

PRINCIPLES FOR
*SUSTAINABLE
INSURANCE*

2022 Annual Statement



RENTES GENEVOISES

1849

In 1849, James Fazy was a pioneer when he created what would become Rentes Genevoises. Although the terms “sustainable development”, “social responsibility” or “ESG (environment, social, governance) factors” did not yet have the meaning that we attribute to them today, it is nevertheless the “social responsibility” dimension that was at the origin of the creation of the Institution. It has made a significant contribution to the corporate culture and spirit of Rentes Genevoises for more than 170 years.

In 2020, Rentes Genevoises became the first pension fund in Switzerland to sign the UN Principles for Responsible Insurance (UN-PSI). It also ratified the United Nations Environment Programme Finance Initiative. These are strong acts by which Rentes Genevoises demonstrates to the public and to its clients its commitment to sustainable and responsible development.

ID CARD

Name

Rentes Genevoises

Area of activity

Geneva, Switzerland

Field of activity

Pension insurance for Geneva's citizens

Number of employees

37

Number of total clients

19 931

active clients

13 150

pensioners

6 781

Balance sheet total

CHF 2.38 billion

Total insurance income

CHF 205.6 million

PRINCIPLE 1

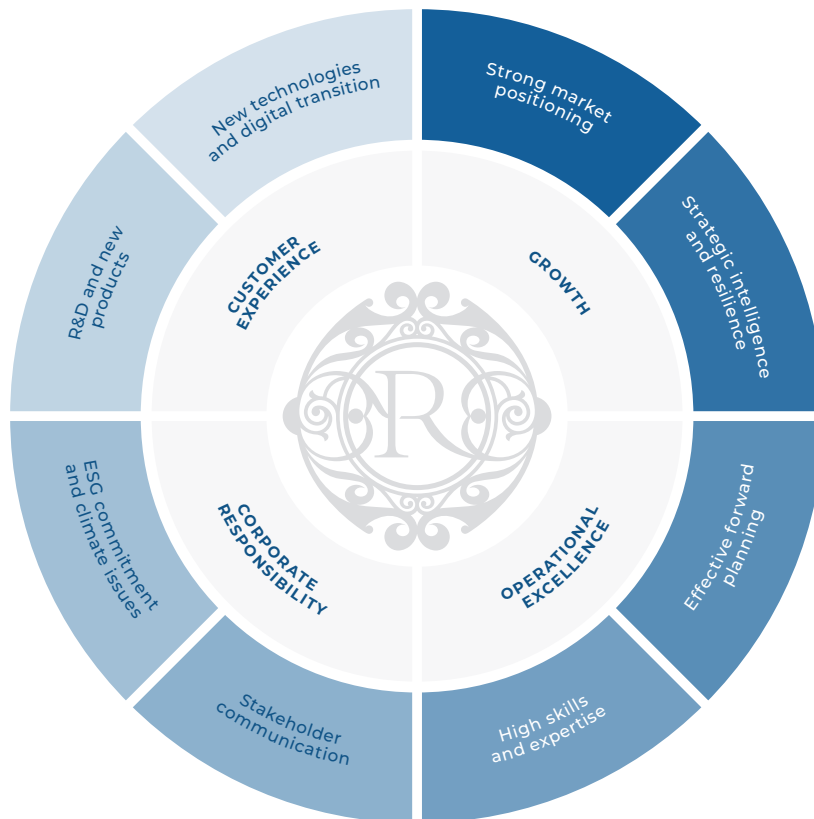
Rentes Genevoises embeds in its decision-making environmental, social and governance issues relevant to its insurance business.

Corporate strategy

The corporate strategy of Rentes Genevoises is based on four fundamental pillars, including corporate responsibility. This clearly expresses the Institution's commitment to ESG and stakeholder issues. The strategy is defined in a document with a five-year scope. It is based on a clear vision, communicated to the public, and is based on the values of Rentes Genevoises: contemporaneity, anticipation, security, and sustainability.

