



RESPONSIBLE INVESTMENT CHARTER

01.01.2023



EUROPEAN MUTUAL GROUP
INSURANCE AND RISK MANAGEMENT

AN INVESTMENT POLICY CONSISTENT WITH RELYENS' MISSION

Relyens is the leading European mutual group providing insurance and risk management services for health and social care professionals and local authorities. Its teams support customers with the overall management of their risks so that they can deliver their public services with peace of mind, confidence and efficiency. Together, they make a sustainable contribution to a secure, high-quality health system and local services for the direct benefit of citizens.

> A MUTUAL GROUP FOR NEARLY 100 YEARS, A MISSION-DRIVEN COMPANY TODAY

The status of mission-driven company, which has been incorporated in the articles of association of the entities that make up the Group since June 2021, engages all its stakeholders. Introduced by the PACTE law of 22 May 2019, its purpose is to reconcile the quest for financial performance with the drive to work for the common good. It enables organisations to incorporate a stated mission in their articles of association, composed of a purpose and social and environmental goals.

Relyens' purpose is to:

**Act and innovate
alongside those who work for the common good
to build a world of trust.**

This purpose embodies Relyens' societal engagement and is a natural extension of its longstanding commitment alongside its customers and members.

It involves:

- **Putting action and innovation first:** for Relyens, action legitimises commitment and innovation sustains commitment for the long term;
- **Supporting those who serve the community and all its members:** the greatest successes are the ones achieved together; they would not be possible without the Group's customers and members;
- **Actively contributing to building a world of trust:** Relyens' primary aim is to maintain the relationship of trust it has built with and between its customers, its members, their beneficiaries and citizens.

4 social and environmental goals

In everything it does, Relyens seeks to maximise its positive impact on society. It does this by building these four goals into all its actions and its strategic plan.

- Protect and secure the continuity of services delivered by our clients and members
- Make fairness and equity central to relationships among our stakeholders
- Innovate and engage to build a desirable future
- Contribute to a sustainable world

This demonstrates the Group's commitment to taking positive action that goes beyond the scope of its role as Risk Manager.

Its mission forms the basis of the investment policy developed by Relyens as an investor Group, which is presented in this Charter.



> A RESPONSIBLE AND MEANINGFUL INVESTMENT POLICY

Relyens implements a responsible investment policy that combines **long-term performance and risk management for the benefit of the Group's customers and members.**

Relyens took its commitment as a responsible investor a step further by signing the **Principles for Responsible Investment (PRI)** in 2021. By doing so, it joined an international network of more than 3,000 investors and companies committed to promoting responsible and long-term investments.

Relyens is convinced of the impact that environmental, social and governance factors (ESG criteria) have on the performance of investment portfolios, and believes that investment considerations must be consistent with broader societal objectives. Relyens has also made a long-term commitment to:

- 1 Incorporate ESG issues into investment analysis and decision-making processes
- 2 Be an active investor and incorporate ESG criteria into its investor policies and practices
- 3 Seek appropriate disclosure on ESG issues by the entities in which it invests
- 4 Promote acceptance and implementation of the Principles within the investment industry
- 5 Work at group level to enhance its effectiveness in implementing the Principles
- 6 Report individually on its activities and progress towards implementing the Principles

Through its investment policy, Relyens aims to promote innovation and expertise, encourage the development and sharing of best practices and contribute to value creation in its markets.

Relyens' response to the United Nations Sustainable Development Goals

In September 2015, the United Nations and its member countries adopted 17 Sustainable Development Goals (SDGs), which aim to address global challenges by eradicating poverty and inequality and making the ecological transition possible by 2030. To facilitate the achievement of these SDGs, actions to be implemented must be adapted to local conditions in the Member States. The involvement of local authorities is therefore essential.

Relyens works with healthcare institutions and local authorities to meet major social and environmental challenges. As a responsible investor committed to continuous progress, Relyens has selected 4 SDGs to which it wishes to contribute.

