

Swiss banking with a mission

Globalance

Ownership with impact –
how capital is shaping the future

Stewardship Report 2025



Globalance submits a shareholder proposal



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Turbulent times at Unilever – is the longtime leader losing its ambition?

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Shareholder engagement or Stewardship? Clarification of terms.

The term “stewardship” is used to describe internationally recognised principles of good asset management. The term describes “the careful and responsible handling of something that has been entrusted to you”. “Stewardship” was previously little known in German-speaking countries but became official in Switzerland with the launch of the “Swiss Stewardship Code” in 2023.

Globalance stays the course – because conviction is a stance, not a sentiment

Many companies have stopped talking about global warming – from a fear of displeasing the U.S. government. New stock market regulations there have made the dialogue between investors and companies more difficult, with even major banks and asset managers avoiding making public statements. The result: silence becomes a strategy.

At the same time, another reality is emerging: the many anti-sustainability proposals submitted are receiving minimal support from shareholders. On average, only 1.4 percent supportive votes were logged in 140 American companies.

Quietly, shareholders are sticking to their course – a paradox that describes the new tension in shareholder engagement.

In this environment, as a European shareholder, Globalance recently submitted a proposal for a credible climate action plan to the U.S. electronics retailer Best Buy. While other investors in the U.S. are retreating, Globalance is raising its voice.

Our proposal received 13 percent approval – not much, one might think. Yet according to independent observers, that’s a notable achievement. In an environment where many investors remain silent and climate issues are increasingly

seen as being politically risky, every vote is a signal. It reminds us that long-term capital is oriented toward the future, not fleeting political sentiment.

Engagement is now more than ever a balancing act between courage and diplomacy.

Engagement is now more than ever a balancing act between courage and diplomacy – and a test of who is prepared to stand up for their convictions.

Also in this Stewardship Report 2025: in addition to detailed reporting on our voting behaviour, you’ll find compelling case studies on linking climate goals to management compensation in the microchip industry, and an assessment of whether the ambition for sustainability at Unilever is fading.

In 2025, we made effective use of the power of the assets with which we are entrusted with the future in mind once again. We welcome your feedback.



Peter Zollinger
Head of Impact Research



Anja Seiler
Stewardship Managerin

Globalance submits a shareholder proposal

In America, much is discussed – except for the climate. Globalance raises its voice where others remain silent, and stays the course in turbulent times. At the U.S. electronics retailer Best Buy, a vote was held on our proposal calling for a more ambitious climate plan.

It started with a letter. In the summer of 2023, we reached out to Best Buy – one of the world’s largest electronics retailers – with three simple but crucial questions about their climate strategy: where are the data, the targets, the plan?

The response was brief. Sustainability experts were at the table, but the legal department declined to make specific statements about key future commitments.

A year later, in our 2024 dialogue, we upped our demand: we didn’t just want numbers, but a credible climate transition plan – transparent, verifiable, and science-based. We envisaged a strong business case and value for shareholders. In selling energy-efficient devices, Best Buy has the greatest leverage for reducing emissions and helping customers save on household costs.

In selling energy-efficient devices, Best Buy has the greatest leverage for reducing emissions.

The response? A small step forward – Best Buy disclosed some additional Scope 3 data. But on the essentials, silence remained: no transparency on forward-looking assumptions, no action plans, no risk assessments. We therefore submitted a shareholder proposal for the 2025 Annual General Meeting. Our goal: to raise awareness. Not just for Best Buy, but for an industry which isn’t using its capabilities for climate action.

In June 2025, the day of the annual meeting arrived. We had complied with all the SEC rules (see box). The

company had to put the proposal to a vote, and Peter Zollinger from Globalance presented the proposal orally (right after the Auditor of New York State presented a proposal against the gender pay gap). The result: 13 percent of eligible voters said yes and supported Globalance – in a political climate that had hardened significantly with Donald Trump’s return to the White House.

According to independent observers, this is a notable achievement, though not a breakthrough. Yet engagement is rarely about quick wins. It’s a marathon – and every conversation, every argument, every line brings us closer to the goal: a financially successful economy which is viable for the future.

In the summer, Globalance divested its stake in Best Buy. This follows the logical escalation process that encompasses the options available to investors (see “The Globalance engagement strategy” on page 16).

Photo: David Gilder, Adobe Stock



From filing a shareholder proposal to the vote

How the U.S. Securities and Exchange Commission (SEC) regulates the process for shareholder proposals (simplified, without the variants of prior agreement).



Financial incentives are key

Globalance supports linking climate goals to management compensation.

The semiconductor industry is at the heart of the global digital transformation – and therefore in focus when it comes to energy consumption and climate emissions. Since 2023, Globalance has been in an in-depth dialogue with ASML, the world’s leading manufacturer of advanced lithography machines for chip production.

