

**UN**  
environment  
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Principles for  
Responsible Banking

# Globalance UN PRB Reporting 2022

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Principles for Responsible Banking



Reviewed version (V2) from September 2022



## Reporting and Self-Assessment Template

The following template sets out the reporting and self-assessment requirements for Signatories of the Principles for Responsible Banking (PRB). Your bank discloses which actions it has undertaken to implement the PRB by self-assessing its progress on each of the 6 Principles. This template is therefore structured in accordance with the 6 Principles that signatories have committed to.

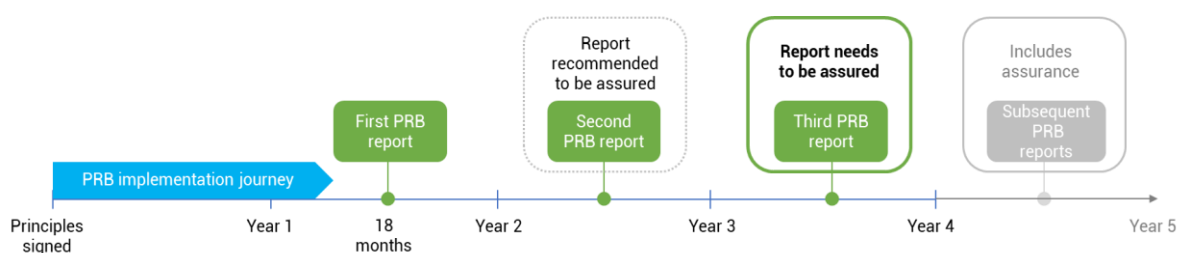
Three [Key Steps](#) are critical to showing that your bank is fulfilling its commitments as a signatory of the PRB, i.e. Impact Analysis, Target Setting & Implementation and Assured Reporting/Accountability. The sections in the Reporting and Self-Assessment Template that relate to the 3 Key Steps also require a self-assessment summary to demonstrate the extent to which the bank has fulfilled the respective requirements of the Key Steps.

### Accommodating different starting points

Your bank has an initial four-year period from signing to implement the 6 Principles including to bring its reporting fully in line with the requirements. Your bank may not be able to provide all information required in this template in the first report. You should build on your implementation progress annually. Feedback, support, capacity building, training and peer learning are available to all signatory banks to help them progress with both implementation and reporting.

### Timeline for reporting and assurance

Signatory banks need to report on their implementation of the Principles on an annual basis. The first PRB report has to be published within 18 months of signing the Principles, to give the bank some flexibility to align the PRB reporting with its reporting cycle. Publishing the first PRB report at any point earlier than 18 months after signing the Principles is therefore an option. After the first PRB reporting has been published, subsequent reports have to be published annually thereafter, i.e. within 12 months at the latest after the prior report<sup>1</sup>.



### Assurance

The last report within the initial 4 year implementation period (and subsequent reports thereafter) needs to be assured, which means that at least the third PRB report needs to be assured. Banks are encouraged to put the assurance process in place well before that and have earlier PRB reports already assured.

<sup>1</sup> Early reporting is permitted, although sufficient time to show progress from one year to the other should be taken into account.

All items that relate to the three Key Steps (highlighted in yellow) require limited assurance by year four of signing the PRB, undertaken by an independent third party with relevant expertise in the field. These are:

- 2.1 Impact Analysis
- 2.2 Target Setting
- 2.3 Target Implementation and Monitoring
- 5.1 Governance Structure for Implementation of the Principles

An assurer provides limited assurance of your self-assessment in these listed areas. 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. Assurance requirements are described in more detail in the [Guidance for Assurance providers: Providing limited assurance for reporting](#).

## Purpose of the template

The purpose of this template is to assist signatories in disclosing their progress on implementing the PRB. The disclosed information is used by the UNEP FI Secretariat as the basis for the individual review of each bank's progress, as well as for reporting the collective progress made by the PRB Signatory Group. To measure collective progress in a consistent manner, some standardized questions to be completed by the banks are integrated into the template. The open questions give banks the flexibility to disclose the progress they make, considering the diverse business models and various contextual differences in which banks operate.

# How to use this template

This template gives banks the chance to provide summaries of the annual progress made in implementing each Principle. It is designed for your bank to provide references/links to where in your existing reporting/public domains (websites) the required information can be found to support your answers. The aim is to keep any additional reporting burden to a minimum while ensuring transparency and accountability as set out in Principle 6. When referring to other documents, please specify the pages where the exact information appears.

The Reporting and Self-Assessment Template shall not be amended structurally and content-wise. The content and text of the template can be applied to corporate layout and designed accordingly, without omitting parts of the texts. The Reporting and Self-Assessment Template can be integrated into your bank's reports (annual report, sustainability report or relevant reporting formats) or can be published as a stand-alone document. It needs to be publicly available and will be listed on the UNEP FI Signatories page.

The reporting needs to be published in English. Information that is referenced to within the Reporting and Self-Assessment Template should also be available in English. Where that is not possible, it is recommended to include the summary of relevant information as text in the Template, so that all necessary information can be taken into account when the UNEP FI Secretariat reviews the bank's performance.