Ensure healthy lives and promote well-being for all at all ages



Through its activities, Relyens provides **access to essential and high-quality health services.** To do this, it provides financial support to healthcare institutions, enabling them to finance their short-term investments and thus increase their **health and recruitment budgets.**

In addition, as an institutional investor, Relyens has allocated part of its assets to **financing the real economy, focusing on French SMEs and mid-caps, and particularly those in the healthcare ecosystem.** Drawing on its financial investment expertise, Relyens supplements bank lending by providing medium to long-term support for companies' development, taking into account their merit in terms of attractiveness and transparency.



Build resilient infrastructure and foster innovation



Relyens is committed to supporting **innovation and medical research** through its investments and sponsorship activities. Its aim is to support the **digital revolution**, the **development of breakthrough technology** and **medical research**.

To this end, the Group **invests in innovative companies** in the medical field whose products are developed to fulfil **significant unmet medical needs**. Relyens assists them in their early stages and supports their development projects. These investments make it possible to address **cybersecurity, medical and human resources risks**, as well as to **improve the quality of care**.

Make cities inclusive, safe, resilient and sustainable



Relyens focuses on **quality of life, envisioning a different form of urbanisation that places well-being at the heart of real estate considerations** (attractive rental offers, service provision, building quality, etc.), and **prioritising renovation projects and support for local authorities**. This approach is driven by the realisation that carbon neutrality and corporate social engagement have become urgent needs to which the real estate sector must now respond.

In this regard, Relyens is actively involved in the refurbishment of the existing building stock in the metropolitan area of Lyon, the Group's historic home base, as well as in other conurbations in the Auvergne-Rhône-Alpes region. The Group currently focuses on two main concerns in its management and selection of new assets: **the city of the future and responsible performance**.

Relyens also contributes to the **development of local authorities and semi-public entities** that it supports. Through these sustainable investments, it has actively contributed to financing multiple public facilities, such as schools, sorting and recovery centres, social housing and nursing homes.

Strengthen the means of implementation and revitalise the Global Partnership for Sustainable Development



Aware that the SDGs can only be achieved by **mobilising actors from civil society and the private and public sectors**, Relyens is building close relationships with various professional organisations in France and Europe. Through these partnerships, the Group is developing a better understanding of the issues facing the health, social care and local authority sectors, which enables it to take effective long-term action.

Across all asset classes (bonds, real estate, listed and unlisted equities, etc.), Relyens is increasingly committed to promoting the ecological transition and is continuing its efforts to support health professionals and local authorities in this area. The Group pays close attention to ESG criteria across the companies and projects it finances and is committed to supporting the implementation of their ESG policies and promoting ESG transparency. In particular, the Group allocates an increasing share of its bond investments to Green or Sustainability-Linked bonds.



> SECTOR AND STANDARD EXCLUSIONS

Committed to investing in sectors whose businesses serve the greater good, Relyens excludes certain companies from its investment universe.

Sector exclusions

Relyens' policy on sector exclusions sets out commitments that apply to all direct and indirect investments in listed and unlisted securities and debt instruments issued by companies. Relyens excludes the following from its investment universe:

- Companies that derive more than 25% of their revenues from the following sectors:
 - tobacco,
 - weapons,
 - alcoholic beverages;
- Energy-producing or mining companies that derive more than 25% of their revenues from coal;
- Funds with more than 25% of their assets invested in the tobacco, weapons and alcoholic beverages industries;
- Any receivables or transferable securities of companies that invest in the production of anti-personnel mines and cluster bombs (with reference to the Ottawa Convention).

The same sectors are excluded from its real estate investment universe. All proposals for acquisitions or new leases are examined on a case-by-case basis in order to assess the situation as accurately as possible.

Standard exclusions

Relyens also implements a standard exclusion policy, whereby it excludes from its investment universe any direct or indirect investment in listed or unlisted debt instruments or transferable securities of companies or funds whose registered office is located in a country classified as anything other than "Free" by the "Freedom House" organisation (the list is updated annually).

