

# Sustainability Report 2023

Vita Collective Foundation

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# Vita Collective Foundation Sustainability commitment 2023



70.4%

### Voting on climate issues

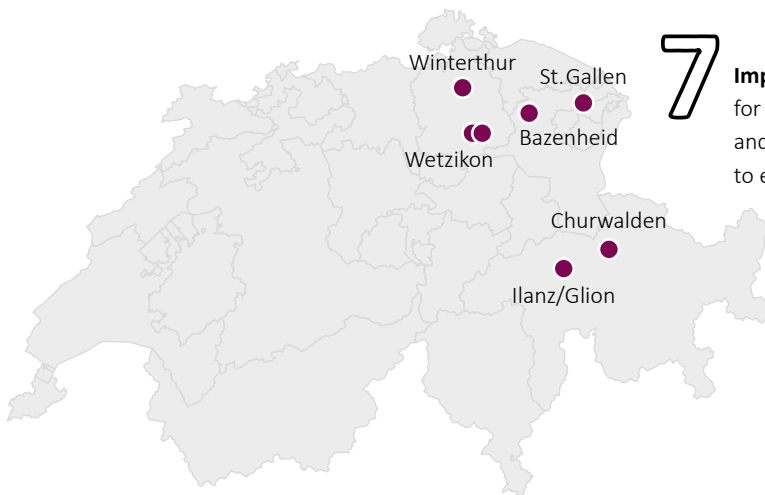
When exercising our voting rights, we placed a stronger focus on climate and labor law issues.



100%

### responsible investing

Since all investment managers have signed the UN Principles for Responsible Investment (UN PRI), we have 100 percent responsible investing.



7

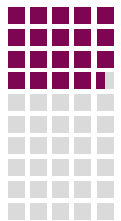
### Implemented projects

for the promotion of attractive and future-oriented living space to enable care-free aging.

We have had  
-39.1%

### CO<sub>2</sub> emissions

in the investment category  
Real Estate Switzerland since 2010.



-33.9%

### weighted average CO<sub>2</sub> intensity in the equity portfolio

The weighted average CO<sub>2</sub> intensity of the Vita Collective Foundation's equity portfolio has been reduced by 33.9 percent since the base year 2019.

-35.3%

### weighted average CO<sub>2</sub> intensity in the corporate bond portfolio

The weighted average CO<sub>2</sub> intensity of the corporate bond portfolio of the Vita Collective Foundation has fallen by 35.3 percent since the base year 2019.

# General

The Vita Collective Foundation began focusing on sustainability at an early stage.

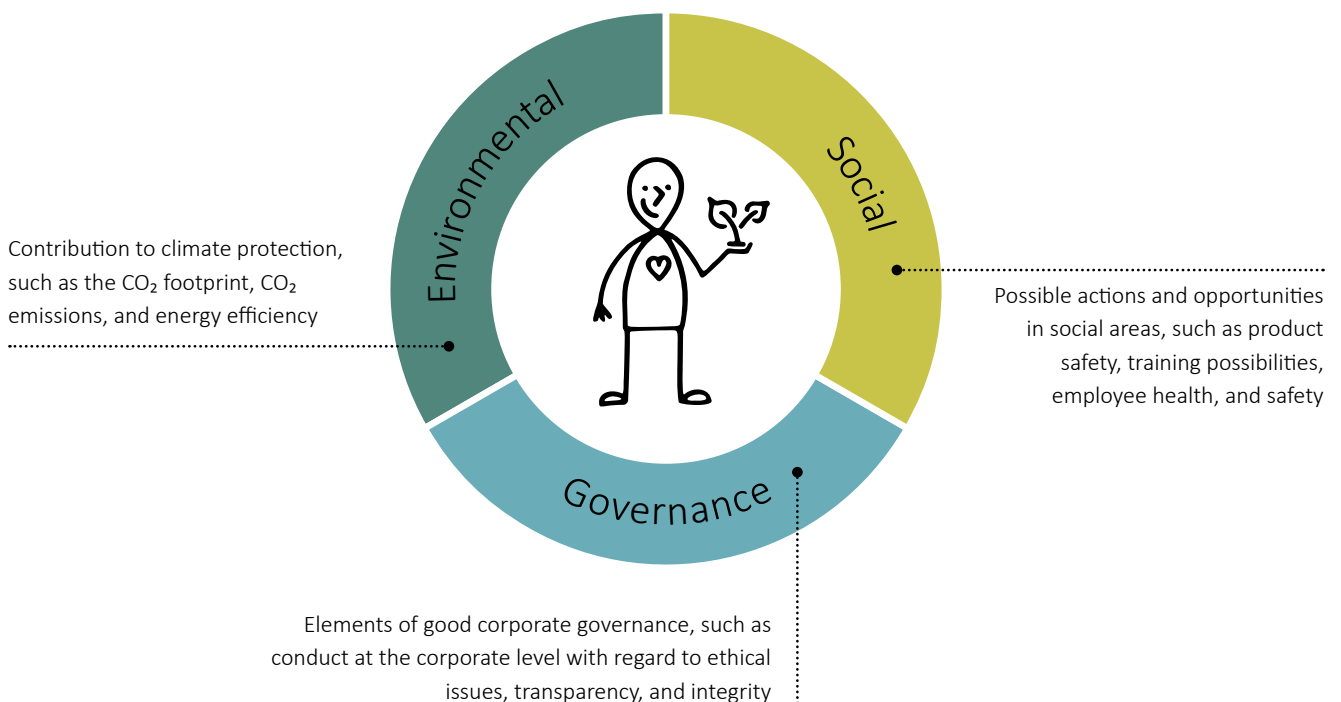
As one of the largest semi-autonomous joint and collective foundations in Switzerland, we work to ensure the fair and balanced distribution of retirement benefits and to gradually reduce solidarities not envisaged by the system to a minimum: to provide a carefree financial future for the beneficiaries.

In order to generate the necessary investment income, we invest with a long-term focus. We want to achieve a positive impact on society through our actions. Responsible investing is therefore an important pillar of our investment strategy. We invest specifically in assets with a positive impact ("impact investing"). When implementing the investment processes, explicit consideration is given to environmental (E), social (S) and governance (G) aspects. The Vita Collective Foundation pursues a positive sustainability approach and manages its portfolio accordingly. Portfolio risks are avoided by risk management and, where necessary, specific dialog is conducted with the companies in which investments are made as part of the active engagement process.

