



ENGAGEMENT POOL  
INTERNATIONAL  
SUMMARY OF THE 2025 ACTIVITIES

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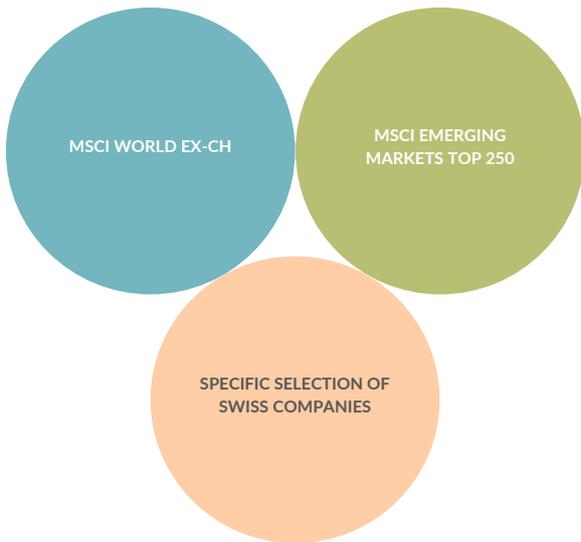
**Corporation**

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# Engagement at Ethos

## COMPANY UNIVERSE

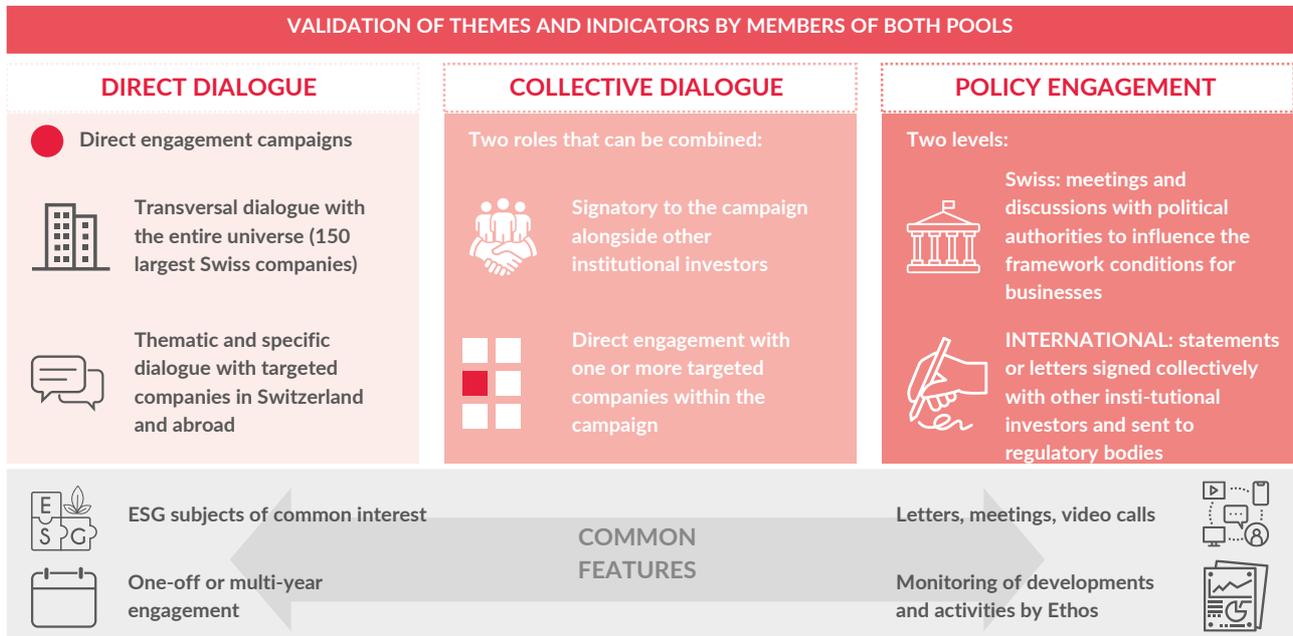


## THEMES FOR DIALOGUE

ENVIRONMENT	SOCIAL	GOVERNANCE
Climate change	Human rights	Shareholders rights
Biodiversity	Labour rights	Remuneration

The three focus areas cover a total of 19 engagement themes defined by Ethos. An engagement campaign may address one or more themes

## TYPES OF DIALOGUE



# Key figures 2025



**123**

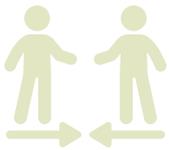
Members



**324**

CHF billion assets  
under management

**56** ENGAGEMENT CAMPAIGNS  
IN 2025



**11**

Direct  
Engagement  
Campaigns

New  
Engagement  
Campaigns



**10**

**11**

Policy  
Engagement  
Campaigns

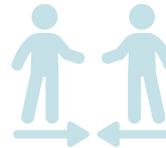


**2201**

TARGETED  
COMPANIES

**71**

direct dialogue as part  
of collaborative  
campaigns



direct dialogue  
within Ethos' direct  
campaigns



**72**



**738**

engagement activities



**284**

as part of Ethos' direct engagement campaigns





CAMPAIGN OVERVIEW  
FOR 2025

# 1. Climate change

Climate change represents one of the greatest systemic challenges for the global economy, businesses and institutional investors. By affecting supply chains, infrastructure, the availability of natural resources and the stability of financial markets, it constitutes a material risk that threatens asset values and the resilience of economic models. The next few years will be decisive in limiting global warming and achieving the carbon neutrality target set by the Paris Agreement.

Faced with this urgency, a growing but still insufficient number of companies are committing to aligning their strategies with a «Net Zero» trajectory and publishing GHG emission reduction targets. These commitments must be translated into credible transition plans, detailing the concrete measures implemented and accompanied by regular reports on progress made.

Corporate climate change strategy is particularly important to institutional investors, as it helps mitigate environmental risks, ensures regulatory compliance and aligns with sustainable development goals – all of which impact long-term profitability and stability. Monitoring these plans is therefore essential in order to assess the robustness of corporate strategies and their ability to adapt to a low-carbon world. Tools such as Say on Climate help to increase transparency and accountability, while promoting constructive dialogue between companies and investors to accelerate the energy transition and reduce systemic climate risks.