Relyens also excludes any purchase or sale of assets through an intermediary whose registered office is not located in an OECD member country.

Lastly, with regard to listed assets, Relyens relies on an external service provider for the production of an annual ESG report containing information on the controversy level of companies in its portfolio. Issuers whose controversy level is considered significant or severe are flagged and the metrics are used for monitoring purposes.

> RESPONSIBLE INVESTMENT POLICY RESOURCES AND GOVERNANCE

Relyens allocates sufficient resources for the purpose of achieving its responsible investment goals.

In 2021, the Group launched a 10-year subordinated sustainability bond issue for €84m to support its European development.

In 2021, Relyens set up the ImpACT2025 Committee to oversee the execution of its strategic plan and thereby monitor its CSR approach (societal commitments). The Culture & Change Director, in charge of the CSR policy, and the Investment Director, in charge of Relyens' Responsible Investment approach, are both members of the Group Committee. In addition, Relyens uses external service providers and data providers to support it in incorporating ESG criteria in its practices.

In order to implement and monitor the company's commitments, Relyens' financial management governance committees hold at least one meeting a year to define its responsible investment strategy. This meeting provides an opportunity to review the investments made and identify any points of non-compliance with the commitments made. It is also an opportunity to raise awareness of ESG issues among the Group's management team and directors.

This regular monitoring enables Relyens to steer the ESG performance of its investments over the long term and to focus on issuers with the best ESG profiles. Discussions are currently underway to enhance monitoring and work on implementing a dedicated ESG scoring tool to cover all the Group's asset classes and assess its stakeholders.



> TRANSPARENCY AND REPORTING

Committed to increasing the transparency of its reporting, particularly of non-financial information, Relyens publishes an annual ESG report under Article 29 of the French Climate and Energy Law. The report is available to the public on the Group's official website.

In recognition of its transparency in the area of financial management and communication, as well as its professionalism and recent investment initiatives, Relyens has been awarded the Instit Invest - Agefi **Transparency Label** for **seven consecutive years**.

> INCORPORATION OF ESG CRITERIA IN THE DECISION-MAKING PROCESS FOR AWARDING NEW MANAGEMENT MANDATES AND FUND INVESTMENTS

When awarding new mandates (for listed and unlisted funds), Relyens seeks to take ESG criteria into account in its decision-making process by implementing a process to evaluate asset management firms that takes into account their practices relating to environmental, social and governance criteria.



As part of its indirect and direct asset management activities, Relyens wants to step up its investments in Article 8 and 9 SFDR funds, in particular by investing in impact funds.

> IMPLEMENTATION OF AN ENGAGEMENT STRATEGY AND VOTING POLICY

Relyens is working on strengthening its responsible investment approach by incorporating considerations relating to its stakeholder engagement policy.

Relyens is also focusing its efforts on voting at the General Meetings of companies in its portfolio (where applicable, by correspondence or proxy). As part of a continuous improvement approach, Relyens will increasingly exercise its voting rights in order to strengthen its engagement and proactivity as a shareholder and accelerate the social and environmental transition of its investments.

More broadly, since 2021 the Group has been working on multiple fronts to prepare for the challenges ahead by launching awareness building, training and communication initiatives to present the Group's mission-driven company approach, creating buy-in from management and encouraging employees to get involved. The aim now is to continue these efforts and build further momentum.



Relyens, European mutual insurance and risk management group, works on a daily basis with health and local authorities to secure their activities and guarantee the continuity and quality of their common good mission for the benefit of patients and citizens.

For almost 100 years now, we have been creating and weaving the relationship with our stakeholders to move forward, together, in a world where trust is nurtured, shared, amplified, transmitted and mutualised.

**Manage risks,
mutualise trust.®**

Head officer

18, rue Édouard Rochet
69372 Lyon Cedex 08 - France

www.relyens.eu



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