



AXA LPP Foundation
Suisse Romande

Annual Report 2023

AXA LPP Foundation Suisse Romande,
Winterthur

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“The Board of Trustees is deeply committed to providing attractive benefits, coupled with a high degree of stability and security, for its affiliated companies and their employees over the long term.”

Patrick Fournier
Chair of the Board of Trustees of the
AXA LPP Foundation Suisse Romande,
Winterthur

Foreword to the 2023 Annual Report by the Chair of the Board of Trustees

Dear reader

After two challenging years, a more upbeat mood returned to the financial markets towards the end of 2023. In view of the rise in energy prices and inflation rates since the start of the war in Ukraine, central banks had stuck to their restrictive policy and kept interest rates high in a bid to counter inflation. This was compounded in the fall by an escalation in the Middle East. In the fourth quarter, however, the easing of inflationary pressures paved the way to a stabilization of key interest rates. Hopes that interest rates would fall again in 2024 sparked a recovery on stock markets.

Thanks in particular to this year-end rally driven by share prices, we achieved a good performance for the year of 4.23% through the investments we made. This will benefit our over 53,000 active insureds: Thanks to the investment income generated and planned release of the reserve for additional interest payments, insureds were credited with an attractive interest rate of 2% on their mandatory and extra-mandatory retirement assets.

The Board of Trustees is deeply committed to providing attractive benefits, coupled with a high degree of stability and

“The Board of Trustees puts a strong emphasis on healthy and sustained growth.”

security, for its affiliated companies and their employees over the long term. Over the last five years (2019–2023), insureds have benefited from an annual interest rate averaging 2.55% for the mandatory element and 3% for extra-mandatory benefits – well in excess of the BVG/LPP minimum interest rate.

The good figures speak for themselves and are impressing the market, as demonstrated by the cumulative growth of over 50% in the number of insureds in the last four years. Over 10,000 businesses are now affiliated to our Foundation. As well as growing in quantitative terms, however, we have also developed in qualitative terms – thus further strengthening the good structural basis of our Foundation. The Board of Trustees puts a strong emphasis on healthy and sustained growth in the interests of all affiliations.

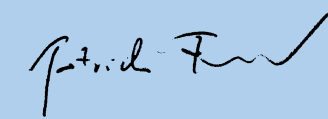
Thanks to a sustainability-oriented growth strategy and forward-looking strategic management measures, our Foundation continues to boast very good structural conditions – making the Foundation an attractive, long-term partner for the affiliated occupational benefits funds and their insureds. With a 103.4% coverage ratio as at December 31, 2023, and an excellent age and risk structure, our Foundation is solidly positioned (just

1,392 pensioners for 53,000 active insureds).

Through a gradual adjustment of the conversion rate to 5.6%, the Board of Trustees is proactively addressing its responsibility to future generations. It is therefore strengthening the long-term financial stability of the Foundation and simultaneously significantly reducing the growing redistribution from those in active work to pensioners. In addition, the Board of Trustees remains focused on cost-cutting while maintaining the highest possible level of benefits.

Our affiliated companies and their employees can thus continue to rely on a solid, sustainable, and high-performance pension fund solution.

Thank you for placing your trust in us.



Patrick Fournier
Chair of the Board of Trustees of the AXA LPP Foundation Suisse Romande, Winterthur



Patrick Fournier
Chair of the Board of Trustees of the AXA LPP Foundation Suisse Romande, Winterthur

Composition of the Board of Trustees for the 2021 – 2024 term of office



Patrick Fournier (Chair)
Employer representative

CPF Stratégie SA, Sion
Director



Patricia Pradervand (Vice-Chair)
Employee representative

XO Investments SA, Neuchâtel
Assistant to Director



Christophe Wyssbrod
Employee representative

Association du CO des communes
de la Broye, Estavayer-le-Lac
Administration

Profile of the Foundation

The AXA LPP Foundation Suisse Romande, Winterthur, was established on July 12, 1984. Its purpose is to manage occupational old-age, survivors' and disability benefits insurance for AXA customers in French-speaking Switzerland. As well as providing mandatory occupational bene-

fits insurance, it also offers pension plans that exceed the minimum requirements of the law.



Olivier Micheloud
Employee representative

Banque Cramer & Cie SA, Geneva
Deputy Director



Dominique Beuchat
Employer representative

3D Precision SA, Delémont
Member of the Executive Board



Nicole Mamie
Employer representative

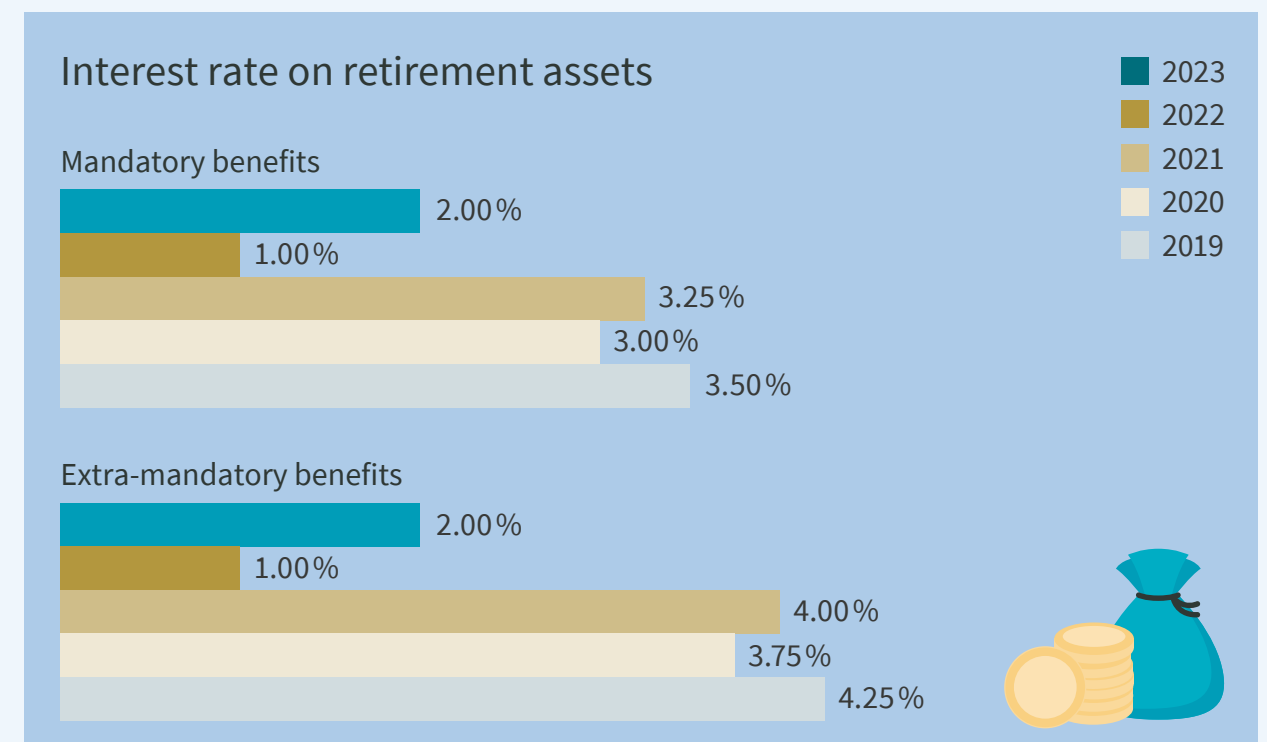
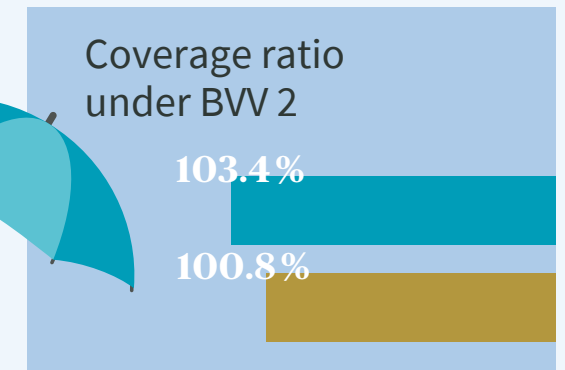
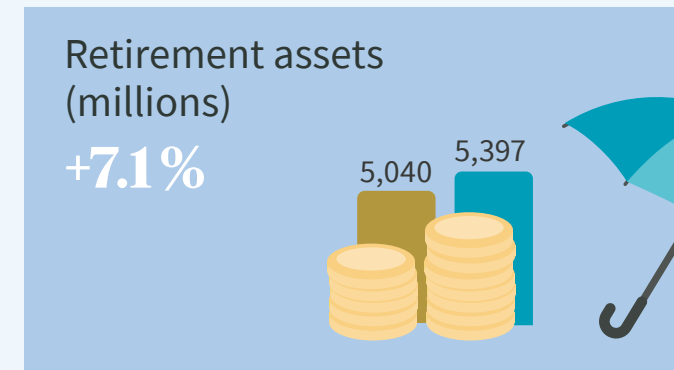
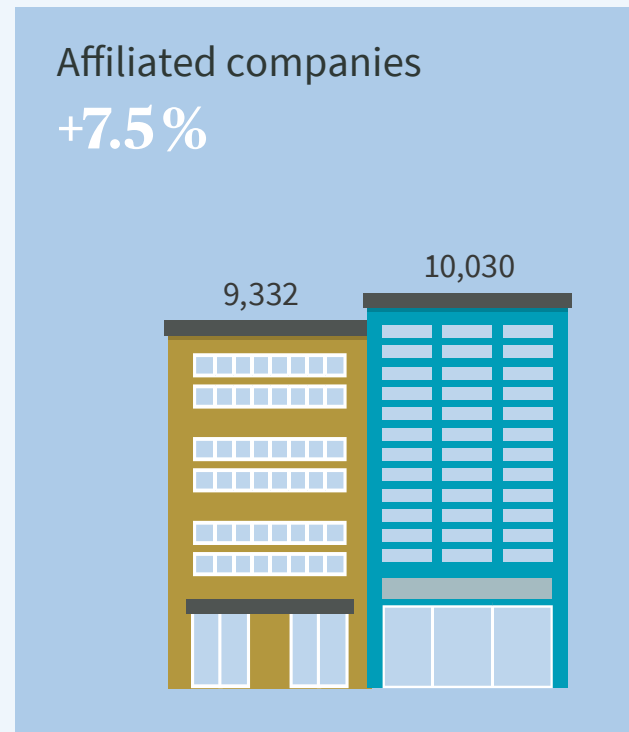
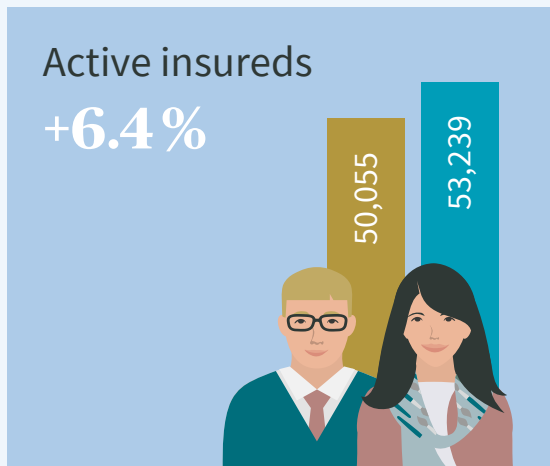
Prisma SA, Porrentruy
Senior management



