

Disclosure pursuant to Article 10 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector

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Product name: Swiss Life REF ESG Nordic 2022 AS (“The Fund”)

LEI: 529900GLQUUH01BGAL66

Managed by Swiss Life Asset Managers Funds AS (the **Manager**).

A. Summary

The Fund promotes environmental characteristics but does not have sustainable investments as its objective. The Fund strategy focuses on investments within the real estate sectors of logistics, office, warehouse, light industry and retail (including mixed use).

One of the Manager’s overall goals is to increase ESG performance and the Manager has set tangible sustainability targets in the life span of the fund on environmental aspects and governance aspects.

Through the due diligence process, the Manager will identify whether a potential investment is aligned with the environmental characteristics of the Fund. The Manager has built an internal due diligence process applied for all investments which incorporates ESG-factors. The internal due diligence performed by the Manager seeks to identify ESG-related opportunities for the property and the underlying business case. The results from the ESG due diligence are implemented in post-investment business plans by, inter alia, identifying areas of improvement potential.

As defined by the ESG-policy of the Manager, the Fund will not invest in companies that are involved in serious and/or systematic violations of widely accepted international norms of responsible corporate behaviour as regards human rights, working conditions, the environment, corruption, and financial crime. In addition, the Manager will not invest in companies that are directly related to the following industries: gambling, illegal and nuclear weapons, and adult entertainment.

Good governance practices in investee companies, with regards to sound management structures, employee relations, remuneration of staff and tax compliance, is assessed prior to making an investment in the internal due diligence process.

The environmental characteristics of the Fund, and the sustainability indicators used to measure attainment of those characteristics, are monitored throughout the lifecycle of the Fund by collecting information and data directly from investee companies. The Manager will process the data internally and engage with investee companies in order to identify and implement improvement measures. The Manager is utilizing additional tools such as checklists and information sharing opportunities, to further support the investment professionals in their identification and management of ESG factors within real estate investments.

The Fund is expected to only make investments that are aligned with the environmental characteristics of the Fund.

B. No sustainable investment objective

This financial product promotes environmental characteristics but does not have as its objective sustainable investment.

C. Environmental or social characteristics of the financial product

The Fund promotes the following environmental characteristics:

- Optimize energy consumption by implementing energy efficiency measures
- Reduce water use, waste diverted to landfill and GHG emissions

The Fund also promotes the following governance-related characteristics:

- Maintaining or increasing the value of the real estate portfolio through ESG-related optimizations during the acquisition and entire holding phase of the assets
- Ensure high transparency of sustainability approach through internal documentation and external reporting
- Exclude controversial tenants

The following sustainability indicators are used to measure the attainment of the environmental characteristics, based on GRESB indicators.

- (i) Reduce energy use (5 %)
- (ii) Reduce water use (5 %)
- (iii) Reduce waste diverted to landfill (5 %)
- (iv) Reduce GHG emissions (5 %)

In addition, the Fund will use the following indicators to measure attainment of the Fund's governance-related characteristics:

- (v) Zero fraud
- (vi) Zero bribery
- (vii) Zero corruption

The Manager will continuously assess and consider adding other sustainability indicators that are suitable for measuring the attainment of the environmental and social characteristics of the Fund.

D. Investment strategy

The Fund has a strategy where the Manager's investment approach is to seek to build a diversified portfolio with downside protection based on long-term investments with semi-annual distributions providing attractive risk-adjusted investor returns.

The Fund strategy focuses on investments within the real estate sectors of logistics, office, warehouse, light industry and retail (including mixed use).

The binding elements of the investment strategy used to select investments to attain the environmental characteristics of the Fund's investments include the following:

- (i) Follow improvement targets set for energy, water and waste/recycling
- (ii) Encourage tenants to reduce the environmental impact of transports to and from the properties.
- (iii) Minimize the waste in all areas.
- (iv) Limit use of environmentally hazardous substances and non-renewable materials and resources

The Manager achieves this by:

- (i) Continuously monitor and identify potential improvements of the Manager's environmental targets and measures implemented to achieve those targets.
- (ii) Collaborate actively with customers and tenants with the purpose of achieving decreased environmental impact related to the operations of the Manager, tenant and customer
- (iii) Encourage suppliers to meet the Manager's demands when purchasing goods and services.
- (iv) Adhere to applicable laws and regulations in the ESG field.

