

# 2025



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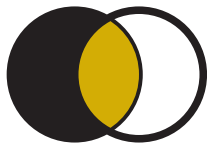
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### 1. Our investments are more climate-friendly

Our portfolios generate significantly fewer greenhouse gas emissions than comparable benchmark indices.



### 2. Careful selection

Only around half of the benchmarks' stocks meet our sustainability criteria.



### 3. More solutions, fewer problems

Our equity and bond portfolios deliver more positive and significantly fewer negative contributions to the UN Sustainable Development Goals than the market as a whole.



### 4. Greater impact from our investments

Nest specifically channels capital into areas where it can positively impact the environment and society. In 2025, the Board of Trustees decided to give greater weight to impact in its strategic asset allocation.



### 5. Our properties are on track to meet climate targets

The direct real estate portfolio is well below the 1.5°C reference pathway, with the aim of achieving net-zero emissions in its operations by 2040.

### Things that matter when you think ahead – about the sun, energy, the climate and the role of pension capital.

Whether you're hiking, skiing or simply enjoying life, a sunny day in the mountains can be a real treat. However, sunlight is more than a pleasant experience, it also represents energy, supply security and climate change – all at the same time. And it helps us get affordable electricity. On the other hand, excessive sunshine combined with heat can have devastating consequences: droughts are on the rise, mountains have too little snow and glaciers are melting. Our daily lives depend on things we can barely see: grids, storage, prices, supply and climate stability. Sunlight is free, but electricity is not. Turning sunlight into usable energy requires infrastructure, technology, planning and capital. Energy is part of our daily lives, powering lifts, kitchens, hospitals, manufacturing facilities and home offices. But where does this energy come from, and at what cost? In terms of both the bill and the impact on climate, nature, health and society.

Encavis, a company that operates solar and wind farms across Europe, serves as a prime example of what the transition of the energy system actually looks like. Its plants generate electricity creating a circular system involving land, materials, networks and investment connecting the sun's rays to the power socket. It is a system that we must get up and running if we are to become less dependent on fossil fuels. Of course, there are also darker sides, both literally and figuratively. Where are the plants located? Who benefits? What do the supply chains look like? How will we deal with the landscape, biodiversity and local concerns?

One might be tempted to ask what any of this has to do with pension funds. Isn't it our only responsibility to ensure that pensions are paid out? However, it is as simple as it is inconvenient: the two go hand in hand. By investing pension assets in the real economy, we help preserve



the stability of the world we will grow old in. Climate risks, energy prices, supply chains, regulations and social tensions are factors that shape risk and return, and hence the security of our retirement benefits.

As far back as 1983, Nest decided that responsibility and fiduciary duty are not mutually exclusive. In fact, long-term thinking involves recognising the risks of slow-building threats and seizing the opportunities that solutions present. We therefore view Encavis as a tangible example from our investment portfolio which demonstrates the reality of restructuring the energy system and the need for financing. Naturally, one example does not constitute a strategy. This is why Nest is committed to three principles that deliver results in day-to-day investment: selection, active ownership and targeted impact.

### **First principle: selection**

We draw clear lines and make selective choices. Some investments are ruled out for good reason. Organisations that fail to meet basic standards are excluded, while those that meet a fundamental social need with little or no negative impact are given priority. Companies with a high dependence on fossil fuels are therefore often eliminated at an early stage.

### **Second principle: active ownership**

We don't just sit back and watch. We make a difference by exercising our voting rights, engaging in dialogue and taking an active role. This can be done alone or together with other investors. In 2025, we continued building on this work, for example by launching more collective initiatives.

### **Third principle: impact**

Where appropriate, we focus our investments on specific solutions. As the impact of these solutions can be abstract, this chapter includes concrete portfolio examples.

At the same time, we are working to achieve a greater overall impact by investing in solutions with positive effects and taking a more systematic approach to climate risks. An important step in this direction is the Board of Trustees' decision to strengthen the role of impact in strategic asset allocation. Having developed climate targets for our real estate portfolio, we are now taking the next step by aiming to establish climate targets across other asset classes.

### **Does this approach work?**

We are convinced that it does and we want to demonstrate this. To this end, we provide transparent information on investability, our contribution to the UN Sustainable Development Goals, greenhouse gas emissions and our approach to active ownership. The latest portfolio report shows that our portfolios outperform their benchmark markets across several sustainability categories.

Sunshine and shade: both are part of reality. Sustainable investing means taking these conflicting goals seriously, making them transparent and consistently directing capital towards achieving long-term stability. This is the primary purpose of retirement provision and the reason why Nest remains true to its approach: consistent, transparent and committed to investing every franc in a way that generates returns, assumes responsibility and creates impact.

## What We Believe In – Sustainability Strategy

### Nest’s approach to sustainability

Our approach to sustainability is based on the Brundtland Commission’s definition of sustainable development<sup>1</sup>: “Sustainable development does not compromise the needs of future generations”. This principle of intergenerational justice has been at the heart of our operations since our foundation in 1983.

Our investment strategy is designed to guarantee reliable pensions for current and future generations of retirees. We strive to construct a market-compliant portfolio with maximum sustainability that contributes to the sustainable development of the economy and society.

#### Involvement of beneficiaries and other stakeholders

Maintaining a dialogue with the affiliated companies is an undisputed cornerstone of our commitment. Open and transparent communication is conducted via various channels such as newsletters, webinars and our website, and we also consult delegates on important decisions at the Delegates’ Assembly. In addition, we liaise with NGOs and the media to continuously improve sustainability. This allows us to promote dialogue on key topics relating to employee benefits schemes and sustainability while ensuring that our strategy is always in line with the interests of our beneficiaries.

<sup>1</sup> The Brundtland Commission was set up by the United Nations in 1983 as the World Commission on Environment and Development. It was chaired by former -Norwegian Prime Minister Gro Harlem Brundtland, who gave the Commission its name.

“ Committed to intergenerational justice from day one.

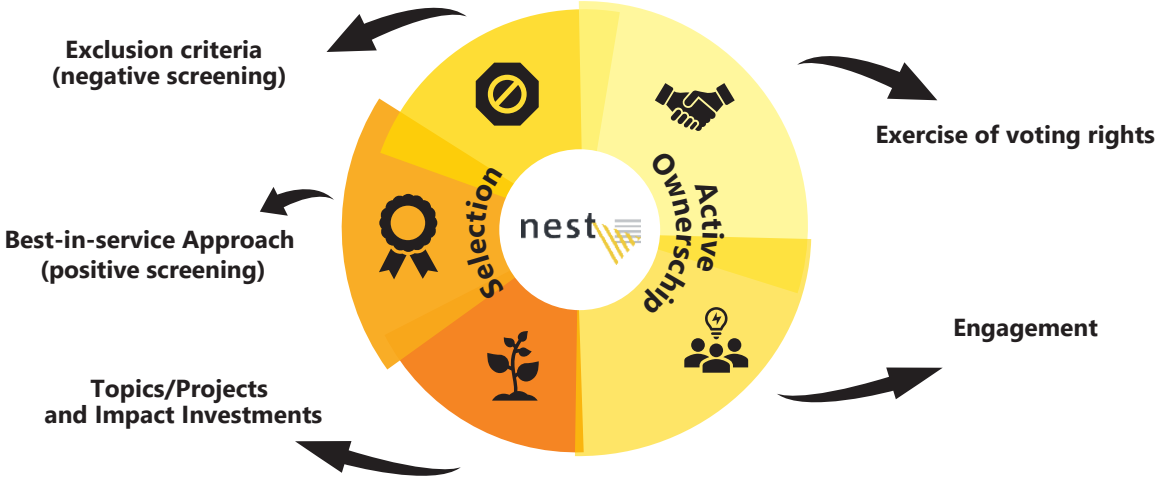


# How We Act – Implementation

## From selection to impact: our approach

We combine rigorous selection with active ownership to mitigate sustainability risks and drive positive change. Our independence is underpinned by a clear separation between the areas of sustainability and asset management.

### Implementing sustainability in investments



When it comes to implementing sustainability, Nest prioritises both selection and active ownership. We believe that combining these two approaches ensures that we can achieve a positive steering effect in our role as investor.

“ At Nest, we strictly separate sustainability from asset management to avoid financial conflicts of interest. ”

The following table summarises our implementation of sustainability across the various asset classes.

### Approaches to implementing sustainability in the investments

Asset class	Active Ownership		Selection			Climate action
	Exercise of voting rights	Engagement	Exclusion criteria (negative screening)	Best-in-service approach (positive screening)	Themes/project and impact investments	
Equities	●	●	●	●	○	CO <sub>2</sub> e-reduction
Fixed income	not possible	○*	●	●	○	CO <sub>2</sub> e-reduction
Real estate	not possible	●	●	not applicable	●	CO <sub>2</sub> e-targets
Private equity	●*	●	●	○	●	Climate-positive investments
Infrastructure	●*	●	●	○	●	Climate-positive investments

Active Ownership
  Selection
  ● implemented
  ○ not implemented
 \* directly via asset managers

#### Changes in 2025

Our climate measures include setting climate targets and aiming for net-zero emissions by 2040 for our direct real estate investments, as well as net-zero targets for the majority of our indirect real estate investments. Our asset manager engages with a number of companies in our bond portfolio on sustainability matters.

### Selection

Selection is based on negative screening (exclusion) and positive screening. To avoid any conflicts of interest, this process is strictly separate from asset management. This is the only way to ensure an objective assessment of sustainability without any conflicts of interest.

#### Negative screening (exclusion)

Nest’s exclusion criteria have been enshrined in the investment policy since its foundation and are implemented across all asset classes. These exclusion criteria are designed to rule out investments in companies, countries or projects whose products, business practices or activities are incompatible with sustainable development.

“ Nest’s selective approach results in a minimum of 50% exclusions due to sustainability issues. ”

### Overall responsibility

It is the responsibility of the highest governing body, the Board of Trustees, to define the exclusion criteria in the investment policy. The exclusions thus apply to all investments. More specifically, companies and countries whose products, practices or activities are related to the following areas will be ruled out:

- nuclear energy
- coal
- genetic engineering in agriculture
- controversial medical genetic engineering
- armaments
- support for violent regimes
- money laundering
- corruption
- violation of fundamental labour and human rights
- child and forced labour
- inadequate compensation for indigenous populations
- biopiracy
- alcohol, tobacco, pornography and gambling

### Regular review

Our sustainability expert regularly reviews the exclusion criteria to ensure that they comply with current sustainability standards. Taking this approach helps us minimise sustainability risks and ensures that our investments always comply with our values..

### Positives screening

The exclusions are followed by positive screening based on the best-in-service approach. Codeveloped by Nest, this approach analyses companies, projects and countries in terms of their impact on the environment and society. In contrast to the commonly used best-in-class approach, however, sector definitions are significantly broader, resulting in a stricter selection process.

### Best-in-service approach

Developed specifically for Nest in collaboration with Inrate and Infrac, the best-in-service approach is embedded in the Nest-specific sustainability rating. This rating compares how companies offering similar services or products impact the environment and society. We refer to our sustainability approach as best-in-service on the grounds that the service sectors are categorised according to the needs of a functioning society. The ‘energy’ service sector, for instance, includes fossil fuels, nuclear power, photovoltaics, wind power and hydropower. Companies operating in the fossil fuel or nuclear power industries perform worse in comparison and are therefore excluded from investment.



### Assessment of the impact

What’s more, our assessment analyses the impact of products over their entire life cycle, from procurement through to production, use and disposal. We apply several hundred ecological and social indicators in our sustainability analysis, among them carbon emissions, water consumption, working conditions and corporate governance. To be eligible for investment, companies must score at least average on both the environmental and the social level in their service sector, and one of the two factors must be above average.

Another important element of our rating is the controversy analysis. Companies involved in controversies have their rating downgraded, or may be excluded where appropriate. Taking controversies into account is an important factor as it helps us detect previously unknown deficiencies.

As a result of this strict selection, our eligible investment universe is fairly limited. Generally speaking, Nest can only invest in around 50 per cent of all securities.



### Equities

Securities listed in the benchmark index – Nest’s own benchmark (CH 15 %, Global 73 %, EM 12 %)

No. of ratings or securities analysed	2575
Ineligible securities – exclusion criteria	145
Ineligible securities – sustainability rating and exclusion criteria	175
Ineligible securities – sustainability rating	995
<b>48,9% of the benchmark index remain eligible for investment</b>	<b>1260</b>



### Fixed income

Securities listed in the benchmark index – Nest’s own benchmark (CH 23 %, Global 77 %)

No. of ratings or securities analysed	1702
Ineligible securities – exclusion criteria	99
Ineligible securities – sustainability rating and exclusion criteria	91
Ineligible securities – sustainability rating	645
<b>50,9% of the benchmark index remain eligible for investment</b>	<b>867</b>

## Active ownership

Nest actively exercises its voting rights and engages in dialogue with companies to promote sustainable change (engagement). Commonly referred to as ‘active ownership’, these activities help to strengthen long-term partnerships.

### Exercise of voting rights

Nest exercises its voting rights with respect to both Swiss and global equities. A company-specific voting rights policy has been developed based on the same criteria that apply to the selection process. Execution is delegated to independent proxy advisors. For our voting at Swiss companies, Nest works with Inrate and for international companies with Minerva. Through our voting behaviour as a shareholder, we aim to improve the sustainability of the companies we invest in.



### Engagement

For smaller pension funds, it makes sense to partner with other investors to form engagement pools. This allows their voice to carry more weight. We have therefore joined Inrate’s Responsible Shareholder Group (RSG) for Swiss equities and the Ethos Engagement Pool International for global equities.



Engagement takes the form of direct dialogue with companies and global investor initiatives such as *Climate Action 100+*, *Nature Action 100* or *UN PRI Advance*. Beyond the Annual General Meetings, engagement can also lead to dialogue with companies on how to make their business practices and strategies more sustainable. In 2025, Nest also joined *Climate Action 100+* and *Nature Action 100* as an individual member for the purpose of engaging in direct dialogue with selected companies.



Alongside its involvement with portfolio companies, Nest works in industry associations to promote sustainability in the financial sector. In specific, we are an active member of the *Swiss Sustainable Finance (SSF)* association where we are involved in the ‘Active Ownership’ working group and help shape the Swiss Stewardship Code in order to contribute our vision of sustainability. In 2025, Nest also joined the *Green Fintech Network (GFN)*.



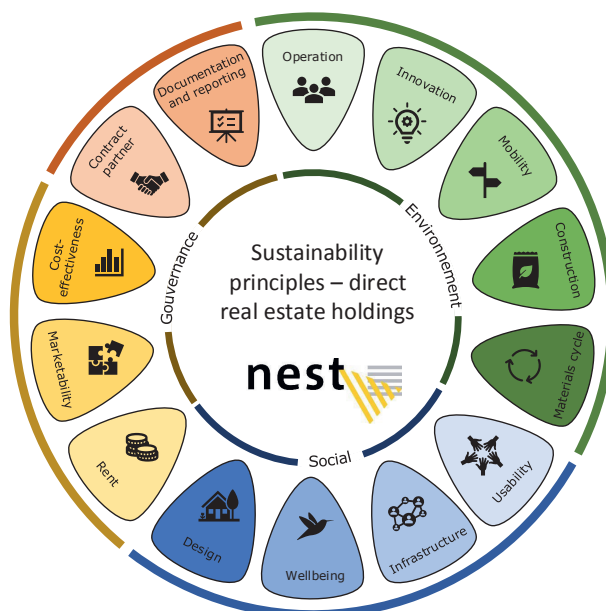
### Private markets

In the private markets, such as private equity and private debt, Nest uses the RepRisk tool to review the portfolios with regard to sustainability controversies once a year. This process aims to identify companies that pose an increased risk to our sustainability principles across various sustainability aspects. Where necessary, we actively seek dialogue with the responsible asset managers to ensure that these issues are addressed. In the worst-case scenario, our escalation process can lead to a divestment.