# 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.

## Business model

Describe (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 across the main geographies in which your bank operates or provides products and services. Please also quantify the information by disclosing e.g. the distribution of your bank's portfolio (%) in terms of geographies, segments (i.e. by balance sheet and/or off-balance sheet) or by disclosing the number of customers and clients served.

*Globalance is an entrepreneurial, owner-managed Swiss private bank and a pioneer in sustainable investments.*

*For almost 30 years, we have been dealing with topics related to investments and sustainability. The founder's track record includes the creation and successful development of the investment firm Sustainable Asset Management, SAM (today RobecoSam), the launch of the Dow Jones Sustainability Indexes, DJSI, as well as the think tank and advocacy-consultancy SustainAbility (today SustainAbility Institute by ERM).*

*For our clients, we invest in future-oriented topics and companies with attractive return potential and a positive footprint, focusing exclusively on sustainable wealth-management.*

*While our own operations are in Switzerland only, our customer's investment portfolios are multi-asset-class-impact and global. Customer segments are private individuals, family offices and foundations.*

<https://www.globalance.com/en/investment-philosophy/>

## Strategy alignment

**Does your corporate strategy identify and reflect sustainability as strategic priority/ies for your bank?**

- Yes  
 No

Please describe how your bank has aligned and/or is planning to align its strategy to be consistent with the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.

Does your bank also reference any of the following frameworks or sustainability regulatory reporting requirements in its strategic priorities or policies to implement these?

- UN Guiding Principles on Business and Human Rights
- International Labour Organization fundamental conventions
- UN Global Compact
- UN Declaration on the Rights of Indigenous Peoples
- Any applicable regulatory reporting requirements on environmental risk assessments, e.g. on climate risk - please specify which ones:
- Any applicable regulatory reporting requirements on social risk assessments, e.g. on modern slavery - please specify which ones:
- None of the above

*While none of the above are explicitly referenced, they form part implicitly of both our founding values as well as the broad set of data our investment policies, sustainability methodologies and regulatory frameworks are based on. Specifically, we are subject to regulatory oversight via EU SFDR or the Swiss Climate Scores (in progress). Also, as a certified B Corporation, there is a public record of the rigorous compliance-audits by this network's experts. Note, that our strategic alignment and embedding of sustainability has even been integrated in our legal company charter and formal Board accountability, subject to oversight by the Swiss Financial Market Supervisory Authority FINMA.*

<https://www.globalance.com/en/investment-philosophy/>

<https://fe.globalanceworld.com/FAQ-en.pdf>

<https://www.bcorporation.net/en-us/find-a-b-corp/company/globalance-bank>

## 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 (Key Step 1)

Show that your bank has performed an impact analysis of its portfolio/s to identify its most significant impact areas and determine priority areas for target-setting. The impact analysis shall be updated regularly<sup>2</sup> and fulfil the following requirements/elements (a-d)<sup>3</sup>:

- a) Scope:** What is the scope of your bank's impact analysis? Please describe which parts of the bank's core business areas, products/services across the main geographies that the

<sup>2</sup> That means that where the initial impact analysis has been carried out in a previous period, the information should be updated accordingly, the scope expanded as well as the quality of the impact analysis improved over time.

<sup>3</sup> Further guidance can be found in the [Interactive Guidance on impact analysis and target setting](#).

bank operates in (as described under 1.1) have been considered in the impact analysis. Please also describe which areas have not yet been included, and why.

Context

*Wealth Management is our exclusive business, whereby we invest our client's assets in liquid and illiquid assets worldwide. Our "Investor's Impact" is guided by the sustainable investment policy and achieved via the deployment of all our client assets.*

*Ever since inception, Globalance has pursued ambitious goals to create pure-play-multi asset class-portfolios that are based on systematic, comprehensive integration of sustainable impact goals in all steps of our investment process.*

*Much progress has already been achieved raising the bar for this year's baseline to a high level (e.g. Globalance has never invested in fossil energies at all; since 2017, when we became launching customer of Carbon Delta's Implicit Temperature Rise, ITR (now part of MSCI ESG), we have succeeded in lowering the portfolio temperature from 2.7C to below 2C already.*

Scope

*The scope of this report's new impact analysis is geared towards the area of our greatest impact-leverage: the deployment of our total Assets under Management ("Scope 3" of all sustainability impacts, to use the language of the GHG-Protocol).*

*As it has been part of the B Corp-Recertification process in 2022, we leave our own operational footprint out of scope for this impact assessment (we are a one-office company). We plan to include it in future reports as part of our Net Zero-Implementation Plan (see below).*

<https://www.globalance.com/en/engagement-report/>

**b) Portfolio composition:** Has your bank considered the composition of its portfolio (in %) in the analysis? Please provide proportional composition of your portfolio globally and per geographical scope

- i) by sectors & industries<sup>4</sup> for business, corporate and investment banking portfolios (i.e. sector exposure or industry breakdown in %), and/or
- ii) by products & services and by types of customers for consumer and retail banking portfolios.

If your bank has taken another approach to determine the bank's scale of exposure, please elaborate, to show how you have considered where the bank's core business/major activities lie in terms of industries or sectors.

