

An aerial photograph showing a lush green forested peninsula or island. A light-colored, winding path or road cuts through the dense evergreen trees. The peninsula is surrounded by clear, turquoise-blue water, with numerous rocks visible beneath the surface. The overall scene is serene and natural.

**ESG 2022**

Hewlett Packard Pension Fund



## 1. Key numbers 2022

### ESG Score (Equities and Bonds)

72% of total portfolio

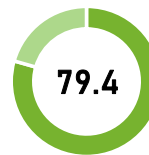
**MSCI**  
ESG RATINGS

CCC	B	BB	BBB	<b>A</b>	AA	AAA
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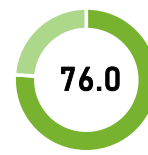


### GRESB Score (Real Estate)

22% of total portfolio



Portfolio



Benchmark

### Manager's members of initiatives and membership

100%	73%	73%	73%	73%	73%	64%
Principles for Responsible Investment	Swiss Sustainable Finance	TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES	United Nations Global Compact	Climate Action 100+	DISCLOSURE INSIGHT ACTION	NET ZERO ASSET MANAGERS INITIATIVE

### Exclusions

✓ **100%** of the managers respect the SVVK-ASIR exclusion list

### Climate Impact



**Reduction carbon intensity** **23.6%** tCO<sub>2</sub>e per CHF mio of revenue



**Reduction carbon footprint** **10.2%** tCO<sub>2</sub>e per mio. CHF of invested capital



**Transparency ratio** **88%** proportion of assets measuring a carbon intensity

### Energy Impact



**Energy intensity** **117.5** kilowatt hours per m<sup>2</sup> energy reference area and year



**Intensity of GHGs** **22.0** kilograms CO<sub>2</sub>e per m<sup>2</sup> energy reference area and year



**Energy Mix** **69.4%** share of fossil fuels in the energy mix

### Controversial Sectors



Tobacco



Alcohol



Adult Entertainment



Nuclear Power



Controversial Weapons



Gambling



Thermal Coal

Portfolio

**0.34%**

**0.87%**

**0.00%**

**0.20%**

**0.02%**

**0.14%**

**0.11%**

Benchmark

0.21%

0.65%

0.01%

0.50%

0.33%

0.18%

0.27%

## 2. Sustainability objectives

### 2.1. Introduction

The objective of the [Hewlett Packard Pension Fund](#) (thereafter the HP PF) is to protect their insured members against the risks of disability, death and old age by ensuring that the promised benefits can be paid at all times. This results obviously in high investment requirements. In accordance with Article 51 of the Ordinance on Occupational Old-Age, Survivors' and Invalidity Pensions (OPP 2), the HP PF "must aim for a return corresponding to the income realizing on the money, capital and real estate market". In other words, the law requires the achievement of a reasonable and market-consistent return.

[Sustainable investments](#) are not explicitly mentioned in current Swiss legislation and, like any investments included in the [HP PF](#), they must achieve an attractive and market-compliant return in order to be compatible with the [pension](#) institution's requirements.

In accordance with the legislative framework in force, the [HP PF](#) has not imposed an ESG framework on its managers or issued an [ESG charter](#). The principles of market compliance, liquidity and diversification are assured and monitored. The [HP PF](#) delegates the entire management of its assets to external specialists whom it selects carefully. Best practice processes ensure that [HP PF's](#) mandate is fulfilled. This [ESG report covers 94%](#) of the strategic asset allocation of the portfolio excluding only [cash \(2%\)](#) and [ILS \(4%\)](#).

### 2.2. Sustainability Strategy

The [HP PF](#) has not defined an ESG charter. However, [sustainable investing principles](#) are included in the appendix of the investment regulations since Q3 2021. These principles mention to consider sustainability in the investments of the Pension Fund, exclude companies and sectors, dialogue with the companies and exercise the proxy voting when the investment implementation makes it possible.

In the last years, the HP PF has been reviewing the structure of its portfolio with the inclusion of ESG criteria in the decision process. The Foundation is also member of the [Ethos Engagement Pool](#) (Switzerland and international) since several years. [Ethos](#) conducts an effective dialogue with companies listed in Switzerland and abroad to improve their governance and their environmental and social responsibility. The evolution of the sustainability of the portfolio is summarized on page 14.



#### Exercise of voting rights

Since the HP PF invests in funds, the exercise of voting rights is the responsibility of the fund managers.

### 3. Portfolio sustainability at end-2022



#### Stewardship

All managers have signed the Principles of Responsible Investment (PRI) the majority adhere to other climate initiatives (SSF, TCFD, UN Global Compact, Climate Action 100+, CDP and NZAM).

The PRI is an investor initiative founded in partnership with the United Nations. By signing the six principles, its members commit to responsible investment, active advocacy, reporting, etc.

The managers are committed to sustainable development by adhering to numerous initiatives. One example is the Climate Action 100+ initiative, which aims to ensure that the world's largest CO<sub>2</sub> emitters take the necessary actions against climate change.

CS and UBS are signatories of 20 endorsements, followed by Pictet (16), ZKB (15) and Schroders (14). The foundations (Assetimmo and Avadis) are aligned with two initiatives (PRI and SSF).