Michèle Keller
Manager

Facts & Figures 2023

2022 2023



Financial statements 2023

Balance sheet

in CHF	Index explanatory notes	31.12.2023	31.12.2022
Assets			
Investments	6.4	6,418,939,960.93	5,827,207,338.65
Accounts receivable	7.1.1	1,327,487.68	2,221,144.57
Assets with AXA Life Ltd	7.1.2	4,257,922.28	4,138,460.85
Accounts receivable from affiliated employers	6.11.1	66,065,671.31	54,731,644.21
./. Del credere		-305,800.00	-442,500.00
Prepayments and accrued income	7.1.3	4,452,143.25	3,777,087.90
Total assets		6,494,737,385.45	5,891,633,176.18
Liabilities			
Liabilities		234,838,903.83	218,539,295.70
Vested termination benefits accounts and pensions	7.2.1	220,842,449.83	203,989,386.06
Prepaid contributions from affiliated employers		11,214,291.10	11,811,554.74
Other liabilities	7.2.2	2,782,162.90	2,738,354.90
Accrued liabilities and deferred income	7.2.3	1,611,721.70	2,902,663.50
Employer-paid contribution reserve	6.11.2	57,096,951.90	47,917,039.50
Contribution reserves without waiver of use		57,096,951.90	47,917,039.50
Non-actuarial reserves	7.2.4	464,060.62	6,332,246.00
Pension liabilities and actuarial reserves		5,982,352,381.33	5,560,158,305.80
Active participants' liabilities	5.3.1	5,396,744,304.57	5,039,801,080.20
Pensioners' liabilities	5.5.1	464,033,392.06	364,940,265.05
Actuarial reserves	5.6.1	121,574,684.70	103,507,440.00
Reserve for supplementary interest	5.6.2	0.00	51,909,520.55
Reserve for fluctuations in asset value of Foundation	6.3.1	206,297,253.27	43,973,601.77
Non-committed funds (unallocated assets) of occupational benefits funds	7.2.5	12,076,112.80	11,810,023.91
Non-committed funds at the beginning of the period		11,810,023.91	6,165,195.18
Change in non-committed funds from takeovers and transfers		3,269,023.88	7,346,014.15
Expense surplus of occupational benefits funds (net)		-3,002,934.99	-1,701,185.42
Non-committed funds of Foundation		0.00	0.00
Balance at the beginning of the period		0.00	0.00
Income surplus of Foundation		0.00	0.00
Total liabilities		6,494,737,385.45	5,891,633,176.18

Operating account

in CHF	Index explanatory notes	2023	2022
Ordinary and other contributions and transfers			
		623,859,338.64	593,448,453.13
Employee contributions	7.3.1	226,261,891.60	205,895,332.15
Employer contributions	7.3.1	304,405,823.90	283,623,341.95
of which withdrawal from employer-paid contribution reserve to finance contributions	6.11.2	-7,588,305.20	-4,609,043.05
of which financed by payments from BVG (LOB) Guarantee Fund		-2,903,273.15	-2,708,779.65
One-time payments and purchase amounts		83,665,219.94	94,107,757.73
Other one-time payments		90,445.65	138,545.50
Transfers to employer-paid contribution reserve	6.11.2	17,024,262.75	14,292,518.85
Payments from BVG (LOB) Guarantee Fund		2,903,273.15	2,708,779.65
Entry lump sum transfers			
		712,340,757.84	1,056,320,851.47
Vested termination benefits transfers		687,391,017.16	1,003,872,421.77
Transfers following takeover of benefits		9,406,502.62	32,065,548.99
Transfers following takeover of participants	7.3.2	3,759,255.93	7,475,913.22
Reimbursements of withdrawals for home ownership/divorce		11,783,982.13	12,906,967.49
Inflow from contributions and entry lump-sum transfers			
		1,336,200,096.48	1,649,769,304.60
Regulatory benefits			
		-249,774,494.95	-252,936,570.45
Retirement pensions	7.3.3	-100,598,232.65	-96,601,490.90
Survivors' pensions	7.3.4	-15,829,803.65	-15,671,513.15
Disability pensions		-21,544,689.30	-19,796,452.70
Lump-sum benefits on retirement		-92,339,439.10	-91,152,592.30
Lump-sum benefits on death or disability		-19,462,330.25	-29,714,521.40
Termination benefits			
		-795,608,811.66	-634,892,594.04
Vested termination benefits for leavers		-756,127,964.34	-599,731,346.59
Transfer of additional funds in case of collective exit	7.3.2	-6,017,814.59	-129,899.07
Transfer of employer-paid contribution reserve in case of withdrawals from occupational benefits funds	6.11.2	0.00	-708,976.35
Withdrawals for encouragement of home ownership/divorce	7.3.5	-31,630,919.13	-30,792,160.58
Reimbursement values in case of transfer of benefits		-1,832,113.60	-3,530,211.45
Outflow for benefits and withdrawals			
		-1,045,383,306.61	-887,829,164.49
Increase in pension liabilities, actuarial reserves and contribution reserves			
		-434,643,011.81	-795,522,369.88
Increase in active participants' liabilities (net)		-261,169,735.55	-715,739,027.76
Change in pensioners' liabilities (net)		-99,093,127.01	-102,482,194.35
Change in non-committed funds from takeovers and transfers		-3,269,023.88	-7,346,014.15
Decrease in actuarial reserves		33,842,275.85	84,656,598.45
Interest on active participants' liabilities		-95,773,488.82	-45,767,374.92
Increase in employer-paid contribution reserve		-9,179,912.40	-8,844,357.15

in CHF	Index explanatory notes	2023	2022
Income from insurance benefits			
		152,685,334.45	154,744,105.70
Insurance benefits	7.3.6	141,576,086.45	146,693,525.70
Share of insurance surpluses	5.7	11,109,248.00	8,050,580.00
Insurance cost			
		-103,382,086.50	-95,575,397.75
Risk premium		-66,182,200.00	-60,292,618.40
Cost premium	7.3.7	-25,565,047.90	-23,516,157.75
One-time contributions to insurances		-8,949,731.15	-9,120,327.75
Contributions to the BVG (LOB) Guarantee Fund		-2,685,107.45	-2,646,293.85
Net result of insurance activities			
		-94,522,973.99	25,586,478.18
Net return on investments			
	6.9	249,616,057.58	-524,181,746.63
Net return on investments		277,108,209.38	-492,001,419.15
Other income from assets		-841,002.90	-324,250.94
Administration cost of investments	6.10.1	-26,651,148.90	-31,856,076.54
Decrease/increase in Non-actuarial reserves			
		5,868,185.38	-6,332,246.00
Other income			
		1,120,191.62	1,016,714.93
Income from services rendered	7.3.8	873,378.75	754,066.05
Other income	7.3.9	246,812.87	262,648.88
Other expenses			
	7.3.10	-884,384.12	-784,885.27
Administration expenses			
	7.3.7	-1,876,359.96	-1,674,312.73
General administration expenses		-1,677,363.16	-1,485,419.83
Auditor's costs		-42,406.90	-42,386.40
Costs of occupational pensions actuary		-73,232.75	-71,272.65
Supervisory authorities' costs		-83,357.15	-75,233.85
Income/expense surplus prior to increase/decrease in reserve for fluctuations in asset value			
		159,320,716.51	-506,369,997.52
Increase/decrease in reserve for fluctuations in asset value			
		-162,323,651.50	504,668,812.10
Expense surplus			
		-3,002,934.99	-1,701,185.42
Expense surplus of occupational benefits funds (net)	7.3.11	-3,002,934.99	-1,701,185.42
Income surplus of Foundation	7.3.12	0.00	0.00

Notes to the financial statements 2023

Explanatory notes

1 Basis and organization

1.1 Legal form and purpose

“Winterthur” Life Insurance Company established a foundation on July 12, 1984, in Winterthur in accordance with Art. 80 ff. of the Swiss Civil Code under the name of “Winterthur” Foundation for Mandatory Occupational Benefits. The present name of the Founder is AXA Life Ltd. The present name of the Foundation is AXA LPP Foundation Suisse Romande, Winterthur (UID: CHE-109.405.059 HR).

The Foundation has its registered office in Winterthur. The Foundation is primarily active in French-speaking Switzerland.

The Foundation was established in order to provide occupational retirement, survivors', and disability benefits. Its purpose is to protect employees and employers of affiliated companies in accordance with its regulations against the economic consequences of loss of earnings resulting from old age, disability, or death. It provides benefits in accordance with the provisions of the compulsory occupational benefits plan and also offers pension plans that exceed the minimum statutory requirements or only provide non-mandatory benefits.

Employers with the members of their boards of directors may also affiliate to the Foundation.

1.2 Registration with BVG and the Guarantee Fund

The Foundation is entered in the Canton of Zurich's register for occupational pension schemes under serial no. ZH.1435 and pays contributions to the BVG (LOB) Guarantee Fund.

1.3 Details on the document and regulations

	Version	New version as at
Deed of foundation	2023	
Election regulations of the Board of Trustees	01.01.2017	01.01.2024
Organization regulations of the Foundation	01.09.2021	
Organization regulations of the Occupational Benefits Fund Commission	01.01.2023	
Occupational benefits fund regulations/occupational benefits plans for basic BVG occupational benefits cover	01.01.2023	01.01.2024
Occupational benefits fund regulations/occupational benefits plans for supplementary occupational benefits cover	01.01.2023	01.01.2024
Regulations for the promotion of home ownership	01.01.2023	
Investment regulations	01.01.2022	
- Appendix 1, Investment strategy	01.01.2023	
- Appendix 2, Investment guidelines	01.01.2022	
- Appendix 3, Fluctuation reserve	01.01.2022	
- Appendix 4, Reporting	01.01.2022	
Regulations on surplus participation	01.01.2020	
Regulations on the partial liquidation of a collective foundation	01.01.2019	
Regulations on the partial and total liquidation of occupational benefits funds	01.12.2021	
Regulations on the formation of provisions and reserves	31.12.2022	
Cost regulations	01.01.2017	

1.4 Supervisory board, authorized signatories, committees and management**Board of Trustees**

Members	Function	Term of office	Employer/employee rep
Dominique Beuchat		2021 - 2024	Employer
Patrick Fournier	Chair	2021 - 2024	Employer
Nicole Mamie		2021 - 2024	Employer
Olivier Micheloud		2021 - 2024	Employee
Patricia Pradervand	Vice Chair	2021 - 2024	Employee
Christophe Wyssbrod		2021 - 2024	Employee

Documents must be signed by two trustees to be legally binding.