Due to the lack of available data on private markets, such as private equity or private debt, there are no company ratings to consult. Instead, we use service sector ratings to identify sectors that perform positively, or at least neutrally, from a sustainability perspective. These are the sectors in which asset managers can invest. Since mid-2024, asset managers have also been required to apply a sustainability checklist defined by Nest to all new investments. The checklist covers various requirements, including the application of sustainability standards, reporting and controversies. Specific topics are reported on a regular basis using predefined key performance indicators (such as greenhouse gas indicators). We use this approach to ensure that a rigorous, independent sustainability screening process also applies to private markets.

“ Nest complements its selection process with a comprehensive active ownership strategy. ”

### The 14 sustainability principles applying to direct real estate holdings



## Real estate

### Direct real estate holdings

We also pursue an integrated approach to sustainability when it comes to our direct real estate holdings. Covering everything from construction, resources used for operation and use behaviour to the demolition of the properties, our approach aims to minimise the environmental and social impact of these activities. To this end, Nest has developed a separate sustainability concept for real estate, which sets out key requirements in the form of fourteen principles. These principles are implemented for each individual property in conjunction with an independent sustainability consultant.

In terms of the environment, Nest focuses on new buildings constructed to the highest sustainability standards, on energy-efficient construction methods and on sustainable, high-quality materials. We support the Swiss government's 2050 net-zero target and strive to reduce carbon emissions as far as financially feasible. To achieve this, we are steadily reducing the use of fossil fuels and aim to eliminate them completely by 2040. In the social sphere, we focus on convenient residential locations with good public transport connections, high living standards and high neighbourhood quality as well as moderate rent policies. In terms of governance, we prioritise fair and reliable partnerships and transparent reporting on the implementation of these principles.

### Indirect real estate holdings

Nest also invests in real estate indirectly, via collective investment schemes abroad and a real estate mandate in Switzerland. Given this approach to indirect investment, the focus of sustainability implementation lies, on the one hand, on selecting investment products and asset managers, and on engaging with existing ones. Data collection and availability remain one of the greatest challenges in this area. To address this, we regularly conduct surveys and interviews to assess the progress of sustainability efforts. We are collaborating with the responsible asset managers to develop and standardise the collection and reporting of portfolio data, with the aim of further integrating sustainability aspects. In 2025, Swiss Sustainable Finance published a new questionnaire on real estate investments, which we used to request sustainability data on investment products from our asset manager. We received a 100% response rate, showing that around 98% of the investment products have a net-zero target.

“ Nest has developed a separate sustainability concept to underscore the importance of sustainability for real estate.



## Impact

At Nest, sustainable investing is not just about avoiding problematic investments, but also about taking a proactive approach: **we are committed to specifically investing capital in areas where it can make a positive contribution to addressing social and environmental challenges.** This form of targeted action is known as **impact investing.**

Unlike conventional sustainable investing – for instance through exclusions – impact investing gives equal weight to social impact and financial returns. Impact investments are therefore specifically designed to bring about real positive change in the environment or society – for example in the areas of climate protection, social justice or sustainable infrastructure.

In 2025, Nest established the foundations for a more strategic approach to impact investing. A joint workshop involving the Board of Trustees and the Investment Committee resulted in the development of a sustainability and impact roadmap. Among other topics, discussions focused on taking a more systematic approach to incorporating impact into future investment strategies. A key step in this direction is the Board of Trustees’ decision to strengthen the role of impact within the strategic asset allocation.

Examples include real estate projects that create social and environmental benefits, such as energy-efficient construction and the use of resource-efficient materials and building methods (see the featured topic on page 35 for more information).

This is how we play our part in making responsible use of capital – and make a tangible contribution to a sustainable society through our investments.

“ Impact investments – investing strategically to make a difference.



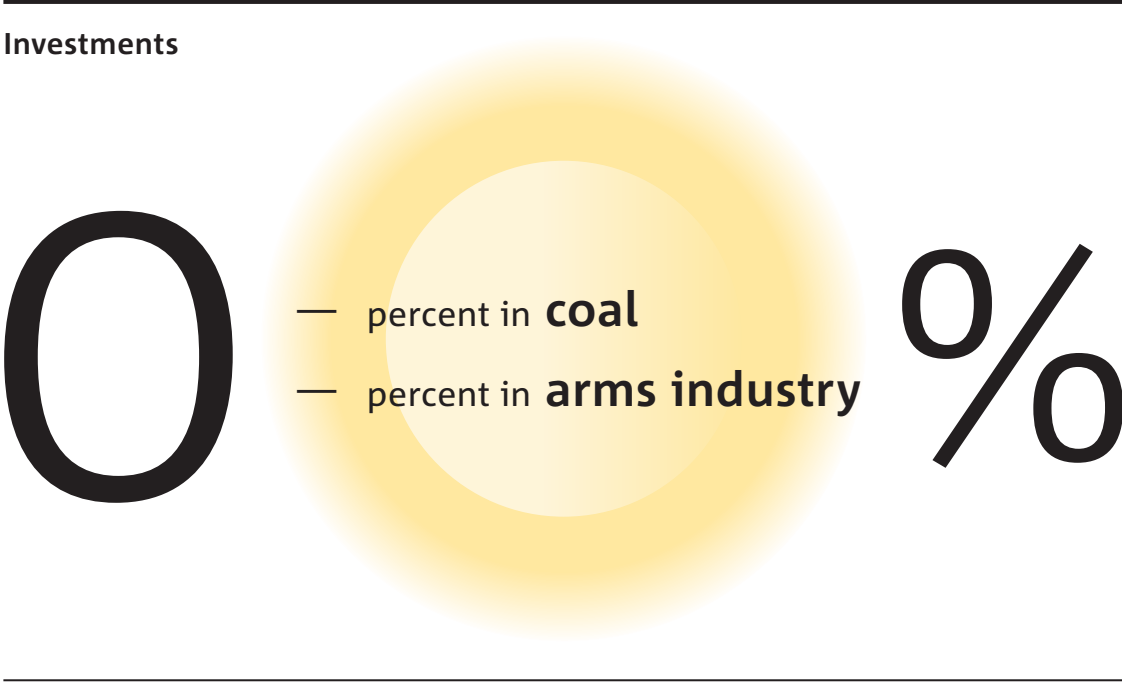
# How We Disclose Information – Reporting

**This is how we contribute to the responsible investment of capital** and help build a sustainable society through our investments.

Nest places great emphasis on the transparent reporting in its investments. This is why we measure the social and environmental compatibility of our portfolios and publish the results. Since 2023, we have also been disclosing information on the sustainability indicators of the Swiss Pension Fund Association ASIP.

## Selection

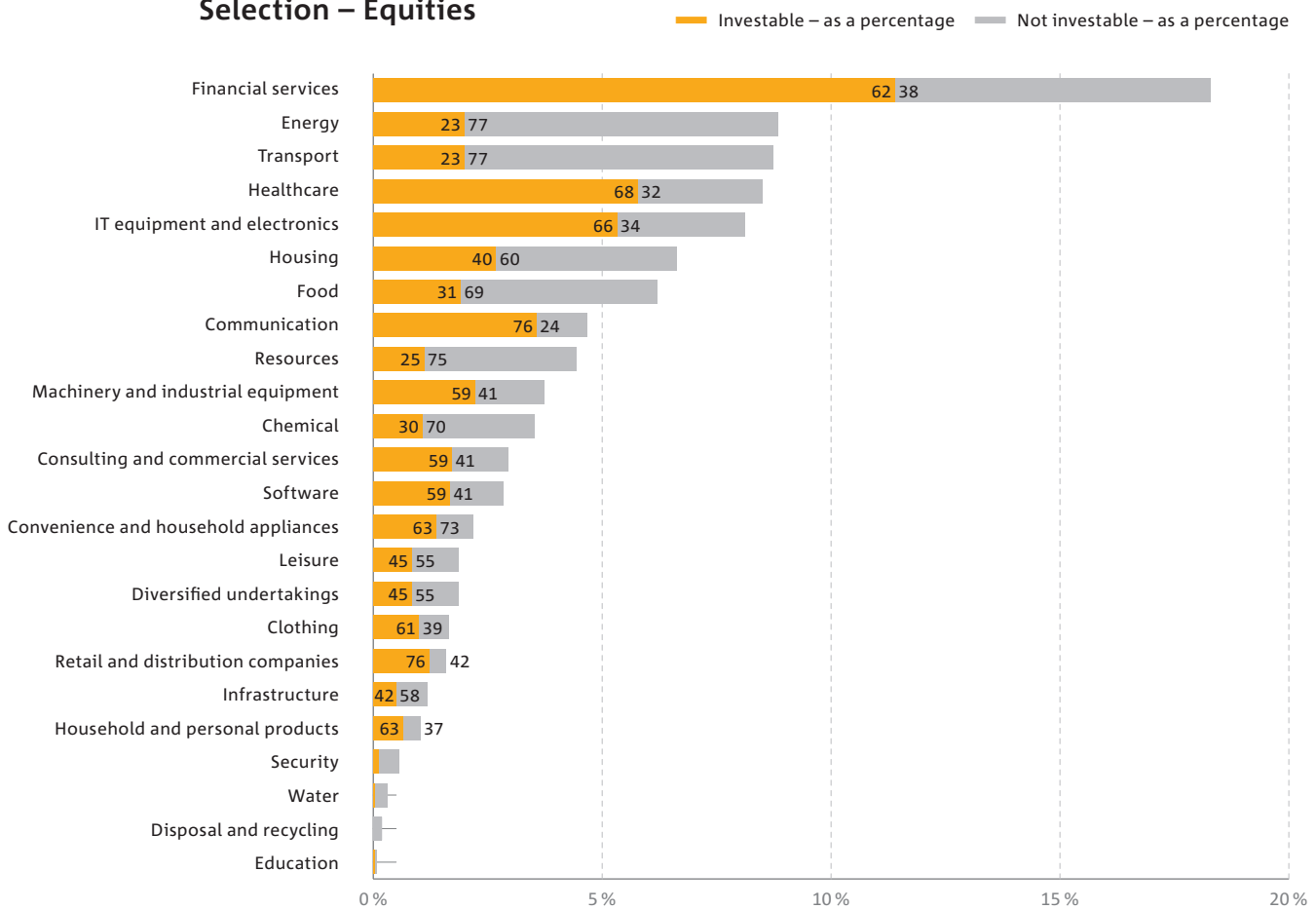
The following bar charts show the eligible equity and bond investments by sector and by number of securities. They clearly illustrate that the percentage of investable securities in certain sectors, such as 'Energy', is well below 23 %. This is because the majority of energy companies continue to have a significant negative impact on the environment and society. Currently, very few companies in this sector operate sustainably. The figures essentially provide a clear picture of the rigour of Nest's sustainability selection process.



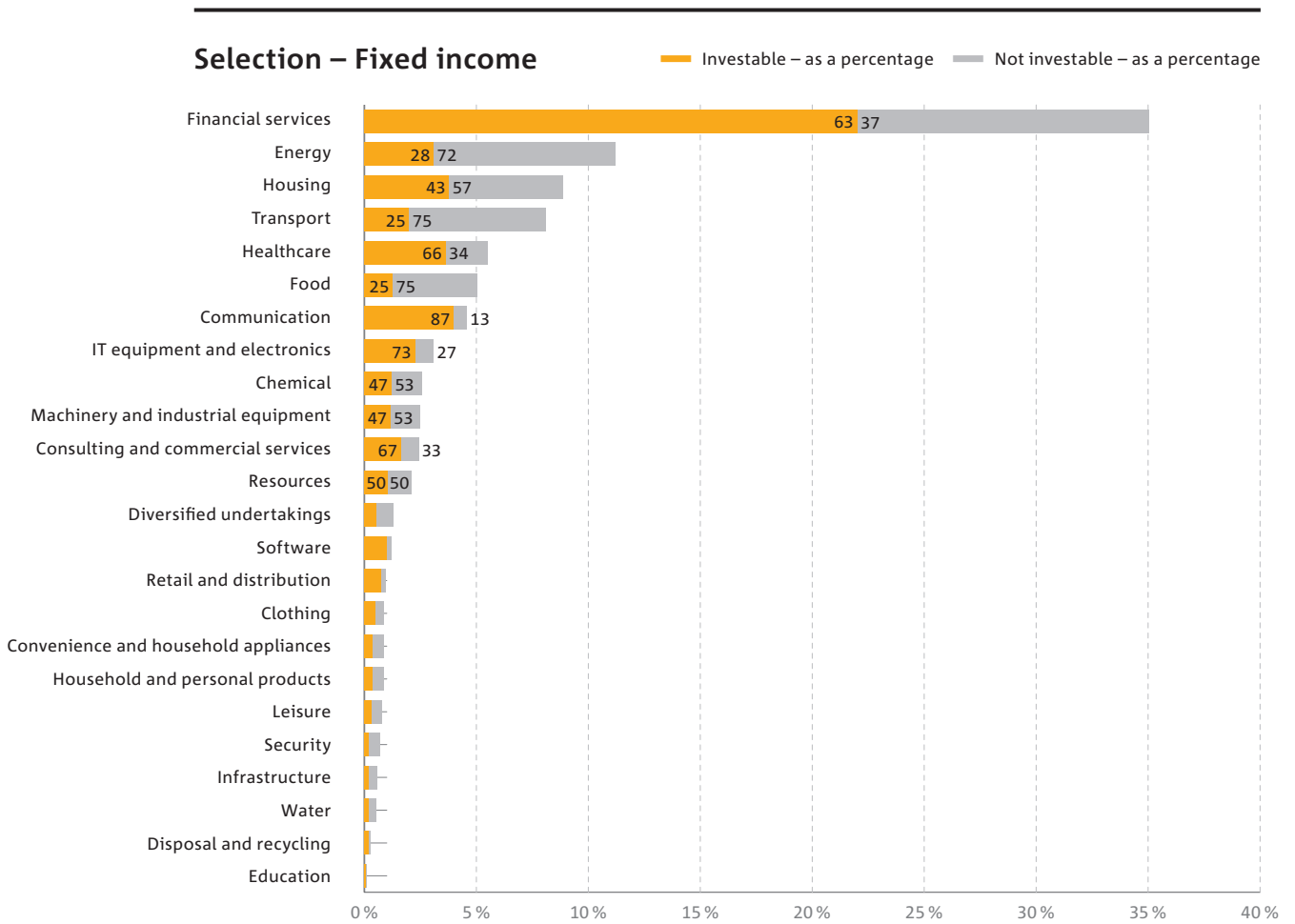
## How We Disclose Information – Reporting

Eligibility for investment varies across sectors (equities): 48.9 % of companies in the benchmark are eligible for investment, with a focus on financial services, healthcare and IT equipment/electronics. Compared with the previous year, eligibility has increased in several sectors (including healthcare, IT/electronics, food and especially machinery/industrial equipment), but has declined significantly in energy and housing.