## OBJECTIVES OF THE DIALOGUE

- Improve transparency by following an internationally recognised reporting standard such as the Greenhouse Gas Protocol (GHG Protocol) and implementing a report that meets the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).
- Set ambitious, science-based GHG emission reduction targets (SBTs).
- Take into account indirect GHG emissions (Scope 3) in the company's supply chain.
- Introduce routine voting on climate plans (Say on Climate) by promoting shareholder engagement on climate issues and institutionalising dialogue between companies and investors for large emitters.

## KEY ACTIVITIES IN 2025



10 engagement campaigns



177 activities carried out in 2025



1490 targeted companies

## OVERVIEW OF RESULTS IN 2025

### DIALOGUES WITH COMPANIES AND CREDIBILITY REQUIREMENTS

Ethos has engaged in ongoing dialogue with several high-emission companies, combining written exchanges, videoconferences and interventions at general meetings as part of its Credible Net Zero Strategies campaign. Ethos urged oil and gas company BP to submit any substantial changes to its climate strategy to a shareholder vote, following the revision of a previously approved reduction target. Ethos also asked Eni to publish its roadmap detailing the levers for decarbonisation and the quantified impact on emissions. These steps have contributed to better structuring of climate strategies and increased pressure to strengthen their credibility.

As part of the Climate Action 100+ campaign, Ethos engaged directly with Holcim, Nestlé and thyssenkrupp to improve the quality of the information published. At Holcim, this resulted in greater transparency regarding the alignment of investments with the EU taxonomy. The engagement also contributed to the SBTi validation of thyssenkrupp's emission reduction targets and an improvement in the level of detail of its transition plan.

### ACCOUNTABILITY THROUGH GENERAL MEETINGS

In order to intensify its action, Ethos has made targeted use of general meetings to increase corporate accountability. Ethos therefore supported two investor statements addressed to Glencore and HSBC, which referred to capital allocation, the frequency of Say on Climate votes and the maintenance of an ambitious climate strategy. At the same time, a campaign on Say on Climate votes in British companies led ten FTSE350 companies to commit to submitting their transition plans to a shareholder vote at their 2025 general meeting, illustrating good practice in structured and transparent dialogue.

### MOBILISATION OF BANKS AND PUBLIC AUTHORITIES

Ethos also contributed to mobilising banks to align their financing with climate objectives by supporting investor statements at the annual general meetings of Standard Chartered, Crédit Agricole, HSBC and Barclays. These interventions focused on setting clear targets for sustainable financing, financing renewable energies and explicitly excluding fossil fuels.

Finally, Ethos has joined forces with other investors to lobby public authorities to strengthen the regulatory framework for climate transition, notably by supporting the Investors' Declaration to Governments on the Climate Crisis, which calls for policies compatible with the 1.5° C target, mandatory climate reporting and increased mobilisation of private finance. This initiative was taken to the international level, particularly in the run-up to

COP30. At the same time, Ethos helped to draw the attention of the European authorities to the need to make credible climate transition plans mandatory and submit them to shareholder votes, in order to enhance corporate transparency and accountability.

**10'000**  
**COMPANIES**  
HAVE COMMITTED TO SCIENCE-BASED TARGETS  
THROUGHOUT THE WORLD.

## 2. Nature

Nature and biodiversity, which encompasses the variety of terrestrial and marine species and ecosystems, form the foundation of our economies and societies. They provide essential ecosystem services such as pollination, climate regulation, water purification and soil fertility, on which value chains and investors' long-term financial performance directly depend. However, this natural wealth is rapidly declining: more than one million species are now threatened with extinction, while deforestation, soil degradation and overexploitation of resources are undermining ecological balances and contributing significantly to climate change.

For too long, nature has been underestimated by economic and financial decision-makers, partly because its contributions are more difficult to quantify than GHG emissions. Yet ecosystems have absorbed more than half of anthropogenic emissions over the past decade, demonstrating their central role in mitigating climate change. Nature and climate are intimately linked and mutually exacerbate each other.

For institutional investors, biodiversity loss poses a major systemic risk: more than half of global gross domestic product (GDP) depends directly on nature and its resources. Preserving and restoring biodiversity is therefore not only an environmental emergency, but also a strategic necessity to protect the long-term value of portfolios and contribute to a sustainable transition.

### OBJECTIVES OF THE DIALOGUE

- Adopt clear and ambitious nature policies in line with the principle of «Do No Significant Harm» (DNSH).
- Assess and monitor nature-related impacts, dependencies, risks and opportunities.
- Define a nature transition plan with ambitious, science-based targets.
- Publish transparently and appropriately.

### KEY ACTIVITIES IN 2025



2 engagement **campaigns**



32 **activities** carried out in 2025



100 targeted **companies**

### OVERVIEW OF RESULTS IN 2025

#### STRENGTHENING REPORTING ON NATURE ISSUES

As part of the Nature Action 100 campaign, Ethos engaged in direct discussions with key Swiss companies from various sectors, including Nestlé, Novartis and Roche, through collective letters and videoconferences. These dialogues provided an opportunity to discuss specific issues in depth, such as water management, the impact of value chains on biodiversity, the assessment of production sites and exposure to substances of concern, contributing to a better understanding of nature-related risks at a strategic level.

The discussions conducted by investor coalitions globally as part of this campaign have led some companies to publicly commit to strengthening their nature-related reporting.

#### BIODIVERSITY AT THE HEART OF ENGAGEMENT ACTIVITIES

In addition to its dialogue with companies, Ethos supported a collective initiative through the Investor Policy Platform for Biodiversity, calling on governments to strengthen regulatory frameworks, mandatory disclosure of biodiversity-related information and financing mechanisms for nature.

This campaign helped to bring investors' expectations into the public debate on the protection and restoration of ecosystems.

# 3. Deforestation

Deforestation refers to the conversion of forests into agricultural land, pasture or mining areas. Between 2015 and 2020, approximately ten million hectares of forest disappeared each year, equivalent to the size of Iceland. 81 million hectares of primary forest have been lost since 1990. This destruction mainly affects Latin America, sub-Saharan Africa, South-East Asia and Oceania, with critical hotspots in the Amazon, Sumatra, Borneo and the Congo Basin, which alone account for nearly two thirds of global loss.

Beyond its ecological and social impacts, deforestation poses a growing risk to economic and financial stability. It exposes companies to legal sanctions, regulatory fines and reputational damage, making it important for institutional investors. Ending deforestation could account for one third of the effort needed to achieve the Paris Agreement's CO<sub>2</sub> emission reduction targets, while limiting biodiversity loss and enhancing food and water security. However, despite international commitments, deforestation continues to progress at an alarming rate.

