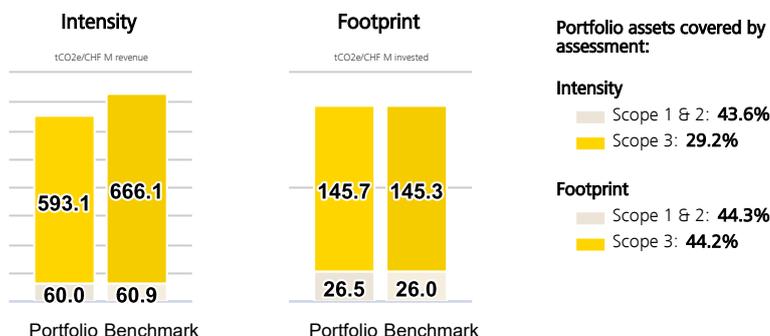


## CURRENT STATE

### Greenhouse Gas Emissions

Encompasses all sources of greenhouse gas emissions from invested companies (scope 1-3), including relevant emissions of their suppliers and products.

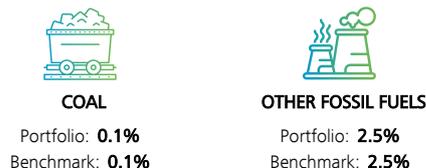


⚠ Medium estimation uncertainty

### Exposure to Fossil Fuel Activities

There is scientific consensus of the need to phase-out coal and stop financing new fossil fuel projects. Below figures show the share of investments into companies that earn more than 5% of their revenues from such business activities.

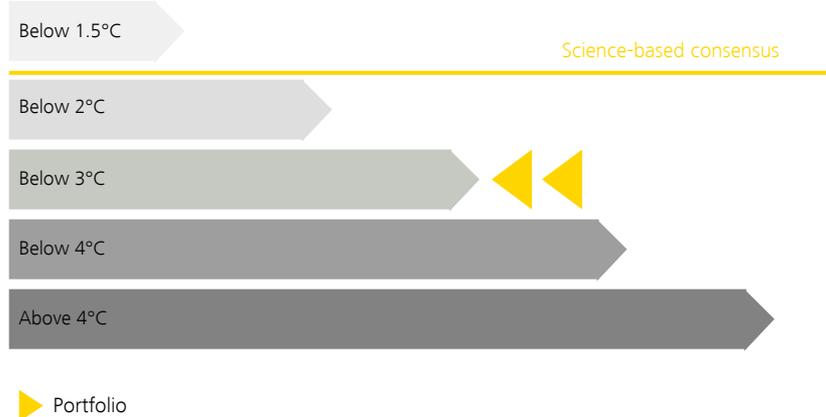
Share of investments into companies with activities in:



⚠ Low estimation uncertainty

## TRANSITION TO NET-ZERO

### Global Warming Alignment



This is the level of global warming that would occur if the global economy acted with the same ambition as the companies in the portfolio. Some portfolios with climate objectives may intentionally include investments in companies that are not yet on track to 1.5°C, but seek to contribute actively to climate goals by improving the alignment of investee companies to bring a larger share of the economy into alignment over time.

Portfolio assets covered by assessment: **42.9%**  
Data Provider: **MSCI**  
Climate Scenario Used: **MSCI Scenario (Glossary)**

⚠ High estimation uncertainty

### Verified Commitments to Net-Zero

Companies are increasingly committing voluntarily to transitioning to net-zero and setting interim targets. The effectiveness of such commitments depends on whether interim targets are credible, science-based, and transparent.

Share of companies in portfolio with verified commitments to net-zero and credible interim targets:

Portfolio: **11.5%** Benchmark: **11.9%**

Low estimation uncertainty

### Management to Net-Zero

Financial institutions can contribute to the transition to net-zero, by aligning their investment strategy with a consistent 1.5°C decarbonisation pathway.

✔ Does the investment strategy include a goal to reduce the greenhouse gas emissions of its underlying investments through concrete short (1-3 years) or mid-term (5 years) targets? **Yes**  
Average annual reduction path excluding relevant Scope 3 - **3.6%**  
Average annual reduction path including relevant Scope 3 - **N/A**

✔ Is the portfolio part of a third-party verified commitment to net-zero by the financial institution, including credible interim targets? **Yes**

### Credible Climate Stewardship

Financial institutions can contribute to the transition to net-zero, by engaging with invested companies on third-party verified, science-based net-zero aligned transition plans until 2050.

