Swiss Life Asset Managers Responsible investment Policy

December 2023

Contents

1. Introduction

For over 165 years, Swiss Life Asset Managers has managed the assets of the Swiss Life Group as well as institutional and retail clients. As a European owner and manager of assets, we carry a responsibility towards society and the environment alongside our fiduciary obligations towards our clients. By assessing Environmental, Social and Governance (ESG) criteria along with financial metrics and risk factors, we aim to generate a more sustainable outcome and increase the long-term quality of our investment portfolios. Swiss Life Asset Managers is fully committed to the Principles for Responsible Investment (PRI) and our responsible investment approach is aligned with the PRI guidelines.

Swiss Life Asset Managers' approach towards responsible investment is based on three pillars of responsibility: fiduciary duty, intergenerational responsibility and active stewardship. Dedicated to our fiduciary duty, our responsible investment approach intends to contribute to the financing of a more sustainable economy, while managing downside risks from a double materiality perspective (i.e. outside-in risks from the issuer perspective and inside-out risks from the society perspective) in order to deliver long lasting value for our clients. We carry responsibility towards future generations to maintain a prosperous environment while pursuing our goals. Therefore, we aim to align our fiduciary duty and intergenerational responsibilities by focusing on solutions which reconcile the creation of economic, environmental and social value. Moreover, through active stewardship we support and engage with initiatives, organisations, corporates and tenants to promote a more sustainable economy.

To reconcile our responsibilities as an asset manager with current societal challenges, we have defined Swiss Life Asset Managers' sustainability ambition as follows: mitigating climate change and biodiversity loss while empowering people and fostering business integrity. This ambition is used as a compass throughout our responsible investment activities. To act upon this ambition, we have built a responsible investment approach around five pillars: ESG data, ESG risk and opportunity assessment, sustainable product offering, active stewardship and transparent reporting. For each pillar, concrete action plans have been defined to meet our ambition and deliver state-of-the-art sustainable solutions to our clients. This includes leveraging of relevant ESG data to build innovative and reliable product solutions which speak to our clients and are in line with regulatory requirements, assess sustainability risks and opportunities with distinctive and credible measures and promote sustainable practices among our stakeholders through an encompassing engagement strategy and proxy-voting policy as well as properly monitoring and reporting on our sustainability journey.

2. Scope and purpose

This responsible investment policy covers bonds, equities, real estate and infrastructure and applies to business functions such as portfolio management, risk management and sales across all market units (i.e. Switzerland, France, Luxembourg, UK, Germany, Nordic). Some asset classes like loans, mortgages and passive investment strategies (i.e. index replicating strategies) are out of scope, mainly due to lack of data or specific constraints that are not compatible with a full fledge ESG integration.

The purpose of the policy is to describe the various aspects of our responsible investment approach across the different asset classes and product categories in order to demonstrate its suitability towards market standards and regulation as well as consistency across the Swiss Life Asset Managers organisation.

3. Responsible investment at Swiss Life Asset Managers

A responsible investor must deal with multiple challenges in terms of risk and opportunities management, client preferences, portfolio construction, data availability and regulation. As a responsible asset manager, we need to consider ESG factors in every aspect of our asset management activities. Hence, we are continuously looking for the most relevant sustainability data to build a 360° sustainability assessment of our investments both in terms of risks and opportunities. This serves as a key input in the construction of our ESG and sustainable product offering range, supported by active stewardship and state of the art ESG disclosures, in order to meet the specific needs of our clients. As a signatory of PRI, we are constantly working to ensure our responsible investment approach is aligned with acknowledged frameworks like the UN Sustainable Development Goals (SDGs) or the Paris Climate Agreement.

