

# Sustainability report

## Swisscanto Sammelstiftung FLEX 45

of 31.03.2025

### Benchmark

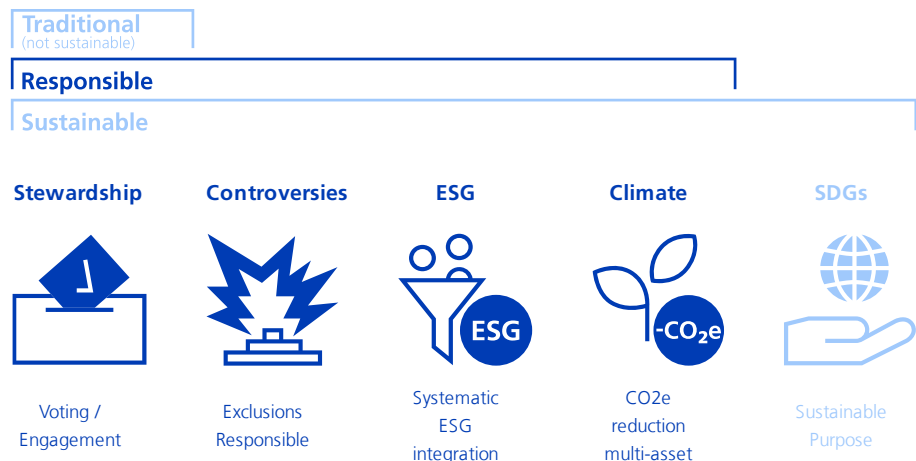
### Customized Benchmark

**Corporate portfolio weight** 91.2%

**Sovereign portfolio weight** 8.8%

### Product lines and sustainability approaches

When selecting investments, the product lines and sustainability approaches illustrated below and described in the "Explanations regarding product lines and sustainability approaches" are used.



**Notes:**

- Light-coloured product lines and approaches are not applicable to the assets in question.
- Exclusions based on SVVK-ASIR are applied in all three product lines (Traditional (non-sustainable), Responsible and Sustainable)

# Overview

## Swisscanto Sustainability Rating



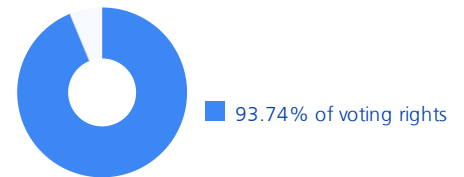
## Stewardship



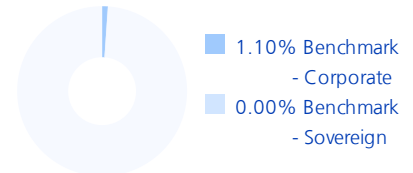
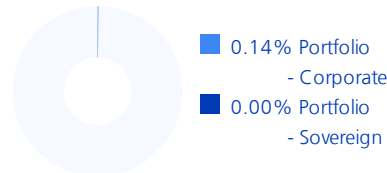
### Engagement, % of Corporate Portfolio



### Voting



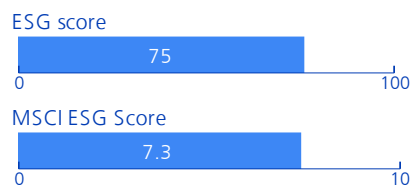
## Controversies



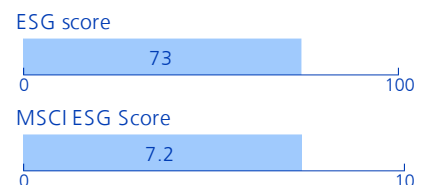
## ESG



### Portfolio



### Benchmark



## Climate

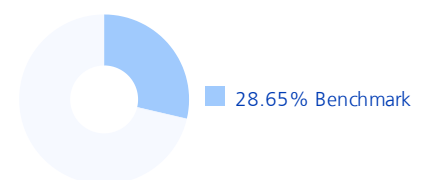
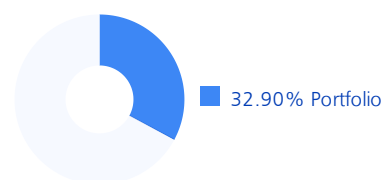


