

The Trump Effect: Impact on US-Investment Flows and AGM Voting Behavior

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What is the Trump effect?





What is the Trump effect?

Impact on shareholder votes / the proxy process

- More stringent criteria for shareholder proposals in the US:
 - “Broad Societal Impact” guidance repealed
 - Requirement to show financial materiality
 - No micromanagement
- Higher hurdles for proxy advisors in the proxy process
 - SEC supervision
 - Formal interaction requirement
- Executive order 14173: *Ending Illegal Discrimination and Restoring Merit-Based Opportunity*



What is the Trump effect?

What have we observed in the US?

BlackRock EMEA Guidelines, 2024

Board diversity

We look to boards to be comprised of a diverse selection of individuals who bring their personal and professional experiences to bear in order to provide a varied set views and opinions in the boardroom. This is based on our view that diversity of perspective and thought – in the board room, in the management team and throughout the company – leads to better long term economic outcomes for companies. Academic research points to correlations between specific dimensions of diversity and effects on decision-making processes and outcomes. In our experience, greater diversity in the board room contributes to more robust discussions and more innovative and resilient decisions and helps avoid 'group think' in the board's exercise of its responsibilities to advise and oversee management. Over time, greater diversity in the board room can also promote greater diversity and resilience in the leadership team, and the workforce more broadly. That diversity can enable companies to develop businesses that better address the needs of the customers and communities they serve

BlackRock EMEA Guidelines, 2025

Board composition

It is in this context that we are interested in a variety of experiences, perspectives, and skillsets in the boardroom. We see it as a means of promoting diversity of thought to avoid "group think" in the board's exercise of its responsibilities to advise and oversee management.

In assessing board composition, we take a case-by-case approach based on a company's board size, business model, strategy, location and market capitalization. We look for companies to explain how their approach to board composition supports the company's governance practices.

ISS, press release (Feb, 2025)

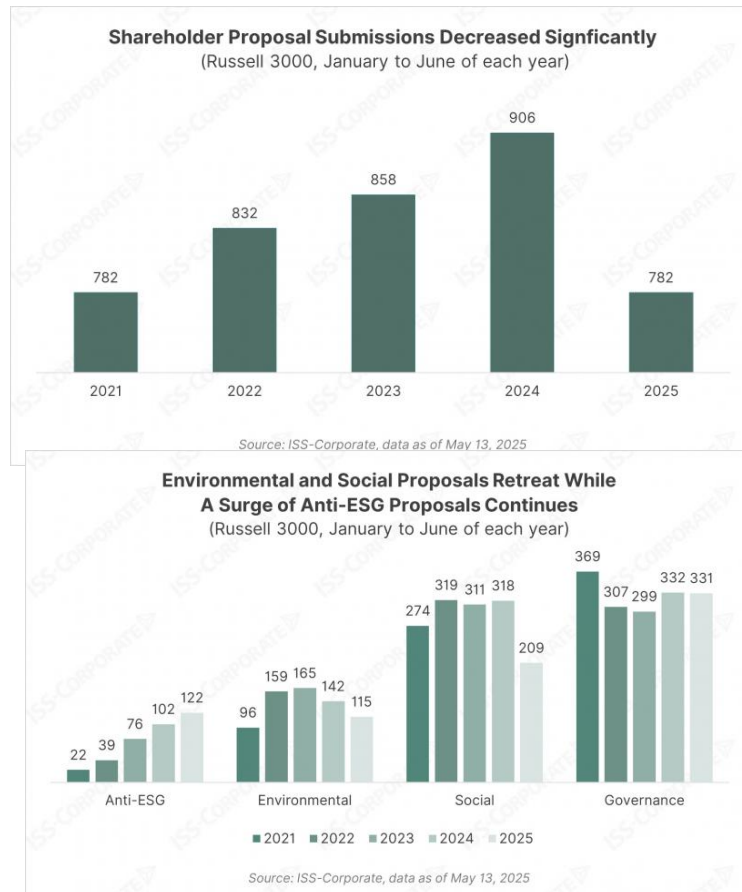
In light of these developments, ISS will indefinitely halt consideration of certain diversity factors in making vote recommendations with respect to directors at U.S. companies under its proprietary Benchmark and Specialty policies. Specifically and for shareholder meeting reports published on or after February 25th, ISS will no longer consider the gender and racial and/or ethnic diversity of a company's board when making vote recommendations with respect to the election or re-election of directors at U.S. companies under its Benchmark and Specialty policies.