You will find in the appendix, the list of initiatives to which each HP PF manager has adhered.

#### Voting rights are exercised on equities as much as possible

The exercise of voting rights only concerns the equity funds.

UBS exercises 100% of its voting rights for Swiss equities and 99% of the global equities. In 2022, Schroders (Small & Mid-Caps) exercised 95.6% of its voting rights. Pictet (global equities) is not in measure to give a percentage but their goal for active funds is to vote on 100% of their holdings. Related to the segregated mandate managers within the Mercer sub-funds (global and EM equities), over 2022, they voted on 95% of the proposals of which they were eligible to vote on.

#### Engagement

Equity managers and, in some cases, bonds managers specifically seek to engage dialogue with the companies included in the portfolio and follow ESG objectives.

CS (Swiss bonds) engages with companies based on the AuM or the violation of international norms. The engagement themes include biodiversity, climate change, food loss and waste, and corporate governance.

The two funds managed by Vontobel (global corporate and EM bonds) have assets that are part of their engagement program. Amundi (EM bonds) engages at the issuer level as the holdings in their fund are part of their engagement strategy.

**ZKB** (global corporate bonds) uses an engagement based on three pillars (dialog, collaboration, and global engagement), while **UBS** mentioned that their holdings in corporate bonds are not part of their engagement program.

For equities, all managers (**Pictet**, **UBS**, **Schroders**, **Mercer**) have holdings in their funds included in their engagement program. **Pictet** and **UBS** publish some metrics at the company level. The main results from their respective Stewardship 2021 report:

- **Pictet** engaged 16.5% to **environmental** issues, 36.6% to **social** issues and 46.8% to **governance** issues.
- **UBS** conducted 430 engagement meetings and engaged 32% for **environmental** issues, 22% for **social** issues and 46% for **governance** questions.

**Schroders** (Small & Mid-Caps) uses a commitment program for 23 companies, corresponding to approximately 35% of the market cap of the fund

**Mercer** (global and EM equities) does not have a specific engagement program for both funds, but the managers of the sub-funds confirmed that the strategies are part of their engagement program.



### Negative criteria (exclusion)

The portfolio does not contain any investments in companies from the **SVVK-ASIR** exclusion list.

The **SVVK-ASIR** uses a norm-based principle of exclusion and is based, inter alia, on the Federal Constitution and international conventions.<sup>1</sup>

Except **Schroders**, all asset managers apply other exclusion criteria

- **CS** (Swiss bonds) has defined three categories of exclusions that cover all controversial sectors.
- **Vontobel** (global corporate and EM bonds) uses the **SIX list** of sanctioned securities and an internal list including controversial weapons.
- **ZKB** (global corporate bonds) has its own **Swisscanto blacklist** that is aligned with the **SVVK-ASIR** and exclude companies producing prohibited weapons.
- **Amundi** (EM bonds) does a screening of the issuers involved with weapons, that violate one of the **ten UN Global Compact principles**, and all controversial sectors known.

**Pictet** (global equities) bans all securities deriving part of their revenue (higher than 0%) from controversial weapons-related activities, trading nuclear weapons with headquarters in a country which is not party to the 1968 Treaty on the Non-Proliferation of nuclear weapons more than 25% of their revenues from thermal coal mining.

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<sup>1</sup> To see: [www.svvk-asir.ch](http://www.svvk-asir.ch)

UBS applies its [own exclusion list](#) in complement with the [SVVK-ASIR list](#). The [UBS fund](#) in [global equities](#) uses negative criteria with the exclusion of weapons, tobacco, thermal coal, oil sand extraction and any company that violates the Guiding Principles of the UN Global Compact.

Two of the five sub-funds in [world equities](#) managed by [Mercer](#) apply other exclusion lists. In [EM equities](#), three of the four sub-managers use additional exclusions.

For the [real estate investments](#), an exclusion list can be applied at the tenant's level. Only two managers in the HP PF portfolio use an exclusion regarding the sector of activity of the tenants. [Avadis](#) excludes all companies as tenants that produce personal mines, cluster munitions, nuclear weapons outside the NPT Treaty. [ZKB](#) has a similar strategy and restrict all manufactures of weapons.



## Positive criteria

ESG criteria are integrated into active mandates or funds but can also be used in some passive funds.

### Bonds

- [CS](#) manages passively a CHF bond fund by replicating an ESG index and integrates exclusions. To be included in the [SBI AAA-BBB ESG](#), a company must have an ESG Impact Rating of at least C+ and not to generate more than 5% of its revenue in a controversial sector (adult entertainment, alcohol, armaments, gambling, genetic engineering, nuclear energy, coal, oil sands and tobacco).
- The [UBS](#) product in [government bonds](#) integrates neither ESG criteria nor follows any dedicated ESG approach.
- [Vontobel](#) (global corporate and EM bonds) incorporates ESG in both products by analysing companies in controversies such as fraud, human rights violation, or deforestation but no dedicated ESG approach is used in both products.