The Vita Collective Foundation began focusing on responsible investing at an early stage and incorporated sustainability considerations into its investment decisions. As early as 2010, we set ourselves a CO<sub>2</sub> reduction target for the investment category Swiss Real Estate. We have actively exercised our voting rights since 2011, and we have calculated the environmental footprint of our portfolio since 2017. In 2020, the Vita Collective Foundation developed ESG principles for the first time, which serve as guiding principles in the implementation of the investment strategy. In 2022, we decided on exclusion criteria for coal and oil and implemented them for equities and alternative investments. The investment strategy was also expanded to include green bonds. In 2023, we strengthened our voting rights principles with a focus on sustainability aspects. When exercising our voting rights, we are strengthening our focus on climate and labor law issues. As part of our membership of the Net Zero Asset Owner Alliance, we reported on our objectives and progress for the first time. The reporting was classified as "green light" and thus fulfills the requirements of the alliance. In addition, we have now also defined CO<sub>2</sub> reduction targets for the corporate bond investment category.

### What does ESG mean?

The environmental, social and governance criteria are yardsticks for a company's operational activities.



## Highlights of the year

Sustainably investing pension capital is a core part of a fair and secure occupational retirement provision scheme for all generations. In 2023, the Vita Collective Foundation introduced further CO<sub>2</sub> reduction targets and new ESG voting rights principles.

### Active shareholder

**March**

Since 2023, the Vita Collective Foundation has been strengthening its focus on sustainability aspects when shareholders exercise their voting rights. It calls for transparency in social, environmental, and labor law issues, as well as in reporting on sustainable business practices.



### Memberships

**May**

As a member of the Net Zero Asset Owner Alliance, the Vita Collective Foundation reported on its objectives and progress for the first time in 2023. It fulfills both the requirements of the alliance and the United Nations Principles for Responsible Investment (UN PRI).



## Senior housing

**October**

Vita Collective Foundation invests strategically in forward-looking housing and living space that ensures a carefree life for the elderly. In 2023, it developed a concept for measuring the social sustainability of its residential complexes.

[vita.ch/seniorhousing](https://vita.ch/seniorhousing)



## Sustainable decarbonization

**November**

The Vita Collective Foundation has committed to achieving net zero by 2050. The Foundation has now also defined CO<sub>2</sub> reduction targets for corporate bonds. Compared to the base year 2019, greenhouse gas emissions are to be reduced by 22 percent by 2025 and by 40 percent by 2030.



## Governance

**December**

The management of the Vita Collective Foundation was delegated to SST Vita Dienstleistungs AG, whose internal control system (ICS) has been certified since 2021. The adequacy of the ICS in accordance with ISAE 3402 Type 2 was confirmed in 2023.

**For details, refer to the governance report.**



## Investment performance

**December**

The 2023 investment year was dominated by inflation and decisions on monetary policy by the central banks. A year-end rally on the capital markets ensured the encouraging development of the investment portfolio. Vita Collective Foundation ended the financial year with a net return of 5.7 percent.

**For details, refer to the annual report.**

# 1

## **Principles of sustainability**

The ESG principles serve as a guide for the implementation of the investment strategy.



## 1. Long-term investments

The vision of the Vita Collective Foundation is to provide a carefree financial future for all its insured persons. It invests sustainably with a long-term focus and delivers on its financial promises.

## 2. Responsible risk management

The Vita Collective Foundation actively performs its due diligence and takes both financial and sustainability criteria into account when making decisions. These are integrated into risk management, which creates long-term added value.

## 3. Holistic implementation

The Vita Collective Foundation pursues the objective of integrating sustainability into all operational projects and initiatives. It takes sustainability criteria into account across all asset classes when implementing its investment strategy.

## 4. Active engagement

As a shareholder, the Vita Collective Foundation exercises its voting rights in Switzerland and abroad. If a company violates recognized standards, we enter into a dialog with it. If this interaction remains unsuccessful, we consider an exclusion.

## 5. Impact-oriented investment

The Vita Collective Foundation invests part of its assets in the environment, society, and infrastructure with an emphasis on creating an impact ("impact investing"). The topics of climate change and demographic development take center stage here.

## 6. Future-oriented goals

The Vita Collective Foundation sets itself measurable targets and reports the degree to which they have been achieved to the insured in a transparent manner. Its investment decisions are well-founded and based on high-quality data.

## 7. Cooperation and interaction

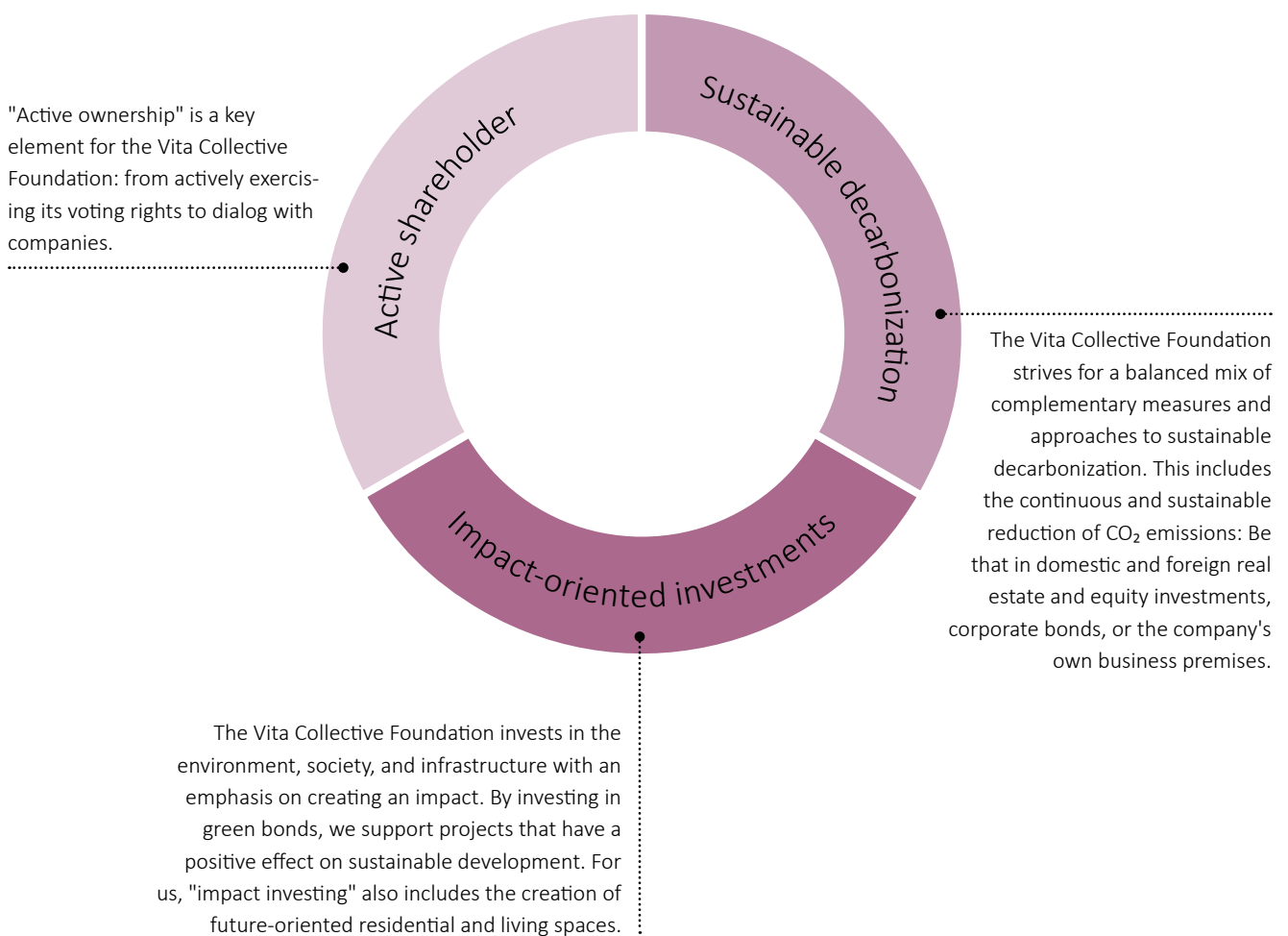
The Vita Collective Foundation is committed to the United Nations Principles for Responsible Investment (UN PRI) and seeks interaction and cooperation with various organizations and investors in the field of sustainability.

