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Swiss Pension Funds and Responsible Investment 2015/16 Report

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ShareAction is a UK registered charity that campaigns for Responsible Investment. ShareAction's vision is of an investment system that is a force for good - serving savers and communities and protecting our environment for the long term.

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- Ivo Knoepfel (Founder and Managing Director, onValues)
- Pierin Menzli (Member of the Board of Directors, Contrast Capital)
- Roby Tschopp (Executive Director, Actares)
- Stephanie Feigt (Member of the Board of Directors, Contrast Capital)

Overall results

Best practice:	
Good practice:	
Bernische Pensionskasse BVK Kanton Zürich CPEG - Etat de Genève	Pensionskasse Post Pensionskasse Stadt Zürich (PKZH)
Upper midfield:	
Aargauische Pensionskasse comPlan (Swisscom AG) CPEV - Etat de Vaud Migros-Pensionskasse (MPK)	Pensionskasse Basel-Stadt* Pensionskasse Hoffmann-La-Roche AG Pensionskasse SBB PUBLICA
Lower midfield:	
ASGA Pensionskasse Pensionskasse Novartis	Stiftung Auffangeinrichtung VITA Joint Foundation
Underperformers:	No scoring possible due to lack of information:
	Pensionskasse der Credit Suisse* Pensionskasse Energie (PKE)* Pensionskasse der UBS*

Table 1**: Overall results / * This pension fund did not participate in the survey and the questionnaire remained unanswered. Its performance was thus only assessed based on publicly available information which consequently may be incomplete. Therefore, in our evaluation scheme a lack of transparency also led to low scores in the second part of the survey "Implementation" (questions II.a. to II.d.). It has to be noted that a low score does not necessarily mean that the fund in question is not undertaking any relevant Responsible Investment activities. / ** Pension funds were arranged in alphabetical order within quintiles.

Executive Summary

This is the first independent study of Swiss pension funds and Responsible Investment (RI), carried out by WWF Switzerland and ShareAction. Swiss occupational pension funds hold approximately US\$ 804 billion (CHF 767 billion)¹, or 119% of Swiss Gross Domestic Product (GDP). Pension funds are one of the largest and most influential investor groups in Switzerland and, as long-term shareholders, have the power to impact and guide corporate behaviour at their investee companies. The 20 largest pension funds surveyed in this report represent more than € 256 billion² (CHF 281 billion)³, or approximately 36% of all Swiss occupational pension funds.

The aim of this study is to analyse the current status of Responsible Investment in Switzerland, identify good practice and initiate a dialogue with the largest pension funds to promote this. Of the 20 largest Swiss pension funds invited to take part in this survey, 16 chose to actively participate and completed a questionnaire. The remaining four were assessed only on the basis of publicly available information. The survey consisted of a section on transparency and a section on implementation, which were given equal weightings. The pension funds were grouped into quintiles, ranging from 'Best practice' to 'Underperformers / No scoring possible'.

It is clear that all the pension funds that took part in this survey are engaging with the topic of Responsible Investment on some level. None of the participating pension funds were classed in the bottom quintile of 'Underperformers'. Overall, the size of the pension fund is not correlated with performance in the survey: some of the smaller pension funds are among the best performers, and vice-versa. Our results also show that both public and private pension funds can be leaders in the field of Responsible Investment.

However, the overall results also illustrate that there is some way to go before the Swiss pension funds exemplify international Responsible Investment best practice. None of the pension funds were awarded a score in the highest, 'Best practice', quintile. The average score awarded was only 27.9 out of 66. Overall, the industry still seems to understand Responsible Investment mainly as an activity that is separate from other aspects of the investment process, rather than fully integrating environmental, social and corporate governance (ESG) considerations into investment decisions.

Key findings

13 out of the 16 participating funds have an RI policy. Nine of those policies were considered detailed. 10 of the 16 participating pension funds indicated that their policies encompass all three environmental, social and governance (ESG) factors. Only seven of them indicated that their policy applies to all asset classes.

15 of the 20 pension funds have voting policies outlining for which companies they exercise their voting rights and which considerations they take into account. The scope and content of these policies are often rather limited. It is positive that all but two pension funds go beyond what is required by law and make their voting records publicly available.

Disclosure of engagement policies and reports is quite poor. This is not only a transparency issue, but is also due to the fact that six out of the 16 participating pension funds do not actually undertake engagement activities. Only two pension funds publish their own engagement policy, but these are quite limited in detail. Nine of the participating pension funds conduct engagement collectively with other investors.

Transparency is one of the main areas for improvement for Swiss pension funds; two of the pension funds do not have websites. Answers to the questionnaire often indicate that pension funds do undertake some form of Responsible Investment, but do not systematically report about this publicly. There is rarely any information about the investment approach beyond basic asset allocation.

Our findings indicate that the process of engagement with beneficiaries about Responsible Investment activities has begun to some extent in Switzerland, but remains limited. 13 out of the 16 pension funds that participated report to their beneficiaries about their voting or engagement. Seven pension funds arrange face-to-face meetings with their beneficiaries, such as annual member meetings.

In terms of the specific Responsible Investment approaches taken, the most popular approach is active voting at investee companies with respect to ESG factors, followed by active ESG-related engagement with investee companies. 12 pension funds indicated that they organise formal training sessions on Responsible Investment for the governing body, the investment committee, or for staff in general.

All of the participating pension funds outsource some or all investment management and nine of the participating pension funds indicated they take the Responsible Investment capabilities of all asset managers and consultants into account when choosing who to appoint. Subsequent monitoring of these Responsible Investment capabilities is, however, still insufficient.

Only two pension funds out of 20 have signed up to the UN-supported Principles for Responsible Investment⁴. However, five of the pension funds surveyed are founding members of SVVK-ASIR (Swiss Association for Responsible Investment) which indicates that Swiss pension funds are increasingly taking up Responsible Investment activities.

The survey included a set of questions about how the pension funds address issues related to climate change. It is positive to see that most pension funds have taken some action on this topic. Nine have carried out a climate impact analysis of at least one asset class and most indicate that they have taken other actions, such as decarbonising the real estate portfolio or increasing investments in renewable energy. However, only one pension fund has a climate change strategy and only two pension funds take into consideration their asset managers' and consultants' capacity to assess and act on risks and opportunities relating to climate change. This indicates that further efforts need to be made in order to systematically address investment risks stemming from climate change.

In order for Swiss pension funds to continue improving their performance, this report makes a number of general recommendations. A key recommendation is that all pension funds should develop and publicly disclose a detailed RI policy, as well as voting and engagement policies and a climate change strategy and report on their implementation. Voting rights should be exercised not only for domestic but also for international shareholdings. Details of actual investment holdings should also be disclosed. Pension funds are encouraged to consider the Responsible Investment capabilities of all asset managers and consultants upon their appointment and monitor them regularly. Finally, it is important that pension funds engage proactively with their beneficiaries on Responsible Investment activities; beneficiaries should have the right to know how their own money is invested. Transparency to the general public is also important as the investment practices of pension funds can have a significant impact on the entire economy.

This survey showed a great interest and willingness from Swiss pension funds to engage on the issue of Responsible Investment, and while WWF Switzerland and ShareAction recognise the barriers faced by pension funds in implementing Responsible Investment, there are also ever more examples of national and international best practice which showcase the way forward.

I. Introduction: Motivations for the study

Approximately US\$ 804 billion (CHF 767 billion)⁵, or 119% of Swiss GDP, are held by Swiss pension funds; with assets under management (AUM) of the top 20 largest funds included in this survey exceeding € 256 billion⁶ (CHF 281 billion), or approximately 36% of the total⁷. Pension funds are therefore one of the largest and most influential investor groups in Switzerland. As long-term shareholders, they have the power to impact and guide corporate behaviour at their investee companies on issues ranging from poor corporate governance to human rights abuses in supply chains and impacts on the environment. The OECD estimates that Swiss pension funds invest 40.9% of their assets abroad, meaning their investment behaviour has global consequences⁸.

It is the prime responsibility of pension funds towards their beneficiaries to ensure sustainable investment returns. Therefore, they should be responsible for monitoring and managing risks that might affect cash flows in the long term. There is growing recognition from investors and policymakers worldwide that environmental, social and corporate governance (ESG) factors can be financially material, particularly for long-term investors like pension funds. A failure to properly consider ESG factors can put pension beneficiaries' money at risk. Good risk management is thus extremely important for the health of the Swiss economy and for the financial security in retirement of millions of Swiss citizens who mainly have unguaranteed 'defined contribution' pensions and thus bear investment risks themselves⁹.

There are already a number of pension fund surveys that are regularly undertaken in Switzerland, but none of them focus on Responsible Investment. This makes WWF Switzerland and ShareAction's¹⁰ first independent study about the performance of Swiss pension funds in the areas of Responsible Investment and transparency a timely project. The main aims of the study are to:

- Understand the extent to which Swiss pension funds are adopting Responsible Investment approaches
- Initiate a dialogue about Responsible Investment with the largest Swiss pension funds
- Encourage Swiss pension funds to improve their Responsible Investment policies and practices
- Allow pension funds and their beneficiaries to start a dialogue about Responsible Investment

We plan to repeat this survey regularly and to work in dialogue with the pension funds to achieve progress.

This initial study includes some questions focusing on climate change. Following the recent COP21 United Nations (UN) Climate Change Conference in Paris in December 2015, there is an increasing acknowledgment among institutional investors of the risks and opportunities flowing from environmental considerations, such as the threat of stranded assets¹¹. Clean energy investments need to be doubled to US\$ 660 billion by 2020 and pension funds have an important role to play in this transition¹². As UN Secretary-General Ban Ki-moon recently stated:

*"[p]ension funds must use their influence as investors and shareholders to accelerate the rapid de-carbonization of the economy."*¹³

II. Background

The Swiss pensions system

The Swiss social security system is based on three pillars. The first pillar consists of the basic state old-age and survivors' insurance scheme (AVS). It grants pensions of two basic types: old age pensions to people of retirement age, and so-called survivors' pensions to spouses or dependent children of a deceased insured person. It is mainly pay-as-you-go financed by contributions from employees, employers, the self-employed and from those not in paid employment. The state also contributes via direct funding, VAT and the revenues of the tax on gambling clubs. The second pillar is workplace-based and made up of occupational pensions, which are mandatory in Switzerland. The third pillar refers to voluntary pension schemes, which are made up of personal savings and investment plans. Because the second pillar is compulsory, Switzerland is one of the few countries where the three pillars contribute almost equally to old-age income.

This survey focuses on the second pillar, which is made up of over 2,000 occupational pension funds and complements the basic first pillar, the AVS system, to ensure that retirees are able to maintain their standard of living. By aiming to ensure a certain level of wealth at the age of retirement, occupational pension funds play an important societal role. As discussed above, occupational pension funds are also central actors in the Swiss economy, representing the largest group of asset owners with AUM of US\$ 804 billion in 2015, or 119% of Swiss GDP¹⁴.

Under the 1982 *Bundesgesetz über die berufliche Alters-, Hinterlassenen- und Invalidenvorsorge* (BVG – Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans)¹⁵, pension funds are obligated to provide long-term guarantees for all current and future pension payments¹⁶. In order to fulfil this mandate, pension funds must invest and manage their contributions in a way that offers optimum protection as well as a return on the investment in the course of decades. They have to comply with the *Verordnung über die berufliche Alters-, Hinterlassenen- und Invalidenvorsorge* (BVV 2 – Federal Ordinance on Occupational Retirement, Survivors' and Disability Pension Plans)¹⁷. The ordinance sets investment thresholds for each asset class, for example 50% in equities, 30% in real estate or 15% in alternatives. Investment income counts as a third source of contributions, besides the amounts paid by employers and employees.

What is Responsible Investment?

Over the years, many terms have been used interchangeably to describe the incorporation of ESG factors into investment fund management, for example ethical investment, socially-responsible investment, green investment, responsible investment or sustainability investing, to name a few. The meanings of these terms overlap and many have particular resonance for different industry participants. The main points of the definitions provided by market participants (investment consultants, asset owners, service providers, asset managers, etc.) as well as national and supranational organisations (UN, Eurosif) can be summarised as follows:

Responsible Investment is an investment approach which takes into account environmental, social and governance (ESG) issues which can be material to investment returns, particularly over the long term. It requires these factors to be assessed and integrated into research and investment decisions and for investors to conduct active, considered voting of shareholdings and engagement with investee companies.

The Principles for Responsible Investment: The UN-supported Principles for Responsible Investment (PRI) is an international network of investors working together to advance Responsible Investment. There are currently 1,500 PRI signatories with combined AUM of over US\$ 60 trillion (51.9 trillion €)¹⁸. The six Principles that signatories commit to are¹⁹:

- Incorporation of ESG issues into investment analysis and decision-making processes
- Active ownership and incorporation of ESG issues into ownership policies and practices
- Encouragement of appropriate disclosure on ESG issues by investee entities
- Promotion of acceptance and implementation of the Principles within the investment industry
- Collaboration to enhance effectiveness in implementing the Principles
- Reporting on activities and progress towards implementing the Principles

The main driving force behind the Principles is a recognition in the financial community that effective research, analysis and evaluation of ESG issues is a crucial part of assessing the value and performance of an investment over the medium and longer term, and that this analysis should influence asset allocation, stock selection, portfolio construction, shareholder engagement and voting²⁰.



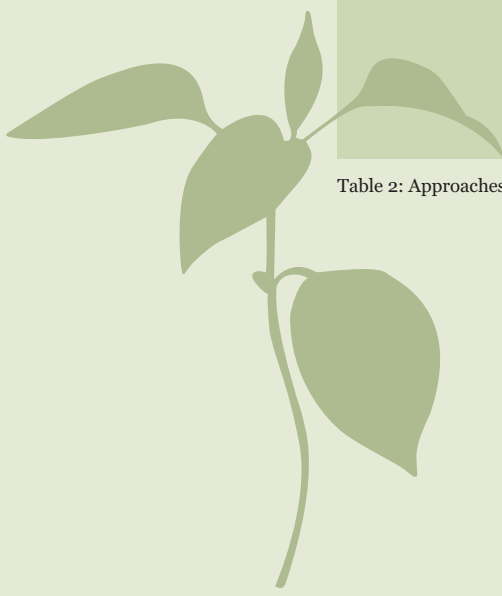
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The table below explains the different most widespread approaches to Responsible Investment, which were looked at in this survey:

Approaches to Responsible Investment

Voting with respect to ESG factors	Active ownership of shares through voting at investee company AGMs, basing voting decisions on ESG considerations
ESG-related engagement	Investor engagement with investee companies on ESG matters: engagement activities can, for example, be carried out via face-to-face meetings, phone or email conversations or at company AGMs
Negative screening	Exclusion of specific investments or classes of investment from the investable universe such as companies, sectors, or countries: this can be done through exclusions lists
Positive screening	Deliberate selection of leading or best-performing investments within a universe, category or class, based on ESG criteria: this can be achieved through best-in-class ratings
ESG-integration	Specific inclusion of ESG risks and opportunities into traditional financial analysis and investment decisions based on a systematic process and appropriate research sources
Other	Other approaches cited by pension funds in this survey included collaboration with other investors on Responsible Investment, reduction of the real estate portfolio energy consumption and supporting microfinance projects and clean energy infrastructure

Table 2: Approaches to Responsible Investment²¹



Eurosif's most recent 'European SRI Study' found that all surveyed Sustainable and Responsible Investment (SRI) strategies are continuing to grow, and they do so at a faster rate than the overall European asset management market²². For the more conventional strategies, growth rates range from 22.6% (Sustainability themed) to 91% (Exclusions) between 2011 and 2013. Impact investing, which is aimed at generating a measurable beneficial, social, or environmental impact alongside financial returns, is the fastest growing strategy, registering 132% growth over the period (see figure below). Over the same period, the overall European asset management industry has grown by an estimated 22%.

Overview of SRI Strategies in Europe

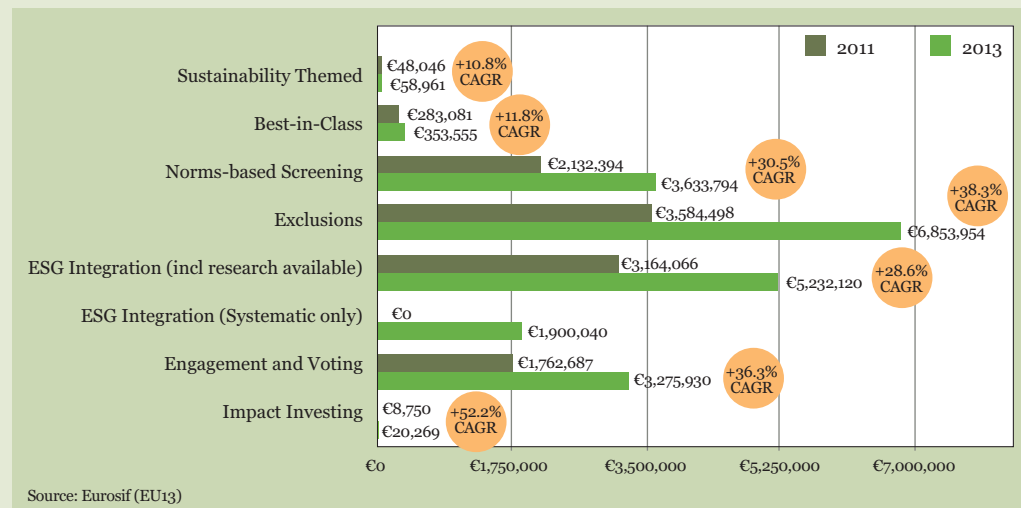


Figure 1: Eurosif's Overview of SRI Strategies in Europe²³

Responsible Investment in Switzerland

Switzerland explicitly includes sustainability in its constitution. Article 73 states:

*"The Confederation and the Cantons shall endeavour to achieve a balanced and sustainable relationship between nature and its capacity to renew itself and the demands placed on it by the population"*²⁴.

Switzerland is also generally known for its innovation in asset management. Asset managers, such as RobecoSAM and Bank J. Safra Sarasin in particular, are known for their sustainable approach²⁵. It therefore seems a paradox that in a country famous for its leading asset management sector, institutional investors appear to lag behind in terms of consideration given to ESG factors. Even though 15% of private sector and corporate pension funds and 40% of public funds have some element of ESG in their investment activity, these are often not systematic efforts but are more likely to be opportunistic in nature²⁶. Nevertheless, it also has to be added that most pension funds invest passively in order to keep costs low.

Passive investment is an investing strategy that tracks a market-weighted index or portfolio. The idea is to minimise the fees associated with active management which attempts to beat the market. Investing passively in large, indexed holdings does not mean Responsible Investment activities are impossible: while it can be harder for investors to adopt screening approaches, such as exclusions lists or best-in-class ratings, passive managers can exercise their responsibilities through active ownership. They can, for instance, choose to engage with investee companies or actively exercise their voting rights based on ESG considerations. Moreover, there are an “increasing variety of indices being designed that integrate ESG factors into index design and management”²⁷.

The latest study by Swisscanto, who offer a comprehensive range of investment and pension products and services, found that pension funds with AUM of more than 5 billion CHF (4.56 billion €)²⁸, which covers all of the pension funds in this survey, invest only 0.9% of their investment portfolios in sustainable investment products²⁹.

A 2014 study carried out by Novethic, a media and research centre providing information on Europe's responsible investment market, revealed that Swiss institutional investors, along with Spanish investors, are lagging behind in terms of ESG practices, particularly when it comes to shareholder engagement³⁰. The study, which took into account the performance of 185 asset owners from 13 European countries, found that fewer than half of the Swiss respondents had a formal RI policy, while less than one third had incorporated ESG criteria in all asset classes. In terms of norms- or sector-based exclusions, Switzerland is also lagging behind in Europe. The study also found that only 33% of Swiss investors had led at least one engagement initiative in 2014, compared to a European average of 52%.

Nevertheless, there have also been some positive recent developments. Research conducted by the Forum Nachhaltige Geldanlagen (FNG – Sustainable Investment Forum, an industry association promoting sustainable investment in Germany, Austria and Switzerland) found that the sustainable investment market in Switzerland is growing³¹. The volume of sustainable investment funds, mandates and structured products stood at 71.3 billion CHF (65 billion €)³² when the report was published in 2014, which represents an increase of 26% compared with 2013. Among institutional investors, corporate pension funds and investment foundations make up the biggest part (53%), whereas public pension funds or reserve funds make up 12%.