The Board of Trustees has established the following committees:

Investment Committee

Members	Function
Dominique Beuchat	Vice Chair, representative of the Board of Trustees
Patrick Fournier	Representative of the Board of Trustees
Nicole Mamie	Representative of the Board of Trustees
Olivier Micheloud	Chair, representative of the Board of Trustees
Patricia Pradervand	Representative of the Board of Trustees
Christophe Wyssbrod	Representative of the Board of Trustees

Mandated experts (non-trustees)	Function
AXA Insurance Ltd, Winterthur	Asset Manager
Pittet Associés SA, Geneva	External consultants
Michèle Keller	Foundation Manager

Office of the Board of Trustees

Members	Function
Patrick Fournier	Representative of the Board of Trustees
Patricia Pradervand	Representative of the Board of Trustees
Marc Fournier	Pittet Associés SA, Geneva – External consultants
Ruben Lombardi	Libera AG, Basel – Appointed actuary
Michèle Keller	Foundation Manager
Flavien Letonnelier	Controlling

Occupational Benefits Fund Commissions (OBFC)

The management bodies of the separately managed occupational benefits funds for affiliated employers. These bodies consist of an equal number of employee and employer representatives.

Management

Managing Director	Michèle Keller, AXA Life Ltd
Management company, administration, bookkeeping and distribution	AXA Life Ltd, Winterthur

1.5 Occupational pensions actuary, auditor, supervisory authority, data protection officer

Occupational pensions actuary	Contractual partner: Libera AG, Basel Appointed actuary: Dr. Ruben Lombardi, licensed occupational pensions actuary in accordance with Art. 52d BVG/LPP
Auditors	KPMG AG, Zurich
Supervisory authority	BVG and Foundation Supervision of the Canton of Zurich (BVS)
Data protection officer	AXA Life Ltd, Winterthur

1.6 Affiliated employers

(number of affiliation contracts)	2023	2022	% change
Balance as at January 1	9,332	8,505	9.72
Additions	1,113	1,162	
Withdrawals	-415	-335	
Balance as at December 31	10,030	9,332	7.48

2 Active members and pensioners

2.1 Active participants	2023	2022	% change
Balance as at January 1	50,055	42,354	18.18
Additions	17,890	20,218	
Withdrawals	-14,706	-12,517	
Balance as at December 31	53,239	50,055	6.36

2.2 Pension recipients

2.2.1 Pensions borne autonomously by the Foundation	Number on 31.12.2023	Additions Withdrawals 2023	Number on 31.12.2022
Retirement pensions	1,315	310 -20	1,025
Divorce pensions	2	1 0	1
Retired person's child's pensions	60	17 -11	54
Partner's pensions	14	4 -1	11
Orphan's pensions	1	1 0	0
Balance as at December 31	1,392		1,091

2.2.2 Reinsured Pensions	Number on 31.12.2023	Additions Withdrawals 2023	Number on 31.12.2022
Retirement pensions	3,967	0 -115	4,082
Divorce pensions	5	1 0	4
Retired person's child's pensions	54	2 -11	63
Disability pensions	1,305	98 -46	1,253
Disabled person's child's pensions	410	52 -35	393
Partner's pensions	1,139	53 -60	1,146
Orphan's pensions	224	41 -36	219
Term annuities	0	0 -1	1
Balance as at December 31	7,104		7,161
Total portfolio as at December 31	8,496		8,252

3 Implementation of objectives

3.1 Characteristics of the pension plans

The pension fund regulations issued by the Board of Trustees form the framework of the individual pension plans of the affiliated occupational benefits funds.

Each affiliated occupational benefits fund has issued a pension plan. It stipulates the type and amount of occupational benefits as well as the amount and composition of the contributions.

Pension conversion rates	2023	2022
Mandatory benefits (BVG/LPP)		
for men with retirement age 65	6.800 %	6.800 %
for women with retirement age 64	6.800 %	6.800 %
Extra-mandatory benefits		
for men with retirement age 65	5.500 %	5.500 %
for women with retirement age 64	5.500 %	5.500 %

In individual cases, the conversion rates of the occupational benefits funds may deviate from those of the Foundation.

3.2 Financing, financing method

The financing of the occupational benefits fund depends on the individual pension plans of the pension funds.

3.3 Share of insurance surpluses

AXA Life Ltd calculates the surplus participations annually in accordance with the regulatory provisions of the federal government.

Details of the allocation of the share of surpluses are shown under point 5.7.

4 Significant accounting policies and valuation methods, consistency

4.1 Statement of compliance with Swiss GAAP FER 26

The balance sheet, operating account and explanatory notes on the annual financial statements are in accordance with the accounting recommendations of Swiss GAAP FER 26.

4.2 Significant accounting policies and valuation methods

The significant accounting policies and valuation methods are in compliance with the statutory provisions and are implemented as follows:

- Currency conversion:	Rates on the balance sheet date
- Liquid funds, accounts receivable, liabilities and deferrals/accruals:	Nominal value less necessary value adjustments
- Securities:	NAV on the balance sheet date
- Active participants' liabilities, pensioners' liabilities and actuarial reserves:	In accordance with the regulations as well as the occupational pension actuary's calculations
- Target value of the reserve for fluctuations in asset value:	Calculated by the value-at-risk method

4.3 Changes in principles regarding valuation, bookkeeping, and financial accounting

None

5 Actuarial risks / risk benefit coverage / coverage rate

5.1 Type of risk benefit coverage, reinsurance

The actuarial risks of disability and death are reinsured under a group insurance contract with AXA Life Ltd. Since 2019, retirement and connected survivors' pensions have been autonomously provided by the Foundation. The costs of connected risks shall be borne by the Foundation.

5.2 Assets and liabilities from insurance contracts

Assets and liabilities from insurance contracts correspond to actuarial reserves arising from the group insurance contract, and are not recognized in the balance sheet.

Development of assets and liabilities from insurance contracts	2023 CHF	2022 CHF
Balance as at January 1	1,318,277,965.00	1,362,456,373.00
Change in actuarial reserves for pensioners	-37,471,946.00	-44,178,408.00
Balance as at December 31	1,280,806,019.00	1,318,277,965.00

5.3 Development and return on active participants' liabilities

Active participants' liabilities are the regulatory retirement assets of the insured persons.

5.3.1 Development of retirement assets	2023 CHF	2022 CHF
Balance as at January 1	5,039,801,080.20	4,278,294,677.52
Retirement credits	448,610,376.65	416,248,762.40
Retirement credits from savings contribution exemptions	10,688,435.45	10,079,177.25
One-time payments and purchase amounts	83,665,219.94	94,107,757.73
Vested termination benefits transfers	687,391,017.16	1,003,872,421.77
Reimbursements of withdrawals for home ownership/divorce	11,783,982.13	12,906,967.49
Upward valuation of minimum amount of vested termination benefits for leavers	5,426.70	39,135.95
Further transfers ¹⁾	3,152,442.19	3,432,950.39
Vested termination benefits for leavers	-756,127,964.34	-599,731,346.59
Withdrawals for encouragement of home ownership/divorce	-31,630,919.13	-30,792,160.58
Decrease due to retirement (transfer to pensioners' liabilities)	-97,203,461.35	-90,523,163.45
Lump-sum benefits on retirement	-92,339,439.10	-91,152,592.30
Lump-sum benefits on death; other	-6,825,380.75	-12,748,882.30
Interest on retirement assets	95,773,488.82	45,767,374.92
Balance as at December 31	5,396,744,304.57	5,039,801,080.20

¹⁾ The position 'Further transfers' mainly comprises transfers from the distribution of non-committed funds and other change-related transfers not specified under other positions.

5.3.2 Interest on retirement assets

	2023	2022
Interest on retirement assets under BVG/LPP	1.00 %	1.00 %
Supplementary interest on retirement assets under BVG/LPP ¹⁾	1.00 %	0.00 %
Total interest on retirement assets under BVG/LPP	2.00 %	1.00 %
Interest on non-mandatory retirement assets ¹⁾	1.00 %	1.00 %
Supplementary interest on non-mandatory retirement assets ¹⁾	1.00 %	0.00 %
Total interest on non-mandatory retirement assets	2.00 %	1.00 %

¹⁾ In 2023, supplementary interest on mandatory and non-mandatory retirement assets of 1.00 % was financed through the reserve for additional interest payments (prior year: 1.00 % of non-mandatory retirement assets), see also 5.6.2. The provisions of Art. 46 BVV 2/OPP 2 were complied with.

5.4 Sum of retirement assets under BVG/LPP

	31.12.2023	31.12.2022
	CHF	CHF
Total retirement assets under BVG/LPP (sample accounting)	2,436,319,401.44	2,264,455,165.87
BVG/LPP minimum interest set by Federal Council	1.00 %	1.00 %

5.5 Development of pensioners' liabilities and actuarial reserves for pensioners**5.5.1 Autonomously invested pensioners' liabilities**

	31.12.2023	31.12.2022
	CHF	CHF
Retirement pensions and divorce pensions ¹⁾	459,215,452.09	361,056,661.30
Retired person's child's pensions	1,877,680.98	1,763,511.82
Partner's pensions	2,890,212.39	2,120,091.93
Orphan's pensions	50,046.60	0.00
Balance as at December 31	464,033,392.06	364,940,265.05
Number of pensions (see point 2.2.1 for details)	1,392	1,091

¹⁾ For data privacy reasons, actuarial reserves for divorce pensions are not stated separately.

5.5.2 Development of autonomously invested pensioners' liabilities

	2023	2022
	CHF	CHF
Balance as at January 1	364,940,265.05	262,458,070.70
Transfer of retirement assets on retirement	97,203,461.35	90,523,163.45
Increase from pension takeovers	1,527,776.87	22,569,988.67
Increase from rise in pensions	98,332.25	0.00
Pension payments	-24,450,862.10	-18,367,306.05
Decrease from pension transfers	0.00	-383,429.20
Decrease for lump-sum payments	-143,758.95	0.00
Retirement losses at expense of Foundation	13,105,983.38	18,915,806.00
Interest ¹⁾	9,325,953.64	5,489,735.44
Effect of change in actuarial principles	0.00	-20,316,876.30
Actuarial profit / loss, other changes	2,426,240.57	4,051,112.34
Balance as at December 31	464,033,392.06	364,940,265.05

¹⁾ Annual interest on the arithmetic mean between pensioners' liabilities at the beginning of the year and the end of the year.

