Sustainability Report 2024

asga pensionskasse

As a pension fund, we think in generations. The sustainability of our investments and our organisation is not just part of our day-to-day work for us, but also a fundamental pillar of our long-term success and thus of secure pensions for our insured beneficiaries.

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asga
pensionskasse

Foreword

Stefan Bodmer,
Chairman of the Board of Directors

Dear reader

I am delighted to present Asga Pensionskasse's fourth Sustainability Report, which I hope you will find insightful.

This year, we are completing the first 5-year cycle from our sustainability policy. This significant milestone offers us the opportunity to draw a first meaningful conclusion. On the one hand, we are interested in measuring ourselves against the predefined CO_2 reduction path. On the other, in addition to what has been achieved from a quantitative perspective, we want to review our current sustainability policy in particular and take a look at ourselves from the outside. The Board of Directors decided to take this look from the outside together with an external partner. Although there are areas of possible improvement, the feedback on what we have achieved is positive. We have received confirmation that we are doing better than average compared to other major pension funds. It was also confirmed that we integrate sustainability aspects and ongoing developments into our investment portfolio. What we do need to improve, though, is our communication. In 2024 the Asga sustainability report was accessed just over 140 times, and there was dwindling interest. This figure is not commensurate with our efforts.

The review of our ESG policy is coming at an interesting moment in time. The environment has changed significantly when it comes to ESG integration. For example, the Swiss National Bank always notes that the national bank is not legitimized in pursuing climate, sustainability or inclusion goals. This also means that environmental goals become less of a priority for countries, and the deadline for submitting action plans to the UN was missed by the majority of countries. In contrast to this, however, pension funds can be confident that the financial risks caused by failing to achieve climate goals will continue to increase in the long term. The fact that geopolitical risks are currently discussed as the fourth ESG column in addition to the environment, social aspects and governance fits in seamlessly here. Finally, it should be noted (and this is something we welcome) that the reporting requirements for European companies are to become more narrowly defined and simplified.

However, this look into the distant future should not stop me from giving a brief assessment of what we have achieved over the previous year. In 2024, we once again worked systematically on the implementation and further refinement of our sustainability strategy: The specified climate targets in the form of the reduction path were all achieved in 2024. We were also able to develop the new climate policy for the investment categories of private equity, Swiss real estate funds and investment foundations and our foreign real estate. The implementation of this was undertaken immediately.

The current sustainability report is dedicated to a number of main topics. Based on the Swiss Association for Responsible Investments (SVVK-ASIR), as a brand new member of the board we are focusing on expanding our engagement. Another chapter is dedicated to our voting behaviour, which an external analysis found to be positive.

I hope you will find our Sustainability Report an inspiring read.

Stefan Bodmer,
Chairman of the Board of Directors

Sustainability at Asga: In the fifth year of implementing our sustainability strategy

"We were able to achieve our goals successfully in 2024 too, thanks to the consistent implementation of our sustainability policy."

Asga is now publishing its fourth annual sustainability report. Our sustainability efforts are anchored in the investment regulations and are based on the Asga sustainability policy, which has been in place since 2020 and has been periodically updated by our Board of Directors since then. Since the sustainability policy (which contains a separate climate policy in addition to the sustainability policy) was initially developed, Asga has been pushing for annual refinements and expansions, particularly in terms of covering the investment categories. As a result, our sustainability implementation is constantly evolving and we are delighted to provide a look back at our activities in 2024 in the form of this report. The //ASIP ESG report recommendation also included a review, which we are using for our 2024 report.

Asga's sustainability efforts are organised on a thematic basis across various different approaches (see illustration). For 2025, we are planning an overall review of the sustainability strategy to examine our approach in all aspects and if necessary update it.

The consistent implementation of our sustainability policy led to success in terms of our goals in 2024 too. We were able to continue the expansion of our sustainability policy to include additional investment categories, achieving even greater scope for the Asga assets:

- **Sustainability policy in foreign real estate** While Asga has been implementing a decarbonisation path in terms of //CO_2 intensity and has actively been implementing other sustainability measures in the direct, self-managed swiss real estate since 2021, there is no option for Asga to exert direct influence over the foreign properties held through multi-manager mandates and individual funds. We are therefore focusing on reporting transparency and engagement in our sustainability efforts in this investment category. GRESB reporting includes much more detailed reports that create a high level of transparency with validated ESG performance data and benchmarks. We ask our mandate holders to participate in the

Asga sustainability policy

GRESB assessment each year and demand above-average GRESB scores compared to our peers. Asga also practises engagement with the multi-managers and the fund managers to drive the climate policy forward and encourage improvements in terms of GRESB indicators.

- **Sustainability policy in Swiss real estate, funds and investment foundations:** One new development is the systematic recording of the key sustainability figures for the invested real estate funds and investment foundations so asset managers' sustainability efforts are better able to be traced. It is no longer possible to invest in funds and investment foundations with a CO_2 emission intensity that is too high if there is no CO_2 reduction path. Asga engages with the managers of the fund mandates and the investment foundations to promote transparency of key figures and reporting standards. As part of the engagement, CO_2 goals for the various funds are tracked, for example, with questions asked about tenant satisfaction surveys and actions developed jointly.