### Portfolio

**76%**

with specific climate targets

## Sustainable Development Goals (SDGs)





## Engagement Report

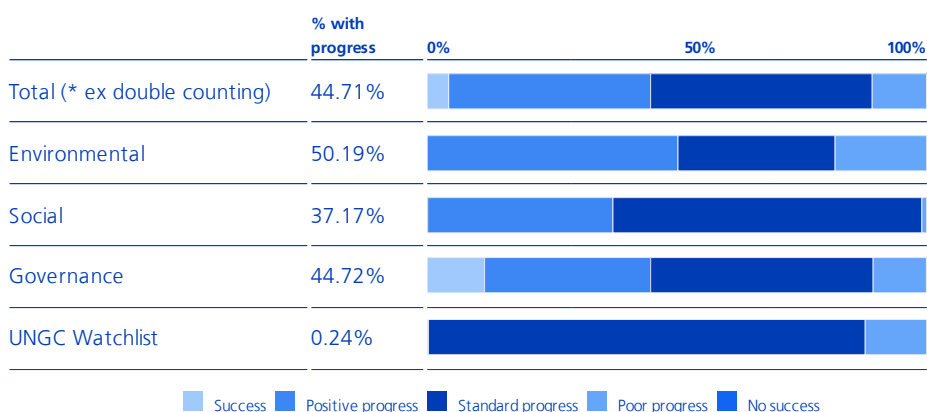
### Engagement overview

Portfolio

	% of Corporate portfolio	Number of issuers	Number of engagements
Total (* ex double counting)	33.21%	175	193
Environmental	16.93%	103	106
Social	7.78%	31	33
Governance	17.30%	52	54
UNGC watchlist	4.78%	37	38

### Engagement progress

Portfolio



### Largest positions under engagement

Portfolio

Issuer	Portfolio weight	Theme
Nestle S.A.	3.02%	Biodiversity and Natural Capital, Human Rights Accelerator, Selling Practices & Product Labeling
Pfandbriefbank schweizerischer Hypothekarinstitute AG	2.69%	Business Ethics
Pfandbriefzentrale der schweizerischen Kantonalbanken AG	2.18%	Business Ethics

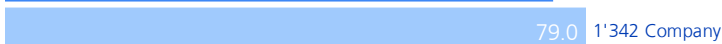
\*In Switzerland, we conduct the engagements ourselves. Abroad, we have mandated Sustainalytics. The focus is on UN Global Compact principles, climate change, biodiversity, circular economy, and governance. With each company, we can lead engagements on different topics at the same time. At the portfolio level, these engagements are only counted once.

## Voting activity in the portfolio

**Voted** (AuM, in CHF million)



**Voting Rights** (AuM, in CHF million)







**44.48%** of portfolio AuM is invested in equity investments with voting rights, where **93.74%** was voted. Overall voting rights were exercised for **41.69%** of the portfolio AuM.

In the case of mandates, 100% of the equity investments with voting rights are included, which originate from investments in Swisscanto funds.



## Exposure to controversies of the «Responsible» product line

### Corporate

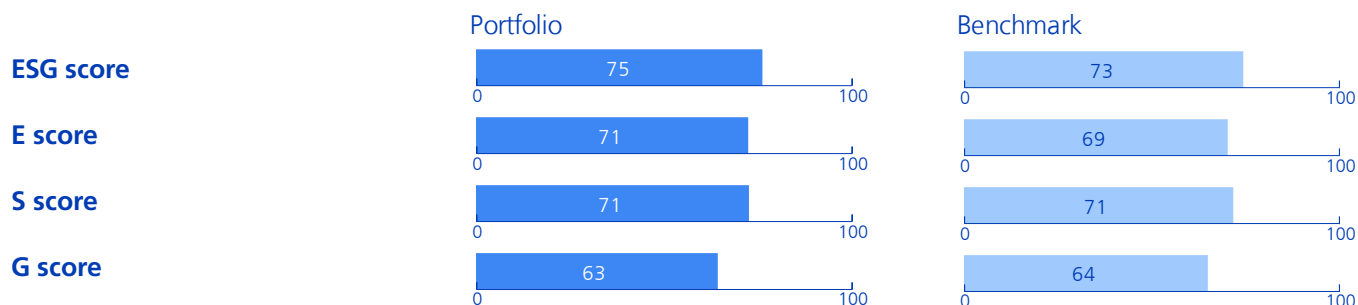
Criteria	Portfolio weight	Benchmark weight	Number of issuers in benchmark	Criteria	Portfolio weight	Benchmark weight	Number of issuers in benchmark
 Coal reserves (ex. metal production)	0.07%	0.40%	47	 Production of military hardware*	0.02%	0.38%	36
Extraction of coal*	0.01%	0.09%	25	Manufacture of weapons and ammunition	0.01%	0.19%	13
 Climate change		 Risk to society and health		Exploitative child labour	0.03%	0.17%	6
*>5% revenue				Controversial weapons	0.00%	0.12%	6
				UN Global Compact violations	0.00%	0.07%	14
				Production of pornography	0.01%	0.00%	1