*The analysis covers 100% of our invested wealth management mandates (we do not operate any other banking-activities). They are composed of a diversification of 15 asset classes. The profiles differ in their weights, but not in their composition. 80% of our AuM is invested in our balanced risk profile, labelled "Globalance Balance", which is the basis for our Impact Analysis.*

<sup>4</sup> 'Key sectors' relative to different impact areas, i.e. those sectors whose positive and negative impacts are particularly strong, are particularly relevant here.

*As we are pure-play sustainable wealth management, i) and ii) are not applicable.*

**c) Context:** What are the main challenges and priorities related to sustainable development in the main countries/regions in which your bank and/or your clients operate?<sup>5</sup> Please describe how these have been considered, including what stakeholders you have engaged to help inform this element of the impact analysis.

*This step aims to put your bank's portfolio impacts into the context of society's needs.*

*We pursue a holistic definition of sustainability in our investment approach. To do this, we go beyond conventional ESG analyses and instead look at the real impact on the economy, society and the environment. To this end, Globalance has developed, applies and continuously improves its own impact assessment methodology, the Globalance Footprint. The Globalance Footprint covers economic, social and environmental indicators, with the SDGs (and previously the MDGs) fully integrated into the Globalance Footprint indicator framework from the outset. The indicators are assigned a materiality at a meta-level. Prioritisation related to sustainable development is thus based on sector materiality rather than geographical constraints, especially as we measure effects whose impacts often do not stop at national borders.*

*Having said that, the sector-specific materiality of any given sustainability issue is directly informed by a) third-party risk-exposure assessments which include geographical aspects (e.g. water management is more material in areas of water scarcity; biodiversity management is more material in areas of sensitive or critical natural habitats), and b) by links to the SDGs, which in themselves represent the global stakeholder consensus of our main challenges.*

*The indicators used for the impact assessment are specified and explained in more detail in our open source tool Globalance World.*

*For each asset-class we have established their respective materiality analysis which in turn informs the numerical computation of Footprint-scores in our algorithm.*

<https://fe.globalanceworld.com/EagJA8QsTQzk3JFsn/footprint>

<sup>5</sup> Global priorities might alternatively be considered for banks with highly diversified and international portfolios.



Summary Table 1: Baseline Assessment Footprint-Scores per Asset Class:

Asset Class	Score PF
Sovereign	90
Corporate	67
High Yield	
Emerging Markets	57
Convertible	65
Insurance Linked Securities	78
Microfinance	95
Premium strategies	76
Project financing	85
Equities	67
Futuremover Equities	62
Real Estate	60
Precious Metals	48
Infrastructure	57
Private Investments	70

Based on these first 3 elements of an impact analysis, what positive and negative impact areas has your bank identified? Which (at least two) significant impact areas did you prioritize to pursue your target setting strategy (see 2.2)6? Please disclose.

Based on the cross-portfolio hotspot analysis at the End of 2022, we have defined the levers towards more sustainability for the period 2023/24. Our priorities for action are the asset classes marked in red in Table 1 above.

**d) For these (min. two prioritized impact areas): Performance measurement.** Has your bank identified which sectors & industries as well as types of customers financed or invested in are causing the strongest actual positive or negative impacts? Please describe how you assessed the performance of these, using appropriate indicators related to significant impact areas that apply to your bank's context.

In determining priority areas for target-setting among its areas of most significant impact, you should consider the bank's current performance levels, i.e. qualitative and/or quantitative indicators and/or proxies of the social, economic and environmental impacts resulting from the bank's activities and provision of products and services. If you have identified climate and/or financial health&inclusion as your most significant impact areas, please also refer to the applicable indicators in the [Annex](#).

If your bank has taken another approach to assess the intensity of impact resulting from the bank's activities and provision of products and services, please describe this.

*The outcome of this step will then also provide the baseline (incl. indicators) you can use for setting targets in two areas of most significant impact.*

Using our own impact measurement metric, the Globalance Footprint described in 2.1c), we have analysed our entire portfolio for its impact. Based on this, we conducted a hotspot analysis to identify our targets for the asset classes with the highest potential for improvement.

<https://fe.globalanceworld.com/EagJA8QsTQzk3JFsn/footprint>

The scores listed in Table 1 above form the quantitative baseline based on which we have set our targets.

<sup>6</sup> To prioritize the areas of most significant impact, a qualitative overlay to the quantitative analysis as described in a), b) and c) will be important, e.g. through stakeholder engagement and further geographic contextualisation.

In addition to the Globalance Footprint assessment, the criteria for the selection were the fundamental possibility of improving the asset class as well as the potential impact of an improvement on economy, society and environment – i.e., we examined where we have the greatest leverage for a sustainable improvement of our portfolio.

In addition to the Globalance Footprint, we used a second metric, i.e., the climate metric “Implied Temperature Rise (ITR)” into the analysis. Said climate metric is also used in all our reporting and on our platform Globalance World, which we have made publicly available for free world-wide.