### Selection – Equities



Eligibility for investment varies across sectors (fixed income): Around 51 % of the benchmark is eligible for investment, with financial services, healthcare, housing and communications accounting for the largest shares. In comparison with the previous year, eligibility for investment has risen significantly in the consulting and commercial services sectors, while declining noticeably in the energy and housing sectors.



“ Nest is highly selective across all sectors.



## The UN Sustainable Development Goals (SDGs)

In 2015, the UN adopted the 2030 Agenda including seventeen Sustainable Development Goals (SDGs) as a means of tackling global challenges. With institutional investors, such as pension funds, playing a key role in achieving the SDGs, these goals also put the spotlight on the financial market. Thanks to its sustainable investment approach, Nest is contributing to the realisation of the UN Sustainable Development Goals.

In our SDG reports, we analyse the impact of companies' products and services (or business activities) on the various SDGs, such as climate mitigation, affordable energy or sustainable cities and communities. All in all, our analysis shows that the current global economy (comparative index) still has a very negative impact on the environment and nature.

The results for the Nest portfolios show that total revenues associated with positive contributions to the SDGs are slightly higher than those of the benchmark index, and that a larger proportion of these contributions are very positive. At the same time, total revenues associated with negative contributions are lower. We are delighted with these results, which demonstrate the effectiveness of our sustainability approach across various dimensions.

The most significant positive contributions have been made in SDG 3 'Good health and well-being' and SDG 9 'Industry, innovation and infrastructure'. The portfolio companies with the highest revenue shares linked to SDG 3 and SDG 9 are Waste Management Inc. at 46.8% and Republic Services Inc. at 41.2%. Both operate in the waste management and recycling sector, and neither has any negative revenue shares.

“ Nest’s sustainability approach works across all sustainability dimensions.

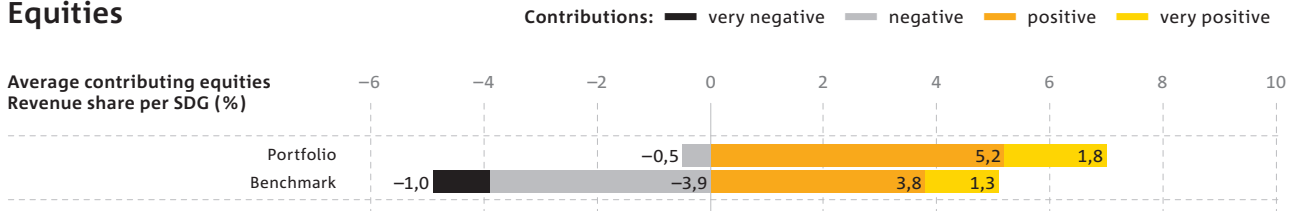
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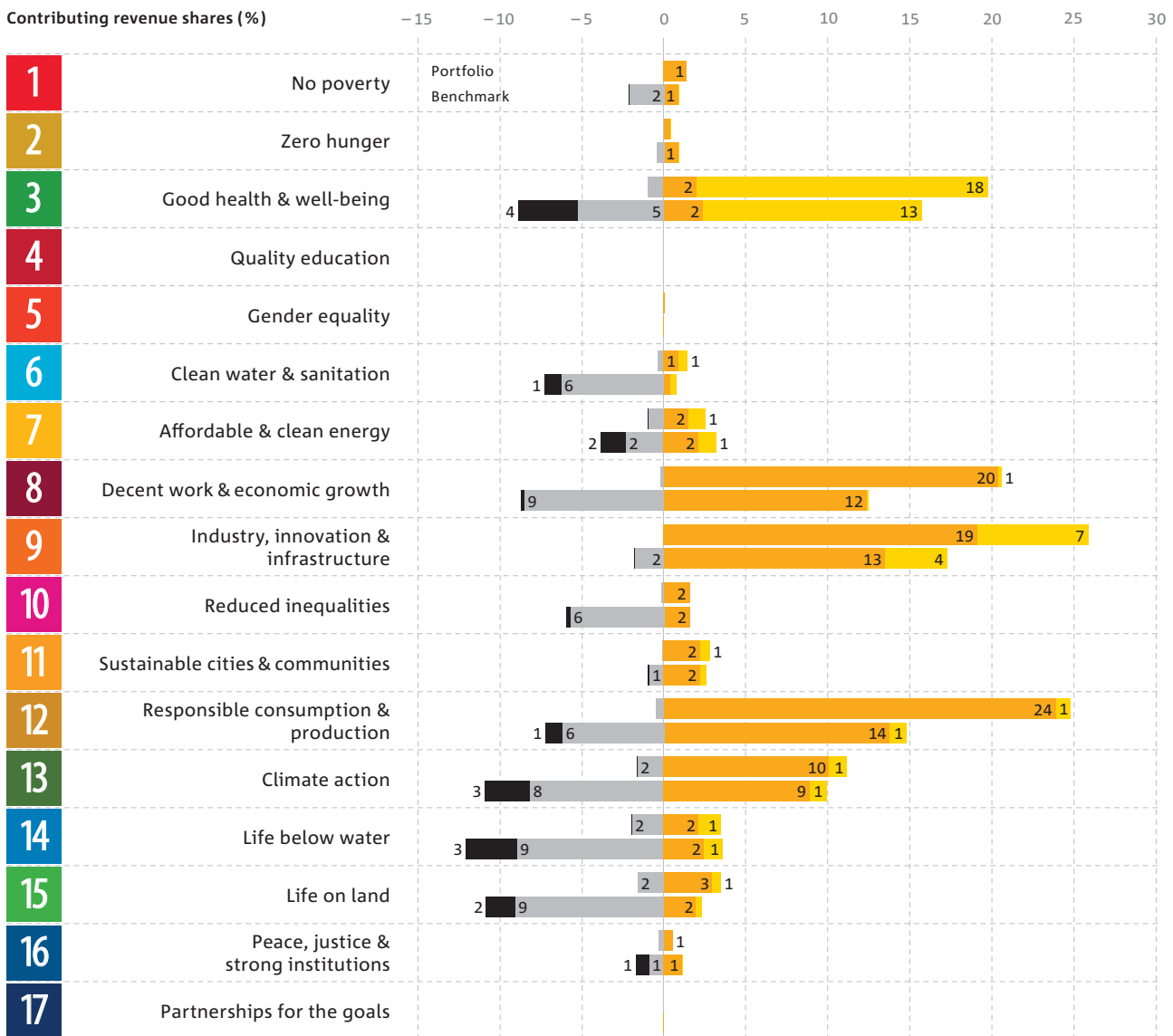
SDG contributions and significantly lower negative contributions – a clear indication that the rigorous selection process and exclusion criteria reduce risk as well as boosting the proportion of solution-oriented revenues.

The equity portfolio delivers a higher percentage of positive and very positive SDG contributions (7.0%) than the benchmark; at the same time, the percentage of negative contributions is significantly lower (0.5%).

### Equities



### Detailed view by SDG

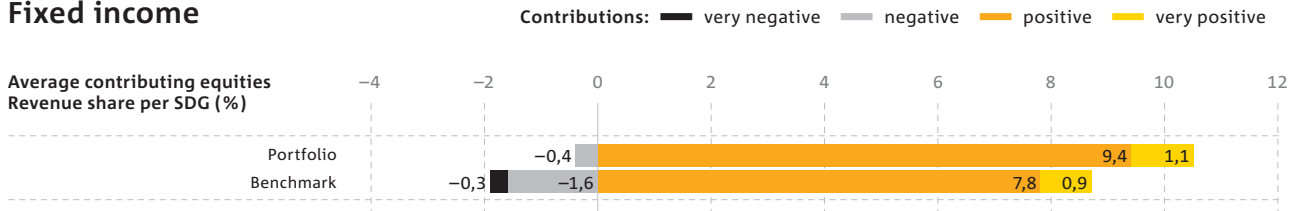


Showing the average revenue shares (in %) of the portfolio companies that have a positive or negative impact on the various SDGs.

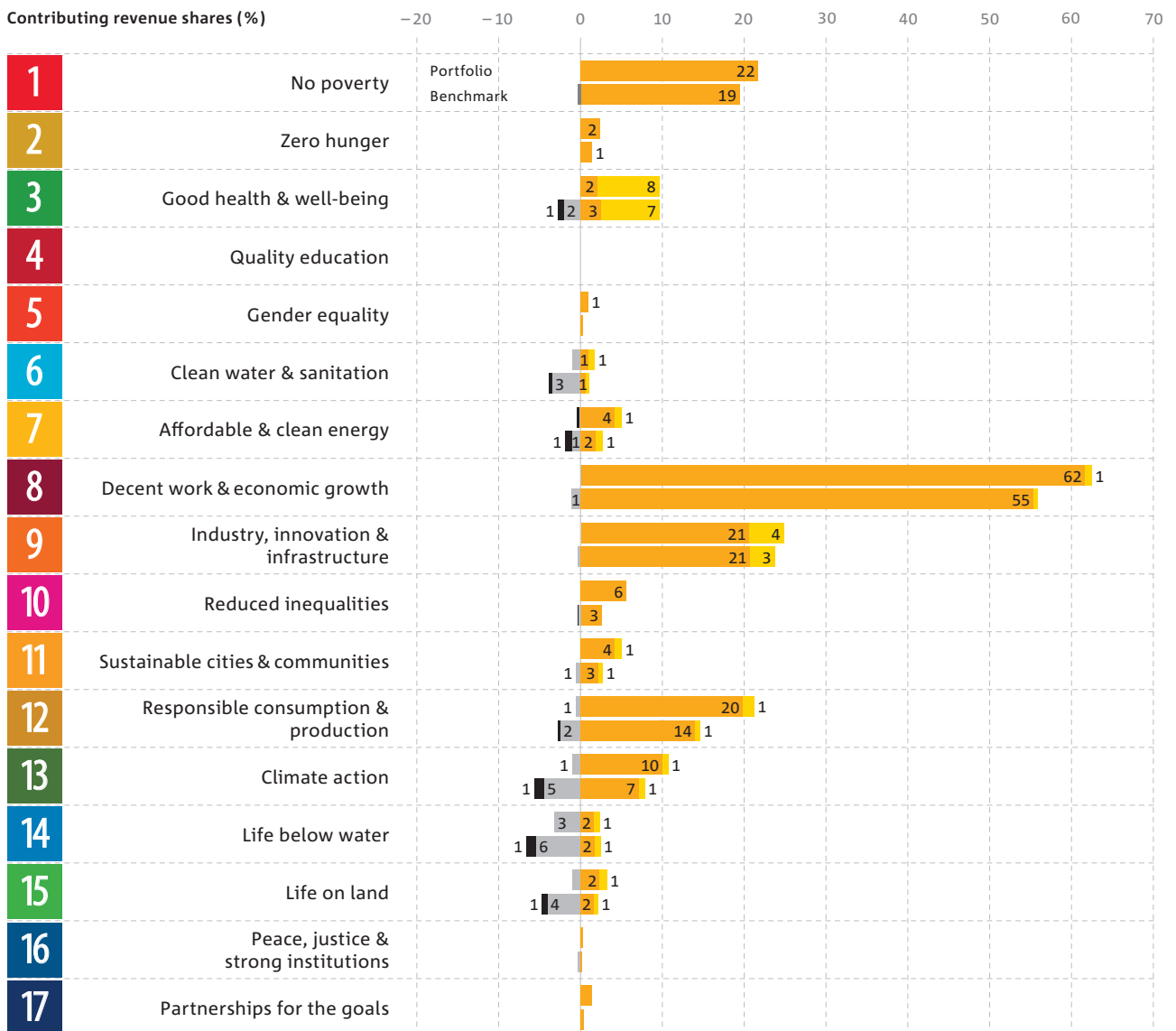
## How We Disclose Information – Reporting

The fixed income portfolio excluding government fixed income delivers a higher proportion of positive and very positive SDG contributions (10.5 %) than the benchmark; at the same time, the proportion of negative contributions is significantly lower (0.4 %).

### Fixed income



### Detailed view by SDG



Showing the average revenue shares (in %) of the portfolio companies that have a positive or negative impact on the various SDGs.

## Greenhouse gas emissions (CO<sub>2</sub>e)

Climate compatibility is a key factor in our sustainability assessment. This is why we measure and publish the greenhouse gas intensity of our equity and bond portfolios, and why we are continuously working to reduce it.

We consider both direct emissions generated by companies from their own operations and purchased energy (Scopes 1 and 2) and indirect emissions along the value chain (Scope 3). This means that, in addition to production, we also track emissions from supply chains and product use.

The results show that the Scope 1 and Scope 2 emissions of the Nest portfolios are 29 % and 32 % lower than the respective benchmark indices. When we factor in Scope 3 emissions, these figures are 26 % and 9 % lower respectively.

This confirms that our comprehensive sustainability assessment contributes to reducing greenhouse gas intensity. According to Inrate’s greenhouse gas analysis, both Nest portfolios are significantly less greenhouse gas-intensive than their respective benchmark indices, despite not being explicitly geared towards CO<sub>2</sub> optimisation.

The weighted average carbon intensity (WACI) of the equity portfolio is 29% lower for Scopes 1 and 2 (188 vs. 264 tCO<sub>2</sub>e/million USD of turnover) and 26% lower when Scope 3 is included (712 vs. 962). A key driver of this improvement is our selection in the energy sector, with both the portfolio and the benchmark index being slightly less intensive than in the previous year.

In the corporate bond portfolio (excluding sovereigns), the WACI for Scopes 1 and 2 is as much as 32 % lower (106 vs. 155), with a 9 % reduction when Scope 3 is included (595 vs. 655). One reason for this is the high weighting of the financial sector, where Scope 3 (operational) emissions in the Nest portfolio may be higher and have a greater impact on the result.

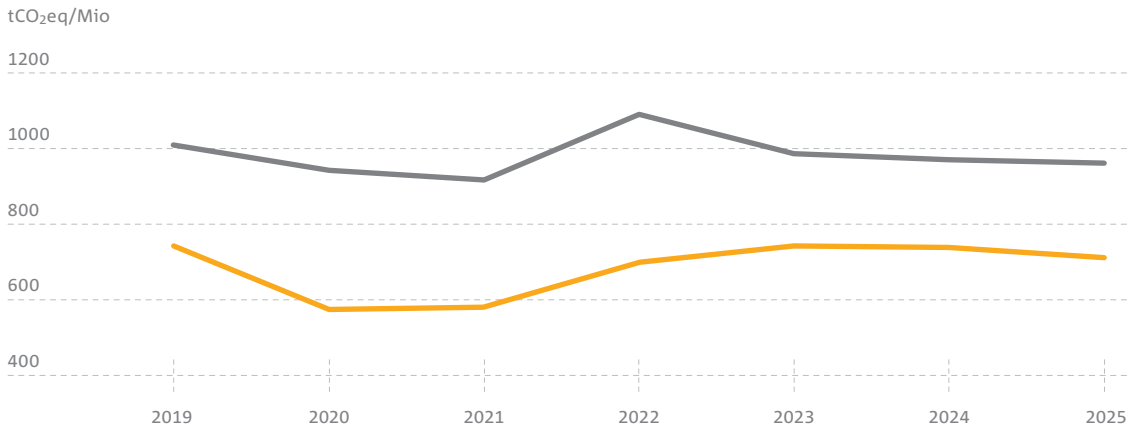
“ Greenhouse gas emissions in the Nest portfolio are significantly reduced despite the integrated sustainability approach.