Exposure of the portfolio and benchmark to the corporate exclusion criteria applicable to the product. If an issuer violates multiple exclusion criteria, it is listed with each violated exclusion criterion. As a result, the reported exposure is usually higher than the net exposure of the portfolio and the benchmark, which is shown on the overview page, due to multiple counts. Exceptions may exist for individual criteria (e.g. for green or sustainability bonds), which are accordingly not counted as exposure to the criteria.

## Largest controversial positions in the portfolio

Issuer	Portfolio weight	Benchmark weight	Criteria
Berkshire Hathaway Inc.	0.05%	0.23%	Coal reserves (ex. metal production)
British American Tobacco p.l.c.	0.01%	0.04%	Exploitative child labour
BAE Systems plc	0.01%	0.02%	Production of military hardware (>5% revenue)

## ESG score & subscores



Weighted proprietary ESG, E, S and G scores for the portfolio and the benchmark. All corporate and sovereign positions with a score are included in the calculation. The scores are adjusted by dividing by the sum of the covered values.

## Largest positions in the portfolio

Issuer	ESG score	Portfolio weight	ESG score previous year
Nestle S.A.	92	3.02%	96
Roche Holding Ltd	48	2.90%	57
Pfandbriefbank schweizerischer Hypothekarinstitute AG	81	2.69%	11
Novartis AG	99	2.41%	88
Pfandbriefzentrale der schweizerischen Kantonalbanken AG	54	2.18%	21
Zurich Insurance Group Ltd	93	1.32%	94
UBS Group AG	85	1.19%	81
Compagnie Financiere Richemont SA	72	0.97%	84
ABB Ltd.	99	0.91%	100
Apple Inc.	80	0.87%	70

Issuers without an ESG score are not shown.

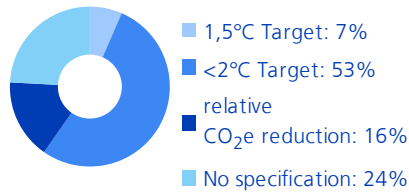
## ESG laggards

Portfolio weight	Benchmark weight	Number of companies in portfolio	Number of issuers in benchmark
3.58%	4.79%	217	983

Exposure of the portfolio and the benchmark to ESG laggards. ESG laggards are companies that perform particularly poorly in terms of the proprietary ESG score in the respective peer group.

## Climate alignment of the investment products in use

### Portfolio



Allocation of the portfolio to investment products that have a 1,5°C climate target, a <2°C climate target or a relative CO<sub>2</sub>e reduction compared to the relevant benchmark for the respective investment product.

## Climate alignment of the largest investment products

### Portfolio

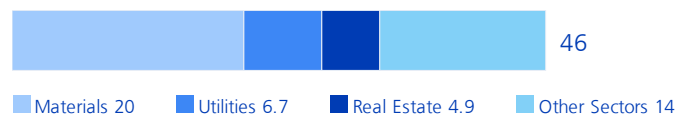
Investment products	Weight	Climate alignment
Swisscanto (CH) Bond Fund Responsible CHF	15.01%	<2°C Target
Swisscanto (CH) IPF I Equity Fund Systematic Responsible World Enhanced	12.51%	<2°C Target
Swisscanto (CH) Pension Equity Fund Responsible Switzerland	9.67%	<2°C Target

Top three investment products in the portfolio, including climate alignment per product, sorted by weight.