### Equities

- [Schroders](#) (Small & Mid-Caps) complies with [Art. 8 SFDR](#) meaning that the fund integrates environmental and/or social characteristics.
- The two [UBS products](#) (Swiss and world equities) are not considering ESG criteria in the portfolio construction, but the world equities fund is managed passively against an ESG benchmark (MSCI ESG Screened).
- [Pictet](#) (global equities) adopts a [best-in-class approach](#), which seeks to invest in securities of issuers with low sustainability risks while avoiding those with high sustainability risks, reducing the investment universe by 20% compared to the standard index, and reaching a [significantly lower carbon intensity](#).

- [Mercer](#) (world and EM equities) does not promote specifically environmental or social characteristics. However, they select some sub-funds that integrate ESG criteria. Among the five sub-funds in [world equities](#), four of them apply a dedicated ESG approach in the portfolio construction. Three sub-funds are [Art. 8 SFDR](#), and one is classified [Art. 6 SFDR](#).
- Regarding the [EM equities](#) (with four sub-funds), three integrate ESG criteria in the portfolio construction but only two are promoting environmental and social characteristics ([classified Art. 8 SFDR](#)).

## Real Estate

All Swiss foundations pursue some objectives regarding ESG.

- [AssetImmo](#) applies a sustainability strategy in construction/renovation with reduction of energy demand and conversion of energy production to fossil-free with the goal to be CO<sub>2</sub> neutral by 2050. In terms of certification, many buildings are built according to the Minergie standard but are not certified.
- [ZKB](#) focuses on the environment with the energy and greenhouse gas consumption of properties. Approximately 40% of buildings have a CECB (Cantonal Certificate Energy for Buildings) certification, 25% SGNI (Swiss Sustainable Building Council) and <5% Minergie standard.
- In 2022, [Avadis](#) improved their buildings in terms of energy efficiency and reduction of CO<sub>2</sub>. In addition, some CO<sub>2</sub> paths have been targeted and short/mid-terms renovations requirements will happen accordingly.
- The two [Swiss Life](#) foundations (commercial and residential) have the same goals in terms of sustainability, complying with a CO<sub>2</sub> reduction corresponding to the 1.5-degree target of the Paris Climate Agreement. In terms of certifications, 18.7% of the buildings in the commercial foundation have a “Minergie” standard, while 13.4% in the residential foundation.

For the global real estate, the [CS Multi-Manager](#) is not targeting any ESG objectives.

- The [UBS AST](#) does not apply any ESG objectives directly, but UBS encourages the sub-funds to go through this direction. Approximately 21.3% of the floor space has at least one operational green building certification. In addition, 18 of the 52 positions are classified [Art. 8 SFDR](#) and 32 funds out of 52 have a CO<sub>2</sub> reduction target in line with the Paris Climate Agreement.
- The [CS REFI](#) focuses on an alignment of its investments with the [Sustainable Development Goals](#) and targets [reduction of greenhouse gas emissions](#). The fund applies an active decarbonization and systematic reduction of CO<sub>2</sub> emissions through improvements of energy efficiency. 90.58% of the buildings have at least one certification such as “Minergie”.



## Climate profile and ESG score

All funds/mandates calculate their climate impact and an ESG score

### Bonds and Equities

Asset class	Asset Manager			Alignment with the Paris Climate Agreement	Classification SFDR (4,8,9)	Climate Impact (scope 1+2)						Ratings				Transparency			
	Weight	Manager	Style			Carbon intensity* PF (the smaller the better)	Carbon intensity BM	Reduction in carbon intensity	Carbon footprint** PF (the smaller the better)	Carbon footprint BM	Reduction in carbon footprint	Data Provider	MSCI Rating PF (the higher the better)	MSCI Rating BM	ESG Rating PF (the higher the better)	ESG Rating BM	Carbon intensity PF	Carbon intensity BM	
Swiss Bonds	13.0%	CS	Passive	✖	-	33	30	-12.0%	11	9	-15.2%	MSCI	6.9	6.9	A	A	70.2%	70.9%	
Global Government Bonds	13.0%	UBS	Active	✖	-	272	271	-0.4%	n/a	n/a	n/a	MSCI	5.9	5.9	n/a	n/a	n/a	n/a	
Global Corporate Bonds	6.0%	Vontobel	Active	✖	8	200	255	21.8%	61	59	-3.7%	MSCI	8.6	8.2	n/a	n/a	96.0%	95.0%	
Global Corporate Bonds	6.0%	ZKB	Active	✔	8	81	276	70.5%	40	77	48.9%	ISS ESG	7.2	6.7	70.2	64.1	90.0%	n/a	
EM Bonds	2.0%	Amundi	Active	✖	8	1204	4384	72.5%	2045	5660	63.9%	Trucost	3.1	3.1	-0.2	-0.2	79.7%	n/a	
EM Bonds	2.0%	Vontobel	Active	✖	6	922	1507	38.8%	236	131	-80.4%	MSCI	3.4	3.1	n/a	n/a	32.4%	65.4%	
Swiss Equity	5.5%	UBS	Passive	✖	-	125	125	0.1%	62	62	0.1%	MSCI	7.9	7.9	n/a	n/a	99.9%	100.0%	
Swiss Equity	1.5%	Schroders	Active	✔	8	38	36	-5.5%	19	12	-60.9%	MSCI	5.6	5.7	3.0	2.7	96.0%	94.0%	
World Equity	7.0%	UBS	Passive	✖	-	91	142	36.0%	36	50	27.5%	MSCI	7.0	6.9	n/a	n/a	99.9%	99.8%	
World Equity (h)	9.5%	Mercer	Active	✔	6	86	161	46.6%	46	58	20.7%	Mercer	n/a	n/a	2.50	n/a	97.3%	99.8%	
World Equity (h)	2.5%	Pictet	Active	✔	8	38	176	78.2%	19	51	61.8%	Sustain.	9.0	6.9	8.15	7.85	99.5%	100.0%	
EM Equities	4.0%	Mercer	Active	✔	6	162	323	49.8%	97	133	27.1%	Mercer	n/a	n/a	2.40	n/a	93.6%	100.0%	
Total	72.0%							23.6%			10.2%		6.78	6.60			88.0%	90.4%	
Better than the benchmark				Worse than the benchmark				Equal benchmark				Not applicable				n/a Not available			

