

GLOBALANCE UN PRB Reporting 2021

Reporting and Self-Assessment Template

The following table sets out the reporting and self-assessment requirements for Signatories of the Principles for Responsible Banking. Signatory banks need to report on their implementation of the Principles the first time within latest 18 months after signing and annually thereafter (in line with their annual reporting cycle).

How to use this template:

This template does NOT require your bank to produce an additional report. Rather, this template is designed for your bank to provide references/links to where in your existing reporting/public domains the required information can be found. The aim is to keep additional reporting burden to a minimum while ensuring transparency and accountability as set out in Principle 6.

Within this reporting template, there are six areas for self-assessment that are key to showing that your bank is fulfilling its commitments as a signatory of the Principles for Responsible Banking. They are **highlighted**.


1. Impact Analysis
2. Target Setting
3. Plans for Target Implementation and Monitoring
4. Progress on Implementing Targets
5. Governance Structure for Implementation of the Principles
6. Progress on Implementing the Principles for Responsible Banking

Only for these six **highlighted** items, it is required that:

- a) An assurer provides limited assurance of your self-assessment. You can do this by including it in your existing assured reporting. Where third-party assurance is not feasible, an independent review may be conducted.
- b) You provide your bank's conclusion/statement if it has fulfilled the respective requirements.

Accommodating different starting points:

Banks have different starting points and operate in different contexts. Your bank may not be able to provide all information required in this template the first time you report. That is fine. Your bank has up to four years from signing to bring its reporting fully in line with the requirements. Feedback, support and peer learning are available to all signatory banks to help them progress with both implementation and reporting.

Reporting and Self-Assessment Requirements	High-level summary of bank's response (limited assurance required for responses to highlighted items)	Reference(s)/ Link(s) to bank's full response/ relevant information
 <p>Principle 1: Alignment We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.</p>		
<p>1.1 <i>Describe</i> (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities, and where relevant the technologies financed across the main geographies in which your bank has operations or provides products and services.</p>	<p>We focus exclusively on sustainable wealth-management for private clients. Ours are multi-asset-class-impact portfolios.</p> <p>Our customer segments are private individuals, family offices and foundations.</p> <p>Our own operations are in Switzerland only.</p> <p>Our customer's investment portfolios are multi-asset-class-impact and global.</p> <p>Please note our B Corp Certification which has been renewed 2022 (following a more demanding assessment-framework for banks). In 2017, Globalance has been the first Swiss bank to be B Corp-certified.</p>	<p>https://www.globalance.com/en/investment-philosophy/</p> <p>https://www.bcorporation.net/en-us/find-a-b-corp/company/globalance-bank/</p>
<p>1.2 <i>Describe</i> how your bank has aligned and/or is planning to align its strategy to be consistent with and contribute to society's goals, as expressed in the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.</p>	<p>These goals are even written into our legal company charter, approved by the Swiss Finance Supervisory Authority.</p> <p>Globalance is developing and applying its own proprietary impact-assessment methodology, the Globalance Footprint. The SDGs (and MDGs prior) have been fully integrated in the indicator-framework of the Globalance Footprint from its inception.</p> <p>Furthermore, we have been among the first financial services company to include the climate metric "Portfolio Warming Potential" into all our reporting and on our platform Globalance World, which we have made publicly available for free world-wide.</p>	<p>Portfolio SD-Assessments: https://fe.globalanceworld.com/Ea gJA8QsTQzk3JFsn /footprint</p> <p>Portfolio Climate Assessments: https://fe.globalanceworld.com/Ea gJA8QsTQzk3JFsn /climate</p>



Principle 2: Impact and Target Setting

We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

2.1 Impact Analysis:

Show that your bank has identified the areas in which it has its most significant (potential) positive and negative impact through an impact analysis that fulfills the following elements:

- a) **Scope:** The bank's core business areas, products/services across the main geographies that the bank operates in have been as described under 1.1. have been considered in the scope of the analysis.
- b) **Scale of Exposure:** In identifying its areas of most significant impact the bank has considered where its core business/its major activities lie in terms of industries, technologies and geographies.
- c) **Context & Relevance:** Your bank has taken into account the most relevant challenges and priorities related to sustainable development in the countries/regions in which it operates.
- d) **Scale and intensity/salience of impact:** In identifying its areas of most significant impact, the bank has considered the scale and intensity/salience of the (potential) social, economic and environmental impacts resulting from the bank's activities and provision of products and services.
(your bank should have engaged with relevant stakeholders to help

a) Scope

Wealth Management is our core business. Globalance invests in liquid and illiquid assets worldwide.