- **Sustainability policy for private equity:** For the private equity assets, we are setting more ambitious requirements than before as part of the sustainability policy. Based on the //normative screening, the SVVK-ASIR exclusion recommendation for companies from countries subject to sanctions is applied. In terms of ESG integration, we now require the signing of the PRI (Principles of Responsible Investing) initiative or alternatively a sustainability approach not only at multi-manager level, but also in terms of underlying target fund managers. From a climate policy perspective, investments in the coal industry are now also not permissible. Since a decarbonisation strategy (CO_2 reduction path) is very difficult to implement in private equity investments due to the inconsistent availability of data, Asga is focusing on a subset of what are known as climate-positive investments: This consists of both companies that are part of the energy transition and those that offer technological solutions to implement the transition. At the same time, the dialogue with our multi-managers is also being increased, and greater transparency is required with regard to key sustainability figures for the investments.

GRESB

The Global Real Estate Sustainability Benchmark (GRESB) is the global sustainability benchmark for real estate and other real assets such as infrastructure used by investors to understand and measure the performance of funds and assets using the most important non-financial figures. Indicators in the fields of environment, social and governance are analysed and evaluated each year. A peer comparison also provides insight into where a product stands in relation to others.

While GRESB is already broadly used in the foreign real estate funds, coverage is significantly lower for Swiss products. Asga encourages GRESB participation among the invested Swiss real estate funds and investment foundations as part of manager engagement.

Through the continuous expansion of the sustainability policy to the various investment categories in which Asga invests, we have now reached almost all of the assets, with a transparency rate according to //ASIP of over 88%.

The following overview shows the current status of our sustainability activities:

- ■ Currently being implemented
- ■ Implementation being considered
- ■ No implementation currently
- ■ Implementation not possible

as at 31.12.2024	Strategic weighting Asset allocation	Sustainability policy: Norm-based screening (SVVK – ASIR)	Sustainability policy: Exercising of voting rights (including climate universe)	Sustainability policy: Engagement (including climate engagement)	Sustainability policy: ESG integration (PRI)	Climate policy: Climate risk	Climate policy: Climate impact
Government bonds CHF / emerging markets	7.2%	Currently being implemented	Implementation not possible	No implementation currently	Currently being implemented	No implementation currently	No implementation currently
Corporate bonds CHF / developed countries / emerging markets	19.3%	Currently being implemented	Implementation not possible	Currently being implemented	Currently being implemented	Currently being implemented	Currently being implemented / No implementation currently
Mortgages	2.0%	Currently being implemented	Implementation not possible	Implementation being considered	Currently being implemented	Implementation being considered	Implementation being considered
Swiss/foreign equities	31.5%	Currently being implemented	Currently being implemented	Currently being implemented	Currently being implemented	Currently being implemented	No implementation currently / Currently being implemented
Swiss real estate, directly owned	11.0%	Implementation not possible	Implementation not possible	Implementation not possible	No implementation currently	Implementation being considered	No implementation currently / Currently being implemented
Swiss real estate, indirectly owned	4.5%	Implementation not possible	Implementation not possible	Currently being implemented	No implementation currently	No implementation currently	Currently being implemented
Foreign real estate, indirectly owned	9.0%	Implementation not possible	Implementation not possible	Currently being implemented	Currently being implemented	No implementation currently	No implementation currently
Infrastructure	4.0%	Currently being implemented	Implementation not possible	Currently being implemented	Currently being implemented	Currently being implemented	Currently being implemented
Private equity	2.5%	Currently being implemented	Implementation not possible	Currently being implemented	Currently being implemented	Currently being implemented	Currently being implemented
Senior loans, drawdown management portfolio	7.5%	Currently being implemented	Implementation not possible	No implementation currently	Currently being implemented / Implementation being considered	No implementation currently	No implementation currently

//ASIP Transparency Rate I (Total assets): 88.3%
(Percentage of assets for which ESG indicators are disclosed)

Not shown: Liquidity 1.5%
(In the case of private equity and infrastructure, only implementations from 2024 onwards are affected)

Sustainable development at Asga – a timeline

2013

Exercising of voting rights on Swiss equities

2019

Development of sustainability policy (implemented 2020)

Sustainability guidelines serve as complement to Asga Code of Conduct

2020

Joined //SVVK-ASIR

Development of voting rights policy, including expanding the exercising of voting rights to foreign equities (implemented 2021)

2021

Development of climate policy

Implementation of climate policy for foreign equities and Swiss equities (partial)

2022

Development of climate policy for CHF bonds and foreign-currency corporate bonds

Expansion of exclusions list to countries

Expansion of engagement efforts via SVVK-ASIR

Development of operational ecology, including ClimatePartner certification

2023

Development of climate policy for emerging-market bonds (corporate bonds)

Development of a sustainability strategy for infrastructure

2024

Development of a sustainability policy private equity

Development of a sustainability policy for foreign real estate

Development of a sustainability policy for indirectly owned Swiss real estate

2024 reporting year

> "As a responsible investor, Asga exerts its influence by seeking engagement with companies and exercising its voting rights."

Norm-based exclusions

Asga follows the recommendations of //SVVK-ASIR to implement norm-based exclusions. As one of eleven SVVK-ASIR members, Asga is involved in determining the list of recommended exclusions. The most recent version of the >exclusion list is available on the SVVK-ASIR website and includes 35 companies.

In 2024 the SVVK-ASIR exclusion list was expanded to include two more companies:
- HDC Hyundai Development Co. (Real estate, South Korea) | Human rights
- Xinjiang Zhongtai Chemical Co. Ltd. (Chemicals, China) | Labour rights

The list relating to the exclusion of countries subject to sanctions remains unchanged and includes twelve countries. With the lifting of the sanctions against Venezuela by the United States in spring 2024, the government bonds were again included in the market universe in the investment category emerging markets bonds. However, since Venezuela is still on the Swiss embargo list, the exclusion of Venezuelan government bonds remains for Asga, explaining the increased number of exclusions in this investment category.

