

Sustainable retirement provision with the Vita Invest Collective Foundation

As a collective foundation for occupational retirement provision, ensuring sustainability is deeply embedded in our investment philosophy and is very important to us. We firmly believe that responsible, future-oriented and fair management of pension funds' assets is essential for the well-being of our beneficiaries.

Our investment strategy pursues a long-term focus in order to generate the desired investment income. Together with our partner, Zurich Invest Ltd, manager of the Zurich Investment Foundation, we rely on the following four principles to achieve the right balance between successful business and sustainability:

ESG integration

ESG stands for Environment, Social and Governance – three key aspects that are crucial for sustainable and responsible investment. Zurich Invest Ltd integrates all ESG criteria into its investment processes. To safeguard our strategy, we regularly review our internal and external investment managers. The aim is to create real added value for our customers by reconciling economic success with sustainable practices. This approach ensures that our investments are not only financially profitable, but also have a positive environmental and social impact, and promote responsible corporate governance. One example of this is Zurich Invest Ltd's active ownership approach, which is reflected in the two aspects outlined below.

Engagement

The three-stage engagement approach is designed to ensure a focused dialogue with companies in order to raise their awareness of ESG issues and encourage them to take steps to improve their practices. The fundamental aim here is to influence the management and business practices of the companies in which investments are made. Examples of this engagement include setting net-zero targets by 2050 or earlier, developing a clear decarbonization strategy or developing and researching a 1.5-degree scenario.

Exercise of voting rights

Exercising voting rights is an integral part of the sustainability strategy, which aims to address both traditional and ESG-related risks and contribute to the financial success of investments. This is particularly important, as it enables us to fulfill our fiduciary duties towards our customers and comply with regulatory requirements. At the same time, votes encourage greater transparency regarding a company's climate risks, opportunities to take action, and the integration of sustainability goals into the corporate strategy. Shareholder voting rights are exercised effectively in Switzerland and abroad and always in the interests of our customers, addressing issues such as management remuneration, diversity on the Board of Directors, employee and human rights, and climate change.

Impact investing

Impact investing is a form of investment that aims to achieve measurable positive effects on the environment, society and infrastructure in addition to a financial return. Our partner invests a portion of the assets entrusted to us using a targeted, impact-oriented approach that offers economic as well as social and ecological benefits. The focus here is on demographic development and climate change, with the aim of promoting sustainable solutions to these global challenges. One example of impact investing in practice is **green bonds**. Green bonds are regular bonds that finance sustainable projects and consequently fall into the category of impact investing. The purpose of green bonds is to advance the transition to a climate-neutral economy and society with targeted investments and, at the same time, generate an attractive return.

Exclusion approach

Zurich Invest Ltd identifies companies, countries or other issuers that do not meet the defined requirements and are therefore not considered investable. A three-stage approach is used for this, which can be applied to asset classes such as equities, bonds, alternative investments and infrastructure.

Basic level

The basic level takes into account the recommendations of the Swiss Association for Responsible Investments and the United Nations Global Compact principles concerning outlawed weapons.

Focus on climate

The second stage is designed to exclude issuers and companies that exceed thresholds in the coal, oil sands or oil shale sectors. These thresholds are important in order to achieve the defined goals of the Paris Agreement.

Focus on ethics

The third stage is designed to exclude issuers and companies with business activities that are considered unethical. This includes, for example, the production of fur or tobacco.

Joint progress

Only through the joint commitment of all market participants can markets be further developed and ESG risks identified and controlled more efficiently. This creates incentives for companies seeking capital to pursue sustainable business models. To this end, Zurich Invest Ltd is involved in Swiss Sustainable Finance as part of the “Swiss Platform for Impact Investing” working group and in the Asset Management Association Switzerland as part of the “ESG Risk Management” working group, where it works with other market participants on the development of implementation recommendations while maintaining active exchange.

Further information on our partner’s sustainability strategy can be found here: [Our three principles | Zurich Invest Ltd](#)