# 2

## **Three essential pillars**

The sustainability commitment is based on three pillars.

In the area of sustainability, the Vita Collective Foundation currently focuses on three areas of activity. It is actively involved as a shareholder, making impact-oriented investments in the sustainable decarbonization of the economy.



## 2.1 Active shareholder

The Vita Collective Foundation puts a high value on good corporate governance that reflects the highest standards of integrity and transparency in its own corporate governance (detailed information on which can be found in the Governance Report) as well as its investments in companies. In the area of investments, this means continuously monitoring the portfolio.

### Exercising of voting rights

With the support of Institutional Shareholder Services (ISS), we exercise shareholder voting rights in Switzerland and abroad and always in the interests of the insured.

- For example, the remuneration of the Executive Management and the Board of Directors should always be appropriate and disclosed, transparency with regard to different mandates should be maintained and double mandates should be excluded as much as possible.
- The investment regulations include the principle of taking sustainability criteria into account when exercising voting rights and not voting exclusively according to the recommendations of management.

- Measured by invested equity capital, in 2023 we exercised our voting rights at over 95 percent of companies in Switzerland and abroad.
- We make a comprehensive report on the voting rights we exercise in national and international companies, which is publicly available on the website [vita.ch](https://vita.ch). Through this commitment, we are also demonstrating the reasons behind our voting decisions.
- Since 2023, we have been paying more attention to climate-related and labor law issues when exercising our voting rights. We attach great importance to transparency and disclosure, particularly with regard to environmental and sustainability issues. The voting rights policy is in line with our climate strategy. We supported climate issues with our votes in 70.4 percent of the votes.
- We have an active dialog with our investment managers, who are all part of the "UN PRI" network. To create the greatest added value for the insured, we do not limit ourselves to exclusion rules, but actively support companies in their transition to sustainable business models.



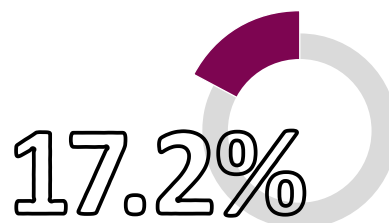
Exercising of  
voting rights 2023

3,454 The Vita Collective Foundation  
voted at 3,454  
shareholders' meetings.

There were

39,414

submitted motions on which  
the Vita Collective Foundation voted.



of our votes cast were directed against  
the motions of the management.

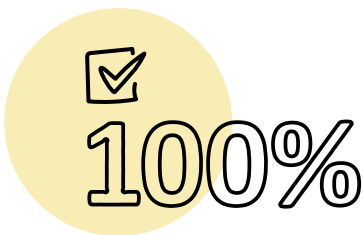
**Active dialog**

We demonstrate engagement through several channels. In 2021, we joined the ISS Engagement Pool and are seeking direct dialog with companies on sustainability issues through it. Additional channels include our membership in the investor-led "Climate Action 100+" initiative, the commitment of our external investment managers, and membership in the Net Zero Asset Owner Alliance.

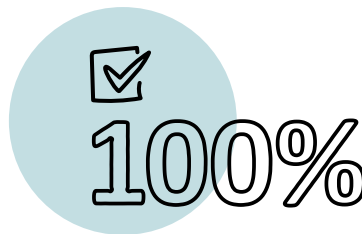
The focus of our engagement is on corporate governance, climate change, and demographic development. In view of the advance of climate change, our sustainability dialog focuses on the climate-intensive sectors of raw materials, energy, and supply. As an active shareholder, it is important to us to persuade companies to ensure the environmental compatibility

of their operations or to change their behavior. We are convinced that it is more effective to trigger positive development than to categorically exclude companies. We only implement security exclusions if continuous dialog and the exercising of voting rights have not led to any change or if the companies are unable to refrain from controversial activities due to their primary business model.

– In 2023, we participated in a dialog with 464 companies via our engagement channels that had contravened standards in the areas of corruption, the environment, and labor law. We are in a dialog with companies that are responsible for 67.5 percent of the emissions in our equity portfolio.



**ESG in the investment process**  
All equity and bond managers apply sustainability criteria in their investment process (traditional investment categories).



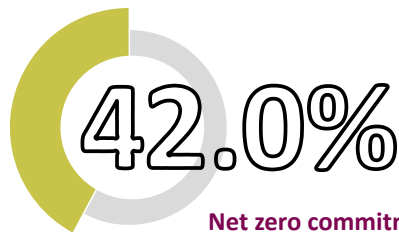
**Responsible investing**  
All investment managers have signed the UN PRI.



**Active engagement**  
All investment managers actively engage with the companies they invest in.

In our commitment to the climate, we focus on decarbonization throughout the company's value creation chain in line with the Paris Climate Agreement. To better assess whether companies are setting plausible climate targets, we rely on validation from the Science Based Target Initiative (SBTi). SBTi is an initiative that helps companies worldwide set science-based climate targets. The initiative also shows the reduction path that companies need to follow in order to be compatible with the global net zero targets.