## Breakdown of CO<sub>2</sub>e intensity

### Corporate by sector

#### Portfolio



#### Benchmark



### Sovereign and supnationals by country

#### Portfolio

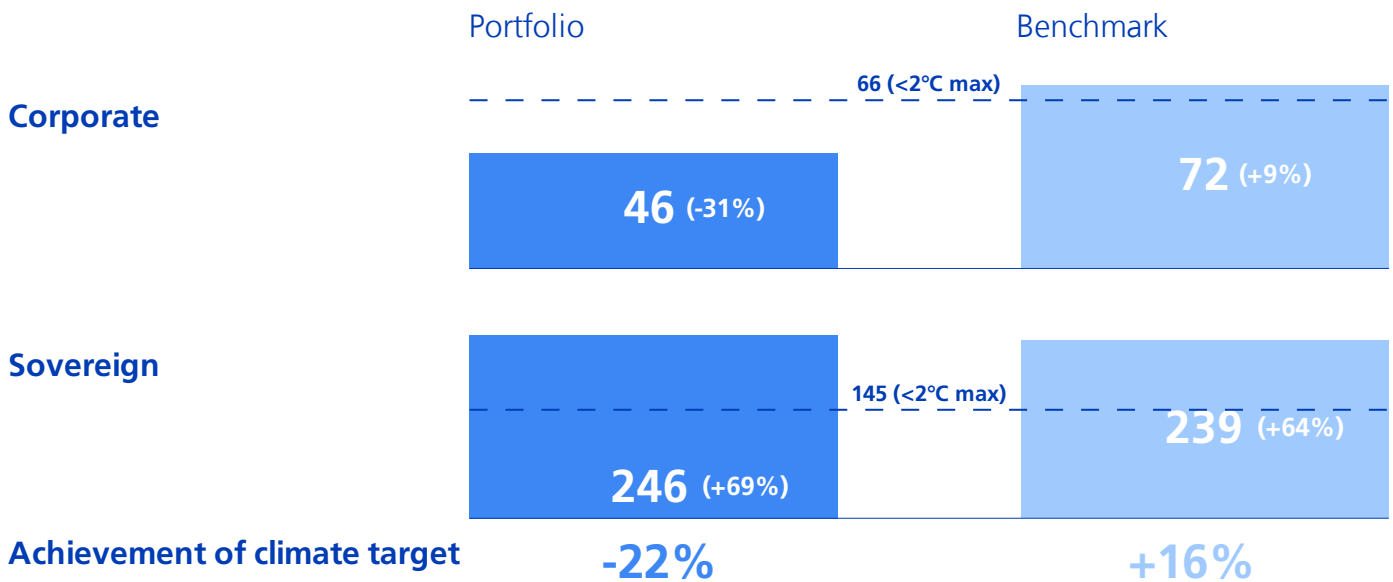


#### Benchmark



The CO<sub>2</sub>e intensity for Corporate is calculated by dividing Scope 1 & 2 greenhouse gas emissions (in tons) by sales (in USD million). The CO<sub>2</sub>e intensity for Sovereign is calculated by dividing national greenhouse gas emissions (in tons) by nominal GDP (in USD million). Estimates can be made if data is missing.

