



ENGAGEMENT POOL  
SWITZERLAND  
ANNUAL REPORT 2023 - SUMMARY

The **Ethos Foundation** is composed of more than 230 tax-exempt Swiss pension funds and institutions. Founded in 1997, its aim is to promote socially responsible investment and to foster a stable and prosperous socio-economic environment.

*Signatory of:*



**Ethos Services** provides advisory services in the field of socially responsible investments. Ethos Services offers socially responsible investments funds, analyses of shareholders' general meetings with voting recommendations, a program of dialogue with companies as well as environmental, social and corporate governance ratings and analyses. Ethos Services is owned by the Ethos Foundation and several members of the Foundation.

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**Corporation**

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# ENGAGEMENT OVERVIEW

# Foreword

In 2023, Ethos' teams continued their sustained engagement with Swiss companies. Those companies are increasingly willing to engage in dialogue with their shareholders and make changes to their environmental, social and governance (ESG) practices. Ethos again had nearly 400 written or verbal exchanges with the companies in the Ethos Engagement Pool (EEP) Switzerland.

As is the case every year, a large number of discussions take place at the start of the year at the annual general meetings (AGMs). These discussions tended to focus on corporate governance issues. However, all ESG issues are now dealt with at AGMs. Diversity issues are now closely linked to decisions on the re-election of board members. This is a welcome development in gender representation on the boards of directors (BoD) of listed companies in Switzerland. In 2023, 52% of BoDs include more than 30% women (compared with 41% in 2022).

Driven by investors, executive compensation policies also more often include sustainability criteria, ensuring that the achievement of environmental and social objectives has an impact on variable pay. In the 2022 compensation report published in 2023, 44% of companies introduced ESG criteria into variable pay. A lot of work remains to be done to ensure that these criteria are transparent and sufficiently ambitious.

2023 also saw the demise of Credit Suisse. In recent years, Ethos has been particularly active in trying to change the course of events. We have intervened on several occasions to call for a change in strategy (withdrawal from investment banking in the United States or spin-off of the Swiss division) or an improvement in corporate governance (request for a special audit at the 2022 AGM, opposition to the re-election of the former Chairman, rejection of compensation). Unfortunately, Ethos' position has been systematically undermined at recent AGMs.

It is now important to learn the lessons from this setback and to continue to mobilise investors to demand greater corporate responsibility. Investors will now have to pay close attention to how UBS manages the merger and limits the impact of this new giant on its various stakeholders.

The second half of 2023 was also very busy for Ethos and EEP Switzerland. There was a high level of interaction with companies, particularly with a view to the introduction of Article 964 of the Swiss Code of Obligations, which requires listed companies to prepare a report on non-financial issues for approval by the AGM.

This was an opportunity for Ethos to reiterate its demands on several topics relevant to the EEP. Firstly, Ethos insisted on the importance of complying with a reporting standard in the preparation of the sustainability report and of

submitting this report to external verification. Ethos was also able to emphasise the level of transparency expected, in particular with regard to greenhouse gas (GHG) emissions - especially the scope 3 emissions - but also the publication of quantitative indicators for social issues (turnover rate, accident rate, pay gap, human rights in the supply chain, etc.).

Finally, Ethos asked companies to set ambitious targets for the various relevant indicators. For example, as part of the climate strategy, Ethos has asked companies to introduce GHG reduction targets compatible with a 1.5°C warming scenario. There are now 26 companies in the dialogue universe covered by the EEP Switzerland that have targets compatible with a global warming scenario of 1.5°C or well below 2°C.

While progress has been made, Ethos often notes that companies are sometimes receiving conflicting messages from their shareholders. Anti-ESG pressure in the United States or attacks by activist investors focused on short-term profit maximisation represent a risk and an obstacle to the development of long-term sustainability strategies by companies. It is more important than ever to continue to mobilise institutional investors with a long-term vision.

With its 179 members, EEP Switzerland has become a voice that counts and a voice that is heard by companies. We would like to thank all our members for their trust and their strong conviction, which enable Ethos and its teams to continue working towards better corporate governance and more sustainable practices. This is the basis for a more sustainable performance in the interest of policyholders and pool members, but also of all the stakeholders of these companies.

Vincent Kaufmann  
CEO

# Introduction

The 2023 activity report of the EEP Switzerland has been prepared in accordance with the provisions of the contract between the member institutions of the EEP Switzerland and Ethos Services SA. It discloses the steps taken and the results obtained in the context of the dialogue conducted by Ethos Services with listed companies in Switzerland on behalf of the members of the EEP Switzerland. This report is only available to members of the EEP Switzerland. As the dialogue with companies is essentially based on discretion, this report is not public. However, in the interests of transparency, a summary of this report is published on the Ethos website. This summary report may also be used by the members of the EEP Switzerland as part of their communication on their responsible investment approach.

## ENGAGEMENT UNIVERSE

Since 2017, the universe of companies analysed has consisted of the 150 largest entities listed in Switzerland defined at the beginning of the year. However, one company that was part of the analysis universe as of the 1<sup>st</sup> of January 2023 left the SPI index during the year (Credit Suisse) and is therefore not included in the various figures in this report.

The statistics presented in this report therefore relate to 149 companies (see list in Appendix 1). However, when a long-term trend is presented (over more than three years), the statistics relate to the 100 largest listed companies at the beginning of each year. The results for each year are presented as of the 31<sup>st</sup> of December.

## ENGAGEMENT TOPICS

The 2023 engagement topics were approved by the members of the EEP Switzerland at the meeting on the 17<sup>th</sup> of November 2022. They are as follows:

### CLIMATE CHANGE

1. Climate change strategy and risk management;
2. Inclusion of climate change in financing and insurance activities;
3. Setting targets for reducing GHG emissions;
4. Transparency on GHG emissions, reduction measures taken, progress made and actions planned for the future.

### CORPORATE GOVERNANCE

1. Board of directors: composition and operation of the board;
2. Executive compensation;
3. Corporate tax responsibility;
4. Corporate digital responsibility.

### WORKING CONDITIONS AND RESPECT FOR HUMAN RIGHTS

1. Strategy and reporting on respect for human rights and labour rights;
2. Implementing the strategy at supply chain level.

### ENVIRONMENTAL AND SOCIAL REPORTING

1. Disclosure of an annual reporting system based on an internationally recognised standard;
2. External audit of the report.

### REACTIVE ENGAGEMENT (BOTTOM-UP)

1. Dialogue with companies when they are the subject of controversy.

## RESOURCES

Dialogue with companies outside Switzerland and the coordination of collective engagement campaigns are mainly managed by the International Engagement team (four members). Dialogue with listed companies in Switzerland is handled mainly by the Proxy Voting Swiss ESG & Engagement team (nine members).

The two teams work closely together. Dialogues with Swiss companies targeted in international collective engagement campaigns are conducted jointly. In addition, both teams benefit from the support of the ESG International team (eight member), for example through analyses and studies on relevant sustainability themes and specific companies.

The team members involved in shareholder dialogue have a strong experience in the fields of sustainability, proxy voting and engagement. The teams are gender balanced and staff members also have different educational backgrounds – such as economics, international relations or environmental science - which also ensures a diversity of opinions and enable different aspects to be understood and discussed. All team members and their functions are available at [www.ethosfund.ch](http://www.ethosfund.ch).

## TYPES OF DIALOGUE CONDUCTED IN 2023

In the framework of the EEP Switzerland, Ethos conducts shareholder dialogue in the following forms:

- Direct dialogue: direct contact in the form of visits, conference calls, letters or e-mails;
- Speeches at general meetings;
- Shareholder resolutions;
- Collective dialogue: dialogue campaigns, often international, involving several companies on a specific issue and bringing together international investors;
- Policy engagement: participation in public consultations on policy changes.

## DIRECT DIALOGUE

Depending on the circumstances, Ethos maintains contact with companies through visits, conference calls, letters or e-mails. In general, the dialogue with a company covers several topics.

Ethos may also conduct a dialogue with several companies simultaneously on a specific issue. This type of

dialogue is generally conducted when a new topic emerges. In 2021 and 2022, this concerned the new topic of digital responsibility. It can also take place in response to an event that concerned several companies in the same sector or with the same issues. In October 2022, for example, Ethos sent an e-mail to all listed companies in Switzerland to inform them of the changes to Ethos' voting guidelines in relation to the introduction of the new company law. The revised law presents certain risks of a deterioration of shareholders' rights, in particular with the risk of a transfer of power from the shareholders to the board of directors.

## SPEECHES AT GENERAL MEETINGS

Speaking at the AGM can be an effective way of intensifying the discreet dialogue with companies. At the AGM, requests are made in public to the other shareholders, as well as to the board of directors and senior management. After several years of AGMs held without shareholder participation due to the Covid-19 pandemic, shareholders could finally return to the meetings. In 2023, Ethos attended five physical AGMs (Credit Suisse, Holcim, Nestlé, Novartis and UBS) and one virtual AGM (Swatch).

## CREDIT SUISSE

At the last AGM of Credit Suisse, Ethos intervened to ask a series of questions - sent to the bank in advance - and demand explanations regarding the events that led to the collapse of Credit Suisse and its takeover by UBS<sup>1</sup>. Although Ethos received only partial answers to its questions, this helped to highlight the corporate governance shortcomings that Ethos had long identified, with a view to preventing a repetition of the problems in the future.

## HOLCIM

At Holcim's AGM, Ethos intervened to encourage the company to continue its progress on climate strategy, to bid farewell to the Chairman, Dr. Beat Hess, with whom Ethos has always maintained a constructive dialogue, and to insist on the need to rapidly find a successor to Mr. Jenisch as CEO, in order to limit the duration of the accumulation of functions to a maximum of 12 months. Ethos also asked Holcim to include the CO<sub>2</sub> emissions of joint ventures in its reduction targets.

## NESTLÉ

Ethos intervened at Nestlé's AGM to ask the company to set ambitious targets for the nutritional quality of its portfolio, to improve its transparency, particularly in the

<sup>1</sup> <https://ethosfund.ch/fr/news/ag-de-credit-suisse-ethos-soumet-une-serie-de-questions-au-conseil-d-administration-et-exige>



context of the Buitoni scandal, and to organise a new vote on its climate strategy.

