2025 Stewardship Activities

BCV



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Stewardship at BCV

In managing its clients' investments, Banque Cantonale Vaudoise (BCV) employs a comprehensive process that takes into account all dimensions of sustainable development and consists of approaches that incorporate environmental, social, and governance (ESG) criteria. Stewardship, which is also known as active ownership, is one of the core approaches we use to incorporate sustainability factors into our investment selection and management processes.

Stewardship has two key components: engagement and proxy voting.

- Engagement refers to the dialogue that shareholders maintain with company management on ESG issues.
- Proxy voting at general meetings enables shareholders to directly influence a company's strategic decisions.

We take an active ownership approach to managing our clients' investments, with the aim of enhancing the overall value of those investments over the long term. As part of this, we seek to influence the companies whose shares are held in our clients' portfolios, in order to encourage them to factor ESG criteria into their business activities. This approach can also be a major driver of positive change within society as a whole.

As an asset manager with a long-term vision, BCV seeks to adopt a best-practice approach to active ownership through shareholder engagement and proxy voting.

We have identified a number of ESG themes that we intend to focus on in our active ownership activities: climate change, human rights, corporate governance, and biodiversity. These themes are in line with our corporate social responsibility (CSR) strategy.

This report provides a summary of BCV's stewardship activities in 2025.

The documents listed in the table below describe BCV's active ownership approach and the principles that underpin it. A complete record of our voting activities can be found in our proxy voting report. Detailed information about the engagement activities carried out by Ethos, our external provider for shareholder dialogue, can be found in our indirect engagement report.

BCV documents relating to stewardship

Engagement policy for client asset management	This document formally sets out the main lines of BCV's engagement policy.
Voting policy regarding companies in BCV investment funds	This document sets out governance directives for exercising BCV's voting rights in companies whose shares are directly held by BCV investment funds. It defines the scope of application and sets forth the process for arriving at voting decisions for items on the agenda of those companies' general meetings. BCV uses the voting recommendations of its partner Ethos to determine how to vote at these meetings.
Indirect engagement report (in French)	This report provides a summary of the engagement activities carried out by Ethos, BCV's external provider for shareholder dialogue. It includes information on the goals set, the dialogue carried out with companies, the number of meetings held, the results obtained, and compliance with the established processes.
Proxy voting report	This publicly available report lists BCV's voting decisions at the general meetings of companies held by BCV investment funds.

Scope

- **Proxy voting** concerns shares of Swiss and non-Swiss companies in developed markets held by BCV investment funds.
- **Engagement** concerns Swiss and non-Swiss companies, as well as Swiss real-estate investment vehicles, held in BCV investment funds and discretionary management solutions.[1]

[1] BCV's discretionary management solutions comprise asset management agreements with professional, institutional, and personal banking clients. They do not include full advisory or execution-only agreements.



Proxy voting

Proxy voting in 2025

As a responsible asset manager, BCV exercises its voting rights in investee companies in order to promote best practices in incorporating ESG criteria. At the general meetings of listed Swiss and non-Swiss companies,[1] our voting decisions are based on the recommendations provided by our partner Ethos.[2]

In 2025, we exercised our voting rights in issuers whose shares are held by 16 investment funds that together represent total assets of CHF 3.8bn.

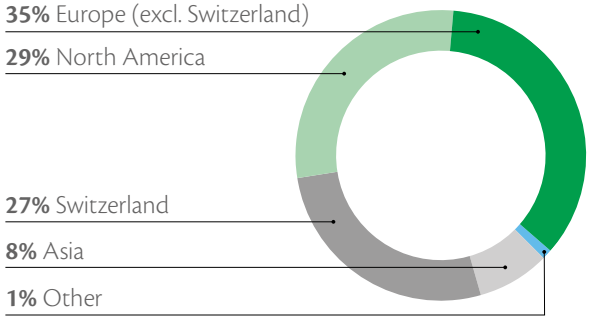
In 2024 and 2025, BCV took first place in the Voting for Sustainability global ranking[3] published by Rezonanz, an independent Zurich-based company specializing in stewardship data and analytics.