Our "Investor's Impact" is achieved through the sustainable investment policy of all our client assets. In the liquid sector, we focus on divestment and active selection of sustainable investments. Additional impact is created through the systematic exercise of voting rights and engagement. See our upcoming Globalance Engagement Report 2021.

b) Scale of Exposure

We invest in assets worldwide and across different technologies which can scale solutions with positive impact. We therefore do not invest into companies which harm these goals (i.e. fossil fuel industry, traditional cars, pharma with bad pricing strategies etc). We do not support old business models, instead we invest into future movers.

c) Context & Relevance

Our Globalance Footprint weighs materiality with regard to product impact. Furthermore, we apply international materiality standards, such as SASB, to inform our investment-impact assessments.

d) Scale and intensity/salience of impact

As confirmed by B Corporation, our most significant positive impact is achieved through the consistent

B Corp confirmation:
<https://www.globalance.com/en/awards/b-corporation-award-2/>

Full transparency on sustainable impact in real-time, e.g. one of our funds:

<https://fe.globalanceworld.com/6T CdJX7GbSdzuRSNy/climate>

<p>inform your analysis under elements c) and d))</p> <p>Show that building on this analysis, the bank has</p> <ul style="list-style-type: none"> • Identified and disclosed its areas of most significant (potential) positive and negative impact • Identified strategic business opportunities in relation to the increase of positive impacts / reduction of negative impacts 	<p>sustainable investing of our client's wealth.</p> <p>Identification of positive and negative impacts of our portfolio</p> <p>Our multi-asset-class-impact strategies are applied to all our discretionary mandates as well as our funds.</p> <p>For all portfolios mentioned above, impact analysis is available on Globalance World.</p> <p>Globalance World is a personalised digital world map that allows you to discover the impact and returns of your wealth. Dive in and assess in real-time how sustainable, future-fit and profitable your investments are.</p>	
<p>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Impact Analysis.</p>		
<p>As a consequence of our goal setting, all our strategies have improved their alignment and impact regarding global SD- and climate-goals. We are one of the few wealth managers which has achieved a Warming Potential of 2C (which signals compliance with the Paris Climate Goals).</p> <p>Globalance contributes to the paradigm shift of the financial sector as an entrepreneurial "pure-play" initiative. We are recognized by third parties as pioneers for our innovative strength.</p>		

<p>2.2 Target Setting</p> <p><i>Show</i> that the bank has set and published a minimum of two Specific, Measurable (can be qualitative or quantitative), Achievable, Relevant and Time-bound (SMART) targets, which address at least two of the identified “areas of most significant impact”, resulting from the bank’s activities and provision of products and services.</p> <p><i>Show</i> that these targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks. The bank should have identified a baseline (assessed against a particular year) and have set targets against this baseline.</p> <p><i>Show</i> that the bank has analysed and acknowledged significant (potential) negative impacts of the set targets on other dimensions of the SDG/climate change/society’s goals and that it has set out relevant actions to mitigate those as far as feasible to maximize the net positive impact of the set targets.</p>	<p>The Globalance sustainable impact assessment is publicly available.</p> <p>Last year, we have set goals to improve overall sustainable impact (Globalance Footprint) as well as the climate performance (Warming Potential). These, we have achieved.</p> <p>Our internal developed goal-setting framework (Objectives and Key Results, OKR) contains this target for our investment team (Research + Portfolio Management), including our Head Investments (CIO).</p> <p>Negative impacts regarding Global Compact, Controversies, fossil energy sources and more are monitored and serve as exclusion criteria in our investment selection.</p>	<p>Impact Reporting:</p> <p>https://fe.globalancenewworld.com/6TcdJX7GbSdzuRSNy/climate</p>
<p>Please provide your bank’s conclusion/statement if it has fulfilled the requirements regarding Target Setting.</p>		
<p>Globalance is complying.</p>		