As it happens, ITR is also one of the metrics stipulated by the new Swiss Climate Scores (issued by the Swiss Authorities). Globalance has set itself the goal for 2023 to be one of the first private banks applying this standard by publishing these metrics for our funds as well as the total AuM of our wealth management. Below, we are providing a summary overview of these metrics. They themselves can also be seen as our baseline. As we are managing our portfolios against the ITR-score, all other metrics are for information only (i.e. not representing targets themselves):

Table 2 – Swiss Climate Scores of select Globalance Portfolios

	Percentage of AuM analysed	Percentage of AuM analysed, under scope	Percentage of AuM analysed, under scope and with relevant data available	GHG Intensity Scope 1 & 2 (tons of CO2e / CHF revenue)	GHG Intensity Scope 1-3 (tons of CO2e / CHF revenue)	GHG Footprint Scope 1 & 2 (tons of CO2e / CHF Invested)	GHG Footprint Scope 1-3 (tons of CO2e / CHF Invested)	Exposure to Coal (%)	Exposure to other Fossil Fuels (%)	Near term net-zero target (per SBTi) (% of companies)	ITR
Kernaktien	100%	100%	100%	24	468	8	201	0%	0%	54%	1.8
Zukunftbeweger (ohne Offset)	100%	100%	97%	53	373	16	124	0%	2%	22%	1.9
Low Carbon Index	100%	100%	100%	22	273	12	137	0%	0%	37%	1.6
Sokrates Fond	100%	72%	53%	73	499	21	192	1%	2%	30%	2.0
Balanced Mandat	100%	58%	50%	82	534	25	212	1%	2%	37%	2.0

### Self-assessment summary:

Which of the following components of impact analysis has your bank completed, in order to identify the areas in which your bank has its most significant (potential) positive and negative impacts?<sup>7</sup>

Scope:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No
Portfolio composition:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No
Context:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No
Performance measurement:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No

Which most significant impact areas have you identified for your bank, as a result of the impact analysis?

*Climate change mitigation, climate change adaptation, resource efficiency & circular economy, **biodiversity**, financial health & inclusion, human rights, gender equality, decent employment, water, pollution, **other: As all our investments have a positive impact, we've identified the asset class which has i) the least positive impact and ii) the highest potential for improvement, resulting in "infrastructure" as a priority asset class for improvement.***

How recent is the data used for and disclosed in the impact analysis?

- Up to 6 months prior to publication
- Up to 12 months prior to publication
- Up to 18 months prior to publication
- Longer than 18 months prior to publication

Open text field to describe potential challenges, aspects not covered by the above etc.:  
(optional)

<sup>7</sup> You can respond "Yes" to a question if you have completed one of the described steps, e.g. the initial impact analysis has been carried out, a pilot has been conducted.

## 2.2 Target Setting (Key Step 2)

Show that your bank has set and published a minimum of two targets which address at least two different areas of most significant impact that you identified in your impact analysis.

The targets<sup>8</sup> have to be Specific, Measurable (qualitative or quantitative), Achievable, Relevant and Time-bound (SMART). Please disclose the following elements of target setting (a-d), for each target separately:

**a) Alignment:** which international, regional or national policy frameworks to align your bank's portfolio with<sup>9</sup> have you identified as relevant? Show that the selected indicators and 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.

*You can build upon the context items under 2.1.*

*With our investment approach, we enable investors to invest successfully in future-oriented companies that solve global challenges and create a positive future. To do so, we streamline our investments towards sustainable development, using global policy frameworks as a northstar. Specifically, we take into account the SDGs and the goals outlined by the 2015 Paris Agreement.*

*Negative impacts regarding Global Compact, Controversies, fossil energy sources and more are monitored and serve as basis for a large list of exclusion criteria in our investment selection. Hence, our offer does not include any mandates with negative impacts.*

*Our internal developed goal-setting framework (Objectives and Key Results, OKR) contains the targets mentioned below for our investment team (Research + Portfolio Management), including our Head Investments (CIO).*

**b) Baseline:** Have you determined a baseline for selected indicators and assessed the current level of alignment? Please disclose the indicators used as well as the year of the baseline.

*You can build upon the performance measurement undertaken in 2.1 to determine the baseline for your target.*

*A package of indicators has been developed for climate change mitigation and financial health & inclusion to guide and support banks in their target setting and implementation journey. The overview of indicators can be found in the [Annex](#) of this template.*

If your bank has prioritized climate mitigation and/or financial health & inclusion as (one of) your most significant impact areas, it is strongly recommended to report on the indicators in the Annex, using an overview table like below including the impact area, all relevant indicators and the corresponding indicator codes:

Impact area	Indicator code	Response
Climate change mitigation	...	
	...	
	...	

Impact area	Indicator code	Response
	...	
	...	

<i>Financial health &amp; inclusion</i>	...	
In case you have identified other and/or additional indicators as relevant to determine the baseline and assess the level of alignment towards impact driven targets, please disclose these.		
<p><i>Table 1 in section 2.1 above lists the baseline-scores of our portfolio's Footprint assessment. They are the result of extensive analysis using look-through fund-information (i.e. each direct and indirect asset is assessed individually prior to aggregation at fund-level).</i></p>		

**c) SMART targets** (incl. key performance indicators (KPIs)<sup>10</sup>): Please disclose the targets for your first and your second area of most significant impact, if already in place (as well as further impact areas, if in place). Which KPIs are you using to monitor progress towards reaching the target? Please disclose.

