

# Sustainability Report 2023

PERSONALVORSORGESTIFTUNG DER  
FELDSCHLÖSSCHEN-GETRÄNKEGRUPPE

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## INTRODUCTION

Sustainability is accorded a key priority at various levels by the Personalvorsorgestiftung der Feldschlösschen-Getränkegruppe (PVS Feldschlösschen). As a 2<sup>nd</sup> pillar institution, the PVS Feldschlösschen is already geared towards inter-generational equity and sustainable development through its pension mandate. It is the legal duty of PVS Feldschlösschen to ensure that the promised benefits are paid out and to balance the claims of different generations (pension recipients and active insured persons). As outlined in this report, the PVS Feldschlösschen regularly analyses the sustainability of its investments. PVS Feldschlösschen's aim is to fulfil its responsibility as an investor committed to sustainability, and to maintain the good reputation of the Feldschlösschen company.

## 1. SUSTAINABILITY ATTRIBUTES OF THE PORTFOLIO

The aim of this report is to provide insured individuals as well as the wider public with an overview of the sustainability attributes of PVS Feldschlösschen's investments. The focus of communication is on qualitative reporting. At PVS Feldschlösschen, investments in equities and bonds are made exclusively indirectly via collective investments. Thus PVS Feldschlösschen favours cost-efficient investment products that have proven their worth with institutional investors.

The sustainability attributes of the PVS Feldschlösschen portfolio as at 31.12.2023 are categorised as follows by the various forms of sustainable investment.

## 1.1 STEWARDSHIP (= ACTIVE INFLUENCE)

### **The asset managers of PVS Feldschlösschen are actively engaged in over 25 memberships and initiatives.**

*Information: Asset managers can commit to sustainable development through various memberships of organisations or initiatives. The signing of the Principles for Responsible Investment (PRI) launched by the United Nations has established itself internationally.*

All external asset managers of PVS Feldschlösschen have signed the Principles for Responsible Investment (PRI) and is thus committed to the promotion of sustainable investments. In total, PVS Feldschlösschen asset managers have over 25 memberships in organisations and initiatives in the field of sustainability<sup>1</sup>. Another example is the Climate Action 100+ Initiative, which aims to motivate the world's largest greenhouse gas emitters take necessary action on climate change.

### **The assets are deployed specifically for engagement activities.**

*Information: Asset managers can influence the management of portfolio companies through active dialogue with companies. If portfolio companies are made more aware of their environmental and social responsibility, this is called engagement. Typically, the influence is greater when investors jointly address their concerns with the companies. Hence the engagement often occurs with the support of a specialised provider (e.g. Sustainalytics, Hermes, Ethos etc.) or by joining an engagement initiative such as Climate Action 100+. In principle, engagement can take place in all investment categories.*

PVS Feldschlösschen's external asset manager for equities and bonds (Credit Suisse) specifically seeks dialogue with the portfolio companies in order to encourage them to adopt a more sustainable approach. The engagement issues which the asset manager addresses with the companies include biodiversity, climate change, efficient food utilisation and corporate governance.

<sup>1</sup>List of initiatives and memberships in which asset managers are involved in Appendix 1.

The asset manager for PVS Feldschlösschen real estate (ZKB) also pursues engagement. For real estate, this involves in particular exerting an active influence on sustainability-related issues within the context of co-ownerships,<sup>2</sup> and engaging in dialogue with tenants.

The external asset managers of PVS Feldschlösschen have confirmed that the principles they follow when engaging in dialogue are informed by the sustainability goals they support and the goal of reducing greenhouse gas emissions to net zero by 2050. For a detailed description of engagement (including a discussion of progress), PVS Feldschlösschen refers to the reports of the relevant asset managers.<sup>3</sup>

### **Voting rights are exercised for equities.**

*Information: By exercising voting and election rights (shareholder rights) at Annual General Meetings, active influence can be exerted on the portfolio companies, taking into account sustainability principles. While the investor exercises the voting rights for individual securities, in the case of collective investments these rights are generally exercised by the fund management company. The exercising of voting rights applies to investments in equities.*

At PVS Feldschlösschen, investments in equities are made indirectly within the framework of Credit Suisse collective investments. Voting rights are therefore exercised by the asset manager or the fund manager of the collective investments.