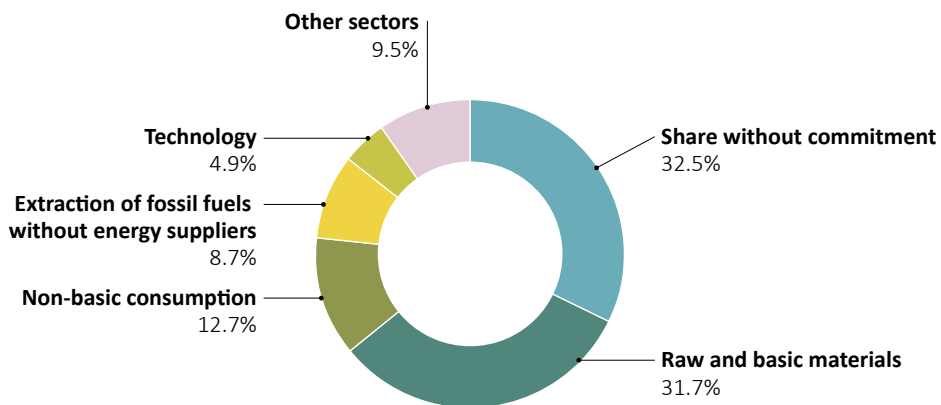
In our equity portfolio, the proportion of companies with verified net zero commitments and credible interim targets according to SBTi amounts to 42 percent.



**Net zero commitment**

Our share of investments in companies with verified net zero commitments and credible targets is 42 percent.

**Commitment by sector, as a percentage of CO<sub>2</sub> emissions**



### Integration into the investment process

- The Vita Collective Foundation monitors investment managers with regard to their sustainability, and thus ensures that sustainability criteria are consistently observed in the investment process.
- We do not invest in controversial weapons and nuclear weapons – we exclude them from our portfolio. We are guided by the exclusion list of the Swiss Association for Responsible Investments (SVVK-ASIR) and the UN Global Compact principles for controversial weapons. We have not invested directly in commodities since 2014. In addition, we exclude investments in futures on oil, gas, and agricultural products.
- In 2022, we decided to exclude companies from our equities and alternative investments that generate more than 30 percent of their revenue from thermal coal mining, produce more than 20 million tons of thermal coal per year, generate more than 30 percent of their electricity from coal or are in the process of developing new infrastructure projects for coal mining or coal-based power generation. We have also defined similar exclusion criteria for the extraction of oil from oil sand and the mining of oil shale. The aforementioned exclusions also apply to corporate bonds with the CO<sub>2</sub> reduction targets adopted in 2023. We are convinced that this will contribute to the decarbonization of the energy sector.
- All of the Vita Collective Foundation investment managers are actively involved.

Fisher has been in dialog with a company from the mining industry since the end of 2020. The company wanted to submit its targets for reducing its greenhouse gas emissions by 2030 to the Science Based Target Initiative (SBTi) for review. Fisher is monitoring the progress of this project and has requested an interim report. The company will not have its targets reviewed until the SBTi has established specific sectoral targets for the copper industry. The company's reluctance to continue the SBTi review of its emissions reduction targets must be viewed negatively. However, all twelve copper production plants have been awarded the Copper Mark quality seal, the copper industry's certification for responsible production. The company also provided information about changes to the Management Board: At the 2023 Annual General Meeting, two new female members were nominated who have a wealth of experience in the area of sustainability. The company from the mining industry is pursuing a clear transition plan and is working to secure renewable energy sources and assess its Scope 3 emissions.

Another of Fisher's commitments relates to a Brazilian pharmaceutical company. Three female directors have been members of the Board of Directors since the 2023 General Meeting. This puts the proportion of women on the Management Board at 33%. The pharmaceutical company has also adopted an extended ethical code of conduct. In this code, it commits itself to sustainable growth, social responsibility and access to healthcare for the Brazilian population. During the pandemic, for example, the company launched an ad hoc drug donation program for people with insufficient access. Fisher has inquired whether the company plans to formalize its health care access program. This is not currently planned, but the company continues to donate medicines regionally in an ad hoc manner, especially after natural disasters.

## Memberships

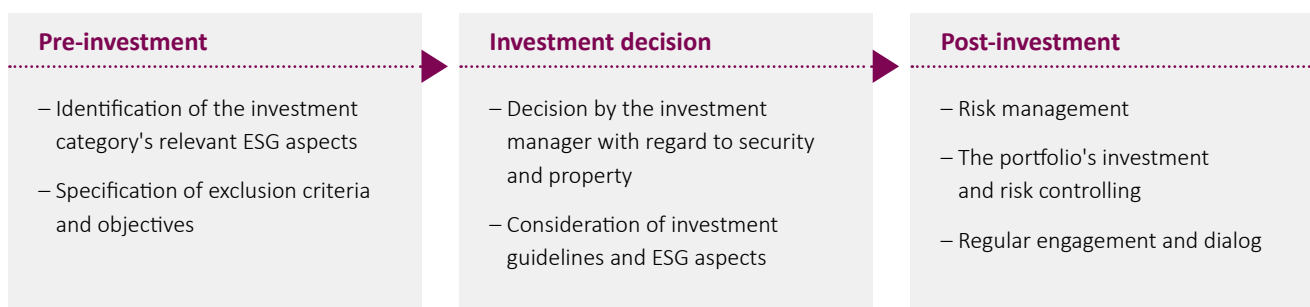
The Vita Collective Foundation is committed to the collaborative promotion of sustainable development and participates in various cooperations to further develop responsible investing. In 2021, we expanded our commitment with two new memberships, putting a stronger focus on climate protection and driving decarbonization.

- At the end of 2021, the Vita Collective Foundation joined the investor-led initiative "Climate Action 100+." This initiative aims to get the world's biggest CO<sub>2</sub> polluters to take action on climate change. The initiative has developed a "Net Zero Company" benchmark that pursues three overarching goals: reducing emissions, corporate governance that takes climate-relevant aspects into account, and disclosure and implementation of transition plans to net zero. The progress of the companies is documented in the [Progress Update 2023 of Climate Action 100+](#). Thanks to our tailored voting rights policy, we vote in line with the climate-related shareholder votes designated by Climate Action 100+.
- In order to drive decarbonization further, the Vita Collective Foundation was the first Swiss collective foundation to join the "Net Zero Asset Owner Alliance" and did so in 2021. This is an international group of institutional investors who are committed to shifting their investment portfolio to net zero by 2050. In 2023, we reported our targets for the first time, as well as their progress. The reporting was classified as "green light" – it therefore fulfills the requirements of the alliance.
- Since 2020, we have been a member of Swiss Sustainable Finance (SSF), which aims to strengthen Switzerland's position in the field of sustainable finance. It supports its members by developing best practices and creating frameworks and tools.
- In 2020, we signed the United Nations Principles for Responsible Investment (UN PRI). This obligates us to expand our governance and investment strategy to include ESG factors and to report on implementation accordingly.



## Responsible risk management

Risk management plays an important role in the investment process. The key stages with regard to ESG can be outlined in the investment process as follows:



– Risk management finalizes the investment process. At the same time, it is a control instrument that provides valuable experience and information for ultimately setting the right targets.