Are companies in the portfolio subject to credible stewardship on climate transition? **N/A**

Share of companies currently under active climate engagement: **N/A**

Share of climate votes supported: **N/A**

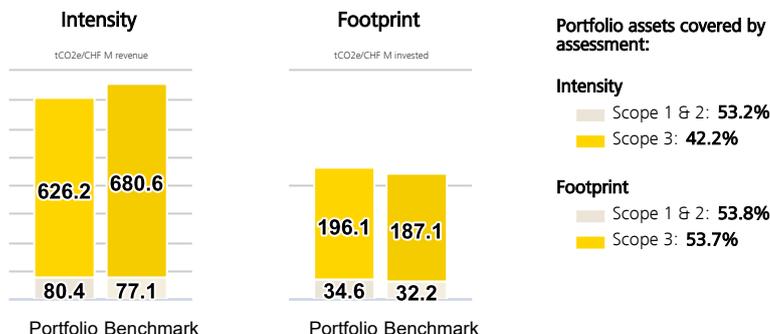
Link to climate stewardship strategy and report: **N/A**

Is the financial institution a member of a climate engagement initiative? **N/A**

## CURRENT STATE

### Greenhouse Gas Emissions

Encompasses all sources of greenhouse gas emissions from invested companies (scope 1-3), including relevant emissions of their suppliers and products.

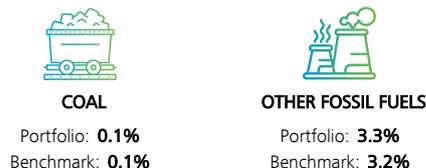


⚠ Medium estimation uncertainty

### Exposure to Fossil Fuel Activities

There is scientific consensus of the need to phase-out coal and stop financing new fossil fuel projects. Below figures show the share of investments into companies that earn more than 5% of their revenues from such business activities.

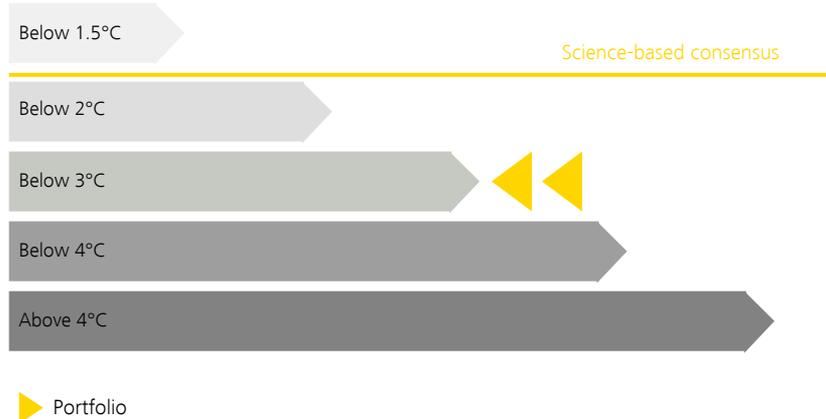
Share of investments into companies with activities in:



⚠ Low estimation uncertainty

## TRANSITION TO NET-ZERO

### Global Warming Alignment



This is the level of global warming that would occur if the global economy acted with the same ambition as the companies in the portfolio. Some portfolios with climate objectives may intentionally include investments in companies that are not yet on track to 1.5°C, but seek to contribute actively to climate goals by improving the alignment of investee companies to bring a larger share of the economy into alignment over time.

Portfolio assets covered by assessment: **52.6%**  
Data Provider: **MSCI**  
Climate Scenario Used: **MSCI Scenario (Glossary)**

⚠ High estimation uncertainty

### Verified Commitments to Net-Zero

Companies are increasingly committing voluntarily to transitioning to net-zero and setting interim targets. The effectiveness of such commitments depends on whether interim targets are credible, science-based, and transparent.

Share of companies in portfolio with verified commitments to net-zero and credible interim targets:

Portfolio: **17.5%** Benchmark: **17.5%**

Low estimation uncertainty

### Management to Net-Zero

Financial institutions can contribute to the transition to net-zero, by aligning their investment strategy with a consistent 1.5°C decarbonisation pathway.

