

# Profond



Profond Investment  
Foundation –  
long-term and sustainable  
investing 2023

---



# Introduction

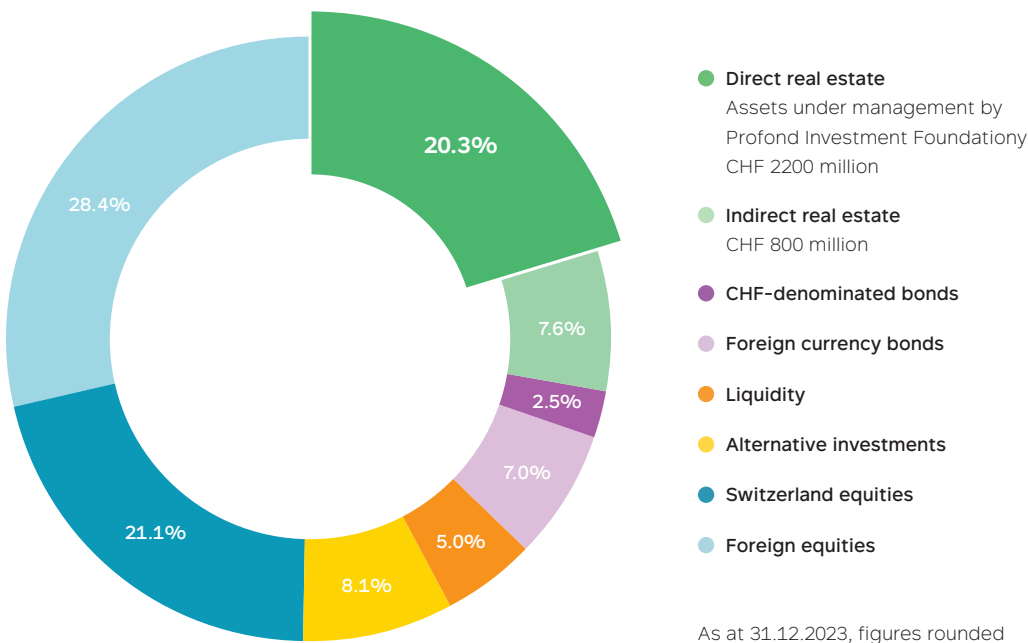
---

As a pension fund, Profond has a long-term responsibility both towards the insured person, as well as towards society and the environment. In addition to our central task of providing financial security in old age, in the event of disability or death, we therefore attach great importance to sustainability.

In our investment decisions, we pay attention to environmental, social and governance (ESG) criteria as well as economic efficiency. In recent years, the “E” in ESG, which stands for “environment”, has become more important than other aspects. In order to achieve the greatest possible impact, we have committed ourselves at Profond to act where we can have direct influence, particularly in the case of our own real estate in our investment foundation.

In February 2024, we published for the first time documentation that focused on our sustainability efforts in Profond’s directly held real estate. This publication shows the sustainability status of this asset class as of the end of 2023.

## Profond Pension Fund asset allocation



# Profond Investment Foundation

---

Profond Investment Foundation is a legally independent organisation wholly owned by Profond Pension Fund. It manages the directly held real estate of Profond, which as at 31 December 2023 represented approximately 2.2 billion Swiss francs or 20.3% of the total portfolio. The mandate of Profond Investment Foundation is to invest these pension funds not only in an income-oriented manner, but also responsibly in accordance with ESG criteria. All investment decisions are therefore based on a long-term holding period and taking into account the entire life cycle of each property.

Our goal is to operate directly held real estate in a CO<sub>2</sub> neutral manner by 2050 at the latest. In doing so, we rely on careful refurbishment taking into account the long-term return. Specific measures are the improvement of building insulation, the conversion of heat generation to renewable energies and the operational optimisation of technical installations.

Since 2021, in collaboration with Wüest Partner, we have been determining the CO<sub>2</sub> reduction path, the carbon footprint and the ESG rating across the entire real estate portfolio in Switzerland. Since 2022, this has also applied to real estate in Germany.

