



ESG - Groupe Mutuel Holding

Charter for Responsible Investment

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➤ 1. Purpose of the document

The purpose of this document is to formally set out the principles of responsible investment that shall apply when managing the assets of Groupe Mutuel member companies. **These principles shall guide the internal teams in their investment decisions.**

➤ 2. Mandate of Groupe Mutuel

Groupe Mutuel is a safe, efficient and modern partner for insurance. Through its action, it promotes a liberal approach and philosophy. **It has an ethical, economic and social responsibility and**, since the 2015 Paris Agreement, also supports the Federal Council's climate change objectives.

Groupe Mutuel bases its strategy on healthy growth. It manages its business and carries out its projects in such a way that it can fulfil its commitments at all times. In all areas, the Group is committed to a sound financial position and to careful and effective risk management.



3. Investment principles

In line with its values and convictions, Groupe Mutuel's investment approach is based on the following principles:

3.1 Expertise / performance

The insurance business is inherently long-term and requires secure investments that generate competitive and stable returns over time.

Responsible investments meet these requirements. They serve a double purpose: **fiduciary**, which ensures efficient capital management, and **socially** responsible, which supports a more sustainable and fair economy. These investments must go hand in hand with the financial profitability requirements of the subsidiaries of Groupe Mutuel Holding.

3.2 Trust / transparency & accountability

Groupe Mutuel takes into account the requirements of sustainable development and acts in a socially and ethically responsible manner.

This is reflected in a commitment **to sustainability and its effective and progressive implementation** in its investment practices.

Groupe Mutuel is convinced that its approach to **investment based on responsibility and transparency** will strengthen stakeholder support and trust.

3.3 Dynamism / entrepreneurial spirit & innovation

Groupe Mutuel is attentive to its clients and partners and follows the evolution of needs and trends in order to offer innovative products and solutions.

As part of this dynamic, it supports the financing of a transition to a low-carbon and environmentally friendly economy.

4. Methodology

The investment policy should be in line with environmental, social and governance (ESG) requirements, to ensure efficient and proactive asset management.

4.1 Fixed income investments

For its fixed income investments, **Groupe Mutuel has chosen five complementary approaches:**

- 4.1.1 taking ESG criteria into account
- 4.1.2 applying exclusion criteria
- 4.1.3 investing in innovative solutions with impact
- 4.1.4 exercising voting rights

To this can be added:

- 4.1.5 a specific climate policy that ensures that investments are in line with Switzerland's commitment to climate protection.

4.1.1 ESG integration - ensuring both financial and sustainable performance

«ESG» refers to a company's responsibility towards the environment and climate, society and business ethics.

These environmental, social and governance factors must be taken into account in the analysis process and in the management of the portfolio in order to ensure:

- a long-term investment rationale (sustainable returns)
- a positive contribution to sustainable development (responsibility)
- better risk management (anticipation)
- the alignment of values with investment choices (consistency)

4.1.2 Exclusions - minimising negative impacts and damage to reputation

- Strict sectoral exclusion
 - Non-conventional weapons
 - Physical food commodities
 - Pornography
- Sectoral exclusions with a tolerance margin
 - Conventional weapons

4.1.3 «Impact investing» - actively contributing to sustainable development objectives

Groupe Mutuel plans to increase the share of investments with a high environmental, social or real economy impact, such as clean technologies, sustainable infrastructure or bonds, microfinance, etc.

The aim is to gradually increase the allocation of funds to this type of investment, depending mainly on market opportunities.

Groupe Mutuel considers this type of investment judicious both from a financial point of view, for its diversification properties, and from an ethical point of view, to finance a sustainable economy.

4.1.4 Exercising voting rights - assuming shareholder responsibility

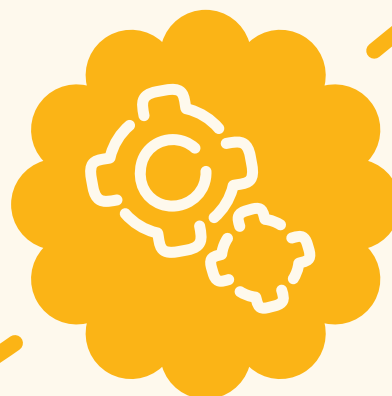
Groupe Mutuel aims to be a responsible investor in the exercise of its shareholder rights.

In the interests of efficiency and pragmatism, Groupe Mutuel systematically exercises its voting rights in respect of Swiss shares held directly. In order to generate shareholder dialogue, it shall delegate the responsibility for this process for foreign shares to an external service provider.

4.1.5 Climate policy - complying with Switzerland's climate commitment

As an insurer, Groupe Mutuel is concerned by climate change and its consequences on the environment, the population and economic development. In line with Swiss regulations and the Paris Agreement, it has defined a specific action plan for its investments.