### Equities – trend in CO<sub>2</sub>e intensity

— Benchmark index — Nest

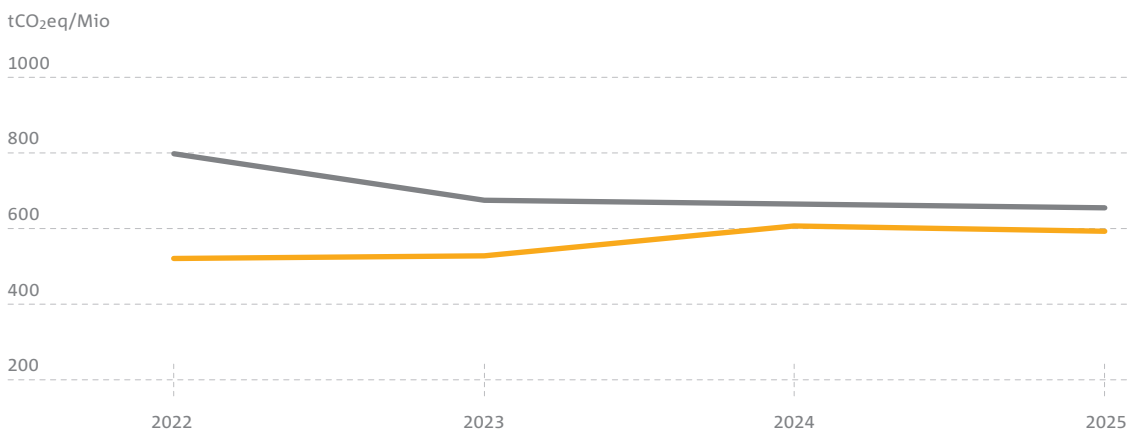
Over time, the equity portfolio consistently remains less greenhouse gas-intensive than the benchmark index. By 2025, the intensity has slightly decreased again to 712 tCO<sub>2</sub>e per million USD of turnover, remaining well below the benchmark of 962 tCO<sub>2</sub>e per million USD of turnover. The chart shows Scope 1, 2 and 3 greenhouse gas emissions.



### Fixed income – trend in CO<sub>2</sub>e intensity

— Benchmark index — Nest

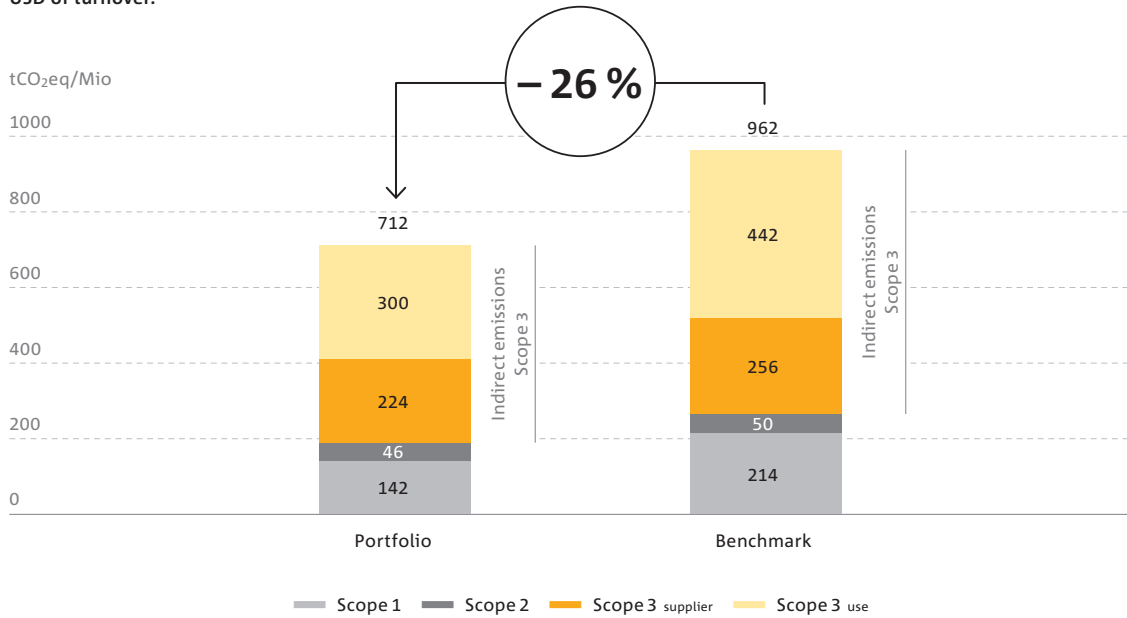
The fixed income portfolio, excluding government fixed income, also displays lower greenhouse gas intensity than the benchmark index throughout the review period. Following an increase up to 2024, the intensity falls slightly in 2025 to 595 tCO<sub>2</sub>e per million USD of turnover, remaining below the benchmark of 655 tCO<sub>2</sub>e per million USD of turnover. The chart shows Scope 1, 2 and 3 greenhouse gas emissions.



The chart shows the trend in weighted greenhouse gas intensity for Nest compared with the benchmark (both overall and by Scope). Nest remains well below the benchmark in 2025 (~26% overall), primarily due to lower Scope 1 and Scope 3 usage intensities.

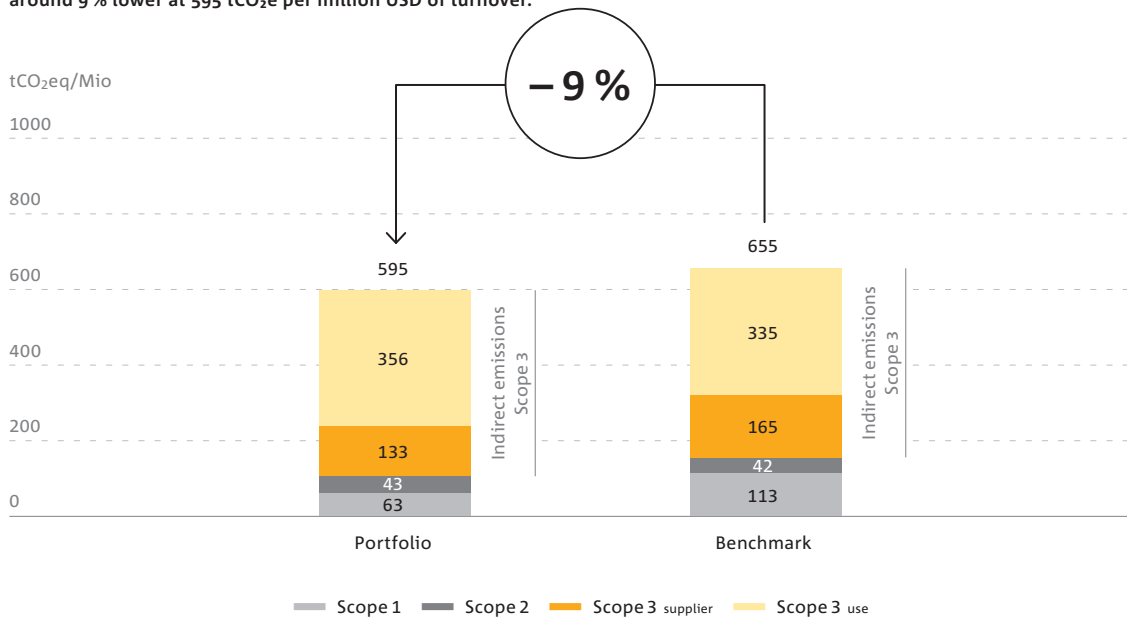
### Equity Portfolio & Benchmark Index

The equity portfolio has a weighted greenhouse gas intensity of 188 tCO<sub>2</sub>e per million USD of turnover for Scopes 1 and 2, which is around 29% lower than the benchmark index; with Scope 3 included, the figure is around 26% lower at 712 tCO<sub>2</sub>e per million USD of turnover.



### Fixed income portfolio & benchmark index

The fixed income portfolio excluding government fixed income has a weighted greenhouse gas intensity of 106 tCO<sub>2</sub>e per million USD of turnover for Scopes 1 and 2, which is around 32% lower than the benchmark index. Including Scope 3, the figure is around 9% lower at 595 tCO<sub>2</sub>e per million USD of turnover.



The greenhouse gas intensity is stated in tonnes of CO<sub>2</sub> equivalents per million of turnover generated by the invested companies. The benchmark index consists of the asset-weighted benchmarks of the portfolios, i.e., the SPI, MSCI World and MSCI EM for equities and the SBI and Bloomberg Global Aggregate for fixed income.

## Active ownership

Exercising our shareholder rights is part of our commitment to sustainability. The annual votes cast by our proxy advisors are in line with our sustainability principles. This is aimed at promoting structural change towards more sustainable business practices at the portfolio companies.

In the case of **Swiss equities**, Nest has directly exercised its voting rights for many years. Voting is handled by **zRating/Inrate**. Nest votes on all securities held; with the portfolio subject to change over the course of the year, the number of securities with voting rights fluctuates.



### Voting behaviour in Switzerland in 2025

<b>Number of companies for which votes were cast</b>	<b>47</b>
as a percentage of the invested capital	100 %
<b>Number of agenda items</b>	<b>1063</b>
thereof in favour	84 %
against	16 %
abstained	0 %
<b>Percentage of votes supported on sustainability topics</b>	<b>100 % (49 von 49)</b>

As regards **global equities**, Nest has been exercising its voting rights through **Minerva** since 2024. Minerva was founded in 1995 with the backing of sustainability-focused investors and university foundations. The company stands out for its transparency, focus on sustainability, independence and flexibility in tailoring voting guidelines to specific needs. Voting took place on the 45 largest securities in the portfolio.



### Voting behaviour outside Switzerland in 2025

<b>Number of companies for which votes were cast</b>	<b>45</b>
as a percentage of the invested capital	41 %
<b>Number of agenda items</b>	<b>187 %</b>
thereof in favour	18 %
against	75 %
abstained	7 %
<b>Nest votes against the management</b>	<b>75 %</b>

As part of its engagement activities, Nest has joined **Inrate’s Responsible Shareholders Group (RSG)** for Swiss companies and the **Ethos Engagement Pool International** for global companies.

In the case of **Swiss equities**, engagement activities are carried out through Inrate’s Responsible Shareholder Group Engagement Pool Switzerland. The pool also addresses companies in which Nest does not hold an investment or which the sustainability assessment has ruled unsuitable for investment. As a result, the number of engagements exceeds the number of votes cast.



### Engagement – Switzerland

<b>Number of companies addressed</b>	<b>100</b>
<b>Key areas</b>	Scope-3-Emissions
	Sustainable products and services
	Quality and credibility of governance practices
	Biodiversity
	Human rights
	Psychosocial risks in the workplace
	Expertise at the management level
	Sustainability criteria in the remuneration system

In the case of **global equities**, engagement activities are carried out through the **Ethos Engagement Pool International**. The pool also addresses companies in which Nest does not hold an investment or which the sustainability assessment has ruled unsuitable for investment.



### Engagement – global

<b>No. of companies addressed</b>	<b>946 in 43 campaigns</b>
	19 of 43 campaigns relate to social issues, in particular compliance with human and labour rights.
	17 out of 43 campaigns address environmental issues such as climate change, biodiversity and deforestation.
	7 out of 43 campaigns address governance issues.
<b>Key areas</b>	Climate change
	Biodiversity
	Human and labour rights
	Corporate governance

“ Nest exercises its voting rights and addresses various sustainability issues through dialogue with the companies. ”

### Controversy screening for private market investments

Nest uses the RepRisk tool to screen all portfolio companies in the alternative investment category – private equity, private debt and infrastructure – for sustainability controversies. The information is then used to contact the relevant managers. Primarily, the purpose is to verify Nest’s sustainability approach, which already involves strict criteria for the selection of managers for private market investments. Nest also fulfils its responsibilities in private market investments after the investment decision has been made. We are pleased to report that fewer than a handful of the more than one thousand portfolio companies monitored raised concerns during the controversy screening process. The table below shows the controversies identified – broken down by asset class, subject and assessment of how the respective incidents were handled.

### Controversy engagement in private market investments 2025

Asset class	Subject of controversy	Sector	Assessment of handling
Private equity	Governance: unfair competition	Financial	<b>Satisfactory:</b> The mandate held a marginal position, and the controversy conflicted with Nest’s sustainability strategy. Nest reviewed and discussed the situation with the asset manager and decided to sell the position. This brought the matter to a close. In hindsight, the decision proved to be right, as the company in question was subsequently sanctioned and fined by a government regulatory authority.

### Nest’s engagement in the area of public policy

Nest was actively involved in the cross-sector working group tasked with drafting the **Swiss Stewardship Code (SSC)**: This voluntary code of conduct provides institutional investors in **Switzerland with guidelines for responsible shareholder conduct**. It is **based on nine principles** and draws on international best practices such as the UK Stewardship Code.

According to the **SSC, stewardship** refers to the responsible **exercise** of shareholder rights and active dialogue with companies, with the aim of promoting the companies’ **long-term value creation** and sustainable development.

Typical stewardship measures pursuant to the Swiss Stewardship Code include:

- Exercising voting rights at annual general meetings
- Direct dialogue with companies (engagement)
- Working with other investors (collaborative investment)
- Impact on asset managers and service providers
- Transparent reporting on stewardship activities

These measures are designed to enhance corporate governance, strategy, sustainability and long-term performance. According to the SSC, the terms ‘stewardship’ and ‘active ownership’ are identical and interchangeable (the latter being the term used by Nest).



### Nest and the Swiss Stewardship Code

Nest endorses the Swiss Stewardship Code as a recognised market standard for responsible investment behaviour. To this end, the company has assessed the extent to which the nine principles of the SSC are already being implemented.

Key findings and a table summarising the implementation are shown below:

#### Swiss Stewardship Code implementation at Nest

Principles of the SSC	implemented	partially implemented
1. Governance		●
2. Stewardship policies		●
3. Voting	●	
4. Engagement	●	
5. Escalation		●
6. Monitoring of investee entities		●
7. Delegation of stewardship activities	●	
8. Conflicts of interests		●
9. Transparency and reporting	●	

#### Findings

We are very pleased to report that Nest’s sustainability initiatives to date have already integrated most of the SSC principles, ensuring that the company operates in line with market standards.

**Further potential** lies in the expansion and **formalisation** of processes (**Principles 1 and 5**). With a voting policy already in place, a comprehensive stewardship policy can now be developed to cover all activities and responsibilities (**Principle 2**). In addition, reporting can be expanded beyond the pool engagements and the exercise of voting rights to include further stewardship activities (**Principle 9**). To achieve this, a consolidation of the service providers’ data would be necessary with due consideration of costs and benefits (**Principle 6**).

At the action level, engagement activities can be strengthened beyond pool membership, for example by expanding controversy-based engagement (**Principle 4**). This includes examining Nest’s ‘investor impact’, for instance through in-depth dialogue with asset managers and service providers.