## NOVARTIS

Ethos intervened at the Novartis AGM in March 2023 after almost three years of AGMs without the presence of shareholders. Novartis was also the first company to propose a change to its articles of association in order to be able to hold virtual AGMs in the future. Ethos recommended to the shareholders to reject the proposed amendment to the articles of association. Ethos reiterated its request to organise hybrid AGMs, which would not require any change to the articles of association. Ethos also took the opportunity to raise the risks associated with the proposed spin-off of Sandoz, in particular with regard to the independence of this company and its strategic importance for healthcare costs.

## SWATCH GROUP

Ethos took part in Swatch's virtual AGM and asked the company to return to a physical AGM in 2024 to allow better interaction with shareholders. Ethos also asked the company to consider renewing its board of directors to ensure greater independence in the future.

## UBS

At the UBS AGM, Ethos called on the bank to eventually consider spinning off the Swiss division of Credit Suisse, to limit the impact on jobs, avoid the risks associated with "too big to fail" and ensure greater competition, particularly in services to institutional investors.

## SHAREHOLDER RESOLUTIONS

When direct dialogue does not achieve the desired results, it is sometimes necessary to intensify active shareholding measures and to table shareholder resolutions at the AGMs of certain companies. In 2023, Ethos did not table any shareholder resolutions at the AGMs of listed companies in Switzerland.

## COLLECTIVE DIALOGUE

Collective dialogue is conducted in collaboration with other institutional investors on ESG issues of common interest. This type of dialogue generally takes the form of collective international initiatives often involving a large number of investors. These initiatives are addressed either to the various regulatory authorities or directly to the concerned companies. They can be one-off or long-term. Several of these long-term initiatives target listed companies (in Switzerland or abroad). In 2023, Ethos supported numerous collective initiatives, in particular at international level through the EEP International.

However, some of these initiatives also target Swiss companies included within the EEP Switzerland universe, such as:

- Access to Nutrition Initiative (Nestlé);
- Banking on low carbon future (Credit Suisse and UBS);
- Climate Action 100+ (Holcim and Nestlé);
- Collective engagement for digital inclusion (Logitech and Swisscom);
- Nature Action 100+ (starting 2024 targeting Nestlé, Novartis and Roche);
- Participation in the CDP (45 Swiss companies targeted);
- Living Wage Financials platform (Richemont);
- Workforce Disclosure Initiative (26 Swiss companies targeted).

Detailed descriptions of some of these initiatives can be found in the case study chapter on page 30.

## POLICY ENGAGEMENT

This type of dialogue takes place with various bodies or authorities that have an impact on listed companies (regulators, supervisory bodies, parliament, umbrella bodies, etc.). Engagement takes place through meetings or consultations organised by various public or private agencies and sometimes through hearings.

Ethos regularly interacts with various regulatory, political and supervisory authorities. In several cases, Ethos has been invited to take part in consultations organised by these bodies. In recent years, Ethos has taken part in consultations organised by the Swiss stock exchange (SIX Group), FINMA, the Swiss parliament and its committees, the Swiss Federal Audit Oversight Authority, SECO, Economiesuisse, SwissHoldings and EXPERTsuisse. Several topics were discussed during these exchanges, in particular in anticipation of the changes to the company law or the introduction of new provisions into existing legislation.

Ethos was mainly able to participate in the following consultations in 2023:

## REVISION OF THE CODE OF BEST PRACTICE FOR CORPORATE GOVERNANCE

At the end of 2022 and beginning of 2023, Economiesuisse updated the "Swiss code of best practice in corporate governance" to reflect the evolutions in governance and legislation. In this context, Ethos reaffirmed its support for this code, which now specifies the responsibilities of companies' boards of directors with regard to sustainability.

## INVESTOR STATEMENT IN FAVOUR OF STRENGTHENING CORPORATE DUTY OF CARE

In spring 2023, the Ethos Foundation and 21 investors, representing CHF 459 billion in assets under management, sent a statement to the members of the National Council's Legal Affairs Committee asking them to strengthen the Swiss legislation, particularly in light of regulatory developments at European level.

# Members of the EEP Switzerland

FIGURE 1 : BREAKDOWN BY TYPE OF MEMBER

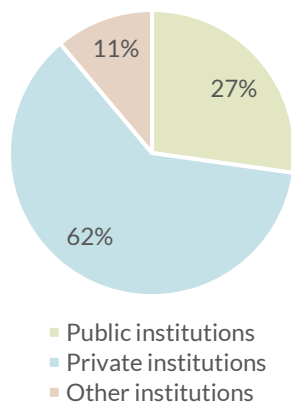


FIGURE 2 : BREAKDOWN BY REGION

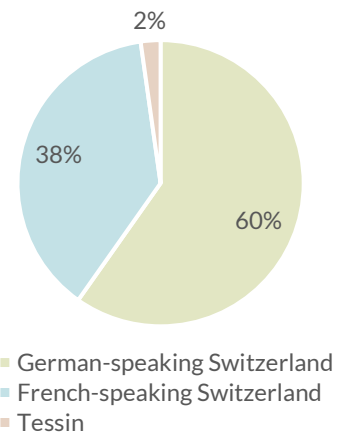
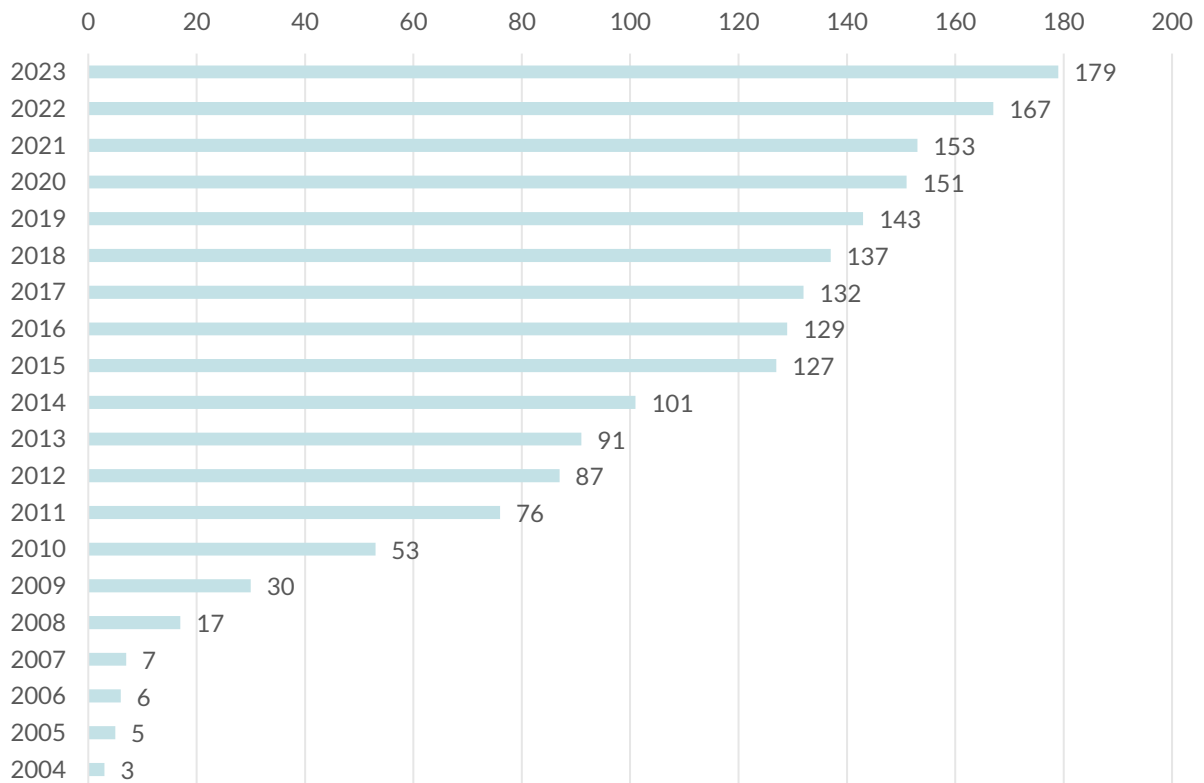


FIGURE 3 : MEMBERSHIP GROWTH IN 2023



## MEMBER LIST (BY YEAR OF MEMBERSHIP)

NAME	YEAR OF MEMBERSHIP
Caisse de Prévoyance de l'État de Genève CPEG	2004
Pensionskasse Stadt Zürich	2004
Pensionskasse Caritas	2005
Spida Personalvorsorgestiftung	2006
Pensionskasse Basel-Stadt	2007
Prosperita Stiftung für die berufliche Vorsorge	2007
Fondation de prévoyance skycare	2008
Luzerner Pensionskasse	2008
Pensionskasse Römisch-katholische Landeskirche des Kantons Luzern	2008
Pensionskasse Post	2008
Personalvorsorgekasse der Stadt Bern	2008
Retraites Populaires	2008
Spes Caisse de prévoyance du Diocèse de Sion	2008
Stiftung Abendrot	2008
Aargauische Pensionskasse (APK)	2009
CAP Prévoyance	2009
Jet Aviation Vorsorgestiftung	2009
Pensionskasse Bühler AG Uzwil	2009
Pensionskasse der Stadt Winterthur	2009
Pensionskasse Pro Infirmis	2009
Pensionskasse Stadt Luzern	2009
Pensionskasse Unia	2009
Previs Vorsorge	2009
Prévoyance Santé Valais (PRESV)	2009
Caisse de pension Hewlett-Packard Plus	2010
Caisse de pensions de l'Etat de Vaud (CPEV)	2010
Caisse de pensions de l'EVAM	2010
Caisse de pensions du Groupe Eldora	2010
Caisse de Pensions Isover	2010
Caisse de Prévoyance des Interprètes de Conférence (CPIC)	2010
Caisse intercommunale de pensions (CIP)	2010
Caisse paritaire de prévoyance de l'industrie et de la construction (CPPIC)	2010
CPCV Caisse de pension de la Construction du Valais	2010
Elite Fondation de prévoyance	2010
Fondation de prévoyance Coninco	2010
Fondation de prévoyance NODE LPP	2010