A key part of our responsible investment approach is working towards a more environmentally sustainable future and thereby taking intergenerational responsibility into consideration. Climate change is one of the greatest challenges faced globally. As such, it presents significant risks to assets, but can also mean new business opportunities. We believe these risks and opportunities will shape investment portfolios and the way assets are managed in the long term, which is why we support the targets of the Paris Climate Agreement and have applied the recommendations of the TCFD[1] since 2018. In 2022, Swiss Life Asset Managers became a member of the Net Zero Asset Managers initiative (NZAM) to support the global goal of net zero greenhouse gas (GHG) emissions by 2050 and promote investment measures that are aligned with that goal. This includes the obligation to set targets for the share of assets that is managed in line with the goal of net-zero emissions by 2050 or sooner, providing clients with further information and analysis on net-zero investing, among others. At the beginning of 2023 Swiss Life Asset Managers successfully submitted its first carbon reduction target to NZAM. In addition, we continued our green bond program which aims to increase our share of investments in green bonds to 2bn CHF by the end of 2023, in line with the International Capital Market Association (ICMA) Green Bond Principles.

[1] More detailed information is available in Swiss Life's TCFD Report.

Furthermore, Swiss Life Asset Managers is committed to respect human rights, including labour rights, as defined in the following principles:

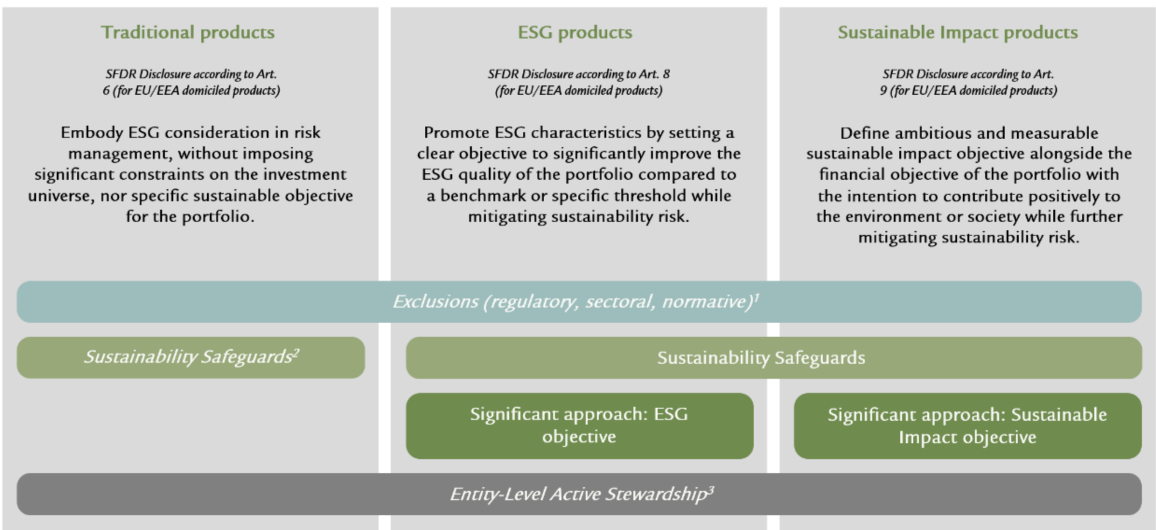
- the International Bill of Human Rights;
- the core standards of the International Labour Organisation (ILO);
- Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises

Being part of the Swiss Life Group who is a signatory to the UN Global Compact (UNGC), we seek to take appropriate measures to identify, prevent, mitigate, and remediate human rights abuses. Such measures are integrated along the investment cycle for our Securities and Infrastructure activities, including pre-investment due diligence, continuous monitoring of held assets and post-investment engagement. For our real estate activities, the measures apply to our value chain management and may also lead to selling assets or terminating business relationships with some suppliers or service providers, if mitigation and remediation actions are not satisfactory enough.