This constitutes the binding elements of the investment strategy of the Fund in terms of attainment of the environmental characteristics of the Fund.

The binding elements of the investment strategy of the Fund is implemented in the investment process on a continuous basis. The Manager has an analysis-driven approach towards investment, which includes analysis of ESG factors. The Manager will seek to identify ESG-related goals and targets within the Fund strategy and measure performance against these targets. Through the analysis, the Manager contemplates ESG factors and their potential impact on the value and investment performance of the potential investment.

The main adverse impacts on environmental sustainability factors are taken into account. Specifically, the Fund focuses on the following indicators:

- Exposure to fossil fuels through real estate assets

- Exposure to energy-inefficient¹ real estate assets
- Energy intensity of assets
- Total greenhouse gas (GHG) emissions in CO₂eq of real estate assets (sub divided in scope 1,2 and 3 GHG emissions)

Good governance practices in investee companies, with regards to sound management structures, employee relations, remuneration of staff and tax compliance, is assessed prior to making an investment decision as applicable and relevant to each investment opportunity. Evaluation of governance practices are embedded in the internal due diligence.

All potential investments must comply with the Manager's Code of Conduct. This includes issues related to:

- (a) Child labour
- (b) Forced or compulsory labour
- (c) Bribery and corruption
- (d) Diversity and equal opportunity
- (e) Shareholder- and worker rights

Following an investment, the Manager will be represented on the Board of Directors in all portfolio companies, and its subsidiaries, if relevant.

E. Proportion of investments

The Fund is expected to only make investments that are aligned with the environmental characteristics of the Fund described in section C above. No reference benchmark has been designated for the purpose of attaining the environmental characteristics promoted by the Fund.

¹ Whether assets are energyinefficient assets shall be assessed by, inter alia, determining whether the asset complies with the requirements for nearly zero-energy buildings as set out in the EU directive on energy performance of buildings (directive 2010/31/EU). The energy performance of buildings directive is not implemented into Norwegian law, and as of the date of this disclosure, there is no definition of nearly zero-energy buildings applicable to assets in Norway. Until the energy performance of buildings directive is implemented into Norwegian law, the Manager is not able to determine whether assets in Norway are energy-inefficient by using the definition of nearly zero-energy buildings as threshold. The Manager has determined to consider assets in Norway which have an energy performance certificate of A or B as energy efficient assets. When a definition of nearly zero-energy buildings is adopted and applicable to assets in Norway, the Manager will apply this definition to assess which assets in Norway that are energy-inefficient

#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.



Based on the Fund's investment strategy the binding alignment with E/S characteristics is 100 %.

F. Monitoring of environmental characteristics

The environmental characteristics of the Fund, and the sustainability indicators used to measure attainment of those characteristics, are monitored throughout the lifecycle of the Fund by collecting information and data directly from investee companies. The Manager will seek appropriate disclosures on ESG and sustainability related issues by the entities the Fund invests in.

The Manager has a monitoring system in place to assess the effect of measures that are applied in order to improve environmental performance during the ownership period. The monitoring system, Varig, measures energy, heating, water, and waste for the investee companies, in addition to calculating the GHG-emissions. This enables the Manager to actively monitor, analyse and compare each investee company. Most data are automatically reported daily, but some manual data will be reported annually, split on a monthly basis. This makes it possible to see trends and outliers, making it a tool for the Manager to introduce a dialogue with the tenant to improve efficiency.

Internal control mechanisms include the Manager's governance framework, which stipulate that the Investment Committee and the internal compliance function will oversee the Manager's compliance with its internal guidelines and the mandate of the Fund. The Manager has established an internal due diligence process applied for all investments which incorporates ESG-factors, including how monitoring is planned to be integrated. This document is presented to the Investment Committee of the Manager and must be accepted before it is signed by both the Fund Manager and the Compliance Officer.