NAME	YEAR OF MEMBERSHIP
Fondo di Previdenza per il Personale dell'Ente Ospedaliero Cantonale	2010
Pensionskasse des Opernhauses Zürich	2010
Pensionskasse SRG SSR	2010
Caisse Cantonale d'Assurance Populaire - CCAP	2011
Caisse de pensions du personnel communal de Lausanne (CPCL)	2011
Caisse de pensions du personnel de la Ville de Carouge	2011
Caisse de Pensions du personnel du groupe Naef Immobilier	2011
Caisse de Prévoyance des Eglises et Associations Protestantes de Genève	2011
Caisse de prévoyance du personnel de la Ville de Fribourg	2011
Caisse de prévoyance du personnel de l'Etat du Valais (CPVAL)	2011
CAPUVA Caisse de prévoyance des travailleurs et employeurs du commerce de détail	2011
CIEPP - Caisse Inter-Entreprises de Prévoyance Professionnelle	2011
CPCN - Caisse de pensions de la fonction publique du canton de Neuchâtel	2011
Fondazione Ticinese per il secondo pilastro	2011
Pensionskasse der Diözese St.Gallen	2011
Pensionskasse der Ernst Schweizer AG	2011
Pensionskasse der Stadt Frauenfeld	2011
Pensionskasse Stadt St. Gallen	2011
Pro Medico Stiftung	2011
Profelia Fondation de prévoyance	2011
Caisse de Pension Merck Serono	2012
Caisse de retraite professionnelle de l'industrie vaudoise de la construction	2012
Fondation de prévoyance Artes & Comoedia	2012
Fondation rurale de prévoyance	2012
Fonds de prévoyance et de retraite des employés de la Ville de Delémont (FRED)	2012
ÖKK Berufliche Vorsorge	2012
ÖKK Personalvorsorgestiftung	2012
Pensionskasse Diakonat Bethesda Basel	2012
Personalvorsorgestiftung IVF HARTMANN AG	2012
Personalvorsorgestiftung Rapp AG	2012
Raiffeisen Pensionskasse Genossenschaft	2012
Fondation de la métallurgie vaudoise du bâtiment (FMVB)	2013
Fondation de prévoyance des Paroisses et Institutions Catholiques (FPPIC)	2013
Fondation de prévoyance PX Group	2013
Caisse de retraite du personnel du Cercle des Agriculteurs de Genève et environs	2014
Fondation suisse de la Chaîne du Bonheur	2014
Gebäudeversicherung Luzern	2014

NAME	YEAR OF MEMBERSHIP
Gemeinschaftsstiftung der Zellweger Luwa AG	2014
Louise Blackborne-Stiftung	2014
Pensionskasse Kanton Solothurn (PKSO)	2014
St. Galler Pensionskasse	2014
Stiftung Viscosuisse	2014
Vorsorge SERTO	2014
Wohlfahrtsstiftung von Verkauf Schweiz	2014
Aargauische Gebäudeversicherung	2015
Caisse de pensions ECA-RP	2015
Etablissement Cantonal d'Assurance (ECA VAUD)	2015
Fond. de prévoyance en fav. du pers. de la Scté d'Adm. et Gestion Atlantas Saga	2015
Fondation de prévoyance en faveur du personnel du Comptoir Immobilier SA	2015
Fondation de Prévoyance Stephan	2015
Pensionskasse der Nussbaum Matzingen AG	2015
Pensionskasse der Stadt Weinfelden	2015
Personalfürsorgestiftung Gebr. Hallwyler AG	2015
Personalfürsorgestiftung der Braunvieh Schweiz Genossenschaft	2015
Personalfürsorgestiftung der Firma Emch Aufzüge AG	2015
Personalfürsorgestiftung der Hans Rychiger AG	2015
Personalfürsorgestiftung der Hatebur Umformmaschinen AG	2015
Personalfürsorgestiftung E. Flückiger AG	2015
Vorsorgestiftung der Bourquin SA	2015
Vorsorgestiftung Porta + Partner, dipl. Ing. ETH/SIA	2015
Caisse de Pensions des Interprètes et Traducteurs de Conférence (CPIT)	2016
Fondation en faveur du personnel de la Loterie Romande	2016
HELVETAS Swiss Intercooperation	2016
Personalfürsorge- und Reserve-Stiftung Kinderhilfe Bethlehem	2016
Bernische Pensionskasse BPK	2017
Fonds de prévoyance de Wenger SA	2017
Pensionskasse der Wunderman Thompson	2017
Personalfürsorgestiftung der SV Group	2017
WWF Schweiz	2017
Bernische Lehrerversicherungskasse	2018
Fondation de prévoyance du Groupe BNP PARIBAS en Suisse	2018
Fondation de prévoyance en faveur du personnel du Collège du Léman	2018
Fonds de Prévoyance de CA Indosuez (Suisse) SA	2018
Pensionskasse Schaffhausen	2018

NAME	YEAR OF MEMBERSHIP
Vorsorge Egro AG	2018
Evangelisch-reformierte Landeskirche des Kantons Zürich	2019
Fonds interprofessionnel de prévoyance (FIP)	2019
Gebäudeversicherung St. Gallen	2019
Istituto di previdenza del Cantone Ticino	2019
Pensionskasse Bank CIC (Schweiz)	2019
Pensionskasse der Basler Kantonalbank	2019
Personalvorsorgestiftung der Wander AG	2019
Personalvorsorgestiftung der Würth-Gruppe Schweiz	2019
Secunda Sammelstiftung	2019
Unfallversicherungskasse des Basler Staatspersonals	2019
Université de Genève (UNIGE)	2019
Vorsorgefonds Hanro	2019
ATISA Personalvorsorgestiftung der Tschümperlin-Unternehmungen	2020
Caisse de pension du Comité international de la Croix-Rouge	2020
Caisse de pensions de la Collectivité ecclésiastique cantonale du Jura (CECJU)	2020
Caisse de prévoyance du personnel de l'Etat de Fribourg (CPPEF)	2020
Cassa pensioni di Lugano	2020
Etablissement cantonal d'assurance et de prévention (ECAP- Neuchâtel)	2020
Fastenaktion	2020
Fondation Patrimonia	2020
Gebäudeversicherung Kanton Zürich	2020
Pensionskasse AR	2020
Pensionskasse der Stadt Aarau	2020
Pensionskasse Graubünden	2020
Personalvorsorgestiftung der Ringier Gruppe	2020
Rentes genevoises - Assurance pour la vieillesse	2020
Verein Barmherzige Brüder von Maria-Hilf (Schweiz)	2020
Caisse de pension de Metalor Technologies SA	2021
Emmi-Vorsorgestiftung	2021
Etablissement Cantonal d'assurance et de prévention (ECA JURA)	2021
Familienausgleichskasse des Kantons Zürich (FAK)	2021
Fondation de prévoyance professionnelle en faveur de AROMED	2021
Fondation de prévoyance Romande Energie	2021
Personalvorsorge-Stiftung Providus	2021
previva, fonds de prévoyance des professionnels du travail social	2021
Stiftung Personalvorsorge Liechtenstein	2021

NAME	YEAR OF MEMBERSHIP
Accenture Executive Pensionskasse	2022
Alvoso Pensionskasse	2022
AVENA - Fondation BCV 2e pilier	2022
Caisse de pensions Féd. int. des Stés. de la Croix-Rouge et du Croissant-Rouge	2022
Fondation de Prévoyance Edmond de Rothschild	2022
GEMINI Sammelstiftung	2022
Liechtensteinische AHV-IV-FAK	2022
Pensionskasse der Schweizer Paraplegiker-Gruppe Nottwil	2022
Pensionskasse der Schweizerischen Nationalbank	2022
Pensionskasse der Stadt Zug	2022
Pensionskasse der Technischen Verbände SIA STV FSAI USIC	2022
Pensionskasse des Kantons Nidwalden	2022
Personalvorsorgestiftung der Accenture Schweiz	2022
Stiftung Auffangeinrichtung BVG	2022
Swissbroke Vorsorgestiftung	2022
Symova Sammelstiftung BVG	2022
Caisse de Pensions de la Ville de Bulle	2023
FUTURA Vorsorge	2023
Gestion des Biens Universitaires Vaudois (GBUV)	2023
Heinz Schöffler Stiftung	2023
Johann Jakob Sulzer Stiftung	2023
Kirchliche Pensionskasse Urschweiz-Glarus-Tessin	2023
Metron-Stiftung für Personalvorsorge	2023
NSV Nidwaldner Sachversicherung	2023
Pensionskasse der Generali Versicherungen	2023
Pensionskasse der Stadt Biel	2023
Pensionskasse Hirslanden	2023
Pensionskasse Somedia	2023
Personalfürsorgestiftung der Stoppani AG	2023
Revor Sammelstiftung	2023
Steinegg Stiftung	2023
Sulzer Vorsorgeeinrichtung	2023

Membership of the Ethos Engagement Pool International does not require collective decision-making or action with respect to the acquisition, holding, disposal and/or voting of securities. Pool members are independent fiduciaries responsible for their own investment and voting decisions

and act independently to define their own strategies, policies and practices according to their own interests.