# Portfolio-Highlights

Photo: Memo Therapeutics



## Memo Therapeutics AG

**Swiss biotech innovation with the potential to address supply gaps in the treatment of severe viral infections and cancer.**

Memo Therapeutics AG, a Swiss biotechnology company based in Schlieren near Zurich, develops new antibody-based drug therapies. Its focus is on severe viral infections and cancers for which there are currently few or no effective treatments. Memo Therapeutics utilises the natural immune defences of particularly resilient individuals to specifically identify effective antibodies and develop them into medicines.

The company's flagship product is designed to combat a virus that can frequently lead to serious complications in kidney transplant patients, including graft loss. Clinical trials have shown promising results for the treatment, which is currently at an advanced stage of development.

Memo Therapeutics thus plays a significant role in addressing gaps in therapeutic care for severe viral infections and in the field of oncology. Thanks to its specific use of natural immune responses, the company contributes to **SDG 9 (Industry, innovation and infrastructure)** by promoting medical innovation and introducing new biopharmaceutical therapies into clinical practice. At the same time, Memo Therapeutics contributes to **SDG 3 (Good health and well-being)** and improves medical care by developing new treatment options for patients with severe diseases that previously had insufficient therapeutic options.

Nest holds a direct equity stake in Memo Therapeutics AG through Verve Ventures.



# Portfolio-Highlights



Photo: Insolight

## Insolight SA

**Greater solar power output per surface area – with dual use of agricultural land.**

Based in Lausanne, the Swiss cleantech company Insolight SA develops innovative solar modules. Insolight’s technology combines traditional photovoltaics with optical lenses to maximise the use of sunlight and achieve significantly higher electricity yields per surface area than conventional solar modules. As a result, solar energy can be utilised even on limited spaces, such as rooftops or agricultural land.

Insolight’s technology makes a direct contribution to **SDG 7 (Affordable and clean energy)** by increasing the efficiency of renewable power generation and accelerating the expansion of solar energy. At the same time, the company’s solutions contribute to **SDG 2 (Zero hunger)** through the combined use of agricultural land for food production and energy generation, thus supporting more resilient and sustainable agricultural systems.

Nest holds a direct equity stake in Insolight AG through Verve Ventures.



# Portfolio-Highlights

Photo: Encavis



## Encavis

### Renewable power around the clock – reliable, diversified and climate-friendly.

An independent power producer based in Europe, Encavis owns and operates solar and onshore wind farms. The company generates renewable electricity in several European countries, focusing on the long-term, reliable operation of its facilities. Through its broad geographical diversification and long-term revenue streams, Encavis contributes to a stable supply of renewable energy.

The company’s business model allows Encavis to make a direct contribution to **SDG 7 (Affordable and clean energy)** by supplying large quantities of renewable electricity to households and businesses. Furthermore, its electricity production is based entirely on renewable sources and avoids significant amounts of greenhouse gas emissions each year, thereby contributing to **SDG 13 (Climate Action)**. Encavis thus supports the decarbonisation of the European energy system and its transition to a climate-neutral energy supply.

Nest holds a stake in Encavis via GCM Grosvenor through a private equity co-investment.



# Portfolio-Highlights



Photo: New Forests

## New Forests

### Forests as a lever for climate action and nature conservation: carbon sequestration, biodiversity conservation and certified timber production.

The New Forests Fund invests in sustainably managed forests and agricultural land, primarily in Australia and New Zealand. Its goal is to develop productive forest and agricultural land on a long-term basis whilst protecting nature, the climate and biodiversity. Depending on the location, the Fund combines timber harvesting, agriculture and nature conservation areas, as well as carbon projects and other nature-based solutions.

The Fund thus makes a direct contribution to **SDG 15 (Life on land)** by promoting sustainable forestry, protecting biodiversity and restoring degraded land. It also plays a role in achieving **SDG 13 (Climate action)**, with forests actively sequestering carbon, reducing emissions and supporting climate positive land use. In addition, the fund contributes to **SDG 12 (Responsible consumption and production)** by providing renewable wood products as a

climate-friendly alternative to emission-intensive materials.

Nest holds a stake in New Forests via the «New Forests Australia New Zealand Forest Fund 3» private equity fund.

#### Selected performance indicators (FY25, pro rata figures for Nest 0.085 %):

- **Climate protection:** around 2.8 million tonnes of CO<sub>2</sub>e of annual carbon sequestration across the entire portfolio  
→ ≈ 2,350 tonnes of CO<sub>2</sub>e per year pro rata for Nest (area under management: ≈ 4.3 million ha).
- **Biodiversity:** over 217,000 ha of designated nature and biodiversity areas  
→ ≈ 185 ha pro rata for Nest (including protected and HCV areas).
- **Sustainable forestry:** 1.18 million ha of certified forest land (e.g Forest Stewardship Council, FSC)  
→ ≈ 1,000 ha pro rata for Nest as a source of renewable, sustainably produced raw materials.



Source: New Forests, Sustainability Report 2025.

## External Assessments

**Independent external assessments serve as a guide and confirm that our approach to sustainability is working. Nest has repeatedly been rated as a pioneer in the field.**

Independent, objective assessments help us take a critical look at our sustainability approach, see where we stand and keep moving forward.

The Swiss Climate Alliance gives Nest a particularly positive rating, consistently awarding it the top score for financial investments in its pension fund ratings. Nest also scores top marks in the Swiss Climate Alliance's real estate ratings, giving it a solid dark green rating in the Alliance's overall assessment.

Other independent comparisons also confirm our strategy: In its pension fund rating, Swiss newspaper SonntagsZeitung describes Nest as a pioneer in sustainable investment with decades of experience investing in accordance with ecological and ethical principles.

“ Visionary, fully sustainable pension fund and pioneer for decades, with all its investments, including real estate, aligned with a 1.5°C pathway.

There is no question that it is already a frontrunner on the path to decarbonisation, pursuing a target of net-zero financed emissions by 2040.

”



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## Featured Topic: Direct Real Estate

**Sustainable real estate development goes beyond energy issues – it also touches on quality of life:** spaces, open spaces and land use define how we live and shape social sustainability.

Nest has been actively committed to environmental, social and economic responsibility in the real estate sector for many years, making the company a pioneer in the Swiss pension sector. Since the company's foundation in 1983, sustainability has been a defining feature of its real estate strategy and has played a key role in shaping the development, operation and refurbishment of its properties over the years.

### From vision to structure

Our last sustainability report's featured topic section on real estate highlighted how years of experience were, for the first time, systematically brought together and further refined. Building on clearly defined principles, an implementation plan was drawn up to structure and supplement existing practices and ensure they can be applied uniformly across the entire direct real estate portfolio. The plan outlines key considerations throughout the entire property lifecycle and the practical integration of sustainability into day-to-day real estate operations.

↳ See the featured topic 'Direct real estate' in the **2024 Sustainability Report; 2024 Sustainability Report, Your ecological and ethical pension fund – since 1983**

The implementation plan provides a framework for the ongoing development of the real estate portfolio. Its guidelines are incorporated into current projects, support day-to-day property management and ensure that experience is pooled, progress is highlighted and the sustainable approach is refined on a continuous basis.

### A look back at 2025

This year's review illustrates how the defined principles are applied in practice and how Nest implements sustainability amidst the conflicting priorities of urban densification, mixed-use development and social issues. A specific project is used as an example to demonstrate how this approach works at the property level.

#### **Spatial quality as a key component of social sustainability**

Real estate development in urban areas is dominated by rising demand for housing, a growing housing shortage and stringent requirements for densification. Limited land availability stands in conflict with existing land uses, legal requirements and the need to preserve the character of local areas. At the same time, there is a growing focus on the prudent use of sealed land and the preservation of open spaces – particularly in urban settings. This means that real estate development straddles the divide between demand for additional space and the need for quality.

Sustainable real estate development goes beyond the optimisation of ecological aspects. It also encompasses spatial and use-related qualities, putting people and their everyday lives at the heart of the process. Key considerations include design, floor plan quality, usability of outdoor spaces, and integration into the neighbourhood. These aspects define how spaces can be used and how they serve everyday life.

### Quality that makes daily life easier

Given this background, Nest perceives social sustainability in the real estate sector primarily as the result of spatial design. Daily life in an area is shaped by the way spaces are arranged, how they are accessed and how they relate to each another. Spatial quality determines whether places provide a sense of direction, offer space for retreat and create opportunities for encounters in everyday life – naturally and without constraints.

Rather than individual construction measures, it is the interplay of many elements that reflects sustainability, among them well-designed floor plans, green outdoor spaces offering a pleasant atmosphere and recreational value and transitions between private and public spaces that foster connection while maintaining privacy. Green spaces and open areas contribute to tranquility, well-being and respite from the dense surroundings, breathing life into everyday places.

This aspiration shapes Nest’s approach to the development of its existing sites. Structures that anchor social qualities to the physical environment and have a lasting impact are expanded through strategic redevelopment, the creation of additional living space and the enhancement of open spaces.

Using a specific project as an example, the following sections demonstrate how Nest puts this approach to social sustainability into practice.

The Verena-Conzett site from above, showing the interwoven structures. Photo: Daniel Werder, Fotowerder



## Development project: “Verena-Conzett site”

**Nest acquired the Verena-Conzett site in 2017.** Working with Meier Hug Architects, Nest developed a project that envisages a spatial reorganisation and qualitative enhancement of the site. The planning application has been submitted and the project is currently awaiting approval.

### Combining everyday life with new beginnings

At present, the mixed-use site has a functional character and is predominantly commercial in nature. Dominated by concrete, the development is very dense and features few green spaces. Despite the high building density, there is a lack of clear structures and areas that can be put to practical use.

The interior courtyard is mainly used for parking and through traffic and appears cluttered. It feels uninviting, which discourages residents from spending time there; places to linger or meet are largely absent. At the same time, the site is located in the middle of a densely populated urban environment with high levels of everyday use.

Hallwylplatz is a lively neighbourhood square with seating, barbecue areas and play facilities provided by local residents. Photo: Daniel Werder, Fotowerder



## A changing neighbourhood

Urban life is particularly vibrant around Hallwylplatz. The square is one of the city’s most heavily used public spaces: people meet up, stop for a while, strike up conversations, play table tennis or organise communal barbecues. Community life flourishes. This vibrancy forms the existing context for the planned redevelopment of the site.

The current state of the interior courtyard. Photo: Daniel Werder, Fotowerder



## Decongestion for new living space

The project aims to open up the site and create additional residential space. Plans also include an interior courtyard that offers space, green areas and room to linger, functioning as a part of the neighbourhood rather than a closed-off area.

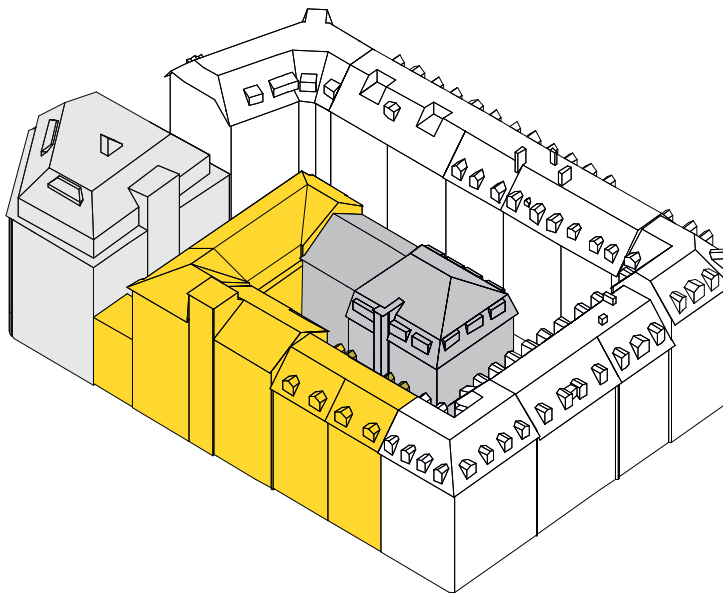
This will make the site more accessible and easier to navigate in future. At the heart of the plan is a strategic reorganisation of the development: a new building along Verena-Conzett-Strasse will frame the streetscape and provide additional usable space.

Visualisation of the planned square. Source: Meier Hug Architekten

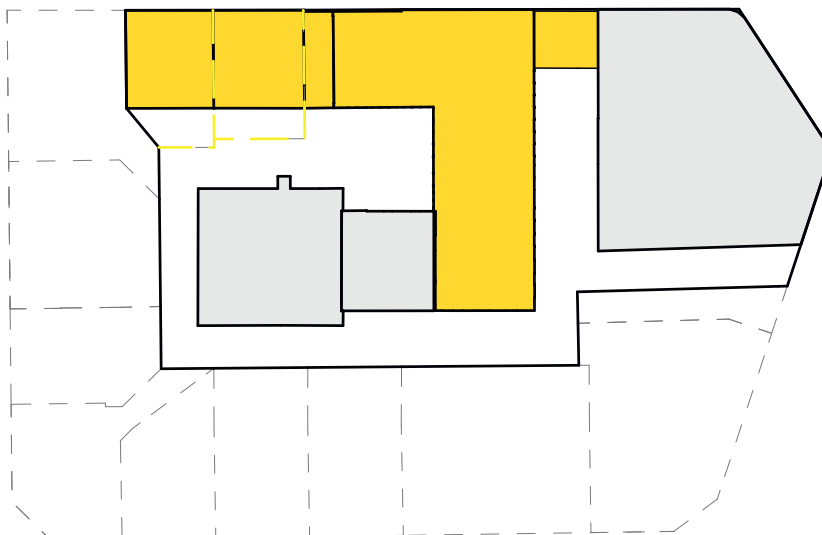


## Development project: "Verena-Conzett site"

This reorganisation is based on the strategic demolition of part of the existing structure in the interior courtyard. The development potential of the freed-up space will be utilised for the new building, while the inner courtyard itself will be opened up and spatially reorganised. Parts of the existing courtyard buildings will not be replaced in order to create connected open spaces. At the same time, the remaining part of the courtyard building will be converted from commercial use to residential use.

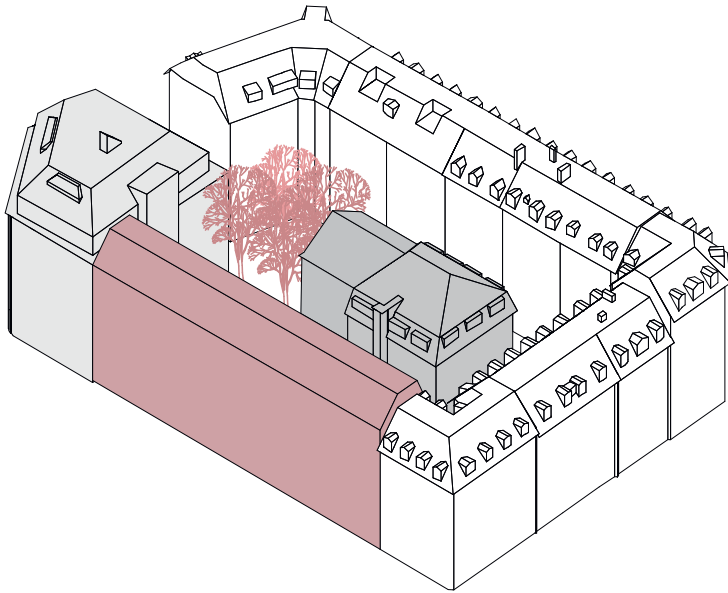


Existing buildings with current courtyard volume; part of the development will be demolished (yellow) to decongest and clear up the spatial structure.