According to the FNG, 2014 saw particularly strong growth in norms-based screening (+76%), impact investment (+68%), voting (+60%) and engagement (+58%). Similarly, the latest Eurosif³³ study found that, in Switzerland, norms-based screening multiplied its volume by a factor of more than fifty between 2011 and 2013, while integration gains importance and is the third most frequently used approach now³⁴. As for the drivers of these developments, a study carried out at the University of Zurich found that the majority of the funds that engage in Responsible Investment do so in an attempt to create long-term value³⁵.

In the area of policy, it is encouraging that the Swiss government recognises the necessity of further developing standardised ESG investment approaches. In response to a Bundesamt für Umwelt (BAFU – Swiss Ministry for the Environment) study on Climate Risks for the Swiss Financial Sector³⁶, the government was recently asked in Parliament what they plan to do concerning pension funds and climate risks, citing the new French Energy Transition Law for institutional investors as an example (see box below). The Swiss government explained that they are working in collaboration with the 2 Degree Investing Initiative to develop standardised methods for climate relevant investments and to make these usable in the Swiss context³⁷.

Example of best practice – Reporting requirements for institutional investors

in France: In the 2015 French Law on the Energy Transition and Green Growth, Article 173 introduced requirements for institutional investors to include in their annual report, and make available to their beneficiaries, information on how their investment decision-making process takes ESG criteria into consideration, and the means implemented to contribute to the financing of the ecological and energy transition. This includes:

- risks induced by climate change, including the GHG emissions associated with assets owned;
- the contribution to the international goal of limiting climate change;
- the contribution to the realisation of the ecological and energy transition. The contribution will be measured with regards to indicative targets set by institutional investors taking into account the nature of their activities and investments, in a way that is consistent with the national low-carbon strategy provided by the Code de l'Environnement. If targets are not met, the reasons need to be explained³⁸.



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III. Motivations and barriers for Responsible Investment

Why should pension funds invest responsibly?

Finance and investment are at the heart of many crucial processes, be it inclusive economic development, basic social services, including education and health, preservation of natural resources, humanitarian aid on the one hand, or armed conflict, pollution, land grabbing and growing inequality on the other. Pension funds play a central role in the financial system. Therefore, there are increasing expectations for them to be accountable for their operations, not only when it comes to the level of their coverage, indexing, internal solidarity, or the involvement of participants, but also regarding the nature of the enterprises they invest in. In addition, there is growing recognition from investors and policymakers worldwide that ESG factors can be financially material, particularly for long-term investors like pension funds.

Financial risks and investment opportunities

Taking into account ESG considerations enables investors to identify new sets of financially material risks and opportunities. The integration of ESG factors in the investment process is increasingly documented as a source of long-term sustainable returns. There are many studies – most notably from Arabesque Asset Management/Oxford University³⁹, Mercer⁴⁰ and Harvard University⁴¹ – which show that consideration of ESG factors actually leads to investment outperformance⁴². A meta-study by Deutsche Asset and Wealth Management, which looked at more than 2,000 academic studies published since 1970, found that 62.6% of the studies examined show a positive correlation between looking at ESG factors and financial performance⁴³. Particularly positive results to integrating ESG criteria in non-equity classes, and specifically fixed income and real estate, have also been established.

The consideration of ESG factors can indeed lead to an enhanced management of risks. Investors who consider ESG criteria have a better perception of an investee company's situation, as their due diligence process takes into account a wider range of information. They consider extra-financial issues that other investors who only look at financial aspects might neglect. The failure to properly consider ESG factors can put pension beneficiaries' money at risk. For example, shareholders in Volkswagen have lost billions in the wake of the emissions and governance scandal, which led to a 32.36% drop in the automobile manufacturer's share price⁴⁴. Following the scandal it became apparent that many investors had concerns about the company's governance that they had failed to act on.

A good example of the materiality of ESG issues for investors is climate change. The agreement at the COP21 in Paris in December 2015 to limit global warming to below 2°C will require 80% of all known fossil fuel reserves to remain in the ground, which means they will become so-called 'stranded assets'⁴⁵. According to the Carbon Tracker Initiative, fossil fuel companies risk wasting up to US\$ 2.2 trillion in the next decade, threatening substantially lower investment returns, by pursuing projects that could be uneconomic in the face of international action to limit climate change to 2°C and rapid advances in clean technologies⁴⁶. In 2013, HSBC warned that this could trigger a domino effect in which weaker demand for oil and gas could force down prices and cut fossil fuel companies' market capitalisations by as much as 40-60%⁴⁷. The stranded assets problem is highlighted as an urgent risk area by the World Bank⁴⁸, the Bank of England⁴⁹ and the Financial Stability Board's Task Force on Climate-Related Financial Disclosures⁵⁰.

In Switzerland, a study released by the BAFU (Swiss Ministry for the Environment) in October 2015 about the carbon bubble in the Swiss financial sector concluded that, through investments in foreign equity, each pension fund beneficiary is indirectly invested in 6.4 tons of CO₂ equivalent (25 million tons in total for all pension funds)⁵¹. These investments present a considerable risk, especially considering the pension funds' long-term investment horizon.

In terms of investment opportunities, there is increasing recognition within the investment community that the transition to a low-carbon economy is not only a risk but also a significant opportunity. For example, the consultancy Mercer found in their recent report, 'Investing in a Time of Climate Change', that a 2 °C global warming scenario could lead to return benefits for some asset classes, including emerging market equities, infrastructure, real estate, timber and agriculture⁵².

Adopting a Responsible Investment approach is, of course, not a guarantee or sole determinant of good investment performance. It is a prudent approach given the growing body of evidence linking proper consideration of ESG factors with good financial performance.

Accountability to beneficiaries

Anyone with a Swiss pension is, indirectly, an owner of stock in Switzerland's and the world's biggest companies. This should give people a positive stake in the economy and a voice in how businesses are run. There is an observable trend showing that pension fund beneficiaries increasingly want their pension fund to invest responsibly. According to a recent survey by RobecoSAM, 72% of surveyed Swiss citizens trust that Responsible Investment strategies lead to better long-term investment decisions⁵³. In addition, the Univox Umwelt Survey 2015, completed in collaboration with WWF Switzerland and gfs-zürich, found that nearly half (49%) of the Swiss population find it important that their pension fund reduces investments in the fossil fuel industry in favour of renewable energy⁵⁴. On top of this interest, some recent campaigns aiming at activating pension funds beneficiaries have emerged in Switzerland, such as the shareholder activist campaign "Pension Fair Vote" of the NGO Actares⁵⁵, as well as the campaign "Mein Geld ist sauber" ("My Money is Clean") of the NGO Fossil Free⁵⁶.

Pension funds have to act in the best interest of their beneficiaries. The fact that beneficiaries increasingly want their pension funds to consider ESG factors and adopt Responsible Investment is therefore a strong argument for them to do so.

Long-term contribution to sustainable development

Understanding that they cannot design the path towards sustainable development by themselves, governments have begun to encourage the private sector to become involved in the attainment of the UN Sustainable Development Goals. Particularly institutional investors with long-term liabilities and universal owner characteristics will play a critical role. For example, in the 2015 Addis Ababa Action Agenda on Financing for Development (referring to the newly adopted Sustainable Development Goals), pension funds are specifically encouraged to "[...] allocate a greater percentage to infrastructure, particularly in developing countries"⁵⁷.

These high-level governmental goals correspond to the investment objectives of a pension fund as there is a clear alignment between the sustainability agenda and the successful long-term management of a pension fund: the long-term nature of a pension fund's liabilities means its investment horizon is also long-term. Also, the extremely low interest rate environment in Europe means that pension funds are increasingly looking at emerging markets and developing economies for their future growth.

As CalPERS (the California Public Employees' Retirement System) puts it, this long-term perspective represents both a responsibility as well as an opportunity⁵⁸. The fund needs to “favor investment strategies that create long-term, sustainable value and recognize the *critical importance of a strong and durable economy* in the attainment of funding objectives”. It is in the pension fund’s interest to proactively invest in line with what is needed to foster a healthy, stable future economy, and in line with sustainable development, whether locally, regionally or globally.

Universal Ownership: The concept of the “universal owner” underlines the critical need for a pension fund to contribute its investment power specifically towards a more sustainable global economy. Frequently, pension funds’ holdings are diversified across asset classes and across the global economy. Thus, each pension fund individually holds a slice of the global investment universe. As universal owners, pension funds are therefore exposed to a complex set of interacting externalities. The externalities of these holdings are long-term in value, far reaching and frequently interact with each other (e.g., climate change as an externality of a polluting factory); hence the term “universal”. With respect to listed companies alone, the cost of these externalities, according to the PRI, exceeded US\$ 2.5 trillion in 2008⁵⁹. It would therefore be in the pension funds’ best interest to exert their influence to reduce these costly externalities and to thus preserve the very basis of its own income source: a stable and sustainable economy.



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Contribution by Roby Tschopp, Actares

Roby Tschopp served as the Chairman of the board of the pension fund Nest from 1999 until 2011. Since 2005, he is the executive director of Actares, an association of shareholders promoting a sustainable economy, based in Geneva. Since 2010, he provides training in Responsible Investment to pension funds, in collaboration with ARPIP (Union of Workers' Representatives in Pension Funds) and Movendo (Trade Unions' Training Institute). He completed a Master's degree in Engineering at the Swiss Federal Institute of Technology in Lausanne in 1990, followed by an MBA in Business and Administration at the University of Lausanne in 1995. (Photo: Josy Tamarcaz)

Responsible Investment What are the barriers for Swiss pension funds?

The safety of investments and reasonable returns are the priorities imposed by law on pension funds⁶⁰. Any consideration other than the long-term guarantee of pensions has long been viewed as a taboo within the industry. With the exception of some rare pioneers, it was only at the turn of the millennium that the largest pension funds, especially public pension funds, increasingly began taking Responsible Investment approaches. In 2013, the popular vote in favour of the referendum 'against excessive executive remuneration' redefined this framework by giving pension funds the mission to exercise their ownership rights as shareholders⁶¹. The role of pension funds was enriched with an additional dimension, and new expectations were set.

A restrictive institutional framework

While occupational pension schemes have been mandatory in Switzerland since 1985, they are also heavily regulated: the supervisory authorities frame the activities of pension funds rigidly⁶². For the more responsible ones among the latter, adopting innovative approaches can lead to tedious justification requirements. In the case of disagreement, the supervisory authorities have the means to restrict the pension funds, potentially leading to the dismissal of members of the governing body and its placement under trusteeship⁶³. Moving towards Responsible Investment means that pension funds have to be very careful, in order to convince the supervisory authorities. Public institutional indices lead to an additional obstacle. The Pictet LPP indices⁶⁴ or the Credit Suisse index of Swiss pension funds⁶⁵ are systematically used as a reference for comparisons and public and political discussions. This is, for example, the case for the annual comparison of pension funds in the *Sonntagszeitung*⁶⁶, which has acquired a certain recognition over the past ten years. However, these indices do not constitute an adequate reference for responsible investments, which can diverge from them for systemic reasons. These divergences are difficult to understand for an uninformed audience, which leads to latent scepticism.

Under these circumstances, the feebleness of pension funds towards Responsible Investment is not surprising.

Lack of information and supply?

Another unsatisfactory aspect pointed out by this study (on page 36) is that pension funds deplore the lack of information. While this can at first be surprising, with the amount of research and publications on the link between finance and sustainability, it has to be acknowledged that gaps remain. As such, the difficulty of finding complete, reliable and homogenous data on Responsible Investment gives the impression that the implementation of a Responsible Investment strategy could lead to a laborious process.

On the other hand, the market of products and services is developing. If the number of asset managers able to offer Responsible Investment solutions is increasing, this offer is often not well known. Collective investment vehicles slowly emerge from the niche they currently occupy. Particular investment policies, which limit the possibility to compare risk and performance, are becoming increasingly standardised. The industry is close to reaching its maturity.

Risk and performance

The large majority of economic studies⁶⁷ conclude that companies which take into account ESG factors financially outperform the average. Nevertheless, the perception that investing according to non-financial factors requires a sacrifice in terms of returns often persists.

What is incontestable is that the value of actively managed Responsible Investments can fluctuate in different ways from the official reference indices, which puts pension funds in the uncomfortable situation of having to explain notable divergences. This leads to a reputational risk, which is particularly problematic for two types of pension funds: on the one hand the large pension funds exposed to the public eye, and on the other hand collective foundations and communes, those pension funds which include numerous companies and which are, to an extent, competitors.

Extra costs

Whether one believes or not that the returns of Responsible Investments do not underperform compared to traditional investments, the question of extra costs needs to be addressed. In fact, the investment process has integrated a new reflection, perceived as a consumer of resources. It can also occur that the investment style changes: if it turns from passive into active, increased costs are to be expected. For the same reason, collective investment vehicles, such as mutual funds, are generally more highly priced if they follow a sustainability strategy. This reflection has to be nuanced. For some time already, it has been established that Responsible Investment does not necessarily mean extra costs⁶⁸. It depends on the way in which it is done.

Pension funds have to be transparent in terms of investment management fees⁶⁹. This is a topic that is regularly discussed: these costs are regularly exposed by trade unions⁷⁰ or movements for consumer protection and emphasised in the comparison of different pension funds⁷¹. The pressure is even higher in the current context of lower investment returns.

The barriers for Responsible Investment encountered by Swiss pension funds, whether perceived or real, are primarily due to established practices. Their origins are risk aversion, whether objective or subjective, as well as a number of instructions from the legal supervisory system. A voluntarist procedure of a political nature would, in the wake of the initiative 'against excessive executive remuneration', bring considerable support to the process. However, the growing number of pension funds successfully implementing Responsible Investment demonstrates change is possible.

IV. Methodology

Survey Design and Process

The survey methodology is based on ShareAction's previous surveys of pension funds in the UK, but has been adapted to the Swiss context. The methodology was developed in conjunction with WWF Switzerland and with the assistance of an expert advisory group. The survey asks a mix of questions on transparency and implementation, with some parts of the survey focusing on risks related to climate change and their integration into the pension funds' investment strategies. The section on transparency and the section on implementation are each worth 50% of the total score. For those pension funds that participated in the survey, a distinction is made in the section on transparency depending on whether information is available publicly, to beneficiaries, or only internally. More detail about the methodology can be found in Appendix 3. The survey is structured as follows:

I. Transparency and Documentation	33 points (50%)
I.a. Transparency and Documentation: Policies – <i>Transparency of the pension fund in terms of disclosure of investment policies, such as an RI policy, a voting policy, an engagement policy, and a climate change strategy</i>	19 points (29%)
I.b. Transparency and Documentation: Practice – <i>Transparency of the pension fund in terms of disclosure of the implementation of policies, for example through a voting record, information about asset allocation and an Annual Report</i>	14 points (21%)
II. Implementation	33 points (50%)
II.a. RI Policy – <i>The content and scope of the pension fund's RI policy and the different strategic measures implemented</i>	11 points (17%)
II.b. Responsible Investment Activities and Approach – <i>The pension fund's implementation activities related to Responsible Investment, such as engagement with beneficiaries or signing up to relevant initiatives</i>	9.5 points (14%)
II.c. Selection and Appointment of Asset Managers and Consultants – <i>Appointment and monitoring of external asset managers and consultants, including whether their Responsible Investment capabilities are taken into account and monitored</i>	8 points (12%)
II.d. Consideration of Climate Impact – <i>Ways of addressing investment risks stemming from climate change and the steps implemented to measure and manage the climate impact of the investment portfolio; only the question about climate impact analysis was scored</i>	4.5 points (7%)
TOTAL	66 points

Table 3: Structure of the survey

The survey was carried out by means of desk-based research and questionnaires. The methodology was developed in September and October 2015 and a prefilled questionnaire based on publicly available information was sent to the pension funds on 30th October to be completed by the end of November. The questionnaire was pre-populated with information about the pension funds' approach to Responsible Investment found on their public websites. Throughout the process, consultation and dialogue between WWF Switzerland, ShareAction and the pension funds was proposed and encouraged. In January and February 2016, the pension funds were asked for feedback on their scoring, with the opportunity to make corrections and provide additional information, as well as on their qualitative assessments (see Appendix 2). Subsequently, recommendations were made to each pension fund, based on their individual performance.

Scoring

The total score of 66 was divided by five to make up five quintiles. To determine the boundaries of the quintiles, a half point rounding rule was used to reflect the scoring methodology (only full or half points were awarded). Each pension fund was assigned into a quintile depending on their individual score (see Table 1). The same procedure was carried out for each different section of the questionnaire (see Table 6). Each quintile was assigned a different colour and a description, as illustrated in Table 4 below. The names of the categories are based on the Swiss context (for instance 'Best practice' refers to best practice in Switzerland, etc.).







Colour	Quintile	Total score	Group description
	1st quintile	52.5 – 66	Best practice
	2nd quintile	39.5 – 52	Good practice
	3rd quintile	26.5 – 39	Upper midfield
	4th quintile	13.5 – 26	Lower midfield
	5th quintile	0 – 13	Underperformers
			No scoring possible due to lack of information

Table 4: Colours and descriptions of the groups

List of pension funds

A list with basic information about the pension funds, including AUM, can be found in Table 5. WWF Switzerland and ShareAction have limited the number of assessed pension funds to the twenty largest funds (public, private and collective foundations) based on their AUM in 2014⁷². They represent approximately 36% of total AUM of Swiss pension funds in the same year.

Pension Fund	Assets under Management (AuM - in 000 €)	Type of Pension Fund	Active Beneficiaries	Retired Beneficiaries	Total Beneficiaries
1 PUBLICA	31,296,587	Public: Swiss Government	60,944	44,796	105,740
2 BVK Kanton Zurich	23,511,984	Public: Canton of Zurich	78,990	31,268	110,258
3 Pensionskasse der UBS	19,902,695	Corporate: UBS	21,974	7,219	29,193
4 Migros-Pensionskasse (MPK)	17,368,679	Corporate: Migros	51,035	28,309	79,344
5 Pensionskasse SBB	13,556,749	Corporate: SBB	28,594	26,970	55,564
6 Pensionskasse Novartis	13,333,154	Corporate: Novartis	15,009	16,934	31,943
7 Pensionskasse Post	13,280,587	Corporate: Post	44,812	29,360	74,172
8 Pensionskasse der Credit Suisse Group	13,048,279	Corporate: Credit Suisse	20,193	10,708	30,901
9 Pensionskasse Stadt Zürich (PKZH)	12,964,824	Public: City of Zurich	31,695	17,089	48,784
10 Pensionskasse der F. Hoffmann-La-Roche AG	10,355,955	Corporate: Roche	13,446	5,576	19,022
11 ASGA Pensionskasse	9,500,998	Collective Foundation	77,389	4,650	82,039
12 Bernische Pensionskasse (BPK)	9,489,397	Public: Canton of Bern	34,830	13,034	47,864
13 Caisse de prévoyance de l'Etat de Genève (CPEG)	9,484,397	Public: Canton of Geneva	44,250	22,838	67,088
14 Pensionskasse Basel-Stadt	9,217,308	Public: City of Basel	21,394	14,851	36,245
15 Caisse de Pension de l'Etat de Vaud (CPEV)	8,982,036	Public: Canton of Vaud	32,416	15,800	48,216
16 Stiftung Auffangeinrichtung (BVG)	8,752,652	Collective Foundation	31,030	3,961	34,991
17 VITA Joint Foundation	8,497,304	Collective Foundation	114,881	9,311	124,192
18 Pensionskasse Energie (PKE)	8,411,902	Collective Foundation for the energy sector	8,311	4,635	12,946
19 Aargauische Pensionskasse (APK)	7,785,323	Public: Canton of Aargau	29,615	9,634	39,249
20 comPlan (Swisscom AG)	7,557,705	Corporate: Swisscom	18,957	6,469	25,426

Table 5: List of pension funds

Participation in the survey

Out of the 20 pension funds that were assessed, 16 decided to actively take part in the survey and responded to the questionnaire. The four pension funds that chose not to participate are:

- Pensionskasse der UBS
- Pensionskasse der Credit Suisse Group
- Pensionskasse Basel-Stadt
- Pensionskasse Energie (PKE)

The main reasons not to participate in the survey can be summarised as follows:

- Lack of time and resources and number of surveys pension funds are asked to participate in
- Lack of capacity to absorb the response to the publication of the results
- Transparency seen as only necessary towards beneficiaries, not the broader public

Pension funds that did not respond to the questionnaire were still included in the survey. Their performance was only assessed based on publicly available information, which consequently may be incomplete. Nevertheless, in our evaluation scheme a lack of transparency also led to low scores for the second part of the survey on 'Implementation' (questions II.a. to II.d.). It has to be noted, therefore, that a low score does not necessarily mean that the fund is not undertaking any relevant Responsible Investment activities.

