



# **Socially responsible investment charter 2024**



EUROPEAN MUTUAL GROUP  
INSURANCE AND RISK MANAGEMENT

# OUR SOCIALLY RESPONSIBLE INVESTMENT APPROACH

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Act in favour of sustainability

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## Invest in the service of our mission

As a mission-driven Company and a committed investor, Relyens is convinced of the positive impact of Environmental, Social and Governance (ESG) factors in its investment decisions. This is why we have chosen to align our economic interests with our purpose – to act and innovate alongside those who work for the common good to build a world of trust – while ensuring the financial and extra-financial performance of our investment portfolio.

As a mutualist Group, we also have the responsibility to support all of our stakeholders, and in particular our clients, health professionals and local authorities in Europe in the transition of their environmental and societal model.

In this sense, we are accentuating and affirming our socially responsible investment strategy to anchor the notion of “sustainability” and “responsibility” across all of our asset classes. This allows our Group to promote innovation and expertise, encourage the development and sharing of best practices, and participate in the value creation in our markets with our customers and members.

An approach reinforced by our adherence to the **Principles for Responsible Investment (PRI)** in 2021, which we formalise through this Charter. This is only the beginning of a long-term approach that will allow us both to sustainably improve our environmental impact and encourage more responsible practices within our ecosystems.



# Act in favor of sustainability

In September 2015, the United Nations and its member states adopted **17 Sustainable Development Goals (SDGs)** to address global challenges by eradicating poverty and inequalities and enabling the ecological transition by 2030. Relyens' commitment actively contributes to the following SDGs:



## ENABLE ALL TO LIVE IN GOOD HEALTH AND PROMOTE WELL-BEING AT ALL AGES

Through its activities, Relyens provides access to essential, high-quality health services. In a context of restriction in public expenditure, we contribute to developing and improving healthcare and medico-social institutions and sustainably support public sector authorities in their transformation projects. Furthermore, our Group invests in innovative medical companies, of which developed products allow us to meet medical needs that are not yet met.



## TAKE URGENT ACTION TO COMBAT CLIMATE CHANGE AND ITS IMPACTS

Relyens is committed to the ecological transition of its customers. We provide communities with our support to finance projects related to energy change, the renovation and construction of efficient buildings, waste management and water treatment, clean transport and adaptation to climate change. We are also raising awareness of ESG issues among our main hospital and community debtors. Furthermore, Relyens grants a significant portion of its bond financing to green-labelled issues and favours infrastructure funds that are committed to the climate transition.



## BUILDING RESILIENT INFRASTRUCTURE AND ENCOURAGE INNOVATION

Relyens supports the digital revolution, the development of disruptive technologies and medical research by contributing to the development and improvement of health and medico-social institutions in view of public expenditure restriction. Our investments respond to technological risks (in particular, cyber risks), medical risks and risks related to human resources to improve the quality of care.



## STRENGTHEN THE MEANS TO IMPLEMENT PARTNERSHIPS FOR SUSTAINABLE DEVELOPMENT

Aware that achieving the SDGs will only be possible through mobilising the players of civil society and private and public sectors, we are developing close relationships with various professional organisations in Europe. Our partnerships ensure we have better knowledge of the issues facing our ecosystems and act effectively in the long term. We are increasingly committed to supporting the ecological transition of health professionals and local authorities by being very attentive to the ESG criteria of the companies and projects that we finance. We are committed to promoting the implementation of their ESG policy and promoting transparency on these subjects.



## ENSURING THAT CITIES ARE OPEN TO ALL, SAFE, RESILIENT AND SUSTAINABLE

Relyens highlights the quality of life by imagining different urbanisation by including well-being at the heart of real estate concerns as well as favouring rehabilitation projects or supporting local authorities. This behaviour is driven by the awareness that carbon neutrality and the societal commitment of companies have become imperatives to which real estate must respond immediately.

# 01. A COMMITTED INVESTMENT POLICY

## An exclusion policy in the service of our mission

Our mission of the common good leads us to avoid investments that could prove contrary to its purpose and implications. Thus, we invest in sectors whose activity contributes positively to the common good. We exclude the following investments:

- **Companies generating more than 25% of their turnover in the following sectors:**
  - The tobacco industry
  - Weapons
  - Alcohol
- **Energy-producing or mining companies where more than 25% of their turnover concerns coal**
- **Funds with a share of assets exceeding 25% in the tobacco, arms, coal and alcohol industries**
- **All debts and securities which would invest in the production of anti-personnel mines and cluster munitions** (with reference to the Ottawa Convention)
- **Any investment that could negatively affect the environment:** raw materials, bitcoin, etc

About real estate investments, the sectors affected by the sectoral exclusions are the same. Each procurement file or new lease is studied on a case-by-case basis to best assess the situation.