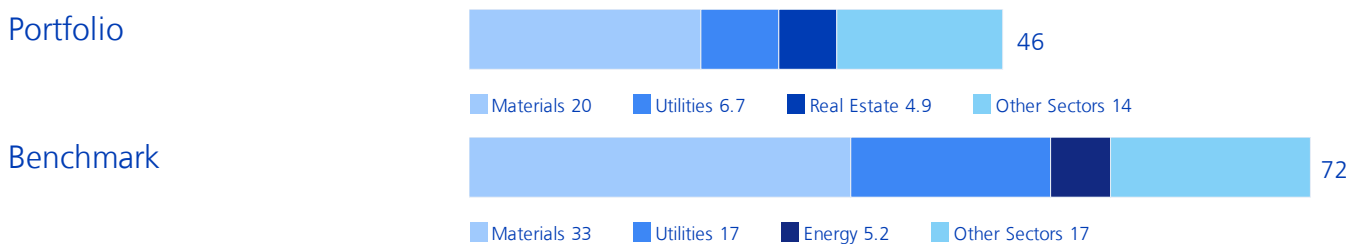
## Achievement of the <2 °C target



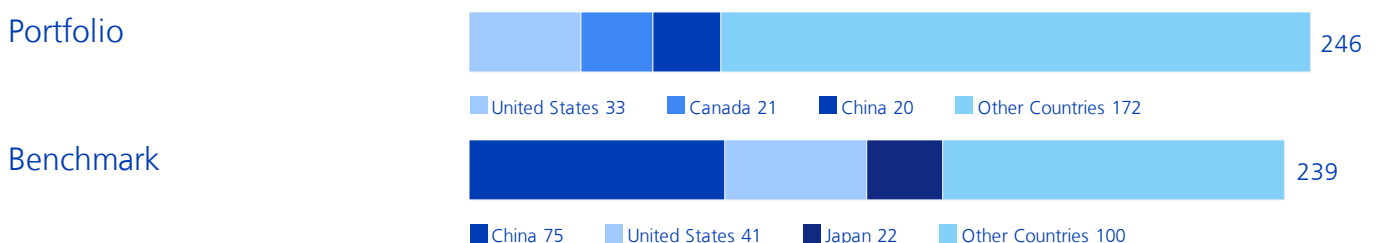
Corporate and sovereign CO<sub>2</sub>e intensity of the portfolio and the benchmark, and their relative deviation (in %) from the CO<sub>2</sub>e reduction path that is in line with the Paris Climate Agreement. If the weighted percentage deviation (corporate and sovereign) is below the target for "Achievement of the target", the climate target is considered to be met. The reduction path by reducing the CO<sub>2</sub>e intensity of the target by 4% per year in addition to nominal GDP growth. CO<sub>2</sub>e intensity for corporate is calculated by dividing Scope 1 & 2 greenhouse gas emissions (in tonnes) by revenue (in USD million). CO<sub>2</sub>e intensity for sovereign is calculated by dividing government GHG emissions (in tonnes) by nominal GDP (in USD million). Estimates may be made for missing datapoints.