5.5.3 Reinsured actuarial reserves for pensioners

	31.12.2023	Increase Decrease	31.12.2022
	CHF	2023	CHF
Retirement pensions	883,332,423.00	0.00	929,038,013.00
		-45,705,590.00	
Divorce pensions	992,469.00	107,742.00	906,994.00
		-22,267.00	
Retired person's child's pensions	1,081,989.00	11,182.00	1,267,253.00
		-196,446.00	
Disability pensions	190,953,498.00	24,163,564.00	184,209,901.00
		-17,419,967.00	
Disabled person's child's pensions	6,775,780.00	991,253.00	6,711,042.00
		-926,515.00	
Partner's pensions	190,373,744.00	9,549,237.00	188,970,215.00
		-8,145,708.00	
Orphan's pensions	7,296,116.00	1,448,364.00	7,167,183.00
		-1,319,431.00	
Term annuities	0.00	0.00	7,364.00
		-7,364.00	
Balance as at December 31	1,280,806,019.00		1,318,277,965.00
Number of pensions (see point 2.2.2 for details)	7,104		7,161

5.5.4 Adaption of pensions to inflation developments

In 2023, pensions were adapted to inflation developments in accordance with Art. 36 para. 1 BVG/LPP. Beyond that, no adaptations were made to pensions pursuant to Art. 36 para. 2 BVG/LPP.

5.6 Composition of, development of and explanation regarding actuarial reserves

5.6.1 Actuarial reserves

Actuarial reserves of the Foundation	31.12.2023 CHF	Increase 2023	31.12.2022 CHF
Reserve for retirement losses	121,220,427.00	18,091,012.00	103,129,415.00
Reserve for exit losses	165,897.75	10,234.75	155,663.00
Balance as at December 31	121,386,324.75		103,285,078.00

The reserve for retirement losses serves to cover the financing gap between the available retirement assets at the time of retirement and the pension liabilities needed to cover the pension obligations.

The reserve for exit losses serves to finance the difference between the statutory vested termination benefits accounts and the retirement assets of the insured persons.

Actuarial reserves of the occupational benefits funds	31.12.2023 CHF	Decrease 2023	31.12.2022 CHF
Reserves for additional fund-specific benefit components	188,359.95	-34,002.05	222,362.00
Balance as at December 31	188,359.95		222,362.00

Total portfolio as at December 31	121,574,684.70		103,507,440.00
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Calculation of the reserves for retirement losses is governed by the regulations on the formation of provisions and reserves.

The reserves are calculated by the occupational pensions actuary.

5.6.2 Reserve for supplementary interest	31.12.2023 CHF	Decrease 2023	31.12.2022 CHF
Reserve for supplementary interest	0.00	-51,909,520.55	51,909,520.55
Balance as at December 31	0.00		51,909,520.55

In accordance with a resolution of the Board of Trustees, the reserve for financing supplementary interest of 1.00 % on mandatory and non-mandatory retirement assets (prior year: 1.00 % on non-mandatory retirement assets) was utilized and fully released in 2023. See also 5.3.2.

5.7 Share of insurance surpluses

AXA Life Ltd paid out a share of surpluses from the group insurance contract. This was allocated in accordance with the regulations on surplus participation.

	2023 CHF	2022 CHF
Share of surpluses from risk process	8,094,006.00	8,050,580.00
<i>of which allocated to Foundation assets</i>	<i>8,094,006.00</i>	<i>6,402,466.00</i>
<i>of which credited to occupational benefits funds with their own separate bonus formula</i>	<i>0.00</i>	<i>1,648,114.00</i>
Share of surplus from savings process (allocated to Foundation assets)	3,015,242.00	0.00
Total	11,109,248.00	8,050,580.00

5.8 Conclusions of the last actuarial report

The last actuarial report by Libera AG was produced on May 30, 2023, as at December 31, 2022. Among other things, the report determined that:

- The actuarial reserves were calculated using the BVG 2020 actuarial fundamentals (2023 period tables) and applying an actuarial interest rate of 2.25 %.
- The use of the BVG 2020 actuarial fundamentals as 2023 period tables is deemed to be appropriate.
- The actuarial interest rate of 2.25 % to determine the actuarial reserves is assessed as appropriate from today's perspective.
- With pension assets at CHF 5,604,191,899 and pension liabilities at CHF 5,560,158,306, the coverage rate according to Art. 44 BBV 2/OPP 2 was 100.8 % as at December 31, 2022.
- The actuarial reserves are in compliance with the regulations on the formation of actuarial reserves and fluctuation reserves. The fluctuation reserves could not be built up in accordance with the estimated amount.
- The economic coverage rate as at December 31, 2022 – which is determined on the basis of the interest rate curve employed for the Swiss Solvency Test (SST) and using the BVG 2020 generation tables – is 96.9 %.
- Based on the comprehensive risk assessment, the risk to the Foundation's long-term financial stability is determined to be low to average.
- The audited regulatory actuarial provisions on benefits and financing meet the statutory requirements.
- The group insurance contract with AXA Life Ltd includes the congruent reinsurance coverage of the risks of death and disability. With effect from January 1, 2019, the Foundation has borne the longevity risk itself.
- As at December 31, 2022, the Foundation offers sufficient security to meet its actuarial obligations. It therefore satisfies the requirements of Art. 52e para. 1 BVG/LPP.

5.9 Actuarial principles and other significant actuarial assumptions

5.9.1 Reinsurance coverage of risks

The Foundation has reinsured the actuarial risks of disability and death under a group insurance contract with AXA Life Ltd.

5.9.2 Risks borne autonomously by the Foundation

Since 2019 the Foundation has provided new current retirement and connected survivors' pensions at its own risk. The actuarial calculations are performed in accordance with recognized principles on the actuarial basis of BVG 2020, 2023 period tables, and an actuarial interest rate of 2.25 % (as in prior year). This does not apply to pensions brought into the fund as part of a new affiliation. These are valued by means of the actuarial interest rate used for calculating the purchase amount and the BVG 2020 generation tables as the actuarial basis.

5.10 Change in actuarial bases and assumptions

5.10.1 Reinsurance coverage of risks

The FINMA-approved AXA Life Ltd rates applied by the Foundation were adjusted for 2023. Consequently, the risk premium for death and disability risk benefits rose slightly; the amount of the risk premium depends not only on the basic rate but also on other factors such as the sector to which the employer belongs and, in the case of disability, the risk experience for the insured group of persons.

5.10.2 Risks borne autonomously by the Foundation

No change

5.11 Calculation of the coverage rates

The Foundation determines a coverage rate for the purpose of market comparison and a coverage rate in accordance with Art. 44 BVV 2/OPP 2. The coverage rate for the purpose of market comparison serves to help the Board of Trustees when determining the interest rates for the retirement assets. In contrast to the coverage rate for market comparison purposes, the coverage rate according to Art. 44 BVV 2/OPP 2 factors in the reserve for additional interest payments not only on retirement assets, but also as actuarial pension liabilities.

5.11.1 Foundation coverage rate for the purpose of market comparison

	31.12.2023	31.12.2022
	CHF	CHF
Net assets at market values (pension assets)		
Assets	6,494,737,385.45	5,891,633,176.18
./. Liabilities	-234,838,903.83	-218,539,295.70
./. Accrued liabilities and deferred income	-1,611,721.70	-2,902,663.50
./. Employer-paid contribution reserve	-57,096,951.90	-47,917,039.50
./. Non-actuarial reserves	-464,060.62	-6,332,246.00
./. Non-committed funds (unallocated assets) of occupational benefits funds	-12,076,112.80	-11,810,023.91
Total pension assets	6,188,649,634.60	5,604,131,907.57
Actuarial pension liabilities (PL)		
Active participants' liabilities	5,396,744,304.57	5,039,801,080.20
Pensioners' liabilities	464,033,392.06	364,940,265.05
Actuarial reserves	121,574,684.70	103,507,440.00
Total PL	5,982,352,381.33	5,508,248,785.25
Foundation coverage rate for the purpose of market comparison	103.4 %	101.7 %

5.11.2 Foundation coverage rate according to Art. 44 BVV 2/OPP 2

	31.12.2023	31.12.2022
	CHF	CHF
Net assets at market values (pension assets)		
Assets	6,494,737,385.45	5,891,633,176.18
./. Liabilities	-234,838,903.83	-218,539,295.70
./. Accrued liabilities and deferred income	-1,611,721.70	-2,902,663.50
./. Employer-paid contribution reserve	-57,096,951.90	-47,917,039.50
./. Non-actuarial reserves	-464,060.62	-6,332,246.00
./. Non-committed funds (unallocated assets) of occupational benefits funds	-12,076,112.80	-11,810,023.91
Total pension assets	6,188,649,634.60	5,604,131,907.57
Actuarial pension liabilities (PL)		
Active participants' liabilities	5,396,744,304.57	5,039,801,080.20
Pensioners' liabilities	464,033,392.06	364,940,265.05
Actuarial reserves	121,574,684.70	103,507,440.00
Provision for supplementary interest	0.00	51,909,520.55
Total PL	5,982,352,381.33	5,560,158,305.80
Foundation coverage rate according to Art. 44 BVV 2/OPP 2	103.4 %	100.8 %

The coverage rate of the individual occupational benefits funds is dependent on any available non-committed funds and may, therefore, deviate from the coverage rate of the Foundation.

6 Comments on investments and net return on investments

6.1 Organization of investment activities, investment advisor, investment manager and investment rules and regulations

The principles and guidelines governing the organization of investment activities and asset management are contained in the investment regulations.

Management of the Foundation's assets

The Board of Trustees is responsible for the investment of the Foundation's assets. It seeks advice from independent investment experts.

Investment controller	Pittet Associés SA, Geneva
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The Board of Trustees has appointed AXA Insurance Ltd and Zürcher Kantonalbank (ZKB) to invest the Foundation's assets and has awarded an asset management mandate accordingly.

Asset manager

AXA Insurance Ltd, Winterthur	(authorized in accordance with Art. 48f para. 4g BVV 2/OPP2)
Zürcher Kantonalbank (ZKB), Zurich	(authorized in accordance with Art. 48f para. 4d BVV 2/OPO 2)

The AXA LPP Foundation Suisse Romande, Winterthur, as an occupational benefits institution, is the sole investor of the single-investor fund "AXA Strategy Fund Professional Invest SRO". "AXA Strategy Fund Professional Invest SRO" is a subfund of the contractual umbrella fund "AXA Strategy". The umbrella fund is aimed exclusively at qualified investors within the meaning of Art. 10 para. 3a CISA in conjunction with Art. 4 para. 3 let. f FinSA.

Adopting an active approach, the subfund "AXA Strategy Fund Professional Invest SRO" invests in Swiss and international shares, alternative investments, real estate, and bonds within the current provisions of the Federal Act on Occupational Retirement, Survivors', and Invalidity Pension Provision (BVG/BVV 2 / LPP/OPP 2).