– One of the most important risk management tools of a pension fund is investment controlling. It offers an overview of all relevant metrics from an investment perspective. We go beyond the ordinary financial metrics and integrate ESG aspects into investment controlling. We carry out a quarterly review of portfolio items regarding ESG criteria. A score is calculated for each position, as well as for the overall portfolio, which allows us to more closely monitor whether the ESG rating of the overall portfolio remains within the specified range and whether the exclusion list of the Swiss Association for Responsible Investments (SVVK-ASIR), which is applied across the entire portfolio, is adhered to. Furthermore, we actively monitor the share of fossil reserves in our portfolio. The objective of the Paris Climate Agreement set limits on fossil fuels. These carry an increased risk of not being promoted further and thus becoming what are known as "stranded assets." This allows deviations to be identified at an early stage and dialog with the involved investment managers to be conducted faster and in a more targeted manner.

– Dialog with the investment managers takes place selectively, as well as systematically, and on a regular basis. ESG criteria are integrated into the controlling activities of investment managers. Progress with regard to ESG is addressed on an annual basis. Investment managers are challenged on individual items in the portfolio, and the progress of the overall portfolio is closely tracked. In addition, ESG progress is reviewed via an annual, systematic survey.

– We measure our ecological footprint every quarter. We follow this closely and document the progress. In 2021, the Vita Collective Foundation looked at specific targets and measures for CO<sub>2</sub> reduction. These are quantified and then published (see 2.2, Sustainable decarbonization).

## 2.2 Sustainable decarbonization

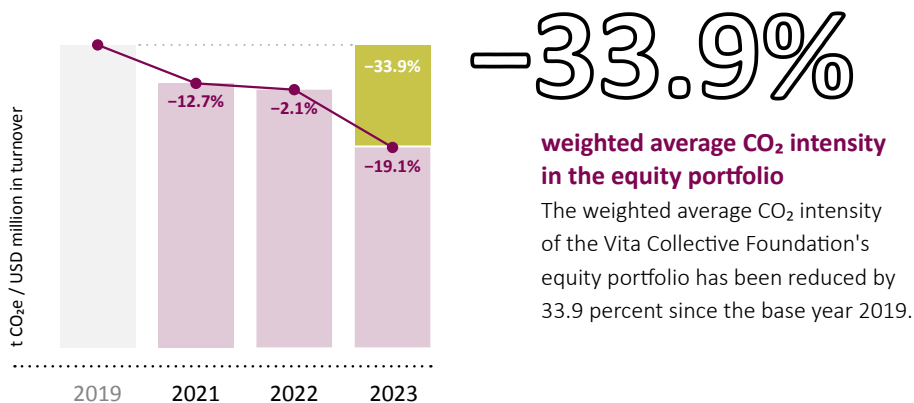
The consequences of climate change are evident: extreme weather events, such as drought, floods, or heavy rainfall, are becoming more frequent. Climate change is one of the greatest challenges of our day and age. At the climate conference in Paris at the end of 2015, multiple countries committed to reducing greenhouse gas emissions. The Paris Agreement signed by Switzerland in 2017 pursues the goal of limiting average global warming to well below 2 degrees Celsius. A key element on the way to achieving the target is to structure financial flows in a climate-friendly way.

As a major investor, the Vita Collective Foundation makes a contribution towards reducing greenhouse gas emissions through the integration of ESG aspects. Since 2017, we have been measuring our carbon footprint and striving for a continuous and sustainable reduction of CO<sub>2</sub> emissions: Be that in domestic and foreign real estate and equity investments, corporate bonds, or the company's own business premises. We have already set specific CO<sub>2</sub> reduction targets for around half of our investment portfolio. We are gradually pushing to decarbonize our entire portfolio – with the long-term goal of net zero by 2050.

### CO<sub>2</sub> reduction target exceeded for equity investments

In 2021, the Vita Collective Foundation formulated CO<sub>2</sub> reduction targets for equity investments for the first time. This is consistent with the first "Target Setting Protocol" of the new "Net Zero Asset Owner Alliance" membership. Our interim goal on the way to net zero: by 2025, we want to reduce our CO<sub>2</sub> emissions by 20 percent compared with the base year 2019. We use the "weighted average CO<sub>2</sub> intensity" as a key figure for calculating the greenhouse gas emissions of our portfolio. To do this, we put a company's CO<sub>2</sub> emissions in relation to its sales. This value is then weighted according to the company's share in our equity portfolio.

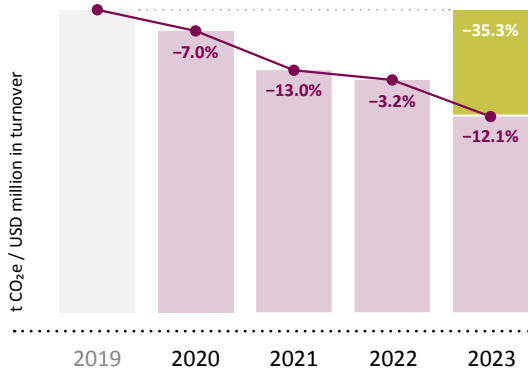
The weighted average CO<sub>2</sub> intensity of our equity portfolio has fallen by 22.4 percent compared to the previous year and by 33.9 percent since the base year 2019. Compared to the global investable equity universe (MSCI All Countries World Investable Market Index), this figure is 13.6 percent lower. This means that we have exceeded our interim target for 2025 by 69.3 percent.



**Extension of CO<sub>2</sub> reduction target to corporate bonds**

We have now also defined CO<sub>2</sub> reduction targets for corporate bonds. Greenhouse gas emissions are to be reduced by 22 percent by 2025, and by 40 percent by 2030 compared to the base year 2019. These targets are in line with the target-setting protocol of the Net Zero Asset Owner Alliance. In order to achieve the interim targets, we have also implemented the exclusion criteria for coal for corporate bonds as of the first quarter of 2023. The weighted average CO<sub>2</sub> intensity of our corporate bond portfolio has fallen by 35.3 percent since the base year 2019. This means that our CO<sub>2</sub> intensity lies within the scope of the global universe for corporate bonds (Bloomberg Global Aggregate Corporate Bond Index).

With the decarbonization of our investment portfolio, we are making a contribution to the United Nations' global Sustainable Development Goals, specifically Development Goal 13 – Climate action, in a broader sense. You can read about the other goals we support through our investments in section 2.3 on impact-oriented investments.



**-35.3%**

**weighted average CO<sub>2</sub> intensity in the corporate bond portfolio**

The weighted average CO<sub>2</sub> intensity of the corporate bond portfolio of the Vita Collective Foundation has fallen by 35.3 percent since the base year 2019.