## Development in Switzerland

Since 2020, we have been collecting all consumption data such as fuel oil used or the electricity consumed by all real estate in Switzerland. This data enables us to check our model calculations and plausibilise and adjust them based on the collected values if necessary.

## CO<sub>2</sub> equivalents in operation

Accounting practices for CO<sub>2</sub> equivalents will be in line with the REIDA/intep standard from 2023 onwards. To ensure comparison over the years, the previous year's data were recalculated using REIDA coefficients.

**2022**

Overall portfolio emission  
in kgCO<sub>2</sub>e/m<sub>EBF</sub><sup>2</sup>a

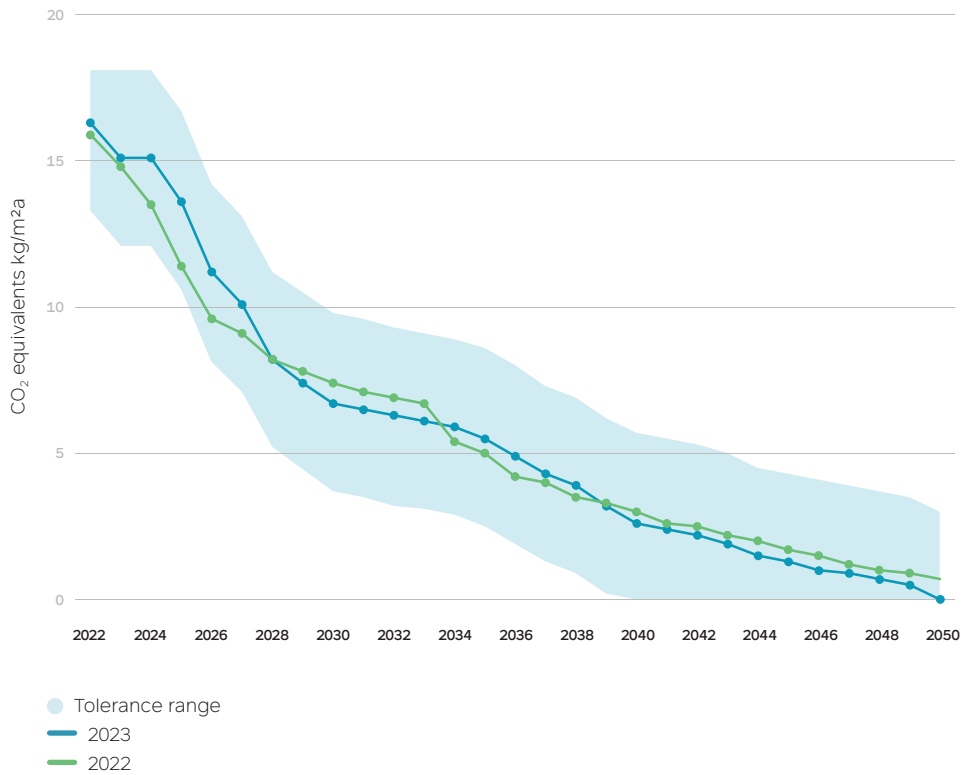
15.9