Fund management of the single-investor fund	Credit Suisse Funds AG, Zurich
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The provisions of Art. 48f BVV 2/OPP are being complied with.

Investment manager per asset class as at December 31, 2023

Asset class	Investment manager	Registration
Mortgages	AXA Insurance Ltd, Winterthur	FINMA (Switzerland)
CHF bonds	AXA Investment Managers Switzerland Ltd, Zurich	FINMA (Switzerland)
	Lombard Odier Asset Management (Switzerland) SA, Petit-Lancy	FINMA (Switzerland)
	Swisscanto Fund Management Company Ltd, Zurich	FINMA (Switzerland)
Investment grade bonds	AXA Investment Managers Paris SA, Paris	AMF (France)
	PIMCO Europe GmbH, Munich, with delegation of investment decisions to Pacific Investment Management Company LLC, Newport Beach	BaFin (Germany) / SEC (USA)
	JPMorgan Asset Management (UK) Limited, London, with delegation of investment decisions to JPMorgan Investment Management Inc., New York	FCA (UK) / SEC (USA)
	Zürcher Kantonalbank (ZKB), Zurich	FINMA (Switzerland)
	Swisscanto Fund Management Company Ltd, Zurich	FINMA (Switzerland)
	Nordea Investment Funds SA, Luxembourg	CSSF (Lux)

Asset class	Investment manager	Registration
Emerging market bonds	AllianceBernstein Limited, London with some delegation to AllianceBernstein LP, New York	FCA (UK) / SEC (USA)
	Swisscanto Fund Management Company Ltd, Zurich	FINMA (Switzerland)
	AllianceBernstein (Luxembourg) Sàrl, Luxembourg	CSSF (Lux)
High-yield bonds	Wellington Management International Ltd, London	FCA (UK)
	Swisscanto Asset Management International SA, Luxembourg	CSSF (Lux)
Swiss equities	Credit Suisse Asset Management (Switzerland) AG, Zurich	FINMA (Switzerland)
	UBS AG, Asset Management, Zurich	FINMA (Switzerland)
	Lombard Odier Asset Management (Switzerland) SA, Petit-Lancy	FINMA (Switzerland)
	Swisscanto Fund Management Company Ltd, Zurich	FINMA (Switzerland)
Foreign equities	UBS AG, Asset Management, Zurich	FINMA (Switzerland)
	BlackRock Investment Management (UK) Limited, London	FCA (UK)
	Credit Suisse Asset Management (Switzerland) AG, Zurich	FINMA (Switzerland)
	Lazard Asset Management, London	FCA (UK)
	Swisscanto Fund Management Company Ltd, Zurich	FINMA (Switzerland)
	Threadneedle Asset Management Limited, London	FCA (UK)
	BlackRock Asset Management Ireland Limited, Dublin	CBI (Ireland)
	Swisscanto Asset Management International SA, Luxembourg	CSSF (Lux)
	Emerging market equities	UBS AG, Asset Management, Zurich
Swisscanto Fund Management Company Ltd, Zurich		FINMA (Switzerland)
BlackRock Investment Management (UK) Limited, London, with some delegation of investment decisions to BlackRock Asset Management North Asia Limited, Hong Kong		FCA (UK) / SFC (Hong Kong)
Swiss real estate	AXA Investment Managers Switzerland Ltd, Zurich	FINMA (Switzerland)
	Swiss Finance & Property Funds AG, Zurich	FINMA (Switzerland)
Foreign real estate	UBS AG, Asset Management (UK) Ltd., London	FCA (UK)
Infrastructure	BlackRock Financial Management Inc., New York	SEC (USA)
Senior loans	AXA Investment Managers Paris SA, Paris	AMF (France)
Private borrowers	StepStone Group Europe Alternative Investments Ltd, Dublin, with delegation of advisory to Swiss Capital Alternative Investments AG, Zurich	CBI (Ireland) / FINMA (Switzerland)
Gold	Swisscanto Fund Management Company Ltd, Zurich	FINMA (Switzerland)
Private equity	Ardian France SA, Paris	AMF (France)

Account / custody account management

The accounts and custody accounts are managed by Credit Suisse (Schweiz) AG.

6.2 Availment of expanded investment possibilities (Art. 50 para. 4 BVV 2/OPP2) with conclusive proof of compliance with security and risk distribution (Art. 50 para. 1 to 3 BVV 2/OPP2).

The investment regulations provide that expansions of investment possibilities within the meaning of Art. 50 para. 4 BVV 2/OPP 2 may be availed of. No use was made of this option in the reporting year.

6.3 Target reserve for fluctuations in asset value and calculation of the reserve

The Foundation's target reserve for fluctuations in asset value is determined using the value-at-risk method. The appropriateness of the target value is reviewed by the Board of Trustees periodically, or when exceptional events so require, and, if necessary, adjusted. A level of certainty of 97.5 % over a period of one year is aimed for.

As in the prior year, the Board of Trustees has set the target reserve for fluctuations in the Foundation's asset value at 13.3 % of the autonomously invested active participants' and pensioners' liabilities, the actuarial reserves (excluding reserves for additional interest payments), the employer-paid contribution reserve as well as the non-committed funds of the occupational benefits funds.

6.3.1 Reserve for fluctuations in asset value of the Foundation	31.12.2023	31.12.2022
	CHF	CHF
Reserve for fluctuations as shown in the balance sheet	206,297,253.27	43,973,601.77
Target amount of reserve for fluctuations	804,852,884.32	740,540,787.87
Shortfall in reserve for fluctuations (reserve deficit)	598,555,631.05	696,567,186.10
Reserve for fluctuations as % of the target amount	25.6 %	5.9 %

6.4 Breakdown of investments into investment categories

Asset class	31.12.2023		Strategy in %	Bandwidth	
	CHF	in %		min.%	max.%
Liquidity	299,561,269	4.67	1	0	10
Mortgages	431,997,428	6.73	6	3	9
CHF bonds	611,533,156	9.53	9	3	15
Investment grade bonds	524,603,796	8.17	8	4	15
Emerging market bonds	180,042,598	2.80	3	0	5
High-yield bonds	146,445,016	2.28	3	0	5
Swiss equities	992,463,879	15.46	16	10	22
Foreign equities	959,402,118	14.95	14	8	20
Emerging market equities	207,520,307	3.23	3	0	5
Swiss real estate	1,199,535,896	18.70	20	15	27.5
Foreign real estate	222,021,696	3.46	4	0	8
Infrastructure	31,601,984	0.49	5	0	8
Senior loans	181,873,332	2.83	3	0	5
Private borrowers	43,930,254	0.68	2	0	5
Gold	187,593,830	2.92	3	0	5
Private equity	198,813,402	3.10	0	0	5
Total investments	6,418,939,961	100.00			
- of which total shares		33.64	33	25	40
- of which total alternative investments		9.53	8	0	15
- of which foreign currencies (not hedged)		17.39	18.5	10	25
Accounts receivable	1,327,488				
Assets with AXA Life Ltd	4,257,922				
Accounts receivable from affiliated employers	66,065,671				
./. Del credere	-305,800				
Prepayments and accrued income	4,452,143				
Total assets	6,494,737,385				

Investments in discretionary portfolio management mandates	31.12.2023	31.12.2023	31.12.2022
	Total CHF	Share in %	Total CHF
By AXA Insurance Ltd, Winterthur	6,115,413,893	95.34	5,499,704,301
By Zürcher Kantonalbank (ZKB), Zurich	299,177,981	4.66	289,214,356
	6,414,591,874	100.00	5,788,918,657

Confirmation of compliance with limits

The limits according to Art. 54, Art. 54a, Art. 54b, Art. 55 and Art. 57 BVV 2/OPP 2 are being complied with.

Breakdown of investments into investment categories in previous year

Asset class	31.12.2022		Strategy		Bandwidth	
	CHF	in %	in %	min.%	max.%	
Liquidity	250,117,306	4.29	1	0	10	
CHF bonds incl. mortgages	819,077,827	14.06	15	5	25	
Investment grade bonds	415,790,178	7.14	8	4	15	
Emerging market bonds	186,568,001	3.20	3	0	5	
High-yield bonds	189,098,770	3.25	3	0	5	
Convertible bonds	0	0.00	0	0	3	
Swiss equities	937,761,695	16.09	16	10	22	
Foreign equities	812,094,456	13.94	14	8	20	
Emerging market equities	178,384,782	3.06	3	0	5	
Swiss real estate	1,233,838,366	21.16	20	15	27.5	
Foreign real estate	198,669,250	3.41	4	0	8	
Infrastructure	23,579,628	0.40	5	0	8	
Senior loans	208,367,447	3.58	3	0	5	
Private borrowers	0	0.00	2	0	5	
Gold	170,486,877	2.93	3	0	5	
Hedge funds	0	0.00	0	0	5	
Private equity	203,372,755	3.49	0	0	5	
Total investments	5,827,207,338	100.00				
- of which total shares		33.09	33	25	40	
- of which total alternative investments		10.00	8	0	15	
- of which foreign currencies (not hedged)		18.26	18.5	10	25	
Accounts receivable	2,221,145					
Assets with AXA Life Ltd	4,138,461					
Accounts receivable from affiliated employers	54,731,644					
./ Del credere	-442,500					
Prepayments and accrued income	3,777,088					
Total assets	5,891,633,176					

Confirmation of compliance with limits

The limits according to Art. 54, Art. 54a, Art. 54b, Art. 55, and Art. 57 BVV 2/OPP 2 were complied with.

6.5 Current (open) financial derivative instruments

No derivatives are held directly. However, the Foundation has invested in collective investment vehicles in which financial derivative instruments are used. The provisions of Art. 56a BVV 2/OPP are being complied with.

6.6 Deeds of pledge

None

6.7 Open commitments

None

6.8 Market value and counterparties in securities lending

The Foundation did not engage in direct securities lending and repurchase transactions. It invested in collective investment schemes under which securities lending and repurchase transactions are permitted if in compliance with the Federal Act on Collective Investment Schemes and its implementing provisions.