✓ Does the investment strategy include a goal to reduce the greenhouse gas emissions of its underlying investments through concrete short (1-3 years) or mid-term (5 years) targets? **Yes**  
Average annual reduction path excluding relevant Scope 3 - **3.6%**  
Average annual reduction path including relevant Scope 3 - **N/A**

✓ Is the portfolio part of a third-party verified commitment to net-zero by the financial institution, including credible interim targets? **Yes**

### Credible Climate Stewardship

Financial institutions can contribute to the transition to net-zero, by engaging with invested companies on third-party verified, science-based net-zero aligned transition plans until 2050.

Are companies in the portfolio subject to credible stewardship on climate transition? **N/A**

Share of companies currently under active climate engagement: **N/A**

Share of climate votes supported: **N/A**

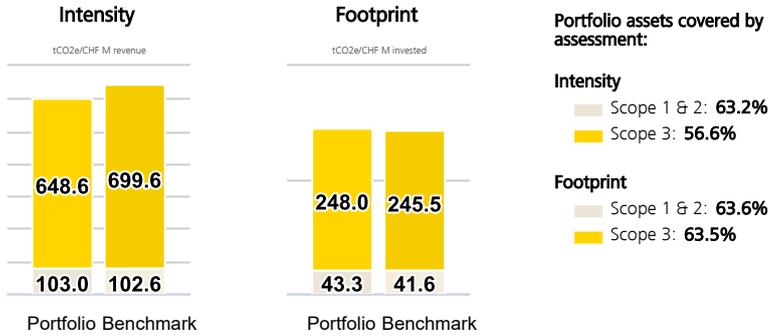
Link to climate stewardship strategy and report: **N/A**

Is the financial institution a member of a climate engagement initiative? **N/A**

## CURRENT STATE

### Greenhouse Gas Emissions

Encompasses all sources of greenhouse gas emissions from invested companies (scope 1-3), including relevant emissions of their suppliers and products.

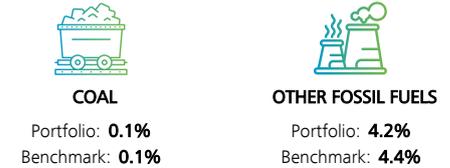


⚠ Medium estimation uncertainty

### Exposure to Fossil Fuel Activities

There is scientific consensus of the need to phase-out coal and stop financing new fossil fuel projects. Below figures show the share of investments into companies that earn more than 5% of their revenues from such business activities.

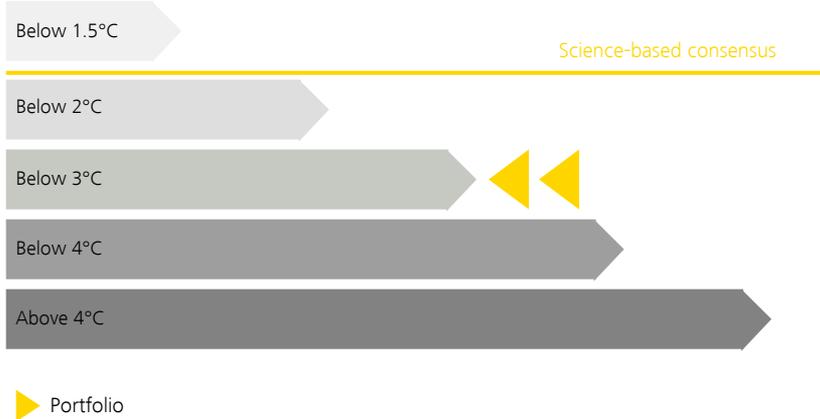
Share of investments into companies with activities in:



⚠ Low estimation uncertainty

## TRANSITION TO NET-ZERO

### Global Warming Alignment



This is the level of global warming that would occur if the global economy acted with the same ambition as the companies in the portfolio. Some portfolios with climate objectives may intentionally include investments in companies that are not yet on track to 1.5°C, but seek to contribute actively to climate goals by improving the alignment of investee companies to bring a larger share of the economy into alignment over time.

Portfolio assets covered by assessment: **62.7%**  
 Data Provider: **MSCI**  
 Climate Scenario Used: **MSCI Scenario (Glossary)**

⚠ High estimation uncertainty

### Verified Commitments to Net-Zero

Companies are increasingly committing voluntarily to transitioning to net-zero and setting interim targets. The effectiveness of such commitments depends on whether interim targets are credible, science-based, and transparent.