At Asga, the impact of the norm-based exclusions is confined to three investment categories and remains minimal from an overall perspective:

Our guidelines

Asga does not invest in companies whose business activities comprise the production, storage or distribution of banned or nuclear weapons. Companies which through their business activities systematically and seriously violate the principles of the UN Global Compact and do not show any progress as a result of engagement will not be included in Asga's investment universe. Furthermore, Asga does not hold investments in securities of countries subject to Swiss sanctions under the //Embargo Act.

Investment categories	Proportion of exclusions as a percentage of the investment category (//Reference index) 31 December 2024	% category weight in the asset allocation (strategy rate)
Foreign-currency corporate bonds	0.14%	6.0%
Emerging-market bonds	0.78%	3.5%
Foreign equities	0.20%	21.5%

Active Ownership
(exercising of voting rights and engagement)

The purpose of an active shareholder base is for investors to exert their influence over company leadership and strategy, among other things to promote sustainability-related goals and manage risks.

The most important aspects of the active shareholder base are:

Exercising voting rights: Investors use their voting right at the general meeting to vote on important company decisions. This could be the election of Board of Directors members, the remuneration of managers or proposals on sustainability-related topics, for example.

Engagement: Investors enter into direct engagement with the company's management and Board of Directors. The aim of this is to express concerns about sustainability-related topics, propose improvements and encourage the company to implement more sustainable practices. This can be in the form of meetings, telephone conferences, letters or participation in general meetings.

Submission of shareholder proposals: Investors can put their own proposals on sustainability-related topics on the agenda at the general meeting. These proposals could, for example, ask the company to set specific sustainability goals, provide reports on certain ESG risks or improve their practices in certain areas.

Monitoring and follow-up: Having an active shareholder base also involves the continuous monitoring of the progress the company makes in relation to the agreed goals and tracking of the measures implemented.

The direct implementation of the equity investment enables Asga to exercise the voting rights of its equity stakes in a self-determined manner and to engage with the company.

Asga uses an external voting rights advisor when exercising voting rights. Votes are cast in line with guidelines specified in advance that take into account aspects of sustainability. We apply an additional recommendation from another external voting rights advisor to the companies we engage with, who checks the consistency with the engagement topics. The Asga voting rights committee considers cases of this type on an individual basis if there are any discrepancies with the general voting guidelines.

In 2024 Asga cast its vote on Swiss equity investments at 110 shareholder meetings and on foreign equity investments at 579 shareholder meetings. Additional key statistics on our voting record can be found in the Annex. The detailed annual report on the exercise of voting rights is published separately on the Asga website.

In the case of four companies, we cast our vote against the recommendation of the primary voting rights advisor and followed the recommendation of the engagement-oriented voting rights advisor in order to lend weight to the engagement currently under progress.

Our guidelines

As a responsible investor, Asga exerts influence by actively engaging with companies on ESG topics and exercising its voting rights. Voting rights are exercised in the long-term interests of our insured members.

Voting rights are exercised in a legally compliant manner in the case of all Swiss stock corporations. Internationally, we exercise our voting rights at the 300 largest equity investments and the corporations with which we engage.

Systematic engagement with companies where we wish to steer activities in a more sustainable direction is undertaken via collaboration with other investors.

Engagement with invested companies is coordinated by the SVVK-ASIR, either through engagement partners or various engagement initiatives. With the shared goal with like-minded investors of positively influencing the sustainability aspects of companies, we achieve greater reach. This dialogue extends across all areas of ESG, i.e. environment, social and governance.

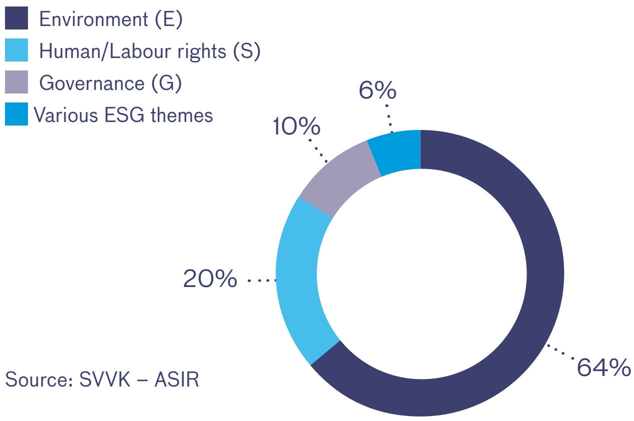
The engagement coordinated by the SVVK-ASIR was extended significantly in 2024 to cover 717 ongoing cases at 537 companies. In 22 cases, the company engagement came to a successful conclusion in the 2024 reporting period. The SVVK-ASIR's >engagement website includes various interesting case studies.

Asga did not submit any shareholder proposals in 2024.

As an SVVK-ASIR member, Asga supports several investor initiatives. These give Asga broader coverage as well as the ability to conduct a systematic, credible dialogue with companies.

More detailed information about the SVVK-ASIR stewardship strategy can be found >here.

All engagements: ESG topics



Source: SVVK – ASIR

Indirect initiatives via SVVK – ASIR

Climate Action 100+
Area of focus: Climate
This global investor initiative gets involved with the largest greenhouse gas emitters in the world to encourage them to reduce their emissions, improve their climate relationships and to strengthen their climate-related financial information. The aspiration is to accelerate progress up to the //Paris Agreement while at the same time decreasing the systemic risks of climate change.

