



SwissLife

Sustainability categories of financial and pension products at Swiss Life

Responsible investment at Swiss Life means integrating environmental, social and governance (ESG) criteria into the investment process. While this understanding of all financial and pension products serves as a foundation, ESG characteristics vary from product to product. Swiss Life applies different ESG categories (also called sustainability categories) so our customers and other relevant stakeholders know to what extent a certain product takes sustainability into account.

Sustainability categories at Swiss Life

The degree of sustainability of a product depends mainly on the way in which the product's investment components are managed. If a product uses several investment components, the share of sustainable

investment components determines the sustainability category of this product. Swiss Life subdivides its product shelf into four categories: Non-ESG, ESG Basic, ESG Strategy and Impact.

Swiss Life product categories

Non-ESG

no specific consideration of sustainability factors

ESG Basic

integrate ESG in investment processes.

ESG Strategy

pursue concrete and measurable ESG targets.

Impact

generate a measurable positive impact in the real world.

The four sustainability categories distinguish the products according to ESG objective and strategy, ESG reporting and ESG integration. To be able to allocate the products' different characteristics to a category, Swiss Life has established an internal set of rules for each asset class. These rules define the characteristics required for a financial product to be classified as Non-ESG, ESG Basic, ESG Strategy or Impact.

The rules in a nutshell

While non-ESG products do not consider any ESG aspects, ESG Basic products integrate ESG criteria in risk management and the investment process.

Beyond this fundamental ESG integration, ESG Strategy products include extra-financial consideration in the portfolio construction by setting and monitoring significant ESG objectives with the intention of promoting ESG characteristics and mitigating sustainability risk. Finally, only Impact products have ambitious and measurable real-world impact (sustainable investment) objectives beyond the fundamental ESG integration and alongside the financial objectives of the portfolio with the intention to contribute positively to the common good.

Criteria for assignment of financial products to sustainability categories (as at 1 January 2022)

All asset classes	Non-ESG	ESG Basic	ESG Strategy	Impact
Objective and strategy of the product				
<i>The product aims to generate a return</i>	●	●	●	●
<i>The product aims to meet ESG goals in addition to the return</i>	○	○	●	●
<i>The product aims to generate real-world impact</i>	×	×	○	●
ESG approach				
<i>Sustainability exclusion policy (only for security and infrastructure investments)</i>	○	●	●	●
<i>Absolute or relative significant objectives to promote the ESG quality of the portfolio</i>	○	○	●	●
<i>Ambitious and measurable sustainable objectives</i>	×	×	○	●
<i>Minimum ESG data coverage objective</i>	○	○	●	●
<i>ESG aspects are included in the due diligence of assets and/or asset managers</i>	○	●	●	●
Sustainability reporting				
<i>Dedicated reporting on ESG objective achievement</i>	○	○	●	●
<i>Specific reporting on real-world impact</i>	×	×	○	●

× = not allowed, ○ = allowed, ● = obligatory

Additional information

- How does Swiss Life specifically integrate sustainability aspects into its investment decisions?
- How has Swiss Life anchored the topic of sustainability in its organisational structures?
- What investment-specific case studies can be found in the Responsible Investment Report?

You can find this and other interesting information on the topic of sustainability in the investment process at Swiss Life on the link below:



www.swisslife-am.com/responsible-investment