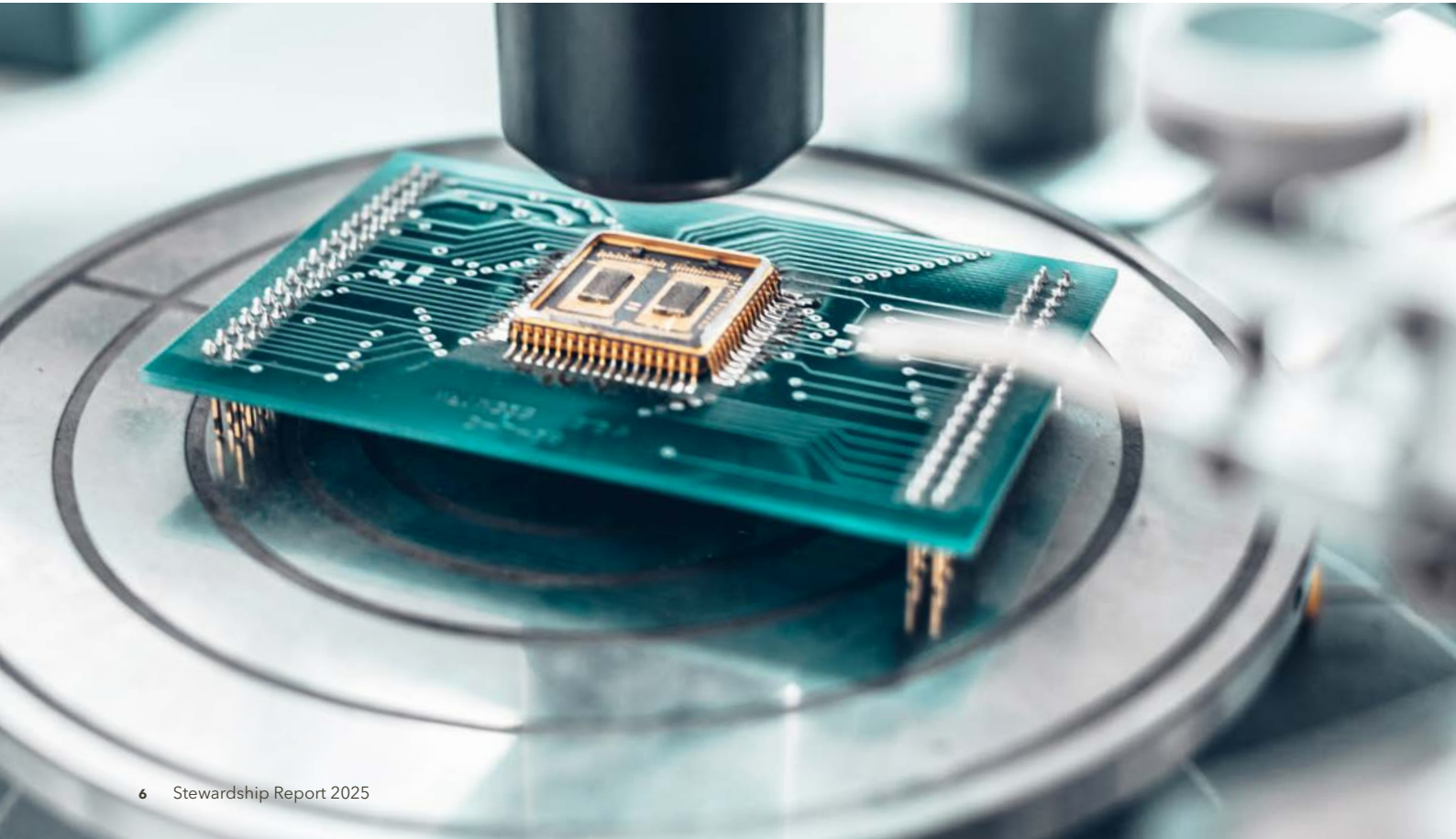
In 2024, ASML tied management compensation to sustainability goals – a topic that Globalance had advocated for as part of its engagement. Today, 20% of the long-term incentive programme is linked to sustainability measures, including predetermined climate targets such as reducing energy consumption during wafer pass processes.¹

Since 2025, we have also been in dialogue with the U.S. company Applied Materials, which provides complementary technologies for chip manufacturing. While its compensation system includes sustainability components, it remains unclear as to which quantitative targets and weightings are applied.

We emphasized to the company that this transparency is crucial for investors to be able to assess the importance of sustainability in its business model. Applied Materials was open to best-practice examples from other companies, which we shared with them. In 2026, we will review their incentive programme for improvements.

¹In semiconductor manufacturing, a wafer pass refers to the process in which a wafer (a thin slice of semiconductor material, usually silicon) undergoes a series of processing steps to create electronic components such as integrated circuits (chips).

Photo: Valeriy, Adobe Stock



Turbulent times at Unilever – is the longtime leader losing its ambition?

Since 2023, Globalance has been in dialogue with Unilever as part of the international shareholder coalition Climate Action 100+, and since early 2025, as co-lead of the engagement. During this period, the company underwent significant changes: two CEO transitions and new strategic priorities resulted in a focus on core brands and the divestment of non-strategic business units.

As an investor oriented to the long-term, our goal is to ensure that sustainability targets are not diluted. In our ongoing dialogue with Unilever, we are addressing three key areas:

- 1 Climate goals and Scope 3 emissions:** How can Unilever credibly achieve its ambitious Scope 3 emissions targets by 2030, given its limited progress so far?
- 2 Deforestation and transparency:** Why does the company fail to comprehensively report on deforestation risks and resource consumption in food production – especially for dairy and soy?