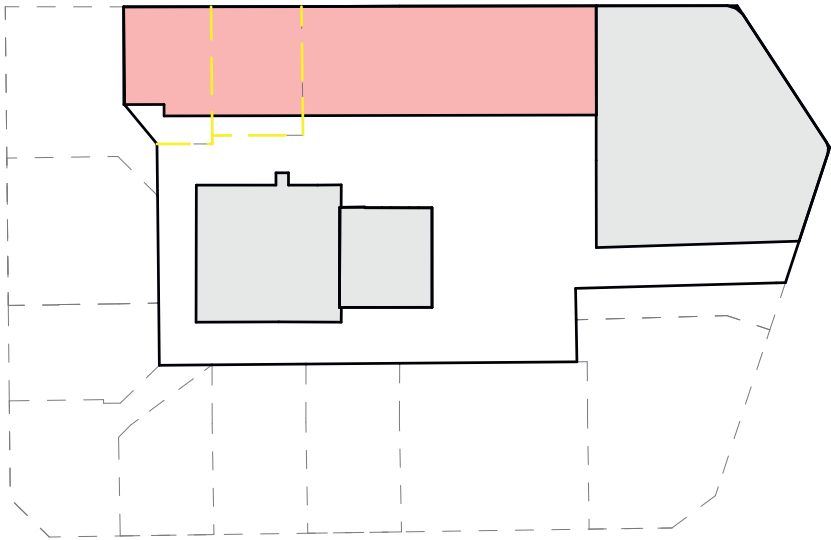


## From courtyard to open space

The courtyard, which is currently largely sealed, will be unsealed and landscaped. Plans include seating areas, vegetation and communal spaces, as well as natural rainwater retention measures. The landscaping and unsealing will contribute to natural cooling, improve the microclimate and create an outdoor space that invites people to linger, providing relief from the densely built-up surroundings.

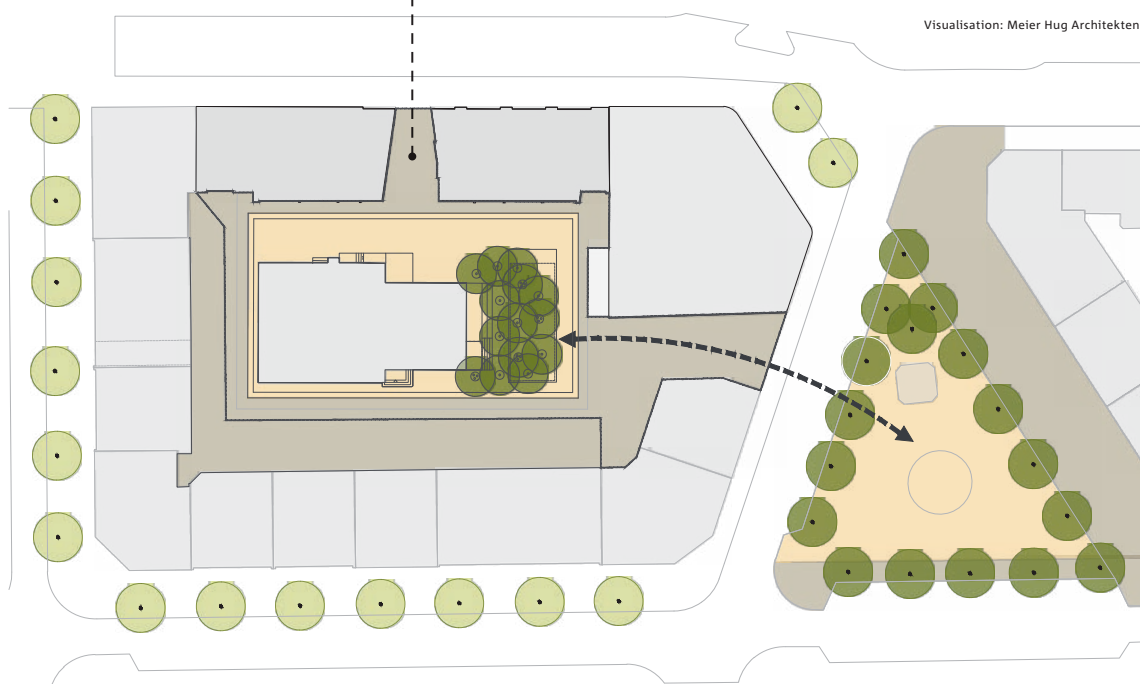


New building along Verena-Conzett-Strasse forming a clear street boundary; the interior courtyard gains more open space (red).



## Development project: "Verena-Conzett site"

In conjunction with a newly planned ground-floor passageway to Verena-Conzett-Strasse and the existing access from Hallwylplatz, there will be clearly defined and easily accessible pathways through the site. These pathways open up the outdoor space and create a place with a public character.



## Optimising density for more living space

Existing commercial spaces will be converted into residential space. There are plans for a total of 52 flats ranging from 1 to 5.5 rooms. The efficient and flexible floor plans are tailored to the requirements of everyday urban life. Central service cores contain the utility shafts and minimise access areas, ensuring optimal use of the available residential space. Each flat faces the interior courtyard at least in one direction; balconies are situated on the courtyard side, while loggias face the street. High-quality fittings and private outdoor areas contribute to the quality of life and a sense of well-being.

The ground floor is designed to accommodate smaller studio and commercial spaces. Large windows will open up the space to the outside, creating a direct connection between the interior and exterior. This design feature will add vibrancy to the site, both on the street side and in the interior courtyard.

While the existing building stock will stay in use wherever practical and feasible, additional measures are planned in the area of renewable energy and the optimisation of future operations, including the installation of a photovoltaic system and the use of an air-to-water heat pump. Due to the excellent public transport links, private parking spaces will not be provided. In their place, an underground bicycle garage with a lift and ramp will be created for around 275 bicycles.

## A site in transition

The planned redevelopment of the Verena-Conzett site illustrates the potential for rethinking existing structures within an urban context. Strategic densification, the revitalisation of open spaces and a clear focus on functionality for everyday use and spatial quality create an area that blends into its surroundings and is fit for long-term use. This is a concrete and transparent approach to sustainable real estate development at the individual property level.

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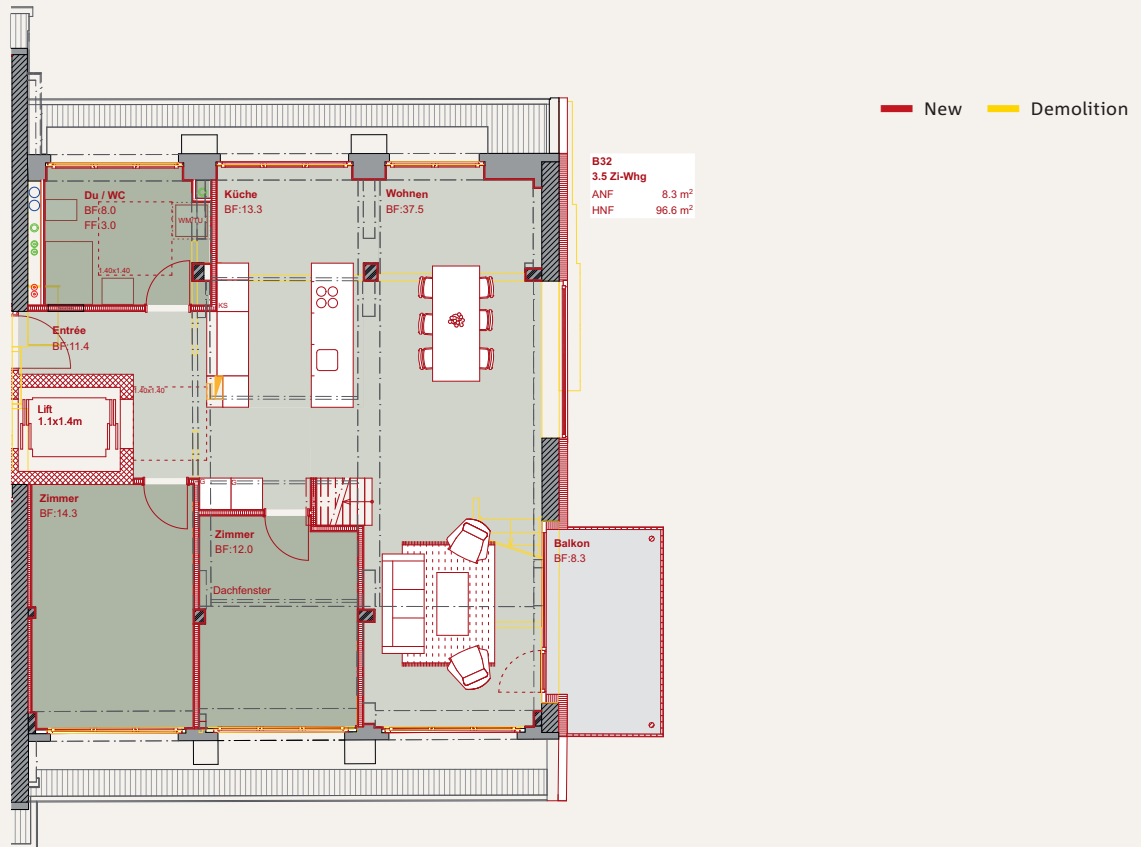
“Did you know that a green courtyard acts like a natural air-conditioning system? It cools the surrounding area, stores rainwater and improves the microclimate in a quantifiable way – a little slice of a ‘sponge city’ at the heart of the neighbourhood.”

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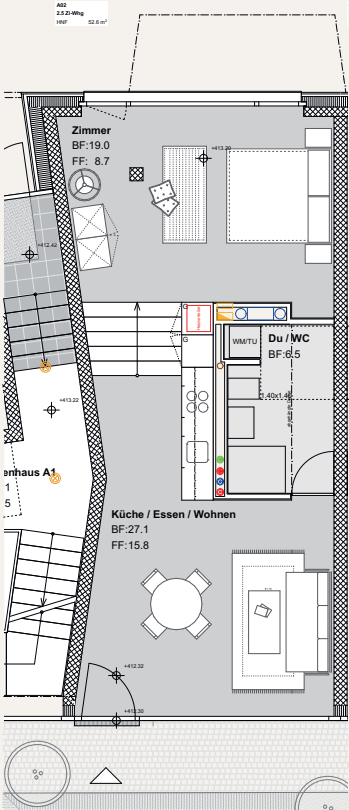
# Development project: "Verena-Conzett site"

Penthouse flat, renovation of existing building. Source: Meier Hug Architekten



Development project: "Verena-Conzett site"

Floor plan of ground-floor studio flat. Source: Meier Hug Architekten



## Alignment with sustainability principles

### Project development: “Verena-Conzett site”

#### Social sustainability matters: Principles 1 – 4



The central location near Hallwylplatz is ideal for living: shops, services, leisure facilities and public transport are all within walking distance, removing the need for a car. Thanks to the planned opening of the site and improvements to accessibility, the neighbourhood will benefit from the upgraded courtyard. **(Principle 1 – Infrastructure)**



Existing commercial spaces will be converted into additional, modern housing. Efficient floor plans with minimal access areas and well-organised utility shafts centralise kitchens and bathrooms to create more space for the living areas. Private outdoor spaces face the inner courtyard, while loggias look out onto the street. They are complemented by a high-quality outdoor communal area offering spaces for socialising. **(Principle 2 – Usability)**



The design of the site builds on the surrounding cityscape and opens up the site through clearly designed, landscaped outdoor spaces. Reorganisation of the existing structures creates a well-defined layout, resulting in a straightforward, easily navigable organisation of the site.

Ground-floor uses, including studio and commercial spaces, as well as generous window fronts, establish a direct connection between indoor and outdoor spaces and enhance the use and vitality of the outdoor areas. The result is open, easily accessible areas for social interaction that facilitate exchange and structure daily life on the site. **(Principle 3 – Design)**



The upgrade of the interior courtyard, featuring landscaping, communal areas and play areas, offers sheltered spaces for relaxation and socialising as part of everyday life. Extensive vegetation has a calming effect, reduces visual pollution and contributes to a pleasant microclimate. All flats have rooms facing the courtyard as well as spacious private outdoor areas. Their layout and design, comprising more secluded loggias facing the street as well as balconies overlooking the courtyard, offer residents a place of retreat, the opportunity to spend time outdoors and a valuable additional living space. Generous window areas ensure ample natural light. **(Principle 4 – Well-being)**

### Environmental sustainability matters: Principles 6–10



Opting out of private parking spaces was a conscious decision in the overall development of the site. This allows for different use of the space, reduces sealed surfaces, creates open spaces for people to linger and adds more green space. **(Principle 6 – Innovation)**



The mobility concept is designed to promote sustainable travel. Plans include an underground bicycle garage for around 275 bicycles, accessible via a lift and a ramp. Excellent public transport links encourage reduced car use around the area for everyday purposes. **(Principle 7 – Mobility)**



Thanks to the unsealing of the courtyard and the conversion of formerly asphalted areas into open green spaces, rainwater can drain away and remain on site. There are plans to add planted areas and unsealed surfacing, which will contribute to natural cooling and improve the microclimate. **(Principle 8 – Material cycles)**



With its existing structure providing a sound basis for further use, the courtyard building will be preserved and renovated. This reduces material consumption and eliminates the need for additional grey energy. **(Principle 9 – Construction)**



Renewable energy measures are planned for future operation. Heating will be provided by an air-to-water heat pump, supplemented by a photovoltaic system for on-site electricity generation. **(Principle 10 – Operation)**

### Governance sustainability matters: Principles 5, 11–14



The redevelopment of the site, its superior spatial quality, high-standard refurbishment and well-designed floor plans all position the site as an attractive and sustainable component of the neighbourhood. **(Principle 5 – Marketability)**



Longevity and efficient operation form the basis for sustainable economic performance throughout the entire life cycle. **(Principle 11 – Economic efficiency)**



Efficiently designed floor plans and superior spatial quality ensure functional use of the available residential space and an appropriate rent based on usable floor area. **(Principle 12 – Rent)**



Nest principally adheres to the principles of fairness and reliability. Collaboration with planning and construction firms is based on transparent guidelines, collaborative processes and compliance with applicable standards and regulatory frameworks. **(Principle 13 – Contractual partners)**



The implementation of sustainability measures is documented and, where possible, quantified. Results are incorporated into ongoing reporting and presented in the sustainability report. **(Principle 14 – Documentation and reporting)**

## Carbon reduction pathway for 2024 and 2025 / ASIP indicators

**Our real estate portfolio remains well below the reference decarbonisation pathway and is on track to achieve net-zero emissions in operations by 2040.** We have supplemented the modelled reduction pathway with indicators derived from final consumption data to ensure transparency with regard to both progress and data quality.en.

