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Ethos : Major milestones

- 2018 On 11 May 2018, Sika announces that an overall agreement has been signed with the Burkard family and Saint-Gobain to the benefit of all parties concerned and that safeguards the company's independence. At the same time, Sika calls an extraordinary general meeting to introduce a single class of registered shares as well as to remove the registration limit and the opting-out clause. Ethos is very pleased with the solution that brings an end to a conflict of more than three years, in which the Foundation had been accepted as an accessory party alongside the board members not linked to the Burkard family. This demonstrates the impact of a strong shareholder engagement on preserving a company's independence and promoting equal treatment of all shareholders.
- 2017 On the occasion of the Ethos Foundation's 20th anniversary, a celebration takes place on 2 February on the topic «As investors, we build the world of tomorrow», which had already been the guiding theme of Ethos first annual report in 1997. The event's high-ranking guest speakers include Swiss Federal Councillor Simonetta Sommaruga and Jörg Reinhardt, Chairman of the Board of Novartis. In parallel, for its 20th anniversary, Ethos publishes its 8 principles for socially responsible investment.
- Ethos receives approval from FINMA to open all of its investment funds to all investor categories. From now on, retail investors can subscribe to these funds at the same conditions as qualified investors. Ethos proposes to all investors investment solutions resulting from 20 years' experience in socially responsible investment (SRI) and that combine best practices in this field.
- In collaboration with the Swiss Stock Exchange (SIX Swiss Exchange), Ethos launches the Ethos Swiss Corporate Governance Index (ESCGI) dedicated to corporate governance at Swiss companies. The innovative methodology of the index aims to reduce corporate governance risks by underweighting or excluding companies that do not apply best governance practices. Another objective is to reduce the carbon impact of the index by underweighting companies with significant carbone emissions.
- 2016 Following the success of the dialogue programme with companies listed in Switzerland, Ethos and six Swiss pensions funds launch in October the Ethos Engagement Pool International (EEP International), an engagement programme with companies listed abroad. The creation of the EEP International allows pension funds to benefit from Ethos' international network when supporting international collective engagement initiatives aiming at achieving high standards of corporate governance and environmental and social responsibility.
- The Ethos Foundation's active and continuing support of Sika's board in its commitment to keep Sika independent was rewarded in October, when the Zug Cantonal Court rejected the suit by the Burkard Family against the board of Sika. Ethos

will continue as an accessory party in this legal procedure during the Burkard Family's appeal against the court decision confirming the board's entitlement to limit the voting rights of the Burkard Family for votes related to the sale of their shares to the competitor Saint-Gobain.

2015 In January, Ethos launches a support group for the shareholder resolution requesting the removal of the opting out clause at Sika. In a few days time, 220 institutional and private investors, holding together 7% of the capital and 4% of the voting rights of Sika, join this group. While this resolution is supported by 97% of the shareholders not tied to the Burkard family at the general meeting of Sika on 14 March 2015, it is nonetheless rejected, as the Burkard family who holds the majority of votes is opposed to it.

In February, the Ethos Foundation welcomes its 200th member. This milestone is a sign of the great confidence and growing interest that Swiss pension funds have for socially responsible investment and the systematic voting of shares in investee companies.

At the general meeting of Ethos Foundation in June, Kaspar Müller, a founding member of Ethos in 1997 and its chairman since 2007, does not make himself available for re-election. Dominique Biedermann, Ethos CEO at the time, is elected as his successor. Vincent Kaufmann, Deputy CEO since 2013, becomes the new CEO.

On the eve of the Paris climate summit (COP21), in October 2015, Ethos launches a low carbon intensity world equities fund and joins the Montréal Carbon Pledge, a group of international investors that pledge to publish the carbon emissions of a part or of all their portfolios. In this context, the carbon footprint of the actively managed Ethos equity portfolios is made available on its website.

In December, the Ethos Foundation is accepted as an accessory party in support of the Sika board of directors in the ongoing legal procedure at the Cantonal Court of Zug.

2014 Ethos Services carries out a capital increase to fund the company's growth as well as the developments linked to the implementation of the Minder initiative. While 17 members of the Ethos Foundation subscribe to this capital increase, Ethos Services is still owned in majority by the Ethos Foundation, which holds two-thirds of Ethos Services' share capital.

As of January 2015, Swiss pension funds are required to vote their shares in Swiss listed companies. To this effect, a large number of pension funds mandate Ethos to provide them with detailed proxy voting reports including voting recommendations. Ethos advises more than 200 institutional investors with holdings in Swiss shares of nearly CHF 40 billion, that is about 3.5% of the Swiss market capitalization.

The engagement program with Swiss listed companies "Ethos Engagement Pool (EEP)" welcomes its 100th member. Ethos launched this dialogue program in 2004 in order to re-enforce the corporate governance as well as the environmental and social responsibility of listed companies. Its members manage total assets in Swiss shares of CHF 17 billion.

Ethos publishes its first study on political and philanthropic donations made by the 100 largest Swiss listed companies.