## OBJECTIVES OF THE DIALOGUE

- Implement a zero-deforestation policy and full supply chain traceability.
- Support voluntary certification and adopt a monitoring and verification system.
- Report transparently on policy implementation.
- Collaborate with stakeholders and advocate for an end to forest degradation.

## KEY ACTIVITIES IN 2025



4 engagement **campaigns**



59 **activities** carried out in 2025



61 targeted **companies**

## OVERVIEW OF RESULTS IN 2025

### ZERO DEFORESTATION: MEASURABLE PROGRESS IN THE BEEF AND SOYBEAN INDUSTRIES

As part of its direct campaign on deforestation in the beef and soy value chains, Ethos has engaged in regular dialogue with agri-food and distribution companies to strengthen zero deforestation policies, traceability and risk management by raw material. These exchanges have contributed to concrete progress, including full traceability of suppliers, continuous improvement of traceability and due diligence systems, and the gradual integration of these issues into broader nature strategies. Ethos also participated in the collaborative Spring campaign, in which it continues to be responsible for engagement with Clariant and Jardine Matheson.

### ADVOCACY AND REGULATORY DIALOGUE: ADVANCING THE FIGHT AGAINST DEFORESTATION

In addition to its direct dialogue with companies, Ethos has supported collaborative campaigns with regulatory bodies, such as the Belém Investor Statement, which aims to align corporate and government advocacy with the objectives of combating deforestation. Ethos has also been involved for several years in the Investor Policy Dialogue on Deforestation campaign and participates in ongoing dialogue with Brazilian authorities, financial regulators and institutional actors to promote the enforcement of the forest code, the protection of indigenous peoples' rights and public access to deforestation and traceability data. This dialogue is taking place against a backdrop of a measured decline in deforestation in Brazil in 2025, while highlighting the fragility of certain voluntary mechanisms such as the Amazon Soy Moratorium.

These initiatives have raised investor expectations regarding transparency, due diligence and the alignment of public policies, particularly at COP30, even though regulatory progress remains below environmental challenges.

# 4. Plastic pollution

Since 1950, global production of plastics and chemicals has grown exponentially, profoundly transforming the global economy but also generating immense negative impacts. Plastic production has increased 230-fold to reach 460 million tonnes in 2019, while chemical production has increased 50-fold and is expected to triple again by 2050. These materials, which are ubiquitous because they are cheap and versatile, are nevertheless closely linked to fossil fuels and the petrochemical industry, exacerbating pressures on the climate and biodiversity.

Plastic is used extensively in packaging (45 % of production, 60 % of post-consumer waste in Europe), generating economic losses of several billion US dollars and lasting pollution. In addition, exposure to certain chemicals is associated with serious health risks (cancer, birth defects, obesity, weakened immune systems) and species extinction. PFAS, known as forever chemicals, accumulate in the environment and pose a growing threat to health and ecosystems.

In light of these risks, the circular economy represents an essential alternative. By promoting reduction, reuse and regeneration, it helps to limit pollution and waste, while opening up sustainable economic opportunities.

## OBJECTIVES OF THE DIALOGUE

- Reduce the volume of plastic packaging used and increase the proportion of recycled materials in plastic packaging.
- Adopt a strategy to reduce, reuse, replace or, where appropriate, recycle plastic.
- Improve transparency on the implementation of the strategy.
- Collaborate with stakeholders to promote circularity and minimise the impact of plastic on human health.

## KEY ACTIVITIES IN 2025



5 engagement **campaigns**



26 **activities** carried out in 2025



106 targeted **companies**

## OVERVIEW OF RESULTS IN 2025

### A SIGNIFICANT REDUCTION IN PLASTIC

As part of its From Plastic Pollution to Circularity campaign, Ethos held several videoconferences with Coca-Cola, Colgate-Palmolive, Procter & Gamble and Unilever to promote the following strategy: reduce, reuse, replace and then recycle where possible.

Measurable progress has been made on the use of virgin and recycled plastics at three of the four companies, illustrating good practices in terms of quantified targets and indicator monitoring.

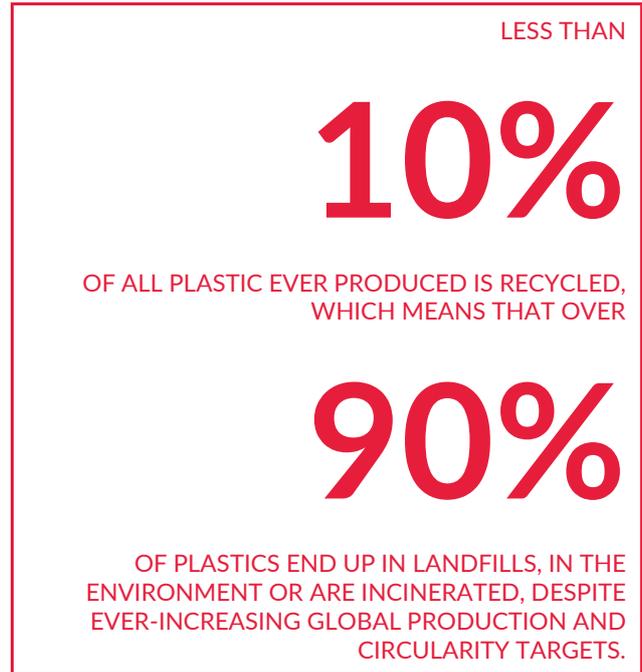
However, Ethos noted within this same campaign a decline in the ambitions of some of the targeted companies and increased resistance to dialogue, which represents a major risk for investors. Indeed, several companies have scaled back their ambitions or decided to leave collective initiatives held between companies and NGOs, such as the US Plastic Act. This is a negative signal for the momentum towards a circular economy.

Throughout the year, Ethos supported several collective campaigns, notably the Investor Statement For Petrochemical Companies on Plastic, coordinated by Planet Tracker. The campaign aimed to push polymer producers to publicly support an ambitious treaty and to strengthen their governance and transparency on plastics and substances of concern.