To address these multifaceted challenges, Swiss Life Asset Mangers has created a proprietary "ESG rule book", which aims to address Swiss Life Asset Managers' sustainability priorities, while at the same time complying with recent regulatory and market developments in sustainable finance. The ESG rule book covers both Securities and Real Assets. It serves as the core framework for Swiss Life Asset Managers to address ESG and sustainability in a comprehensive, structured, and transparent manner.

Swiss Life Asset Managers offers three different product categories: Traditional products, ESG products and Sustainable impact products. As defined within the ESG rule book, different levels of ESG considerations, constraints and objectives are applied, depending on the product category.

Swiss Life Asset Managers product categories



[1]Certain traditional products may not apply all exclusions.
[2]Certain traditional products apply sustainability safeguards.
[3]Applied at the level of Swiss Life Asset Managers and not at the level of the financial product.

3.1 Responsible investment strategies for all asset classes

The four layers of the ESG rule book are (1) "active stewardship", (2) "exclusions (regulatory, sectoral, normative)", (3) "sustainability safeguards" and (4) "significant approach"[2].

3.1.1 Active stewardship

Active stewardship is one of the three pillars of our responsible investment approach. We exercise our ownership rights as part of our fiduciary duty by actively working with investee companies and relevant stakeholders to address ESG challenges while safeguarding the financial interests of our clients. This includes exercising our voting rights, conducting selected shareholder and tenant engagement and the monitoring of those activities to promote sustainability throughout investments.

In addition to our stewardship efforts, at Swiss Life Asset Managers, we promote responsible investment by providing resources and expertise to industry and sustainability associations. Our current participations or memberships include organisations such as PRI, Swiss Sustainable Finance (SSF), CA100+, NZAM initiative (Race to Zero) and GRESB[3]. These memberships and participations reflect our dedication to responsible investment strategies.

3.1.2 Exclusions

The transition to a more sustainable business model is a challenging process, and therefore Swiss Life Asset Managers aims to actively support our stakeholders in this journey. The ambition of Swiss Life Asset Managers' active stewardship approach is to promote more sustainable business practices with its stakeholders. Nonetheless, we are convinced that safeguarding long-lasting, sustainable values requires some exclusion rules, especially when it comes to the risk of stranded assets and/or for companies which are not taking minimum steps to enable the transition to a more sustainable business model (e.g. alignment with the principles of the United Nations Global Compact). Denying access to capital or other forms of business relationships, puts pressure on sectors and business practices which are harmful to the environment or society. Swiss Life Asset Managers considers exclusions as an important tool to mitigate downside risks in our portfolios.

The "exclusion" layer of the ESG rule book restricts the inclusion of companies that are in breach of international standards, involved in controversial sectors (like controversial weapons). The investment universe and relevant counterparties (e.g. direct tenants, direct suppliers, buyers, sellers) are restricted by the following exclusion rules:

Regulatory:

- Exclude issuers and counterparties in recognised exclusion lists (e.g. Financial Action Task Force high risk jurisdictions, countries and issuers covered by certain sanction regimes);

[2] ensure that the relevant indicator is better than the filtered universe (80% best ESG issuers).

[3] More detailed information with the full list of memberships can be found on our Active Stewardship website.

- Controversial weapons-based exclusions: exclude issuers and counterparties involved in the production of controversial weapons such as antipersonnel landmines, cluster munitions and chemical, biological, and nuclear weapons based among others on “Schweizer Verein für verantwortungsbewusste Kapitalanlagen (SVVK)” recommendations and MSCI ESG data.

Normative:

- United Nations Global Compact (UNGC): exclude issuers or counterparties failing at least one of the ten UNGC principles.

Sectoral:

- Coal-based exclusions: exclude issuers or counterparties that derive 10% or more of their revenues from mining or selling of thermal coal.

