

# *SUSTAINABILITY REPORT ON RENTES GENEVOISES*

PRINCIPLES FOR RESPONSIBLE INSURANCE

---

Annual Statement 2023



**RENTES GENEVOISES**

1849

In 1849, James Fazy was a pioneer when he created what was to become Rentes Genevoises. Although the terms “sustainable development”, “social responsibility” or “ESG (environment, social, governance) factors” did not yet have the meaning we attribute to them today, it was indeed the “social responsibility” dimension that was at the origin of the establishment’s creation. It has made a significant contribution to the corporate culture and spirit of Rentes Genevoises for almost 175 years.

In 2020, Rentes Genevoises became the first pension fund in Switzerland to sign the *UN Principles for Responsible Insurance (UN-PSI)*. They remain so to this day. They have also ratified the *United Nations Environment Programme Finance Initiative (UNEP FI)*. These are powerful acts by which Rentes Genevoises demonstrates to the public and to its customers its commitment and contribution to sustainable and responsible development.

As a result, this Sustainability Report is based primarily on the UN-PSI.

## *ID CARD*

---

### *Name*

**Rentes Genevoises**

---

### *Area of activity*

**Geneva, Switzerland**

---

### *Our Business*

**Pension insurance**

---

### *Number of employees*

**42**

---

### *Number of policyholders*

**20 274**

---

### *of which active policyholders*

**13 396**

---

### *of which pensioners*

**6878**

---

### *Balance sheet total*

**CHF 2.26 billion**

---

### *Total insurance income*

**179.1 million francs**

---

# PRINCIPLE 1

Rentes Genevoises integrates environmental, social and governance (ESG) criteria relevant to the insurance business into its decision-making processes.

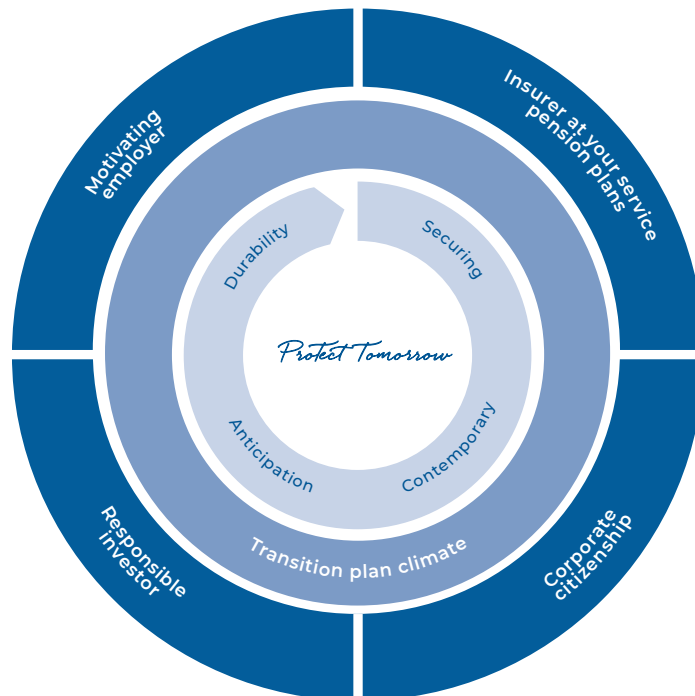
## Corporate strategy

Rentes Genevoises' corporate strategy has been rethought on 2022 around the repositioning of the "protect tomorrow" brand, and is based on four fundamental pillars: operational excellence, customer experience, growth and corporate responsibility. The latter clearly expresses the Institution's commitment to sustainable development [or sustainability] and to its stakeholders. The strategy is defined in a 3-year document. It stems from a clear vision, communicated to the public, and is based on the values of Rentes Genevoises: contempo-

raneity, anticipation, security, and sustainability. It has been supplemented by a Sustainability Strategy.

## Sustainability strategy

Rentes Genevoises has included a specific Sustainability Strategy component in its strategy, the aim of which is to guide the Institution in its efforts to reduce its greenhouse gas (GHG) emissions, to anchor sustainability in its day-to-day operations, and to strengthen its commitment in this area. The resulting strategic framework is as follows.



### PROTECTING TOMORROW

For us, this means concrete actions and commitments. It means acting responsibly, in the interests of our customers, of course, but also in the interests of our environment and society. This commitment is the center of our business.

## Governance

---

The governance of Rentes Genevoises stems from the Institution's purpose, which is to promote retirement and longevity risk provision by providing pensions to its policyholders. In keeping with this mutualist approach, 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. We also ensure that our bodies are well represented. Thus, the Board of Directors is made up of four women and three men, and the Executive Board of three women and seven men. There are fifteen women and twenty-seven men on the staff.

## Products

---

Rentes Genevoises offers pension products for all age groups 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.

– In 2022, CHF 9.1 million were allocated to profit-sharing

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:

## Property management

Rentes Genevoises offers affordable housing on the local market, according to adapted accessibility criteria. 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, certified by the ISO 50001 standard. To reach the net zero objective by 2050, the intermediate net zero objectives for the fleet are controlled emissions neutrality by 2030 and offsetting half of these emissions by 2025.