- Softening of tone
- Fewer expectations



What is the Trump effect?

What have we observed in the US?



No-Action Request Statistics

	2025	2024
No-action requests submitted	368	267
Submission rate ¹	46%	29%
No-action requests withdrawn	72 (20%)	57 (21%)
Pending no-action requests (as of June 1)	11	3
Staff responses ²	289	207
Exclusions granted	200 (69%)	141 (68%)
Exclusions denied	89 (31%)	66 (32%)

Source: Gibson Dunn, June 20

- Less shareholder proposals
- Fewer making it to the AGM



Expectations for Switzerland?

Why could it be relevant for the Swiss market?

- Shareholder base of many Swiss companies (especially SMI®) dominated by non-Swiss institutional shareholders
- Global proxy advisors under significant public pressure in the US
- US shareholders often the largest geographical group amongst non-Swiss shareholders
- Media suggests ESG and especially DEI is (almost) dead
- **But...** vote on sustainability report is mandatory and 30% female representation will be a comply-or-explain requirement starting 2026...

If so, where is effect expected?

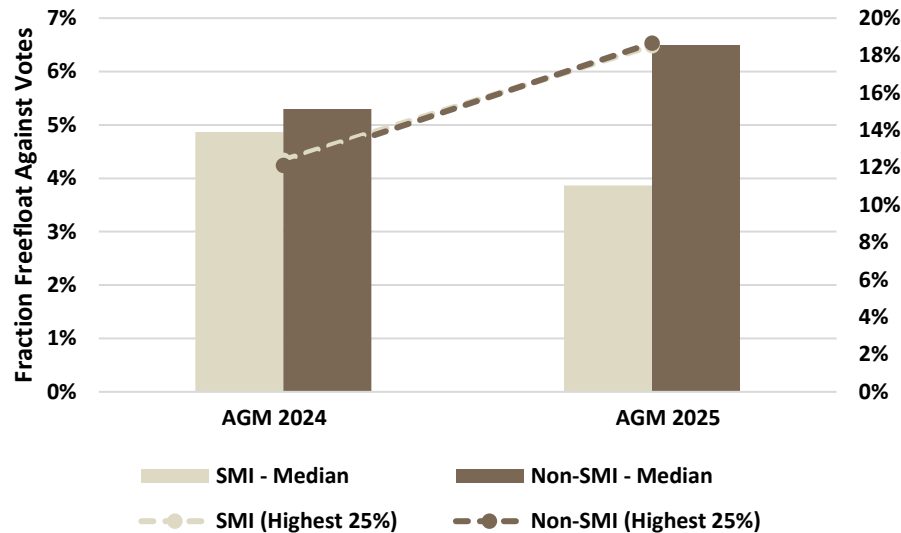
- Approval of sustainability report
- Push for board diversity
- Support for ESG shareholder proposals (but very rare in Switzerland...)



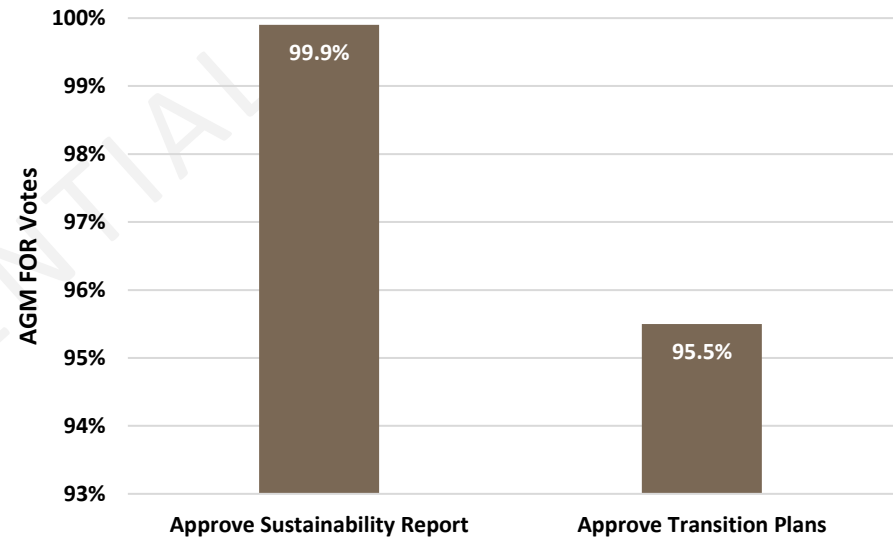
What we observed in Switzerland...