Governance

The governance of Rentes Genevoises stems from the aim of the Institution, which is to promote retirement and longevity risk provision by providing pensions to its policyholders. In keeping with this mutualist logic, two members of the Board of Directors – which comprises seven members – are policyholders. They thus represent the interests of all policyholders in the management of the Fund. They are also directly elected by policyholders.



Diversity

Rentes Genevoises adopts clear operating rules that prohibit discrimination, mobbing, or harassment. It ensures that its bodies are well represented. Thus, the Board of Directors is composed of three women and four men, and the Management of three women and five men. Sixteen women and twenty-one men complete the staff.

Products

Rentes Genevoises offers pension products for all age groups and for the public and does not discriminate when subscribing or withdrawing. Their legal form – with no shareholders or co-operators to remunerate – allows to devote the entire annual result to the benefit of the insured, whether in the form of profit sharing or the constitution of reserves and provisions to guarantee the continuity of the Institution.

Rentes Genevoises is committed to long to very long-term contracts. Most of them cover more than a decade and are often drawn up for a generation. This management horizon, which certainly represents long term, aligns the objectives pursued by the Pension Fund with those of society at large.

Investment management

In parallel with the ratification of the UN-PSI, Rentes Genevoises has also ratified the UN Principles for Responsible Investment (UN-PRI). Thus, Rentes Genevoises is the first pension fund in Switzerland to be involved in two major United Nations programs.

In terms of responsible investment, Rentes Genevoises aims above all, to have a real impact on the economy by integrating the fight against global warming as a priority. The aim of responsible investment is to effectively mobilise the capital of policyholders in the service of a resilient, prosperous, and low-carbon economy by 2050. To avoid greenwashing, they rely on facts for which there is a scientific consensus. At this stage, it has selected four ESG integration tools:

Building stock management

The management of the building stock is in line with the UN's sustainable development objectives (clean and affordable energy, and sustainable cities and communities). A special effort is made to reduce greenhouse effect gases with a reduction pathway based on an energy management system. This system is certified by the ISO 50001 standard. In addition, Rentes Genevoises offers affordable housing on the local market, based on adapted accessibility criteria.

Impact investments

Impact investments in illiquid and illiquid asset classes contribute to the achievement of the UN's Sustainable Development Goals by having a direct and lasting impact on the economy.

Commitment to the management bodies

Indirectly, active shareholding and dialogue, on the one hand with the governing bodies of the entities financed by the Institution, and on the other with the portfolio managers, enable Rentes Genevoises to achieve its ESG objectives. This is achieved through the exercise of voting rights, through dialogue on ESG issues and through membership of collective investor actions. In this respect, Rentes Genevoises delegates the exercise of its social rights to recognised companies, foundations or professional associations, whose objectives are identical to those set out by the Institution.

Exclusions

Rentes Genevoises favours an approach of dialogue and commitment rather than exclusion in its portfolios. Indeed, unlike financing operations carried out on the primary market, transfers of securities on the secondary market (purchases and sales) between different financial players do not generate a measurable impact on the real economy if they do not affect the cost and volume of capital of the entities financed. However, the exclusion of securities from the portfolios (whose scope is documented) is considered when:

- The commitment is unsuccessful,
- The risks become too important,
- The Institution decides to follow the specific recommendations of recognised professional associations and foundations.

One or more of the four ESG integration tools are in place for more than 90.2% of investments.

Operational activities

Greenhouse gas emissions from operational activities are analysed (a carbon assessment was carried out in the second half of the year). The objective is to place them on a path of descent by 2050.

Responsible investment charter

To raise public and client awareness of its investment policy, Rentes Genevoises has published a responsible investment chart, which is updated as often as necessary by the Board of Directors.

PRINCIPLE 2

Rentes Genevoises works together with its clients and business partners to raise awareness of environmental, social and governance issues, manage risk and develop solutions.

Real estate (partners and tenants)

As part of the ISO 50001 certification of its real estate assets, Rentes Genevoises involves all its partners in the processes. The obligations and commitments of the latter in terms of ESG are formalised in SLAs (Service Level Agreements).