682 general meetings voted

12,152 proposals voted

29% votes against management

Proxy voting by region



[1] Excluding those in emerging markets
[2] Voting policy regarding companies in BCV investment funds
[3] Resonanz, *Voting for Sustainability*

Example votes

Below are some examples of votes we cast, along with our rationale based on Ethos's voting recommendations. Our full proxy voting report can be found on our website.[1]

Coca-Cola	
Sector	Consumer staples
Date	30 April 2025
Agenda item	Re-election of James Quincey
Vote	Against
Rationale	James Quincey serves as both CEO and chair of the board of directors. Ethos believes that these roles should be held by two different people.

Microsoft	
Sector	Information technology
Date	5 December 2025
Agenda item	Shareholder resolution to publish a report on AI data use oversight
Vote	For
Rationale	Ethos supports the implementation of an ethical AI framework and transparent reporting in order to mitigate risk.

Zalando	
Sector	Consumer discretionary
Date	27 May 2025
Agenda item	Amendment to Articles of Association to switch to virtual general meetings
Vote	Against
Rationale	It is essential to maintain a physical meeting venue while allowing shareholders to vote and participate remotely (i.e., a hybrid meeting format) so they can choose how they will attend the meeting, and to ensure they can have direct contact with the board of directors at least once a year.

[1] Exercise of voting rights – Report 2025

Engagement

Approaches

In order to develop an effective engagement policy,[1] BCV has identified three approaches based on its asset-management business model. We choose from among these approaches when conducting our engagement activities.

Direct engagement

BCV conducts dialogue directly with the management of investee companies. This is our preferred approach for asset classes in which we can exert influence. Currently, it is only applied for Swiss indirect real estate.

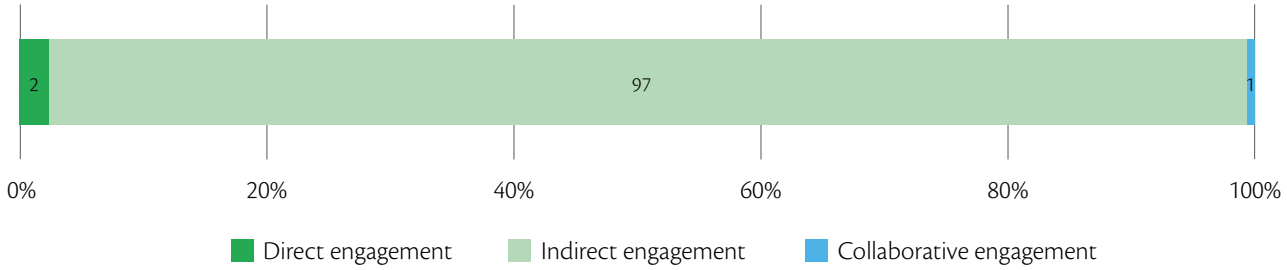
Indirect engagement

Our teams engage with investee companies through Ethos, our external provider of shareholder engagement services. We make sure that any dialogue delegated to third parties is in keeping with our internal principles and engagement policy.

Collaborative engagement

We actively take part in pooled engagement initiatives, in which dialogue with companies is conducted jointly with other investors.

Engagement approaches, as % of companies engaged



[1] Engagement policy for client asset management

Direct engagement in 2025

Under this approach, BCV conducts dialogue directly with the management of investee companies. We do this on an individual, targeted basis in line with our socially responsible investment policy.

Direct engagement is our preferred approach for asset classes in which we can exert influence. Currently, it is only applied for Swiss indirect real estate.

By the end of 2025, we had begun a direct dialogue with five Swiss real-estate foundations held in our discretionary management portfolios to support their ongoing efforts to improve their ESG practices.

We began the engagement process by selecting the foundations we wanted to engage with and defining the main topics for dialogue. We are now in the active phase of the process, which has included making written contact with the foundations and setting goals for the dialogue.



5
real-estate foundations engaged



5
engagements[1]

Direct engagement process



[1] An engagement corresponds to one contact made with an issuer on a specific ESG topic.