Council on Ethics
Area of focus: human rights at large tech companies
The Swedish Council on Ethics was founded by the national pension funds (AP funds). Its goal is to contact global portfolio companies jointly and encourage them to take responsibility for key environment, social and governance topics. The Council on Ethics works both reactively in the case of breaches of international conventions and proactively on prioritised sustainability-related topics. It uses engagement to create positive change.

Farm Animal Investment Risk & Return (FAIRR)
Area of focus: Biodiversity
FAIRR is a network of global investors that looks at the financial risks and opportunities linked to intensive livestock farming. The initiative raises investor awareness of topics such as food safety, antibiotic resistance, greenhouse gas emissions and social aspects in the agricultural and food industry.

Nature Action 100
Area of focus: Biodiversity
Building on the success of Climate Action 100+, this initiative aims to influence companies that have significant negative impacts on nature and biological diversity. Investors work together with these companies to develop strategies to reduce their negative impacts and make positive contributions to restore nature.

PRI Advance
Area of focus: Human rights
PRI Advance is a programme of the Principles for Responsible Investment (PRI), that aims to accelerate progress and the impact of the PRI signatories when it comes to responsible investing. It offers a framework for more challenging goals and helps signatories to improve their practices on a continuous basis and take on a leading role.

ESG integration

Our guidelines

ESG criteria are taken into account in Asga's investments. Asga is focused on continuous dialogue with its mandated asset managers, and specifies minimum requirements with regard to the choice of external asset managers.

For Asga, the selection of the externally mandated asset managers is an important part of the investment process as a high percentage of the investments are managed externally. Asga only manages the liquidity and the majority of the directly held Swiss properties internally.

Asga requires its external asset managers to be or to become signatories of the "Principles for Responsible Investment" ("PRI") initiative as a minimum standard. The aim of this initiative is to promote the integration of environmental, social and governance (ESG) factors in investment decisions and practices. Asset managers that join the PRI initiative voluntarily commit to incorporating the six principles into their investment practices.

When selecting managers, the ESG aspects of potential providers are vetted in addition to the other dimensions of an evaluation. The goal is to create a comprehensive picture of how seriously and effectively the respective managers integrate ESG aspects into their business operations and their investment process to enable informed decisions to be made when selecting managers.

Checking the relevant ESG aspects for asset managers generally includes the following factors:

- **ESG strategy and philosophy:** The manager's fundamental beliefs about ESG, integration into the investment strategy and the long-term goals.
- **ESG integration into the investment process:** The impact of ESG factors on the analysis, due diligence, portfolio composition and decision-making. This also includes the sources of data used, analysis methods and the consideration of materiality.
- **ESG governance and resources:** Organisational structure, responsibilities in the area of ESG, data procurement and maintenance and involvement of ESG expertise.
- **Risk management:** Identification and assessment of ESG risks and embedding into the manager's general risk management.
- **Engagement and exercise of voting rights:** The manager's approach to active engagement with portfolio companies on ESG topics and in the case of equity investments the guidelines for exercising voting rights.
- **Reporting and transparency:** Reporting on ESG efforts and portfolio performance with regard to ESG.
- **Compliance and guidelines:** ESG guidelines, international standards (e.g. PRI) and handling of regulatory requirements.
- **Controversies and exclusion criteria:** Dealing with companies involved in ESG controversies, and formal exclusion criteria for certain sectors or practices; it must also be possible to implement Asga's exclusion criteria.

We are increasingly extending mandate reporting of external asset managers to ESG criteria and sustainability activities with the aim of obtaining a better understanding at the Asga level of how our assets are managed.

Asga also engages with the mandated managers themselves to make suggestions in various areas, ostensibly in relation to transparency and data coverage in the underlying investments.

Climate policy

Our guidelines

With the climate policy, climate-related risks are recognised as part of our fiduciary duty. When implementing its climate policy, Asga also aligns with Switzerland's long-term climate goals and efforts to comply with the //Paris Agreement, including a sustainable, CO_2-free economy. The Paris Agreement aims to limit global warming in the period to 2050 to well below 2 degrees, and to make finance flows climate-compatible.

We monitor the //transition risks and //physical risks resulting from climate change. To mitigate risk, we exclude coal companies based on various metrics (including >10% of sales). In addition, we measure and mitigate the //CO_2 intensity of international equities and corporate bonds (CHF and foreign currencies) in accordance with the defined reduction path of 5% annually. For directly held, self-managed swiss real estate, //CO_2 intensity is also being gradually reduced, with the aim of reaching 13.5 kg CO_2e/m^2 ERA by 2025. Monitoring is conducted on the basis of interim targets.

Coal companies are frequently considered to be particularly harmful to the climate due to their high CO_2 emissions and the environmental impacts of coal mining. Asga excludes such companies from its permitted investment universe if their sales exceed a threshold of 10%.