Exclusion lists are applied by default on all products managed by Swiss Life Asset Managers. For dedicated funds and mandates, institutional clients can opt-out of the non-regulatory ones. Regarding normative or sectorial exclusions, engagement might be initiated (where deemed appropriate) prior to divestment or prior to refraining from an existing business relationship, respectively. This means, existing investments or business relationships could be maintained for the period of the engagement while new investments or business relationships are banned until the resolution of the engagement. Non-satisfactory engagement outcomes will trigger divestment, exit from the investment or a termination of the business relationship within the legal obligations attached to existing contracts.

3.2 Responsible investment strategies for Securities

3.2.1 Active stewardship

For our investments in Securities, Swiss Life Asset Managers’ primary active stewardship approach has been the exercise of voting rights at the annual general meetings of issuers. Our voting activities are duly supported by voting policies[4] and processes. A key part of our proxy voting activity is the analysis of all voting items related to environmental or social topics. We are currently working on further developing our engagement capabilities to enhance the dialogue around sustainability factors. Through engagement, we aim to raise awareness on sustainability challenges the companies may face, as well as encourage remediation actions and finally consider the outcomes into our investment decisions.

3.2.2 Exclusions

For some dedicated Securities portfolios, we can further apply an additional screening based on the Global Coal Exit List (GCEL) built by the NGO Urgewald. This list encompasses (1) issuers that are pursuing coal power, coal mining or coal infrastructure expansion plans, as well as (2) issuers that are involved in thermal coal extraction

[4] https://www.swisslife-am.com/en/home/footer/policies-legal-entities.html

or exploitation activities, when they have not defined a coal phase-out plan aligned with the objectives of the Paris Agreement, as soon as they exceed one of the following thresholds:

- Coal share revenue higher than 20%
- Coal share of power production higher than 20%
- Production of more than 10 million tons of thermal coal per year
- Coal power production capacity from thermal coal higher than 5GW.

3.2.3 Sustainability safeguards

For Securities, we have integrated both quantitative and qualitative ESG criteria derived from an external ESG data provider and internal research, into our financial analysis and investment decisions. The quantitative analysis is based on ESG ratings, principal adverse sustainability impacts, controversies and other sustainability-related data provided by external data providers. The qualitative ESG assessment forms the second part of our analysis, with a dedicated section in our internal credit sheets, presenting our own view of the issuer's ESG performance and assessing its potential impact on the bond issuer's credit quality next to traditional financial performance indicators. Most of Swiss Life Asset Managers' assets under management are invested in fixed income. Hence, ESG consideration into the credit analysis is of material importance.

While these qualitative ESG considerations are applied for all portfolios in a non-binding character, our ESG and Sustainable Impact products are going one step beyond, to mitigate sustainability tail risks from a double materiality perspective. The goal of the sustainability safeguards layer is not only to mitigate the negative financial impact of external ESG factors on the company, but also to mitigate the negative impacts generated by companies on the environment and/or society. This includes, for example, the mitigation of Principal Adverse Impact (PAI) as well as the consideration of ESG ratings and controversy risks in the determination of the investable universe.

Please find an overview of our "sustainability safeguards" below:

- **ESG data availability:** imposing a minimum eligible and coverage ratio for ESG relevant data at the portfolio level;
- **ESG ratings:** restricting investments in issuers with low ESG rating;
- **ESG controversy**: excluding or restricting investments in issuers with very severe controversies;
- **ESG Score:** targeting a better Portfolio ESG score compared to the ESG score of the portfolio's benchmark;
- **Principal Adverse Impact:** limiting exposure of the worst issuers based on a proprietary PAI model aggregating the 14 mandatory PAI's;
- **Sovereigns:** exclusion of countries that have a low SDG Index Score (Sustainable Development Goals Index score, built by the "Sustainable Development Report"), a negative flag on the governance pillar or a negative flag on both the social and environmental pillar. To assess the different pillars, Swiss Life Asset Managers applies a proprietary methodology where several frameworks are aggregated, e.g. Corruption Perception Index, Global Peace Index, Global Rights Index, Paris Agreement Ratification Status and GHG intensity of countries;

- **Qualitative analysis:** considering our own qualitative assessment besides the data from the third-party provider.