### PLASTICS AND HAZARDOUS SUBSTANCES: PROGRESS IN TRANSPARENCY AND INVESTOR ENGAGEMENT

Ethos has also joined the Investor Initiative on Hazardous Chemicals, coordinated by ChemSec. The initiative aims to increase transparency among chemical companies on persistent substances and encourage plans for phasing them out by 2030. However, the 2025 results show that disclosure remains limited and that few companies have concrete timetables, confirming the importance of continued investor engagement to accelerate the transition to safer solutions.

From a regulatory perspective, international negotiations on the global plastics treaty (INC 5.2 in Geneva) concluded without agreement in August 2025, amid strong opposition from oil-producing countries and significant industry lobbying.



# 5. Protection of oceans and access to water

Pressure on water resources is a major systemic risk and challenge facing institutional investors. Water is a unique resource that underpins all drivers of economic growth – food production, energy generation, industrial activities, health and political stability. Yet water is too often poorly managed in much of the world, and the accelerating impacts of climate change are making water supplies increasingly unstable.

Pressure on water resources has never been greater. Population growth and demand for food and energy production will only increase this pressure. At the same time, climate change is leading to longer droughts and heavier, more intense rainfall and flooding. Companies that depend on water resources or operate in marine environments face risks related to water scarcity, pollution and regulatory changes. These issues can disrupt supply chains, increase operating costs and damage their reputation, making water and ocean protection relevant to institutional investors.

This is why institutional investors are increasingly concerned about the considerable financial risks posed by the global water crisis. These significant financial risks are the result of competition for access to water, weak regulation, growing demand, ageing infrastructure, water scarcity and contamination.

## OBJECTIVES OF THE DIALOGUE

- Reduce the amount of water used throughout the value chain.
- Adopt a strategy for managing water use in terms of quantity and quality.
- Improve transparency regarding the strategy.
- Collaborate with stakeholders to promote ocean protection and access to water.

## KEY ACTIVITIES IN 2025



1 engagement **campaign**



10 **activities** carried out in 2025



72 targeted **companies**

## OVERVIEW OF RESULTS IN 2025

As part of the Valuing Water Finance Initiative, Ethos supported the sending of the annual letter to the 72 targeted companies and drew on the assessment published in October to encourage better disclosure of water-related dependencies, impacts and risks.

## IMPROVED TRANSPARENCY

In 2025, 48 companies improved their scores, mainly through increased transparency and more comprehensive disclosures, often as part of the CSRD. The progress observed shows that more companies are going beyond general statements by conducting more advanced assessments of water availability, water quality and ecosystems, as well as links to nature-related risks.

## TAKING A STEP BACK TO MANAGE BETTER

Alongside the progress made, 20 companies saw their scores decline, mainly because they are in the process of reviewing their water strategies, redefining their objectives or adapting their publications to new regulatory requirements. Although this may lead to a temporary decline, it also reflects an emerging best practice: the gradual integration of water management into more robust frameworks aligned with regulations and more comprehensive impact assessments.



**170 countries** unanimously adopted an **ambitious political declaration** promising urgent measures to **protect the oceans** at the third United Nations Ocean Conference in June 2025 in France.

# 6. Human rights

Human rights are a central issue in contemporary social challenges. Inequality, discrimination and violations of workers' rights not only undermine fundamental freedom, but also economic sustainability. Businesses and institutional investors have a major responsibility: by financing and supporting economic activities, they can contribute to social progress, but also, indirectly, to violations if they do not apply effective due diligence. Due diligence has become an essential tool for identifying, preventing and mitigating abuses, while limiting reputational, legal and financial risks.

Companies that violate human rights may face legal liability, fines and reputational damage, which can adversely affect their financial performance. Protecting human rights is therefore a relevant issue for institutional investors.

However, the majority of large companies still do not meet minimum requirements, which justifies the growing adoption of binding regulations in Europe and the United Kingdom.

## OBJECTIVES OF THE DIALOGUE

- Establish robust and transparent human rights governance aligned with the United Nations Guiding Principles on Business and Human Rights.
- Identify and assess human rights risks and impacts, including within value chains.
- Prevent and remedy human rights abuses by implementing concrete action plans, measurable objectives and regular monitoring of their effectiveness.
- Collaborate with stakeholders to promote transparency and ensure the protection of human rights.

## KEY ACTIVITIES IN 2025



7 engagement **campaigns**



67 **activities** carried out in 2025



337 targeted **companies**

## OVERVIEW OF RESULTS IN 2025

### THREE-LEVEL COMMITMENT TO STRENGTHEN HUMAN RIGHTS: BANKS, COMPANIES AND INTERNATIONAL STANDARDS

For several years, Ethos has supported BankTrack's Human Rights Practices Standard campaign, which encourages major global banks to publish policies and have strong governance. In 2025, the new version of the assessment showed that no commercial bank fully complies with the UN Guiding Principles.

Ethos has also been involved in the Advance and Corporate Human Rights Benchmark campaigns to encourage companies to improve transparency and management of major human rights risks.

In terms of regulatory frameworks and international standards, Ethos supported initiatives to strengthen disclosure standards and legal obligations, notably through the campaign to include social capital in the ISSB's work plan.

# 7. Forced labour

Forced labour remains one of the most serious human rights violations and a systemic risk for global value chains. According to the International Labour Organisation (ILO), approximately 25 million people are currently forced to work under threat, coercion or more subtle forms of exploitation, such as debt manipulation or confiscation of identity documents. Present in a variety of sectors, including agriculture, construction, textiles, electronics and solar energy, forced labour is at the heart of multinationals' supply chains, exposing companies and institutional investors to considerable financial, regulatory and reputational risks.

The situation of the Uyghurs in China illustrates this problem: investigations have documented widespread use of forced labour and population transfers to factories integrated into the supply chains of many international brands. These practices pose a direct threat to human rights and the sustainability of investments.

In response to these challenges, regulations are being tightened. Several governments have introduced laws requiring companies to exercise due diligence in relation to human rights and to report on their efforts to prevent violations. Furthermore, developments in international law increasingly emphasise the responsibilities of companies in eliminating forced labour, notably through the United Nations Guiding Principles on Business and Human Rights.

## OBJECTIVES OF THE DIALOGUE

- Commit to combating forced labour in its operations and throughout its value chain.
- Implement processes to assess the risks of forced labour in its supply chains.
- Implement corrective action plans for non-compliant suppliers.
- Have a supplier audit process in place.

