

# Sustainability report

## Swisscanto (CH) Real Estate Fund Responsible Switzerland indirect (I)

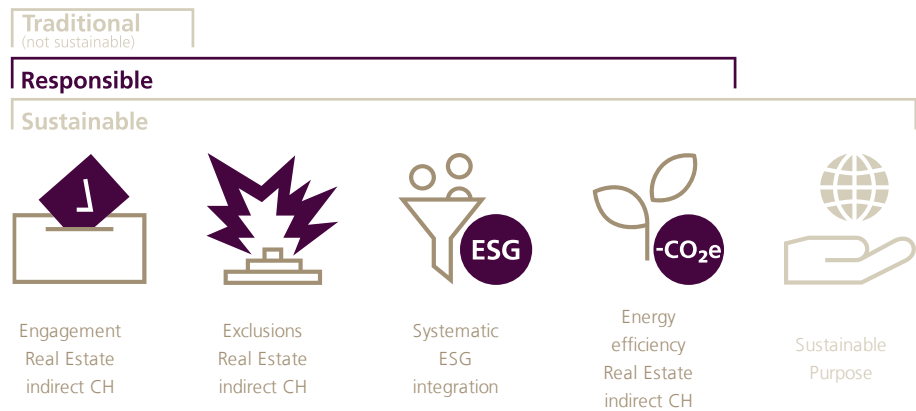
of 30.09.2024

### Benchmark

### SXI Real Estate® Funds Broad Index (TR) in CHF

### Product lines and sustainability approaches

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



Note: Greyed-out product lines and approaches are not applicable to the assets in question.

# Overview

## Swisscanto Sustainability Rating



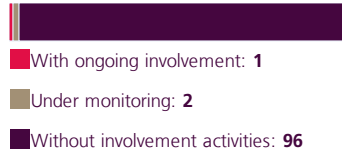
## Swisscanto Sustainability Score



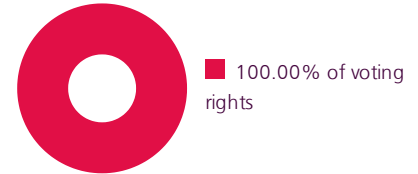
## Stewardship



Engagements, % of enterprises



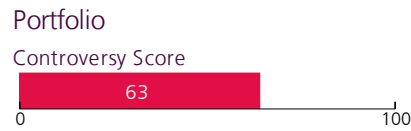
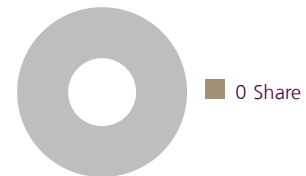
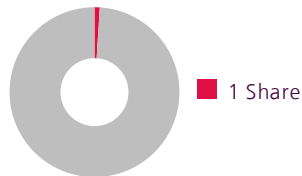
Voting



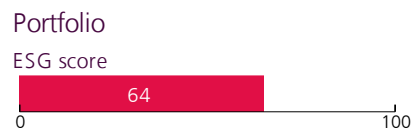
**Note:** See explanations under «Stewardship Real Estate Indirect CH»