<p>2.3 Plans for Target Implementation and Monitoring</p> <p><i>Show that your bank has defined actions and milestones to meet the set targets.</i></p> <p><i>Show that your bank has put in place the means to measure and monitor progress against the set targets. Definitions of key performance indicators, any changes in these definitions, and any rebasing of baselines should be transparent.</i></p>	<p>Our Management Team has established new goals as part of our OKR-framework.</p> <p>In particular, the new Implicit Temperature Rise-metric (ITR) will be implemented to set goals and measure performance regarding the Paris-goals (ITR has been selected as international standard by the Net Zero Alliances from COP in Glasgow).</p> <p>This will be our key metric going forward. We have set the goal to bring all portfolios well below 2C as soon as possible.</p>	
<p>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Plans for Target Implementation and Monitoring.</p>		
<p>Globalance is complying.</p>		
<p>2.4 Progress on Implementing Targets</p> <p><u>For each target separately:</u></p> <p><i>Show that your bank has implemented the actions it had previously defined to meet the set target.</i></p> <p><i>Or explain why actions could not be implemented / needed to be changed and how your bank is adapting its plan to meet its set target.</i></p> <p><i>Report on your bank's progress over the last 12 months (up to 18 months in your first reporting after becoming a signatory) towards achieving each of the set targets and the impact your progress resulted in. (where feasible and appropriate, banks should include quantitative disclosures)</i></p>	<p>We have received confirmation in Luxembourg and Germany that our strategies qualify for "impact-driven investments" under the new EU disclosure regulation, Art. 9.</p> <p>The goal of re-certification as a B Corporation has been achieved in 2022.</p> <p>Last year, we have set goals to improve overall sustainable impact (Globalance Footprint) as well as the climate performance (Warming Potential). These, we have achieved.</p>	
<p>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing Targets</p>		

Globalance is complying.



Principle 3: Clients and Customers

We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

<p>3.1 <i>Provide an overview</i> of the policies and practices your bank has in place and/or is planning to put in place to promote responsible relationships with its customers. This should include high-level information on any programmes and actions implemented (and/or planned), their scale and, where possible, the results thereof.</p>	<p>As a regulated Swiss bank, the core client-processes are stipulated by law and supervised by the authorities.</p> <p>Globalance has been founded on the premise of a simple and fair client-relationship: no conflicts of interest, no hidden costs, no kick-backs, no short-term cash incentives for our team, etc.</p> <p>The core is built around continuous empowerment of asset owners. We inform, educate and consult on their sustainable impact preferences and ambition.</p> <p>Our unmatched transparency is key to deliver complete, easy accessible and understandable accountability to customers.</p>	
<p>3.2 <i>Describe</i> how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities. This should include information on actions planned/implemented, products and services developed, and, where possible, the impacts achieved.</p>	<p>In 2021 we have developed a series of educational learning-modules for customers to use.</p> <p>The key is personal relationships. In addition, we offer weekly sessions for clients to learn about issues related to sustainable investing.</p> <p>Our most effective instrument are portfolio-checks of future and existing clients: anyone can upload any investment-portfolio from any supplier onto Globalance World. We then offer an "X-ray" of current sustainability metrics. We have already accumulated a large number of users who have taken these assessments to demand more from their current wealth managers (or to become a Globalance customer).</p>	


	<p>In our communication, we provide extensive explanatory content, for example here: https://fe.globalanceworld.com/insights</p>	
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Principle 4: Stakeholders

We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.