For all collective investments made, it has been confirmed that the voting rights are exercised to an economically reasonable extent, taking into account sustainability criteria.<sup>4</sup> The asset manager or fund manager has also confirmed that they align the principles governing the exercise of their voting rights with their sustainability objectives.

<sup>2</sup>Co-ownership means that several persons or organisations share ownership of real estate or of precisely-defined parts of a property. Legal framework Art. 646-651 ZGB, Source: [Engel & Völkers](https://www.engel-volkers.com/de/unternehmen/asset-management/nachhaltigkeit/investment-stewardship.html)

<sup>3</sup>[zkb.ch/de/unternehmen/asset-management/nachhaltigkeit/investment-stewardship.html](https://www.zkb.ch/de/unternehmen/asset-management/nachhaltigkeit/investment-stewardship.html) & [am.credit-suisse.com/ch/de/asset-management/insights/sustainable-investing/active-ownership.html](https://www.am.credit-suisse.com/ch/de/asset-management/insights/sustainable-investing/active-ownership.html)

<sup>4</sup>The principles governing the exercise of voting rights by the PVS Feldschlösschen asset manager are available at the following link: [am.credit-suisse.com/content/dam/csam/docs/esg/brochure-proxy-voting-2023-eng.pdf](https://www.am.credit-suisse.com/content/dam/csam/docs/esg/brochure-proxy-voting-2023-eng.pdf)



## 1.2 NEGATIVE CRITERIA

### **No investment in companies or countries on the exclusion list of the SVVK – ASIR<sup>5</sup>**

*Information: The investment universe can be restricted based on norm-based (child labour) or product-based (e.g. Tobacco) exclusions. This ensures that no investments are made in companies or countries which come under the defined exclusion criteria. So-called minimum exclusion criteria (cf SSVK-ASIR Exclusion List below) based on indexed products can also now be applied. The SVVK-ASIR was founded in 2015 by seven institutional investors, most of them with close ties to the Swiss Confederation, with total assets of more than CHF 200 billion. The sustainability criteria applied by the SVVK-ASIR are based on the Swiss Federal Constitution (= Swiss norms and values), laws and ordinances and the UN Global Compact (≈ international conventions ratified by Switzerland). These underlying principles currently form the basis of an exclusion recommendation for companies which are involved in the development, production, stockpiling and/or trafficking of anti-personnel mines, cluster munitions and/or nuclear weapons. The SVVK-ASIR applies a combined approach whereby it excludes companies based on the aforementioned criteria due to their products (business lines) and seeks engagement with companies which violate the normative basis through their conduct (i.e. how they operate). If the engagement does not lead to any improvement, the company in question is also recommended for exclusion (“conduct-based exclusions”). In addition, government bonds of specific countries were also included in the list of recommended exclusions on the basis of the Swiss sanctions system. At present, 33 companies and 12 countries are on the SSVK-ASIR Exclusion List (see list in Appendix 2). The SSVK-ASIR exclusion list is particularly relevant for equities and bonds.*

As at the reporting date of this report, the external asset manager that manages the equities and bonds of PVS Feldschlösschen (Credit Suisse) confirmed that no securities of companies or countries on the SVVK – ASIR exclusion list were held.

The external asset manager for the (indirect) real estate investments (ZKB) applies the Swisscanto blacklist with regard to business partners (in particular, tenants) in all portfolios. The Swisscanto blacklist is essentially covered by the SSVK-ASIR exclusion recommendations.