- 3 Management compensation:** Why are some targets formulated in ways that are not very meaningful or material, such as those for reducing Scope 3 emissions or the consumption of resources?

The many changes in strategy and limited progress at Unilever make closer monitoring essential. The ball is currently in Unilever’s court. We will continue our dialogue with the company’s new leadership in 2026.



Climate Action 100+

This global initiative was founded in 2017 and now brings together over 600 investors who are collectively calling on more than 160 high-emission companies to take specific decarbonisation measures. Progress is assessed annually and documented in a public report.

Updates on other investor initiatives

Carbon Disclosure Project (CDP): Globalance participated in the CDP process for the sixth time in 2025, in which investors urge companies to disclose environmental data. Globalance coordinated engagement at 20 companies.

Since 2020, the number of companies publishing climate data on the CDP platform has more than doubled – to over 23,000.

Nature Action 100: Starting in 2025, as part of this initiative, Globalance has been leading the engagement together with Roche as co-lead, focusing on integrating nature and biodiversity topics into business models.

Climate Action 100+: Globalance also participates in engagements with Panasonic and Unilever.

Access to Nutrition Initiative (ATNI): Since early 2025, we have co-led the dialogue with Unilever together with other investors.

A model for Switzerland – the debate on the new Stewardship Code in the UK

Back to basics: what stewardship needs to deliver today

The revision of the UK Stewardship Code is more than a technical reform – it's a reality check. The main task of stewardship must be brought to the forefront: shareholder engagement should focus on issues essential for the future success of companies. Too often, the connection between dialogue, investment strategy and long-term benefit for companies, investors, and society is lacking.

Goals, incentives and responsibilities must be better aligned along the entire investment chain. As investors, our aim is to strengthen corporate performance and portfolio returns. We select key topics and their relevance to capital allocation, effective corporate governance, or the development of future-proof business models. We also strive for outcomes that are economically relevant for companies.

For asset owners, this means: you can set the direction. Through precisely formulated expectations, stewardship becomes a strategic tool that connects long-term corporate value and benefits for the economy, society, and the environment.

A similar debate is expected soon in Switzerland, when the initial experiences with the Swiss Stewardship Code introduced in 2023 are evaluated.

The debate on the Stewardship Code in the UK

Effective from 1st January 2026, the UK Financial Reporting Council (FRC) will implement a revised UK Stewardship Code, following a consultation in 2024/25.

The goal of the reform: a stronger focus on impact rather than compliance, combined with a reduced regulatory burden for signatories.

Key changes include a revised definition of stewardship, streamlined reporting structures with separate sections for "Policy & Context" and "Activity & Outcomes", and less frequent updates required for foundational documents.

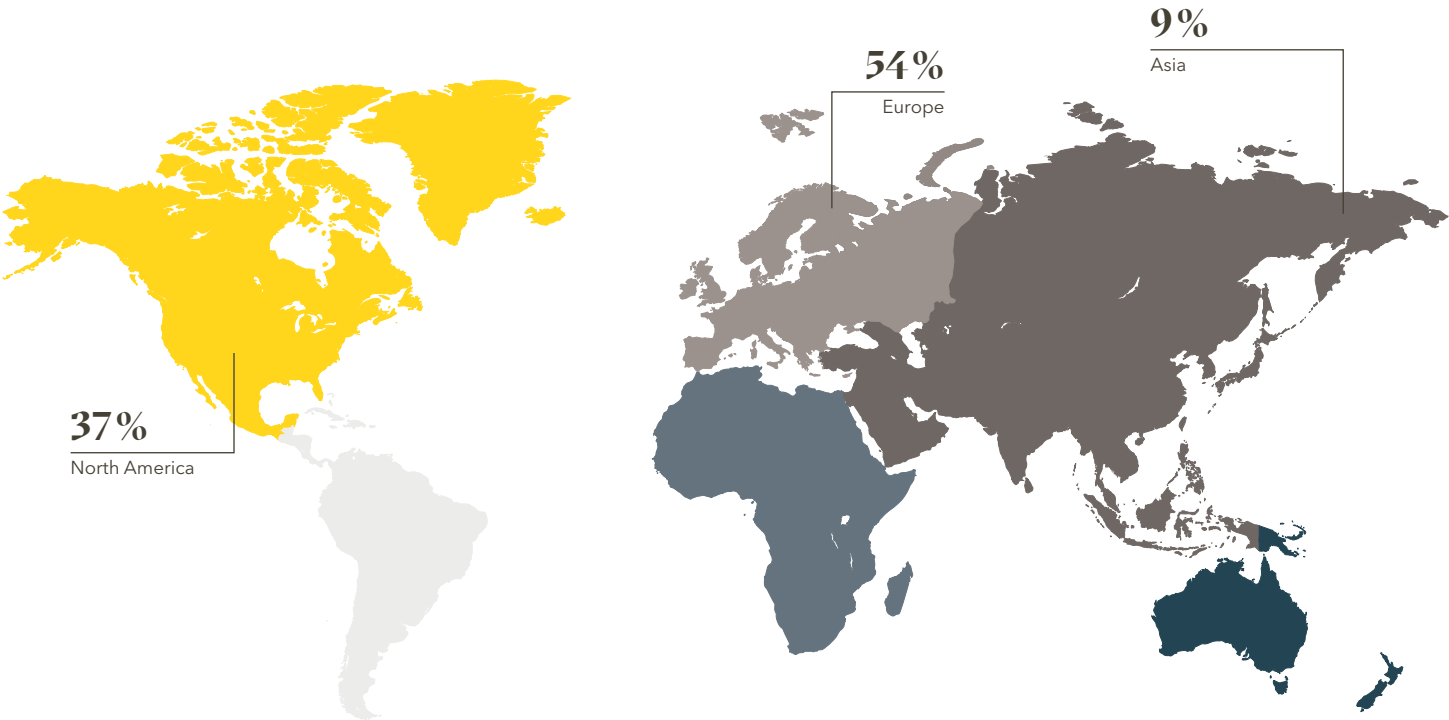
Source: Financial Reporting Council, FRC