Share of companies in portfolio with verified commitments to net-zero and credible interim targets:

Portfolio: **24.2%** Benchmark: **24.5%**

Low estimation uncertainty

### Management to Net-Zero

Financial institutions can contribute to the transition to net-zero, by aligning their investment strategy with a consistent 1.5°C decarbonisation pathway.

✓ Does the investment strategy include a goal to reduce the greenhouse gas emissions of its underlying investments through concrete short (1-3 years) or mid-term (5 years) targets? **Yes**  
 Average annual reduction path excluding relevant Scope 3 - **3.6%**  
 Average annual reduction path including relevant Scope 3 - **N/A**

✓ Is the portfolio part of a third-party verified commitment to net-zero by the financial institution, including credible interim targets? **Yes**

### Credible Climate Stewardship

Financial institutions can contribute to the transition to net-zero, by engaging with invested companies on third-party verified, science-based net-zero aligned transition plans until 2050.

Are companies in the portfolio subject to credible stewardship on climate transition? **N/A**

Share of companies currently under active climate engagement: **N/A**

Share of climate votes supported: **N/A**

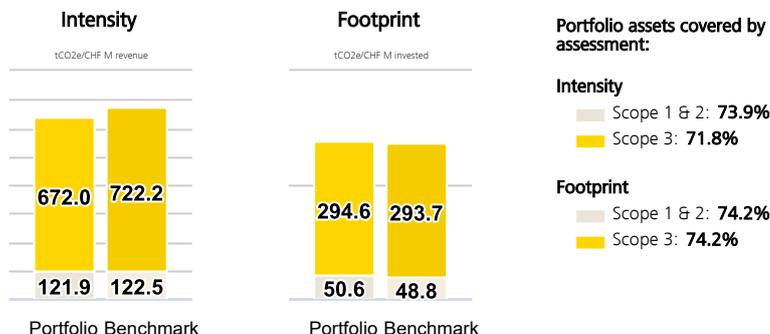
Link to climate stewardship strategy and report: **N/A**

Is the financial institution a member of a climate engagement initiative? **N/A**

## CURRENT STATE

### Greenhouse Gas Emissions

Encompasses all sources of greenhouse gas emissions from invested companies (scope 1-3), including relevant emissions of their suppliers and products.

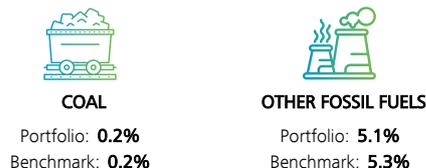


⚠ Medium estimation uncertainty

### Exposure to Fossil Fuel Activities

There is scientific consensus of the need to phase-out coal and stop financing new fossil fuel projects. Below figures show the share of investments into companies that earn more than 5% of their revenues from such business activities.

Share of investments into companies with activities in:



⚠ Low estimation uncertainty

## TRANSITION TO NET-ZERO

### Global Warming Alignment



This is the level of global warming that would occur if the global economy acted with the same ambition as the companies in the portfolio. Some portfolios with climate objectives may intentionally include investments in companies that are not yet on track to 1.5°C, but seek to contribute actively to climate goals by improving the alignment of investee companies to bring a larger share of the economy into alignment over time.

Portfolio assets covered by assessment: **73.7%**  
 Data Provider: **MSCI**  
 Climate Scenario Used: **MSCI Scenario (Glossary)**

⚠ High estimation uncertainty

### Verified Commitments to Net-Zero

Companies are increasingly committing voluntarily to transitioning to net-zero and setting interim targets. The effectiveness of such commitments depends on whether interim targets are credible, science-based, and transparent.

Share of companies in portfolio with verified commitments to net-zero and credible interim targets:

Portfolio: **31.5%** Benchmark: **32.0%**

Low estimation uncertainty

### Management to Net-Zero

Financial institutions can contribute to the transition to net-zero, by aligning their investment strategy with a consistent 1.5°C decarbonisation pathway.

✔ Does the investment strategy include a goal to reduce the greenhouse gas emissions of its underlying investments through concrete short (1-3 years) or mid-term (5 years) targets? **Yes**  
 Average annual reduction path excluding relevant Scope 3 - **3.6%**  
 Average annual reduction path including relevant Scope 3 - **N/A**

✔ Is the portfolio part of a third-party verified commitment to net-zero by the financial institution, including credible interim targets? **Yes**

### Credible Climate Stewardship

Financial institutions can contribute to the transition to net-zero, by engaging with invested companies on third-party verified, science-based net-zero aligned transition plans until 2050.