Percentage and number of excluded coal Securities/Issues in the respective categories-benchmark indices:

	CHF bonds		FC corporate bonds		Emerging-market bonds		Swiss equities		Foreign equities	
	in % Benchmark index	# Issues	in % Benchmark index	# Issues	in % Benchmark index	# Issues	in % Benchmark index	# Securities	in % Benchmark index	# Securities
31.12.2021	0.20%	5	3.43%	689	Not yet implemented		–	–	2.75%	103
31.12.2022	0.20%	6	3.28%	682			–	–	3.08%	106
31.12.2022	0.20%	5	3.23%	697			–	–	3.04%	108
31.12.2023	0.12%	3	3.11%	697	0.77%	110	–	–	2.84%	114
31.12.2024	0.13%	4	3.39%	774	0.75%	99	–	–	2.75%	108

Source: MSCI

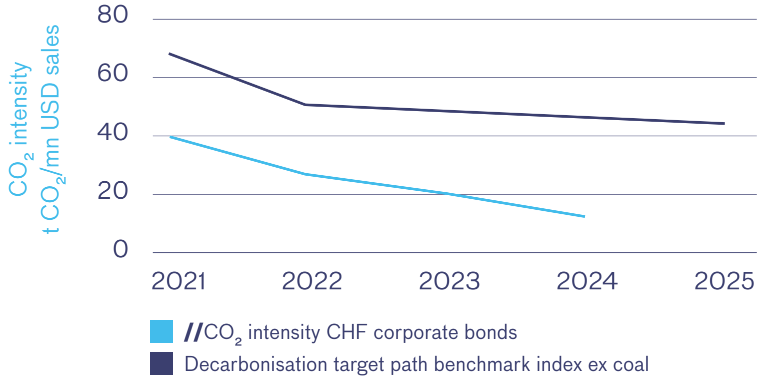
Climate impact

Since the end of 2020, Asga has set the //CO_2 intensity reduction target of 5% annually for its external asset managers in the corresponding investment categories (after removing the coal companies). The reduction path is currently implemented in the case of foreign equities, foreign-currency corporate bonds and CHF corporate bonds. At the time of inception this was based on the respective //benchmark; going forward, however, the reduction path will be independent of the benchmark. Asga is accordingly pursuing an absolute decarbonisation target that is independent of any benchmark in order to stay focused on the Paris Agreement.

The weighted //CO_2 intensity of the investment categories where we measure emissions and implement a reduction target is continuing to fall every year and in some cases is significantly below the specified path. Fortunately, Asga was therefore able to achieve its decarbonisation goals comfortably, as it has done in previous years.

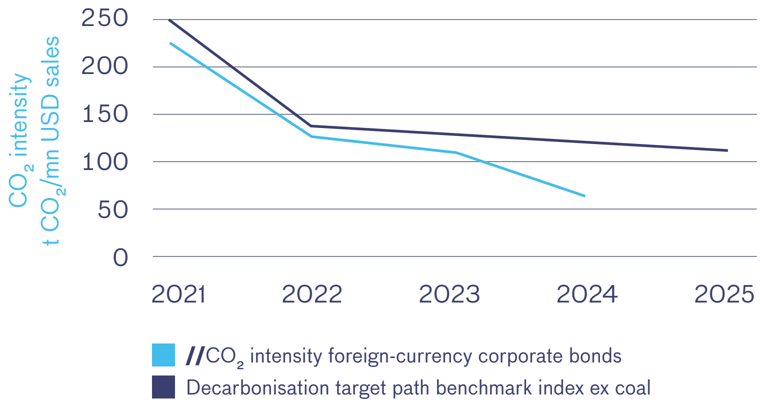
In line with the 5-year cadence, a periodic review of our sustainability strategy will be carried out in 2025. Asga does so on the basis of commonly used frameworks, which is intended to show us the best-practice methods and draw attention to the upcoming challenges. We will publish the revised sustainability policy on the Asga website by the end of the year.

CHF corporate bonds – decarbonisation target for period to 2025



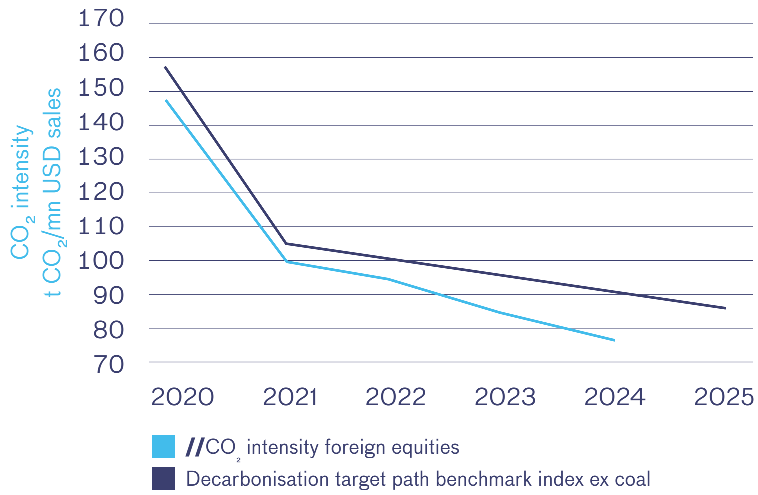
Source: ISS-ESG

Foreign-currency corporate bonds – decarbonisation target for period to 2025



Source: ISS-ESG

Foreign equities – decarbonisation target for period to 2025



Source: MSCI

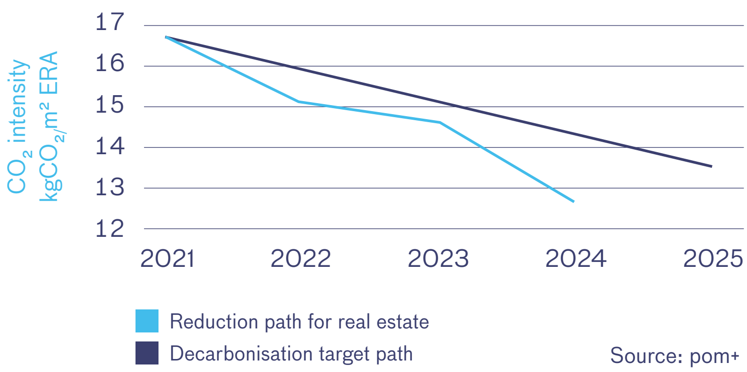
Charts: Decarbonisation path for CHF corporate bonds (top) and foreign-currency corporate bonds (centre), foreign equities (bottom) The kink can be explained by the implementation of the coal exclusion that led to a corresponding reduction in the //CO_2 intensity and an adjustment of the target path.