Better than the benchmark
Worse than the benchmark
Equal benchmark
Not applicable
n/a Not available

\* Carbon intensity : tCO<sub>2</sub>e per million CHF of revenue and tCO<sub>2</sub>e per million CHF GDP for government bonds

\*\*Carbon footprint : tCO<sub>2</sub>e per million CHF of invested capital

1 Three funds are aligned with the Paris Climate Agreement to keep the increase in global average temperature well below 2°C above pre-industrial levels, and preferably to limit the increase to 1.5°C. Part of the sub-funds selected by Mercer are aligned with the PCA.

2 The carbon intensity measures the exposure to carbon-intensive companies expressed in tons of CO<sub>2</sub>e per million CHF of revenue. All managers reported the carbon intensity, but numbers provided by Amundi also consider the scope 3. CS, UBS (global government bonds) and Schroders have a carbon intensity slightly worse than the benchmark, while the other funds present reduction between 20% and 78%. The overall portfolio has a carbon intensity reduction of 23.6%.

3 The carbon footprint includes the total carbon emissions for a portfolio normalized by the market value of the portfolio and expressed in tons of CO<sub>2</sub>e per million CHF of invested capital. Seven funds provide an improvement, three are in line or slightly worse than the index. The EM bond fund managed by Vontobel has a carbon footprint 80% higher than the benchmark. The total portfolio's carbon footprint is 10.2% lower than the composite benchmark.



4

Except Mercer, all managers have provided an MSCI ESG rating. Passive funds have the same rating as their index. Pictet has the highest score with 9 out of 10 followed by global corporate bonds managed by UBS. Most of the funds have a score between 5.7 and 7.1. The worst score comes from EM bonds (Amundi and Vontobel).

The overall score of the portfolio is approximately 6.78 based on the strategic weights and thus slightly above the MSCI rating of the benchmark (6.60). The score of 6.78 corresponds to a medium score A according to the MSCI ESG grid (see table next page).

5

The lowest numbers of transparency ratio are for the EM bonds. On the opposite, the Swiss and world equity products present the highest numbers with a transparency ratio above 95%. The aggregated transparency ratio amounts to around 88%.

The table below shows the MSCI ESG rating grid:

Letter	Leader/Laggard	Score	HP PF Asset Classes
AAA	Leader	8.571 – 10.0	World EQ (Pictet), Corporate Bonds (UBS)
AA	Leader	7.143 – 8.571	Corporate Bonds (ZKB), Swiss EQ (UBS)
A	Medium	5.714 – 7.143	Swiss Bonds (CS), Government Bonds (UBS), World EQ (UBS)
BBB	Medium	4.286 – 5.714	Swiss Equities (Schroders)
BB	Medium	2.857 – 4.286	EM Bonds (Vontobel), EM Bonds (Amundi)
B	Laggard	1.429 – 2.857	
C	Laggard	0.0 – 1.429	

Source: MSCI

## Real Estate

Asset class	Asset Manager				Alignment with the Paris Climate Agreement	Climate Profile (scope 1+2)					Ratings	
	Weight	Manager	Style	Product		Energy Intensity*	Energy Intensity BM	Intensity of greenhouse gas emissions **	Intensity of greenhouse gas emissions BM	Share of fossil fuels in the energy mix	GRESB Score (the higher the better)	GRESB Score Benchmark
Swiss Real Estate	8%	AssetImmo	Active	Foundation	✓	n/a	n/a	14	13	n/a	n/a	n/a
Swiss Real Estate	2%	ZKB	Active	Foundation	✓	80	n/a	12	n/a	65.4%	80	72
Swiss Real Estate	2%	Avadis	Active	Foundation	✗	128	n/a	20	n/a	75.0%	n/a	n/a
Swiss Real Estate - Commercial	1%	Swiss Life	Active	Foundation	-	100	n/a	14	n/a	69.7%	75	74
Swiss Real Estate - Residential	1%	Swiss Life	Active	Foundation	-	113	n/a	17	n/a	68.7%	77	75
Global Real Estate (h)	4.8%	UBS	Active	Fund	-	131	n/a	40	n/a	n/a	81	79
Global Real Estate (h) - REFI	0.8%	CS	Active	Fund	✓	133	n/a	41	n/a	66.0%	81	77
Global Real Estate (h) - MM	2.4%	CS	Active	Fund	✗	n/a	n/a	n/a	n/a	n/a	78	74
Total	22.0%					117.5	n/a	22.0	n/a	69.4%	79.4	76.0