G. Methodologies

The Manager's methodology to measure the attainment of the environmental characteristics of the Fund is to collect information and data directly from investee companies on the sustainability indicators. The Manager will process the data internally and engage with investee companies in order to identify and implement improvement measures. The Manager is utilizing additional tools such as checklists and information sharing opportunities, to further support the investment professionals in their identification and management of ESG factors within real estate investments.

H. Data sources and processing

Data sources used to attain the environmental characteristics of the Fund are direct information collected from investee companies as well as the Manager's monitoring system. To ensure data quality, the Manager will assess the data received, and engage with the investee companies to identify potential errors. The data is processed internally by the Manager's team. Most data, such as energy- and heating-data, is automatically synced from the energy-provider, limiting the sources of error. The Manager may need to rely on estimations under specific circumstances where data is not readily available.

I. Limitations to methodologies and data

Any limitations to methodologies and data sources are expected to mainly be due to lack of precise data from investee companies. The Manager does not expect such limitations to impact the attainment of the environmental characteristics of the Fund. The Manager will continuously work with investee companies to enhance and improve data sources and will seek to implement automatic monitoring systems where this is possible.

J. Due diligence

Through the due diligence process, the Manager will identify whether a potential investment is aligned with the environmental characteristics of the Fund.

As defined by the ESG-policy of the Manager, the Fund will not invest in companies that are involved in serious and/or systematic violations of widely accepted international norms of responsible corporate behaviour as regards human rights, working conditions, the environment, corruption, and financial crime. In addition, the Manager will not invest in companies that are directly related to the following industries: gambling, illegal and nuclear weapons, and adult entertainment.

Through the due diligence process, the Manager seeks to identify any environmental, social or governance concerns related to a potential investment. The Manager has an analysis-driven approach towards investment, which includes analysis of ESG factors.

The Manager has built an internal due diligence process applied for all investments which incorporates ESG-factors. This document is presented to the Investment Committee of the Manager and must be accepted before it is signed by both the Fund Manager and the Compliance Officer.

The internal due diligence performed by the Manager seeks to identify ESG-related opportunities for the property and the underlying business case. The results from the ESG due diligence are implemented in post-investment business plans by, inter alia, identifying areas of improvement potential. Tools, such as checklists, are used to support the investment professionals in identifying

ESG factors related to a potential investment. The checklists include both exclusion criteria, in line with the ESG-policy of SLAM NO, and desktop evaluations of the potential investments in terms of efficiency (energy, water and waste), potential renewable energy sources and Green Building certifications.

In addition, for all potential investments a Technical Due Diligence and an Environmental Due Diligence will be performed by third party advisors. The due diligence processes include qualitative and quantitative assessments, covering both the technical aspect of the project and the efficiency of the building. A KYC and AML-check will be performed on the selling company by the compliance function of SLAM NO.

K. Engagement policies

Following an investment decision, the Manager will actively engage with the investee company to work towards the predefined sustainability targets as set out in section C above. This may include identifying mitigating measures, such as implementing energy saving measures, reduce water usage and optimize waste management.

L. Designated reference benchmark

For this Fund there is no designated reference benchmark.

Additional documentation and information: The periodic reporting of the Fund as well as its PPM (including the SFDR precontractual annex) are available from the Manager. This information is sent on the shareholder's written request by email to info@swisslife-am.no. These contact details can also be used to request further information if necessary.

Disclaimer: This is a regulatory document to meet the requirements of the Article 10 of the Sustainable Finance Disclosure Regulation (REGULATION (EU) 2019/2088 - SFDR) of the EU and not a marketing document. This document was produced with the greatest of care and to the best knowledge and belief. The information provided in this document reflects the actual information on the fund. The information contained herein is exclusively intended for SFDR disclosure purposes, and should not be considered as an investment advice, investment recommendation, or a solicitation to buy or sell investment funds. Prior to any subscription, investors should obtain and carefully read the detailed information on the investment fund contained in all the regulatory documentation for each fund (in particular sales prospectus/information document, fund contract or articles of association and the investment regulations, periodic reports, key information document), which serve together with this document as the sole applicable legal basis for the purchase of fund units. More information is available at www.swisslife-am.com. Source: Swiss Life Asset Managers / ©2022. All rights reserved. Customer Service: info@swisslife-am.no