## KEY ACTIVITIES IN 2025



2 engagement campaigns



23 activities carried out in 2025



103 targeted companies

## OVERVIEW OF RESULTS IN 2025

### FORCED LABOUR IN CHINA REMAINS A CONCERN

As part of its engagement campaign on the Xinjiang Uyghur Autonomous Region, Ethos redirected its efforts in 2025 on car manufacturer BMW. This refocusing was made possible by the progress achieved over the years with companies in the textile sector, several of which have significantly reduced their exposure to risk.

However, several reports revealed that over the same period, more than 100 international brands across all sectors still had cases of Uyghur forced labour in their production chains due to the relocation of this population to other regions of China. They thus highlight the limitations of traditional audits and the need for complete traceability.

### CALL FOR HUMAN RIGHTS DUE DILIGENCE REQUIREMENTS

As part of the campaign for the Modern Slavery Act, Ethos supported a letter to the British Parliament, backed by 27 investors representing 1.9 trillion US dollars in assets, calling for the introduction of human rights due diligence requirements. Thanks to this collective effort, 25 of the 26 FTSE 350 companies targeted will publish a report in accordance with Section 54 of the act by the end of 2025.

# 8. Health and safety in the workplace

Health and safety at work have become major priorities for institutional investors, as they directly affect the well-being of workers, the stability of supply chains and the performance of companies. The Rana Plaza disaster in 2013 marked a turning point by revealing the urgent need to improve conditions in the global textile industry. In response, the Bangladesh Accord on Fire and Building Safety was created: a legally binding agreement between brands, suppliers and trade unions, aimed at establishing safe factories through independent inspections, company-funded corrective actions, elected safety committees and complaint mechanisms for workers. Now an international benchmark, this Agreement was extended and its scope expanded in 2021 with the International Accord, which was also adopted by Pakistan. More recently, a pilot project in Bangladesh introduced workplace accident insurance to compensate victims and their families.

Beyond textiles, other challenges remain: in the United States, 26 million workers do not have access to paid sick leave, a situation that exacerbates social inequalities, undermines productivity and increases health risks.

These findings underscore the importance of an ongoing commitment to ensuring safe, fair and sustainable working conditions in all sectors.

## OBJECTIVES OF THE DIALOGUE

- Ensure a safe working environment that complies with international standards through legally binding agreements, independent inspections and monitoring of corrective measures.
- Promote workers' physical and mental health through accessible health programmes covering prevention, medical care and well-being at work.
- Create accessible and secure complaint mechanisms and social dialogue.
- Improve transparency on strategy.

## KEY ACTIVITIES IN 2025



3 engagement **campaigns**



35 **activities** carried out in 2025



96 targeted **companies**

## OVERVIEW OF RESULTS IN 2025

### SUSTAINABLE PROGRESS IN THE TEXTILE INDUSTRY

Ethos has concluded its direct campaign on labour rights in the textile industry's supply chains. After more than eight years of dialogue, most of the objectives have been achieved. The progress is reflected in the assessments, with high scores for most of the companies targeted, signalling a sustainable improvement in health, safety and labour protection practices in producing countries.

### TOWARDS MORE ROBUST SAFETY MECHANISMS

Workplace accident compensation in Bangladesh has also seen a major breakthrough with Zalando joining the pilot project of Employment Injury Scheme. This momentum has secured sufficient participation from brands and paved the way for the establishment of a national insurance system in 2026.

#### Figures on the different Agreements:

- 284 signatories to the International Agreement
- 236 signatories to the Bangladesh Agreement
- 146 signatories to the Pakistan Agreement

# 9. Living wage

A decent wage should enable every working person and their family to live with dignity, covering basic needs such as food, housing, health, education, transport and clothing, while also allowing them to save for unforeseen circumstances. This concept, linked to human dignity and fundamental labour rights, aims to lift workers out of the poverty trap. In the garment sector, where 80 % of the workforce is female, wages are often very low, sometimes below the poverty line. The COVID-19 pandemic has further exacerbated the situation with mass layoffs and a lack of social protection.

In the United States, the federal minimum wage has remained stuck at 7.25 US dollars since 2009, which equates to a 28 % loss in purchasing power. Precarious workers in the restaurant, retail and platform industries are particularly affected.

Guaranteeing a decent wage is not only an ethical imperative: it is also a profitable investment. It improves productivity, staff retention and corporate reputation. It is therefore an important issue for institutional investors. Despite the recognition of a decent wage as a human right by the ILO and the OECD, many governments and companies remain reluctant, exposing workers and investors to social, legal and financial risks.

## OBJECTIVES OF THE DIALOGUE

- Establish a clear policy and public commitment to living wages.
- Strengthen social dialogue and collaboration between stakeholders to reinforce complaint and mediation mechanisms related to non-payment of a living wage.
- Implement fair remuneration practices so that all workers receive at least a decent wage, above the legal minimum wage.
- Improve transparency on the strategy.

## KEY ACTIVITIES IN 2025



2 engagement campaigns



61 activities carried out in 2025



83 targeted companies

## OVERVIEW OF RESULTS IN 2025

### LIVING WAGES: UNEVEN PROGRESS, BUT CONCRETE ADVANCES

As part of the Investor Platform for Living Wages campaign, assessments were carried out on 50 companies in the textile and agri-food sectors, with progress recorded among several major companies, while some stagnated or even regressed, and dialogue remained limited.

### BETTER INTEGRATION OF INVESTOR DEMANDS

Collective engagement with regulatory bodies also contributed to a significant breakthrough, with investor demands being incorporated into the final declaration of the UN World Social Summit in November 2025, which now includes clear language in favour of decent wages.

In the United States, Ethos participated in the work of a coalition of investors calling on companies in the retail, hospitality and gig economy sectors to adopt explicit strategies on living wages and wage transparency.



In low-income countries, approximately 1 in 2 people earn less than the equivalent of USD 201 per month, which is insufficient to live decently (ILO). This figure highlights the urgency of integrating living wages into supply chains.

# 10. Transparency in supply chains

In a globalised world, supply chains have become long and complex, exposing workers to high risks of human rights violations, including forced labour and precarious conditions. To address this, companies must exercise due diligence: assessing risks, conducting audits, establishing reporting mechanisms and correcting identified violations. Supply chain transparency enables institutional investors to assess risks, ensure regulatory compliance and analyse operational efficiency – all of which impact long-term financial stability. It also demonstrates a commitment to responsible business conduct, which enhances brand value and reduces the risk of disruption or legal risks.