### Real estate offers great potential for reducing CO<sub>2</sub> emissions

The real estate industry is one of the main contributors to climate change and resource scarcity. A large proportion of CO<sub>2</sub> emissions are attributable to real estate. According to the greenhouse gas inventory, the emissions statistics of the Federal Office for the Environment (FOEN), CO<sub>2</sub> emissions from the Swiss building stock currently account for just under a quarter of Switzerland's total CO<sub>2</sub> emissions. Greenhouse gas emissions from Swiss buildings are now 44 percent below their 1990 level and are on a downward trend. This is happening despite the fact that heated areas have increased by over 50 percent since 1990. The positive trend is due to the improvement in energy efficiency and the increased installation of sustainable heating systems in building renovations\*. This shows that a major contribution can be made to reducing energy consumption by renovating older properties, optimizing operations, and replacing heating systems in existing properties in a structured manner. We do

not hold any real estate directly; instead, we make our real estate investments through indirect investment. In dialog with our investment managers, we work towards ensuring that they set CO<sub>2</sub> reduction targets for themselves.

In recent years, the Global Real Estate Sustainability Benchmark (GRESB) has established itself as the standard for assessing the environmental, social and governance (ESG) performance of real estate funds and companies. The GRESB Assessment determines a "GRESB Score," which takes into account aspects such as commitment, water consumption, energy efficiency, waste management, and certification of buildings. The score enables a comparison with competitors and, at the same time, identifies measures to improve ESG performance. All our real estate investments participated in this comparison in the year under review.

### Energy source mix for Real Estate Switzerland (as at end of 2022)

15.1%

#### Renewable energies

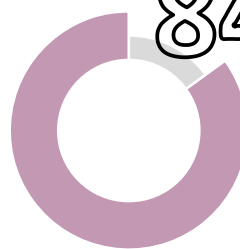
Our Real Estate Switzerland portfolio heats with renewable energy sources.



84.9%

#### Fossil fuels

We aim to further reduce our share of fossil fuels in our Real Estate Switzerland portfolio.



\* FOEN media release – 2022 greenhouse gas inventory: Much lower emissions in the building sector

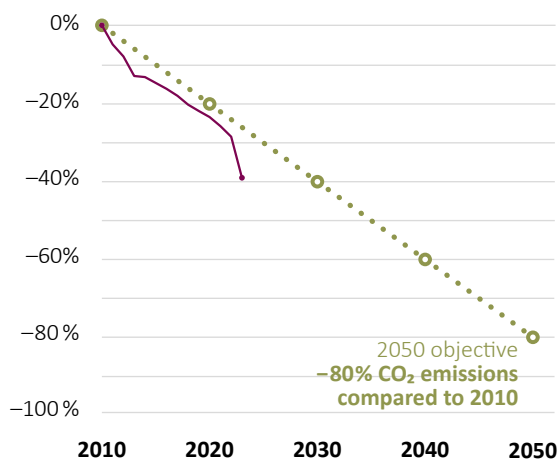
### Real Estate Switzerland on course

The Vita Collective Foundation aims for a positive impact in the investment category Real Estate Switzerland:

- Compared to the previous year, emissions fell by 14.3 percent. This means that CO<sub>2</sub> emissions have been substantially reduced by 39.1 percent since 2010 (as of the end of 2022).
- The aim is to reduce CO<sub>2</sub> emissions by a further 20 percent by 2025, which equates to a target reduction of a total of 40 percent compared to 2010.
- All four products in which we invest have taken part in the Global Real Estate Sustainability Benchmark (GRESB). Three of them achieved a 4-star status (out of a possible 5 stars) in the reporting year and improved by one star compared to the previous year.
- Almost all of our Real Estate Switzerland investments have a CO<sub>2</sub> reduction target.

### Real Estate Europe: "Green Star Rating"

The Real Estate Europe Direct (IED) investment group is managed by the portfolio manager Schroder Real Estate. Schroder Real Estate has been participating in the Global Real Estate Sustainability Benchmark (GRESB) since 2011. In 2023, the fund achieved a score of 92 out of 100, which earned it a 5-star status (out of 5 stars) and a "Green Star Rating" for the third time in a row. In September 2019, Schroder Real Estate joined the Better Buildings Partnership (BBP): the portfolio manager signed the Climate Change Commitment and published the "Pathway to Net Zero Carbon" in December 2020. This contains – in accordance with the Paris Agreement – the pledge to achieve zero carbon emissions by 2050, or sooner, in order to limit global warming to 1.5 °C. "Net zero carbon" is the natural next step. In this regard, Schroder Real Estate aims to reduce CO<sub>2</sub> emissions by 14 percent by 2025, compared to 2019, and by 36.6 percent by 2030.



# -39.1%

**effective CO<sub>2</sub> emissions**  
since 2010 in  
Real Estate Switzerland

## 2.3 Impact-oriented investments

The Vita Collective Foundation invests in investments with the aim of having a measurable, positive impact on the environment or society and achieving a positive financial return. In this context, we are guided by the 17 global goals for sustainable development set out by the United Nations.

These Sustainable Development Goals (SDGs) are at the heart of Agenda 2030. We make sure to generate added value in the subject areas that correspond with our values. For this reason, we focus on the following SDGs:

### Demographic change

We invest strategically in future-oriented residential and living spaces to ensure worry-free aging.



Companies in healthcare that make access to medicine easier and improve well-being



Social, economic, and political integration of all people – irrespective of their age, gender, and origin



Providers of sustainable public transportation systems, such as trains and promoters of safe and sustainable living space

### Climate change

We are part of the transformation in climate change and are committed to Net Zero by 2050.



Companies from the area of renewable energies and all companies whose products support energy efficiency



Companies from the area of renewable energies and companies that have specialized in adapting to climate change, for instance providers of disaster insurance

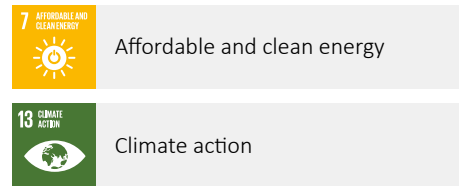
**Achieving a climate-neutral economy and society with green bonds**

Green bonds have been part of the investment strategy since 2022 – the current investment volume amounts to CHF 355 million. Issuers of green bonds undertake to use the funds received to finance ecological projects – for example, for renewable energies, energy efficiency, and environmentally friendly buildings. In this way, we can support projects that have a positive influence on sustainable development. According to the investment manager's report, the projects financed reduce CO<sub>2</sub> emissions by 191 tons per million invested each year. In addition, 120 kW of renewable energy capacity is installed.

Around 87 percent of the projects financed focus on alternative energies, sustainable real estate, low-carbon transport, and energy efficiency. In this way we make a contribution to SDGs 7 – Affordable and clean energy and 13 – Climate action.