Approval of sustainability report

Non-financial Report Votes Annual Reporting FY2024



Sustainability Votes in Europe & UK Annual Reporting FY2024



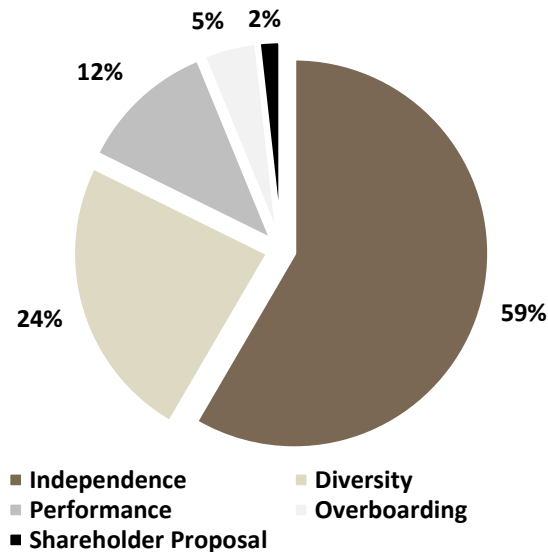
- Overall increase in AGAINST votes, driven by mid- to small-size companies
- Against votes still largely driven by Swiss shareholders and Swiss proxy advisors
- Swiss vote very broad, internationally seen as “vote on compliance” rather than “vote on ambition”
- **Trump-Impact limited (but we don’t know the counterfactual...)**



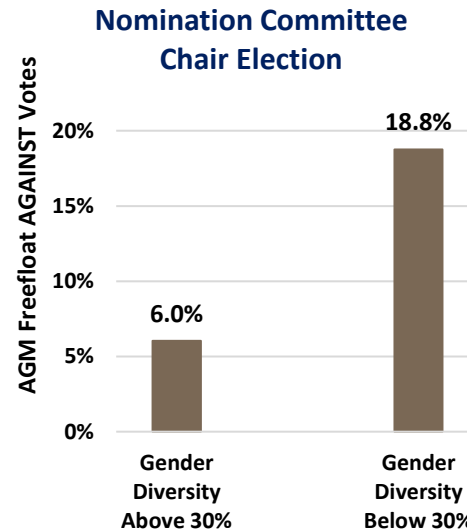
What we observed in Switzerland...

Push for gender representation

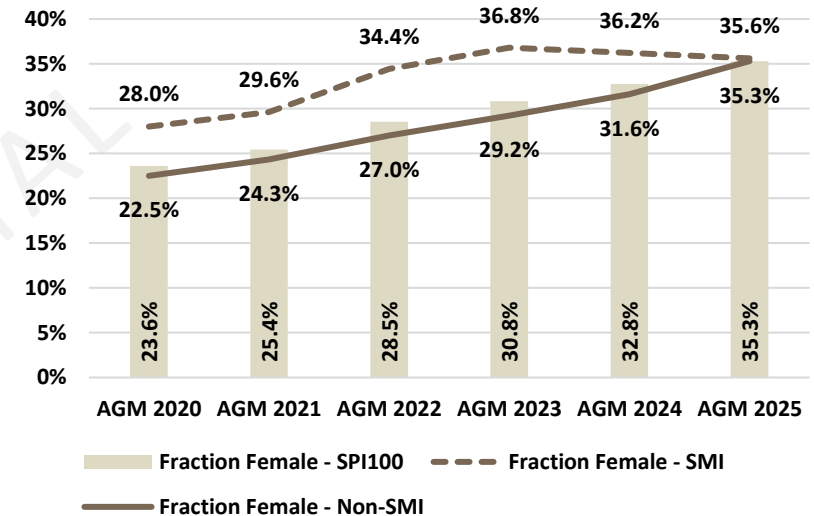
Reasons for election AGAINST votes
100 most contested board elections