6.9 Comments on net return on investments

	2023	2022
	CHF	CHF
Net return on investments	277,108,209.38	-492,001,419.15
Securities income	276,677,435.10	-491,946,106.01
Interest on liquid assets (net)	430,774.28	-55,313.14
Other income from assets	-841,002.90	-324,250.94
Interest on assets/obligations with AXA Life Ltd	801.01	-6,936.00
Interest income on accounts receivable from employers	957,396.35	973,380.55
Interest on vested termination benefits accounts/insurance benefits	-1,713,355.02	-1,462,236.49
Interest on takeover/transfer of participants	-86,019.09	171,520.55
Interest income on accounts receivable	173.85	20.45
Administration cost of investments	-26,651,148.90	-31,856,076.54
Total	249,616,057.58	-524,181,746.63

Investment performance

	2023	
	TWR Total	Contribution
	in %	in %
Liquidity (excl. operational liquidity)	0.56	0.02
Mortgages	2.94	0.22
CHF bonds	7.22	0.65
Investment grade bonds	-3.64	-0.31
Emerging market bonds	-0.33	-0.01
High-yield bonds	5.21	0.14
Swiss equities	5.05	0.82
Foreign equities	12.36	1.75
Emerging market equities	-0.40	0.01
Swiss real estate	1.20	0.27
Foreign real estate	-14.77	-0.55
Infrastructure	-4.50	-0.03
Senior loans	4.18	0.14
Private borrowers	-8.25	-0.03
Gold	4.22	0.12
Private equity	-8.91	-0.31
Performance interim total	2.90	
Fees & taxes, FX hedge effect overlay and other effects		1.33
Investment performance	4.23	

Performance is calculated using the time-weighted rate of return (TWR) method.

Investment performance in previous year

	2022	
	TWR Total in %	Contribution in %
Liquidity (excl. operational liquidity)	-1.15	-0.03
CHF bonds incl. mortgages	-9.92	-1.51
Investment grade bonds	-14.36	-1.18
Emerging market bonds	-13.33	-0.36
High-yield bonds	-11.48	-0.31
Convertible bonds	-97.68	0.01
Swiss equities	-17.81	-2.91
Foreign equities	-19.54	-2.73
Emerging market equities	-20.01	-0.62
Swiss real estate	3.39	0.68
Foreign real estate	-0.04	-0.01
Infrastructure	-7.80	-0.03
Senior loans	-4.09	-0.14
Gold	-7.98	-0.17
Hedge funds	120.33	0.26
Private equity	17.15	0.51
Performance interim total		-8.54
Fees & taxes, FX hedge effect overlay and other effects		-0.24
Investment performance		-8.78

Performance was calculated using the time-weighted rate of return (TWR) method.

6.10 Comments on the asset management costs

6.10.1 Administration cost of investments

	2023	2022
	CHF	CHF
Sum of cost indicators for collective investment schemes (TER) ¹⁾	26,428,689.80	31,643,438.04
Direct asset management costs	13,255.75	12,580.30
Costs for Investment Committee ²⁾	209,203.35	200,058.20
Total	26,651,148.90	31,856,076.54

¹⁾ The TER also include the costs of AXA Insurance Ltd and Zürcher Kantonalbank asset management, safekeeping, administration, benchmarking, analysis, and service fees.

²⁾ Including costs for the Board of Trustees

	31.12.2023	31.12.2022
	CHF	CHF
Total investments	6,418,939,960.93	5,827,207,338.65
Total transparent investments	6,418,939,960.93	5,827,207,338.65
Total investment costs as a percentage of transparent investments	0.42 %	0.55 %
Cost transparency ratio	100.00 %	100.00 %

Non-transparent collective investment schemes

None

6.10.2 Refunds / retrocessions

Any refunds/retrocessions from investments are credited to the Foundation.

The use of any retrocessions, remuneration, fees, commission, repayments, discounts, sales commissions, etc., which persons and institutions entrusted with asset management receive in the exercise of their activities on behalf of the Foundation is governed by the arrangements entered into under the asset management agreements. On an annual basis, they must submit a written confirmation or statement and pass on all pecuniary advantages to the Foundation that they receive above and beyond this amount from their activities on behalf of the Foundation.

6.10.3 Shareholders' rights

The Foundation does not invest in equities directly and therefore has no shareholders' rights.

6.11 Comments on investments in employers' entities and employer-paid contribution reserve

6.11.1 Accounts receivable from affiliated employers

	31.12.2023	31.12.2022
	CHF	CHF
Accounts receivable from affiliated employers (pending amounts)	66,065,671.31	54,731,644.21
./. Del credere	-305,800.00	-442,500.00
Balance as at December 31	65,759,871.31	54,289,144.21

As at March 31, 2024, these accounts receivable were reduced by payments from the respective employers to CHF 17,088,522.92 (prior year: CHF 15,754,650.65).

The Foundation levied default interest of 4 %, as in the prior year.

6.11.2 Employer-paid contribution reserve

	2023	2022
	CHF	CHF
Balance as at January 1	47,917,039.50	39,072,682.35
Transfers to employer-paid contribution reserve (incl. any takeovers of occupational benefits funds)	17,024,262.75	14,292,518.85
Withdrawal to finance contributions	-7,588,305.20	-4,609,043.05
Transfer in the case of withdrawals from occupational benefits funds	0.00	-708,976.35
Decrease in favor of non-committed funds	-256,045.15	-130,142.30
Balance as at December 31	57,096,951.90	47,917,039.50

As in the prior year, the employer-paid contribution reserve attracted no interest.

7 Comments on other positions in the balance sheet and operating account

7.1 Comments on asset accounts

7.1.1 Accounts receivable

This position contains mainly accounts receivable from other occupational benefits institutions as well as from insureds.

7.1.2 Assets with AXA Life Ltd

These comprise balances on Foundation accounts with AXA Life Ltd.

7.1.3 Prepayments and accrued income

These consist largely of prepaid pensions, as well as earned contributions not yet settled.

7.2 Comments on liability accounts

7.2.1 Vested termination benefits accounts and pensions

These consist largely of vested termination benefits not yet transferred to other occupational benefits institutions, vested termination benefits that have been received but are not yet included, and pension liabilities that have not yet been paid.

7.2.2 Other liabilities

These are largely liabilities toward the BVG (LOB) Guarantee Fund and to third parties.

7.2.3 Accrued liabilities and deferred income

This position comprises mainly contribution refunds that have not yet been credited in favor of affiliated employers.

	2023	2022
	CHF	CHF
Entitlements from partial liquidation of Foundation in 2021	464,060.62	6,332,246.00
<i>of which concerning actuarial reserves</i>	201,134.92	2,132,791.00
<i>of which concerning the fluctuation reserve</i>	262,925.70	4,199,455.00
Balance as at December 31	464,060.62	6,332,246.00

Most of the entitlements from the partial liquidation in 2021 were paid out in 2023. The remaining entitlements relate to contract terminations that have not yet been processed and will be transferred on processing.

7.2.5 Non-committed funds (unallocated assets) of occupational benefits funds

As in the prior year, the non-committed funds of the occupational benefits funds attracted no interest.

7.3 Comments on operating accounts

7.3.1 Breakdown of total contributions	2023	2022
	CHF	CHF
Savings contributions	448,610,376.65	416,248,762.40
Risk contributions	60,209,342.05	54,049,303.95
Cost contributions	19,227,177.70	16,654,508.05
Contributions to the BVG (LOB) Guarantee Fund	2,667,079.05	2,616,054.95
Total	530,713,975.45	489,568,629.35
of which employee contributions	226,261,891.60	205,895,332.15
of which employer contributions	304,405,823.90	283,623,341.95
of which contributions from non-committed funds of occupational benefits funds	46,259.95	49,955.25

7.3.2 Transfers following takeover / transfer in the case of collective exit

Transfers following takeover of participants	2023	2022
	CHF	CHF
Non-committed funds	3,759,255.93	7,475,913.22
Total	3,759,255.93	7,475,913.22

Transfer of additional assets in the case of collective exit	2023	2022
	CHF	CHF
Entitlements from partial liquidation of Foundation in 2021	5,527,582.54	0.00
<i>of which concerning actuarial reserves</i>	1,820,154.38	0.00
<i>of which concerning the fluctuation reserve</i>	3,707,428.16	0.00
Non-committed funds	490,232.05	129,899.07
Total	6,017,814.59	129,899.07

7.3.3 Retirement pensions paid	2023	2022
	CHF	CHF
Pensions borne autonomously by the Foundation	24,299,651.95	18,252,972.55
Reinsured pensions	76,298,580.70	78,348,518.35
Total	100,598,232.65	96,601,490.90

7.3.4 Survivors' pensions paid	2023	2022
	CHF	CHF
Pensions borne autonomously by the Foundation	151,210.15	114,333.50
Reinsured pensions	15,678,593.50	15,557,179.65
Total	15,829,803.65	15,671,513.15

7.3.5 Withdrawals for encouragement of home ownership / divorce

Withdrawals for purchase of residential property	2023	2022
Number	309	300
Total amount in CHF	25,082,529.60	22,493,857.07
Pledges for residential property	2023	2022
Number	64	94
Payments following divorce	2023	2022
Number	63	92
Total amount in CHF	6,548,389.53	8,298,303.51

7.3.6 Insurance benefits

These contain the retirement, survivors', and disability benefits (pensions and capital) received from AXA Life Ltd, savings contribution exemptions, premium waivers, as well as reimbursement values in the case of contract terminations.

7.3.7 Cost premiums / administration expenses**Cost premiums**

Cost premiums include administration costs which the Foundation pays to AXA Life Ltd for the purpose of settling administration expenses. These break down as follows:

	2023	2022
	CHF	CHF
Costs for general administration expenses	14,108,443.05	13,228,971.39
Marketing and advertising expenses	233,548.82	222,270.84
Remuneration for distribution and closing costs	11,223,056.03	10,064,915.52
<i>of which remuneration for brokers</i>	4,425,247.10	3,710,972.10
<i>of which remuneration for distribution costs</i>		
<i>excl. brokers' commission</i>	6,797,808.93	6,353,943.42
Total	25,565,047.90	23,516,157.75

The cost premium is an element of the insurance cost booked in the reporting year. It reflects the compensation which the Foundation pays to AXA Life Ltd for administration and services in accordance with the insurance and management contract as well as to recompense sales costs such as closing and brokerage commissions.

Administration expenses

The administration expenses reported in the operating accounts contain administration cost contributions for special expenses and services billed to the Foundation in addition to the cost premium as well as direct Foundation costs.

Costs of special expenses

(financed by occupational benefits funds, employers, participants)

	2023	2022
	CHF	CHF
Costs of purchase	1,400.00	-200.00
Costs of processing promotion of home ownership	169,400.00	177,300.00
Costs of debt collection	245,720.81	205,298.02
Costs of total and partial liquidation of occupational benefits funds	375,347.55	315,890.10
Costs of voluntary distribution of non-committed funds	6,680.10	2,160.00
Costs of reporting	70,500.00	58,050.00
Costs of special services	63,040.50	47,687.50
Costs of occupational pensions actuary	387.70	290.80
Total	932,476.66	806,476.42

Direct costs of Foundation

(financed from the Foundation's assets)

	2023	2022
	CHF	CHF
Costs for Board of Trustees Office	31,937.30	30,731.20
Costs for the Board of Trustees	84,325.45	90,092.70
Costs of training for members of Board of Trustees	38,666.40	20,091.41
Costs for analysis of strategic options	216,344.85	256,788.40
Costs for administration of autonomous pensioners ¹⁾	338,985.75	260,364.75
Advisory costs	28,380.05	19,752.45
Auditor's costs	42,406.90	42,386.40
Costs of occupational pensions actuary	72,845.05	70,981.85
Costs of direct supervision	56,819.00	52,239.00
Costs of Occupational Pension Supervisory Commission	26,538.15	22,994.85
Costs of special expenses ²⁾	6,634.40	1,413.30
Total	943,883.30	867,836.31

Total administration expenses

1,876,359.96 **1,674,312.73**

¹⁾ This amount is calculated on the basis of the number of pension recipients on 30 September at a flat rate of CHF 250.00 per pension recipient per year (+ VAT 7.7 %).

