

FCT Group Responsible Investment Charter

The FCT Group comprises two occupational benefits institutions, the FCT (Trianon Collective Foundation) and the FCT 1e (Trianon Collective Foundation 1e). Their mission is to respond to the individual needs of companies and insureds for occupational benefits provision throughout Switzerland. To meet the various requirements of its affiliated companies, the Group has developed three types of solution:

- Multi-employer solution, for micro-and small enterprises (FCT);
- Company solution, for medium-sized and large enterprises (FCT);
- Individual solution, for middle and senior management and enterprises subject to IFRS (FCT 1e).

The occupational benefits concept offered by both foundations leverages the flexibility of an open architecture to tailor solutions to the needs of the affiliated companies and their insureds. Each company or group of companies affiliated to the FCT or FCT 1e has its own independent Pension Fund within the Foundation. The Pension Fund is managed by a joint Pension Committee, which chooses its investment strategy. Three distinct models are available for the multi-employer, company and individual solutions:

- **Selected investment strategy:** The Pension Committee chooses a strategy from among the investment strategies offered by the FCT Group;
- **Personalised investment strategy:** The Pension Committee composes its own asset allocation by selecting funds from among the investment vehicles offered by the FCT (hereafter "FCT fund platform");
- **Customised investment strategy:** The Pension Committee devises its own strategy together with the asset manager(s) of its choice.

Convinced of the added value of the open architecture model, the Board of Trustees of the FCT/FCT 1e is also keenly aware of its fiduciary responsibility to its insureds. Consequently, it aims to establish a framework which enables affiliated companies to ensure the sustainability of their occupational benefit programmes. Furthermore, the Board of Trustees is also convinced that integrating environmental, social and governance (ESG) criteria can positively influence the risk-return profile of investment strategies, and at the same time have a positive impact on the environment and society.

To this end, the Board of Trustees has developed the following guiding principles for its ESG policy:

1. **Develop** a range of ESG investments that fulfils the needs and expectations of the affiliated companies and their insureds;
2. **Inform** affiliated companies and insureds openly and transparently about the ESG options available to them in order to facilitate the consideration of these dimensions when defining their investment strategy;
3. **Actively engage** as an investor and promote best practice in corporate governance.



1. Develop

Selected investment strategies

The Board of Trustees is aware that affiliated companies do not necessarily seek to establish their own investment profile and investment strategy. Accordingly, it has developed a range of standard investment strategies that are available to the affiliated companies. These strategies, which have been approved by the Board, have different risk levels and management forms, some of which are ESG-labelled. These strategies take into consideration non-financial criteria in the investment process.

The FCT is committed to further developing its ESG-labelled strategies to ensure that environmental, social and governance criteria are effectively integrated into some of the strategies offered to affiliated companies.

Personalised investment strategies

The FCT has set up a “fund platform” giving affiliated companies privileged access to a spectrum of carefully selected investment vehicles, which benefit from attractive fees thanks to economies of scale. These funds are analysed and recommended by the Investment Committee of the FCT and approved by the Board of Trustees. They cover various asset classes and follow different management forms. As a result, affiliated companies can implement their own asset allocation by selecting the funds on the fund platform that correspond best to their preferences, including ESG.

The FCT Group aims to further develop its ESG-labelled strategies in order to offer investment solutions that take into account ESG criteria for the main asset classes.

Customised investment strategies

Pension Committees that delegate their asset management to an external partner of the FCT have the possibility of carrying out an ESG screening or sustainability analysis of their portfolio. The selected ESG investment strategies of the FCT Group have been analysed and validated by a specialist consultant. Therefore, Pension Committees can also benefit from this type of neutral and objective evaluation.

In addition to ESG measures specific to the three investment models, the FCT promotes responsible investment by raising awareness among its affiliated companies and discharging its responsibilities as a shareholder.

2. Inform

Presentations and debates on the topic of sustainability are periodically organised as part of the FCT/FCT 1e general meetings, to inform and raise awareness, in particular among the affiliated companies, about the impact of pension investments on society and the environment.

3. Actively engage

Investing responsibly also means exercising one’s voting rights to ensure that companies operate in the best interest of all stakeholders - including shareholders, society, and the environment. The FCT Group mandates a foundation that applies its shareholder engagement values and follows its voting recommendations at the general meetings of all listed shares in Switzerland held directly by the pension funds of the affiliated companies.