3.2.4 Significant approach

In addition to the criteria described above (“active stewardship”, “exclusions” and “sustainability safeguards”), ESG and Sustainable impact products have to follow a “significant approach” or a “sustainable objective” respectively. The “significant approach” layer for ESG products includes clear objectives to promote the ESG outperformance of a product in comparison to its benchmark (for example in terms of ESG rating and relevant indicators, such as carbon footprint score) or on an absolute basis (for example a decarbonisation objective). For Sustainable impact products, this layer requires an ambitious sustainable investment objective, defined as investments in companies that contribute positively to certain environmental and/or societal objectives through their products and services. Those significant approaches are selected based on Swiss Life Asset Managers’ sustainability priorities (e.g., mitigating climate change and biodiversity risks, while empowering people, and fostering business integrity) and/or are based on the specific thematic of the fund strategy.

Please find an overview of the significant approaches:

- Compliance with the French “label ISR” (Investissement Socialement Responsable)
- Significant reduction of carbon footprint
- Reduction of the funds' principal adverse impacts
- Significant improvement of the SDG Index Score
- For fund of funds: High share of underlying ESG or sustainable impact target funds
- Sustainable objective: SDG-revenue alignment (sustainable impact products)
- Sustainable objective: EU Taxonomy alignment (sustainable impact products).

3.3 Responsible investment strategies for Real Assets

3.3.1 Active stewardship

For real assets, being an active owner is of particular importance, since these investments often reveal a big leverage in shaping counterparties' behaviour. For infrastructure investments, Swiss Life Asset Managers ensures that the processes, the scope and the content of the engagement are appropriate to the investment level. This may include full management of the company, exercise of direct governance rights through board representation, direct dialogue with key decision-makers such as company managers or directors, or cooperation with other shareholders such as joint venture partners. In our real estate investments, we selectively engage with stakeholders such as tenants, suppliers, service providers and communities related to specific projects. In general, we particularly emphasise dialogue with tenants since they are the occupiers of the buildings and are both impacted by the assets (the quality of the buildings and related services) as well as impacting the assets (through direct influence on their operational footprint).

3.3.2 Exclusions

Building on the general exclusion practices already highlighted in previous sections on page 6 and 7, real assets further applies exclusions as follows:

Real Estate

For real estate, exclusions apply to counterparties to whom we have a direct contractual relationship with. This includes contracts with tenants, operators, or suppliers such as construction and development companies. For new investments and business relationships, we rely on an extensive property and counterparties due diligence. The outcome of such due diligence may result in the exclusion of real estate investments or counterparties that are not in line with our ESG criteria or that would expose our portfolio to high levels of sustainability-related financial risk (e.g. climate risks).

Infrastructure Equity

Within our Infrastructure operations, next to the exclusions mentioned above on pages 6 and 7, we have specified clear exclusion criteria (regulatory and sectorial), according to which new Swiss Life Asset Managers Infrastructure funds do not invest:

- more than 20% of asset under management in investments that are primarily active in the oil midstream sector;
- in any business that derives more than 10% of its value from oil and gas exploration and production (it does not include renewable fuels and gas);
- in any business that derives more than 10% of its value from nuclear power production;
- in any business that derives more than 10% of its value from handling or burning coal;
- in positions from recognised exclusion lists (e.g. European Union, Office of Foreign Assets Control (OFAC), Staatssekretariat für Wirtschaft (SECO) sanction lists);
- in companies involved in the production of controversial and prohibited war material and weapons such as antipersonnel landmines, cluster munitions and chemical, biological, and nuclear weapons.

More restrictive sectorial exclusions might apply to specific Infrastructure funds according to their fund documentation. The stricter restrictions will prevail.