Are companies in the portfolio subject to credible stewardship on climate transition? **N/A**

Share of companies currently under active climate engagement: **N/A**

Share of climate votes supported: **N/A**

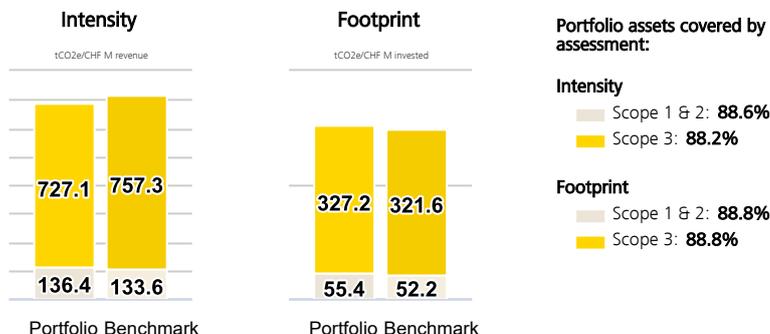
Link to climate stewardship strategy and report: **N/A**

Is the financial institution a member of a climate engagement initiative? **N/A**

## CURRENT STATE

### Greenhouse Gas Emissions

Encompasses all sources of greenhouse gas emissions from invested companies (scope 1-3), including relevant emissions of their suppliers and products.

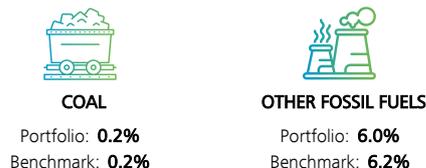


⚠ Medium estimation uncertainty

### Exposure to Fossil Fuel Activities

There is scientific consensus of the need to phase-out coal and stop financing new fossil fuel projects. Below figures show the share of investments into companies that earn more than 5% of their revenues from such business activities.

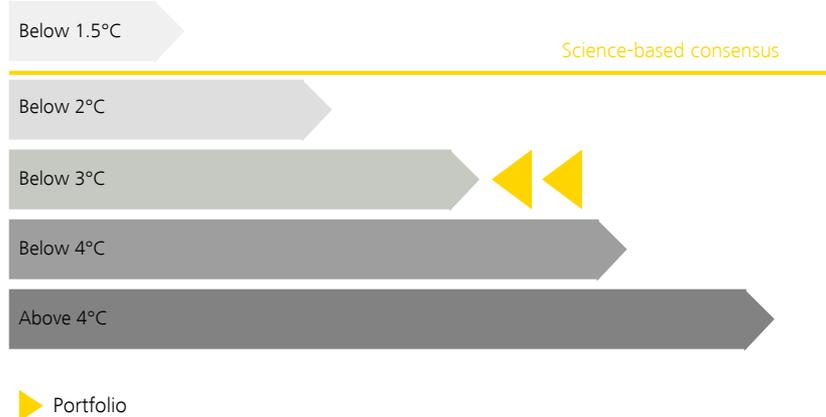
Share of investments into companies with activities in:



⚠ Low estimation uncertainty

## TRANSITION TO NET-ZERO

### Global Warming Alignment



This is the level of global warming that would occur if the global economy acted with the same ambition as the companies in the portfolio. Some portfolios with climate objectives may intentionally include investments in companies that are not yet on track to 1.5°C, but seek to contribute actively to climate goals by improving the alignment of investee companies to bring a larger share of the economy into alignment over time.

Portfolio assets covered by assessment: **88.5%**  
 Data Provider: **MSCI**  
 Climate Scenario Used: **MSCI Scenario (Glossary)**

⚠ High estimation uncertainty

### Verified Commitments to Net-Zero

Companies are increasingly committing voluntarily to transitioning to net-zero and setting interim targets. The effectiveness of such commitments depends on whether interim targets are credible, science-based, and transparent.

Share of companies in portfolio with verified commitments to net-zero and credible interim targets:

Portfolio: **38.7%** Benchmark: **39.4%**

Low estimation uncertainty

### Management to Net-Zero

Financial institutions can contribute to the transition to net-zero, by aligning their investment strategy with a consistent 1.5°C decarbonisation pathway.