The electronics industry is a good example of these challenges. Despite its rapid growth, the majority of the workforce in Asia suffers from low wages and excessive working hours, while the lack of traceability of essential minerals such as tantalum, tin, tungsten, gold and cobalt encourages exploitation in conflict zones, sometimes linked to child labour. These practices undermine fundamental rights and social stability.

Regulatory frameworks, such as the Dodd-Frank Act in the United States and the 2021 European regulation, are strengthening corporate transparency and accountability. By also incorporating child protection into their due diligence policies, in line with UNICEF and Global Compact principles, companies can contribute to more ethical supply chains that respect human rights and future generations.

## OBJECTIVES OF THE DIALOGUE

- Strengthen traceability and transparency in supply chains.
- Prevent and remedy human and children's rights violations.
- Collaborate with stakeholders to harmonise transparency standards and share best practices.
- Establish control, sanction and remediation mechanisms.

## KEY ACTIVITIES IN 2025



**4** engagement **campaigns**



**117** activities carried out in 2025



**528** targeted **companies**

## OVERVIEW OF RESULTS IN 2025

### STRENGTHENING PUBLIC COMMITMENTS TO CHILDREN'S RIGHTS

Ethos has launched its new direct campaign on the protection of children's rights and has contacted eight companies on the subject. So far, only one has publicly committed to respecting children's rights.

In August 2025, Ethos launched its new direct campaign to protect children's rights. As part of this campaign, eight companies active in mining were contacted. Initial contacts and visioconferences took place, but so far only one of the eight companies has publicly committed to the Children's Rights Business Principles.

### SUPPLY CHAINS: PERSISTENT GAP BETWEEN POLICY AND IMPLEMENTATION

In the technology sector, Ethos has been supporting the KnowTheChain campaign for several years. Its 2025 assessment shows a very low average score of 20/100, with only three out of 45 companies scoring above 50/100. This result confirms the progress made by companies in terms of governance and policies, but also the delay in concrete implementation, particularly with regard to purchasing practices and the prevention of forced labour.

As part of this same campaign, which also covers the textile sector, Ethos has engaged with two major players to encourage them to publish their supplier lists, purchasing practices and the corrective measures implemented following audits of their value chains.

### RESULTS OF THE WORKFORCE DISCLOSURE INITIATIVE (WDI) CAMPAIGN

142

COMPANIES RESPONDED TO THE QUESTIONNAIRE

41

COMPANIES WERE CONTACTED BY ETHOS

# 11. Digital responsibility

Digital services now shape every aspect of daily life, transforming society while raising important ethical and social issues. The way technology companies design and manage their products directly influences human rights, democracy and collective well-being. Digital rights, such as privacy, freedom of expression and control over personal data, are now being undermined by mass data collection, algorithmic manipulation, disinformation, censorship and surveillance. In the face of these abuses, the governance of large digital companies remains inadequate, marked by a lack of transparency and accountability.

At the same time, the rapid development of artificial intelligence (AI) and the rise of digital inclusion pose new challenges. While connected technologies promote innovation and access to information, they also increase the risks of discrimination, loss of autonomy and social exclusion. In addition, the intensive use of screens and digital platforms is having a growing impact on mental health, particularly among young people. In this context, digital responsibility is becoming imperative: companies must anticipate the risks associated with their activities, protect fundamental rights and promote a safer, more ethical and inclusive digital environment.

## OBJECTIVES OF THE DIALOGUE

- Strengthen governance and human rights ethics in the digital sphere.
- Ensure transparency, accountability and user control by reporting on the impacts of algorithms and targeted advertising.
- Protect vulnerable groups and promote digital safety.
- Prevent negative effects on mental health and digital wellbeing.

## KEY ACTIVITIES IN 2025



4 engagement **campaigns**



38 **activities** carried out in 2025



200 targeted **companies**

## OVERVIEW OF RESULTS IN 2025

### PRESSURE ON PLATFORMS

Ethos increased pressure on major platforms such as Amazon and Meta by co-signing letters addressed to them regarding data protection, content moderation and the risks associated with artificial intelligence following the publication of the 2025 Ranking Digital Rights Index.

The results of the ranking 2025 show that the sector's performance remains generally inadequate in terms of human rights, with Microsoft leading the way with a score of 50 %, followed by Alphabet (49 %) and Meta (47 %), while Amazon ranks at the bottom with 27 %, highlighting a persistent gap between companies' public commitments and concrete implementation, particularly on algorithmic transparency, data management and human rights impact assessment.

### AI: PROGRESS, BUT...

On the topic of the ethical use of artificial intelligence, the World Benchmarking Alliance's Digital Inclusion Benchmark assessment indicated that 77 of the 200 companies surveyed now have public ethical AI principles (compared to 71 in 2024), including Logitech and Swisscom, companies with which Ethos is in dialogue on this issue.

# 12. Environmental and social reporting

The ISSB's new reporting standards, IFRS S1 and IFRS S2, published in June 2023, mark a major step towards a global benchmark for sustainability reporting. These frameworks, based on the TCFD and endorsed by the International Organisation of Securities Commissions (IOSCO), aim to ensure the consistency, reliability and comparability of sustainability data in order to improve investor decision-making and support the transition to a carbon-neutral economy.

In Europe, these advances are linked to three key instruments: the EU Taxonomy, the CSRD (Sustainability Disclosure Directive) and the CSDDD (Due Diligence Directive). Together, they form the pillars of European sustainability policy, designed to steer capital towards a more responsible and competitive economy. However, the European Commission is now considering legislative simplification («Omnibus») to merge these frameworks. While this reform addresses competitiveness concerns, it could also create regulatory uncertainty and undermine the objectives of the European Green Deal.

## OBJECTIVES OF THE DIALOGUE

- Strengthen the consistency and credibility of reporting standards in order to reduce regulatory complexity.
- Expand the scope and enhance the quality of sustainability reporting.
- Ensure rapid, clear and operational implementation of standards.

## KEY ACTIVITIES IN 2025



2 engagement campaigns



5 activities carried out in 2025



0 targeted company

## OVERVIEW OF RESULTS IN 2025

### ISSB STANDARDS: ACCELERATED ADOPTION AND OPENING UP TO NATURE (TNFD)

Nearly 40 jurisdictions have now adopted the ISSB's IFRS S1 and S2 standards for sustainability reporting. Subsequently, the campaign supported by Ethos helped to encourage their implementation and alignment with other standards, notably the European Sustainability Reporting Standards (ESRS).