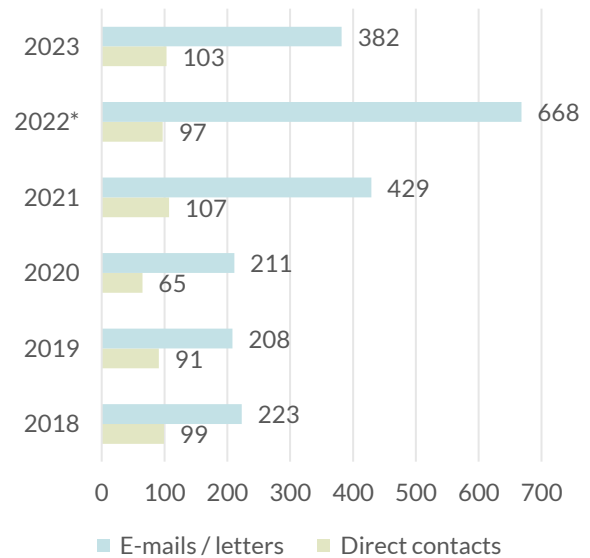


# 2023 Key figures

## DIALOGUE WITH THE SWISS COMPANIES IN 2023

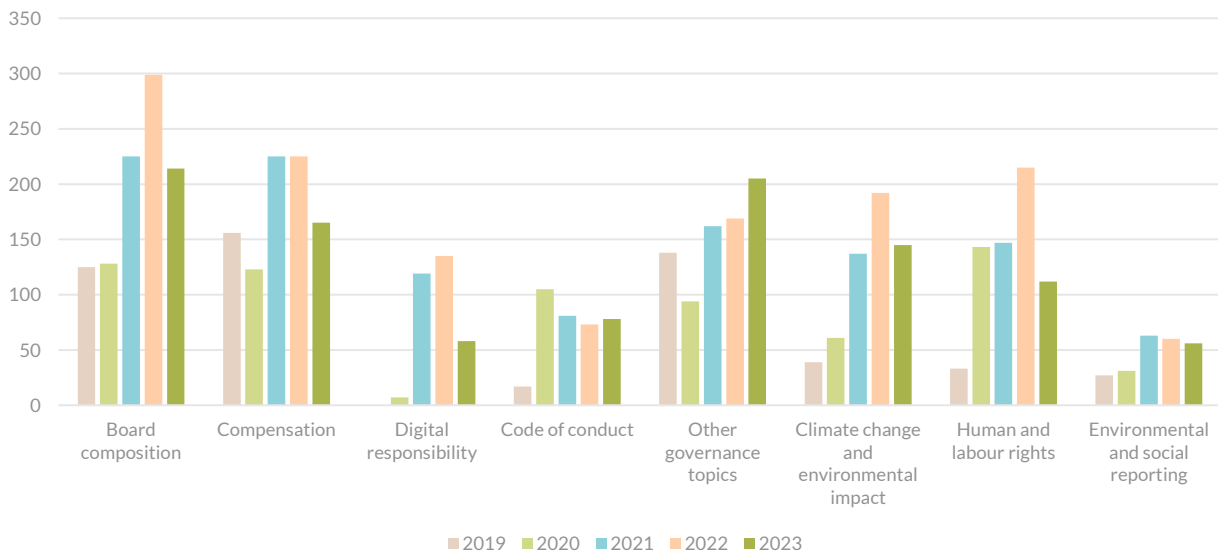
1. Direct contacts (103 in 2023): direct contacts are meetings between Ethos and company representatives, which may take the form of visits, videoconferences or conference calls.
2. E-mails/letters (382 in 2023): written exchanges often take the form of letters or e-mails sent to several people in a company. Letters are also sent when Ethos decides to organise or take part in an awareness-raising campaign on a particular topic involving a large number of companies (from the same sector or from the entire EEP Switzerland universe). In such cases, the first contact is generally made by sending a letter to all the concerned companies with, where appropriate, supporting documentation. In 2023, a mailing campaign was carried out as part of Ethos' third study on corporate digital responsibility. E-mails were sent to the 50 companies included in the scope of the study to inform them of the possibility to respond to the Ethos questionnaire. A written exchange also takes place, generally after the AGM season, to send the detailed analysis report to the concerned companies.

FIGURE 4 : NUMBER OF CONTACTS WITH COMPANIES WITHIN THE UNIVERSE



Source: Ethos  
\* 2022 actions included a mailing of the 2023 voting guidelines to all companies in the EEP universe (150 actions)

FIGURE 5 : NUMBER OF CONTACTS WITH COMPANIES WITHIN THE UNIVERSE, BY TOPIC







ENVIRONMENT

# 1. Climate change

## OBJECTIVES

Global warming poses a material risk to companies, their strategy and their assets. It is therefore essential that all companies address this issue. The objectives of the dialogue are severalfold, including:

- Improved transparency: companies should measure their greenhouse gas emissions using an internationally recognised standard such as the GHG Protocol and publish all their direct and indirect emissions (scopes 1+2+3). This will enable company boards and management to set targets for reducing GHG emissions.
- Reduction targets: companies should adopt ambitious targets for reducing their GHG emissions, so as to limit global warming to 1.5°C. These targets are known as science-based targets (SBT).
- Adopt a decarbonisation strategy and plan: companies must adopt ambitious plans to decarbonise their operations and supply chains. They should detail the measures taken and the contribution these measures will make to achieving their reduction targets.

## KEY INDICATORS 2023

**115**

engagement actions linked to the climate topic

**-25%**

Reduction in CO<sub>2</sub> e emissions (scopes 1 + 2 + 3 upstream) for the 150 companies within the EEP Switzerland universe between 2021 and 2022

**39**

companies within the universe have SBT reduction targets or have committed to them

## RESULTS IN 2023

In 2023, Ethos continued its intensive dialogue with companies listed in Switzerland on climate issues. 140 engagement actions were carried out on this topic, in particular with the largest GHG emitters on the stock exchange. Holcim and Nestlé account for the largest share of emissions, which is why Ethos once again conducted a major engagement with these two companies during the year. Companies within the EEP Switzerland universe significantly reduced their CO<sub>2</sub> emissions in scopes 1, 2 and 3 ("upstream") between 2021 and 2022 (published in 2023). According to CDP data, complemented by estimates from S&P, the changes in absolute emissions were as follows:

- -32% for Scope 1 emissions (89 million tonnes of CO<sub>2</sub>e in 2022);
- -19% for Scope 2 emissions (13.8 million tonnes of CO<sub>2</sub>e in 2022);
- -18% for Scope 2 emissions (148 million tonnes of CO<sub>2</sub>e in 2022).

The significant reduction in scope 1 emissions is mainly explained by the sale of certain divisions by Holcim between 2021 and 2022 (India and Brazil), but also by the transformation of the company's business model and its diversification into other types of construction materials.

## AS OF 31.12.2023:

- 25% reduction in absolute CO<sub>2</sub>e emissions: (scopes 1, 2 and 3 upstream) between 2021 and 2022;
- 7 additional companies had targets validated by the SBTi, bringing the total to 26 companies with global warming targets of 1.5°C or well below 2°C;
- 50% of companies took part in the CDP in 2023, compared with 32% in 2019.



CORPORATE  
GOVERNANCE

## 2. Board of directors

### OBJECTIVES

Ethos systematically engages in dialogue with companies regarding the composition and functioning of the board of directors and its key committees, which are important elements of good governance.

With regard to the composition of the board, the dialogue conducted by Ethos focuses in particular on the following elements:

- Balanced skills (members with varied and complementary skills);
- Sufficient independence;
- Diversity (including female representation and representation of the regions in which the company operates);
- Availability of directors;
- Regular renewal of the board.

### KEY INDICATORS IN 2023

**174**

engagement actions on linked to the topic of boards of directors

**52%**

of boards include more than 30% women (compared with 41% in 2022)

**85%**

audit committees of the 100 largest companies that have at least 50% independent members

### OVERVIEW OF RESULTS

In 2023, significant progress was noted in the composition of the boards of directors of companies within the EEP Switzerland universe, particularly in terms of independence, succession and diversity.

In terms of diversity, Ethos opposed the re-election of chairmen and chairwomen of nomination committees when the board of directors included less than 20% women, for no satisfactory reason. Ethos has had numerous discussions with companies regarding the composition of their boards, in particular prior to general meetings. Maintaining a regular dialogue on these issues remains important, in particular to ensure that new challenges are taken into account in board discussions, such as environmental and social issues, or those related to the digital or tax responsibility of companies.

#### AS OF 31.12.2023:

- 74% of the boards of the companies within the universe had more than 50% independent members, compared with 62% in 2017;
- 52% of the boards of directors of companies within the universe had more than 30% women in 2023, compared with 12% in 2017;
- 99% of non-executive board members now meet Ethos' availability criteria;
- 86% of board members with executive functions now meet Ethos' availability criteria;
- 70% of the nomination committees of the largest companies have at least 50% independent members (compared with 59% in 2021).

# 3. Compensation policy

## OBJECTIVES

The dialogue on compensation aims to achieve improvements at three levels:

- Transparency of the compensation system for the board of directors and executive board;
- Introduction of environmental and social performance criteria, provided they are quantitative, transparent, ambitious and audited;
- Structure and amounts of compensation paid to the board of directors and executive management;
- Elimination of variable compensation and stock option plans for members of boards of directors;
- Limitation of variable compensation for members of the executive board and introduction of performance criteria in long-term plans.

## KEY INDICATORS IN 2023

**161**

engagement actions on the executive compensation topic

**73%**

of companies with long-term plans for executive management have introduced performance criteria for the final allocation of shares

**44%**

of companies have introduced ESG performance criteria into variable pay

## OVERVIEW OF RESULTS

Executive compensation has been a priority topic of dialogue for Ethos for many years. Transparent, reasonable and long-term-oriented compensation is a key element in the creation of long-term value. For Ethos, variable compensation must be limited to avoid excessive risk-taking.

Since Ethos began working on this issue in Switzerland in 2005, significant progress has been made. In particular, shareholders now have extensive rights at company AGMs to avoid excesses.

It should be noted that the statistics presented in this chapter relate to 2022 compensation, published in 2023.

## AS OF 31.12.2023

- 73% of the long-term plans set up in companies within the EEP Switzerland universe contain performance criteria measured over three years to determine the final allocation of the number of shares (compared with 57% in 2016);
- 44% of companies have introduced sustainability criteria into their variable pay awards (compared with 7% in 2016);
- 30% of companies precisely explain the level of achievement of the performance criteria set as part of variable pay (23% in 2016).

# 4. Tax responsibility

## OBJECTIVES

Ethos believes that it is the responsibility of the board of directors of listed companies to establish a responsible tax strategy by committing to pay taxes in the countries where they operate and make profits. Ethos also believes that companies whose business model is based on aggressive tax optimisation are more vulnerable to changes in tax regimes than those that follow best practice.

The topic of tax responsibility has been on the agenda of the EEP Switzerland since 2018. An Ethos engagement paper on the topic was sent to the chairpersons of the companies included within the EEP Switzerland universe at the end of 2017.

