

SUSTAINABILITY

SERV attaches great importance to its environmental, social and human rights assessment policy.

Framework conditions

When assessing insurance applications, SERV takes into account the international guidelines of the Organisation for Economic Co-operation and Development (OECD) and the principles of Swiss foreign policy according to Art. 6 para. 2 SERV Act (SERVG). These relate in particular to the peaceful co-existence of peoples, respect for human rights and promotion of democracy, conservation of natural resources, alleviation of poverty and destitution in the world, but also to preserving Switzerland's independence and protecting its national welfare. Further requirements may arise as a result of Switzerland's obligations under international law. The extensive sustainability checks conducted include environmental, social and human rights reviews, anti-corruption audits and, in certain cases, audits of the debt sustainability of public-sector buyers when financing supported projects.

Where necessary, on-site visits are also carried out to assess larger projects. Due to travel restrictions resulting from the COVID-19 pandemic, these site visits and meetings with project participants were conducted virtually.

Climate strategy

The SERV Board of Directors (BoD) agreed SERV's climate strategy in June 2021. SERV's climate strategy, which identifies climate-related risks and opportunities, will support the Swiss export industry in addressing climate change and incorporating the issue into its business operations. The three cornerstones of the strategy include the handling of SERV's own greenhouse gas emissions, integrating climate risks into business operations and SERV's contribution to decarbonising the economy.

The climate strategy aims to limit physical risks (e.g. increased losses as a result of extreme weather events) and transitory risks (e.g. new technologies) and to make the best possible use of the opportunities presented by the energy transition and ecological change.

In addition to its operational emissions, which SERV fully offsets, the emissions attributable to the insurance portfolio were also measured for the first time in 2022 in line with the Partnership for Carbon Accounting Financials Standard (PCAF standard): around 75 per cent of the emissions are attributable to the power generation sector and 15 per cent to the steel and aluminium production sector.

In future, SERV intends to provide more support for exports that play a part in mitigating and adapting to climate change.

The focus in 2022 was on how SERV deals with fossil energies. At the 2021 climate conference in Glasgow, Switzerland committed itself to abstaining from financing fossil energy projects from 2023 (COP26 Statement). Exceptions are possible if these are compatible with the goals of the Paris Agreement to limit global warming to 1.5°C. Based on scientific findings and best practices, SERV has developed a methodology for assessing fossil energy projects.

