustainability driven risks, opportunities and impacts	a. 3/(85)
<b>Organizational Profile</b>		
G4-3	Name of the organization	a. (241)
G4-4	Primary brands, products, and services	a. (8, 9, 22, 24, 26)
G4-5	Organization headquarters	a. (228, 241)
G4-6	Number of countries where the organization operates	a. (8, 241)
G4-7	Nature of ownership and legal form	a. (33)
G4-8	Markets served	a. (22, 24, 26)
G4-9	Scale of the organization	a. 13/(95)
G4-10	Total number of employees	a. 14/(96)
G4-11	Employees covered by collective bargaining agreements	a. 18/(100)
G4-12	Organization's supply chain	a. 24/(106)
G4-13	Significant changes during the reporting period	a. (221)
G4-14	Application of the precautionary approach or principle	a. 3/(137, 85)
G4-15	Support for external initiatives	a. 24/(106)
G4-16	Memberships	a. 27/(109)
<b>Identified Material Aspects and Boundaries</b>		
G4-17	Entities included in the consolidated annual statements	a. 5/(87)
G4-18	Determination of report content	a. 4/(86)
G4-19	Material aspects	a. 4/(86)
G4-20	Material aspects and report boundaries within the organization	a. 5/(87)
G4-21	Material aspects and report boundaries outside the organization	a. 5/(87)
G4-22	Corporate changes compared to the previous year	a. 4/(86)
G4-23	Significant changes in scope as well as report boundaries from the previous period	a. 4/(86)
<b>Stakeholder Engagement</b>		
G4-24	Relevant stakeholder groups	a. 4/(86)
G4-25	Identification and selection of stakeholders	a. 5/(87)
G4-26	Stakeholder engagement	a. 5/(87)
G4-27	Key topics and concerns raised by stakeholders	a. 5/(87)
<b>Report Profile</b>		
G4-28	Reporting period	a. 5/(87)
G4-29	Date of last report	a. Feb 2015
G4-30	Reporting cycle	a. 4/(86)
G4-31	Contact point for questions regarding the report	a. (240)
G4-32	Chosen reporting option	a. 4/(86)
G4-33	External assurance	a. no ext. assurance
<b>Governance</b>		
G4-34	Governance structure	a. (32)
<b>Ethics and Integrity</b>		
G4-56	Organization values, principles, standards and norms	a. 4/(86)

Dimensions/Indicators		Materiality/ Reasons for Omission	Page in Sustainability Report/ (Annual Report)
<b>Economy</b>			
G4-EC1	Direct economic value generated and distributed	w.	23/(105)
G4-EC1-FS	Community investments	w., p.A.	12, 23/(94, 105)
G4-EC2	Climate Change related implications, risks and opportunities		
G4-EC3	Coverage social benefits	w.	(73)
G4-EC4	Financial assistance received from the public sector		
G4-EC5	Remuneration and minimum wages		
G4-EC6	Local recruitment of senior management		
G4-EC7	Infrastructure investments and supported services	w., p.A.	12, 23/(94, 105)
G4-EC8	Indirect economic impacts	w.	23/(105)
G4-EC9	Spending on local suppliers		
<b>Environment</b>			
G4-EN1	Materials used	w.	20/(102)
G4-EN2	Recycled input materials used	w.	20/(102)
G4-EN3	Energy consumption within the organization	w.	20/(102)
G4-EN4	Energy consumption outside of the organization		
G4-EN5	Energy intensity	w.	20/(102)
G4-EN6	Reduction of energy consumption	w.	20/(102)
G4-EN7	Reduction of energy requirements for products and services		
G4-EN8	Total water withdrawal		
G4-EN9	Affected water sources		
G4-EN10	Water recycled and reused		
G4-EN11	Operational sites in or adjacent to protected areas		
G4-EN12	Impacts of activities on biodiversity in protected areas		
G4-EN13	Habitats protected or restored		
G4-EN14	Total number of IUCN Red List species in areas of operation		
G4-EN15	Direct Greenhouse Gas Emissions	w.	20/(102)
G4-EN15-FS	Business travel related direct Greenhouse Gas Emissions	w.	20/(102)
G4-EN16	Indirect Greenhouse Gas Emissions	w.	20/(102)
G4-EN16-FS	Corporate changes compared to the previous year		
G4-EN17	Other indirect Greenhouse Gas Emissions (Scope 3)	w.	20/(102)
G4-EN17-FS	Other business travel related Greenhouse Gas Emissions	w.	20/(102)
G4-EN18	Greenhouse Gas Emissions intensity	w.	20/(102)
G4-EN19	Reduction of Greenhouse Gas Emissions	w.	20/(102)
G4-EN20	Emissions of ozone-depleting substances		
G4-EN21	NOx, SOx, and other significant emissions		
G4-EN22	Total water discharge		
G4-EN23	Total weight of waste		
G4-EN23-FS	Percentage of paper and IT products waste		
G4-EN24	Number and volume of significant spills		
G4-EN25	Hazardous waste		
G4-EN26	Waste water and biodiversity		
G4-EN27	Mitigation of products and services related environmental impacts		
G4-EN28	Reclaimed products and packaging materials		
G4-EN29	Significant fines and total number of non-monetary sanctions due to environmental offenses		