**2023**

Overall portfolio emission  
in kgCO<sub>2</sub>e/m<sub>EBF</sub><sup>2</sup>a

15.1

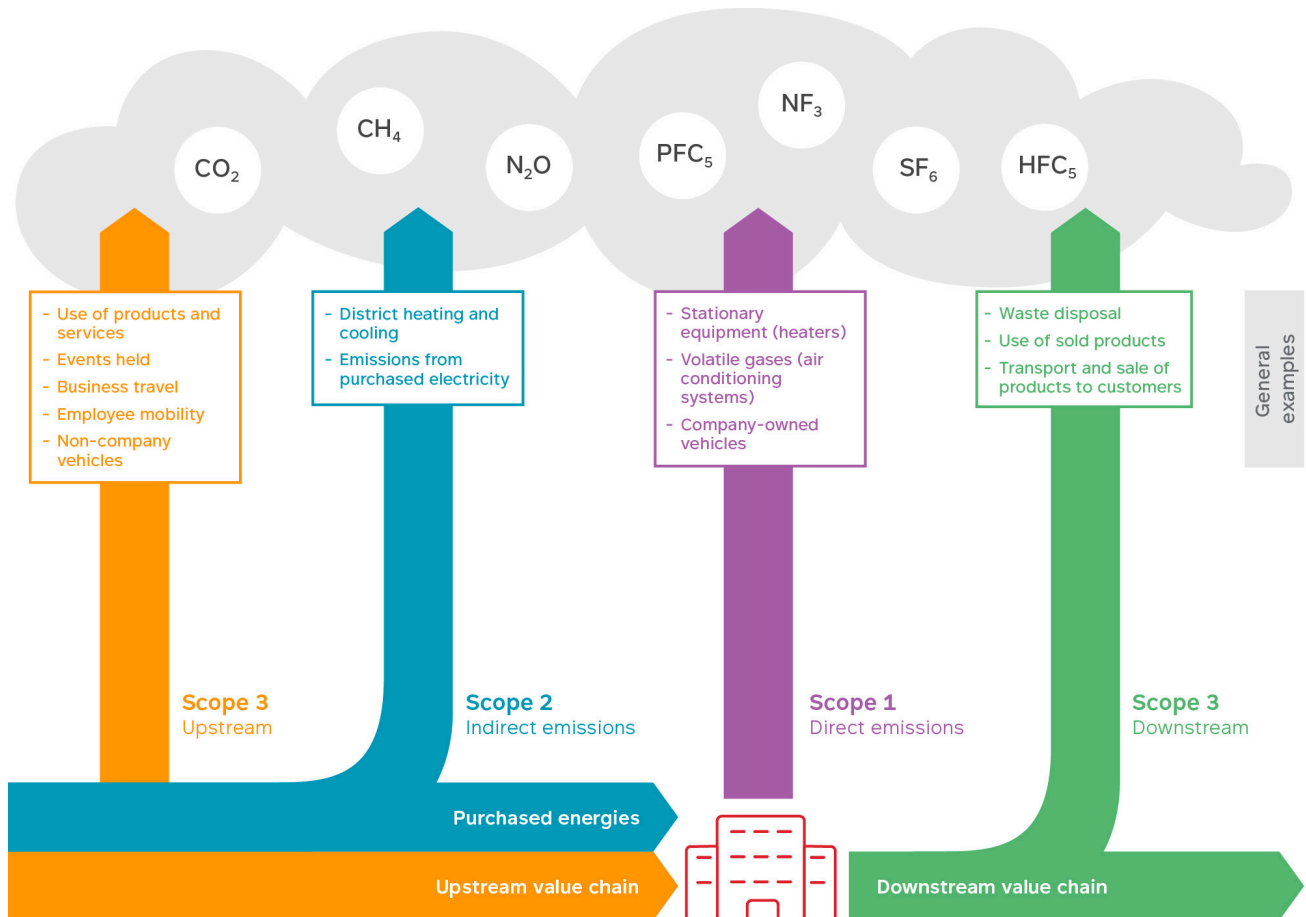
**CO<sub>2</sub> reduction path for real estate in Switzerland**  
 Scope 1+2+3.3+3.13 (REIDA, with tenant stream)



Since 2023, the reduction path has been accounted for according to REIDA/intep. To ensure comparison, the previous year's data were recalculated using REIDA coefficients.

### Scope 1–3 emissions categories

The concept of scope 1, 2 and 3 emission categories is derived from the Greenhouse Gas Protocol, an internationally recognised standard for calculating greenhouse gas emissions.



— **Scope 1:** Direct greenhouse gas emissions from sources directly owned or controlled by the owner.