V. Findings and analysis

Overall results

The results by section of the survey are summarised in the following table:

	I.a. Transparency and Documentation: Policies	I.b. Transparency and Documentation: Practice	II.a. RI Policy	II.b. Responsible Investment Activities	II.c. Selection & Appointment of Asset Managers / Consultants	II.d. Consideration of climate impact	TOTAL
PUBLICA	Yellow	Yellow	Green	Orange	Green	Green	Yellow
BVK Kanton Zurich	Green	Yellow	Green	Green	Orange	Green	Green
Pensionskasse UBS*	Red	Red	Grey	Grey	Grey	Grey	Grey
Migros-Pensionskasse	Yellow	Yellow	Yellow	Orange	Red	Green	Yellow
Pensionskasse SBB	Yellow	Yellow	Green	Yellow	Orange	Green	Yellow
Pensionskasse Novartis	Yellow	Orange	Yellow	Orange	Orange	Red	Orange
Pensionskasse Post	Yellow	Green	Dark Green	Yellow	Yellow	Red	Green
Pensionskasse Credit Suisse*	Orange	Orange	Grey	Grey	Grey	Grey	Grey
Pensionskasse Stadt Zurich	Green	Dark Green	Dark Green	Green	Yellow	Green	Green
PK Hoffmann-La-Roche	Orange	Red	Yellow	Orange	Yellow	Dark Green	Yellow
ASGA Pensionskasse	Orange	Yellow	Red	Orange	Red	Green	Orange
Bernische Pensionskasse	Green	Green	Green	Yellow	Dark Green	Red	Green
CPEG - Etat de Geneve	Green	Green	Dark Green	Orange	Green	Red	Green
Pensionskasse Basel-Stadt*	Green	Green	Yellow	Grey	Orange	Grey	Yellow
CPEV - Etat de Vaud	Green	Yellow	Yellow	Orange	Orange	Red	Yellow
Stiftung Auffangeinrichtung	Yellow	Yellow	Orange	Orange	Red	Red	Orange
VITA Joint Foundation	Red	Orange	Orange	Orange	Orange	Red	Orange
Pensionskasse Energie (PKE)*	Orange	Yellow	Grey	Grey	Grey	Grey	Grey
Aargauische Pensionskasse	Orange	Green	Orange	Orange	Orange	Green	Yellow
comPlan	Yellow	Yellow	Yellow	Orange	Orange	Green	Yellow
Average	Yellow	Yellow	Yellow	Orange	Orange	Orange	Yellow

Table 6: Results by section, in quintiles / * This pension fund did not participate in the survey and the questionnaire remained unanswered. Its performance was thus only assessed based on publicly available information which consequently may be incomplete. Therefore, in our evaluation scheme a lack of transparency also led to low scores in the second part of the survey 'Implementation' (questions II.a. to II.d.). It has to be noted that a low score does not necessarily mean that the fund in question is not undertaking any relevant Responsible Investment activities.

Analysis of the results⁷³

General results

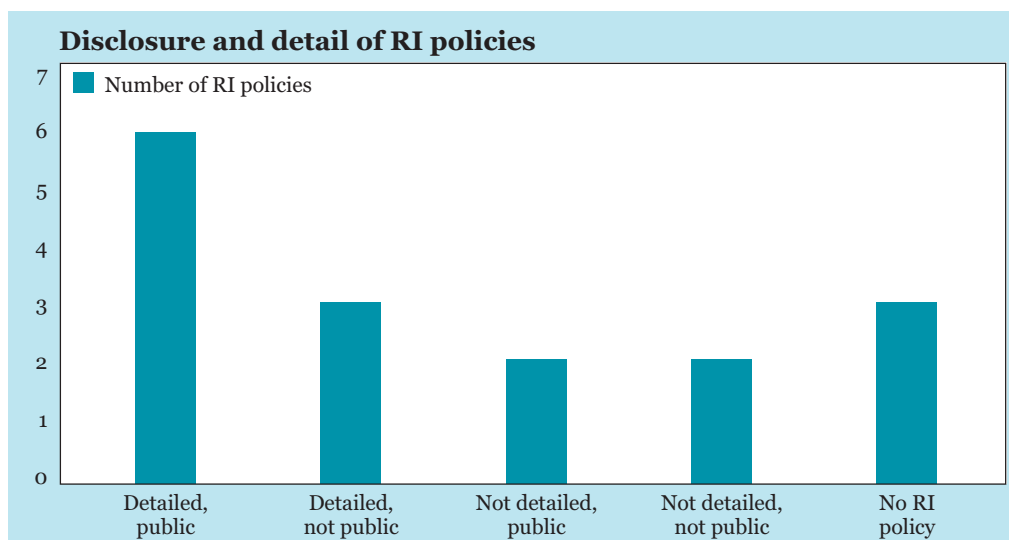
It is clear that Swiss pension funds are all engaging with the topic of Responsible Investment on some level. None of the participating pension funds were classed in the bottom quintile. However, the overall results also illustrate that there is some way to go before the pension funds exemplify international Responsible Investment best practice. None of the pension funds surveyed made it into the top quintile of 'Best practice', and the average score awarded was only 27.9 out of 66.

The size of the pension fund does not predict performance in the survey: some of the smaller pension funds are among the best performers, and vice-versa. Two out of the five pension funds that have been classified as 'Good practice' are among the nine smallest pension funds surveyed. Even though overall public pension funds do perform slightly better than private pension funds, the difference is not very pronounced. Our results show that both public and private pension funds can be leaders in the field of Responsible Investment. There is one private pension fund in the 'Good practice' group, and a further four among the seven that are 'Upper midfield'.

RI policies

The number of available RI policies indicates that Responsible Investment is a topic of interest to most of the surveyed pension funds. 13 out of the 16 participating funds have an RI policy, eight of which make it publicly available. Only three pension funds indicated that they do not have an RI policy. For three of the pension funds that did not participate, we could not find an RI policy online. Having a documented RI policy and making it publicly available is a basic way of showing commitment to Responsible Investment.

Although the existence of documented policies is a positive signal, the level of detail of those RI policies that do exist is often poor. Only six out of 20 have a detailed RI policy that is publicly available, and three participating pension funds have one internally. The more detailed RI policies are still rarely longer than one page. An RI policy was considered detailed if it describes ESG factors, the Responsible Investment methods or approach used, how implementation is ensured and monitored, and which asset classes it applies to. In total, 70% have an RI policy in place and 30% have a detailed one (publicly or internally available).



Graph 1: Disclosure and detail of RI policies of participating pension funds

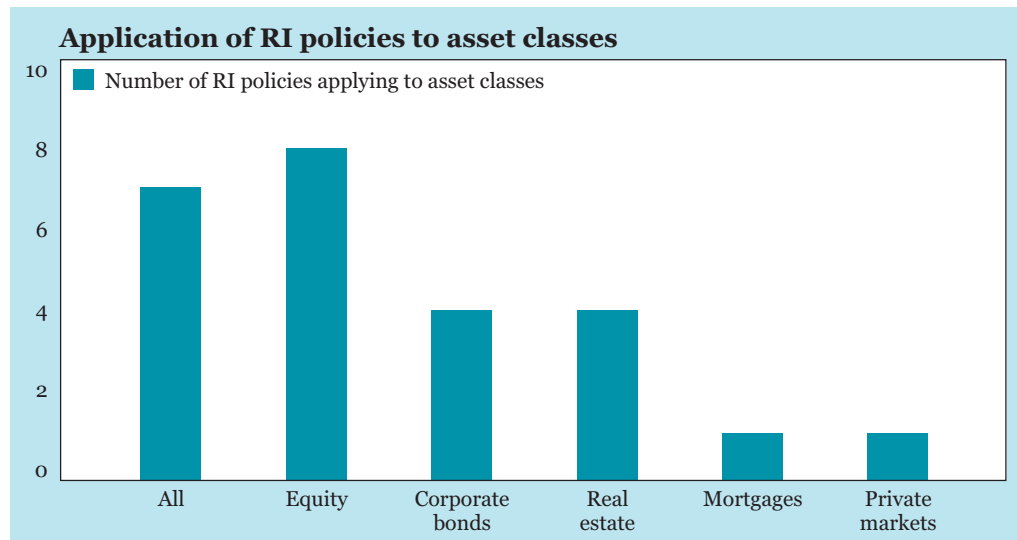
Example of best practice: CPEV

CPEV's RI Policy stood out as an example of current best practice⁷⁴. It is presented in a separate document and sets out the following broad principles:

- respect fiduciary duties
- adopt a long-term vision
- integrate sustainable development into the investment process
- be transparent towards beneficiaries and employers

The policy states that “[c]onscious of the fact that respect for sustainable development is a necessary condition to ensure economic and social prosperity, CPEV has applied an RI policy since 2008”⁷⁵, acknowledging the financial benefits of Responsible Investment. In terms of specific measures taken, the exercise of voting rights and engagement based on ESG considerations are described as necessary tools and, for investments with similar risk/reward ratios, those integrating ESG considerations are always preferred. The policy also includes a separate section about direct real estate investments, for which habitability, energy efficiency and affordability for renters are taken into consideration. The policy goes into much more detail compared to the other policies analysed in this survey, and it is publicly available on the pension fund's website.

In terms of scope, 10 out of the 16 pension funds who responded to the questionnaire indicated that their policies apply to all three E, S and G factors, while five indicated that they apply to some of them. Only three participating pension funds' RI policies describe how implementation is monitored and assessed, and include key performance measurements. Furthermore, only seven out of 16 participating pension funds indicated that their policy applies to all asset classes. The remaining pension funds only apply their policies to one or more specific asset classes, with equity holdings being the most popular, followed by real estate and corporate bonds. This is illustrated in Graph 2 below.



Graph 2: Application of RI policies to asset classes (The pension funds which apply their RI policy to all asset classes were not counted again in the list of individual asset classes)

Voting policies and implementation

The Minder Initiative

Rising public concern about excessive executive pay brought about an initiative ‘against rip-off salaries’, organised by Thomas Minder. This triggered a national referendum, which led to the promulgation of the Ordinance Against Excessive Compensation in Listed Stock Companies, which entered into force on 1st January 2014. The Ordinance creates some new voting items that shareholders of Swiss public companies, including pension funds, must vote on at each ordinary annual shareholders meeting as routine business. This includes the election of each member of the board of directors on an individual basis and the election of the independent proxy. Shareholders must also approve the aggregate compensation of the board of directors, of the executive management, and of the advisory board.

It is too early to judge the impact of this initiative on corporate governance and remuneration, but the contribution it has made to putting shareholder engagement and Responsible Investment issues more broadly on the agenda is a welcome change.

15 out of the 20 pension funds have voting policies outlining for which companies they exercise their voting rights and which considerations they take into account when doing so. All but two of those make those policies available publicly. However, their scope and content are often rather limited. Most policies merely state that the pension fund exercises its voting rights in its Swiss equity holdings followed by a short sentence stating that they take ESG issues into account. A sufficiently detailed policy should include more information about what these specific ESG issues are. Despite this lack of detail in their own policies, it is, however, encouraging to see that six pension funds also follow the guidelines of external service providers, who provide proxy voting advice and are oftentimes much more detailed in terms of describing the ESG considerations taken into account.

Example of best practice: Migros-Pensionskasse

Migros-Pensionskasse publishes its own voting policy, which is particularly detailed and presents current best practice in Switzerland⁷⁶. It is contained in a separate document and explains that Migros-Pensionskasse normally votes in line with management recommendations, as long as they respect a long-term investment horizon, allow the expectation for sustainable and appropriate returns and treat all shareholders equally. "Voting decisions on the resolutions are based on the long-term interests of shareholders"⁷⁷. There is also a specific section about executive remuneration, in which a number of conditions are set out before approval can be given, such as sufficient transparency in terms of the principles of the remuneration policy.

It is positive that all but two pension funds go beyond what is required by law and make their voting records publicly available. However, the detail of information provided is often low. Foreign companies are only included in four pension funds' voting records. Only six pension funds disclose the rationales for their voting decisions. Rationales can often also be found on the websites of external service providers, whose guidelines some of the pension funds follow. It is still recommended that pension funds publish these on their own website, to make it clear whether they followed the voting recommendations in each situation.

Historically, it has been standard practice for investors in Switzerland to vote with management on all resolutions at Annual General Meetings (AGMs). However, in recent years there has been an increasing number of occasions where a

significant vote 'against' management has been registered. One example occurred in May 2015, when many Holcim shareholders, including Eurocement Holding AG, its second largest shareholder, voted against a proposed merger with Lafarge SA⁷⁸. It is still rare for management to be defeated in these votes, and indeed, in this case, the management recommendation was still supported by 93.7% of the votes.

While this year we gave the pension funds points for rationales for any votes against management, we would generally expect schemes to also provide a rationale for those occasions when they voted with management on an issue where a significant number of shareholders either abstained or voted against the proposal. For a fuller discussion of views on what good practice voting disclosures contain, please see the ShareAction report on asset manager voting practices⁷⁹.

Ethos Engagement Pool

The Ethos Engagement Pool unites 78 Swiss pension funds, which together manage approximately 110 billion CHF. The Pool conducts engagement activities with public companies on behalf of its beneficiaries. Its goal is the improvement of corporate governance and of the environmental and social responsibility of companies.

Among the pension funds surveyed, six are members: Aargauische Pensionskasse, Caisse de pension de l'Etat de Vaud (CPEV), Caisse de prévoyance de l'Etat de Genève (CPEG), Pensionskasse Basel-Stadt, Pensionskasse Post and Pensionskasse Stadt Zürich (PKZH).

Engagement policies and implementation

Disclosure of engagement policies and reports was quite poor. This is not only due to a lack of transparency, but also to the fact that many (six out of the 16 that participated) pension funds do not undertake engagement activities related to their equity holdings. Only two pension funds publish their own engagement policy, but these are quite limited in detail.

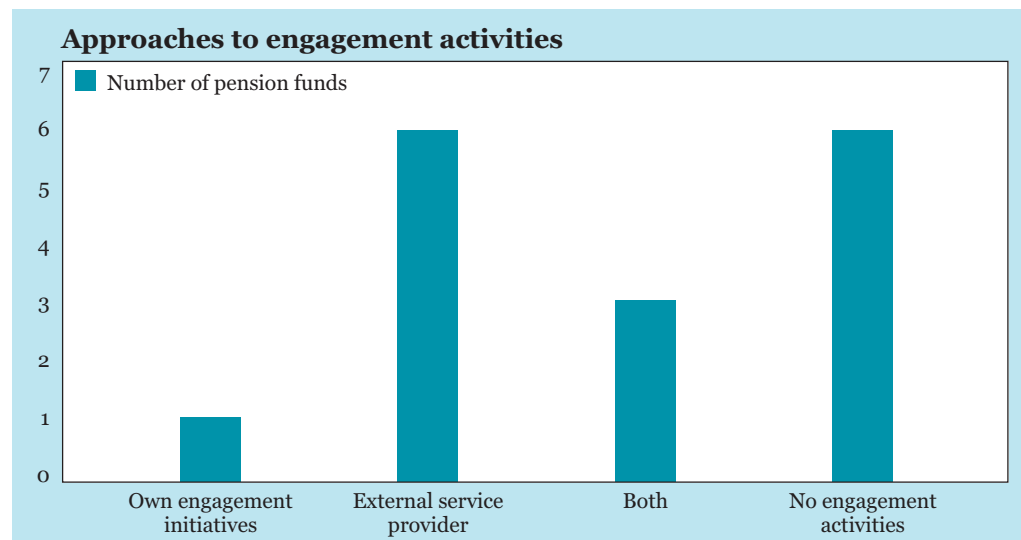
Nine of the participating pension funds conduct engagement collectively with other investors. Collaboration between investors is to be encouraged, as pooling together ownership gives more weight to the engagement tasks. The largest Swiss pension funds rarely own more than 0.1% of the shares in large Swiss holdings. However, it is best practice for pension funds to give service providers clear instructions and set expectations

that they monitor investee companies and make responsible ownership decisions on their behalf. If pension funds do not have their own policies, it is hard to see how they can select asset managers and scrutinise them responsibly on these issues. This is why even those pension funds that only use external service providers and do not carry out any investment in-house should have their own engagement policy in place.

The UK Stewardship Code recommends that an engagement policy should include⁸⁰:

- the circumstances under which the pension fund would engage and on which topics
- a ‘policy on escalation’: how judgements of success or failure of engagement activities are made and what steps will be taken in case of failure
- the kinds of tools that are used, for example attending AGMs or meeting the board
- the circumstances under which the pension fund collaborates with other investors and a list of the groups or initiatives it is a part of

Broadly speaking, the 16 participating pension funds can be divided into four broad categories in terms of their approach to engagement (see Graph 3 below): those that only conduct engagement activities on their own (1), those that conduct engagement activities on their own but also have an external service provider (3), those that only have an external service provider (6), and those that do not undertake engagement activities at all (6).



Graph 3: Approaches to engagement activities of participating pension funds

None of the surveyed pension funds publish their own report on the engagement activities that they have conducted. For seven of them a report is made available by an external service provider, but only three pension funds provide a link on their website to that report. Two further pension funds have such reports internally. When engagement activities are carried out by an external service provider, a clear link to the relevant report should be provided on the pension fund’s website, so that beneficiaries and third parties can easily find out which activities the pension fund supports or has taken on.

Example of best practice: Dutch pension funds

The Netherlands has one of the most developed pension systems in the world. With total assets at 159% of GDP, their pension system is also the largest in relation to the country's economy⁸¹. A comparison of Switzerland with the Netherlands is insightful because the best performing Dutch funds show what is possible.

Of the 50 pension funds assessed by VBDO, the Dutch Association of Investors for Sustainable Development, in their 2015 ranking, 40 report on their engagement policy, and of these, 26 report on the activities undertaken and results thereof⁸². For example, PFZW disclose a quarterly overview of all engagements, including the name of the company, engagement category and some results. They publish more detailed annual reports explaining the reasons for their Responsible Investment and engagement choices.

On voting, all but four of the pension funds now provide reporting on their voting activities and 35 funds provide a detailed overview. The inclusion by many funds of detailed descriptions of votes cast as well as broader overviews of the topics at hand is welcomed by VBDO so that fund beneficiaries can see how the ownership rights associated with their investment are used. Quite a few funds have gone further than using their ownership rights to vote and have also co-filed shareholder resolutions on topics ranging from executive pay to corporate tax evasion.

Investment holdings and transparency

A lack of transparency is one of the main areas for improvement for Swiss pension funds. Two of the pension funds surveyed do not have websites. Answers to the questionnaire often indicate that pension funds do undertake some form of Responsible Investment, but do not systematically report about this publicly. Furthermore, information about anything beyond basic asset allocation is often lacking. Two of the pension funds do not make their Annual Reports publicly available.

While all but two of the surveyed pension funds make at least some information about asset allocation publicly available, none provide details about the specific sectors they are invested in. Equity holdings are generally only disclosed for Swiss companies through voting records. Only Pensionskasse Post provides a list of its largest equity holdings in its Annual Report; however, only the top five companies are revealed. 12 pension funds publicly disclose a list of mandates or specific funds they are invested in.

For direct real estate investments, the survey looked at whether pension funds disclose the type of buildings they are invested in or their location. 11 of the surveyed pension funds publicly provide information about their real estate investments. An example of best practice here is BVK Kanton Zürich, who provides a four pages long full list of addresses in its Annual Report⁸³. The disclosure also includes size, year of construction and when it was bought by BVK Kanton Zürich. An extract of the list can be seen below:

Liegenschaftenverzeichnis Per 31.12.2014

Bezeichnung	PLZ	Ort	KT	WG	Gewerb m ²	Baujahr	Kauf
Bahnhofstrasse 24/26/28	5000	Aarau	AG	25	4'239	2000	1998
City-Märt	5000	Aarau	AG	3	4'105	1988	1999
Telli Einkaufszentrum (STWE)	5004	Aarau	AG	0	11'448	1972	2000
Stiegstrasse/Haldenstrasse	8134	Adliswil	ZH	60	0	1969	1965
Pfrundhofstrasse 25/27/29	8910	Affoltern am Albis	ZH	17	0	1981	1981
Alteinstrasse (Baurecht BVK)	7050	Arosa	GR	0	0	1916	1945
Alteinstrasse (Bauland)	7050	Arosa	GR	0	0	-	1945
Johannes Hirt-Strasse	8804	Au	ZH	37	0	1972/2014	1995
Rigistrasse 163/165	6340	Baar	ZG	54	0	1965	1994
Bruderholzstr. 14/16	4053	Basel	BS	19	288	1986	2009

Figure 2: Example of best practice, BVK Kanton Zürich, real estate disclosure

The rationale for transparency

Transparency to beneficiaries and to the general public is encouraged because:

- pension fund beneficiaries should have the right to know how their money is invested.
- as major actors in the economy, pension funds can have a significant impact on the entire financial and economic systems. They therefore affect everyone, not only their beneficiaries.
- beneficiaries are often not equipped to scrutinise their pension funds or hold them accountable for their behaviour. Public disclosure by pension funds means that third parties (non-governmental organisations (NGOs) or academics, for instance) can analyse the data and take action in the interest of beneficiaries, for example through encouraging a dialogue between pension funds and beneficiaries and providing information to beneficiaries about how the scheme is operating.
- it makes markets work more effectively. Demand and supply driven by consumers acting in their own best interests is only truly possible if they have access to relevant information.
- it allows the sharing of best practice across the industry.