Ethos' five principles of responsible tax policy are as follows:

1. Responsibility for the tax policy rests with the board of directors;
2. The principles of tax responsibility are incorporated in the company's code of conduct;
3. The company pays its taxes where the economic value is created;
4. Intra-group transactions are carried out under market conditions;
5. The company publishes the amount of taxes paid, country-by-country;

## KEY INDICATORS IN 2023

7

companies publish a country-by-country declaration

27%

of companies now have a tax policy that meets Ethos' expectations

## OVERVIEW OF RESULTS

Since the introduction of this topic in 2018 and the distribution by Ethos of its Engagement Paper to all companies within the EEP Switzerland universe, the proportion of companies that publish information about their tax responsibility is increasing, but in an unsatisfactory manner. In 2023, only 36 companies published a satisfactory tax policy that complied with Ethos' expectations, particularly with regard to the fundamental principle that a company should pay its taxes where the economic substance is generated (compared with 10 companies in 2018). While there is still considerable room for improvement, the increase in transparency observed shows the positive impact of the dialogue conducted by Ethos on this issue.

### AS OF 31.12.2023

- 36 companies within the universe published a comprehensive tax policy or a negative tax return (compared with 30 in 2022);
- 7 companies publish country-by-country declarations (2 more than in 2022).



# 5. Digital responsibility

## OBJECTIVES

Digital responsibility has been a topic of dialogue for EEP Switzerland since 2021. As the subject is new, the dialogue initially focused on the 48 companies listed in the "SMI Expanded". In December 2020, Ethos published and sent an engagement paper to the chairmen of the companies concerned, identifying the various challenges of digitisation and drawing up a list of seven expectations in terms of corporate digital responsibility:

1. Establish a digital responsibility code;
2. Ensure transparency with stakeholders on digital practices and footprint;
3. Comply with the highest standards of data processing and data protection;
4. Establish ethical principles for the use of artificial intelligence (AI);
5. Exclude sensitive activities related to digitalisation;
6. Ensure a fair and responsible social transition;
7. Help reduce the environmental footprint of digital technology.

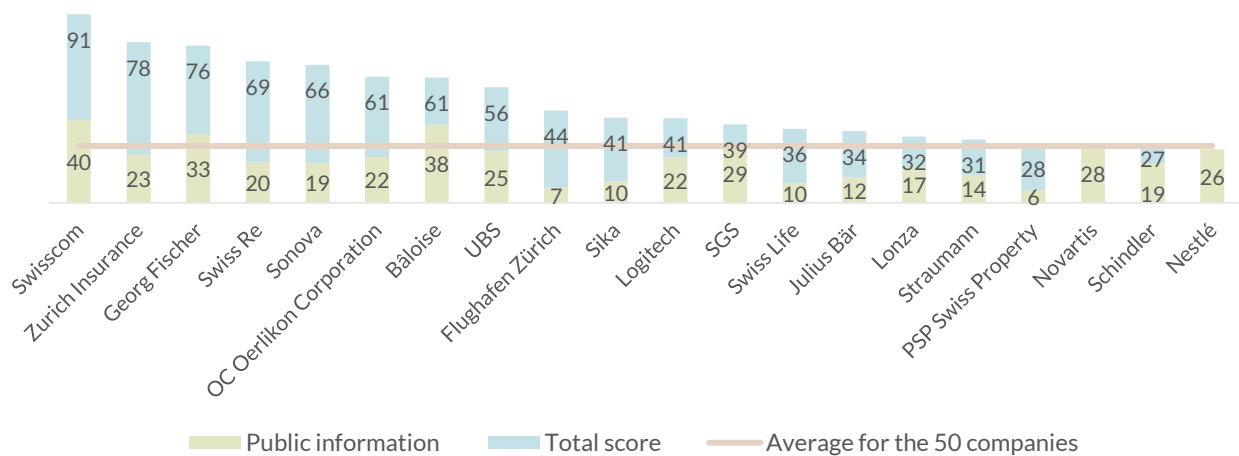
## OVERVIEW OF RESULTS

For the third consecutive year, Ethos has reviewed the digital responsibility practices of the 48 largest companies listed on the Swiss stock exchange ("SMI Expanded"). As in 2021 and 2022, a study was carried out in collaboration with EthicsGrade, a company specialising in rating companies on their management of digital issues, to assess the practices of the largest companies listed in Switzerland. A questionnaire was sent to the companies to enable them to explain their practices. Between the first study published in January 2022 and the third study published in December 2023, Ethos maintained an extensive dialogue on the issue with all the companies concerned. A webinar bringing together some twenty companies was organised in February 2023 to present the results of the second study. Numerous exchanges took place during the three years covered by Ethos' studies on this subject.

### AS OF 31.12.2023

- 25 companies (half of the targeted companies) replied at least once to the questionnaire;
- 27.5: average score in 2023 compared with 10.5 out of 100 in 2021;
- 15.6: average score in 2023 based on public information only (compared with 8.5 in the first study in 2021).

FIGURE 6 : SCORE OF THE 20 BEST COMPANIES



# 6. Environmental and social reporting

## OBJECTIVES

Since 2006, Ethos has been encouraging companies to publish environmental and social data as part of their annual reporting. Ethos attaches major importance to this topic, as this information helps to understand a company's non-financial strategy and to assess its performance. It also helps us understand how companies manage non-financial risks.

The counterproposal to the initiative on responsible multinationals provides for mandatory environmental and social reporting for companies listed in Switzerland starting on the 2023 financial year (and for publication from 2024). This obligation is a positive signal, as too many companies still do not have an adequate level of transparency in this area. However, even with the entry into force of this new legal obligation, it will be necessary to maintain dialogue with companies to ask them that the non-financial report:

- Complies with a recognised reporting standard such as the Global Reporting Initiative (GRI);
- Covers the company's main ESG issues;
- Be audited.

## KEY INDICATORS IN 2023

**74%**

of companies publish a sustainability report with a satisfactory level of information

**56**

companies request an audit of all or part of their sustainability report

## OVERVIEW OF RESULTS

Since the beginning of the dialogue with companies, significant progress has been noted. In 2023, nearly 20 additional companies within the universe covered by the EEP Switzerland published a sustainability report deemed satisfactory by Ethos (covering the main issues with quantitative indicators), while 60% of the reports had been prepared in accordance with the GRI standard. The prospect of the entry into force of Article 964 of the Swiss Code of Obligations, which requires companies of a certain size to prepare a report on non-financial issues, is obviously a factor in this development. At the same time, the Federal Council has approved an ordinance specifying the content of the climate section of the report on non-financial issues, which will have to be published from 2025 (in the 2024 report). However, neither the ordinance nor the Code of Obligations require companies to comply with a reporting standard or to have the content of their sustainability report verified by a third party. It is therefore essential to maintain the dialogue and the measurement of companies' progress.

### AS OF 31.12.2023

- 60% of companies within the universe have prepared a GRI report;
- 56 companies request an audit of all or part of their sustainability report (compared with 32 in 2018);
- 74% of companies publish a sustainability report with a satisfactory level of information (compared with 42% in 2018).



SOCIAL

# 7. Working conditions and human rights

## OBJECTIVES

The management of human resources and working conditions is a key element of a company's ESG strategy. They are expected to put in place a transparent policy that confirms that these issues are identified and managed in an exemplary manner.

It is important to ensure that these policies are also applied to the employees of the companies active in the supply chain, which are often located in emerging countries. This assumes that companies establish a clear strategy for managing these issues, in particular by defining a specific code of conduct for their suppliers. To ensure that these measures are properly implemented, companies must carry out regular audits of their suppliers. Ethos' expectations are as follows:

- Transparent policy on workers' rights;
- Publication of human resources indicators (accidents, fatalities, turnover, diversity, satisfaction, etc.);
- Publication of a code of conduct for suppliers and introduction of a duty of care, particularly with regard to respect for human rights.

## KEY INDICATORS IN 2023

**65%**

of non-financial companies have a satisfactory employee rights policy

**84%**

of companies publish health and safety indicators

## OVERVIEW OF RESULTS

Ethos' engagement activities related to social issues focussed on the implementation of satisfactory policies by companies and the reporting of relevant indicators to measure their performance and the way in which policies are effectively implemented. Initially, this thopic focused on the implementation of sustainability requirements for suppliers, but it has now been extended to cover the more general issue of human rights and the best standards in terms of working conditions, both in the company's own activities and in its supply chain.

### AS OF 31.12.2023

- 65% of non-financial companies had a satisfactory policy on workers' rights (child labour, forced labour, etc.);
- 84% of companies published health and safety indicators;
- 76% of companies had a satisfactory diversity and non-discrimination policy (compared with 35% in 2017);
- 84% of non-financial companies have requirements of their suppliers that cover employees.



# CASE STUDY

# Collective dialogue

## CLIMATE ACTION 100+ INITIATIVE

As part of the Climate Action 100+ initiative, a group of investors, coordinated by the Principles for Responsible Investment (PRI) and other investors around the world, continued the dialogue in 2023 with 167 of the world's largest GHG emitters, which together account for more than 80% of industrial GHG emissions. These companies are called upon to reduce emissions, strengthen financial disclosures related to climate issues and improve the governance of the management of the resulting risks. Among the companies targeted by this initiative, two are part of the universe covered by the EEP Switzerland: Holcim and Nestlé. Both companies have been in regular dialogue with Ethos for many years.

Most of the companies identified belong to the oil and gas, power generation, mining, industrial or transport sectors and represent risks for investors on two counts:

- Firstly, a possible failure to adapt their operations and activities to changes linked to new policies or to physical or technological changes linked to climate change could have an impact on their sales, expenses, assets and liabilities or on their financing capacity.
- Secondly, by creating systemic impacts on the economy, these companies could harm the financial markets as a whole.

For an initial period of five years (2018-2023), the aim of the Climate Action 100+ initiative was to obtain commitments from the boards and senior management of companies identified as being at risk, by asking them to:

1. Implement governance framework conditions that clearly explain the board's responsibility and oversight of climate risk;
2. Act to reduce GHG emissions throughout their value chain, in line with the objective of the Paris Agreement to limit the average temperature rise to less than 2°C above pre-industrial levels;
3. Offer greater transparency in line with the final recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and the Investor Expectations on Climate Change of the Global Investor Coalition on Climate Change (GIC), to enable investors to assess the soundness of companies' business plans in relation to different climate scenarios, including that of warming well below 2°C, and to improve the investment decision-making process.