Board accountability
Median AGM AGAINST Votes



Gender diversity in current boards



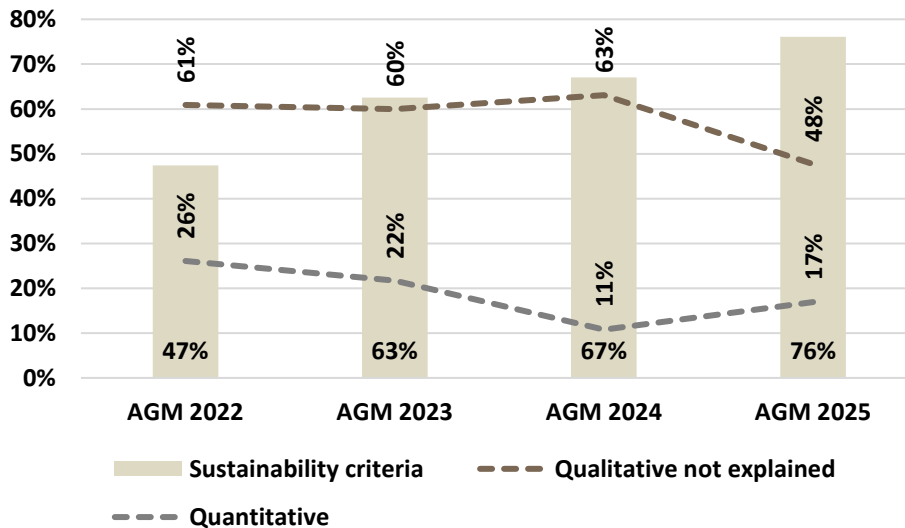
- Lack of diversity has become the second most important reason for not supporting a board election
- Nomination committee members continue to be penalized heavily for low female board representation
- Gender representation on board continues to increase
- **Trump-Impact limited (but, again, we don't know the counterfactual...)**



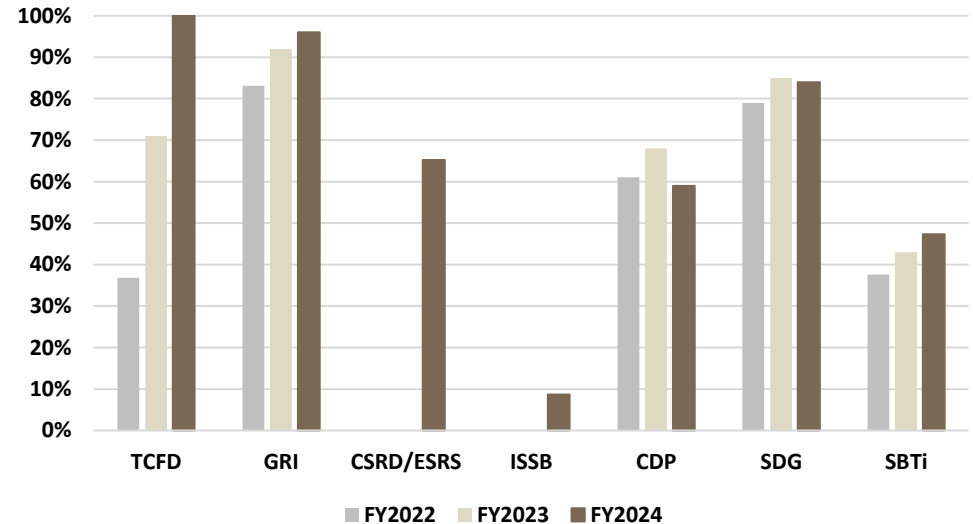
What we observed in Switzerland...

Companies' sustainability efforts

Sustainability criteria in variable compensation elements SPI 100 Companies



Companies' Sustainability Disclosure Frameworks Annual Reports 2022 - 2024



- More companies include ESG criteria in their compensation (76%, up from 67%) and better explain their KPIs
- Legal requirement to report according to the TCFD framework (or comparable) led to fast adoption of the standard
- 66% companies are working on CSRD reporting and 47% of companies have committed to an SBTi target
- **Trump-Impact limited (but, again, we don't know the counterfactual...)**



So, what is the Trump effect?

- The Swiss 2025 AGM season, unlike the US, saw little “Trump effect”
- Swiss and European shareholders continued their voting approach to sustainability as well as diversity in the board
- Companies continued to implement their sustainability journey, but the pace has fallen
 - Slower pace less a Trump effect, but rather the “stop clock” of the EU
- Companies and their decision makers need to listen to shareholders as a key stakeholder, but take their own decisions in the best interest of the company



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