## Breakdown of CO<sub>2</sub>e intensity

### Corporate by sector



### Sovereign and supranationals by country

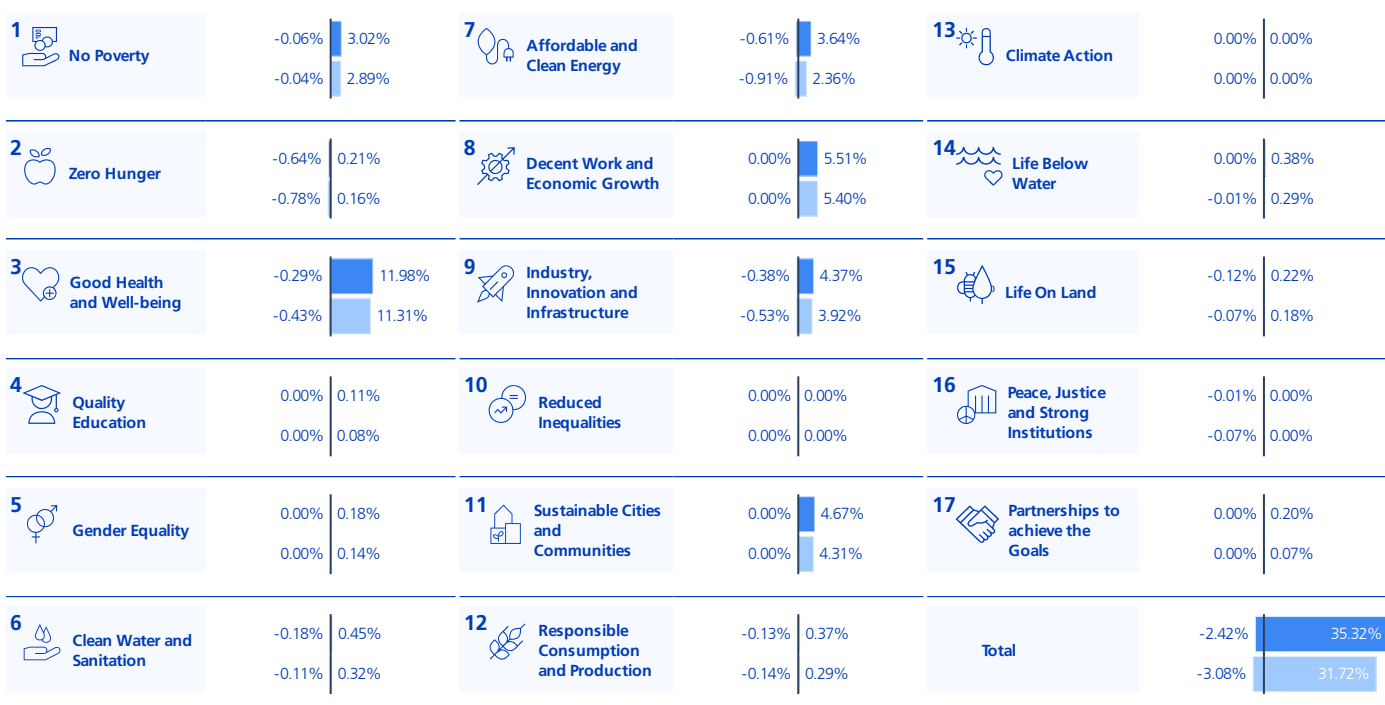


# Sustainable Development Goals (SDGs)



- for information only, sustainability approach is not applied

## 17 United Nations Sustainable Development Goals (SDGs)



■ Portfolio ■ Benchmark

Sales (in %) of issuers or investments in green, social and sustainability bond positions in the portfolio and the benchmark that contribute positively (right side) / negatively (left side) to the achievement of one or more of the 17 UN Sustainable Development Goals (SDGs), weighted by portfolio allocation. If an issuer's product or service contributes positively/negatively to more than one goal, sales are allocated accordingly.

## Largest green, social and sustainability bond positions in the portfolio

Issuer	Positively affected SDG	Position weight (%)
Zürcher Kantonalbank	7, 11	0.20%
State of Geneva	7, 9	0.15%
Government of Switzerland	2, 7, 8, 11, 12, 14, 15	0.13%
KfW	7, 15	0.12%
Berlin Hyp AG	7, 11	0.10%
International Bank for Reconstruction & Development	2, 7, 8, 9, 12, 14, 15	0.09%
Graubundner Kantonalbank	7, 11, 15	0.08%
PSP Swiss Property AG	7, 11	0.08%
First Abu Dhabi Bank P.J.S.C.	7, 11	0.07%
Remaining green, social and sustainability bonds		1.95%
<b>Total green, social and sustainability bonds</b>		<b>2.98%</b>

Issuers with the largest green, social or sustainability bond positions in the portfolio.



# Explanations

## Sustainability report

The sustainability report creates transparency with regard to the degree of sustainability of the managed fund or asset management portfolio (portfolio).

Corporate investments are those where the underlying is a corporation. Sovereign investments are those where the underlying are sovereign entities, states, and agencies.

## Product lines and sustainability approaches

### Product lines

The sustainability product range comprises two product lines in which different sustainability approaches are applied. The "Responsible" product line includes as standard the application of further exclusions, systematic ESG analysis as an integral part of the investment process and a reduction in the CO<sub>2</sub>e intensity of the investments. In addition to the aforementioned approaches, the "Sustainable" product line includes the application of even more extensive exclusions and also invests in SDG leaders or ESG leaders (Sustainable Purpose). The exclusions based on SVVK-ASIR are applied in all product lines (including for assets that are not sustainably managed). These mainly include manufacturers of banned weapons and may also include states in addition to companies.



### Stewardship - Voting / Engagement

As a shareholder, we actively engage in continuous dialogue with the companies management. This takes place in accordance with the engagement guidelines of Zürcher Kantonalbank's asset management. Among other things, companies are required to formulate ambitious greenhouse gas reduction targets, implement them consistently and report on them transparently. Our engagement activities and guidelines are published on <https://www.zkb.ch/en/home/asset-management/sustainability/investment-stewardship.html>. Our voting guidelines are based on Swiss and international corporate governance principles and on the United Nations Principles for Responsible Investment (UN PRI). The threshold for exercising voting rights in our foreign voting markets is CHF 2 million per shareholding. For Swiss shares, we vote across the board. More information on our voting behaviour can be viewed at: <https://www.swisscanto.com/voting>