The announcement made on 8 December 2014 by the Burkard family, (the majority shareholder of Sika which holds 16% of the capital and 52% of the voting rights of Sika) of their decision to sell their shares to the competitor Saint Gobain stirs

opposition amongst investors. In response, Ethos and 11 major Swiss institutional investors file a resolution to the agenda of the company's annual general meeting of 14 April 2015 requesting the removal of the opting out clause.

2013 For Ethos, the approval of the "Minder initiative" by the Swiss people in March 2013 and the subsequent publication of the ordinance "against excessive remuneration" leads to a period of particularly intense activity. Ethos gradually adapts the range of its products in order to meet the requirements of the obligation for Swiss pension funds to exercise their voting rights in Swiss listed companies, which is scheduled for 2015. In particular, Ethos extends the investment universe of shareholder meeting analyses to all listed companies of the SPI and develops an online platform in order to facilitate customers' access to the analyses.

Ethos regularly participates in international investor initiatives. In the wake of the disastrous collapse of a garment factory in Bangladesh, for instance, where the loss of 1,100 lives was deplored, Ethos is among the 200 global investors, managing assets of about 4,000 billion dollars, who publish a joint declaration in order to put pressure on leading companies of the garment industry. The initiative calls on these companies to respect human rights and to set up a sustainable procurement policy all along the global supply chain.

In November, the University of Fribourg awards the Doctor Honoris Causa degree to Dominique Biedermann, Ethos' CEO. This distinction is an acknowledgement of Dominique Biedermann's contribution in the fields of socially responsible investment and active share ownership during the past sixteen years. It is also an honor for the Ethos Foundation that is thereby recognized not only by the business world, but also by academia.

2012 The Ethos Foundation launches the non-profit association Ethos Académie. The association's aim is to promote a stable and prosperous socio-economic environment, in line with one of the Ethos Foundation's two purposes. Dick Marty, former Senator for the canton of Tessin, chairs the Ethos Académie board of trustees. In founding Ethos Académie, Ethos wants to give private individuals the possibility to contribute to a healthy and sustainable economy. Members' subscriptions and donations are used for projects raising the awareness of civil society on sustainability issues.

Dominique Biedermann, CEO and initiator of Ethos Foundation, receives the Landis & Gyr Foundation 2012 Award. The prize is in recognition of his personal commitment to the implementation of corporate governance best practice and the principles of sustainable development in investment activities. The award is also in recognition of the importance of the work accomplished by Ethos during the past 15 years.

The UBS general meeting of May 2012 refuses the proposed capital increase for the employee incentive plan. By doing so, for the first time in Switzerland, shareholders refuse a proposal originating from the Board of a large company. This demonstrates that shareholders are no longer willing to support an excessive remuneration system. Furthermore, the remuneration report was also not approved by 40% of votes while 47% of the shareholders did not discharge the board. Ethos had recommended opposing the UBS remuneration report, the proposed capital increase as well as the discharge.

- 2011 45 Swiss listed companies agree to implement an advisory vote of the remuneration report or system at their 2011 annual general meeting, as demanded by Ethos in preparation for the AGMs of the 100 largest Swiss listed companies. This demonstrates that the Say on Pay campaign Ethos has conducted for the past two years starts bearing fruit.
- In the spring of 2011, Ethos launches, in collaboration with the asset manager Unigestion, a fund of private equity funds in order to complete the range of funds it offers. The investments of the fund focus on companies which are active in the field of renewable energy, energy efficiency, environment protection, as well as the carbon certificate market.
- In the field of socially responsible investment, Ethos henceforth offers detailed environmental, social & governance analyses and sustainability ratings for a large investment universe of Swiss and foreign companies. Ethos also analyses portfolios based on extra financial or exclusion criteria.
- The membership of the Ethos Foundation continues to grow at a sustained pace for the third year in a row. In the course of the year, Ethos welcomes 19 new members and is composed of 124 members at the end of 2011. The Foundation's members insure more than a billion persons and manage total assets of CHF 150 billion.
- 2010 Ethos withdraws the Say on Pay and Stop Chairman-CEO shareholder resolutions from the agenda of the Novartis General Meeting, after the pharmaceutical company agreed to separate the positions of Chairman of the Board and CEO and to submit its remuneration system to an advisory vote of its shareholders.
- The Ethos Say on Pay initiative bears fruit as a total of twenty companies submit their remuneration system/report to an advisory vote of the shareholders.
- Ethos conducts the fourth Carbon Disclosure Project (CDP) survey among the hundred largest listed companies in Switzerland, for the first time in partnership with Raiffeisen Switzerland.
- The Ethos Engagement Pool grows, as this program, founded in 2004 to foster dialogue with listed companies, welcomes its fiftieth member pension fund.
- The Ethos Foundation welcomes its hundredth member. The Foundation's membership manages CHF 140 billion and represents approximately 900,000 insured persons.