3.3.3 Sustainability safeguards

Real Estate

For the "sustainability safeguards" layer, certain standards have been defined to address minimum safeguards with our suppliers. For ESG products and sustainable impact products with a sustainable investment share, the requirement levels increase. The "sustainability safeguards" layer for both ESG products and sustainable impact products includes principal adverse impact thresholds on portfolio level, with higher requirement level for sustainable impact products.

Infrastructure Equity

For the "sustainability safeguards" layer, across ESG products and sustainable impact products a mandatory ESG assessment is conducted for all investments. Furthermore, the "sustainability safeguards" layer includes considering the principal adverse impact on portfolio level.

3.3.4 Significant approach

Real Estate

Given the important role real estate plays in mitigating climate change, as well as with regards to other environmental and social aspects, we have integrated ESG aspects on both, the strategic and operational levels of our real estate activities. To ensure an effective implementation of strategic concepts into the day-to-day operations at Swiss Life Asset Managers, a proprietary framework was developed for responsible property investment. It specifies how our strategic objectives and priorities are implemented across the investment cycle of direct real estate management activities: from the investment level (via ESG due diligence), across the development level (via sustainable construction guidelines), to the operational level (via consumption and tenant satisfaction monitoring and a variety of ESG-optimising operational standards and initiatives).

In addition to the criteria described above ("Active stewardship", "exclusions" and "sustainability safeguards"), ESG and sustainable impact products have to follow a "significant approach". The "significant approach" layer for both ESG products and sustainable impact products includes clear, measurable objectives to promote the ESG performance of a fund by monitoring and reporting of respective ESG key performance indicators and their corresponding targets. Furthermore, both product types are to meet minimum data availability of said key performance indicators. All objectives and targets are defined on a fund level and can be found in the fund documentation. For sustainable impact products, the "significant approach" layer further requires a clear sustainable investment objective, defined as solely investing in real estate that have a positive environmental and/or societal impact. (While sustainable impact products are required to only have sustainable investments, an ESG product can also have a share of sustainable investment, however it is a not a requirement.)

Infrastructure Equity

ESG is a firm part of our Infrastructure investment process, in both the due diligence stage and the ongoing asset management. Alongside health and safety issues, we see climate-related risks and opportunities as the predominant sustainability aspects for Infrastructure investments. Covering both policy and process implementation and a focus on company engagement, we have established an internal responsible investment manual for our Infrastructure operations at Swiss Life Asset Managers. The investment manual encompasses criteria from all three dimensions of ESG: environmental criteria such as resource consumption and waste management, social criteria such as employment and work environment and governance criteria such as management systems and financial reporting.

In addition to the criteria described above ("Active stewardship", "exclusions" and "sustainability safeguards"), ESG and sustainable impact products have to follow a "significant approach". The "significant approach" layer for both ESG products and sustainable impact products includes a monitoring of ESG key performance indicators. For sustainable impact products, the "significant approach" layer further requires a clear sustainable investment objective, defined as solely investing in Infrastructure assets that have a positive environmental and/or societal impact. (While sustainable impact products are required to only have sustainable investments, an ESG product can also have a share of sustainable investment, however it is a not a requirement.)

4. Principal Adverse Impact

Swiss Life Asset Managers considers the principal adverse impacts (PAI) on sustainability factors and take action to mitigate them with our investment decisions at the entity and, when mentioned, at product level. Swiss Life Asset Managers considers PAI for most of its ESG and Sustainable impact products, enabling us to efficiently manage portfolios in line with our product and entity-level objectives. The PAI capture the inside-out impact of our investment decisions on society and/or environment. PAI covers several specific sustainability factors, including inter alia climate change, human rights, and labor standards. The Regulatory Technical Standards (RTS) of the Sustainable Finance Disclosure Regulation (SFDR)[5] provides a set of mandatory and optional indicators for all asset classes at entity-level, but we also consider at product level the indicators which are relevant according to the asset class of the product, when the products are considering PAIs.