## Controversies

Exclusions



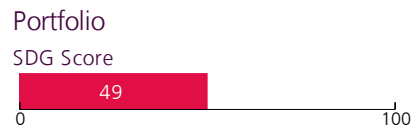
## ESG



## Climate



## SDGs



## Coverage level

In relation to the total area



# Climate

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

kg CO<sub>2</sub>e / m<sup>2</sup>  
Scope 1 & 2

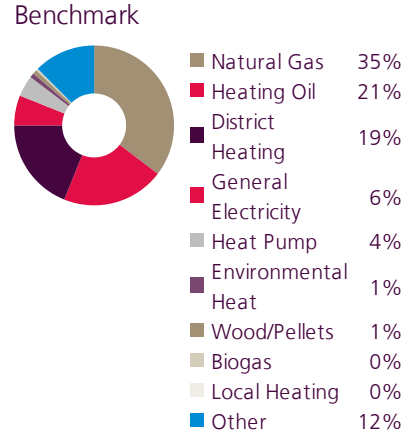
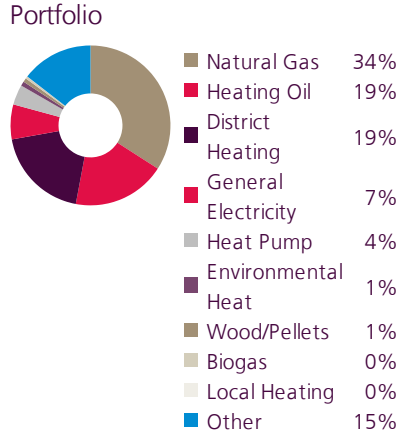


## Energy intensity

kWh / m<sup>2</sup>  
Scope 1 & 2

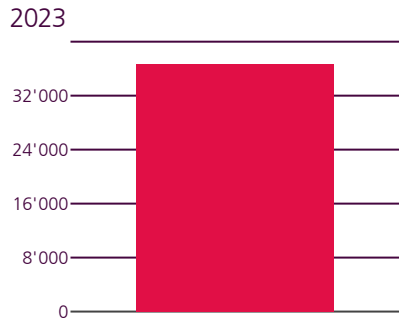


## Energy source mix



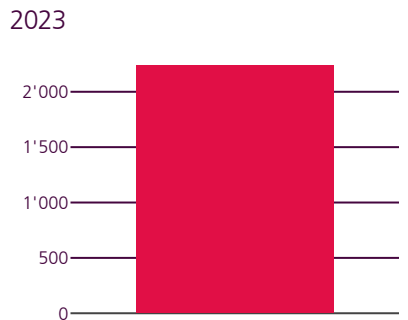
## PV power generation

MWh / year



## Water intensity

m<sup>3</sup> / EBF m<sup>2</sup>



# Explanations

## Sustainability report

## Product lines and sustainability approaches

Sustainability reporting creates transparency regarding the degree of sustainability of the managed fund or asset management portfolio (portfolio). The required data is collected from our own surveys or from public data sources at various real estate companies.

### Product lines

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



### Stewardship - Engagement Real Estate indirect CH

In the area of engagement, active dialog is sought with the management of the various indirect Swiss real estate investments. Sustainability issues are addressed in a targeted manner and, for example, gaps or shortcomings compared to the competition are pointed out. Data is only evaluated for real estate shares and SICAV funds. In addition, proxy voting is carried out on the fund portfolios for real estate shares and SICAV funds in order to actively exercise voting rights.



### Controversies - Exclusions Real Estate indirect CH

Companies/target funds that have not integrated a sustainability strategy into their business strategy are excluded from the investment universe. With this exclusion, we want to encourage companies/target funds to put their business activities on a sustainable footing.



### ESG - Systematic ESG integration

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



### Climate - Energy efficiency Real Estate indirect CH

In the indirect real estate investments, the annual progress in terms of energy efficiency in the investments is measured and compared. This is done on the basis of kWh consumption per m<sup>2</sup> p.a. Real estate companies, including funds, that show a more pronounced increase in efficiency tend to be given greater consideration in the investment process. In addition to progress, the delta to the legal requirement or to the construction progress standards is evaluated.