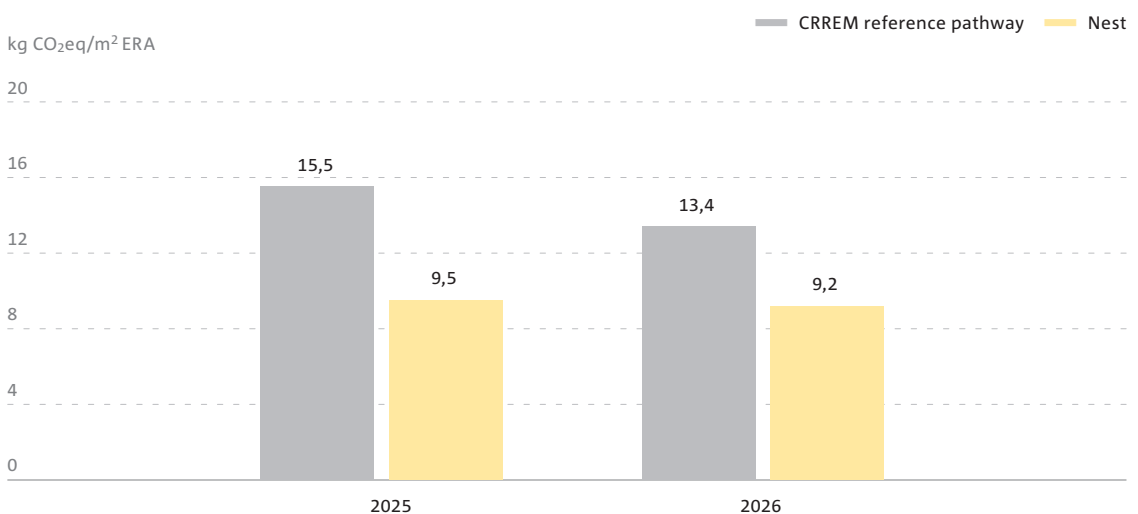
### Update and progress towards a net-zero real estate portfolio

During the reporting year, the carbon reduction pathway for the real estate portfolio held by Nest was updated to reflect current investment and refurbishment plans, as well as available property and consumption data. Wüest Partner performed the modelling based on a building physics energy model compliant with SIA 380/1, which shows the expected trend in operational emissions up to 2050. Scope 1, Scope 2 and tenant-obtained electricity (Scope 3.13) emissions are used for comparison with the CRREM reference pathway. The target set by Nest remains unchanged: net-zero operational emissions by 2040.

### Results

The updated calculations confirm that the real estate portfolio remains firmly on track towards decarbonisation. Within the CRREM-relevant assessment framework covering Scopes 1, 2 and 3.13, operational carbon emissions of around 9.2 kg CO<sub>2</sub>e per m<sup>2</sup> of energy reference area are projected for 2026.

### Comparison of Nest carbon emissions versus CRREM reference pathway



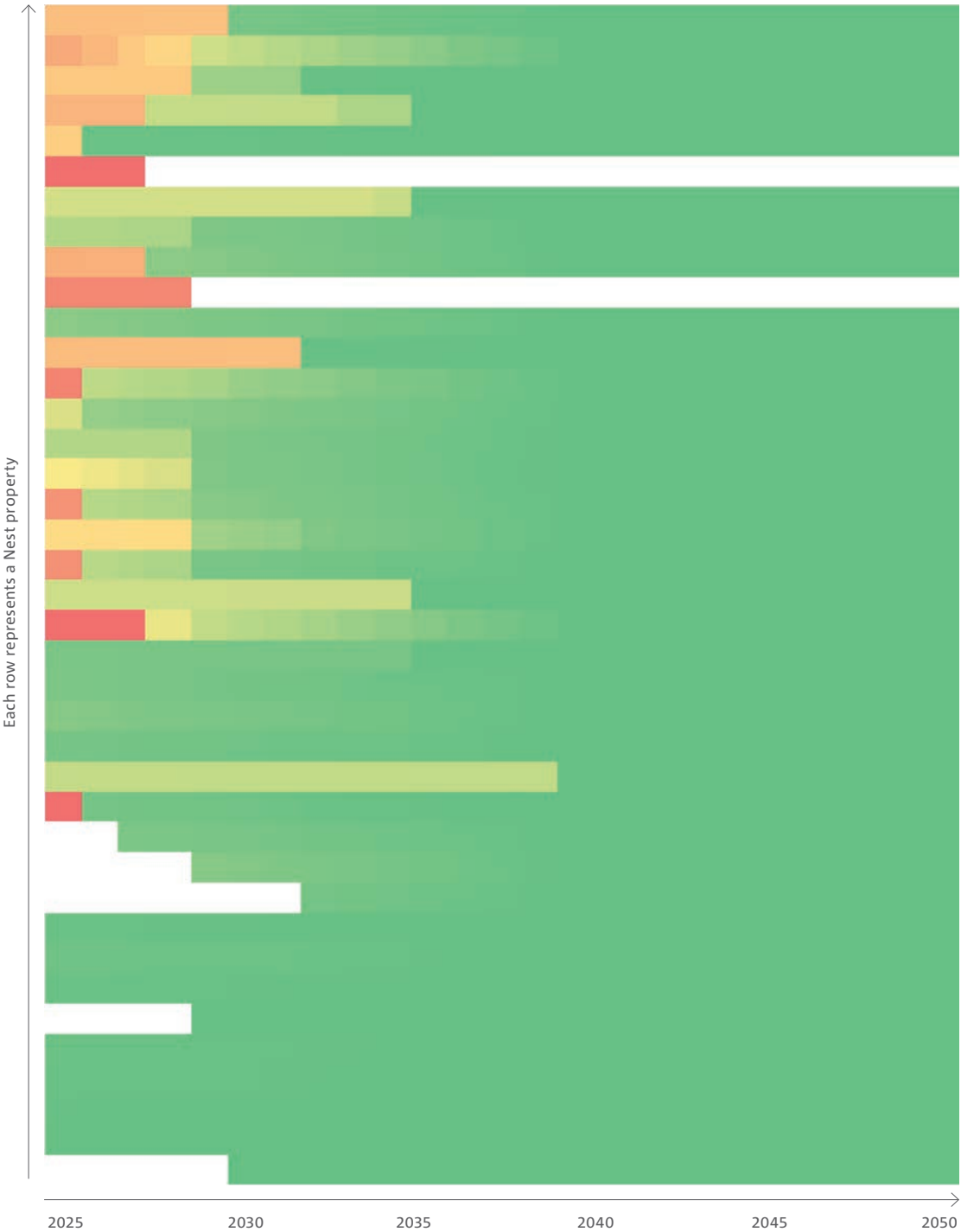
\* The CRREM target pathway has been adjusted to account for floor area differences to make it compatible with the Swiss ERA. CRREM pathways are based on the international Gross Internal Floor Area (GIA). As a result of the conversion, the modified target pathway only applies in the Swiss context.

**Carbon reduction pathway for 2024 and 2025 / ASIP indicators**

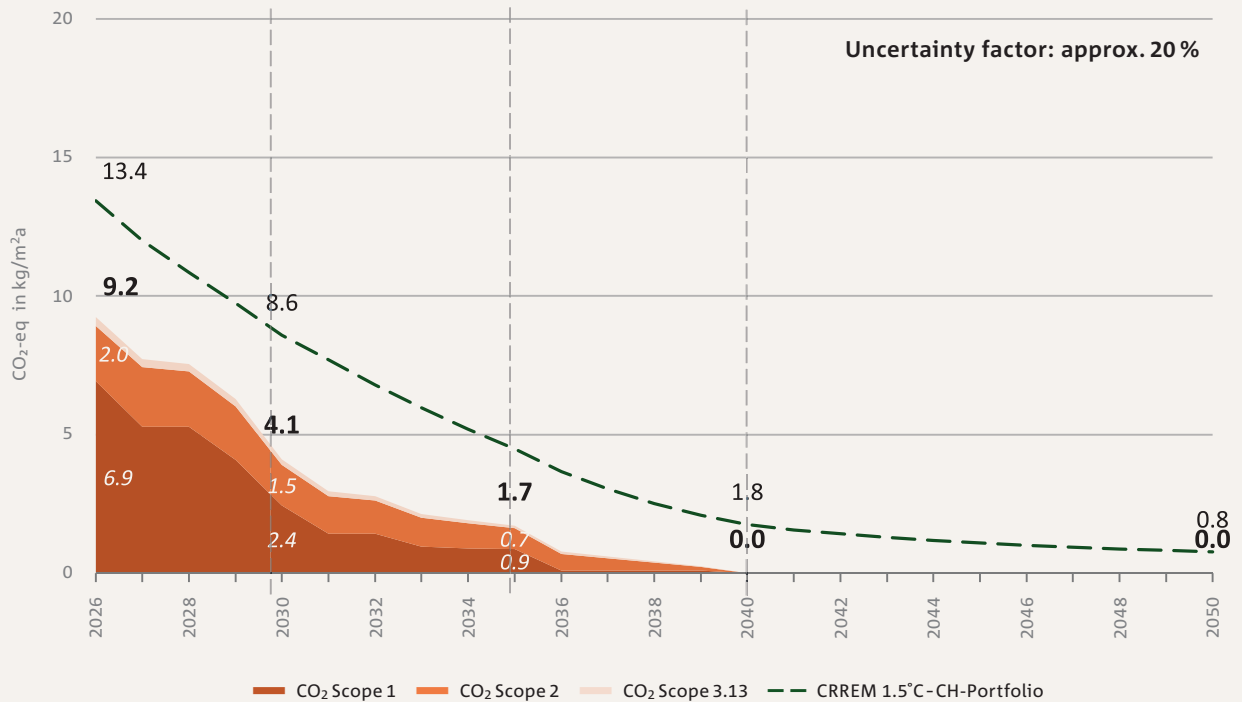
This places the portfolio some 31 % below the usage- and area-weighted CRREM reference pathway of 13.4 kg CO<sub>2</sub>e/m<sup>2</sup> energy reference area (ERA) a. According to the model, operational emissions will drop to 0.0 by 2040; however, residual external emissions from electricity and district heating networks that are beyond Nest’s control may persist beyond that point.

**Included and excluded emissions**

Trend in Scope 1–3 operational emissions from buildings, from 2025 (left) to 2050 (right).  
 White demolished / not yet built    Dark red 30 kg CO<sub>2</sub>e / m<sup>2</sup> ERA per year    Dark green 0 kg CO<sub>2</sub>e / m<sup>2</sup> ERA per year



## Carbon reduction pathway – Scopes 1, 2 and 3.13



The graph shows the portfolio’s modelled carbon reduction pathway compared with the use- and area-weighted CRREM reference pathway for a 1.5°C scenario in Switzerland. It plots operational emissions in Scope 1, Scope 2 and Scope 3.13. In 2026, at 9.2 kg CO<sub>2</sub>e/m<sup>2</sup> ERA a, the portfolio is significantly below the CRREM reference value of 13.4. By 2040, the modelled operational emissions will drop to 0.0. However, external residual emissions from electricity and district heating networks that are beyond Nest’s control may still persist. The uncertainty factor for the model calculation is approximately ±20%.

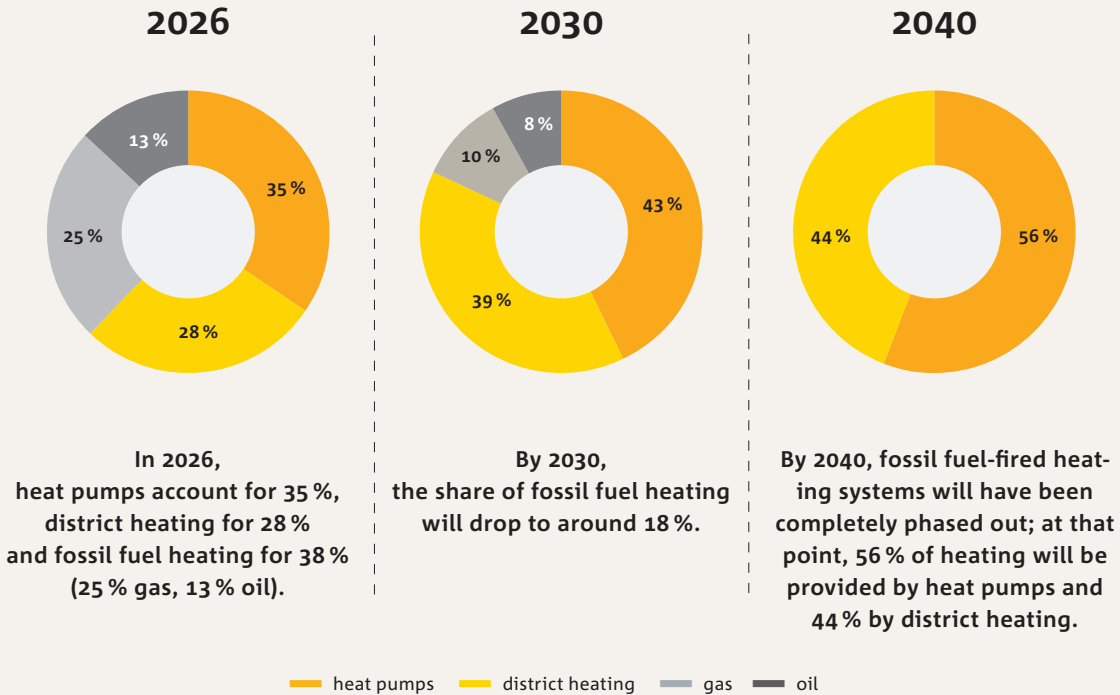
- **Scope 1 2026: 6.9 kg CO<sub>2</sub>e/m<sup>2</sup>, around 40% below the average for Swiss real estate portfolios in 2024;** this confirms the robustness of both the CRREM comparison and the direct Scope 1 operational pathway.
- **Scope 1+2 2026: 8.9 kg CO<sub>2</sub>e/m<sup>2</sup>**
- **Final energy demand in 2026: 84.9 kWh/m<sup>2</sup> ERA a,** which is already below the CRREM limit of 91.9; **reduction to around 49.4 by 2040.**

**Five properties account for around 42% of operational emissions,** suggesting that there is considerable potential for operational optimisation, right through to replacing the heating systems.

“ Ahead of the curve – in 2025, Nest was already 40 per cent below the 1.5°C target pathway. ”

## Heating systems over time (share of energy reference area)

Heating systems over time (share of energy reference area: the share of fossil fuels will steadily decline to zero by 2040.) The graph shows the trend in heating systems in the portfolio for the reference years 2026, 2030 and 2040.



This shift is a key driver of the reduction in Scope 1 emissions across the portfolio.

The calculation used for comparison with the CRREM reference target pathway includes emissions from Scope 1 (direct emissions, e.g. heating systems), Scope 2 (indirect emissions from electricity and district heating consumption) and tenant-obtained electricity (Scope 3.13). By contrast, construction emissions (Scope 3.3) – particularly relevant in the case of new replacement buildings and comprehensive renovations – have not yet been included in the calculations.

## Outlook: accounting for grey energy emissions

Alongside operational emissions, grey emissions or embodied emissions, which are generated during the production and transport of building materials as well as during the construction process itself, are gaining importance. These emissions account for a significant proportion of a building's total carbon footprint and are therefore a key lever for achieving climate targets. As yet, they are not included in the current CRREM comparisons. The Nest Collective Foundation consistently pursues the reduction of Scope 3 emissions as a strategic priority.