✓ Does the investment strategy include a goal to reduce the greenhouse gas emissions of its underlying investments through concrete short (1-3 years) or mid-term (5 years) targets? **Yes**  
 Average annual reduction path excluding relevant Scope 3 - **3.6%**  
 Average annual reduction path including relevant Scope 3 - **N/A**

✓ Is the portfolio part of a third-party verified commitment to net-zero by the financial institution, including credible interim targets? **Yes**

### Credible Climate Stewardship

Financial institutions can contribute to the transition to net-zero, by engaging with invested companies on third-party verified, science-based net-zero aligned transition plans until 2050.

Are companies in the portfolio subject to credible stewardship on climate transition? **N/A**

Share of companies currently under active climate engagement: **N/A**

Share of climate votes supported: **N/A**

Link to climate stewardship strategy and report: **N/A**

Is the financial institution a member of a climate engagement initiative? **N/A**

# Introduction

Switzerland and its financial market are committed to transitioning to net-zero greenhouse gas emissions by 2050. This is needed to honor its obligations under the Paris Agreement of holding the increase in the global temperature to well below 2°C and pursuing efforts to limit it to 1.5°C. Current science indicates that global warming beyond 1.5°C has potentially catastrophic impacts on the natural world and human society.

The Swiss climate scores establish best-practice transparency on the Paris alignment of financial investments to foster investment decisions that contribute to reaching the climate goals.

## Glossary

### MINIMUM CRITERIA FOR THE SWISS CLIMATE SCORES

#### Exposure to Fossil Fuel Activities

- The threshold of 5% of revenues applies both to activities directly linked with the exploration and production of fossil fuels and, if data is readily available, activities financing such production (for coal, according to the Global Coal Exit List or similar).
- The scope of activities includes the whole value chain, ranging from exploration, extraction and production (Upstream) to transportation and storage (Midstream) and refining marketing, and electrification (Downstream).

#### Verified Commitments to Net-Zero

- Companies must have publically communicated a pledge to reach net-zero and have near term targets be certified by one of the following providers:
- Science based targets initiative (SBTi).

#### Management to Net-Zero

- To include portfolios as being part of a third party verified commitment to net-zero, they must be part of the publicly communicated net-zero targets under one of the sector specific alliances of the Glasgow Financial Alliance for net-zero (GFANZ)
- If the claim is made that the investment strategy includes a goal to reduce the portfolio's greenhouse gas emissions, or those of its underlying investments included scope 3 emissions must at a minimum be aligned to the schedule described in the EU benchmark regulation 2019/2089.

#### Credible Climate Stewardship

- Votes/proxy votes should be consistent with the ambition of reaching net-zero by 2050
- Any linked climate engagement strategy should be consistent with the ambition of reaching net-zero by 2050 An example for a climate engagement initiative is Climate Action 100.
- The escalation procedure is clearly defined and made transparent.

#### Global Warming Alignment

The portfolio is considered "global warming aligned" if: It is guided by the goal to achieve net-zero emissions by 2050, consistent with the 1.5°C warming limit of the Paris Agreement and in line with the latest IPCC findings.

### TERM DEFINITIONS

#### 1.5 degree target (Paris-aligned target)

The alignment of public and private financial flows with the objectives of the Paris Agreement on climate change. The Paris Agreement defines this alignment as making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development.

#### Climate engagement

Climate engagement is an activity performed by shareholders with the goal of convincing management to take account of climate issues. This dialogue includes communicating with senior management and/or boards of companies and filing or co-filing shareholder proposals. Successful engagement can lead to changes in a company's strategy and processes so as to reduce risks.

#### Climate Engagement Initiative

Initiatives launched with the ambition of reaching net-zero by 2050. An example is Climate Action 100+.

#### MSCI Scenario

MSCI uses a global 2°C carbon budget based on the global remaining carbon budget available to limit warming to 2°C, obtained from the IPCC. This is used to assess if portfolios are 2°C-aligned, referring to the Paris Agreement goal of limiting to below 2°C.

#### Green House Gas Emissions (GHGe)

Gases like carbon dioxide (CO<sub>2</sub>), nitrous oxide (N<sub>2</sub>O), methane (CH<sub>4</sub>), ozone (O<sub>3</sub>) in the atmosphere that is contributing to the green house effects are called Greenhouse Gases (GHGs). These gases prevent solar radiation from escaping, trapping the heat near the earth's surface where it warms the earth's atmosphere.

#### Long only strategies

A long-only strategy is when you only invest in long positions. For the purposes of the Swiss Climate Score, as of 2022, only long positions should be considered.

