# Socially responsible investing at BCV

**Socially responsible investing (SRI) refers to investment approaches that incorporate environmental, social, and governance (ESG) criteria into the process of selecting and managing investments.**

## SRI at BCV

- We incorporate ESG criteria into our investment processes while generating competitive long-term returns.
- We act as a responsible asset manager.
- We provide our clients with products that meet their SRI expectations.

## Our goals

- To offer our clients a wide range of responsible investment solutions in line with market best practices
- To progressively integrate SRI into our existing investment products
- To help advance research with leaders in the field, anticipate changes in the regulatory framework, and tailor our SRI approach accordingly

PRI Principles for Responsible Investment

ethos

Unil
UNIL | Université de Lausanne

A proud participant of:
Climate Action 100+
Global Investors Driving Business Transition

## Our values

**Fiduciary duty**
We incorporate ESG approaches into our investment policy to improve the risk/return profile over the long term.

**Promoting sustainable development**
As a cantonal bank, we are responsible for managing assets in a way that meets the needs of future generations.

**Transparency**
We communicate on our SRI efforts in a transparent, clear, and simple manner.

**Investor expectations**
We systematically integrate investors' sustainability requirements into the investment solutions we propose.

**Awareness-raising, training, and education**
We actively raise awareness of SRI issues among all our stakeholders and provide them with training in this area.

## Our ESG product range

We offer two product ranges tailored to different levels of SRI expectations.

| | ESG | ESG Ambition |
|---|---|---|
| Objectives | Takes **ESG criteria** into account while optimizing risk management | Builds on the SRI approaches used for the ESG range, with a portion of the assets allocated to thematic investments that **help drive positive change in the economy**, society, and the environment, in accordance with the UN Sustainable Development Goals |
| Negative screening | ✓ | ✓ |
| ESG integration | ✓ | ✓ |
| Positive screening/ best-in-class selection | ✓ | ✓ |
| Stewardship (active ownership) | ✓ | ✓ |
| Thematic investments | | ✓ |

## SRI approaches

### Negative screening
Screening out companies whose practices are incompatible with our SRI approach

### ESG integration
Making our portfolios more resilient by taking ESG risks and opportunities into account

### Positive screening and best-in-class selection
Positive screening: we select companies with good ESG scores in order to build a portfolio with an ESG score higher than that of the benchmark index.

Best-in-class selection: we select companies that outperform their peers on ESG metrics with respect to a given threshold.

### Stewardship (active ownership)
Positively influencing companies' practices using two main tools: AGM voting and shareholder engagement

### Thematic investments
Investing in companies that provide solutions to environmental and social issues

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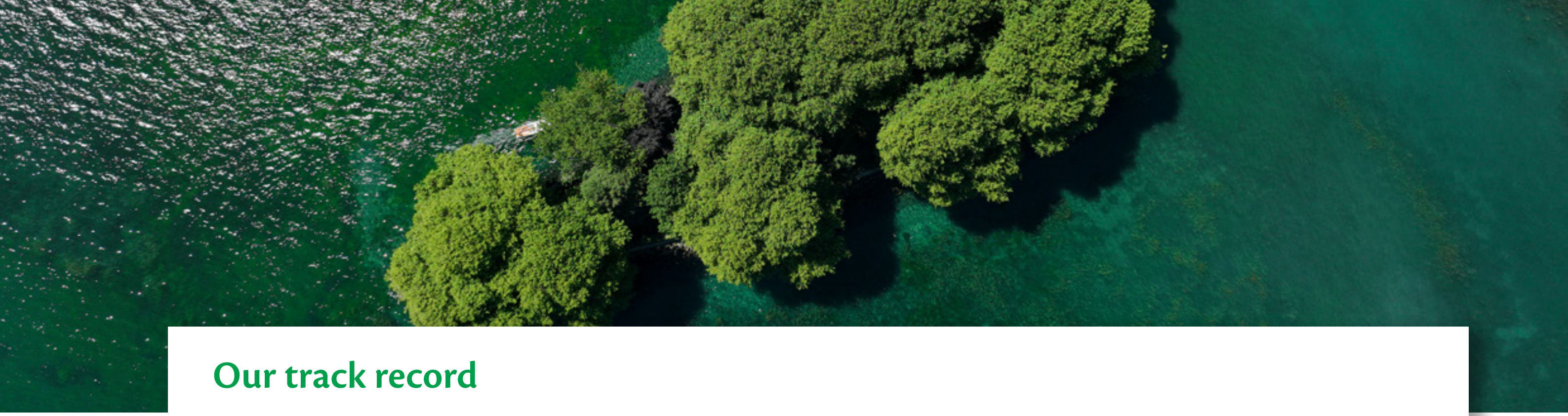
www.bcv.ch/en/sri



## Our track record

**2016–2018**

Introduced SRI principles for our asset management division in step with the needs of our private and institutional clients

**2019**

Became a signatory to the United Nations Principles for Responsible Investments (UNPRI) and launched a research partnership with the University of Lausanne (UNIL)

**2020**

Entered into a partnership with Ethos, joined Swiss Sustainable Finance (SSF) and took part in the PACTA climate assessment

**2021**

- Participated in the Swiss Sustainable Finance study and issued our first report in accordance with the UNPRI
- Communicated on the votes we cast at shareholders' meetings for Swiss companies as well as on our voting guidelines

**2022**

- Published our SRI policy and introduced staff training on this topic
- Extended our shareholder voting guidelines to international companies
- Set up an ESG reporting process

**2023–2024**

Ongoing:

- Creating a climate strategy for our asset management activities that takes into account Switzerland's climate commitments
- Developing a shareholder engagement policy
- Setting up a performance reporting system for BCV products and institutional client portfolios that includes various ESG indicators, such as Swiss Climate Scores for some products

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