Rentes Genevoises has set up an awareness-raising programme for the various trades on the best practices to be implemented on building sites. These practices aim to reduce CO₂ emissions, improve waste treatment, or choose the most environmentally friendly materials, considering the production site, the nature of the materials, etc. This programme, which began in 2021, will continue for several years. It is part of a global and long-term vision for the renovation of the buildings in the Institution's portfolio.

Tenants will be made aware of how to reduce their energy consumption in winter and summer.

Purchasing process

Rentes Genevoises revised its purchasing policy in 2021 and specified its ESG commitment. It has specified its expectations in the context of calls for tenders, whether in terms of sustainable development, human resources management (collective agreement, salaries, and social benefits in the market, etc.) or energy efficiency regarding real estate. These elements are checked based on standardised or official documents.

Client awareness and information

Through a magazine with a print run of almost 17 000 copies, which is sent out three times a year to its policyholders, Rentes Genevoises promotes responsible behaviour aimed at reducing its environmental footprint, through recycling, energy savings and the circular economy. This magazine also informs them about the actions undertaken by the Institution.

Promoting pension provision

Several years ago, Rentes Genevoises opened a "living space" in the heart of Geneva: intended for the public, its mission is to promote pension provision in all areas. Up-to-date documentation, including magazines, books, etc., is made available to visitors, and conferences are held several times a year on pension-related topics. The objective is to enable everyone to fill in the gaps, to inform themselves and to learn to prepare for retirement with full knowledge of the facts, whatever their age, situation, and the hazards of life. Rentes Genevoises does not carry out any commercial insurance activities in this meeting place.

Support for the community

Rentes Genevoises provides significant support to the community, particularly through programmes linked to the development of the local economy. In addition to their role as sponsors of Genilem, a foundation that participates in the development of young companies, it also supports the Geneva School of Management. It has also supported the Brailard Foundation in its urban-architectural and landscape consultation project for the ecological transition of urban territories (final report published in 2021).

PRINCIPLE 3

Rentes Genevoises works together with governments, regulators, and other key stakeholders to promote widespread action across society on environmental, social and governance issues.

Collaboration with the State of Geneva

As a local company, Rentes Genevoises collaborates with the State of Geneva in setting up an approach that favours the reduction of energy consumption. In this respect, it maintains close relations with the authorities responsible for energy distribution issues and is involved in infrastructure projects such as GeniLac, which aims to ensure that buildings are heated and cooled using water from Lake Geneva.

Rentes Genevoises has analysed for the State the feasibility of an insurance covering the “dependency risk” due to old age. As the implementation of such an insurance is a political decision, Rentes Genevoises is continuing its work to keep the model up to date.

Publications and speeches

Based on its experience, Rentes Genevoises contributes to conferences and training courses on energy management. It has spoken in the specialised press (“Dossiers publics” magazine) about the role of public institutions and establishments in the fight against global warming.

Development of skills

Rentes Genevoises maintains its expertise in ESG or corporate social responsibility by developing the skills of the people responsible for these issues through certified training. In this respect, the Institution participates in the development of these programmes (continuing education) by sitting, for example, on scientific committees.

PRINCIPLE 4

Rentes Genevoises demonstrates accountability and transparency in regularly publicly disclosing its progress in implementing the Principles

General organisation

Rentes Genevoises has set up an ESG Committee, which reports to the Management Board and is responsible for the operational aspects of the three dimensions in question. It reports on its work to the Board of Directors. The elements communicated to the authorities, partners and the public are systematically checked to avoid greenwashing or green-wishing: only proven or verifiable information is published.

Two risk sheets have been created, on “climate risk” and “ESG risk”. These are monitored by the Audit and Risk Management Committee (an emanation of the Board of Directors).

UN-PRI

As part of its ratification of UN-PRI, Rentes Genevoises publishes its results in accordance with the guidelines.

Supervisory authority

Rentes Genevoises reports to its supervisory authority, the State Council of the Canton of Geneva, on its actions in the field of corporate social responsibility.

Other publications

In addition to this report, Rentes Genevoises regularly reports on its actions on its website and in its publications. The Institution repositioned its brand at the end of 2021 to allow more accessible communication about its commitment.