<sup>8</sup> Operational targets (relating to for example water consumption in office buildings, gender equality on the bank's management board or business-trip related greenhouse gas emissions) are not in scope of the PRB.  
<sup>9</sup> Your bank should consider the main challenges and priorities in terms of sustainable development in your main country/ies of operation for the purpose of setting targets. These can be found in National Development Plans and strategies, international goals such as the SDGs or the Paris Climate Agreement, and regional frameworks. Aligning means there should be a clear link between the bank's targets and these frameworks and priorities, therefore showing how the target supports and drives contributions to the national and global goals.  
<sup>10</sup> Key Performance Indicators are chosen indicators by the bank for the purpose of monitoring progress towards targets.

First, we have established a target at aggregate portfolio level: By the end of 2024, the Footprint Score needs to reach 72 to be 14% above the relevant benchmark (a sustainable portfolio with similar asset classes).

Table 3 Portfolio-level Target

	FP (PF)	FP (BM)	FP (Ziel)	Improvement (absolute score)
GLOBALANCE BALANCED MANDAT	69	64	72	

Second, we have established specific targets for each selected priority asset class identified for action. Below we summarize these targets in percentage-improvements of the Footprint-score from the baseline:

Table 4 Asset Class-level Targets

Asset Class	Priority (Year)	Target
Emerging Markets	1 (2022)	+5%
Infrastructure	2 (2023)	+ 10%
Real Estate	3 (2023)	+20%
Precious Metals	4 (2024)	+ 20%
Convertible	5 (2024)	+5%
Futuremover Equities	6 (2024)	+15%
Equities	7 (2024)	+5%

Please note that the above targets are ambitious and difficult to achieve as we start from an already high baseline and depend on availability of suitable investments strategies, products and assets.

Also, these improvement targets are independent from and quite more ambitious than the set of regulatory objectives we have set for our investment products regulated by EU-SFDR (see below).

Strategic Objectives:

In addition to the SMART targets above, we have given ourselves the following important strategic objectives which are in line with PRB guidelines and underline our commitment to improvements and public accountability:

a) Net Zero-Target

Globalance will publish in 2023 its first public Net Zero-Strategy. This will allow us to frame many of the climate-related activities in a new format.

The SMART-targets of our net zero-strategy are based on the ITR-metric (see above) which has been developed to measure the Paris-

alignment of financed emissions.

Globalance will determine a new baseline and the according reduction path during 2023 and based on MSCI ESG's 2023 version of ITR. We will set ITR-portfolio targets for 2025/30/40.

Note that our current portfolio ITR based on MSCI ESG's 2022 data-set is already at or below 2C.

**b) Swiss Climate Scores**

As indicated above, Globalance will be publishing new metrics in this standard format. We include Table 2 again, summarizing the results of a list of our portfolios below which can also serve as 2023 baseline for target-setting of ITR.

	Percentage of AuM analysed	Percentage of AuM analysed, under scope	Percentage of AuM analysed, under scope and with relevant data available	GHG Intensity Scope 1 & 2 (tons of CO2e / CHF revenue)	GHG Intensity Scope 1-3 (tons of CO2e / CHF revenue)	GHG Footprint Scope 1 & 2 (tons of CO2e / CHF invested)	GHG Footprint Scope 1-3 (tons of CO2e / CHF invested)	Exposure to Coal (%)	Exposure to other Fossil Fuels (%)	Near term zero target (per SBT) of compar
Kernaktien	100%	100%	100%	24	468	8	201	0%	0%	0%
Zukunftbeweger (ohne Offset)	100%	100%	97%	53	373	16	124	0%	2%	2%
Low Carbon Index	100%	100%	100%	22	273	12	137	0%	0%	0%
Sokrates Fond	100%	72%	53%	73	499	21	192	1%	2%	2%
Balanced Mandat	100%	58%	50%	82	534	25	212	1%	2%	2%

**d) Action plan:** which actions including milestones have you defined to meet the set targets? Please describe.

Please also show that your bank has analysed and acknowledged significant (potential) indirect impacts of the set targets within the impact area or on other impact areas and that it has set out relevant actions to avoid, mitigate, or compensate potential negative impacts.

The Investment Center and Impact Research Team of Globalance define such action plans using agile project management (known in software development).

Following clear priorities and timelines, we define "Sprints" during which each of the listed asset classes are worked on. The action during such sprints includes scouting, analyzing, comparing and evaluating numerous assets and/or funds with the goal to add or replace them to our portfolios thereby bringing us closer to our targets.

Table 4 above can also serve as action plan as it represents the sequence by which we are working on one asset class after another.

As we are maintaining an extensive monitoring process using complementary data for the SFDR-compliance process, it is assured that we are avoiding potential unintended negative impacts of our actions.

Links and references

**Self-assessment summary**

Which of the following components of target setting in line with the PRB requirements has your bank completed or is currently in a process of assessing for your...

	... first area of most significant impact: Asset Class Infrastructure	... second area of most significant impact: Asset Class Real Estate	Asset Class Convertible
Alignment	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No
Baseline	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No
SMART targets	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No
Action plan	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No

## 2.3 Target implementation and monitoring (Key Step 2)

**For each target separately:**

Show that your bank has implemented the actions it had previously defined to meet the set target.