In the ShareAction report 'Our Money, Our Business: building a more accountable investment system', the importance of transparency and engagement with beneficiaries in the investment industry is discussed⁸⁴. That report made a number of recommendations and lists the information to which pension scheme beneficiaries should have access. Ownership rights in companies are exercised largely by intermediaries (such as pension funds), and accountability to the underlying beneficiaries who provide the capital remains weak. Institutional investors should extend the same accountability which they increasingly expect from companies to the savers they represent, so that beneficiaries have a positive stake in the economy and a voice in how businesses are run. Therefore, beneficiaries should have a right to know where their money is invested, how ownership rights are exercised on their behalf and what their scheme's investment policies are, including any policies on responsible ownership or ethical investments.

Responsible Investment Approaches

In terms of the specific Responsible Investment approaches taken, the survey included a list of approaches for the pension funds to indicate that they follow. Table 7 below outlines the approaches and indicates the number of participating pension funds that selected each one. The most popular approach is active voting with respect to ESG factors (14 pension funds chose this option)⁸⁵. A potential reason why voting is so popular in Switzerland might be the Minder Initiative, which has required pension funds to vote on executive pay related issues since 2014. Ten pension funds indicate they engage in active ESG-related engagement with investee companies. As the analysis above shows, this is mostly conducted through external service providers.

Negative screening, which involves using certain criteria to screen out certain investments, is also a popular approach. Positive screening, which involves allocating more capital to companies that demonstrate a better performance on specific ESG issues, or across the board, has been less widely used so far and represents the least popular approach, as only five pension funds practise it. Seven participating pension funds indicated they undertake ESG-integration in their investments.

Responsible Investment activities	Number of pension funds
The pension fund has a voting policy with regard to public equities which requires active voting with respect to ESG factors	14
The pension fund engages in active ESG-related engagement with its investee companies	10
The pension fund uses methods for negative screening (for example, exclusions lists)	9
The pension fund undertakes ESG-integration in its investments	7
The pension fund engages in other measures	7
The pension fund uses methods for positive screening (for example, best-in-class ratings)	5

Table 7: Responsible Investment activities undertaken

Example of best practice: Pensionskasse Novartis

The RI policy of Pensionskasse Novartis⁸⁶ outlines their detailed approach to negative screening which they have been doing for more than ten years. The policy describes which types of investments are excluded, for example companies involved in human rights violations, the production and trade of munitions or companies with direct business relations with totalitarian regimes. The policy also describes the process by which decisions are made. Doubts about investment decisions can be raised by any member of the governing body.

The holdings of the pension fund are compared annually with three well-established eco-funds and indices. Moreover, all holdings are reviewed annually by a sustainability agency. Their social and environmental rating divides companies into three categories. For companies rated as 'below average', the pension fund investigates whether CalPERS (California Public Employees Retirement System – asset manager of pension savings in the USA) is among the shareholders.

This approach is a useful example of a systematic negative screening process where Responsible Investment is implemented in a cost effective way and holdings compare to sustainable funds or indices.

Many participating pension funds indicated that they organise formal training sessions on Responsible Investment. These are often organised for the governing body, the investment committee, as well as for staff in general. Only four of the participating pension funds indicated that they do not organise any such training. This is a positive finding as internal trainings indicate an encouraging level of interest and commitment to Responsible Investment. Table 8 below shows the number of pension funds that offer training for each group of people.

Group of people	Number of pension funds
Governing body	8
Staff	9
Investment committee	8

Table 8: Groups of people trained

We also asked the pension funds about **memberships** of relevant organisations or participation in related initiatives:

- **Principles for Responsible Investment:** Only two of the surveyed pension funds have signed up to the UN-supported PRI: BVK Kanton Zürich and Pensionskasse der Stadt Zürich (PKZH). The PRI is widely accepted among investors as the main international organisation promoting Responsible Investment, so it is interesting to note that it has not yet penetrated the Swiss institutional investor sector. Some respondents to our survey indicated that they did not wish to sign up to the PRI or even left, as the required reporting is very time-intensive. However, for this very reason, being a signatory to the PRI is a clear, valid indicator of an organisation's commitment to Responsible Investment.
- **Montreal Carbon Pledge:** None of the pension funds have signed up to the Montreal Carbon Pledge, in which investors commit to measure and publicly disclose the carbon footprint of their investment portfolios on an annual basis. This initiative was launched by the PRI in 2014 and has attracted commitment from over 120 investors with over US\$ 10 trillion in assets under management, since the United Nations Climate Change Conference of the Parties (COP21) in December 2015 in Paris.
- **International Corporate Governance Network (ICGN):** None of the surveyed pension funds are members of the network. The ICGN is an investor-led organisation with the mission to promote effective standards of corporate governance and investor stewardship to advance efficient markets and sustainable economies worldwide.
- **ASIP Charter:** All participating pension funds follow the ASIP Charter, the charter of the Association of Swiss Pension Funds. It is intended to ensure compliance with the loyalty and integration regulations laid down in Swiss federal law.
- **Swiss Sustainable Finance (SSF):** None of the surveyed pension funds are members of SSF. SSF was created to promote sustainability in the Swiss financial market, and strengthen Switzerland's position as a leading worldwide centre for sustainable finance.
- **Forum Nachhaltige Geldanlagen (FNG):** None of the surveyed pension funds are members of the FNG. The FNG is an industry association promoting sustainable investment in Germany, Austria and Switzerland.

The results show that Swiss pension funds appear to be reluctant to take part in international joint initiatives and instead prefer domestic initiatives. Nevertheless, a positive development is the SVVK-ASIR (Swiss Association for Responsible Investment), a new organisation which was founded in December 2015 by some Swiss pension funds and whose mission it is to promote Responsible Investment. The normative basis of SVVK-ASIR stems from Swiss laws and regulations, as well as international agreements and conventions concluded by Switzerland. The content of these is also largely covered by the UN Global Compact. Among its founding members are also some pension funds assessed in the present survey, namely BVK Kanton Zürich, comPlan, Pensionskasse Post, Pensionskasse SBB and PUBLICA. Pension funds were not asked about membership of SVVK-ASIR or awarded points in this survey as the organisation was founded after the methodology was developed.

Climate change

Looking at the activities undertaken by the pension funds to address issues related to climate change, only one of the participating pension funds indicated that it has a climate change strategy, which, however, is only available internally. The level of detail included in this document can therefore not be determined. While none of the pension funds have a publicly available climate change strategy, this does not mean that no action is taken. Nine out of the 16 participating pension funds indicated they have carried out an analysis of the climate impact of at least one asset class. One pension fund has even done so for all the asset classes it invests in.

In terms of third-party climate capabilities, only Bernische Pensionskasse considers the capacity to assess and act on risks and opportunities relating to climate change when appointing all its asset managers and consultants and reviews this regularly, while CPEG does so for some.

The questionnaire also included two unscored questions relating to climate change, which were used to gather information. The first question asked whether the pension fund analyses investment risks caused by climate change. Half of the participating pension funds (eight out of 16) indicated that they do. This is a concerning, though not surprising, finding. By not analysing the risks associated to climate change, pension funds are likely to be exposed to so-called 'stranded assets' risks, amongst other risks (see Chapter III, Why should pension funds invest responsibly?). Finally, the questionnaire asked which measures the pension funds take to manage their climate impact. The results are shown in Table 9.

Measures taken to manage climate impact	Number of pension funds
Decarbonising its Real Estate Portfolio (direct investment)	4
Increasing investment in renewable energy and low carbon alternatives (excluding green bonds)	4
Other ⁸⁷	4
Engaging with other carbon intense companies to reduce carbon intensity and/or increase energy efficiency	3
Reducing pension fund's exposure to carbon intense companies or companies likely to be affected by climate change	3
Engaging with fossil fuel companies on the issue of stranded assets	2
Increasing investment in green bonds	2
Support regulatory or policy developments that enable implementation of measures to reduce the impact of climate change	1
Investment in any low carbon or fossil free index products	0

Table 9: Measures taken by participating pension funds to manage climate impact

The low number of pension funds that ticked each approach shows that they are not systematically managing their climate impact for all asset classes. Some pension funds indicated they undertake measures to manage their climate impact, despite not having carried out an initial climate impact analysis. Seven of the participating pension funds did not select any of the approaches. Moreover, none of the pension funds are invested in any low carbon or fossil-free index products, even though a number of asset managers such as BlackRock⁸⁸, Amundi⁸⁹ and Legal & General Investment Management⁹⁰ do offer such products.

Asset managers and consultants

Nine of the participating pension funds indicated they take the Responsible Investment capabilities of all asset managers and consultants into account when choosing who to appoint. Four indicated that they do so for some managers and consultants. Responsible Investment capabilities can include access to data, trained investment teams and systematic integration of ESG factors into investment processes⁹¹.

Subsequent monitoring of these Responsible Investment capabilities is still insufficient. Only four out of the nine pension funds that take these capabilities into account upon all managers' and consultants' appointment regularly monitor their performance in this area. Six pension funds stated that they monitor it for some managers or consultants.

Example of best practice: The Environment Agency Pension Fund

The Environment Agency Pension Fund (EAPF) is a leader in the UK and beyond when it comes to Responsible Investment and has won several awards⁹². In 2014/15 they launched a search for sustainable equity managers and published a summary of observations from this search and tender process. They were looking for managers who implement more than just a basic or exclusion-led ESG approach. They paid particular attention to managers who link ESG analysis and financial performance and use sustainability to add value by anticipating, and not just following the market, on ESG factors. Although their tender was demanding they received 60 responses, which was at the top end of their expectations.

One of the key observations was that “there are a large number of managers that are now integrating environmental, social and governance (ESG) factors into their investment process in a reasonably thorough way, with suitable analytic tools and combining it with good governance. This means that for asset owners, implementing responsible investment is easier than ever before”⁹³.

They advise other asset owners undergoing a tendering process to ask the fund manager the ESG questions instead of asking the ESG specialist to test whether the fund manager is really serious about ESG. They concluded that “*there are no constraints stopping asset owners ensuring that in their main global equity mandates their managers are properly engaging with responsible investment*”⁹⁴.

Out of the nine participating pension funds that use negative screening methods, only two indicated that they pass on the screening criteria to all their asset managers, while six said they pass them on to some⁹⁵. These findings show that, even if pension funds have relevant policies in place, increased efforts need to be made to make sure their asset managers actually implement them.

Engagement with beneficiaries

Our findings indicate that the process of engagement with beneficiaries on Responsible Investment has begun to some extent in Switzerland, but remains limited. 13 out of the 16 pension funds that participated indicated they engage with beneficiaries through retrospective reporting of voting or engagement in annual statements and/or when beneficiaries join the scheme. However, only seven pension funds said that they arrange face-to-face meetings, like annual general meetings, or consultative events with their beneficiaries. Surveys of beneficiaries are only carried out by one pension fund, and no pension fund provides Intranet discussion forums.

Barriers and Motivations for Responsible Investment

The questions on barriers and motivations were not scored, but asked to gain a better understanding of the pension funds' attitudes towards Responsible Investment. Firstly, the pension funds were asked to share their opinion on what they believe to be the main barriers to Responsible Investment and which factors make its adoption difficult from a list of options. The pension funds were asked to pick what they consider to be the three most important barriers, but many chose more or fewer answers, or decided to skip the question. In total, 14 pension funds responded to the question and their responses are outlined in Table 10.

Barrier	Number of pension funds
Costs	8
Higher risk for lower returns	7
Lack of information on portfolios ⁹⁶	7
Capacity not present, or lack of resources	5
Other	3
Consultants or asset managers do not propose it	1
Difficulty to gain access to companies	1
Legal or regulatory barriers	1
None of the above	1

Table 10: Barriers to Responsible Investment according to participating pension funds

'Capacity not present, or lack of resources' was predominantly selected by the smaller pension funds surveyed. It is interesting to note that tackling one barrier could potentially contribute to solving another; for instance, the lack of resources cited by smaller pension funds could be resolved through making more information on portfolios available and creating more relevant products that take ESG factors into account. The latter would help those pension funds that prefer to invest passively at lower costs.

It is also interesting to note that many of the pension funds believe that a Responsible Investment strategy is riskier or leads to lower returns. This indicates that the pension fund managers are not convinced of the benefits of Responsible Investment and that awareness raising, exploration and dialogue among market participants are needed.

The pension funds were also asked to pick what they consider to be the most important motivations for Responsible Investment and the consideration of ESG issues. Table 11 below outlines the different options for responses offered and the number of pension funds who selected each option. Again, we asked the pension funds to each pick what they consider to be the three most important motivations, but many chose more or fewer answers, or decided to skip the question. In total, 13 pension funds responded to the question.

Motivation	Number of pension funds
It is part of their fiduciary duty	10
Contribution to change within companies	9
Contribution to systemic change for a more sustainable economic system	6
Other ⁹⁸	6
Better risk-return profile of the investments	4
Nationally or internationally agreed goals (for example the Sustainable Development Goals)	4
Reputation	3
Increased pressure from outside (from beneficiaries, NGOs, regulations, etc.)	2

Table 11: Motivations for Responsible Investment according to participating pension funds

The most frequently cited motivation is that investing responsibly is part of the pension funds' fiduciary duty towards its beneficiaries, closely followed by the opportunity to contribute to change within companies. This is, again, an indication that pension funds do not see short-term financial returns as the only factor worthy of consideration when it comes to fulfilling their fiduciary duties. It also indicates a strong willingness of pension funds to make use of their ownership rights to influence the companies they are invested in.

Reputational risks or increased pressure from outside do not appear to be very important factors, potentially because until today pension funds do not tend to get as much public attention as their investee companies.

VI. Conclusion and recommendations

There is no doubt that recognition of Responsible Investment has reached the investment departments of Swiss pension funds. There are various positive initiatives that indicate that the funds are increasingly adopting Responsible Investment approaches and that considering ESG factors in the investment process is gaining momentum. A prime example for this is the creation of the SVVK-ASIR, of which several of the surveyed pension funds are founding members. It is also positive that 16 of the surveyed pension funds decided to participate in this survey, which shows interest and willingness to engage with the topic and to think about ways of improving Responsible Investment performance.

However, the results also show that there is still considerable room for improvement, even amongst the best performers in the 'Good practice' group of the surveyed pension funds. None of the pension funds were evaluated as being in the 'Best practice' top quintile scoring group. The results indicate that advancing the adoption of Responsible Investment in Switzerland will require awareness-raising and education about the benefits of this approach. Overall, the industry still seems to understand Responsible Investment as mainly an activity that is separate from other aspects of the investment process, and few pension funds have fully integrated ESG considerations into the investment process. Moreover, only two pension funds are signatories to the PRI.

On the topic of climate change, it is positive to see that most pension funds have taken action, with nine having carried out a climate impact analysis of at least one asset class, and a further three who have not carried out such an analysis indicating they have taken other actions, such as increasing investments in renewable energy. However, only one respondent has a strategy for managing the risks associated with climate change, and only two pension funds take into consideration their asset managers' and consultants' capacity to assess and act on risks and opportunities relating to climate change. This indicates that further efforts need to be made in order to address investment risks stemming from climate change.

Finally, it is noteworthy that this is the first time such a survey on Responsible Investment has been carried out in Switzerland, and that our expectations were relatively demanding for pension funds in the beginning stages of adopting and implementing RI policies. Based on our findings, WWF Switzerland and ShareAction would like to make the following general recommendations to all of the surveyed pension funds:

Recommendations for pension funds

RI policies

Develop and publicly disclose a detailed RI policy, including:

- stating which ESG factors are taken into consideration
- strategies and mechanisms in place to implement the policy, including for any internal or external asset managers
- how the implementation is ensured and monitored
- the scope of the RI policy, in terms of asset classes

Responsible Investment approaches and appointment of asset managers and consultants

Pension funds should:

- Consider signing the PRI
- Consider the Responsible Investment capabilities of all asset managers and consultants upon their appointment and monitor them regularly
- Provide all asset managers and consultants with any relevant policies, for example exclusions lists
- Take into account the capacity to assess and act on risks and opportunities related to climate change for all asset managers and consultants

Voting and engagement

In terms of voting and engagement, pension funds should:

- Develop and publicly disclose a voting policy and an engagement policy, which take into account ESG considerations
- Exercise voting rights for domestic and international shareholdings
- Disclose rationales for controversial voting decisions and votes against management
- Report on engagement initiatives or provide a link to the report of any external service providers; best practice involves disclosing the names of all companies and a brief description of the engagement topic(s)

Investment holdings and transparency

Publicly disclose:

- the type and location of real estate investments
- information on sectors of equity holdings
- a list of names of the largest investee companies
- the names of individual funds the pension fund is passively invested in

Engagement with beneficiaries

- Proactively engage with beneficiaries, for instance through digital technologies such as online surveys or Intranet discussion forums to elicit beneficiaries' views and to communicate with beneficiaries on Responsible Investment issues
- Engage with beneficiaries through annual meetings, which will allow savers to meet their fund's managers directly and question them on the issues that matter most to them

Climate Change

Regarding climate change, pension funds should:

- Measure and disclose the greenhouse gas emissions of the whole investment portfolio and outline how the portfolio will be aligned to a 2°C world
- Consider signing the Montreal Carbon Pledge
- Develop a documented climate change policy which sets out the process for managing risks to the pension fund's assets in light of climate change

Appendix 1

Abbreviations

AGM	Annual General Meeting
ARPIP	Association des Représentants du Personnel dans les Institutions de Prévoyance (Union of Workers' Representatives in Pension Funds)
ASIP	Association Suisse des Institutions de Prévoyance (Swiss Pension Fund Association)
AUM	Assets under management
AVS	Assurance Vieillesse et Survivants (Retirement and Survivors' Pension)
BAFU	Bundesamt für Umwelt (Swiss Ministry for the Environment)
BVG	Bundesgesetz über die berufliche Alters-, Hinterlassenen- und Invalidenvorsorge (Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans)
BVV 2	Verordnung über die berufliche Alters-, Hinterlassenen- und Invalidenvorsorge (Federal Ordinance on Occupational Retirement, Survivors' and Disability Pension Plans)
CHF	Swiss Francs
EAPF	Environment Agency Pension Fund
ESG	Environmental, Social and Corporate Governance
GDP	Gross Domestic Product
GHG	Greenhouse Gas
ICGN	International Corporate Governance Network
NGO	Non-governmental organisation
PRI	Principles for Responsible Investment
RI	Responsible Investment
SIP	Statement of Investment Principles
SMI	Swiss Market Index
SVVK-ASIR	Schweizer Verein für verantwortungsbewusste Kapitalanlagen – Association Suisse pour des Investissements Responsables (Swiss Association for Responsible Investment)
UN	United Nations
VBDO	Vereniging van Beleggers voor Duurzame Ontwikkeling (Dutch Association of Investors for Sustainable Development)

Appendix 2 Individual pension fund assessments

The following pages include the individual assessments of each pension fund, listed in alphabetical order. The assessments include the overall results of each pension fund and a qualitative assessment of the results by questionnaire section.

Aargauische Pensionskasse

Overall results

Upper midfield



	I.a. Transparency and Documentation: Policies	I.b. Transparency and Documentation: Practice	II.a. RI Policy	II.b. Responsible Investment Activities	II.c. Selection & Appointment of Asset Managers / Consultants	II.d. Consideration of climate impact	TOTAL
Aargauische Pensionskasse	Orange	Green	Orange	Orange	Orange	Green	Yellow
Average	Yellow	Yellow	Yellow	Orange	Orange	Orange	Yellow

Qualitative assessment

I.a. Transparency and Documentation: Policies (Questions 1, 2, 3 & 8)

Transparency of the pension fund in terms of disclosure of its investment policies, such as its RI policy, strategy on engagement with companies and voting, and its climate change strategy

**Strengths:**

- A summary of the Statement of Investment Principles is publicly disclosed.
- The voting and engagement guidelines of an external service provider are followed.