**87%**

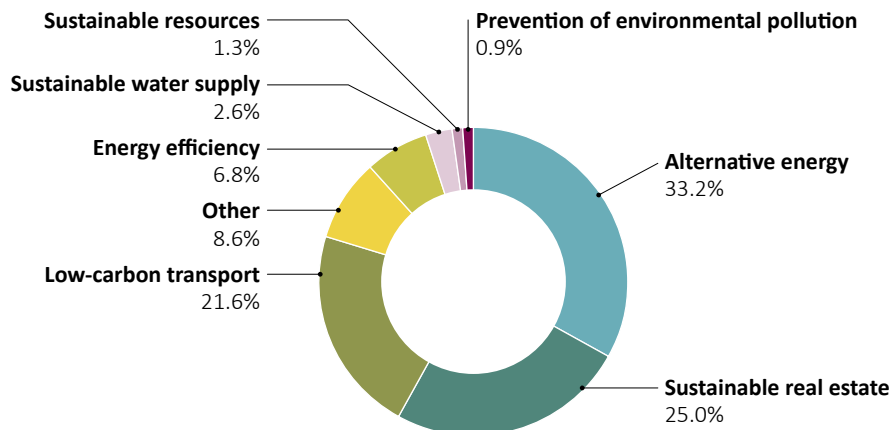
**of the projects financed**  
contribute to SDGs 7 and 13.



**CHF 355 million**

invested in green bonds since 2022

**Distribution by project**



**Senior housing – future-oriented living spaces with social impact**

The Vita Collective Foundation also invests strategically in future-oriented residential and living spaces for carefree aging. In doing so, we work in a networked, needs- and impact-oriented manner. We are actively involved, from project development up to the overall operating phase of a residential complex. We form long-term partnerships with communities and local stakeholders on the basis of communal old-age policies. In this way, we ensure that their concerns are taken into account and regional value creation is stimulated.

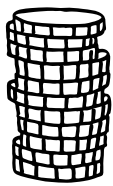
Our investments in future-oriented living spaces pay into the following SDGs in accordance with our social impact strategy:



As an impact investor, the Vita Collective Foundation gets involved actively and locally – for added value with respect to the social environment in residential complexes, districts, and communities. In this way, we support healthy living for people of all ages. We reduce inequalities by entering into the needs of different population groups. Our innovative, marketable, and target-group-appropriate residential offerings, as well as participative collaboration with local partners, contribute to sustainable economic growth. Together, we create inclusive and hospitable housing developments.

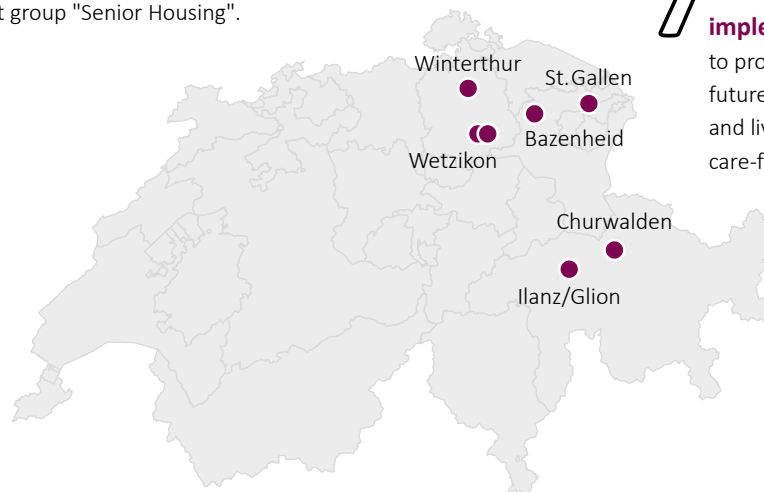
We pay attention to ecological sustainability in our construction methods (more on this in section 2.2, Sustainable decarbonization). To date, there are no established concepts for measuring social sustainability in this area. We have therefore developed a quantitative measurement concept with the aim of using available data to measure and control the social impact of the residential complexes over the years. A positive effect in terms of costs, space, and the economy can already be seen today. In the medium term, the impact figures can be interpreted in comparison with industry benchmarks.

Our portfolio currently comprises seven residential complexes with a total of 400 residential units and an investment volume of CHF 230 million.



**CHF 230 million**

**investment volume**  
in the investment group "Senior Housing".



**7**

**implemented projects**  
to promote attractive and future-oriented housing and living space to enable care-free aging.





# Notes

## ESG-Reporting ASIP

The Vita Collective Foundation adopted responsible investing as a key issue early on. Since 2020, it has been publishing a sustainability report and a governance report alongside the annual report.

### Active shareholder – active ownership

Exercising of voting rights		
		2023
Proportion of meetings at which a vote was taken:	Switzerland	95.2%
	Abroad	97.7%
Percentage of approvals of management proposals:	Switzerland	67.9%
	Abroad	83.2%
Percentage of agenda items for which the vote was cast:	Switzerland	95.5%
	Abroad	97.4%
Voting (100%) of which:	Votes in favor	79.9%
	Votes against	17.2%
	Abstention	1.1%
Share of supportive votes on climate issues:		70.4%

Commitment		
We have been a member of the following initiatives since 2021:	<ul style="list-style-type: none"> <li>– Climate Action 100+</li> <li>– ISS International</li> <li>– Net Zero Asset Owner Alliance</li> </ul>	
Do companies have a credible stewardship strategy in place to mitigate climate change?	Yes	
	Transparency rate	2023
Share of portfolio companies that are subject to an active climate commitment strategy:	98.3%	25.1%
Number of companies that are generally committed in Switzerland or abroad:		464