Investors taking part in this initiative are either "Supporters", who simply support it publicly, or

"Participants". Participants must agree to be the lead investor by engaging in dialogue with at least one company targeted by the initiative and reporting back to the other investors in the group. Given the importance of encouraging the largest GHG emitters to adopt an ambitious climate change strategy, Ethos joined the initiative at its launch in 2017 as a "Participant".

In 2023, Ethos continued its intensive dialogue as lead investor with the two Swiss companies included in the Climate Action 100+ universe (Nestlé and Holcim). Detailed explanations of the steps taken and the initial results obtained can be found in the "Dialogue by company" chapter of this report.

## WORKFORCE DISCLOSURE INITIATIVE (WDI)

The initiative was launched in 2017 by 53 institutional investors with USD 7'500 billion in assets under management. The aim of the initiative is to improve transparency on how large listed companies manage their human capital, in order to improve the quality of jobs in multinational companies, both at group level and throughout their supply chain. The initiative requires companies to publish data concerning the composition of their workforce, the personal and professional development of employees and their commitment to the company. This initiative is perfectly aligned with the EEP Switzerland topic of "working conditions and human rights". In 2023, Ethos contacted the 24 largest Swiss companies in connection with this initiative. Only five of them agreed to publish more information in connection with the initiative in 2023 (Julius Baer, Logitech Nestlé, Sika and Tecan). Since 2021, an Ethos employee has been a member of the initiative's advisory committee.

## ACCESS TO NUTRITION INITIATIVE

The Access to Nutrition initiative is supported by more than 81 investors, including Ethos, representing over USD 20'300 billion in assets under management. It assesses the world's 25 largest food companies on their nutrition policies, practices and performance, with the aim of improving access to healthy food at affordable prices. In June 2021, Nestlé was ranked first in the global Access to Nutrition Index.

The initiative also published a US-focused index in October 2022 in which Nestlé ranked fourth out of 11 companies. In its role as lead investor for Nestlé in this

initiative, Ethos first sent a letter to the CEO in November 2022. This letter presented Nestlé's performance in the various categories covered by the index, such as governance, strategy (products, labelling), lobbying and marketing. The initiative also poses additional questions to the company in each of these categories.

In 2023, Ethos participated in a dialogue with Nestlé alongside other institutional investors. Among the issues discussed were advertising to children, the nutritional quality of products and transparency regarding the multinational's lobbying practices in the 185 countries where it operates. Ethos and the other members of the initiative have noted with satisfaction Nestlé's improved transparency on the nutritional value of its global portfolio in its annual report, as well as the fact that it reports on the local portfolios of 14 countries using the labelling systems approved by their respective governments.

In the summer of 2023, Nestlé also responded to a request from the coalition to set a target for improving the nutritional profile of its portfolio. Nestlé indicated that it had set itself the target of increasing sales by CHF 20-25 billion by 2030 for products with a nutritional rating of more than 3.5 out of 5 according to the HSR (Health Star Rating) scale, as well as for products in the "specialised nutrition" range that have no rating. The investor coalition is not satisfied with Nestlé's target because the company does not commit to reducing sales of products with poor nutritional scores and the target includes products without nutritional ratings, which makes it less than transparent. The dialogue with the investor coalition continues.

## CDP NON-DISCLOSURE CAMPAIGN

This collective commitment, launched by the CDP, aims to encourage listed companies that do not respond to the climate change questionnaire to do so. Ethos and a group of investors coordinated by the CDP have sent letters to the companies concerned.

The CDP is a not-for-profit organisation that provides companies with a standardised framework for reporting on various environmental issues, in particular their GHG emissions, in order to measure and reduce their environmental impact. Investors need reliable and comparable data to assess the environmental impact of their portfolios and the climate change strategies of listed companies. As part of this international campaign, in which Ethos is actively involved and which targets more than 1'000 companies, 44 companies within the universe covered by the EEP Switzerland were contacted. Several of these companies agreed to join the CDP following this campaign, which was actively supported by Ethos.

# Examples of dialogue with companies

## ADECCO

Several exchanges have taken place in recent years with Adecco representatives, whether on topics relating to corporate governance or sustainable development. Discussions have taken place with both the chairman of the board of directors and the chairman of the compensation committee.

In terms of corporate governance, discussions focused on Adecco's executive compensation following the poor results obtained at the 2023 AGM. The advisory vote on the compensation report received only 56.6% support from shareholders. During these discussions, Ethos explained the reasons for its negative recommendation and expressed its expectations regarding the transparency of the compensation report.

In 2023, Adecco improved its sustainability report by having it verified by an external auditor. In addition, the company announced its commitment to achieving zero net emissions by 2050 and to submitting its GHG reduction targets to SBTi for validation. However, there is still room for improvement by adopting new GHG emission reduction targets relating to scope 3 and by basing itself on a recognised reporting standard.

## GEORG FISCHER

For many years, Ethos has maintained a regular and constructive dialogue with Georg Fischer, which has led to significant improvements in the structure and transparency of the company's compensation report and the publication of its tax policy. Recently, Ethos has also intensified its dialogue with the company on sustainability.

Ethos explained the growing demand from investors for sustainable companies with a positive impact, and the importance of setting science-based targets for reducing CO<sub>2</sub> emissions.

In 2022, Georg Fischer's CO<sub>2</sub> emission reduction target has therefore been validated by the SBTi as being compatible with a global warming scenario of 1.5°C.

In 2023, Ethos had an important dialogue with Georg Fischer regarding the impact of the acquisition of Unipor and on executive compensation policy. Ethos insisted on

the importance of maintaining transparent performance criteria and improving the transparency of the AGM agenda regarding compensation amounts. Ethos was also able to convince the company to publish a comprehensive digital responsibility policy on its website. Ethos asked Gerog Fischer to improve its transparency regarding the positive impact of its products in terms of water conservation and the reduction of CO<sub>2</sub> emissions.

## HOLCIM

During Ethos' discussions with Holcim in recent years, particular emphasis has been placed on the company's climate change strategy. As the world's leading cement producer, Holcim is also one of the world's biggest emitters of greenhouse gases. As such, Holcim is one of the companies targeted by the Climate Action 100+ initiative.

After several meetings and intensive dialogue, Holcim has made several announcements over the last three years which have partly met Ethos' expectations.

To ensure that Holcim meets its ambitious climate targets, Ethos asked the board of directors in December 2021 to submit its climate progress plan to a vote at the AGM ("Say on Climate"). This gave shareholders the opportunity to vote on the company's climate transition report at the 2022 AGM. During this first vote, Ethos recommended that shareholders oppose Holcim's plan, in particular because the targets set at the time were not in line with a warming scenario of 1.5° and because of the lack of transparency regarding certain emission reduction measures, particularly after 2030.

Ethos and Holcim had numerous discussions in 2022 following this negative vote. This resulted in significant improvements to the report presented to the 2023 AGM and submitted again to a shareholder vote. Firstly, Holcim strengthened its scope 1 emissions reduction target, making it the first company in the sector to have targets certified as compatible with a 1.5°C global warming scenario. Secondly, Holcim published in its 2022 report the base year emissions (2020) for the GHG emissions scope 3 reduction target. Thirdly, Holcim has published in greater detail the expenditure planned between today and 2030 for its various "Carbon Capture Storage and Usage" (CCUS) projects, which are supposed to enable it



to reduce its emissions after 2030 towards its "net zero" objective. Thanks to this progress, Ethos was able to approve the 2022 report presented to the 2023 AGM.

However, Ethos intervened at the AGM to call for further improvements, including greater transparency regarding captured GHG emissions, the setting of CO<sub>2</sub> emission reduction targets also in relation to joint ventures, and the publication of tables of turnover, expenditure and investments that are eligible for EU taxonomy.

Regarding corporate governance, Ethos emphasised that Mr Jenisch could only be accepted in the combined position of Chairman/CEO if there was a clear time limit. Holcim has committed to announce a successor to the position of CEO in 12 months following the 2023 AGM.

## STADLER RAIL

Ethos began its engagement with the Stadler Rail Group in the first AGM following the Group's IPO (in April 2019), via conference calls and a visit to the company's headquarters in July 2021. Since then, several steps forward have been taken, including the publication of a first sustainability report and the improved transparency of the compensation report in 2020.

At a meeting with the company, Ethos suggested that CO<sub>2</sub> emissions be included in absolute terms in the annual report and that downstream emissions be measured as well. Ethos also asked the group to set GHG emission reduction targets compatible with a warming scenario limited to 1.5°C and approved by the SBTi. However, only some of these requests have had any concrete effect to date.

At the end of 2023, Ethos once again expressed its concerns about the composition of the board of directors, in particular its lack of independence and the low turnover, as well as the lack of transparency regarding compensation, in a discussion with the company. On this occasion, Ethos also discussed the sustainability report at length. Stadler Rail did not publish its 2021 sustainability report until the end of 2022, almost two years after its first sustainability report. Ethos' efforts have nevertheless borne fruit, with an improvement in the sustainability issues addressed, and the completion of a materiality analysis. The company has also announced several positive changes in the content and form of its future sustainability report covering the year 2023. Ethos intends to continue its engagement with Stadler Rail in this area in the future, while remaining attentive to the issues regarding the company's governance.