Securities: Corporate issuers

For Swiss Life Asset Managers' funds that consider PAI on sustainability factors, the aim is to limit exposure to companies that have severe negative impact according to the chosen PAI indicators meaning the mandatory PAI at entity-level for companies. If not stated otherwise, all PAI indicators for companies (which constitute the

[5] Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector, the so-called "Sustainable Finance Disclosure Regulation" and its Regulatory Technical Standards, i.e. the Commission Delegated Regulation of 6 April 2022 supplementing the SFDR with regard to regulatory technical standards specifying the details of the content and presentation of the information in relation to the principle of 'do no significant harm', specifying the content, methodologies and presentation of information in relation to sustainability indicators and adverse sustainability impacts, and the content and presentation of the information in relation to the promotion of environmental or social characteristics and sustainable investment objectives in pre-contractual documents, on websites and in periodic reports.

mandatory PAIs at entity level, as defined in Table 1 of Annex I of the RTS of the SFDR (Commission Delegated Regulation (EU) 2022/1288) are considered.

To this end, each company is assessed on each of the relevant mandatory PAI indicators for which data is available. For each indicator, penalties are assigned to companies having a severe impact. For each company, the penalties received on any PAI indicator are summed up to constitute the company-level PAI score. The PAI score summarises the severity of the company's principal adverse sustainability impacts across all considered PAI indicators. A higher PAI score indicates a more severe principal adverse impact.

The 5% of companies receiving the highest PAI score among all assessed companies (universe of more than 10'000 companies) receive a PAI red flag; the next 10% receive a PAI orange flag. Such companies are considered to have the most severe principal adverse sustainability impact. A portfolio-level PAI score is computed as the weighted average company-level PAI score on the subset of red or orange PAI-flagged positions. The higher the PAI score of a portfolio the severe the principal adverse impact. Swiss Life Asset Managers' Corporate Bonds and Equity ESG Funds have to consider PAI on sustainability factors, and hence are required to:

- either have a lower portfolio-level PAI score on their portfolio holdings than on their benchmark. In case the benchmark already contains no red or orange PAI-flagged positions – and thus have a null benchmark-level PAI score – the portfolio's PAI score needs to be null, too.
- or, prevent from investing in any issuer with a PAI red flag and have to exclude from the portfolio any issuer that was subsequently downgraded to a PAI red flag.

Swiss Life Asset Managers' Corporate bonds and Equity Sustainable Impact Funds have to consider PAI on sustainability factors, and hence are required to:

- prevent from investing in any issuer with a PAI red flag and have to exclude from the portfolio any issuer that was subsequently downgraded to a PAI red flag.

Securities: Sovereign issuers

Swiss Life Asset Managers mitigates PAI indicators for investments in sovereign issuers by restricting investments into countries that fail on pre-defined environmental and social criteria corresponding to the mandatory PAI indicators as defined in Table 1 of Annex I of the RTS of the SFDR.

Real Estate

Swiss Life Asset Managers further considers and assesses PAI indicators for real estate assets through an ESG Due Diligence for new investments and regular PAI monitoring throughout standing investment portfolios. As mentioned above in the "sustainability safeguards" layer, both ESG products and sustainable impact products include principal adverse impact thresholds on portfolio level, with higher requirement level for sustainable impact products.

Infrastructure Equity

Swiss Life Asset Managers measures PAI indicators for Infrastructure Equity products in the pre-transaction ESG assessment within the due diligence process. Infrastructure Equity monitors PAI indicators across its portfolio companies as part of the regular post-transaction risk monitoring activities. Infrastructure Debt also monitors, subject to data availability (best-effort), the PAI indicators across portfolio companies.