²⁾ The Founder contributed CHF 200.00 to these costs in 2023. The amount credited is contained in the item "Other income".

The total remuneration for the Board of Trustees amounted to CHF 300,487.15 (prior year: CHF 322,798.40). Of this, the CHF 42,760.85 (prior year: CHF 42,146.95) in costs for the Investment Committee is contained in the item "Administration cost of investments". See also 6.10.1.

7.3.8 Income from services rendered

For the purpose of settling special expenses (e.g. for debt enforcement/debt collection measures, processing promotion of home ownership, contract terminations) additional cost contributions were levied in accordance with the cost regulations.

7.3.9 Other income

This largely comprises the decrease in del credere, credits from the Founder regarding the assumption of losses on receivables as well as cost contributions billed for official collection costs.

7.3.10 Other expenses

This includes the Foundation's losses on receivables and the premium for asset loss liability insurance.

7.3.11 Expense surplus of occupational benefits funds (net)

The distribution of non-committed funds in favor of insured participants is the main reason for the expense surplus.

7.3.12 Income surplus of Foundation

	2023	2022
	CHF	CHF
Interest on active participants' liabilities	-95,773,488.82	-45,767,374.92
Decrease in actuarial reserves of the Foundation (net)	33,808,273.80	84,666,035.45
Decrease/increase in Non-actuarial reserves	340,659.16	-6,332,246.00
Autonomously paid pensions and change in pension liabilities (net)	-25,642,384.89	-7,453,868.71
Exit loss on vested termination benefits	-715.05	-913.50
Insurance expense financed by the Foundation	-9,535,605.70	-10,604,592.85
Net return on investments	249,616,057.58	-524,181,746.63
Share of insurance surpluses	11,109,248.00	6,402,466.00
Direct Foundation costs (administration expenses)	-943,883.30	-867,836.31
Losses on receivables (net)	-604,167.06	-189,784.40
<i>Losses on receivables</i>	-659,106.68	-410,400.90
<i>Losses on receivables assumed by Founder</i>	54,939.62	220,616.50
Decrease/increase in del credere	136,700.00	-284,700.00
Premium for asset loss liability insurance	-27,090.00	-27,090.00
Other expenses and income (net)	-159,952.22	-27,160.23
Income/expense surplus prior to increase/decrease in reserve for fluctuations in asset value	162,323,651.50	-504,668,812.10
Increase/decrease in reserve for fluctuations in asset value	-162,323,651.50	504,668,812.10
Income surplus of Foundation	0.00	0.00

8 Supervisory authority requirements**8.1 Supervisory authority requirements**

None

9 Further information regarding financial situation**9.1 Underfunding/comments on measures taken (Art. 44 BVV 2 / OPP 2)**

The Foundation is not underfunded.

9.2 Total and partial liquidations

The conditions for the partial liquidation of the Foundation and the execution of a partial liquidation procedure are laid down in the "Regulations on the partial liquidation of a collective foundation". The grounds for the partial liquidation of the Foundation did not exist as at December 31, 2023.

The grounds for the partial liquidation of the Foundation existed as at December 31, 2021. The operation was not yet fully concluded as at December 31, 2023.

In the course of business operations, partial and total liquidation procedures are executed at the level of the occupational benefits funds. These procedures are laid down in the "Regulations on the partial and total liquidation of occupational benefits funds".

9.3 Legal proceedings in course

On December 31, 2023, there were seven legal proceedings related to benefit entitlements pending. They are being executed in collaboration with AXA Life Ltd.

10 Events after the balance sheet date

None

The annual report of the AXA LPP Foundation Suisse Romande, Winterthur, is published in French, German, Italian and English. Should the translations differ from the original French text, the French version is binding.



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Report of the statutory auditor to the Foundation Board of AXA LPP Foundation Suisse Romande, Winterthur, Winterthur

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of AXA LPP Foundation Suisse Romande, Winterthur (the Occupational pension scheme), which comprise the balance sheet as at 31 December 2023, the operating accounts for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements comply with Swiss law, the foundation deed and the scheme regulations.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Occupational pension scheme in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Foundation Board is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Foundation Board's Responsibilities for the Financial Statements

The Foundation Board is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law, the articles of association and the scheme regulations, and for such internal control as the



**AXA LPP Foundation Suisse
Romande, Winterthur,
Winterthur**
Report of the Statutory Auditor
to the Foundation Board on the
Financial Statements

Foundation Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibilities of the Expert in Occupational Benefits for the Audit of the Financial Statements

The Foundation Board appoints a statutory auditor as well as an expert in occupational benefits for the audit. The expert in occupational benefits is responsible for evaluating the necessary reserves for underwriting insurance-related risk, consisting of pension liabilities and actuarial reserves. Assessing the evaluation of the pension liabilities and actuarial reserves is not a task of the statutory auditor pursuant to Art. 52c para. 1 let. a of the Swiss Occupational Pensions Act (OPA). In accordance with Art. 52e para. 1 OPA, the expert in occupational benefits also evaluates whether the occupational pension scheme provides assurance that it can meet its obligations and whether all insurance-related provisions regarding benefits and funding in the scheme regulations comply with the legal requirements.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the occupational pension scheme.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, other than pension liabilities and actuarial reserves evaluated by the expert in occupational benefits.

We communicate with the Foundation Board regarding, among other matters, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

The Foundation Board is responsible for ensuring that the legal requirements are met and that the statutory and regulatory provisions on organization, management and investments are applied. In accordance with Art. 52c para. 1 OPA and Art. 35 of the Occupational Pensions Ordinance 2 (OPO 2) we have performed the prescribed procedures.

We have assessed whether:

- the organization and management comply with the legal and regulatory requirements and whether an internal control exists that is appropriate to the size and complexity of the Occupational pension scheme;
- the investment of assets complies with legal and regulatory requirements;
- the occupational pension accounts OPA comply with legal requirements;
- measures have been taken to ensure loyalty in fund management and whether the governing body has ensured to a sufficient degree that duties of loyalty are fulfilled and interests are disclosed;
- the non-committed funds or discretionary dividends from insurance contracts have been used in compliance with the legal and regulatory provisions;
- the legally required information and reports have been issued to the supervisory authority;
- the Occupational pension scheme's interests are safeguarded in disclosed transactions with related parties.

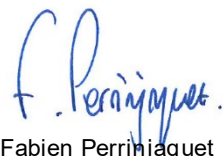
We confirm that the applicable legal, statutory and regulatory requirements have been met.

We recommend that the financial statements submitted to you be approved.

KPMG AG



Erich Meier
Licensed Audit Expert
Auditor in Charge



Fabien Perrin Jaquet
Licensed Audit Expert

Zurich, 25 June 2024

Sustainability Report

ESG reporting based on ASIP recommendations

The Board of Trustees has a responsibility to take account of ESG (environmental, social and governance) criteria when selecting its investments. The Board of Trustees has therefore decided to report on its investments in accordance with the ESG reporting standards of ASIP (the Swiss pension fund association).

“With ASIP-based reporting, we are helping to make investments more transparent.”

Board of Trustees of AXA LPP Foundation Suisse Romande, Winterthur

Sustainability at AXA LPP Foundation Suisse Romande

The AXA LPP Foundation Suisse Romande addresses the topic of sustainability at various stages of the investment process. As a Pillar 2 institution, the Foundation is focused on generational fairness as part of its pension mandate. The Foundation ensures payment of the promised benefits and balances the entitlements of different generations – whether pension recipients or active participants.

In addition to its primary purpose of providing pension benefits, the Foundation strives to generate a market-level return in accordance with the Ordinance on Occupational Old Age, Survivors’ and Invalidity Pension Provision (BW 2/OPP 2). When exercising its duty to ensure fiduciary due diligence, it takes careful account of all relevant investment opportunities and risks, including environmental, social and governance (“ESG”) criteria. The Foundation therefore seeks to incorporate relevant sustainability aspects into its investments on a continuous basis.

Assets under management

The information on engagement and the figures described below refer to the portion of assets managed by AXA Insurance Ltd as at December 31, 2023.

Commitment to sustainability through memberships and initiatives

The companies entrusted with managing the Foundation’s assets are actively committed to promoting sustainable investments via their membership of a range of initiatives and organizations. The AXA Group signed the Principles for Responsible Investing established by the United Nations (UN PRI) back in 2012 and is a member of various other initiatives and organizations in the sustainability space, including the Task Force on Climate-Related Financial Disclosures (TCFD). As a directly mandated asset manager, AXA Insurance Ltd is additionally a member of Swiss Sustainable Finance (SSF). The AXA Group also has its own ESG team, which is closely focused on sustainability issues and takes account of sustainability criteria in the investment process.

As the asset manager, AXA Insurance Ltd employs various sustainability-related approaches in accordance with the ASIP-ESG reporting standards:

Asset classes	Active ownership		ESG integration	
	Exercise of voting rights	Engagement	Exclusions	Best in class
Bonds		x*	x	x
Equities	x	x*	x	x

* If applicable.

Exercise of voting rights and dialog with companies

The AXA Group and AXA Insurance Ltd – as the directly mandated asset manager – believe that the incorporation of ESG criteria into the exercise of voting rights and dialog with companies are key components of sustainable value growth. Through the active exercise of voting and election rights, the aim is to encourage companies to maintain strong, effective governance as well as adhere to high sustainability standards.

Where it makes economic sense, voting and election rights in relation to listed equities of Swiss and foreign companies are exercised as a matter of principle. Voting and election rights (where granted) in relation to indirectly held shares of Swiss and non-Swiss companies are exercised in accordance with the voting guidelines of Credit Suisse Funds AG, as the fund management company. In the case of the equity funds held by the AXA LPP Foundation, Suisse Romande,¹ votes were cast as follows: the proportion of Swiss companies, as measured by invested capital², where votes were cast was 97%; in the case of foreign companies it was 72%. On a cumulative basis, 83% of the votes on climate matters were supported. The share of motions on which a vote was cast was 95% in the case of Switzerland and 76% in the case of abroad. In 70% of cases in Switzerland and in 80% of cases abroad, votes were cast in favor of the proposals of the Board of Directors. Of the total votes cast, 78% were in favor and 22% against, with 0.1% abstentions.