<sup>5</sup>Swiss Association for Responsible Investments (SVVK – ASIR), see: [www.svvk-asir.ch/en](http://www.svvk-asir.ch/en)



## 1.3 POSITIVE CRITERIA

### Real estate

*Information: Sustainability aspects can also be applied in the investment process for real estate. For example, sustainability principles can be taken into account for construction, renovations or the purchase and sale of real estate. It is also possible to have real estate certified with sustainable labels and to reduce the greenhouse gases emitted by properties.*

The externally-managed real estate product of PVS Feldschlösschen, the Swisscanto Real Estate Responsible Switzerland investment fund, follows an integrated sustainability strategy and was awarded “Green Star” status (top score of 5 out of 5 stars) by the annual GRESB ESG Assessment. This product also holds various sustainability and/or energy certificates and is following CO<sub>2</sub> reduction path classification for Scope 1 emissions<sup>6</sup>, based on the Paris Agreement and the net-zero emissions target. The defined CO<sub>2</sub> reduction path is based on an individual assessment of all existing properties and is integrated into the property strategies. Among other things, the defined CO<sub>2</sub> reduction path stipulates that eight to twelve properties per year in the existing real estate portfolio will be converted from fossil fuels to renewable energy sources with the aim of net zero 2050.

In recent years, the property investments which are held via the unlisted public limited company Cité du Levant have made targeted investments with a view to reducing CO<sub>2</sub> emissions. For example, the windows have been replaced. Future investment plans aimed at reducing energy consumption or self-generating energy include the installation of photovoltaic systems and the replacement of entry doors. In the latter case, the focus is also on security aspects and on improving sound and heat insulation.

<sup>6</sup>Scope 1 emissions are direct emissions resulting from the operation of a property. One example of Scope 1 are emissions resulting from the burning of oil in a building to generate heating and hot water.

## 1.4 REPORTING

*Information: It is important that the asset managers report on their sustainability endeavours in addition to traditional reporting (examples: exercising of voting rights, ESG ratings, key climate figures etc.) Reporting by asset managers can take different forms (e.g. fact sheets or separate reports) and should not entail any costs for the investor.*

### **The sustainability of the portfolio is regularly reviewed**

The fixed assets of PVS Feldschlösschen are regularly reviewed for their sustainability. The purpose of this report is to periodically monitor the sustainability attributes of PVS Feldschlösschen. The results of this review are transparently communicated.

### **On request, the asset managers report on their sustainability endeavours**

The asset managers are regularly asked by PVS Feldschlösschen to report on the sustainability attributes of investments. For example, an annual real estate sustainability report is published for the real estate product of PVS Feldschlösschen which is externally managed by ZKB. In addition, an ESG rating is provided for all externally-managed fixed assets of PVS Feldschlösschen. Moreover, for all products the external asset managers issue key climate figures such as CO<sub>2</sub> intensity.



## APPENDIX 1: LIST OF MEMBERSHIPS OF EXTERNAL ASSET MANAGERS IN THE SUSTAINABILITY AREA

The following is an extract showing the various memberships of external asset managers of PVS Feldschlösschen. This covers, for example, organisations, associations and engagement initiatives aimed at making a contribution to the sustainable development of the economy and/or financial flows.

Name	CS 2023	ZKB AM 2023
Access to Medicine Foundation <a href="#">Homepage</a>	No	Yes
Carbon Disclosure Project <a href="#">Homepage</a>	No	Yes
Climate Action 100+ <a href="#">Homepage</a>	Yes	Yes
Climate Bonds Initiative <a href="#">Homepage</a>	Yes	Yes
Equator Principles <a href="#">Homepage</a>	Yes	No
European Sustainable Investment Forum <a href="#">Homepage</a>	No	Yes
FAIRR Initiative <a href="#">Homepage</a>	Yes	Yes
Forum Nachhaltige Geldanlagen <a href="#">Homepage</a>	No	Yes
Global Impact Investing Network <a href="#">Homepage</a>	Yes	No
The Global ESG Benchmark for Real Assets <a href="#">Homepage</a>	Yes	No
International Corporate Governance Network <a href="#">Homepage</a>	Yes	No