# APPENDIX

## APPENDIX 1: ANALYSED COMPANIES

COMPANY	HEADQUARTERS	INDEX 1.1.2023	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
ABB	Zürich (ZH)	SMI	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Alcon	Fribourg (FR)	SMI	✓	✓	✓	✓	-	-	-	-	-	-
Credit Suisse Group	Zürich (ZH)	SMI	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Geberit	Rapperswil-Jona (SG)	SMI	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Givaudan	Vernier (GE)	SMI	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Holcim	Zug (ZG)	SMI	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Logitech	Hautemorges (VD)	SMI	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Lonza	Basel (BS)	SMI	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Nestlé	Vevey/Cham (VD/ZG)	SMI	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Novartis	Basel (BS)	SMI	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Partners Group	Baar (ZG)	SMI	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Richemont	Bellevue (GE)	SMI	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Roche	Basel (BS)	SMI	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Sika	Baar (ZG)	SMI	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Sonova	Stäfa (ZH)	SMI	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Swiss Life	Zürich (ZH)	SMI	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Swiss Re	Zürich (ZH)	SMI	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Swisscom	Ittigen (BE)	SMI	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
UBS	Zürich/Basel (ZH/BS)	SMI	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Zurich Insurance	Zürich (ZH)	SMI	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Adecco	Zürich (ZH)	SMIM	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
ams-Osram	Unterpremstätten (Austria)	SMIM	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Avolta	Basel (BS)	SMIM	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Bachem	Bubendorf (BL)	SMIM	✓	✓	✓	✓	✓	✓	✓	✓	-	-
Baloise Holding	Basel (BS)	SMIM	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Barry Callebaut	Zürich (ZH)	SMIM	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Belimo	Hinwil (ZH)	SMIM	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Clariant	Muttenz (BL)	SMIM	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
DocMorris	Steckborn (TG)	SMIM	✓	✓	✓	✓	✓	✓	-	-	-	-
Ems-Chemie	Domat / Ems (GR)	SMIM	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Flughafen Zürich	Kloten (ZH)	SMIM	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Galenica	Bern (BE)	SMIM	✓	✓	✓	✓	✓	✓	-	-	-	-
Georg Fischer	Schaffhausen (SH)	SMIM	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Helvetia	St. Gallen (SG)	SMIM	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Julius Bär	Zürich (ZH)	SMIM	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Kühne + Nagel	Schindellegi (SZ)	SMIM	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Lindt & Sprüngli	Kilchberg (ZH)	SMIM	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
PSP Swiss Property	Zug (ZG)	SMIM	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Schindler	Hergiswil (NW)	SMIM	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
SGS	Geneva (GE)	SMIM	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
SIG Combibloc	Neuhausen am Rheinflall (SH)	SMIM	✓	✓	✓	✓	✓	-	-	-	-	-
Straumann	Basel (BS)	SMIM	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Swatch Group	Neuchâtel (NE)	SMIM	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

COMPANY	HEADQUARTERS	INDEX 1.1.2023	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Swiss Prime Site	Zug (ZG)	SMIM	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Tecan	Männedorf (ZH)	SMIM	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Temenos	Geneva (GE)	SMIM	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
VAT Group	Sennwald (SG)	SMIM	✓	✓	✓	✓	✓	✓	✓	-	-	-
Accelleron Industries	Baden (AG)	Other	✓	-	-	-	-	-	-	-	-	-
Aevis Victoria	Fribourg (FR)	Other	✓	✓	✓	✓	✓	✓	✓	-	-	-
Allreal	Baar (ZG)	Other	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Also	Emmen (LU)	Other	✓	✓	✓	✓	✓	✓	✓	-	-	-
Arbonia	Arbon (TG)	Other	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Aryzta	Schlieren (ZH)	Other	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ascom	Baar (ZG)	Other	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Autoneum	Winterthur (ZH)	Other	✓	✓	✓	✓	✓	✓	✓	✓	✓	-
Banque Cant. de Genève	Geneva (GE)	Other	✓	✓	✓	✓	✓	✓	✓	✓	-	-
Valais Cantonal Bank	Sion (VS)	Other	✓	✓	✓	✓	✓	✓	✓	✓	-	-
Banque Cant. Vaudoise	Lausanne (VD)	Other	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Basellandschaftliche KB	Liestal (BL)	Other	✓	✓	✓	✓	✓	✓	✓	✓	✓	-
Basilea	Allschwil (BS)	Other	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Basler KB	Basel (BS)	Other	✓	✓	✓	✓	✓	✓	✓	✓	✓	-
BB Biotech	Schaffhausen (SH)	Other	✓	✓	✓	✓	✓	-	-	-	-	-
Bell Food Group	Basel (BS)	Other	✓	✓	✓	✓	✓	✓	✓	✓	✓	-
Bellevue Group	Küsnacht (ZH)	Other	✓	✓	✓	-	-	✓	-	-	-	-
Berner KB	Bern (BE)	Other	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
BKW	Bern (BE)	Other	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
SNB	Zürich/Bern (ZH/BE)	Other	✓	✓	✓	✓	-	-	-	-	-	-
Bossard	Zug (ZG)	Other	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Bucher Industries	Niederweningen (ZH)	Other	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Burckhardt Compression	Winterthur (ZH)	Other	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Burkhalter Holding	Zürich (ZH)	Other	✓	✓	✓	✓	✓	✓	✓	✓	✓	-
Bystronic	Zürich (ZH)	Other	✓	✓	✓	✓	✓	✓	✓	✓	✓	-
Calida	Oberkirch (LU)	Other	✓	✓	✓	✓	✓	✓	✓	-	-	-
Cembra Money Bank	Zürich (ZH)	Other	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Coltene	Altstätten (SG)	Other	✓	✓	✓	✓	✓	✓	✓	✓	-	-
Comet Holding	Flamatt (FR)	Other	✓	✓	✓	✓	✓	✓	✓	✓	✓	-
Cosmo Pharma.	Amsterdam (Netherlands)	Other	✓	✓	✓	✓	✓	✓	✓	✓	✓	-
CPH	Perlen (LU)	Other	✓	-	-	-	✓	-	-	-	-	-
Dätwyler	Altdorf (UR)	Other	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
DKSH	Zürich (ZH)	Other	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
dormakaba	Rümlang (ZH)	Other	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dottikon ES Holding	Dottikon (AG)	Other	✓	✓	-	-	-	-	-	-	-	-
EFG International	Zürich (ZH)	Other	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Emmi	Luzern (LU)	Other	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Forbo	Baar (ZG)	Other	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Fundamenta Real Estate	Zug (ZG)	Other	✓	✓	✓	✓	✓	-	-	-	-	-
Graubündner KB	Chur (GR)	Other	✓	✓	✓	✓	✓	✓	✓	✓	✓	-

COMPANY	HEADQUARTERS	INDEX 1.1.2023	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Gurit	Wattwil (SG)	Other	✓	✓	✓	✓	✓	✓	✓	✓	-	-
HIAG Immobilien	Basel (BS)	Other	✓	✓	✓	✓	✓	✓	✓	✓	-	-
Huber+Suhner	Herisau (AR)	Other	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Hypothekarbank Lenzburg	Lenzburg (AG)	Other	✓	✓	✓	✓	✓	✓	✓	✓	✓	-
Idorsia	Allschwil (BL)	Other	✓	✓	✓	✓	✓	✓	-	-	-	-
Implenia	Opfikon (ZH)	Other	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Inficon	Bad Ragaz (SG)	Other	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Interroll	Sant' Antonino (TI)	Other	✓	✓	✓	✓	✓	✓	✓	✓	✓	-
Intershop	Zürich (ZH)	Other	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Invested	Zürich (ZH)	Other	✓	✓	✓	✓	-	-	✓	-	-	-
Jungfraubahn	Interlaken (BE)	Other	✓	✓	✓	✓	✓	✓	✓	✓	✓	-
Kardex	Zürich (ZH)	Other	✓	✓	✓	✓	✓	✓	✓	✓	-	-
Komax	Dierikon (LU)	Other	✓	✓	✓	✓	✓	✓	✓	✓	✓	-
Landis+Gyr Group	Cham (ZG)	Other	✓	✓	✓	✓	✓	✓	-	-	-	-
Lem	Plan-Les-Ouates (GE)	Other	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Leonteq	Zürich (ZH)	Other	✓	✓	✓	✓	✓	✓	✓	✓	✓	-
Liechtensteinische LB	Vaduz (Liechtenstein)	Other	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Luzerner KB	Luzern (LU)	Other	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Medacta Group	Castel San Pietro (TI)	Other	✓	✓	✓	✓	-	-	-	-	-	-
Medartis Holding	Basel (BS)	Other	✓	✓	-	-	✓	-	-	-	-	-
MedMix	Baar (ZG)	Other	✓	✓	-	-	-	-	-	-	-	-
Metall Zug	Zug (ZG)	Other	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Meyer Burger	Thun (BE)	Other	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
mobilezone	Rotkreuz (ZG)	Other	✓	✓	✓	✓	✓	✓	✓	✓	-	-
Mobimo	Luzern (LU)	Other	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Molecular Partners	Schlieren (ZH)	Other	✓	✓	✓	✓	✓	✓	✓	✓	-	-
Montana Aerospace	Reinach (AG)	Other	✓	✓	-	-	-	-	-	-	-	-
Novavest Real Estate	Zürich (ZH)	Other	✓	✓	✓	✓	-	-	-	-	-	-
OC Oerlikon	Pfäffikon (SZ)	Other	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Orior	Zürich (ZH)	Other	✓	✓	✓	✓	✓	✓	✓	✓	✓	-
Peach Property Group	Zürich (ZH)	Other	✓	✓	✓	-	-	-	-	-	-	-
Pierer Mobility	Wels (Austria)	Other	✓	✓	✓	✓	✓	✓	-	-	-	-
Plazza	Zürich (ZH)	Other	✓	✓	✓	✓	✓	✓	✓	✓	-	-
PolyPeptide Group	Baar (ZG)	Other	✓	✓	-	-	-	-	-	-	-	-
Rieter	Winterthur (ZH)	Other	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Romande Energie	Morges (VD)	Other	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Schweiter Technologies	Steinhausen (ZG)	Other	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Sensirion Holding	Stäfa (ZH)	Other	✓	✓	✓	✓	✓	-	-	-	-	-
SF Urban Properties	Zürich (ZH)	Other	✓	✓	✓	✓	✓	✓	✓	✓	-	-
SFS Group	Heerbrugg (SG)	Other	✓	✓	✓	✓	✓	✓	✓	✓	✓	-
Siegfried	Zofingen (AG)	Other	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
SKAN Group	Allschwil (BL)	Other	✓	✓	-	-	-	-	-	-	-	-
SoftwareOne Holding	Stans (NW)	Other	✓	✓	✓	✓	-	-	-	-	-	-
St.Galler KB	St. Gallen (SG)	Other	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

