Profond

Profond Investment Foundation – long-term and sustainable investing 2025

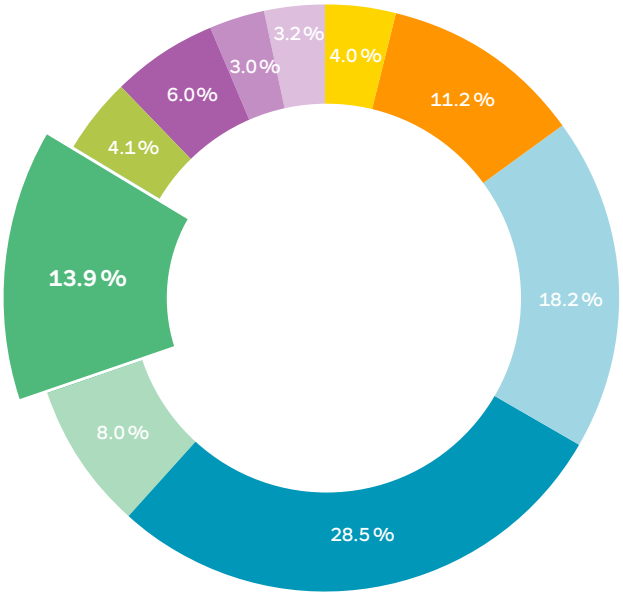
Introduction

As a pension fund, Profond contributes significantly to financial protection in the third stage of life as well as in the event of disability and death. In order to meet this responsibility, a sustainably strong return is essential. That is why we implement targeted measures to ensure the financial stability and security of our company in the long term. In addition to our responsibility towards our insured members, we also feel an obligation towards society and the environment. Sustainable thinking and responsible behaviour are therefore firmly anchored into our corporate strategy.

Environmental, social and governance (ESG) criteria play a central role in our investment decisions. The focus particularly lies on those asset classes that we can influence directly. This is because it gives us the opportunity to implement effective measures independently and check their effectiveness in a targeted manner – especially with the directly-held real estate within our investment foundation.

In February 2024, we published documentation on our sustainability activities relating to directly-held real estate for the first time. Another publication followed in November 2024 with updated key figures as at the end of 2023, and this documentation has been published annually since then. This publication provides information about the status of the sustainability measures of Profond Investment Foundation as at the end of 2025.

Profond Pension Fund asset allocation as at 31.12.2025



- **Liquidity**
- **Foreign currency bonds**
- **Switzerland equities**
- **Foreign equities**
- **Direct real estate**
  Assets under management
  by Profond Investment Foundation
  CHF 2'300 million
- **Indirect real estate**
  CHF 1'400 million
- **Infrastructure**
- **Private market investments**
- **Drawdown management**
- **Gold**

As at 31.12.2025, figures rounded

Profond Investment Foundation

The Profond Investment Foundation is responsible for Profond's directly-held real estate. It is a legally independent organisation wholly owned by Profond Pension Fund. As at 31 December 2025, the value of the real estate properties it manages amounts to approximately 2.3 billion Swiss francs, representing 13.9% of the total portfolio. The Profond Investment Foundation invests these pension funds not only with a focus on returns, but also responsibly and taking ESG criteria into account. The basis for this is a long-term holding period and consideration of the entire life cycle of each individual real estate property.

Through targeted and sustainable renovations, we secure long-term returns and aim to operate the directly-held real estate properties in a carbon-neutral manner by 2050 at the latest. Concrete measures include improving building insulation, converting heat generation to renewable energy sources, and increasing the efficiency of technical installations during ongoing operation.

Together with Wüest Partner, we have been tracking the CO_2 reduction path, the carbon footprint, and the ESG rating for the entire Swiss real estate portfolio since 2021. Real estate properties in Germany have also been taken into account since 2022. In addition, a REIDA CO_2e report has been prepared since 2024.

Development of model calculations

We have been collecting consumption data for all domestic real estate, such as for heating oil or electricity, since 2020. The collection of effective energy data was further expanded in 2024. A further expansion took place in 2025 through the collection of accurate digital energy consumption data using software developed specifically for this purpose by Novalytica. This provides us with an increasingly robust data set that can be used to validate previous model calculations in a targeted manner. The improved data quality is causing changes in the values of individual real estate properties, while the overall portfolio continues to move along the defined reduction path.