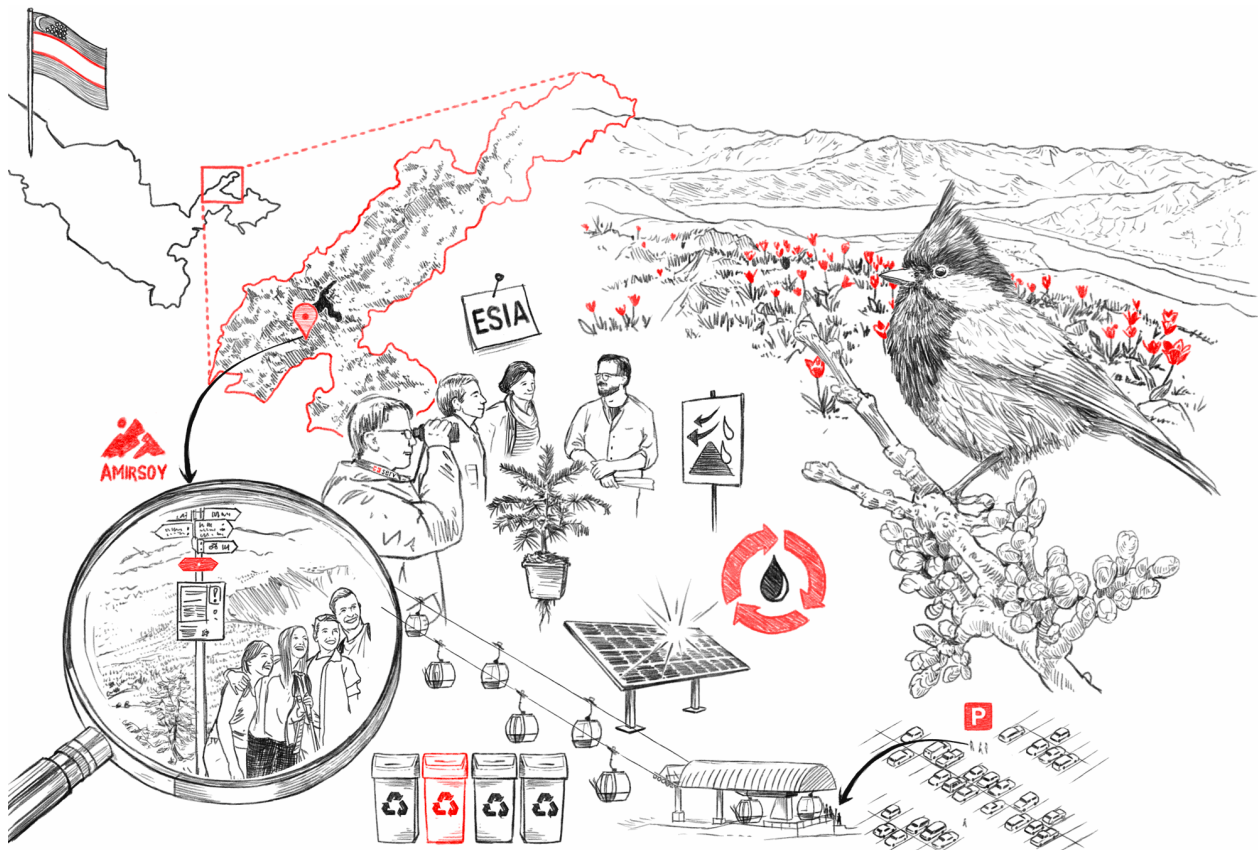
Transparency

SERV publishes all projects with a contract value of CHF 10.0 million or more on its website, subject to the policyholder's approval, as well as Category A projects.

SERV also maintains a regular dialogue with interested non-governmental organisations (NGOs). Within the framework of an annual NGO dialogue, it provides information about its business results, specific current projects such as its climate strategy, as well as developments at SERV and in the OECD export credit group. The invitees to the NGO event were alliance sud, Amnesty International, Pro Natura, Public Eye, Transparency International and WWF. This exchange of views is very much appreciated by all participants, and the NGOs expressed their satisfaction with SERV's high level of transparency.

EXAMPLE IN THE FIELD

A HOLIDAY RESORT IN UZBEKISTAN THAT RESPECTS FLORA AND FAUNA



The Amirsoy project in Uzbekistan is currently in the monitoring phase

SERV audits each individual insurance and guarantee request to ensure that it complies with international standards (cf. sustainability, framework conditions). To this end, it collaborates closely with experts and all the parties involved to ensure that this is the case. This provides SERV with certainty that the transactions it insures are conducted in accordance with the prescribed standards. One of the transactions insured by SERV in 2022 is the expansion of a holiday resort in Uzbekistan. As it is in the vicinity of the Ugom Chatkal National Natural Park, which is an environmental conservation area, the undertaking is deemed a Category A project under the OECD Common Approaches. This means that a comprehensive Environmental and Social Impact Assessment (ESIA) pursuant to international standards must be conducted.

An independent consulting firm began this study in 2020. As is customary, the result was an Environmental and Social Action Plan (ESAP) that specifies the measures that must be undertaken to comply with the environmental, social and human rights requirements. SERV experts also went on site at the end of 2022 to see for themselves how the adopted measures were being implemented. These included planting 50,000 tree saplings and setting up erosion control apparatus. The project is now in the monitoring phase, which includes quarterly site visits. A local environmental specialist is monitoring the implementation of the measures.

For nature and society

The Amirsoy holiday resort (cf. [In the field, New sales market for Swiss SMEs in Uzbekistan](#)), which comprises 46 chalets, 11 ski slopes, four gondola cableway lifts and five restaurants, has been in operation since 2019 and is to be expanded with a hotel and an additional gondola cableway lift. The resort's operator is not content with merely complying with sustainability requirements: "It is very important to our client that the operation's impact on nature is reduced to the absolute minimum. Amirsoy's very purpose is to allow guests to experience an intact natural environment," Marika Pechr, Project Manager at Mountech AG, the general contractor for the project, explains.

The transport, energy and water treatment concepts bear this out: in order to reduce car traffic to a minimum, visitors have access to a gondola cableway lift as well as a large car park by the valley station. This means that guests can enjoy an almost car-free natural experience. Furthermore, the resort's water is supplied from two artificial lakes, one for drinking water and one for operational purposes. Waste water is purified by the resort's own water treatment plant, while a mobile photovoltaic system supplies most of the resort's electricity.

In addition to the efforts undertaken to protect nature, the local population also benefits from the project. The resort aims to appeal not only to international but first and foremost to Uzbek guests, to use local products and to employ local workers. Amirsoy has already created 500 jobs and there has been a great deal of investment in staff training. Bernhard Müller, Senior Vice President, Sustainability, at SERV comments on the project as follows: "I was able to get a good look at the resort and am satisfied with the manner in which the measures are being implemented. I am also confident that Amirsoy will contribute to the continued growth of the Uzbek economy, which has been experiencing rapid growth for several years."