#### Portfolio

Fund or investment product.

#### Portfolio Carbon Footprint

A carbon footprint refers to the entire greenhouse gas (GHG) emissions of a portfolio. It is calculated in tons of CO<sub>2</sub> equivalents per million CHF invested (tCO<sub>2</sub>e/mCHF). It expresses the amount of annual GHG emissions which can be allocated to the investor per million CHF invested in a portfolio and is therefore probably the most intuitive carbon metric available at the portfolio level.

#### Portfolio Carbon Intensity

The volume of carbon emissions per million CHF of revenue (carbon efficiency of a portfolio), expressed in tonnes CO<sub>2</sub>e / CHF M revenue. A common measure of this is the Weighted Average Carbon Intensity (WACI).

1. Volumes are from the asset classes corporate bonds and equities 2. Volumes are long positions 3. GHGe data for Scope 1, 2 and 3 is available either in reported or estimated form

#### Science-based targets

The term "Science-based targets" is currently mostly applied in the context of climate targets. Such targets provide a clearly defined pathway for companies to reduce greenhouse gas (GHG) emissions. According to the Science-based Targets initiative, targets are considered "science-based" if they are in line with what the latest climate science deems necessary to meet the goals of the Paris Agreement —limiting global warming to well below 2°C above pre-industrial levels and pursuing efforts to limit warming to 1.5°C. The concept can also be applied to other sustainability targets.

#### Scope 1 GHGe

- Scope 1: Emissions from sources owned or controlled by the company that is measuring emissions

#### Scope 2 GHGe

- Scope 2: Emissions associated with energy purchased by the company that is measuring emissions

#### Scope 3 GHGe

- Scope 3: Emissions related to upstream elements of the supply chain (e.g. Purchased goods and business travel) and downstream elements (use and end-of life treatment sold products) of a company that is measuring emissions.

#### Weighted Average Carbon Intensity (WACI)

The volume of carbon emissions per million Swiss franc of revenue (carbon efficiency of a portfolio), expressed in tonnes CO<sub>2</sub>e / CHF M revenue. A common measure of this is the Weighted Average Carbon Intensity (WACI). The WACI measures the portfolio's exposure to carbon-intensive companies, expressed in tons of CO<sub>2</sub>e / CHF M.

#### Benchmark

The benchmark is a mixed index, which tracks the same asset classes as the portfolio itself – with traditional, non-explicitly sustainable indices.

## Reference index Global

Asset class		Reference index	Weight SAA (Interest income)	Weight SAA (Income)	Weight SAA (Balanced)	Weight SAA (Growth)	Weight SAA (Capital gains)
Liquidity	Money market CHF	Bloomberg Barclays Bellwether Swap (CHF): 3 Month	5.00	5.00	5.00	5.00	5.00
Fixed Income	CHF	Swiss Bond Index (SBI) AAA-BBB Total Return	30.00	23.00	13.00	4.00	0.00
	World (CHF hdg)	Bloomberg Barclays Global Aggregate Bond Index, CHF hedged	30.00	23.00	13.00	4.00	0.00
	EM Bonds, CHF (hedged)	JPM EMBI Global Index, CHF hedged	8.00	7.00	7.00	5.00	0.00
Equities	Switzerland	Swiss Exchange Swiss Performance Index	1.00	3.00	4.00	6.00	8.00
	USA	MSCI USA Net Total Return USD Index	8.00	16.00	27.00	38.00	47.00
	Eurozone	MSCI EMU Net Total Return EUR Index	2.00	3.00	5.00	7.00	9.00
	United Kingdom	MSCI United Kingdom Net Total Return Index	0.00	1.00	2.00	3.00	4.00
	Japan	MSCI Japan Total Return Net in JPY JPY NETR	1.00	2.00	3.00	4.00	5.00
	Emerging markets	MSCI Emerging Net Total Return USD Index	3.00	5.00	9.00	12.00	15.00
Alternative Investments	Real estate funds Switzerland	SXI Real Estate Funds Total Return Index	10.00	7.00	7.00	7.00	2.00
	Gold	LBMA Gold Price PM USD	1.00	3.00	3.00	3.00	3.00
	Gold hdg.	London Gold Fixing PM (Hedged into CHF)	1.00	2.00	2.00	2.00	2.00

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**PostFinance Ltd**  
Mingerstrasse 20  
3030 Bern  
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