CO_2 equivalents in operation

Accounting practices for CO_2 equivalents have been in line with the REIDA/intep standard from 2023 onwards. The model calculations include Scope 1 (direct greenhouse gas emissions), Scope 2 (indirect greenhouse gas emissions) and Scope 3 (category 3: Supply chain emissions, category 13: tenant electricity).

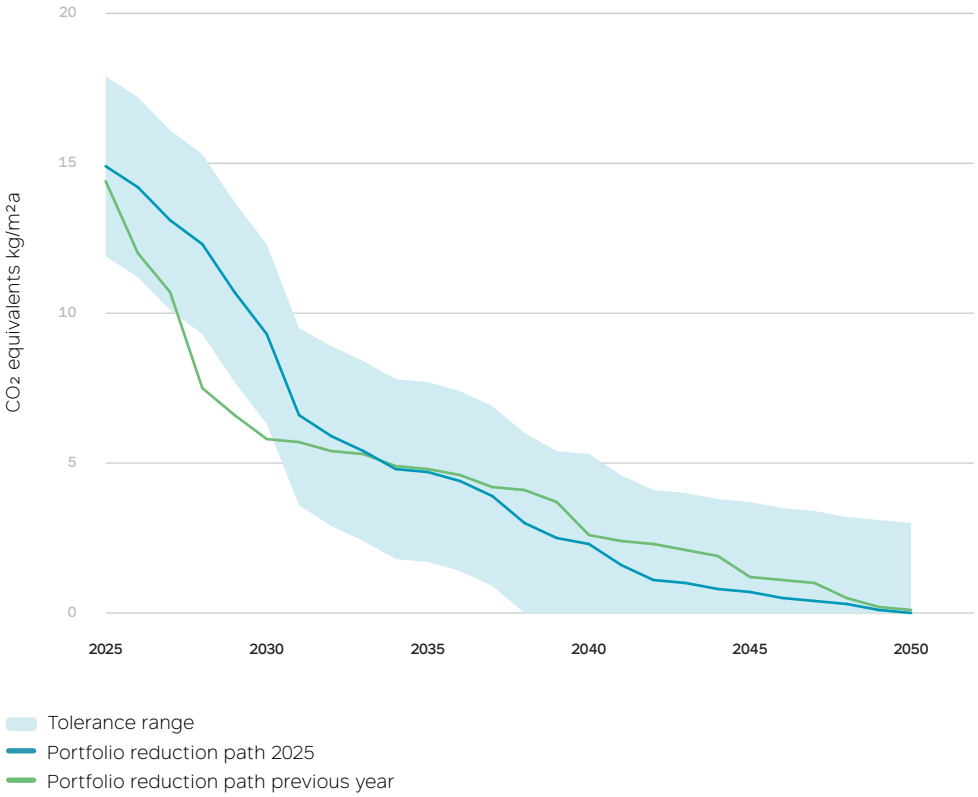
2024
Overall portfolio emission
in $kgCO_2e/m_{EBF}^2a$

15.2

2025
Overall portfolio emission
in $kgCO_2e/m_{EBF}^2a$

14.9

CO_2 reduction path for real estate in Switzerland
(Scope 1+2+3.3+3.13)



Since 2023, the reduction path has been accounted for according to REIDA/intep. The heating systems of all real estate properties were reviewed in 2025 and their replacement timing reassessed, resulting in shifts within the reduction path.

REIDA CO_2e-Report
The Profond Investment Foundation had a REIDA CO_2e report prepared for the first time in 2024. The Real Estate Investment Data Association (REIDA) aims to create a uniform basis for calculating and comparing carbon emissions and the CO_2 intensity of investment properties in Switzerland. The 2025 real estate CO_2 benchmark comprises real estate properties with a total market value of CHF 240 billion.

The REIDA CO_2e report allows our own sustainability efforts to be classified in comparison to the market. Unlike the Wüest Partner model calculations, REIDA calculations are based on actual effective data and only take Scope 1 and 2 emissions into account.

In 2025, the coverage ratio of collected energy data was significantly increased from 81.9% to 95.4%. This positive development is mainly due to improved and more accurate data collection. The change in the reported values does not mean that the condition of the real estate properties has deteriorated, but reflects the positive development in terms of higher data quality.

In addition, newly acquired real estate properties sometimes still have fossil fuel heating systems. Corresponding renovations and optimisations are generally carried out gradually and therefore do not have a direct effect on the key figures.