<p>4.1 <i>Describe</i> which stakeholders (or groups/types of stakeholders) your bank has consulted, engaged, collaborated or partnered with for the purpose of implementing these Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders and what issues were addressed/results achieved.</p>	<p>See our extensive reporting related to our B Corporation-Certification.</p> <p>Globalance as grown to be a showcase in Switzerland and beyond – and we have become an important point of reference and expertise for media.</p> <p>Shareholder Engagement with companies, fund managers and projects is a key mechanism to leverage our impact. See our Engagement Report (upcoming).</p> <p>We participate in engagement pools, investors coalitions as well as investment partners (e.g. fund managers). Examples are:</p> <p>CSP - Center for Sustainable Finance and Private Wealth (University of Zurich)</p> <p>CDP</p> <p>Swiss Sustainable Finance association</p> <p>We have a policy to engage with all students, academics and scientific coalitions to promote our vision and/or participate in education and research.</p> <p>Also, locally, we select suppliers who match our sustainability commitments.</p>	<p>See multiple media-coverage promoting sustainable investing via Globalance:</p> <p>https://www.globalance.com/en/media-press/</p> <p>Important international coverage:</p> <p>Forbes: «The Data Challenge»): https://www.forbes.com/sites/forbesfinancecouncil/2022/02/24/innovation-is-key-to-enabling-holistic-sustainable-investing/amp/</p> <p>Financial Times: https://www.ft.com/content/2489b5f5-d82d-44ec-be4f-911ba766711a</p> <p>FastCompany: https://www.fastcompany.com/90577147/this-website-gorgeously-illustrates-if-your-investments-are-ruining-the-planet</p>
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 <p>Principle 5: Governance & Culture We will implement our commitment to these Principles through effective governance and a culture of responsible banking</p>		
<p>5.1 <i>Describe</i> the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support effective implementation of the Principles.</p>	<p>Our commitment to sustainable investment is explicitly reference in our legal Charter.</p> <p>The same applies to our Boards responsibility to guide and oversee the implementation of these sustainability principles across our business.</p> <p>Management is well aligned with our purpose as they are pioneers in sustainable investing. 70% of the company is owned by management team.</p>	
<p>5.2 <i>Describe</i> the initiatives and measures your bank has implemented or is planning to implement to foster a culture of responsible banking among its employees. This should include a high-level overview of capacity building, inclusion in remuneration structures and performance management and leadership communication, amongst others.</p>	<p>Our founders are active on a day to day basis and foster this mission-driven culture daily.</p> <p>As a values-led and purpose-driven pure play company, it starts with selecting employees who are aligned with our values.</p> <p>The key to our culture is the absence of short-term financial incentives. Rather, we have an employee ownership program which is long-term (all employees own shares in the company instead of cash-payments, we allocate employee-shares). This helps align our long-term orientation and team buy-in. There are no sales-targets.</p> <p>The sustainable impact-culture is best fostered through our investment decisions: Each one of these is proof of our mission and professional standard.</p> <p>Ongoing training is critical: We have established a Globalance Academy will</p>	

	accelerate and deepen our training for every employee.	
<p>5.3 Governance Structure for Implementation of the Principles</p> <p>Show that your bank has a governance structure in place for the implementation of the PRB, including:</p> <ul style="list-style-type: none"> a) target-setting and actions to achieve targets set b) remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected. 	See above: Board direction and oversight; Management with explicit goals as part of our OKRs.	
<p>Please provide your bank's conclusion/ statement if it has fulfilled the requirements regarding Governance Structure for Implementation of the Principles.</p>		
<p>Globalance is complying.</p> <p>Our founding team has been recognized as pioneers in sustainable finance in the last 30 years (https://www.globalance.com/en/the-globalance-story/) . We founded robecoSAM and created the Dow Jones Sustainability Index. By founding Globalance as a new, pure play wealth management boutique, we set another milestone which helps advance the paradigm shift in finance.</p>		



Principle 6: Transparency & Accountability

We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society’s goals.

6.1 Progress on Implementing the Principles

Show that your bank has progressed on implementing the six Principles over the last 12 months (up to 18 months in your first reporting after becoming a signatory) in addition to the setting and implementation of targets in minimum two areas (see 2.1-2.4).

Show that your bank has considered existing and emerging international/regional good practices relevant for the implementation of the six Principles for Responsible Banking. Based on this, it has defined priorities and ambitions to align with good practice.

Show that your bank has implemented/is working on implementing changes in existing practices to reflect and be in line with existing and emerging international/regional good practices and has made progress on its implementation of these Principles.

We have referenced the renewed, more demanding B Corp-Certification above, as well as the Art. 9 SFDR classification of our investment-funds by the EU.

Also, the implementation of the ITR-climate metric is a direct consequence of the new international standards which have been set by the net zero-alliances at COP in Glasgow.

The Swiss authorities are considering designating a similar ITR-climate metric as mandatory for ALL financial products in the country. Globalance is actively lobbying for such a stringent standard.

Globalance is receiving multiple international awards confirming its leading position in sustainable finance: <https://www.globalance.com/en/awards/>

Please provide your bank’s conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing the Principles for Responsible Banking

Globalance is complying.

Annex: Definitions

- a. Impact: An impact is commonly understood as being a change in outcome for a stakeholder. In the context of these Principles this means (aligned with GRI definition) the effect a bank has on people/the society, the economy and the environment and with that on sustainable development. Impacts may be positive or

negative, direct or indirect, actual or potential, intended or unintended, short-term or long-term.

- b. Significant Impact: Impact that in terms of scale and/or intensity/salience results in a particularly strong/relevant change in outcome for a stakeholder. In the context of these Principles, the concept of *significant* impact is used to ensure banks focus where their actions/business (can) matter most for people, economy and environment and to provide a reasonable and practical threshold for what issues need to be considered/included, similar to the concept of “materiality”.