In November 2025, the ISSB announced its intention to integrate the Taskforce on Nature-related Financial Disclosures (TNFD) framework to develop new requirements on nature-related risks and opportunities, with a draft standard expected in October 2026, thereby strengthening the international convergence of reporting standards.

### EUROPE: CALLING FOR AMBITION TO BE MAINTAINED, DESPITE THE OMNIBUS EFFECT

Ethos advocated for consistent simplification and better interoperability of international standards by co-signing two letters addressed to the European Commission in order to preserve the ambition of the CSRD, the CSDDD and the Taxonomy in the context of discussions on the Omnibus legislation.

Despite these efforts, the Omnibus legislation has led to a significant reduction in scope and a postponement of the deadlines for the application of European reporting standards, weakening investors' access to comparable information and creating uncertainty for companies already engaged in compliance.



Between 1 January and 30 June **2025**, only **432** of the largest US companies published a sustainability report (compared to **831** in the same period in **2024**).

# 13. Shareholders' rights

Shareholder rights are an essential pillar of good corporate governance and executive accountability. However, certain capital structures, notably multiple voting shares, undermine this principle by allowing a minority to retain control while reducing the influence of the majority of investors. These structures compromise transparency, weaken managerial accountability and can harm long-term financial performance.

Changes in the framework for general meetings, accelerated by the COVID-19 pandemic, have given rise to new challenges: limited participation, lack of interactivity and access to information, and uncertainty about how questions raised during virtual meetings will be addressed. These limitations underscore the need to strengthen safeguards for fair shareholder participation.

Finally, a worrying discrepancy can be observed when certain asset managers, particularly those acting through investment funds, vote against resolutions that are in line with their clients' sustainability priorities. Shareholder voting is a key tool for accountability and influence over companies. A lack of consistency between voting practices and engagement objectives undermines the collective impact of investors and weakens the overall credibility of responsible engagement efforts.

## OBJECTIVES OF THE DIALOGUE

- Promote fair and responsible shareholder governance to ensure equal voting rights.
- Enhance participation and transparency at virtual or hybrid general meetings.
- Improve the transparency and efficiency of the general meeting process internationally.
- Align asset managers' voting practices with sustainable engagement priorities.

## KEY ACTIVITIES IN 2025



6 engagement campaigns



33 activities carried out in 2025



89 targeted companies

## OVERVIEW OF RESULTS IN 2025

### ALIGNING ASSET MANAGERS' VOTING WITH ENGAGEMENT PRIORITIES

A direct engagement campaign was launched this year with seven major asset managers to improve the alignment between their voting practices at general meetings and Ethos' engagement priorities, revealing a high degree of agreement with some players but marked differences with others.

### ONE SHARE, ONE VOTE: ADVOCACY AGAINST MULTIPLE VOTING RIGHTS

The collaborative engagement campaign Investor Coalition for Equal Votes has stepped up its advocacy against multiple voting share structures by publishing the article «Voting on voting rights» and engaging in dialogue with investment banks active in IPOs to promote the one share, one vote principle.

### STRENGTHENING SHAREHOLDER DEMOCRACY IN GERMANY AND JAPAN

In Germany, Ethos and DSW took a critical stance on amendments to the articles of association aimed at renewing the authorisation to hold exclusively virtual general meetings. Following this engagement, several large DAX companies reviewed the format of their general meetings from 2025 onwards and announced changes for 2026.

In Japan, a letter from investors to the authorities contributed to the debate on reforming disclosure requirements and the timing of general meetings, with regulators now considering a unified annual report and earlier publication of financial information in order to strengthen shareholder democracy.

On 13 February 2025, Siemens shareholders rejected the board of directors' proposal for a virtual-only AGM: **71 %** voted in favour, below the required threshold of **75 %**.



# 14. Tax responsibility

The financing of public services relies on fair contributions from all taxpayers, including businesses. While tax optimisation is legal, certain aggressive practices, such as transfer pricing manipulation or the creation of artificial structures in tax havens, are strongly condemned internationally. These methods, which aim to artificially reduce the amount of tax owed, pose growing risks for businesses and their investors.

The main risks are reputational and financial. Tax scandals can seriously damage a company's image, with reputation sometimes accounting for up to a quarter of its value. In addition, companies exposed to tax disputes incur fines, adjustments and significant costs, directly affecting their financial performance.

In this context, paying a fair share of taxes should be seen not as a disadvantage, but as an act of social responsibility that strengthens trust between companies, regulators and stakeholders. A responsible tax strategy is therefore important for institutional investors because it ensures that the company complies with tax laws, minimises reputational and financial risks, and supports long-term value creation. By avoiding aggressive tax avoidance practices, companies reduce the risk of regulatory scrutiny or sanctions, which could affect shareholder value.

Ethos therefore considers that it is the responsibility of boards of directors to adopt a responsible tax policy, ensuring that taxes are paid where economic activity and profits are actually generated.

## OBJECTIVES OF THE DIALOGUE

- Responsibility for tax strategy lies with the board of directors.
- The principles of tax responsibility are incorporated into a specific policy that is accessible to the public.
- The company pays its taxes where economic value is generated.
- Intra-group transactions are carried out at market conditions.
- Publish the amount of tax paid, country by country.

## KEY ACTIVITIES IN 2025



1 engagement **campaign**



14 **activities** carried out in 2025



6 targeted **companies**

## OVERVIEW OF RESULTS IN 2025

### AMERICAN MULTINATIONALS: SOME PROGRESS, BUT PERSISTENT RESISTANCE

Dialogue has been ongoing with six companies, with concrete progress at Alphabet and Starbucks, which strengthened and implemented a comprehensive tax policy, while most other companies remained reluctant to improve the transparency of their tax information.

### EUROPE COULD LEAD BY EXAMPLE

At the same time, the gradual entry into force in the EU of public country-by-country tax reporting, applicable to financial years beginning from June 2024, should nevertheless lead to improved public tax reporting practices for many multinationals operating in Europe in the future.