**In building operations:** mainly from the combustion of oil and gas

— **Scope 2:** Indirect emissions from the use of purchased electricity, steam, heat or cold.

**In building operations:** General electricity, district heating, heat pump electricity

— **Scope 3:** All other emissions in the value chain resulting from the production and transport of purchased goods, sale and use of own products or waste disposal.

**In building operations:**

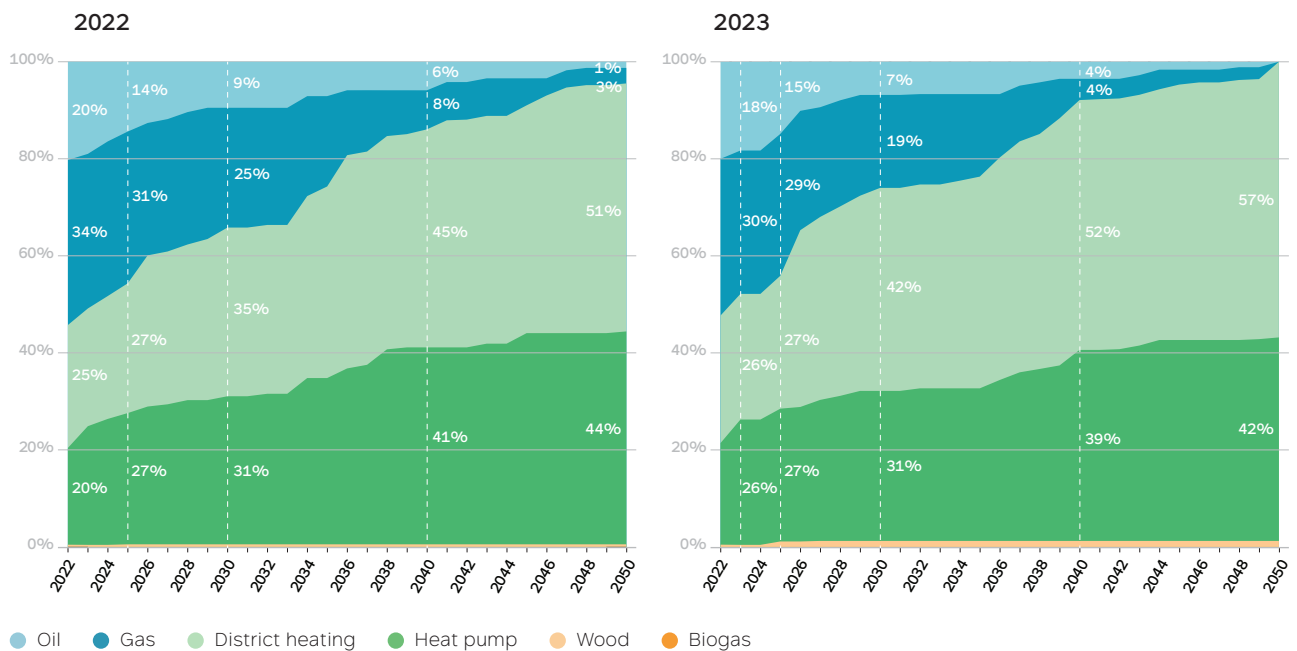
- Extraction, production and transport of energy and electricity (category 3)
- Rented areas → Tenant electricity (category 13)

# Sustainability in practice

The detailed ESG rating serves as the basis for defining and measuring actions and targets for each real estate property. We are driving the sustainability of our real estate properties forward with specific projects such as the installation of photovoltaic (PV) systems, measures to reduce water consumption and charging stations for electric cars.

## Development of energy sources

Heating systems over time (share of energy reference area)



The share of renewable energies increased from 45% to 52% compared to the previous year.

### Building with the goal of carbon neutrality

For new buildings and renovations, we rely on environmentally friendly materials and energy sources as well as low energy consumption for the real estate in operation. In addition, we mostly build to the Minergie standard, focus on good building insulation, carbon-neutral heaters and install photovoltaic systems wherever possible and appropriate.