Relyens is also attentive to the characteristics of the country in which it wishes to invest by excluding debt securities and securities of companies or funds whose head office is located in a country classified as other than «Free» by the «Freedom House» organisation (annual update of the list).

We generally take care not to invest in companies subject to a level of controversy deemed significant or severe or operating in questionable sectors in this area. Our Group also excludes any purchase or sale of assets with an intermediary whose head office is not located in an OECD member country.

Finally, regarding listed assets, we take into account in our annual ESG & Climate reporting elements concerning the level of controversy of the players in the portfolio. The levels of controversy deemed important or severe are thus highlighted and will constitute a management tool for our Group.

## A specific engagement strategy

As a signatory of the PRI, Relyens undertakes, in particular to respect Principle 2 requiring signatories to be active investors taking ESG issues into account in their policies and practices. Thus, our commitment takes various forms with our participations:

- The exercise of shareholder rights by voting at general meetings (more details on the voting policy in the following paragraph)
- A financial and extra-financial due diligence policy
- A constructive dialogue with portfolio companies

In summary, our engagement approach aims to concern all the authorities financed by our investment policy, which may or may not belong to our ecosystem (healthcare sector or sector related to local authorities). This approach ultimately allows us to improve company practices on corporate ESG themes in line with the common good mission that we have set for ourselves.



## A voting policy in line with our values

Our voting policy developed in accordance with our values, with the support of the Proxinvest firm, specialised in engagement, applies mainly to assets listed on financial markets. Our Group exercises its rights over its entire portfolio of listed shares (Euro zone) using our partner ISS's «ProxyExchange» voting platform.

- **Unlisted assets:** we adapt our voting policy according to the nature of our investments.
- **Interests held through our investment subsidiaries:** we undertake to participate in general meetings and exercise our voting rights.
- **Funds in which Relyens is an investor:** we ask management companies to set up a counterparty analysis grid regarding their use or not of a commitment and voting policy and its content, as well as their exercise of voting (participation rate, opposition rate...).

- Concerning **private debt**, we are committed to:
  - Vote for consultations, particularly in the event of a request for a written exemption granted by creditors in a case of default provided for by the loan contract or bond contract;
  - Exercise our right to vote in consultations submitted by our holdings as part of the management delegated to our partner Eiffel Investment Group, a pioneer in positive-impact investment, particularly when a withdrawal is requested following a breach of covenant.



# 02. EXTRA-FINANCIAL EVALUATION AT THE HEART OF OUR MANAGEMENT

## Monitoring of ESG & Climate indicators in our portfolio

As part of its management of listed (bonds and shares) and unlisted assets, Relyens is supported by an external service provider - Ethifinance - whose work is based on data from several suppliers specialising in the extra-financial field. Thus, to take ESG & Climate criteria into account in our management decisions, we benefit from ESG & Climate information specific to our portfolio, which is transmitted to the teams via the following documents:

- **ESG report** allowing you to benefit from a 360° vision of the portfolio with regard to the consideration of Environmental, Social and Governance issues on the lines held.
- **Climate report** including the following indicators:
  - Taxonomy: allow the identification of the share of sustainable activities as defined by the European Taxonomy
  - Temperature: analyse the exposure to major environmental issues and calculate the pathway of alignment with climate scenarios
  - Biodiversity: measure the impact of the assets in the Relyens portfolio on the various natural capital assets

- Carbon intensity of the portfolio: assess greenhouse gas (GHG) emissions emanating from the three main categories, namely Scope 1, 2 and 3, encompassing all of Relyens' assets. This assessment of the overall carbon intensity of the portfolio subsequently offers the opportunity to position the Group in a determined approach to decarbonisation of the portfolio.

The ESG & Climate reports are transmitted annually by Ethifinance and are used to prepare the Article 29 report, which is presented to the Financial Management Committee (FMC), i.e., the executive governance body relating to financial management. While until 2022, Relyens only analysed its listed portfolio, the Group has since strengthened the coverage of its portfolio by working with Ethifinance on all of its asset classes. We strive to evaluate our counterparties (intermediaries, brokers, banks and management companies) in their practices on ESG & Climate aspects in order to set up a monitoring and scoring tool over time and raise their awareness of the good practice. Ultimately, ESG & Climate criteria could be integrated into decision-making for the allocation of new mandates or lead to arbitrations on existing investments.