As part of its comprehensive portfolio strategy, the Nest Collective Foundation accounts for construction emissions and integrates the requirements into project development at the operational level. Every new construction, renovation and replacement project is assessed to determine how grey emissions can be systematically reduced through the preservation of existing structures, the choice of materials and circular construction. Nest bases its approach on the new Swiss SIA 390/1 standard, which stipulates target values for greenhouse gas emissions across the entire life cycle of buildings with effect from February 2025.

While many investors have so far focused solely on targets for reducing operational emissions, Nest is going one step further and is already developing concrete methods to systematically integrate grey emissions into the management of project specifications and reporting.

Thanks to this forward-looking and structured approach, Nest ensures transparency and measurable results in its sustainability efforts, while also positioning itself as a pioneer in sustainable real estate investment in Switzerland. Investors can rely on this solid foundation: at Nest, sustainability is not merely a stated goal, but is actively shaped through a clearly structured, operationally embedded and dynamically adaptable action plan.

Die nachfolgenden ASIP-Kennzahlen basieren auf den finalen Verbrauchsdaten der Periode 2024 und ergänzen den modellbasierten Absenkpfad um berichtsrelevante Bestandskennzahlen. Sie sind methodisch von den modellierten CRREM-Vergleichen zu unterscheiden.

## ASIP indicators 2024/2025

Reporting year	2024		2025
Consumption data period	01.01.2023 – 31.12.2023	01.01.2024 – 31.12.2024 modelled*	01.01.2024 – 31.12.2024 final
Coverage rate	74,7 %	80,2 %	91,5 %
<b>Swiss real estate</b>			
Energy intensity (kWh per square metre of energy reference area)	58,88 %	55,63 %	76,96 %
GHG intensity (kg CO <sub>2</sub> e per square metre of energy reference area, Scope 1 & 2)	8,48 %	7,5 %	8,72 %
<b>Fuels</b>			
Share of heating oil	17,1 %	14,9 %	11,6 %
Share of gas	41,3 %	37,5 %	34,5 %
<b>Heat</b>			
Share of local and district heating	26,8 %	30,1 %	21,5 %
Share of ambient heat	ot yet reported in REIDA	ot yet reported in REIDA	16,1 %**
<b>Electricity</b>			
Share of electricity for heating/heat pumps	2,4 %	3,4 %	4,6 %
Share of electricity, general	12,4 %	14,1 %	11,8 %
Share of fossil fuels in the energy mix Portfolio	58,4 %	52,4 %	46,1 %

### Notes on methodology

\* In the 2024 reporting year, actual consumption data was not yet available for the period 01/01/ – 31/12/2024. The figures shown are therefore based on models using empirical values and average figures from previous years.

\*\* In compliance with REIDA, thermal heat from heat pumps is reported separately for the first time in the current reporting year.

## Data sources and coverage rate

The reported indicators are based on the final consumption data for the 2024 period. At **91.5 %**, the coverage rate for the collected consumption data has increased significantly **from 74.7 %** in the previous period, thereby substantially improving the data quality and reliability of the energy and emissions indicators.

Last year's figures for the 2024 period were based on a modelling approach using a projected coverage rate of 80.2 %. The final consumption data now available show a significantly higher coverage rate. In the short term, improved data transparency and a higher coverage rate may lead to apparent deteriorations in individual indicators, as additional consumption data provide a more complete picture of the actual portfolio structure.

**To further improve the data basis, the Nest Collective Foundation is systemically expanding its monitoring of energy consumption across the portfolio. In parallel, a phased process is underway to comprehensively record the energy reference areas of the properties. These measures are intended to further increase the coverage rate for consumption data in future and improve the ability to manage sustainability indicators within the portfolio in the long term.**

## Trend in energy and emissions figures

Based on the final data, **energy intensity** is higher than the modelled figure. This is predominantly due to greater data coverage and the inclusion of additional consumption data; the change in operational portfolio efficiency for the reporting year is therefore relatively minor.

**GHG intensity (Scope 1 & 2)** also increased moderately compared to the modelled value. Both the higher GHG intensity and the higher coverage rate are partially due to the inclusion of an additional integrated property heated with fossil fuels, for which consumption data was fully recorded in the current reporting year.

In accordance with REIDA, **environmental heat from heat pumps is also being reported separately for the first time in the current reporting year.** This adjustment results in a reweighting of energy sources within the portfolio and affects both energy intensity and the composition of the energy mix.

The final consumption data show an overall shift in the energy mix between 2023 and 2024 towards a **lower proportion of fossil fuels in the portfolio**, with fossil fuels falling from **58.4 %** to **46.1 %**, a decrease of **12.3 percentage points**. Accordingly, the share of renewable energy sources in the portfolio increases by the same proportion.

“ Taking stock of 2025:  
lower CO<sub>2</sub>, higher efficiency



## Appendix: Key figures for 2025

### Metadata

Category	Indicator	Definition	Value	Unit	Note	Source
<b>Transparency</b>	Transparency ratio I	Proportion of total assets with ESG indicators	71,0	%	Relative to total assets	0
<b>Transparency</b>	Transparency ratio II	Equity coverage	99,8	%	Measured by market capitalisation	0
		Fixed income coverage	77,0	%		0
		Real estate coverage	100,0	%		0
<b>Data</b>	Data source	ESG data provider / asset manager	Inrate, ISS ESG, zRating, ETHOS, Minerva	Text	Disclosure adequate	0

### Basic indicators – Stewardship

Topic	Indicator	Definition	Value	Unit	Note	Source
<b>Voting</b>	Voting rate	Proportion of invested equity capital for which votes were cast	100,0	%	Switzerland	1
		Proportion of invested equity capital for which votes were cast	41,0	%	outside Switzerland	2
	Rejection rate of management proposals	Rejection of BoD proposals	16,0	%	Switzerland	1
		Rejection of BoD proposals	75,0	%	outside Switzerland	2
<b>Engagement</b>	Number of engagements	Number of companies or engagement cases	1046	Number	Reporting year	1.1, 2.1

Source: 0 Nest Collective Foundation 1 Inrate, zRating 1.1 Inrate, RSG 2 Minerva 2.1 Ethos

Basic indicators – specific to asset class (climate)

Category	Indicator	Topic	Value	Unit	Note	Source	
Equities	GHG intensity	Scope 1&2	43 139.00	tCO <sub>2</sub> e	<b>Emissions exposure:</b> Financed emissions, or emissions exposure, quantify the greenhouse gas (GHG) emissions resulting from an investor’s financing activities, based on the ownership principle. In line with the selected attribution factor, emissions are attributed to investors on a pro rata basis according to their ownership share in each company.	3	
		Scope 3	766 375.08	tCO <sub>2</sub> e		3	
		Scope 1&2	99.59	tCO <sub>2</sub> e / million CHF turnover		<b>Carbon intensity:</b> The carbon intensity indicator measures a portfolio’s emissions relative to its turnover. It is calculated by dividing a portfolio’s financed emissions by the pro rata turnover of the portfolio companies.	3
		Scope 3	1 769.20	tCO <sub>2</sub> e / million CHF turnover			3
		Scope 1&2	32.92	tCO <sub>2</sub> e / million CHF invested		<b>Relative carbon footprint:</b> The relative carbon footprint measures the emissions financed per million invested in the portfolio. Emissions are attributed according to the ownership principle.	3
		Scope 3	584.86	tCO <sub>2</sub> e / million CHF invested			3
		Scope 1&2	102.74	tCO <sub>2</sub> e / million CHF turnover		<b>Weighted average carbon intensity (WACI) per million of turnover:</b> This indicator measures the portfolio’s exposure to carbon-intensive companies. Unlike the financed emissions indicator, this metric does not take the ownership principle into account. Instead, it calculates the weighted average emissions per million of turnover in the portfolio.	3
		Scope 3	1 509.47	tCO <sub>2</sub> e / million CHF turnover			3
	Net Zero	Committed to alignment	43,0	%	Issuers who have set a net-zero target for 2050 are regarded as committed to alignment.	3	
		In alignment	9,0	%	Issuers are considered to be in alignment if they have a decarbonisation strategy and have set an interim target.	3	
	Fossil fuel exposure	Coal	0,006	%	% of total assets	3	
		Other fossil fuels	0,207	%	% of total assets	3	

Source: 3 ISS ESG

## Appendix: Key figures for 2025

Category	Indicator	Topic	Value	Unit	Note	Source
Fixed Income	GHG intensity	Scope 1 & 2	8 666.12	tCO <sub>2</sub> e	<b>Emissions exposure:</b> Financed emissions, or emissions exposure, quantify the greenhouse gas (GHG) emissions resulting from an investor's financing activities, based on the ownership principle. In line with the selected attribution factor, emissions are attributed to investors on a pro rata basis according to their ownership share in each company.	3
		Scope 3	250 988.32	tCO <sub>2</sub> e		3
		Scope 1 & 2	47.23	tCO <sub>2</sub> e / million CHF turnover	<b>Carbon intensity:</b> The carbon intensity indicator measures a portfolio's emissions relative to its turnover. It is calculated by dividing a portfolio's financed emissions by the pro rata turnover of the portfolio companies	3
		Scope 3	1367.96	tCO <sub>2</sub> e / million CHF turnover		3
		Scope 1 & 2	9.48	tCO <sub>2</sub> e / million CHF invested	<b>Relative carbon footprint:</b> The relative carbon footprint measures the emissions financed per million invested in the portfolio. Emissions are attributed according to the ownership principle.	3
		Scope 3	274.62	tCO <sub>2</sub> e / million CHF invested		3
		Scope 1 & 2	28.66	tCO <sub>2</sub> e / million CHF turnover	<b>Weighted average carbon intensity (WACI) per million of turnover:</b> This indicator measures the portfolio's exposure to carbon-intensive companies. Unlike the financed emissions indicator, this metric does not take the ownership principle into account. Instead, it calculates the weighted average emissions per million of turnover in the portfolio.	3
		Scope 3	1 397.73	tCO <sub>2</sub> e / million CHF turnover		3
	Net Zero	Committed to alignment	50,0	%	Issuers who have set a net-zero target for 2050 are regarded as committed to alignment.	3
		In alignment	11,0	%	Issuers are considered to be in alignment if they have a decarbonisation strategy and have set an interim target.	3
Fossil fuel exposure	Coal	0,013	%	% of total assets	3	
	Other fossil fuels	0,080	%	% of total assets	3	

Source: 3 ISS ESG

Appendix: Key figures for 2025

Swiss real estate (direct)

Category	Indicator	Value	Unit	Source
<b>Energy</b>	Energy intensity	84.9	kWh/m <sup>2</sup> EBF a	4
<b>GHG</b>	GHG intensity	8.9	kg CO <sub>2</sub> e/m <sup>2</sup> EBF (Scope 1&2)	4
<b>Energy</b>	Heat pump	35,0	%	4
	District heating	28,0	%	4
	Fossil fuel heating systems	38,0	%	4
<b>Net Zero</b>	Net-zero share by 2040	100	%	4
	Decarbonisation pathway in place	100	%	4

Swiss real estate (indirect)

Category	Indicator	Value	Unit	Source
<b>Energy</b>	Energy intensity	102.61	kWh / m <sup>2</sup> ERA a	5
<b>GHG</b>	GHG intensity	15.47	kg CO <sub>2</sub> e / m <sup>2</sup> ERA (Scope 1&2)	5
<b>Energy</b>	Heat pump	1,6	%	5
	District heating	24,0	%	5
	Fossil fuel heating systems	59,3	%	5
	Other	15,1	%	5
<b>Net Zero</b>	Net-zero share by 2040	0,0	%	5
	Net-zero share by 2050	100	%	5
	Decarbonisation pathway in place	98	%	5

Source: 4 Wüest Partner/Durable 5 Maerki Baumann

## Appendix: Glossary

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### Active ownership

Taking an active role as an owner

Nest primarily exercises its rights as an investor by voting and engaging with companies.

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### ASIP

Swiss Pension Fund Association

The industry body for Swiss pension funds publishes ESG indicators that provide a basis for comparison.

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### ASIP indicators

Sustainability indicators published by the Swiss Pension Fund Association

That provide a basis for comparison, for example in relation to climate and real estate.

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### Best-in-service approach

Nest's own sustainability approach

Companies are assessed based on their ability to meet societal needs in a sustainable manner, for instance energy, transport, housing and healthcare.

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### CO<sub>2</sub>e

CO<sub>2</sub> equivalent

Unit serving as a basis for comparing different greenhouse gases.

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### CRREM

Carbon Risk Real Estate Monitor

A reference pathway for the real estate sector that shows the extent to which building emissions must be reduced to be compatible with a 1.5°C target.

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### Eligibility for investment

Suitability as an investment according to Nest criteria

Indicates whether a company, country or project is fundamentally eligible for investment according to Nest's sustainability criteria.

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### Engagement

Dialogue with companies and asset managers

Discussion of sustainability issues, calls for improvements and monitoring of progress.

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### ERA

Energy reference area

Benchmark for buildings' energy consumption and emissions per square metre.

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### Exercise of voting rights

Voting at general meetings

Nest votes in accordance with its sustainability principles.

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### FSC

Forest Stewardship Council

Responsible forest management certification.

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### GFN

Green Fintech Network

Network promoting sustainable financial technologies in Switzerland.

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### GHG

Greenhouse gases

Gases that contribute to global warming, such as CO<sub>2</sub>, methane and nitrous oxide.

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### HCV

High Conservation Value

Gases that contribute to global warming, such as CO<sub>2</sub>, methane and nitrous oxide.

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### Impact / Impact-Investing

Impact-driven investing

Investments aimed at achieving a tangible positive impact on the environment or society in addition to financial returns.

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### Negative screening / exclusions

Exclusion of controversial investments

Investments are excluded if they are incompatible with sustainable development.

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### Net zero

Target of zero net greenhouse gas emissions

Any remaining emissions are sufficiently reduced or offset to ensure that no additional net greenhouse gases are produced.

## Appendix: Glossary

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### Positive screening

Specific selection of more sustainable investments

Investments are given preference if they contribute more significantly to sustainable development than alternatives.

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### PRI

Principles for Responsible Investment

International investor initiative for responsible investment.

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### REIDA

Real Estate Investment Data Association

Swiss data framework – or standard – for real estate, energy and emissions data.

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### RSG

Responsible Shareholder Group

Inrate's engagement pool for Swiss equities.

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### Scope 1, 2 und 3

Emissions categories

Scope 1 covers direct emissions, Scope 2 purchased energy and Scope 3 other indirect emissions along the value chain.

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### SDGs

Sustainable Development Goals

The 17 UN Sustainable Development Goals.

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### Selection

Selection process based on sustainability criteria

Nest's selection process involves exclusions and the best-in-service approach.

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### SIA 380/1

Swiss standard for energy in construction

Basis for the energy performance calculation of buildings.

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### SSC /

Swiss Stewardship Code

Market standard for responsible investment practices in Switzerland.

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### SSF

Swiss Sustainable Finance

Swiss industry association for sustainable finance.

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### Stewardship

Role of responsible investors

Essentially interchangeable with active ownership: investors exert influence through voting, dialogue and collaboration.

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### WACI

Weighted Average Carbon Intensity

The weighted average carbon intensity of a portfolio indicates the average level of carbon emissions associated with the companies' operations.