Better than the benchmark
  Worse than the benchmark
  Equal benchmark
 n/a Not available

\* kilowatt hours per square meter energy reference area and year (instead of energy reference area can also use rentable area)

\*\*kilograms CO<sub>2</sub>e per square meter energy reference area and year

Assetimmo, ZKB and the CS REFI are targeting a net-zero CO<sub>2</sub> by 2050 in line with the Paris Climate Agreement (PCA). The UBS AST has not a target at the fund level, but the UBS Group defined a net-zero target in accordance with the PCA. The remaining products are not aligned with the PCA, but Swiss Life consider the agreement in part of their goals.

The energy intensity measures the energy consumption (kWh) per area covered (m<sup>2</sup>) while the intensity of greenhouse gas emissions is calculated as the greenhouse gas emissions (kg CO<sub>2</sub>) per area covered (m<sup>2</sup>). The greenhouse gas emissions (GHGs) include all emissions of carbon dioxide (CO<sub>2</sub>) and other greenhouse gases resulting from the energy consumption. In terms of climate profile, ZKB has the lowest energy intensity and intensity GHGs. The overall real estate portfolio has an energy intensity of 117.5 and an intensity of greenhouse gas emissions of 22.








For the share of fossil fuels in the energy mix, the percentage are narrow between the products. The total portfolio has a share of 69.4% of fossil fuel in the energy mix.

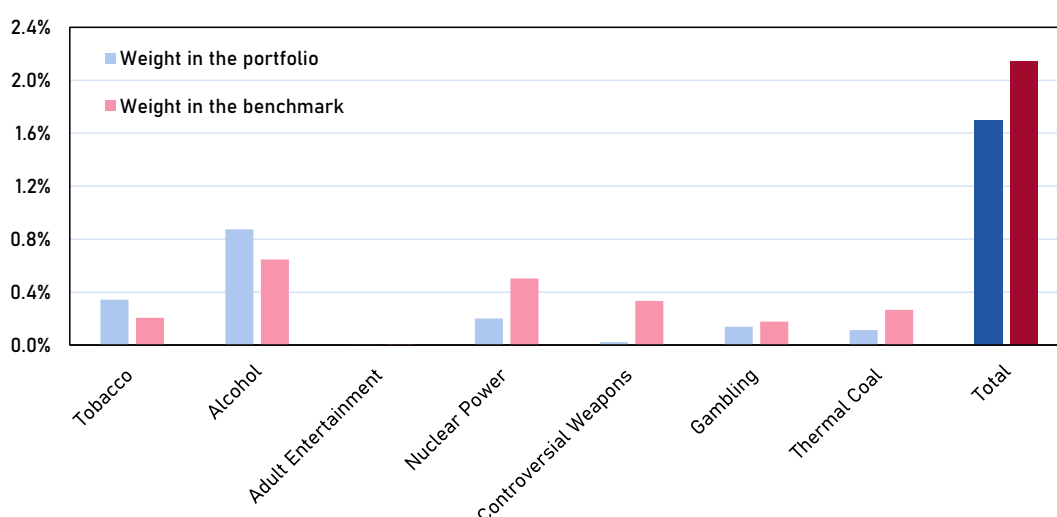
As the market leader in ESG-rated real estate investments, the Global Real Estate Sustainability Benchmark (GRESB) assesses the sustainability performance of real estate funds and companies. All managers publishing a GRESB Score are above their index. ZKB has the best improvement with a score of 80 while the benchmark is 72. The real estate portfolio has a GRESB score of 79.4 out of 100 and above of benchmark score of 76.



## Exposure to controversial sectors

The exposure to controversial sectors based on the strategic allocation amounted to **1.69%** at the end of December 2022. The exposure is **lower** than the composite benchmark by **-0.44%-points**. This reduction is explained by the exclusions in nuclear power, controversial weapons, and thermal coal.

Controversial sectors	Weight in the portfolio	Weight in the benchmark
 Tobacco	0.34%	0.21%
 Alcohol	0.87%	0.65%
 Adult Entertainment	0.00%	0.01%
 Nuclear Power	0.20%	0.50%
 Controversial Weapons	0.02%	0.33%
 Gambling	0.14%	0.18%
 Thermal Coal	0.11%	0.27%
<b>Total</b>	<b>1.69%</b>	<b>2.14%</b>



## Transparency

**All managers publish information on their sustainability efforts**

**CS, UBS, Pictet and Mercer** do not have an ESG report, but they just include an ESG section in the monthly factsheet. In addition, most of the sub-funds in world and EM equities managed by **Mercer** publish their own ESG report. The remaining managers in equities and bonds publish an ESG report.