## Monitoring our sustainable investments

Relyens is committed to allocating significant investments to one of the 5 Sustainable Development Goals (SDGs).

Internally, our governance committees monitor the exposure of our assets to the "sustainable investments" segment in accordance with the definition of the SFDR (Sustainable Finance Disclosure Regulation).

We thus differentiate assets with an environmental scope from those with a societal dimension, for which the commitments are different.

### Investments contributing to environmental improvement:

- Green-labelled investments
- Article 8 or 9 funds with a majority of investments favouring an environmental objective
- Buildings with high environmental performance, particularly recognised by certification or labelling (BREEAM, BBC, etc.)

### Investments contributing to societal issues:

- Bonds and loans to hospitals
- Sustainable- or Social-labelled bonds
- Funds financing communities
- Article 8 or 9 funds with a majority of investments favouring a societal objective, allowing in particular to improve access and quality of care
- Buildings, of which destination, rental situation or mode of operation promote the common good, social well-being or quality of life (managed residences with services, EHPAD, hotels for patients, social disintegration, ESS, etc.)

# 03. A PILOTED AND SHARED APPROACH

## Responsible investment at the heart of our governance

The socially responsible investment policy is part of Relyens' governance framework:

• **Non-executive governance:** the Finance Committee of the Board of Directors as well as the Board of Directors  
The Board of Directors and its Financial Committee are responsible for approving the socially responsible investment policy and monitoring its implementation. The Financial Committee of the Board of Directors comprises at least three directors and qualified persons if the Board of Directors deems it necessary.

• **Executive governance:** the Financial Management Committee, Executive Managers and the Investment Department

The Financial Management Committee (FMC), i.e., the operational body of the socially responsible investment policy, is made up of the Managing Director, the Group Deputy Managing Director, the Deputy Managing Director Insurance & Performance and the key Actuarial function in terms of executive governance. When necessary, if the subjects require it, the key Risk Management function takes part in the Financial Management Committee. The Investment Director and the Group's Financial Director are also members of the FMC. This internal specialised committee's mission is to instruct and enable significant decisions to be made in an informed manner and in compliance with the four-eyes principle.

The Financial Management Committee is responsible for:

- developing and implementing the financial management charter,
- developing and implementing the strategic asset allocation,
- steering and monitoring the integration of financial risks in terms of sustainability,
- initiating investment discussions and studies,
- controlling the operational management of investments carried out by the Investments Department,
- making decisions for which it is responsible within the framework of the organisation of delegations within Relyens Mutual Insurance and Relyens Life Insurance,
- compliance with the asset allocation charter,
- reporting to the Finance Committee of the Board of Directors.

Furthermore, since 2021, Relyens has set up the ImpACT2025 Committee to manage the execution of its strategic project and to monitor its CSR approach (societal commitments). The Identity & Engagement Director responsible for CSR is a Group and ImpACT2025 Committees member. Internally, several actions have been undertaken to meet future challenges by initiating awareness-raising, training and communication actions to present the mission-driven company approach, create management's adherence and encourage the involvement of employees. The objective is to continue and enhance this dynamic.

Relyens is part of a process of continuous improvement in terms of ESG-Climate. The improvement objectives focus on the Group's ImpACT2025 plan, consistent with our status as a mission-driven company.

## The transparency of our management and our rewarded communication



Les  ouronnes  
L'AGEFI

In 2023, Relyens obtains the Transparency Label issued by the media Instit Invest – Agefi. This award highlights our Group's transparency in financial management and communication, its professionalism and its recent investment initiatives.+

We publish our ESG report annually under Article 29 of the energy and climate law to be ever more transparent in our extra-financial information. This report is published on the Group's official website and accessible to the public at the [following link](#).

At the same time, it is sent to all our contributors (management companies, counterparties, etc.) along with their personalised ESG & Climate scoring to give them the opportunity to improve their future performance. Finally, for all extra-financial subjects, we are supported by professionals in the area, namely Ethifinance on the ESG & Climate part and ProxInvest/ISS on the shareholder commitment and voting policy part.



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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.

**Relyens Mutual Insurance**

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