During the reporting year, one complete renovation and six partial renovations were implemented and two heaters were replaced. With these measures, we continue to drive forward the gradual decarbonisation of our real estate portfolio.

REIDA KPIs (Scope 1+2)

Energy intensity

96.4

kWh/m^2_{EBF}

CO_2e emission intensity

13.3

kgCO_2e/m^2_{EBF}

Share of renewable energy

30.6

kWh-%

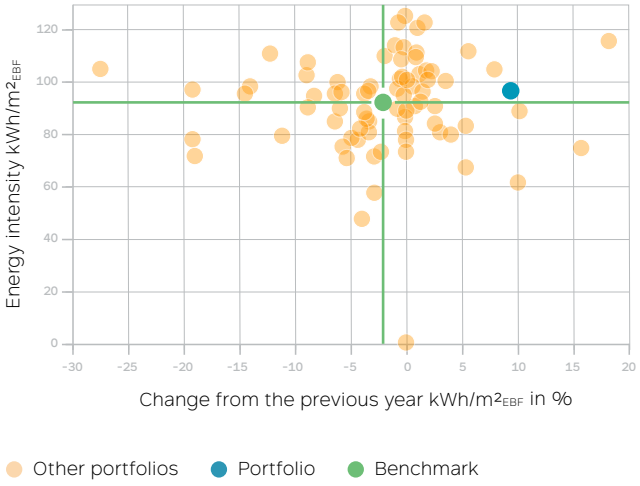
Coverage ratio

95.4

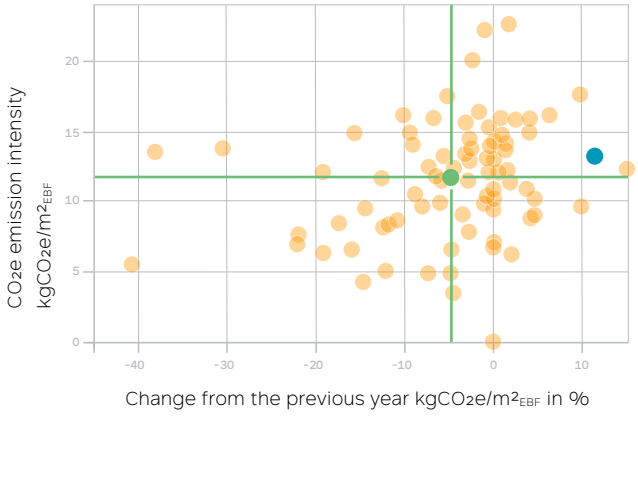
M^2_{EBF}-%

Portfolio comparison of REIDA KPIs (Scope 1+2)
Profond's portfolio shows slightly worse performance than the benchmark in terms of the key KPIs, energy intensity and CO_2e emission intensity.