Areas for improvement and recommendations:

- Publish a documented RI policy and develop a documented climate change strategy
- Publish the entire Statement of Investment Principles

I.b. Transparency and Documentation: Practice (Questions 4 – 7)

Transparency of the pension fund in terms of disclosure of the implementation of its policies, such as its voting record, information about asset allocation and its Annual Report

**Strengths:**

- A complete voting record, including rationales, is published by an external service provider.
- A complete report on engagement initiatives, carried out on behalf of the pension fund, is published at least annually.
- The Annual Report, a list of mandates or funds and information about real estate investments are publicly disclosed.

Areas for improvement and recommendations:

- Publish a list of the largest equity holdings and information about the sectors of equity or corporate bond investments

II.a. Responsible Investment Policy (Questions 9 – 11)

RI policy, including its content and scope, as well as the different strategic measures implemented

**Strengths:**

- The RI policy makes specific reference to some, but not all ESG factors and applies only to the pension fund's equity holdings.
- The following activities are undertaken in the area of Responsible Investment:
 - active voting with respect to ESG factors for Swiss equity holdings
 - active ESG-related engagement with investee companies
 - positive screening (for example, best-in-class ratings)

Areas for improvement and recommendations:

- Apply the RI policy to all asset classes, make specific reference to all ESG factors and describe how the implementation of the policy is monitored and assessed, including key performance measurements

II.b. Responsible Investment Activities (Questions 12 – 16 & 20)

Implementation activities related to Responsible Investment, such as related initiatives and memberships, and engagement with beneficiaries

Strengths:

- The governing body and staff receive formal training in Responsible Investment.
- Engagement with beneficiaries is carried out through retrospective reporting of voting and engagement in annual statements and face-to-face meetings, like annual general meetings or consultative events.

Areas for improvement and recommendations:

- Review the RI policy regularly, at least every three years
- Sign the PRI and the Montreal Carbon Pledge

II.c. Appointment and Monitoring of Asset Managers and Consultants (Questions 17 – 19)

Appointment and monitoring of external asset managers and consultants, for example whether their Responsible Investment capabilities are taken into account and monitored

Strengths:

- When appointing some managers / consultants, their Responsible Investment capabilities are considered and regularly monitored.
- Dedicated external resources are employed to undertake engagement with investee companies on the pension fund's behalf in accordance with the RI policy.

Areas for improvement and recommendations:

- When appointing asset managers and consultants, consider and regularly monitor their capacity to assess and act on risks and opportunities relating to climate change and give instructions for screening

II.d. Consideration of Climate Impact (Questions 21 – 23)

Responses to investment risks stemming from climate change and measures implemented to measure and manage the climate impact of investment portfolios

Strengths:

- An analysis of the climate impact of equity holdings was carried out.

Areas for improvement and recommendations:

- Carry out an analysis of the climate impact of the entire investment portfolio

ASGA Pensionskasse

Overall results

Lower midfield



	I.a. Transparency and Documentation: Policies	I.b. Transparency and Documentation: Practice	II.a. RI Policy	II.b. Responsible Investment Activities	II.c. Selection & Appointment of Asset Managers / Consultants	II.d. Consideration of climate impact	TOTAL
ASGA Pensionskasse	Orange	Yellow	Red	Orange	Red	Green	Orange
Average	Yellow	Yellow	Yellow	Orange	Orange	Orange	Yellow

Qualitative assessment

I.a. Transparency and Documentation: Policies (Questions 1, 2, 3 & 8)

Transparency of the pension fund in terms of disclosure of its investment policies, such as its RI policy, strategy on engagement with companies and voting, and its climate change strategy



Strengths:

- The voting guidelines of an external service provider are followed.
- The complete Statement of Investment Principles is available to beneficiaries.

Areas for improvement and recommendations:

- Publish a documented RI policy
- Develop a documented climate change strategy and an engagement policy
- Publish the complete Statement of Investment Principles

I.b. Transparency and Documentation: Practice (Questions 4 – 7)

Transparency of the pension fund in terms of disclosure of the implementation of its policies, such as its voting record, information about asset allocation and its Annual Report



Strengths:

- A voting record, including rationales, is publicly available.
- The Annual Report and information about asset allocation and real estate investments are publicly available.

Areas for improvement and recommendations:

- Publish a list of the largest equity holdings and of mandates or funds, and information about the sectors of equity or corporate bond investments
- Extend the voting record to international shareholdings

II.a. Responsible Investment Policy (Questions 9 – 11)

RI policy, including its content and scope, as well as the different strategic measures implemented



Strengths:

- The RI policy applies to at least one asset class (real estate).

Areas for improvement and recommendations:

- Apply the RI policy to all asset classes, make specific reference to all ESG factors and describe how the implementation of the policy is monitored and assessed, including key performance measurements
- Undertake activities in the area of Responsible Investment

II.b. Responsible Investment Activities (Questions 12 – 16 & 20)

Implementation activities related to Responsible Investment, such as related initiatives and memberships, and engagement with beneficiaries

Strengths:

- The Statement of Investment Principles is reviewed at least every three years.
- Engagement with beneficiaries is carried out through retrospective reporting of voting and engagement in annual statements.

Areas for improvement and recommendations:

- Offer formal training in Responsible Investment
- Carry out more proactive engagement with beneficiaries, for example through surveys, face-to-face meetings or Intranet discussion forums
- Sign the PRI and the Montreal Carbon Pledge

II.c. Appointment and Monitoring of Asset Managers and Consultants (Questions 17 – 19)

Appointment and monitoring of external asset managers and consultants, for example whether their Responsible Investment capabilities are taken into account and monitored

Strengths:

- When appointing some managers / consultants, their Responsible Investment capabilities are considered.

Areas for improvement and recommendations:

- When appointing asset managers and consultants, consider their capacity to assess and act on risks and opportunities relating to climate change and give instructions for screening
- Undertake engagement activities with investee companies

II.d. Consideration of Climate Impact (Questions 21 – 23)

Responses to investment risks stemming from climate change and measures implemented to measure and manage the climate impact of investment portfolios

Strengths:

- An analysis of the climate impact was carried out for at least one non-equity asset class (infrastructure investments)*.

Areas for improvement and recommendations:

- Carry out an analysis of the climate impact of the entire investment portfolio

* No points were awarded for this question.

Bernische Pensionskasse

Overall results

Good practice



	I.a. Transparency and Documentation: Policies	I.b. Transparency and Documentation: Practice	II.a. RI Policy	II.b. Responsible Investment Activities	II.c. Selection & Appointment of Asset Managers / Consultants	II.d. Consideration of climate impact	TOTAL
Bernische Pensionskasse	Green	Green	Green	Yellow	Dark Green	Red	Green
Average	Yellow	Yellow	Yellow	Orange	Orange	Orange	Yellow

Qualitative assessment

I.a. Transparency and Documentation: Policies (Questions 1, 2, 3 & 8)

Transparency of the pension fund in terms of disclosure of its investment policies, such as its RI policy, strategy on engagement with companies and voting, and its climate change strategy

**Strengths:**

- A detailed RI policy is publicly available.
- The pension fund's own voting policy and the complete Statement of Investment Principles are publicly available.
- The engagement guidelines of an external service provider are followed.

Areas for improvement and recommendations:

- Develop a documented climate change strategy

I.b. Transparency and Documentation: Practice (Questions 4 – 7)

Transparency of the pension fund in terms of disclosure of the implementation of its policies, such as its voting record, information about asset allocation and its Annual Report

**Strengths:**

- A voting record, including rationales, is publicly available.
- The Annual Report, a list of mandates or funds and information about real estate investments are publicly available.
- A complete report on engagement initiatives is published by an external service provider.

Areas for improvement and recommendations:

- Publish a list of the largest equity holdings and information about the sectors of equity or corporate bond investments
- Extend the voting record to international shareholdings

II.a. Responsible Investment Policy (Questions 9 – 11)

RI policy, including its content and scope, as well as the different strategic measures implemented

**Strengths:**

- The RI policy makes specific reference to all ESG factors and applies to all asset classes.
- The following activities are undertaken in the area of Responsible Investment:
 - active voting with respect to ESG factors for Swiss equity holdings
 - active ESG-related engagement with investee companies
 - negative screening (for example, exclusions lists)
 - ESG-integration into investment decisions

Areas for improvement and recommendations:

- Describe how the implementation of the RI policy is monitored and assessed, including key performance measurements

II.b. Responsible Investment Activities (Questions 12 – 16 & 20)

Implementation activities related to Responsible Investment, such as related initiatives and memberships, and engagement with beneficiaries

Strengths:

- The Statement of Investment Principles and the RI policy are reviewed at least every three years.
- The governing body, staff and the investment committee receive formal training in Responsible Investment.
- Engagement with beneficiaries is carried out through retrospective reporting of voting and engagement in annual statements and face-to-face meetings, like annual general meetings or consultative events.

Areas for improvement and recommendations:

- Sign the PRI and the Montreal Carbon Pledge

II.c. Appointment and Monitoring of Asset Managers and Consultants (Questions 17 – 19)

Appointment and monitoring of external asset managers and consultants, for example whether their Responsible Investment capabilities are taken into account and monitored

Strengths:

- When appointing all managers / consultants, their Responsible Investment capabilities and their capacity to assess and act on risks and opportunities relating to climate change are considered and regularly monitored.
- All managers / consultants receive instructions for screening after their appointment.
- Dedicated external resources as well as internal staff are employed to undertake engagement with investee companies in accordance with the RI policy.

Areas for improvement and recommendations:

- -

II.d. Consideration of Climate Impact (Questions 21 – 23)

Responses to investment risks stemming from climate change and measures implemented to measure and manage the climate impact of investment portfolios

Strengths:

- Engagement initiatives are carried out with fossil fuel companies on the issue of stranded assets as well as with other carbon intense companies to reduce carbon intensity and/or increase energy efficiency*.
- The pension fund's exposure to carbon intense companies or companies likely to be affected by climate change was reduced and measures to decarbonise the real estate portfolio were implemented*.
- Investment in renewable energy and low carbon alternatives, including green bonds, was increased*.

Areas for improvement and recommendations:

- Carry out an analysis of the climate impact of the entire investment portfolio

* No points were awarded for this question.

BVK Kanton Zürich

Overall results

Good practice



	I.a. Transparency and Documentation: Policies	I.b. Transparency and Documentation: Practice	II.a. RI Policy	II.b. Responsible Investment Activities	II.c. Selection & Appointment of Asset Managers / Consultants	II.d. Consideration of climate impact	TOTAL
BVK Kanton Zürich	Green	Yellow	Green	Green	Orange	Green	Green
Average	Yellow	Yellow	Yellow	Orange	Orange	Orange	Yellow

Qualitative assessment

I.a. Transparency and Documentation: Policies (Questions 1, 2, 3 & 8)

Transparency of the pension fund in terms of disclosure of its investment policies, such as its RI policy, strategy on engagement with companies and voting, and its climate change strategy



Strengths:

- A summary of the RI policy and the complete Statement of Investment Principles are publicly available.
- The pension fund's own voting policy is publicly available.
- A climate change strategy is available internally.

Areas for improvement and recommendations:

- Publish the climate change strategy
- Publish a detailed RI policy
- Publish an engagement policy

I.b. Transparency and Documentation: Practice (Questions 4 – 7)

Transparency of the pension fund in terms of disclosure of the implementation of its policies, such as its voting record, information about asset allocation and its Annual Report



Strengths:

- A voting record is publicly available.
- The Annual Report, a list of mandates or funds and information about real estate investments is publicly available.

Areas for improvement and recommendations:

- Publish a list of the largest equity holdings and information about the sectors of equity or corporate bond investments
- Publish a report on engagement initiatives
- Extend the voting record to international shareholdings and include rationales

II.a. Responsible Investment Policy (Questions 9 – 11)

RI policy, including its content and scope, as well as the different strategic measures implemented



Strengths:

- The RI policy makes specific reference to all ESG factors, applies to equity holdings and at least one other asset class, and describes how its implementation is monitored and assessed, including key performance measurements.
- The following activities are undertaken in the area of Responsible Investment:
 - active voting with respect to ESG factors for Swiss equity holdings
 - active ESG-related engagement with investee companies
 - involvement of the investment committee, as a democratically elected organ by beneficiaries, in the SMI voting process
 - Collaboration with other investors through SVVK-ASIR

Areas for improvement and recommendations:

- Apply the RI policy to all asset classes

II.b. Responsible Investment Activities (Questions 12 – 16 & 20)

Implementation activities related to Responsible Investment, such as related initiatives and memberships, and engagement with beneficiaries 


Strengths:

- The pension fund is a founding member of SVVK-ASIR and is a signatory to the PRI.
- The RI policy is reviewed at least every three years.
- The investment committee and staff receive formal training in Responsible Investment.
- Engagement with beneficiaries is carried out through retrospective reporting of voting and engagement and forward looking reporting on the RI policy in annual statements, as well as surveys, face-to-face meetings and additional information in the beneficiary publication 'Kontext'.

Areas for improvement and recommendations:

- Sign the Montreal Carbon Pledge

II.c. Appointment and Monitoring of Asset Managers and Consultants (Questions 17 – 19)

Appointment and monitoring of external asset managers and consultants, for example whether their Responsible Investment capabilities are taken into account and monitored 


Strengths:

- Dedicated external resources and internal staff are employed to undertake engagement with investee companies in accordance with the RI policy.

Areas for improvement and recommendations:

- When appointing asset managers and consultants, consider and regularly monitor their capacity to assess and act on risks and opportunities relating to climate change and give instructions for screening

II.d. Consideration of Climate Impact (Questions 21 – 23)

Responses to investment risks stemming from climate change and measures implemented to measure and manage the climate impact of investment portfolios 

Strengths:

- An analysis of the climate impact of equity holdings was carried out.
- Investments in green bonds were increased*.

Areas for improvement and recommendations:

- Carry out an analysis of the climate impact of the entire investment portfolio

* No points were awarded for this question.

Caisse de pension de l'Etat de Vaud (CPEV)

Overall results

Upper midfield



	I.a. Transparency and Documentation: Policies	I.b. Transparency and Documentation: Practice	II.a. RI Policy	II.b. Responsible Investment Activities	II.c. Selection & Appointment of Asset Managers / Consultants	II.d. Consideration of climate impact	TOTAL
CPEV - Etat de Vaud							
Average							

Qualitative assessment**I.a. Transparency and Documentation: Policies (Questions 1, 2, 3 & 8)**

Transparency of the pension fund in terms of disclosure of its investment policies, such as its RI policy, strategy on engagement with companies and voting, and its climate change strategy

**Strengths:**

- A detailed RI policy is publicly available.
- A summary of the Statement of Investment Principles is publicly available.
- The pension fund's own voting policy is publicly available and the engagement guidelines of an external service provider are followed.

Areas for improvement and recommendations:

- Develop a documented climate change strategy
- Publish a complete Statement of Investment Principles

I.b. Transparency and Documentation: Practice (Questions 4 – 7)

Transparency of the pension fund in terms of disclosure of the implementation of its policies, such as its voting record, information about asset allocation and its Annual Report

**Strengths:**

- A complete voting record, including rationales, is publicly available.
- An external service provider publishes a report on engagement initiatives carried out on the pension fund's behalf.
- The Annual Report and information about real estate investments are publicly available.

Areas for improvement and recommendations:

- Publish a list of mandates or funds and information about the sectors of equity or corporate bond investments

II.a. Responsible Investment Policy (Questions 9 – 11)

RI policy, including its content and scope, as well as the different strategic measures implemented

**Strengths:**

- The RI policy makes specific reference to all ESG factors and applies to all asset classes.
- The following activities are undertaken in the area of Responsible Investment:
 - active voting with respect to ESG factors for Swiss equity holdings
 - active ESG-related engagement with investee companies

Areas for improvement and recommendations:

- Describe how the implementation of the RI policy is monitored and assessed, including key performance measurements

II.b. Responsible Investment Activities (Questions 12 – 16 & 20)

Implementation activities related to Responsible Investment, such as related initiatives and memberships, and engagement with beneficiaries

Strengths:

- The Statement of Investment Principles and the RI policy are reviewed at least every three years.

Areas for improvement and recommendations:

- Offer formal training in Responsible Investment for the governing body, staff and the investment committee
- Carry out engagement with beneficiaries, for example through retrospective reporting of voting and engagement in annual statements or face-to-face meetings, surveys or Intranet discussion forums
- Sign the PRI and the Montreal Carbon Pledge

II.c. Appointment and Monitoring of Asset Managers and Consultants (Questions 17 – 19)

Appointment and monitoring of external asset managers and consultants, for example whether their Responsible Investment capabilities are taken into account and monitored

Strengths:

- Dedicated external resources are employed to undertake engagement with investee companies on the pension fund's behalf in accordance with the RI policy.

Areas for improvement and recommendations:

- When appointing managers / consultants, consider and regularly monitor their Responsible Investment capabilities and their capacity to assess and act on risks and opportunities relating to climate change
- Give instructions for screening to managers / consultants

II.d. Consideration of Climate Impact (Questions 21 – 23)

Responses to investment risks stemming from climate change and measures implemented to measure and manage the climate impact of investment portfolios

Strengths:

- -















Areas for improvement and recommendations:

- Carry out an analysis of the climate impact of the entire investment portfolio

Caisse de prévoyance de l'Etat de Genève (CPEG)


Overall results

 Good practice 

	I.a. Transparency and Documentation: Policies	I.b. Transparency and Documentation: Practice	II.a. RI Policy	II.b. Responsible Investment Activities	II.c. Selection & Appointment of Asset Managers / Consultants	II.d. Consideration of climate impact	TOTAL
CPEG - Etat de Genève							
Average							

Qualitative assessment

I.a. Transparency and Documentation: Policies (Questions 1, 2, 3 & 8)

Transparency of the pension fund in terms of disclosure of its investment policies, such as its RI policy, strategy on engagement with companies and voting, and its climate change strategy 


Strengths:

- A detailed RI policy is publicly available.
- The complete Statement of Investment Principles is publicly available.
- The pension fund's own voting policy is publicly available and the engagement guidelines of an external service provider are followed.

Areas for improvement and recommendation:

- Develop a documented climate change strategy

I.b. Transparency and Documentation: Practice (Questions 4 – 7)

Transparency of the pension fund in terms of disclosure of the implementation of its policies, such as its voting record, information about asset allocation and its Annual Report 

Strengths:

- A complete voting record, including rationales, is publicly available.
- A report on engagement initiatives is published at least annually.
- The Annual Report, a list of mandates and funds and information about real estate investments are published.

Areas for improvement and recommendations:

- Publish information about the sectors of equity or corporate bond investments

II.a. Responsible Investment Policy (Questions 9 – 11)

RI policy, including its content and scope, as well as the different strategic measures implemented 

Strengths:

- The RI policy makes specific reference to all ESG factors and applies to all asset classes.
- The following activities are undertaken in the area of Responsible Investment:
 - active voting with respect to ESG factors for Swiss and international equity holdings
 - active ESG-related engagement with investee companies
 - negative screening (for example, exclusions lists)
 - positive screening (for example, through best-in-class ratings)
 - ESG integration into investment decisions
 - Reduction of energy consumption in the real estate portfolio and increase of renewable energy sources used

Areas for improvement and recommendations:

- Describe how the implementation of the RI policy is monitored and assessed, including key performance measurements

II.b. Responsible Investment Activities (Questions 12 – 16 & 20)

Implementation activities related to Responsible Investment, such as related initiatives and memberships, and engagement with beneficiaries 


Strengths:

- Staff receive formal training in Responsible Investment.
- Engagement with beneficiaries is carried out through information letters, retrospective reporting of voting and engagement in annual statements and face-to-face meetings during the AGM of the elected delegates.

Areas for improvement and recommendations:

- Carry out more proactive engagement with beneficiaries, for example through surveys or Intranet discussion forums
- Offer formal training in Responsible Investment for the governing body and the investment committee
- Sign the Montreal Carbon Pledge

II.c. Appointment and Monitoring of Asset Managers and Consultants (Questions 17 – 19)

Appointment and monitoring of external asset managers and consultants, for example whether their Responsible Investment capabilities are taken into account and monitored 


Strengths:

- When appointing all asset managers / consultants, their Responsible Investment capabilities are considered and regularly monitored.
- When appointing some managers / consultants, their capacity to assess and act on risks and opportunities relating to climate change are taken into consideration.
- Some of the managers / consultants are given instructions for screening.
- Dedicated external resources are employed to undertake engagement with investee companies on the pension fund's behalf in accordance with the RI policy.

Areas for improvement and recommendations:

- -

II.d. Consideration of Climate Impact (Questions 21 – 23)

Responses to investment risks stemming from climate change* and measures implemented to measure and manage the climate impact of investment portfolios 

Strengths:

- Engagement activities are carried out with carbon intense companies to reduce carbon intensity and/or increase energy efficiency*.
- Exposure to carbon intense companies or companies likely to be affected by climate change was reduced and measures to decarbonise the real estate portfolio were implemented*.
- Investments in renewable energy and low carbon alternatives (excluding green bonds) were increased*.