Indirect engagement in 2025

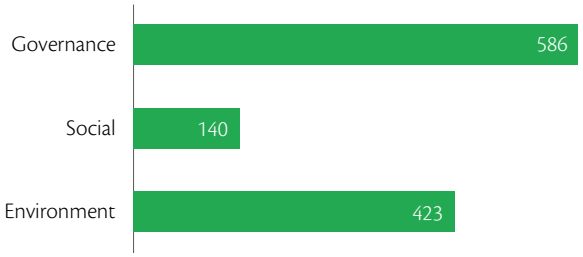
Since 2024, BCV has conducted indirect dialogue, via Ethos's engagement services, with the Swiss and non-Swiss companies in our investment funds and discretionary management portfolios. Ethos carries out long-term, constructive dialogue with companies in order to encourage them to improve their ESG practices.

More details on BCV's indirect engagement, including the progress made and results obtained, can be found in our indirect engagement report provided by Ethos.

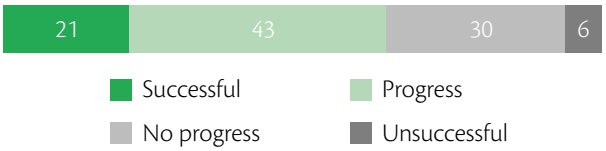
217
companies engaged

1,362
engagements

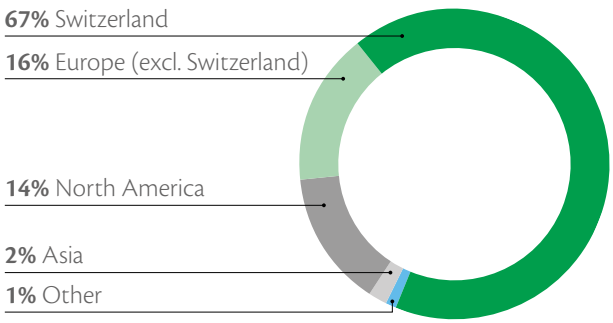
Indirect engagement by ESG component



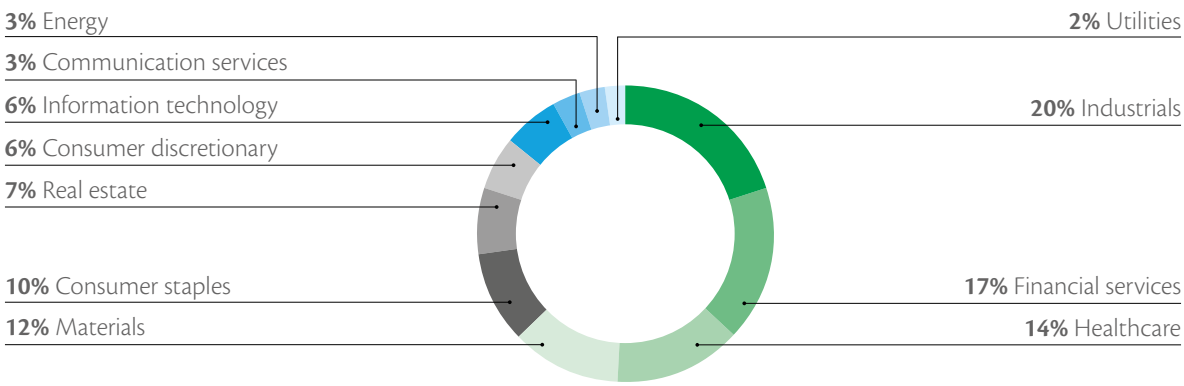
Engagement progress (%)



Indirect engagement by region



Indirect engagement by sector



Data source: Ethos

Collaborative engagement in 2025

BCV is both a signatory and a contributor to Climate Action 100+, an investor-led initiative to encourage the world's largest corporate greenhouse gas emitters to take necessary action on climate change. Under this joint initiative, BCV is part of the investor group in dialogue with Nestlé.