Report on your bank's progress since the last report towards achieving each of the set targets and the impact your progress resulted in, using the indicators and KPIs to monitor progress you have defined under 2.2.

**Or, in case of changes to implementation plans (relevant for 2<sup>nd</sup> and subsequent reports only):** describe the potential changes (changes to priority impact areas, changes to indicators, acceleration/review of targets, introduction of new milestones or revisions of action plans) and explain why those changes have become necessary.

*In 2022, a number of successes were achieved which, although not yet fixed in the form of SMART targets at the time of reporting in 2021, are still worth mentioning.*

*For example, Globalance Bank was once again awarded the B-Corp distinction. After being the first Swiss private bank to receive this label in 2015, Globalance is still one of less than a hand full of Swiss banks to be awarded this distinction in 2022. The re-certification is all the more important as new, stricter hurdles have been set by B-Corp.*

<https://www.bcorporation.net/en-us/find-a-b-corp/company/globalance-bank>



*As announced in the last UNEP PRB, we have also reviewed all of our portfolios with regard to their warming potential using the ITR metric and initiated appropriate measures to improve this. As a result, the overall warming potential of our portfolios has decreased significantly (see Table 2 Swiss Climate Scores).*

*Additional impact is created through the systematic exercise of voting rights and shareholder engagement. We have increased our engagement in order to fully assume our responsibility as a responsible investor. As a result, we were also able to publish our first engagement report in 2022. See our 2021 Globalance Engagement Report as well as our Engagement Update 2022.*

*In the current year, we will monitor the SMART targets set in this report and report against them next year.*

<https://fe.globalanceworld.com/tDocujop2jbN29vr9/climate>

<https://www.globalance.com/en/engagement-report/>

## 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.

### 3.1 Client engagement

Does your bank have a policy or engagement process with clients and customers<sup>11</sup> in place to encourage sustainable practices?

Yes       In progress       No

Does your bank have a policy for sectors in which you have identified the highest (potential) negative impacts?

Yes       In progress       No

Describe 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<sup>12</sup>). It should include information on relevant policies, actions planned/implemented to support clients' transition, selected indicators on client engagement and, where possible, the impacts achieved.

*This should be based on and in line with the impact analysis, target-setting and action plans put in place by the bank (see P2).*

*As a regulated Swiss bank, the core client-processes are stipulated by law and supervised by the authorities.*

*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.*

*The core is built around continuous empowerment of asset owners. We inform, educate and consult on their sustainable impact preferences and ambition. To foster the knowledge of asset owners, we have developed a series of educational learning-modules for customers in 2021. In addition, we offer weekly sessions for clients to learn about issues related to sustainable investing and published an engagement report, showcasing how we define active ownership.*

*Our unmatched transparency is crucial to deliver complete, easy accessible and understandable accountability to customers. To achieve such customer accountability, personal relationships are key.*

*Another highly effective instrument to raise awareness for the impacts of investments 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*

<https://fe.globalanceworld.com/insights>

<https://www.globalance.com/en/engagement-report/>

*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).*

### 3.2 Business opportunities

Describe what strategic business opportunities in relation to the increase of positive and the reduction of negative impacts your bank has identified and/or how you have worked on these in the reporting period. Provide information on existing products and services, information on sustainable products developed in terms of value (USD or local currency) and/or as a % of your portfolio, and which SDGs or impact areas you are striving to make a positive impact on (e.g. green mortgages – climate, social bonds – financial inclusion, etc.).

*As indicated above, we're a pure-play sustainable wealth-management boutique. Hence, for us, sustainability is not only a business opportunity but our business case. All our AuM are sustainably invested and well diversified over multiple asset classes with a positive impact each.*

## Principle 4: Stakeholders



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

### 4.1 Stakeholder identification and consultation

*Does your bank have a process to identify and regularly consult, engage, collaborate and partner with stakeholders (or stakeholder groups<sup>13</sup>) you have identified as relevant in relation to the impact analysis and target setting process?*

Yes       In progress       No

Please describe which stakeholders (or groups/types of stakeholders) you have identified, consulted, engaged, collaborated or partnered with for the purpose of implementing the Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders, what issues were addressed/results achieved and how they fed into the action planning process.

*To get an overview, see our extensive reporting related to our B Corporation-Certification.*

<https://www.bcorporation.net/en-us/find-a-b->

<sup>11</sup> A client engagement process is a process of supporting clients towards transitioning their business models in line with sustainability goals by strategically accompanying them through a variety of customer relationship channels.

<sup>12</sup> Sustainable economic activities promote the transition to a low-carbon, more resource-efficient and sustainable economy.