COMPANY	HEADQUARTERS	INDEX 1.1.2023	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Stadler Rail	Bussnang (TG)	Other	✓	✓	✓	✓	-	-	-	-	-	-
Sulzer	Winterthur (ZH)	Other	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Swissquote	Gland (VD)	Other	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Thurgauer KB	Weinfelden (TG)	Other	✓	✓	✓	✓	✓	✓	✓	✓	-	-
TX Group	Zürich (ZH)	Other	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
U-blox	Thalwil (ZH)	Other	✓	✓	✓	✓	✓	✓	✓	✓	✓	-
Valiant	Luzern (LU)	Other	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Varia US Properties	Zug (ZG)	Other	✓	-	-	-	-	-	-	-	-	-
Vaudoise Assurances	Lausanne (VD)	Other	✓	✓	✓	✓	✓	✓	✓	✓	✓	-
Vetropack	St-Prex (VD)	Other	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Vontobel	Zürich (ZH)	Other	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
VP Bank	Vaduz (Liechtenstein)	Other	✓	✓	✓	✓	✓	✓	✓	-	-	-
VZ Holding	Zürich (ZH)	Other	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
V-Zug Holding	Zug (ZG)	Other	✓	✓	✓	-	-	-	-	-	-	-
Warteck Invest	Basel (BS)	Other	✓	✓	✓	✓	✓	✓	✓	✓	-	-
Ypsomed	Burgdorf (BE)	Other	✓	✓	✓	✓	✓	✓	✓	✓	-	-
Zehnder Group	Gränichen (AG)	Other	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Zug Estates	Zug (ZG)	Other	✓	✓	✓	✓	✓	✓	✓	✓	-	-
Zuger KB	Zug (ZG)	Other	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Actelion	-	-	-	-	-	-	-	-	✓	✓	✓	✓
APG SGA	Geneva (GE)	-	-	-	✓	✓	✓	✓	✓	✓	✓	-
Bank Cler	Basel (BS)	-	-	-	-	-	-	✓	✓	✓	-	-
Bergbahnen Trübsee-T.	Engelberg- Engelberg (OW)	-	-	-	-	-	✓	✓	✓	-	-	-
BFW Liegenschaften	Frauenfeld (TG)	-	-	-	-	-	-	-	✓	-	-	-
Bobst	Mex (VD)	-	-	✓	✓	✓	✓	✓	✓	✓	✓	✓
Cassiopea	Lainate (Italy)	-	-	-	✓	-	-	-	-	-	-	-
CEVA Logistics	Baar (ZG)	-	-	-	-	-	✓	-	-	-	-	-
Cham Group	Cham (ZG)	-	-	-	-	-	✓	✓	✓	-	-	-
Evolva	Reinach (BL)	-	-	-	✓	✓	✓	✓	✓	✓	✓	-
Feintool International	Lyss (BE)	-	-	-	-	-	-	✓	-	-	-	-
GAM Holding	Zürich (ZH)	-	-	-	✓	✓	✓	✓	✓	✓	✓	✓
Gategroup	Kloten (ZH)	-	-	-	-	-	-	-	-	✓	✓	✓
Hochdorf	Hochdorf (LU)	-	-	-	-	-	-	✓	✓	-	-	-
Hügli	-	-	-	-	-	-	-	✓	✓	-	-	-
IVF Hartmann	Neuhausen am Rheinfall (SH)	-	-	-	-	-	-	✓	✓	-	-	-
Kudelski	Cheseaux-sur-Lausanne (VD)	-	-	-	-	✓	✓	✓	✓	✓	✓	✓
Kuoni	Zürich (ZH)	-	-	-	-	-	-	-	-	✓	✓	✓
MCH Group	Basel (BS)	-	-	-	-	-	-	✓	✓	✓	-	-
Myriad Group	Zürich (ZH)	-	-	-	-	-	-	-	✓	✓	✓	-
Swiss National	-	-	-	-	-	-	-	-	-	-	-	✓
Newron Pharma.	Bresso (MI)	-	-	-	-	-	-	-	✓	✓	-	-
Nobel Biocare	-	-	-	-	-	-	-	-	-	-	-	✓
ObsEva	Plan-les-Ouates (GE)	-	-	-	-	-	✓	-	-	-	-	-

COMPANY	HEADQUARTERS	INDEX 1.1.2023	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Panalpina	-	-	-	-	-	-	✓	✓	✓	✓	✓	✓
Pargesa	Geneva (GE)	-	-	-	-	✓	✓	✓	✓	✓	✓	✓
Phoenix Mecano	Stein am Rhein (SH)	-	-	-	✓	✓	✓	✓	✓	✓	✓	✓
Private Equity Holding	Zug (ZG)	-	-	-	-	-	-	✓	✓	-	-	-
Relief Therapeutics	Geneva (GE)	-	-	-	✓	-	-	-	-	-	-	-
Santhera Pharma.	Pratteln (BL)	-	-	-	-	-	-	-	✓	✓	✓	-
Schaffner	Luterbach (SO)	-	-	-	-	✓	✓	✓	✓	✓	-	-
Sunrise	Opfikon (ZH)	-	-	-	-	✓	✓	✓	✓	✓	-	-
Swiss Steel Holding	Luzern (LU)	-	-	-	-	✓	✓	✓	✓	✓	✓	-
Syngenta	Basel (BS)	-	-	-	-	-	-	-	✓	✓	✓	✓
Transocean	Zug (ZG)	-	-	-	-	-	-	-	-	✓	✓	✓
Valora	Muttenz (BL)	-	-	✓	✓	✓	✓	✓	✓	✓	✓	✓
Vifor Pharma	St. Gallen (SG)	-	-	✓	✓	✓	✓	✓	✓	✓	✓	✓
Weatherford	Zug (ZG)	-	-	-	-	-	-	-	-	-	-	✓
			150	150	150	150	150	150	150	140	120	100



## APPENDIX 2: SWISS STEWARDSHIP CODE

<b>PRINCIPLE 1 - GOVERNANCE</b>	Consistent with their fiduciary duty to clients, investors and service providers integrate stewardship into their investment management and/or working models with the objective of creating long-term value for clients and other stakeholders. Board leadership, appropriate oversight as well as regular review of governance practices are essential.
<b>PRINCIPLE 2 - STEWARDSHIP POLICIES</b>	Investors and service providers develop effective stewardship policies which reflect the principles for effective stewardship and are aligned with their goals and values.
<b>PRINCIPLE 3 - VOTING</b>	Investors and service providers commit to active and informed voting with the goal of fostering long-term sustainable value creation. Investors integrate effective voting mechanisms into their investment process.
<b>PRINCIPLE 4 - COMMITMENT</b>	Investors and service providers engage in an active dialogue with investee entities with the aim of generating long-term financial and societal value and of reaching positive and long-term sustainable outcomes. Where necessary, investors collaborate with other investors to increase engagement outcomes. Other stakeholders may be a partner in collaborative engagements as they provide know-how, research and in some cases also specific administrative services to asset managers and asset owners. Where possible and relevant, investors should aim at engaging directly or indirectly in an active dialogue with relevant public stakeholders and policymakers on issues that affect sustainable investment.
<b>PRINCIPLE 5 - ESCALATION</b>	Investors and service providers, where necessary, escalate their stewardship activities to encourage investee entities towards generating long-term financial, environmental, and societal value and towards reaching positive and long-term sustainable outcomes.
<b>PRINCIPLE 6 - MONITORING OF INVESTEE ENTITIES</b>	Investors and service providers regularly monitor investee entities to track, assess and review the effectiveness of their stewardship activities.
<b>PRINCIPLE 7 - DELEGATION OF STEWARDSHIP ACTIVITIES</b>	When delegating stewardship activities, investors ensure consistency of the delegated activities with their own investment beliefs, stewardship policy and strategy. They remain responsible and accountable for the effectiveness of the delegated activities.
<b>PRINCIPLE 8 - CONFLICTS OF INTEREST</b>	Investors and service providers manage conflicts of interest in the best interests of their clients. They assess their investment activities and the interests of their clients to detect and suitably handle actual or potential conflicts of interest, disclosing these conflicts along with the measures taken to mitigate them.
<b>PRINCIPLE 9 - TRANSPARENCY AND REPORTING</b>	Investors and service providers disclose and report their stewardship policies and activities to their clients and beneficiaries in a way that demonstrates effective fulfilment of their duties.

### APPENDIX 3: SWISS STEWARDSHIP CODE - REFERENCE TABLE

PRINCIPLES OF THE SWISS STEWARDSHIP CODE	ETHOS REFERENCES (IN FRENCH)
PRINCIPLE 1 - GOVERNANCE	<a href="#">Ethos Charter</a> <a href="#">Articles of Association of the Ethos Foundation</a> <a href="#">Articles of Association of Ethos Services AG</a> <a href="#">Ethos Code of Conduct</a> <a href="#">Ethos Principles for Socially Responsible Investment</a> (page 8) <a href="#">Governance and sustainability report</a> (pages 8-26)
PRINCIPLE 2 - STEWARDSHIP POLICIES	<a href="#">Ethos Principles for Socially Responsible Investment</a> (pages 24-28) <a href="#">Ethos' engagement policy</a>
PRINCIPLE 3 - VOTING	Separate service for exercising voting rights based on: <a href="#">Ethos voting guidelines</a> <a href="#">Ethos Principles for Socially Responsible Investment</a> (page 24)
PRINCIPLE 4 - COMMITMENT	<a href="#">Ethos engagement policy</a> (pages 2-3) <a href="#">Ethos Principles for Socially Responsible Investment</a> (pages 25-26) This report (Page 8-10 - type of dialogue carried out in 2023)
PRINCIPLE 5 - ESCALATION	<a href="#">Ethos engagement policy</a> (pages 3-4) <a href="#">Ethos Principles for Socially Responsible Investment</a> (page 26) This report (Page 8-10 - type of dialogue carried out in 2023)
PRINCIPLE 6 - MONITORING OF INVESTEE ENTITIES	<a href="#">Ethos engagement policy</a> (page 2) <a href="#">Ethos Principles for Socially Responsible Investment</a> (pages 14-15)
PRINCIPLE 7 - DELEGATION OF STEWARDSHIP ACTIVITIES	Not relevant
PRINCIPLE 8 - CONFLICTS OF INTEREST	<a href="#">Ethos Code of Conduct</a> (pages 3-4) <a href="#">Rules on conflicts of interest and gifts</a> <a href="#">Ethos Principles for Socially Responsible Investment</a> (page 8)
PRINCIPLE 9 - TRANSPARENCY AND REPORTING	<a href="#">Ethos engagement policy</a> (page 4) <a href="#">Ethos Principles for Socially Responsible Investment</a> (page 8) This report



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