- The progress made since the implementation of the energy management system is already significant, with a 41.7% reduction since 2013 and a 10.2% reduction this year
- In 2022, capital expenditure of CHF 2.5 million has been earmarked for building refurbishment and CHF 2.9 million for improving rental units

## 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.

- In 2022, a new investment was made in *green bonds* (CHF 107 million). It has a sustainable development objective within the meaning of European legislation (SFDR article 9)
- This completes the investment in microcredit (64.7 million francs)
- Outside the legislative impact framework, local loans of CHF 226.5 million finance services and infrastructure that have the potential to make a tangible contribution to the public good

## Commitment to 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, including the Ethos Foundation, whose objectives are identical to those set out by the Institution. To increase its impact, Rentes Genevoises has been a member of the Swiss and international Ethos Engagement Pool since 2020.

- In 2022, the Institution validated the Ethos Group's climate strategy at the Annual General Meeting
- The Institution is also involved in the *Climate Action 100+* initiative
- For investments in Swiss index funds (around 85.0 % of Swiss equity investments), votes are cast at the Annual General Meetings via a delegation contract with Ethos, which ensures that votes are cast in accordance with its guidelines. The voting report for the 2022 financial year is available upon request

## 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, or the Institution decides to follow the specific recommendations of recognized professional associations and foundations.

- At the annual review of the scope in 2022, it was decided to lower the threshold for thermal coal in the dedicated fund to 5%, except for companies with verified commitments to net zero as defined by the *Swiss Climate Scores*
- In line with the *Net Zero Asset Owner* initiative, the plan is to exclude coal-fired emitters from all portfolios by 2030 (at the latest) for developed countries, and by 2040 for other countries
- Asset management companies that fail to do so by 2025 at the latest will be fired

One or more of the four ESG integration tools are in place for almost 88% of investments.

## Operational activities

Greenhouse gas emissions from operational activities are analysed. They are the subject of an annual carbon footprint assessment at the corporate level. The aim is to put them on a downward trajectory by 2050, while taking intermediate targets into account.

## Responsible Investment Charter

To raise public and customer 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.

## Climate transition plan

Climate change not only exposes our investments to risk, but it also represents a major threat to life on the planet. This is why Rentes Genevoises has committed to a Climate Transition Plan to fight global warming as part of the Paris Agreement. It was decided to adopt a *net zero* target for 2050, accompanied by ambitious but achievable intermediate targets for reducing our greenhouse gas emissions.

## **PRINCIPLE 2**

---

Rentes Genevoises works with its customers and partners to raise awareness of environmental, social and governance (ESG) issues, encourage them to better manage risks and develop concrete 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 are also made aware of how to reduce their energy consumption both in winter and in summer. Incentives were introduced at the end of 2022 to reduce energy costs as much as possible.

### **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 bargaining agreement, market wages, and social benefits, etc.) or energy efficiency regarding real estate. These elements are checked based on standardised or official documents. Rentes Genevoises is constantly improving its practices wherever possible.

- In 2022, all calls for tender included new ESG criteria in order to systematically assess the commitment of contractors in this area

### **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 pensions

---

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. To complete this offer, Rentes Genevoises has developed a concept adapted to the younger generation, which will see the light at the end of 2023 with the opening of a second meeting place to promote pension planning.

## 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 lent its support to local cultural and sporting activities.

- On the social front, they finance the “Evasion seniors” program run by the *Mouvement des aînés*
- Since 2012, it has contributed to the Geneva University Hospitals, the Collonge-Bellerive Continuing Care Centre and the Workshop for the Disabled, based on investment performance. This action, on behalf of the “Henaderen” fund, will continue until at least 2032
- It lends its support to the AVVEC association, which helps victims of domestic violence



## ***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 institution, Rentes Genevoises collaborates with the State of Geneva in setting up an approach that favours the reduction of energy consumption. As such, 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 and the development of individual pension plans.

- In 2022, eleven conferences on various pension topics were hosted to raise awareness among the public

### **Skill development**

---

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 organization**

---

In 2021, Rentes Genevoises has set up an ESG Committee, which is responsible for operational aspects of the three dimensions in question.

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.

Climate risk and sustainability risk are considered key risks and are monitored by the Board of Directors.

### **UN-PRI and other commitments**

---

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

We also took part in the climate compatibility test (PACTA 2022) conducted under the aegis of the Federal Office for the Environment and the State Secretariat for International Financial Matters.

### **Supervisory authority**

---

Rentes Genevoises reports to its supervisory authority, the State Council of the Canton of Geneva, on its initiatives and 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 publications such as the Annual Report. In particular, it has repositioned its brand to make it easier to communicate its commitment and is pursuing this approach with targeted web communications.

### **GRI**

---

Rentes Genevoises has set up a plan to evolve its sustainability reporting by integrating the GRI presentation standard, so that by the 2024 financial year (publication in 2025) it will be able to establish standardized reports concerning its impact on the economy, the environment, and the Establishment.