” Shareholder engagement should focus on issues essential for the future success of companies.

All votes count – worldwide

All voting rights should be exercised by automatic delegation to the voting proxies. Independence in terms of content and thematic principles are a must. Thanks to the technical proxy voting infrastructure from the provider ISS, Globalance can exercise its global portfolios’ voting rights anywhere in the world. The votes are cast in accordance with Sustainability Proxy Voting Guidelines by ISS (see box). Globalance may additionally issue instructions for each vote on an individual basis.

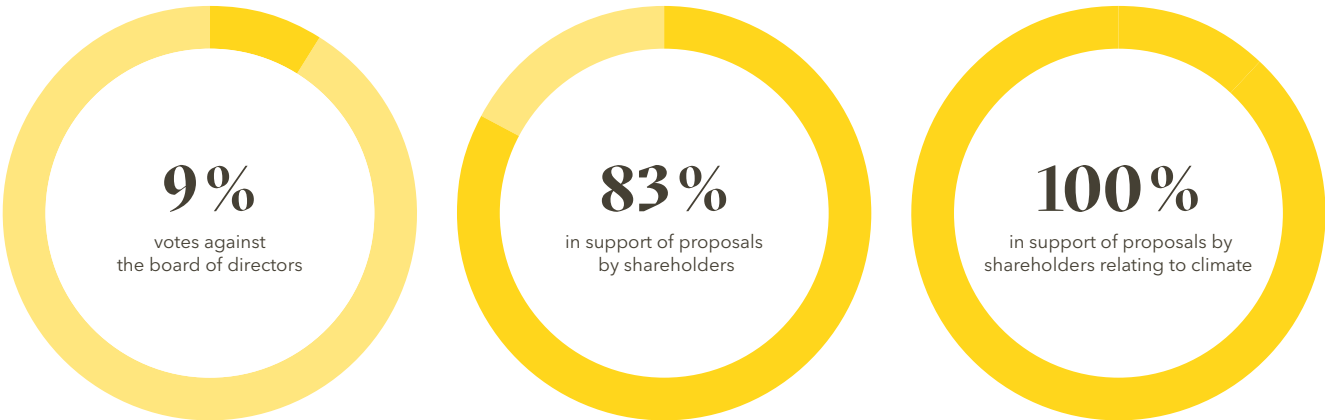
Where did Globalance vote?



How often was a vote cast?

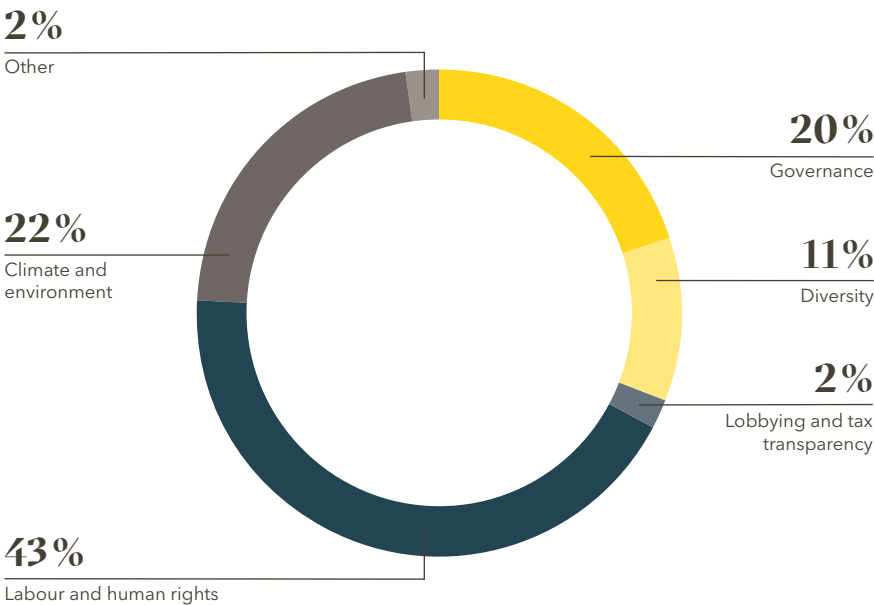


How did Globalance vote?



What issues did the shareholders raise?

In 2025, shareholder proposals on labour and human rights were most prevalent.