The Swiss foundations and the global real estate funds do not publish an ESG report. They provide some information about their activities in the factsheet and/or the annual report.



## 4. Conclusion

The table below provides an overview of the sustainability in the portfolio by type of investments:

Asset class/Managers	Strategic Allocation	Investment objective	Sustainability characteristics							
			Influence			Exclusion		Positive criteria		
			Affiliations ESG	Exercise of voting rights	Engagement	SVWK-ASIR	Others exclusions	Integration ESG	Dedicated ESG approaches	ESG objectives in real estate
Cash	2.0%	-								
Swiss Bonds										
CS	13.0%	Replicating the benchmark	✓		✓	✓	✓	✓	✓	
Global Government Bonds (hedged in CHF)										
UBS	13.0%	Replicating the benchmark	✓		✗	✓	✓	✗	✗	
Global Corporate Bonds (hedged in CHF)										
Vontobel	12.0%	Outperforming the benchmark (active)	✓		✓	✓	✓	✓	✗	
ZKB		Outperforming the benchmark (active)	✓		✓	✓	✓	✓	✓	
Emerging Markets Bonds (hedged in CHF)										
Amundi	4.0%	Outperforming the benchmark (active)	✓		✓	✓	✓	✓	✓	
Vontobel		Outperforming the benchmark (active)	✓		✓	✓	✓	✓	✗	
Swiss Equity										
UBS	7.0%	Replicating the benchmark	✓	✓	✓	✓	✓	✗	✗	
Schroders		Outperforming the benchmark (active)	✓	✓	✓	✓	✗	✓	✓	
World Equity										
UBS	7.0%	Replicating the benchmark	✓	✓	✓	✓	✓	✗	✓	
World Equity (hedged in CHF)										
Mercer	12.0%	Outperforming the benchmark (active)	✓	✓	(✓)	✓	(✓)	✓	✗	
Pictet		Outperforming the benchmark (active)	✓	✓	✓	✓	✓	✓	✓	
Equity Emerging Markets										
Mercer	4.0%	Outperforming the benchmark (active)	✓	✓	(✓)	(✓)	(✓)	✓	✗	
ILS										
ILS	4.0%	Outperforming the benchmark (active)								
Swiss Real Estate										
Assetimmo	14.0%	Outperforming the benchmark (active)	✓		✓		✗	✓	✗	✓
ZKB		Outperforming the benchmark (active)	✓		✓		✓	✓	✗	✓
Avadis		Outperforming the benchmark (active)	✓		✗		✓	✓	✗	✓
Swiss Life		Outperforming the benchmark (active)	✓		✓		✗	✓	✗	✓
Global Real Estate										
UBS	8.0%	Outperforming the benchmark (active)	✓		✓		(✓)	(✓)	✗	(✓)
CS REFI		Outperforming the benchmark (active)	✓		✗		✗	✓	✗	✓
CS Multi Manager		Outperforming the benchmark (active)	✓		✗		✗	✗	✗	✗