### Controversies - Exclusions Responsible

Application of further exclusion criteria - in addition to the exclusions based on SWK-ASIR - in order to reduce sustainability risks and with the aim of not investing in securities with business models that are critical from a sustainability perspective. The exclusion criteria apply to companies associated with the extraction of coal (excluding metal production; >5% revenue)\*, coal reserves (excluding metal production)\*, production of weapons and ammunition, manufacture of military hardware (>5% revenue), production of pornography, exploitative child labour and/or UN Global Compact violations (excluding green and sustainability bonds, if applicable). Violations of the UN Global Compact principles revealed by our screening are examined in closer detail by our analysts. As part of the engagement, we seek dialogue and encourage companies to change their behaviour. If no change occurs within a reasonable period of time, existing systems must be sold. \*Excluding green and sustainability bonds



### ESG - Systematic ESG integration

The systematic analysis of ESG criteria forms an integral component of the active investment process, with the aim of identifying risks and opportunities based on ESG trends at an early stage. ESG criteria supplement the pure financial analysis and lead to more informed investment decisions.



### Climate - CO<sub>2</sub>e reduction multi-asset

The investment activity of asset management portfolios with multi-asset investments is geared towards reducing the CO<sub>2</sub>e intensity of the investments as follows: For the entirety of the investments covered by the sustainability profile, a CO<sub>2</sub>e reduction is implemented for each investment product (collective investment scheme or investment group) in accordance with one of the following methods: climate orientation or CO<sub>2</sub>e reduction compared to the benchmark applicable to the respective investment product (positive screening).



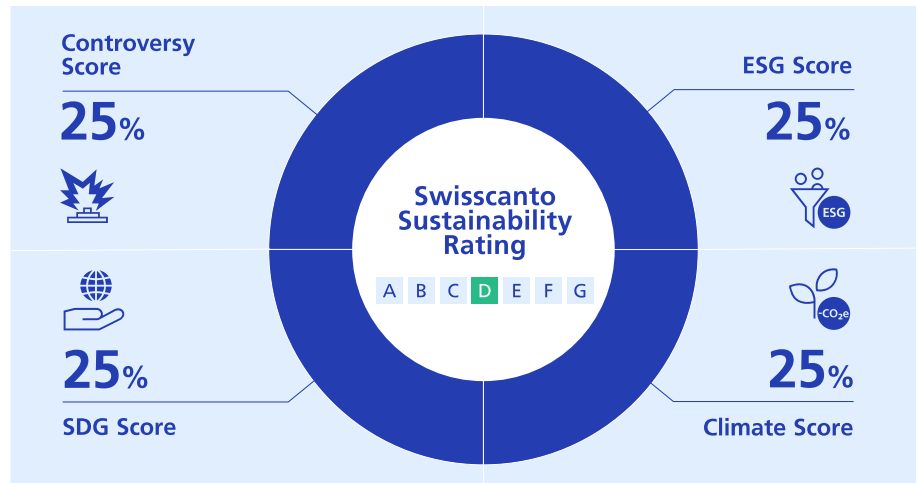
### SDGs - Sustainable Purpose

The "Sustainable Purpose" approach focuses on returns through investments in companies and countries with social benefits (SDG leaders). SDG leaders use their investment power to create environmentally and socially responsible products and services. In doing so, they contribute to the fulfillment of one or more of the UN's Sustainable Development Goals (UN SDGs). For diversification purposes, a best-in-class approach can also be used to invest in securities that are considered to have above-average positive ESG criteria (ESG leaders).

# Explanations of Key Figures and Measurements

## Swisscanto Sustainability Rating

The proprietary Swisscanto Sustainability Rating is calculated according to the values of the collective assets and individual securities contained in the portfolio and is divided into seven sustainability classes ranging from A (highest level) to G (lowest level). To calculate the rating, companies and states are assessed according to the four pillars of our sustainability research:



**Controversy score:** To what extent do controversial business areas, questionable business practices or violations of international standards exist?

**ESG score:** How sustainably is the company or state run?

**Climate score:** How large is the negative impact of the company or state on the environment with regard to CO<sub>2</sub>e emissions?

**SDG score:** What impact does the company and/or state have on society and the environment in terms of achieving the 17 UN Sustainable Development Goals?