Areas for improvement and recommendations:















- Carry out an analysis of the climate impact of the entire investment portfolio

* No points were awarded for this question.

comPlan


Overall results

Upper midfield 

	I.a. Transparency and Documentation: Policies	I.b. Transparency and Documentation: Practice	II.a. RI Policy	II.b. Responsible Investment Activities	II.c. Selection & Appointment of Asset Managers / Consultants	II.d. Consideration of climate impact	TOTAL
comPlan							
Average							

Qualitative assessment

I.a. Transparency and Documentation: Policies (Questions 1, 2, 3 & 8)

Transparency of the pension fund in terms of disclosure of its investment policies, such as its RI policy, strategy on engagement with companies and voting, and its climate change strategy 


Strengths:

- A detailed RI policy is publicly available.
- The complete Statement of Investment Principles is available to beneficiaries.
- The voting guidelines of an external service provider are followed.

Areas for improvement and recommendations:

- Publish a documented climate change strategy
- Publish an engagement policy

I.b. Transparency and Documentation: Practice (Questions 4 – 7)

Transparency of the pension fund in terms of disclosure of the implementation of its policies, such as its voting record, information about asset allocation and its Annual Report 

Strengths:

- A voting record is publicly available.
- The Annual Report and a list of mandates or funds are publicly available.

Areas for improvement and recommendations:

- Publish a list of the largest equity holdings and information about the sectors of equity or corporate bond investments and real estate investments
- Extend the voting record to international shareholdings and include rationales

II.a. Responsible Investment Policy (Questions 9 – 11)

RI policy, including its content and scope, as well as the different strategic measures implemented 

Strengths:

- The RI policy makes specific reference to some, but not all ESG factors, and applies to equity holdings and at least one other asset class.
- The following activities are undertaken in the area of Responsible Investment:
 - active voting with respect to ESG factors for Swiss equity holdings
 - negative screening (for example, exclusions lists)
 - ESG integration into investment decisions
 - collaboration with other investors through SVVK-ASIR

Areas for improvement and recommendations:

- Apply the RI policy to all asset classes, make specific reference to all ESG factors and describe how the implementation of the policy is monitored and assessed, including key performance measurements

II.b. Responsible Investment Activities (Questions 12 – 16 & 20)

Implementation activities related to Responsible Investment, such as related initiatives and memberships, and engagement with beneficiaries

Strengths:

- The pension fund is a founding member of SVVK-ASIR.
- The governing body, staff and the investment committee receive formal training in Responsible Investment.
- Engagement with beneficiaries is carried out through retrospective reporting of voting and engagement in annual statements.

Areas for improvement and recommendations:

- Review the Statement of Investment Principles and the RI policy regularly, and at least every three years
- Carry out more proactive engagement with beneficiaries, for example through surveys, face-to-face meetings or Intranet discussion forums
- Sign the PRI and the Montreal Carbon Pledge

II.c. Appointment and Monitoring of Asset Managers and Consultants (Questions 17 – 19)

Appointment and monitoring of external asset managers and consultants, for example whether their Responsible Investment capabilities are taken into account and monitored

Strengths:

- When appointing some asset managers / consultants, their Responsible Investment capabilities are considered and regularly monitored.
- Instructions for screening are given to some managers / consultants.
- The capacity to assess and act on risks and opportunities relating to climate change of some managers / consultants is regularly monitored.

Areas for improvement and recommendations:

- When appointing asset managers and consultants, consider their capacity to assess and act on risks and opportunities relating to climate change
- Undertake engagement activities with investee companies

II.d. Consideration of Climate Impact (Questions 21 – 23)

Responses to investment risks stemming from climate change and measures implemented to measure and manage the climate impact of investment portfolios

Strengths:

- An analysis of the climate impact of equity holdings was carried out.
- Private market investments, which consider ESG criteria for each investment and include renewable energy in cases of economic viability, were increased*.

Areas for improvement and recommendations:

- Carry out an analysis of the climate impact of the entire investment portfolio

* No points were awarded for this question.

Migros-Pensionskasse

Overall results

Upper midfield



	I.a. Transparency and Documentation: Policies	I.b. Transparency and Documentation: Practice	II.a. RI Policy	II.b. Responsible Investment Activities	II.c. Selection & Appointment of Asset Managers / Consultants	II.d. Consideration of climate impact	TOTAL
Migros-Pensionskasse	Yellow	Yellow	Yellow	Orange	Red	Green	Yellow
Average	Yellow	Yellow	Yellow	Orange	Orange	Orange	Yellow

Qualitative assessment

I.a. Transparency and Documentation: Policies (Questions 1, 2, 3 & 8)

Transparency of the pension fund in terms of disclosure of its investment policies, such as its RI policy, strategy on engagement with companies and voting, and its climate change strategy



Strengths:

- A summary of the RI policy is publicly available.
- The pension fund's own voting policy and a complete Statement of Investment Principles are publicly available.

Areas for improvement and recommendations:

- Develop a documented climate change strategy
- Publish an engagement policy
- Publish a detailed RI policy

I.b. Transparency and Documentation: Practice (Questions 4 – 7)

Transparency of the pension fund in terms of disclosure of the implementation of its policies, such as its voting record, information about asset allocation and its Annual Report



Strengths:

- A voting record is publicly available.
- The Annual Report and information about real estate investments are publicly available.

Areas for improvement and recommendations:

- Publish a list of the largest equity holdings and of mandates or funds, and information about the sectors of equity or corporate bond investments
- Extend the voting record to international shareholdings and include rationales

II.a. Responsible Investment Policy (Questions 9 – 11)

RI policy, including its content and scope, as well as the different strategic measures implemented



Strengths:

- The RI policy makes specific reference to some, but not all ESG factors and applies to the pension fund's equity holdings and at least one other asset class (real estate).
- The following activities are undertaken in the area of Responsible Investment:
 - active voting with respect to ESG factors for Swiss equity holdings
 - ESG integration into investment decisions
 - positive screening (for example, best-in-class ratings)

Areas for improvement and recommendations:

- Apply the RI policy to all asset classes, make specific reference to all ESG factors, and describe how the implementation of the policy is monitored and assessed, including key performance measurements

II.b. Responsible Investment Activities (Questions 12 – 16 & 20)

Implementation activities related to Responsible Investment, such as related initiatives and memberships, and engagement with beneficiaries

Strengths:

- The Statement of Investment Principles and the RI policy are reviewed at least every three years.
- Staff receive formal training in Responsible Investment.
- Engagement with beneficiaries is carried out through retrospective reporting of voting and engagement in annual statements.

Areas for improvement and recommendations:

- Carry out more proactive engagement with beneficiaries, for example through surveys, face-to-face meetings or Intranet discussion forums
- Sign the PRI and the Montreal Carbon Pledge

II.c. Appointment and Monitoring of Asset Managers and Consultants (Questions 17 – 19)

Appointment and monitoring of external asset managers and consultants, for example whether their Responsible Investment capabilities are taken into account and monitored

Strengths:

- When appointing some asset managers / consultants, their Responsible Investment capabilities are considered.

Areas for improvement and recommendations:

- When appointing asset managers and consultants, consider and regularly monitor their capacity to assess and act on risks and opportunities relating to climate change and give instructions for screening
- Regularly monitor the Responsible Investment capabilities of all asset managers / consultants
- Undertake engagement activities with investee companies

II.d. Consideration of Climate Impact (Questions 21 – 23)

Responses to investment risks stemming from climate change and measures implemented to measure and manage the climate impact of investment portfolios

Strengths:

- An analysis of the climate impact of equity holdings was carried out.
- Progress was made in decarbonising the real estate portfolio, and regulatory or policy developments that enable implementation of measures to reduce the impact of climate change were supported*.

Areas for improvement and recommendations:

- Carry out an analysis of the climate impact of the entire investment portfolio

* No points were awarded for this question.

Pensionskasse Basel-Stadt*

Overall results

Upper midfield



	I.a. Transparency and Documentation: Policies	I.b. Transparency and Documentation: Practice	II.a. RI Policy	II.b. Responsible Investment Activities	II.c. Selection & Appointment of Asset Managers / Consultants	II.d. Consideration of climate impact	TOTAL
Pensionskasse Basel-Stadt*							
Average							

* Pensionskasse Basel-Stadt did not participate in the survey and the questionnaire remained unanswered. Their performance was thus only assessed based on publicly available information which consequently may be incomplete. Therefore, in our evaluation scheme a lack of transparency also led to low scores in the second part of the survey “Implementation” (questions II.a. to II.d.). It has to be noted that a low score does not necessarily mean that the fund in question is not undertaking any Responsible Investment activities.

Qualitative assessment

I.a. Transparency and Documentation: Policies (Questions 1, 2, 3 & 8)

Transparency of the pension fund in terms of disclosure of its investment policies, such as its RI policy, strategy on engagement with companies and voting, and its climate change strategy



Strengths:

- A summary of the RI policy is publicly available.
- The complete Statement of Investment Principles is publicly available.
- The pension fund’s own voting and engagement policies are publicly available.

Areas for improvement and recommendations:

- Develop a documented climate change strategy

I.b. Transparency and Documentation: Practice (Questions 4 – 7)

Transparency of the pension fund in terms of disclosure of the implementation of its policies, such as its voting record, information about asset allocation and its Annual Report



Strengths:

- A voting record is publicly available.
- The Annual Report, a list of mandates or funds and information about real estate investments are publicly available.
- A complete report on engagement initiatives is disclosed by an external service provider.

Areas for improvement and recommendations:

- Publish a list of the largest equity holdings and information about the sectors of equity or corporate bond investments
- Extend the voting record to international shareholdings and include rationales

II.a. Responsible Investment Policy (Questions 9 – 11)

RI policy, including its content and scope, as well as the different strategic measures implemented



Strengths:

- The RI policy makes specific reference to all ESG factors and applies to equity holdings.
- The following activities are undertaken in the area of Responsible Investment:
 - active voting with respect to ESG factors for Swiss equity holdings
 - active ESG-related engagement with investee companies

The pension fund did not participate in the survey and the questionnaire remained unanswered. Their performance was thus only assessed based on publicly available information which consequently may be incomplete. Therefore, areas for improvement could not be identified and no recommendations are made.

II.b. Responsible Investment Activities (Questions 12 – 16 & 20)


Implementation activities related to Responsible Investment, such as related initiatives and memberships, and engagement with beneficiaries 

Strengths:

- The pension fund follows the ASIP Charter.
- Engagement with beneficiaries is carried out through retrospective reporting of voting and engagement in annual statements.

The pension fund did not participate in the survey and the questionnaire remained unanswered. Their performance was thus only assessed based on publicly available information which consequently may be incomplete. Therefore, areas for improvement could not be identified and no recommendations are made.

II.c. Appointment and Monitoring of Asset Managers and Consultants (Questions 17 – 19)


Appointment and monitoring of external asset managers and consultants, for example whether their Responsible Investment capabilities are taken into account and monitored 

Strengths:

- Dedicated external resources are employed to undertake engagement with investee companies on the pension fund's behalf in accordance with the RI policy.

The pension fund did not participate in the survey and the questionnaire remained unanswered. Their performance was thus only assessed based on publicly available information which consequently may be incomplete. Therefore, areas for improvement could not be identified and no recommendations are made.

II.d. Consideration of Climate Impact (Questions 21 – 23)

Responses to investment risks stemming from climate change and measures implemented to measure and manage the climate impact of investment portfolios 

- **The pension fund did not respond to the questionnaire and no publicly available information was found.**

Pensionskasse der Credit Suisse*

Overall results

No scoring possible due to lack of information

	I.a. Transparency and Documentation: Policies	I.b. Transparency and Documentation: Practice	II.a. RI Policy	II.b. Responsible Investment Activities	II.c. Selection & Appointment of Asset Managers / Consultants	II.d. Consideration of climate impact	TOTAL
Pensionskasse der Credit Suisse*							
Average							

* Pensionskasse der Credit Suisse did not participate in the survey and the questionnaire remained unanswered. Their performance was thus only assessed based on publicly available information which consequently may be incomplete. Therefore, in our evaluation scheme a lack of transparency also led to low scores in the second part of the survey “Implementation” (questions II.a. to II.d.). It has to be noted that a low score does not necessarily mean that the fund in question is not undertaking any Responsible Investment activities.

Qualitative assessment

I.a. Transparency and Documentation: Policies (Questions 1, 2, 3 & 8)

Transparency of the pension fund in terms of disclosure of its investment policies, such as its RI policy, strategy on engagement with companies and voting, and its climate change strategy

Strengths:

- The pension fund’s own voting policy and the complete Statement of Investment Principles are publicly available.

Areas for improvement and recommendations:

- Publish a documented RI policy and an engagement policy
- Develop a documented climate change strategy

I.b. Transparency and Documentation: Practice (Questions 4 – 7)

Transparency of the pension fund in terms of disclosure of the implementation of its policies, such as its voting record, information about asset allocation and its Annual Report

Strengths:

- A voting record is publicly available.
- The Annual Report and information about asset allocation are publicly available.

Areas for improvement and recommendations:

- Publish a list of the largest equity holdings and of mandates or funds, and information about the sectors of equity or corporate bond investments and real estate investments
- Extend the voting record to international shareholdings and include rationales
- Publish a complete report on engagement initiatives

II.a. Responsible Investment Policy (Questions 9 – 11)

RI policy, including its content and scope, as well as the different strategic measures implemented

- **The pension fund did not respond to the questionnaire and no relevant publicly available information was found.**

II.b. Responsible Investment Activities (Questions 12 – 16 & 20)

Implementation activities related to Responsible Investment, such as related initiatives and memberships, and engagement with beneficiaries

Strengths:

- The pension fund follows the ASIP Charter.

The pension fund did not participate in the survey and the questionnaire remained unanswered. Their performance was thus only assessed based on publicly available information which consequently may be incomplete. Therefore, areas for improvement could not be identified and no recommendations are made.

II.c. Appointment and Monitoring of Asset Managers and Consultants (Questions 17 – 19)

Appointment and monitoring of external asset managers and consultants, for example whether their Responsible Investment capabilities are taken into account and monitored

- **The pension fund did not respond to the questionnaire and no relevant publicly available information was found.**

II.d. Consideration of Climate Impact (Questions 21 – 23)

Responses to investment risks stemming from climate change and measures implemented to measure and manage the climate impact of investment portfolios

- **The pension fund did not respond to the questionnaire and no relevant publicly available information was found.**

Pensionskasse der UBS*

Overall results

No scoring possible due to lack of information

	I.a. Transparency and Documentation: Policies	I.b. Transparency and Documentation: Practice	II.a. RI Policy	II.b. Responsible Investment Activities	II.c. Selection & Appointment of Asset Managers / Consultants	II.d. Consideration of climate impact	TOTAL
Pensionskasse der UBS*							
Average							

* Pensionskasse der UBS did not participate in the survey and the questionnaire remained unanswered. Their performance was thus only assessed based on publicly available information which consequently may be incomplete. Therefore, in our evaluation scheme a lack of transparency also led to low scores in the second part of the survey “Implementation” (questions II.a. to II.d.). It has to be noted that a low score does not necessarily mean that the fund in question is not undertaking any Responsible Investment activities.

Qualitative assessment

I.a. Transparency and Documentation: Policies (Questions 1, 2, 3 & 8)

Transparency of the pension fund in terms of disclosure of its investment policies, such as its RI policy, strategy on engagement with companies and voting, and its climate change strategy

- The pension fund did not respond to the questionnaire and no relevant publicly available information was found.

I.b. Transparency and Documentation: Practice (Questions 4 – 7)

Transparency of the pension fund in terms of disclosure of the implementation of its policies, such as its voting record, information about asset allocation and its Annual Report

- The pension fund did not respond to the questionnaire and no relevant publicly available information was found.

II.a. Responsible Investment Policy (Questions 9 – 11)

RI policy, including its content and scope, as well as the different strategic measures implemented

- The pension fund did not respond to the questionnaire and no relevant publicly available information was found.

II.b. Responsible Investment Activities (Questions 12 – 16 & 20)

Implementation activities related to Responsible Investment, such as related initiatives and memberships, and engagement with beneficiaries

- The pension fund did not respond to the questionnaire and no relevant publicly available information was found.

II.c. Appointment and Monitoring of Asset Managers and Consultants (Questions 17 – 19)

Appointment and monitoring of external asset managers and consultants, for example whether their Responsible Investment capabilities are taken into account and monitored

- The pension fund did not respond to the questionnaire and no relevant publicly available information was found.

II.d. Consideration of Climate Impact (Questions 21 – 23)

Responses to investment risks stemming from climate change and measures implemented to measure and manage the climate impact of investment portfolios

- The pension fund did not respond to the questionnaire and no relevant publicly available information was found.

Pensionskasse Energie (PKE)*

Overall results

No scoring possible due to lack of information

	I.a. Transparency and Documentation: Policies	I.b. Transparency and Documentation: Practice	II.a. RI Policy	II.b. Responsible Investment Activities	II.c. Selection & Appointment of Asset Managers / Consultants	II.d. Consideration of climate impact	TOTAL
Pensionskasse Energie (PKE)*							
Average							

* Pensionskasse Energie (PKE) did not participate in the survey and the questionnaire remained unanswered. Their performance was thus only assessed based on publicly available information which consequently may be incomplete. Therefore, in our evaluation scheme a lack of transparency also led to low scores in the second part of the survey "Implementation" (questions II.a. to II.d.). It has to be noted that a low score does not necessarily mean that the fund in question is not undertaking any Responsible Investment activities.

Qualitative assessment

I.a. Transparency and Documentation: Policies (Questions 1, 2, 3 & 8)

Transparency of the pension fund in terms of disclosure of its investment policies, such as its RI policy, strategy on engagement with companies and voting, and its climate change strategy

Strengths:

- The pension fund's own voting policy and a summary of the Statement of Investment Principles are publicly available.

Areas for improvement and recommendations:

- Publish an RI policy and an engagement policy
- Publish the complete Statement of Investment Principles
- Develop a documented climate change strategy

I.b. Transparency and Documentation: Practice (Questions 4 – 7)

Transparency of the pension fund in terms of disclosure of the implementation of its policies, such as its voting record, information about asset allocation and its Annual Report

Strengths:

- A voting record is publicly available.
- The Annual Report, information about asset allocation and about real estate investments are publicly available.

Areas for improvement and recommendation:

- Publish a list of the largest equity holdings and of mandates or funds, and information about the sectors of equity or corporate bond investments
- Publish a complete report on engagement initiatives
- Extend the voting record to international shareholdings and include rationales

II.a. Responsible Investment Policy (Questions 9 – 11)

RI policy, including its content and scope, as well as the different strategic measures implemented

- **The pension fund did not respond to the questionnaire and no relevant publicly available information was found.**

II.b. Responsible Investment Activities (Questions 12 – 16 & 20)

Implementation activities related to Responsible Investment, such as related initiatives and memberships, and engagement with beneficiaries

- The pension fund follows the ASIP Charter.

The pension fund did not participate in the survey and the questionnaire remained unanswered. Their performance was thus only assessed based on publicly available information which consequently may be incomplete. Therefore, areas for improvement could not be identified and no recommendations are made.

II.c. Appointment and Monitoring of Asset Managers and Consultants (Questions 17 – 19)

Appointment and monitoring of external asset managers and consultants, for example whether their Responsible Investment capabilities are taken into account and monitored

- **The pension fund did not respond to the questionnaire and no relevant publicly available information was found.**

II.d. Consideration of Climate Impact (Questions 21 – 23)






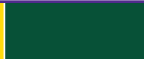








Responses to investment risks stemming from climate change and measures implemented to measure and manage the climate impact of investment portfolios

- **The pension fund did not respond to the questionnaire and no relevant publicly available information was found.**

Pensionskasse Hoffmann-La-Roche


Overall results

Upper midfield 

	I.a. Transparency and Documentation: Policies	I.b. Transparency and Documentation: Practice	II.a. RI Policy	II.b. Responsible Investment Activities	II.c. Selection & Appointment of Asset Managers / Consultants	II.d. Consideration of climate impact	TOTAL
PK Hoffmann-La-Roche							
Average							

Qualitative assessment

I.a. Transparency and Documentation: Policies (Questions 1, 2, 3 & 8)

Transparency of the pension fund in terms of disclosure of its investment policies, such as its RI policy, strategy on engagement with companies and voting, and its climate change strategy 


Strengths

- The complete Statement of Investment Principles is available to beneficiaries.
- A summary of the RI policy is available to beneficiaries.
- The pension fund's own voting policy is available to beneficiaries.