Installation by 2022	4 PV systems with around 600,000 kWh/year and 620 kWp
Installation 2023	6 PV systems with around 2,500,000 kWh/year and 2,250 kWp



### Photovoltaic system on a commercial property in Goldach

- Built in 2023
- PV system with 4235 modules
- Expected total energy production: 1.77 million kWh/year

### Electric car charging stations

In 2020, we installed the first electric car charging stations in our real estate properties to enable tenants to switch to electric mobility easily. Since then, we have been pushing the expansion forward.

Installation 2020–2022	53 e-charging stations
Installation 2023	48 new e-charging stations

# Sustainability principles

---

In 2023, the Profond Investment Foundation developed sustainability principles and, based on these, the procedure for the further specific implementation of the sustainability goals.

---

## Economical

- Ensuring tradability
- Long-term positive return for shareholders
- Market-oriented property qualities
- Resource-efficient planning and implementation of projects
- Resource-saving maintenance and operation
- Identification of opportunities and exploitation of existing reserves

---

## Environmentally friendly

- Central locations
- Leveraging existing infrastructure
- Use of renewable energy sources
- Use of durable building materials designed for a long service life
- Promotion of the circular economy
- Consideration of grey energy
- Consideration of drinking water consumption

---

## Functional and comfortable

Involvement in the planning, construction and operation of:

- Flexibility in usability
- Indoor climate
- Illumination
- Freedom from barriers
- Accessibility
- Mobility infrastructure
- Shopping, catering and leisure facilities

---

## Attractive employer

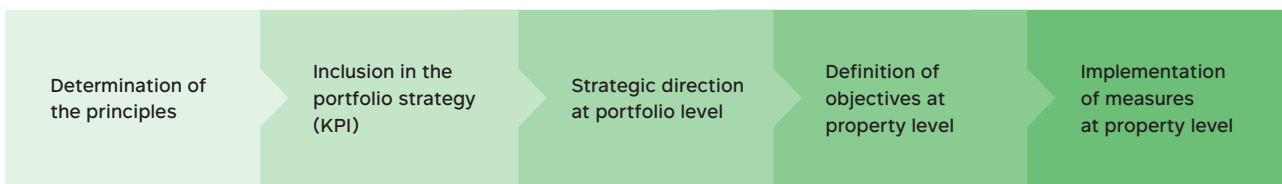
- Values-based culture
- Promotion of education and further training
- Ensuring fair and comparable remuneration
- Regular survey of employees for improvement potential
- Operational health management
- Job quality
- Legal conformity



The principles take into account the various aspects of sustainability that are important to us – from the perspective of the environment, the people who live in it and economic viability. Next, the precise criteria for each principle will be defined and steps to be taken to increase sustainability will be determined.

### **Steps to increase sustainability**

The following example model shows the steps based on the use of photovoltaic systems.



# Brief overview

---

---

## 2022

- Specific CO<sub>2</sub> reduction path via Switzerland's direct real estate portfolio
- Install 53 electric charging stations for electric cars by the end of 2022
- 4 PV systems with around 600 000 kWh/year and 620 kWp

---

## 2023

- CO<sub>2</sub> equivalents operating in real estate in Switzerland from 15.9% in 2022 to 15.1% in 2023 (accounting according to REIDA/intep)
- Development of the sustainability principles
- Installation of 48 electric charging stations for electric cars
- Implementation of project Goldach with 4235 modules PV system
- 6 PV systems with around 2 500 000 kWh/year and 2250 kWp

# Profond

## **Head office**

Profond Vorsorgeeinrichtung  
Zollstrasse 62  
8005 Zürich  
058 589 89 81

## **Office in Western Switzerland**

Profond Institution de prévoyance  
Avenue de la Rasude 5  
1006 Lausanne  
058 589 89 81

[info@profond.ch](mailto:info@profond.ch)  
[www.profond.ch](http://www.profond.ch)