<sup>13</sup> Such as regulators, investors, governments, suppliers, customers and clients, academia, civil society institutions, communities, representatives of indigenous population and non-profit organizations

*Globalance has grown to be a showcase in Switzerland and beyond – and we have become an important point of reference and expertise for media. We refer to the list of awards from 2022 as indicators.*

*Shareholder Engagement with companies, fund managers and projects is a key mechanism to leverage our impact. See our 2021 Engagement Report.*

*We participate in engagement pools, investors coalitions as well as investment partners (e.g. fund managers). Examples are:*

- *CSP - Center for Sustainable Finance and Private Wealth (University of Zurich)*
- *Access to Nutrition Foundation*
- *CDP*
- *Swiss Sustainable Finance Association, SSF*

*We have a policy to engage with all students, academics and scientific coalitions to promote our vision and/or participate in education and research.*

*Also, locally, we select suppliers who match our sustainability commitments.*

[corp/company/globalance-bank](#)

<https://www.globalance.com/en/awards/>

See multiple media-coverage promoting sustainable investing via Globalance:

<https://www.globalance.com/en/media-press/>

Important international coverage:

Forbes: «The Data Challenge»):  
<https://www.forbes.com/sites/forbesfinancecouncil/2022/02/24/innovation-is-key-to-enabling-holistic-sustainable-investing/amp/>

Financial Times:  
<https://www.ft.com/content/2489b5f5-d82d-44ec-be4f-911ba766711a>

FastCompany:  
<https://www.fastcompany.com/90577147/this-website-gorgeously-illustrates-if-your-investments-are-ruining-the-planet>

## Principle 5: Governance & Culture



We will implement our commitment to these Principles through effective governance and a culture of responsible banking

### 5.1 Governance Structure for Implementation of the Principles

Does your bank have a governance system in place that incorporates the PRB?

Yes       In progress       No

Please describe 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 the effective implementation of the Principles. This includes information about

- which committee has responsibility over the sustainability strategy as well as targets approval and monitoring (including information about the highest level of governance the PRB is subjected to),
- details about the chair of the committee and the process and frequency for the board having oversight of PRB implementation (including remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected), as well as
- remuneration practices linked to sustainability targets.

*Our commitment to sustainable investment is explicitly referenced in our legal Charter.*

*The same applies to our Boards responsibility to guide and oversee the implementation of these sustainability principles across our business.*

*Management is well aligned with our purpose as they are pioneers in sustainable investing. 70% of the company is owned by management team.*

### 5.2 Promoting a culture of responsible banking:

Describe the initiatives and measures of your bank to foster a culture of responsible banking among its employees (e.g., capacity building, e-learning, sustainability trainings for client-facing roles, inclusion in remuneration structures and performance management and leadership communication, amongst others).

*Our founders are active on a day to day basis and foster this mission-driven culture daily.*

*As a values-led and purpose-driven pure play company, it starts with selecting employees who are aligned with our values.*

*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.*

*The sustainable impact-culture is best fostered through our investment decisions: Each one of these is proof of our mission and professional standard.*

*In addition, we believe that ongoing training is critical: We have established a Globalance Academy will accelerate and deepen our training for every employee.*

### 5.3 Policies and due diligence processes

Does your bank have policies in place that address environmental and social risks within your portfolio?<sup>14</sup> Please describe.

Please describe what due diligence processes your bank has installed to identify and manage environmental and social risks associated with your portfolio. This can include aspects such as identification of significant/salient risks, environmental and social risks mitigation and definition of action plans, monitoring and reporting on risks and any existing grievance mechanism, as well as the governance structures you have in place to oversee these risks.

*Our commitment to sustainable investment is explicitly referenced in our legal Charter.*

*As a pure-play wealth manager, all the investment and impact research processes described in this report represent our due diligence processes. They form the core of what we do.*

### Self-assessment summary

Does the CEO or other C-suite officers have regular oversight over the implementation of the Principles through the bank's governance system?

Yes  No

Does the governance system entail structures to oversee PRB implementation (e.g. incl. impact analysis and target setting, actions to achieve these targets and processes of remedial action in the event targets/milestones are not achieved or unexpected neg. impacts are detected)?

Yes  No

Does your bank have measures in place to promote a culture of sustainability among employees (as described in 5.2)?

Yes  In progress  No

<sup>14</sup> Applicable examples of types of policies are: exclusion policies for certain sectors/activities; zero-deforestation policies; zero-tolerance policies; gender-related policies; social due diligence policies; stakeholder engagement policies; whistle-blower policies etc., or any applicable national guidelines related to social risks.

# 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 Assurance

Has this publicly disclosed information on your PRB commitments been assured by an independent assurer?

Yes       Partially       No

If applicable, please include the link or description of the assurance statement.

*See Report by SWA Swiss Auditors.*

*Links and references*

## 6.2 Reporting on other frameworks

Does your bank disclose sustainability information in any of the listed below standards and frameworks?

- GRI
- SASB
- CDP
- IFRS Sustainability Disclosure Standards (to be published)
- TCFD
- Other: B-Corp

- *B-Corp (see link)*
- *Swiss Climate Scores (see above)*
- *SFDR (While our Zukunftsbeweger Switzerland fund as well as our Sokrates fund where both classified as compliant with SFDR Art.9 in 2021, we've decided for organisational reasons to only aim for Art. 8 compliance in 2023. The respective status should be cleared in March 2023.)*

<https://www.bcorporation.net/en-us/find-a-b-corp/company/globalance-bank>

*Zukunftsbeweger Germany:*

<https://www.hansainvest.com/deutsch/fondswelt/fondsdetails.html?fondsId=641&dpag e=downloads>

*Zukunftsbeweger Switzerland:*

<https://www.fundinfo.com/de/CH-prof/fund#OFST020000=LU2049785491>

*Sokrates Fund:*

<https://www.fundinfo.com/de/CH-prof/fund#OFST020000=LU0585393332>

### 6.3 Outlook

What are the next steps your bank will undertake in next 12 month-reporting period (particularly on impact analysis<sup>15</sup>, target setting<sup>16</sup> and governance structure for implementing the PRB)? Please describe briefly.