✓ Applied to all mandates in the category

(✓) Applied in at least one sub-fund

✗ Not applied in the fund

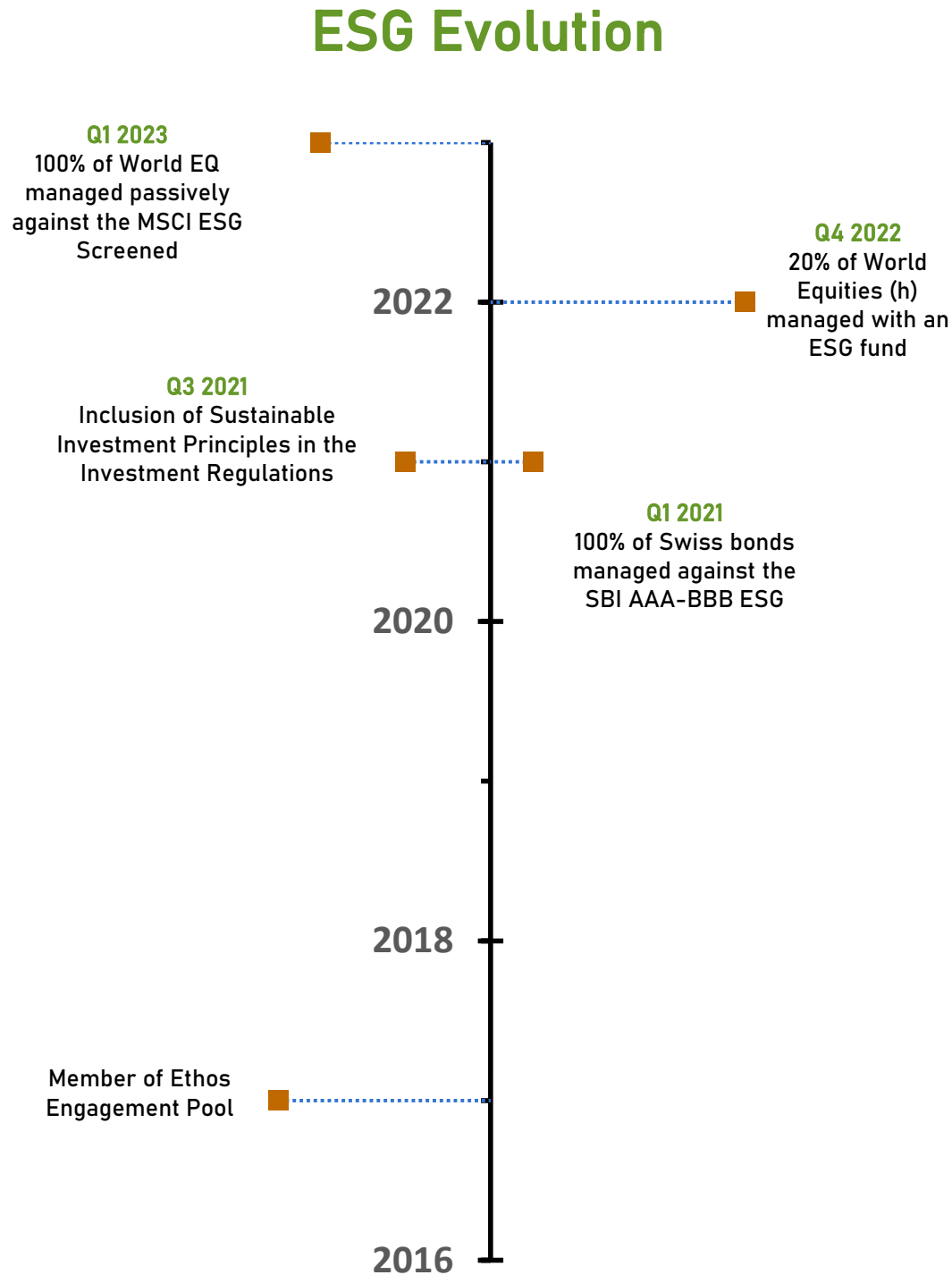
Not applicable to asset class

## Conclusion and objectives

- Despite the absence of an ESG charter set by the HP PF, all funds include the [SVVK-ASIR list](#) and additional exclusions in their management process. This leads to an exposure to [controversial weapons](#) of [1.69% lower](#) than the [benchmark \(2.14%\)](#).
- All managers are signatories of the [Principles of Responsible Investments \(PRI\)](#) and the majority adheres to [other climate initiatives](#) (SSF, TCFD, UN Global Compact, Climate Action 100+, CDP and NZAM).
- In 2022, the [voting rights](#) were exercised by all equity managers above [95%](#) and most of the managers include funds holdings, in their engagement program.
- HP PF's portfolio contains a world equities ESG fund ([Pictet](#)) since December 2022 and [20% of the portfolio is managed against ESG benchmarks](#). The majority of the investments in the portfolio integrates ESG and publishes metrics regarding the climate profile.
- Some funds are aligned with the [Paris Climate Agreement](#) (net zero 2050) and four funds are classified [Art. 8 SFDR](#).
- ✓ As of 31.12.2022, the [MSCI ESG score](#) of the [portfolio](#) amounts to [6.78](#) which is better than the [composite benchmark score \(6.60\)](#).
- ✓ The [carbon intensity](#) of the portfolio amounts to [23.6% lower than the benchmark](#) while the [carbon footprint is reduced by 10.2%](#) compared to the benchmark.
- ✓ The real estate portfolio, [GRESB Score](#) (79.4 out of 100) is higher than the score of the benchmark (76.0).




























HP PF – ESG Evolution

Since many years, the HP PF is taking ESG investments in its portfolio. We summarise below some of the main changes in terms of affiliations but also in new investments in the portfolio.





