

Investment guidelines

Principles of investment (excerpts)

Safety, long-term value and yield, social, environmental and governance considerations

The available funds are invested with an appropriate distribution of risks and sufficient liquidity, with the aim of achieving a long-term return above the required actuarial return as part of the Strategic Asset Allocation (SAA).

Environmental and social considerations as well as governance aspects (ESG) are taken into account in the direct investment activity as follows:

For our direct investments we prefer companies that

1. operate production facilities of high ecological standard and use production processes that minimize the environmental impact
2. guarantee the environmental compatibility of the products (longer life cycle, possibilities of recycling, waste reduction)
3. ensure transparency and openness towards stakeholders (shareholders, employees, customers and suppliers)
4. create humane working conditions, ensure exemplary social benefits and respect gender equality.

We avoid investments in companies that

1. repeatedly commit human rights violations
2. produce and trade in defense equipment as a core business
3. maintain extensive direct business relationships with totalitarian regimes
4. operate tobacco production and trade as a core business.

The terms «core business» and «extensive business relationship» are defined in such a way that the business activities in question generate a revenue share of more than 10%.

«Totalitarian regimes» are considered such states that are subject to international sanctions to which Switzerland has affiliated, for which in turn the list of current sanctions published by the State Secretariat for Economic Affairs (SECO) is decisive.

Further considerations

The sustainability assessment is performed by using MSCI ESG Research Ratings.

Companies in the energy, utilities, basic materials and industrials sectors, as well as government or quasi-government bond issuers with low sustainability ratings, are excluded.

«Thematic investments» are included, in the form of Green Bonds.

Sustainability aspects are also taken into account when selecting external managers and collective investment vehicles. The focus is on the management of sustainability risks, in particular climate change.

In the spirit of continuous monitoring of the climate sustainability of our investment portfolio, we conduct or participate in such tests and/or surveys.

The implementation and monitoring of the investment principles have been entrusted to Portfolio Management.