Sustainability Proxy Voting Guidelines

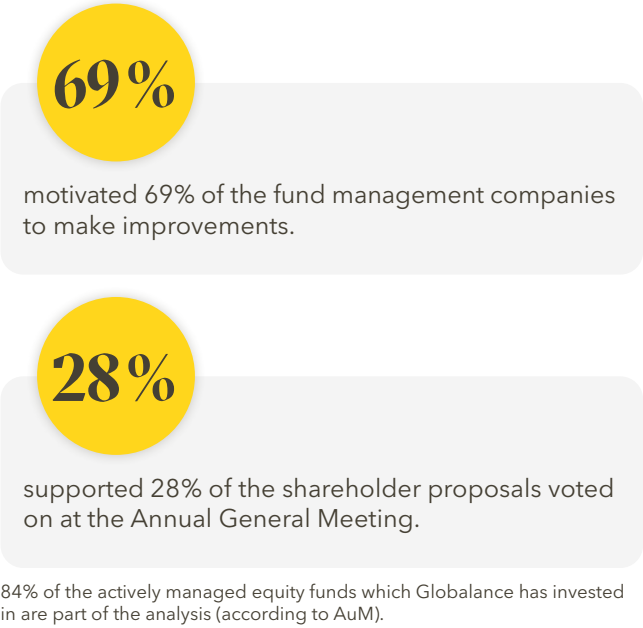
If Globalance does not issue specific instructions, the ISS Sustainability Proxy Voting Guidelines are applied. These support shareholder proposals that promise long-term benefits for the company and society. They support calls for increased transparency and more detailed reporting, as well as calls for the recognition of international standards and principles. In the area of climate change, they promote shareholder proposals that call for disclosure of information on climate risks, greenhouse gas reduction, a climate policy and reduction targets.

How we strengthen the stewardship of invested funds

Globalance also invests indirectly via equity funds. We hold regular discussions with selected managers - including on stewardship, i.e., active ownership responsibility. This is a selection criterion when choosing funds. The goal: their engagement and voting behaviour should align with Globalance's principles and support forward-looking corporate governance.

In 2025, we surveyed our partners about their specific expectations surrounding companies and the ongoing dialogue associated with biodiversity. Thanks to our detailed biodiversity data - which takes the companies' entire value chain into account - we were able to refer the fund managers to companies which are particularly relevant in terms of their future engagements.

In 2024, the equity funds that we invested in...



Combining engagement with short selling in the Finreon Carbon Focus Fund

An exception to the rule: engagement with heavy (climate) emitters

In 2024, the managers of the Carbon Focus Fund held dialogues with 16 companies as part of the Finreon Engagement Pool, including Eni S.p.A., ArcelorMittal, and Dow Chemical. These are shorted in the Finreon strategy, as value losses are expected due to poor climate performance. Based on targeted engagement, they are told about how their strategies and business practices should change. When many investors send this kind of a negative signal to the market, share prices come under pressure. The approach of engaging with regressive companies is complementary to Globalance's strategy, which primarily targets progressive firms.

Photo: Gino Tuesta, Adobe Stock

The signal is heard: research demonstrates the impact of shareholder engagement

According to Nobel laureate Oliver Hart, the rapid growth of shareholder engagement seems at first glance to contradict the theory of short-term financial maximisation¹: shareholders want companies to address social or environmental issues where they are essential for the future viability of their overall investment portfolio. This is also supported by new empirical research. A selection is provided below.

Globalance closely follows the developments in academic research. They provide valuable insights for continuously improving and making our approach more effective.

Key findings from the most important research published in 2024-2025:

1. According to an analysis of over 7,000 shareholder proposals, companies that address environmental shareholder proposals demonstrably improve their environmental performance - for example, their climate record. The submission of such proposals alone acts as a signal and influences the corporate strategy. The more proposals, the greater the effect on the environmental performance.²
2. Targeted shareholder engagement by financial institutions can motivate companies to set science-based climate targets. The likelihood of companies committing to climate goals increases significantly when engagement is combined with a credible threat of divestment. This proves that investors can effect real change in corporate policy through engagement and exit threats.³
3. This study shows how asset owners worldwide can use engagement to overcome structural and cultural differences. Two influence chains are identified: in India and Brazil, for example, companies have low dependence on institutional investors ("company-centric"). They are less receptive to owner initiatives. In Europe, strong institutional investors dominate ("owner-centric"). Owners have more influence. The effectiveness of engagement depends on such local conditions. Accordingly, a tailored approach is required. Globalance contributed practitioner insights to this study.⁴
4. The study examines the impact of anti-ESG regulations in Texas. The result: political measures have little effect on the investment behaviour of institutional investors. Despite regulatory interventions, sustainable investment strategies remain largely unchanged. Research shows that market forces and investor preferences are more influential than political directives.⁵
5. A Harvard Law School overview from the autumn of 2025 confirms this trend for the U.S.: the 2025 proxy season showed that despite a seeming increase in public anti-ESG sentiment and anti-ESG shareholder proposals at 140 companies, support for anti-ESG measures remains low.⁶

¹Hart, O. & Zingales, L. (2022). The New Corporate Governance. University of Chicago Business Law Review.
²Busch, T., Scheitza, L. et al. (2025). Shareholder Signaling and Corporate Strategy. Organization & Environment.
³Heeb, F. & Kölbl, J. (2024). The Impact of Climate Engagement. SAFE Working Paper 437.
⁴Marti, E., Chuah, K. & Gond, J.-P. (2025). Chains of Influence. Bayes Business School.
⁵Rajgopal, S., Srivastava, A. & Zhao, R. (2025). Economic Substance Behind Texas Anti-ESG Sanctions.
⁶Walsh, L., Perry, A. & Zepalka, J. (2025). Anti-ESG Shareholder Proposals. Harvard Law Review Blog.