More information on the Swisscanto Sustainability Rating:  
<https://products.swisscanto.com/products/document>

## CO<sub>2</sub>e intensity

For companies, all Scope 1 and Scope 2 greenhouse gases regulated in the Kyoto Protocol are taken into account (CO<sub>2</sub> equivalents, abbreviated to CO<sub>2</sub>e). Scope 1 emissions originate from emission sources within the system boundaries considered. Scope 2 emissions arise from the generation of energy sourced externally. All other emissions (Scope 3) caused by the company's activities but not directly controlled are not taken into account due to a lack of data availability and quality. The emissions data for companies originates from ISS ESG. The emissions data used for states, regions and municipalities originates from EDGAR and complies with the United Nations Framework Convention on Climate Change (UNFCCC). For CO<sub>2</sub>e intensity (CI), the total CO<sub>2</sub>e emissions per year are standardised with the respective turnover (for companies) or GDP (for states, regions and municipalities). Missing CIs are supplemented with the industry median for companies. Within comparable peer groups, estimated CIs from ISS ESG are limited to the peer group's maximum reported CIs. For regions, cities and municipalities, the values of the corresponding state and for financing agencies the median of the respective financial sector are used.

For actively managed portfolios according to the Responsible approach, the compatibility of the portfolio with the Paris Climate Agreement (2-degree reduction target) is derived from the benchmark index as at 31 December 2019. The climate target is reduced by 4% plus nominal economic growth each year. The achievement of the 2-degree target for active, mixed (corporate and sovereign) funds is determined as follows: (Weight of corporate x deviation of corporate CI from 2-degree target) + (weight of sovereign x deviation of sovereign CI from 2-degree target).

### **Corporate Engagement**

On the overview page of this report (page 2), the engagement activities with companies (and, where applicable, Swiss local authorities for fixed income instruments) in this portfolio are divided into five categories:

1. Swisscanto Engagement: Long-term discussions with primarily Swiss issuers by Swisscanto regarding specific ESG change objectives.
2. Sustainalytics Engagement: Long-term discussions with global issuers by our engagement service provider Sustainalytics regarding specific ESG change objectives or themes.
3. Swisscanto Dialogue: General discussions between Swisscanto and primarily Swiss issuers on ESG topics.
4. Under Monitoring: Swisscanto and/or Sustainalytics regularly monitor publications or media reports about controversial incidents or allegations against issuers.
5. No Engagement Activities: None of the above activities apply.

In the case of mandates, 100% of the corporate investments are included, which originate from investments in Swisscanto funds.

### **Share of controversies**

The application of exclusion criteria (based on the SVVK-ASIR and any further exclusions) is the first step in the multi-stage investment process. We exclude companies if they pursue business activities assessed critically from a sustainability perspective or if they have a significant participation in such companies. If a company violates several exclusion criteria, it is listed multiple times in the detailed controversy report. Double counts are adjusted on the overview page for the portfolio or benchmark index. As a result, the total weight and number of companies in the detailed report does not always correspond to the weight or number of companies on the overview page. The data for the controversies is provided by MSCI ESG Research Inc.

This Sustainability Report refers to assets to which the Sustainability Policy is applicable, as well as a look-through on mutual funds and direct investments where available. For example, investments in derivatives of baskets of underlying issuers or investments in specific asset classes (foreign exchange, precious metals, commodities etc.) are not included in the assessment.

## Data sources

### Asset Management uses data from the following providers:

- MSCI ESG: Qualitative and quantitative environmental, social and governance data for companies and states. Used to calculate companies' ESG and SDG scores and controversies. (<https://msci.com/esg-integration>)
- Bloomberg: Quantitative data on compliance with ICMA criteria & Second Party Opinion Provider. Used for green, social and sustainability bonds. (<https://bloomberg.com>)
- The Emissions Database for Global Atmospheric Research (EDGAR): CO<sub>2</sub>e data for states. Used for CO<sub>2</sub>e reductions at state level. EDGAR is an EU Commission project that collects data on global past and present anthropogenic emissions of greenhouse gases and air pollutants for countries. Emission Database for Global Atmospheric Research (EDGAR) — European Environment Agency (<https://europa.eu>)
- Worldbank: Sustainability indicators for calculating the state rating. (<https://worldbank.org>)
- ISS ESG: CO<sub>2</sub>e data and controversy data for companies. Used for CO<sub>2</sub>e reduction at company level. Climate Solutions - ISS (<https://issgovernance.com>)
- IMF: Global GDP growth for targeted reductions (<https://imf.org>)
- SDG Transformation Center: SDG scores for states (<https://sdgtransformationcenter.org>)

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