Swiss real estate, directly owned (self-managed)

A further reduction of CO_2e intensity to 12.8 kg CO_2e/m^2 //ERA (-11.1%) is a pleasing outcome. The goal of 14.3 kg CO_2e/m^2 //ERA for 2024 was therefore comfortably achieved. The most significant contribution to this pleasing outcome came from three projects where gas/oil heating was replaced with a renewable heat source. PV systems were also installed in three properties and other operational optimisation carried out. Compared to the market, our self-management mandate is also below the comparison group according to the 2024 REIDA report.

We are planning to revise the sustainability policy for the investment categories of directly owned Swiss real estate in 2025, including defining the goals for the coming years.

Directly owned, self-managed Swiss real estate–decarbonisation target for period to 2025



Source: pom+

Corporate Carbon Footprint

Together with consultancy firm ClimatePartner, Asga has been calculating its annual //Corporate Carbon Footprint (CCF) since 2021. This represents the total CO_2 emissions that the company has caused in a specified period within the defined system limits. The goal is an annual reduction of the CO_2 footprint in the interest of //climate protection.

In 2024 the following measures had an impact:

- The conversion of our vehicle fleet to electric mobility results in a small absolute reduction in Scope 1.
- We renovated the head office in 2024, resulting in higher energy consumption.
- We worked intensively on an attractive solution for commuting by public transport. Asga can thus provide even greater support for public transport for its employees. We also built several charging points for electric vehicles.

Due to uncertainty in the validity of //climate protection projects in the reforestation and forest protection areas, Asga has decided to continue compensation in other areas. Our //*compensation projects* for 2024 can be found under our >climate ID.

Asga's corporate carbon footprint:
//Corporate Carbon Footprint **2024**

tCO_2	2021	2022	2023	2024	% change compared to the previous year
Scope 1	15,5	18,1	8,9	7,8	-12.4%
Scope 2	36,9	17,9	10,8	15,3	41.7%
Scope 3	225,3	240,9	183,7	160,2	-12.8%
Total	**277,7**	**276,9**	**203,4**	**183,3**	**-9.9%**

Source: ClimatePartner

Focus area:
Comparison assessment of the exercise of voting rights

> "Through its positive results, Asga is highlighting its consistent focus on sustainability when exercising its voting rights."

Increasing numbers of investors and asset managers are disclosing their full voting behaviour of their equity portfolio as part of transparency efforts. The Swiss analytics company >rezonanz collects the corresponding data and has analysed the voting behaviour of over 140 institutional investors specifically using sustainability agenda items. This information makes a comprehensive assessment of our own voting behaviour against that of a comparison group (peer comparison) possible.

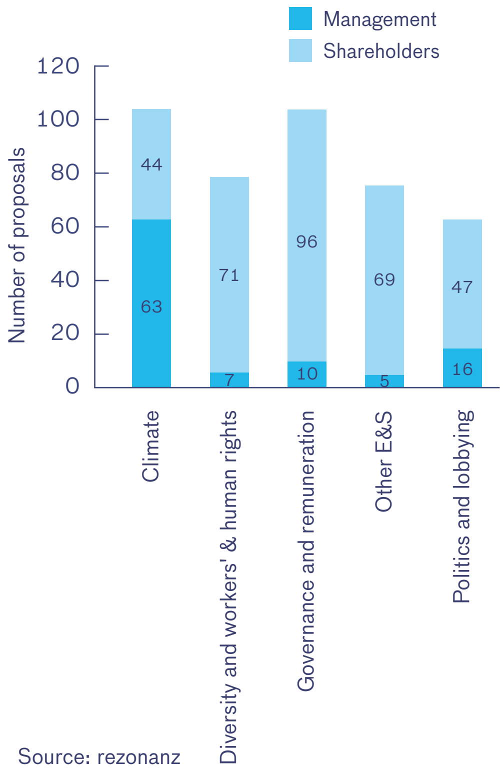
The benchmark report produced by rezonanz ("Voting for Sustainability") offers a quantitative analysis with important insights on sustainability as set out by Asga's voting protocols. It helps with the review of the voting rights policy, strengthens efforts to collaborate with the external asset managers and contributes to the coherence of our stewardship strategy. At the same time, it enables a comparison to be made of how exactly our own voting and that of mandated or prospective asset managers fits with our approach.

For the 2024 voting rights season, a benchmark universe was created made up of a total of 428 voting proposals which, as shown in the graphic below, were distributed across a large number of countries and sustainability categories.

«Voting for Sustainability» method

Screening by sustainability topics is carried out based on the publicly available voting documents to define the benchmark universe of the management and shareholder proposals relevant to sustainability. To do this, rezonanz uses voting proposals designated as proposals related to sustainability by at least two out of nine organisations (Ethos, PIRC, ClimateAction 100+, ICCR, ACCR, ShareAction, MajorityAction, The Shareholder Commons, As You Sow).