Areas for improvement and recommendations:

- Develop a documented climate change strategy
- Publish an engagement policy
- Publish the Statement of Investment Principles, the RI policy and the voting policy

I.b. Transparency and Documentation: Practice (Questions 4 – 7)

Transparency of the pension fund in terms of disclosure of the implementation of its policies, such as its voting record, information about asset allocation and its Annual Report 

Strengths:

- Examples or a summary of engagement initiatives is / are made internally available at least annually.
- A voting record is available to beneficiaries.

Areas for improvement and recommendations:

- Publish a list of the largest equity holdings and of mandates or funds, and information about the sectors of equity or corporate bond investments
- Publish the voting record, extend it to international shareholdings and include rationales
- Publish the Annual Report

II.a. Responsible Investment Policy (Questions 9 – 11)

RI policy, including its content and scope, as well as the different strategic measures implemented 

Strengths:

- The RI policy makes specific reference to all ESG factors and applies to all asset classes.
- The following activities are undertaken in the area of Responsible Investment:
 - active voting with respect to ESG factors for Swiss equity holdings
 - ESG integration into investment decisions

Areas for improvement and recommendations:

- Describe how the implementation of the RI policy is monitored and assessed, including key performance measurements

II.b. Responsible Investment Activities (Questions 12 – 16 & 20)

Implementation activities related to Responsible Investment, such as related initiatives and memberships, and engagement with beneficiaries

Strengths:

- The governing body and the investment committee receive formal training in Responsible Investment.
- The Statement of Investment Principles is reviewed at least every three years.
- Engagement with beneficiaries is carried out through retrospective reporting of voting and engagement in annual statements.

Areas for improvement and recommendations:

- Carry out more proactive engagement with beneficiaries, for example through surveys, face-to-face meetings or Intranet discussion forums
- Review the RI policy at least every three years
- Sign the PRI and the Montreal Carbon Pledge

II.c. Appointment and Monitoring of Asset Managers and Consultants (Questions 17 – 19)

Appointment and monitoring of external asset managers and consultants, for example whether their Responsible Investment capabilities are taken into account and monitored

Strengths:

- When appointing all asset managers / consultants, their Responsible Investment capabilities are considered and regularly monitored.
- Internal staff are employed to undertake engagement with investee companies in accordance with the RI policy.

Areas for improvement and recommendations:

- When appointing asset managers and consultants, consider their capacity to assess and act on risks and opportunities relating to climate change and give instructions for screening

II.d. Consideration of Climate Impact (Questions 21 – 23)

Responses to investment risks stemming from climate change and measures implemented to measure and manage the climate impact of investment portfolios

Strengths:

- An analysis of the climate impact of the entire investment portfolio was carried out.

Areas for improvement and recommendations:

- -

Pensionskasse Novartis

Overall results

Lower midfield



	I.a. Transparency and Documentation: Policies	I.b. Transparency and Documentation: Practice	II.a. RI Policy	II.b. Responsible Investment Activities	II.c. Selection & Appointment of Asset Managers / Consultants	II.d. Consideration of climate impact	TOTAL
Pensionskasse Novartis	Yellow	Orange	Yellow	Orange	Orange	Red	Orange
Average	Yellow	Yellow	Yellow	Orange	Orange	Orange	Yellow

Qualitative assessment

I.a. Transparency and Documentation: Policies (Questions 1, 2, 3 & 8)

Transparency of the pension fund in terms of disclosure of its investment policies, such as its RI policy, strategy on engagement with companies and voting, and its climate change strategy



Strengths:

- The Statement of Investment Principles is available to beneficiaries upon request.
- A detailed RI policy is available to beneficiaries upon request.
- A voting policy is available to beneficiaries upon request.

Areas for improvement and recommendations:

- Develop a documented climate change strategy
- Publish an engagement policy
- Publish the complete Statement of Investment Principles, the RI policy and the voting policy

I.b. Transparency and Documentation: Practice (Questions 4 – 7)

Transparency of the pension fund in terms of disclosure of the implementation of its policies, such as its voting record, information about asset allocation and its Annual Report



Strengths:

- A voting record is available to beneficiaries upon request.
- The Annual Report and information about asset allocation are publicly available.

Areas for improvement and recommendations:

- Publish a list of the largest equity holdings and mandates or funds, and information about the sectors of equity or corporate bond investments
- Complete the voting record with rationales

II.a. Responsible Investment Policy (Questions 9 – 11)

RI policy, including its content and scope, as well as the different strategic measures implemented



Strengths:

- The RI policy makes specific reference to all ESG factors, applies to equity holdings and corporate bonds, and describes how its implementation is monitored and assessed, including key performance measurements.
- The following activities are undertaken in the area of Responsible Investment:
 - active voting with respect to ESG factors for Swiss and international equity holdings
 - negative screening (for example, exclusions lists)

Areas for improvement and recommendations:

- Apply the RI policy to all asset classes

II.b. Responsible Investment Activities (Questions 12 – 16 & 20)

Implementation activities related to Responsible Investment, such as related initiatives and memberships, and engagement with beneficiaries

Strengths:

- The Statement of Investment Principles is regularly reviewed, but less than every three years. The RI policy is reviewed at least every three years.
- The governing body receives formal training in Responsible Investment.
- Engagement with beneficiaries is carried out through retrospective reporting of voting and engagement in annual statements and face-to-face meetings, like annual general meetings or consultative events.

Areas for improvement and recommendations:

- Review the Statement of Investment Principles at least every three years
- Sign the PRI and the Montreal Carbon Pledge
- Carry out more proactive engagement with beneficiaries, for example through surveys or Intranet discussion forums

II.c. Appointment and Monitoring of Asset Managers and Consultants (Questions 17 – 19)

Appointment and monitoring of external asset managers and consultants, for example whether their Responsible Investment capabilities are taken into account and monitored

Strengths:

- When appointing all asset managers / consultants, their RI capabilities are considered and regularly monitored.
- All managers / consultants are given instructions for screening.

Areas for improvement and recommendations:

- When appointing asset managers and consultants, consider their capacity to assess and act on risks and opportunities relating to climate change
- Undertake engagement activities with investee companies

II.d. Consideration of Climate Impact (Questions 21 – 23)

Responses to investment risks stemming from climate change and measures implemented to measure and manage the climate impact of investment portfolios

Strengths:

- -















Areas for improvement and recommendations:

- Carry out an analysis of the climate impact of the entire investment portfolio

Pensionskasse Post


Overall results

Good practice 

	I.a. Transparency and Documentation: Policies	I.b. Transparency and Documentation: Practice	II.a. RI Policy	II.b. Responsible Investment Activities	II.c. Selection & Appointment of Asset Managers / Consultants	II.d. Consideration of climate impact	TOTAL
Pensionskasse Post							
Average							

Qualitative assessment

I.a. Transparency and Documentation: Policies (Questions 1, 2, 3 & 8)

Transparency of the pension fund in terms of disclosure of its investment policies, such as its RI policy, strategy on engagement with companies and voting, and its climate change strategy 


Strengths:

- A complete Statement of Investment Principles and a detailed RI policy are available internally.
- The pension fund's own voting policy is publicly available.
- The engagement guidelines of an external service provider are followed.

Areas for improvement and recommendations:

- Develop a documented climate change strategy
- Publish the Statement of Investment Principles and the RI policy

I.b. Transparency and Documentation: Practice (Questions 4 – 7)

Transparency of the pension fund in terms of disclosure of the implementation of its policies, such as its voting record, information about asset allocation and its Annual Report 

Strengths:

- A complete voting record, with rationales, is publicly available.
- A complete report on engagement initiatives by an external service provider.
- The Annual Report and a list of mandates or funds are publicly available.

Areas for improvement and recommendations:

- Publish information about the sectors of equity or corporate bond investments

II.a. Responsible Investment Policy (Questions 9 – 11)

RI policy, including its content and scope, as well as the different strategic measures implemented 

Strengths:

- The RI policy makes specific reference to all ESG factors and applies to all asset classes.
- The following activities are undertaken in the area of Responsible Investment:
 - active voting with respect to ESG factors for Swiss equity holdings
 - active ESG-related engagement with investee companies
 - negative screening (for example, exclusions lists)
 - positive screening (for example, best-in-class ratings)
 - conscious consideration of sustainable investment topics
 - collaboration with other investors through SVVK-ASIR

Areas for improvement and recommendations:

- Describe how the implementation of the RI policy is monitored and assessed, including key performance measurements

II.b. Responsible Investment Activities (Questions 12 – 16 & 20)

Implementation activities related to Responsible Investment, such as related initiatives and memberships, and engagement with beneficiaries

Strengths:

- The pension fund is a founding member of SVVK-ASIR.
- The Statement of Investment Principles and the RI policy are reviewed at least every three years.
- The governing body, staff and the investment committee receive formal training in Responsible Investment.
- Engagement with beneficiaries is carried out through retrospective reporting of voting and engagement in annual statements.

Areas for improvement and recommendations:

- Carry out more proactive engagement with beneficiaries, for example through surveys, face-to-face meetings or Intranet discussion forums
- Sign the PRI and the Montreal Carbon Pledge

II.c. Appointment and Monitoring of Asset Managers and Consultants (Questions 17 – 19)

Appointment and monitoring of external asset managers and consultants, for example whether their Responsible Investment capabilities are taken into account and monitored

Strengths:

- When appointing all managers / consultants, their Responsible Investment capabilities are considered and regularly monitored for some.
- Some managers / consultants are given instructions for screening.
- Dedicated external resources are employed to undertake engagement with investee companies on the pension fund's behalf in accordance with the RI policy.

Areas for improvement and recommendations:

- When appointing asset managers and consultants, consider their capacity to assess and act on risks and opportunities relating to climate change

II.d. Consideration of Climate Impact (Questions 21 – 23)

Responses to investment risks stemming from climate change and measures implemented to measure and manage the climate impact of investment portfolios

Strengths:

- Investments in renewable energy and low carbon alternatives were increased*.

Areas for improvement and recommendations:

- Carry out an analysis of the climate impact of the entire investment portfolio

* No points were awarded for this question.

Pensionskasse SBB

Overall results

Upper midfield



	I.a. Transparency and Documentation: Policies	I.b. Transparency and Documentation: Practice	II.a. RI Policy	II.b. Responsible Investment Activities	II.c. Selection & Appointment of Asset Managers / Consultants	II.d. Consideration of climate impact	TOTAL
Pensionskasse SBB	Yellow	Yellow	Green	Yellow	Orange	Green	Yellow
Average	Yellow	Yellow	Yellow	Orange	Orange	Orange	Yellow

Qualitative assessment

I.a. Transparency and Documentation: Policies (Questions 1, 2, 3 & 8)

Transparency of the pension fund in terms of disclosure of its investment policies, such as its RI policy, strategy on engagement with companies and voting, and its climate change strategy



Strengths:

- A detailed RI policy is publicly available.
- A voting policy and the complete Statement of Investment Principles are publicly available.

Areas for improvement and recommendations:

- Develop a documented climate change strategy
- Publish an engagement policy

I.b. Transparency and Documentation: Practice (Questions 4 – 7)

Transparency of the pension fund in terms of disclosure of the implementation of its policies, such as its voting record, information about asset allocation and its Annual Report



Strengths:

- A complete voting record, including rationales, is publicly available.
- The Annual Report and a list of mandates or funds are publicly available.

Areas for improvement and recommendations:

- Publish a list of the largest equity holdings and information about the sectors of equity or corporate bond investments
- Publish a complete report on engagement initiatives

II.a. Responsible Investment Policy (Questions 9 – 11)

RI policy, including its content and scope, as well as the different strategic measures implemented



Strengths:

- The RI policy makes specific reference to all ESG factors and applies to equity holdings and at least one other asset class (bonds).
- The following activities are undertaken in the area of Responsible Investment:
 - active voting with respect to ESG factors for Swiss and international equity holdings
 - active ESG-related engagement with investee companies
 - negative screening (for example, exclusions lists)
 - collaboration with other investors through SVVK-ASIR

Areas for improvement and recommendations:

- Apply the RI policy to all asset classes and describe how the implementation of the policy is monitored and assessed, including key performance measurements

II.b. Responsible Investment Activities (Questions 12 – 16 & 20)

Implementation activities related to Responsible Investment, such as related initiatives and memberships, and engagement with beneficiaries

Strengths:

- The pension fund is a founding member of SVVK-ASIR.
- The governing body, staff and the investment committee receive formal training in Responsible Investment.
- The Statement of Investment Principles and the RI policy are reviewed at least every three years.
- Engagement with beneficiaries is carried out through retrospective reporting of voting and engagement in annual statements.

Areas for improvement and recommendations:

- Carry out more proactive engagement with beneficiaries, for example through surveys, face-to-face meetings or Intranet discussion forums
- Sign the PRI and the Montreal Carbon Pledge

II.c. Appointment and Monitoring of Asset Managers and Consultants (Questions 17 – 19)

Appointment and monitoring of external asset managers and consultants, for example whether their Responsible Investment capabilities are taken into account and monitored

Strengths:

- Some managers / consultants are given instructions for screening.
- Dedicated external resources are employed to undertake engagement with investee companies on the pension fund's behalf in accordance with the RI policy.

Areas for improvement and recommendations:

- When appointing asset managers and consultants, consider their RI capabilities and their capacity to assess and act on risks and opportunities relating to climate change

II.d. Consideration of Climate Impact (Questions 21 – 23)

Responses to investment risks stemming from climate change and measures implemented to measure and manage the climate impact of investment portfolios

Strengths:

- An analysis of the climate impact of equity holdings was carried out.

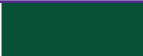



Areas for improvement and recommendations:

- Carry out an analysis of the climate impact of the entire investment portfolio

Pensionskasse Stadt Zürich (PKZH)


Overall results

Good practice 

	I.a. Transparency and Documentation: Policies	I.b. Transparency and Documentation: Practice	II.a. RI Policy	II.b. Responsible Investment Activities	II.c. Selection & Appointment of Asset Managers / Consultants	II.d. Consideration of climate impact	TOTAL
Pensionskasse Stadt Zürich							
Average							

Qualitative assessment

I.a. Transparency and Documentation: Policies (Questions 1, 2, 3 & 8)

Transparency of the pension fund in terms of disclosure of its investment policies, such as its RI policy, strategy on engagement with companies and voting, and its climate change strategy 


Strengths:

- The complete Statement of Investment Principles and a detailed RI policy are publicly available.
- The pension fund's own voting policy and an engagement policy are publicly available.

Areas for improvement and recommendations:

- Develop a documented climate change strategy

I.b. Transparency and Documentation: Practice (Questions 4 – 7)

Transparency of the pension fund in terms of disclosure of the implementation of its policies, such as its voting record, information about asset allocation and its Annual Report 

Strengths:

- A complete voting record, including rationales, is publicly available.
- The Annual Report, a list of mandates or funds and information about real estate investments are publicly available.
- A report on engagement initiatives is publicly available.

Areas for improvement and recommendations:

- Publish a list of the largest equity holdings and information about the sectors of equity or corporate bond investments

II.a. Responsible Investment Policy (Questions 9 – 11)

RI policy, including its content and scope, as well as the different strategic measures implemented 

Strengths:

- The RI policy makes specific reference to all ESG factors, applies to equity holdings, corporate bonds, mortgages and real estate investments and describes how its implementation is monitored and assessed, including key performance measurements.
- The following activities are undertaken in the area of Responsible Investment:
 - active voting with respect to ESG factors for Swiss and international equity holdings
 - active ESG-related engagement with investee companies
 - negative screening (for example, exclusions lists)
 - ESG integration into investment decisions
 - analysis of sustainability aspects in the asset management process

Areas for improvement and recommendations:

- -

II.b. Responsible Investment Activities (Questions 12 – 16 & 20)

Implementation activities related to Responsible Investment, such as related initiatives and memberships, and engagement with beneficiaries

Strengths:

- The pension fund is a signatory to the PRI.
- The governing body, staff and the investment committee receive formal training in Responsible Investment.
- The Statement of Investment Principles and the RI policy are reviewed at least every three years.
- Engagement with beneficiaries is carried out through:
 - retrospective reporting of voting and engagement in annual statements
 - forward looking reporting on RI policy and risks in annual statements
 - face-to-face meetings, like annual general meetings or consultative events

Areas for improvement and recommendations:

- Sign the Montreal Carbon Pledge

II.c. Appointment and Monitoring of Asset Managers and Consultants (Questions 17 – 19)

Appointment and monitoring of external asset managers and consultants, for example whether their Responsible Investment capabilities are taken into account and monitored

Strengths:

- When appointing some asset managers / consultants, their Responsible Investment capabilities are considered and regularly monitored and some of them receive instructions for screening.
- Dedicated external resources are employed to undertake engagement with investee companies on the pension fund's behalf in accordance with the RI policy.

Areas for improvement and recommendations:

- When appointing asset managers and consultants, consider their capacity to assess and act on risks and opportunities relating to climate change

II.d. Consideration of Climate Impact (Questions 21 – 23)

Responses to investment risks stemming from climate change and measures implemented to measure and manage the climate impact of investment portfolios

Strengths:

- An analysis of the climate impact of equity holdings was carried out.
- Engagement with fossil fuel companies on the issue of stranded assets takes place, as well as engagement with other carbon intense companies to reduce carbon intensity and/or increase energy efficiency*.
- Progress was made in decarbonising the real estate portfolio (direct investments)*.

Areas for improvement and recommendations:

- Carry out an analysis of the climate impact of the entire investment portfolio

* No points were awarded for this question.

PUBLICA

Overall results

Upper midfield



	I.a. Transparency and Documentation: Policies	I.b. Transparency and Documentation: Practice	II.a. RI Policy	II.b. Responsible Investment Activities	II.c. Selection & Appointment of Asset Managers / Consultants	II.d. Consideration of climate impact	TOTAL
PUBLICA	Yellow	Yellow	Green	Orange	Green	Green	Yellow
Average	Yellow	Yellow	Yellow	Orange	Orange	Orange	Yellow

Qualitative assessment

I.a. Transparency and Documentation: Policies (Questions 1, 2, 3 & 8)

Transparency of the pension fund in terms of disclosure of its investment policies, such as its RI policy, strategy on engagement with companies and voting, and its climate change strategy



Strengths:

- A detailed RI policy is available internally.
- The pension fund's own voting policy and a complete Statement of Investment Principles are publicly available.

Areas for improvement and recommendations:

- Develop a documented climate change strategy
- Publish the engagement guidelines of the external service provider
- Publish the RI policy

I.b. Transparency and Documentation: Practice (Questions 4 – 7)

Transparency of the pension fund in terms of disclosure of the implementation of its policies, such as its voting record, information about asset allocation and its Annual Report



Strengths:

- A voting record is publicly available.
- The Annual Report, a list of mandates or funds and information about real estate investments are publicly available.

Areas for improvement and recommendations:

- Publish a list of the largest equity holdings and information about the sectors of equity or corporate bond investments
- Publish a report on engagement initiatives
- Extend the voting record to international shareholdings and include rationales

II.a. Responsible Investment Policy (Questions 9 – 11)

RI policy, including its content and scope, as well as the different strategic measures implemented



Strengths:

- The RI policy makes specific reference to all ESG factors and applies to all asset classes.
- The following activities are undertaken in the area of Responsible Investment:
 - active voting with respect to ESG factors for Swiss equity holdings
 - active ESG-related engagement with investee companies
 - ESG integration into investment decisions
 - collaboration with other investors through SVVK-ASIR

Areas for improvement and recommendations:

- Describe how the implementation of the RI policy is monitored and assessed, including key performance measurements

II.b. Responsible Investment Activities (Questions 12 – 16 & 20)

Implementation activities related to Responsible Investment, such as related initiatives and memberships, and engagement with beneficiaries

Strengths:

- The pension fund is a founding member of SVVK-ASIR.
- The Statement of Investment Principles and the RI policy are regularly reviewed, but less than every three years.
- Engagement with beneficiaries is carried out through retrospective reporting of voting and engagement in annual statements.

Areas for improvement and recommendations:

- Offer formal training in Responsible Investment for the governing body, staff and the investment committee
- Carry out more proactive engagement with beneficiaries, for example through surveys, face-to-face meetings or Intranet discussion forums
- Sign the PRI and the Montreal Carbon Pledge

II.c. Appointment and Monitoring of Asset Managers and Consultants (Questions 17 – 19)

Appointment and monitoring of external asset managers and consultants, for example whether their Responsible Investment capabilities are taken into account and monitored

Strengths:

- When appointing all asset managers / consultants, their Responsible Investment capabilities are considered and regularly monitored.
- Dedicated external resources and internal staff are employed to undertake engagement with investee companies in accordance with the RI policy.