*See section 2.2. d) action plan*

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<sup>15</sup> For example outlining plans for increasing the scope by including areas that have not yet been covered, or planned steps in terms of portfolio composition, context and performance measurement

<sup>16</sup> For example outlining plans for baseline measurement, developing targets for (more) impact areas, setting interim targets, developing action plans etc.



## 6.4 Challenges

Here is a short section to find out about challenges your bank is possibly facing regarding the implementation of the Principles for Responsible Banking. Your feedback will be helpful to contextualise the collective progress of PRB signatory banks.

What challenges have you prioritized to address when implementing the Principles for Responsible Banking? Please choose what you consider the top three challenges your bank has prioritized to address in the last 12 months (optional question).

If desired, you can elaborate on challenges and how you are tackling these:

- |  |  |
|--|--|
| <input type="checkbox"/> Embedding PRB oversight into governance                               | <input type="checkbox"/> Customer engagement             |
| <input type="checkbox"/> Gaining or maintaining momentum in the bank                           | <input type="checkbox"/> Stakeholder engagement          |
| <input type="checkbox"/> Getting started: where to start and what to focus on in the beginning | <input type="checkbox"/> Data availability               |
| <input checked="" type="checkbox"/> Conducting an impact analysis                              | <input type="checkbox"/> Data quality                    |
| <input type="checkbox"/> Assessing negative environmental and social impacts                   | <input type="checkbox"/> Access to resources             |
| <input type="checkbox"/> Choosing the right performance measurement methodology/ies            | <input type="checkbox"/> Reporting                       |
| <input checked="" type="checkbox"/> Setting targets  | <input type="checkbox"/> Assurance                       |
| <input type="checkbox"/> Other: ...  | <input type="checkbox"/> Prioritizing actions internally |

If desired, you can elaborate on challenges and how you are tackling these:

To Globalance Bank AG

**Auditor's Limited Assurance Report of Globalance Bank's AG self-assessment of the Principles of the Principles for Responsible Banking**

We have been engaged by the Management of Globalance Bank AG to undertake a limited assurance engagement of Globalance Bank's AG self-assessment of its fulfilments of its commitments as a signatory of the Principles of Responsible Banking as per December 31, 2022. The self-assessment Template is disclosed on the Bank's website ([UNPRB - Globalance Bank](#)) and defined on page 6 - 22. The reporting criteria against which this information was assessed are Globalance Bank's AG self-assessment of its fulfilments of its commitments as signatory of the Principles for Responsible Banking that are described on page 6 - 22 and cover the Principle for Responsible Banking assessment areas including 2.1 Impact Analysis, 2.2 Target Setting, 2.3 Plans for Target Implementation and Monitoring, 2.4 Progress of Implementation Targets, 5.3 Governance Structure for Implementation of the Principles.

Our assurance does not extend to any other information in the self-assessment.

**Responsibilities of the Executive Management for the self-assessment**

The Executive Management are responsible for the preparation of the self-assessment of Globalance Bank AG fulfilment of its commitments as signatory of the Principles for Responsible Banking in accordance with the applicable criteria as set out in the Principles for Responsible Banking form United Nations Environment Programme Finance Initiative (UNEP FI). This responsibility also includes the internal control relevant to the preparation of a self-assessment that is free from material misstatements, whether due to fraud or error.

**Responsibilities of the auditor**

Our responsibility is to express a conclusion on the self-assessment based on the limited assurance procedures we have performed.

We conducted our limited assurance engagement in accordance with ISAE 3000 Assurance engagements other than audits or reviews of historical financial information. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the self-assessment and applying analytical and other limited assurance procedures. The procedures performed in a limited assurance engagement vary in nature from, and are less in scope than for a reasonable assurance engagement conducted in accordance with IAASB's Standards on Auditing and other generally accepted auditing standards.

The firm applies ISQM 1 (International Standard on Quality Management) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applica-

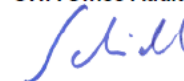
ble legal and regulatory requirements. We are independent of Globalance Bank AG in accordance with professional ethics for accountants in Switzerland and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. Consequently, the procedures performed do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance conclusion.

Our procedures are based on the criteria defined by the Executive Management as described above. We consider these criteria suitable for the preparation of the self-assessment. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion below.

**Conclusion**

Based on the limited assurance procedures we have performed, nothing has come to our attention that causes us to believe that the selected information disclosed in the self-assessment has not been prepared in all material respects in accordance with the criteria defined above.

SWA Swiss Auditors AG



Stephan Schmidli  
Licenced Audit Expert



Marianne Müller  
Licenced Audit Expert

Pfäffikon/SZ, 30. March 2023