5. Sustainability Risk Mitigation

Sustainability risks may affect the assets of the financial products managed by Swiss Life Asset Managers and thus negatively impact their financial performance as well as the reputation of Swiss Life Asset Managers. We have identified a spectrum of impacts that may be induced through ESG risks:

- Standalone impact: reduction of value and inability to meet growth or return targets;
- Negative impact on other risks, e.g. asset liquidity risk or reputational risk

Consequently, we embrace a broad set of ESG criteria throughout the investment process. The use of dedicated ESG indicators helps us monitor significant social, environmental, and governance aspects of individual issuers or real assets. As part of our holistic risk management approach, ESG factors are integrated in our risk control processes within our asset management. The reporting of ESG assessments is a standing agenda item in our risk governance bodies. To address the variety of sustainability risks, our ESG approach accommodates the needs of the respective asset classes. In the Securities area, we integrate ESG data into investment analysis to identify ESG risks. For real estate assets, we proactively seek effective sustainability measures and implement them across the real estate life cycle. In Infrastructure, we apply a predefined ESG framework to assess direct and indirect investments.

6. Governance

The Executive Board of Swiss Life, chaired by the Group Chief Executive Officer, continuously develops the Swiss Life's sustainability strategy in cooperation with a team of specialists from all divisions. The Board of Directors – the supreme authority for strategic issues – is kept regularly informed about measures and progress in the area of sustainability. As part of the Executive Board, the Group Chief Investment Officer is responsible for ensuring sustainable investment management.

ESG Board

Our responsible investment approach is based on the goal of implementing sustainability in all core processes across all business units and functions. To streamline the implementation and to create internal synergies, the Swiss Life Asset Managers' ESG Board (ESG Board) has been established. The ESG Board comprises ESG specialists from all business units, dedicated ESG managers as well as representatives from core functions and technical experts. It drafts and reviews the responsible investment strategy and approaches, guides the implementation, and encourages teams across departments to exchange insights on sustainability topics. Chair ed by the Head ESG, who reports directly to the Group Chief Investment Officer, the board acts as an advisor to the Swiss Life Asset Managers Executive Committee and other management committees. Additionally, all members of the ESG Board and the Executive Committee have ESG targets integrated in their individual objectives to foster commitment towards ESG topics.

ESG committees

Members of the ESG Board also chair the corresponding business unit specific ESG committees, which meet monthly to deal with operational implementation and bottom-up idea generation. During the committee meetings, our experts take decisions around ESG aspects into the investment, active stewardship or risk management approach. They also decide how to deal with investments that other committees and processes have raised as controversial.

Dedicated divisional ESG team

A dedicated divisional ESG team is responsible for steering and implementing cross-departmental ESG initiatives and supports ESG consideration in daily business activities. It implements the ESG strategy as outlined by the ESG Board and initiates bottom-up ESG projects. While doing so, the team provides specialist knowledge across the organisation and promotes the consideration of ESG aspects in the different departments.

ESG ambassadors

We want to achieve a cultural change in the day-to-day processes of all our teams, from portfolio and asset managers, to risk management, marketing, sales and human resources. By encouraging and supporting our teams to ramp up ESG expertise in all areas of our business, we aim to bridge the gap between business knowledge and ESG expertise. To initiate this, we included a minimal 5% ESG fraction to the individual annual target of employees. We also launched an ESG ambassadorship program. The program encourages employees from various business areas to take part in trainings and networking sessions related to ESG topics. These ESG ambassadors then subsequently pass the obtained knowledge on to their colleagues. This cascading principle aims to ensure knowledge sharing throughout the organisation, as well as to foster innovation in all departments. Moreover, targeted events throughout the year help build a strong ESG community that fosters ESG as part of our culture.

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7. Appendix

Appendix 1: Other ESG-related disclosures

This policy is related to the following additional publications from Swiss Life Asset Managers:

- Responsible investment Report 2022
- SFDR related disclosures
- Approach for the assessment of good governance practices
- TCFD Report 2022
- Voting policies
- Engagement policies
- Active Stewardship Report for Securities
- Proxy Voting Dashboard (VDS)