## Sustainable decarbonization – climate indicators

Equity (32.0% share of total assets)					
		Transparency rate	2023	Transparency rate	Benchmark
Greenhouse gas emissions:					
Intensity weighted (t CO <sub>2</sub> e/million USD revenue)	Scope 1 and 2	96.7%	106.6	98.8%	123.5
	Scope 3	97.8%	933.3	99.7%	862.2
Footprint (t CO <sub>2</sub> e/million USD of invested capital)	Scope 1 and 2	96.7%	83.0	98.8%	76.2
	Scope 3	97.8%	511.9	99.7%	449.5
Exposure to fossil fuels: Investment share in companies with activities (more than 5% of their revenues from such business activities) in:					
	Coal	96.7%	0.9%	99.9%	1.4%
	other fossil fuels	96.7%	3.2%	99.9%	4.1%
Proportion of investments in companies with verified net-zero commitments and credible interim targets (basis: SBTi approved):					
		97.9%	42.0%	99.9%	40.1%
	– of which below 1.5 °C scenario	97.9%	35.6%	99.9%	35.3%
	– of which well-below 2 °C scenario	97.9%	5.9%	99.9%	3.9%
	– of which below 2 °C scenario	97.9%	0.5%	99.9%	0.8%
Global warming potential in degrees Celsius (well-below 2 °C scenario):					
		94.8%	1.5–2 °C	97.3%	2–3 °C
Energy and water consumption:					
	– Intensity of energy consumption (MWh/million USD revenue)	97.9%	743.9	99.9%	511.8
	– Intensity of water consumption (m <sup>3</sup> /million USD revenue)	97.9%	808.1	99.9%	507.7
Corporate bonds (9.5% share of total assets)					
		Transparency rate	2023	Transparency rate	Benchmark
Greenhouse gas emissions:					
Intensity weighted (t CO <sub>2</sub> e/million USD revenue)	Scope 1 and 2	88.9%	178.3	90.9%	179.5
	Scope 3	61.9%	826.5	96.6%	682.9
Footprint (t CO <sub>2</sub> e/million USD of invested capital)	Scope 1 and 2	88.9%	125.4	90.9%	102.9
	Scope 3	46.2%	657.5	86.8%	673.5
Exposure to fossil fuels: Investment share in companies with activities (more than 5% of their revenues from such business activities) in:					
	Coal	63.9%	1.4%	74.3%	2.3%
	other fossil fuels	63.9%	3.5%	74.3%	4.2%
Proportion of investments in companies with verified net-zero commitments and credible interim targets (basis: SBTi approved):					
		63.9%	18.0%	74.3%	22.9%
	– of which below 1.5 °C scenario	63.9%	14.0%	74.3%	17.8%
	– of which well-below 2 °C scenario	63.9%	3.0%	74.3%	3.1%
	– of which below 2 °C scenario	63.9%	1.0%	74.3%	2.0%
Global warming potential in degrees Celsius (well-below 2 °C scenario):					
		70.0%	1.5–2 °C	82.4%	1.5–2 °C
Energy and water consumption:					
	– Intensity of energy consumption (MWh/million USD revenue)	63.9%	413.4	74.3%	467.4
	– Intensity of water consumption (m <sup>3</sup> /million USD revenue)	63.9%	149.2	74.3%	280.8

<b>Convertible bonds (1.9% share of total assets)</b>					
		Transparency rate	2023	Transparency rate	Benchmark
Greenhouse gas emissions:					
Intensity weighted (t CO <sub>2</sub> e/million USD revenue)	Scope 1 and 2	77.4%	259.6	96.0%	473.0
	Scope 3	75.5%	578.3	78.0%	580.2
Footprint (t CO <sub>2</sub> e/million USD of invested capital)	Scope 1 and 2	77.4%	359.2	96.0%	497.4
	Scope 3	75.5%	597.2	78.0%	612.5
Exposure to fossil fuels: Investment share in companies with activities (more than 5% of their revenues from such business activities) in:					
	Coal	77.8%	9.1%	80.8%	9.1%
	other fossil fuels	77.8%	3.4%	80.8%	10.0%
Proportion of investments in companies with verified net-zero commitments and credible interim targets (basis: SBTi approved):					
		77.8%	28.5%	80.8%	22.4%
	– of which below 1.5°C scenario	77.8%	23.5%	80.8%	19.1%
	– of which well-below 2°C scenario	77.8%	4.9%	80.8%	3.4%
	– of which below 2°C scenario	77.8%	0.0%	80.8%	0.0%
Global warming potential in degrees Celsius (well-below 2°C scenario):		74.8%	>3°C	92.0%	1.5–2°C
Energy and water consumption:					
	– Intensity of energy consumption (MWh/million USD revenue)	77.8%	591.4	80.8%	3172.0
	– Intensity of water consumption (m <sup>3</sup> /million USD revenue)	77.8%	7554.4	80.8%	5187.8

<b>Government bonds (4.6% share of total assets)</b>					
		Transparency rate	2023	Transparency rate	Benchmark
Greenhouse gas emissions:					
Intensity weighted (t CO <sub>2</sub> e/million USD revenue)	Scope 1 and 2	n/a	n/a	n/a	n/a

<b>Real Estate Switzerland (13.3% share of total assets)</b>					
		Transparency rate	2022	Transparency rate	Benchmark
Greenhouse gas emissions:					
Energy intensity (kWh/m <sup>2</sup> ERA)	Scope 1	74.8%	80.9	n/a	n/a
	Scope 2	74.8%	21.6	n/a	n/a
	Scope 3	n/a	n/a	n/a	n/a
CO <sub>2</sub> intensity (kg CO <sub>2</sub> /m <sup>2</sup> ERA)	Scope 1	74.8%	17.5	n/a	n/a
	Scope 2	74.8%	1.5	n/a	n/a
	Scope 3	n/a	n/a	n/a	n/a
Energy source mix:					
	– Heating oil	74.8%	37.5%	n/a	n/a
	– Heating gas/natural gas	74.8%	40.7%	n/a	n/a
	– Biomass (wood, pellets)	74.8%	0.1%	n/a	n/a
	– Local and district heating	74.8%	13.6%	n/a	n/a
	– Electricity for heat	74.8%	0.6%	n/a	n/a
	– Central systems, general electricity	74.8%	7.5%	n/a	n/a
Water consumption					
	(total effective water consumption of a property in m <sup>3</sup> /m <sup>2</sup> ERA):	74.8%	0.7	n/a	n/a

<b>Real Estate abroad (4.2% share of total assets)</b>					
		Transparency rate	2022	Transparency rate	Benchmark
Greenhouse gas emissions:					
Energy intensity (kWh/m <sup>2</sup> ERA)	Scope 1	74.8%	80.9	n/a	n/a
	Scope 2	74.8%	21.6	n/a	n/a
	Scope 3	n/a	n/a	n/a	n/a
CO <sub>2</sub> intensity (kg CO <sub>2</sub> /m <sup>2</sup> ERA)	Scope 1	74.8%	17.5	n/a	n/a
	Scope 2	74.8%	1.5	n/a	n/a
	Scope 3	n/a	n/a	n/a	n/a
Energy source mix:					
	– Share of fossil fuels:	79.7%	40.7%	n/a	n/a
	– Share of renewable energies:	79.7%	59.3%	n/a	n/a
Water consumption					
	(total effective water consumption of a property in m <sup>3</sup> /m <sup>2</sup> ERA):	79.7%	0.3	n/a	n/a

Sources: Credit Suisse, ISS, MSCI, S&P Global Trucost

Benchmark data:

- Equity: ETF on MSCI All Country World Investable Market Index
- Corporate bonds: Bloomberg Global Aggregate Corporate Index
- Convertible bonds: Customized Index



## Other reports of the Vita Collective Foundation

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- **Annual Report 2023**
- **Governance Report 2023**

### **Vita Collective Foundation**

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