More and continuously updated information is available on the Globalance Stewardship website.

Moving more than money

Investing in sustainability

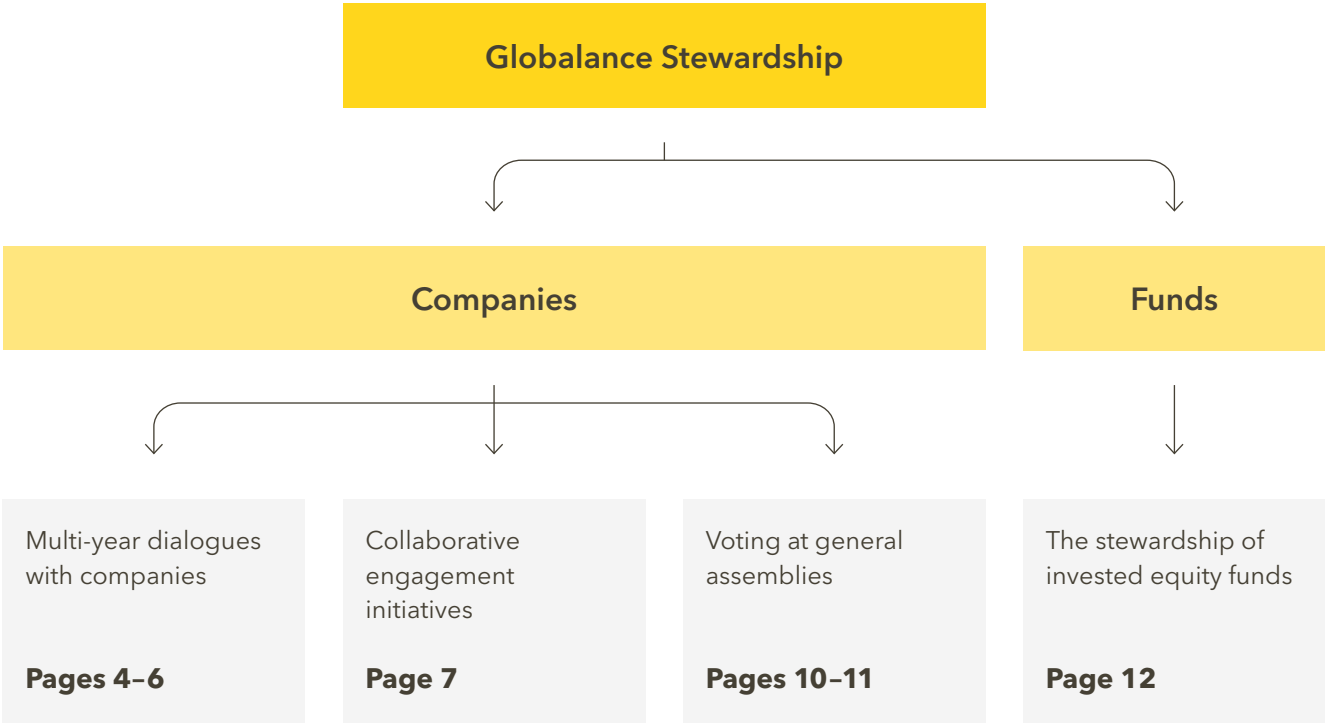
One of the things that unites our clients is the desire to have a positive, sustainable impact with their portfolio. They chose Globalance because this understanding of sustainability is integral to our investment strategy and portfolios.