# 15. Remuneration policy

The gap between executive compensation and shareholder interests remains a major concern for institutional investors. Remuneration policy can significantly influence executives' risk appetite and, consequently, the strategic direction of the company. Conversely, companies that implement responsible remuneration policies tend to adopt a more sustainable approach, avoiding excessive financial risk-taking and favouring a long-term perspective. Excessive remuneration can also affect staff motivation, complicate talent retention, and expose companies to public criticism that could damage their reputation. Finally, such disproportionate remuneration widens the gap between the salaries of executives and other staff members, thereby contributing to increased social inequality and greater concentration of wealth.

## OBJECTIVES OF THE DIALOGUE

- Set reasonable total remuneration for executives, with the maximum variable remuneration for senior management not exceeding three times the base salary.
- Incorporate ESG indicators, which must be clearly defined, quantified and ambitious.
- Assess and publish the gender pay gap, as well as the gap between the highest-paid individual and the median salary, accompanied by an explanation of the measures put in place to reduce potential gaps.

## KEY ACTIVITIES IN 2025



1 engagement **campaign**



28 **activities** carried out in 2025



6 targeted **companies**

## OVERVIEW OF RESULTS IN 2025

### ENHANCED DIALOGUE FOR GREATER ALIGNMENT, TRANSPARENCY AND ACCOUNTABILITY

In 2025, Ethos increased the dialogue with several large European companies to promote more responsible remuneration policies that are better aligned with performance and more transparent for shareholders.

A dialog was initiated with all the companies targeted, and discussions confirmed that the variable remuneration caps observed remain well above the thresholds recommended by Ethos.

However, several companies showed signs of improvement, notably Renault, with a reduction in the overall amount of remuneration upon the arrival of a new chief executive officer, as well as in-depth discussions on strengthening pay-for-performance, transparency and the integration of ESG criteria into variable remuneration.



At Tesla, **75 %** of shareholders approved remuneration of up to **USD 1 trillion** for Elon Musk, conditional on the achievement of **12 targets over 10 years**.

# 16. Breaches of international norms

International standards refer to several universal and non-binding principles and standards for responsible business conduct in a global context. These standards comply with current legislation and recognised international conventions. The best-known standards are the principles of the United Nations Global Compact (UNGC), the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights (UNGPs). These global instruments aim to prevent and manage the negative environmental and social impacts of business activities. It is generally accepted that companies have a responsibility to comply with these international standards and to take corrective action when they violate them. International standards cover a wide range of sustainability issues in the areas of human and labour rights, the environment, biodiversity and corruption.

Having companies that violate international standards in one's portfolio can pose reputational, legal and investment risks for investors. That is why, as part of this engagement campaign, companies in the MSCI World Index are regularly monitored and dialogue is conducted with selected companies that violate international standards to ask them to address the issue and remedy the situation.

## OBJECTIVES OF THE DIALOGUE

- Eliminate the offence.
- Repair the damage caused by the offence.
- Improve management processes to prevent future offences and, where appropriate, set specific objectives for each company.

If the objectives of the engagement are not achieved within a reasonable period of time, Ethos has the option of intensifying the engagement and recommending that the company in question be excluded from their investment universe.

## KEY ACTIVITIES IN 2025



2 engagement campaigns



59 activities carried out in 2025



13 targeted companies

## OVERVIEW OF RESULTS IN 2025

### TARGETED PROGRESS, CONTINUED VIGILANCE

As part of two campaigns focusing on violations of international standards, Ethos carried out more than 50 engagement activities with companies in the mining, energy, financial and industrial sectors. The aim is to achieve concrete improvements in safety, environmental management, respect for human rights and climate alignment, with varying degrees of progress but a generally maintained openness to dialogue.

Progress has been observed in some companies, notably through the announced strengthening of health and safety governance, the planned publication of a report dedicated to human rights, and the stabilisation of fire-related risks. At the same time, some banks have raised questions due to a decline in their climate commitments or increased exposure to fossil fuels.

Despite regular exchanges, several structural issues remain, in particular the management of toxic substances, the environmental impacts of mining activities, the social risks associated with digital platforms, and due diligence in relation to arms transfers and product safety. These factors justify the continuation of active engagement in 2026.

# Swiss Stewardship Code

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

# Swiss Stewardship Code Reference table

(some underlying documents available only in French or German)

SWISS STEWARDSHIP CODE PRINCIPLE	ETHOS REFERENCE
PRINCIPLE 1 - GOVERNANCE	<a href="#">Ethos Charter</a> <a href="#">Statuts de la Fondation Ethos</a> <a href="#">Statuts de Ethos Services AG</a> <a href="#">Ethos Code of Conduct</a> <a href="#">Ethos principles for socially responsible investment</a> (page 8) <a href="#">Rapport intégré Ethos</a> (pages 29-38)
PRINCIPLE 2 - STEWARDSHIP POLICIES	<a href="#">Ethos principles for socially responsible investment</a> (pages 23-25) <a href="#">Ethos Engagement Policy</a>
PRINCIPLE 3 - VOTING	Separate service for exercising voting rights based on: <a href="#">Ethos proxy voting guidelines</a> <a href="#">Ethos principles for socially responsible investment</a> (page 23)
PRINCIPLE 4 - ENGAGEMENT	<a href="#">Engagement Policy</a> (pages 6-7) <a href="#">Ethos principles for socially responsible investment</a> (pages 24) The present report (Chapter «Engagement at Ethos»)
PRINCIPLE 5 - ESCALATION	<a href="#">Engagement Policy</a> (page 8) <a href="#">Ethos principles for socially responsible investment</a> (page 25) The present report (Chapter «Engagement at Ethos»)
PRINCIPLE 6 - MONITORING OF INVESTEE ENTITIES	<a href="#">Engagement Policy</a> (page 6) <a href="#">Ethos principles for socially responsible investment</a> (pages 14-15)
PRINCIPLE 7 - DELEGATION OF STEWARDSHIP ACTIVITIES	Not applicable
PRINCIPLE 8 - CONFLICTS OF INTEREST	<a href="#">Ethos Code of Conduct</a> (pages 3-4) <a href="#">Règlement concernant les conflits d'intérêt et les cadeaux</a> <a href="#">Ethos principles for socially responsible investment</a> (page 8) <a href="#">Engagement Policy</a> (page 9)
PRINCIPLE 9 - TRANSPARENCY AND REPORTING	<a href="#">Engagement Policy</a> (page 10) <a href="#">Ethos principles for socially responsible investment</a> (page 8) The present report

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