- To exclude in the long-term companies active in:
 - coal mining and/or coal-based power generation
 - extraction and/or production of shale gas and bituminous oil
- To progressively reduce the carbon footprint of the portfolio
 - decrease CO² emissions generated by companies involved in fossil fuel extraction by favouring
 - 1) the most efficient companies per sector and
 - 2) limiting exposure to fossil fuels, particularly in companies without an exit strategy.
- Favouring investments in green technologies or infrastructure, or other themes proposed in impact investing.
- Ensure regular portfolio evaluation to check progress and achievement of objectives.



4.2 Real estate investments

Groupe Mutuel is committed to applying sustainability requirements to real estate investments as well. The ESG criteria defined in this charter are integrated into the evaluation of potential acquisitions and into the management of the properties. In order to ensure its commitments, Groupe Mutuel will examine each project on a case-by-case basis and make every effort to ensure that these criteria are met. If this is not possible, the acquisition can be made under certain conditions and depending on the opportunities for renovation. Buildings that cannot be subject to such measures are excluded.

4.2.1 Environmental criteria

The management of real estate assets requires several strict measures, which Groupe Mutuel has already demonstrated by introducing a number of measures to make its buildings sustainable. In addition to the environmental criteria of the Charter for Responsible Investment, specific criteria for real estate investments must be established.

These criteria are divided into two categories:

a) Energy and CO²

Groupe Mutuel contributes to reducing the CO² emissions of its buildings by renovating them and setting targets to be reached. Using energy responsibly is a key element of its strategy and particular attention is paid to the renovation of its buildings in order to reduce their energy consumption.

Groupe Mutuel is concerned about climate issues and their consequences on the environment. In order to measure the climate impact of its real estate, energy monitoring of its buildings has been implemented since 2018. In this way, Groupe Mutuel has an overview of its buildings and their energy consumption, which allows it to prioritise the actions to be taken to reduce CO² emissions.

b) Mobility and location

The geographical location of Groupe Mutuel's real estate assets is an integral part of the acquisition criteria. Proximity to infrastructure (shopping centres, sports centres, medical facilities) is a key consideration in order to reduce the impact of transport, encourage environmentally friendly mobility and facilitate access for users. Groupe Mutuel also considers access to public transport and the servicing and equipment of buildings to support the energy transition.

c) Management

The introduction of energy monitoring for its building assets should enable Groupe Mutuel to manage environmental aspects. Annual reports on the analysis of the real estate assets ensure that the evolution and the impact of the actions undertaken on these assets are regularly assessed.

4.2.2 Social criteria

Groupe Mutuel is convinced that connecting tenants to their local community is a powerful solution for maximising the well-being of users and wishes to develop the concept throughout its real estate. By applying this strategy, Groupe Mutuel ensures that its buildings are constantly occupied and that returns are stable. To this end, Groupe Mutuel establishes social criteria to meet the needs and improve the comfort of users.

These criteria are divided into two categories:

a) Stakeholder integration

The development of solutions to reduce the energy impact of its buildings is a key issue for Groupe Mutuel. To this end, it engages in discussions with stakeholders such as real estate agencies, service providers and local authorities to reflect on the design of projects and the management of the existing real estate assets.

In addition, Groupe Mutuel considers tenants as an essential stakeholder in the discussion. It is committed to strengthening and facilitating contact with them in order to access and respond to their needs as effectively as possible.

b) Social dimension

Making neighbourhoods more dynamic is a key factor. In order to develop community life within its buildings, Groupe Mutuel aims to take a number of measures, ranging from the creation of shared facilities to participatory workshops, in order to develop community life where possible. This implementation is intended to be progressive over time.

In this respect, Groupe Mutuel aims to develop neighbourhood contacts to encourage sharing and mutual support between users.

Groupe Mutuel puts the focus on the comfort and quality of life of the users of its buildings. To this end, the choice of materials is studied both for new projects and for renovations. These materials, in addition to their sound and thermal qualities, must meet environmental requirements and have the least possible impact. In addition, consideration is given to the type of building in order to meet the needs of the tenants.

4.2.3 Governance criteria

In order to ensure good practice on the part of its employees and partners, an integrity charter is signed both internally and outside Groupe Mutuel. In addition, sector-specific guidelines are established to prevent corruption, ensure fairness in the awarding of contracts and avoid conflicts of interest.



➤ 5. Scope

Responsible investment is not considered as a category of assets in its own right, but as a philosophy that comprises the entire portfolio.

The application of this philosophy to the different categories of assets (equities, bonds, real estate, etc.) implies different constraints, risks and opportunities.

Groupe Mutuel has chosen a pragmatic and progressive approach, which will be based on market opportunities (choice of alternatives).

This approach will evolve and progress over time as investment prospects and sustainable development issues unfold.

➤ 6. Regular monitoring and evaluation

A portfolio review shall be carried out regularly to ensure compliance with the agreed principles. Investment managers shall monitor and report regularly on progress.

➤ 7. Transparency and communication

The Board shall be informed annually of the sustainability performance of the investments and its evolution over time. **Groupe Mutuel undertakes to communicate transparently on the development and results of its responsible investment policy.**