How we achieve a positive impact

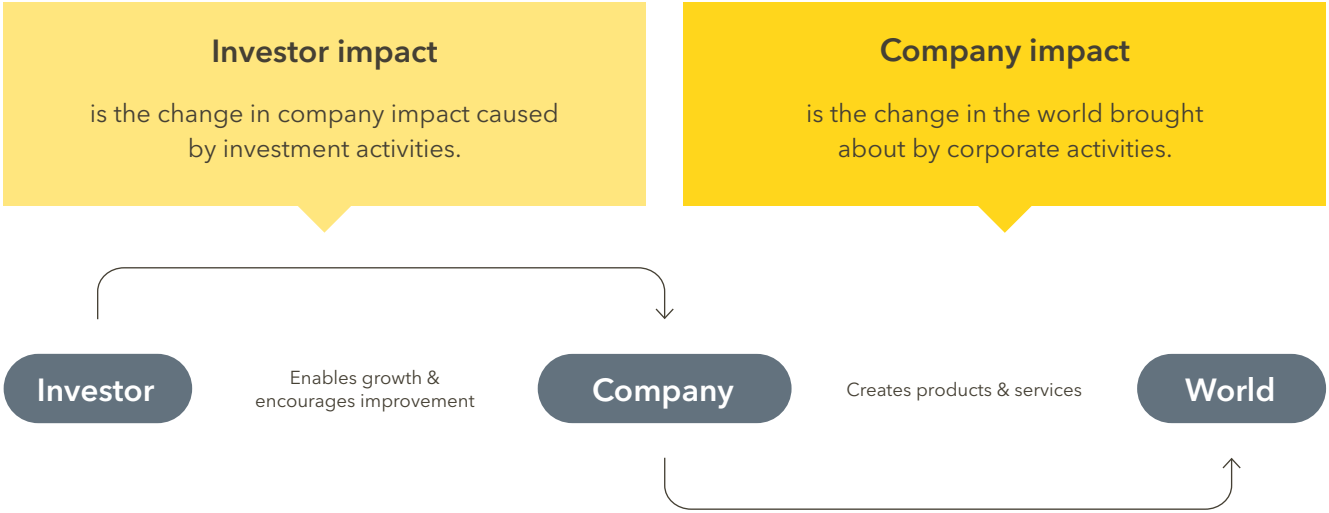
When investors provide working capital to an SME, invest in a wind farm, or grant a loan to a microfinance bank, a direct “investor impact” can be recognised (see chart). This impact would not have happened without that investment. The criterion of additionality is fulfilled.

When we buy a carefully selected equity on a stock exchange, we are investing in line with certain impact goals, and thereby sending an important signal on the secondary market (indirect impact). In order to also have a direct impact, we use active dialogue to strengthen the sustainability ambitions of the companies we invest in (active engagement).

Our engagement is guided by our aspiration to achieve or to promote selected positive results in a targeted manner. To achieve this, we as active owners must understand the intricacies of the different levels of impact in detail. Globalance takes care of this preliminary work through systematic analyses.



The impact categories



Investors bring about positive change when they promote the growth or ambition of companies that make a positive difference (“investor impact”). It is these companies, for their part, that generate the actual positive effect with their products and services (“company impact”).

Source: Heeb, Florian/Kölbels, Julian: The Investor’s Guide to Impact, 2020, p. 4.