A proud participant of:

Climate Action 100+

Global Investors Driving Business Transition

As a result of the dialogue, Nestlé has taken several steps in line with the priorities defined by the Climate Action 100+ investor group, including:

- having the SBTi[1] confirm that its CO_2 emissions reduction targets are aligned with a 1.5°C global warming scenario
- publishing a detailed "Net Zero 2050" roadmap in December 2020
- holding an advisory vote on this roadmap at the company's 2021 annual meeting
- creating a dedicated sustainability committee of the board of directors in 2021
- publishing the names of the major industry groups and associations that it belongs to
- incorporating ESG criteria into its compensation policy and improving the transparency of its compensation reporting in this regard in 2022
- introducing criteria for reducing greenhouse gas (GHG) emissions into its long-term compensation plan in 2023
- publishing a breakdown of the company's scope 3 emissions by emission category, in accordance with the GHG Protocol, in 2025 for the first time.

[1] Science Based Targets initiative (SBTi)

Data source: Ethos and Climate Action 100+

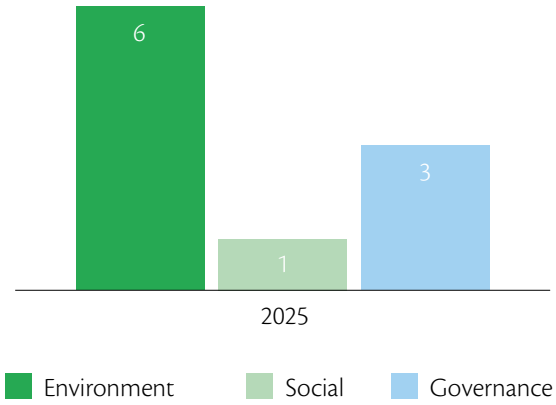
Case Study – Indirect engagement – Holcim

Sector: Industrials – Construction materials
Engagement topics: climate strategy, transparency, and governance
Region: Switzerland

Main results

- Climate goals aligned with the 1.5°C limit: first company in the sector certified in this respect
- Greater transparency: more detailed scope 3 emissions reporting and data disclosure in accordance with the EU taxonomy
- Improved governance: the roles of CEO and chair of the board are now held by two different people

Number of engagements by ESG component



Overview

Our engagement partner Ethos has focused particularly on Holcim's climate strategy in its dialogue with the company over the past several years. As the world's leading cement producer, Holcim is one of the world's largest GHG emitters.

Over the past four years, Holcim has announced a number of developments that have, in part, complied with Ethos's requests.

Activities and outcomes

In December 2020, Ethos asked the Holcim board of directors to submit its climate progress plan to a vote at the company's annual general meeting as a "Say on Climate" resolution. Holcim's climate transition report was subsequently submitted to a shareholder vote at the firm's 2022 general meeting. At that time, Ethos recommended that shareholders vote against approving the report, both because the targets presented were not aligned with the 1.5°C warming limit and owing to a lack of transparency regarding certain emissions reduction measures, particularly after 2030.

Ethos and Holcim had numerous exchanges in 2022 following this initial "no" vote. As a result, the report presented at the 2023 general meeting was greatly improved – so much so that Holcim was the first company in its sector to have its climate targets certified as compatible with a 1.5°C global warming scenario. Thanks to the various advances made, Ethos recommended that shareholders approve this 2022 report.

Ethos requested further improvements to the report at the 2023 general meeting, however, such as setting CO_2 emissions reduction targets for joint ventures; publishing tables showing the portion of revenue, expenses, and investments corresponding to the EU taxonomy for sustainable activities; and improving transparency on captured GHG emissions. Holcim addressed the first two requests in its 2023 report, presented at the company's 2024 general meeting. At that meeting, Ethos once again requested greater transparency on GHG capture projects and their impacts.

In the area of corporate governance, the dual CEO/board chair role ended in April 2024 when Miljan Gutovic was appointed as CEO to replace Jan Jenisch. Ethos therefore supported Mr. Jenisch's re-election as board chair.

Data source: Indirect engagement report published by Ethos

Most recently, Ethos raised two important points at Holcim's 2025 general meeting. First, it expressed serious concerns about the company's compensation system, particularly the excessive leverage associated with stock options. Ethos requested that these be replaced by shares subject to performance criteria. Second, Ethos supported the spin-off of Holcim's North American operations into a separate company called Amrize but raised concerns about this new company's lack of transparency on climate goals, as well as the dual CEO/board chair role.



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