Energy, portfolio vs. other portfolios



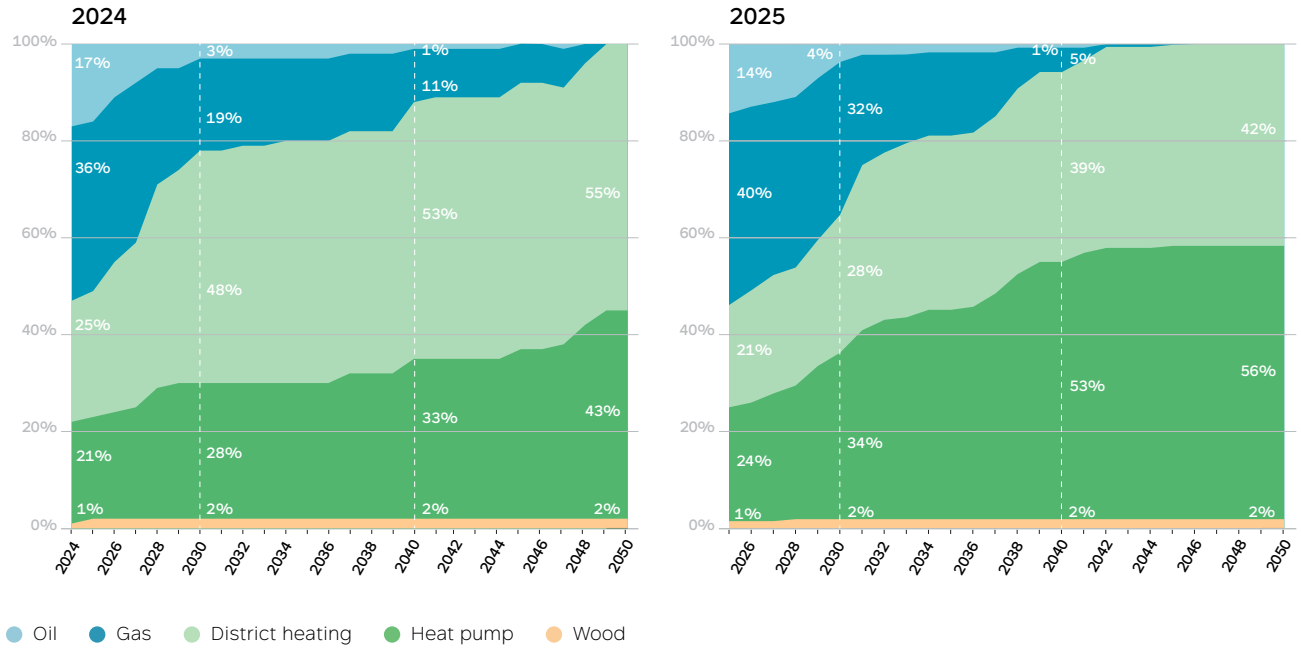
CO_2e, portfolio vs. other portfolios



Other portfolios Portfolio Benchmark

Sustainability in practice

Development of energy sources
Heating systems over time (share of the energy reference area)



As part of the in-depth data collection in 2025, all heating systems were reviewed and their categorisation was standardised, thus improving the data base. This has led to slight changes in the categories.

Building with the goal of carbon neutrality

For new buildings and refurbishments, we pursue two main goals regarding greenhouse gas emissions: reducing carbon emissions and lowering energy consumption. Alongside replacing fossil fuel heating systems, we are focussing, where appropriate and possible, on installing photovoltaic (PV) systems and charging stations for electric vehicles to promote sustainable energy sources. In addition, optimised building insulation and measures to reduce (hot) water consumption contribute to reducing the energy requirements of the real estate properties.

Photovoltaic systems

2025	8 PV installations providing around 913 kWp (projected power generation) commissioned and implemented.
Total until 31.12.2025	12 PV installations providing around 3’500’000 kWh/year and 3’340 kWp (projected power generation) in operation.

Electric car charging stations

We have been installing charging stations for electric cars in our real estate properties since 2020. In this way, we want to enable tenants to switch easily to electric mobility. Every year, we are driving the expansion forward by either directly installing additional e-charging stations or creating the conditions for them to be put into operation within a few days.

Total until 31.12.2025	424 e-charging stations

New building according to Minergie-P standard

In 2025, Profond built an apartment building in Beringen with 22 apartments according to the Minergie-P standard. During construction, Profond consistently made use of a future-oriented and resource-efficient construction method. With the Minergie P standard, the building meets the highest requirements for energy efficiency and living comfort. A particularly well-insulated building envelope and controlled ventilation ensure a pleasant indoor climate while also reducing energy consumption.

Minergie P standard

The main difference compared to conventionally well-insulated buildings lies in the consistent, comprehensive optimisation of the entire building system. The building envelope is made significantly more efficient with predominantly mineral and ecological insulation materials, heat bridges are largely avoided, and air tightness is significantly increased. In combination with controlled ventilation with efficient heat recovery, this leads to a very low heating energy requirement and a stable, energy-optimised operating concept.

An essential component of the sustainable energy concept is the photovoltaic system, which produces part of the required electricity directly on site and thus makes important contributions to reducing CO_2 emissions. The connection to the district heating network ensures an efficient and sustainable heat supply. This form of energy generation reduces the use of fossil fuels and supports environmentally friendly operations in the long term.

The wood and metal windows combine environmental benefits with durability and minimal maintenance. Inside, the natural wood material ensures a warm living atmosphere, while the outer metal shell ensures optimum weather protection. Particular emphasis was placed on quality and environmental compatibility during material selection and implementation. The building materials used largely meet high ECO requirements and are characterised by longevity, low pollution and sustainable production.

Overall, this has led to the creation of a property that ideally combines environmental responsibility, economic efficiency and the highest standard of living comfort.