Number of proposals in the benchmark universe per ESG category



Source: rezonanz

Agenda items in the benchmark universe by country

Top 10 countries	# of companies	# of proposals	of which # of shareholder proposals
USA	122	303	261
United Kingdom	20	30	1
Canada	14	36	33
Japan	8	15	10
Spain	6	8	0
Sweden	5	9	8
Switzerland	3	8	6
Australia	2	2	0
Germany	2	2	0
France	2	3	1

Source: rezonanz

Based on the benchmark universe of 428 voting proposals and the voting behaviour of the entire comparison group of over 140 institutional investors, rezonanz creates a measure of the sustainability focus of each investor using advanced statistical methods. Each investor can be allocated an alignment score that shows the agreement with the designated sustainability proposals. Higher values mean a greater level of consistency while lower values indicate a more conservative approach. The score enables relative comparisons to be made between investors and highlights their relative support for ESG topics. In addition to an overall score, there are also scores for the five individual topics (Climate, Diversity, Workers' & Human Rights, Governance & Remuneration, Politics & Lobbying, Other E&S).

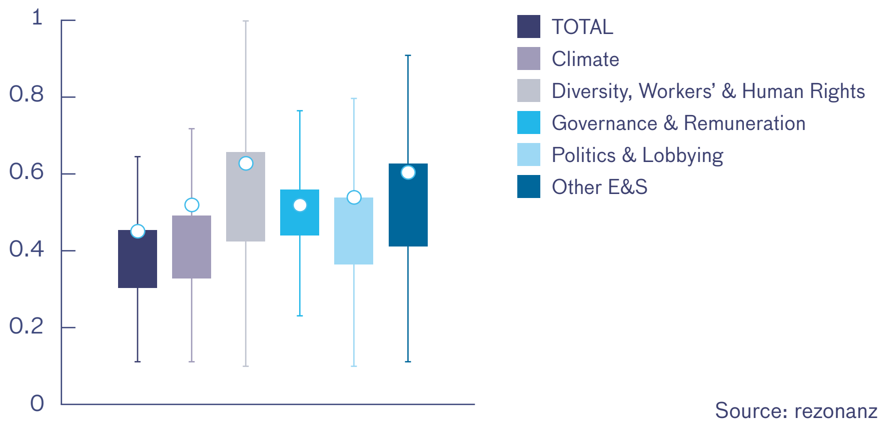
Further information is available >here.

Asga's results compared to the comparison group are positive and show that our voting rights policy focusing on sustainability in collaboration with the external voting rights advisers is supporting comparatively progressive stewardship. There were good results for the subject-specific assessments too, with Asga sustainably aligned in its exercise of voting rights to an above-average extent in all of the individual categories.

Reading box plot

A box plot can be used to display a large amount of information graphically. The box contains 50% of the data. Everything above the box represents the top 25% of results and everything below it the bottom 25%. The antennae show 1.5 times the box.

Asga's voting behaviour in peer comparison



Source: rezonanz

//ASIP
Reporting 2024

Exercise of voting rights

Voting rate (percentage of companies in which votes were cast), measured using invested equity capital

Switzerland	100.0%	Source: ISS
Abroad	71.0%	Source: ISS

Rejection rate for Board of Directors proposals (management proposals)

Switzerland	20.5%	Source: ISS
Abroad	7.0%	Source: ISS

Engagement

Engagements in the reporting year

Number of engagement cases	717	Source: SVVK-ASIR

Equity and bond figures

Greenhouse gas intensity: tCO_2e per million CHF revenue for Scope 1 & 2 (weighted average carbon intensity)

CHF corporate bonds	17,5	Transparency rate II:	89.9%	Source: MSCI
FC corporate bonds	84,0	Transparency rate II:	97.9%	Source: MSCI
EM corporate bonds	797,7	Transparency rate II:	67.0%	Source: MSCI
Swiss equities	102,0	Transparency rate II:	100.0%	Source: MSCI
Foreign equities	84,3	Transparency rate II:	99.8%	Source: MSCI

Greenhouse gas footprint: tCO_2e per million CHF invested capital for Scope 1 & 2

CHF bonds	8,8	Transparency rate II:	89.7%	Source: MSCI
FC corporate bonds	29,0	Transparency rate II:	95.5%	Source: MSCI
EM bonds	286,8	Transparency rate II:	66.1%	Source: MSCI
Swiss equities	47,7	Transparency rate II:	100.0%	Source: MSCI
Foreign equities	47,8	Transparency rate II:	99.8%	Source: MSCI

Greenhouse gas intensity: tCO_2e per million CHF revenue for Scope 3 (weighted average carbon intensity)

CHF bonds	1’090,9	Transparency rate II:	90.4%	Source: MSCI
FC corporate bonds	697,3	Transparency rate II:	97.9%	Source: MSCI
EM bonds	2’353,7	Transparency rate II:	70.8%	Source: MSCI
Swiss equities	490,6	Transparency rate II:	100.0%	Source: MSCI
Foreign equities	654,5	Transparency rate II:	99.8%	Source: MSCI

Greenhouse gas footprint: tCO_2e per million CHF invested capital for Scope 1 & 2

CHF bonds	91,7	Transparency rate II:	89.7%	Source: MSCI
FC corporate bonds	279,3	Transparency rate II:	95.5%	Source: MSCI
EM bonds	1'543,0	Transparency rate II:	66.1%	Source: MSCI
Swiss equities	179,5	Transparency rate II:	100.0%	Source: MSCI
Foreign equities	368,2	Transparency rate II:	99.8%	Source: MSCI

Exposure to fossil fuels as a % of the total assets

Coal	0.0%
Other fossil fuels	2.7%

Percentage of the portfolio with a public commitment to net zero and verified, credible interim goals as a %