- 2009 Following the Say on Pay campaign, four of the five targeted companies (ABB, Credit Suisse Group, Nestlé and UBS) accept to introduce the advisory vote of the remuneration report (or the remuneration system), allowing Ethos to withdraw the resolution at these companies. The Board of Directors of Novartis opposes the advisory vote. Ethos' resolution is put to the vote at the 2009 general meeting and receives 31% support.
- Ethos receives the 2009 International Corporate Governance Network Award. Considered the highest distinction in the field of corporate governance, this prize is given annually for exceptional achievement in that connection. It was presented at the ICGN annual conference in Sydney. For the Awards Committee, Ethos helped bring about significant improvements in corporate governance in the region.
- In autumn, Say on Pay shareholder resolutions are filed with Holcim, Novartis, Swiss Re and Zurich Financial Services. In addition, a Stop Chairman-CEO resolution aims at preventing the combination of the positions of Chairman and CEO at Novartis.
- Raiffeisen Switzerland entrusts Ethos with exercising voting rights for Swiss shares in various 3rd pillar pension funds. This mandate is extended to further funds, in particular the range of sustainable Futura funds.
- 2008 At the extraordinary general meeting of UBS, convened to request a capital increase, Ethos files a shareholder resolution demanding a special control to shed light into the massive losses due to the subprime crisis. The resolution is supported by 44% of votes. UBS accepts to publish a detailed report on the Bank's situation and on the measures taken in the context of the American subprime crisis.
- Ethos and eight pension funds launch a Say on Pay initiative with the five largest Swiss listed companies (ABB, Credit Suisse Group, Nestlé, Novartis and UBS). Ethos files a resolution requesting the advisory vote of the remuneration report by the 2009 shareholder general meetings.
- 2007 To mark its tenth anniversary, Ethos organises a symposium dedicated to the dialogue between companies and shareholders. Peter Brabeck, Chairman of Nestlé, accepts to be the keynote speaker.
- In collaboration with Banque Pictet & Cie, Ethos extends the Carbon Disclosure Project to the fifty largest Swiss listed companies.
- 2006 Ethos publishes the first detailed study on executive remuneration in the 100 largest Swiss listed companies.
- Ethos is among the first adherents to the United Nations Principles for Responsible Investment (UN PRI).
- Ethos opens a branch office in Zurich.

- 2005 At the Nestlé annual general meeting, following the nomination of Peter Brabeck as Chairman and CEO, Ethos and five Swiss public pension funds file a shareholder resolution requesting the separation of the two positions. The resolution garners 36% support. In response, the Board of Directors agrees to proceed to an in-depth revision of the Articles of Association to enhance shareholder rights. The amended Articles are approved in 2008. A new CEO is appointed and Peter Brabeck focuses on his function of Chairman of the Board.
- Ethos becomes the Swiss member of the European Corporate Governance Services (ECGS).
- 2004 Ethos launches a dialogue program with the 100 largest Swiss listed companies under the name Ethos Engagement Pool. The engagement aims at improving corporate governance and reinforcing the social and environmental responsibility of investee companies. The first activities of the Pool originate in a mandate given by two Public Pension Funds (The City of Zurich Pension Fund and the Pension Fund of the Hospitals in Geneva).
- The funds under management by Ethos exceed CHF 1 billion.
- 2003 Ethos becomes member of three international investor groups, the Pharma Shareowners Group, the Extractive Industry Transparency Initiative (EITI) and the Institutional Investor Group on Climate Change (IIGCC).
- 2002 Ethos files a shareholder resolution at the general meetings of Credit Suisse Group and Zurich Financial Services to request the separation of the functions of Chairman and CEO. The resolution achieves a remarkable score in both companies (19% at Credit Suisse Group and 36% at Zurich Financial Services). Within two months, the two Chairmen and CEOs (Lukas Mühlemann at Credit Suisse Group and Rolf Hüppi at Zurich Financial Services) both relinquish their functions.
- Ethos becomes member of the European Sustainable and Responsible Investment Forum (Eurosif).
- 2000 Establishment of the company Ethos Services SA, wholly owned by the Ethos Foundation. Its corporate goal is to take over all management and consulting services in the fields of socially responsible investment and active shareholding, enabling the Ethos Foundation to focus on its ideal of promoting socially responsible investment.
- 1999 Ethos welcomes its 50th member.
- 1998 Ethos opposes the merger between the two Swiss banking giants UBS and SBS fearing a systemic risk for the Swiss financial market in light of the size of the new bank UBS. A decade later, history will unfortunately give reason to Ethos.

1997 The Ethos Foundation is created in Geneva by a public pension fund (Pension fund of the employees of the Canton of Geneva - CIA) and a private pension fund (Pension fund of the enterprises of the building sector of Geneva - CPPIC). The purpose of the Foundation is to promote socially responsible investment. The members of the Foundation have to be either Swiss pension funds or Charities.

At the end of the first year, Ethos has 25 pension fund members and manages a portfolio of CHF 270 million in Swiss and European shares.

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