Four questions for Luca Zuliani, Head of Building Management at Profond Investment Foundation

What was the central objective of the new construction project in terms of sustainability?
The focus was on a building that is sustainable throughout its entire lifecycle – from the choice of materials to comfort in later operation. In addition to low energy consumption, the residents benefit from a high level of living comfort. A stable indoor climate, good air quality and carefully selected materials have a direct impact on well-being. The implementation required the consistent coordination of all systems – from the building envelope to the building technology and the energy supply. The quality required for Minergie-P certification is only achieved when all systems interact.

How does the Minergie P standard differ from the classic Minergie label?
The Minergie-P standard goes beyond the classic Minergie label and sets additional requirements to achieve maximum energy efficiency and an optimal indoor climate. Specifically, the building envelope must be better insulated and subjected to an air-tightness test.

The building materials used in Beringen also meet high ECO requirements. What are ECO requirements?
ECO requirements are additional, standardised criteria. A building must not only be energy-efficient but also environmentally friendly and safe for the health of its users. Its entire life cycle is considered: from the production of the materials through the use phase to its dismantling. As a result, the use of pollutants such as formaldehyde or solvents is avoided. Low-emission materials are used in production, use and disposal, preference being given to renewable raw materials. “Grey energy” is also reduced by paying attention to resource-saving production, short transport routes and recyclable components.

Can you give a concrete example of an environmentally friendly building material?
One example of environmentally friendly material selection is the use of wood from certified sustainable forestry (for example FSC or PEFC) in combination with low-pollutant, mineral building materials. Wood is often used for load-bearing constructions or interior fittings because it is a renewable resource, stores CO_2 and has a very good eco-balance. In addition, low-emission plasters, paints and floor coverings, as well as recyclable materials such as aluminium or steel with a high proportion of recycled material, are used. The big picture is crucial here. The materials are selected to ensure they are durable, can be dismantled and use as few resources as possible throughout their entire life cycle.

Sustainability principles

In 2023, the Profond Investment Foundation developed sustainability principles and, based on these, the procedure for the further specific implementation of the sustainability goals. In 2024, the focus was on improved energy data collection and participation in the REIDA CO_2e benchmark. In 2025, a further focus was placed on construction management in promoting the circular economy. This opens up new opportunities for sustainable construction, resource efficiency and long-term value creation in project development.

Economical

- Ensuring tradability
- Long-term positive return for shareholders
- Market-oriented property qualities
- Resource-efficient planning and implementation of projects
- Resource-saving maintenance and operation
- Identifcation of opportunities and exploitation of existing reserves

Environmentally friendly

- Central locations
- Leveraging existing infrastructure
- Use of renewable energy sources
- Use of durable building materials designed for a long service life
- Promotion of the circular economy
- Consideration of grey energy
- Consideration of drinking water consumption

Functional and comfortable

Involvement in the planning, construction and operation of:
- Flexibility in usability
- Indoor climate
- Illumination
- Freedom from barriers
- Accessibility
- Mobility infrastructure
- Shopping, catering and leisure facilities

Attractive employer

- Values-based culture
- Promotion of education and further training
- Ensuring fair and comparable remuneration
- Regular survey of employees for improvement potential
- Operational health management
- Job quality
- Legal conformity

The principles take into account the various aspects of sustainability that are important to us – from the perspective of the environment, the people who live in the real estate properties and economic viability.

Brief overview

2024

- Improving data collection and switching to REIDA EBF
- Initial preparation of an REIDA CO_2e report with benchmark comparison
- Installation of a total of 395 e-charging stations by the end of 2024 (installed or prepared)
- 2 PV systems with around 398’000 kWh/year and 470 kWp

2025

- Coverage ratio of the energy data collected for the REIDA CO_2e report significantly increased from 81.9% to 95.4%
- Installation of a total of 424 e-charging stations by the end of 2025 (installed or prepared)
- 8 PV installations providing around 913 kWp (projected power generation) commissioned and implemented
- New construction of an apartment building in accordance with the Minergie-P standard in Beringen

Profond

Head office
Profond Vorsorgeeinrichtung
Zollstrasse 62
8005 Zürich
058 589 89 81

Office in Western Switzerland
Profond Institution de prévoyance
Rue des Côtes-de-Montbenon 16
1003 Lausanne
058 589 89 81

info@profond.ch
www.profond.ch

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