CHF corporate bonds	11.1%	Transparency rate II:	21.1%	Source: MSCI
FC corporate bonds	37.6%	Transparency rate II:	66.1%	Source: MSCI
EM corporate bonds	9.7%	Transparency rate II:	34.3%	Source: MSCI
Swiss equities	56.7%	Transparency rate II:	75.1%	Source: MSCI
Foreign equities	43.3%	Transparency rate II:	57.3%	Source: MSCI

Swiss real estate figures

//Energy intensity (kWh per m² //ERA)	101,6	Transparency rate II:	90.0%	Source: Manager
Greenhouse gas intensity (kg CO_2e per m² //ERA for scope 1 and 2 intensity)	13,0	Transparency rate II:	90.0%	Source: Manager
Energy source mix – renewable energy share	36.3%	Transparency rate II:	90.0%	Source: Manager

Foreign real estate figures

//Energy intensity (kWh per m² //RA)	129,5	Transparency rate II:	86.1%	Source: Manager
Greenhouse gas intensity (kg CO_2e per m² //RA for scope 1 and 2 intensity)	37,2	Transparency rate II:	86.5%	Source: Manager

Government bond figures

Greenhouse gases (production intensity) (tCO_2e per million CHF GDP)	197,3	Transparency rate II:	100.0%	Source: Manager

//Glossary

ASIP

Headquartered in Zurich, the Swiss Association of Pension Funds (ASIP) is the umbrella organisation for over 900 pension funds. ASIP aims to sustain and promote the employer/employee-led occupational pensions system on a voluntary and decentralised basis. It is committed to the three-pillar concept, with balanced weightings.

CCF

Scope 1, 2 and 3 emissions are documented to obtain a company's corporate carbon footprint (CCF). The calculation of the corporate carbon footprint shows where and to what extent emissions arise within the company, and constitutes the basis for reductions.

CO_2 intensity (real estate)

The intensity of greenhouse gas (GHG) emissions is defined as GHG emissions as a proportion of the reference area (m² ERA) according to the degree of coverage. GHG emissions are all emissions (CO_2 and other GHG) resulting from energy consumption according to the definition of the degree of coverage, expressed as kilograms of CO_2 equivalent (kg CO_2-eq). GHG emissions are calculated by multiplying energy consumption by energy-specific emission factors.

Embargo Act

Since 1 January 2003, the Federal Act on the Application of International Sanctions (Embargo Act) has constituted the legal basis for the imposition of sanctions by Switzerland.

Energy reference area (ERA)

The energy reference area is equal to the total gross floor area of all above-ground and below-ground spaces that lie within the thermal envelope of the building and require heating or air-conditioning for their use.

Energy intensity (real estate)

Energy consumption is measured at property level, i.e. for completed buildings whose consumption is measured or calculated. Energy intensity is defined as energy consumption as a proportion of the reference area according to the degree of coverage. The energy consumption of completed buildings for heating/cooling purposes and general electricity for building systems, calculated or measured in kilowatt hours (kWh), is the determining factor. Energy consumption is adjusted based on heating degree days and vacancies.

Climate protection / compensation projects

Climate protection projects mitigate, avoid or bind greenhouse gases from the atmosphere. This is possible, for example, through the expansion of renewable energy, forest protection and reforestation, social impact projects such as cleaner cooking stoves or drinking water, as well as other technologies. The effect is verifiable and is calculated in tonnes of CO_2.

NGFS scenarios

The Network for Greening the Financial System (NGFS). The NGFS climate scenarios provide an insight into various plausible future scenarios. The organisation worked with a group of experts comprising climate scientists and economists. Since 2020 it has helped central banks and supervisory authorities with examining potential impacts on the economy and on the financial system.

Normative basis

Investments are examined using minimum standards for business practices based on national or international standards and norms. In the case of Switzerland, the Federal Constitution constitutes the normative basis. This is followed by the sustainability-related international conventions ratified and implemented by Switzerland. Lastly, the laws and ordinances enacted by the Federal Council and Parliament in the context of sustainability are also complied with.

Paris Agreement

The 2015 Paris Climate Conference culminated in the ratification of a new agreement for the post-2020 period which for the first time required all countries to reduce greenhouse gas emissions. Switzerland ratified the Paris Agreement on 6 October 2017, thereby committing itself to a 50% reduction by 2030 versus the level in 1990. Furthermore, Switzerland announced that it would lower greenhouse gas emissions to net zero by 2050.

Physical risks

Physical risk drivers are changes in the weather and climate that affect the business. They may refer to extreme weather events, for example, but also to gradual changes in climate. These physical risks can cause floods, for example, and thus disrupt production.

Benchmark index

A benchmark index is a comparator that is designed to enable the investor to evaluate individual performance. It constitutes a universe that is as similar as possible to potential investments.

SVVK-ASIR

The Swiss Association for Responsible Investments (SVVK-ASIR) is an alliance of major Swiss pension and social security funds. Together, they fulfil their responsibilities as investors and drive positive change towards an environmentally, socially and financially sustainable economy.

Transition risks

Transition risks refer to the switch to a low-carbon economy. These are primarily driven by changes in policy, technology, market environment and customer preferences. Legal risks due to improper conduct by companies as well as resulting reputation risks are also conceivable.

United Nations Global Compact

Corporate sustainability begins with a company's value system. The UN has defined ten principles designed not only to enable companies to meet their fundamental responsibility towards people and the planet, but also to create the conditions for long-term success.

Rentable Area (RA)

The Rentable Area (RA) is the area of a property that can be effectively rented out. It consists of the floor area less the supporting construction areas and the general building circulation areas.

More terms in relation to the field of sustainability can be found >here.

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