Name	CS 2023	ZKB AM 2023
Montréal Carbon Pledge <a href="#">Homepage</a>	No	Yes
Net Zero Asset Managers Initiative <a href="#">Homepage</a>	Yes	Yes
Verband für nachhaltiges Wirtschaften <a href="#">Homepage</a>	Yes	Yes
Ocean Panel Advisory Network <a href="#">Homepage</a>	Yes	No
Operating Principles for Impact Management <a href="#">Homepage</a>	Yes	No
Principles for Responsible Investment <a href="#">Homepage</a>	Yes	Yes
Roundtable on Sustainable Palm Oil <a href="#">Homepage</a>	Yes	No
Science Based Targets Initiative <a href="#">Homepage</a>	Yes	No
Sustainable Finance Geneva <a href="#">Homepage</a>	Yes	No
Swiss Sustainable Finance <a href="#">Homepage</a>	Yes	Yes
Task Force on Climate-related Financial Disclosures <a href="#">Homepage</a>	Yes	Yes
The Wolfsberg Group <a href="#">Homepage</a>	Yes	No
Task Force on Nature-related Financial Disclosures <a href="#">Homepage</a>	Yes	Yes
UN Global Compact <a href="#">Homepage</a>	Yes	No
UN-convened Net-Zero Asset Owner Alliance <a href="#">Homepage</a>	No	Yes
United Nations Environment Programme Finance Initiative <a href="#">Homepage</a>	Yes	Yes
<b>Total memberships</b>	<b>21/35</b>	<b>16/35</b>

## APPENDIX 2: CURRENT EXCLUSION LIST OF THE SVVK-ASIR

The following table lists the companies and countries which the SVVK-ASIR currently recommends for exclusion. The countries recommended for exclusion are based on the Swiss sanction system. For companies, the reason for recommending exclusion is shown in the table.

Country	Company	Exclusion			
		Anti-personnel Mines	Cluster Munitions	Nuclear Weapons (outside of NPT)	Conduct-based Exclusions
India	Bharat Dynamics Ltd.		•	•	
	Coal India Ltd.				Workers' and Human Rights
	Export-Import Bank of India				Environment
	KSB Ltd.			•	
	Larsen & Toubro Ltd.			•	
	MTAR Technologies Ltd.			•	
	Premier Explosives Ltd.			•	
	Sandhar Technologies Ltd.	•			
	Solar Industries India Ltd.		•		
	Walchandnagar Industries Ltd.			•	
China	Anhui GreatWall Military Industry Co Ltd.		•		
	AviChina Industry & Technology Company Limited				Human Rights
	China Aerospace Science & Industry Group Corp.		•		
	China Aerospace Science & Technology Corp.		•		
	China North Industries Corp.	•	•		
	China North Industries Group Corp. Ltd.	•	•		
	China Northern Rare Earth				Environment and Human Rights

Country	Company	Exclusion			
		Anti-personnel Mines	Cluster Munitions	Nuclear Weapons (outside of NPT)	Conduct-based Exclusions
China	Inner Mongolia Baotou Steel				Environment
	OFILM Group Co., Ltd.				Forced Labour
	China Huarong Asset Management Co Ltd				Business Ethics
	China Energy Engineering Corp. Ltd.				Human Rights
Israel	Aryt Industries Ltd.	•	•		
South Korea	LIG Nex1 Co Ltd.		•		
	Poongsan Corp.		•		
	Poongsan Holdings Corp.		•		
	SNT Dynamics Co., Ltd.	•			
	SNT Holdings Co., Ltd.	•			
USA	Lockheed Martin Corp.	•	•		
	The Chemours Co.				Environment and Human Rights
Venezuela	Petróleos de Venezuela S.A.				Business Ethics
Thailand	CK Power Public Co. Ltd.				Environment and Human Rights
Germany	KSB SE & Co. KGaA			•	
France	Bolloré SE				Human Rights
<b>Total</b>	<b>33</b>	<b>7</b>	<b>12</b>	<b>7</b>	<b>12</b>

## Exclusion

**Government Bonds:** Afghanistan, Belarus, Iran, Lybia, Myanmar, North Korea, Russia, Sudan, South Sudan, Syria, Venezuela, Zimbabwe



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