Photo: Jonathan, Adobe Stock



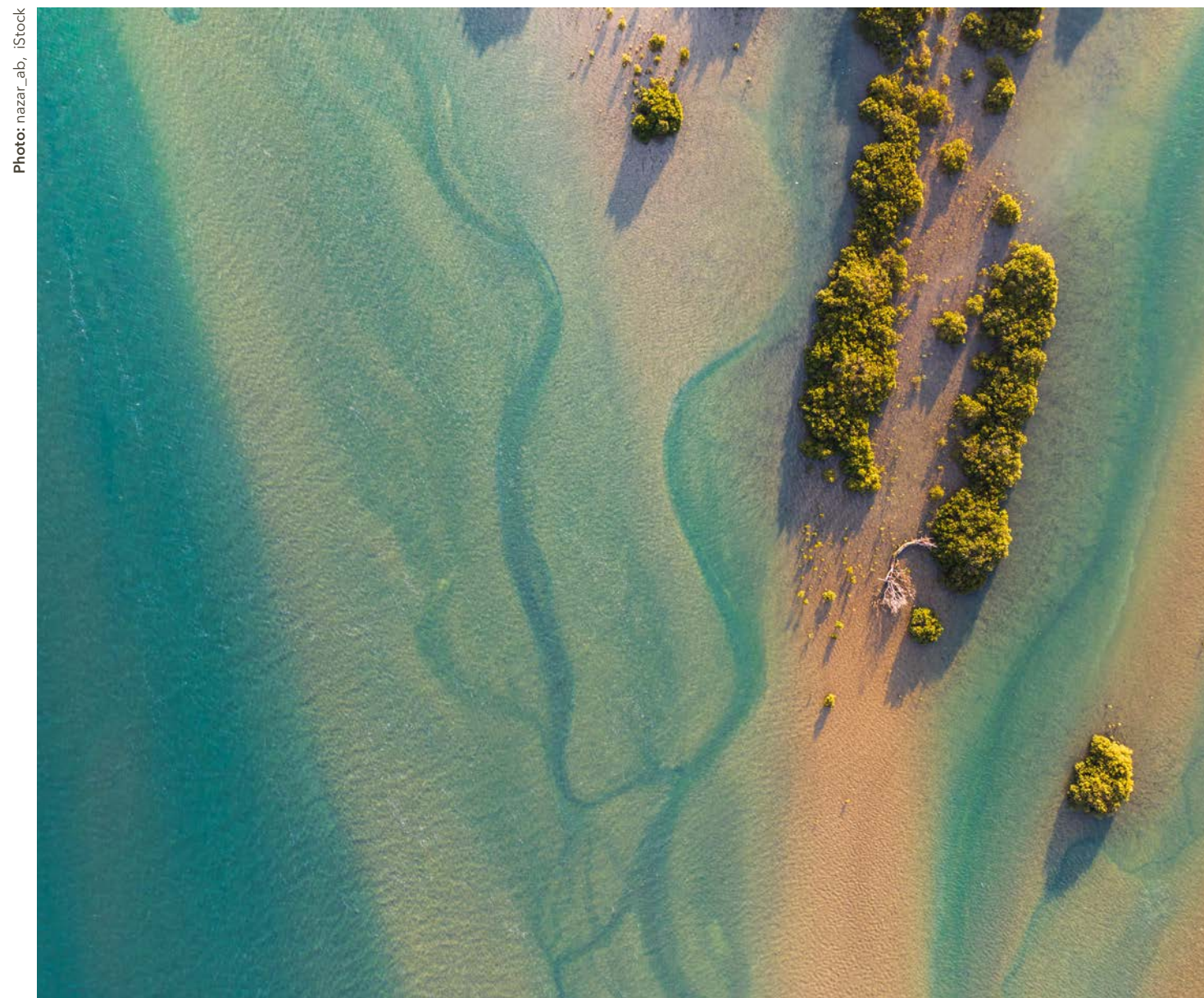


Photo: nazar_ab, iStock

The Globalance engagement strategy

50%

of the companies in our core equity portfolio were contacted in 2025 with specific recommendations for action.

80%

of the financed emissions¹ from our core equity portfolio are part of our climate analysis.

50%

of the financed biodiversity loss¹ of our core equity portfolio is part of our biodiversity engagement.

¹Financed emissions/financed biodiversity loss: share of a company's emissions/biodiversity loss which an investor has proportional responsibility for due to an investment. Example: an investor holds a 1% stake in a company and is therefore responsible for 1% of the company's emissions as so-called financed emissions.

Our focus topics

In our dialogue with portfolio companies in 2025, we focused on two topics: climate and biodiversity.

Climate: Companies with significant climate impact were analysed using five criteria: greenhouse gas reporting, achieved greenhouse gas reductions, greenhouse gas reduction targets, measures to reduce greenhouse gas emissions, climate governance.

Biodiversity: We identify the most relevant companies for biodiversity based on our data from Iceberg Datalab, which considers the entire value chain. Our recommendations focus on resource use, as this is an area in which most companies have the greatest potential to operate more sustainably.

Our engagement in five steps

1.

We prioritise companies that have a major impact on climate or biodiversity.

2.

We analyse companies in detail according to climate and biodiversity criteria.

3.

We formulate recommendations for improvement tailored to each company.

4.

We discuss our findings and recommendations with company representatives.

5.

We monitor progress and ask questions. Where necessary, we take further action.

Our escalation steps

- Raising the matter with the board of directors
- Cooperating with other investors
- Voting against members of the board of directors (e.g. against the chairperson or members of the sustainability committee)
- Presenting the issue at the Annual General Meeting
- Submitting a shareholder proposal
- Divesting



We publish a list of our recommendations to companies on our website.



This is what an engagement letter to our portfolio companies looks like.



Globalance Stewardship Principles

The principles of responsible investing are the foundation of the Globalance philosophy and mission: we enable investors to successfully invest in pioneering companies that are solving global challenges and shaping a positive future. Our commitment to active ownership and fully exercising our co-determination rights is, among others, based on the United Nations Principles of Responsible Investing, UN-PRI. Our guiding principles described below follow the recommendations voiced in the Stewardship Principles of the International Corporate Governance Network, ICGN, and now also the “Swiss Stewardship Code” launched in 2023.

1) Internal governance

We see engagement and the exercising of co-determination rights as an integral part of our fiduciary duty to our clients. The Board of Directors (monitoring) and the Executive Board (implementation) are responsible for this.

2) Stewardship guidelines

Promoting the long-term sustainability of our investments is at the heart of all our investment decisions as well as our engagement. This includes solving global challenges and shaping a positive future.

3) Exercising voting rights

We take full advantage of our clients’ voting rights. Our international voting behaviour is guided by the principles of sustainability.

4) Dialogue with companies and investor initiatives

We see engagement as an effective instrument for promoting sustainability, a forward-looking approach as well as long-term performance in companies.

We maintain a direct dialogue with selected companies that we have invested in. In doing so, we place our main emphasis on increasing the sustainability ambition and integrating it into business models and strategies.

We join selected collaborative investor initiatives to create more impact for our invested capital through pooling.

5) Possible escalation

If progress is not satisfactory, we will consider the following escalation steps: letter to the Board of Directors, collaboration with other investors, shareholder proposals or divestment.

6) Monitoring companies we are invested in

The systematic assessment of the sustainability and impact of all financial investments on the economy, society and the environment is integrated into the entire investment process (selection, portfolio management, monitoring).

We account for our assessments in real time. Our reporting (including Globalance World) achieves world-leading transparency. The progress of the companies we are invested in is reviewed annually in relation to the recommendations we made.

7) Delegating stewardship activities

All engagement activities are carried out by Globalance itself. Our proxy voting is based on the sustainable voting guidelines from ISS and implemented technically using the ISS Proxy Voting Services platform.

8) Conflicts of interest

Any conflicts of interest are managed in the best interests of our clients.

9) Reporting

We disclose our voting behaviour and report regularly on our engagement activities.



“Be a better capitalist” – a campaign by Globalance

“Be a better capitalist” means taking responsibility, leaving behind outdated business models that harm our planet and instead investing capital in the opportunities offered by future-oriented technologies. These offer attractive potential returns and preserve the quality of life and the natural resources on our planet. With this campaign, Globalance is motivating more and more asset owners to become active.



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