Areas for improvement and recommendations:

- When appointing asset managers and consultants, consider their capacity to assess and act on risks and opportunities relating to climate change and give instructions for screening

II.d. Consideration of Climate Impact (Questions 21 – 23)

Responses to investment risks stemming from climate change and measures implemented to measure and manage the climate impact of investment portfolios

Strengths:

- An analysis of the climate impact of equity holdings was carried out.
- An analysis of potential economic risks will be discussed internally*.

Areas for improvement and recommendations:

- Carry out an analysis of the climate impact of the entire investment portfolio

* No points were awarded for this question.

Stiftung Auffangeinrichtung

Overall results

Lower midfield



	I.a. Transparency and Documentation: Policies	I.b. Transparency and Documentation: Practice	II.a. RI Policy	II.b. Responsible Investment Activities	II.c. Selection & Appointment of Asset Managers / Consultants	II.d. Consideration of climate impact	TOTAL
Stiftung Auffangeinrichtung	Yellow	Yellow	Orange	Orange	Red	Red	Orange
Average	Yellow	Yellow	Yellow	Orange	Orange	Orange	Yellow

Qualitative assessment

I.a. Transparency and Documentation: Policies (Questions 1, 2, 3 & 8)

Transparency of the pension fund in terms of disclosure of its investment policies, such as its RI policy, strategy on engagement with companies and voting, and its climate change strategy



Strengths:

- A summary of the RI policy is available to beneficiaries.
- A voting policy and the complete Statement of Investment Principles are publicly available.

Areas for improvement and recommendations:

- Develop a documented climate change strategy and an engagement policy

I.b. Transparency and Documentation: Practice (Questions 4 – 7)

Transparency of the pension fund in terms of disclosure of the implementation of its policies, such as its voting record, information about asset allocation and its Annual Report



Strengths:

- A voting record, including rationales, is publicly available.
- The Annual Report and a list of mandates or funds are publicly available.

Areas for improvement and recommendations:

- Publish a list of the largest equity holdings and information about the sectors of equity or corporate bond investments and about real estate investments
- Extend the voting record to international shareholdings

II.a. Responsible Investment Policy (Questions 9 – 11)

RI policy, including its content and scope, as well as the different strategic measures implemented



Strengths:

- The RI policy makes specific reference to some ESG factors and applies to all asset classes.
- The following activities are undertaken in the area of Responsible Investment:
 - active voting with respect to ESG factors for Swiss equity holdings
 - negative screening (for example, exclusions lists)

Areas for improvement and recommendations:

- Make specific reference to all ESG factors in the RI policy and describe how its implementation is monitored and assessed, including key performance measurements

II.b. Responsible Investment Activities (Questions 12 – 16 & 20)

Implementation activities related to Responsible Investment, such as related initiatives and memberships, and engagement with beneficiaries 

Strengths:


- The Statement of Investment Principles and the RI policy are reviewed at least every three years.

Areas for improvement and recommendations:

- Offer formal training in Responsible Investment for the governing body, staff and the investment committee
- Carry out engagement with beneficiaries, for example through retrospective reporting of voting and engagement in annual statements*
- Sign the PRI and the Montreal Carbon Pledge

* As membership in Stiftung Auffangeinrichtung is often of a short duration, we recognise that it is difficult for the pension fund to make their engagement with beneficiaries more proactive.

II.c. Appointment and Monitoring of Asset Managers and Consultants (Questions 17 – 19)

Appointment and monitoring of external asset managers and consultants, for example whether their Responsible Investment capabilities are taken into account and monitored 


Strengths:

- When appointing all asset managers / consultants, their Responsible Investment capabilities are considered.

Areas for improvement and recommendations:

- When appointing asset managers and consultants, consider their capacity to assess and act on risks and opportunities relating to climate change and give instructions for screening
- Undertake engagement activities with investee companies

II.d. Consideration of Climate Impact (Questions 21 – 23)

Responses to investment risks stemming from climate change and measures implemented to measure and manage the climate impact of investment portfolios 

Strengths:

- -

Areas for improvement and recommendations:

- Carry out an analysis of the climate impact of the entire investment portfolio

VITA Joint Foundation

Overall results

Lower midfield



	I.a. Transparency and Documentation: Policies	I.b. Transparency and Documentation: Practice	II.a. RI Policy	II.b. Responsible Investment Activities	II.c. Selection & Appointment of Asset Managers / Consultants	II.d. Consideration of climate impact	TOTAL
VITA Joint Foundation	Red	Orange	Orange	Orange	Orange	Red	Orange
Average	Yellow	Yellow	Yellow	Orange	Orange	Orange	Yellow

Qualitative assessment

I.a. Transparency and Documentation: Policies (Questions 1, 2, 3 & 8)

Transparency of the pension fund in terms of disclosure of its investment policies, such as its RI policy, strategy on engagement with companies and voting, and its climate change strategy



Strengths:

- The complete Statement of Investment Principles is available to beneficiaries.

Areas for improvement and recommendations:

- Publish an RI policy and a climate change strategy
- Publish a voting policy and an engagement policy
- Publish the Statement of Investment Principles

I.b. Transparency and Documentation: Practice (Questions 4 – 7)

Transparency of the pension fund in terms of disclosure of the implementation of its policies, such as its voting record, information about asset allocation and its Annual Report



Strengths:

- The Annual Report is publicly available.
- Information about asset allocation and a list of mandates or funds are publicly available.

Areas for improvement and recommendations:

- Publish a list of the largest equity holdings and information about the sectors of equity or corporate bond investments and about real estate investments
- Publish a voting record

II.a. Responsible Investment Policy (Questions 9 – 11)

RI policy, including its content and scope, as well as the different strategic measures implemented



Strengths:

- The RI policy makes specific reference to some ESG factors and applies to equity holdings.
- The following activities are undertaken in the area of Responsible Investment:
 - negative screening (for example, exclusions lists)
 - positive screening (for example, best-in-class ratings)

Areas for improvement and recommendations:

- Make specific reference to all ESG factors in the RI policy, apply it to all asset classes and describe how its implementation is monitored and assessed, including key performance measurements

II.b. Responsible Investment Activities (Questions 12 – 16 & 20)

Implementation activities related to Responsible Investment, such as related initiatives and memberships, and engagement with beneficiaries 


Strengths:

- The Statement of Investment Principles is reviewed at least every three years.
- The investment committee receives formal training in Responsible Investment.
- Engagement with beneficiaries is carried out through face-to-face meetings, like annual general meetings or consultative events.

Areas for improvement and recommendations:

- Review the RI policy at least every three years
- Sign the PRI and the Montreal Carbon Pledge

II.c. Appointment and Monitoring of Asset Managers and Consultants (Questions 17 – 19)

Appointment and monitoring of external asset managers and consultants, for example whether their Responsible Investment capabilities are taken into account and monitored 


Strengths:

- When appointing all asset managers / consultants, their Responsible Investment capabilities are considered and for some of them they are regularly monitored.
- All managers / consultants are given instructions for screening.

Areas for improvement and recommendations:

- When appointing asset managers and consultants, consider their capacity to assess and act on risks and opportunities relating to climate change
- Undertake engagement activities with investee companies

II.d. Consideration of Climate Impact (Questions 21 – 23)

Responses to investment risks stemming from climate change and measures implemented to measure and manage the climate impact of investment portfolios 

Strengths:

- -

Areas for improvement and recommendations:

- Carry out an analysis of the climate impact of the entire investment portfolio

Appendix 3

Methodology

Question	Score (Total: 66 points)			
I. Transparency and Documentation	33 points (50%)			
I.a. Transparency and Documentation: Policies	19 points			
	Public	Beneficiaries	Internal	Max. score
1. Disclosure of the statement of investment principles:				
a Complete statement of investment principles is disclosed; or,	3	2.5	1.5	3
b Only part or a summary of the statement of investment principles is disclosed; or,	2	1.5	0.5	
c There is no statement of investment principles.	0	0	0	
2. Disclosure of the pension fund's RI policy:				
a A detailed* RI policy is disclosed; or,	5	4.5	3.5	5
b An outline RI policy is disclosed; or,	3	2.5	1.5	
c There is no RI policy.	0	0	0	
<i>* A detailed RI policy would outline implemented ESG factors, the RI methods or approach used, how implementation is ensured and monitored, and which asset classes it applies to.</i>				
3. Disclosure of policy on proxy voting and engagement (either detailed within the SIP or in separate policy statements):				
a The pension fund discloses its own policy on proxy voting; and, or,	3	2.5	1.5	6
b The pension fund discloses its own engagement policy; and, or,	3	2.5	1.5	
c The pension fund follows the proxy voting guidelines of an external advisor; and, or,	2	1.5	0.5	
d The pension fund follows the engagement guidelines of an external advisor; or,	2	1.5	0.5	
e There is no policy on proxy voting or engagement.	0	0	0	
8. Disclosure of climate change strategy (can be part of the RI policy):				
a The pension fund discloses its strategy on climate change; or,	5	4.5	3.5	5
b There is no such strategy.	0	0	0	
I.b. Transparency and Documentation: Practice	14 points			
	Public	Beneficiaries	Internal	Max. score
4. Disclosure of voting:				
a Full voting record*, including rationale, is disclosed; or,	3	2.5	1.5	3
b Full voting record, without rationale, is disclosed; or,	2	1.5	0.5	
c Partial disclosure**, but with rationale for some votes; or,	2	1.5	0.5	
d Partial disclosure, without rationale; or,	1.5	1	0	
e Full voting record, including rationale, is disclosed by an external service provider; or,	2	1.5	0.5	
f No such record is disclosed.	0	0	0	
<i>* A full voting record includes Swiss and international companies.</i>				
<i>** Partial disclosure has to exceed the minimum required by law.</i>				

	Public	Beneficiaries	Internal	Max. score
5. Disclosure of engagement activity:				
a Full details of all engagement initiatives conducted by / on behalf of the pension fund are disclosed at least annually*; or,	3	2.5	1.5	3
b Sample engagement initiatives are disclosed at least annually; or,	2	1.5	0.5	
c Full details of all engagement initiatives are published by an external service provider at least annually; or,	2	1.5	0.5	
d There is no such report.	0	0	0	
* To be considered public, the reports or links to the reports of external service providers have to be available on the pension fund's website.				
6. The pension fund's Annual Report:				
The pension fund's full Annual Report is made publicly available.	1	0	0	1
7. Disclosure of information about the actual investment portfolio held:				
a The pension fund provides some information on each asset class allocation.	1	0.5	0	7
b The pension fund provides detail about the sectors of its equity or corporate bond investment.	1	0.5	0	
c The pension fund discloses company names of largest equity holdings.	2**	1.5**	0	
d The pension fund discloses a list of mandates or funds it invests in.	1.5	1	0	
e The pension fund discloses information regarding its real estate investments*.	1.5	1	0	
* For direct investments in real estate, we expect information on the type of real estate and the location. For indirect investments we expect information about relevant funds that allow the user to look up this information, at a minimum via the fund website.				
** <u>Public</u> : 2 points (full score for 100+, 1.5 points for 10-100, 1 point for <10, 1 point through disclosure of voting record)				
<u>Beneficiaries</u> : 1.5 points (full score for 100+, 1 point for 10-100, 0.5 points for <10, 0.5 points through disclosure of voting record)				
II. Responsible Investment: Implementation		33 points (50%)		
II.a. Responsible Investment Policy		11 points		
			Score per option	Maximum score
9. Responsible Investment Policy: What does the pension fund's RI policy include?				
a The pension fund has a general RI policy, with specific reference to some, but not all of either environmental, social or governance risks; or,			1	3.5
b The pension fund has a specific policy or policies addressing RI which includes a commitment to consideration of environmental, social and governance risks and opportunities.			2.5	
c The policy describes how implementation of the policy is monitored and assessed, including key performance measurements.			1	
Comment:				

	Score per option	Maximum score
10. Application to asset classes: a The RI policy applies to all asset classes that the pension fund invests in; or, b The RI policy applies only to the pension fund's equity holdings; or, c The RI policy applies to at least one other asset class (other than equity holdings). Comment:	1.5 0.5 0.5	1.5
11. Approaches in the area of Responsible Investment: Which activities does the pension fund undertake in the area of Responsible Investment?* a The pension fund has a voting policy with regard to public equities which requires active voting with respect to ESG factors (not simply voting in line with investee company management recommendations). b The pension fund engages in active ESG-related engagement with its investee companies. c The pension fund uses methods for negative screening (for example, exclusions lists). d The pension fund uses methods for positive screening (for example, best-in-class ratings). e The pension fund undertakes ESG-integration in its investments. f The pension fund engages in other measures (please explain). Comment:	1 1 1 1 1 1	6
<i>* 1 point, but 0.5 points if only for 'G' factors, 0.5 points if only for Swiss companies, 0 if only 'G' issues at Swiss companies</i>		
II.b. RI Activities and Approach		9.5 points
	Score per option	Maximum score
12. Review of policies: How often does the governing body review the RI policy (if applicable) or statement of investment principles? a RI policy b Statement of investment principles Comment:	1 point per document for every 3 years or more, 0.5 points for less	2
13. Responsible Investment training: The following groups of people receive formal training in Responsible Investment: a Governing body; and, or, b Staff; and, or, c Investment committee; or d There is no such training. Comment:	0.5 0.5 0.5 0	1.5

	Score per option	Maximum score
<p>14. Barriers to considering ESG-factors: What are the barriers to considering ESG-factors and actively engaging with investee companies?</p> <ul style="list-style-type: none"> a Costs b Legal or regulatory barriers (please explain) c Consultants or asset managers do not propose it d Lack of information on portfolios e Difficulty to gain access to companies f Capacity not present, or lack of resources g Higher risk for lower returns h Other: please specify i None of the above <p>Comments / examples:</p> <p>Please select the three most important answers.</p>	No points	
<p>15. Motivations to engage in Responsible Investment: Which motivations lead the pension funds to engaging in Responsible Investment?</p> <ul style="list-style-type: none"> a Reputation b Increased pressure from outside (from beneficiaries, NGOs, regulations, etc.) c Better risk-return profile of the investments d Nationally or internationally agreed goals (for example the Sustainable Development Goals) e Contribution to change within companies f It is part of their fiduciary duty g Contribution to systemic change for a more sustainable economic system h Other: please specify <p>Comment:</p> <p>Please select the three most important answers.</p>	No points	
<p>16. Memberships and codes of conduct:</p> <ul style="list-style-type: none"> a The pension fund is a signatory to the UN PRI. b The pension fund is a signatory to the Montreal Carbon Pledge. c The pension fund is a signatory to the International Corporate Governance Network (ICGN). d The pension fund complies with the ASIP Charter. e The pension fund is a member of Swiss Sustainable Finance. f The pension fund is a member of the 'Forum Nachhaltige Geldanlagen' (FNG). g The pension fund is not a member of any of these or similar initiatives. h Other: please specify <p>Comment:</p>	<p>1.5</p> <p>0.5</p> <p>0.5</p> <p>0.5</p> <p>0.5</p> <p>0.5</p> <p>0</p> <p>0.5</p>	3*

* 3 is the maximum score, even if the pension fund takes part in more initiatives.

	Score per option	Maximum score
<p>20. Engagement with beneficiaries: The pension fund engages with its beneficiaries about its Responsible Investment activities through:</p> <p>a Retrospective reporting of voting and engagement in annual statements and/or information beneficiaries receive on joining scheme</p> <p>b Forward looking reporting on RI policy and risks in annual statement and/or information beneficiaries receive on joining scheme</p> <p>c Surveys</p> <p>d Face-to-face meetings, like an annual general meeting, or consultative events</p> <p>e Intranet discussion forums</p> <p>f There is no such engagement</p> <p>g Other measures, please specify:</p> <p>Comment:</p>	<p>0.5</p> <p>0.5</p> <p>0.5</p> <p>0.5</p> <p>0.5</p> <p>0</p> <p>0.5</p>	3
<p>II.c. Appointment and Monitoring of Asset Managers and Consultants 8 points</p>		
	Score per option	Maximum score
<p>17. Appointment of asset managers and consultants: Which factors are considered when appointing investment managers and investment consultants, whether as an internal or external resource?</p> <p>a Consideration is given to all* managers' / consultants' Responsible Investment capabilities.</p> <p>b Consideration is given to some managers' / consultants' Responsible Investment capabilities.</p> <p>c Specific consideration is given to all managers' / consultants' capacity to assess and act on risks and opportunities relating to climate change.</p> <p>d Specific consideration is given to some managers' / consultants' capacity to assess and act on risks and opportunities relating to climate change.</p> <p>e Following their appointment, all managers / consultants receive instructions for screening.</p> <p>f Following their appointment, some managers / consultants receive instructions for screening.</p> <p>g None of these criteria are taken into consideration.</p> <p>Comment:</p>	<p>1</p> <p>0.5</p> <p>1</p> <p>0.5</p> <p>1</p> <p>0.5</p> <p>0</p>	3
<p>* <i>By all asset managers we mean all those that manage the asset classes the pension fund's RI policy applies to.</i></p>		

	Score per option	Maximum score
<p>18. Regular monitoring of asset managers and consultants: Which factors are regularly monitored for asset managers / consultants, whether internal or external?</p> <p>a For all managers / consultants, their Responsible Investment capabilities are regularly monitored.</p> <p>b For some managers / consultants, their Responsible Investment capabilities are regularly monitored.</p> <p>c For all managers / consultants, their capacity to assess and act on risks and opportunities relating to climate change is regularly monitored.</p> <p>d For some managers / consultants, their capacity to assess and act on risks and opportunities relating to climate change is regularly monitored.</p> <p>e There is no regular monitoring.</p> <p>Comment:</p>	<p>1</p> <p>0.5</p> <p>1</p> <p>0.5</p> <p>0</p>	<p>2</p>
<p>19. Engagement with investee companies: How does the pension fund engage with investee companies?</p> <p>a The pension fund has a dedicated internal department to undertake engagement with investee companies in accordance with the pension fund's RI policy; and, or,</p> <p>b The pension fund has employed dedicated external resources (e.g. engagement overlay) to undertake engagement with investee companies on its behalf; or,</p> <p>c The pension fund leaves engagement with investee companies up to its asset managers.</p> <p>d There is no such engagement.</p> <p>Comment:</p> <p><i>* If a pension fund has a dedicated internal department AND has employed external resources, 3 points are awarded.</i></p>	<p>2</p> <p>2</p> <p>0</p> <p>0</p>	<p>3*</p>
<p>II.d. Consideration of Climate Impact 4.5 points</p>		
	Score per option	Maximum score
<p>21. Climate change risks: Does the pension fund assess the risks of climate change for its investment? If yes, how? What is the underlying reasoning?</p> <p>Comment:</p>	No points	
<p>22. Measures to manage climate impact: The pension fund implements measures to manage the climate impact of its investment portfolio. Examples:</p> <p>a Engaging with fossil fuel companies on the issue of stranded assets</p> <p>b Engaging with other carbon intense companies to reduce carbon intensity and/or increase energy efficiency</p> <p>c Reducing pension fund's exposure to carbon intense companies or companies likely to be affected by climate change</p> <p>d Decarbonising its Real Estate Portfolio (direct investment)</p> <p>e Support regulatory or policy developments that enable implementation of measures to reduce the impact of climate change</p> <p>f Increasing investment in renewable energy and low carbon alternatives (excluding green bonds)</p> <p>g Increasing investment in green bonds</p> <p>h Investment in any low carbon or fossil free index products</p> <p>i Others, please specify:</p> <p>Comment:</p>	No points	

	Score per option	Maximum score
<p>23. Climate impact analysis: An analysis of the pension fund’s climate impact can be done through, for example, measuring its carbon footprint, exposure to carbon-intense companies, or exposure to the Carbon Underground 200.</p> <p>a The pension fund has carried out an analysis of the climate impact of its entire investment portfolio; or,</p> <p>b The pension fund has carried out an analysis of the climate impact of its equity holdings only.</p> <p>c The pension fund has carried out an analysis for another asset class (excluding equity holdings).</p> <p>d The pension fund has not carried out such an analysis.</p> <p>Comment / details of the analysis:</p>	<p>4.5</p> <p>2.5</p> <p>2.5</p> <p>0</p>	<p>4.5</p>

Endnotes

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- 96 This includes lack of information about funds or investment products and the underlying investee companies.
- 97 Pension funds cited the heterogeneity of beneficiaries and their interests, a less diversified portfolio and a lack of objective assessment criteria.
- 98 Pension funds cited better risk management, improving ESG standards of companies, satisfying demand from some beneficiaries and reputational risks.

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Why we are here

To stop the degradation of the planet's natural environment and to build a future in which humans live in harmony with nature.

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