## 5. Appendix: ESG Initiative Signatory

Initiatives and networks and associations of HP PF asset managers				CS	UBS	Vontobel	ZKB	Amundi	Schroders	Mercer	Pictet	Assetimmo	Avadis	Swiss Life
	AMF	Access to Medicine Foundation	<a href="https://accessmedicinedefoundation.org/">https://accessmedicinedefoundation.org/</a>		✓		✓							
	CDP	Carbon disclosure project	<a href="https://www.cdp.net/en">https://www.cdp.net/en</a>		✓	✓	✓	✓	✓	✓	✓			✓
	CII	Council of Institutional Investors	<a href="https://www.cii.org/">https://www.cii.org/</a>					✓						
	Climate Action 100+	Global Investors Driving Business Transition	<a href="http://www.climateaction100.org/">http://www.climateaction100.org/</a>	✓	✓		✓	✓	✓	✓	✓			✓
	Climate Bonds Initiative	Climate Bonds Initiative	<a href="https://www.climatebonds.net/about/funders">https://www.climatebonds.net/about/funders</a>	✓	✓		✓	✓			✓			
	EFAMA	European Fund and Asset Management Association	<a href="https://www.efama.org/SitePages/Home.aspx">https://www.efama.org/SitePages/Home.aspx</a>						✓		✓			
	EFFAS	The European Federation of Financial Societies	<a href="https://effas.com/">https://effas.com/</a>				✓							
	EP	Equator Principles	<a href="https://equator-principles.com">https://equator-principles.com</a>	✓										
	Eurosif	European Sustainable Investment Forum	<a href="https://www.eurosif.org/">https://www.eurosif.org/</a>				✓							
	FAIRR	FAIRR Initiative	<a href="https://www.fairr.org/">https://www.fairr.org/</a>	✓	✓		✓	✓			✓			
	FNG	Forum Nachhaltige Geldanlagen	<a href="https://www.forum-ng.org/de/">https://www.forum-ng.org/de/</a>				✓				✓			✓
	GBP	Green Bond Principles	<a href="https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/green-bond-principles-gbp/">https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/green-bond-principles-gbp/</a>	✓				✓	✓					
	GIIN	Global Impact Investing Network	<a href="https://thegin.org/">https://thegin.org/</a>	✓	✓	✓				✓				
	GRESB	Global Real Estate Sustainability Benchmark	<a href="https://gresb.com/">https://gresb.com/</a>	✓										✓
	GRI	Global Reporting Initiative	<a href="https://www.globalreporting.org/">https://www.globalreporting.org/</a>		✓									✓
	ICGN	International Corporate Governance Network	<a href="https://www.icgn.org/">https://www.icgn.org/</a>	✓	✓			✓						✓
	IFC	Operating Principles for Impact Management of IFC	<a href="https://www.ifc.org/">https://www.ifc.org/</a>	✓	✓			✓						
	IIGCC	Institutional Investor Group on Climate Change	<a href="https://www.iigcc.org/">https://www.iigcc.org/</a>					✓	✓	✓	✓			✓
	ItaSIF	Forum per la Finanza Sostenibile	<a href="https://finanzasostenibile.it/">https://finanzasostenibile.it/</a>			✓								
	Japan's Stewardship Code	Japan's Stewardship Code	<a href="https://www.fsa.go.jp/en/refer/councils/stewardship/20170529.html">https://www.fsa.go.jp/en/refer/councils/stewardship/20170529.html</a>			✓					✓			
	Net Zero AM Initiative	Net Zero Asset Manager Initiative	<a href="https://www.netzeroassetmanagers.org/">https://www.netzeroassetmanagers.org/</a>	✓	✓		✓	✓	✓		✓			✓
	ÖBU	Swiss Business Council for Sustainable Development	<a href="https://www.obu.ch/">https://www.obu.ch/</a>	✓		✓	✓							
	OP	Ocean Panel	<a href="https://www.oceanpanel.org/">https://www.oceanpanel.org/</a>	✓										
	PRI	Principles of Responsible Investing	<a href="https://www.unpri.org/">https://www.unpri.org/</a>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	RIAA	Responsible Investment Association Australasia	<a href="https://responsibleinvestment.org/">https://responsibleinvestment.org/</a>						✓	✓				
	RSPO	Roundtable on Sustainable Palm Oil	<a href="https://rspo.org/">https://rspo.org/</a>	✓	✓									
	SASB	Sustainability Accounting Standards Board	<a href="https://www.sasb.org/">https://www.sasb.org/</a>		✓				✓					
	SBTi	Science Based Targets Initiative	<a href="https://sciencebasedtargets.org/">https://sciencebasedtargets.org/</a>	✓					✓		✓			
	SFG	Sustainable Finance Geneva	<a href="https://sfgeneva.org/">https://sfgeneva.org/</a>	✓	✓	✓					✓			
	Spainsif	The Spanish Sustainable Investment Forum	<a href="https://www.spainsif.es/">https://www.spainsif.es/</a>			✓			✓					
	SSF	Swiss Sustainable Finance	<a href="https://www.sustainablefinance.ch/">https://www.sustainablefinance.ch/</a>	✓	✓	✓	✓				✓	✓	✓	✓
	TCFD	Task Force on Climate-related Financial Disclosures	<a href="https://www.tsb-tcfd.org/">https://www.tsb-tcfd.org/</a>	✓	✓		✓	✓	✓	✓	✓			✓
	The Investor Agenda	The Investor Agenda	<a href="https://theinvestoragenda.org/">https://theinvestoragenda.org/</a>							✓				
	The Wolfsberg Group	The Wolfsberg Group	<a href="https://www.wolfsberg-principles.com/">https://www.wolfsberg-principles.com/</a>	✓										
	TPI	Transition Pathway Initiative	<a href="https://www.transitionpathwayinitiative.org/">https://www.transitionpathwayinitiative.org/</a>							✓				
	UK Stewardship Code	UK Stewardship Code	<a href="https://www.frc.org.uk/investors/uk-stewardship-code">https://www.frc.org.uk/investors/uk-stewardship-code</a>			✓					✓			
	UN Global Compact	UN Global Compact	<a href="https://www.unglobalcompact.org/">https://www.unglobalcompact.org/</a>	✓	✓	✓	✓	✓	✓		✓			✓
	UNEP FI	United Nations Environment Programme Finance Initiative	<a href="https://www.unepfi.org/">https://www.unepfi.org/</a>	✓	✓		✓		✓					✓
	WEPS	UN Women's Empowerment Principles	<a href="https://www.weps.org/">https://www.weps.org/</a>		✓									