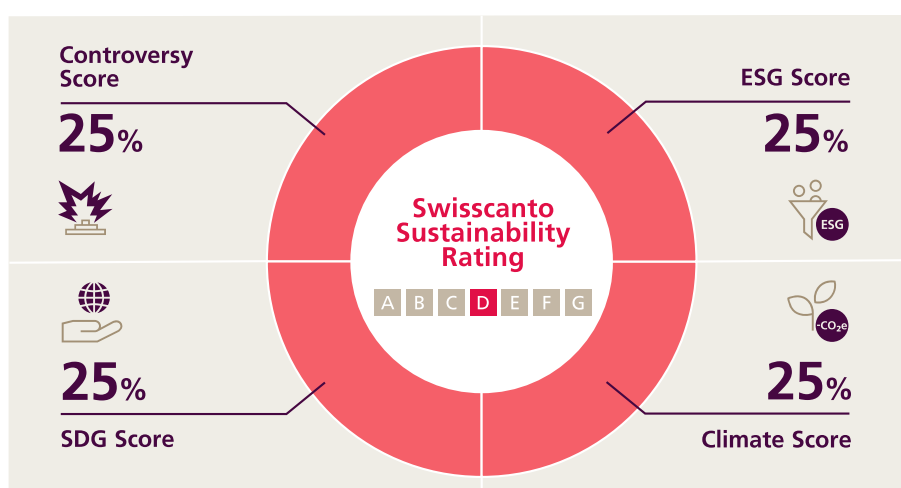
### SDGs - Sustainable Purpose

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

## Explanations of Key Figures and Measurements

### Swisscanto Sustainability Rating

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



- **Controversy score:** In this dimension, the focus is on the climate strategy of the respective instrument. The questionnaire also asks whether the SVK-ASIR exclusion recommendations are taken into account.
- **ESG score:** In the ESG dimension, the responses on environmental, social and governance (ESG) are evaluated. The "E", for example, includes the sustainability strategy and who sets it up. The "S" determines, among other things, the extent to which social criteria are taken into account in the investment process. Last but not least, the "G" evaluates either the investors' right to have a say or the sustainability reporting.
- **Climate Score:** The focus is on energy efficiency, whereby, among other things, the annual progress in terms of energy efficiency in the investments is measured and compared. This is done on the basis of kWh consumption per m<sup>2</sup> p.a. Investment vehicles that show a more pronounced increase in efficiency are given greater consideration in the investment process. In addition to progress, the delta to the legal requirement or to the construction progress standards is evaluated.
- **SDG Score:** Aspects such as engagement with tenants to reduce resource consumption, certification of the real estate portfolio and the proportion of renewable energies are included in the assessment.

**Coverage ratio**

The degree of coverage as the relevant area of the completed buildings in relation to the total area of all completed buildings in the real estate portfolio. The relevant area is either the energy reference area or the rentable area for which the energy consumption is measured or calculated, in square meters.

**Further details**

Detailed information on the product-specific details can be found in the full sales prospectuses at <https://products.swisscanto.com>.

**Sustainability approaches**

The sustainability approaches apply to all or a significant portion of the assets. Detailed information on this can be found in the legal documents.

**CO<sub>2</sub>e**

The CO<sub>2</sub> equivalent (CO<sub>2</sub>e) is a unit of measurement used to standardize the climate impact of the greenhouse gases carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O) and fluorinated greenhouse gases (CFCs). All these gases have different lifetimes in the atmosphere and do not contribute to the greenhouse effect to the same extent.

**Greenhouse gas emissions**

For indirect real estate investments, all Scope 1 and Scope 2 greenhouse gases are taken into account (CO<sub>2</sub> equivalents, abbreviated as CO<sub>2</sub>e). Scope 1 emissions originate from emission sources within the system boundaries under consideration. Scope 2 emissions arise from the generation of energy that is sourced externally. All other emissions caused by the company's activities but not directly controlled (Scope 3) are not taken into account due to a lack of data availability and quality. The emissions data for Indirect real estate comes from our own data collection or publicly available data.

**ESG**

ESG stands for the aspects environment (E), social (S) and corporate governance (G).

**SVVK-ASIR**

The Swiss Association for Responsible Investment (SVVK) is an association of institutional investors and was founded in 2015. The association provides services for its members so that they can align their investment decisions with the environment, society and the economy.

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The sole binding basis for purchasing Swisscanto funds is the current fund documents (e.g. fund agreements, prospectuses, key investor information or basic information sheets as well as annual reports), which can be obtained from [www.swisscanto.com](http://www.swisscanto.com), Swisscanto Fund Management Company Ltd., Bahnhofstrasse 9, 8001 Zurich or from all branch offices of Zürcher Kantonalbank.

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