Dimensions/Indicators	Materiality/ Reasons for Omission	Page in Sustainability Report/ (Annual Report)
<b>Environment (continuation)</b>		
G4-EN30		
G4-EN31		
G4-EN32		
G4-EN33		
G4-EN34		
<b>Labor practices and decent work</b>		
G4-LA1	w.	18/(100)
G4-LA2	w.	17/(99)
G4-LA3		
G4-LA4		
G4-LA5		
G4-LA6		
G4-LA7		
G4-LA8		
G4-LA9		
G4-LA10	w.	15/(97)
G4-LA11	w.	13/(95)
G4-LA12	w.	15/(97)
G4-LA13		
G4-LA14		
G4-LA15		
G4-LA16		
<b>Human Rights</b>		
G4-HR1		
G4-HR1-FS		
G4-HR2		
G4-HR3	w.	13/(95)
G4-HR4		
G4-HR5		
G4-HR6		
G4-HR7		
G4-HR8		
G4-HR9		
G4-HR10		
G4-HR11		
G4-HR12		
<b>Society</b>		
G4-SO1		
G4-SO2		
FS13		
FS14		
G4-SO3	w.	22/(104)
G4-SO4	w.	22/(104)

Dimensions/Indicators	Materiality/ Reasons for Omission	Page in Sustainability Report/ (Annual Report)
<b>Society (continuation)</b>		
G4-SO5	Incidents of corruption and actions taken	
G4-SO6	Donations to politicians and political parties	
G4-SO7	Grievances regarding anti-competitive behavior	
G4-SO8	Monetary value of significant fines	
G4-SO9	New Suppliers screened using criteria regarding impacts on society	
G4-SO10	Impacts on society in the supply chain	
G4-SO11	Grievances pertaining to impacts on society	
<b>Product Responsibility</b>		
G4-PR1	Product and service categories tested for safety and health implications	
G4-PR2	Violation of regulations and codes of conduct concerning products and services related health and safety aspects	
G4-PR3	Product and service information	w. 5/(87)
G4-PR4	Violation of product labeling regulations	
G4-PR5	Customer satisfaction surveys	w. 6/(88)
G4-PR6	Sale of banned or controversial products	
G4-PR7	Breach of marketing and competition related regulations	
G4-PR8	Loss of customer privacy and data	w. 6/(88)
G4-PR9	Fines due to non-compliance with respect to the provision of products and services	w. 6/(88)
<b>Financial Sector specific indicators</b>		
FS6	Business lines by region, size and sector	w., p.A. (23, 25, 27)
FS7	Contribution of products and services to the facilitation of social capital	w., p.A. 10/(92)
FS8	Contribution of products and services to ecological advancement	
FS10	Portfolio-based commitment to social and environmental issues	w. 10/(92)
FS11	Assets subject to environmental or social screening	w. 12/(94)

a. = general standard disclosures (reporting mandatory)

w. = relevant for Vontobel

FS = Financial Sector: specific GRI indicators for the finance sector

p.A. = Omissions due to partial coverage. We strive to increase the data coverage in the coming years.



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The Fund and its subfunds are included in the register of Netherland's Authority for the Financial Markets as mentioned in article 1:107 of the Financial Markets Supervision Act ("Wet op het financiële toezicht"). In Spain, funds authorised for distribution are recorded in the register of foreign collective investment companies maintained by the Spanish CNMV (under number 280). The funds authorised for distribution in the United Kingdom can be viewed in the FCA register under the Scheme Reference Number 466623. Past performance is not a reliable indicator of current or future performance. Performance data take no account of the commissions and costs charged when units are issued and redeemed. The return of the fund may go down as well as up due to changes in rates of exchange between currencies.

An investment in a sub-fund of the Vontobel Fund carries various risks which are explained in the sales prospectus. In particular, we wish to draw your attention to the following risks:

- Investments in the securities of emerging market countries may exhibit considerable price volatility and – in addition to the unpredictable social, political and economic environment – may also be subject to general operating and regulatory conditions that differ from the standards commonly found in industrialised countries. The currencies of emerging market countries may exhibit wider fluctuations.
- Investments in riskier, higher yielding bonds are generally considered to be more speculative in nature. These bonds carry a higher credit risk and their prices are more volatile than bonds with superior credit ratings. There is also a greater risk of losing the original investment and the associated income payments.
- Commodity investments can be very volatile and are prone to sudden swings over the long run. Governments may at times intervene directly in certain commodity markets. These interventions can cause significant swings in the prices of different commodities.

Investments in derivatives are often exposed to the risks associated with the underlying markets or financial instruments, as well as issuer risks. Derivatives tend to carry more risk than direct investments.

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