Incorporating sustainability criteria into the investment process

AXA Insurance Ltd and the vast majority of the investment managers it has appointed incorporate sustainability criteria into their investment processes. It takes account of ESG criteria when selecting the investment managers. Furthermore, an “AXA Blacklist” of companies – where investment is excluded or avoided for ethical, social or environmental reasons based on specific criteria – is used for asset management purposes. AXA considers that these companies do not conform with its ESG approaches. Companies may be placed on the AXA Blacklist if, for example, they are involved in business practices that result in human rights violations, pollution or other ethically questionable actions. Another example is the exclusion of companies included in the list produced by the Swiss Association for Responsible Investments (SVVK-ASIR). This list reflects current Swiss legislation as well as international agreements.

In addition to the exclusions lists, AXA pursues a best-in-class approach for AXA Vorsorge Fonds (“AXA Whitelist”). The “AXA Whitelist” refers specifically to the oil and gas sector, which is completely excluded as a matter of principle. However, AXA permits investments in oil and gas companies that demonstrate a clear transition strategy toward low-carbon activities.

¹ Based on equity funds held as at December 31, 2023 where voting rights were cast (coverage: 96%)

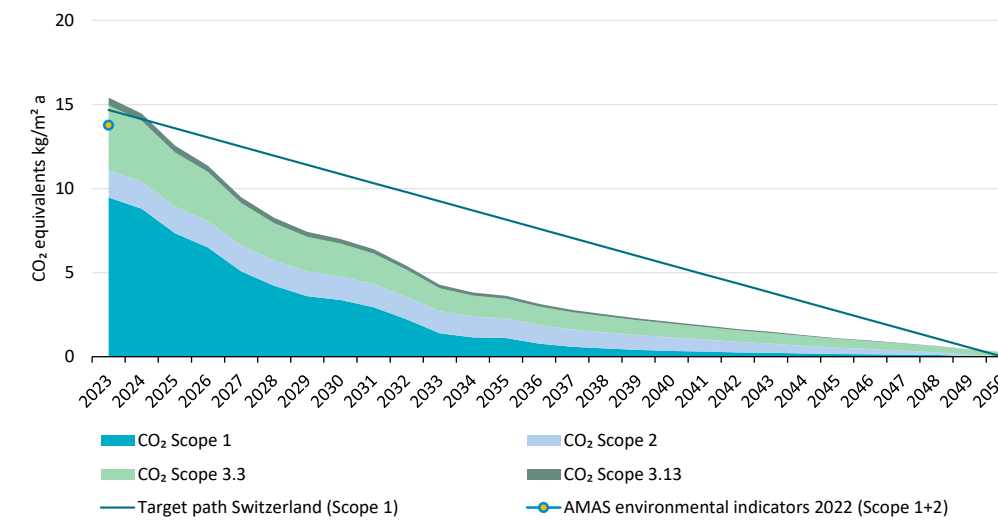
² Based on total equity funds held with exercising of voting rights in aggregation with the Foundation allocation as at December 31, 2023

Incorporating sustainability criteria into real estate investments

The incorporation of sustainability criteria into the investment process plays a crucial role in relation to Swiss real estate investments. Given that a considerable portion of greenhouse gas emissions is caused by buildings³, real estate is a major focal point of the sustainability debate. The real estate investments indirectly held by the Foundation are managed by AXA Investment Managers Switzerland Ltd (hereafter “AXA IM Switzerland”), which carefully takes into account sustainability criteria in the case of construction, buying/selling, and renovation. A primary goal of AXA IM Switzerland is to reduce CO₂ emissions to net zero by 2050.

AXA IM Switzerland is guided in its objective by the 1.5 degree target of the Paris Agreement. An individual CO₂ reduction path model is calculated for each building managed by AXA IM Switzerland based on a specific set of measures and investment plan for the period to 2050. Based on measured consumption data for electricity, heat and water, measures such as energy efficiency improvements and the replacement of heating systems are systematically planned and implemented⁴. Where possible, no additional fossil fuel-fired heating systems have been installed for more than ten years, and thus existing heating systems have gradually been replaced by more environmentally sustainable systems. Together with other private and public-sector players in the real estate sector, at the end of June 2023 AXA IM Switzerland signed a charter on circular construction aimed at further reducing gray emissions produced by construction activities.

CO₂ reduction path model of the AXA IM managed real estate portfolio as at November 1, 2023



Source: AXA IM Sustainability Report 2023

Please note that the model constitutes an internal simulation based on the portfolio values for real estate managed by AXA IM Switzerland – Real Assets as at June 30, 2023. The information is indicative and is used for forecasting purposes. There is no guarantee that the calculated values and/or net zero target for the portfolio will be achieved in the specified period. Portfolio additions or eliminations have been updated accordingly. Efficiency improvements and CO₂ reductions due to technological advances have not been taken into account. The input parameters and other information on model calculations can be found on p. 31 (GRI 2-4) and p. 43 (GRI 302-4) of the AXA IM 2023 Sustainability Report.

The Swiss real estate investments held by the AXA LPP Foundation, Suisse Romande, have an average GRESB score of 88.0⁵ on a scale of 1 to 100. The GRESB (Global Real Estate Sustainability Benchmark) is a system for measuring and evaluating the sustainability performance of entire real estate portfolios based on ESG criteria. Furthermore, the majority of the properties have been awarded energy certificates such as the CECB (Cantonal Energy Certificate for Buildings).

³ Greenhouse gas emissions of buildings (admin.ch)

⁴ AXA IM Switzerland Sustainability Report 2023

⁵ The value (GAV-weighted) based on ASIP ESG reporting standards takes into account the available GRESB scores for each indirectly held Swiss real estate investment as at December 31, 2023

Measuring and evaluating sustainability characteristics

To evaluate the portfolio's sustainability characteristics, they are measured and evaluated on a regular basis that is designed in particular to enable comparison with the market. In line with the recommendations published in December 2022 by ASIP, the Swiss pension fund association, a number of key indicators are summarized below.

Since climate risks feature frequently in the public debate, special attention is paid to climate indicators in general. The climate indicators recognized in accordance with the ASIP ESG reporting standards include CO₂ intensity⁶ and CO₂ footprint. Both key figures illustrate the exposure to carbon-intensive companies.

Weighted average carbon intensity for equities and corporate bonds (WACI, weighted average carbon intensity) versus the benchmark as at December 31, 2023⁷

		Coverage	Weighted average carbon intensity Scope 1+2	Portfolio vs. benchmark (%)
Total from equities and corporate bonds	Portfolio	73.3%	96.1	-44%
	Benchmark	72.3%	170.7	
Equities	Portfolio	84.6%	86.2	-39%
	Benchmark	85.0%	142.1	
Corporate bonds	Portfolio	56.6%	110.8	-48%
	Benchmark	54.1%	211.8	

The CO₂ intensity of the indirectly held equity and corporate bonds investments (Scope 1 and 2) of the AXA LPP Foundation, Suisse Romande, at the reporting date of December 31, 2023 was 44% below the benchmark (96.1 vs. 170.7 tCO₂e/CHF million revenue).

Weighted average carbon intensity for government bonds (WACI, weighted average carbon intensity) versus the benchmark as at December 31, 2023⁸

		Coverage	Weighted average carbon intensity Scope 1+2	Portfolio vs. benchmark (%)
Government bonds	Portfolio	81.0%	374.5	-15%
	Benchmark	92.2%	442.6	

The CO₂ intensity of the indirectly held government bond investments (Scope 1 and 2) of the AXA LPP Foundation, Suisse Romande, at the reporting date of December 31, 2023 was 15% below the benchmark (374.5 vs. 442.6 tCO₂e/CHF million GDP).

⁶ CO₂ equivalent

⁷ Tonnes of CO₂ equivalent (tCO₂e) per million CHF revenue – Scope 1+2 (source: MSCI)

⁸ Tonnes of CO₂ equivalent (tCO₂e) per million CHF GDP (gross domestic product) – Scope 1+2 (source: MSCI)

Carbon footprint for equities and corporate bonds (CO₂ footprint) versus the benchmark as at December 31, 2023⁹

		Coverage	Carbon footprint Scope 1+2	Portfolio vs. benchmark (%)
Total from equities and corporate bonds	Portfolio	64.1%	45.6	-47%
	Benchmark	63.3%	85.3	
Equities	Portfolio	81.8%	36.4	-49%
	Benchmark	82.3%	71.4	
Corporate bonds	Portfolio	37.8%	59.2	-44%
	Benchmark	36.1%	105.3	

The CO₂ footprint of the indirectly held equity and corporate bonds investments (Scope 1 and 2) of the AXA LPP Foundation, Suisse Romande, at the reporting date of December 31, 2023 was 47% below the benchmark (45.6 vs. 85.3 tCO₂e/CHF million invested capital).

The proportion of investee firms whose revenues come partly from coal activities (revenues > 5%) was 0.5 percentage points below the benchmark (0.6% vs. 1.1%) at the reporting date of December 31, 2023¹⁰. The proportion of firms whose revenues come from other fossil fuel types (revenues > 5%) was 2.7 percentage points below the benchmark (3.1% vs. 5.8%)¹⁰.

Climate indicators are also calculated for the real estate investments¹¹. The energy intensity (Scope 1 and 2) of the Swiss real estate indirectly held by the AXA LPP Foundation, Suisse Romande, as at the reporting date of December 31, 2023, was 102.0 kWh/m²¹², while CO₂ intensity (Scope 1 and 2) amounted to 15.3 kg CO₂e/m²¹². The proportion of fossil fuels in the energy source mix for indirectly held Swiss real estate investments was 69.0%.

AXA Insurance Ltd – as the directly mandated asset manager – also invests indirectly in green bonds on behalf of the AXA LPP Foundation, Suisse Romande. The market for such securities came into being in 2007, when the European Investment Bank (EIB) issued the first green bond. Issuers today include companies, financial institutions, authorities and public institutions, as well as governments. Green bonds are bonds that are invested in sustainability-oriented projects. The AXA LPP Foundation, Suisse Romande, had invested around CHF 69.9 million in green bonds¹³ as at December 31, 2023, thus making an active contribution to decarbonization.

⁹ CO₂ equivalent per million CHF invested capital – Scope 1+2 (source: MSCI)

¹⁰ Source: MSCI

¹¹ The collection periods for the ESG data on Swiss real estate investments indirectly held by the AXA LPP Foundation, Suisse Romande, may vary. The weighted values based on ASIP ESG reporting standards take into account the available data for each indirectly held Swiss real estate investment (coverage: 57.3%) as at December 31, 2023

¹² In terms of energy reference area or lettable area, based on data available as at December 31, 2023

¹³ Source: Bloomberg; green bonds are generally used to finance green projects and activities that promote climate protection, adjustment to climate change, or other environmental sustainability objectives.

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